

SUPPORTING INFORMATION TO SHAPE YOUR REGION 2016/17



Contents

SECTION ONE - OVERVIEW	2
SECTION TWO – FINANCIAL SUMMARY	12
SECTION THREE – ACTIVITIES OF THE GREATER WELLINGTON REGIONAL COUNCIL	21
SECTION FOUR – COUNCIL-CONTROLLED ORGANISATIONS & INVESTMENTS.....	93
SECTION FIVE – FINANCIAL INFORMATION	111
SECTION SIX – REGIONAL COUNCILLORS AND HOW TO HAVE YOUR SAY.....	123

SECTION ONE - OVERVIEW

Introduction

The Greater Wellington Regional Council (GWRC) adopted its 10 Year Plan 2015-25 in June 2015. The purpose of the 10 Year Plan is to describe the activities of GWRC and provide a long term direction for decisions, programmes and projects.

The 2014 amendments to the Local Government Act require that councils consult with the community on any significant and material changes proposed to the 10 Year Plan 2015-25. As a result of the annual business planning process, GWRC is proposing several minor changes to Year 2 of the 10 Year Plan 2015-25. The consultation is limited to those identified changes. Other matters not subject to change were consulted on and decided in the 10 Year Plan process, and are outside of this consultation process.

Documents

Shape Your Region 2016/17 is the consultation document for the GWRC proposed Annual Plan 2016/17. It identifies the differences between the proposed Annual Plan 2016/17 from that in the 10 Year Plan 2015-25 and the effects of these differences, and is our primary tool for consulting with the community.

The Supporting Information to Shape Your Region 2016/17 (this document) contains important information including:

- Emerging issues for 2016/17
- Key changes from the 10 Year Plan 2015-25
- Forecast financial statements and funding impact statements
- Proposed activities
- Regional councillors
- How to have your say

Following the consultation process a final Annual Plan 2016/17 will be prepared. This will be adopted by GWRC before July 2016. The Annual Plan will contain the annual budget and funding impact statement for the year; identify any variations from the financial statements and funding impact statement included in the 10 Year Plan 2015-25; and contain GWRC's activities (by reference to the 10 Year Plan or otherwise).

The 10 Year Plan 2015-25 remains a current document which contains the Financial Strategy, Infrastructure Strategy, activities and policies for GWRC, unless explicitly changed in the Annual Plan 2016/17.

How to provide feedback

The Shape Your Region 2016/17 consultation document is available in council offices, libraries and information centres across the Wellington region. It outlines the proposed changes to the 10 Year Plan 2015-25.

If you have any comments on these proposed changes we would like to hear what you think. See www.gw.govt.nz/have-your-say for a copy of the consultation document and for more information on the submissions process. The submission process is also outlined in section six of this document.

Greater Wellington Regional Council's role and purpose

The Greater Wellington Regional Council (GWRC) is responsible for a wide range of activities and makes a significant contribution to the overall wellbeing of the Wellington region.

GWRC operates in the following key areas:

- **Provision and management of regional infrastructure and services** – flood protection assets that protect urban populations and productive rural land; a secure supply of safe, high-quality water; managing regional parks; managing harbour navigation and safety; as well as planning, procuring and funding public transport services and owning the train fleet.
- **Sustainable management of natural resources** (land, air, biodiversity and water) and the control of pests to protect resources on which our primary sector, export economy and quality of life are based.
- **Strategic planning for the region** – delivered through statutory instruments, such as the Regional Policy Statement, the Regional Land Transport Plan and the Regional Pest Management Strategy and also non-statutory instruments such as the Wellington Regional Strategy (the region's sustainable economic growth strategy).

The Council is guided by legislation, including the Local Government Act 2002 (LGA) which directs local authorities to meet the current and future needs of communities for good-quality infrastructure, services and performance of regulatory functions, in a way that is most cost-effective for households and businesses. The LGA also requires local authorities to be accountable and to ensure that their decision-making processes are open to the influence and scrutiny of their communities.

For more detail on the activities of GWRC see section three of this document.

GWRC Purpose

Enriching life in the Wellington region by building resilient, connected and prosperous communities, protecting and enhancing our natural assets, and inspiring pride in what makes us unique.

Relationship with mana whenua

GWRC has established and maintains relationships with tangata whenua, who are recognised as mana whenua and kaitiaki of the region.

GWRC's relationship with tangata whenua is guided by the LGA and the Resource Management Act 1991. These Acts require GWRC to give effect to the relationship described in the Treaty of Waitangi and include recognising cultural, intellectual and physical property, and the provision of opportunities and resources that enable Māori to participate in regional decision making.

GWRC's iwi partners are:

- Ngāti Kahungunu ki Wairarapa –represented by Ngāti Kahungunu ki Wairarapa Trust
- Rangitāne o Wairarapa - represented by Rangitāne o Wairarapa Inc.
- Ngāti Raukawa ki te Tonga - represented by Ngā Hapū o Ōtaki
- Te Ātiawa ki Whakarongotai - represented by Ati Awa ki Whakarongotai Charitable Trust
- Ngāti Toa Rangatira - represented by Te Rūnanga o Toa Rangatira Inc.
- Taranaki Whānui ki te Upoko o te Ika - represented by Port Nicholson Block Settlement Trust.

Ara Tahi

Ara Tahi is a leadership forum of the six mana whenua groups and GWRC. Ara Tahi was established in 1993 initially as a Māori advisory group and in the last four years has focused more on strategic matters of mutual concern.






Memorandum of Partnership

Ara Tahi was instrumental in the development of the Memorandum of Partnership – an agreement that outlines how mana whenua and GWRC work together. The Memorandum of Partnership establishes a structural and operational relationship between the Council and mana whenua, in the context of the Treaty of Waitangi, Te Tiriti o Waitangi and the legislation which gives functions, duties and powers to the Council.

GWRC Community Outcomes

Described below are the community outcomes that GWRC aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

The Council aims to improve residents' quality of life by contributing to the achievement of the following:

	 Strong Economy	 Connected Community	 Resilient Community	 Healthy Environment	 Engaged Community
	A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment	People are able to move around the region efficiently and communications networks are effective and accessible	A regional community that plans for the future, adapts to climate change and is prepared for emergencies	An environment with clean air, fresh water, healthy soils and diverse ecosystems that supports community needs	People participate in shaping the region's future, take pride in the region, value the region's urban and rural landscapes, and enjoy the region's amenities
GWRC Activity Groups					
Regional Leadership	✓	✓	✓	✓	✓
Public Transport	✓	✓		✓	✓
Water Supply	✓		✓	✓	✓
Environment	✓			✓	✓
Flood protection and control works	✓		✓	✓	✓
Parks				✓	✓

The ways that our activities contribute to each of the outcomes is detailed in section three of this document.

Emerging issues for 2016/17

GWRC's 10 Year Plan 2015-25 outlined the context in which we work and some of the key issues that the Wellington region is facing. These remain very relevant for the 2016/17 year, and include:

- Balancing the cost of investing in good quality infrastructure, including bulk drinking water, protecting communities through flood protection schemes, and running the public transport network against ratepayer affordability.
- How to get more people onto public transport and using active transport (such as walking and cycling) in order to reduce congestion on our roads, reduce transport emissions and increase cost-effectiveness of public transport.
- Ensuring that the region is prepared to cope in natural events and emergencies, such as earthquakes, tsunami, major storms, floods and landslips.
- Finding ways to work with communities to manage the pressure of urban and rural development on waterways, and improve water quality in our rivers, lakes and sea.

Since the adoption of the 10 Year Plan in June 2015, there have been some changes to the context in which we operate:

Changing legislative framework:

In late 2015 the Government announced a suite of proposed reforms to the Resource Management Act. Submissions on these proposed changes are due in late March 2016, and we will be following closely the progress of these reforms as they go through the select committee stage to ensure that we are well placed to implement the final outcomes. Implementation of the National Policy Statement for Freshwater remains a key deliverable, and our progress around this will be under increasing scrutiny by both Central Government and our communities. There is a strong community expectation around our Whaitua (catchment committee) processes and collaborative modelling, including some concern that things might not be moving fast enough, and we need to continue to engage our communities to work through these issues.

Local government reform:

Another challenge we face is uncertainty on the future structure of local government in this region. In June 2015 the Local Government Commission decided not to proceed with its draft Proposals for Reorganisation of Local Government in Wellington. The Commission is now working with the region's councils to develop alternative options by looking at specific activity areas where there may be benefits from bringing services or functions together. At this stage it is uncertain whether any change will result from this process, but there is the potential for significant impact on our Regional Transport Planning and Programmes; Sustainable Transport; and Public Transport activities.

Information:

As we advance our work in the area of climate change, we are constantly building our understanding of the impacts of climate change and ways to mitigate the impacts and adapt to change. GWRC's Climate Change Strategy was approved by the Council in September and articulates a vision for GWRC to:

“strengthen the long-term resilience and sustainability of the Wellington region through climate change action and awareness.”

This vision is to be achieved through policies and actions stemming from three core objectives: mitigation, adaptation, and awareness. The Climate Change Strategy is now being implemented and may result in change to the way we do business.

More information is also becoming available around community expectations of the resilience of the region's water supply following a following a major natural event. Wellington Water is carrying out a work programme in this area and while no changes are indicated at this point in time, it will likely result in revised investment plans for councils in time for their 10 Year Plan 2018-28.

We are also working closely with affected communities in building understanding of flood risks across the region, and resulting impacts and options. As we work through this process we have realised that we have underestimated the time required to carry out effective community engagement, and timelines have been adjusted to reflect this.

Shared work programmes

GWRC is working closely with the NZ Transport Agency on the development of an integrated fares and ticketing system that will be common across all Metlink public transport modes. This approach raises multiple challenges, including around how to get the best value for money from both a regional and national perspective, and timing delays to our work programmes associated with confirming a national approach.

Technology:

Ongoing technology innovations impact on many aspects of our work. A recent example is the prevalence of flying unmanned aerial vehicles (drones), or increasingly powerful e-bikes which have resulted in more participation in new recreation activities undertaken in regional parks. Sometimes effects of very new activities may be unforeseen, and so balancing the interests of a wide range of users becomes a significant challenge that requires good judgement, positive relationships with stakeholders, and proactive information provision.

Another example of the impact of technological change is the development of an integrated fares and ticketing system where a key challenge is deciding on the best solution in an environment where technology is changing and constantly opening up new ticketing opportunities.

Key Changes from the 10 Year Plan 2015-25

In the 10 Year Plan 2015-25, GWRC agreed on a 10.8 percent rates increase for 2016/17. As a result of a review of our activities, and the impacts of other changes indicated in this document, we are now proposing a lower rates increase of 7.9 percent for 2016/17. This equates to an overall rates increase from 2015/16 of \$30.99 for the average residential household, or 60 cents per week.

As we review our projects and programmes we take account of changes to the external environment. In the last year interest rates have significantly reduced and this reduces our borrowing costs. We also review the costs of projects and this always results in a few ups and downs that may reflect updated contract costs, changes to co-funding from partner organisations, or minor changes to project timing. None of these cost savings relate to a reduction in service levels.

The movements also include some increases to our forecasted spending in 2016/17:

- Increased operational and capital expenditure of \$360,000 in 2016/17 to support the planned Wellington City bus network. This results in an increased rates requirement of \$98,000.
- An additional \$1.2 million of expenditure for progressing the Natural Resources Plan for the Wellington Region, including independent commissioners to sit on hearings. The Plan sets rules and guidance on water quality and quantity, air, soil, and coastal management. This results in an increased rates requirement of \$82,000.
- An additional capital investment of \$1.4 million for the Collaborative Modelling Project. This project supports the Whaitua (catchment) programme by providing scientific based information to better understand the possible impacts and consequences of changes in land and water management. This is being primarily funded through increased revenue from state of environment monitoring and results in an increased rates requirement of \$70,200.
- The allocation of funding for the Wairarapa Water Use project was spread evenly over three years. The current stage of the project (drilling into bedrock to carry out investigations) requires that the majority of the next two years funding be used in 2016/17. In 2017/18 expenditure will be lower to result in an even position. This results in an increased rates requirement of \$16,000.

The key changes to the Annual Plan 2016/17 from that included in the 10 Year Plan for 2016/17 are listed below. Please see the relevant activity group in section three for more information on each of these and note that only those with a materiality of medium or above are of significance.

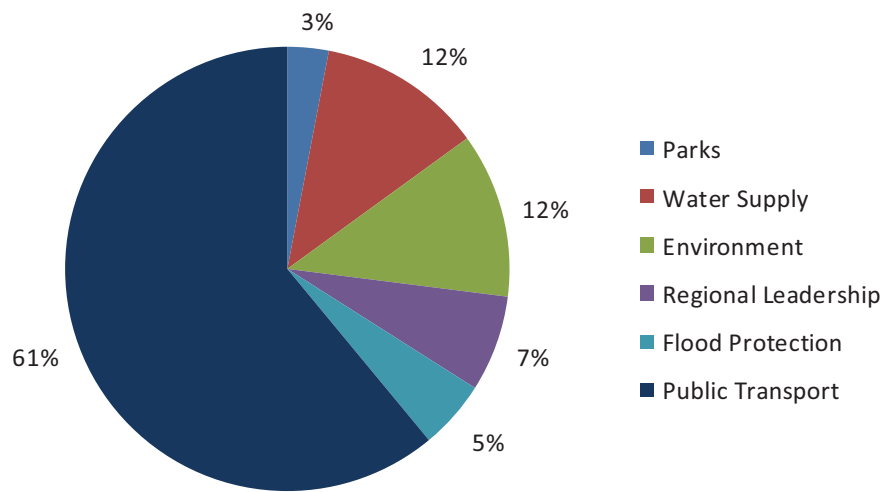
Activity Group	Change	Consequence	Materiality
Regional Leadership - Regional transport planning and programmes	As part of the work on a future Bus Rapid Transit system in Wellington, 'Ngauranga to Airport' has formally been added to the key programmes under Regional Transport Planning and Programmes. The programme is jointly funded and managed with our partners (Wellington City Council and the NZ Transport Agency), and will provide a strategic approach to key transport projects within Wellington City.	Funding is drawn from existing sources with no impact on rates.	Medium

Activity Group	Change	Consequence	Materiality
Regional Leadership – Regional Initiatives	The project to develop a draft Wellington Region Spatial Plan is on hold pending the outcome of the Local Government Commission’s investigations into local government in the Wellington region.	A delay in regional spatial planning work will not have an impact on any other projects or programmes in their current form. The funding for this project has been reduced by \$100,000.	Medium
Regional Leadership – Regional Initiatives	Investigations for the Wairarapa Water Use Project have been reprioritised due to increased work in pre-feasibility to identify possible sites.	We have adjusted targets to reflect this. Completion of the resource consent application is planned for 2017/18.	Medium
Public Transport - Bus and ferry operations and asset management	An increase in budgeted expenditure of \$100,000 is proposed for bus service improvements. Our service reviews aim to introduce service reliability improvements on a cost neutral basis, however requirements for additional peak vehicles mean that we can’t always achieve this.	This results in an increased rates requirement of \$48,000 in 2016/17	Low
	Detailed planning for the implementation of the new Wellington City bus network has verified increased operational and capital expenditure of \$360,000 in 2016/17.	This results in an increased rates requirement of \$98,000 in 2016/17	Medium
Public Transport - Metlink fares and ticketing, and customer services and information	<p>A decision on the electronic solution for the integrated fares and ticketing project has been delayed, pending consideration of a national approach to integrated ticketing. This results in a delay in implementation of the new integrated ticketing system. As part of the transition to the new PTOM operating environment for bus consideration will be given to the need for an interim ticketing solution.</p> <p>The budget for capital expenditure on the integrated fares and ticketing system has been reduced from \$18.8 million to \$9.7 million to reflect this. An allowance of \$2.0 million has been included in 2016/17 for development of an interim ticketing solution if required.</p>	A net reduction in rates of \$283,000 in 2016/17.	Medium

Activity Group	Change	Consequence	Materiality
Water Supply	Waterloo Wells - A Waterloo well was planned to be replaced in each of 2016/17 and 2017/18. The proposal is to now carry out preparatory design work in 2016/17 and replace both wells in 2017/18.	Redevelopment of two of the bores was carried out in late 2015. The redevelopment work has been successful and allows deferral of proposed well replacement work. Further investigations into well replacement options will take place in subsequent years.	Medium
	Wainuiomata pipeline - Inclusion of 'detailed design' in the 2016/17 programme	Preparatory work to enable replacement to commence in 2017/18 as planned.	Low
Environment – Land Management	Increased funding provided by the Ministry for Primary Industries for the Wellington Regional Erosion Control Initiative has resulted in more planned planting of erosion prone hill-country in the Ruamāhanga Whaitua, and therefore an increase in the performance targets for erosion prone hill-country land covered by an active Farm Plan (increased target from 78% to 79% for 2016/17, and from 79% to 80% for 2017/18).	More landowners engaged in work programmes that reduce the amount of sediment reaching waterways.	Medium
Environment – Resource Management	An additional \$1.2m of expenditure for progressing the Natural Resources Plan for the Wellington Region, including independent commissioners to sit on hearings. The Plan sets rules and guidance on water quality and quantity, air, soil and coastal management.	This results in additional rates requirement of \$82,000 in 2016/17.	Medium
	An additional capital investment of \$1.4m for the Collaborative Modelling Project. This project supports the Whaitua (catchment) programme by providing scientific based information to better understand the possible impacts and consequences of changes in land and water management.	The extra cost of \$70,200 in 2016/17 is primarily funded through increased revenue from state of environment monitoring.	Medium
Flood Protection – Understanding Flood Risk	Extended consultation with communities affected by the development of Floodplain Management Plans (FMPs) for Waiohine and Te Kāuru has resulted in delays of up to 12 months to completion of these Plans.	Deferral of capital expenditure from 2016/17 into 2017/18, and potential delay in commencing the implementation of the outcomes of the plans.	Medium
	The recommencement of the Waiwhetu FMP has been delayed by up to 12 months as a result of the delays in the completion of other FMPs in the region.	Deferral of capital expenditure from 2016/17 into 2017/18. The existing level of service is being maintained so the material impact is low, but the risk remains and will increase with time.	Medium

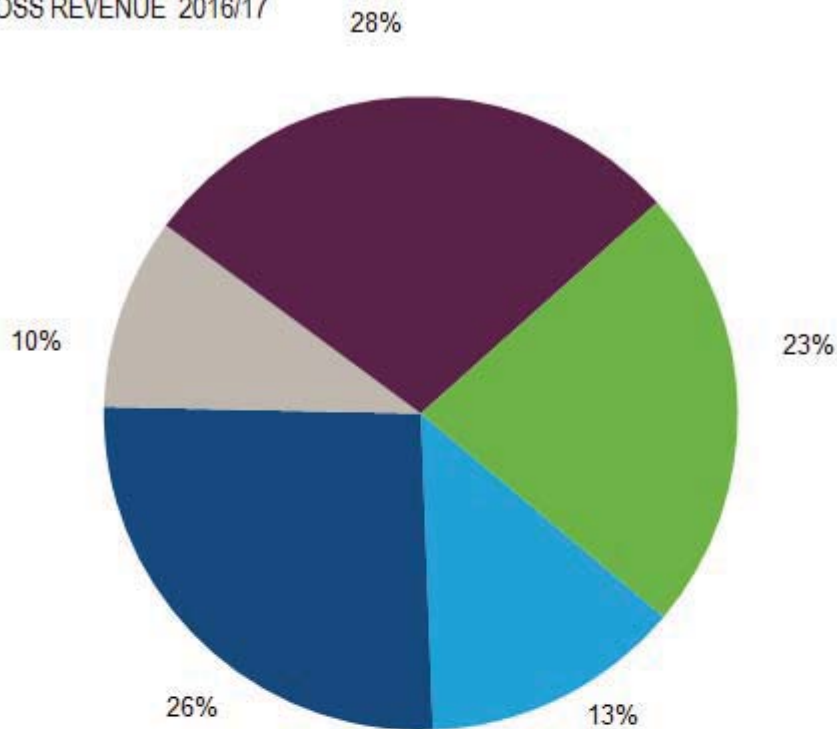
Activity Group	Change	Consequence	Materiality
Parks – Parks Planning	Adoption of the Whitireia Park Plan has been removed from 2016/17 performance targets because the Plan was completed in 2015/16	No resulting impact on the community from early completion of the Plan.	Low
Parks – Parks Planning	Review of the Parks Network Plan has been extended from 2016/17 over two financial years.	The Parks Network Plan is not required to be revised until 2021. Legislation requires that it is maintained as current, and this has been done via two recent amendments (the addition of Parangarahu Lakes and Baring Head).	Low
Parks – Visitor Services	Formal addition of two projects into the list of key projects and programmes (fencing in Speedy's Stream and flush toilets in Tunnel Gully). These were funded in the 10 Year Plan 2015-25 but were not separately listed out as key projects.	No resulting impact – already planned for and funded	Low

SECTION TWO – FINANCIAL SUMMARY



Greater Wellington is \$295 million on gross operating expenditure. This pie chart shows the total cost of delivering Greater Wellington's services, broken down by our groups of activities. The most significant area of our expenditure is transport, accountable for 61% of the total work programme for 2016/17.

GWRC's
GROSS REVENUE 2016/17



■ General Rates	\$39.5m (13%)
■ Targeted Rates	\$77.1m (28%)
■ Water Supply Levy	\$29.1m (10%)
■ Government Subsidies	\$84.1 m (28%)
■ Other Revenue	\$67.5m (23%)

Greater Wellington's work programmes will be funded by a mix of rates, levies, government subsidies and other revenue. Regional rates, comprising general rates and targeted rates, make up 39% of Greater Wellington's total revenue for 2016/17. Government subsidies (primarily for funding public transport services and the extensive public transport rail network upgrade) make up a further 28% and the water supply levy (charged to the Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 10%. The remaining 23% of revenue is from other external sources.

All figures exclude GST

Rates Funding Impact Statement

General rate	2016/17 Cents per \$ of rateable capital value	2016/17 Revenue sought \$
Wellington city	0.03821	19,323,845
Lower Hutt city	0.03799	6,541,163
Upper Hutt city	0.03775	2,536,984
Porirua city	0.03753	3,063,462
Kapiti Coast district	0.03752	4,071,098
Masterton district	0.03828	1,787,559
Carterton district	0.04002	839,941
South Wairarapa district	0.03860	1,361,133
Tararua district	0.04487	2,816
Total general rate		39,528,001
Targeted rate: River management based on capital value	2016/17 Cents per \$ of rateable capital value	2016/17 Revenue sought \$
Wellington city	0.00008	42,090
Lower Hutt city	0.01974	3,399,190
Upper Hutt city	0.00894	600,982
Porirua city	0.00034	27,604
Kapiti Coast district	0.01153	1,251,108
Carterton district	0.00106	22,337
Total district-wide river management rate		5,343,311
Greytown ward	0.01752	90,699
Total river management rates based upon capital value		5,434,010
Targeted rate: River management based on land value	2016/17 Cents per \$ of rateable land value	2016/17 Revenue sought \$
Featherston urban: Donalds Creek Stopbank	0.00314	2,464
Total river management rates based upon land value		2,464
Total river management rates		5,436,474

Note:

¹ 11 Rural properties in the Tararua District are within the boundaries of the Wellington region

Note that all figures on this page exclude GST

Rates funding impact statement		
Targeted rate: Public transport	2016/17 Cents per \$ of rateable capital value	2016/17 Revenue sought \$
Wellington city		
Downtown city centre business	0.30374	23,235,913
Urban	0.02961	12,532,177
Rural	0.00761	45,197
Lower Hutt city		
Urban	0.06250	10,589,867
Rural	0.01595	43,942
Upper Hutt city		
Urban	0.06820	4,102,260
Rural	0.01735	122,351
Porirua city		
Urban	0.07164	5,469,578
Rural	0.01828	96,415
Kapiti Coast district		
Urban	0.02956	2,718,883
Rural	0.00766	126,765
Masterton district		
Urban	0.00965	224,866
Rural	0.00279	65,128
Carterton district		
Urban	0.01767	118,004
Rural	0.00475	67,961
South Wairarapa district		
Urban	0.02239	231,416
Rural	0.00583	145,378
Total public transport rate		59,936,101
Targeted rate: Warm Greater Wellington Based on extent of service provided	2016/17 Percentage of service provided	2016/17 Revenue sought \$
For any ratepayer that utilises the service	15.000%	2,227,000

Targeted rate: Stadium purposes	2016/17 Cents per \$ of rateable capital value	2016/17 Revenue sought \$
Wellington city		
Business	0.00481	549,874
Residential	0.00268	1,031,783
Rural	0.00131	7,760
Lower Hutt city		
Business	0.00411	136,198
Residential	0.00279	379,962
Rural	0.00223	6,154
Upper Hutt city		
Business	0.00200	21,139
Residential	0.00238	114,255
Rural	0.00079	5,352
Porirua city		
Business	0.00349	33,180
Residential	0.00232	155,196
Rural	0.00071	3,746
Kapiti Coast district		
Urban	0.00128	118,002
Rural	0.00070	11,506
Masterton district		
Urban	0.00169	39,334
Rural	0.00061	14,182
Carterton district		
Urban	0.00156	10,436
Rural	0.00058	8,295
South Wairarapa district		
Urban	0.00186	19,266
Rural	0.00041	10,168
Total stadium purposes rate		2,675,788

Note:

¹ 11 Rural properties in the Tararua District are within the boundaries of the Wellington region

Note that all figures on this page exclude GST

Rates funding impact statement			
Targeted rate: Wellington Regional Strategy	2016/17 \$ per rating unit	2016/17 Cents per \$ of rateable capital value	2016/17 Revenue sought \$
Wellington city			
Downtown city centre business		0.01075	822,652
Business		0.01075	407,221
Residential – per rating unit	\$14.00		981,582
Rural – per rating unit	\$28.00		22,904
Lower Hutt city			
Business		0.01069	354,624
Residential – per rating unit	\$14.00		503,006
Rural – per rating unit	\$28.00		13,496
Upper Hutt city			
Business		0.01060	113,128
Residential – per rating unit	\$14.00		198,590
Rural – per rating unit	\$28.00		32,900
Porirua city			
Business		0.01056	100,506
Residential – per rating unit	\$14.00		236,894
Rural – per rating unit	\$28.00		16,912
Kapiti Coast district			
Business		0.01056	133,942
Residential – per rating unit	\$14.00		282,100
Rural – per rating unit	\$28.00		72,828
Masterton district			
Business		0.01077	40,830
Residential – per rating unit	\$14.00		108,990
Rural – per rating unit	\$28.00		108,808
Carterton district			
Business		0.01126	10,311
Residential – per rating unit	\$14.00		28,644
Rural – per rating unit	\$28.00		38,892
South Wairarapa district			
Business		0.01086	20,190
Residential – per rating unit	\$14.00		41,888
Rural – per rating unit	\$28.00		75,796
Tararua district – per rating unit	\$28.00		252
Total Wellington regional strategy rate			4,767,886

Targeted rate:		2016/17	2016/17
River management schemes 1		\$ per hectare	Revenue sought
			\$
Waingawa	A	138.19280	4,688
	B	89.82530	11,725
	C	69.09640	7,900
	D	62.18680	145
	E	55.27710	9,276
	F	48.36750	1,255
	G	20.72890	970
	H	13.81930	2,333
			38,292
Upper Ruamahanga	A	127.63360	11,011
	B	106.36140	701
	C	85.08910	10,194
	D	63.81680	1,124
	E	42.54450	12,600
	F	21.27230	839
	S	1,198.49030	3,116
			39,585
Middle Ruamahanga	A	125.83330	5,082
	B	104.86110	5,723
	C	83.88890	429
	D	62.91670	7,125
	E	41.94440	1,267
	F	20.97220	6,200
	S	1,269.00540	2,665
			28,491
Lower Ruamahanga	A	59.38640	7,456
	B	50.90260	2,740
	C	42.41880	9,490
	D	33.93510	10,808
	E	25.45130	8,232
	F	16.96750	20,770
	SA	1,489.09510	3,872
	SB	744.54760	1,266
			64,634

Rates funding impact statement			
Targeted rate:		2016/17	2016/17
River management schemes 1		\$ per hectare	Revenue sought
			\$
Waiohine – rural	A	44.91950	5,053
	B	37.43292	14,339
	C	29.94633	38,278
	D	22.45975	8,345
	E	14.97317	11,957
	S	748.65837	12,727
			90,699
Mangatarere	A	33.92130	728
	B	32.44640	6,799
	C	27.49520	434
	D	24.33480	1,748
			9,709
Waipoua	A	105.04910	9,192
	B	84.03930	25,239
	C	63.02950	1,415
	D	42.01960	12,490
	SA	3,550.65950	355
	SC	2,121.99180	212
			48,903

Note that all figures on this page exclude GST

Targeted rate:		2016/17	2016/17
River management schemes 1		\$ per hectare	Revenue sought
			\$
Kopuaranga	A2	122.71450	3,197
	A3	110.44310	7,615
	A4	61.35730	692
	A5	42.95010	2,479
	A6	24.54290	1,991
	B2	24.54290	1,504
	B3	22.08860	1,626
	B4	12.27150	114
	B5	8.59000	267
	B6	4.90860	590
	SA	153.57000	768
	SB	76.79000	1,075
			21,918
Lower Taueru	A	3.79150	1,563
	B	0.75830	214
	C	0.37920	68
	S	189.57600	288
		2,133	
Lower Whangaehu	A	17.91760	598
	B	14.33410	933
	C	10.75060	585
	D	7.16700	549
	E	3.58350	624
	S	89.58800	120
		3,409	
Total river management scheme rates 1			347,773

Rates funding impact statement			
Targeted rate:		2016/17	2016/17
River management schemes 2		\$ per dwelling	\$ per point
			Revenue sought
			\$
Lower Wairarapa valley	A	0.23170	669,339
Development scheme	Sa	18.61300	18,61300
	Sb	37.23800	84,232
Total river management scheme rates 2			761,333
Total river management scheme rates			1,109,106

¹ "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. To avoid doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling)

Note that all figures on this page exclude GST

Rates funding impact statement

Targeted rate: Catchment schemes 1		2016/17 \$ per hectare	2016/17 Revenue sought \$
Whareama	A	4.25730	2,815
	B	1.63770	1,185
	C	0.28670	12,542
	D	0.24550	5
	E	0.20540	1
	F	0.16730	468
			17,016
Homewood	A	1.45200	3,416
	B	1.38450	629
	C	1.21000	4,033
	D	0.17280	303
			8,381
Maungaraki	Class A	2796.09675	2,796
	Class B	1182.75328	1,183
			3,979
Upper Kaiwhata	A	8.41550	353
	B	3.69380	290
	C	0.52560	481
	D	0.31550	561
	E	0.21010	393
	F	0.10510	47
			2,125
Lower Kaiwhata	A	14.04540	923
	B	6.14230	285
	C	0.87740	1,002
	D	0.52650	1,384
	E	0.35100	12
	F	0.17550	49
			3,655
Catchment management scheme 1 rates			35,156

Note that all figures on this page exclude GST

Targeted rate: Catchment schemes 2		2016/17 Cents per \$ of rateable land value	2016/17 Revenue sought \$
Awhea-Opouawe	Land value	0.00000	9,800
Mataikona-Whakataki	Land value within scheme area	0.00000	2,664
Catchment management scheme 2 rates			12,464
Targeted rate: Catchment schemes 3		2016/17 \$ per dwelling	2016/17 Revenue sought \$
Awhea-Opouawe	Charge per dwelling	\$114.54 / \$57.27	8,820
Maungaraki	Charge per dwelling	\$19.00	567
Mataikona-Whakataki	Charge per dwelling	\$15.00	1,830
Catchment management scheme 3 rates			11,217
Targeted rate: Catchment schemes 4		2016/17 Cents per metre of river frontage	2016/17 Revenue sought \$
Maungaraki	River frontage	1326.89980	1,327
Catchment management scheme 4 rates			1,327
Total catchment management scheme rates			60,164

¹ "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. To avoid of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling)

Rates funding impact statement

Targeted rate: Pump drainage schemes	2016/17 \$ per hectare	2016/17 Revenue sought \$
Te Hopai		92,000
Moonmoot pump	A 118.04710	27,000
Onoke pump	A 134.28130	95,800
Pouawha pump	A 109.45220	103,430
Total pump drainage scheme rates		318,230
Targeted rate: Possum / predator	2016/17 \$ per hectare	2016/17 Revenue sought \$
Rural land area		
Land area of 4 or more hectares in all rural classified areas	0.82120	504,000
Total Possum / predator rate		504,000

Note that all figures on this page exclude GST

Targeted rate: Gravity drainage schemes	2016/17 \$ per hectare	2016/17 Revenue sought \$
Okawa	A 7.00710	1,976
Taumata	A 6.31190	1,834
East Pukio	A 27.43340	3,149
Longbush	A 15.75450	3,437
Longbush	B 7.87730	990
Otahoua	A 32.35740	3,000
Te Whiti	A 9.54170	1,348
Ahikouka	A 27.16640	3,048
Battersea	A 15.08390	2,537
Battersea	B 12.48890	2,428
Battersea	C 9.73160	3,092
Battersea	D 5.83890	898
Battersea	E 5.02800	1,020
Battersea	F 4.86580	357
Manaia	A 28.08980	4,900
Whakawiriwiri	A 11.47640	8,273
Total gravity drainage scheme rates		42,287

**SECTION THREE – ACTIVITIES OF THE GREATER WELLINGTON
REGIONAL COUNCIL**

Regional Leadership

GWRC coordinates regional leadership activities in partnership with other local authorities on a range of issues, including economic development, transport, and civil defence and emergency management. We involve mana whenua and the community in our decision making. We also lead regional initiatives that provide significant benefits to the regional community.

WHAT WE DELIVER

The regional leadership group of activities includes:



CONTRIBUTION TO COMMUNITY OUTCOMES

Our regional leadership activities contribute towards achieving:

- A **strong economy** by developing region-wide strategies and funding programmes to help the region realise its economic potential
- A **resilient community** by ensuring the region is ready to effectively respond to and recover from major emergency events, such as earthquakes
- A **connected community** by developing plans to meet the region's transport needs, informing the community about the range of transport options available, and supporting the availability of ultra-fast broadband
- A **healthy environment** by exploring options to manage the effect of agricultural land use on water quality, and taking a leadership role in other regionally significant projects such as the climate change strategy and environmental sustainability.
- An **engaged community** by providing opportunities for residents to engage in our activities and participate in decision making, including our mana whenua iwi partners.



Challenges we face

One of the key challenges we face is uncertainty on the future structure of local government in this region. In June 2015 the Local Government Commission decided not to proceed with its draft Proposals for Reorganisation of Local Government in Wellington. The Commission is now working with the region's councils to develop alternative options by looking at specific activity areas where there may be benefits

from bringing services or functions together. A number of workstreams are progressing, including investigations into Wairarapa, Transport and Spatial Planning, as well as scoping studies of the three waters and economic development (which are already the subject of shared services through Wellington Water and WREDA). At this stage it is uncertain whether any change will result from this process. Changes could have a significant impact on the services we deliver under the activities of: Regional Transport Planning and Programmes; Sustainable Transport; and Public Transport.

Another challenge is our growing understanding of the impacts of climate change and how we mitigate those impacts and adapt. Greater Wellington's Climate Change Strategy was approved by the Council in September 2015. The Strategy is a non-statutory document that is designed to complement key statutory documents such as the proposed Natural Resources Plan, Regional Policy Statement, Long Term Plan 2015-25 and Regional Land Transport Plan. It takes a long term view but contains actions to be completed in the short-term. The Strategy articulates a vision for GWRC to:

“strengthen the long-term resilience and sustainability of the Wellington region through climate change action and awareness.”

This vision is to be achieved through policies and actions stemming from three core objectives. Together the objectives span the range of areas that Greater Wellington will focus on to achieve the vision of strengthening the region's long-term resilience to climate change: mitigation, adaptation, and awareness. The Climate Change Strategy is now being implemented and may result in change to the way we do business.

Strategy for regional leadership

Our long-term approach is to develop and maintain strong relationships and collaborative programmes at a regional level. This will assist with achieving integrated decision making across the region. Our position as the regional council enables us to take a leadership role, working in partnership with other councils, mana whenua, central government, community groups and the private sector.

We will continue to enhance the leadership role of GWRC by facilitating a collaborative approach to economic development, emergency management, and transport networks, assets, amenities and services, while making the most of scarce resources and capabilities.

For emergency management we aim to ensure that the region has sufficient capability and capacity to manage a major emergency event, including promoting preparedness and public education.

For regional transport we aim to achieve an affordable, integrated, safe, responsive and sustainable land transport system. As well as leading the strategic planning of the region's transport network, we promote sustainable transport options and improved road safety. GWRC is also the provider of public transport in the region (see Public Transport activity group).

We will maintain effective, open and transparent democratic processes through the appropriate conduct of Council meetings, statutory accountability processes and local authority elections. We also aim to continue to provide greater opportunities for mana whenua to be involved in GWRC's decision making and work.

Relationships with Māori

What we do and why¹

To further provide for a Māori perspective in decision making, mana whenua are represented in GWRC's governance structure:

- Council Committees (Te Upoko Taiao Te Upoko Taiao Natural Resources Management Committee, Hutt Valley Flood Management Committee, Te Kāuru Upper Ruamahanga River Floodplain Management Subcommittee, Finance, Risk and Assurance Committee, Sustainable Transport Committee)
- Council Advisory Groups (Ruamāhanga Whaitua Committee, Te Awarua o Porirua Whaitua Committee, Wairarapa Water Use Project Governance Group)
- Co-management arrangements (Taranaki Whānui Parangarahu Park, Ngāti Toa Rangatira and Whitireia Park Board)
- Māori Hearings Commissioners.

Te Upoko Taiao – Natural Resource Management Committee - is a collaborative approach to mana whenua engagement in regional resource management. The committee is responsible for the review and development of the region's natural resource management plans and for other environment management functions, including resource consents, compliance, enforcement, pollution incidents and environmental monitoring. A committee of this nature developing a regional plan was a first for New Zealand and brings with it the challenge of two world views coming together in a regulatory framework. This includes the recognition of mana whenua as kaitiaki and provides for the protection of Māori values, including mahinga kai (traditional food resources) and wāhi tapu (significant places).

GWRC supports the partnership in a number of ways:

- Support for attendance of mana whenua representatives on Council committees
- Capacity contracts to support individual mana whenua engagement, including in resource management processes
- Taking an investment based approach to delivering long term strategic goals and objectives, which deliver to agreed mutually beneficial outcomes
- Te Hunga Whiriwhiri (GWRC's Māori Relations team), whose role is to
 - effectively contribute to GWRC goals and objectives
 - achieve strategic goals and objectives with Māori through clearly aligned processes and plans
 - lead the relationship between GWRC and the mana whenua of the region.

GWRC seeks to build its own capacity to work more effectively with Māori through Te Ara Matua, a training programme for staff and elected members.

¹ This section also sets out the steps that GWRC intends to take to foster the development of Māori capacity to contribute to decision-making processes over the period of this Plan, as required by Clause 5 of Schedule 10 of the Local Government Act 2002.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
GWRC has the organisational capability and capacity to work with Māori	Percentage of staff who have completed Te Ara Matua training and other individualised training	13% of staff have completed the requirements of the te reo & tikanga training	13% of staff have completed the requirements of the te reo & tikanga training
Provide opportunities for Māori to be actively involved in decision making	Completion of actions identified in the Wellington Regional Council Stocktake of obligations to Māori	TBC on receipt of Stocktake Report	TBC on receipt of Stocktake Report

Wellington Regional Strategy

What we do and why

A refresh of the Wellington Regional Strategy (WRS) in 2012 led to the WRS Committee adopting the following focus areas to address sustainable economic growth issues in the region.

1. Commercialisation of innovation. With a focus on science and technology-driven innovation, this focus area involves supporting existing successful businesses, and exploiting the region's attractiveness as a vibrant and supportive environment for entrepreneurs to set up firms, access capital and to innovate.
2. Investment mechanisms for sustainable growth. This is about attracting international investment, making more of existing investment networks (such as angel investment networks) and ensuring these are connected internationally and through local business opportunities.
3. Building world class economic infrastructure. Regional economic prosperity is heavily dependent on the region's level of connectedness at local, national and international levels. This is, in turn, dependent on the quality of our foundation infrastructure and transport systems.
4. Attracting business, investment and talent to the region. This is about having a targeted approach to attracting businesses, potential investors and skilled migrants to the region.
5. Education and workforce development to service regional economy needs. This focus area is about building on existing connections and initiatives to grow the region's skills and education base, and ensure the region's specific skills needs are met.
6. Open for business. Being open for business is about councils delivering business services with a "can do" attitude and facilitating a business environment where smart, innovative firms can flourish.

The Wellington Regional Economic Development Agency (WREDA) has been established. It brought together Greater Wellington Regional Council's economic development agency Grow Wellington with Wellington City Council-owned tourism and venues agencies, and its major events activities. WREDA is responsible for implementing four of the focus areas of the WRS. The WRS Office will continue to support the implementation, monitoring and review of the WRS.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Promote economic growth in the region through the WRS Office, the WRS Committee and WREDA	The number of collaborative economic research and monitoring projects in accordance with the WRS Office annual business plan	100% projects completed per WRS Office annual business plan	100% projects completed per WRS Office annual business plan

Key projects and programmes

	2016/17	2017/18
Provide regional economic reports, forecasts, indicator tools and analysis	Annual profiles delivered	Annual profiles delivered
Develop formal arrangements with Government and key institutions to: <ul style="list-style-type: none"> • Help address labour market constraints • Provide better access for business to capital and export markets 	Investment programme underway	
Regional economic and business project coordination in infrastructure and open for business activities	Data use harmonisation project completed	

Regional transport planning & programmes

What we do and why

GWRC plans the long-term development of the region’s land transport network, which includes regionally significant roads, public transport, and walking and cycling infrastructure. We do this through the development of a Regional Land Transport Plan (RLTP), which also outlines projects that the region supports for central government co-funding through the National Land Transport Fund. This is prepared in collaboration with all Approved Organisations, including NZTA and local councils through the Regional Transport Committee (RTC). These functions are prescribed by the Land Transport Management Act 2003.

GWRC is also responsible for monitoring the implementation of the RLTP and prepares a full monitoring report every three years and a summary monitoring report on an annual basis. We maintain, update and administer regional transport models which are used by a number of agencies to plan for transport improvements.

We provide secretariat support for the Regional Transport Committee, which is made up of all the regions mayors, the Chair of GWRC and a representative from NZTA; and participate in the planning and development of major programmes and projects across the region. We also provide regional coordination and delivery of programmes and initiatives that promote and support sustainable and safe transport such as walking, cycling, carpooling and public transport. We support and advocate for the provision of facilities and measures that contribute to improved road safety.

Our approach is to collaborate with and support the NZTA, local councils and other stakeholders to reduce duplication of programmes and resources and provide regional data collection and consistent data analysis methodologies.

These activities contribute to improving the regional and national economy, quality of life in the region and creating a more connected community by supporting transport choices for people. Supporting more sustainable transport choices also contributes to reducing congestion on our roads, assisting economic growth, reducing vehicle emissions, improving road safety and promoting public health.

Our sustainable transport activities are planned to provide a best fit with the Government Policy Statement on Land Transport Funding.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Maintain a current policy framework to guide development of the regional land transport network	Maintain an operative Regional Land Transport Plan (RLTP) and develop Programme Business Cases (PBC) to support implementation of the Plan ²	Variations to RLTP as required.	Review and adopt RLTP.
	Completion of annual monitoring report and acceptance by RTC	PBC delivered	PBC delivered
		As scheduled	As scheduled

² Please note that the targets associated with this performance measure were incorrectly transcribed in the 10 Year Plan. The targets now included for 2016/17 and 2017/18 are correct.

Coordinate and deliver programmes which promote and encourage sustainable and safe transport choices	Percentage of stakeholders and partners who rate coordination services and resources satisfactory or higher.	90%	90%
	Mode shift in workplace and school travel plan programmes	Workplace and school travel programme participants increase their use of sustainable transport modes	Workplace and school travel programme participants increase their use of sustainable transport modes

Key projects and programmes

	2016/17	2017/18
Transport Network Resilience Programme Business Case	✓	
Demand Management Programme Business Case	✓	✓
Regional Freight Network Programme Business Case		✓
Ngauranga to Airport Programme	✓	

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
<p>As part of the work on a future Bus Rapid Transit system in Wellington, 'Ngauranga to Airport' has formally been added to the key programmes under Regional Transport Planning and Programmes.</p> <p>The programme is jointly funded and managed with our partners (Wellington City Council and the NZ Transport Agency), and will provide a strategic approach to key transport projects within Wellington City.</p>	Funding is drawn from existing sources with no impact on rates.	Medium

Climate change planning and activities

What we do and why

The effects of climate change will create significant economic, social and environmental challenges for the Wellington region, with increased risks to settlements, infrastructure, and ecosystems from rising seas, storms, and droughts.

GWRC is mandated to have particular regard to the effects of climate change under the Resource Management Act 1991. This requires explicitly considering whether the effects of climate change have significant implications for GWRC responsibilities such as natural hazard management, and the design and location of new infrastructure.

As well as responding to climate change risks through adaptation planning, GWRC is committed to helping mitigate climate change through reducing greenhouse gas emissions across all its areas of influence, including its own operations. Mitigation actions aim to address the drivers of human-caused climate change so that the worst impacts can be avoided. As local government is directly responsible for only a small proportion of greenhouse gas emissions, GWRC and other government organisations play a key role in raising awareness about climate change. This includes encouraging businesses, communities and individuals to adjust their behaviour in ways that reduce emissions and improve adaptive capacity.

These three strands of climate change action – mitigation, adaptation, and awareness - constitute the three key focus areas in GWRC's Climate Change Strategy. Policies have been developed to support each of the overarching areas and actions have been identified that will help achieve the policy goals. The Strategy takes a long-term view but contains actions to be completed in the near-term, which will be reviewed and updated on a three-yearly basis. The Climate Change Strategy is intended to act as a guide for climate resilience activities across GWRC, and to provide clear strategic direction on GWRC's intentions and priorities in this respect. An aim of the Strategy is to help strengthen information-sharing and integration with regard to climate change planning and actions across GWRC departments, between councils, with central government and with the community.

The scope of the Climate Change Strategy is defined as actions that fall within GWRC's current roles and functions and spheres of influence in the Wellington region. Not all GWRC climate actions will occur as a direct result of the Climate Change Strategy; the Strategy serves as a means to codify GWRC's response to climate change and helps to set the climate platform for other plans and strategies to link with.

The Strategy is a non-statutory document that is designed to fit with and complement key statutory documents such as the draft Natural Resources Plan, Regional Policy Statement, and Regional Land Transport Plan, and non-statutory documents such as floodplain management plans, and GWRC's Corporate Sustainability Action Plan.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Strengthen the long term resilience and sustainability of the Wellington region through climate change mitigation, adaptation, and awareness	A Climate Change Strategy Implementation Plan is developed and agreed	Milestones achieved as defined in Implementation Plan	Milestones achieved as defined in Implementation Plan
	GWRC's corporate GHG emissions are measured and reported and a reduction in council emissions is demonstrated	Reduction on baseline	Reduction on previous year
	A policy of assessing the climate change implications of all council projects/proposals is implemented	100% of council projects / proposals are assessed in terms of possible climate change impacts	100% of council projects / proposals are assessed in terms of possible climate change impacts

Investigations which may result in a change to what we planned to deliver in the 10 Year Plan 2015-25

Investigation	Consequence
Options to replace the existing GWRC car fleet with electric vehicles are being investigated. We are also working with WCC, other councils and stakeholders to investigate how we could put in place a network of fast charging stations for electric vehicles in the Wellington region.	Through this initiative GWRC will demonstrate leadership and help encourage the uptake of electric vehicles in the Wellington Region.

Regional initiatives

What we do and why

GWRC leads and partners with others on a number of key initiatives aimed at promoting significant economic, social and environmental benefits to the regional community. These include:

- Wairarapa Water Use Project (WWUP) – This project is exploring options for storing water for agricultural, horticultural, environmental and other community uses. The project aims to enhance agricultural productivity through irrigation, while managing effects of land use change on water quality. GWRC is undertaking feasibility work to investigate whether such schemes are environmentally and economically viable. A contribution from central government’s Irrigation Acceleration Fund, which requires matching funding from external parties, has been approved in principle by the Ministry of Primary Industries to 30 June 2015. We will reapply for funding for the next phase of the project, and may look at other sources of funding for 2016/17 and beyond.
- Warm Greater Wellington – GWRC is participating in the Energy Efficiency and Conservation Authority’s (EECA) home insulation and clean heating scheme. GWRC provides financial assistance to purchase insulation that is paid back through homeowners’ property rates. Over 10,000 homes have been insulated since the scheme began in April 2010. Due to the success of the scheme, GWRC would welcome partnering with EECA on any similar future schemes.

GWRC also works on other strategic projects that are required in response to regionally significant issues. Such projects are often done in collaboration with other agencies.

GWRC has a leadership role in environmental sustainability within the regional community. In order to demonstrate to the community that we are “walking the talk”, we will continue to promote corporate sustainability as we carry out our work. We are currently looking at options to replace the existing GWRC vehicle fleet with electric vehicles.

What we will deliver

Level of service	Performance measures	Performance measures	
		2016/17	2017/18
Work with partners to investigate options for water storage and water use such as irrigation in the Wairarapa valley	Progression of the WWUP as per the project plan	Feasibility investigation 100% complete	Resource consent application prepared
Provide funding assistance for home insulation and heating through the Warm Greater Wellington Scheme	Number of applications to join the Warm Greater Wellington scheme	1500	1500

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
The project to develop a Wellington Region Spatial Plan is on hold pending the outcome of the Local Government Commission's investigations into local government in the Wellington region.	A delay in regional spatial planning work will not have an impact on any other projects or programmes in their current form. The funding for this project has been reduced by \$100,000.	Medium
Investigations for the Wairarapa Water Use Project have been reprioritised due to increased work in pre-feasibility to identify possible sites.	We have adjusted targets to reflect this. Completion of the resource consent application is planned for 2017/18.	Medium

Emergency management

What we do and why

The Wellington region may be exposed to a wide range of natural and human-made hazards (earthquake, flooding, landslide, tsunami, storm, biological, chemical, terrorism, etc.). Our approach to emergency management is based on the principles of reduction of risk, readiness, response and recovery.

The Civil Defence Emergency Management Act 2002 requires each region to have a Civil Defence Emergency Management (CDEM) Group and prepare a CDEM Group Plan. The Act also requires GWRC to be the administering authority for the Wellington region CDEM Group.

The Wellington Region Emergency Management Office (WREMO) was established by the nine councils of the Wellington region. It is responsible for providing a holistic, coordinated, and integrated CDEM service with emphasis on developing resilient communities and providing the systems, people and resources necessary to provide an effective response during an emergency.

The WREMO has three core teams: Community Resilience, Operational Readiness, and Business and Development. These teams are responsible for CDEM functions, as follows:

- *Resilience Building* - community resilience is enhanced through building capacity, increasing connectedness, and fostering cooperation
- *Operational Excellence* - operational capability and capacity is built to provide effective response during an emergency
- *Organisational Excellence* - systems, policy and procedures are developed which establish the organisational foundation for WREMO.

The WREMO's concept of operation is characterised by four key elements as outlined below.

- *Network Enabled* - This recognises the importance of establishing and maintaining relationships (and in some cases) partnerships with key stakeholders; inter and intra council, emergency and support services and most importantly with our communities. Network enabled also means harnessing modern technology to provide control and communication, a common operating picture and associated information, plus allowing centralised planning with decentralised delivery.
- *Agility* - Focusing on those tasks which will build resilience as business as usual, while being able to quickly reconfigure resources to respond effectively to emergency situations, noting that these will vary in type, intensity, impact and location, with each requiring a tailored response.
- *High Performance* - Implementing an organisational philosophy, culture, cohesion, training and systems that will enable participating organisations in a response to be at the peak of their game.
- *Single Team* - Our region is networked through social, economic, infrastructural, and environmental links. A unified approach with clear lines of control, communication, and cooperation is essential for an effective response and a rapid recovery.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Work with the regional community to improve resilience to and preparedness for major emergency events	Percentage of households with emergency food and water to last three days	82%	82%
	Annual activation test for each Emergency Operations Centre	100%	100%
	Number of published Community Response Plans	30%	60%

Key projects and programmes

	2016/17	2017/18
Develop a Pre-disaster Recovery Framework to proactively anticipate recovery issues and build capacity to improve recovery outcomes before a disaster occurs (<i>multi-year project</i>)	✓	✓
Develop an improved model for delivery of emergency response (<i>multi-year project</i>)	✓	✓
Rationalisation of Business As Usual functions (<i>multi-year project</i>)	✓	✓

Democratic services

What we do and why

GWRC consists of 13 elected Councillors who represent six constituencies. The Council enables democratic local decision making and action on behalf of regional communities. Our democratic services activity involves Council and committee meetings which are held on a six-weekly basis.

These meetings provide opportunities for the public to provide input to the Council's decision making through public participation or through making submissions on specific proposals. The activity also includes review of the Council's representation arrangements, three yearly Council elections and any other elections and polls required to be conducted.

The Local Government Act 2002, Local Government Official Information and Meetings Act 1987 and Local Electoral Act 2001 provide a framework for the Council's democratic services activity. They prescribe the processes by which councils must make their decisions, including public participation, and the processes for the review of representation and the conduct of triennial local elections. In addition to these statutory requirements, the Council has established advisory groups to provide it with advice on a wide range of matters.

What we will deliver

Level of service	Performance measures	Performance	
		2016/17	2017/18
Provide information to enable the public to be informed of, and participate in, Council and committee meetings	Percentage of time meeting agenda is available to the public at least two working days prior to each meeting.	100%	100%
Provide statutory information in a timely manner	Percentage of logged official information requests for which a decision is made and communicated to the requestor within the prescribed statutory timeframes.	100%	100%

Key projects and programmes

	2016/17	2017/18
Conduct the 2016 triennial local government elections	✓	
Undertake a review of the Council's representation arrangements		✓

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

	2016/17 Plan \$000s	2016/17 LTP \$000s
Sources of operating funding		
General rate	7,149	7,903
Targeted rates	6,995	8,820
Subsidies and grants for operating purposes	1,603	1,621
Fees, charges, and targeted rates for water supply	18	3
Fines, infringement fees, and other receipts ¹	2,262	1,936
Total operating funding	18,027	20,283
Applications of operating funding		
Payments to staff and suppliers	16,747	18,524
Finance costs	1,005	1,257
Internal charges and overheads applied	667	334
Total applications of operating funding	18,419	20,115
Surplus/(deficit) of operating funding	(392)	168
Sources of capital funding		
Subsidies and grants for capital expenditure	179	183
Increase / (decrease) in debt	3,102	(1,365)
Gross proceeds from asset sales	31	78
Total sources of capital funding	3,312	(1,104)
Applications of capital funding		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	2,062	2,321
Increase / (decrease) in investments	1,565	(2,821)
Increase / (decrease) in reserves	(707)	(436)
Total applications of capital funding	2,920	(936)
Surplus/(deficit) of funding	-	-
Depreciation on Regional Leadership assets	398	515

¹ This includes revenue from the territorial authorities to fund the amalgamated regional emergency management group

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

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy

All figures on this page exclude GST

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

	2016/17 Plan \$000s	2016/17 LTP \$000s
Operating funding		
Wellington Regional Strategy	4,779	4,840
Emergency Management	3,453	3,573
Democratic Services	2,144	2,253
Relationships with mana whenua	899	952
Regional transport planning and programmes	3,292	3,232
Regional initiatives ¹	3,430	5,402
Climate change planning and activities	30	31
Total operating funding	18,027	20,283
Applications of operating funding		
Wellington Regional Strategy	4,768	4,826
Emergency Management	3,319	3,380
Democratic Services	2,411	2,384
Relationships with mana whenua	898	921
Regional transport planning and programmes	3,563	3,291
Regional initiatives ¹	3,433	5,283
Climate change planning and activities	30	31
Total applications of operating funding	18,419	20,115
Capital expenditure		
Capital project expenditure	1,950	1,995
Land and buildings	-	-
Plant and equipment	14	63
Vehicles	98	263
Total capital expenditure	2,062	2,321

¹ Regional initiatives includes the rates and expenditure associated with the Warm Greater Wellington Program. Only ratepayers participating in the scheme are charge a rate to recover the costs of the scheme.

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

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy

All figures on this page exclude GST

Public Transport

GWRC is responsible for planning and funding the Metlink public transport network. We contract companies to run the train, bus and harbour ferry services on our behalf. We also own and maintain parts of the network, including trains and railway stations. We provide customer information about Metlink services and run the Total Mobility scheme for people with disabilities.

WHAT WE DELIVER

The public transport group of activities includes:

Metlink public transport network planning

Rail operations and asset management

Metlink fares and ticketing, customer services and information

Bus and ferry operations and asset management

Total Mobility

CONTRIBUTION TO COMMUNITY OUTCOMES

Our public transport activities contribute towards achieving:

- A **connected community** by providing a mass transit system that moves people efficiently and relieves congestion from our roads at peak times and by providing an essential service for people for whom, whether by choice or circumstance, private vehicle travel is not an option
- A **strong economy** by enhancing the efficient movement of people and goods within the region
- A **healthy environment** by supporting the reduction of vehicle emissions from private vehicles



STRONG ECONOMY



CONNECTED COMMUNITY



HEALTHY ENVIRONMENT

Challenges we face

GWRC is working closely with the NZ Transport Agency and other regions on the development of an integrated fares and ticketing system that will be common across all Metlink public transport modes. Challenges include:

- Deciding on the best solution in an environment where technology is changing and opening up new ticketing opportunities
- How to get the best value for money from both a regional and national perspective
- Meeting ticketing requirements for the new Wellington bus network to be introduced from 2018
- How to transition from the current fares and products to the new fare structure and products outlined in the Regional Public Transport Plan.

Consequently, we have signalled a delay in being able to confirm a national approach in line with our planned timeframe and will consider an interim solution should the need arise.

Strategy for public transport

Our aim is to achieve the goal of growing patronage by continually improving the Metlink public transport network so that services:

- go where people want to go, at times they want to travel
- provide competitive journey times
- provide value for money
- are easy to understand and use
- are safe, comfortable and reliable
- provide flexibility, allowing people to change their plans.

Improving the network will require us to continue to invest so that the network increasingly provides a viable alternative to travel by private car. We need to continue to upgrade the rail network infrastructure and provide new rolling stock. To attract more users we need to increase the frequency and reliability of bus and rail services, provide better infrastructure and asset management, implement the new Wellington city bus network, improve the resilience and ability of the public transport network to accommodate growth, and introduce features such as electronic ticketing.

We will work towards a Bus Rapid Transit system in the longer-term in conjunction with Wellington City Council and the NZ Transport Agency.

However, such improvements are costly and we do not have a large population base to easily fund these initiatives. We have to balance the cost of providing services with demand and patronage and people's ability to pay.

Metlink public transport network planning

What we do and why

The Metlink public transport network currently operating in the Wellington region is a network of bus, train and harbour ferry services. To ensure that the network operates efficiently and effectively it must be planned in an integrated way. It is also important that services are reviewed from time to time to ensure that they are meeting the needs of the community they serve and providing value for money for users, ratepayers and taxpayers.

The Regional Public Transport Plan (RPTP), adopted in 2014, provides:

- A means for encouraging regional councils and public transport operators to work together in developing public transport services and infrastructure
- An instrument for engaging with the public in the region on the design and operation of the public transport network
- A statement of the public transport services that are integral to the public transport network; the policies and procedures that apply to those services; and the information and infrastructure that support those services.

The RPTP incorporates the key findings of the Regional Rail Plan which is a non-statutory document that sets out the plans for the Metlink rail network to 2035. This includes rolling stock fleet requirements and network enhancements needed to meet future demands on the network, which generally have a long lead time for implementation. These plans enable GWRC to be responsive to changing travel demand in a timely manner.

What we will deliver

Level of service	Performance measures	2016/17	2017/18
Maintain a current policy framework to manage the region's public transport	Regional Public Transport Plan is reviewed and adopted in accordance with the Land Transport Management Act 2003	Review RPTP	RPTP remains operative
Increase public transport boardings per capita	Passenger boardings per capita	73.3	73.7

Key projects and programmes

	2016/17	2017/18
Undertake targeted reviews of some Metlink services in preparation for the introduction of the new public transport operating model contracts	✓	
Review reliability of Metlink service timetables for inclusion in new public transport operating model contracts	✓	
Improve Metlink bus service journey times on core routes by reviewing bus stop spacing and locations based on an analysis of service delays and passenger numbers	✓	
Ongoing targeted reviews of Metlink services to ensure they continue to meet customer needs, deliver value for money, and maintain timetable reliability		✓

Rail operations and asset management

What we do and why

The Metlink public transport network is based on a hierarchy of services: core routes, local routes and targeted services identified in the RLTP. The rail services provide some of the core routes which form the network's backbone, linking areas of high demand with high capacity, direct services with extensive operating hours. Trips made using public transport mean fewer private car trips, resulting in lower levels of congestion, reduced environmental impacts and fewer injury-causing accidents. Public transport also functions as an essential service for people for whom private car travel is not an option, for reasons of access, age, ability, income, choice or disability or injury. The provision of public transport is a core service for local government under the Local Government Act 2002.

GWRC's role in the provision of metro rail services can be divided into two parts – operations and assets. We procure and fund rail operations and asset management services because, in the current environment, they are unable to be solely funded from commercial returns, such as fares.

Since the final delivery of the fleet of 96 new Matangi trains in August 2012, metro rail passengers have experienced a significant improvement in punctuality, reliability and comfort. Patronage has grown strongly and is now achieving record levels. In May 2013 GWRC decided to procure an additional 70 Matangi trains to replace the aged Ganz Mavag trains. This provides a modern fleet that will deliver operational flexibility and efficiency. It has also provided an opportunity to update some aspects (e.g. automatic couplers, simplified door controls) of the entire fleet that no longer have to interact with older stock, and to take advantage of technological advances in items such as LED lights. The majority of the new fleet will be in service by July 2016.

From 1 July 2016 we expect the Public Transport Operating Model (PTOM) Rail Partnering Contract to be operational, following an international tendering process and selection of a preferred tenderer in late 2015.

GWRC is planning for appropriate investment in a modern fleet, fit for purpose stations, Park and Ride facilities, train maintenance facilities and security infrastructure. The investment is guided by a robust asset management plan and tailored for a rail services partnering contract that is competitively tendered and performance-based. Wellington metro rail operations are well placed to deliver an efficient, flexible, reliable, customer friendly, safe and resilient rail service for years to come.

What we will deliver

Level of service	Performance measures	2016/17	2017/18
Deliver rail services in accordance with the published timetable	Percentage of scheduled services delivered (reliability)	≥ 99.5%	≥ 99.5%
	Percentage of scheduled services on-time to 5 minutes by line (punctuality)	Kapiti line: ≥ 95.0%	≥ 95.0%
		Hutt line: ≥ 95.0%	≥ 95.0%
		Johnsonville line: ≥ 95.0%	≥ 95.0%
		Wairarapa line: ≥ 85.0%	≥ 85.0%
Maintain and improve rail rolling stock, stations, subways, over-bridges and car parks in accordance with rail asset management plans	Average condition rating ³	Rolling stock EMU: ≤ 2.5	≤ 2.5
		Rolling stock Carriage: < 2.5	≤ 2.5
		Stations (buildings & shelters) ≤ 2.5	≤ 2.5
		Subways / over-bridges: ≤ 2.5	≤ 2.5
		Carparks: ≤ 2.5	≤ 2.5
Customer satisfaction with passenger rail services	Percentage of rail users who are satisfied with their trip overall ⁴	≥ 90.0%	≥ 90.0%

Key projects and programmes

	2016/17	2017/18
Maintain and improve rail assets, including trains and station buildings	✓	✓
Transition to the new PTOM rail services and rolling stock maintenance contract	✓	
Transition to integrated fares and ticketing on rail services		✓
Park and Ride development	✓	✓
Rail Scenario 1 initiative from the Regional Public Transport Plan with station upgrades commencing from 2017/18		✓

³ 1 = very good and 5 = very poor

⁴ Satisfied = score of 6-10 on a scale of 0-10

Bus and ferry operations and asset management

What we do and why

GWRC's role in the provision of bus and ferry services can be divided into two parts – operations and assets. GWRC owns and/or funds bus infrastructure such as bus stop signs, bus shelters and the Wellington Station Bus Interchange.

We procure and fund bus and ferry operations and asset management services because, in the current environment, they are unable to be solely funded from commercial returns, such as fares. We determine the timetable and procure and fund bus and ferry services in accordance with the timetable.

In June 2014 the GWRC decided that the contract for providing electric trolley bus services, and the related contracts to maintain the overhead power wires, will not be renewed when they expire in June 2017. The GWRC is planning for the appropriate investment in a modern bus fleet which includes introducing diesel-electric hybrid buses in place of trolley buses, as a transition step towards a fully electric fleet in the future. A further aim of the procurement process is to upgrade and lower the age of the diesel bus fleet. This will occur over time through an ongoing programme of replacements, resulting in newer EURO standard buses and reduced CO2 emissions.

Other key areas of focus for the GWRC over the next few years will be implementing measures to improve journey times and service reliability; introducing new performance-based partnering contracts for bus and harbour ferry services; implementing the new Wellington city bus network; and investing in infrastructure to provide a consistent service standard for customers. The 10 Year Plan provided for additional funding for renewals and development of bus stop infrastructure, and this work is guided by a robust asset management plan.

We are also working with our partners Wellington City Council and the NZ Transport Agency on a future Bus Rapid Transit (BRT) system in Wellington. A Business Case has been completed and endorsed by the three partner agencies. The next stage is development of a Detailed Business Case and this will be aligned with work to look at new network solutions around the Basin Reserve precinct and other key projects in the Ngauranga to Airport corridor. Subject to the business case outcome, we anticipate that we will work towards a BRT system over time.

What we will deliver

Level of service	Performance measures	2016/17	2017/18
Deliver bus services in accordance with the published timetable	Percentage of scheduled services delivered (reliability)	≥ 99.0%	≥ 99.0%
	Percentage of scheduled services on-time to 10 minutes (punctuality)	≥98.0%	≥98.0%
Maintain and improve bus stop facilities and interchanges	Average condition rating of all bus shelters maintained by GWRC ⁵	Improvement on previous year	Improvement on previous year
Customer satisfaction with passenger bus services	Percentage of bus users who are satisfied with their trip overall ⁶	≥ 90.0%	≥ 90.0%

Key projects and programmes

	2016/17	2017/18
Procure and transition to new PTOM bus and ferry contracts	✓	✓
Plan and implement the new Wellington city bus network	✓	✓
Maintain and improve bus assets, including bus shelters, signage, interchanges and other fixed assets	✓	✓
Transition to integrated fares and ticketing on bus and ferry services		✓
Prepare and agree the business case for Bus Rapid Transit in Wellington	✓	✓

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
An increase in budgeted expenditure of \$100,000 is proposed for bus service improvements. Our service reviews aim to introduce service reliability improvements on a cost neutral basis, however requirements for additional peak vehicles mean that we can't always achieve this.	This results in an increased rates requirement of \$48,000 in 2016/17	Low
Detailed planning for the implementation of the new Wellington City bus network has verified increased operational and capital expenditure of \$360,000 over 2016-17	This results in an increased rates requirement of \$98,000 in 2016-17	Medium

⁵ 1 = very good and 5 = very poor

⁶ Satisfied = score of 6-10 on a scale of 0-10

Metlink fares and ticketing, and customer services and information

What we do and why

An important component of a successful public transport network is the fare and ticketing arrangements. Electronic integrated fares and ticketing systems provide useful data on passenger numbers and journeys, to assist planning and allow for more flexibility in fare structures and changes, and will enable integrated fare products to be applied across the network in the future.

The provision of information about the public transport services that are available forms an important part of our work. In the Wellington region the various services and providers are brought together under the Metlink brand.

Information about public transport is provided through printed timetables, timetable information at bus stops and stations, maps, guides, leaflets, Twitter and the Metlink service centre. We also provide a comprehensive Metlink website with timetable and fare information and a journey planner.

Real time information is available for bus and rail services in the region, through on-street platform display signs, mobile phones and the internet.

Promotional campaigns use advertising, leaflets, posters, and newsletters and aim to inform the public of service changes/new services and to promote use of the public transport network.

We also regularly monitor customer satisfaction in order to inform improvements to our services.

What we will deliver

Level of service	Performance measures	2016/17	2017/18
Provide Metlink public transport service information to the public	Percentage of users who are satisfied with the service they receive accessing Metlink public transport information via a call centre, web and mobile sites, and real time information ⁷	Increase on previous year	Increase on previous year
		Increase on previous year	Increase on previous year
		Increase on previous year	Increase on previous year

Key projects and programmes

	2016/17	2017/18
Integrated fares and ticketing	✓	✓
Interim ticketing for bus		✓
Ongoing review and enhancement of customer information systems	✓	✓

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
<p>A decision on the electronic solution for the integrated fares and ticketing project has been delayed, pending consideration of a national approach to integrated ticketing. This results in a delay in implementation of the new integrated ticketing system. As part of the transition to the new PTOM operating environment for bus, consideration will be given to the need for an interim ticketing solution.</p> <p>The budget for capital expenditure on the integrated fares and ticketing system has been reduced from \$18.8 million to \$9.7 million to reflect this. An allowance of \$2.0 million has been included in 2016/17 for development of an interim ticketing solution if required.</p>	<p>A net reduction in rates of \$283,000 in 2016/17.</p>	Medium

⁷ Satisfied = score of 6-10 on a scale of 0-10

Total mobility

What we do and why

GWRC operates a Total Mobility Scheme by subsidising taxis for people with disabilities who are not able to use public transport. There are 10,023 registered users (December 2015) in the Wellington region and 274,000 trips were made using the scheme in 2014/15.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Provide a subsidised taxi service for those members of the public unable to use buses or trains	Percentage of users who are satisfied with the overall service of the scheme ⁸	≥97%	≥97%

⁸ Satisfied = score of 6-10 on a scale of 0-10

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

	2016/17 Plan \$000s	2016/17 LTP \$000s
Sources of operating funding		
General rate	-	-
Targeted rate	59,936	61,050
Subsidies and grants for operating purposes	76,056	73,576
Fees, charges, and targeted rates for water supply	46,884	49,326
Fines, infringement fees, and other receipts ¹	1,988	2,238
Total operating funding	184,864	186,190
Applications of operating funding		
Payments to staff and suppliers	159,209	155,940
Finance costs	12,944	15,275
Internal charges and overheads applied	5,081	3,904
Total applications of operating funding	177,234	175,119
Net surplus/(deficit) of operating funding	7,630	11,071
Sources of capital funding		
Subsidies and grants for capital expenditure	5,922	10,443
Increase / (decrease) in debt ²	11,931	6,241
Gross proceeds from asset sales	-	-
Total sources of capital funding	17,853	16,684
Applications of Capital Funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	10,651	19,495
- to replace existing assets	960	982
Increase / (decrease) in investments ²	19,174	10,002
Increase / (decrease) in reserves	(5,302)	(2,724)
Total applications of capital funding	25,483	27,755
Surplus/(deficit) of funding	-	-
Depreciation on Public Transport assets	1,448	1,809

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

² Greater Wellington Regional Council (GWRC) fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the New Zealand Transport Agency. Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Limited it is treated as an investment in this subsidiary.

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

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy

All figures on this page exclude GST

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

	2016/17 Plan \$000s	2016/17 LTP \$000s
Operating funding		
Metlink public transport network planning	2,510	2,918
Rail operations and asset management	120,120	121,109
Bus and ferry operations and asset management	54,087	54,668
Metlink fares and ticketing, and customer services and information	5,286	4,594
Total mobility	2,861	2,901
Total operating funding	184,864	186,190
Applications of operating funding		
Metlink public transport network planning	2,386	2,918
Rail operations and asset management	108,184	109,460
Bus and ferry operations and asset management	58,115	56,063
Metlink fares and ticketing, and customer services and information	5,700	3,789
Total mobility	2,849	2,889
Total applications of operating funding (excluding improvements)	177,234	175,119
Net surplus/(deficit) of operating funding	7,630	11,071
Investments in Greater Wellington Rail Limited ¹		
Rail operations and asset management	19,174	10,002
Total investment expenditure	19,174	10,002
Capital expenditure		
New public transport shelters, signage, pedestrian facilities, land and systems	11,611	20,477
Total capital project expenditure	11,611	20,477
Vehicles	-	-
Total capital expenditure	11,611	20,477
Total Investment in Public Transport Infrastructure	30,785	30,479

¹ Greater Wellington Regional Council (GWRC) fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the New Zealand Transport Agency. Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Limited it is treated as an investment in this subsidiary.

Water Supply

GWRC is responsible for collecting, treating and distributing water to the Wellington City Council, Hutt City Council, Upper Hutt City Council and Porirua City Council. This work is carried out for GWRC by Wellington Water, the council-owned water management company. Wellington Water was formed in September 2014 by GWRC and the Hutt, Porirua, Upper Hutt and Wellington city councils, to deliver drinking water, wastewater and storm-water services.

WHAT WE DELIVER

Our water supply group of activities have three components:

Water quality
– ensuring safe
high-quality
water

Water availability
– a secure reliable
water supply

Sustainability – planning for
future demand and being cost
effective while meeting all relevant
environmental and health and safety
standards

CONTRIBUTION TO COMMUNITY OUTCOMES

Water supply activities contribute towards achieving a **strong economy** by:

- providing high-quality bulk water infrastructure that ensures there is sufficient drinking-water available to sustain and grow our population and support our economy
- They contribute towards a **resilient community** by:
- preparing the system to cope with emergencies and the long-term impacts of climate change

They contribute towards achieving a **healthy environment** by:

- encouraging people to use water wisely, to reduce the environmental impacts of water supply
- protecting current and future water catchments



Challenges we face

Water Supply Resilience

Water supply is an essential service, vital to our health, quality of life and economic prosperity. Our water supply network is a critical “lifeline” infrastructure and we must be able to reinstate a supply quickly following a natural hazard event. The region’s infrastructure is vulnerable to natural hazards including earthquakes, tsunamis, major storms, floods and landslips. Current research indicates there is about a one-in-ten chance that movement of the Wellington Fault could result in a magnitude 7.5 earthquake in the next 100 years. An earthquake this size would severely damage our major water supply pipelines. Fixing these pipes is expected to take up to 70 days in some parts of Wellington. Only after major bulk supply lines to reservoirs are fixed can repairs start on all the other pipes that supply water to homes and businesses.

For several years our focus has been on reducing the time that people are without water following a major event. We continue to strengthen bulk water infrastructure to reduce the risk of damage and seek ways to reduce repair times if damage occurs.

Wellington Water is carrying out a Water Supply Resilience Initiative, the key objective of which is to agree the levels of service for water supply following a major natural event and developing investment plans for councils in time for their 10 Year Plan 2018-28. The recommended programme of initiatives is likely to involve a mix of regulatory changes, physical engineering works, and some form of community-focused educational activities. The Programme Business Case includes working through which combination of activities would best deliver the agreed outcomes.

Growth, Demand and Conservation

Historically, a growing population and rising water use have been drivers for expanding the supply capability of our infrastructure. In recent years, we've seen an emerging trend of lower usage, despite continuing population growth. Based on our latest modelling information, a new water source to meet demand will not be required until beyond 2036. However, we are determined to reinforce the trend of more efficient and conservative use of water and will continue to support our region's cities to further that goal. Lower water use and the deferral of extra storage has the potential to save ratepayers millions of dollars annually.

Climate change may also impact on water supply later this century, with predictions of extended dry periods affecting security of supply and extreme weather events affecting water supply assets.

Strategy for water supply

The long term approach for managing GWRC's water supply assets is to maintain and operate the existing system to a high standard consistent with legislative requirements and community expectations for an essential service, and to be resilient, now and into the future.

A significant proportion of the bulk water supply assets have very high replacement costs. GWRC is investing in techniques to extend the economic life of the assets to delay capital expenditure as much as practicable.

There is an ongoing rolling programme of work covering renewing and replacing existing water supply assets to enable us to continue to maintain and operate the system to current standards. This work includes resilience improvements to water supply assets. Major infrastructure risk assessments are carried out every ten years, the latest being in 2013/14.

Opportunities to work with others will be maximised and a strategic approach taken to enable better long-term planning, increased cost effectiveness and enhanced operational capability. This includes taking the lead in developing a regional approach to the provision of bulk water supply in emergencies to improve resilience.

GWRC will continue to work with local authorities and with the community to educate and promote efficient and wise use of water, and will continue to prepare for the provision of additional sources of supply when these are needed.

What we do and why

Wellington Water collects, treats and distributes drinking water to the Hutt City Council, Porirua City Council, Upper Hutt City Council and Wellington City Council for their supply to consumers. The water supply system includes four water treatment plants, 20 pumping stations and 180km of pipelines. An average of 135 million litres of water is supplied daily.

The provision of wholesale drinking water services is governed by the Wellington Regional Water Board Act 1972. The Wellington Regional Water Board was formed in 1972 from the amalgamation of the Hutt

River Board, Hutt Valley Underground Water Authority, and Wellington City and Suburban Water supply Board. The role of the Wellington Regional Water Board was transferred to the Regional Council in 1980.

Water quality

The availability of safe drinking water is a fundamental requirement for public health. We therefore aim to provide water that is safe, pleasant to drink, does not degrade household plumbing or water distribution pipelines and is acceptable for use by industry.

The supply of water is governed by the Health (Drinking Water) Amendment Act 2007. In addition, the Ministry of Health's Water Grading system for community drinking water supplies is used as a tool for managing and assessing the quality of the water supply – how safe it is to drink and the risk of contamination. We target an A1 grade quality standard for our water treatment plants and distribution system, with the exception of Waterloo treatment plant where a B grade is the highest possible due to Hutt City Council's preference for an un-chlorinated water supply from that source.

Water availability

A secure and reliable water supply is fundamental to public health and essential for commercial activity in the region. The aim is to have a very low risk of water shortages. We plan for the future needs of the region by projecting population growth, forecasting water demand for each city and providing the infrastructure required to achieve the agreed security of supply standard.

The water network relies primarily on river flows, backed up by an aquifer source and some lake storage. Available water and production and distribution capacities easily exceed water use for most of each year. However, dry spring and summer conditions can raise potentially serious water shortage concerns. In such years, storage can be depleted rapidly as demand for water tends to reach more extreme peaks due to the same set of climate conditions that restrict supply. This extra demand during summer – as much as 55 ML/day on “peak” days – arises mainly from discretionary outdoor water use, particularly for garden watering, on top of indoor water use.

We promote the responsible use of water, particularly during late spring and summer, via a mix of advertising and promotions and education resources. Activity includes a drought management plan and proactive promotion of water-conserving behaviours to the public, with these activities coordinated with our four customers.

As an essential service, it is important to have a secure water supply system that is resilient to damage from hazards, both natural and man-made, and is able to be reinstated quickly should any serious damage occur. We are continuously improving the robustness and level of standby in the water supply system and preparing for emergencies.

Sustainability

GWRC owns and manages around \$816 million worth of water supply assets. We have a responsibility to manage these assets so that we can sustainably provide our services to current and future generations. We do this by:

- Being cost effective, including by managing assets to optimise the return on the public's investment
- Meeting all relevant environmental, health and safety standards.

What we will deliver

Level of service	Performance measures	2016/17	2017/18
Provide water that is safe and pleasant to drink	Number of waterborne disease outbreaks	0	0
	Number of taste complaint events related to the bulk water supply	<5	<5
	High level of customer satisfaction	<5 complaints from TAs on drinking water clarity ⁹	<5 complaints from TAs on drinking water clarity
		<5 complaints from TAs on drinking water odour ¹⁰	<5 complaints from TAs on drinking water odour
		<5 complaints from TAs on drinking water pressure or flow ¹¹	<5 complaints from TAs on drinking water pressure or flow
	Percentage compliance with the DWSNZ ¹² 2005.	Aesthetic and Microbiological compliance - 100% ¹³ Chemical compliance - 100% ¹⁴	Aesthetic and Microbiological compliance - 100% Chemical compliance - 100%
Maintain grading from Ministry of Health for the local water supply distribution	Te Marua, Wainuiomata & Gear Island: A1 Waterloo: B Distribution system: A1	Te Marua, Wainuiomata & Gear Island: A1 Waterloo: B Distribution system: A1	

⁹ Non-Financial Performance Measures Rules 2013 measure 4(a)

¹⁰ Non-Financial Performance Measures Rules 2013 measure 4(b)

¹¹ Non-Financial Performance Measures Rules 2013 measure 4(c)

¹² Drinking Water Standards for New Zealand 2005

¹³ Non-Financial Performance Measures Rules 2013 measure 1(a)

¹⁴ Non-Financial Performance Measures Rules 2013 measure 1(b)

Bulk water supply is continuous and secure	Number of shut-offs of the wholesale water supply network resulting in loss of water or pressure to consumers	0	0
	Improve the resilience of the bulk water supply to catastrophic events such as earthquakes by implementing the methodology for assessing improvements to the resilience	Plan for and implement resilience improvements	Plan for and implement resilience improvements
	Sufficient water is available to meet unrestricted demand ¹⁵	Modelled probability of annual water supply shortfall is <=2%	Modelled probability of annual water supply shortfall is <=2%
	Attendance for urgent call-outs	Time from LA receiving notification to service personnel reaching site ¹⁶	Time from LA receiving notification to service personnel reaching site
		Time from LA receiving notification to service personnel confirming resolution ¹⁷	Time from LA receiving notification to service personnel confirming resolution
	Attendance for non-urgent call-outs	Time from LA receiving notification to service personnel reaching site ¹⁸	Time from LA receiving notification to service personnel reaching site
		Time from LA receiving notification to service personnel confirming resolution ¹⁹	Time from LA receiving notification to service personnel confirming resolution
	Drinking water consumption	Average consumption of drinking water per day per resident within the TA District ²⁰	Average consumption of drinking water per day per resident within the TA District
Environmental impact of Bulk Water activities are minimised	Achieve full compliance with all resource consents & environmental regulations	Full compliance	Full compliance

¹⁵ Other than by routine hosing restrictions, and drought situations with a severity greater than 1 in 50 years

¹⁶ Non-Financial Performance Measures Rules 2013 measure 3(a)

¹⁷ Non-Financial Performance Measures Rules 2013 measure 3(b)

¹⁸ Non-Financial Performance Measures Rules 2013 measure 3(c)

¹⁹ Non-Financial Performance Measures Rules 2013 measure 3(d)

²⁰ Non-Financial Performance Measures Rules 2013 measure 5

Key projects and programmes

	2016/17	2017/18
Cross Harbour Pipeline	Detailed design	Commence construction (completion 2021/22)
Kaitoke pipeline	Complete cathodic protection of the Kaitoke pipeline near Silverstream	Replace the Kaitoke pipeline on Silverstream bridge
Waterloo wells	Detailed design	Replacement of two Waterloo wells
Wainuiomata pipeline	Detailed design	Commence replacement (completion 2018/19)

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
<p>Waterloo Wells A Waterloo well was planned to be replaced in each of 2016/17 and 2017/18. The proposal is to now carry out preparatory design work in 2016/17 and replace both wells in 2017/18.</p>	<p>Redevelopment of two of the Waterloo bores was carried out in late 2015. The redevelopment work has been successful and allows deferral of proposed well replacement work. Further investigations into well replacement options will take place in subsequent years.</p>	Medium
<p>Wainuiomata pipeline Inclusion of 'detailed design' in the 2016/17 programme</p>	<p>Preparatory work to enable replacement to commence in 2017/18 as planned</p>	Low

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

	2016/17 Plan \$000s	2016/17 LTP \$000s
Sources of operating funding		
General rate	-	-
Targeted rate	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts ¹	30,185	30,968
Total operating funding	30,185	30,968
Applications of operating funding		
Payments to staff and suppliers	19,024	19,070
Finance costs	3,911	4,457
Internal charges and overheads applied	1,259	1,441
Total applications of operating funding	24,194	24,968
Surplus/(deficit) of operating funding	5,991	6,000
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	2,810	3,123
Gross proceeds from asset sales	-	-
Total sources of capital funding	2,810	3,123
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	2,675	3,499
- to replace existing assets	3,315	2,629
Increase / (decrease) in investments	2,811	2,995
Increase / (decrease) in reserves	-	-
Total applications of capital funding	8,801	9,123
Surplus/(deficit) of funding	-	-
¹ This includes the Water supply levy charged to Wellington, Hutt, Lower Hutt and Porirua city councils		
Water supply levy	29,098	29,468
Depreciation on Water Supply assets	10,677	11,281

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

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy

All figures on this page exclude GST

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

	2016/17 Plan \$000s	2016/17 LTP \$000s
Operating funding		
Water Supply	30,185	30,968
Total operating funding	30,185	30,968
Applications of operating funding		
Water Supply	24,194	24,968
Total applications of operating funding	24,194	24,968
Capital expenditure		
Water sources	220	225
Water treatment plants	1,220	1,248
Pipelines	1,055	1,079
Pump stations	40	41
Reservoirs	-	-
Monitoring and control	350	358
Seismic protection	-	-
Other	3,050	3,120
Capital project expenditure	5,935	6,071
Land and buildings	-	-
Plant and equipment	55	57
Vehicles	-	-
Total capital expenditure	5,990	6,128

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations
For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue
All figures on this page exclude GST

Environment

GWRC is responsible for regulating the use of the region’s natural resources. We do this through regional policies, plans and resource consents. We help the community to manage and restore ecosystems, and manage land sustainably. We monitor and report on the state of the environment, manage environmental threats like pest plants and animals, and provide a 24-hour pollution response service. We also look after the region’s harbours.

WHAT WE DELIVER

The environment group of activities includes:



CONTRIBUTION TO COMMUNITY OUTCOMES

Our environment activities primarily contribute towards achieving a **healthy environment** by:

- Regulating and monitoring the use and development of the environment to ensure that our natural and physical resources are managed sustainably
- Working with the community on initiatives to protect and restore the environment such as pest management and ecological restoration
- Advising landowners and businesses on practices that reduce the environmental impact of their activities



Our environment activities also contribute towards achieving a **strong economy** by:

- Working with landowners to enhance the prosperity and security of the farming sector through developing plans to prevent soil erosion and managing pests that threaten farm productivity.
- Supporting commercial shipping by monitoring commercial ships arriving and departing from Wellington and providing navigational aids in our harbours



Our environment activities also contribute towards achieving an **engaged community** by:

- Working with the community on initiatives to protect and restore the environment
- Supporting the recreational use of our region’s waters by providing navigational aids and water safety education



Challenges we face

In late 2015 the Government announced a suite of proposed reforms to the Resource Management Act. Submissions on these proposed changes are due in late March 2016, and we will be following closely the progress of these reforms as they go through the select committee stage to ensure that we are well placed to implement the final outcomes. Implementation of the National Policy Statement for Freshwater remains a key deliverable, and our progress around this will be under increasing scrutiny by central government and our communities.

To that end, we are continuing to invest heavily in the Collaborative Modelling Project and Whaitua processes. The Collaborative Modelling Project supports the Whaitua programme by providing scientific based information to better understand the possible impacts and consequences of changes in land and water management. We realise there is a strong community expectation around these processes and there is some concern that things might not be moving fast enough, and we need to continue to engage our communities to work through these issues.

Strategy for the environment

Our long-term approach is to use a combination of regulatory and non-regulatory mechanisms.

We work with landowners, other key stakeholders and the wider community to achieve environmental outcomes. We recognise the need to manage catchments as a whole and that land use throughout a catchment affects the water quality within it.

The Regional Policy Statement for the Wellington Region (RPS) is the overarching strategy that guides our activities. The RPS has a key role in integrating the management of natural and physical resources. It identifies the resource management issues of regional significance, recognising the shared responsibility and need for a common understanding of issues. It then sets out objectives, policies and methods that recognise the interaction and connection between different resources. Ultimately, the RPS focuses on matters that it can influence to make progress towards a sustainable region.

Our other regulatory plans include the Regional Pest Management Strategy (RPMS), and our regional plans, which are currently being reviewed with hearings on submissions for the proposed Natural Resources Plan likely to be in late 2016. We ensure that our regulatory plans are kept up-to-date through continuous monitoring and regular reviews, and progressing through all the relevant stages of the statutory process as efficiently as possible. The RPMS is due to be reviewed following amendments to the Biosecurity Act and the release of the National Policy Direction (NPD) by the Ministry for Primary Industries. GWRC will develop a Regional Pest Management Plan (previous Pest Management Strategy) to ensure consistency with the NPD.

We continue to look for ways to streamline resource consent processing practice to deliver better outcomes for applicants and the community. We work collaboratively with consent holders to ensure that they are readily able to comply with their resource consents, and focus our compliance monitoring programmes on fixing important problems for the environment and community.

Our approach to non-regulatory measures is to build collaborative partnerships with territorial authorities, sector groups, landowners and key stakeholders.

We are also looking at how to work more effectively with central government agencies, including the Environmental Protection Agency and related Boards of Inquiry. We work with owners of properties with

highly erosion-prone land to develop land and environment management plans to improve environmental outcomes.

We also work with landowners to manage pest species and to improve biodiversity outcomes. We plan to investigate new ways to promote and fund voluntary initiatives and to continue to involve stakeholders in key matters using forums such as the Wellington Farming Reference Group.

We have a leadership role in managing the region's environment and, as a landowner and land manager, and recognise that we must lead by example.

Resource management

What we do and why

Under the Resource Management Act 1991 (RMA), we must prepare a Regional Policy Statement (RPS) and a Regional Coastal Plan and may prepare other regional plans. The purpose of the RPS is to provide an overview of the resource management issues of the region, and policies and methods to achieve integrated management of the natural and physical resources of the region. Regional plans help us carry out our functions to achieve the purpose of the RMA – to promote the sustainable management of natural and physical resources. They contain rules that permit and control resource use through the resource consent process.

GWRC adopted its first RPS in 1995 and also developed five regional plans – coastal, air quality management, discharges to land, soil and freshwater. The RPS was then reviewed and the current RPS became operative in 2013. A review of the regional plans is underway, and proposed Natural Resources Plan for the Wellington region was released for public submissions in 2015. Hearings on submissions are likely to commence in late 2016.

In 2011 Central Government introduced the National Policy Statement for Freshwater Management. This requires regional councils to establish both quantity and quality limits for freshwater and to include these limits in regional plans. To achieve this, GWRC has established the Whaitua process, which directly involves mana whenua and local communities in the development of quantity and quality limits for freshwater resources within each of the five regional catchment areas, known as Whaitua. This process started in 2014 and will be complete by 2022.

Resource consents service

The RMA requires GWRC to process all applications to use natural resources, e.g., abstracting water, discharging into water, discharging into air and certain types of land and coastal use. Consents must be obtained for resource use unless an activity is “permitted” by a regional plan or directly by the RMA. The RMA provides detailed procedures to be followed in processing resource consents. In recent years, GWRC has typically processed 600-800 consent applications per year, and mana whenua are consulted on a significant number of these. Of these applications about five percent are processed as notified consents where affected parties may make a submission and the decision goes through a formal hearing process.

Compliance and enforcement

GWRC carries out compliance monitoring as an essential part of its consenting responsibilities. This varies according to the nature of the consented activity and ranges from a detailed compliance monitoring schedule to the consent holder undertaking self-monitoring and preparing a report for audit by the Council. Compliance reports provide consent holders feedback on their performance and give the community confidence that the consent holder’s environmental performance is being monitored and recorded, and where necessary improved.

GWRC has carried out an average of 1,400 compliance inspections per year over the past eight years (ranging from 833 in 2002/03 to 2,170 in 2010/11).

Pollution prevention and control

GWRC operates a 24-hour pollution response service for both environmental and public health purposes. This includes investigation of all reported environmental incidents and cleaning up whenever possible. Environmental incidents include discharges to waterways, dust, sediment and, most commonly, odour. We also take a more proactive approach to pollution prevention through the Take Charge programme (a pollution-prevention programme for businesses) and the Muddy Waters Programme (a programme to prevent pollution from developers' earthworks activities).

State of the environment monitoring

The RMA requires regional councils to gather information necessary to carry out its regulatory functions, to monitor the state of the environment and measure the effectiveness of policy statements and plans, and to make the information available to the public.

We monitor rainfall, river flows, groundwater levels and quality, freshwater coastal water quality, air quality and soil quality. Results of monitoring are produced by way of annual report cards, a six-yearly comprehensive state of the environment monitoring report for the region and through real-time data on our website. The monitoring information gives us a sound understanding of the state of the environment and contributes to robust and defensible resource management planning. We also conduct targeted studies to investigate significant resource issues identified through our general monitoring programmes.

What we will deliver

Level of service	Performance measures	2016/17	2017/18
Provide an up-to-date policy framework to manage the region's natural and physical resources	Regional Policy Statement is maintained and operative	Identified changes are scheduled	Identified changes are adopted
	Regional Plans are reviewed and adopted	Proposed Natural Resources Plan is made public [hearings are held]	Proposed Natural Resources Plan is made public [Decisions Version of Natural Resources Plan]
	Whaitua Committees are implemented	Ruamahanga Committee releases Whaitua Implementation Plan	Porirua Committee releases Whaitua Implementation Plan Wellington Harbour Hutt Valley Committee established
	Develop Regional Natural Hazards Management Strategy	Regional Natural Hazards Management Strategy adopted	

Process resource consents in a timely manner	Percentage of resource consents processed within 20 working days	100%	100%
Monitor and enforce compliance with regional plans and resource consents	Percentage of significant and environmental non-compliance that is reported within one month ²¹	100%	100%
	Percentage of reported environmental incidents that are responded to, investigated and enforcement actions completed within statutory timeframes	100%	100%
Provide timely, appropriate and accessible information on regional and catchment state trends	Percentage of data collected that is processed within agreed timelines	90%	90%
	Number of reports downloaded	Increase against baseline	Increase against baseline
	Stakeholder satisfaction with the quality and usability of the reports provided	Increase against baseline	Increase against baseline

²¹ Reporting includes what follow measures are being undertaken

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
<p>An additional \$1.2m of expenditure for progressing the Natural Resources Plan for the Wellington Region, including independent commissioners to sit on hearings. The Plan sets rules and guidance on water quality and quantity, air, soil and coastal management.</p>	<p>This results in additional rates requirement of \$82,000 in 2016/17.</p>	<p>Medium</p>
<p>An additional capital investment of \$1.4m for the Collaborative Modelling Project. This project supports the Whaitua (catchment) programme by providing scientific based information to better understand the possible impacts and consequences of changes in land and water management.</p>	<p>The extra cost of \$70,200 in 2016/17 is primarily funded through increased revenue from state of environment monitoring.</p>	<p>Medium</p>

Land management

What we do and why

The land management activity assists farmers to manage their environmental impacts. Inappropriate land management practices can directly affect soil erosion and soil health, water quality (including groundwater quality) and the health of streams, rivers and the coast. Around one fifth of the land in the region is erosion-prone – meaning that the land is likely to erode more quickly unless good land management practices are used. Climate change predictions suggest rainstorms may become more frequent and intense, causing greater damage to erosion-prone land in the future. Loss of land through erosion not only threatens the long-term prosperity and security of the farming sector but can also exacerbate flooding and reduce water quality and the health of streams and rivers.

Intensively farmed land throughout the region has become a focus in the last five years. Within priority catchments a range of activities have been undertaken that aim to reduce nutrient loss to waterways. Methods employed include developing and implementing farm plans, advice, information sheets, field days and discussion groups.

GWRC delivers a range of programmes to encourage good land management practices. Our approach places a strong emphasis on voluntary services, supported by financial incentives (such as contributing to the cost of planting) to further encourage behavioural change. We actively work on initiatives that will deliver sustainable land management outcomes at the catchment level.

Our activities include:

- Farm Plans – implementation of long-term plans for hill country farms susceptible to soil erosion
- Farm Environment Plans – preparation of plans for mitigating intensive farming operations within priority catchments throughout the region. The plans identify options to mitigate nutrient and sediment discharges from properties in accordance with an overall catchment plan
- Wellington Regional Erosion Control Initiative (WRECI) – a hill country erosion control programme jointly funded by the Ministry of Primary Industries focussing on the more severely eroding farm land in the region
- Catchment Management Schemes – operation of six Catchment Management Schemes, in liaison with the local Scheme Advisory Committees, which protect local infrastructure from erosion and flooding problems affecting identified rural communities
- Soil Conservation Reserves – rehabilitation of severely eroded land and control of pest animals within GWRC's four Soil Conservation Reserves
- Akura Conservation Centre – the supply of project materials, primarily poplars and willows and eco-sourced native plants, for GWRC's land management programmes and for the public
- Advisory services – providing advice on sustainable land management options to landowners and the community.

These programmes and services support the achievement of several objectives of the Regional Policy Statement, and fulfil our responsibility under the Soil Conservation and Rivers Control Act 1941 to promote soil conservation and prevent and mitigate soil erosion.

What we will deliver

Level of service	Performance measures	2016/17	2017/18
Working collaboratively with landowners to sustainably manage nutrient and sediment discharges on a catchment basis	Percentage of erosion prone hill-country land covered by an active Farm Plan	79%	80%
	Hectares of erosion-prone hill country land planted	500 hectares	550 hectares
	Percentage of dairy farms with an active Farm Environment Plan	21%	24%

Key projects and programmes

	2016/17	2017/18
Expansion of the Farm Environment Plans in priority catchments	✓	✓
Ongoing delivery of the WRECI programme, with a focus on erosion-prone land in the Ruamahanga Whaitua	✓	✓
Continuation of the supply of poplar and willow poles, and eco-sourced native plants from the Akura Conservation Centre	✓	✓

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
Increased funding provided by the Ministry for Primary Industries for the Wellington Regional Erosion Control Initiative has resulted in more planned planting of erosion prone hill-country in the Ruamāhanga Whaitua, and therefore an increase in the performance targets for erosion prone hill-country land covered by an active Farm Plan (increased target from 78% to 79% for 2016/17, and from 79% to 80% for 2017/18).	More landowners engaged in work programmes that reduce the amount of sediment reaching waterways.	Medium

Biodiversity management

What we do and why

GWRC aims to maintain and, where possible, restore biodiversity. Biodiversity loss in the region, as in the rest of New Zealand, has been dramatic. Less than three percent of the region's original wetlands remain and more than 120 different types of plants and animals are threatened with extinction. Biodiversity contributes to our region's natural character and supports the healthy functioning of ecosystems which in turn provide essential, life supporting services such as purifying air and water.

Protection of biodiversity is a matter of national importance under the RMA. Our biodiversity management activity supports the achievement of several objectives of the RPS, including objective 16 "indigenous ecosystems and habitats with significant biodiversity values are maintained and restored to a healthy functioning state".

Our biodiversity management activity includes:

- Protecting the highest value biodiversity areas in the region by managing a range of threats to their ecological health - these areas can be on GWRC, territorial authority or private land
- Working with the regional community to raise awareness of indigenous biodiversity issues and encourage local action
- Providing advice to a range of regional audiences to protect sites of high biodiversity value and promote functioning, indigenous ecosystem processes across the landscape.

We also support the EnviroSchools Foundation to deliver environmental sustainability education programmes to more than 70 schools in the region.

What we will deliver

Level of service	Performance measures	Performance measures	
		2016/17	2017/18
Work with the regional community to improve the region's indigenous biodiversity	Number of identified high value biodiversity sites under active management ²²	80	80
	Progress towards ecological management objectives ²³	Management activities have contributed to progress on 95% of objectives.	Management activities have contributed to progress on 95% of objectives.

²² Active management can include improving legal protection, fencing, and undertaking the control of plant and animal pests

²³ Progress is assessed by reviewing management activities' direct contribution towards ecological management objectives

Pest management

What we do and why

GWRC aims to mitigate the adverse impacts of pest animals and plants on the environment, economy and community, and maximise the effectiveness of pest management through a regionally coordinated response. Adverse impacts of pest plants and animals include: loss of native flora and fauna, reduced productivity for farming and horticulture and public nuisance. Our pest management activity supports Objective 16 of the RPS “Indigenous ecosystems and habitats with significant biodiversity values are maintained and restored to a healthy functioning state”.

GWRC has chosen to take on the role of the regional pest management agency and to prepare and implement the Regional Pest Management Strategy 2002-22 (RPMS) under the Biosecurity Act 1993. Our approach is determined by how widespread individual pests are in the region. We attempt to prevent new pests from establishing in the region by early detection and eradication of pests that are present at a limited number of sites. For pests that are present only in certain parts of the region we try to slow their spread and contain them to their existing sites. Widely spread pests we control only in high value sites in the region.

Our pest management activity is set out in our RPMS and includes:

- Regulation – setting rules in the RPMS that help pest management action and prevent the propagation, sale and spread of pest species
- Inspection and monitoring – undertaking inspections to ensure rules are adhered to and monitoring the effect of our pest management programmes
- Direct control – undertaking pest control in special circumstances where there is direct regional benefit, such as pest organisms of limited distribution, of significance for human health or occurring at sites of high value
- Advice and education – raising public awareness of the negative effects of pest species, the benefits of pest management programmes and providing advice to the public on the most effective and sustainable pest control options
- Providing support for community initiatives – supporting public initiatives by providing information, control advice, staff time and some materials to undertake pest control
- Biological control – contributing to the National Biocontrol Collective research programmes and releasing and spreading biological control agents around the region (biological control is most effective and often the only way to control widely spread pest plant species).

In addition to our programme of work to implement the RPMS, we run the Regional Possum and Predator Control Programme. The programme controls possums in two areas: firstly, land that has not received any possum control under either GWRC programmes or the National Pest Management Strategy for bovine Tb; and secondly, land that has recently been declared bovine Tb-free after a sustained period of control.

TBfree New Zealand (part of OSPRI) no longer controls possums in Tb-free areas. In consultation with the local community, GWRC decided to continue controlling possums in these areas to capitalise on the biodiversity and primary production gains created by maintaining low possum numbers.

This programme will expand to include areas near Wellington, Porirua and Kapiti Coast that have not had large scale possum and predator control in the past.

GWRC ceased funding the National Tb Plan from July 2015. The reasons for not providing funding include:

- the OSPRI Board’s decision that current regional shares should be funded largely via the two industry commodity levies (milk solids and slaughter levies)
- GWRC is already contributing significant funds to possum/predator control in areas recently declared Tb free by OSPRI and this funding is likely to increase as the objectives of the National Tb Plan are achieved
- GWRC remains committed to funding pest control for biodiversity gains in priority areas of the region and that funding the National Tb Plan to achieve secondary biodiversity gains is not justifiable.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Work with landowners to reduce the impact of pest animals and plants within the region	Number of active pest plant “Total Control” sites with reproductively active plants	Nil	Nil
	Number of possums in the Regional Possum Predator Control Programme area	Low (<5% Residual Trap Catch)	Low (<5% Residual Trap Catch)
	Number of rabbits in the region	Low (<5 on the Modified McLean Scale)	Low (<5 on the Modified McLean Scale)

Harbour management

What we do and why

GWRC is responsible under the Maritime Transport Act 1994 for the management of the region's harbours and coastal waters for navigation and safety purposes. We operate a 24/7 communication station at Beacon Hill in Wellington and provide and maintain navigational aids in our harbours. We also promote the safe use of harbours and coastal waters by educating recreational users and operating a harbour ranger service. GWRC manages and cleans up oil spills in our harbours.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Provide safe and competent maritime management for commercial and recreational users of our region's waters.	That Beacon Hill Communications station is staffed and operational 24 hours a day, seven days a week	100%	100%
	That all navigation aids are working, 24 hours a day, seven days a week	100%	100%
	Percentage of reports of unsafe boating incidents investigated and appropriate actions taken	100%	100%
	Percentage of harbour oils spills responded to within 30 minutes and clean up started within one hour	100%	100%
	Percentage of coastal oil spills responded to within 30 minutes and clean up started within three hours	100%	100%

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

	2016/17 Plan \$000s	2016/17 LTP \$000s
Sources of operating funding		
General rate	26,184	26,378
Targeted rate	564	578
Subsidies and grants for operating purposes	293	-
Fees, charges, and targeted rates for water supply	4,033	4,243
Fines, infringement fees, and other receipts ¹	4,069	4,088
Total operating funding	35,143	35,287
Applications of operating funding		
Payments to staff and suppliers	32,187	33,326
Finance costs	145	124
Internal charges and overheads applied	2,734	1,793
Total applications of operating funding	35,066	35,243
Surplus/(deficit) of operating funding	77	44
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	2,450	1,107
Gross proceeds from asset sales	87	89
Total sources of capital funding	2,537	1,196
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	1,591	-
- to replace existing assets	879	1,104
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	144	136
Total applications of capital funding	2,614	1,240
Surplus/(deficit) of funding	-	-
Depreciation on Environment assets	537	620

¹ This includes revenue from the TB Free New Zealand, sales of trees and rental income

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

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy

ENVIRONMENT
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE

	2016/17 Plan \$000s	2016/17 Plan \$000s
Operating funding		
Resource management	17,115	16,971
Land management	5,582	6,006
Biodiversity management	4,648	4,490
Pest management	5,616	5,575
Harbour management	2,182	2,245
Total operating funding	35,143	35,287
Applications of operating funding		
Resource management	17,559	17,438
Land management	5,365	5,795
Biodiversity management	4,601	4,444
Pest management	5,556	5,512
Harbour management	1,985	2,054
Total applications of operating funding	35,066	35,243
Capital expenditure		
Environment projects	1,591	205
Capital project expenditure	1,591	205
Land and buildings	-	-
Plant and equipment	531	544
Vehicles	348	355
Total capital expenditure	2,470	1,104

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

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy

All figures on this page exclude GST

Flood protection and control works

GWRC works with communities to manage flood risk from the region's rivers and streams. We develop floodplain management plans (FMPs), provide an advice and consultation service, maintain and build flood protection works, work with the community to improve the environment and recreational opportunities, and provide flood warnings.

WHAT WE DELIVER

The flood protection and control works group of activities includes:

Understanding
flood risk

Maintaining flood
protection and
control works

Improving flood
security

CONTRIBUTION TO COMMUNITY OUTCOMES

Flood protection and control works activities primarily contribute towards achieving a **resilient community** by:

- Reducing the risk of flooding in the region now and in the future by promoting the avoidance of inappropriate development in our most flood-prone areas
- Informing communities about the risk and consequences of flood events in their area
- Maintaining existing flood protection works and building planned flood protection works

Our flood protection and control works also contribute towards achieving:

- A **strong economy** by minimising the impact of flooding on activities that contribute to the regional economy
- A **healthy environment** by enhancing the environment along river corridors
- An **engaged community** by enabling people to enjoy recreational use of river corridors



Challenges we face

A key challenge continues to be ensuring there is a clear understanding of flood risks in the region. We are working closely with affected communities but this engagement has taken longer than anticipated, resulting in delays in completing key floodplain management plans in the region.

Another challenge will be progressing to the next phase of preliminary design of the Hutt River City Centre project. Affected land owners in this area are considering their future options, and the community is seeking more detail on the preferred option.

GWRC is committed to providing and maintaining an agreed level of flood protection to existing communities. The levels of service are set through the FMP process in consultation with the community. There are no planned decreases to this level of service, however rivers are dynamic systems and continually change over time. A build-up of gravel and sediment in the lower reaches of river systems will present a particularly difficult issue to resolve as river systems lose capacity. Climate change will also impact on the ability of GWRC to meet these levels of service in the long term. In some circumstances managed retreat may be the most appropriate response.

Strategy for flood protection and control works

GWRC's long-term approach to flood protection is to promote a safe and prosperous community through appropriate flood protection measures while maintaining a natural river environment. We do this by providing a range of services that include: providing advice and information, developing FMPs, managing river schemes and building and maintaining infrastructure. This approach minimises loss of life, supports economic development, informs and empowers communities, enhances ecological quality and provides for recreational opportunities. Development that is compatible with flood risk is an essential part of this approach. We advocate against inappropriate development in flood risk areas, and manage the risk to existing developments.

GWRCs flood protection assets across the region have a replacement value of \$262.8 million²⁴. They include stopbanks, outlet structures (culverts and pipes), berms, edge protection material and structures, debris arrestors, detention dams, barrage gates, flood walls and land within river corridors. Flood protection assets are located in the Hutt, Otaki, Waikanae, Wainuiomata, Porirua and Ruamahanga catchments.

All existing assets will continue to be maintained (including renewals or replacements when necessary) in order to provide the levels of service set out in the FMPs. We have FMPs in place for the Hutt River (2001), Otaki River (1998), and the Waikanae River (1996). In addition the Waitohu Stream Study (2006) also fulfils all the requirements of a FMP. For the Porirua Stream we do not have a formal FMP but all the elements have been completed separately (1994).

FMPs are under development for the Te Kāuru (Upper Ruamahanga River), the Waiohine River, the Pinehaven Stream, and the Waiwhetu Stream. A FMP will also be developed within the next ten years for the Lower Ruamahanga River. We also have infrastructure and flood hazard information on the Wainuiomata River but there are currently no plans to progress a FMP.

²⁴ As at 30 June 2012

In addition to maintaining existing assets there are a number of major projects underway or planned to renew or replace existing assets. The new FMPs currently under development or proposed in the future are also likely to result in a requirement for further investment to provide the desired level of service.

Providing, maintaining and operating flood protection assets can have adverse effects on the environment. In order to address these issues GWRC takes measures to minimise the impacts of river control works on the natural form and function of rivers and streams through an adaptive management framework (we monitor our work, review our practices, and implement changes). A Code of Practice guides how all our flood protection works are carried out. GWRC has also prepared environmental strategies for the major rivers in the west of the region (Hutt, Otaki and Waikanae). New environmental strategies will be prepared for those areas where FMPs are being developed.

Understanding flood risk

What we do and why

GWRC works with the community to protect lives, reduce the impact of flooding on people and their property and to assist people make informed decisions about development in areas of the region subject to flood hazards.

Floodplain Management Plans (FMPs) are our key planning tool, as they set out how we manage flood risk on individual rivers and floodplains. The plans are comprehensive and involve extensive information gathering, consultation and discussion with the local community, councils and mana whenua. They are complementary to the Ruamahanga Whaitua process and numerous links have already been made to this process (refer to Resource Management under Environment for more information on the Whaitua process.)

The FMP planning process involves:

- Preparing flood hazard assessments
- Consulting with affected communities on ways to manage the risk
- Agreeing appropriate levels of flood protection from avoidance through to mitigation of the hazards
- Preparing and implementing the FMP.

We provide advice to people, communities and local and central government organisations about avoiding, reducing or mitigating flood hazards. We work closely with city and district councils to investigate and provide flood hazard information for land and property information memoranda (LIMS and PIMS) and district plans. We also gather information, monitor, carry out river bed surveys, provide flood warnings and keep records about flood risks throughout the region. We work closely with the other flood protection activities to provide technical analysis and support on flood hazards, planning and policy and environmental enhancement work. We also provide technical advice to city and district councils and other groups (e.g. Fish and Game NZ, Hutt River Trail, Friend groups).

With the exception of the lower Ruamahanga River, where the onset of flooding is slower, our current level of flood warning provides at best a few hours' notice of a flood event. The system is based on responding to measured flows and rainfall that has already fallen. Suitable technology now exists to forecast flooding (timing, location, magnitude) based on weather forecasting. Therefore, we are commencing a project to implement flood forecasting which will extend warning times out to many hours

and even days. We propose to progressively implement an improved flood warning system based on our existing gauge network and hydraulic models and the new forecasting and run-off model.

Currently we provide information to the community as part of the development of floodplain management plans and then as a result of requests received from the public. Making this flood hazard information more available, particularly through the use of electronic media will greatly increase our ability to reach the wider community. We are also commencing a project to make regional scale flood hazard mapping and more catchment specific information readily available through the GWRC website. The need to develop and manage this process will require careful planning because of the sensitivity of land owners to the potential impacts of flood hazard information on property values and insurance costs.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Improving information and understanding of flood risk in the community	Percentage of high hazard flood prone land covered by a flood hazard map	13.0%	13.0%
	Percentage of catchments with FMPs in place	20.0%	20.0%
	Disseminate flood hazard maps within six months of completion	100%	100%
	Flood warning information is relayed to WREMO within one hour of receipt.	100%	100%

Key projects and programmes

	2016/17	2017/18
Te Kāuru Upper Ruamahanga Floodplain Management Plan	Complete development of the plan (in conjunction with MDC and CDC)	Commence implementation of the plan
Waiohine Floodplain Management Plan	Complete development of the plan (in conjunction with CDC and SWDC)	Commence implementation of the plan
Waiwhetu Floodplain Management Plan	Recommence development of the Plan	Complete development of the Plan
Flood Forecasting development (joint project with WREMO)	✓	
Otaki FMP Review	✓	✓
Begin development of Lower Ruamahanga FMP (LWVD Scheme)		✓

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
<p>Extended consultation with communities affected by the development of Floodplain Management Plans (FMPs) for Waiohine and Te Kāuru has resulted in delays of up to 12 months to completion of these Plans.</p>	<p>Deferral of capital expenditure from 2016/17 into 2017/18, and potential delay in commencing the implementation of the outcomes of the plans.</p>	<p>Medium</p>
<p>The recommencement of the Waiwhetu FMP has been delayed by up to 12 months as a result of the delays in the completion of other FMPs in the region.</p>	<p>Deferral of capital expenditure from 2016/17 into 2017/18.</p> <p>The existing level of service is being maintained so the material impact is low, but the risk remains and will increase with time.</p>	<p>Medium</p>

Maintaining flood protection and control works

What we do and why

GWRC helps to ensure a resilient community and strong economy by maintaining a network of flood protection structures, including stopbanks, river works and detention dams, throughout the region to mitigate the effect of floods.

Regular maintenance is a key component of this work to ensure that flood protection systems and infrastructure continue to perform as planned and provide the level of service agreed to with the community. Maintenance involves routine inspections, repairs and adjustments, as well as repairing damage caused by floods.

GWRC carries out environmental enhancement work on river corridors and encourages public use and enhancement by providing access, tracks, planting and removing rubbish. A ranger service is provided on the Hutt River to facilitate public use of this popular area.

Developing partnerships and involving the community will play an increasingly important role in this work in coming years. Resources are required to manage the demand for greater engagement with iwi and the community across a range of activities including what we do and how we deliver it – e.g. recreation use, access and amenity, native planting, habitat quality and natural character.

Consents are required to enable GWRC to continue to maintain its flood protection infrastructure assets over time. This is a statutory requirement of the Soil Conservation and Rivers Control Act 1941 unless the council decides through a formal process that it no longer wishes to maintain these assets. Good practice and community expectations are changing the way that GWRC goes about its maintenance activities and the potential effects that these activities may have on the environment. The community also has expectations that GWRC will deliver more than just well-maintained assets in the river and stream corridors that the council are responsible for. We are commencing a project to carry out additional environmental monitoring, analysis and reporting to comply with consent conditions, the proposed Natural Resource Plan and Code of Practice requirements.

What we will deliver

Level of service	Performance measures	Performance	
		2016/17	2017/18
Infrastructure is managed to agreed levels of service	Annual maintenance programme completed so that schemes are maintained to their full service potential ²⁵	100%	100%
	Flood damage identified, prioritised and repair programme agreed with the community ²⁶	100%	100%
Minimise the environmental impact of flood protection works	That all flood protection works are undertaken in accordance with Code of Practice checklist	100%	100%
	Consent compliance	100%	100%

²⁵ Non-Financial Performance Measures Rules 2013 measure for maintenance

²⁶ Non-Financial Performance Measures Rules 2013 measure for repairs

Key projects and programmes

	2016/17	2017/18
Resource Consents Project	✓	✓
Asset Management planning improvements	✓	✓
Implement new Health and Safety legislation	✓	✓
Develop changing work practices	✓	✓
Develop community partnerships	✓	✓

Improving flood security

What we do and why

GWRC reduces the risk of floods to the community through the implementation of floodplain management plans. We are currently implementing plans for the Lower Ruamahanga, Hutt, Waikanae and Otaki rivers. The 10 Year Plan 2015-25 also provided for the implementation of the new FMPs for Pinehaven and Waiohine. New plans to be developed in the next three years will include Upper Ruamahanga, and Waiwhetu. Based on past experience, these plans will likely include an implementation programme of between 10 and 40 years.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Improve the communities resilience to flooding	% of FMP implemented	Hutt 30% Otaki 50% Waikanae 45% LWVDS ²⁷ 57%	Hutt 30% Otaki 50% Waikanae 56% LWVDS 63%
	% of stopbanks that meet design standards ²⁸	85% ²⁹	85%

Key projects and programmes

	2016/17	2017/18
Hutt River City Centre project	Complete statutory approvals and progress with land entry agreements	Complete detailed designs and procure construction tenders (<i>project ongoing to 2032</i>)
Pinehaven Stream FMP Implementation	Progress with land entry agreements and commence construction	Progress with construction (<i>project ongoing to 2025</i>)
Jim Cook Park stopbank	Complete construction	

²⁷ Lower Wairarapa Valley Development Scheme

²⁸ Non-Financial Performance Measures Rules 2013 measure for renewals

²⁹ Target incorrectly stated as 98% in the 10 Year Plan. The AMP states that '84% of our stopbanks are at level 1, 2, or 3 which is meeting the required level of service'. Based on this, the target for 2016/17 and 2017/18 is that 85% of stopbanks will meet the required level of service (condition 1, 2 or 3).

Otaki River	<p>Progress with bank edge protections</p> <ul style="list-style-type: none"> - Chrystalls to Gorge - Alignment & construction decisions for Mouth to SH1 (<i>pending review</i>) 	<p>Progress with bank edge protections</p> <ul style="list-style-type: none"> - Chrystalls to Gorge - Construction decisions for Mouth to SH1 (<i>pending review</i>)
	Investigate land entry agreements for South Stopbank (<i>pending review</i>)	
Lower Wairarapa Development Scheme	Complete the 2016/17 works programme including boulder protection works, lowering of berms and upgrading of Barrage control gear	Complete the 2017/18 works programme including boulder protection works, lowering of berms and upgrading of containment stopbanks at Tauherenikau Delta
Waiohine FMP Implementation	Progress with land entry agreements and commence construction	Progress with construction
Environmental Strategy Implementation	Progress with Environmental enhancement works in Hutt, Otaki and Waikanae rivers	Progress with environmental enhancement works in Hutt, Otaki and Waikanae rivers (<i>implementation ongoing to 2048</i>)
Hutt River Maoribank & Ebdentown Riverbed Stabilisation	Complete the planning and design phase	Progress with construction (<i>project ongoing to 2019</i>)
Lower Waitohu Stream	Complete planning and design for the South Waitohu stopbank	Complete South Waitohu stopbank
Te Kāuru Upper Ruamahanga FMP Implementation	Commence the planning and design phase and land entry agreements	Complete the planning and design and commence construction
Strategic land purchased in advance of physical works	As land becomes available	As land becomes available

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

	2016/17 Plan \$000s	2016/17 LTP \$000s
Sources of operating funding		
General rate	10,254	10,210
Targeted rates	6,917	7,293
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts ¹	2,110	2,131
Total operating funding	19,281	19,634
Applications of operating funding		
Payments to staff and suppliers	9,309	9,519
Finance costs	3,324	4,147
Internal charges and overheads applied	1,752	1,047
Total applications of operating funding	14,385	14,713
Surplus/(deficit) of operating funding	4,896	4,921
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	5,969	8,807
Gross proceeds from asset sales	93	97
Total sources of capital funding	6,062	8,904
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	9,627	12,449
- to replace existing assets	282	287
Increase / (decrease) in investments	369	459
Increase / (decrease) in reserves	680	630
Total applications of capital funding	10,958	13,825
Surplus/(deficit) of funding	-	-
Depreciation on assets	828	952

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

	2016/17 Plan \$000s	2016/17 LTP \$000s
Operating funding		
Understanding flood risk	2,721	2,174
Maintaining flood protection and control works	9,620	9,863
Improving flood security	6,940	7,597
Total operating funding	19,281	19,634
Applications of operating funding		
Understanding flood risk	2,410	1,873
Maintaining flood protection and control works	8,006	8,079
Improving flood security	3,969	4,761
Total applications of operating funding	14,385	14,713
Capital expenditure		
Hutt river improvements	5,498	5,829
Otaki and Waikanae river improvements	1,445	954
Wairarapa rivers improvements	1,804	5,057
Other flood protection	880	609
Capital project expenditure	9,627	12,449
Land and buildings	-	-
Plant and equipment	12	12
Vehicles	270	276
Total capital expenditure	9,909	12,737

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

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy

All figures on this page exclude GST

Parks

GWRC manages a network of regional parks and forests for the community's use and enjoyment. The network includes a range of unique natural areas for recreation and conservation. We plan for the future of the network, provide services and facilities for visitors (such as park rangers, tracks and toilets) and work with mana whenua and community groups to protect the environment of regional parks.

WHAT WE DELIVER

The parks group of activities includes:

Parks planning **Visitor services**

CONTRIBUTION TO COMMUNITY OUTCOMES

Our parks and forests activities contribute towards achieving an **engaged community** by:

- Providing a range of outdoor recreational opportunities and amenities for the community to enjoy
- Protecting part of the region's unique natural and cultural heritage

Our parks and forests activities also contribute towards achieving a **healthy environment** by:

- Protecting and restoring the habitat of native plants and animals



ENGAGED COMMUNITY



HEALTHY ENVIRONMENT

Challenges we face

Ongoing technology innovations result in more participation in new recreation activities that might be undertaken in parks, for example flying Unmanned Aerial Vehicles (drones), or riding increasingly powerful e-bikes. While we take a generally inclusive approach and encourage a wide range of activities across our parks network, it becomes ever more critical to be proactive, carefully consider what the implications might be of making space available, and whether such activities may enhance or compromise the experience enjoyed by current users. Sometimes effects of very new activities may be unforeseen, and so balancing the interests of a wide range of users becomes a significant challenge that requires good judgement, positive relationships with stakeholders, providing information about appropriate minimal impact behaviour, and the continued co-operation of park users.

As more people become more aware of, visit and strengthen their connection to the regional parks, they become more sensitive to significant change that may occur there. With implementation of our new farm licences at Queen Elizabeth Park and Battle Hill, it has become clear that some urban community perceptions of farming do not align with current practice such as some forms of pasture renewal. This represents a significant opportunity to strengthen the links between town and country and, using the regional parks as a showcase, share these perspectives, educate the community and evolve farming practices to be as environmentally and fiscally sustainable as possible.

Strategy for Parks

GWRC's long-term approach is to maintain a network of regional parks that provides a range of quality recreational opportunities for the region's residents and visitors, catering for a broad range of ages, abilities and experiences. Our regional parks and forests are managed to protect high value ecosystems, important heritage and cultural features and the visual quality of significant landscapes, as well as to restore degraded areas. To achieve this we will work in partnership with mana whenua and the community, developing relationships based on good faith and common understanding so that the management of parks reflects the needs of current and new park users.

Parks Planning

What we do and why

An integrated Parks Network Plan (PNP) is maintained by GWRC to provide a framework to manage regional parks, forests and recreation areas. This provides a consolidated management regime for the network as a whole, as well as specific management provisions for each park. This is used in conjunction with the Parks Bylaws.

As new parks are added to the network an amendment is made to the PNP. This is done in partnership with the Department of Conservation, landowners and mana whenua, and in close consultation with the community and other key stakeholders.

The PNP also forms the management plan required by the Reserves Act 1977 for those areas of land held as reserves. GWRC has included other land, held primarily as water catchment areas and forests, to ensure that all land that contributes to the regional parks network is managed consistently and in accordance with best practice.

We also assess proposals for leases, licences, easements and other developments within the regional parks network to ensure they comply with the provisions of the Parks Network Plan and add to the overall outcomes being sought. These are assessed in accordance with the requirements of the Reserves Act 1977 and other relevant legislation.

What we will deliver

Level of service	Performance measures	2016/17	
		2016/17	2017/18
Maintain a current policy framework to manage the regional park network	Parks Network Plan is maintained and operative	Changes to Parks Bylaws adopted Parks Network Plan monitoring and research	Parks Network Plan monitoring and research

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
Adoption of the Whitireia Park Plan has been removed from 2016/17 performance targets because the Plan was completed in 2015/16	No resulting impact on the community from early completion of the Plan.	Low
Review of the Parks Network Plan (PNP) has been extended from 2016/17 over two financial years	The PNP is not required to be revised until 2021; therefore the planned timeline was premature. Legislation requires that the PNP is maintained as current, and this has been done via two recent amendments (the addition of Parangarahu Lakes and Baring Head).	Low

Visitor services

What we do and why

GWRC manages five regional parks (Queen Elizabeth Park, Battle Hill Farm Forest Park, Belmont Regional Park, Kaitoke Regional Park and East Harbour Regional Park) in accordance with the provisions of the Reserves Act 1977.

In addition, we manage the Hutt River Trail, the Wainuiomata Recreation Area, Whitireia Park (in partnership with Ngāti Toa Rangatira) the Akatarawa and Pakuratahi forests and the Hutt, Orongorongo and Wainuiomata water collection areas under the provisions of the Local Government Act 2002, Wellington Regional Water Board Act 1972, and Wellington City and Suburban Water Supply Act 1972.

The Council provides visitor services to these areas, with one of the most visible aspects being a park ranger service to manage the day-to-day operation of each park. Park rangers promote security, provide public information and educate visitors about the natural and cultural features of the parks. We also undertake numerous activities to raise awareness of the parks, encourage people to visit and to learn more about them. Examples include visitor research, development of promotional materials and information signage, summer events and a corporate planting programme.

Our work involves the planning and provision of a wide range of assets such as tracks, toilets, picnic facilities, camping areas and signage for recreational purposes. These are maintained and replaced in accordance with our asset management plan. Some land is licensed to private operators, mainly for grazing, or made available to community groups for specific recreational use (e.g. pony clubs) or for temporary use (e.g. filming). Revenue from these activities helps to offset the cost of managing the parks.

We work with volunteer groups to maintain and improve the environment, heritage and recreational opportunities available in the parks. We have developed Memoranda of Understanding with several of our volunteer groups to guide our relationships and project implementation plans, and to clearly identify the work to be undertaken and the expectations we have of each other. This has enabled us to build an understanding of our different perspectives and processes, and address issues in a productive manner.

In providing visitor services, GWRC not only fulfils our statutory duty to manage our reserves and other land held for water supply purposes but also makes an important contribution to the social, cultural and economic wellbeing of the region. Recreational activities provide the opportunity for people to appreciate the outdoor environment and promote healthier lifestyles.

What we will deliver

Level of service	Performance measures		
		2016/17	2017/18
Provide facilities and services that support the community enjoying, valuing and participating in regional parks	Percentage of the regional population that has visited a regional park in the last 12 months	66%	67%
	Number of visits to a regional park in the last 12 months	Increase on baseline	Increase on baseline
	Percentage of regional park visitors that are satisfied with their experience	>=90%	>=90%
	Percentage increase in volunteer hours for current staff effort	>= previous year	>= previous year
	Average asset condition (1=excellent; 5 = very poor)	<=3	<=3

Key projects and programmes

	2016/17	2017/18
QEP entranceway redevelopment	✓	✓
Complete recreational improvements in Belmont Regional Park to mitigate impact of Transmission Gully Motorway. The Korokoro Dam surrounds will be landscaped to better cater for high visitor numbers	✓	
Ongoing asset replacement and maintenance programme across parks network	✓	✓
Undertake fencing in the Speedy's Stream catchment in Belmont Regional Park to remove stock from the riparian area. This will also support establishment of an ecological corridor between Speedy's Stream and the headwaters of the Pauatahanui Stream	✓	✓
Install flush toilets in the Tunnel Gully upper picnic area to replace the current composting unit which will be relocated to the Ladle Bend campsite	✓	

Changes to what we planned to deliver in the 10 Year Plan 2015-25

Change	Consequence	Materiality (L/M/H)
Formal addition of two projects into the list of key projects and programmes (fencing in Speedy's Stream and flush toilets in Tunnel Gully). These were funded in the 10 Year Plan 2015-25 but were not separately listed out as key projects.	No resulting impact – already planned for and funded	Low

PARKS
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE

	2016/17 Plan \$000s	2016/17 LTP \$000s
Sources of operating funding		
General rate	5,855	6,096
Targeted rates	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	176	180
Fines, infringement fees, and other receipts ¹	611	597
Total operating funding	6,642	6,873
Applications of operating funding		
Payments to staff and suppliers	4,281	5,199
Finance costs	405	465
Internal charges and overheads applied	1,452	764
Total applications of operating funding	6,138	6,428
Surplus/(deficit) of operating funding	504	445
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	1,250	1,079
Gross proceeds from asset sales	52	53
Total sources of capital funding	1,302	1,132
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	1,942	1,741
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	(136)	(164)
Total applications of capital funding	1,806	1,577
Surplus/(deficit) of funding	-	-
Depreciation on Parks assets	2,213	2,271

¹ This includes rental income and park activity fees

**PARKS
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2016/17 Plan \$000s	2016/17 LTP \$000s
Operating funding		
Parks Planning	271	259
Visitor Services	6,371	6,614
Protecting the environment of regional parks	-	-
Total operating funding	6,642	6,873
Applications of operating funding		
Parks Planning	271	259
Visitor Services	5,833	6,134
Protecting the environment of regional parks	34	35
Total Applications of Operating Funding	6,138	6,428
Capital expenditure		
Battle Hill Farm Forest Park	14	14
Belmont Regional Park	573	442
Queen Elizabeth Park	909	930
Whitireia Park	7	7
Pakuratahi Forest	183	85
Akatarawa Forest	5	6
Wainuiomata Recreation Area	15	16
Kaitoke Regional Park	22	22
East Harbour Regional Park	-	-
Parks Other	20	21
Capital project expenditure	1,748	1,543
Land and buildings	-	-
Plant and equipment	-	0
Vehicles	194	198
Total capital expenditure	1,942	1,741

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations and Financing Policy
All figures on this page exclude GST

SECTION FOUR – COUNCIL-CONTROLLED ORGANISATIONS & INVESTMENTS

GWRC has a significant portfolio of investments, comprising:

- Equity investments in the WRC Holdings Group (including GW Rail and CentrePort Ltd)
- Local Government Funding Agency
- Wellington Water Limited
- WREDA
- Liquid financial deposits
- Contingency Investments for Flood Protection and Water
- Material Damage and Business Interruption Fund
- Administrative properties (e.g. depots)

GWRC's approach in managing investments is to regularly assess the expected returns on those investments and being mindful of the risk and balancing these against returns received. We recognise that, as a responsible public authority, investments should be held for the long-term benefit of the community, with any risk being managed appropriately and that those risks are likely to be outweighed by the returns received. From a risk management point of view, GWRC is well aware that investment returns to the rate line are exposed to the success or otherwise of two main investments – the WRC Holdings Group (including CentrePort Ltd) and our liquid financial deposits.

Our investments and particularly the investment in CentrePort undergo a periodic detailed review to ensure that they continue to fit within the Local Government Act and its amendments.

Investments offset the needs for rates revenue. Regional rates would need to be set higher without the revenue from GWRC's investments.

Treasury management

GWRC's treasury management is carried out centrally to maximise our ability to negotiate with financial institutions.

We then on-lend these funds to activities that require debt finance. This allows the true cost of debt funding to be reflected in the appropriate areas. Any surplus is used to offset regional rates.

Local Government Funding Agency

GWRC is a founding shareholder in the Local Government Funding Agency (LGFA). The LGFA was established by statute in December 2011, and GWRC has a \$1.86 million share investment. The LGFA has been set up to assist local authorities to access wholesale debt at better rates than they could expect on their own. GWRC will source its term debt requirements from the LGFA and receives an annual dividend. As part of the arrangement, GWRC has guaranteed the debt obligations of the LGFA along with the other shareholders of the LGFA in proportion to its level of rates revenue. GWRC believes the risk of this guarantee being called on is extremely low, given the internal liquidity arrangements of the LGFA, the lending covenants of the LGFA and the charge-over rates the LGFA has from councils.

Wellington Water Limited

Wellington Water Limited was established in September 2014 and combines the operation of Capacity Limited and the former Water Division of GWRC. GWRC is a 20% shareholder of the company. Through the creation of the new entity all functions around the management of fresh water, waste water and storm water are combined in one entity. Other shareholders are Wellington City Council, Hutt City Council, Upper Hutt City Council and Porirua City Council.

Liquid financial deposits

GWRC holds \$33 million in liquid financial deposits as a result of selling our interest in CentrePort Ltd to one of its wholly owned subsidiaries, Port Investments.

GWRC regularly reviews the rationale for holding these liquid financial deposits, taking into account the general provisions of our Treasury Risk Management Policy, including GWRC's attitude to risk and creditworthy counterparties.

Contingency Investments for Flood Protection and Water

GWRC holds a number of short term contingency investments. They have been established with the purpose of having funds available to pay for the uninsured part of the damage to water and flood protection assets in case a disaster (earthquake, major floods etc.) strikes.

This Fund enables the Council to retain higher insurance excesses, and thus lower insurance premiums, with the comfort of having funds available to meet a seismic or flood event.

Material Damage and Business Interruption Fund

The residual proceeds from the sale of the cutting rights to the Councils forests which were sold in July 2014 have been used to establish the bulk of the Material Damage and Business Interruption Fund. This Fund enables the Council to retain higher insurance excesses, and thus lower insurance premiums, with the comfort of having funds available to meet a seismic event.

Administrative properties

Council's interests in the Upper Hutt and Mabey Road depots and the Masterton office building are grouped to form the investment category Administrative Properties.

Civic Assurance and Airtel Ltd

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

Wellington Regional Economic Development Agency (WREDA)

The Agency has brought together the tourism, events, venues and economic services of Wellington City Council (WCC) and GWRC to provide a single economic development agency for the Wellington region. Grow Wellington, which was a 100% Council Controlled Organisation owed by GWRC has now been sold and is absorbed into this Agency. WREDA is owned 80% by WCC and 20% by GWRC.

Wellington Regional Stadium Trust (WRST)

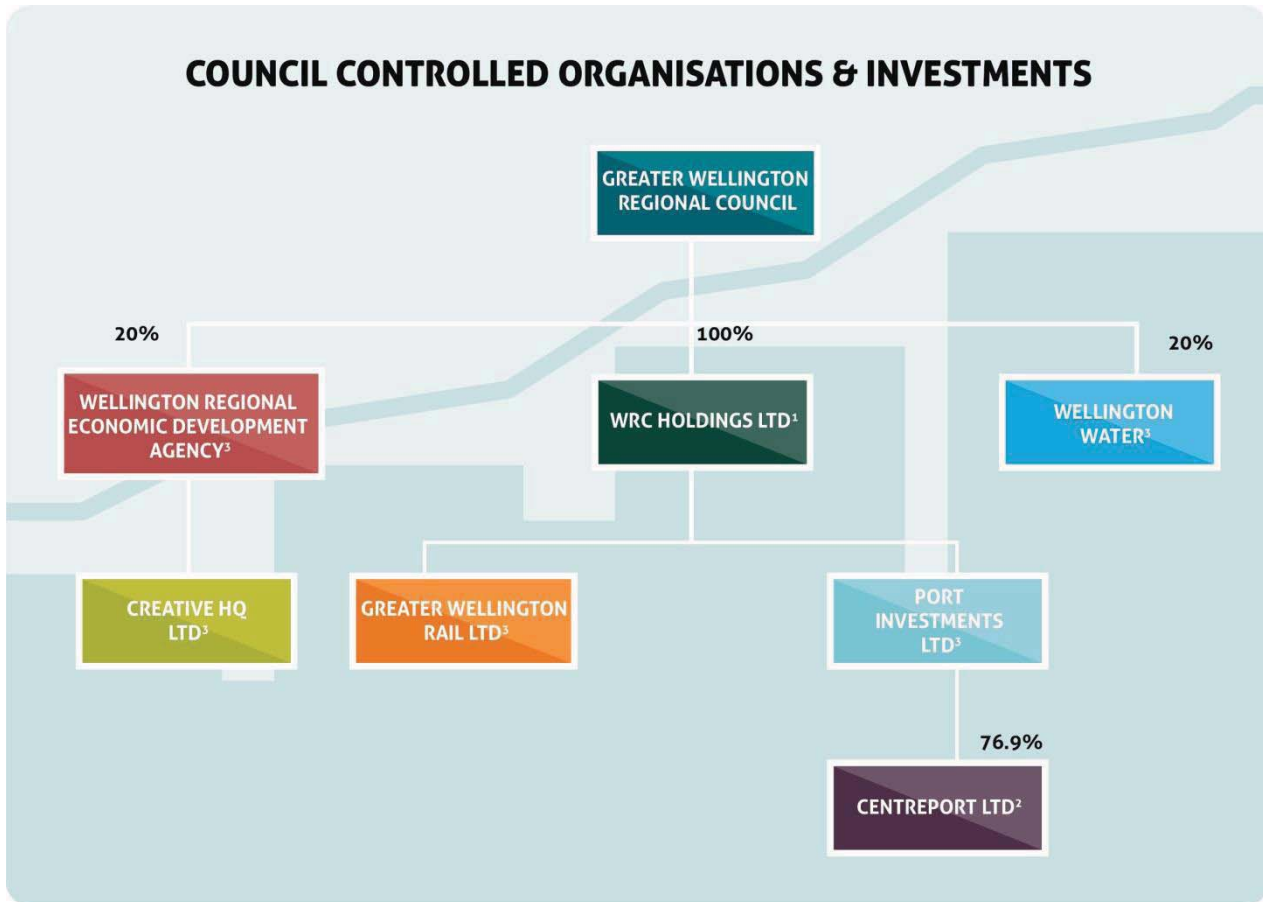
The WRST is a regional facility that provides a high-quality, multi-purpose venue for sporting and cultural events.

GWRC provided a \$25 million loan to the WRST to plan and build the stadium. GWRC is the Trust's principal funder. GWRC services and repays this loan through a targeted stadium rate.

GWRC appoints one of its Councillors to the WRST and, jointly with the Wellington City Council, appoints other trustees. GWRC also monitors the Trust's performance against its Statement of Trustees Intent.

Council-Controlled Organisation Structure

Council-Controlled Organisations are any organisation (trading or not) where one or more local authority own or control 50% or more of the voting rights or appoint 50% or more of the directors. GWRC has established the following Council-Controlled Organisations (CCOs) and Council-Controlled Trading Organisations (CCTOs) which assist in promoting our objectives for the region. The tables on the following pages explain what these organisations do, how their performance is measured and GWRC’s objectives for them with regards to ownership and control.



1 Council-Controlled Trading Organisation in accordance with the Local Government Act 2002

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

3 Council-Controlled Organisation in accordance with the Local Government Act 2002

Organisation	WRC Holdings Ltd																																							
Ownership	100%																																							
Directors	<ul style="list-style-type: none"> • Fran Wilde (Chair) • Prue Lamason (Deputy Chair) • Peter Blades • Barbara Donaldson • Paul Swain • Samantha Sharif 																																							
Nature and scope of activities	<p>WRC Holdings Ltd is the holding company for Pringle House Ltd, Port Investments Ltd, Greater Wellington Rail Ltd and indirectly CentrePort Ltd.</p> <p>WRC Holdings Ltd effectively manages any other investments held by the Group in order to maximise the commercial value to the shareholders and to protect the shareholders' investment.</p>																																							
Significant policies and objectives on ownership & control	<p>The primary objectives of WRC Holdings Ltd are to support GWRC's strategic vision and operate successful, sustainable and responsible businesses, manage its assets prudently and, where appropriate, provide a commercial return.</p> <p>WRC Holdings Ltd has adopted policies that prudently manage risks and protect the investment.</p>																																							
Key annual objectives and performance targets	<p>Operational performance target:</p> <ul style="list-style-type: none"> • WRC Holdings Ltd to act as a responsible and inquiring shareholder and to hold meetings at least six times a year to review the operation and financial position of the company <table> <tr> <td>WRC Holdings Group financial performance targets:</td> <td>2016/17</td> <td>2017/18</td> </tr> <tr> <td>Surplus/(Deficit) before tax (\$000s)</td> <td>(1,511)</td> <td>544</td> </tr> <tr> <td>Surplus after tax</td> <td>420</td> <td>1,979</td> </tr> <tr> <td>Earnings before interest , tax and depreciation</td> <td>34,083</td> <td>37,882</td> </tr> <tr> <td>Return on total assets</td> <td>1.0%</td> <td>1.4%</td> </tr> <tr> <td>Return on shareholders' equity</td> <td>(0.7%)</td> <td>(0.4%)</td> </tr> <tr> <td>Shareholders' equity to total assets</td> <td>60.5%</td> <td>60.8%</td> </tr> <tr> <td>Dividends</td> <td>2,784</td> <td>3,559</td> </tr> </table> <p>Comment:</p> <p>The net deficit before tax is due to the results of Greater Wellington Rail Limited (GWRL), which runs a deficit equivalent to its depreciation as this is not funded. This is offset by a surplus from CentrePort. This in turn impacts the return on equity.</p> <table> <tr> <td>WRC Holdings Parent financial performance targets:</td> <td>2016/17</td> <td>2017/18</td> </tr> <tr> <td>Dividend distribution (\$000s)</td> <td>2,784</td> <td>3,520</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Dividend distribution (%) • Return on equity³⁰ • Return on assets³¹ </td> <td>100%</td> <td>100%</td> </tr> <tr> <td></td> <td>1.2%</td> <td>1.4%</td> </tr> <tr> <td></td> <td>1.5%</td> <td>1.8%</td> </tr> </table>	WRC Holdings Group financial performance targets:	2016/17	2017/18	Surplus/(Deficit) before tax (\$000s)	(1,511)	544	Surplus after tax	420	1,979	Earnings before interest , tax and depreciation	34,083	37,882	Return on total assets	1.0%	1.4%	Return on shareholders' equity	(0.7%)	(0.4%)	Shareholders' equity to total assets	60.5%	60.8%	Dividends	2,784	3,559	WRC Holdings Parent financial performance targets:	2016/17	2017/18	Dividend distribution (\$000s)	2,784	3,520	<ul style="list-style-type: none"> • Dividend distribution (%) • Return on equity³⁰ • Return on assets³¹ 	100%	100%		1.2%	1.4%		1.5%	1.8%
WRC Holdings Group financial performance targets:	2016/17	2017/18																																						
Surplus/(Deficit) before tax (\$000s)	(1,511)	544																																						
Surplus after tax	420	1,979																																						
Earnings before interest , tax and depreciation	34,083	37,882																																						
Return on total assets	1.0%	1.4%																																						
Return on shareholders' equity	(0.7%)	(0.4%)																																						
Shareholders' equity to total assets	60.5%	60.8%																																						
Dividends	2,784	3,559																																						
WRC Holdings Parent financial performance targets:	2016/17	2017/18																																						
Dividend distribution (\$000s)	2,784	3,520																																						
<ul style="list-style-type: none"> • Dividend distribution (%) • Return on equity³⁰ • Return on assets³¹ 	100%	100%																																						
	1.2%	1.4%																																						
	1.5%	1.8%																																						

³⁰ Based on net surplus before tax and dividend by average equity, but excluding revaluation gains and losses

³¹ Based on earnings before interest and tax and dividend by average assets

Organisation	Greater Wellington Rail Ltd (GWRL)									
Ownership	100%									
Directors	<ul style="list-style-type: none"> • Fran Wilde (Chair) • Prue Lamason (Deputy Chair) • Peter Blades • Barbara Donaldson • Paul Swain • Samantha Sharif 									
Nature and scope of activities	<p>Greater Wellington Rail Ltd owns GWRC's investments in metro rail assets, which includes:</p> <ul style="list-style-type: none"> • 18 SW Carriages • 6 SE Carriages • 1 AG Luggage van • 27 Ganz Mavag units (these are made up of 2 or 3 car sets) • 83 Matangi units – (On completion of second delivery) • Thorndon electrical multiple unit depot and train wash, Metro wheel lathe and building • 48 - Rail stations (excluding Wellington Central Station) • 14 -Pedestrian over-bridges • 13 - Pedestrian underpasses • Various carparks, other station improvements and ancillary rail related assets <p>Greater Wellington Rail Ltd is responsible for all aspects of asset management and stewardship, implemented through a management contract with GWRC. Operational delivery of the services is through separate maintenance and operating contracts with a Rail service provider. An asset management plan has been developed that articulates a structured programme to minimise the life cycle costs of asset ownership while maintaining the desired levels of service and sustaining the assets.</p>									
Significant policies and objectives on ownership & control	GWRL is owned by WRC Holdings Ltd. All capital purchases are funded via Issuance of shares from WRC Holdings. The Board of GWRL has external directorships providing advice and expertise, common with WRC Holdings. GWRL is as asset holding (rolling stock and rail infrastructure) and contracts out the maintenance of these assets. GWRL is wholly owned by WRC Holdings who in turn is wholly owned by Wellington Regional Council.									
Key annual objectives and performance targets	<table> <tr> <td>Financial performance targets:</td> <td>2016/17</td> <td>2017/18</td> </tr> <tr> <td>• Return on equity³²</td> <td>(5.0%)</td> <td>(5.0%)</td> </tr> <tr> <td>• Return on assets³³</td> <td>(4.2%)</td> <td>(4.3%)</td> </tr> </table> <p>The negative returns relate to the fact that depreciation is not funded in GWRL.</p>	Financial performance targets:	2016/17	2017/18	• Return on equity ³²	(5.0%)	(5.0%)	• Return on assets ³³	(4.2%)	(4.3%)
Financial performance targets:	2016/17	2017/18								
• Return on equity ³²	(5.0%)	(5.0%)								
• Return on assets ³³	(4.2%)	(4.3%)								
Operational performance targets	<p><i>Asset Management - Rolling Stock</i></p> <p>Days 100% availability not met EMU: 1 day per month Carriage fleet: 0.5 days per month</p> <p>Mean distance between failure Matangi: 37,500km Carriages: 45,000km</p>									

³² Based on net surplus before tax divided by average equity, but excluding revaluation gains and losses

³³ Based on earnings before interest and tax divided by average assets

Asset Management – Infrastructure

Percentage of facilities with CCTV coverage - 71%

- **Average condition grade of:**
 - Stations buildings & shelters ≤2.5/5.0
 - Structures (subways & bridges) ≤2.5/5.0
 - Park & ride ≤2.5/5.0
- **Percentage of assets in condition grade 4 (Poor) or worse**
 - Stations buildings & shelters 10%
 - Structures (subways & bridges) 15%
 - Park & ride- 20%

Other measurable targets:

- Deliver the second tranche of Matangi trains and M1 retrofit programme in accordance with the supply contract.
- Deliver train maintenance services within approved budgets through an operations and maintenance contract ensuring that train availability and reliability targets are met.
- Deliver infrastructure cleaning, maintenance and security services within approved budgets through various contracts ensuring asset condition does not deteriorate.
- Implement rail infrastructure asset renewals and like-for-like replacement programme in accordance with the asset investment priority framework.

Organisation	Port Investments Ltd (PIL)																
Ownership	100%																
Directors	<ul style="list-style-type: none"> • Fran Wilde (Chair) • Prue Lamason (Deputy Chair) • Peter Blades • Barbara Donaldson • Paul Swain • Samantha Sharif 																
Nature and scope of activities	Port Investments Ltd is an investment vehicle that owns 76.9% of CentrePort Ltd. The board of Port Investments Ltd monitors performance of CentrePort.																
Significant policies and objectives on ownership & control	PIL is owned by WRC Holdings Ltd. Its sole asset is a majority shareholding in CentrePort limited. PIL manages the Councils commercial investment. The Board of PIL has external directorships providing advice and expertise, common with WRC Holdings. The purpose of having the company is to separate the commercial assets from the public good assets of Council. PIL monitors CentrePort via its annual Statement of Corporate Intent. PIL is wholly owned by WRC Holdings who in turn is wholly owned by Wellington Regional Council.																
Key annual objectives and performance targets	<p>PIL is to act as a responsible and inquiring shareholder of CentrePort. CentrePort to report at least four times a year to PIL and for the Board of PIL to approve significant transactions of CentrePort as determined by the Constitution.</p> <table> <thead> <tr> <th>Financial performance targets:</th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>• Dividend distribution (\$000s)</td> <td>3,411</td> <td>3,715</td> </tr> <tr> <td>• Dividend distribution (%)</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>• Return on equity³⁴</td> <td>130.2%</td> <td>141.8%</td> </tr> <tr> <td>• Return on assets³⁵</td> <td>9.8%</td> <td>10.7%</td> </tr> </tbody> </table>		Financial performance targets:	2016/17	2017/18	• Dividend distribution (\$000s)	3,411	3,715	• Dividend distribution (%)	100%	100%	• Return on equity ³⁴	130.2%	141.8%	• Return on assets ³⁵	9.8%	10.7%
Financial performance targets:	2016/17	2017/18															
• Dividend distribution (\$000s)	3,411	3,715															
• Dividend distribution (%)	100%	100%															
• Return on equity ³⁴	130.2%	141.8%															
• Return on assets ³⁵	9.8%	10.7%															

³⁴ Based on net surplus before tax divided by average equity, but excluding revaluation gains and losses

³⁵ Based on earnings before interest and tax divided by average assets

Organisation	CentrePort Ltd
Ownership	76.9% by GWRC 23.1% by MWRC Holdings Ltd (owned by Horizons Regional Council)
Directors	<ul style="list-style-type: none"> • Warren Larsen (Chair) • David Benham • Richard Janes • Malcolm Johnson • John Monaghan • Mark Petersen
Nature and scope of activities	<p>The major activities of CentrePort are:</p> <ul style="list-style-type: none"> • Port infrastructure (land, wharves, buildings, equipment, utilities) • Shipping and logistical services (pilotage, towage, berthage) • Operational service (cargo handling, warehousing, facilities management, property management, security, emergency services) • Integrated logistics solutions (networks, communications, partnerships) • Property services (development, leasing management) • Joint ventures (coldstore, container repair, cleaning, packing, unpacking and storage).
Significant policies and objectives on ownership & control	CentrePort is Port Company under the Port Companies Act 1988. PIL holds the shares of CentrePort Limited. PIL is a wholly owned subsidiary of WRC Holdings. CentrePort is a commercial organisation and is run by an independent board of directors, unrelated to the Council. The Port provides a commercial return to PIL by way of dividends.

Key annual objectives and performance targets	Safety and Security performance targets	
	a. Year on year improvement towards zero harm.	
	b. Implementation of the five year Health & Safety action plan.	
	c. 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.	
	d. Annual review of Health and Safety Policy and Plan.	
	e. Undertake risk assessments and implement any mitigating procedures relating to the Port & Harbour Safety Code which promotes safety and excellence in marine operations.	
	f. Maintain compliance with international Ship & Port Security (ISPS) Code which promotes security against terrorism within the port environment	
	Environmental performance targets	
	<i>Ensure regulatory compliance</i>	
	a. Participate in current Regional Plan Review	2016/17
	b. Review Hazardous Substances Management Plan	2016/17
	c. Review third party operator performance	2016/17
	d. Participate in other relevant statutory plan or policy change processes	Ongoing
	e. Undertake annual compliance review	Ongoing
f. Obtain and maintain resource consents for infrastructure projects	Ongoing	
<i>Minimise risk to the environment</i>		
a. Review Environment & Sustainability Policy and Performance Targets	2016/17	
b. Environmental Management System - audit and certify (ISO14001) using staged approach	2017-2019	
c. Maintain 'Environmental Issues Register'	Ongoing	
<i>Realise opportunities to be more sustainable</i>		
a. Undertake energy efficiency projects (phased programme)	2016/17-19	
b. Develop waste monitoring procedures	2016/17	
c. Develop management plan for greenhouse gas emissions (including reduction targets)	2016/17	
d. Identify strategic opportunities for 'environmental offsetting' to support port development objectives	2017/18	
<i>Stakeholder engagement</i>		
a. Maintain regular meetings of the Environmental Consultative Committee (and review transparency)	Ongoing	
b. Communicate environmental objectives and performance	Ongoing	
c. Integrate environmental performance into CentrePort's external reporting (e.g. Annual Report)	Ongoing	
<i>Develop a culture of awareness and responsibility</i>		
a. Maintain regular internal communication on environmental matters	Ongoing	

Environmental objective performance targets:		
	2016/17	2017/18
Ensure regulatory compliance:		
Compliance breaches	Zero	Zero
Minimise risk to the environment:		
System: consistency with ISO 14001	Audit & 1st stage certification complete	Audit & 2nd stage certification complete
Incidents: number of registered environmental incidents	Decrease from previous year	Decrease from previous year
Complaints: number of complaints from external stakeholders about environmental performance	Zero	Zero
Realise opportunities to be more sustainable:		
Greenhouse gas emissions (quantity CO2 equivalent)	Emissions reduction plan and targets complete	Reduction target to be advised. Verified annual emissions inventory complete
Ozone depleting substances used (quantity methyl bromide released to atmosphere)	100% use of recapture technology for container fumigation	100% use of recapture technology for container fumigation
Solid waste to landfill (quantity)	Waste monitoring system (and reduction plan) developed	Reduction target to be advised
Improve stakeholder relations:		
Environmental Consultative Committee meeting frequency	At least 3 per annum	At least 3 per annum
Iwi engagement	Pre lodgement consultation undertaken for 100% of resource consent applications	Pre lodgement consultation undertaken for 100% of resource consent applications
Transparency	Performance against targets reported in Annual Report	Performance against targets reported in Annual Report
Develop a culture of awareness and responsibility		
Board sub-committee (Health Safety and Environment) meeting frequency	At least 4 per annum	At least 4 per annum
Internal 'sustainability sub committee' meeting frequency	At least 3 per annum	At least 3 per annum

Social performance targets

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

	<p>General performance targets</p> <p>a. The company will, in consultation with the shareholders, continue to develop performance targets in the financial, environmental and social areas.</p> <p>b. CentrePort will report achievement against the above targets in the quarterly reports to shareholders and the annual report. The report will include specific initiatives to enhance the environment in which we operate.</p> <p>c. When developing ‘property held for development’ the Board is to adhere to the following principles:</p> <p>III. Properties may be developed without the building being fully pre-let so long as tenancy risk is managed prudently.</p> <p>IV. Property developments must not compromise port operations.</p> <p>V. Developments are to be undertaken only if they are able to be funded without additional capital from shareholders.</p> <p>VI. Development construction contracts are to be negotiated on a guaranteed maximum price or lump sum basis.</p> <p>Definition of terms regarding property: “Management of tenancy risk” means that each single property investment has committed rental income (via development and executed lease contracts) that is sufficient to meet forecast interest costs on (i) the cost of the site development related to the development and (ii) the cost of the construction of the development AND the vacant net lettable area of the proposed development is no greater than 25%.</p>																											
<p>Key annual objectives and performance targets</p>	<table border="1"> <thead> <tr> <th>Financial performance targets:</th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>Underlying net profit before tax</td> <td>\$17.5 million</td> <td>\$19.5 million</td> </tr> <tr> <td>Underlying net profit after tax</td> <td>\$14.3 million</td> <td>\$15.7 million</td> </tr> <tr> <td>Return on total assets</td> <td>7.2%</td> <td>7.6%</td> </tr> <tr> <td>Return on port assets</td> <td>6.4%</td> <td>6.8%</td> </tr> <tr> <td>Return on property assets</td> <td>5.4%</td> <td>5.5%</td> </tr> <tr> <td>Return on equity</td> <td>6.7%</td> <td>7.1%</td> </tr> <tr> <td>Dividend distribution</td> <td>\$6.5 million</td> <td>\$7.1 million</td> </tr> <tr> <td>Dividend distribution (%)</td> <td>45%</td> <td>45%</td> </tr> </tbody> </table>	Financial performance targets:	2016/17	2017/18	Underlying net profit before tax	\$17.5 million	\$19.5 million	Underlying net profit after tax	\$14.3 million	\$15.7 million	Return on total assets	7.2%	7.6%	Return on port assets	6.4%	6.8%	Return on property assets	5.4%	5.5%	Return on equity	6.7%	7.1%	Dividend distribution	\$6.5 million	\$7.1 million	Dividend distribution (%)	45%	45%
Financial performance targets:	2016/17	2017/18																										
Underlying net profit before tax	\$17.5 million	\$19.5 million																										
Underlying net profit after tax	\$14.3 million	\$15.7 million																										
Return on total assets	7.2%	7.6%																										
Return on port assets	6.4%	6.8%																										
Return on property assets	5.4%	5.5%																										
Return on equity	6.7%	7.1%																										
Dividend distribution	\$6.5 million	\$7.1 million																										
Dividend distribution (%)	45%	45%																										
<p>Definition of Terms</p>	<ul style="list-style-type: none"> Return on assets for each business segment <i>Port:</i> Earnings before interest and tax (EBIT) plus share of associates earnings divided by the average of total fixed assets and investments in associates. <i>Property:</i> EBIT plus share of associate earnings divided by the value of investment properties plus investment in associates. This calculation is performed separately on the value of developed investment properties and the total portfolio. Return on equity is underlying net profit after tax divided by average equity. Equity is defined as the total issued capital plus the balance of undistributed profits and all revenue and capital reserves less any minority interests of the parent company, CentrePort Limited and its subsidiaries, (“the Group”). Total assets are defined as all the recorded tangible and intangible assets of the Group at their current value as determined by the Group’s accounting policies. 																											

Organisation	Wellington Regional Economic Development Agency										
Ownership	20% GWRC 80% WCC										
Directors	<table border="0"> <tr> <td>Peter Biggs (Chair)</td> <td>Helen Anderson</td> </tr> <tr> <td>Matt Clark</td> <td>Sarah Gibbs</td> </tr> <tr> <td>Grant Gilford</td> <td>Richard Laverty</td> </tr> <tr> <td>Paul Mersi</td> <td>Thomas Pippas</td> </tr> <tr> <td>Lorraine Witten</td> <td>Dave Gibson</td> </tr> </table>	Peter Biggs (Chair)	Helen Anderson	Matt Clark	Sarah Gibbs	Grant Gilford	Richard Laverty	Paul Mersi	Thomas Pippas	Lorraine Witten	Dave Gibson
Peter Biggs (Chair)	Helen Anderson										
Matt Clark	Sarah Gibbs										
Grant Gilford	Richard Laverty										
Paul Mersi	Thomas Pippas										
Lorraine Witten	Dave Gibson										
Nature and scope of activities	<p>WREDA is the key provider for economic development in the region, combined with tourism, venues and major events management for Wellington City. It encompasses the functions, and funding, of the following previous organisations and programmes:</p> <ul style="list-style-type: none"> • Grow Wellington (and its subsidiary Creative HQ) • Positively Wellington Tourism • Positively Wellington Venues • Major Events 										
Significant policies and objectives on ownership & control	<p>Under an agreement between all the councils in the region WREDA was established in late 2014. It is owned jointly by Wellington City Council (80% shareholding) and GWRC (20% shareholding). The ownership reflects the proportion of funding by the two shareholding councils. It is run by an independent board of directors and is accountable to the Wellington Regional Strategy Committee – a standing committee of GWRC with membership representing the councils in the region. WREDA implements the Wellington Regional Strategy and will support other plans which are currently being developed.</p>										
Key annual performance targets	<p>Given changes to the form of WREDA, its performance measures and targets are still under negotiation at the time of adopting this supporting information to the consultation document.</p>										

Organisation	Wellington Water		
Ownership	20% GWRC 80% WCC, HCC, UHCC, PCC (20% each)		
Directors	John Strahl (Chair) Ian Hutchings David Wright	Raveen Jaduram Nicki Crauford Cynthia Brophy	
Nature and scope of activities	Wellington Water manages the water treatment and supply, storm-water and waste-water service delivery in the Wellington region.		
Significant policies and objectives on ownership & control	Wellington Water was established in September 2014. It is owned jointly by GWRC, WCC, HCC, UHCC and PCC who each have a 20% share. It is run by an independent board of directors and is accountable to the Wellington Water Committee – a standing committee of elected representatives from each of the shareholding councils. Wellington Water manages the councils' water supply activities, delivers capital works programmes and provides council with asset management and planning advice.		
Key annual objectives and performance targets	Performance Indicators:	2016/17	2017/18
	Financial	Manage finances within budget	Manage finances within budget
	Strategic Priorities	Complete strategic priority milestones on time	Complete strategic priority milestones on time
	Regional Initiatives	Complete initiatives on time as agreed with GWRC	Complete regional initiatives on time as agreed with GWRC
	People	We have engaged staff that enjoy coming to work, go the extra mile and support each other. 60% of technical centre of excellence members have succession plans in place Less than 5% of high performing staff leave the company in any given year	We have engaged staff that enjoy coming to work, go the extra mile and support each other. 60% of technical centre of excellence members have succession plans in place Less than 5% of high performing staff leave the company in any given year
	Customer	We'll develop a customer strategy and a set of customer specific performance metrics	We'll develop a customer strategy and a set of customer specific performance metrics
	Strategic priorities	We complete our strategic priority milestones on time over the next three years, as monitored by the company's Senior	We complete our strategic priority milestones on time over the next three years, as monitored by the

		Leadership Team on a quarterly basis. We will aim to achieve 1% savings on the council work programme to June 2016.	company's Senior Leadership Team on a quarterly basis. We will aim to achieve 1% savings on the council work programme to June 2016.
	Council Work Programmes	Wellington Water takes a whole-life cost approach to managing assets to achieve agreed levels of service (tested through a sample of completed projects driven through the Asset Management Plans)	Wellington Water takes a whole-life cost approach to managing assets to achieve agreed levels of service (tested through a sample of completed projects driven through the Asset Management Plans)
		Post completion evaluations to ensure we delivered what we said we would deliver (5% sample size)	Post completion evaluations to ensure we delivered what we said we would deliver (5% sample size)
		95% of all agreed projects from client council asset management plans are completed in any given year.	95% of all agreed projects from client council asset management plans are completed in any given year.

Organisation	New Zealand Local Government Funding Agency Limited (LGFA)
Ownership	8.3%
Representation (total members)	30 Local Authorities are shareholders of the LGFA with shareholding ranging from 8.3% to 0.4% of total share capital. The New Zealand government owns 11.1% of the total \$45 million of share capital.
Nature and scope of activities	<ul style="list-style-type: none"> • LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand Local Authorities, and may undertake any other activities considered by the Board to be reasonably related or incidental to, or in connection with, that business. • The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (participating local authorities) and comply with the LGFA's lending policies.
Significant policies and objectives	<ul style="list-style-type: none"> • Providing savings in annual interest costs for all Participating Local Authorities, • Making longer-term borrowings available to Participating Local Authorities, • Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and • Offering more flexible lending terms to Participating Local Authorities. • LGFA will monitor the quality of the asset book so that it remains of high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector.
Key annual objectives and performance targets	<p>LGFA's average cost of funds relative to the average cost of funds for New Zealand Government Securities for the period to:</p> <ul style="list-style-type: none"> • 30 June 2017 will be less than 0.50% higher • 30 June 2018 will be less than 0.50% higher <p>The average margin above LGFA's cost of funds charged to the highest rated participating local authorities will be no more than:</p> <ul style="list-style-type: none"> • 30 June 2017 will be no more than 0.10% • 30 June 2018 will be no more than 0.10% <p>LGFA's annual issue and operating overheads expenses for the period to :</p> <ul style="list-style-type: none"> • 30 June 2017 will be less than \$6.88 million • 30 June 2018 will be less than \$7.43 million <p>Total lending to participating local authorities at:</p> <ul style="list-style-type: none"> • 30 June 2017 will be at least \$7,095 million • 30 June 2018 will be at least \$7,735 million

INVESTMENTS
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE

	2016/17 Plan \$000s	2016/17 LTP \$000s
Sources of operating funding		
General rate ¹	(9,955)	(9,588)
Targeted rates	2,676	2,677
Subsidies and grants for operating purposes	-	-
Fines, infringement fees, and other receipts ^{2,3}	27,934	24,876
Total operating funding	20,655	17,965
Applications of operating funding		
Payments to staff and suppliers	1,174	1,465
Finance costs	16,571	14,017
Internal charges and overheads applied	-	-
Total applications of operating funding	17,745	15,482
Surplus/(deficit) of operating funding	2,910	2,483
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	5,270	1,745
Gross proceeds from asset sales	38	39
Total sources of capital funding	5,308	1,784
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	118	121
Increase / (decrease) in investments	776	1,167
Increase / (decrease) in reserves	7,324	2,979
Total applications of capital funding	8,218	4,267
Surplus/(deficit) of funding	-	-
Depreciation on Investment assets	355	358

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

² Other receipts include revenue from pest control.

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

³ Greater Wellington manages community outcome debt via an internal debt function. Other receipts includes internal interest income which is the total interest charged to the operational activities. External investments and debt are managed through a central treasury management function in accordance with the Treasury Management Policy.

Internal interest revenue

21,878

17,620

INVESTMENTS

PROSPECTIVE INCOME INFORMATION FOR THE YEAR ENDING 30 JUNE

	2016/17 Plan \$000s	2016/17 LTP \$000s
NET CONTRIBUTION TO GENERAL RATES FROM INDIVIDUAL INVESTMENTS		
Liquid financial deposits	1,429	1,525
WRC Holdings	4,143	4,251
Treasury management	4,168	3,542
Other Investments and Property	215	270
Total contribution to general rates	9,955	9,588

For more information on the revenue and financing mechanisms applicable to investments, please refer to the "Revenue and Financing Policy" in the this 10-Year Plan 2015-25

All figures on this page exclude GST

SECTION FIVE – FINANCIAL INFORMATION

Significant forecasting assumptions and risks

This section outlines those assumptions that have changed from the 10 Year Plan and have a material impact on the forecasts.

Financial assumptions:

Interest rates

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

In our 10 Year Plan we budgeted for an interest rate of 5.7% in the 2016/17 year, however we have revised our budget to 3.4%.

Risk: There is a risk that the credit margin may increase and that floating rates may rise around the assumed composite tract. A 1% increase in interest rates above budgeted levels, assuming expenditure is in accordance with the Annual Plan, is around \$1 million for the 2016/17 year.

Level of uncertainty: medium

Transport funding from the New Zealand Transport Agency

Assumption: In 2016/17 funding assistance will be provided by the New Zealand Transport Agency (NZTA), at the following levels (percentage of cost):

Rail services	55%
Total Mobility scheme	60%
Rail projects	51% – 60%
All other transport activities	51%

Risk: The funding currently provided by NZTA towards regional transport activities is reduced further or discontinued. NZTA have indicated that financial assistance rates are unlikely to change in 2016/17.

Level of uncertainty: medium

Fuel prices

Assumption: GWRC has entered into a number of bus contracts to supply public transport services. Included in these contracts are cost indices requiring GWRC to adjust payments, depending on the movement of the indices. The indices are calculated on a number of factors, including the New Zealand dollar price for diesel, staff costs, etc. For 2016/17 the cost of oil is assumed to be US\$35 per barrel (WTIs) and the NZ/US exchange rate is assumed to be \$0.60.

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

Level of uncertainty: high

Potential impacts of uncertainty: An increase in the price of oil of US\$10 per barrel would require an increase in rates of \$0.3 million, while a 10 cent fall in the value of the New Zealand dollar compared to the US dollar would require an increase in rates of \$0.4 million.

Fare revenue

Assumption: No increase in fares is proposed for 2016/17. Current projections show that overall Fare Box Recovery targets can be met without the need for a fare increase. On-going low inflation, low fuel costs and flow on affects to patronage have been key considerations.

Risk: If inflation increases, our costs may increase, but we will not have an opportunity to increase funding through fares until the 2017/18 year

Level of uncertainty: low

Statement of significant accounting policies

Please refer to the Statement of significant accounting policies on page 222 of the 10 Year Plan 2015-25

TOTAL COUNCIL FINANCIAL STATEMENTS
PROSPECTIVE COMPREHENSIVE REVENUE AND EXPENSE STATEMENT
FOR THE YEAR ENDING 30 JUNE

	2015/16	2016/17	2016/17
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
OPERATING REVENUE			
General rates	36,522	39,488	41,000
Targeted rates	72,830	77,088	80,419
Regional rates	109,352	116,576	121,419
Water supply levy	27,600	29,098	29,468
Government subsidies	82,056	84,053	85,823
Interest and dividends	6,283	6,363	6,649
Other operating revenue	14,904	61,123	64,974
Total external operating revenue	240,195	297,213	308,333
OPERATING EXPENDITURE			
Personnel costs	40,892	42,815	41,756
Grants and subsidies	94,577	148,268	144,296
Finance costs	15,427	16,732	22,456
Depreciation	18,519	17,486	19,384
Other operating expenses	61,270	62,229	62,173
Total external operating expenditure	230,685	287,530	290,065
Operating surplus before transport improvement grants ¹	9,510	9,683	18,268
Transport improvement grants ¹	1,963	0	0
Operating surplus / (deficit) before other items	7,547	9,683	18,268
Other fair value changes	782	3,887	1,981
Operating surplus / (deficit) for the year	8,329	13,570	20,249
Other comprehensive income			
Increases / (decreases) in revaluations ²	0	0	0
Total comprehensive income / (deficit) for year	8,329	13,570	20,249

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

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

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

² The revaluations are primarily for property plant and equipment.

TOTAL COUNCIL FINANCIAL STATEMENTS
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE

	2015/16	2016/17	2016/17
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
Total opening ratepayers' funds	970,712	904,519	979,039
Total comprehensive income / (deficit) for year	8,329	13,570	19,361
Movement in ratepayers funds for year	8,329	13,570	19,361
Closing ratepayers' funds	979,041	918,089	998,400
Components of ratepayers funds			
Opening accumulated funds	468,415	390,357	482,561
Total comprehensive income / (deficit) for year	8,329	13,570	19,361
Movements in other reserves	5,819	7,297	2,951
Movement in accumulated funds for year	14,148	20,867	22,312
Closing accumulated funds	482,563	411,224	504,873
Opening other reserves	25,958	36,906	20,139
Movements in other reserves	(5,819)	(7,297)	(2,951)
Movement in ratepayers funds for year	(5,819)	(7,297)	(2,951)
Closing other reserves	20,139	29,609	17,188
Opening asset revaluation reserves	476,339	477,256	476,339
Movements in revaluation reserve ¹	-	-	-
Movement in asset revaluation reserve for year	-	-	-
Closing asset revaluation reserve	476,339	477,256	476,339
Closing ratepayers' funds²	979,041	918,089	998,400

¹ Movements in revaluation reserves are the projected revaluation of property, plant and equipment over the life of the plan

² Closing Ratepayer's funds in the 2014/15 year differ from the opening balance 2015/16 as the latter allows for forecast movements in the current financial year compared with budgeted movements

All figures on this page exclude GST

TOTAL COUNCIL FINANCIAL STATEMENTS
PROSPECTIVE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE

	2015/16	2016/17	2016/17
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
ASSETS			
Cash and other equivalents	29,145	34,066	32,599
Investments (current)	-	-	-
Other current assets	32,598	43,043	33,477
Current assets	61,743	77,109	66,076
Investments (non-current)	59,107	51,616	60,520
Forestry investments ¹	0	-	0
Investment in subsidiary	361,961	273,144	371,963
Property, plant and equipment	879,737	913,289	905,959
Non-current assets	1,300,805	1,238,049	1,338,442
Total assets	1,362,548	1,315,158	1,404,518
RATEPAYERS' FUNDS			
Retained earnings	482,563	411,224	504,873
Reserves	496,478	506,865	493,527
Total ratepayers' funds	979,041	918,089	998,400
LIABILITIES			
Debt (current)	21,253	22,937	21,254
Other current liabilities	33,195	35,168	33,195
Current liabilities	54,448	58,105	54,449
Debt (non-current)	329,059	338,964	351,669
Non-current liabilities	329,059	338,964	351,669
Total liabilities	383,507	397,069	406,118
Total equity and liabilities	1,362,548	1,315,158	1,404,518

TOTAL COUNCIL FINANCIAL STATEMENTS
PROSPECTIVE STATEMENT OF CASHFLOWS
FOR THE YEAR ENDING 30 JUNE

	2015/16	2016/17	2016/17
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash is provided from:			
Regional rates	109,352	116,576	121,419
Water supply levy	27,600	29,098	29,468
Government subsidies	82,056	84,053	85,823
Interest and dividends	6,283	6,363	6,649
Fees, charges and other revenue	14,904	61,123	64,974
	240,195	297,213	308,333
Cash is disbursed to:			
Interest	10,760	16,732	22,456
Payment to suppliers and employees	189,932	253,312	266,600
	200,692	270,044	289,056
Net cash flows from operating activities	39,503	27,169	19,277
CASHFLOWS FROM INVESTING ACTIVITIES			
Cash is provided from:			
Sale of property, plant and equipment	337	313	366
Cash is applied to:			
Purchase of property, plant and equipment	23,041	36,667	34,568
Investment additions	47,433	19,174	10,002
	70,474	55,841	44,570
Net cashflows from investing activities	(70,137)	(55,528)	(44,204)
CASHFLOWS FROM FINANCING ACTIVITIES			
Cash is provided from:			
Loan funding ¹	69,731	50,086	40,036
Cash is applied to:			
Debt repayment	10,312	16,206	19,390
Net cashflows from financing activities	59,419	33,880	20,646
Net increase/(decrease) in cash and cash equivalents	28,785	5,521	(4,281)
Opening cash and cash equivalents ²	22,287	28,545	48,204
Closing cash and cash equivalents²	51,072	34,066	43,923

¹ Greater Wellington now fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the New Zealand Transport Agency. This increases the debt carried by Greater Wellington compared to the previous regime of Crown grants at time of expenditure for capital projects.

² Closing cash and cash equivalent balances in the 2014/15 year differ from the opening balance 2015/16 as the latter allows for forecast movements in the

All figures on this page exclude GST

TOTAL COUNCIL FINANCIAL STATEMENTS

PROSPECTIVE DEBT

AS AT 30 JUNE

	2015/16	2016/17	2016/17
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
Environment	1,316	3,739	2,423
Public transport	257,828	261,449	264,067
Water supply	68,420	71,719	71,542
Parks	6,916	8,055	7,995
Flood Protection and Control Works	60,451	62,456	69,262
Stadium	3,310	878	878
Forestry			
Regional leadership	19,297	18,284	17,932
Property and investments	5,426	4,569	5,789
Corporate systems	4,443	5,474	4,469
Total activities debt	427,407	436,623	444,357
Treasury internal funding ¹	(77,095)	(74,722)	(71,434)
Total external debt	350,312	361,901	372,923
External debt (current)	21,253	22,937	21,254
External debt (non-current)	329,059	338,964	351,669
Total external debt	350,312	361,901	372,923

¹ Greater Wellington manages community outcome debt via an internal debt function. External investments and debt are managed through a central treasury management function in accordance with the Treasury Management Policy

TOTAL COUNCIL FINANCIAL STATEMENTS
PROSPECTIVE REGIONAL RATES AND CAPITAL EXPENDITURE
FOR THE YEAR ENDING 30 JUNE

	2015/16	2016/17	2016/17
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
REGIONAL RATES			
Regional Leadership - excluding Warm Greater Wellington targeted rate	11,685	11,917	12,729
Public transport	54,940	59,936	61,050
Environment	25,365	26,748	26,956
Flood Protection and Control Works	15,729	17,171	17,503
Parks	5,920	5,855	6,096
Investments ¹	(7,640)	(7,278)	(6,909)
Total Rates excluding Warm Greater Wellington targeted rate	105,999	114,349	117,425
Regional Leadership - Warm Greater Wellington targeted rate	3,353	2,227	3,995
Total regional rates	109,352	116,576	121,420
CAPITAL EXPENDITURE			
Environment	1,127	2,470	1,104
Public transport ²	6,710	11,611	20,477
Water supply	5,405	5,990	6,128
Parks	3,495	1,942	1,741
Flood Protection and Control Works	10,705	9,909	12,737
Regional Leadership	1,015	2,062	2,321
Investments	118	118	121
Other	2,960	2,565	1,345
Total capital expenditure	31,535	36,667	45,974
Public Transport Improvements	1,963	0	0
Public Transport Investment in Rail	139,623	19,174	13,380
Total Capex and improvements	173,121	55,841	59,354

¹ Investment returns reduce the requirement for rates

² Transport capital expenditure excludes investment in Greater Wellington Rail Limited for the purchase of rail rolling stock and infrastructure. This is disclosed separately as Public Transport Investment in Rail.

All figures on this page exclude GST

Financial reserves

Council Created Reserves	Purpose of the Fund	Opening Balance Jul-16 \$000s	Deposits \$000s	Expenditure \$000s	Closing Balance Jun-17 \$000s
Area of benefit reserves					
Public transport reserve	Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure	19,362	575	(5,877)	14,060
Transport planning reserve	Any funding surplus or deficit relating to the provision of public transport planning services is used only on subsequent public transport planning expenditure	2,021	144	(457)	1,708
WRS reserve	Any funding surplus or deficit relating to the Wellington Regional Strategy implementation is used only on subsequent Wellington Regional Strategy expenditure	379	0		379
Catchment scheme reserves	Any funding surplus or deficit relating to the provision of flood protection and catchment management schemes is used only on subsequent flood protection and catchment management expenditure	8,767	965	(393)	9,339
Contingency reserves					
Environmental legal reserve	To manage the variation in legal costs associated with resource consents and enforcement	207	0		207
Flood contingency reserves	To help manage the costs for the repair of storm damage throughout the region.	1,771	200	0	1,971
Rural fire reserve	To help manage the costs of rural fire equipment.	69	2		71
Special Reserves					
Election reserve	To manage the variation in costs associated with the election cycle	559	14	(325)	248
Corporate systems reserve	To manage the variation in costs associated with key IT infrastructure and software.	3,138	157	(2,190)	1,105
Other reserve balances	Rebudgets and other immaterial funds	634	105	(218)	522
Total Reserves		36,906	2,162	(9,459)	29,609

TOTAL COUNCIL FINANCIAL STATEMENTS
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE

	2015/16	2016/17	2016/17
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
Greater Wellington operations			
Sources of operating funding			
General rates	36,522	39,488	41,000
Targeted rates	72,630	77,088	80,419
Subsidies and grants for operating purposes	77,118	77,952	75,197
Interest and dividends from investments	6,283	6,363	6,649
Fees, charges, and targeted rates for water supply	4,582	51,298	54,059
Water supply levy	27,604	29,098	29,468
Other operating revenue	14,988	61,123	64,974
Fines, infringement fees, and other receipts ¹	37,922	38,923	40,383
Total operating funding	235,257	291,112	297,707
Applications of operating funding			
Personnel	40,481	42,815	41,756
Grants and subsidies	96,540	148,268	145,183
Other operating expenses	53,151	62,229	62,174
Payments to staff and suppliers	198,704	253,312	249,113
Finance costs	15,427	16,732	22,456
Other operating funding applications	-	-	-
Total applications of operating funding ²	214,131	270,044	271,569
Operating surplus/(deficit)	21,126	21,068	26,138
Sources of Capital Funding			
Subsidies and grants for capital expenditure	4,938	6,101	10,626
Increase / (decrease) in debt	145,937	25,583	17,695
Gross proceeds from asset sales	523	313	366
Total Sources of Capital Funding	151,398	32,097	28,687
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	2,720	-	-
- to improve the level of service	15,589	13,493	35,443
- to replace existing assets	13,226	23,174	10,531
Increase / (decrease) in investments	145,808	24,695	11,802
Increase / (decrease) in reserves	(5,819)	(7,297)	(2,951)
Total Applications of Capital Funding	172,524	54,065	54,825
Surplus/(Deficit) of Capital Funding	-	-	-
Depreciation on council assets	18,519	17,486	19,384
Water Supply Levy ¹	27,604	29,098	29,468

¹ This includes the Water supply levy charged to Wellington, Lower Hutt, Upper Hutt and Porirua city councils

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

[All figures on this page exclude GST

SECTION SIX – REGIONAL COUNCILLORS AND HOW TO HAVE YOUR SAY

Regional Councillors

KAPITI COAST

Nigel Wilson
M 021 284 3339
nigel.wilson@gw.govt.nz

LOWER HUTT

Sandra Greig
T 04 586 0847
M 027 640 8681
sandra.greig@gw.govt.nz

Ken Laban

T 04 971 8982
M 029 200 0044
ken.laban@gw.govt.nz

Prue Lamason

T 04 566 7283
M 021 858 964
prue.lamason@gw.govt.nz

PORIRUA-TAWA

Jenny Brash
T 04 233 8217
M 027 354 4233
jenny.brash@gw.govt.nz

Barbara Donaldson

T 04 237 0773
M 021 976 747
barbara.donaldson@gw.govt.nz

UPPER HUTT

Paul Swain

T 04 528 7830
M 021 270 9113
paul.swain@gw.govt.nz

WAIRARAPA

Gary McPhee

T 06 372 7020
M 027 457 5363
gary.mcphee@gw.govt.nz

WELLINGTON

Judith Aitken
T 04 897 2758
M 027 769 6424
judith.aitken@gw.govt.nz

Paul Bruce

T 04 972 8699
M 021 027 19370
paul.bruce@gw.govt.nz

Sue Kedgley

T 04 384 9123
M 021 270 9088
sue.kedgley@gw.govt.nz

Chris Laidlaw (Chair)

T 04 830 4246
M 027 425 4668
chris.laidlaw@gw.govt.nz

Fran Wilde

M 021 888 075
fran.wilde@gw.govt.nz

How to have your say

We would like to hear your feedback on the changes proposed for our Annual Plan 2016/17. Shape Your Region, the consultation document on the Annual Plan 2016/17 sets out the basis for consultation.

You can respond by any one of the ways outlined below. We require your feedback by **4pm on Monday 18th April 2016**.



ONLINE SUBMISSIONS

Visit our website

www.gw.govt.nz/have-your-say

to send an online submission.



WRITTEN SUBMISSION

Use the submission form on the next page or write us a letter and send it to: Annual Plan, Freepost 3156, GWRC, PO Box 11646, Manners Street, Wellington 6142.



SPEAK AT A HEARING

If you make a submission, you have the option to speak at a Council hearing. The hearings will be organised by the various consultation topics. Please let us know in your submission if you would like to be heard, and on which topic.

The consultation topics are:

- The proposed rates increase for 2016/17
- Other proposed financial changes
- Proposed project delays
- Proposed improvements