

Summary of Greater Wellington Regional Council's 2006 Annual Report

Working with communities to achieve our vision

This document summarises Greater Wellington Regional Council's Annual Report for the year ended 30 June 2006. This is the third and final report against our Long-term Council Community Plan 2003 – 2013.

This summary highlights some of Greater Wellington's achievements in each of our work areas. It also contains essential information about our financial performance over the 2006 financial year.

Greater Wellington's vision is "a sustainable region". This means ensuring our environment is protected while meeting the economic, cultural and social needs of the community.



One of the events in the Regional Outdoors Programme was a guided walk in the East Harbour Regional Park. Wetland specialist George Gibbs led a group around the freshwater lakes and hills overlooking Cook Strait and Wellington Harbour.

At Greater Wellington, we work with local councils and communities on many of our projects, particularly on cross-boundary issues such as public transport, flood protection, water supply and pest control.

As part of our longer-term focus, we have also been working with local councils and the business community to develop a strategy that takes a regional approach to economic development issues.

An important part of what we do is working with communities to encourage people to care for the region's environment. Over the year more communities, businesses and school children became involved in looking after the environment through our voluntary care groups and environmental education programmes.

We also manage nine regional parks and forests. One of the ways we encourage the community to enjoy these special places is through our Regional Outdoors Programme, which this year attracted record attendance levels at the 52 events that ran from January to April.

If you would like us to send you a copy of the complete 2006 Annual Report, please email us at publications@gw.govt.nz or phone 0800 496 734.

Greater Wellington Regional Council

Our work includes environment management, regional transport, flood protection and land management. We also maintain a network of regional parks and forests, and supply bulk water to the region's four cities.

We looked to the long-term sustainability of the region as we prepared and consulted on our Long-term Council Community Plan for 2006 – 2016. A feature of the plan is our focus on core activities and investment in critical infrastructure.

Caring for the environment



“Staff were really enthusiastic about supporting this great initiative and didn't need much encouragement to participate. The trial ran extremely smoothly and caused no disruptions. I can't believe we didn't do something like this years ago.” – Donna Sutherland, Officer Manager, Ernst and Young, Majestic Centre

When ten businesses in Wellington CBD's Majestic Centre took part in a Greater Wellington initiative to reduce waste, 23.5 tonnes of material was recycled and 1,630 litres of food waste was composted over a three-month trial rather than being sent to the landfill.

A total of 36 businesses took part in waste reduction projects during the year.

This year, more people became involved in looking after the environment through our environmental education programmes and community care groups. For instance, 3,000 primary school students were involved in our Take Action education programme while three new groups joined the Take Care programme. We also introduced a new education programme dealing with air quality, transport and climate change issues.

We produced *Measuring Up*, a report that provides vital information about the health of the region's natural and physical resources. Produced every six years, the report enables us to gauge how well we are achieving the objectives of our Regional Policy Statement. It is also the first step in a review of our Regional Policy Statement – a major activity for the coming year.

Working with other councils, emergency services and health providers, we have planned for and delivered emergency management in the region. We have also completed a risk assessment of Wellington Harbour, which will form the basis of our Safety Management System for the harbour.

Our work with private landowners to enhance streams, rivers and wetlands continued throughout 2005/06. Two additional wetland areas were approved for covenants with our financial support, bringing the number of legally protected wetlands to 32.

This year, 215 hectares of forest were protected under QEII National Trust covenants. An additional 13 native forest areas were approved for covenants, bringing the number of legally protected native forest areas in the Wellington region to 179.

Increased use of public transport



Over the years, Greater Wellington and the operators have made huge improvements to public transport, which benefits people in the region and also the environment. A recent improvement, Metlink, makes a lot of sense because it connects all modes of public transport throughout the region. And I really like the new, compact, colour-coded timetables.” – Chris Horne, Wellington resident

When Greater Wellington consulted on its ten-year Long-term Council Community Plan for 2006 – 2016, there was overwhelming support for our plans to improve the public transport system. For most submitters, this was their top priority.

Improving the region's public transport is a priority for Greater Wellington and over the next ten years, we're doubling our investment to maintain and upgrade public transport services.

The other good news is that more people than ever are using the region's network of bus, train and harbour ferry services. Total patronage of these services in 2005/06 was 35 million passenger trips, an increase of 2.6 million (8.1%) over the previous year. At the same time, all-day average congestion over the region's key roads and motorways decreased by 17% in March 2006 compared with the previous March.

Fuel sales, however, grew from a total of 459 million litres to 464 million litres in 2005, an increase of 1.1% on 2004.

In October 2005, Metlink was launched to bring all the region's bus, train and ferry services under one name. As a result of greater awareness of Metlink and its services, there was a significant growth (19%) in the number of calls in 2005/06 that were handled by the Metlink Call Centre.

Among the improvements to the region's public transport infrastructure were increased numbers of car parking spaces at Solway, Waikanae and Waterloo stations, improved security and lighting at Porirua train stations, 15 new bus shelters across the region, upgrading bus lanes, and the rollout of new Metlink bus stop signs.

Clean water for the region's four cities



"We had the most awesome trip to Te Marua. We learned heaps about how our water is cleaned, ready for us to drink. We think all of your people were great, full of knowledge and patience." – Tam Dullabh, Discovery School teacher

Pupils at Discovery School in Whitby found out about the importance of clean water when they visited the Te Marua Water Treatment Plant in June 2006. They also saw first-hand how water is treated before it is distributed to the region's four cities.

Greater Wellington collects, treats and delivers an average of 155 million litres of high-quality water per day. We undertook a comprehensive monitoring and testing programme and once again, the water supplied from our network met the Ministry of Health's drinking water standards.

Projects to secure water supply included constructing a new Karori pumping station, investigating, with Wellington City Council, a major new reservoir for the Wellington CBD, and relocating a vulnerable section of the Kaitoke/Karori pipeline.

For 2006/07, the water supply levy is unchanged. This is the tenth year in a row we have either held or cut the cost of bulk water supply through careful cost management.

Land management protects the region



"I'm very thankful to Greater Wellington for their farm plans and professional help. We started planting trees on the property more than 20 years ago and if we hadn't done that, these hills would be a shocking mess now. I can't stress enough the importance of soil conservation. It's our trees that are holding our country together." – David Holmes, Wairarapa farmer

Greater Wellington's work in soil conservation and our catchment management schemes have become increasingly important in light of extreme weather patterns, as Wairarapa farmer David Holmes confirms.

In 2005/06, we planted 250,000 trees and poles from our nurseries and now have more than 300 active soil conservation plans to reduce erosion. As well as planting an additional 421 hectares of trees using sustainable management practices, we also completed riparian planting and fencing programmes along 3.8 kms of riverbanks.

Our monitoring work and pest control programmes continue to maintain the ecosystem health of our regional parks, forests and water collection areas. Baseline monitoring of soil health was undertaken and repeat monitoring is continuing to determine any change in the state of the region's soils.

We also monitor water quality in key rivers and streams and there was no significant deterioration in 2005/06.

Control of bovine Tb vectors (possums and ferrets) protects the viability of dairying, and cattle and deer farming in the region. We have set targets to have 80% of the region under intensive possum control and reduce the percentage of infected Tb cattle and deer herds to 0.2% (six infected herds).

In 2005/06, we managed possum and other predator control over 637,000 hectares (78.4%) of land, including pest control in 74 Key Native Ecosystem sites. In addition, 15 infected Tb cattle and deer herds were reported, with a significant decline in Tb reactors from 81 in 2005 to 33 in 2006.

Big effort in flood protection



"I live near the Ava Railway Bridge and like walking my dog along the riverbank every day. I've seen a few floods over the years and all the flood protection work has already paid off. Once these plants grow some more it's going to look really great." – Richard Walker, Alicetown

With 320 kilometres of river channels and 280 kilometres of stopbanks in the region, Greater Wellington is responsible for one of the largest flood protection schemes in New Zealand.

There were no major floods in the year ending June 2006 and we were able to complete repairs from the January and March 2005 events. A big effort also went into our scheme review and flood hazard investigation work.

All of the capital works undertaken by Greater Wellington on rivers in the region have an environmental enhancement component, such as restoration planting, creating green spaces and walkways. In 2005/06, the community took part in environmental enhancement projects and funding was provided to several community groups to help them in their outstanding work along river banks.

Implementation of the floodplain management plans on our three major western rivers – Hutt, Otaki and Waikanae – continued in 2005/06. Other projects included the completion of the Mangaroa River flood hazard assessment, work on the Lower Waiwhetu Stream and the Strand Park re-alignment of the Hutt River, and design of the Ava Railway Bridge improvements. Work continued on reviews of the Lower Wairarapa Valley development scheme and the Kopuaranga River enhancement project.

Thumbs-up for parks and forests



Participants tried their hand at harakeke (flax) weaving under the guidance of local tutors during a Regional Outdoor Programme event at Queen Elizabeth Park in Kapiti. They described the event as “very well-organised, with good involvement from the local community and a friendly supportive atmosphere.”

Almost everyone (96%) who visits regional parks and forests is happy with what they provide while 81% are aware of Greater Wellington’s network of nine parks and forests.

These findings come from visitor satisfaction surveys, conducted by Greater Wellington. Altogether, we manage 50,000 hectares of regional parks, forests and water collection areas. In 2005/06, we spent \$1.12 million monitoring, protecting and enhancing the recreation and heritage facilities of these areas to ensure visitors can have a safe and enjoyable experience.

This activity includes pest control, ranger services, monitoring the condition of assets and carrying out capital works such as providing a toilet block at the summit of the Rimutaka Rail Trail and building new rangers’ offices at Queen Elizabeth Park, East Harbour Regional Park and Whitireia Park.

One of the ways we encourage the community to enjoy regional parks is through our annual Regional Outdoors Programme. This year’s programme, which ran from January to April, was a great success, attracting record attendance levels and some excellent feedback. The 52 events ranged from educational outings to bush walks and hosting sports events.

Our community groups continue to be actively involved in our parks and forests, particularly through our environmental enhancement projects. Nine of these projects were carried out, as planned.

This year, the Government assisted Greater Wellington in the purchase of Waitangirua Farm from Landcorp so it could be included the regional parks network.

Summary Financial Report

Statement of Financial Performance for the year ended 30 June 2006

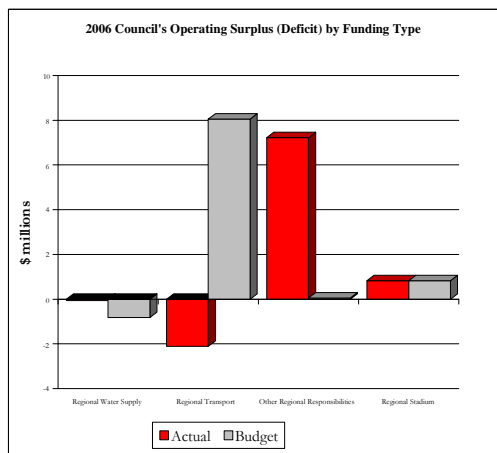
Have we operated within our overall budget?

	Notes	Council 2006 Actual \$000's	Council 2006 Budget \$000's	Council 2005 Actual \$000's	Group 2006 Actual \$000's	Group 2005 Actual \$000's
Total External Operating Revenue		139,239	152,586	133,077	185,042	177,230
Total External Operating Expenditure		133,359	144,478	122,282	176,276	163,954
Operating Surplus before Taxation		5,880	8,108	10,795	8,766	13,276
Taxation Expense		0	0	0	1,149	603
Operating Surplus for the Year		5,880	8,108	10,795	7,617	12,673
Plus Unrealised increase in the value of Investment Properties	2	0	0	0	10,825	14,399
Less Net Surplus Attributable to Minority Interest	3	0	0	0	3,538	4,395
Net Surplus Attributable to Council's Interest		5,880	8,108	10,795	14,904	22,677

Note: 1 The Group comprises Greater Wellington Regional Council and its Subsidiaries, including WRC Holdings Limited, Pringle House Limited, Port Investments Limited and CentrePort Limited and its Subsidiaries.

2 The Group's investment properties comprise of CentrePort's developed and undeveloped properties which are revalued annually to net current value. The increase in value of these properties was the major source of the Group's \$14.9 million net surplus.

3 Minority interests represent Manawatu-Wanganui Regional Council's 23.1% share of CentrePort Limited.



Some of our surplus comes from savings against budget, while others from delays in projects and additional income from our investments.

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

- Grants of \$2.8 million received from Government in respect of Waitangirua Farm purchase which was unbudgeted.
- The completion of repairs during 2005/06 for the 2004/05 floods resulted in improved flood protection assets. \$1.1 million of operating expenditure was capitalised at year end.
- Progress on transport capital expenditure was delayed due to the difficulty in finalising key transport contracts. This resulted in central government grant revenue for transport capital expenditure being \$9.1 million below budget.
- Increased costs of diesel and electricity continued to place pressure on the public transport budget.

Statement of Movement in Ratepayers' Funds as at 30 June 2006

What is the net worth of Greater Wellington?

	Notes	Council 2006 Actual \$000's	Council 2006 Budget \$000's	Council 2005 Actual \$000's	Group 2006 Actual \$000's	Group 2005 Actual \$000's
Ratepayers' Funds at the Start of the Year		552,913	552,935	542,118	658,642	633,506
Net Surplus for the Year		5,880	8,108	10,795	14,904	22,677
Increase/(Decrease) in Asset Revaluation Reserves		(141)	0	0	(141)	(850)
Total Recognised Revenues & Expenses for the Year		5,739	8,108	10,795	14,763	21,827
Movement in minority interest		0	0	0	2,707	3,309
Ratepayers' Funds at the End of the Year		558,652	561,043	552,913	676,112	658,642

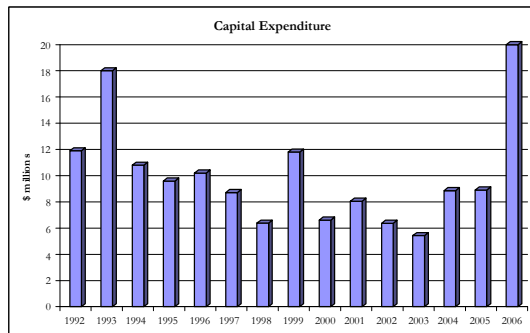
Council's Funding Impact Statement for the year ended 30 June 2006

How have surplus funds been used?

	Council 2006 Actual \$000s	Council 2006 Budget \$000s	Council 2006 Variance \$000s
Regional water supply	(59)	(817)	758
Regional transport	(2,111)	8,048	(10,159)
Regional stadium	829	829	-
Other regional responsibilities	7,221	48	7,173
Operating surplus (deficit)	5,880	8,108	(2,228)
Movement in reserves	3,167	3,126	41
Add back non cash items	9,092	9,567	(475)
Other Loan Funding	2,447	4,359	(1,912)
Funding surplus from operations	20,586	25,160	(4,574)
less:			
Net capital expenditure	20,651	27,062	(6,411)
Investment movements	1,881	1,596	285
Loan funding of capital expenditure	(12,526)	(14,692)	2,166
Net capital expenditure and investment	10,006	13,966	(3,960)
Working capital movement	(5,237)	-	(5,237)
Debt repayment	15,817	11,194	4,623
Net funding surplus (deficit)	0	-	0

Greater Wellington's funding from operations was \$4.6 million below budget. The delays in transport capital projects resulted in a \$9.1 million reduction in revenue. This has been offset by surpluses in other areas.

This table summarises Greater Wellington's operating result by funding type. It also shows how council capital and investment additions have been funded.



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

Notable projects advanced or completed during 2005/06 included:

- \$6.7 million of improvements to the Water network
- \$6.2 million of flood protection measures including the completion of the 2004/05 flood damage
- Purchase of Waitangirua Park from Landcorp for \$5.6 million. This was not budgeted in the annual plan

Improvements to public transport infrastructure has been delayed, resulting in actual transport capital expenditure being \$11.5 million below budget.

STATEMENT OF CASH FLOWS for year ended 30 June 2006

What was the inflow & outflow of cash?

	Council 2006 Actual \$000's	Council 2006 Budget \$000's	Council 2005 Actual \$000's	Group 2006 Actual \$000's	Group 2005 Actual \$000's
Opening cash & call deposits	2,705	2,869	2,869	3,279	2,330
Closing cash & call deposits	159	2,869	2,705	111	3,279
Net increase (decrease) in cash held	(2,546)	0	(164)	(3,168)	949
Net cash inflow/(outflow) from operating activities	17,429	17,382	12,923	29,074	20,902
Net cash inflow/(outflow) from investing activities	(21,158)	(27,971)	(6,197)	(56,876)	(28,553)
Net cash inflow/(outflow) from financing activities	1,183	10,589	(6,890)	24,634	8,600
	(2,546)	0	(164)	(3,168)	949

STATEMENT OF FINANCIAL POSITION as at 30 June 2006
How healthy is Greater Wellington's balance sheet?

	Notes	Council 2006 Actual \$000's	Council 2006 Budget \$000's	Council 2005 Actual \$000's	Group 2006 Actual \$000's	Group 2005 Actual \$000's
Ratepayer's funds (excluding minority interest)		558,652	561,043	552,913	639,207	624,444
Minority Interests		0	0	0	36,905	34,198
Total Ratepayers' Funds	4	558,652	561,043	552,913	676,112	658,642
Total Current Assets	5	58,282	75,278	63,963	63,279	68,670
Total Non-Current Assets	6	579,474	573,624	566,176	810,899	757,916
Total Assets		637,756	648,902	630,139	874,178	826,586
Total Current Liabilities	7	20,062	25,924	19,482	75,116	26,220
Total Non-Current Liabilities	8	59,042	51,935	57,744	122,950	141,724
Total Liabilities		79,104	87,859	77,226	198,066	167,944
Net Assets		558,652	561,043	552,913	676,112	658,642

Notes:

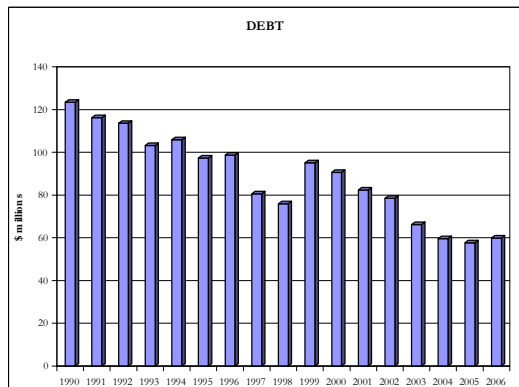
Note: 4 Ratepayers funds consists of ratepayers equity, Council created reserves and revaluation reserves.

5 Current assets consist of cash and short term deposits, debtors, inventory, short term investments and any taxation refunds due.

6 Non current assets consist of any future tax benefits, long term investments and property, plant and equipment.

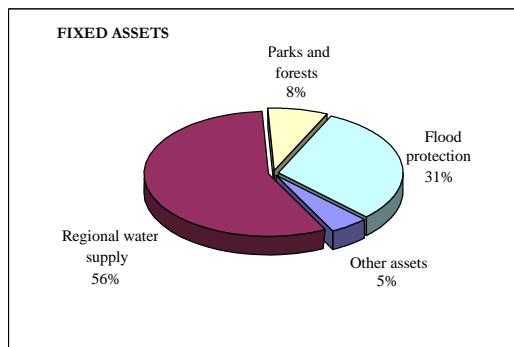
7 Current liabilities consist of creditors, current provisions and short term debts.

8 Non current liabilities consist of long term provisions and long term debts.



Greater Wellington's debt position increased by \$2.3 million during the year. The purchase of Waitangirua Park which was not budgeted in the annual plan contributed to this increase.

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



Greater Wellington looks after many important community assets. These consists of regional water supply, parks and forests, flood protection and increasingly public transport assets. Continued management and investment in these assets are essential. Greater Wellington maintains and updates detailed asset management plans to ensure we look after these assets on behalf of the community.

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

REPORT OF GROUPS OF ACTIVITIES

How did we do against what we said we would do?

Greater Wellington continued to deliver on its commitments to the community with most 2006 performance targets being met. We have also made progress on our longer term targets to ensure we continue to progress towards our vision of a sustainable region.

Parks

The Government assisted Greater Wellington to purchase Waitangirua Farm from Landcorp Farming Ltd so we could include it in our regional parks network.

Transport

Greater Wellington is doubling its investment in the region's public transport over the next ten years to maintain and upgrade public transport services. This year however our investment in transport infrastructure was delayed as key contracts have not yet been finalised. Transport rates and fares will rise to contribute toward the cost of this investment.

More people than ever are using the region's network of bus, train and harbour ferry services. A Greater Wellington survey shows that total patronage of these services in the 2005-2006 year was 35 million passenger trips, an increase of 2.6 million (8.1%) over the previous year.

Floods and Storms

As extreme weather events become more common, we have worked hard to maintain the region's flood defences. Our work in soil conservation and our catchment management schemes have become increasingly important. We have more than 300 active soil conservation plans to reduce erosion and have planted 250,000 trees and poles from our nurseries this financial year.

Water

The water supply levy for 2005-2006 remained unchanged and has not increased for 2006-2007. 2006-2007 will be the tenth year in a row that we have either held or cut the cost of bulk water supply to the region's four cities. All of the water supplied from our network met the Ministry of Health's drinking water standards.

This summary financial report has been extracted from the full Annual Report dated 17th October 2006. The Annual Report has been audited by Audit New Zealand and an unqualified opinion was obtained on the 17th October 2006.

This summary cannot be expected to provide as complete an understanding as provided by the full Annual Report on the financial and service performance, financial position and cash flow of the Council.

This summary financial report was authorised for issue on 17th October 2006 by the Chairperson, Chief Executive and the Chief Financial Officer.

AUDIT REPORT

If you require further information or would like a full copy of the Annual Report contact the Greater Wellington Regional Council on (04) 384 5708 or download from our website, www.gw.govt.nz.

Progress on our long-term targets

Greater Wellington focuses on ten elements to help us achieve our vision. We set ten-year targets for each element and in the full Annual Report, we record our progress towards those targets. Here are some examples of how we are doing in key long-term areas of our work.

Biodiversity

Target: 80% of our region under intensive possum control.

Progress: possum control areas under all of Greater Wellington's managed schemes total 637,150 hectares – or 78.4% of the region.

Water

Target: improving the water quality of our six most polluted streams and rivers.

Progress: the water quality of the Ngarara and Waitohu Streams has improved while the others have showed no change.

Air

Target: no recorded instances where air pollution reaches the 'alert' level of the national air quality guideline.

Progress: there were 16 recorded instances where the 'alert' level for fine particulate matter was reached.

Energy

Target: fewer than 400 million litres of petrol and diesel used for transport purposes per year.

Progress: 464 million litres of fuel were sold in the Wellington region, an increase of 5 million litres from the previous year.

Land

Target: sustainable management of 5,000 additional hectares of erosion-prone land.

Progress: another 421 hectares of soil conservation trees were planted using sustainable management practices.

Transport

Target: average travel times to key facilities do not increase.

Progress: a travel time survey on representative routes showed a 17% all-day average decrease in congestion.

Waste

Target: to reduce Greater Wellington Regional Council's waste by 50%.

Progress: a 79% daily reduction in waste in the Wellington office between 2003/04 and 2005/06.

Recreation and parks

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

Progress: a survey shows that 49% of the region's population visited a regional park in 2005/06.

Safety and hazards

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

Progress: 27% have an emergency plan and 70% have emergency supplies.

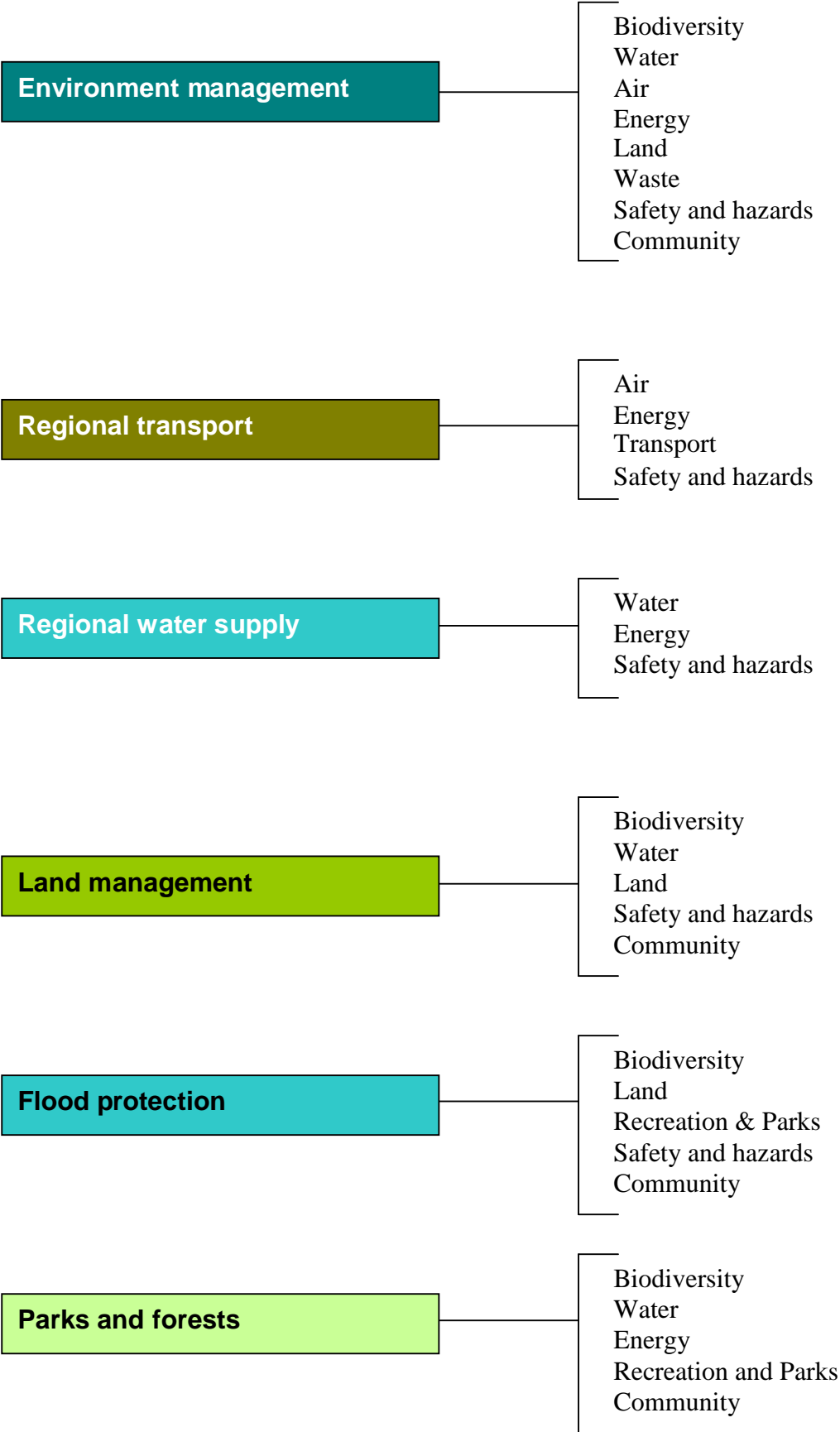
Community

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

Progress: 76% reported that they were doing something positive for the environment in 2005/06.

Activities of Greater Wellington

This diagram shows the links between Greater Wellington’s six activity areas and the ten elements of a sustainable region.



Regional councillors 2005/2006

Kapiti



Chris Turver

Porirua



Hon Margaret Shields

Wairarapa



Ian Buchanan

Wairarapa



Rick Long

Wellington



Judith Aitken

Wellington



Sally Baber

Wellington



Chris Laidlaw

Wellington



Terry McDavitt

Wellington



Fran Wilde

Upper Hutt



Rex Kirton

Lower Hutt



Glen Evans

Lower Hutt



Peter Glensor

Lower Hutt



Sandra Greig