

Annual Report 2010/11

Greater Wellington Regional Council

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Auditors

Audit New Zealand on behalf of the Auditor-General

Bankers

National Bank of New Zealand

Treasury advisers

Asia Pacific Risk Management

Solicitors

Bell Gully

Chapman Tripp

DLA Phillips Fox

Luke Cunningham & Clere

McBride Davenport James

Oakley Moran

Simpson Grierson

Chair's report

A handwritten signature in black ink, appearing to read 'Fran Wilde', with a stylized, cursive script.

Fran Wilde

Chief Executive's report

This Annual Report sets out the results of the 2010/11 year and shows that we continue to make progress across all areas of work and deliver significant value on behalf of the region's community.

The environment in which we operate continues to be difficult as businesses and communities struggle with a sluggish economy. By planning well and taking a baseline look at our services, we managed to maintain our work programme within an overall rates increase of just 2.23%. While we have maintained our 10-year plan to push ahead with several longer term projects, keeping our increases over the coming years to about this level will be challenging, particularly as our payments for the new Matangi trains cut in. It is worth noting that rates income accounts for just under a quarter of our income, with Government subsidies, water levy and other revenue making up the majority of our revenue.

Public transport was again a major focus of our business this year. While there is still a way to go, it's pleasing to see that the significant public investment in recent years is starting to pay dividends with some key milestones reached over the year, including:

- commencing into service 18 of the 96 new Matangi trains and completing the upgrade to the Thorndon Rail Depot
- completing a significant component of the rail network upgrade, including double tracking work from McKay's Crossing to Waikanae, a new station at Waikanae and commencing new passenger services to Waikanae
- installing and launching the new Real Time Information system for Go Wellington bus services, including live departure information on the Metlink website.

As I write this, there is more good news on the rail front, thanks to a new rail package recently agreed with the Government that demonstrates the Council's and Government's continued commitment to a high quality, reliable rail service for Wellington. The package passes over ownership of the 88-car Ganz Mavag fleet, EMU Maintenance Depot and station buildings (except for Wellington Station) to Greater Wellington. It also provides for the refurbishment of the Ganz Mavag fleet and ongoing station maintenance and improvements. The future of rail is looking significantly better as a result of this package and the associated funding arrangements.

Continuing with a sustainable transport theme, our efforts in establishing the "Lets Carpool" programme received the New Zealand Local Authority Traffic Institute's Leadership Award for outstanding performance and contribution towards sustainability in transport. The ongoing success of the programme has led to interest from other cities and regions in New Zealand as an example of best practice.

Flood protection continues to be a region-wide priority. In line with year 11 of our 40 year programme, good progress was made on scheme improvements in the Hutt Valley, the Waiohine River and stopbanks protecting Greytown, and the Ruamahanga River in the Wairarapa. Completing the design for the Boulcott-Hutt Stopbank on the Hutt River and appointing a contractor to undertake construction was a major milestone and means we are now beginning work to improve the resilience of this part of the Hutt Valley.

Another highlight was the opening of the new shipping Signal Station at Beacon Hill in March 2011. The new station, which provides the eyes and ears on shipping movements in and out of Wellington Harbour, includes the latest technology and demonstrates our commitment to improving safety and resilience in our harbour.

One of our unsung 'business as usual' functions is the collection, treatment and delivery of high quality drinking water to the four cities of metropolitan Wellington. This 24/7 essential operation continues to perform at an extremely high level. I would maintain the Group's performance would exceed most comparable utilities. Our assets are well maintained, we deliver the best quality water in New Zealand, and the price charged per litre has only increased twice (and also reduced twice) in the last fifteen years. The actual price today is still below that charged in 1996. I urge you to read our separately produced *Water Supply Annual Report 2011*, available in hard copy or on our Website.

We have continued to make good progress on other "business-as-usual" commitments, including land management, pest management, environmental monitoring, parks management and resource management planning. Developing and delivering on these commitments requires on-going and effective collaboration with the community and our key partners. Our engagement with the

community in developing a new Regional Plan is just one example of our commitment to collaborative and inclusive planning processes.

The earthquake events in Canterbury in September 2010 and February 2011 have certainly focused our minds on emergency management matters. Greater Wellington assisted with the response effort by providing operational support to the National Crisis Management Centre and deploying staff and resources to Canterbury. Learning from this experience, councils in the Wellington region recently agreed to move to a more regionalised approach to civil defence and emergency management, which will improve our ability to respond in an integrated and coordinated way.

In conclusion, my personal thanks for the dedication and professional contribution made by our staff. As you read this report you will appreciate the wide diversity of roles our people undertake. While the roles vary greatly the excellence and high standard of the delivery of our services by staff continues across the board.



David Benham

Executive Leadership Team

Chief Financial Officer
Bruce Simpson

**General Manager,
Environment Management**
Nigel Corry

**General Manager,
Public Transport**
Dr Wayne Hastie

**General Manager,
Utilities and Services**
Murray Kennedy

**General Manager,
Strategy and Community Engagement**
Jane Davis

**General Manager,
Catchment Management**
Wayne O'Donnell

**General Manager,
People and Capability**
Leigh-Anne Buxton

Rick Witana
Pou Whakarae (Manager Māori Relations)

Community outcomes

Community outcomes for the Wellington region

Healthy environment

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

Quality lifestyle

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

Sense of place

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

Prosperous community

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

Prepared community

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

Connected community

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

Entrepreneurial and innovative region

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

Essential services

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

Healthy community

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

Strong and tolerant community

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

Key achievements for 2010/11

- Worked with Te Upoko Taiao (Natural Resource Plan Committee) and the community on developing the new Regional Plan
- Established a governance group to progress the feasibility stage of the Wairarapa Water Use Project – an initiative to harvest and use water for a variety of economic and community purposes
- Put 9 of the 48 new two-car Matangi trains into operation
- Commenced rail services to Waikanae
- Launched Real Time Information – a service that informs passengers exactly when their bus will arrive through GPS tracking, rather than when it is scheduled to arrive
- Funded more than 1.1 million rail and bus services
- Won the New Zealand Local Authority Traffic Institute's Leadership Award for outstanding performance and contribution towards sustainability in transport for our "Lets Carpool" programme
- Supplied 52,777 million litres of water to the region's four city councils
- Continued earthquake strengthening work on the Stuart Macaskill water storage lakes in Te Marua
- Opened the Baring Head extension to East Harbour Regional Park to the public
- Commenced the day-to-day operations of Whitireia Park in Titahi Bay and worked with a new Park Board made up of Ngāti Toa Rangitira and Greater Wellington representatives
- Adopted the new Parks Network Plan – the first consolidated plan to manage all our regional parks
- Provided a response to the Canterbury earthquakes
- Prepared for the construction of the Boulcott-Hutt Stopbank
- Opened the new Beacon Hill Signal Station – Wellington Harbour's navigation service
- Started the Regional Possum Predator Control Programme to controlling possums in 19,200ha in the northern Wairarapa
- Adopted the Greater Wellington Biodiversity Strategy to guide Greater Wellington's biodiversity activities
- Worked with landowners to place 73% of the region's erosion-prone land under farm or sustainability plans
- Insulated 1,151 homes through the Warm Greater Wellington programme
- Reviewed the Wellington Regional Strategy – the region's sustainable economic growth strategy. The Wellington Regional Strategy Committee (a Greater Wellington-hosted committee with membership including the region's Mayors and non-local government sector leaders) subsequently agreed to continue promoting economic development at a regional scale
- Conducted Council elections
- Sought community feedback, with the region's mayors, on a review of local government arrangements in the region

Working with iwi

Assisting the region's iwi to contribute to decision making

Ara Tahī

Ara Tahī is Greater Wellington's inter-iwi advisory group made up of representatives of the seven mana whenua iwi (Greater Wellington's iwi partners) groups in the Wellington region and the Council's Chair and Deputy Chair, and Greater Wellington's Chief Executive.

Ara Tahī was established in 1993 and has evolved with more focus on strategic matters of concern between the leadership of all parties (mana whenua and Greater Wellington). This evolution requires a more targeted focus on strategic matters so that Ara Tahī remains a more proactive and meaningful forum.

It is anticipated that Ara Tahī will progress the development of a Memorandum of Partnership to replace the current Charter of Understanding, and this represents a definitive progression in the relationship to one of real partnership. Details on the processes and procedures are currently being developed and will be ongoing over the next period.

There appears genuine excitement with the leadership and direction that Ara Tahī hopes to achieve for mana whenua and Greater Wellington.

Iwi representation on committees

All Council committees continue to include a mana whenua representative and Ara Tahī will reconfirm those appointments for the coming term.

Iwi projects

Iwi project funding was provided to Kahungunu ki Wairarapa to assist with the Wairarapa Moana exhibition at the Ara Toi Museum in Masterton. Discussions continue for an iwi project that considers kaitiakitanga for Ngāti Toa Rangatira on the Porirua Harbour.

Te Upoko Taiao

The Te Upoko Taiao Committee includes Council and mana whenua representatives and provides mana whenua a role in the decision making process for Greater Wellington's natural resource plans. It remains a revolutionary scheme in determining how mana whenua and Greater Wellington can work more effectively together to achieve a more equitable relationship and integrated outcome.

Rugby World Cup

We continued to progress the planning around the two official welcomes and two airport welcomes for the Welsh and South African Rugby Teams competing at the Rugby World Cup 2011.

**Financial overview
for the year ended 30 June 2011**

Council - Summary income statement

	Council		
	2011 Actual \$000s	2011 Budget \$000s	2010 Actual \$000s
Revenue	211,875	229,258	193,779
Finance costs	(5,424)	(7,020)	(5,158)
Operating expenditure*	(178,201)	(218,392)	(158,271)
Depreciation and amortisation	(12,154)	(10,389)	(11,511)
Operating surplus	16,096	(6,543)	18,839
External funding Baring Head land purchase	-	-	1,100
Unrealised gains and (losses) on financial instruments	(4,036)	(306)	(5,389)
Forestry revaluation / cost of goods sold	6,263	1,601	4,884
Transport improvement revenue	78,286	145,939	54,985
Transport improvement expenditure *	(83,064)	(146,541)	(70,015)
Net operating surplus / (deficit) for the year before tax	13,545	(5,850)	4,404
Other comprehensive income			
Increases / (decreases) in asset revaluations	(6)	-	-
Total comprehensive income	13,539	(5,850)	4,404

Greater Wellington's net operating surplus for the 2010/11 year before unrealised gains and losses and transport improvements was \$16.096 million, compared with a budgeted deficit of \$6.543 million. Including the revenue and expenditure on the transport improvements and valuation movements the net surplus was \$13.539 million, which is \$19.389 million ahead of budget.

Significant components of this variance are:

- Greater Wellington receives grant revenue to fund various transport projects. Revenue is only received when expenditure is incurred including: Lower expenditure for purchase of Matangi EMU's of \$94.0 million due to the delays in delivery compared to budgeted timetable and the revised payment schedule reduced revenue by \$84.0 million. A net variance of \$10 million. Lower project expenditure including Real time information and trolley bus infrastructure renewals of \$5.2 million reduced grant revenue by \$2.86 million.
- Interest income and dividend income were \$2 million more than budget reflecting lower interest rates in the subsidiaries and better returns on term deposits
- Finance costs were lower than budget due to lower level of capital expenditure compared to budget.
- Greater Wellington's forestry investments are valued each year. higher market prices at year end resulted in a significant increase in the forestry valuation at year end. The budget variance arises from the difference in valuation expectations at the time of the budget and year end.

* Comparatives for 2010 and Budgets for 2011 have been reclassified to aid comparability

**Financial overview
for the year ended 30 June 2011**

Council - Statement of financial position

	Council		
	2010 Actual \$000s	2010 Budget \$000s	2010 Actual \$000s
Current assets	80,147	91,225	101,879
Non-current assets	756,256	725,740	697,599
Total assets	836,403	816,965	799,478
Equity	673,319	647,912	659,780
Current liabilities	116,603	59,610	44,334
Non-current liabilities	46,481	109,443	95,364
	836,403	816,965	799,478

- Some deposits and investments have moved from a short term maturity into longer term maturity investments.
- Greater Wellington's forestry investments are valued each year. Higher market prices at year end resulted in a significant increase in the forestry valuation at year end. The budget variance arises from the difference in valuation expectations at the time of the budget and year end.
- Council share of the new rail rolling stock is funded by way of share capital in GW Rail Ltd. The timing of the Matangi expenditure is different to budget noted above. This movement for the year is attributed solely to share capital called of \$13.3 million
- Delays in the Real time information \$2.6 million and flood protection projects \$3.6 million have contributed to lower level of expenditure compared to budget.
- Debt has been moved from long-term to current. Overall term debt was lower than budget due to the lower level of capital expenditure compared to budget.

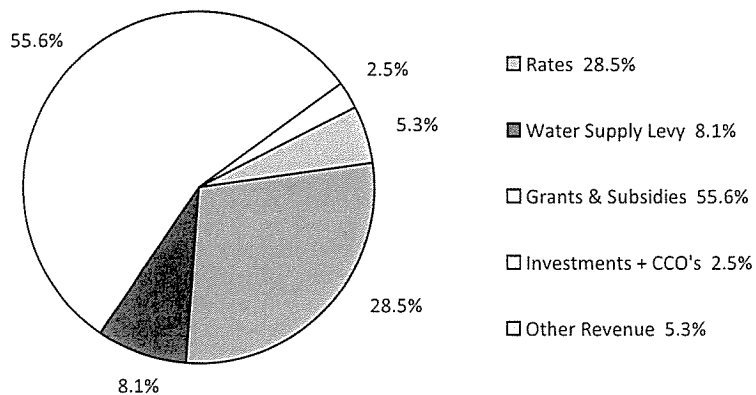
Council - Summary cashflow statement

	Council		
	2010 Actual \$000s	2010 Budget \$000s	2010 Actual \$000s
Cashflows from operating activities	37,666	4,921	17,995
Cashflows from investing activities	(41,326)	(41,570)	(17,788)
Cashflows from financing activities	6,220	38,252	18,467
Net increase (decrease) in cash, cash equivalents and bank overdraft	2,560	1,603	18,674
Opening cash equivalents	35,987	29,132	17,313
Closing cash equivalents	38,547	30,735	35,987

- Actual cashflow from operations is higher than budget due to lower expenditure on transport improvements. This is offset by lower borrowing requirements.

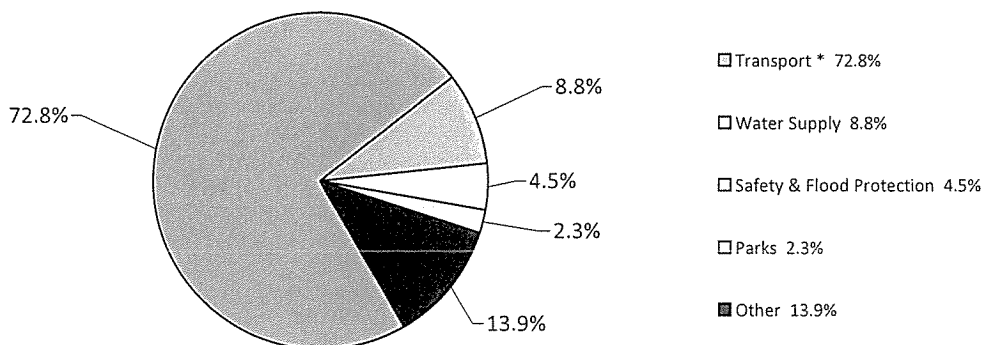
**Financial overview
for the year ended 30 June 2011**

Council Revenue



This pie chart illustrates Greater Wellington's source of revenue. Rates made up 28.5% of our revenue in 2011. Grant and subsidies, predominately from Central Government for public transport makes up the largest share.

Council Operational Expenditure

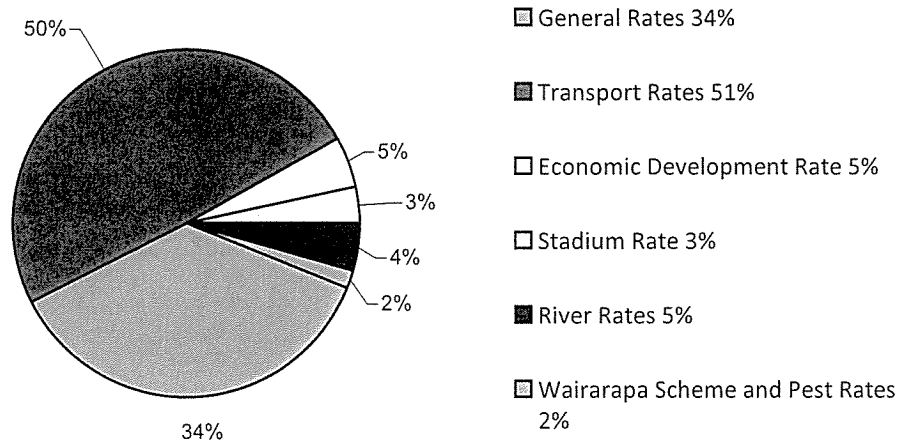


* Includes \$123m of expenditure on transport improvements

This pie chart illustrates Greater Wellington's operational expenditure by outcome. The largest portion is for public transport, which includes \$123 million being invested in the rail network improvements during 2011.

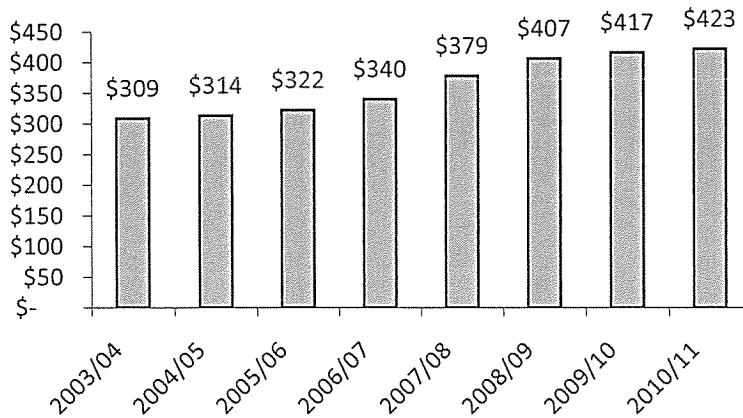
**Financial overview
for the year ended 30 June 2011**

Council Rates



- General rates charged to all ratepayers make up 34% of the total rates collected in 2010. The other rates, including the transport rate which made up 51% of rates are targeted rates which are apportioned to reflect the ratepayers that are benefiting more from the expenditure and investment that council is making.

Average rates collected per property*

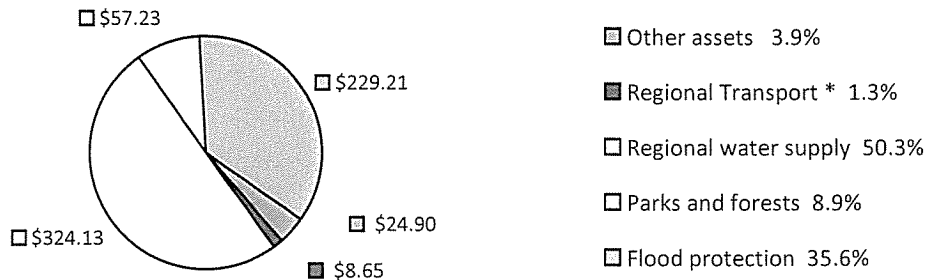


*The average is for all property types, including residential, rural and commercial properties

- Over the last eight years, rates for all properties have increased by an average of 5.2%. This increase includes the change for Greater Wellington taking on rating for economic development for the region; the current major investment in improving the rail network and the continuation of the flood protection programme.

**Financial overview
for the year ended 30 June 2011**

Council fixed assets (\$ millions)



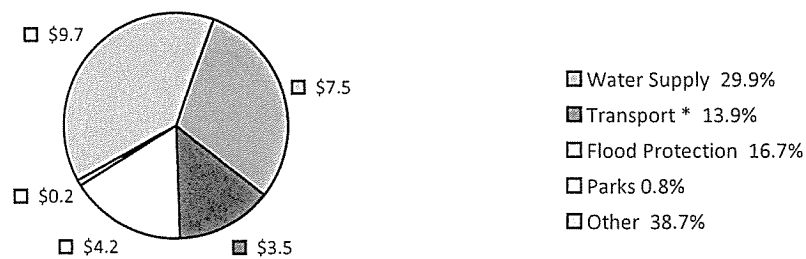
* Excludes \$143 million of rail rolling stock and \$41 million of rail station infrastructure owned by Greater Wellington Rail Ltd, a Council subsidiary.

This pie chart shows the breakdown of our assets at the year end.

Greater Wellington looks after many important community assets. Our asset base consists of regional water supply, regional parks and forests, flood protection and, increasingly, public transport. The new Matangi trains, the Ganz Mavag trains and all stations excluding Wellington station are now owned by the Greater Wellington subsidiary, Greater Wellington Rail Limited.

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

Council capital expenditure (\$ millions)



* Excludes \$123.4 million of transport improvements which are treated as operational expenditure.

This pie chart shows the breakdown of the \$25.1 million in capital expenditure for the year ended 30 June 2011. 2011 capital expenditure included the completion of Waiwhetu flood works, continued work on the Hutt River stopbanks and the start of the roll out of the real time information system on the Wellington bus network.

This expenditure excludes transport improvements of \$123.4 million (\$83.0 million 2010), which are treated as operating expenditure in the council accounts. The Matangi trains will be owned by the Greater Wellington subsidiary, Greater Wellington Rail Limited, other improvements will be owned by the Government entities, Ontrack and Kiwirail.

Financial overview group for the year ended 30 June 2011

Group - Summary income statement

	Group	
	2011	2010
	Actual	Actual
	\$000s	\$000s
Revenue	281,423	257,170
Finance costs	(19,050)	(15,498)
Operating expenditure*	(188,593)	(198,990)
Depreciation	(21,882)	(21,549)
Operating surplus	51,898	21,133
External funding Baring Head	-	1,100
Unrealised gains (losses)	(12,844)	(11,682)
Forestry net revaluation/cost of goods sold	6,263	4,884
Transport improvement revenue	78,286	54,985
Transport improvement expenditure *	(70,702)	(52,977)
Net operating surplus (deficit) for the year before tax	52,901	17,443
Tax	(21,262)	(3,196)
Net operating surplus (deficit) for the year after tax	31,639	14,247
Other comprehensive income		
Increases / (decreases) in asset revaluations	73,428	10,380
Profit for the year from discontinued operations	-	-
Total comprehensive income	105,067	24,627

Group - Statement of financial position

	Group	
	2011	2010
	Actual	Actual
	\$000s	\$000s
Current assets	87,440	106,973
Non-current assets	1,300,498	1,131,073
Total assets	1,387,938	1,238,046
Equity	955,547	851,403
Current liabilities	261,840	161,314
Non-current liabilities	170,551	225,329
	1,387,938	1,238,046

Group - Summary cashflow statement

	Group	
	2011	2010
	Actual	Actual
	\$000s	\$000s
Cashflows from operating activities	54,162	36,728
Cashflows from investing activities	(53,629)	(44,922)
Cashflows from financing activities	2,875	26,836
Net increase / (decrease) in cash, cash equivalents and bank overdraft	3,408	18,642
Opening cash equivalents	36,511	17,869
Closing cash equivalents	39,919	36,511

The Group results include CentrePort Ltd, Grow Wellington, WRC Holdings, Pringle House Ltd, Port Investments Ltd and GW Rail Ltd.

* Comparatives for 2010 and Budgets for 2011 have been reclassified to aid comparability

Financial statements for the year ended 30 June 2011

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Statement of changes in equity	xxx
Balance sheet	xxx
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Statement of accounting policies	xxx
Notes to the financial statements	xxx

1. Operating revenue
2. Employee benefits
3. Depreciation and amortisation
4. Finance costs
5. Other operating expenses
6. Unrealised gains / losses
7. Profit from discontinued operations
8. Taxation
9. Cash and cash equivalents
10. Trade and other receivables
11. Inventories
12. Other financial assets
13. Property, plant and equipment
14. Intangible assets
15. Forestry investments
16. Investment properties
17. Investment in subsidiaries
18. Derivative financial instruments
19. Trade and other payables
20. Debt
21. Employee benefit liabilities
22. Provisions
23. Reconciliation of operating surplus / deficit with cashflow from operating activities
24. Financial instruments
25. Contingencies
26. Related parties
27. Remuneration
28. Capital commitments and operating leases
29. Severance payments
30. Major variances between actual and budget
31. Events occurring after balance date

**Statement of comprehensive income
for the year ended 30 June 2011**

	Notes	Group		Council		
		2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2011 Budget \$000s	2010 Actual \$000s
Operating revenue						
Rates and levies		106,011	103,195	106,011	104,352	103,195
Grants and subsidies		161,379	123,746	161,379	252,009	123,746
Other gains		337	172	268	-	163
Other revenue		91,982	85,942	22,503	18,836	22,560
Total external operating revenue	1	359,709	313,055	290,161	375,197	249,664
Operating expenditure						
Employee benefits *	2	53,147	50,148	33,449	33,516	31,587
Grants and subsidies		44,982	68,130	62,642	65,113	73,401
Depreciation and amortisation	3	21,882	21,549	12,154	11,660	11,511
Finance costs	4	19,050	15,498	5,424	7,020	5,158
Other operating expenses *	5	68,001	64,113	43,699	43,502	41,360
Total external operating expenditure		207,062	219,438	157,368	160,811	163,017
Operating surplus / (deficit) before transport improvements		152,647	93,617	132,793	214,386	86,647
Transport improvement expenditure		(95,064)	(70,702)	(123,374)	(222,186)	(83,064)
Operating surplus / (deficit) before tax		57,583	22,915	9,419	(7,800)	3,583
Tax expense **	8	21,262	3,196	-	-	-
Surplus/(deficit) after tax		36,321	19,719	9,419	(7,800)	3,583
Other unrealised gains/(losses)						
Unrealised increases in financial assets and instruments		8,504	6,326	8,504	3,188	6,326
Unrealised increases / (decreases) in financial instrument liabilities		(8,479)	(13,196)	(4,378)	(1,238)	(5,505)
Unrealised increases / (decreases) in investment properties		(4,707)	1,398	-	-	-
	6	(4,682)	(5,472)	4,126	1,950	821
Surplus / (deficit) for the year after tax & unrealised gains / (losses)		31,639	14,247	13,545	(5,850)	4,404
Other comprehensive income						
Increases / (decreases) in asset revaluations **		73,428	10,380	(6)	-	-
Total comprehensive income		105,067	24,627	13,539	(5,850)	4,404
Attributed to:						
Non-controlling interest		1,377	4,295	-	-	-
Equity holders of the parent		103,690	20,332	13,539	(5,850)	4,404
Total comprehensive income		105,067	24,627	13,539	(5,850)	4,404

The accompanying notes and accounting policies form part of and should be read in conjunction with these financial statements.

* Comparatives for 2010 and Budgets for 2011 have been reclassified to aid comparability

**Statement of changes in equity
for the year ended 30 June 2011**

	Group		Council		
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2011 Budget \$000s	2010 Actual \$000s
Opening equity	851,403	827,968	659,780	653,762	655,376
Total comprehensive income for the year	105,067	24,627	13,539	(5,850)	4,404
Other Movements	-	-	-	-	-
Dividend to non controlling interest	(923)	(1,192)	-	-	-
Total closing equity at 30 June	955,547	851,403	673,319	647,912	659,780
Components of equity	-	-	-	-	-
Opening accumulated funds	507,953	489,995	357,348	353,355	356,514
Total comprehensive income for year	105,067	24,627	13,539	(5,850)	4,404
Interest allocated to reserves	(789)	(567)	(789)	(733)	(567)
Other transfers to reserves	(77,072)	(7,613)	(3,638)	40	(5,706)
Transfers from reserves	4,539	2,703	4,539	4,026	2,703
Dividend to non controlling interest	(923)	(1,192)	-	-	-
Closing accumulated funds	538,775	507,953	370,999	350,838	357,348
Opening other reserves	19,998	16,361	19,998	17,906	16,361
Transfers to accumulated funds	(4,539)	(2,703)	(4,539)	(4,026)	(2,703)
Transfers from accumulated funds	3,644	5,773	3,644	(40)	5,773
Interest earned	789	567	789	733	567
Movements in other reserves	-	-	-	-	-
Closing other reserves	19,892	19,998	19,892	14,573	19,998
Opening asset revaluation reserves	323,452	321,612	282,434	282,501	282,501
Asset revaluation movements	73,428	-	-	-	-
Other movements in revaluation reserve	-	1,840	(6)	-	(67)
Closing asset revaluation reserve	396,880	323,452	282,428	282,501	282,434
Asset revaluation & other reserves	416,772	343,450	302,320	297,074	302,432
Total closing equity at 30 June	955,547	851,403	673,319	647,912	659,780

The accompanying notes and accounting policies form part of and should be read in conjunction with these financial statements.

**Statement of financial position
as at 30 June 2011**

	Notes	Group		Council		
		2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2011 Budget \$000s	2010 Actual \$000s
Assets						
Current assets						
Cash and cash equivalents	9	39,919	36,511	38,547	30,735	35,987
Bank term deposits		5,578	10,000	5,578	-	10,000
Trade and other receivables	10	36,909	39,325	33,260	38,345	36,104
Inventories	11	4,702	3,668	2,759	-	2,547
Investment assets held for sale	16	-	-	-	-	-
Derivative financial instruments	18	3	806	3	-	806
Other financial assets	12	-	16,435	-	22,145	16,435
Income tax due	8	329	228	-	-	-
Deferred tax asset	8	-	-	-	-	-
		<u>87,440</u>	<u>106,973</u>	<u>80,147</u>	<u>91,225</u>	<u>101,879</u>
Non-current assets						
Other financial assets	12	40,231	6,566	37,692	4,802	4,351
Property, plant and equipment	13	1,019,048	888,575	644,122	654,219	638,866
Intangible assets	14	3,270	3,499	2,846	212	2,850
Forestry investments	15	20,135	13,872	20,135	12,319	13,872
Investment properties	16	217,078	217,821	-	-	-
Investment in subsidiaries	17	-	-	50,725	54,188	37,379
Derivative financial instruments	18	736	740	736	-	281
Deferred tax asset	8	-	-	-	-	-
Other non-current assets		-	-	-	-	-
		<u>1,300,498</u>	<u>1,131,073</u>	<u>756,256</u>	<u>725,740</u>	<u>697,599</u>
Non current assets classified as held for sale		-	-	-	-	-
		<u>1,300,498</u>	<u>1,131,073</u>	<u>756,256</u>	<u>725,740</u>	<u>697,599</u>
Total assets		<u>1,387,938</u>	<u>1,238,046</u>	<u>836,403</u>	<u>816,965</u>	<u>799,478</u>
Equity and liabilities						
Equity attributable to equity holders of the parent						
Retained earnings		492,081	461,712	370,999	350,838	357,348
Reserves		416,772	343,450	302,320	297,074	302,432
		<u>908,853</u>	<u>805,162</u>	<u>673,319</u>	<u>647,912</u>	<u>659,780</u>
Non controlling interest		46,694	46,241	-	-	-
Total equity		<u>955,547</u>	<u>851,403</u>	<u>673,319</u>	<u>647,912</u>	<u>659,780</u>
Current liabilities						
Bank overdraft		-	-	-	-	-
Trade and other payables	19	52,326	41,302	46,387	30,710	33,817
Debt	20	202,366	114,224	66,406	28,900	7,962
Employee benefit liabilities	21	6,280	4,895	3,498	-	2,455
Provisions	22	462	732	-	-	-
Derivative financial instruments	18	406	161	312	-	100
Other financial liabilities		-	-	-	-	-
		<u>261,840</u>	<u>161,314</u>	<u>116,603</u>	<u>59,610</u>	<u>44,334</u>
Non-current liabilities						
Debt	20	131,713	212,699	41,713	109,443	92,699
Derivative financial instruments	18	12,630	6,906	4,185	-	2,069
Employee benefit liabilities	21	1,284	1,351	583	-	596
Deferred tax liability	8	24,924	4,373	-	-	-
		<u>170,551</u>	<u>225,329</u>	<u>46,481</u>	<u>109,443</u>	<u>95,364</u>
Total liabilities		<u>432,391</u>	<u>386,643</u>	<u>163,084</u>	<u>169,053</u>	<u>139,698</u>
Total equity and liabilities		<u>1,387,938</u>	<u>1,238,046</u>	<u>836,403</u>	<u>816,965</u>	<u>799,478</u>

The accompanying notes and accounting policies form part of and should be read in conjunction with these financial statements

Fran Wilde
Chair
Date

David Benham
Chief Executive
Date

Bruce Simpson
Chief Financial Officer
Date

**Cashflow statement
for the year ended 30 June 2011**

	Group		Council		
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2011 Budget \$000s	2010 Actual \$000s
Cashflows from operating activities					
Receipts from customers	70,812	64,374	-	-	-
Rates revenue received	82,890	80,357	82,890	80,892	80,357
Water supply levy received	23,460	23,460	23,460	23,460	23,460
Government subsidies received	168,206	123,746	163,846	252,009	123,746
Interest received	4,182	4,432	4,160	2,716	4,422
Dividends received	1,546	1,832	1,296	282	1,208
Fees, charges and other revenue	17,322	15,120	15,651	15,838	13,050
Payments to suppliers and employees	(123,209)	(191,800)	(77,381)	(298,299)	(149,952)
Payment of grants and subsidies	(171,013)	(69,546)	(171,013)	(65,113)	(73,401)
Interest paid	(19,222)	(15,247)	(5,243)	(6,864)	(4,895)
Income tax paid / (refund)	(812)	-	-	-	-
Net Cashflows from operating activities	54,162	36,728	37,666	4,921	17,995
Cashflows from investing activities					
Sale of property, plant and equipment	905	451	836	452	442
Sales of investments (bonds & term deposits)	(11,681)	-	(11,681)	-	-
Disposal of forestry investments	774	1,125	774	-	1,125
Purchase of property, plant and equipment	(25,139)	(36,181)	(16,779)	(27,221)	(23,418)
Purchase of intangible assets	(724)	(477)	(675)	-	(383)
Development of investment properties	(3,963)	(15,146)	-	-	-
Purchase of shares	-	-	-	-	(1,264)
Disposal of investments	-	5,306	-	-	5,710
Acquisition of investments	(13,801)	-	(13,801)	(14,801)	-
Net Cashflows from investing activities	(53,629)	(44,922)	(41,326)	(41,570)	(17,788)
Cashflows from financing activities					
Loan funding	6,168	41,033	62,444	49,068	31,550
Issue of shares	-	-	-	-	-
Debt repayment	-	(13,005)	(56,224)	(10,816)	(13,005)
Repayment of intercompany current account	(1,200)	-	-	-	(78)
Dividends paid to minority interests	(2,093)	(1,192)	-	-	-
Net Cashflows from financing activities	2,875	26,836	6,220	38,252	18,467
Net increase/(decrease) in cash, cash equivalents and bank overdraft	3,408	18,642	2,560	1,603	18,674
Cash, cash equivalents and bank overdraft at the beginning of year	36,511	17,869	35,987	29,132	17,313
Cash, cash equivalents and bank overdrafts at the end of year	39,919	36,511	38,547	30,735	35,987

The Goods and Services Tax (GST) component of operating activities reflects the net GST paid and received with the Inland Revenue Department as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes and accounting policies form part of and should be read in conjunction with these financial statements.

Notes to the financial statements
for the year ended 30 June 2011

Note 1 Operating revenue

	Group		Council		
	2011	2010	2011	2011	2010
	Actual	Actual	Actual	Budget	Actual
	\$000s	\$000s	\$000s	\$000s	\$000s
General rates	27,875	25,828	27,875	26,803	25,828
Targeted rates	54,094	53,260	54,094	54,089	53,260
Rates penalties	602	676	602	-	676
Remission of rates penalties	(20)	(29)	(20)	-	(29)
Regional rates	82,551	79,735	82,551	80,892	79,735
Regional water supply levy	23,460	23,460	23,460	23,460	23,460
Total rates and levies	106,011	103,195	106,011	104,352	103,195
Grants and subsidies	161,379	123,746	161,379	252,009	123,746
Other Revenue					
Sale of goods	4,450	5,450	4,450	4,916	5,450
Logging revenue	7,361	6,308	7,361	6,401	6,308
Subsidiaries revenue	46,454	46,528	-	-	-
Rendering of services	594	602	594	8	602
Animal Health Board	2,125	1,834	2,125	1,937	1,834
Rental income	1,077	1,129	1,077	1,006	1,129
Rents from investment properties	25,331	18,895	-	-	-
Management fees	-	-	771	776	593
Dividends received	-	6	1,205	282	1,202
Subvention revenue	-	-	908	795	1,020
Interest received	4,016	4,432	4,012	2,715	4,422
Equity accounted earnings from associates	574	758	-	-	-
	91,982	85,942	22,503	18,836	22,560
Other gains					
Gain on sale of fixed asset	-	-	-	-	-
Gain on disposal of property, plant and equipment	337	172	268	-	163
Total operating revenue	359,709	313,055	290,161	375,197	249,664

Note 2 Employee benefits

	Group		Council		
	2011	2010	2011	2011	2010
	Actual	Actual	Actual	Budget	Actual
	\$000s	\$000s	\$000s	\$000s	\$000s
Employee benefits expense*	50,835	48,103	31,838	31,726	30,075
Post-employment benefit expense	2,312	2,045	1,611	1,790	1,512
Total employee benefits	53,147	50,148	33,449	33,516	31,587

* Councillor fees have been reclassified to Other operating expenses. Comparatives for 2010 have also been reclassified to aid comparability.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 3 Depreciation and amortisation

Depreciation

Port wharves and pavings
Land and buildings
Plant and equipment*
Rail rolling stock
Motor vehicles*
Flood protection at valuation
Water supply*
Flood protection at cost
Transport facilities
Navigational aids
Parks and forests

Total depreciation

Amortisation

Software

Total amortisation

Total depreciation and amortisation

	Group		Council	
	2011	2010	2011	2010
	Actual	Actual	Actual	Actual
	\$000s	\$000s	\$000s	\$000s
	3,273	2,081	-	-
	94	1,614	94	71
	3,375	3,538	743	861
	-	3,303	-	-
	1,020	1,009	1,020	1,009
	247	247	247	247
	11,396	7,597	7,865	7,597
	371	460	371	460
	531	367	531	367
	22	23	22	23
	582	719	582	719
	20,911	20,958	11,475	11,354
	971	591	679	157
	971	591	679	157
	21,882	21,549	12,154	11,511

* Depreciation charged for Water Supply plant and equipment and Water Supply vehicles were included in total depreciation for Water Supply in 2010. In 2011 these charges have been reclassified to plant and equipment and motor vehicles, and prior year comparatives have been reclassified to aid comparability.

Note 4 Finance costs

Interest expense

Interest on borrowings

Total finance costs

	Group		Council		
	2011	2010	2011	2011	2010
	Actual	Actual	Actual	Budget	Actual
	\$000s	\$000s	\$000s	\$000s	\$000s
	19,050	15,498	5,424	7,020	5,158
	19,050	15,498	5,424	7,020	5,158

Notes to the financial statements
for the year ended 30 June 2011

Note 5 Other operating expenses

	Group		Council		
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2011 Budget \$000s	2010 Actual \$000s
Auditor's remuneration					
Fees to principal auditor for financial statement audit	240	218	162	151	156
Fees to principal auditor for audit of community plan and other services *	16	18	16	-	18
Fees to other auditor for financial statement audit	99	95	-	-	-
Fees to other auditor for IFRS, tax and other services	130	82	-	-	-
Impairment					
Bad debts written off/(back)	-	-	-	-	-
Property, plant and equipment impairment	-	-	-	-	-
Change in provision for impairment of trade receivables	72	62	25	-	49
Insurance					
Insurance	1,331	1,525	1,331	1,419	1,192
General					
Asset write-offs/(written back)	-	1	-	-	1
Directors fees	531	482	-	-	-
LGNZ subscriptions	98	86	98	98	86
Operating lease rentals	-	-	1,672	1,648	1,648
Energy costs	2,650	4,272	2,650	2,373	2,504
Councillor Fees*	1,034	961	1,034	1,110	961
Repairs and Maintenance* to complete	21,738	20,224	1,840	1,302	1,630
Materials and Supplies*	12,243	11,867	12,243	14,096	11,867
Consultancy	22,149	21,058	21,794	20,320	20,679
Other operating expenses	5,670	3,162	834	985	569
Total other operating expenses	68,001	64,113	43,699	43,502	41,360

* To provide more detail to readers these expense categories have been added to this note.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 6 Unrealised gains / (losses)

Unrealised increase / (decrease) in financial assets and instrument assets/liabilities

	Group		Council		
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2011 Budget \$000s	2010 Actual \$000s
Forestry investment	8,162	6,010	8,162	2,256	6,010
Stadium advance	342	316	342	342	316
Bonds - Investments	(463)	(713)	(463)	-	(713)
Loans	(1,238)	(946)	(1,238)	(1,238)	(946)
Interest rate swaps	(6,761)	(11,390)	(2,643)	590	(3,768)
Diesel contracts	17	(69)	-	-	-
Foreign exchange contracts	(34)	(78)	(34)	-	(78)
	25	(6,870)	4,126	1,950	821

Unrealised increase / (decrease) in investment properties

Investment properties (developed property)	(4,736)	(294)	-	-	-
Investment properties (undeveloped land)	29	1,692	-	-	-
Net unrealised increase / (decrease) in investment properties	(4,707)	1,398	-	-	-

Net unrealised increase / (decrease) in financial assets and instrument assets / liabilities & investment properties

	(4,682)	(5,472)	4,126	1,950	821
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Unrealised increase in financial assets and financial instrument assets

	8,504	6,326	8,504	3,188	6,326
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Unrealised increase / (decrease) in financial instrument liabilities

	(8,479)	(13,196)	(4,378)	(1,238)	(5,505)
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Unrealised increase / (decrease) in investment properties

	(4,707)	1,398	-	-	-
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Net unrealised increase / (decrease) in financial assets and instrument assets / liabilities & investment properties

	(4,682)	(5,472)	4,126	1,950	821
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Note 7 Profit from discontinued operations

	Group		Council		
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2011 Budget \$000s	2010 Actual \$000s
<u>Profit for the year from discontinued operations</u>					

Profit for the year from discontinued operations

Comparatives have been restated as CentrePort have changed this classification

**Notes to the financial statements
for the year ended 30 June 2011**

Note 8

Taxation

Council's net income subject to tax consists of its assessable income net of related expenses derived from the Greater Wellington Group of companies, including the CentrePort Group, and any other council controlled organisations, such as New Zealand Local Government Insurance Corporation. All other income currently derived by Council is exempt from income tax.

	Group		Council		
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2011 Budget \$000s	2010 Actual \$000s
(a) Income tax recognised in profit or loss					
Tax expense/(benefit) comprises:					
Current tax expense/(benefit)	712	1,644	-	-	-
Adjustments recognised in the current period in relation to the current tax of prior periods	-	(41)	-	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	23,319	2,224	-	-	-
Deferred tax expense arising from the write-down, or reversal of previous write-down, of a deferred tax asset	(2,307)	(397)	-	-	-
Tax expense / (benefit) from discontinued operations	-	(4,786)	-	-	-
Impact of tax rate change	(1,807)	263	-	-	-
Impact of changes to building depreciation	(1,015)	4,289	-	-	-
Total tax expense/(benefit)	18,902	3,196	-	-	-

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

(Profit)/loss from operations	(57,583)	(24,392)	(9,419)		(3,583)
(Profit)/loss from discontinued operations	-	(1,524)			
Income tax expense/(benefit) calculated at 30%	17,275	7,775	2,826		1,075
(Profit)/loss not subject to taxation	(16,548)	(6,677)	(2,757)		(1,435)
Non-deductible expenses	1,556	516	-	-	-
Non-assessable income	(1,585)	(2,602)	-	-	-
Land and buildings reclassification	277	(1,062)	-	-	-
Tax loss offsets from or subventions paid to Group companies	(281)	(309)	-	-	-
Unused tax losses and temporary differences not recognised as	1,324	1,142	-	-	360
Tax effect of imputation credits	(107)	(155)	(359)	-	-
Temporary differences not recognised	729	462	-	-	-
Previously unrecognised and unused tax losses now utilised	(3,416)	(405)	(272)	-	-
Impact of tax rate change	(1,807)	263	562	-	-
Impact of changes to building depreciation	(986)	4,289	-	-	-
Impact of gain on asset acquisition	22,487	-	-	-	-
	18,918	3,237	-	-	-
Over provision of income tax in previous year	(16)	(41)	-	-	-
Taxation relating to operations	18,902	3,196	-	-	-
Taxation relating to discontinued operations	-	-	-	-	-
Total tax expense/(benefit)	18,902	3,196	-	-	-

In May 2010, the Government announced, and passed into legislation, a reduction in the corporate tax rate from 30% to 28%, which will be effective from 1 July 2011 for the Council and the Group. The effect of this change on the Council and the Group's expected deferred tax position as at 30 June 2011 has been accounted for in the current year, with the effect recognised in the Statement of Comprehensive Income.

The Government also announced the removal of tax depreciation on buildings with a useful life of greater than 50 years, also effective from 1 July 2011 for the Council and the Group. The effect of this change on the deferred tax balance has been accounted for and is reflected in the Statement of Comprehensive Income.

(b) Tax loss sharing

On 22 September 1998 WRC Holdings Limited, its wholly owned subsidiaries and CentrePort Limited entered into a Tax Loss Sharing Agreement under which the WRC Holdings Group will receive subvention payments from CentrePort Limited equivalent to 33% of its available losses (now 30%), with the balance of losses offset, where the companies elect to do so. At 30 June 2011, CentrePort Ltd had advanced \$nil (2010: \$nil) on account of the subvention payment.

Notes to the financial statements
for the year ended 30 June 2011

(c) Current tax assets and liabilities

Current tax assets

Subvention receivable
Tax refund receivable
Other

Current tax payables

Income tax payable attributable to:
Parent entity
Other

Group		Council	
2011	2010	2011	2010
\$000s	\$000s	\$000s	\$000s
-	-	908	1,007
329	228	-	-
-	-	-	-
329	228	908	1,007
-	-	-	-
-	-	-	-
-	-	-	-

(d) Deferred tax balances

Deferred tax assets comprise

Tax losses
Temporary differences

Deferred tax liabilities comprise

Temporary differences

Group		Council	
2011	2010	2011	2010
\$000s	\$000s	\$000s	\$000s
3,887	-	-	-
3,451	2,587	-	-
7,338	2,587	-	-
28,315	6,960	-	-
28,315	6,960	-	-

Taxable and deductible temporary differences arising from the following:

2011

Investment properties
Property, plant and equipment
Trade and other payables
Other financial liabilities
Revenue in advance
Other
Tax losses
Total

Opening balance	Charged to income	Group		Closing balance
		Change in depreciation	Change in tax rate	
\$000s	\$000s	\$000s	\$000s	\$000s
(6,335)	(1,556)	660	564	(6,667)
(625)	(22,843)	355	1,464	(21,649)
1,099	36		(45)	1,090
1,451	887		(14)	2,324
-	-	-	-	-
37		-	-	37
1,583	2,466		(162)	3,887
(2,790)	(21,010)	1,015	1,807	(20,978)

**Notes to the financial statements
for the year ended 30 June 2011**

2010

Investment properties
Property, plant and equipment
Trade and other payables
Other financial liabilities
Revenue in advance
Other
Total

Opening balance	Charged to income	Group		Closing balance
		Change in depreciation	Change in tax rate	
\$000s	\$000s	\$000s	\$000s	\$000s
(12,159)	3,609	2,057	158	(6,335)
5,743	385	(6,346)	(407)	(625)
1,240	(110)	-	(31)	1,099
(598)	2,049	-	-	1,451
3,709	(3,709)	-	-	-
-	-	-	37	37
(2,065)	2,224	(4,289)	(243)	(4,373)

2011

Property, plant and equipment
Trade and other payables
Other financial liabilities
Other
Total

Opening balance	Charged to income	Council		Closing balance
		Charged to equity	Change in tax rate	
\$000s	\$000s	\$000s	\$000s	\$000s
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

2010

Property, plant and equipment
Trade and other payables
Other financial liabilities
Other
Total

Opening balance	Charged to income	Council		Closing balance
		Charged to equity	Change in tax rate	
\$000s	\$000s	\$000s	\$000s	\$000s
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Unrecognised deferred tax balances

The following deferred tax assets have not been brought to account as assets:

Tax losses
Temporary differences

Group		Council	
2011	2010	2011	2010
\$000s	\$000s	\$000s	\$000s
1,224	4,576	3,377	3,132
-	-	-	-
1,224	4,576	3,377	3,132

**Notes to the financial statements
for the year ended 30 June 2011**

Tax losses not recognised

Greater Wellington has tax losses of \$12.062 million (2010: \$11.186 million) available to be carried forward and to be offset against taxable income in the future that have not been recognised. The tax effect of these losses at 28% is \$3.377 million (2009 at 30%: \$3.132 million).

WRC Holdings has a tax loss to carry forward to the 2011 income year of \$1.744 million (2010: \$1.000 million). The tax effect of these losses at 28% is \$0.488 million (2010 at 30%: \$0.300 million).

Port Investments Limited has unrecognised tax losses of \$4.412 million (2010 \$4.643 million) available to be carried forward and to be offset against taxable income in the future. The tax effect of these losses at 28% is \$1.236 million (2010 at 30%: \$1.393 million).

Grow Wellington Limited does not have any unrecognised tax losses as they were fully utilised during the period.

The ability to carry forward tax losses is contingent upon continuing to meet the requirements of the Income Tax Act 2007.

(e) Imputation credit account balances

	Group		Council	
	2011 \$000s	2010 \$000s	2011 \$000s	2010 \$000s
Balance at beginning of the period	11,107	11,649	-	-
Attached to dividends received	1,364	923	-	-
Taxation paid	615	-	-	-
Attached to dividends paid	(1,794)	(1,515)	-	-
Other adjustments	21	50	-	-
Balance at end of the period	11,313	11,107	-	-
Imputation credits available directly and indirectly to shareholders of the parent company, through:				
Parent company		-		
Subsidiaries	11,313	11,107		
	11,313	11,107		

**Notes to the financial statements
for the year ended 30 June 2011**

Note 9 Cash and cash equivalents

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Cash	1,622	591	250	67
Bonds and notes	-	-	-	-
Bank deposits with maturity terms less than 3 months	23,400	17,050	23,400	17,050
Water supply contingency investment	11,257	15,612	11,257	15,612
Major flood recovery fund	3,640	3,258	3,640	3,258
Bank (overdraft)	-	-	-	-
Total cash and cash equivalents	39,919	36,511	38,547	35,987

Cash-at-bank and in-hand earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying terms of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is the stated values.

As at 30 June 2011 bank deposits have a weighted average interest rate of 3.65% (2010 3.98%) and have various maturity dates. They are available for day to day cash management and are recorded at fair value.

As at 30 June 2011 the weighted average interest rate on the water supply contingency investment is 3.63% (2010 4.19%) and is recorded at fair value.

As at 30 June 2011 the weighted average interest rate on the major flood recovery fund is 3.64% (2010 4.20%) and is recorded at fair value.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 10 Trade and other receivables

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Rates outstanding	12,698	13,037	12,698	13,037
Trade customers	11,463	12,825	6,200	7,899
Accrued revenue	9,760	12,227	9,760	12,227
Subvention receivable	-	-	908	1,007
Dividends receivable	-	-	1,204	1,196
Interest receivable	883	1,031	883	1,031
Prepayments	2,857	954	2,347	444
	<u>37,661</u>	<u>40,074</u>	<u>34,000</u>	<u>36,841</u>
Less provision for impairment of receivables	(752)	(749)	(740)	(737)
Total trade and other receivables	36,909	39,325	33,260	36,104

Trade customers are non-interest bearing and are generally on 30-90 day terms. Therefore, the carrying value of debtors and other receivables approximates fair value.

Provision for impairment of receivables

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Opening balance	(749)	(874)	(737)	(692)
Movement	125	125	(3)	(45)
Closing balance	<u>(624)</u>	<u>(749)</u>	<u>(740)</u>	<u>(737)</u>

The status of receivables as at 30 June 2011 and 2010 are detailed below:

	Group 2011			Council 2011		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
2011						
Not past due	34,865	575	34,290	32,317	573	31,744
Past due 31-60 days	2,474	-	2,474	106	-	106
Past due 61-90 days	8	-	8	14	-	14
Past due > 90 days	311	174	137	1,563	167	1,396
Total	37,658	749	36,909	34,000	740	33,260
2010						
Not past due	37,281	575	36,706	34,134	575	33,559
Past due 31-60 days	2,474	-	2,474	2,423	-	2,423
Past due 61-90 days	8	-	8	-	-	-
Past due > 90 days	311	174	137	284	162	122
Total	40,074	749	39,325	36,841	737	36,104

The impairment provision has been determined based on a percentage of the outstanding rates balances as at year end

**Notes to the financial statements
for the year ended 30 June 2011**

Note 11 Inventories

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Harbours	7	5	7	5
Depots	134	133	134	133
Water supply	2,217	2,007	2,217	2,007
Rail	496	443	-	-
Wairarapa	401	402	401	402
Port maintenance	1,447	678	-	-
Total inventories	4,702	3,668	2,759	2,547

In 2011, inventories recognised as cost of sales amounted to nil (2010 nil)
No inventories are pledged as securities for liabilities (2010 nil)

Note 12 Other financial assets

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Stadium advance	4,612	4,271	4,612	4,271
Local Government Insurance Corporation Limited shares	80	80	80	80
Other Investments (non current bonds & joint ventures)	35,539	2,215	33,000	-
Other investments (current bonds & notes)	-	16,435	-	16,435
Total other financial assets	40,231	23,001	37,692	20,786
Current	-	16,435	-	16,435
Non Current	40,231	6,566	37,692	4,351
Total other financial assets	40,231	23,001	37,692	20,786

Greater Wellington holds 21,000 fully paid up shares in Airtel Ltd, which were acquired at no cost in 2001 as a result of the Wairarapa Radio Telephone Users Association's decision to form a limited liability company and issue shares to users. Greater Wellington was a previously a member of the association.

Greater Wellington advanced \$25 million to the Wellington Regional Stadium Trust in August 1998. The advance is on an interest free basis with limited rights of recourse. The obligations of Greater Wellington to fund the Trust are defined under a Funding Deed dated 30 January 1998. Under the terms of this deed, any interest charged on the limited-recourse loan is accrued and added to the loan. At 30 June 2011 Greater Wellington expects that the advance will be fully repaid. The advance is not repayable until all non-settlor debts of the Trust are extinguished and is subject to the Trust's financial ability to repay debt at that time. The fair value has been determined using a future repayment timetable discounted at a rate of 8%.

Bank bonds / notes are not exchange traded and the fair value is the stated value. The amount receivable at maturity is \$33 million (2010 \$16 million).

There were no impairment expenses or provisions for other financial assets. None of the financial assets are either past due or impaired (2010 no impairment).

Note 13 Property plant and equipment

In thousands of NZ Dollars

	Cost/ revaluation 1 July 2010	Accumulated depreciation and impairment 1 July 2010	Carrying amount 1 July 2010	Additions	Disposals	Revaluations	Impairment losses	Reversal of impairment losses	Other Transfer	Cost/ revaluation 30 June 2011	Accumulated depreciation and impairment 30 June 2011	Carrying amount 30 June 2011
Council Operational assets												
Land & buildings	5,648	(1,319)	4,329	147	-	-	-	-	-	5,795	(1,412)	4,383
Plant & equipment	11,463	(8,838)	2,625	501	-	-	-	-	221	12,185	(9,581)	2,604
Motor vehicles	7,189	(4,467)	2,722	1,002	(813)	-	-	-	-	7,378	(4,703)	2,675
	24,300	(14,624)	9,676	1,650	(813)	-	-	-	221	25,358	(15,696)	9,662
Council Infrastructural assets												
Flood protection at valuation	220,820	(718)	220,102	1,246	-	-	-	-	6,825	228,891	(964)	227,927
Flood protection at cost	7,621	(5,971)	1,650	-	-	-	-	-	-	7,621	(6,342)	1,279
Navigational aids	1,745	(1,145)	600	-	-	-	-	-	-	1,745	(1,167)	578
Parks & forests	58,291	(1,365)	56,926	483	-	-	-	-	406	59,180	(1,947)	57,233
Transport infrastructure	9,233	(639)	8,594	507	(8)	-	-	-	80	9,812	(1,167)	8,645
Water infrastructure	340,320	(14,774)	325,546	4,994	(22)	(6)	-	-	1,474	346,760	(22,627)	324,133
Capital work in progress	15,772	-	15,772	7,899	-	-	-	-	(9,006)	14,665	-	14,665
	653,802	(24,612)	629,190	15,129	(30)	(6)	-	-	(221)	668,674	(34,214)	634,460
Total council property plant and equipment	678,102	(39,236)	638,866	16,779	(843)	(6)	-	-	-	694,032	(49,910)	644,122
Subsidiary Assets												
Land & buildings	35,321	(9,573)	25,748	700	-	(1,702)	-	-	-	34,319	(10,314)	24,005
Plant & equipment	52,689	(19,986)	32,703	783	(2,762)	41	-	-	-	50,751	(19,856)	30,895
Rail Rolling Stock	37,144	(5,569)	31,575	23,993	-	33,731	-	-	7,981	102,849	(9,100)	93,749
Rail Work in Progress	28,245	-	28,245	29,285	-	-	-	-	(7,981)	49,549	-	49,549
Transport infrastructure	-	-	-	-	-	41,186	-	-	-	41,186	-	41,186
Port wharves & paving	78,622	(29,161)	49,461	6,636	-	-	-	-	-	85,258	(31,693)	53,565
Port freehold land	81,977	-	81,977	-	-	-	-	-	-	81,977	-	81,977
	313,998	(64,289)	249,709	61,397	(2,762)	73,256	-	-	-	445,889	(70,963)	374,926
Total group property plant and equipment	992,100	(103,525)	888,575	78,176	(3,605)	73,250	-	-	-	1,139,921	(120,873)	1,019,048

e 13 Property plant and equipment continued
In thousands of NZ Dollars

	Cost / revaluation 1 July 2009	Accumulated depreciation and impairment 1 July 2009	Carrying amount 1 July 2009	Additions	Disposals	Revaluations	Impairment losses	Reversal of impairment losses	Other Transfer	Cost / revaluation 30 June 2010	Accumulated depreciation and impairment 30 June 2010	Carrying amount 30 June 2010
Council Operational assets												
Land & buildings	4,704	(1,246)	3,458	288	-	(15)	-	-	671	5,648	(1,318)	4,329
Plant & equipment	10,808	(8,104)	2,704	298	(136)	-	-	-	493	11,463	(8,838)	2,625
Motor vehicles	6,976	(4,329)	2,647	1,132	(919)	-	-	-	-	7,189	(4,467)	2,722
	22,488	(13,679)	8,809	1,718	(1,055)	(15)	-	-	1,164	24,300	(14,623)	9,676
Council Infrastructural assets												
Flood protection at valuation	216,274	(471)	215,803	485	(52)	10	-	-	4,103	220,820	(717)	220,102
Flood protection at cost	7,621	(5,511)	2,110	-	-	-	-	-	-	7,621	(5,971)	1,650
Navigational aids	1,745	(1,123)	622	-	-	-	-	-	-	1,745	(1,145)	600
Parks & forests	55,788	(646)	55,142	1,775	-	-	-	-	728	58,291	(1,365)	56,926
Transport facilities	8,072	(271)	7,801	-	-	-	-	-	1,161	9,233	(639)	8,594
Water	335,766	(7,221)	328,545	-	(148)	(62)	-	-	4,764	340,320	(14,774)	325,546
Capital work in progress	9,618	-	9,618	21,748	(3,674)	-	-	-	(11,920)	15,772	-	15,772
	634,884	(15,243)	619,641	24,008	(3,874)	(52)	-	-	(1,164)	653,802	(24,611)	629,190
Total council property plant and equipment	657,372	(28,922)	628,450	25,726	(4,929)	(67)	-	-	-	678,102	(39,234)	638,866
Subsidiary Assets												
Land & buildings	48,381	(8,030)	40,351	1,974	-	(1,702)	-	-	(13,332)	35,321	(9,573)	25,748
Plant & equipment	50,128	(17,322)	32,806	2,570	(9)	-	-	-	-	52,689	(19,986)	32,703
Rail Rolling Stock	52,003	(2,266)	49,737	13,598	-	-	-	-	(212)	65,389	(5,569)	59,820
Transport infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Port wharves & paving	63,196	(27,080)	36,116	6,955	-	-	-	-	8,471	78,622	(29,161)	49,461
Port freehold land	76,344	-	76,344	-	-	3,609	-	-	2,024	81,977	-	81,977
	290,052	(54,698)	235,354	25,097	(9)	1,907	-	-	(3,049)	313,998	(64,289)	249,709
Total group property plant and equipment	947,424	(83,620)	863,804	50,823	(16,858)	1,840	-	-	8,871	992,099	(103,523)	888,575

**Notes to the financial statements
for the year ended 30 June 2011**

Note 14 Intangible assets

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Carrying amount - software				
Opening Balance	3,499	1,347	2,850	358
Additions	742	2,743	675	2,649
Amortisation recognised during period	(971)	(591)	(679)	(157)
Closing balance at 30 June	3,270	3,499	2,846	2,850
Total carrying amount - software				
Gross carrying amount	9,863	9,121	5,619	4,944
Accumulated amortisation and impairment	(6,593)	(5,622)	(2,773)	(2,094)
Closing balance at 30 June	3,270	3,499	2,846	2,850

Note 15 Forestry investments

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Balance at 1 July	13,872	8,987	13,872	8,987
Additions due to new plantations				
Forestry harvested			-	-
Forestry sold	(1,899)	(1,125)	(1,899)	(1,125)
Other changes			-	-
Change in fair value less estimated point of sale costs	8,162	6,010	8,162	6,010
Balance at 30 June	20,135	13,872	20,135	13,872

Plantation forestry activity including planting, silviculture and harvesting is undertaken on 5,700 hectares of predominantly pinus radiata plantings. Up to 75,000 tonnes are harvested annually.

Plantation forests are independently valued annually to an estimate of the market valuation of the forestry investment at point of harvest based on net present value using a pre tax discount rate of 8.0% (2009 9.0%). The valuation is based on the existing tree crop only and does not include cashflows associated with future replanting. No allowance is made for inflation and no real price increases are assumed.

Loans, in relation to some of these forests, have been taken out which are contractually bound to be repaid from the proceeds of harvest in relation to these forestry assets via a registered interest under Section 5 of the Forestry Encouragement Act 1962.

The Council and Group is exposed to financial risk arising from changes in timber prices. The Council and Group is a long term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council and group review its outlook for timber prices regularly in considering the need for active financial risk management.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 16 Investment properties / investment assets held for sale

Greater Wellington Regional Council holds no investment in properties

The Group's investment properties and investment assets held for sale, comprise of CentrePort's developed and undeveloped investment properties.

Valuation

Investment properties are revalued every year. Investment properties were valued on 30 June 2010 by independent registered valuers. Bayleys Property Services valued the CentrePort investment properties. The properties are valued at fair value. The land valuations were based on highest and best use in accordance with NZ Property Institute Practise Standard 3 - valuations for financial reporting purposes with reference to sales evidence of land sales or development sites within the wider Wellington region. Additions subsequent to valuation are recorded at cost.

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Investment properties				
The group's investment properties comprise CentrePort's developed and undeveloped investment properties.				
Developed investment properties				
Carrying amount at 1 July	183,398	172,534	-	-
Additions to investment property	-	3,133	-	-
Transfer to investments held for sale	-	-	-	-
Fair value adjustments	(4,735)	(294)	-	-
Transfer (to) / from property, plant and equipment	3,963	11,308	-	-
Transfer (to) / from land available for development	-	831	-	-
Classification corrections	-	(4,114)	-	-
Total developed investment properties	182,626	183,398	-	-
Land available for development				
Carrying amount at 1 July	34,423	29,448	-	-
Transfers to investment properties held for sale	-	(2,487)	-	-
Disposals and assets held for sale	-	-	-	-
Fair value adjustments	29	1,692	-	-
Transfer (to) / from development investment properties	-	1,656	-	-
Classification corrections	-	4,114	-	-
Total land available for development	34,452	34,423	-	-
Total investment properties	217,078	217,821	-	-
Investment assets held for sale				
Carrying amount at 1 July	-	-	-	-
Transfer from investment properties held for sale	-	-	-	-
Transfer to investment land held for sale	-	-	-	-
Additions to property held for sale	-	-	-	-
Transfer from plant & equipment	-	-	-	-
Net change in the value of developed investment properties	-	-	-	-
Total investment assets held for sale	-	-	-	-

Note 17 Investment in subsidiaries

Greater Wellington Regional Council has the following subsidiary relationships:

	Relationship	Equity held 2011	Equity held 2010	Parent
WRC Holdings	Subsidiary	100%	100%	Greater Wellington
Pringle House Limited	Subsidiary	100%	100%	WRC Holdings
Port Investment Limited	Subsidiary	100%	100%	WRC Holdings
CentrePort Limited	Subsidiary	76.9%	76.9%	Port Investment Limited
Greater Wellington Rail Limited	Subsidiary	100%	100%	WRC Holdings
Greater Wellington Infrastructure Limited	Subsidiary	100%	100%	WRC Holdings
Greater Wellington Transport Limited	Subsidiary	100%	100%	WRC Holdings
Grow Wellington Limited	Subsidiary	100%	100%	Greater Wellington

All the companies mentioned above were incorporated in New Zealand and have a balance date of 30 June.

All significant intra-group transactions have been eliminated on consolidation. Please see Note 26 on related party transactions for details.

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
WRC Holdings Limited shares	-	-	50,725	37,379
Grow Wellington Limited shares	-	-	-	-
Total investment in subsidiaries	-	-	50,725	37,379

**Notes to the financial statements
for the year ended 30 June 2011**

Note 18 Derivative financial instruments

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Derivative financial instruments - Assets				
Current asset portion				
Foreign exchange contracts	3	36	3	36
Interest rate swaps	-	770	-	770
Total current asset portion	3	806	3	806
Non-current asset portion				
Foreign exchange contracts	-	1	-	1
Interest rate swaps	736	739	736	280
Total non-current asset portion	736	740	736	281
Total derivative financial instruments - Assets	739	1,546	739	1,087
Derivative financial instruments - Liabilities				
Current liability portion				
Foreign exchange contracts	4	4	4	4
Diesel contract	44	61	-	-
Interest rate swaps	358	96	308	96
Total current liability portion	406	161	312	100
Non-current liability portion				
Foreign exchange contracts	-	1	-	1
Interest rate swaps	12,630	6,905	4,185	2,068
Total non-current liability portion	12,630	6,906	4,185	2,069
Total derivative financial instruments - Liabilities	13,036	7,067	4,497	2,169

For more information on interest rate swaps and foreign exchange contracts, please refer to Note 24 financial instruments. The fair values of the derivative financial instruments have been determined using a discounted Cashflow valuation technique based on market prices at balance date.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 19 Trade and other payables

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Trade payables	35,308	39,468	24,287	30,151
Amounts due to related parties	-	-	5,200	1,950
Income received in advance	15,336	333	15,218	215
Amounts due to Greater Wellington Rail Limited	-	-	-	-
Taxation payable	-	-	-	-
Accrued interest payable	1,682	1,501	1,682	1,501
Total trade and other payables	52,326	41,302	46,387	33,817

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value approximates their fair value.

Note 20 Debt

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 24.

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Current debt liabilities				
Commercial paper	57,503	45,008	13,406	962
Committed lines	3,000	7,000	3,000	7,000
Uncommitted lines	91,863	62,216	-	-
Bonds	50,000	-	50,000	-
	202,366	114,224	66,406	7,962
Non-current debt liabilities				
Bonds	25,000	75,000	25,000	75,000
Forestry Encouragement loans	-	2,224	-	2,224
Bank Loans	90,000	120,000	-	-
Crown loan	16,713	15,475	16,713	15,475
	131,713	212,699	41,713	92,699
Total debt liabilities	334,079	326,923	108,119	100,661

Terms and conditions

Greater Wellington has no overdraft facility. As at 30 June 2011 Greater Wellington had undrawn credit lines of \$67,000,000 (2010: \$27,057,000), of which \$32,000,000 mature in 2016 and \$35,000,000 mature in 2017. Both facilities can be repaid or drawn down until expiry and have the ability to be extended annually at the discretion of the bank. The interest rate charged on the facility as at 30 June 2011 was 3.50% (2010 4%). The borrowings are subject to a Negative Pledge Deed under which the lenders provide funds.

As at 30 June 2011, Greater Wellington's external debt has a weighted average interest rate (after the effect of derivatives) of 4.79% (2010: 4.64%) and is recorded at amortised cost. The crown loans are based on a discounted cashflow valuation basis utilising a discount rate of 8%. The amount due at maturity is \$26,521,272.

CentrePort Limited has an unsecured bank loan facility of \$203 million with renewal dates in 2011 and 2012. The facility can be repaid or drawn down until expiry. The interest rate charged on this facility as at 30 June 2011 ranged from 3.23% to 3.33% p.a. (2010 2.97% to 4.24%). No collateral was required on lending but CentrePort Limited has given a negative pledge and there are therefore restrictions on the quantum of borrowing made.

WRC Holdings Limited has a bank loan facility of \$44.0 million which is undrawn (2010 \$44.0 million drawn) and is secured by a debenture over uncalled capital in the company. As the facility is undrawn there is no interest rate charged on the facility as at 30 June 2011, (2010 undrawn). The rate charged on the Commercial paper was 2.76% at 30 June 2010 (2010 3.22%).

In December 2010 Wellington Regional Council (long term S&P credit rating of AA) guaranteed the borrowings of CentrePort Limited up to their banking facility limit of \$203 million. In recognition of the provision of the guarantee the company pays a guarantee fee to Wellington Regional Council.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 21 Employee benefit liabilities

	Group		Council	
	2011	2010	2011	2010
	Actual	Actual	Actual	Actual
	\$000s	\$000s	\$000s	\$000s
Annual leave	6,280	4,895	3,498	2,455
Long service leave	1,284	1,351	449	451
Retirement gratuities	-	-	97	109
Lieu leave	-	-	37	36
Total employee benefit liabilities	7,564	6,246	4,081	3,051
Comprising:				
Current	6,280	4,895	3,498	2,455
Non-current	1,284	1,351	583	596
Total employee benefit liabilities	7,564	6,246	4,081	3,051

Note 22 Provisions

	Group		Council	
	2010	2009	2010	2009
Carrying amount at 1 July	732	460	-	-
Additions including increases	-	732	-	-
Provision used during the year	(270)	(460)	-	-
Total provisions	462	732	-	-
Comprising:				
Current	462	732	-	-
Non-current	-	-	-	-
Total provisions	462	732	-	-

Note 23 Reconciliation of operating surplus / (deficit) with cashflow from operating activities

	Group		Council	
	2011	2010	2011	2010
	Actual	Actual	Actual	Actual
	\$000s	\$000s	\$000s	\$000s
Operating surplus / (deficit)	31,639	16,410	13,539	4,404
Add / (less) non-cash items				
Depreciation and amortisation	21,882	21,549	12,154	11,511
Impairment of property, plant and equipment	-	-	-	-
Sale of fixed assets	199	151	268	163
Assets written off / (written back)	-	1	-	1
Equity accounted earnings from associate companies	(324)	(404)	-	-
Reclassification & revaluations	57,724	(12,080)	-	-
Change in value of future tax benefit	19,248	2,307	-	-
Changes in fair value of forestry investments	(2,152)	(6,010)	(2,152)	(6,010)
Changes in fair value of investment property	-	1,366	-	-
Changes in fair value of derivative financial instruments	2,734	12,878	(1,169)	5,187
Changes in fair value of stadium advance	(44)	(316)	(44)	(316)
Changes in fair value of bonds	(250)	712	(250)	712
Changes in fair value of stadium loan	292	946	292	946
Bad debts	-	-	-	-
Movement in provision for impairment of doubtful debts	52	(32)	5	(45)
Add / (less) movements in working capital				
Accounts receivable	40,670	3,065	2,912	(6,078)
Inventory	(1,034)	(276)	(212)	(247)
Tax refund due	(101)	891	-	-
Accounts payable	7,588	5,171	5,864	5,935
Employee provisions	1,318	318	1,030	123
WRC Holdings Group current account	-	-	3,250	(712)
Add / (less) items classified as investing or financing activities				
Accounts payable related to fixed assets	(127,812)	(10,624)	-	-
(Gains) / losses on disposal of property, plant and equipment	309	442	309	442
WRC Holdings Group activities relating to financing	-	-	(354)	1,716
Forestry encouragement loan interest compounded	2,224	263	2,224	263
Net Cashflow from operating activities	54,162	36,728	37,666	17,995

**Notes to the financial statements
for the year ended 30 June 2011**

Note 24 Financial instruments

The Council and Group have a series of policies to manage the financial risks associated with its operation. These risks include market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cashflow interest rat

The Council and Group seek to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial instruments is governed by Treasury policies which are approved by the Council / the board of d

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group manages currency risk by ensuring that where possible asset purchases are denominated in New Zealand dollars. Any foreign currency risks arising from contractual commitments and liabilities are managed by entering into forward foreign exchange c

Table 1

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Forward foreign exchange contracts				
Less than one year	127	1,640	127	1,640
One to two years	-	127	-	127
Two to five years	-	-	-	-
	<u>127</u>	<u>1,767</u>	<u>127</u>	<u>1,767</u>

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has exposure to fair value interest rate risks as a result of investments, external debt and cash balances.

To minimise the risk on external debt, management monitors the levels of interest rates on an ongoing basis and uses forward rate and swap agreements and interest rate collars (options) to manage interest rate exposures for future periods. At 30 June 201

Table 2

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Interest rate swap agreements				
Less than one year	39,000	66,750	15,000	46,000
One to two years	25,000	15,000	5,000	15,000
Two to five years	225,000	130,000	75,000	45,000
Greater than five years	70,000	165,000	45,000	55,000
	<u>359,000</u>	<u>376,750</u>	<u>140,000</u>	<u>161,000</u>

The notional principal amounts of the outstanding interest rate swap contracts for Greater Wellington were \$140,000,000 (2010 \$161,000,000) and for the Group \$359,000,000 (2010 \$376,750,000). At 30 June 2011, the fixed interest rates of swaps of the Council

Notes to the financial statements for the year ended 30 June 2011

Note 24 Financial instruments...continued

Cashflow interest rate risk

Cashflow interest rate risk is the risk that the cashflows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Group to cashflow interest rate risk

Generally, the Group raises long term borrowings at short term rates and swaps them back into fixed rates using interest rate swaps to manage the cashflow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at fl

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which expose the Group to credit risk are principally bank balances, receivables and investments. The Group monitors credit risk on an ongoing basis.

Bank balances, Bank Bonds and Notes as well as short-term investments are held with New Zealand-registered banks in accordance with Greater Wellington's Treasury Risk Management Policy. No collateral is held by Greater Wellington in respect of bank balanc

The Stadium advance is reliant on the Stadium Trust repaying all it's external debt prior to making repayments to the settling trustees. Repayments are not scheduled and are not expected until at least 2025.

Concentration of credit risk

Greater Wellington derives the majority of its income from rates, the regional water supply levy and transport subsidies. Regional water supply levies are collected from the four Wellington metropolitan cities and rates are collected for Greater Wellingt

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparti

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet financial commitments as they fall due.

Greater Wellington minimises liquidity risk principally by maintaining liquid financial investments, undrawn committed lines with its relationship banks, in accordance with the Treasury Risk Management Policy. The investments are either in short term dep

**Notes to the financial statements
for the year ended 30 June 2011**

Note 24 Financial instruments...continued

Financial instruments categories

The accounting policies for financial instruments have been applied to the items below:

Table 3

	Group		Council	
	2011	2010	2011	2010
	Actual	Actual	Actual	Actual
	\$000s	\$000s	\$000s	\$000s
Financial assets				
Fair value through profit and loss				
Derivative financial instrument assets	739	1,546	739	1,087
Loans and receivables				
Cash at bank and term deposits	45,497	46,511	44,125	45,987
Debtors and other receivables	36,909	39,325	33,260	36,104
Stadium advance	4,612	4,271	4,612	4,271
<i>Total loans and receivables</i>	<u>87,018</u>	<u>90,107</u>	<u>81,997</u>	<u>86,362</u>
Held to maturity				
Local Government Insurance Corporation shares	80	80	80	80
Bank bonds / notes	33,000	16,434	33,000	16,434
<i>Total held to maturity</i>	<u>33,080</u>	<u>16,514</u>	<u>33,080</u>	<u>16,514</u>
Total Financial Assets	<u>120,837</u>	<u>108,167</u>	<u>115,816</u>	<u>103,963</u>
Financial liabilities				
Fair value through profit and loss				
Derivative financial instrument liabilities	13,036	7,067	4,497	2,169
Financial liabilities – at amortised cost				
Trade and other payables	52,326	41,303	46,387	33,817
Bank overdraft	-	-	-	-
Crown loans	16,713	15,475	16,713	15,475
Commercial paper	57,503	45,009	13,406	963
Committed and uncommitted lines	184,863	189,216	3,000	7,000
Forestry encouragement loans	-	2,224	-	2,224
Fixed rate bonds	75,000	75,000	75,000	75,000
	<u>399,441</u>	<u>375,294</u>	<u>159,003</u>	<u>136,648</u>

Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- **Quoted market price (level 1)** - Financial instruments with quoted prices for identical instruments in active markets.
- **Valuation technique using observable inputs (level 2)** - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using m
- **Valuation techniques with significant non -observable inputs (level 3)** - Financial instruments valued using models where one or more significant inputs are not observable.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 24 Financial instruments...continued

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Table 4

30 June 2011	Valuation technique			
	Total \$000s	Quoted market price \$000s	Observable inputs \$000s	Significant non - observable inputs \$000s
Council				
Financial assets				
Bank bonds / Notes	33,000		33,000	
Local Government Insurance Corporation Limited shares	80			80
Stadium advance	4,612		4,612	
Derivative financial instrument assets	739		739	
Financial liabilities				
Derivative financial instrument liabilities	4,497		4,497	
Group				
Financial assets				
Bank bonds / Notes	33,000		33,000	
Local Government Insurance Corporation Limited shares	80			80
Stadium advance	4,612		4,612	
Derivative financial instrument assets	739		739	
Financial liabilities				
Derivative financial instrument liabilities	13,036		13,036	
30 June 2010				
Council				
Financial assets				
Bank bonds / Notes	16,434		16,434	
Local Government Insurance Corporation Limited shares	80			80
Stadium advance	4,271		4,271	
Derivative financial instrument assets	1,087		1,087	
Financial liabilities				
Derivative financial instrument liabilities	2,169		2,169	
Group				
Financial assets				
Bank bonds / Notes	16,434		16,434	
Local Government Insurance Corporation Limited shares	80			80
Stadium advance	4,271		4,271	
Derivative financial instrument assets	1,546		1,546	
Financial liabilities				
Derivative financial instrument liabilities	7,067		7,067	

There were no transfers between the different levels of the fair value hierarchy.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 24 Financial instruments...continued

Financial instrument risks

The Group's maximum credit exposure for each class of financial instrument are as follows.

Table 5

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Cash at bank and term deposits	45,497	46,511	44,125	45,987
Trade and other receivables	36,909	39,325	33,260	36,104
Bank bonds	33,000	16,434	33,000	16,434
Stadium advance	4,612	4,271	4,612	4,271
Derivative financial instrument assets	739	1,546	739	1,087
Total credit risk	120,757	108,087	115,736	103,883

Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to Standard and Poor's credit rating or to historical information about counterparty default rates.

Table 6

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Counterparties with credit ratings				
AAA Cash at bank and term deposits	-	5,000	-	5,000
AA Cash at bank and term deposits	45,497	41,511	44,125	40,987
AA Bank bonds / notes	33,000	16,434	33,000	16,434
AA Derivative financial instruments	739	1,546	739	1,087

Debtors and other receivables mainly arise from Greater Wellington's statutory functions. Greater Wellington rates are being collected by the local city and district councils. The risk of default on statutory charges is minimal.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 24 Financial instruments...continued

Contractual maturity analysis of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual date. Future interest payments on floating rate debt is based on the instrument at the balance date

Table 7

	Carrying amount	Contractual cashflows	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
2011						
Council 2011						
Trade and other payables	46,387	46,387	46,387	-	-	-
Commercial paper	13,406	13,500	13,500	-	-	-
Lines of credit	3,000	3,001	-	-	3,001	-
Bond Issuances	75,000	81,513	54,504	1,339	25,670	-
Crown loans	16,712	26,521	-	-	-	26,521
Total	154,505	170,922	114,391	1,339	28,671	26,521
Group 2011						
Trade and other payables	52,326	52,326	52,326	-	-	-
Commercial paper	57,503	57,900	57,900	-	-	-
Lines of credit	3,000	3,001	-	-	3,001	-
Bond Issuances	75,000	81,513	54,504	1,339	25,670	-
Crown loans	16,712	26,521	-	-	-	26,521
WRCH Group loans	181,863	190,932	98,727	92,205	-	-
Total	386,404	412,193	263,457	93,544	28,671	26,521

	Carrying amount	Contractual cashflows	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
2010						
Council 2010						
Trade and other payables	33,817	33,817	33,817	-	-	-
Commercial paper	963	1,000	1,000	-	-	-
Lines of credit	7,000	7,004	-	-	7,004	-
Forestry encouragement loans	2,224	3,314	-	-	921	2,393
Bond Issuances	75,000	86,107	4,504	54,504	27,099	-
Crown loans	15,475	26,521	-	-	-	26,521
Total	134,479	157,763	39,321	54,504	35,024	28,914
Group 2010						
Trade and other payables	41,303	41,303	41,303	-	-	-
Bank overdraft	-	-	-	-	-	-
Commercial paper	45,009	45,400	45,400	-	-	-
Lines of credit	7,000	7,004	-	-	7,004	-
Forestry encouragement loans	2,224	3,314	-	-	921	2,393
Bond Issuances	75,000	86,107	4,504	54,504	27,099	-
Crown loans	15,475	26,521	-	-	-	26,521
WRCH Group loans	182,216	197,411	70,211	35,040	92,160	-
Total	368,227	407,060	161,418	89,544	127,184	28,914

Contractual maturity analysis of financial liabilities

The table below analyses the Group's foreign exchange contracts that will be settled on a gross basis into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual

Table 8

	Liability carrying amount	Asset carrying amount	Contractual cashflows	Less than 6 months	Between 6 months and 1 year	More than 1 year
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Council and Group 2011						
Forward foreign exchange contracts:						
Outflow	4	3	-	-	-	-
	-	-	127	127	-	-
Council and Group 2010						
Forward foreign exchange contracts:						
Outflow	-	32	-	-	-	-
	-	-	1,766	758	882	127

**Notes to the financial statements
for the year ended 30 June 2011**

Note 24 Financial instruments...continued

Sensitivity analysis

The tables below illustrate the potential profit and (loss) impact for reasonably possible market movements, with all other variables held constant, based on the Group's financial instrument exposures at balance date.

Council		2011		2010	
		- 1% Profit \$000s	+ 1% Profit \$000s	- 1% Profit \$000s	+ 1% Profit \$000s
Interest rate risk					
Table 9	Note				
Financial assets					
Cash at bank and term deposits	1	(441)	441	(459)	459
Bank bonds / Floating Rate Notes	2	(230)	230	101	(99)
Derivatives	3a	544	(525)	331	(330)
Financial liabilities					
Commercial paper	4	134	(134)	10	(10)
Committed and uncommitted lines	5	30	(30)	70	(70)
Derivatives	3b	(3,828)	3,933	(4,068)	4,066
Total sensitivity to interest rates		(3,791)	3,915	(4,015)	4,016
Foreign exchange risk					
		2011		2010	
		- 10% Profit + 10% \$000s	Profit \$000s	- 10% Profit + 10% \$000s	Profit \$000s
Financial assets					
Derivatives	3c	13	(11)	200	(164)
Total sensitivity to foreign exchange risk		13	(11)	200	(164)

Explanation of sensitivity analysis – Council

1) Cash at bank and term deposits

Cash at bank and term deposits are totalling \$44,125,000 (2010 \$45,989,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$441,000 (2010 \$459,000).

2) Bank bonds / Floating rate notes

There are \$33,000,000 (2010 \$16,435,000) invested in bonds and notes. A movement in interest rates of plus or minus 1% has an effect of negative \$230,000 (2010 negative \$99,000) and \$230,000 (2010 \$101,000) respectively.

3) Derivatives

a) Interest rate swaps - assets

Derivative financial assets include interest rate swaps which have a fair value totalling \$736,000 (2010 \$1,050,000). A movement in interest rates of plus 1% results in a negative gain of \$525,000 (2010 \$330,000 negative gain). A movement in interest rate

b) Interest rate swaps - liabilities

Derivative financial liabilities include interest rate swaps which have a fair value totalling (\$4,493,000) (2010 (\$2,164,000)). A movement in interest rates of plus 1% results in a gain of \$3,933,000 (2010 \$4,066,000). A movement in interest rates of mi

c) Foreign exchange contracts

Derivative financial assets include forward foreign exchange contracts with a total fair value of \$1,000 (2010 \$32,000). A movement on foreign exchange rates of plus or minus 10% has an impact of -\$11,000/+\$13,000 (2010 -\$164,000 / +\$200,000) based on a c

4) Commercial paper

The issued commercial paper has a value of \$13,406,000 (2010 \$963,000). A movement in interest rates of plus or minus 1% has an effect on interest expenses of \$134,000 (2010 \$10,000).

5) Committed and uncommitted lines

Money market borrowing under committed and uncommitted lines totalled \$3,000,000 (2010 \$7,000,000). A movement of plus or minus 1% in market interest rates has an effect on interest expense of \$30,000 (2010 \$70,000).

**Notes to the financial statements
for the year ended 30 June 2011**

Note 24 Financial instruments...continued

Interest rate risk

Table 10

Group

Financial assets

Cash at bank and term deposits

Bank bonds / Floating Rate Notes

Derivatives

Financial liabilities

Commercial paper

Committed and uncommitted lines

Derivatives

	Note	2011		2010	
		- 1% Profit \$000s	+ 1% Profit \$000s	- 1% Profit \$000s	+ 1% Profit \$000s
Cash at bank and term deposits	1	(455)	455	(465)	465
Bank bonds / Floating Rate Notes	2	(230)	230	101	(99)
Derivatives	3a	544	(525)	(473)	456
Commercial paper	4	575	(575)	450	(450)
Committed and uncommitted lines	5	1,889	(1,889)	1,882	(1,882)
Derivatives	3b	(5,192)	4,903	(12,442)	11,870
		(2,869)	2,599	(10,947)	10,360

Foreign exchange risk

Financial assets

Derivatives

Total sensitivity to foreign exchange risk

	Note	2011		2010	
		- 10% Profit + 10% \$000s	Profit \$000s	- 10% Profit + 10% \$000s	Profit \$000s
Derivatives	3c	13	(11)	200	(164)
Total sensitivity to foreign exchange risk		13	(11)	200	(164)

Explanation of sensitivity analysis – Group

1) Cash at bank and term deposits

Cash at bank and term deposits are totalling \$45,497,000 (2010 \$46,511,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$455,000 (2010 \$465,000).

2) Bank bonds / Floating rate notes

There are \$33,000,000 (2010 \$16,434,000) invested in bonds and notes. A movement in interest rates of plus or minus 1% has an effect of negative \$230,000 (2010 negative \$99,000) and \$230,000 (2010 \$101,000) respectively.

3) Derivatives

a) Interest rate swaps - assets

Derivative financial assets include interest rate swaps which have a fair value totalling \$736,000 (2010 \$1,050,000). A movement in interest rates of plus 1% results in a negative gain of \$525,000 (2010 \$330,000 negative gain). A movement in interest rate

Interest rate swaps have a combined negative fair value totalling (\$12,988,000) (2010 \$5,491,000). A movement in interest rates of plus 1% results in a net gain of \$3,928,000 (2010 \$3,928,000). A movement in interest rates of minus 1% results in a net lo

b) Interest rate swaps - liabilities

Derivative financial liabilities include interest rate swaps which have a fair value totalling (\$4,493,000) (2010 (\$2,164,000)). A movement in interest rates of plus 1% results in a gain of \$3,933,000 (2010 \$4,066,000). A movement in interest rates of mi

c) Foreign exchange contracts

Derivative financial assets include forward foreign exchange contracts with a total fair value of \$1,000 (2010 \$32,000). A movement on foreign exchange rates of plus or minus 10% has an impact of -\$11,000/+ \$13,000 (2010 -\$164,000 / +\$200,000) based on a c

4) Commercial paper

The issued commercial paper has a value of \$57,503,000 (2010 \$45,008,000). A movement in interest rates of plus or minus 1% has an effect on interest expenses of \$575,000 (2010 \$450,000).

5) Committed and uncommitted lines

Money market borrowing under committed and uncommitted lines totalled \$188,210,000 (2010 \$188,210,000). A movement of plus or minus 1% in market interest rates has an effect on interest expense of \$1,882,000 (2010 \$1,882,000).

**Notes to the financial statements
for the year ended 30 June 2011**

Note 25 Contingencies

	Group		Council	
	2011	2010	2011	2010
	Actual	Actual	Actual	Actual
	\$000s	\$000s	\$000s	\$000s
Legal proceedings and obligations	1,538	1,034	1,538	1,034
Uncalled shares in Wellington Coldstore Limited	750	750	-	-
Uncalled capital – WRC Holdings Limited				
50,000,000 \$1 shares uncalled and unpaid	-	-	50,000	50,000
22,170,000 \$1 shares, called and paid to 12.8 cents per share (Uncalled 87.2 cents)	-	-	-	19,332
22,170,000 \$1 shares, called and paid to 73.0 cents per share (Uncalled 27.0 cents)	-	-	5,986	-
	-	-	-	-
Total contingencies	2,288	1,784	57,524	70,366

Greater Wellington has responsibility for 13 contaminated sites in the region. None are considered high risk and any clean-up costs are considered to be negligible.

There may also be other contaminated sites which Greater Wellington is unaware of.

Legal proceedings and obligations may arise where a resource consent has been granted and where the consent holder does not comply with the conditions.

The risk to Greater Wellington is that it may need to defend enforcement action by complainants. Greater Wellington budgets for a certain level of legal costs and technical expertise each year.

Note 26 Related parties

Identity of related parties

The Group has related-party relationships with its subsidiaries (see Note 17), Councillors, Directors and executive management team. During the year, key management personnel, as part of normal customer relationships, were involved in minor transactions with Greater Wellington, such as rates payments.

Council committees include key members from many local and central government entities. Greater Wellington enters into transactions with these entities on an "arm's length" basis. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Greater Wellington would have adopted if dealing with that entity at arm's length in the same circumstances are not disclosed.

Greater Wellington owns 100% of the shares in WRC Holdings Limited and indirectly 76.9% of the shares of CentrePort Limited. Councillors J Burke, I Buchanan, P Glensor and F Wilde are directors of WRC Holdings Limited, Pringle House Limited, Port Investments Limited, Greater Wellington Rail Limited, Greater Wellington Transport Limited and Greater Wellington Infrastructure Limited.

Greater Wellington owns 100% of the shares in Grow Wellington Limited. The Directors of Grow Wellington Limited are B Albiston, M Bain, V Beck, P Swain, J Lumsden, M McCaw, J McFadzean and L Pham.

Councillor F Wilde is married to the Chief Executive of Landcorp Farming Limited with whom Grow Wellington has transactions on an "arms-length" basis.

Councillor I Buchanan is a Director of Local Government Superannuation Trustees Limited

Councillor P Glensor is Chair of Hutt Valley District Health Board.

Councillor J Aitken is a Board Member of Capital Coast Health.

A Director of Grow Wellington J Lumsden is a Director of Moxie Design

All transactions with related parties have been carried out on normal commercial terms. Significant transactions during the year ended 30 June 2011 included:

	Council	
	2011	2010
	Actual	Actual
	\$000s	\$000s
CentrePort Wellington Group		
Income from use of navigational facilities and consents charges	663	698
Income from debt guarantee	369	-
Expense for rental and services	(128)	(127)
WRC Holdings Group (Excluding CentrePort)		
Income from management services provided	771	571
Income from subvention payment	908	13
Income from dividends	1,204	1,387
Expense for rent of the Regional Council Centre	(1,672)	(1,648)
Expense for interest on inter company current account	(101)	(62)
Grow Wellington Limited		
Grants	(4,314)	(4,113)

**Notes to the financial statements
for the year ended 30 June 2011**

Note 26 Related parties...continued

	Council	
	2011 Actual \$000s	2010 Actual \$000s
Hutt Valley District Health Board		
Income / (Expenses) for services	1	2
NZ Local Government Insurance Corporation Limited		
Income from dividends	-	6
Wellington Waterfront Ltd		
Resource consent fees	-	(2)
Local Government Superannuation Trustees Limited		
Employee contributions to superannuation scheme	(517)	(416)
Landcorp Farming		
Income for rates and services	14	-
Moxie Design		
Expense for services	(398)	(458)

Key management personnel

Key management personnel include the Councillors, Chief Executive and members of the Executive Leadership Team (ELT) – further details on the ELT are covered in the Chief Executive's report.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 27 Remuneration

Chief Executive remuneration

For the year ending 30 June 2011, Greater Wellington's Chief Executive, appointed under section 42(1) of the Local Government Act 2002, received a total remuneration of \$350,302 (2010 \$342,715). The Chief Executive was appointed on 5 September 2005.

	2011 Actual \$	2010 Actual \$
Councillor Remuneration		
Councillor J Aitken	63,742	68,705
Councillor S Baber	24,526	73,402
Councillor J Brash	36,674	-
Councillor P Bruce	54,866	57,578
Councillor I Buchanan	24,050	75,646
Councillor J Burke	18,105	55,232
Councillor B Donaldson	67,339	55,708
Councillor P Glensor	77,163	77,996
Councillor S Greig	54,866	55,233
Councillor R Kirton	18,105	55,232
Councillor C Laidlaw	73,967	76,334
Councillor P Lamason	54,866	55,233
Councillor G McPhee	36,674	-
Councillor D Ponter	36,674	-
Councillor P Swain	36,674	-
Chair F Wilde	143,190	153,637
Councillor N Wilson	65,932	57,816

Note 28 Capital commitments and operating leases

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Capital commitments				
Capital expenditure contracted for at balance date but not yet incurred	198,348	247,078	9,307	413

Operating lease commitments – lessee

Future minimum lease payments under non-cancellable operating leases as at 30 June are as follows:

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Within one year	3,021	3,844	1,625	2,225
After one year but no more than five years	4,908	4,951	6,477	21
More than five years	4,388	5,558	4,857	-
Total operating lease commitments – lessee	12,317	14,353	12,959	2,246

Operating lease commitments are for vehicles, computer equipment, forklift trucks and office equipment, as well as rental for space in the Regional Council Centre. This rental is paid to a subsidiary Pringle House Limited. These leases have an average life of between 1 and 10 years with some renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

During the year \$1,648,000 was recognised as an expense in the statement of comprehensive income (2009 \$1,626,000). No contingent rent was paid (2009 nil).

Transport and operator commitments

Future minimum contract payments under non-cancellable transport contracts as at 30 June are as follows:

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Within one year	126,665	121,756	126,665	121,756
After one year but no more than five years	168,436	136,890	168,436	136,890
More than five years	101,476	40,590	101,476	40,590
Total transport and operator commitments	396,577	299,236	396,577	299,236

Operating lease commitments – lessor

The Group leases its investment properties under operating leases. The lease terms have non-cancellable terms from 1-4 years. The future aggregated minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Group		Council	
	2011 Actual \$000s	2010 Actual \$000s	2011 Actual \$000s	2010 Actual \$000s
Within one year	17,875	14,300	-	-
After one year but no more than five years	66,953	37,559	-	-
More than five years	79,253	73,856	-	-
Total operating lease commitments – lessor	164,081	125,715	-	-

No contingent rents have been recognised in the statement of comprehensive income during the period.

**Notes to the financial statements
for the year ended 30 June 2011**

Note 29 Severance payments

There was one employee (2010: three) who received a total severance payment of \$14,016 (2010 \$125,257). This disclosure has been made in accordance with Section 19 of schedule 10 of the Local Government Act 2002.

Note 30 Major variances between actual and budget

	Notes	2011 Actual \$000s	Council 2011 Budget \$000s	Favourable (Unfavourable) Variance
Statement of comprehensive income				
Revenue				
Grants and Subsidies	1	161,379	252,009	(90,630)
Expenditure				
Transport improvement expenditure	1	123,374	222,186	(98,812)
Finance Costs	2	5,424	7,020	(1,596)
Statement of financial position				
Bank term deposits	3	5,578	-	5,578
Other financial assets	3	-	22,145	(22,145)
Forestry Investments	4	20,135	12,319	7,816
Investment in subsidiaries	5	37,379	43,541	(6,162)
Property, plant and equipment	6	644,122	654,219	(10,097)
Debt				
Current debt	7	66,406	28,900	37,506
Non-current debt	7	41,713	109,443	(67,730)
Total debt	7	108,119	138,343	(30,224)

Explanations

1. Grants and subsidies - Revenue and expenditure

Greater Wellington receives grant revenue to fund various transport projects. Revenue is only received when expenditure is incurred including:

- Lower expenditure for purchase of Matangi EMU's of \$94.0 million due to the delays in delivery compared to budgeted timetable and the revised payment schedule reduced revenue by \$84.0 million.
- Lower project expenditure including Real time information and trolley bus infrastructure renewals of \$5.2 million reduced grant revenue by \$2.86 million.

2. Finance Costs

Finance costs were lower than budget due to lower level of capital expenditure compared to budget.

3. Term deposits and other investments

Some deposits have moved from a short term maturity into longer term maturity investments.

4. Forestry investments

Greater Wellington's forestry investments are valued each year. Higher market prices at year end resulted in a significant increase in the forestry valuation at year end. The budget variance arises from the difference in valuation expectations at the time of the budget and year end.

5. Investment in subsidiaries

Council share of the new rail rolling stock is funded by way of share capital in GW Rail Ltd. The timing of the Matangi expenditure is different to budget noted above. This movement for the year is attributed solely to share capital called of \$13.3 million

6. Property, plant and equipment – capital expenditure

Delays in the Real time information \$2.6 million and flood protection projects \$3.6 million have contributed to lower level of expenditure compared to budget.

7. Debt

Debt has been moved from long-term to current. Overall term debt was lower than budget due to the lower level of capital expenditure compared to budget.

Note 31 Events occurring after balance date

There were no significant events after balance date.

Groups of activities

Resource management	xxx
Transport	xxx
Water supply	xxx
Parks and forests	xxx
Safety and flood protection	xxx
Land management	xxx
Regional sustainable development	xxx
Community	xxx

For each activity the actual achievement is compared to the short-term targets as set out in the *2010/11 Annual Plan* and the long-term targets in the *10-Year Plan 2009-19 (LTCCP)*.

A funding-impact statement is also included, showing the operating surplus or deficit and capital expenditure for the year, as well as how that expenditure was funded.

Any remaining funding surplus after reserve transfers is used to repay debt in accordance with Greater Wellington's policy.

Resource management

Greater Wellington's resource management group of activities contributes to the following community outcomes – *healthy environment* and *healthy community*.

<p>Our resource management activities not only enhance the region's environmental wellbeing but also benefit, to varying degrees, the community's social, cultural and economic wellbeing.</p> <p>We develop and carry out resource management policies and plans, manage the resource consent process and respond to pollution incidents.</p> <p>Our focus this year has been working with Te Upoko Taiao – Natural Resource Management Committee on the review of our regional resource management plans. As well as integrating our five existing regional plans into one plan, we are also exploring with the community how we can balance regulation with voluntary methods and approaches to get the best outcome for the region's environment. We undertook an extensive programme of community engagement this year and this will continue as we develop the regional plan further in 2011/12.</p> <p>Supporting the review of the regional plan has also been a focus of our science work, particularly around establishing recommended minimum flows and water quality, and ecological limits for the region's rivers and streams.</p> <p>We issued 598 consents in 2010/11, 98.7% of which were processed within statutory timeframes. We also responded to more than 1,000 pollution incidents. We prepared our environmental regulation annual report cards, and our annual effluent data statistics which showed that 92% of the 177 Fonterra farms in the region reported full compliance with their resource consents.</p> <p>We also carried out our State of the Environment Monitoring Programme. This year we have been analysing our data looking for trends. This work is part of the development of the state of the environment reports we produce every five to six years. The state of the environment reports will be completed in December 2011.</p> <p>Field work on S-Map, a digital soil-mapping project across a large part of the region, was completed this year. We also completed the multi-year Wairarapa Valley groundwater investigation, which will provide the framework for managing the allocation of Wairarapa ground and surface water into the future. This work will form the technical basis for the water allocation provisions in the regional plan.</p> <p>This year we also established a governance group to progress the feasibility stage of the Wairarapa Water</p>	<p>How we contribute to community outcomes</p> <p>The Resource Management group of activities primarily contribute to the following community outcome by promoting the sustainable use, development and protection of the Wellington region's natural and physical resources – water, air, coast, soil and biodiversity:</p> <p>Healthy Environment</p> <p>A healthy environment is one with clean water, fresh air and healthy soils. Well-functioning and diverse ecosystems make up an environment that can support our needs. Resources are used efficiently. There is minimal waste and pollution</p> <p>This group of activities also contributes to the following outcome:</p> <p>Healthy Community by helping to provide a clean and healthy environment in which to live.</p>
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Use Project – an initiative to harvest and use water for economic and community purposes.	
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Resource management

LONG-TERM targets by June 2019	Actual
Customer satisfaction surveys will show that 60% of recent applicants and existing consent holders rate their level of satisfaction with our resource consents as excellent or very good.	Customer satisfaction with our resource consents service is measured every four years. When surveyed in 2008, 40% of recent applicants and existing consent holders rated their level of satisfaction with our consents processing service as excellent or very good. New data will be available in 2012.
There will be no recorded instances where air quality breaches the national environmental standards.	In 2010/11 the national standard for air quality was not exceeded in the region. This leaves the total number of breaches at five since 2006.
<ul style="list-style-type: none"> All bathing sites (coastal and freshwater) will comply with the national recreational water-quality guidelines Nitrate-nitrogen concentration in groundwater will not exceed 50% of the New Zealand Drinking-Water Standards Water quality in key streams, rivers and lakes will be maintained or enhanced 	<ul style="list-style-type: none"> In 2010/11, 42 of 74 coastal sites and 15 of 21 freshwater sites monitored exceeded the "action" guideline at least once, generally after rainfall. The "action" guideline is the level at which there is a potential risk to health and consideration should be given to beach closure. Action to remedy is taken by territorial authorities and may include repairs to sewerage and stormwater infrastructure. In 2010/11, all sites monitored met the New Zealand Drinking-Water Standards for nitrate-nitrogen. However, six of the 70 sites monitored exceeded 50% of the standard. In 2009/10, 26 of the 55 river and stream sites monitored had excellent or good water quality, compared to 28 river and stream sites with excellent or good water quality in 2008/09. Data on 2010/11 will be available mid 2011/12. <p>This information feeds into the review of the regional plans.</p>
River flows and groundwater levels will be maintained above the minimum levels.	We monitor river flows and groundwater levels, and where necessary place restrictions on water takes to ensure these flows and levels are above the limits or levels set in the Regional Freshwater Plan. In 2010/11, minimum levels were maintained except where there were unusually low levels of rainfall.
No decline in soil quality.	There are 22 sites which are tested for soil quality. The number of sites with at least one indicator outside the target range are: <ul style="list-style-type: none"> 2008/09 – 18 2009/10 – 18 Data on 2010/11 will be available in mid-2011/12. This information feeds into the review

	of the regional plans.
The number of reported pollution incidents will decrease on an annual basis.	The number of reported pollution incidents in 2010/11 was 1,174, compared with 1,157 in 2009/10 and 1,156 in 2008/09.

Activity: Resource management planning

SHORT-TERM targets by 30 June 2011	Actual
<p>The Regional Policy Statement will be approved by the Council and become operative, within a budget of \$548,000.</p> <p>The budget was reduced to \$444,457 in the Annual Plan 2010/11.</p>	<p>The Regional Policy Statement was approved by the Council in May 2010.</p> <p>Nine appeals were lodged against the proposed Regional Policy Statement, with more than 200 points of appeal to be resolved. Mediation meetings were held with all the main appellers starting in the last quarter of 2010 and continuing through the first half of 2011.</p> <p>Court-assisted mediation with the appellers has been set down for early September 2011. It is expected that the majority of the appeals will be resolved by the end of June 2012.</p> <p>Actual costs were \$531,108. Additional costs were incurred because of the extra resources required for mediation. Mediation reduces Greater Wellington's exposure to litigation costs and associated risks.</p>

Activity: Resource consent service

SHORT-TERM targets by 30 June 2011	Actual
<p>100% of resource consents will be processed within statutory timeframes and in compliance with the Resource Management Act, within a budget of \$680,000.</p> <p>The budget was reduced to \$623,235 in the Annual Plan 2010/11.</p>	<p>590 (98.7%) out of 598 consents were processed within statutory timeframes in 2010/11. Of the 8 consents that were not processed within statutory timeframes, one was lodged after 1 July 2010. This required Greater Wellington to discount the applicant's processing charges by 1% due to the new Discount Regulations.</p> <p>Actual costs were \$532,900, due to consents requiring less staff time than anticipated.</p>
<p>100% of consent decisions appealed to the Environment Court will be successfully defended, within a budget of \$36,000.</p> <p>The budget was reduced to \$35,000 in the Annual Plan 2010/11.</p>	<p>We successfully defended one appeal in 2010/11 which was resolved by mediation. Three other appeals lodged prior to 2010/11 remain unresolved. One new appeal was received during 2010/11.</p> <p>Actual costs were \$97,151 due to more appeals than were anticipated.</p>
<p>Two workshops on specific issues will be held for consent customers, within a budget of \$59,000.</p> <p>The budget was reduced to \$53,549 in the Annual Plan 2010/11.</p>	<p>A Consultants Workshop was held Wellington in February 2011. Five Water Management Workshops for water take consent holders were held in the Wairarapa in May 2011 to brief the consent holders on the new water meter regulations and the outcomes of the Wairarapa groundwater investigations.</p> <p>Actual costs were \$73,186.</p>

Activity: Compliance and enforcement

SHORT-TERM targets by 30 June 2011	Actual
<p>100% of compliance inspections for all major consents with an individual monitoring programme will be completed, within a budget of \$490,000.</p> <p>The budget was increased to \$494,503 in the Annual Plan 2010/11.</p>	<p>2,164 (98.5%) of 2,196 scheduled inspections were completed, compared with 1,813 inspections in 2009/10.</p> <p>Actual costs were \$335,134 due to inspections requiring less staff time than anticipated.</p>
<p>6.7% (1 in 15) of all consents not subject to an individual monitoring programme will be subject to a monitoring inspection, within a budget of \$35,000.</p> <p>The budget was reduced to \$33,132 in the Annual Plan 2010/11.</p>	<p>53 consents were not subject to an individual monitoring programme. 13 (24.5%) were subject to a monitoring inspection.</p> <p>Actual costs were \$24,066</p>
<p>100% enforcement actions taken will be successful, within a budget of \$66,000.</p> <p>The budget was reduced to \$64,000 in the Annual Plan 2010/11.</p>	<p>19 prosecution charges were laid against eight parties. We successfully defended all cases heard by the Environment Court/District Court. 74 abatement notices and 46 infringement notices were issued. Of these notices, only two abatement notices were appealed and remain unresolved.</p> <p>Actual costs were \$81,013 due to more enforcement action being taken than anticipated.</p>

Activity: Pollution prevention and control

SHORT-TERM targets by 30 June 2011	Actual
<p>100% of environmental pollution incidents will be responded to according to the following timeframes, within a budget of \$354,000:</p> <ul style="list-style-type: none"> • Log only: no action required • Red (serious adverse environmental effect requiring immediate attention): 60 minutes • Yellow (serious environmental effect where no benefit will be gained by an immediate response): 24 hours • Blue (minor environmental effect not requiring immediate response): 7 days <p>The budget was increased to \$356,833 in the Annual Plan 2010/11.</p>	<p>The average response times were met:</p> <ul style="list-style-type: none"> • Red – 44 minutes (target 60 minutes) • Yellow – 6 hours (target 24 hours) • Blue – 2 days (target 1 week) <p>Regarding actual response times, the number of incidents that exceeded the target were as follows:</p> <ul style="list-style-type: none"> • Red – 66 incidents (13%) • Yellow – 6 incidents (3%) • Blue – 6 incidents (7%) <p>It was not always possible to investigate incidents within the target response time. For example, where the notification was received at night and it was too dark to review the site or for a "Red" incident where the driving time took more than one hour. In these cases the incidents were attended as soon as practicable.</p> <p>Actual costs were \$313,831.</p>
<p>20 businesses will be audited for compliance with the Resource Management Act and regional plans, within a budget of \$88,000.</p> <p>The budget was reduced to \$86,103 in the Annual Plan 2010/11.</p>	<p>11 audits were completed. While this is less than the target of 20, the Take Charge position has dropped from 1FTE to 0.5FTE due to a reprioritisation of resources onto higher priority work. In addition to this, 22 certificates were issued to businesses after follow up was completed on audits undertaken in 2009/10.</p> <p>Actual costs were \$28,194.</p>

Activity: State of the environment monitoring

- Environmental monitoring and reporting
- Targeted environmental investigations

SHORT-TERM targets by 30 June 2011	Actual
<p>Greater Wellington's managers with responsibility for water supply and consents will be notified within one working day of low groundwater levels in the Waiwhetu aquifer, within a budget of \$56,000.</p> <p>The budget was reduced to \$52,040 in the Annual Plan 2010/11.</p>	<p>No notifications were required because the Waiwhetu aquifer was well above the low-level warning in the period.</p> <p>Actual costs were \$32,126.</p>
<p>Water samples will be taken weekly throughout the bathing season (1 November – 31 March) and tested for the presence of bacteria. A traffic light warning framework (see below) will be used at the sites and on Greater Wellington's website to inform the public, within a budget of \$63,000:</p> <ul style="list-style-type: none"> • Green – low or no public health risk • Amber – alert mode requiring follow-up monitoring • Red – action required and beach closed. <p>The budget was reduced to \$61,585 in the Annual Plan 2010/11.</p>	<p>Recreational water quality samples were collected weekly in the period 1 November to 31 March, with the results of bacteriological testing displayed on our website.</p> <p>The report, <i>On the Beaches 2010/11</i>, which set out the results of testing for the bathing season, was presented to the Council through the Councillors' Information Bulletin (23 June 2011, Issue 2011/31).</p> <p>Actual costs were \$62,000.</p>
<p>Real-time environmental data will be available on Greater Wellington's website throughout the year, within a budget of \$42,000.</p> <p>The budget was reduced to \$39,760 in the Annual Plan 2010/11.</p>	<p>Real-time data relating to the following was available on our website throughout the year:</p> <ul style="list-style-type: none"> • Air quality • Meteorology • River flows • Rainfall • Groundwater levels • Lake level • Soil moisture • Tide level <p>Actual costs were \$20,145.</p>

<p>Monitoring the state of the region's environment (air, water, soil) will be undertaken and annual report cards containing summary information of this work will be prepared to the Council's satisfaction, within a budget of \$1,855,000.</p> <p>The budget was reduced to \$1,747,584 in the Annual Plan 2010/11.</p>	<p>Monitoring of the state of the region's environment has been undertaken as per established programmes.</p> <p>Report cards have been published and were presented to the Council in the Councillors' Information Bulletin (2 December 2010, Issue 2010/06).</p> <p>The cards covered:</p> <ul style="list-style-type: none"> • Air quality • Groundwater • Harbours, estuaries and coast • Rainfall and river flows • River and stream health • Recreational water quality • Soil health and contaminated land • Mangatarere Stream catchment <p>Actual costs were \$1,938,692 due to extra work being required to analyse trends over time in preparation for the publishing of the regional state of the environment report in December 2011.</p>
<p>Targeted investigations will be completed in a timely manner and to the Council's satisfaction, within in a budget of \$586,000.</p> <p>The budget was reduced to \$413,685 in the Annual Plan 2010/11.</p>	<p>Targeted investigations were carried out and reported on during the year. The majority of these reports concluded what were multi-year investigations.</p> <p>The suite of reports relating to Wairarapa groundwater investigations were presented to the Te Upoko Taiao committee in March 2011. This work forms the technical basis for the review of the water allocation provisions in the regional plan. The investigations included:</p> <ul style="list-style-type: none"> • Wairarapa Valley groundwater resource investigation report, Proposed framework for conjunctive water management (May 2011) • Wairarapa Valley groundwater resource investigation report, Upper Valley catchment Hydrogeology and modelling (May 2011) • Wairarapa Valley groundwater resource investigation report Middle Valley catchment Hydrogeology and modelling (May 2011) • Wairarapa Valley groundwater resource investigation report, Lower Valley catchment Hydrogeology and modelling (May 2011) <p>The Mangatarere Stream catchment water quality investigation was carried out to further understand the reasons for poor water quality in this catchment. The results were presented to the Regulatory Committee on 4 August 2010.</p> <p>Actual costs were \$242,670, due to a greater focus on state of the environment reporting this</p>

	year.
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Activity: Environmental education and community engagement

SHORT-TERM targets by 30 June 2011	Actual
<p>2,000 primary school students will participate in a Take Action environmental education programme, within a budget of \$283,000.</p> <p>The budget was reduced to \$270,251 in the Annual Plan 2010/11.</p>	<p>We delivered Take Action for Water to 22 schools (65 classes), approximately 1950 students.</p> <p>Actual costs were \$305,982.</p>
<p>Community groups will work on restoring 30 degraded ecosystems through the Take Care programme, within a budget of \$296,000.</p> <p>The budget was reduced to \$260,097 in the Annual Plan 2010/11.</p>	<p>35 community groups worked on restoring 35 degraded ecosystems through the Take Care programme.</p> <p>Actual costs were \$255,494.</p>
<p>25 businesses will be assisted to improve their environmental performance through our eMission business sustainability and carbon reduction initiatives, within a budget of \$40,000.</p> <p>The budget was reduced to \$39,427 in the Annual Plan 2010/11.</p>	<p>This programme was discontinued early in the financial year so that resources could be refocused on higher priority projects.</p> <p>Actual costs were \$9,223.</p>

**Resource management
Funding Impact Statement**

	Council 2011 Actual \$000s	Council 2011 Budget \$000s		Council 2011 Actual \$000s	Council 2011 Budget \$000s
Funding statement			Operating revenue		
General rates	9,821	9,821	Resource Management planning	2,486	2,393
Government subsidies	12	10	Resource consent & compliance service	3,361	3,245
Interest and dividends	14	-	Pollution Control	477	478
Other operating revenue	2,039	1,670	Monitor the state of the environment monitoring	4,255	4,085
Operating revenue	11,886	11,501	Environmental education & engagement	1,307	1,300
			Total operating revenue	11,886	11,501
			Operating expenditure		
Direct operating expenditure	11,680	11,452	Resource Management planning	2,417	2,537
Finance costs	44	40	Resource consent & compliance service	3,737	3,244
Depreciation	249	367	Pollution Control	335	478
			Monitor the state of the environment monitoring	4,176	4,266
Operating expenditure	11,973	11,859	Environmental education & engagement	1,308	1,334
Operating surplus / (deficit)	(87)	(358)	Total operating expenditure	11,973	11,859
Less:			Capital expenditure		
Capital expenditure	200	213	Environmental monitoring equipment	62	-
Proceeds from asset sales	(14)	(42)	Capital project expenditure	62	-
Loan funding	(66)	-			
Rates funded capital expenditure	120	171	Plant and equipment	44	70
Loan-funded improvement grants			Vehicles	94	143
Debt repayment	167	162	Total capital expenditure	200	213
Operational reserve movement	192	(324)			
Working capital movements	(276)	-			
Non-cash items	(240)	(367)			
Net funding surplus / (deficit)	(50)	-			

Note 1 - The above funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.

Transport

Greater Wellington's transport group of activities contributes to the following community outcomes – *prosperous community, connected community, essential services, healthy environment, healthy community and quality lifestyle.*

Our transport activities enhance economic wellbeing by providing a public transport system for people to get to work and by transport planning which facilitates the movement of freight and all types of vehicles for work and other purposes. Public transport services also enhance environmental wellbeing by reducing the number of vehicles on the roads, particularly at congested times. This leads to lower environmental impacts.

This year we consulted the community on the review of the Hutt Corridor Plan and Regional Freight Plan, which both seek to maximise the efficient movement of people and freight. We also started the process to investigate future options for a high-quality, high-frequency public transport spine through Wellington's CBD. Decisions on the future options for Wellington City are expected in early 2013.

We promoted road safety and sustainable transport choices, including walking, cycling and carpooling to help reduce severe road congestion. Our Lets Carpool programme won the New Zealand Local Authority Traffic Institute's Leadership Award for outstanding performance and contribution towards sustainability in transport.

We continued our work contracting and funding public transport services and related infrastructure. A number of significant milestones were achieved in 2010/11:

- the first 9 of the 48 new two-car Matangi trains were in service (delivery and commissioning of the remaining trains will continue through 2012)
- essential rail network upgrades were completed
- rail services to Waikanae commenced
- the real-time passenger information system was launched and
- A new rail transport package was agreed with the Government and KiwiRail. This package paves the way for improved delivery of services and provides a more certain funding environment

We also continued to offer transport programmes for people with disabilities to improve social wellbeing. In 2010/11 our Total Mobility Scheme was significantly enhanced with the introduction of a new system where new electronic cards replace the old paper voucher system.

How we contribute to community outcomes

The transport group of activities primarily contributes to the following community outcome by identifying the region's transport needs, planning how to meet them and working with others to develop networks and services:

Connected Community

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

This group of activities also contributes to other outcomes:

Prosperous community by enhancing the movement of goods and people within the region

Healthy environment by reducing vehicle emissions through good transport planning and the provision of public transport services

Essential services by providing and maintaining high-quality secure public transport infrastructure, and planning for roads, walkways and cycleways

Healthy community by encouraging walking and cycling, and reducing air pollution

Quality lifestyle by enabling people, including those with disabilities, to travel across the region easily and safely to participate in a variety of activities

Transport

LONG-TERM targets by June 2019	Actual
Passenger transport will account for at least 25 million peak-period trips per annum by 2016.	In 2010/11, passenger transport accounted for 18.8 million peak period trips. Bus trips made up 60% of the total trips, rail trips 39% and ferry trips less than 1%.
Active means of travel will account for at least 15% of region-wide journey to work trips by 2016.	13% of region-wide journey-to-work trips were made by walking and cycling in 2006 (Progress towards this target will next be measured by the 2013 NZ Census). The trend over the past few census periods shows these trips are increasing towards the target.
Transport generated CO ₂ emissions will remain below 1,065 kilotonnes per annum until 2016.	In 2010/2011, transport generated CO ₂ emissions totalled 1,075 kilotonnes, a decrease of 1.9% compared to 2009/10.
Average congestion on selected roads will remain below 20 seconds delay per kilometre despite traffic growth.	All-day average congestion was 21.6 seconds delay per kilometre travelled in 2010/11. This is a decrease of 1.8 seconds from the previous year. Congestion is greater in the AM peak, than the PM peak and inter-peak.
There will be no road crash fatalities attributable to roading network deficiencies.	A method for monitoring fatalities attributable to roading network deficiencies has yet to be developed.
All new large subdivisions and developments will include appropriate provision for walking, cycling and public transport.	There is no baseline data available for this measure. A 2008 review concluded that provisions for walking, cycling and public transport were being included to varying degrees in new local authority planning documents in the region. The Regional Policy Statement, Wellington Regional Strategy and Regional Land Transport Strategy all include policy support for this measure.
There will be improved road journey times for freight traffic between key destinations.	All-day average travel times for freight traffic between key destinations were found to be 24.3 minutes in March 2011, a decrease from 26.3 minutes in March 2010.

Activity: Regional transport network planning

SHORT-TERM targets by 30 June 2011	Actual
<p>A monitoring report on the Regional Land Transport Strategy will be approved for publication by the Regional Transport Committee by 30 September 2010, within a budget of \$96,000.</p> <p>The budget was reduced to \$40,000 in the Annual Plan 2010/11.</p>	<p>The 2009/10 Annual Monitoring Report on the Regional Land Transport Strategy was circulated to the Regional Transport Committee and published in October 2010.</p> <p>Actual costs were \$17,000.</p>
<p>A reviewed Hutt Corridor Plan will be approved by the Regional Transport Committee by 31 December 2010, within a budget of \$25,000.</p> <p>The budget was increased to \$164,000 in the Annual Plan 2010/11.</p>	<p>The draft Hutt Corridor Plan was approved for consultation on 29 March. The timing was delayed due to the need to undertake additional investigations and other planning priorities. The plan is now scheduled to be approved in September 2011.</p> <p>Actual costs were \$76,000. The full budget is expected to be spent in 2011/12.</p>
<p>The Regional Transport Committee will approve the release of a reviewed Draft Freight Plan¹ for consultation, within a budget of \$52,000.</p> <p>The budget was reduced to \$40,000 in the Annual Plan 2010/11.</p>	<p>The draft Freight Plan was approved for consultation by the Regional Transport Committee on 29 March. The final Freight Plan was approved by the Regional Transport Committee on 30 June.</p> <p>Actual costs were \$42,000</p>
<p>Surveys to support the redevelopment of the regional transport model² will be completed, within a budget of \$1,011,000.</p> <p>The budget was reduced to \$410,000 in the Annual Plan 2010/11.</p>	<p>The majority of survey work has been rescheduled into the 2011/12 financial year. Rail passenger count surveys have been completed. Pilot bus and rail origin and destination surveys have also been completed.</p> <p>Actual costs were \$166,000. The full budget is expected to be spent in 2011/12.</p>

1. The Freight Plan sets out the activities the region intends to undertake to address freight transport issues
2. The transport model is a computer-based tool used to predict changes to the transport network's operation as a result of various projects being undertaken

Activity: Encouraging sustainable transport choices

SHORT-TERM targets by 30 June 2011	Actual
<p>New travel plans will be developed by 18 schools and four workplaces, and all existing travel plans in schools and workplaces will be monitored/reviewed, within a budget of \$764,000.</p> <p>The budget was reduced to \$695,000 in the Annual Plan 2010/11.</p>	<p>14 new schools joined the school travel plan programme, bringing the total number of schools involved in the programme to 48 schools (17,000 children).</p> <p>We continued to support and monitor the existing 16 workplace travel plans. Rather than develop new individual workplace travel plans, we focused on a more diversified approach of tools and resources that were more accessible to larger numbers of organisations.</p> <p>This included:</p> <ul style="list-style-type: none"> o Active a2b workplace programme – 900 participants from 80 workplaces o Streets Alive Walking Challenge o Let's Carpool programme – 1,870 registrants. <p>Actual costs were \$639,000. This was due to local councils reducing their resourcing levels for school travel programmes, resulting in fewer schools coming into our programme and fewer schools participating in annual monitoring/evaluation.</p>
<p>At least one community travel behaviour change project will be supported, within a budget of \$87,000.</p> <p>The budget was reduced to \$75,000 in the Annual Plan 2010/11.</p>	<p>This activity was merged into wider travel awareness activity to support an appropriate community-wide project.</p>
<p>Walking and cycling initiatives will be facilitated. The Cycling and Walking Journey Planner will be maintained and the region's Active Transport Forum will be facilitated, within a budget of \$224,000.</p> <p>The budget was reduced to \$219,000 in the Annual Plan 2010/11.</p>	<p>Walking and cycling initiatives included:</p> <ul style="list-style-type: none"> o A road user visibility "Be Safe – Be Seen" campaign o Improvements to the Cycling and Walking Journey Planner o Developing a new policy for bikes on trains and running a folding bike promotional offer <p>Quarterly Active Transport Forums continued with positive attendance and contributions from local councils and advocacy groups.</p> <p>Actual costs were \$213,000.</p>

<p>The Regional Road Safety Campaign will be supported and reported to the Regional Transport Committee, within a budget of \$21,000.</p> <p>The budget was reduced to \$5,000 in the Annual Plan 2010/11.</p>	<p>Activities included:</p> <ul style="list-style-type: none"> o Displaying the Last Choice crash car o Bus driver/cyclist awareness workshops o The Mind the Gap cycle and pedestrian safety campaign o Establishing a quarterly Regional Road Safety Coordinators Planning Forum <p>Actual costs were \$67,000. There was an increase of initiatives in this area to be responsive to Safer Journey 2020 objectives.</p>
<p>Public awareness campaigns will be carried out to promote walking, cycling and public transport, and to discourage unnecessary car trips, within a budget of \$157,000.</p> <p>The budget was reduced to \$138,000 in the Annual Plan 2010/11.</p>	<p>Public awareness campaigns included:</p> <ul style="list-style-type: none"> o Encouraging new movers into and within the region to use the wide range of transport options available o A Car-Free Day event o Distributing the Getting Around transport options brochure o Distributing the Road Code for cyclists to all regional schools and public libraries o Training 26 people to deliver cycling skills to regional schoolchildren <p>Public awareness communications support was provided for all sustainable transport programmes and initiatives.</p> <p>Actual costs were \$227,000. This was due to the community travel behaviour change project merging with this project.</p>

Activity: Public transport services

SHORT-TERM targets by 30 June 2011	Actual
<p>A review of Wairarapa bus services will be completed and reported to the Council. Minor service reviews of two contract areas will be completed and reported to the Council. A review of Wellington bus services will be completed and reported to the Council, within a budget of \$155,000.</p> <p>The budget was reduced to \$150,000 in the Annual Plan 2010/11 and the review of the Wellington bus services was carried over from 2009/10.</p>	<p>The Wairarapa review was commenced and is scheduled for completion in December 2011.</p> <p>Two minor reviews (Wainuiomata and Paraparaumu) have been completed. Minor reviews of Otaki services and Kilbirnie town centre operations have commenced.</p> <p>The Wellington review has commenced and is scheduled for completion in early 2012.</p> <p>Actual costs were \$157,000.</p>
<p>Peak-time passenger trips using public transport will increase by 4%, off-peak passenger trips using public transport will increase by 6% and the number of public transport vehicles that are wheelchair accessible will increase from the previous year, within a budget of \$313,147,000.</p> <p>This budget was increased to \$313,664,000 in the Annual Plan 2010/11.</p>	<p>Peak-time public transport passenger trips increased by 8.2% and off-peak public transport passenger trips decreased by 5.5%, compared to the previous year.</p> <p>55 trains (including nine two-car Matangi trains) were wheelchair accessible, compared to 48 trains last year.</p> <p>298 buses were wheelchair accessible, compared to 287 last year.</p> <p>Actual costs were \$213,291,000. Delays to payments on the new Matangi trains were the main contribution to the overall reduction in expenditure.</p>
<p>Further new Matangi electric multiple units (EMU) will arrive in Wellington and enter passenger service, within a budget of \$144,817,000.</p> <p>The budget was increased to \$147,276,000 in the Annual Plan 2010/11.</p>	<p>The first four-car Matangi train on a scheduled peak service ran in March 2011. At the end of June, 15 two-car Matangi trains were in Wellington and nine of those trains were in service. Delivery and commissioning of the remaining trains will continue through 2012. Actual costs were \$53,279,000.</p> <p>The reduction in costs reflects delays to the delivery of Matangi trains by the supplier. The delay should be seen in the in context of their 35 year life.</p>

<p>A refurbishment programme of the GanzMavag rail fleet will commence, following approval by the Council, within a budgets of \$23,000,000.</p>	<p>This was deferred to 2011/12 in the Annual Plan 2010/11.</p>
<p>The rail double-tracking from MacKays Crossing to Paraparaumu and the extension of the electrification to Waikanae will be completed, within a budget of \$14,437,000.</p> <p>The budget was increased to \$29,877,000 in the Annual Plan 2010/11.</p>	<p>The rail double-tracking from MacKays Crossing to Paraparaumu and the extension of the electrification to Waikanae was completed. Trains commenced service on 20 February 2011.</p> <p>Actual costs were \$29,829,000. Some residual costs will be incurred next year.</p>
<p>The upgrade of the Thorndon Rail Depot and the expansion of train stabling for the Matangi EMUs will be completed, within a budget of \$12,485,000.</p> <p>The budget was increased to \$17,072,000 in the Annual Plan 2010/11.</p>	<p>The Thorndon depot upgrade and extension (including the new wheel lathe and carwash) has been completed, though some minor residual costs will be incurred in 2011/12. The 1940s section of the old depot is targeted for demolition once all the new Matangi trains have been commissioned.</p> <p>Actual costs were \$18,083,000 but total costs incurred to 30 June 2011 were within the overall project budget.</p>
<p>The upgrade to 15 railway stations across the rail network (to enable the successful introduction into service of the new Matangi EMUs) will be completed, within a budget of \$5,824,000.</p> <p>The budget was reduced to \$3,585,000 and the reference to 15 railway stations was removed in the Annual Plan 2010/11.</p>	<p>Work to upgrade the railway stations across the rail network (to enable the successful introduction into service of the new Matangi trains) was completed.</p> <p>Actual costs were \$2,104,000. Total project costs were close to budget because more work was completed in the 2009/10 year.</p>
<p>15 new bus shelters will be installed across the region, within a budget of \$258,000.</p> <p>The budget was reduced to \$250,000 in the Annual Plan 2010/11.</p>	<p>17 new shelters were installed, six of which were the new Metlink prototype design.</p> <p>Actual costs were \$256,000.</p>
<p>A real-time information system will be in operation on the Metlink network, within a budget of \$5,856,000.</p> <p>The budget was reduced to \$5,436,000 in the Annual Plan 2010/11.</p>	<p>Real Time Information (RTI) was installed for Go Wellington services, with four signs operating at Wellington station and live departures on the Metlink website from 1 April 2011.</p> <p>Installation of on-bus equipment for the Valley Flyer fleet was carried out during May/June 2011. By the end of June 2011 civil works were underway for 40 additional on-street RTI signs.</p> <p>Actual costs were \$2,808,000. The remaining expenditure will be incurred in 2011/12.</p>

<ul style="list-style-type: none"> • More than 90% of residents will rate the service they receive from the Metlink Service Centre as excellent or very good • More than 95% of calls to the Metlink Service Centre will be answered • Metlink website usage and its usefulness rating will increase from the previous year • Use of txtBUS and txtTRAIN will increase from the previous year <p>These activities had a budget of \$845,000. The budget was reduced to \$816,000 in the Annual Plan 2010/11.</p>	<ul style="list-style-type: none"> • 78% of residents surveyed in 2011 reported overall satisfaction with the service they received from the Metlink Service Centre, a slight increase from the previous year (77%) • 95.6% of all calls to the Metlink Service Centre were answered and customers provided with the necessary travel information • Google analytics, used to monitor website traffic, was introduced with the launch of the new website in December 2009. Comparing visits for the seven months ending June 2010 (906,753) with the same period this year (1,122,837) shows a 23.8% increase. 67% of users surveyed in the annual satisfaction monitor found the website useful, up from 65% the previous year • Monthly txtBUS requests averaged 2,808 (down 5.3% on the previous year) while monthly txtTRAIN requests dropped 16.1% to 8,956. These decreases can be attributed to sharp growth in the usage of the Metlink mobile site launched in December 2009. Comparing the number of visits to the mobile site in the seven months to June 2010 (26,347) with the same period this year (112,835) shows a 328% increase <p>Actual costs were \$758,000.</p>
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Additional information

The reliability of the public transport network continued to be an important issue.

99.8 % of bus services have operated on time, an increase of 0.1% from the previous year. A bus service is defined as being "on time" when it runs within 10 minutes of scheduled time at departure and destination.

83.8 % of rail services have operated on time, an increase of 1.6% from the previous year. A train service is defined as being "on time" when it departs from or arrives at Wellington Railway Station within three minutes of its scheduled time.

Greater Wellington funds almost 1.1 million bus and rail services each year. The reliability statistics show that the vast majority of bus services ran to time. Rail services were more reliable than the previous year – this increase was attributable to the completion of the rail network upgrade and introduction of new Matangi fleet. The complete introduction of the new Matangi fleet by the end of

2011/12 should see further improvement in rail reliability.

Transport

Funding Impact Statement

Funding statement	Note	Council	Council
		2011 Actual	2011 Budget
		\$000s	\$000s
Targeted rate		41,392	41,392
Government subsidies	1	161,379	251,722
Interest and dividends		236	281
Other operating revenue		442	90
Operating revenue		203,449	293,485
Direct operating expenditure		88,059	88,015
Finance costs		1,626	2,006
Depreciation		554	265
Operating expenditure		90,239	90,286
Transport improvement expenditure		123,374	222,186
Operating surplus / (deficit)		(10,164)	(18,987)
Less:			
Capital expenditure	2	3,477	6,676
Proceeds from asset sales		-	-
Loan funding		(41)	(1,401)
Rates and subsidy-funded capital expenditure		3,436	5,275
Loan-funded transport improvements*		(14,744)	(25,161)
Debt repayment		3,104	3,220
Operational reserve movement		(28)	(2,056)
Working capital movements		-	-
Non-cash items		(1,798)	(265)
Net funding surplus / (deficit)		(134)	-

		Council	Council
		2011 Actual	2011 Budget
		\$000s	\$000s
Operating revenue			
Regional transport network planning		1,586	1,788
Encourage sustainable transport choices		1,222	1,191
Public transport services		200,641	290,506
Total operating revenue		203,449	293,485
Operating expenditure			
Regional transport planning		1,294	1,559
Encourage sustainable transport choices		1,142	1,165
Public transport services *		87,803	87,562
Total operating expenditure		90,239	90,286
Transport improvement expenditure			
Public transport services*		123,374	222,186
Capital expenditure			
New public transport shelters, signage, pedestrian facilities and systems		3,477	6,676
Capital project expenditure		3,477	6,676
Vehicles		-	-
Total capital expenditure		3,477	6,676

Note 1 - Government subsidies and transport improvement expenditure are below budget due to changes in a number of rail infrastructure upgrade projects such as platform upgrades, signalling/power, train stabling and double tracking and the new Matangi trains

Note 2 - Capital expenditure was below budget due to a reclassification from capital expenditure to operational expenditure and changes in the timing of the real time information project.

Water supply

Greater Wellington collects, treats and delivers water to the cities of Lower Hutt, Porirua, Upper Hutt and Wellington. Our water supply group of activities contribute to the following community outcomes – *essential services, healthy community, healthy environment* and *prepared community*.

Supplying water of the highest quality is essential to the social and economic wellbeing of our community.

In 2010/11 we supplied 52,777 million litres of water, an average of 369 litres per person per day.

The water we supply continues to be of the highest quality. All our treatment plants, and our distribution system, now have the highest quality grading possible, with the Gear Island Water Treatment Plant receiving an A1 grading this year.¹ We expect confirmation from Regional Public Health of full compliance with the New Zealand Drinking-Water Standards shortly.

The importance of our ongoing work to improve the resilience of water supply was reinforced by the Canterbury earthquakes. Work completed this year included the three-year project to relocate the water supply pipeline to Wellington's Bell Road reservoir where it crosses the Wellington fault at Karori Sanctuary.

Work continued on upgrading the external embankments of the Stuart Macaskill Lakes to ensure water is secure after a major earthquake. The design of the internal upgrade and increase in storage volume has been completed and construction is due to start in November 2011. During construction one lake will need to be left empty. During 2010/11 we applied for a variation to the existing consents to allow us to take extra water from the Hutt River, if required, during construction.²

We installed a mini hydrogenerator at the Wainuiomata Water Treatment Plant to further increase the sustainability of water supply. The system is capable of generating 300kW of electricity using water pressure that was previously wasted. We expect to generate 1.8 million kWh of electricity per year, which is around 10% of the total electricity costs for water supply. We are on track to meet our sustainability target of reducing greenhouse gas emissions by 15% by 2012.

Work on planning for the region's future water

How we contribute to community outcomes

The Water Supply group of activities primarily contributes to the following community outcome by collecting, treating and delivering water to the cities of Lower Hutt, Upper Hutt, Porirua and Wellington. This requires Greater Wellington to maintain infrastructure and plan to meet future demand. Greater Wellington also promotes the careful use of water and builds resilience in the system to cope with emergencies:

Essential Services

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

This group of activities also contributes to other outcomes:

Healthy Community by ensuring that drinking water standards set by the Ministry of Health are met.

Prepared Community by planning the reinstatement of water supply following an emergency event.

Healthy Environment by encouraging people to use water wisely so that the environmental impacts of water supply operations are reduced.

¹ Waterloo has a B grading – the highest possible without chlorination of the water, as preferred by Hutt City Council

² The variation was granted in July 2011

supply continues. A feasibility study was nearly completed on the suitability of land in Kaitoke for the development of a water storage lake. A decision on the preferred option for future water supply will be made in 2011/12.

Water supply

LONG-TERM targets by June 2019	Actual
<p>All water supplied will meet the New Zealand Drinking-Water Standards. The gradings of the following treatment plants and the distribution system will be maintained or improved:</p> <ul style="list-style-type: none"> • Te Marua – A1 • Wainuiomata – A1 • Waterloo – A1 • Gear Island – A1 • Distribution system – a1 	<p>Our treatment plants and distribution system have the following gradings:</p> <ul style="list-style-type: none"> • Te Marua – A1 • Wainuiomata – A1 • Waterloo – B (this is the highest grading available given Hutt City Council's preference for an unchlorinated supply from this plant) • Gear Island – A1 (confirmed by Regional Public Health at the end of June 2011) • Distribution system – a1
<p>Supply security will meet a 2% probability of shortfall (1 in 50-year drought standard).</p>	<p>Security of supply achieved a 2.25% probability of shortfall at June 2011. Water supply demand will need to reduce at least at the rate of population increase to retain the security of supply without further supply development.</p> <p>The project to increase the capacity of the Stuart Macaskill Lakes will provide an improvement in security of supply when completed in 2013/14.</p>
<p>The ISO 14001:2004 standard for environmental management will be maintained.</p>	<p>The ISO 14001:2004 standard for environmental management was achieved for 2010/11.</p>
<p>Improvements to the system's resilience will be carried out annually to the satisfaction of the Council.</p>	<p>During 2010/11 existing projects to improve system resilience were continued and new activities carried out, including:</p> <ul style="list-style-type: none"> • Changing where we store our pipe stock to be better prepared for emergencies. Pipe stock will now be stored at Te Marua and Wainuiomata treatment plants and a new storage area in the Hutt Valley • Moving pipework from Waiapu Road into the Aro tunnel, reducing the number of times the pipe crosses the Wellington fault from three to one and making it easier to access the pipes for repairs. A section of tunnel roof was also strengthened • Installing an isolating valve in Kaiwharawhara on the main supply pipeline to Wellington • Improving the earthquake performance of the Gear Island valve chamber • Providing an emergency water supply point in Khandallah and installing a cross-connection to the city network in Ngaio
<p>Per capita gross consumption of water will decrease at a rate of at least 10% over 10 years.</p>	<p>In 2010/11, per capita gross consumption was 369 litres/head/day, which is a 1.3% reduction in the year and 7.5% less than the 399 litres/head/day baseline (2007/08).</p>

Activity: Water collection, treatment and delivery

SHORT-TERM targets by 30 June 2011	Actual
<p>Water will be supplied to the four cities in the region, within a budget of \$23,549,000, that meets or exceeds national quality standards and meets reasonable daily demand:</p> <ul style="list-style-type: none"> • Treatment plant gradings will be maintained or improved • Security of supply will be at a 2.5% probability of shortfall (1 in 40-year drought) • There will be no deferred maintenance in the system. <p>The budget was reduced to \$21,575,000 in the Annual Plan 2010/11.</p>	<p>Our monitoring of treated water quality shows that the water we supplied to the four cities complied with the New Zealand Drinking-Water Standards. Greater Wellington expects to have this confirmed by regional public health officials in due course. Confirmation of full compliance in 2009/10 was received during the year.</p> <p>The A1 grading of Te Marua and Wainuiomata water treatment plants were maintained. Gear Island Treatment Plant (previously ungraded) received an A1 grading. This means the water is completely satisfactory and of demonstrably high quality, with negligible risk of contamination.</p> <p>Waterloo treatment plant received a B grading which is the highest possible grading for this plant as, at the request of the Hutt City Council, the treated water is not disinfected. A B grading means the water is satisfactory, with a very low level of risk contamination when the water leaves the treatment plant.</p> <p>All demand for water from the four cities was met.</p> <p>Security of supply was 2.25% based on a 30 June 2011 estimated population of 393,400 (0.95% increase over 12 months). This is an improvement over the 2.5% target.</p> <p>Actual costs were \$20,516,000.</p>

Activity: Water supply infrastructure

SHORT-TERM targets by 30 June 2011	Actual
<p>Assets will be replaced or enhanced in accordance with the asset-management plan, within a budget of \$992,000.</p> <p>The budget was increased to \$1,370,000 in the Annual Plan 2010/11.</p>	<p>Assets have been replaced or enhanced in accordance with the capital expenditure programme that is developed from the asset-management plan.</p> <p>Actual costs were \$997,000. Costs were lower than budgeted for due to:</p> <ul style="list-style-type: none"> • an upgrade of information technology infrastructure that supports the water network being deferred until 2011/12, to create efficiencies with other information technology upgrades scheduled to take place at Greater Wellington • replacement motors for the Ngauranga

	<p>pumping station being purchased at less cost than originally estimated</p> <ul style="list-style-type: none">• the scope of some work to protect pipes from corrosion being scaled back.
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Unforecast activity:

The failure rate of a section of the water main in Plimmerton has become unacceptable. A review was carried out to determine the best repair/replacement solution. A refurbishment project has now been added to the capital works programme for 2011/12

Activity: Planning for future water demand and supply

SHORT-TERM targets by 30 June 2011	Actual
Major infrastructural developments will be undertaken in accordance with the Wellington Water Supply Development Plan:	
<ul style="list-style-type: none"> Construction for raising water levels at the Stuart Macaskill Lakes will continue, within a budget of \$2,067,000. <p>The budget was reduced to \$500,000 in the Annual Plan 2010/11.</p>	<p>The design work for raising the lakes was completed. Construction will be tendered in July 2011, with work expected to start in November 2011 and be completed by November 2013.</p> <p>Actual costs were \$190,000, due to construction being rescheduled to start in 2011/12.</p>
<ul style="list-style-type: none"> Construction will be completed and the Wainuiomata mini hydro-generator will be commissioned, within a budget \$248,000. <p>The budget was increased to \$1,700,000 in the Annual Plan 2010/11.</p>	<p>Construction was completed and the mini-hydro-generator started operating in June 2011.</p> <p>Actual costs were \$1,586,000.</p>
<ul style="list-style-type: none"> Construction for the seismic upgrading of the Stuart Macaskill Lakes will continue, within a budget of \$4,135,000. <p>The budget was reduced to \$2,750,000 in the Annual Plan 2010/11.</p>	<p>Work to strengthen the external embankment is well underway. Design of the lake lining is complete.</p> <p>Actual costs were \$1,706,000, due to construction being rescheduled for 2011/12.</p>
<ul style="list-style-type: none"> Design will be investigated and construction commenced on Stage 3 of the Te Marua pumping station mini hydro-generator, within a budget of \$1,034,000. 	<p>The project was deferred to 2011/12 in the Annual Plan 2010/11.</p>

Unforecast activity:

A feasibility study was carried out into the suitability of land at Kaitoke for a possible water storage lake at an approximate cost of \$143,000.

Activity: Water conservation programmes

SHORT-TERM targets by 30 June 2011	Actual
<p>Increases in total consumption will be held to levels consistent with population change and targets for per head consumption, within a budget of \$506,000.</p> <p>The budget was increased to \$567,000 in the Annual Plan 2010/11.</p>	<p>Gross water supply per resident during 2010/11 was 369 litres per person, per day. 7.5% less the 2007/08 baseline and on track to meet that target of a 10% reduction by 2019.</p> <p>We supplied 52,776 million litres of water in 2010/11, 0.3% less than in 2009/10. The estimated resident population supplied grew by 1.0% (projected) over the same period.</p> <p>Water conservation promotion is one of many factors that can affect levels of water use.</p> <p>Actual costs were \$421,000.</p> <p>Savings were realised from tailoring the level of activity to the mild summer experienced and the rescheduling of the promotional work that will accompany the earthquake strengthening of the Stuart Macaskill Lakes.</p>

Water supply

Funding Impact Statement

	Note	Council		Council	
		2011 Actual \$000s	2011 Budget \$000s	2011 Actual \$000s	2011 Budget \$000s
Funding statement					
Water supply levy		23,382	23,460	24,171	24,705
Interest and dividends		894	788	567	567
Other operating revenue		462	1,024		
Operating revenue		24,738	25,272	24,738	25,272
Operating revenue					
Plan, collect, treat and deliver water				24,171	24,705
Water conservation programmes				567	567
Total operating revenue				24,738	25,272
Operating expenditure					
Direct operating expenditure	1	15,178	16,367	25,389	26,477
Finance costs		2,538	2,756	502	475
Depreciation		8,175	7,829		
Operating expenditure		25,891	26,952	25,891	26,952
Operating surplus / (deficit)		(1,153)	(1,680)		
Capital expenditure					
Water sources				2,062	3,475
Water treatment plants				809	965
Pipelines				1,114	1,115
Pump stations				387	720
Monitoring and control				645	695
Seismic protection				209	300
Energy				1,586	1,700
Other				452	730
Capital project expenditure				7,264	9,700
Plant and equipment				3	91
Vehicles				205	372
Total capital expenditure				7,472	10,163
Less:					
Capital expenditure		7,264	10,163		
Proceeds from asset sales		(18)	(93)		
Loan funding		(7,264)	(9,700)		
Levy funded capital expenditure		(18)	370		
Debt repayment	2	5,994	4,773		
Investment additions		1,224	1,168		
Operational reserve movement		(54)	(162)		
Working capital movements		119	-		
Non-cash items		(8,173)	(7,829)		
Net funding surplus / (deficit)		(245)	-		

Note 1 - Operating expenditure was below budget due to lower power and chemical costs due to lower take from Te Marua Lakes. Personnel and finance costs were also below budget.

Note 2 - Debt repayments were increased due to the better operating result.

Note 3 - The above funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.

Parks and forests

Greater Wellington's parks and forests group of activities contributes to four community outcomes – *quality lifestyle, sense of place, healthy community and healthy environment*.

The Baring Head block of land near the south eastern entrance to Wellington Harbour was purchased last financial year and opened to the public in February 2011. This is a valuable addition to the East Harbour Regional Park.

On 1 March 2011, Greater Wellington took over the day-to-day operations of Whitireia Park, Titahi Bay. A new Park Board has been appointed by the Minister of Conservation – three board members represent Ngāti Toa Rangitira and three represent Greater Wellington.

Previously, Greater Wellington had an overarching network plan for its parks and individual plans for each park. For the first time, all the plans have been consolidated in one document that includes the regional parks, and Akatarawa and Pakuratahi forests. This will provide greater consistency in the way the parks are managed.

Each year a telephone survey is carried out across the region to measure the community's awareness of regional parks and their satisfaction with them. In the previous 12 months, 59% of the region's population visited at least one regional park, this was up from 53% the previous year. Part of the increase was due to Whitireia Park and Wairarapa Moana Wetlands Park being included for the first time. Overall, satisfaction levels with parks are at 94% – a slight improvement on 2009/10.

Greater Wellington appreciates the significant number of hours that volunteers spend in the parks each year. Memorandums of understanding (MoU) have been signed with the Friends of Queen Elizabeth Park and the newly formed Friends of Baring Head, and we are working on MoUs with other groups. These MoUs assist in clarifying the roles and responsibilities as we work together for the benefit of the parks. One of the significant events during the year was the planting of 10,000 plants in one day, mainly by members of the community, at Queen Elizabeth Park.

Greater Wellington runs a Great Outdoors Summer Events programme over the summer period. This year, 65 events were held and 3,800 people attended. This is approximately 900 less than the previous year as the summer was not quite as conducive to attending these types of events.

The usual planting, pest control and park maintenance work was carried out during the year, as well as some unplanned work at Whitireia Park and Baring Head.

How we contribute to community outcomes

The Parks and Forests group of activities primarily contributes to the following community outcomes by providing a range of outdoor recreational opportunities in regional parks, forests and recreational areas:

Healthy Community

Our physical and mental health is protected. Living and working environments are safe, and everyone has access to health care. Every opportunity is taken to recognise and provide for good health by providing regional parks and forest areas for outdoor recreation

Quality Lifestyle

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

This group of activities also contributes to other outcomes:

Sense of Place because our parks and forests are an integral part of the region's uniqueness and history

Healthy Environment by carrying out environmental protection and restoration works in our parks, forests and recreation areas

Parks and forests

LONG-TERM targets by June 2019	Actual
Visits will exceed 1.5 million per annum.	An estimated 766,545 visits were made to the regional parks in 2010/11, compared to 800,544 in 2009/10.
65% of the regional residents aged 16+ will have visited a regional park or forest at least once in the past 12 months.	59% of the regional population visited a park or forest at least once in the past 12 months, compared to 53% in 2009/10.
90% of visitors will be satisfied with their most recent park experience.	94% of visitors were satisfied with the park they had last visited as a place to carry out their respective activities, compared to 93% in 2009/10.
More than 14,000 people will participate in the Regional Outdoors Programme.	A total 10,918 people participated in the Great Outdoors Summer Events programme, compared to 12,236 in 2009/10. Several of the events were affected by poor weather.
The health of ecosystems in the parks and forest areas will show a continual improvement.	In 2010/11 the Environmental Action and Monitoring Programme was carried out as planned.
There will be no loss of regionally significant landscapes and heritage features.	There has been no loss of regionally significant landscapes and heritage features of the regional parks. Following our purchase of Baring Head in June 2010, we are in the process of protecting this significant landscape as a scenic reserve.
Facilities will be developed and maintained according to asset-management plans that have been approved by the Council.	The asset management programme has been carried out annually as planned. The condition of park assets remain better than average but not as high as five years ago due to new park acquisition.

Activity: Recreational, facilities and services

SHORT-TERM targets by 30 June 2011	Actual
Park and forest assets will be maintained in accordance with the relevant asset-management plans and reported to the satisfaction of the Council, within a budget of \$1,542,000. The budget was increased to \$1,774,000 in the Annual Plan 2010/11.	The annual asset-management programme has been carried out as planned. Some unplanned maintenance was undertaken during the year on newly acquired park lands. Actual costs were \$1,525,000.
Ranger services will be provided for seven days per week in four parks and for five days per week in the remaining parks and forest areas (excluding Whitireia Park and Lake Wairarapa). This will amount to 7,000 hours of ranger time, within a budget of \$957,000. The budget was reduced to \$818,000 in the Annual Plan 2010/11.	Park Rangers spent 9,000 hours undertaking compliance, security and community engagement. When we took over the day-to-day management of Whitireia Park the ranging service in the Wainuiomata/Orongorongo Water Collection Area was reduced from seven to five days per week. Actual costs were \$745,000.

Unforecast activity:

Following the purchase of land at Baring Head for inclusion into East Harbour Regional Park in June 2010, unplanned asset inspections, minor construction works and maintenance was needed to facilitate access and ensure the area was safe for the public to visit.

Activity: Parks network planning

SHORT-TERM targets by 30 June 2011	Actual
A new approach to the structure of park management plans will be developed and approved by the Council, within a budget of \$292,000. The budget was increased to \$306,000 in the Annual Plan 2010/11.	The Parks Network Plan, which provides an integrated management plan for all Greater Wellington's regional parks and forests, was approved by the Council in December 2010. Actual costs were \$238,000. Savings were achieved in the development of the plan by carrying on most of the work within existing resources, rather than outsourcing as was expected when the budget was established.
Governance arrangements for Lake Wairarapa (including Lake Onoke) will be confirmed. The budget was set at \$176,000 in the Annual Plan 2010/11.	A governance model for Wairarapa Moana Wetlands was carried out and pest management work was done. Actual costs were \$120,000.
Governance arrangements for Whitireia Park will be confirmed and a partial park service introduced, within a budget of \$120,000. This target was set in the Annual Plan 2010/11.	The Council agreed to manage Whitireia Park in partnership with Ngāti Toa Rangatira during the year, and introduced a day-to-day Park Ranger service. Actual costs were \$82,000. The park service did not start until 1 March 2011.

Unforecast activity:

Following the purchase of land at Baring Head for inclusion into East Harbour Regional Park in June 2010, additional work has been required to begin preparing a management plan. This has included research on biodiversity, heritage, tourism and recreation. This work was completed within
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existing budgets.

Activity: Environmental protection and enhancement

SHORT-TERM targets by 30 June 2011	Actual
<p>Compliance with the Environmental Asset Management Plan – pest plant control will be achieved, within a budget of \$983,000.</p> <p>The budget was increased to \$1,041,000 in the Annual Plan 2010/11.</p>	<p>All actions in the parks Environmental Asset Management Plan for 2010/11 were achieved this year with the exception of the Wainuiomata/Orongorongo Water Collection Area 1080 possum control operation. This operation was postponed again because possum numbers in the area were not significant enough to justify completing the work.</p> <p>Actual costs were \$783,000. \$148,000 has been carried over to 2011/12 for the possum control work.</p>
<p>A report on the health of the ecosystems of park and forest areas, using the monitoring results, will establish a baseline for further reporting, within a budget of \$109,000.</p> <p>The budget was reduced to \$43,000 in the Annual Plan 2010/11.</p>	<p>Due to other work commitments associated with forming the new Biodiversity department, the report was not completed but will be undertaken in 2011/12.</p> <p>Actual costs were \$34,000.</p>

Activity: Marketing and community relations

SHORT-TERM targets by 30 June 2011	Actual
<p>A marketing plan will be implemented such that 85% of residents will be able to freely recall a regional park or forest and 59% of residents will have visited one regional park in the previous 12 months.</p> <p>The regional outdoors programme (<i>Great Outdoors</i>) will be delivered and at least 4,900 people will attend the events led by Greater Wellington.</p> <p>Both combined had a budget of \$212,000. The budget was increased to \$226,000 in the Annual Plan 2010/11.</p>	<p>The marketing plan was carried out such that 81% of residents recalled at least one regional park or forest and 59% visited at least one park in the past 12 months.</p> <p>The Great Outdoors Summer Events programme was delivered and attracted 3,848 participants. Five events were cancelled (four due to poor weather) and participation in Bike the Trail was significantly affected by poor weather.</p> <p>Actual costs were \$213,000.</p>
<p>Eight "Friends of the Park" groups will have been actively involved in parks planning and management, within a budget of \$10,000. The budget was increased to \$19,000 in the Annual Plan 2010/11.</p>	<p>Ten "Friends of the Park" groups are actively involved in parks planning and management. Friends of Baring Head formed in 2010/11 and a memorandum of understanding with them was agreed in June 2011.</p> <p>The Friends of Onehunga Bay have expanded their scope to include the whole of Whitireia Park, managed by Greater Wellington since 1 March 2011.</p> <p>The Belmont Area Mountain Bike Association became increasingly active in Belmont Regional Park, with a strong focus on track maintenance.</p> <p>Actual costs were \$29,000, due to the increased number of Friends of the Park groups.</p>
<p>There will have been a 10% increase over the baseline measure in on-park volunteer hours, within a budget of \$17,000. No budget was assigned to this target in the Annual Plan 2010/11.</p>	<p>On-park volunteer hours were 6,167 hours, an increase of 35% on the 4,573 hours recorded in 2009/10.</p>

**Parks and forests
Funding Impact Statement**

	Council 2011 Actual \$000s	Council 2011 Budget \$000s		Council 2011 Actual \$000s	Council 2011 Budget \$000s
Funding statement			Operating revenue		
General rate	5,517	5,517	Plan, manage and protect recreational facilities and services	5,754	5,780
Government subsidies	-	-	Marketing and community relations	649	649
Other operating revenue	886	912	Total operating revenue	6,403	6,429
Operating revenue	6,403	6,429			
Direct operating expenditure	5,842	5,988	Operating expenditure		
Finance costs	233	202	Plan, manage and protect recreational facilities and services	5,973	6,194
Depreciation	638	653	Marketing and community relations	740	649
Operating expenditure	6,713	6,843	Total operating expenditure	6,713	6,843
Operating surplus / (deficit)	(310)	(414)			
Less:			Capital expenditure		
Capital expenditure	173	416	Park infrastructure upgrade	173	246
Proceeds from asset sales	(10)	(49)	Capital project expenditure	173	246
Loan funding	(164)	(246)	Plant and equipment	-	26
Rates funded capital expenditure	(1)	121	Vehicles	-	144
Debt repayment	283	278	Total capital expenditure	173	416
Operational reserve movement	(97)	(160)			
Working capital movements	207	-			
Non-cash items	(628)	(653)			
Net funding surplus / (deficit)	(74)	-			

Note 1 - The above funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.

Safety and flood protection

Greater Wellington's safety and flood protection group of activities contributes to the following community outcomes – *quality lifestyle, prepared community, healthy community, healthy environment and sense of place.*

After the major Canterbury earthquakes of September 2010 and February 2011 our Civil Defence and Emergency Management staff, as well as trained volunteers from across the organisation, assisted with the response effort. Greater Wellington provided significant operational support to the National Crisis Management Centre, deployed both staff and resources to Canterbury, and provided welfare support for displaced international tourists. We are now taking the lessons learned from the Canterbury earthquakes and integrating them into our operating plans and future work programmes.

Our flood protection work continues. We are now into year 11 of a 40-year programme to upgrade the flood protection works in the region. We are spending on average around \$5 million per year on this programme. A milestone this year was completing the design for the Boulcott-Hutt Stopbank on the Hutt River and appointing a contractor to undertake construction of this three-year project. Also completed this year was the first stage of a review of the Waiohine River and stopbanks protecting Greytown, and strengthening the Tobins Stopbank on the Ruamahanga River.

We had 500 requests from landowners for information about the flood hazard to help them make decisions about what sort of development might be appropriate for their site. This is double the number of previous years and an encouraging sign that more people are taking flood risk into account when making purchase or development decisions.

On 9 December 2010 the new at the Beacon Hill Signal Station began operation. Beacon Hill provides the eyes and ears on shipping movements in and out of Wellington Harbour. The official opening was marked with an event on 7 March 2011.

How we contribute to community outcomes

The Safety and Flood Protection group of activities primarily contributes to the following community outcome by building flood protection measures and ensuring that communities know the risk of emergency events in their area, including earthquakes, and are as ready as possible to cope with these events. Greater Wellington also prepares emergency management plans and provides an emergency operations centre to respond to any emergency events:

Prepared Community

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

This group of activities also contributes to other outcomes:

Healthy Environment by cleaning up pollution incidents in our harbours and coastal waters, and enhancing the environment along flood corridors.

Prosperous Community by ensuring that the regional economy is protected from the worst effects of emergencies and can recover quickly.

Quality Lifestyle by ensuring that floods and other emergencies cause minimum disruption to normal activities, and by ensuring that people can enjoy safe recreational use of the harbour and coastal waters and river corridors.

Safety and flood protection

LONG-TERM targets by June 2019	Actual
The assessed value of damages during flood events will be reduced by 20% from 2009 levels in areas where floodplain management plans are being carried out.	Work is progressing on this target. The completion of the Boulcott-Hutt stopbank, for which construction commenced this year, will result in a significant improvement, though the full affects will not be felt until the Lower Hutt CBD stopbank upgrade is finished in 2020.
5% of flood protection infrastructure spend will be on environmental restoration and enhancement projects.	Further work was completed on the Otaki and Waikanae rivers where we are assisting the Friends groups with restoration projects. On the Hutt River the river trail was redeveloped in conjunction with the Royal Wellington Golf Club to secure access and enhance the native planting. In addition to this, Stage 2 of the planting on the Waiwhetu Stream was completed. Further planting was also undertaken at the Ruamahanga River Barrage gates, adjacent to Wairarapa Moana.
80% of households surveyed will have emergency food and water supplies to last at least three days.	72% of residents surveyed have emergency food and water supplies to last at least three days (2010).
80% of businesses surveyed will have current business continuity plans.	56% of the businesses in the Wellington region have business continuity plans (2008).
The region will have sufficient capacity to manage an emergency event.	The region has adequate (and regularly tested) facilities, systems, tools and staff to manage an emergency event effectively. Regular training and exercising of staff further contributes to the capability and capacity, while effective and efficient planning ensures that we are up to date with operational and technical requirements.
There will be no significant accidents in the harbour or coastal waters.	In 2010/11 there were no significant accidents.
Reports of oil spills in harbours and coastal waters will be checked within 30 minutes and clean-up action will be commenced within one hour of being reported (for harbours) and within three hours (for coastal waters).	All oil spill reports were investigated and cleaned-up within the required timeframes.

Activity: Floodplain management planning

SHORT-TERM targets by 30 June 2011	Actual
The first stage of the Waiohine River floodplain management plan will be completed to the satisfaction of the Council, within a budget of \$118,000. This was increased to \$154,000 in the Annual Plan 2010/11.	Stage 1 has been completed and open days seeking input from the community about how to reduce the effects of flooding in Greytown have been undertaken to the satisfaction of the Council. The work was completed under budget. Outstanding costs for the production of the Phase 1 reports will be charged in 2011/12. Actual costs were \$66,600.
A review of flood risk to Masterton will be commenced, included within the budget for Wairarapa area investigations of \$285,000. This was increased to \$287,000 in the Annual Plan 2010/11.	This work was deferred to 2011/12 due to the need to further refine flood hazard information in other areas of the region.

Activity: Flood protection infrastructure

SHORT-TERM targets by 30 June 2011	Actual
The construction and upgrade of flood protection infrastructure for the region will be completed in accordance with the capital expenditure programme, within a budget of \$4,976,000. The budget was increased to \$7,440,000 in the Annual Plan 2010/11.	The capital works programme for the year was achieved, including: <ul style="list-style-type: none"> • Commencing construction of the Boulcott-Hutt Stopbank. While the construction was commenced as planned, progress achieved was less than planned due to a longer than anticipated consenting process. • Completing Stage 1 of the Tobin Stopbank • Completing the Bridge Road edge-protection works • Completing the Waiwhetu flood improvement works and approving an additional \$500,000 towards cleaning up contaminated sediments in the Waiwhetu Stream to assist the Hutt City Council with this work Actual costs were \$3,872,000
Flood infrastructure in the western part of the region will be maintained in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan. Achievement will be approved by the Council, within a budget of \$2,824,000. The budget was reduced to \$2,662,000 in the Annual Plan 2010/11.	All programmed maintenance work was completed in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan. Actual costs were \$2,522,000.
Flood infrastructure will be maintained in the 10 Wairarapa River schemes, and completed to established standards and the satisfaction of the Scheme Advisory Committees, within a budget of \$1,644,000. The budget was reduced to \$1,599,000 in the Annual Plan 2010/11.	All programmed works were completed in accordance with established standards and reported to the satisfaction of the Scheme Advisory Committees. Actual costs were \$1,533,700.

Activity: Environmental enhancement of river corridors

SHORT-TERM targets by 30 June 2011	Actual
Maintenance within the Hutt River corridor, including tracks and restoration sites, will be carried out in accordance with the Hutt River Environmental Strategy. Progress will be reported to the Council, within a budget of \$206,000. The budget was reduced to \$186,000 in the Annual Plan 2010/11.	The Hutt River corridor was maintained in accordance with the Hutt River Environmental Strategy. A summary of activities will be reported to the Council in September 2011. Actual costs were \$179,400.
Maintenance within the Otaki River corridor, including tracks and restoration sites, will be carried out in accordance with the Otaki River Environmental Strategy and in partnership with the Friends of the Otaki River. Progress will be reported to the Council, within a budget of \$25,000.	The Otaki River corridor was maintained in accordance with the Otaki River Environmental Strategy. A summary of activities will be reported to the Council in September 2011. Actual costs were \$19,400.
Maintenance within the Waikanae River corridor, including tracks and restoration sites, will be carried out in accordance with the Waikanae River Environmental Strategy and in partnership with the Friends of the Waikanae River. Progress will be reported to the Council, within a budget of \$12,000.	The Waikanae River corridor was maintained in accordance with the Waikanae River Environmental Strategy. A summary of activities will be reported to the Council in September 2011. Actual costs were \$15,650.

Activity: Flood-warning service

SHORT-TERM targets by 30 June 2011	Actual
All flood warnings will be issued within 30 minutes of alarms being triggered in accordance with established flood procedures, within a budget of \$44,000. The budget was reduced to \$43,000 in the Annual Plan 2010/11.	All flood warnings were issued in a timely manner. Actual costs were \$33,200.

Activity: Civil defence and emergency management

SHORT-TERM targets by 30 June 2011	Actual
<p>Progress with the implementation of the CDEM Group Plan will be to the satisfaction of the Wellington Region CDEM Group, within a budget of \$93,000. The budget was reduced to \$65,000 in the Annual Plan 2010/11.</p>	<p>The Civil Defence and Emergency Management (CDEM) Group Plan has been on hold awaiting the outcome of the reorganisation of CDEM services in the region. Actual costs were \$20,000.</p>
<p>The Wellington Region CDEM Group will meet twice during the year, within a budget of \$37,000. The budget was increased to \$38,000 in the Annual Plan 2010/11.</p>	<p>The Wellington CDEM Group changed its meeting schedule and met four times per year. Meetings were held on 7 December 2010, 1 April 2011 and 3 June 2011. Actual costs were \$25,000. Savings were achieved by the CDEM Group meetings being held as part of the Mayoral Forum.</p>
<p>A major exercise to test the operational capability of the CDEM Group's Emergency Operations Centre will be conducted, within a budget of \$9,000.</p>	<p>Two major exercises were successfully delivered during the year – Exercise Tangaroa (tsunami exercise) took place on 20 October 2010 and Exercise Phoenix VII (earthquake exercise) took place on 12 November 2010. Both exercises required rigorous testing of our facilities, systems, tools and staff. Corrective action plans have been developed for both exercises and the recommendations are being carried out. Actual costs were \$20,000. Additional costs were incurred because two exercises were held, rather than one.</p>
<p>A survey will show that 75% of households will have emergency food and water supplies and 70% of businesses in the region will have business continuity plans in place, within a budget of \$20,000. The budget was reduced to \$16,000 in the Annual Plan 2010/11.</p>	<p>The 2010 community preparedness survey found that 72% of households have adequate supplies of emergency food and water. Only 56% of businesses in the region have business continuity plans in place. Households and businesses will be surveyed again in 2013. Our <i>It's Easy</i> booklet was awarded the Global Emergency Preparedness Award for best emergency preparedness booklet. We continued to provide business with brochures to promote business continuity planning. Actual costs were \$19,000.</p>

Unforecast activity:

The two Canterbury earthquakes (4 September 2010 and 22 February 2011) required an extensive response from the Wellington region. Greater Wellington provided support (186 days) in the form of staffing the National Crisis Management Centre, running the Group's Emergency Coordination Centre and providing support staff in Christchurch. The four emergency management staff alone each contributed at least six weeks of their time to these two events

Activity: Harbour management

SHORT-TERM targets by 30 June 2011	Actual
<p>The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service in accordance with Council-agreed operating standards, within a budget of \$430,000. The budget was increased to \$476,674 in the Annual Plan 2010/11.</p>	<p>The new communications station became operational on 9 December 2010. A formal opening ceremony attended by Councillors was held on 7 March 2011. Actual costs were \$494,700.</p>
<p>Navigation aids will be repaired within 24 hours, weather permitting, and maintained in accordance with International Association of Lighthouse Authorities guidelines, within a budget of \$145,000. The budget was reduced to \$119,800 in the Annual Plan 2010/11.</p>	<p>All navigation aids were maintained and/or repaired at the earliest opportunity. International Association of Lighthouse Authorities guidelines for availability were met for all navigation aids, except the Porirua inner channel marker where a replacement part was not immediately available. Actual costs were \$110,300.</p>
<p>Reports of oil spills in harbours and coastal waters will be checked within 30 minutes and clean-up action will be commenced within one hour of being reported (for harbours) and within three hours (for coastal waters), within a budget of \$18,000. The budget was reduced to \$16,951 in the Annual Plan 2010/11.</p>	<p>All reports of oil spills were checked within 30 minutes. Three incidents required clean-up. The most significant was from oily blobs which landed over a considerable stretch of the Kapiti coastline. Actual costs were \$66,152. \$64,000 was recovered from Maritime New Zealand.</p>
<p>All reports of unsafe behaviour will be investigated. Formal records will be kept of all reports. At least 500 safe-boating packs will be distributed to recreational boaties, within a budget of \$112,000. The budget was reduced to \$107,908 in the Annual Plan 2010/11.</p>	<p>Approximately 133 incidents were dealt with as a result of patrols or callouts. At least 500 boat packs were distributed. Actual costs were \$132,737. \$32,000 of additional costs was incurred preparing a safety management system report for approval by Maritime New Zealand.</p>

**Safety and flood protection
Funding Impact Statement**

	Council 2011 Actual \$000s	Council 2011 Budget \$000s
Funding statement		
General rate	9,399	9,399
Targeted rate	5,288	5,288
Government subsidies	-	116
Interest and dividends	426	464
Other operating revenue	1,850	1,994
Operating revenue	16,963	17,261
Direct operating expenditure	9,773	10,064
Finance costs	2,515	2,615
Depreciation	1,024	1,060
Operating expenditure	13,312	13,739
Operating surplus / (deficit)	3,651	3,522
Less:		
Capital expenditure	4,198	7,786
Proceeds from asset sales	(130)	(129)
Loan funding	(3,619)	(7,440)
Rates funded capital expenditure	449	217
Debt repayment	3,140	3,191
Investment additions	382	368
Operational reserve movement	(571)	806
Working capital movements	1,203	-
Non-cash items	(891)	(1,060)
Net funding surplus / (deficit)	(61)	-

	Council 2011 Actual \$000s	Council 2011 Budget \$000s
Operating revenue		
Flood protection	14,210	14,497
Emergency management	908	881
Harbour management	1,845	1,883
Total operating revenue	16,963	17,261
Operating expenditure		
Flood protection	10,584	10,963
Emergency management	870	881
Harbour management	1,858	1,895
Total operating expenditure	13,312	13,739
Capital expenditure		
Waiwhetu flood improvements	1,013	575
Hutt River improvements	1,598	4,277
Otaki River improvements	109	1,401
Wairarapa scheme improvements	995	923
Other flood protection	157	264
Capital project expenditure	3,872	7,440
Plant and equipment	-	18
Vehicles	326	328
	4,198	7,786

Note 1 - The above funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.

Land management

Greater Wellington's land management group of activities includes biosecurity and soil conservation operations. This work contributes to the economic wellbeing of the region (particularly through its impact on the agricultural sector) and also to the community's environmental and social wellbeing. Land management contributes to the following community outcomes – *prosperous community* and *healthy environment*.

This was the second year of the revised Regional Pest Management Strategy. We focused on pests of regional significance and priority Key Native Ecosystem sites. These sites include both covenanted private properties and public reserves, often working in cooperation with local councils.

We began carrying out the Regional Possum Predator Control Programme over 19,200ha which was declared bovine Tb free in 2008. This programme seeks to maintain the economic and environmental benefits of low possum numbers in areas previously managed for bovine Tb control.

The control of bovine Tb vectors protects the viability of the region's cattle, deer and dairy farming, thereby enhancing farming productivity. There are also benefits to the health of our ecosystems. The regional target to reduce the number of bovine Tb-infected cattle and deer herds was exceeded, with only three infected herds present at year end. More than 80% of our region is under intensive possum control programmes through a combination of bovine Tb vector control, and Greater Wellington and Department of Conservation-funded operations.

We promote long-term sustainable land management to protect soil health and productivity, and minimise the environmental effects of a wide variety of land uses. Traditional soil conservation programmes that focus on erosion-prone land have been boosted by the Afforestation Grant Scheme, a Government-funded programme aimed at establishing new carbon forests on erosion-prone land. In the past three years a total of 647ha of erosion-prone land has been planted under this scheme. In addition the Wellington Regional Erosion Control Initiative has completed its second year. Milestones included preparing 25 new farm plans and planting 77 hectares of erosion-prone land. We continue to work closely with a range of communities on riparian (stream-side) management programmes, eg, the Papawai Stream restoration project.

We established the Biodiversity department, bringing together a range of programmes previously delivered by five departments across the organisation.

As well as continuing to deliver biodiversity programmes in regional parks and forests, territorial authority land and private land, and working with

How we contribute to community outcomes

The Land Management group of activities primarily contributes to the following community outcome by carrying out pest management to protect the region's important ecosystems and promoting the sustainable use of land through soil conservation work and farm sustainability planning:

Healthy Environment

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

This group of activities also contributes to the following outcome:

Prosperous Community by enhancing the sustainability and security of the farming sector through soil conservation, pest management and continued support for the Animal Health Board's bovine Tb vector control programme

schools to deliver an educational programme, we completed a 10-year strategy to guide the direction of our biodiversity work.

Land management

LONG-TERM targets by June 2019	Actual
<p>6,300ha of erosion-prone farm land will be treated using sustainable management practices.</p> <p>75% of erosion-prone land will be under farm or sustainability plans.</p>	<p>In the past two years 1,332ha of erosion-prone land has been planted using sustainable management practices. Poplar and willow poles cover 717ha and conservation woodlots are established on 615ha.</p> <p>72% of erosion-prone land is currently covered by farm or sustainability plans.</p>
<p>The ecological health and diversity of key native ecosystems will improve.</p>	<p>Active pest control programmes operate in 124 Key Native Ecosystem areas. Regular monitoring of representative sites indicates low numbers of possums, rodents and mustelids in the treated areas. There is a corresponding increase in the number of native birds in the region.</p> <p>Monitoring indicates that pest plant control in the region has reduced the competitive dominance of exotic plants in treated areas. Restoration sites are showing improvement through natural regeneration and/or planting with eco-sourced plants.</p>
<ul style="list-style-type: none"> • There will be no rabbit infestation areas over Level 5 of the modified McLean scale • There will be fewer than five breeding rookeries in the containment zone • Possum numbers in the northern Wairarapa Tb-free zone will be maintained at a residual trap-catch rate of less than 5% 	<ul style="list-style-type: none"> • Rabbit infestation in the region continues to be maintained at very low levels, with no persistent recorded areas exceeding Level 5 on the modified McLean scale during 2010/11. • Under the reviewed Regional Pest Management Strategy, the status of rooks changed from Containment species to Total Control. The long-term target has changed from containment to eradication of rooks from the region by 2022. A successful rook control programme has resulted in 10 rookeries existing at the end 2010/11, a reduction from 21 in the previous year. • The Regional Possum Predator Control Programme commenced during 2010/11. The first round of control was completed to a standard which is expected to achieve a residual trap-catch below 5%. Follow-up monitoring will occur in spring 2012.
<p>30km of streams and rivers will be enhanced (or maintained following enhancement) by fencing and plantings.</p>	<p>In 2010/11, 2.24 km of new riparian (stream-side) planting was established.</p>

Activity: Pest (animal and plant) management

SHORT-TERM targets by 30 June 2011	Actual
<p>The operational plan for implementing the Regional Pest Management Strategy will be achieved and reported in detail to the Council, within a budget of \$2,317,000. The budget was reduced to \$2,253,000 in the Annual Plan 2010/11.</p>	<p>The Regional Pest Management Strategy (RPMS) Operational Plan 2010/11 was achieved.</p> <p>An annual report will be presented to the Council for approval in November 2011.</p> <p>A significant reduction in Total Control pest plants has been achieved following the completion of a seven-year survey around all known sites. This unique project has secured important data that will be used in future national research initiatives.</p> <p>Control operations for Containment species continued to hold target species within the designated zones.</p> <p>Active Site-Led pest control programmes continued in 124 Key Native Ecosystem sites across private land and local authority reserves.</p> <p>Our focus on biological control projects continued with Landcare Research Ltd and other regional councils. Three new biocontrol species were approved for release.</p> <p>Collaborative operations continued with government agencies and industry in delivering the National Pest Plant Accord and National Interest Pest programmes.</p> <p>Actual costs were \$2,361,000.</p>
<p>The Animal Health Board's Tb vector control programme for the Wellington region is completed to the satisfaction of the Council, within a budget of \$738,000. The budget was increased to \$748,000 in the Annual Plan 2010/11.</p>	<p>The 2010/11 Bovine Tb vector control programme included:</p> <ul style="list-style-type: none"> • 327,500ha of pig surveys • 46,327ha of possum and ferret surveys • 217,478ha of possum control. Possum control was completed over 93% (201,400ha) of the targeted area and the rest of the programme was completed during July 2011 • 50 performance and 33 trend monitors were completed <p>In June 2011 there were only three bovine Tb-infected herds still present in the region.</p> <p>Actual costs were \$743,000. This included a regional share contribution to the Animal Health Board-managed Bovine Tb National Pest Management Strategy control programmes.</p>

<p>Monitoring of possum numbers in the northern Wairarapa will be completed and reported to the Council, within a budget of \$31,000. The budget was reduced to \$30,000 in the Annual Plan 2010/11.</p>	<p>This was the first year of the Regional Possum Predator Control Programme. The programme was due to start in 2011/12 but with Council approval funding was brought forward to initiate control earlier. Pre-operation monitoring of 19,200ha in north Wairarapa was undertaken in December 2010. Operations included a total of 1,900 bait stations being installed and baited. Stations were serviced twice during the year.</p> <p>Actual costs were \$105,000 due to bringing forward the Regional Possum Predator Control Programme.</p>
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Activity: Biodiversity

SHORT-TERM targets by 30 June 2011	Actual
<p>Pests will be maintained at very low levels in the following key native ecosystems within a budget of \$584,000:</p> <ul style="list-style-type: none"> • 10 wetlands • 40 native forest areas • 4 coastal escarpments • 2 dune ecosystems <p>The budget was increased to \$621,000 in the Annual Plan 2010/11.</p>	<p>The focus of the site-led Key Native Ecosystems programme was on controlling animal and plant pests that threaten our regional biodiversity.</p> <p>There are 124 sites under pest plant and/or pest animal control. Sites under active pest management include:</p> <ul style="list-style-type: none"> • 16 wetlands • 82 native forest sites • 12 dune ecosystems • 7 coastal escarpments • 7 river/estuarine area <p>Actual costs were \$568,000.</p>

The biodiversity implementation programme will be progressed through the following programmes:	
<ul style="list-style-type: none"> Wetland Action Plan, within a budget of \$91,000. The budget was reduced to \$67,000 in the Annual Plan 2010/11. 	<p>14 new landowners joined the Wetlands Incentive Programme during the year, bringing the total number of landowners in the programme to 171. Total costs were \$62,273.</p>
<ul style="list-style-type: none"> Queen Elizabeth II National Trust private land-protection programme, within a budget of \$86,000. The budget was reduced to \$80,000 in the Annual Plan 2010/11. 	<p>10 QEII National Trust covenants were supported, which when finalised will protect approximately 98.5ha of lowland indigenous forest and wetland. All 10 projects will protect ecosystems that fall into the Acutely Threatened category in terms of the National Threatened Environments Classification.</p> <p>Actual costs were \$106,522. The additional cost includes land protection works carried forward from the previous year.</p>
<ul style="list-style-type: none"> Freshwater ecosystem programme, within a budget of \$59,000. The budget was increased to \$62,000 in the Annual Plan 2010/11. 	<p>The freshwater ecosystem programme was under budget because the key focus was a desktop exercise to identify the key measures required to improve in-stream habitat for native fish and river birds. A prioritised list of the locations of barriers to fish passage has been drawn up to enable future work to focus on reducing the effects of these barriers.</p> <p>Actual costs were \$9,473.</p>
<ul style="list-style-type: none"> Streams Alive riparian planting programme, within a budget of \$202,000. The budget was reduced to \$182,000 in the Annual Plan 2010/11. 	<p>There were 109 landowners in the Streams Alive programme, with the vast majority concentrated in the Otaki, Waitohu and Mangaroa catchments. Planting has also taken place in the Wainuiomata, Karori, Ration Creek, Waihora, Upper Ruamahanga and Upper Waiohine catchments. A total of 12,741 eco-sourced native plants were planted.</p> <p>Actual costs were \$269,959. An extra \$66,000 of planting, funded by stakeholders, was carried out in the Lower Wairarapa Valley Development Scheme.</p>
<ul style="list-style-type: none"> Pauatahanui Inlet Action Plan, within a budget of \$51,000. The budget was reduced to \$40,000 in the Annual Plan 2010/11. 	<p>Planting and fencing work was undertaken with nine landowners, resulting in 3,500 plants being planted and 250 metres of fencing constructed to exclude stock from waterways.</p> <p>Actual costs were \$22,921.</p>
<ul style="list-style-type: none"> Coastal ecosystems, within a budget of \$57,000. The budget was increased to \$60,000 in the Annual Plan 2010/11. 	<p>Carrying out the Coastal and Marine Ecosystems Action Plan focused on the Wellington and Kapiti Coast areas. Work included fencing the dunes at Lyall Bay (in conjunction with Wellington City Council), and targeted weed control at north Waikanae dunes, north Waitohu dunes, Horokiri Estuary, Red Rocks and the Paekakariki Escarpment. Restoration plans were prepared for Haunui Bush, Paraparaumu dunes and Waikanae Estuary.</p> <p>Actual costs were \$73,296. The additional cost</p>

	was funded from extra revenue and savings in other projects.
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Activity: Soil conservation

SHORT-TERM targets by 30 June 2011	Actual
15 new farm or sustainability plans will be prepared and approved by Greater Wellington, within a budget of \$113,000. The budget was reduced to \$110,000 in the Annual Plan 2010/11.	13 new farm or sustainability plans were prepared and approved by Greater Wellington. Actual costs were \$126,958. Additional costs were incurred through engaging soil mapping consultants for the new plans.
490ha of erosion-prone land will be protected, within a budget of \$581,000. The budget was reduced to \$565,000 in the Annual Plan 2010/11.	432ha of erosion-prone land was planted. A further 289ha was planted under the Afforestation Grant Scheme. Actual costs were \$520,600. The target of 490ha was not reached and expenditure was reduced accordingly.
Catchment schemes will be progressed in accordance with agreed workplans, within a budget of \$102,000. The budget was reduced to \$100,000 in the Annual Plan 2010/11.	The six catchment schemes completed their respective works programmes in accordance with the annual works programmes approved by each scheme's advisory committee. Actual costs were \$95,300. The lower cost resulted from the reduced need for willow spraying in the Whareama Catchment.
15 events with a land management focus will be supported by Greater Wellington, within a budget of \$12,000.	17 events with a land management focus were supported by Greater Wellington. Actual costs were \$22,600. Two major events (the NZ Farm Forestry Conference and the MAF Hill Country seminar) accounted for 25% of the cost.

Activity: Akura Conservation Centre

SHORT-TERM targets by 30 June 2011	Actual
Akura Conservation Centre will break even or make a profit, within a budget of \$18,000. The budget was increased to \$20,000 in the Annual Plan 2010/11.	Akura Conservation Centre made a \$54,500 operating surplus.
23,000 three-metre poplar poles will be supplied, within a budget of \$160,000. The budget was reduced to \$152,000 in the Annual Plan 2010/11.	26,000 poplar and willow poles were supplied to internal and external clients. The additional production cost was fully recovered from pole sales. Actual costs were \$178,200.

**Land management
Funding Impact Statement**

	Council 2011 Actual \$000s	Council 2011 Budget \$000s		Council 2011 Actual \$000s	Council 2011 Budget \$000s
Funding statement			Operating revenue		
General rate	4,845	4,845	Soil conservation and biodiversity	3,543	3,221
Targeted rate	201	201	Manage pest plants and animals	3,991	3,923
Government subsidies	138	161	Total operating revenue	7,534	7,144
Interest and dividends	28	29			
Other operating revenue	1	2,322	Operating expenditure		
Operating revenue	7,534	7,144	Soil conservation and biodiversity	3,464	3,196
			Manage pest plants and animals	4,174	4,067
Direct operating expenditure	7,446	7,065	Total operating expenditure	7,638	7,263
Finance costs	8	7			
Depreciation	184	191	Capital expenditure		
Operating expenditure	7,638	7,263	Plant and equipment	-	100
Operating surplus / (deficit)	(104)	(119)	Vehicles	158	164
			Total capital expenditure	158	264
Less:					
Capital expenditure	158	264			
Proceeds from asset sales	(41)	(41)			
Loan funding	55	(66)			
Rates funded capital expenditure	172	157			
Debt Repayment	14	10			
Operational reserve movement	(164)	(95)			
Non-cash items	(143)	(191)			
Net funding surplus / (deficit)	17	-			

Note 1 - Revenue for the Afforestation Grant Scheme and the Community Max Scheme

Note 2 - The above funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.

Regional sustainable development

Greater Wellington's regional sustainable development group of activities enhance the economic wellbeing of the region by implementing the Wellington Regional Strategy and planning for regional resilience. Activities to enhance regional form also contribute to social and environmental wellbeing. Our regional sustainable development activities contribute to the following community outcomes – *prosperous community, essential services, entrepreneurial and innovative region, connected community and healthy environment*.

The Wellington region's economy has been affected by global economic issues, though compared to other parts of New Zealand we appear to be holding our own. However, indications are that conditions may get worse before they get better. With the tragic Canterbury earthquakes and the country's support for that region to recover, we are aware that our economy will come under additional pressure in the short to medium term.

The resilience of our economy and communities has been a key focus of our work in 2010/11. Responding and adapting to climate change and ongoing water management challenges have been progressed through our climate change and water strategy work.

We commissioned an independent review of the Wellington Regional Strategy, the region's sustainable economic growth strategy. The review found that promoting economic development at a regional scale is the right thing to be doing, and the Wellington Regional Strategy Committee (a Greater Wellington-hosted committee with membership including the region's mayors and non-local government sector leaders) agreed with that conclusion. The review highlighted areas where improvements could be made in our economic development activities, including the activities of Grow Wellington. Grow Wellington is a Council-owned company tasked with promoting and supporting economic development in the region. The recommendations from the review will be used to refocus and refresh our economic development activities.

How we contribute to community outcomes

The Regional Sustainable Development group of activities contributes principally to the following community outcome by developing region-wide strategies that contribute to the economic wellbeing of the region:

Prosperous Community

All members of our community prosper from a strong and growing economy. A thriving business sector attracts and retains a skilled and productive workforce. This group of activities also contributes to the following outcomes:

Essential Services by increasing the resilience of the region through the development of strategies and actions promoting the sustainable use of our natural resources for key services, eg, water and electricity

Entrepreneurial and innovative region through strategies and regional programmes to encourage creativity in key sectors of our region

Connected Community through its focus on the region's transport systems

Healthy Environment through the attention it gives to the impact of urban design and open spaces on the environment and on the reduction of greenhouse gas emissions

Regional sustainable development

LONG-TERM targets by June 2019	Actual
Regional GDP per capita growth will be above the 10-year rolling average for New Zealand.	The average annual GDP per capita growth over the past 10 years was 1.13% for the Wellington region, compared to 1.10% for New Zealand.
The average regional income of the region's residents will be above the 10-year rolling average for New Zealand.	The 10-year average (2001-10) weekly household income is \$1,454.7 for the Wellington region compared to \$1,289.6 for New Zealand.
The rate of increase of full-time equivalent jobs will be above the 10-year rolling average for New Zealand.	The average annual increase of full-time equivalent jobs over the past 10 years was 1.63% for the Wellington region, compared to 1.94% for New Zealand.
The Regional Climate Change Action Plan will be carried out according to agreed timeframes.	A draft Climate Change Strategy was discussed at a Council workshop in August 2010 and is currently being discussed with the region's local councils. Work to carry out Greater Wellington's actions is ongoing.
The Regional Water Strategy will be carried out according to agreed timeframes.	A draft Water Strategy was discussed at a Council workshop in August 2010. The strategy is still in the development phase.
80% of homes in the region could potentially be served by power generated in the region from renewable sources.	Operational wind farms in the region generate enough power to serve around 40% of the region's homes. Further wind farms are planned for Mill Creek (71.3 megawatts) and Castle Hill (858 megawatts).

Activity: Regional resilience

SHORT-TERM targets by 30 June 2011	Actual
Progress with resilience planning, such as for climate change and water, will be reported to the satisfaction of the Council. This target was given a budget of \$122,000 in the Annual Plan 2010/11.	Draft climate change and water strategies are being progressed. Some delays have occurred because this work aligns with local councils' planning. Rainwater tanks for resilience and options for supporting their uptake, was discussed at a Council workshop in June 2011. Options will be further developed in 2011/12. Actual costs were \$78,000. The lower costs reflect the delays in strategy development.
Roll out Warm Greater Wellington to 200 ratepayers' homes, ¹ within a budget of \$856,000. This target was added in the Annual Plan 2010/11.	Warm Greater Wellington was rolled out to 1,151 homes. The take up was 5 times that anticipated and within council policy limit of \$3 million per annum. Actual costs were \$2,080,381. This cost is recovered from ratepayers who participate in the scheme.

1. This assistance is fully recovered by way of a targeted rate on those ratepayers that participate in the programme

Activity: Wellington Regional Strategy

SHORT-TERM targets by 30 June 2011	Actual
The WRS Committee will approve the WRS office's annual report on progress with carrying out the WRS, within a budget of \$400,000. The budget was increased to \$445,000 in the Annual Plan 2010/11.	The annual report was published in October 2010 and forwarded to the WRS Committee. Actual costs were \$419,000.
A full and independent review of the WRS will be completed and reported to the WRS Committee, within a budget of \$100,000. The budget was reduced to \$75,000 in the Annual Plan 2010/11.	The WRS review was reported to the WRS Committee and all the region's councils on 1 June 2011. It was endorsed by the WRS Committee on 30 June 2011. Actual costs were \$75,000.
A summit for the major stakeholders of the WRS will be held by early 2011, within a budget of \$25,000. The budget was reduced to \$5,000 in the Annual Plan 2010/11.	A decision to defer the summit was made because of the WRS review process. No costs were incurred.
The WRS committee will receive by 30 April 2011 Grow Wellington's annual report and agree that it reflects Grow Wellington's Statement of Intent and contributes to the WRS, within a budget of \$4,750,000. The budget was reduced to \$4,645,000 in the Annual Plan 2010/11.	The Committee endorsed the Grow Wellington Annual Report on 30 August 2010. Actual costs were \$4,318,000. The lower costs were due to Grow Wellington not needing its full budget allocation.

Regional sustainable development

Funding Impact Statement

	Council 2011 Actual \$000s	Council 2011 Budget \$000s		Council 2011 Actual \$000s	Council 2011 Budget \$000s
Funding statement			Operating revenue		
General rate	179	179	Regional resilience	131	154
Targeted rate	4,539	4,531	Wellington regional strategy	445	445
Interest and dividends	-	-	Regional economic development agency	4,250	4,250
Other operating revenue	108	139			
Operating revenue	4,826	4,849	Operating Revenue	4,826	4,849
Direct operating expenditure	4,582	6,652	Operating expenditure		
Finance costs	76	55	Regional resilience planning**	(153)	122
			Wellington regional strategy	496	525
Operating expenditure	4,658	6,707	Operate a regional economic development agency	4,315	4,645
Operating surplus / (deficit)	168	(1,858)	Total operating expenditure	4,658	5,292
Less:					
Loan funding	(2,092)	(1,471)			
Rates funded capital expenditure	(2,092)	(1,471)			
Debt repayment	96	88			
Operational reserve movement	(109)	(475)			
Net funding surplus / (deficit)	2,273	-			

Note 1 - The above funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.

Community

Our democratic processes contribute to the social wellbeing of the region by ensuring that the community is empowered to participate in the Council's decision making.

Council elections were held in October 2010. Four new Councillors were elected. A programme of training was provided to the new and returning Councillors to assist them in their decision-making responsibilities.

Following the elections, the Council established a new committee structure, based on the four wellbeings – environmental, economic, social and cultural.

With the region's mayors we have begun a review of the current local government arrangements in the region. The Mayoral Forum commissioned a report in 2010 on the effectiveness of our current arrangements. The report concluded that some changes would be desirable and identified a number of options. A number of drivers for change were identified, including local government changes in Auckland, recent pressures arising from changes in national and global economic conditions, and changes in Government policy. Feedback on the report from the community was invited. The review is expected to continue in 2011/12.

We have been developing improved partnership arrangements with the mana whenua iwi (Greater Wellington's iwi partners) of the region. A very significant part of this was the establishment of Te Upoko Taiao (see Resource Management section). A new partnership model is expected to be in place during 2011/12.

How we contribute to community outcomes

The Community group of activities primarily contributes to the following community outcome by providing opportunities for all people who live in the region to participate in the Council's decision making:

Strong and Tolerant Community

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

The group of activities also contributes to the following outcome:

Quality Lifestyle by supporting a key recreational facility of the region

Community

LONG-TERM targets by June 2019	Actual
50% of the region's residents believe they understand how their Council makes decisions.	Of residents surveyed in June 2010, 9% said they understood how the Council makes a decision, 44% said they did not understand, 38% were neutral and 9% said they did not know.
More than 75% of the region's residents believe they have some influence on Council decisions.	A survey for this is yet to be undertaken.
At least 45% of eligible electors participate in elections for the Greater Wellington Regional Council.	The overall voter turnout for Greater Wellington Regional Council in the 2010 elections was 43%. This is the same level of voter turnout as the 2007 elections.
There is a formal agreement in place, which is regularly reviewed, to guide the relationship between Greater Wellington and the region's iwi.	A Charter of Understanding is in place. It is due to be replaced in 2011/12 by a Memorandum of Partnership between Greater Wellington and the mana whenua iwi (Greater Wellington's iwi partners) of the region.
The financial and operational performance of the Westpac Stadium Trust will be in accordance with its Statement of Intent.	The financial and operational performance of the Westpac Stadium Trust was in accordance with its Statement of Intent.

Activity: Democratic services

SHORT-TERM targets by 30 June 2011	Actual
Elections will be conducted by 30 November 2010 without any need to re-conduct, within a budget of \$293,000.	The elections were conducted in accordance with statutory requirements. There was no challenge to the election results. Actual costs were \$276,341.
All meetings will be conducted in accordance with statutory requirements and Council policies, within a budget of \$1,534,000. The budget was increased to \$1,602,000 in the Annual Plan 2010/11.	All meetings were conducted in accordance with statutory requirements and Council policies. Actual costs were \$1,519,893.
Statutory public accountability processes will be completed in accordance with requirements, within a budget of \$570,000. The budget was increased to \$619,000 in the Annual Plan 2010/11.	Statutory public accountability processes were completed in accordance with requirements. Actual costs were \$634,015.

Activity: Relationship with Māori

SHORT-TERM targets by 30 June 2011	Actual
Ara Tahī will <ul style="list-style-type: none">• Meet formally at least six times• Hold at least six technical workshops Within a budget of \$70,000.	Ara Tahī met formally twice and held two workshops. The formal meetings were replaced with meetings between Greater Wellington and individual iwi to discuss the options to progress the relationships. Actual costs were \$38,000 due to less formal meetings.
There will be Māori representation on all Council committees, within a budget of \$182,000.	All Greater Wellington committees have Māori representation. Actual costs were \$182,000.
Contracts between iwi and Greater Wellington will be in place for agreed projects, within a budget of \$80,000. The budget was increased to \$130,000 in the Annual Plan 2010/11.	Contracts are in place for agreed projects. Actual costs were \$57,000. The lower costs were due to fewer than expected funding applications.

Activity: Westpac Stadium

SHORT-TERM targets by 30 June 2011	Actual
The financial and operational performance of the Westpac Stadium Trust will be in accordance with its Statement of Intent, within a budget of \$2,676,000.	The financial and operational performance of the Westpac Stadium Trust was in accordance with its Statement of Intent. The stadium rate of \$2,676,000 was applied to funding the repayment of the 1998/99 Regional Stadium advance.

Community

Funding Impact Statement

	Council 2011 Actual \$000s	Council 2011 Budget \$000s		Council 2011 Actual \$000s	Council 2011 Budget \$000s
Funding statement			Operating revenue		
General rate	2,290	2,924	Run a democratic process	3,485	3,485
Targeted rate	2,676	2,676	Realionships with Maori	767	1,099
Interest and dividends	8	8	Repayment of Westpac Stadium advance	3,017	3,017
Other operating revenue	2,295	1,993	Operating expenditure	7,269	7,601
Operating revenue	7,269	7,601			
 			Operating expenditure		
Direct operating expenditure	4,335	4,819	Run a democratic process	3,551	3,653
Finance costs	908	908	Realionships with Maori	767	1,156
Depreciation	37	44	Repayment of Westpac Stadium advance	962	962
Operating expenditure	5,280	5,771	Total operating expenditure	5,280	5,771
Operating surplus / (deficit)	1,989	1,830			
Less:			Capital expenditure		
Capital expenditure	74	78	Plant and equipment	27	30
Proceeds from asset sales	(14)	(16)	Vehicles	47	48
Rates funded capital expenditure	60	62	Total capital expenditure	74	78
Debt repayment	1,714	1,714			
Operational reserve movement	(95)	(245)			
Working capital movements	4	-			
Non-cash items	305	299			
Net funding surplus / (deficit)	1	-			

Note 1 - The above funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.

Investments

Investment overview

Greater Wellington has a significant portfolio of investments, comprising:

- Liquid financial deposits
- Administrative properties (eg, depots)
- Forestry and business units
- Advance to the Wellington Regional Stadium Trust
- Internal treasury management function
- Equity investments in the WRC Holdings Group (including CentrePort Ltd)

Greater Wellington's philosophy in managing investments is to optimise returns in the long term, while balancing risk-and-return considerations. It recognises that as a responsible public authority, any investment it holds should be held for the community's long-term benefit, with any risk being appropriately managed. It also recognises that lower risk generally means lower returns.

From a risk management point of view, Greater Wellington is aware that its investment returns to the rate line are exposed to the success or otherwise of its two main investments – the WRC Holdings Group (including CentrePort Ltd) and its liquid financial deposits. At an appropriate time in the future, Greater Wellington believes it could continue to reduce its risk exposure by reducing its investment holdings and using the proceeds to repay debt. The timing of these divestments will be in accordance with Greater Wellington's objective to optimise the overall return to ratepayers.

Liquid financial deposits

Greater Wellington holds \$33 million in cash deposits. The rationale for holding these deposits is regularly reviewed, taking into account:

- General provisions of Greater Wellington's Treasury Management Policy, including attitude to risk and creditworthy counterparties
- Greater Wellington holds other deposits from time to time as determined by its Treasury Management Policy

Administrative properties

Greater Wellington's interests in the Upper Hutt depot and the Masterton office building are grouped to form an investment category – administrative properties.

Forestry and business units

Greater Wellington and its predecessor organisations have been involved in forestry for many years, primarily for soil conservation and water quality purposes. Greater Wellington 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 with regard to forestry is to maximise long-term returns while meeting soil conservation, water quality and recreational needs. This policy assumes that harvesting will be on a sustainable yield basis and maintained without any demand on regional rates. In fact, both the plantation and reserve forest business units are required to budget for an internal dividend irrespective of the projected operating result for the year.

Of Greater Wellington's other business units, Akura Conservation Centre and the Wairarapa Workshop are required to return an internal dividend which is based on the net assets employed by each of these businesses. The level of internal dividend will continue to be reviewed annually.

BioWorks, Greater Wellington's biosecurity business unit and the forestry units are not currently required to return an internal dividend.

Advance to Wellington Regional Stadium Trust

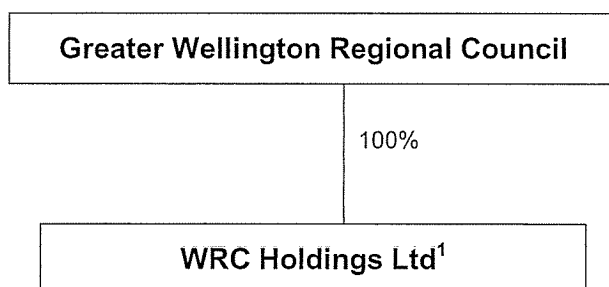
Greater Wellington advanced \$25 million to the Wellington Regional Stadium Trust in August 1998. The advance is currently on an interest-free basis, with limited rights of recourse recognising the "quasi-equity" nature of the advance. Under the International Financial Reporting Standards, this advance has been written down to \$4.61 million as at 30 June 2011.

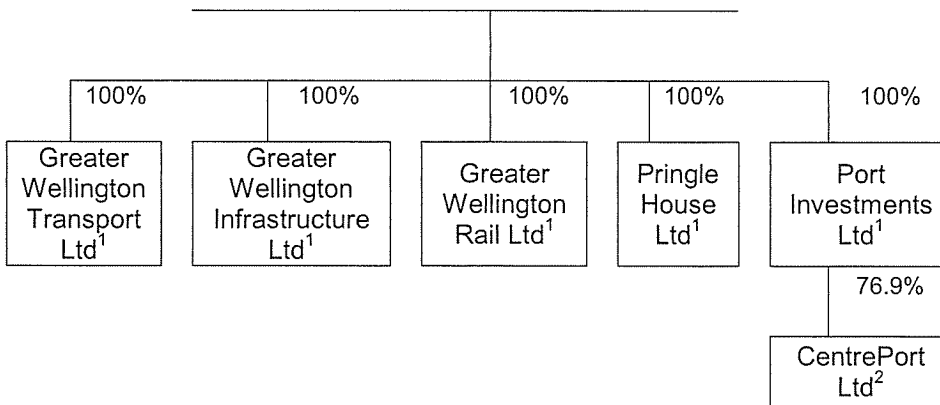
Greater Wellington's internal treasury function

Greater Wellington's treasury management activity is carried out centrally to maximise ability to negotiate with financial institutions. As a result of past surpluses, sales of property and capital returns from the port company, the 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.

Equity investments in the WRC Holdings Group

Greater Wellington has established the following equity investments in the WRC Holdings Group:





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

WRC Holdings Ltd and Port Investments Ltd are in essence investment holding companies. The main operating companies in the Group are CentrePort Ltd and Pringle House Ltd. Greater Wellington Transport Ltd and Greater Wellington Infrastructure Ltd are currently inactive, and Greater Wellington Rail Ltd owns Wellington’s current and future interests in rail rolling stock and rail infrastructure assets .

Each year WRC Holdings Ltd provides to Greater Wellington, as 100% shareholder, a Statement of Intent for the WRC Holdings Group.

The WRC Holdings Group structure was originally set up for a number of reasons that remain applicable, including:

- Appropriate separation of management and governance
- Imposing commercial discipline on the Group’s activities to produce an appropriate return by ensuring appropriate debt/equity funding and requiring a commercial rate of return
- Separation of Greater Wellington’s investment and commercial assets from its public good assets

The WRC Holdings Group is Greater Wellington’s prime investment vehicle, and the main mechanism by which it will own and manage any additional equity investments should they be acquired in the future.

Periodically, Greater Wellington reviews the structure to determine if it’s still an appropriate vehicle for holding its investments.

In addition, Greater Wellington has minor equity interests in Civic Assurance and Airtel Ltd. These investments are owned directly by Greater Wellington rather than via the WRC Holdings Group.

Objectives of the Group

The primary objectives of the group as set out in the 2010/11 Statement of Intent (SOI) were to:

- Support Greater Wellington's strategic vision, and operate successful, sustainable and responsible businesses
- Manage its assets prudently
- Effectively manage any other investments held by the Group to maximise the commercial value to the shareholders and protect the shareholders' investment

The financial objectives of the Group shall be to:

- Where possible provide a commercial return to shareholders
- Adopt policies that prudently manage risk and protect the investment of shareholders

The environmental objectives of the Group shall be to:

- Operate in an environmentally responsible and sustainable manner
- Minimise the impact of any of the Group's activities on the environment
- Raise awareness of environmental issues within the Group
- Ensure CentrePort and Pringle House become more energy efficient and make greater use of renewable energy

The social objectives of the Group are to:

- Provide a safe and healthy workplace
- Participate in development, cultural and community activities within the regions in which the Group operates
- To help sustain the economy of the region

The WRC Holdings Group met all its objectives as set out in the 2010/11 Statement of Intent and Greater Wellington's *10-Year Plan* (LTCCP).

The nature and scope of activities undertaken by WRC Holdings are consistent with those set out in the 2010/11 Statement of Intent and Greater Wellington's LTCCP.

Directors

Pru Lamason(Chair)
Fran Wilde (Deputy Chair)
Anne Blackburn
Peter Blades
Peter Glensor
Nigel Wilson

Financial performance targets for year ended 30 June 2010

	Actual 2011	Target 2011
Net profit before tax	\$13.7 million	\$11.4 million
Net profit after tax	\$12.1 million	\$6.9 million
Earning before interest tax & depreciation	\$36.8 million	\$37.3 million
Return on total assets	6.75%	4.8%
Return on shareholder equity (excludes any fair value adjustments)	8.58%	3.1%
Shareholders equity to total assets	29.3%	23.9%
Dividends	\$1,204,000	\$940,000

Net profit before tax

The Group posted a net profit before tax of \$13.7 million compared to the budget of \$11.4 million for the year.

Net profit after tax (before deduction of minority interest)

The net profit after tax was \$12.1 million profit compared to the budget of \$6.9 million

Earnings before interest, tax and depreciation (EBIT)

The EBIT was \$36.8 million compared to a budget of \$37.3 million.

Return on total assets

This target is calculated as earnings before interest and tax (EBIT) and expressed as a percentage of average total assets and is 6.75% compared to a budget of 4.8%.

Return on shareholder equity

Return on shareholder equity is calculated as net profit after tax (after deduction of minority interest) as a percentage of average shareholder equity (excluding minority interest). The measure is shown before any increase/decrease in fair value movements from property, devaluations and other financial investment fair value changes. Return on shareholders equity was 8.58% compared to a budget of 4.8%.

Shareholders equity to total assets

Shareholders equity to total assets was 29.3%

Dividends paid (or payable to the parent shareholder)

The dividend payable is \$1.204 million compared to a budgeted dividend of \$940,000.

Activity: Environmental performance targets

Planned target	Actual performance
Develop and maintain a formal environmental management system consistent with the standards specified in AS/NZS ISO 14001: 2004.	Achieved: The environmental management system was substantially reviewed and updated in 2008. It is maintained on an ongoing basis and CentrePort's Environment and Sustainability Policy is reviewed annually to ensure consistency with environmental standards. Ongoing improvement projects have been identified and will be a priority for CentrePort's new Planning and Environmental Manager in 2012.

Planned target	Actual performance
Formally review, at least annually, the company's compliance with all environmental legislation, district and regional plans and conditions of resource consents held.	Achieved: legislative compliance was reviewed June 2011 and confirmed in all areas. Valid Resource Consents and Permits are held, where required, for all current activities. Compliance risks identified for the Seaview log yard have been addressed through improved operating procedures and purchase of specialist equipment.

Planned target	Actual performance
Maintain a sustainability programme with measurable performance criteria covering as a minimum the monitoring of waste and greenhouse gas emissions	Achieved: the Environmental and Sustainability Committee met regularly. An audit of port electricity use was commissioned in June 2011 in order to identify future opportunities to reduce energy use and associated emissions. Monitoring of waste and greenhouse gas emissions were completed as part of CentrePort's annual reassessment of its carbon footprint (refer below). An environmental and sustainability performance and improvement framework commenced and is planned for completion by the end of December 2011.

Planned target	Actual performance								
Measure CentrePort's carbon footprint on an average tonnage and ship call basis, benchmark the footprint against similar entities, and develop a plan to reduce that footprint.	Achieved: The following table illustrates CentrePort's progress relative to a March 2008 baseline;								
	<table border="1"> <thead> <tr> <th>Assessment Year (March)</th> <th>Carbon Footprint Tonnes of CO2</th> <th>TEUs handled</th> <th>CO2 Tonnes per TEU handled</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>3882</td> <td>91,638</td> <td>0.0424</td> </tr> </tbody> </table>	Assessment Year (March)	Carbon Footprint Tonnes of CO2	TEUs handled	CO2 Tonnes per TEU handled	2008	3882	91,638	0.0424
Assessment Year (March)	Carbon Footprint Tonnes of CO2	TEUs handled	CO2 Tonnes per TEU handled						
2008	3882	91,638	0.0424						

	2009	4031	95,040	0.0424
	2010	3717	94,400	0.0394
	2011	3200	100,436	0.0319
	<p>Relevant benchmarks for 2010 (derived from publicly available information) based on CO2 Tonnes per TEU include Ports of Tauranga (0.023) and Ports of Auckland (0.025). A plan to reduce the footprint will be included as part of a broader carbon management strategy to be developed by the end of December 2011.</p>			

Planned target	Actual performance
<p>Undertake the monitoring of environmental discharges in accordance with implemented management plans in the areas of:</p> <ul style="list-style-type: none"> a. Port Noise b. Stormwater discharges to the Coastal Marine Area c. Fumigants associated with the pest treatment of cargoes 	<p>Achieved.</p> <ul style="list-style-type: none"> a. Port noise monitored in June 2011 (except Miramar). Results indicate compliance with district and regional plan requirements. Miramar to be monitored in August 2011. b. Monitoring of private stormwater discharges undertaken in August 2010. All results indicate compliance with Regional Coastal Plan requirements. Monitoring in 2011 will target discharges from the port log facility to help manage particulate loads. c. All monitoring data of pest treatment of cargoes submitted to GWRC in accordance with environmental plan.

Planned target	Actual performance
<p>Monitor compliance of the use of Methyl Bromide for the fumigation of log shipments and work collaboratively with the Greater Wellington Regional Council and Crown agencies to investigate alternative fumigation options.</p>	<p>All fumigation events involving logs in containers or ships holds monitored and results supplied to GWRC & Regional Public Health. No adverse readings.</p>

Planned target	Actual performance
<p>Maintain an environment issues register of environmental complaints and issues for monitoring and actioning purposes. The register to be reported to CentrePort's Health, Safety and Environmental Committee on a regular basis (the committee meets 4 times per annum).</p>	<p>Achieved: Ten issues/incidents were registered during the year. All were reported to the HSE Committee and followed up with operational improvements made where practical.</p>

Planned target	Actual performance
CentrePort will hold a minimum of three Environmental Consultative Committee meetings in 2010/11 comprising CentrePort and affected stakeholders (customers, port users, local authorities, Iwi and residential groups). The meetings provide a forum to identify and inform on a range of environmental port related matters.	Achieved: Three meetings held during the year. Next meeting in October 2011.

Activity: Social performance targets

Planned target	Actual performance
Measure and report the impact of CentrePort's commercial activities on regional economic growth through the commissioning of an independent assessment by suitably qualified consultants by 31 December 2010.	Completed with the release in September 2010 of a comprehensive report by BERL of the positive economic impact of CentrePort's activities on the city (\$1.5b), region (\$1.8b) and nation (\$2.3b). Copies available on request.

Planned target	Actual performance
<p>Contribute to the desired outcome of the Wellington Regional Strategy through:</p> <ul style="list-style-type: none"> a. The provision of workplace opportunities and skills enhancements of our employees. b. Ensuring the regional economy is connected by the provision of high quality port services to support international and coastal trade. c. Supporting the regional community by investing in community sponsorship (a targeted increase of 50% in 2011 compared to 2010) 	<ul style="list-style-type: none"> a. Delivery of National Certificates to all cargo employees was completed and all Pilots/Marine Officers achieved the National Diploma in Pilot Operations. Programmes in communication and negotiating and influencing have also been delivered. In addition to targeted development programmes for individual leaders implemented during the year, a group development programme for Tier 3 managers was launched during the last quarter. In support of building the Executive Leadership Team's executive capabilities, leadership development programmes have been implemented at a team and individual level. b. CentrePort continues to work with shippers and shipping lines to provide high quality services that connect the region with international and domestic markets. c. CentrePort continues to actively engage with the region through a diverse range of community sponsorships and significantly increased its community based sponsorship activities.

Planned target	Actual performance
Maintain the tertiary level of compliance with the ACC Workplace Safety Management Practices Programme and comply with the AS/NZS 4801: Occupational Health and Safety Management Systems.	Audit completed in December 2010 with Tertiary Accreditation retained for a further two years.

Planned target	Actual performance
Annual review of Health and Safety Policy	Achieved July 2010

Planned target	Actual performance
Maintain compliance with the International Ship & Port Security (ISPS) Code which promotes security against terrorism within the port environment.	Achieved. Certified compliant until October 2011.

Planned target	Actual performance
Undertake risk assessments and implement any mitigating procedures relating to the Port & Harbour Safety Code which promotes safety and excellence in marine operations.	Achieved. In 2006, CentrePort in conjunction with the Harbour Master conducted a risk assessment review as part of the requirements of the Port and Harbour Safety Code. CentrePort and GWRC continue to progress the assessment and the implementation of recommendations from that review. Beacon Hill Signal Station has been replaced and substantially upgraded (December 2010) and the Bylaws reviewed, both being multi-risk mitigators. The Harbourmaster has drafted his Safety Management System and we await audit from Maritime New Zealand. Revised Maritime Rule Part 90 (Pilotage) came into force on 1 April 2011. From this Rule the Pilotage Limits have been extended outward to harmonise with Port Limits. CentrePort has rewritten the Pilot Training and Proficiency Manual and is awaiting MNZ approval. Under the new Rule regular and on-going Continuing Professional Education is a key plank in pilot development and training.

Planned target	Actual performance
To meet regularly with representative community groups.	Achieved. CentrePort had a strong calendar of stakeholder engagement across all groups. Key initiatives included the Port Open Day and the commencement of monthly public tours.

General performance targets

Planned target	Actual performance
<p>The company will, in consultation with the shareholders, continue to develop performance targets in the financial, environmental and social areas in order to be able to maintain triple bottom line reporting in accordance with best practice</p>	<p>The 2012 SCI incorporates revisions to performance targets (as agreed by shareholders) with particular enhancements to financial health and environmental measures.</p>

Planned target	Actual performance
<p>When developing 'property held for development' the Board is to adhere to the following principles:</p> <ul style="list-style-type: none"> a. Properties may be developed without the building being fully pre-let so long as tenancy risk is managed prudently. b. Property developments must not compromise port operations. c. Developments are to be undertaken only if they are able to be funded without additional capital from shareholders. <p>Definition of terms: Management of tenancy risk means that each single property investment has committed rental income (via executed lease contracts) that is sufficient to meet forecast interest costs on (i) the cost of the site development related to the development and (ii) the cost of the construction of the development AND the vacant net lettable area of the proposed development is no greater than 25%.</p>	<p>Not applicable in reporting period.</p>

Company objectives

The company's primary objectives as set out in the 2010/11 Statement of Corporate Intent shall be to:

- Be a successful transport and property infrastructure company
- Operate as a sustainable and responsible business
- Be customer focused and provide superior service

The financial objectives of the company shall be to:

- Provide a commercial return to shareholders
- Adopt policies that prudently manage risk and protect the investment of the shareholders

The environmental and sustainably objectives of the company shall be to:

- Operate in an environmentally responsible and sustainable manner
- Raise awareness of environmental issues within the company
- Liaise with and communicate the Company's environmental and sustainability performance

The social objectives of the company are to be socially responsible and have a positive and sustainable impact on the social systems (employees, customers, tenants, suppliers, local community and wider society) by:

- Be a learning organisation and superior employer
- Provide a safe and healthy workplace
- Participating in and encouraging development, and cultural and community activities within the regions in which the company operates
- Consulting with employees, stakeholders and the community where appropriate

Directors

WA Larsen (Chair)

DJ Benham

R Janes

JG Jefferies

EMM Johnson

RM Peterson

Financial performance targets

The following table lists performance against targets set in CentrePort's 2010/11 Statement of Corporate Intent (SCI).

SCI Performance Measure	2010/11 SCI target	2010/11 Actual
New profit before tax (1)	\$13.15 million	\$14.73 million (2)
Net profit/(loss) after tax (1)	\$9.415 million	\$9.594 million (2)
Return on port assets	6.7%	6.3%
Return on property assets	6.1%	6.3%
Return on total assets	6.4%	6.3%
Return on equity	4.9%	5.2%
Dividend	\$4.0 million	\$4.7 million (3)
Dividend distribution % of NPAT	40%-60%	45%

¹ Profitability excludes fair value changes in respect of Investment Properties and Derivatives.

² The variance to target reflects higher than planned operating revenues and favourable interest costs.

³ Includes \$0.7m declared post balance date

Investments

Funding Impact Statement

	Council 2011 Actual \$000s	Council 2011 Budget \$000s		Council 2011 Actual \$000s	Council 2011 Budget \$000s
Funding statement			Contribution to general rates		
Operating revenue	19,083	12,254	Liquid financial deposits	1654	1760
Net Interest income ¹	4,287	1,692	WRC Holdings	2447	1021
Internal grants income ²	13,346	14,801	Treasury management	3385	3632
	<u>36,716</u>	<u>28,747</u>	Forestry	-	-
			Business units and property	127	137
Operating expenditure	12,166	9,550		<u>7613</u>	<u>6550</u>
	<u>24,550</u>	<u>19,197</u>			
Less:					
Contribution to general rates	7,613	6,550			
Earnings retained	<u>16,937</u>	<u>12,647</u>			
Operating surplus of individual investments					
Liquid financial deposits	1,655	1,760			
WRC Holdings	15,793	15,821			
Treasury management	878	1,734			
Forestry	5,894	(245)			
Business units and property	330	127			
Net funding surplus / (deficit)	<u>24,550</u>	<u>19,197</u>			

Rates contribution excludes unrealised transactions; deposit and debt movements and some inter-organisational transactions.

Note 1 - Net interest includes revenue from internal debt, less the interest costs of external debt

Note 2 - Internal grants income is revenue from public transport to fund the share capital investment in Greater Wellington Rail Ltd. This is lower than budget because expenditure on the new Matangi trains is lower the budget

Note 3 - The above funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.

Statement of compliance and responsibility

Compliance

The Council and Greater Wellington's management confirm that all the statutory requirements of the Local Government Act 2002 in relation to the annual report have been complied with.

Responsibility

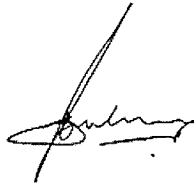
The Council and Greater Wellington's management accept responsibility for preparing the annual financial statements and judgements used in them. The Council and Greater Wellington's management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and Greater Wellington's management, the annual financial statements for the year ended 30 June 2011 fairly reflect the financial position and operations of the Greater Wellington Regional Council.



Fran Wilde
Chair

xx September 2011



David Benham
Chief Executive

xx September 2011



Bruce Simpson
Chief Financial Officer

xx September 2011

Comment [AM1]: Date needed

Audit report

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Council committee structure

As at September 2011

(c) Chair (d) Deputy Chair

Audit, Risk and Assurance Committee

Cr Judith Aitken (c)
Cr Peter Glensor (d)

Economic Wellbeing Committee

Cr Peter Glensor (c)
Cr Paul Bruce (d)

Environmental Wellbeing Committee

Cr Barbara Donaldson (c)
Cr Jenny Brash (d)

Regional Transport Committee

Cr Fran Wilde (c)
Cr Peter Glensor (d)

Social and Cultural Wellbeing Committee

Cr Nigel Wilson (c)
Cr Sandra Greig (d)

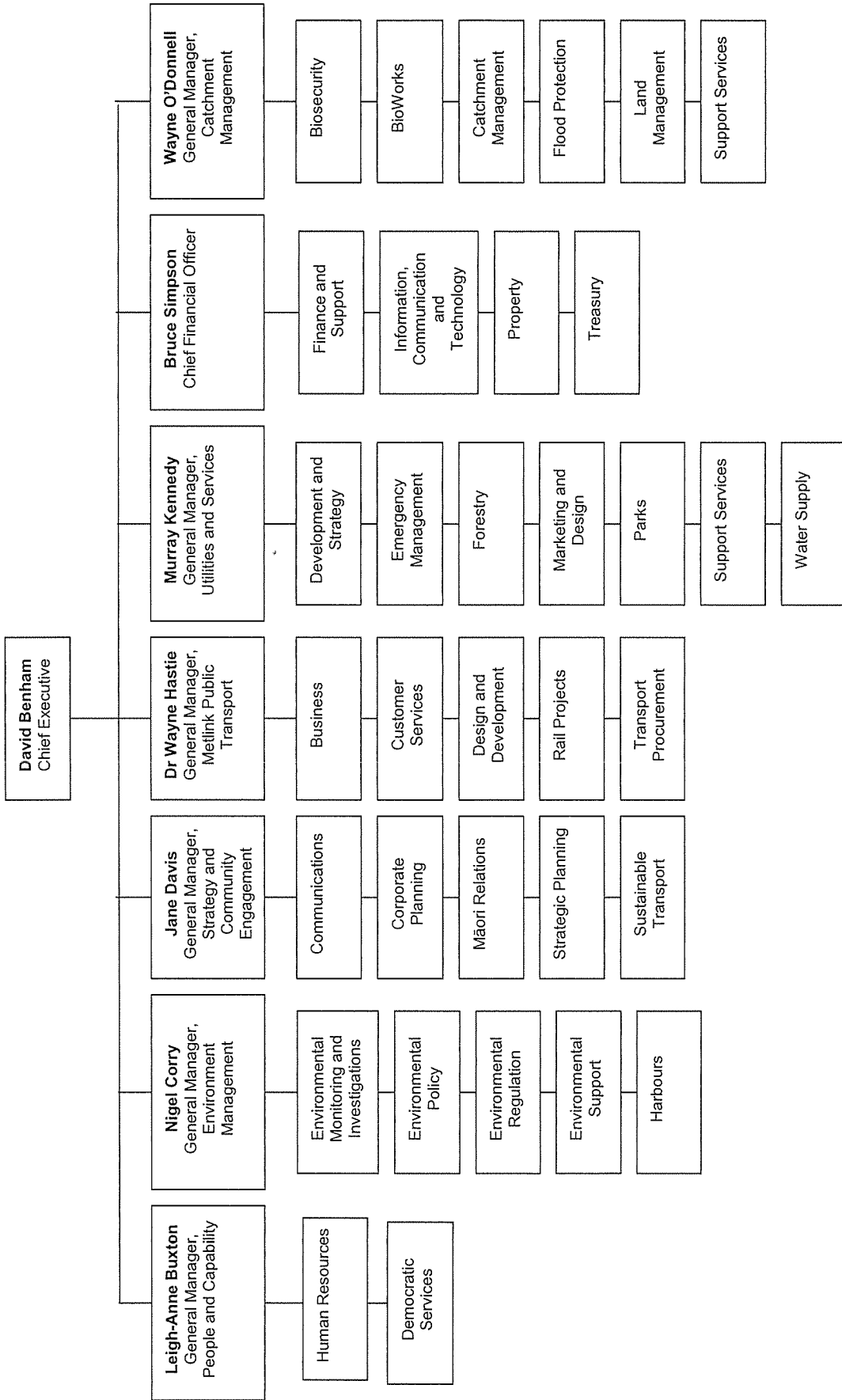
Te Upoko Taiao – Natural Resource Committee

Cr Chris Laidlaw (Co-Chair)
Te Waari Carkeek (Co-Chair)

Wellington Regional Strategy Committee

Sir John Anderson (c)
Cr Wilde (d)

Greater Wellington structure



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October 2011
GW/CP-G-11/86