



## Report on groups of activities, including Statement of Service Performance

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For each activity the actual achievement is compared to the planned performance indicators as set out in the 2005/2006 Annual Plan.

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

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





Greater Wellington Environment Management group of activities all affect the environmental well-being of the region and, to varying degrees, the social, economic and cultural well-being.

Greater Wellington develops and implements resource management policies and plans, manages resource consents and responds to pollution incidents.

Our environmental education programmes promote good environmental management and are targeted at schools and businesses, as well as the general community through community care groups. This year, we have engaged with more than 3,000 primary school students through the Take Action programme. We have also produced a new educational programme dealing with air quality, transport and climate change issues.

This year, we have also reported on the region's environmental health through *Measuring Up*, our state of the environment report. Produced every six years, this report summarises the health of the region's natural and physical resources, and allows us to gauge how well we are achieving the objectives of the Regional Policy Statement. Our cultural health is also highly influenced by the state of the environment. *Measuring Up* also signals the beginning of the review of the Regional Policy Statement, which is a major activity in the coming year.

Together with other councils, emergency services and health providers, we plan for and deliver emergency management in the region. Greater Wellington also regulates the region's harbours and coastal waters, ensuring they are safe for commercial and recreational users. In accordance with the requirements of the New Zealand Port and Harbour Marine Safety Code, a risk assessment for Wellington Harbour was completed and approved by Maritime New Zealand during the year.

This major piece of work now forms the basis for the ongoing development of our Safety Management System for Wellington Harbour. Both our harbour and emergency management activities contribute to the region's social and economic well-being.

## PROGRESS ON OUR CONTRIBUTIONS

**Biodiversity**  
Protecting, restoring ecosystems

Two additional wetlands and 13 additional native forest areas on private land were approved for covenants, with Greater Wellington financial support.

**Water**  
Managing quality and quantity of all our water

Water quality in the Ngarara Stream near Waikanae and also the Wainuiomata River (following the removal of sewage discharges) has improved as shown in *Measuring Up*, the state of the environment report.

61.8% of all water samples taken at 76 coastal sites met the guidelines.

**Air**  
Preventing air pollution

There were 17 recorded instances where the 'alert' level of air pollution was reached.

**Energy**  
Promoting everyday conservation

A baseline figure of 4,707 tonnes of carbon equivalent was established for the 2003/04 year, using the national best practice methodology EBEX 21, managed by Landcare Research. Our carbon footprint reduced in the 2004/05 year to a level of 4,533 tonnes of carbon equivalent. Electricity use remains the biggest component of this footprint.

**Land**  
Protecting and enhancing soil quality

118 sites have been sampled since the programme started in 2000/01 to provide a baseline for monitoring soil quality and intactness. Repeat sampling was done this year and results are currently being analysed.

**Waste**  
Encouraging waste reduction and safe disposal

36 businesses participated in waste reduction projects initiated during the year.

**Responding to pollution incidents**  
Pollution prevention

During the year, 1,362 pollution incidents were reported across the region, a 19% increase from 1,141 in 2002/03.

**Safety & Hazards**  
Promoting safety, harbour management, civil defence

In a survey on community preparedness, 27% of residents claim to have an emergency plan while about 76% of all households claim to have emergency survival supplies

There was one fatality recorded in Wellington Harbour during 2005/06.

**Community**  
Supporting environmental care groups

Three new groups joined the Take Care programme this year and two existing groups successfully re-applied for funding to complete new projects.

### Managing resources

#### Targets

##### LONG-TERM by 30 June 2013

The Regional Policy Statement and regional plans are implemented to achieve their stated objectives and the following Quality for Life measures:

- 50 wetlands legally protected.
- 400 native forest areas on private land protected.
- The water quality of our six most polluted streams improves.
- No significant deterioration of water quality in our key streams and rivers.
- Coastal water quality does not fall below the standard for which it is being managed.

#### Actual

Greater Wellington has five regional plans: the Regional Coastal Plan, the Regional Freshwater Plan, the Regional Plan for Discharges to Land, the Regional Air Quality Management Plan and the Regional Soil Plan. The objectives and policies of the plans are designed to deliver sustainable outcomes. All the plans are operative.

- Currently, there are 30 wetlands on private land legally protected. In 2005/06, two were approved for covenants with Greater Wellington's financial support.
- Currently, 179 native forest areas are legally protected. This includes 13 native forest areas approved for covenants with Greater Wellington's financial support in 2005/06.
- The six most polluted streams are Waiwhetu, Kaiwharawhara, Ngarara, Makoura, Waitohu and the Ruamahanga River. The technical report on water quality has showed that the quality of the Ngarara and Waitohu streams has improved since 1999, while the others have showed no change.
- The technical report showed no significant deterioration of water in the region's key streams and rivers.
- Forty seven (61.8%) of the 76 coastal sites monitored for bathing water quality over the past summer achieved 100% compliance with recreational water quality guidelines. Nineteen sites (25%) exceeded the action guidelines on one occasion while ten sites (13.2%) exceeded the guideline on two or more occasions. The majority of these exceedences were associated with some rainfall in the 72 hours before sampling.





### Managing resources (continued)

#### Targets

##### LONG-TERM by 30 June 2013 (continued)

- Greater Wellington's carbon footprint reduced by 10% per annum.
- Greater Wellington's waste reduced by half.

##### SHORT-TERM by 30 June 2006

A review of the Regional Policy Statement will be commenced to the satisfaction of the Council within a budget of \$75,000.

The implementation of the Regional Policy Statement and regional plans will have continued by progressing the following:

- Wetland Action Plan

#### Actual

- A benchmark figure of 4,707 tonnes of carbon equivalent was established in 2003/04. This was reduced to 4,533 tonnes of carbon equivalent in 2004/05. Our carbon footprint has increased in 2005/06 to a level of 4,823, as we pumped additional water throughout the region.
- Waste surveys undertaken at our Wellington office showed a daily reduction in waste from 111 kgs in 2003/04 to 23 kgs in 2005/06 (a 79% reduction). During 2004/05, our rubbish collection from all our sites was reduced by 369,000 litres, a 35% decrease on the previous year.

##### Regional Policy Statement review

The Regional Policy Statement review started with publishing *Measuring Up* and is progressing on schedule. A number of workshops with councillors and other stakeholders took place. Our region – Their Future, a discussion document on the Regional Policy Statement review, was released in May for public submission. We will prepare a draft Regional Policy Statement once we've considered feedback on the review and other emerging issues.

Actual costs were \$28,000.

##### Wetland Action Plan

- This year, 21 landowners joined the wetland incentives programme and 20 landowners received incentives (not necessarily the same 20). Subsidised weed control and fencing remain the most popular incentives offered. About 0.5 km of fencing was subsidised under this programme this year.



## Environment management Targets

### Managing resources (continued)

#### Targets

SHORT-TERM by 30 June 2006 (continued)

- QEII Trust private land protection programme

#### Actual

- In June, scientists from NIWA and Landcare Research visited the region as part of a national wetland research programme. Four wetlands from this region have been included as case studies in this programme: two are on private land and two are on Greater Wellington land. Participating in this research programme will help address gaps in our knowledge about wetlands.
- The first *Wild about waters and wetlands* newsletter was sent to more than 100 landowners involved in the Streams Alive or wetland programmes.
- *So you're thinking about building a pond*, a guide to the design, management and consent requirements for landowners, was produced and distributed.
- An estuarine wetland plant identification day at Waikanae Estuary was organised.

QEII National Trust private land protection programme

Commitments totalling \$75,000 were made this year to covenant projects which, when finalised, will protect 215.2 hectares of predominantly lowland forest.



### Managing resources (continued)

#### Targets

##### SHORT-TERM by 30 June 2006 (continued)

- Waiwhetu Stream action plan
  
  
  
  
  
  
  
  
  
  
- Kaiwharawhara Stream plan

#### Actual

##### Waiwhetu Stream action plan

- Good progress was made to ensure that the flood protection study is integrated with the broader stream rehabilitation programme.
- The results from a project sampling the stormwater from the Gracefield area confirm that elevated levels of contaminants are entering the stream via the stormwater system. Possible solutions to the problem with Hutt City Council are being explored.
- An associated project examining the levels of contamination in groundwater is due for completion by 31 March 2007.

##### Kaiwharawhara Stream plan

- Three signs were erected in early December at Kaiwharawhara Road (highlighting the School Road work), Trelissick Park (with a focus on the area's heritage and natural values) and near Otari. The signs contain generic information about the Kaiwharawhara catchment and Project Kaiwharawhara, together with site-specific information about work that has been completed in each of the locations.
- Ten small signs were erected at locations to highlight that the adjoining stream is part of the wider Kaiwharawhara catchment.
- Work has progressed on two fish passes to help fish move further upstream. We have the resource consents for the work and the construction work is expected to be completed by September 2006.



## Environment management Targets

### Managing resources (continued)

#### Targets

##### SHORT-TERM by 30 June 2006 (continued)

- Waitohu Stream improvement project
  
- Riparian management strategy

#### Actual

##### Waitohu Stream improvement project

- We reported to the Landcare Committee in March and the Environment Committee in April. The report summarised the findings of a range of technical investigations and consultation. The report was sent for public comment in May.

##### Riparian management strategy

- The riparian strategy was completed in 2002, and Greater Wellington is managing pilot programmes on the Karori and Kakariki Streams where streamside planting is continuing.





### Managing resources (continued)

#### Targets

##### SHORT-TERM by 30 June 2006 (continued)

- Pauatahanui Inlet action plan
- Greater Wellington's carbon footprint programme
- Coastal and marine ecosystem programme

#### Actual

##### Pauatahanui Inlet action plan

- The Vegetation Frameworks project is jointly funded by the Ministry for Environment's Sustainable Management Fund, Porirua City Council and Greater Wellington. It involves developing a broad-scale restoration plan for the rural parts of the Pauatahanui catchment and is near completion. The project has been very well-received by landowners and we are exploring options to ensure the project continues.

##### Greater Wellington's carbon footprint programme

- When energy use figures are finalised, Greater Wellington will calculate its carbon footprint for the 2005/06 year. Last year's footprint was 4,534 tonnes of carbon equivalent.

##### Coastal and marine ecosystem programme

- This is a survey of the intertidal zones of the Kapiti Coast, Plimmerton Beach, Titahi Bay and Makara estuary, and continues the survey done in the Wellington Harbour and South Coast last year. The results were presented to the April Environment Committee meeting.



## Environment management Targets

### Managing resources (continued)

#### Targets

##### SHORT-TERM by 30 June 2006 (continued)

- Freshwater ecosystems programme

To the satisfaction of the Council and within a budget of \$752,000.

#### Actual

##### Freshwater ecosystems programme

- A field survey of potential sites for constructing fish passes this year was carried out. We identified nine locations on five streams and completed a report containing concept designs for fish passes. Consents have been granted to construct two of the fish passes.

Actual costs were \$423,000.



### Managing resources (continued)

#### Targets

##### LONG-TERM by 30 June 2013

Decisions on resource consents (including compliance and enforcement) will be consistent with the policies and objectives of the Regional Policy Statement and regional plans.

##### SHORT-TERM by 30 June 2006

All consent applications will be processed according to the procedures set down in the Resource Management Act 1991 and the Consents Processing Procedures manual, within a budget of \$600,000.

All consents will be monitored according to the procedures set down in the Resource Management Act 1991 and the Compliance Monitoring Procedures (CMD) manual, within a budget of \$294,000.

#### Actual

All officers' reports on consent applications have been referenced and are consistent with the Regional Policy Statement and relevant regional plan.

670 consents were processed in the region. Other than 15, which were processed outside of statutory time frames, all these consents were completed according to the Resource Management Act 1991 and the CMD manuals.

Actual costs were \$675,000.

Monitoring of granted resource consents is ongoing throughout the year. All consents programmed for inspection have been monitored in accordance with the Resource Management Act 1991 and our CMD manual. We provided an annual compliance report to the Environment Committee and Rural Services and Wairarapa Committee. Specific compliance issues were reported to Council throughout the year.

Actual costs were \$279,000.



## Environment management Targets

### Managing resources (continued)

#### Targets

##### LONG-TERM by 30 June 2013

Greater Wellington and iwi of the region continue to have a mutually beneficial relationship.

##### SHORT-TERM by 30 June 2006

Ara Tahi will meet six times, within a budget \$37,000.

#### Actual

Greater Wellington has continued to make significant progress in maintaining and improving its relationships with the region's iwi. A number of workshops and training forums were held to increase the knowledge and understanding of councillors, staff and iwi representatives.

It has continued to fund iwi to participate in the non-notified resource consent process and to undertake resource management projects.

This year, two iwi appointees sat the second level accreditation training for hearing commissioners, and a further three sat the first level of this training.

Ara Tahi met six times this financial year. Two representatives from Ara Tahi are also part of the Wellington Regional Strategy Forum and this year, the chairman of Ara Tahi was formally appointed as a member of Greater Wellington's Environment Committee, with full voting rights.

A number of Ara Tahi technical workshops were also held during the year, including workshops to discuss the role of iwi appointees on resource consent hearings, amendments to the Resource Management Act 1991, and on the review of the Regional Policy Statement. Ara Tahi continued to be used as a forum for collective discussion and to provide policy advice to Council.

Actual costs were \$16,000.



### Managing resources (continued)

#### Targets

##### SHORT-TERM by 30 June 2006 (continued)

Iwi will be assisted to undertake projects according to the provisions of the relevant contract and within a budget of \$263,000.

#### Actual

Greater Wellington supports iwi to undertake projects that have mutual benefits and also assist iwi to become more involved in the management of resources. This year, the Wellington Tenth's Geographic Information Systems project was concluded with an agreement on the sharing of data, the development of protocols and data transfer to Greater Wellington. Te Ati Awa ki Taranaki completed an iwi management plan, and a proposed project at Hongoeke quarry at Plimmerton was investigated.

Actual costs were \$80,000.





## Environment management Targets

### Managing resources (continued)

#### Targets

##### LONG-TERM by 30 June 2013

Greater Wellington has sufficient information about its natural and physical resources to:

- have a comprehensive understanding of the state of the environment
- enable the assessment of the effectiveness of resource consents and other management approaches, in achieving stated environmental outcomes
- ensure the community has access to reliable and relevant information about the state of the environment.

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

#### Actual

*Measuring Up*, the state of the environment report for the Wellington region, was published in December 2005. The report provides key information about the health of the region's natural and physical resources, and allows us to assess how well we are achieving the course set in the 1995 Regional Policy Statement. A series of report cards summarising the key findings of the full report was also prepared.

*Measuring Up* is the beginning of a review of the Regional Policy Statement (RPS), a process that will give us a chance to propose any changes to the RPS that may be needed to enable us to better manage the state of the region's natural and physical environment.

- Report cards produced annually.
- The community can access all information via the website or on request.

For the year ended 30 June 2006, the 'alert' level for fine particulate matter (PM<sub>10</sub>) was reached 16 times at the following locations:

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

The 'action' level for PM<sub>10</sub> was reached once in Masterton in June 2006.



### Managing resources (continued)

#### Targets

##### SHORT-TERM by 30 June 2006

A comprehensive state of the environment report will be published to the satisfaction of the Council and within a budget of \$90,000.

Annual report cards containing summary information for the following natural resources will be published:

- hydrology
- groundwater
- freshwater quality
- coastal water quality
- recreational water quality
- air quality
- soil quality

to the satisfaction of the Council and within a budget of \$1,681,000.

#### Actual

*Measuring Up*, the state of the environment report for the Wellington region, and individual report cards, were published in December 2005. Both *Measuring Up* and individual report cards cover each Regional Policy Statement chapter: iwi environmental management systems, fresh water, soils, coastal environment, air quality, biodiversity and the state of our ecosystems, landscape and heritage, waste management and hazardous substances, and built environment and transportation.

Actual costs were \$81,000.

Annual report cards were presented to the Policy, Finance and Strategy Committee on 15 December 2005. The report cards helped give the detail needed for producing *Measuring Up*.

Actual costs were \$1,728,000.



## Environment management Targets

### Managing resources (continued)

#### Targets

##### LONG-TERM by 30 June 2013

Reported pollution incidents are reduced to half of 2002/03 total.

##### SHORT-TERM by 30 June 2006

All complaints and notified pollution incidents will be responded to, recorded and, where appropriate, followed up to the satisfaction of the Environment Committee and within a budget of \$232,000.

An annual pollution report card will be produced to the satisfaction of the Council.

The number of pollution complaints received will reduce by 15% of the 2002/03 total.

#### Actual

A total of 1,362 incidents were reported, amounting to a 19% increase on the 2002/03 total of 1,141.

All of the 1,362 incidents were responded to and, where appropriate, followed up. Regular reports were provided to the Environment Committee and Rural Services and Wairarapa Committee.

An annual pollution control report card was presented to the Environment Committee on 30 May 2006 and was widely distributed.

Actual costs were \$352,000.



### Environmental education

#### Targets

##### LONG-TERM by 30 June 2013

Greater Wellington will implement imaginative and innovative environmental education programmes for schools, businesses and the general community to achieve the following Quality for Life measures:

- Five new care groups are established per annum.
- 80% of people surveyed are doing something positive for the environment.
- 80% of businesses surveyed have waste reduction initiatives in place.

##### SHORT-TERM by 30 June 2006

Through the Take Care programme, existing care groups will be maintained and five new care groups will be established and assisted in providing local environmental care, to the satisfaction of the Council and within a budget of \$280,000.

#### Actual

- We established three new care groups in 2005/06. Two further groups, which had completed their original projects, re-applied and were approved to start new projects at new sites.
- A July 2005 survey showed that 76% of people surveyed feel that they are doing something to make a positive difference to the region's environment.
- No businesses were surveyed on their waste reduction initiatives. However, 36 businesses have participated in waste reduction projects initiated during the year. The Take Charge programme for business carried out 30 audits during the year.

Thirty-two funded care groups worked steadily on their projects this year (27 of these care groups are from previous years). Three new groups started projects on the Enaki Stream, the Waikanae River (at Ngati Awa) and the Porirua Stream (at Churton Park). Two groups that had completed projects started new projects on the Porirua Stream and Kaiwharawhara Stream. The latter project is a combined effort with the Trelissick Park Working Group.



## Environment management Targets

### Environmental education (continued)

#### Targets

SHORT-TERM by 30 June 2006 (continued)

#### Actual

Major achievements this year:

- Good progress was made clearing willows and replanting at the Moehau Stream through the combined efforts of community service volunteers, Fergusson Intermediate pupils (doing Take Action), Upper Hutt City Council, and care group members.
- A grant from Ministry for Environment's Sustainable Management Fund supported the group working on Hulls Creek to construct a fish pass and remove willows.
- Additional funds were obtained by the Waikanae Estuary group to expand its restoration work.
- The Otari-Wilton's Bush group planted a further 3,000 plants in its restoration area.
- A second demonstration area of native grasses and ground cover was created at Riversdale beach; a sand ladder was constructed to access the beach; and acacia was removed from the reserve at the southern end of the beach.
- More than 500 native trees planted in the riparian zone on the Motuwaireka Stream.
- The Friends of the Waikanae River planted 3,000 plants on the south bank of the river.





### Environmental education (continued)

#### Targets

SHORT-TERM by 30 June 2006 (continued)

#### Actual

- Community members and volunteers planted extensively at the Battle Hill Farm Forest Park's wetland and the remnant forest, and Queen Elizabeth Park's wetland.
- Friends of Maara Roa continued ongoing pest control and planting at Cannons Creek.
- Groups at Henley Wetland, Waitohu Stream, Paraparaumu Beach, Eastbourne Beach, Greendale, Enaki Stream and the Papawai Stream continued ongoing weed removal and replanting.
- A brochure and signage were developed to advertise the work of the Friends of Owhiro Stream and recruit new members. The group also continued weed removal and replanting.

Otari-Wilton's Bush Care Group won a major award at the 2005 Conservation Awards for its restoration activities, while the Manuka Street Group won a merit conservation award and a Weedbusters Award. The Trelissick Park Group and the Henley Lake Group also received Weedbuster Awards.

Actual costs were \$235,000.



## Environment management Targets

### Environmental education (continued)

#### Targets

##### SHORT-TERM by 30 June 2006 (continued)

The Take Action environmental education programme for school children will be implemented to the satisfaction of the Council and within a budget of \$243,000.

#### Actual

Twenty-four schools and 3,300 students have completed Take Action during the year, some 1,000 more students than the previous year.

The Take Action for Air pilot, the companion programme to Take Action, was developed and will be taken up by the first school in July 2006. Hutt City was a focus for the year and a significant number of Hutt schools have participated in the Take Action for Air programme.

Greytown School, a Take Action school, won an award at the 2005 Conservation Awards after it was nominated by Greater Wellington.

Nine of the 15 schools receiving awards at the 2005 Conservation Awards in November were Take Action schools.

Actual costs were \$262,000.



### Environmental education (continued)

#### Targets

##### SHORT-TERM by 30 June 2006 (continued)

The Take Charge environmental education programme for businesses will be implemented to the satisfaction of the Council and within a budget of \$169,000.

#### Actual

Take Charge completed 30 audits during the year.

Twenty-eight re-visits were completed. These visits review progress made in implementing the recommendations of the original audits. The major focus for the year was the businesses on Drain 6, a tributary of the Wharemauku Stream at Paraparaumu.

A number of one-off audits were undertaken at sites identified as having specific issues that required assessment.

Other initiatives undertaken to promote business sustainability:

- A three-month trial with businesses in the Majestic Centre, focussed on waste minimisation, resulted in 23.5 tonnes of recyclable material and 1630 litres of food waste being diverted from landfill to recycling and composting.
- EnviroSmart, a three-year environmental programme for manufacturing and commercial businesses, started in the region. Greater Wellington is a co-funder of this programme.
- Twenty-five businesses are participating in the Get Sustainable Challenge, an awards programme that rewards businesses for making sustainability improvements.

Actual costs were \$124,000.



## Environment management Targets

### Managing emergencies

#### Targets

##### LONG-TERM by 30 June 2013

By 2013, 70% of organisations and households have an emergency plan and survival supplies.

##### SHORT-TERM by 30 June 2006

35% of organisations and households will have an emergency plan and survival supplies, within a budget of \$45,000.

#### Actual

A survey conducted in 2006 showed that:

- 70% of households (65% in 2005) have emergency food supplies
- 71% (69% in 2005) have emergency water supplies
- 27% (26% in 2005 and 31% in 2004) have an emergency plan.

Actual costs were \$37,000.



### Managing harbours

#### Targets

##### LONG-TERM by 30 June 2013

There will not be any accidents in our harbours and coasts and oil spills will be cleaned up quickly.

##### SHORT-TERM by 30 June 2006

The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service, which is in accordance with Council-agreed operating standards, within a budget of \$319,000.

Reports of oil spills in harbour waters will be checked within 30 minutes and clean-up action for actual oil spills commenced within one hour of being reported in harbour waters and within three hours of being reported in regional coastal waters, all within a budget of \$13,000.

A formal log will be kept and incidents followed up whenever possible.

#### Actual

One fatality was recorded in Wellington Harbour during 2005/06. A seaman was lost overboard from an oil tanker near the Wellington Harbour entrance.

No significant oil spills occurred during the 2005/06 year.

Actual costs were \$363,000.

The Beacon Hill Harbour Communications Station provided a 24-hour 365-day communications service in accordance with Greater Wellington's specified standards. Since 2 September 2005, the Beacon Hill Station has used an automatic identification system (AIS). This tracks the movement of sea vessels and is an important part of our Safety Management System.

Thirty reports of oil spills were received and all were checked within 30 minutes. None of these reports was significant and only one required some clean-up work.

On 3 and 4 May 2006, Maritime New Zealand held operation Hard Rock, a major Tier 3 oil-response exercise. This exercise involved staff from Greater Wellington and Marlborough District Council.

A formal log has been kept.

Actual costs were \$6,000.





## Environment management Targets

### Managing harbours (continued)

#### Targets

##### SHORT-TERM by 30 June 2006 (continued)

Within a budget of \$96,000, safety in our harbours and coastal waters will be maintained by:

- administering the Wellington Regional Navigation and Safety Bylaws
- educating recreational boaters and harbour users about safety issues
- monitoring behaviour for safety purposes
- investigating all reports of unsafe behaviour. A formal record will be kept.

The Port and Harbour Safety management system will be completed and implementation started within a budget of \$200,000.

#### Actual

- Further copies of the Regional Navigation and Safety Bylaws were distributed as required. The bylaws were promoted at various events.
- In June 2006, Greater Wellington considered the future of the Lyall Bay reserved area, which is provided under the Navigational and Safety bylaws. Various groups that use the area have articulated some safety concerns. As a result, the bylaw provision relating to the reserved area will be formally reviewed in the coming year.
- No significant events were reported during the year. However, we responded to 39 complaints of unsafe boatie behaviour. A formal log was kept of these incidents.

Actual costs were \$125,000.

In accordance with the requirements of the New Zealand Port and Harbour Marine Safety Code, and in conjunction with CentrePort, a risk assessment for Wellington Harbour was completed and approved by Maritime New Zealand. This major piece of work now forms the basis for the ongoing development of our Safety Management System for the Harbour.

While the risk management assessment was completed, funds associated with the implementation of the Safety Management System were not drawn on in 2005/06.

## Environment management Financial summary



	Council 2006 Actual \$000's	Council 2006 Budget \$000's
<b>Funding Statement</b>		
General Rate	10,393	10,393
Other Rates	0	0
Government Subsidies	193	125
Interest & Dividends	14	14
Fees, Charges & Other Revenue	2,103	1,909
<b>Operating Revenue</b>	<b>12,703</b>	<b>12,441</b>
Direct Operating Expenditure	12,017	12,199
Interest	0	7
Depreciation	339	397
<b>Operating Expenditure</b>	<b>12,356</b>	<b>12,603</b>
<b>Operating Surplus/(Deficit)</b>	<b>347</b>	<b>(162)</b>
<b>Less:</b>		
Capital Expenditure	329	701
Proceeds from Asset Sales	(10)	(36)
Loan Funding		(200)
<b>Rates Funded Capital Expenditure</b>	<b>319</b>	<b>465</b>
Debt Repayment	4	16
Investment Additions	0	0
Reserve Movements	132	(246)
Working Capital Movements	0	0
Non-Cash Items	(339)	(397)
<b>Net Funding Required</b>	<b>231</b>	<b>0</b>

### Operating Revenue

	Council 2006 Actual \$000's	Council 2006 Budget \$000's
Managing Resources	9,432	9,201
Environmental Education	999	997
Managing Harbours	1,547	1,553
Managing Emergencies	725	690
<b>Total Operating Revenue</b>	<b>12,703</b>	<b>12,441</b>

### Operating Expenditure

	Council 2006 Actual \$000's	Council 2006 Budget \$000's
Managing Resources	9,109	9,377
Environmental Education	1,075	1,033
Managing Harbours	1,557	1,577
Managing Emergencies	615	616
<b>Total Operating Expenditure</b>	<b>12,356</b>	<b>12,603</b>

### Capital Expenditure

	Council 2006 Actual \$000's	Council 2006 Budget \$000's
Land & Buildings	0	50
Plant & Equipment	254	545
Vehicles	75	106
<b>Total Capital Expenditure</b>	<b>329</b>	<b>701</b>





The regional transport activities continued to significantly affect well-being in general and specifically the economic, environmental and social dimensions. Economic well-being was enhanced through the contribution made to getting people to work on the public transport system. It was also enhanced through the transport planning role, which includes facilitation of freight movement as well as movement by all types of vehicles for work purposes.

Environmental well-being is enhanced through contracting public transport services. This results in fewer vehicles on the roads, particularly at congested times, and leads to lower environmental impacts. Greater Wellington also encourages cycling and walking, which are more environmentally friendly modes and also have positive spin-offs in terms of fitness.

Many public transport journeys are made for social reasons. The support we offer for special transport programmes for people with disabilities also leads to improved social well-being.

## PROGRESS ON OUR CONTRIBUTIONS

### Air Promoting reduced vehicle emissions

None of the 17 instances of high levels of fine particulate matter were recorded at transport air quality monitoring stations.

### Energy Encouraging use of public transport, cycling and walking

In 2006, 74% of trips up to 1 km were made by walking or cycling (active modes). This result is identical to that produced by the first survey in 2004.

Active modes of travel accounted for 27% of trips between 1-2 kms in the 2006 survey. This compares with 19% in 2004.

In 2005/06, 35 million passenger trips were made on the region's public transport network, an increase of 8.1% from 2004/05.

An increase of 8.7% on 2004/05 resulted in 440 million passenger kilometres travelled using public transport in 2005/06.

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

### Transport Funding public transport services and facilities to:

- achieve a balance of public and private transport use
- encourage active modes of transport
- maintain access to key facilities

45% of work trips into central Wellington were made by private vehicle in 2001. This information will be updated every five years (national census).

In 2006, 74% of trips up to 1 km were made by walking or cycling (active modes). This result is identical to that produced by the first survey in 2004.

Active modes of travel accounted for 27% of trips between 1-2 kms in the 2006 survey. This compares with 19% in 2004.

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

### Safety & Hazards Promoting safety within our transport systems

In 2006, less than 1% of those who said they had not used public transport in the past 12 months cited safety concerns as a reason for not using public transport. This falls just short of the target, met in 2003 and 2004, that "no-one cites safety as a reason why they do not use public transport".



## Regional transport Targets

### Planning and monitoring the transport network

#### Targets

##### LONG-TERM by 30 June 2013

Greater Wellington will maintain and continue to monitor the delivery of an affordable Regional Land Transport Strategy (RLTS) that is consistent with any National Land Transport Strategy and which reflects the prevailing community views, as expressed through a public consultation process, to achieve the following Quality for Life measures:

- Essential community facilities can be easily accessed – with no more than a 1% per annum worsening of congestion despite traffic growth.
- Over the next ten years there is no recorded instance when air pollution reaches the 'alert' level of the national ambient air quality guidelines due to traffic.
- By 2013, less than 45% of work trips to central Wellington are being made by private car.
- By 2013, 65% of all trips up to 1 km and 48% of all trips up to 2 kms are walked or cycled.
- Over the next ten years petrol and diesel used for transport purposes remain below 400 million litres per annum.

#### Actual

- The March 2006 travel time survey on representative routes to key facilities showed a 17% decrease in congestion from 2004/05
- None of the 17 instances of high levels of fine particulate matter were recorded at transport air quality monitoring stations.
- 45% of work trips into central Wellington were made by private vehicles in 2001. This information will be updated every five years (national census).
- In 2006, 74% of trips up to 1 km were made by walking or cycling (active modes). This result is identical to that produced by the first survey in 2004. Active modes of travel accounted for 27% of trips between 1-2 kms in the 2006 survey, compared with 19% in 2004.
- Fuel sales grew from a total of 459 million litres to 464 million litres in 2005, an increase of 1.1% on 2004.





### ■ Planning and monitoring the transport network (continued)

#### Targets

##### SHORT-TERM by 30 June 2006

The review of the Regional Land Transport Strategy (RLTS) will continue within a budget of \$400,000.

A series of cycling promotion initiatives will be implemented within a budget of \$117,000.

Continue support of initiatives that focus on land transport outcomes in the region, for example, by supporting the Regional Road Safety week.

#### Actual

Expenditure on the review of the RLTS to 30 June 2006 was \$15,900. This work programme was delayed in order to co-ordinate with the Wellington Regional Strategy and the Western Corridor Plan review processes.

A total of \$78,900 was spent on cycling promotion during the year.

Greater Wellington supported regional safety initiatives with \$35,800 spent. This included a Drive to the Conditions promotion.



## Regional transport Targets

### Building the public transport infrastructure

#### Targets

##### LONG-TERM by 30 June 2013

Greater Wellington will maintain and develop public transport user facilities to conform to our quality and effectiveness criteria to achieve the following Quality for Life measures:

- Essential community facilities can be easily accessed – with no more than a 1% per annum worsening of congestion despite traffic growth.
- Safety concerns do not stop people using public transport.

##### SHORT-TERM by 30 June 2006

All current public transport user facilities will be maintained in accordance with the Council's guidelines to the satisfaction of the manager, transport policy, and within a budget of \$741,000.

Greater Wellington will provide additional bus-only lanes and bus priority systems within Wellington City in conjunction with Wellington City Council, within a budget of \$145,000.

#### Actual

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

In 2006, less than 1% of those who said they had not used public transport in the past 12 months cited safety concerns as a reason for not using public transport. This falls just short of the target, met in 2003 and 2004, that "no-one cites safety as a reason why they do not use public transport".

All public transport user facilities were maintained in accordance with Greater Wellington's guidelines to the satisfaction of the Divisional Manager, Public Transport. During 2005/06, \$673,700 was spent maintaining 2,803 bus stops, 783 bus shelters and parking areas, and 58 train stations.

Additional improvements to the region's public transport infrastructure during 2005/06 include: increased numbers of car parking spaces at Solway, Waikanae and Waterloo train stations; improved security and lighting at Porirua train station; 15 new bus shelters across the region; and the rollout of new Metlink bus stop signs.

We spent \$122,000 in 2005/06 on the Petone Esplanade bus lane, upgrades to bus stop access at Taita station, and maintenance of existing bus lanes and priority measures (traffic light pre-emption) within Wellington City.



### Funding and promoting public transport

#### Targets

##### LONG-TERM by 30 June 2013

Greater Wellington will purchase passenger transport services which conform to both the Greater Wellington's transport policies, as expressed by the Regional Passenger Transport Plan, and Greater Wellington's vehicle quality standards. The overall level of service will be progressively increased in response to growth in demand to achieve the following Quality for Life measures:

- By 2013 less than 45% of work trips to central Wellington are being made by private car.
- Essential community facilities can be easily accessed – with no more than a 1% per annum worsening of congestion despite traffic growth.
- Over the next ten years petrol and diesel used for transport purposes remain below 400 million litres per annum.

#### Actual

45% of work trips into central Wellington were made by private vehicle in 2001. This information will be updated every five years (national census).

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

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



## Regional transport Targets

### Funding and promoting public transport (continued)

#### Targets

##### SHORT-TERM by 30 June 2006

Greater Wellington will achieve, through the tendering process approved by Land Transport New Zealand, a total contract price for bus and rail services of no more than \$52,000,000.

All tendering and contract procedures will be carried out in accordance with the competitive pricing procedures approved by Land Transport New Zealand.

A 24-hour, 7-day passenger timetable enquiry service will be provided within a budget of \$426,000.

#### Actual

In 2005/06, a total of 35,015,084 passenger trips were made on the region's public bus, train and ferry services. This is an increase of 8.1% from 2004/05.

During the year a number of areas within the Wellington region benefited from public transport service improvements. These included: Whitby, Newlands, Evans Bay, Days Bay ferry and Miramar.

The total cost of contracted services, including concessionary fare reimbursements and school services, was \$48,917,920.

The tendering and contract procedures have been carried out in accordance with the competitive pricing procedures approved by Land Transport New Zealand.

On 3 October, Metlink was launched to bring the entire region's bus, train and ferry services under one name to make public transport information easier to find and services easier to promote. As a result of the greater awareness of Metlink and the services it provides, there has been a significant growth in call volumes handled by the Metlink Call Centre. This reached 388,799 calls in 2005/06, which is 19% more calls than in 2004/05. This meant that the cost of providing the Metlink Call Centre was greater than budget. Total expenditure was \$594,000.



## Funding total mobility

### Targets

#### LONG-TERM by 30 June 2013

Essential community facilities can be easily accessed – with no more than a 1% per annum worsening of congestion despite traffic growth.

### Actual

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



## Regional transport Financial summary

	Council 2006 Actual \$000's	Council 2006 Budget \$000's		Council 2006 Actual \$000's	Council 2006 Budget \$000's
<b>Funding Statement</b>			<b>Operating Revenue</b>		
General Rate	0	0	Funding & Promoting		
Targeted Rate	29,255	29,255	Public Transport Services	56,381	67,377
Government Subsidies	34,328	48,803	Building the Public		
Interest & Dividends	93	115	Transport Infrastructure	4,414	4,448
Fees, Charges & Other Revenue	2,022	333	Funding Total Mobility	2,162	2,226
<b>Operating Revenue</b>	<b>65,698</b>	<b>78,506</b>	Planning & Monitoring		
			the Transport Network	2,741	4,455
			<b>Total Operating Revenue</b>	<b>65,698</b>	<b>78,506</b>
Direct Operating Expenditure	67,221	69,791	<b>Operating Expenditure</b>		
Interest	238	314	Funding & Promoting		
Depreciation	350	353	Public Transport Services	57,660	58,062
<b>Operating Expenditure</b>	<b>67,809</b>	<b>70,458</b>	Building the Public		
<b>Operating Surplus/(Deficit)</b>	<b>(2,111)</b>	<b>8,048</b>	Transport Infrastructure	5,145	5,534
			Funding Total Mobility	2,294	2,233
			Planning & Monitoring		
<b>Less:</b>			the Transport Network	2,710	4,629
Capital Expenditure	548	11,995	<b>Total Operating Expenditure</b>	<b>67,809</b>	<b>70,458</b>
Proceeds from Asset Sales	(2)	0	<b>Capital Expenditure</b>		
Loan Funding	(81)	(2,140)	Rail	441	10,575
<b>Rates Funded Capital Expenditure</b>	<b>465</b>	<b>9,855</b>	Bus	0	1,000
			Other	0	270
Debt Repayment	462	404	<b>Major project expenditure</b>	<b>441</b>	<b>11,845</b>
Investment Additions	0	0	Land & Buildings	0	0
Reserve Movements	(2,680)	(1,858)	Plant & Equipment	78	150
Working Capital Movements	0	0	Vehicles	29	0
Non-Cash Items	(350)	(353)	<b>Total Capital Expenditure</b>	<b>548</b>	<b>11,995</b>
<b>Net Funding Required</b>	<b>(8)</b>	<b>0</b>			

Delays in signing various transport contracts have caused the rescheduling of capital expenditure into following years. These delays have also affected the revenue received from the Crown by way of grants for public transport.



Economic well-being is very dependent on the continued supply of quality water from the city councils which, in turn, are supplied by Greater Wellington Water. Without this supply many industries simply could not function and, indeed, an availability of healthy water is an inherent requirement for well-being.

Greater Wellington Water supplied an adequate supply of water to our customers that met the Ministry of Health's Drinking-water Standards for New Zealand 2005 (DWSNZ). We also maintained certification to the ISO 9001:2000 quality management system standard and the ISO 14001:2004 environmental management system standard.

## PROGRESS ON OUR CONTRIBUTIONS

### Water

A high quality, cost-effective and environmentally friendly wholesale water supply

Records indicate that the water supplied fully complied 100% of the time with the DWSNZ. Compliance for the 2005 calendar year has been confirmed by the Hutt Valley District Health Board.

Complied with all resource consents held, apart from minor over-abstraction incidents and a minor unauthorised discharge.

### Energy

Committing to energy reduction programmes

Greater Wellington Water uses a system optimiser that ensures water is produced when power costs are lowest and hence losses in the electricity network are minimised.

Power factor correction projects at three sites are partially complete. A further site will be fitted with power factor correction equipment in 2006/07. Power factor correction improves the efficiency of the electricity distribution system.

### Safety & Hazards

Secure water supply in emergencies

Current projects to secure water supply include:

- Relocating a vulnerable section of pipeline between State Highway 2 and State Highway 58. Work was completed by June 2006.
- Investigating, with Wellington City Council, a major new reservoir for the Wellington CBD. This would improve operational security of supply as well as provide water in an emergency.
- A new Karori Pumping Station will be more secure in a seismic event than the existing pumping station. Construction was completed by June 2006 and commissioning is well-advanced.



## Regional water supply Targets

### Quality

#### Targets

##### LONG-TERM by 30 June 2013

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

##### SHORT-TERM by 30 June 2006

The collection, treatment and delivery of water will be managed to ensure the quality of water supplied continually complies with the Ministry of Health's relevant Drinking-water Standards for New Zealand.

Water testing will be carried out by an International Accreditation New Zealand registered laboratory at sampling points defined by the quality assurance section of Greater Wellington Water, not less than five days out of every seven. Expenditure will not exceed the budget of \$640,000.

#### Actual

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

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

Greater Wellington Water is certified to ISO 9001:2000 Quality Management Systems – Requirements. This is an adopted requirement for our wholesale water supply operations. Quality management procedures within the system ensure the high quality of all aspects of the water supply operation.

Te Marua Plant has a 'U' grade, which means it is ungraded. It was previously graded 'A' but the Public Health Services (part of HVDHB) has not issued a current grading.

A comprehensive monitoring and testing programme, complying with the requirements of the DWSNZ, has been undertaken. The quality of the water leaving the treatment plants has been continuously monitored, with results recorded every minute. The quality of the water in the bulk distribution system has been sampled and tested every second day at representative locations by an International Accreditation New Zealand accredited laboratory. The cost of routine laboratory testing was on budget at \$640,000.





### Quality (continued)

#### Targets

##### SHORT-TERM by 30 June 2006 (continued)

The gradings of the water treatment plants at 1 July 2005 will be maintained.

Vegetation management and pest control measures will be carried out in the region's water supply catchments, in accordance with Greater Wellington's Forestry Management Plan and within a budget of \$220,000, so that the treatment plants receive good quality water.

Provided legislation is passed by 30 June 2005, five public health risk management plans will be prepared.

#### Actual

'A1' grade signifies "completely satisfactory, negligible level of risk, demonstrably high quality".

'A' grade signifies "completely satisfactory, extremely low level of risk".

'B' grade signifies "satisfactory, very low level of risk".

Waterloo and Gear Island Water Treatment Plants are currently ungraded ('U') because the previous 'B' grades have lapsed and not been updated by the Hutt Valley District Health Board. It is expected that Gear Island Water Treatment Plant would achieve an 'A' grade if it was assessed. Waterloo Water Treatment Plant can only be graded 'B' because, at the request of Hutt City Council, chlorine is not added. The addition of chlorine provides a residual disinfection capability, which helps protect water against the risk of contamination in the distribution network.

Te Marua Water Treatment Plant has a 'U' grade. It was previously graded 'A'. Wainuiomata Water Treatment Plant has an 'A1' grade.

Vegetation management control was carried out in the catchments as required. The cost of this work was \$191,460.

Drinking water legislation was introduced to Parliament on 21 June 2006 but has not yet had a first reading. No draft risk management plans have been produced this year.



## Regional water supply Targets

### Security of supply

#### Targets

##### LONG-TERM by 30 June 2013

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

#### Actual

Projections using a computer-based sustainable yield model show that at current growth rates, Greater Wellington's water supply infrastructure has less than a 1-in-50-year shortfall probability until about 2007. A 1-in-50-year shortfall probability was adopted after consultation with our customers. This is lower than that of Auckland's 1-in-200-year standard although the Auckland system is more reliant on storage and hence more susceptible to long-term droughts.

Greater Wellington Water manages water supply assets in accordance with a planned maintenance programme. Policy is that there is no deferred maintenance. The Asset Management Plan was prepared in accordance with the National Asset Management Steering Group guidelines and has been approved by Audit NZ.

Greater Wellington Water has an 'n-1' policy for security of water supply. This means that even if one of the three main water treatment plants were out of commission, there would still be sufficient water available to meet the basic needs of the community under most circumstances.



### Security of supply (continued)

#### Targets

##### SHORT-TERM by 30 June 2006

Rebuilding the Karori Pumping Station will be completed in 2005/06 at a total project cost not exceeding \$2,500,000.

The pipeline on the Silverstream Bridge will be replaced at a cost not exceeding \$450,000, provided Upper Hutt City Council's bridge-strengthening work is completed by 28 February 2006.

The new replacement pipeline between State Highway 2 and State Highway 58 will be completed at a total project cost not exceeding \$2,400,000.

#### Actual

Construction of the new Karori Pumping Station was completed in June 2006 and commissioning is expected to be completed by mid-August 2006. Total cost to 30 June 2006 is \$2,833,300. Only minor costs are expected during completion of commissioning. The bulk of the over-expenditure was due to adverse ground conditions. Council approved additional funding in February 2006.

Replacement of the Kaitoke/Karori pipeline has not proceeded as the benefits in terms of flood level reductions are being re-examined. Strengthening of the bridge started in June 2006 but the chosen design has little direct impact on the pipeline. Only \$12,000 was spent in 2005/06 on design and liaison.

We completed relocation of the Kaitoke/Karori pipeline at Haywards in June 2006 after encountering severely adverse ground conditions. Project cost to 30 June is \$2,909,000. Council approved additional funding in February 2006.



## Regional water supply Targets

### Environmental management

#### Targets

##### LONG-TERM by 30 June 2013

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

##### SHORT-TERM by 30 June 2006

All appropriate resource consent conditions will be complied with, within a monitoring budget of \$65,000.

Resource consent compliance will be demonstrated to an auditable standard and a report on compliance for 2004/05 will be prepared by 30 November 2005.

Aquifer monitoring wells will be installed at the Petone foreshore at a cost not exceeding \$100,000.

#### Actual

Greater Wellington Water acquires and seeks to comply with all appropriate resource consents. Abstraction consents govern the quantity of water that can be drawn from each source and how much must remain. Consents are also sought for any discharges from the treatment plants. Most by-products from the plants are processed through wastewater recovery plants and removed off-site.

Greater Wellington Water holds certification to ISO 14001 (the International Standards Organisation's environmental management benchmark) for our wholesale water supply activities. Certification to ISO14001:2004 was granted in May 2006.

We expect to fully comply with all consent conditions, apart from minor over-abstraction incidents and a minor non-permitted discharge. The total fees for ongoing consents during the financial year were \$55,792.

A report was published by 30 November 2005.

No expenditure has been incurred on this project to date, with installation of the wells now deferred to the next financial year.



### Customer service

#### Targets

##### LONG-TERM by 30 June 2013

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

##### SHORT-TERM By 30 June 2006

Customers will be provided with a business report by 30 November 2005, which will include the following information:

- financial results for the financial year ended 30 June
- actual quality compared with targeted performance
- a list of incidents where supply has been interrupted, together with the time taken to respond and repair
- a report on compliance with resource consent requirements
- status of ongoing service level agreements.

#### Actual

Greater Wellington Water maintains regular communication with customer organisations at various levels of seniority.

A report was published by 30 November 2005 containing all the stipulated information.



## Regional water supply Targets

### Business efficiency

#### Targets

##### LONG-TERM by 30 June 2013

Greater Wellington Water has improved its business efficiency over the last nine years following various restructuring initiatives, whilst maintaining its service quality levels. Total operating expenditure, excluding depreciation, is not expected to increase in real dollars. Thus we expect to hold the water levy at the 2004/05 dollar level across the eight-year planning period. However, asset values are expected to increase significantly across the eight-year planning period, which will in turn increase the depreciation expense.

##### SHORT-TERM By 30 June 2006

Total operating expenditure, excluding depreciation, will not exceed \$20,940,000.

The revenue from the water levy will not exceed \$22,777,000.

#### Actual

The annual costs of running Greater Wellington Water, excluding changes in depreciation rates, has reduced by \$5.2 million or 23% between 1997 and 2006, whilst service levels have been improved throughout this period. Management of maintenance costs, electricity and chemical usage have all contributed to the productivity improvement.

Expenditure of \$20,849,600 was incurred during the financial year, with activities being carried out according to requirements.

Water levy revenue of \$22,776,473 was received during the financial year.



### Health and safety

#### Targets

##### **LONG-TERM by 30 June 2013**

The manner in which we carry out our operations will comply with the Health and Safety in Employment Act 1992 as amended in 2002, Health and Safety Regulations 1995, relevant Codes of Practice and current legislation.

##### **SHORT-TERM By 30 June 2006**

The hazard register will be reviewed on a six-monthly basis. The effectiveness of the measures taken to eliminate, isolate or minimise risk to all Greater Wellington Water employees and contractors will be continually assessed.

#### Actual

A hazard identification programme has been undertaken for all operational sites. Hazard registers have been updated and are being maintained on an ongoing basis.

The hazard registers have recently been reviewed and no issues relating to their effectiveness have been identified. We review contractor health and safety plans before we engage them.



## Regional water supply Financial summary

	Council 2006 Actual \$000's	Council 2006 Budget \$000's		Council 2006 Actual \$000's	Council 2006 Budget \$000's
<b>Funding Statement</b>			<b>Operating Revenue</b>		
General Rate	0	0	Collecting, Treating & Delivering Water	24,132	24,051
Targeted Rate	0	0	<b>Total Operating Revenue</b>	<b>24,132</b>	<b>24,051</b>
Water Supply Levy	22,776	22,776	<b>Operating Expenditure</b>		
Government Subsidies	0	0	Collecting, Treating & Delivering Water	24,191	24,868
Interest & Dividends	618	581	<b>Total Operating Expenditure</b>	<b>24,191</b>	<b>24,868</b>
Fees, Charges & Other Revenue	738	694	<b>Capital Expenditure</b>		
<b>Operating Revenue</b>	<b>24,132</b>	<b>24,051</b>	Water Sources	136	430
Direct Operating Expenditure	14,263	15,016	Water Treatment Plants	929	1,005
Interest	3,177	3,178	Pipelines	2,263	1,660
Depreciation	6,751	6,674	Pump Stations	2,397	2,292
<b>Operating Expenditure</b>	<b>24,191</b>	<b>24,868</b>	Reservoirs	0	20
<b>Operating Surplus/(Deficit)</b>	<b>(59)</b>	<b>(817)</b>	Monitoring & Control	48	130
<b>Less:</b>			Seismic Protection	114	100
Capital Expenditure	6,726	6,443	Other	525	300
Proceeds from Asset Sales	(62)	(94)	<b>Major Project Expenditure</b>	<b>6,412</b>	<b>5,937</b>
Loan Funding	(6,412)	(5,937)	Land & Buildings	0	0
<b>Levy Funded Capital Expenditure</b>	<b>252</b>	<b>412</b>	Plant & Equipment	45	161
Debt Repayment	5,078	4,114	Vehicles	269	345
Investment Additions	1,362	1,331	<b>Total Capital Expenditure</b>	<b>6,726</b>	<b>6,443</b>
Reserve Movements	0	0			
Working Capital Movements	0	0			
Non-Cash Items	(6,751)	(6,674)			
<b>Net Funding Required</b>	<b>0</b>	<b>0</b>			

The capital expenditure above replaced assets in accordance with the Regional Water Supply Asset Management Plan.



# Regional water supply

## Statement of financial position as at 30 June 2006



	Notes	Council 2006 Actual \$000's	Council 2006 Budget \$000's
<b>Ratepayers' Funds</b>			
Retained Earnings		71,324	70,911
Reserves		186,310	186,804
<b>Total Ratepayers' Funds</b>		<b>257,634</b>	<b>257,715</b>
<b>Assets</b>			
<b>Current Assets</b>			
Receivables		2,522	2,837
Inventory		1,453	1,494
<b>Total Current Assets</b>		<b>3,975</b>	<b>4,331</b>
<b>Non Current Assets</b>			
Investments		9,472	8,109
Property, Plant & Equipment	7	293,144	293,253
<b>Total Non-Current Assets</b>		<b>302,616</b>	<b>301,362</b>
<b>Total Assets</b>		<b>306,591</b>	<b>305,693</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables		3,467	3,829
Employee Provisions		508	502
<b>Total Current Liabilities</b>		<b>3,975</b>	<b>4,331</b>
<b>Non Current Liabilities</b>			
Public Debt		44,982	43,647
<b>Total Non-Current Liabilities</b>		<b>44,982</b>	<b>43,647</b>
<b>Total Liabilities</b>		<b>48,957</b>	<b>47,978</b>
<b>Net Assets</b>		<b>257,634</b>	<b>257,715</b>





The land management group of activities had a significant effect on economic well-being, particularly through its impacts on the agriculture sector.

Specifically, control of bovine tuberculosis vectors protects the viability of dairying and of cattle and deer farming in the region. Similarly, the soil conservation activities promote sustainable use of the region's land and protect the soils so that they retain their productivity.

Environmental well-being is enhanced through both areas of activity with ecosystems benefiting particularly from the pest management work, while soil conservation produces benefits in water quality. There are also specific programmes that are targeted to enhance the quality of key native ecosystems.

Social well-being was enhanced through the reduction of the likelihood of slips that could have damaged important community infrastructure. It was also supported through the way that Greater Wellington involved many farmers and others in our work.

No significant negative effects were generated during the year.

## PROGRESS ON OUR CONTRIBUTIONS

### Biodiversity

Protecting and restoring ecosystems

Controlling plant and animal pests

Thirteen additional native forest and wetland areas on private land were approved for covenants, with Greater Wellington financial support in 2005/06.

Vector (possum and ferret) control operations were completed over 321,570 hectares. Total area under possum control programmes in the region is 637,150 hectares – or 78.4% of the region.

Pest control undertaken in 74 Key Native Ecosystem sites in 2005/06.

### Water

Enhancing water quality

Completed riparian planting and fencing programmes on 3.8 kms of stream banks.

### Land

Supporting erosion control measures

A further 421 hectares under sustainable management practices.

### Safety & Hazards

Preventing slips and mitigating flood damage

Planted 421 hectares to promote the protection of erosion-prone land. Extensive work to clean up and repair structures damaged by the March 2005 floods in the Awhea and Kaiwhata catchment schemes.

### Community

Community involvement in pest management and land management programmes

Continued assisting landowners, DoC and Wildlife Trust for Mt Bruce/Pukaha pest eradication programmes. Assisted landowners to control pests in 13 Key Native Ecosystems.

Completed soil conservation programmes for 161 landowners.

Completed scheme classification reviews for the Awhea-Opouawe and Mataikona-Whakataki catchment schemes. New rating classification using two factors, curtilage<sup>1</sup> and land value, were approved by the respective communities.

<sup>1</sup> Area attached to a dwelling house and forming one enclosure with it



## Land management Targets

### Promoting sustainable land management

#### Targets

##### LONG-TERM by 30 June 2013

Protect the health and productivity of the region's soils by planting an additional 5,000 hectares of erosion-prone land using sustainable management practices.

##### SHORT-TERM By 30 June 2006

Approved soil conservation plan works will incorporate 300 hectares of pole planting (22,000 poles), 150 hectares of conservation woodlots and 5 kms of shelter belts and will be completed, to Greater Wellington's performance standards, within a budget of \$550,000.

#### Actual

Stabilisation of erosion-prone land is progressing. We planted an additional 421 hectares of soil conservation trees during the year using sustainable management practices.

Approved soil conservation plan works were completed on 161 properties, incorporating 23,400 poles on 328 hectares, and establishing 93 hectares of conservation woodlots, and 1.3 kms of shelter belts. Programmes were completed to Greater Wellington's performance standard at a cost of \$542,400.



### Promoting sustainable land management (continued)

#### Targets

##### LONG-TERM by 30 June 2013

Protect communities from major damage or harm owing to the effects of flooding and erosion

##### SHORT-TERM By 30 June 2006

Approved programmes will be completed under six catchment control schemes to the satisfaction of each Scheme Advisory Committee, to the Council's performance standards, and within a budget of \$88,000.

#### Actual

Annual programmes have been continued for six community catchment control schemes. The focus of the programmes was erosion control and flood mitigation.

We completed approved programmes for each of the six catchment schemes to established standards and in accordance with advisory committee resolutions. These programmes were completed at a cost of \$138,300, which included \$50,300 of flood damage repair works.



## Land management Targets

### Promoting sustainable land management (continued)

#### Targets

##### LONG-TERM by 30 June 2013

No overall deterioration in the health of our soils through the increasing practice of sustainable land management.

##### SHORT-TERM By 30 June 2006

Stage two of the soil quality monitoring programme will be completed. Additional monitoring sites will be established where soil degradation was identified in stage one within a budget of \$14,000.

#### Actual

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

Further analysis of the 'degraded' sites revealed that the number of sites were not statistically significant. Therefore, additional sites have been sampled within degraded areas: e.g. market garden areas. Total cost was \$27,000.



### **Promoting sustainable land management** (continued)

#### Targets

##### **LONG-TERM by 30 June 2013**

No significant deterioration of water quality in our key rivers and streams.

##### **SHORT-TERM By 30 June 2006**

Five kilometres of riparian management, focusing on increased biodiversity along stream banks, will be implemented, within a budget of \$190,000.

#### Actual

There has been no significant deterioration of water quality in our key streams and rivers. Key rivers and streams are monitored as part of Greater Wellington's state of the environment monitoring. Any changes in water quality in these water bodies will take some time to occur.

Riparian management programmes focusing on increased biodiversity were completed on 3.8 kms of stream banks, at a total cost of \$169,500.



## Land management Targets

### Controlling plant and animal pests

#### Targets

##### LONG-TERM by 30 June 2013

Enhance our ecosystems and farming productivity by having 80% of the region under intensive possum control programmes, and reducing the percentage of infected Tb cattle and deer herds to 0.2% (six infected herds).

##### SHORT-TERM By 30 June 2006

Bovine Tb vector control and survey operations will be completed on 524,000 hectares in accordance with the approved operational plan, to the satisfaction of the Rural Services and Wairarapa Committee, within a budget of \$7,327,000.

#### Actual

At 30 June 2006, 78.4% of the region was under intensive possum control programmes, and there were 15 infected Tb cattle and deer herds. This is below the target of 21 infected herds identified in the Regional Tb Operational Plan for 2006. Of particular significance was the decline of Tb reactors from 81 in 2005 to 33 in 2006.

We reviewed the 2005/06 bovine Tb vector control programme with the Animal Health Board in early 2005 and reduced it to 477,000 hectares. We completed vector control and survey operations to Animal Health Board standards on 321,570 hectares at a cost of \$4,197,200.

We removed 42,882 hectares from the vector control programme as this work was deemed unnecessary. A further 41,029 hectares was deferred until August 2006 due to national funding constraints. Contracts for the South East Wairarapa Stage 3 operation (21,717 hectares) were not issued before 30 June 2006. This work is rescheduled for next year.





### Controlling plant and animal pests (continued)

#### Targets

##### LONG-TERM by 30 June 2013

Improve the health of the region's ecosystems by implementing plant and animal pest management strategies.

##### SHORT-TERM By 30 June 2006

The fourth year of the Regional Pest Management Strategy will be implemented to the satisfaction of the Rural Services and Wairarapa Committee, within a budget of \$1,817,000.

#### Actual

The 2005/06 Regional Pest Management Strategy Operational Plan was successfully implemented. Particular attention was applied to eradication and containment pest plants. Rook and rabbit densities continue to be suppressed to low levels. The Key Native Ecosystem programme continued with more than 70 sites receiving pest control. Our joint venture pest control programmes with local councils has continued to expand.

Implementation was completed at a cost of \$1,935,300. An annual report on achievements under the Regional Pest Management Strategy for last year will be presented to the Rural Services and Wairarapa Committee for approval in November 2006. Additional expenditure of \$93,000 for pest management was approved by the Council in February 2006 to complete key native ecosystem work and pest plant control due to a 42% increase in eradication and containment sites identified during field surveys.



## Land management Financial summary

	Council 2006 Actual \$000's	Council 2006 Budget \$000's		Council 2006 Actual \$000's	Council 2006 Budget \$000's
<b>Funding Statement</b>			<b>Operating Revenue</b>		
General Rate	3,999	3,999	Promoting Sustainable Land Management	2,165	2,363
Targeted Rates	189	188	Controlling Animal & Plant Pests	8,131	10,641
Government Subsidies	0	0	<b>Total Operating Revenue</b>	<b>10,296</b>	<b>13,004</b>
Interest & Dividends	49	40	<b>Operating Expenditure</b>		
Fees, Charges & Other Revenue	6,059	8,777	Promoting Sustainable Land Management	2,240	2,351
<b>Operating Revenue</b>	<b>10,296</b>	<b>13,004</b>	Controlling Animal & Plant Pests	7,958	10,907
Direct Operating Expenditure	10,147	13,208	<b>Total Operating Expenditure</b>	<b>10,198</b>	<b>13,258</b>
Interest	0	0	<b>Capital Expenditure</b>		
Depreciation	51	50	Land & Buildings	0	0
<b>Operating Expenditure</b>	<b>10,198</b>	<b>13,258</b>	Plant & Equipment	12	10
<b>Operating Surplus/(Deficit)</b>	<b>98</b>	<b>(254)</b>	Vehicles	93	106
<b>Less:</b>			<b>Total Capital Expenditure</b>	<b>105</b>	<b>116</b>
Capital Expenditure	105	116			
Proceeds from Asset Sales	(16)	(21)			
Loan Funding	0	0			
<b>Rates Funded Capital Expenditure</b>	<b>89</b>	<b>95</b>			
Debt Repayment	0	0			
Investment Additions	0	0			
Reserve Movements	(105)	(299)			
Working Capital Movements	0	0			
Non-Cash Items	(51)	(50)			
<b>Net Funding Required</b>	<b>165</b>	<b>0</b>			

Delays in funding from the Animal Health Board have meant that both other revenue and direct operating expenditure are down on budget.



Flood protection activities contribute significantly to economic and social well-being by minimising the economic damage and social disruption caused by floods.

Thankfully, there were no major floods during 2005/06 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 during the year to ensure that we continue to make progress with our flood hazard planning and improvements to our existing flood mitigation schemes.

Flood protection activities also contribute to environmental and social outcomes by enhancing riverside habitats and providing associated recreational opportunities.

## PROGRESS ON OUR CONTRIBUTIONS

### Biodiversity



Planting a range of habitats

We continued to implement our environmental strategies, which include habitat restoration and enhancement initiatives for a range of rivers and streams in the region.

### Land



Supporting erosion control measures

We continued to provide erosion control advice to landowners as well as implementing erosion control measures in the major rivers.

### Recreation & Parks



Manage the river environment to promote recreational use

Enhancements to the Hutt, Otaki and Waikanae river environments continue, and include native tree planting and improvements to walking trails and signage. We received very positive informal community feedback from this work.

### Safety & Hazards



Protect and educate the community from flood risk

We continued to enhance the flood protection system across the region. Initiatives are underway to reduce the risk to those areas damaged by the 2004 and 2005 flood events, as well as planning in areas such as the Mangaroa valley, where there is intensive lifestyle block development.

### Community



Community involvement in floodplain management planning

The community was extensively involved in a range of planning activities during the year.



## Flood protection Targets

### Planning for flood protection

#### Targets

##### LONG-TERM by 30 June 2013

The risk of major damage or loss of life as a result of a flood event is significantly reduced.

##### SHORT-TERM By 30 June 2006

Complete the Mangaroa River flood hazard assessment in accordance with the agreed scope, within a project budget of \$161,000.

Complete Wairarapa river investigations, including the Waingawa River Scheme review and the development of a new scheme on the Kopuaranga River, to the satisfaction of the Rural Services and Wairarapa Committee, within a budget of \$369,000.

#### Actual

Implementation of the three floodplain management plans for the western region is well underway and on target to be achieved by 2040. To date, works totalling more than \$18,000,000 have been undertaken on the Hutt, Otaki and Waikanae rivers. This was reported to the Landcare Committee.

We completed the Mangaroa River flood hazard assessment and reported to the Landcare Committee in June 2006. The total project cost was \$164,100.

Work continues on the reviews of the Lower Wairarapa Valley Development Scheme and the Kopuaranga River Enhancement Project. Both advisory committees sought additional information before taking a proposed rating classification to the public. The Waingawa River Scheme review did not start. Total cost was \$442,000, which included \$40,000 of additional expenditure approved by Council in February 2006 to progress the Lower Wairarapa Valley Development Scheme rating classification review.



### Delivering flood protection

#### Targets

##### LONG-TERM by 30 June 2013

Progress the Waiwhetu Stream flood hazard assessment in accordance with the scope approved by the Landcare Committee, within a project budget of \$97,000.

Complete construction of the Strand Park realignment, Hutt River, in accordance with accepted engineering standards and to the satisfaction of the Landcare Committee, within a project budget of \$4,133,000.

Complete construction of the Jim Cooke Park realignment on Waikanae River, including the associated environmental strategy implementation in accordance with accepted engineering standards and to the satisfaction of the Landcare Committee, within a project budget of \$741,000.

#### Actual

The scope and extent of the Waiwhetu investigations have increased since the project started. However, good progress was made with this project. Phase 1 was completed by 30 June, with phase 2 scoped and ready to start next year. The Lower Waiwhetu structural investigation commenced early in 2005/06. The budget was also expanded to finalise the investigation into the contaminated sediments in the lower Waiwhetu Stream and develop a solution. Total project cost was \$183,400.

The Hutt River Strand Park realignment works were completed in accordance with accepted engineering standards to the satisfaction of the Landcare Committee, at a total project cost of \$3,781,436.

Jim Cooke Park works were substantially completed in accordance with accepted engineering standards and to the satisfaction of the Landcare Committee, at a total cost of \$697,100. We will complete the environmental enhancement works and site tidy-up during the next financial year.



## Flood protection Targets

### Delivering flood protection (continued)

#### Targets

##### LONG-TERM by 30 June 2013 (continued)

Complete the detailed design of the Ava Railway Bridge improvements, including the stopbank upgrade, edge protection works and Greater Wellington's contribution to the Opahu Stream pump station (to be constructed by Hutt City Council), all in accordance with accepted engineering standards and to the satisfaction of the Landcare Committee, within a budget of \$1,027,000

Complete maintenance operations in the western part of the region in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan, all within a budget of \$2,668,000.

Complete maintenance operations for the 10 Wairarapa river schemes to established standards and to the satisfaction of the scheme advisory committees within a budget of \$1,770,000.

#### Actual

Approximately 85% of the detailed designs of the Ava Railway Bridge improvements were completed at 30 June 2006. The design is taking more time than originally expected because of the complexity of the design under the bridge. However, this delay will not have any significant effect on the construction programme. Construction of the Opahu Stream pumping station is progressing well. Total expenditure for the year was \$1,239,164. An increase in budget was approved by Council in December 2005.

We completed maintenance operations for the western region in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan, within a total cost of \$2,083,000. In addition, \$441,000 of new protection measures were constructed during the year on the Hutt and Waikanae rivers.

Maintenance programmes for the ten Wairarapa river management schemes were completed to established standards, and to the satisfaction of the schemes' advisory committees at a total cost of \$1,215,200. An additional \$690,460 of new flood protection measures were constructed within the Wairarapa river schemes. The Council approved an additional \$75,000 in February 2006 to upgrade a stopbank and culvert within the Lower Wairarapa Valley Development Scheme because of erosion and stopbank leakage.



### Delivering flood protection (continued)

#### Targets

##### LONG-TERM by 30 June 2013 (continued)

Community pride and enjoyment in our rivers increases and there is continuing involvement in environmental enhancement projects.

##### SHORT-TERM By 30 June 2006

Manage a Hutt River ranger service to provide public safety, surveillance, education and environmental enhancement services to the satisfaction of the Landcare Committee and within a budget of \$105,000.

#### Actual

All of the capital works that are carried out on the rivers within Greater Wellington's management have an environmental enhancement element, including restoration planting or creating green spaces and walkways for the community to enjoy.

The community is actively encouraged to participate in these environmental enhancement projects. We also provide funding to several friends and care groups to assist them in their outstanding work alongside the river corridors.

The river ranger service delivery continues to receive positive feedback. The total cost of service was \$88,000.



## Flood protection Financial summary

	Council 2006 Actual \$000's	Council 2006 Budget \$000's		Council 2006 Actual \$000's	Council 2006 Budget \$000's
<b>Funding Statement</b>			<b>Operating Revenue</b>		
General Rate	6,337	6,337	Planning for Flood Protection	1,472	1,404
Targeted Rates	4,166	4,166	Delivering Flood Protection	10,791	10,468
Government Subsidies	0	0	<b>Total Operating Revenue</b>	<b>12,263</b>	<b>11,872</b>
Interest & Dividends	256	215	<b>Operating Expenditure</b>		
Fees, Charges & Other Revenue	1,504	1,154	Planning for Flood Protection	1,353	1,495
<b>Operating Revenue</b>	<b>12,263</b>	<b>11,872</b>	Delivering Flood Protection	8,312	9,059
Direct Operating Expenditure	7,133	7,964	<b>Total Operating Expenditure</b>	<b>9,665</b>	<b>10,554</b>
Interest	1,772	1,810	<b>Capital Expenditure</b>		
Depreciation	760	780	Hutt River Improvements	4,205	3,537
<b>Operating Expenditure</b>	<b>9,665</b>	<b>10,554</b>	Waikanae River Improvements	733	629
<b>Operating Surplus/(Deficit)</b>	<b>2,598</b>	<b>1,318</b>	Otaki River Improvements	74	329
<b>Less:</b>			Wairarapa Scheme Improvements	691	300
Capital Expenditure	6,227	5,157	Other	345	81
Proceeds from Asset Sales	(56)	(50)	<b>Major Project Expenditure</b>	<b>6,048</b>	<b>4,876</b>
Loan Funding	(4,880)	(4,716)	Land & Buildings	11	70
<b>Rates Funded Capital Expenditure</b>	<b>1,291</b>	<b>391</b>	Plant & Equipment	23	38
Debt Repayment	1,632	1,658	Vehicles	145	173
Investment Additions	313	305	<b>Total Capital Expenditure</b>	<b>6,227</b>	<b>5,157</b>
Reserve Movements	256	(256)			
Working Capital Movements	0	0			
Non-Cash Items	(760)	(780)			
<b>Net Funding Required</b>	<b>(134)</b>	<b>0</b>			

The capital expenditure above replaced assets in accordance with the Flood Protection Asset Management Plan. In addition, capital expenditure above budget resulted from reinstatement of flood-damaged assets from the 2004/2005 storms. Some of this work was budgeted as direct operating expenditure but was subsequently capitalised to fixed assets.





The major effects of the park and forest activities are on social and environmental well-being. Social well-being is enhanced by providing both informal (e.g. walking in the park) and formal (e.g. contribution to a Friends of the Park group) recreational opportunities.

Environmental well-being is enhanced through programmes that conserve and improve natural ecosystems, and protect landscape and scenic values.

Our management of water catchment areas contributes significantly to social and economic well-being by helping to provide a safe water supply.

Park and forest activities help provide economic well-being by encouraging use of Greater Wellington land for appropriate activities (e.g. concessions, filming, ecotourism) in ways that do not conflict with our environmental, heritage and recreational activities.

## PROGRESS ON OUR CONTRIBUTIONS

### Biodiversity

Showcase good ecosystem management

Plant and animal pest control programmes are gradually improving the quality of parks and forests' ecosystems. In addition, restoration projects protect scarce habitats.

### Water

Protecting water catchments

We monitor and control plant and animal pests that threaten the supply of high-quality water.

### Energy

Investigate renewable energy on Greater Wellington land

Following public consultation on the Puketiro site, the Council decided to make it available for wind energy development. We are still investigating the Belmont site and will invite proposals for a Wairarapa site next year.

### Recreation & Parks

Provide outdoor recreation opportunities, encourage use and involvement

49% of survey respondents reported that they had visited a regional park in 2005/06. Visitor satisfaction surveys show that 96% of visitors are satisfied with the parks while overall awareness of the parks network is 81%.

### Community

Supporting environmental community groups

We worked on nine environmental enhancement projects with community care groups during the year.



## Parks and forests Targets

### Environment asset management and monitoring systems

#### Targets

##### LONG-TERM by 30 June 2013

Pests and weeds are under control in the regional parks, forests and water collection areas.

##### SHORT-TERM By 30 June 2006

Environmental assets and settings within the parks, forests and water collection areas will be monitored, protected and enhanced in accordance with Parks and Forests Environmental Asset Management Plan service levels, within a budget of \$1,044,000.

Compliance with the standards in the Environmental Asset Management Plan will be reported to the Landcare Committee following the end of the financial year.

#### Actual

We have been implementing pest control programmes to maintain ecosystem health in regional parks, forests and water collection areas. Possums, goats, pigs, rabbits, deer, mustelids and pest plants have been controlled according to the highest priority needs identified through monitoring work and the pest control programme.

Monitoring work and surveys have continued to provide useful information for the management of these lands and about the success of control operations.

Environmental assets were monitored, protected and enhanced in accordance with planned service levels and recognised standards at a cost of \$933,577.

The year's programme included the completion of two minor weed control jobs not completed at the end of 2004/05.

All pest control programmes for 2005/06 were completed as planned.

Compliance with the standards in the Environmental Asset Management plan was reported to the August 2006 Landcare Committee meeting.



## Use of Greater Wellington lands

### Targets

#### LONG-TERM by 30 June 2013

The public will at all times be able to safely enjoy using the regional parks and forests.

#### SHORT-TERM By 30 June 2006

Recreation and heritage assets and facilities in the regional parks, forests and water collection areas will be monitored, maintained, protected and enhanced in accordance with Parks and Forests Infrastructural Asset Management Plan service levels, within a budget of \$1,265,000.

Compliance with the standards in the Infrastructural Asset Management Plan will be reported to the Landcare Committee following the end of the financial year.

### Actual

To ensure that recreational needs and safety requirements in our regional parks and forests are met, we regularly monitored the condition of our assets and have a process to set and review operational work programmes.

The ranger services provided in each of the parks and forests also assist in providing a safe and educational environment for the community to enjoy.

We regularly monitored our assets according to standards set out in the Parks and Forests Asset Management Plan. Where assets were maintained or replaced, the assets were constructed by appropriately qualified staff to standards set in our structures manual and under the direction of qualified architects or engineers.

The cost of the monitoring, maintenance, protection and enhancement of the recreation and heritage assets and facilities was \$1,125,042. Planned asset monitoring, maintenance, protection and enhancement at Whitireia Park did not occur during the year.

Compliance with the standards in the Infrastructure Asset Management Plan was reported to the August 2006 Landcare Committee meeting.



## Parks and forests Targets

### Use of Greater Wellington lands (continued)

#### Targets

##### SHORT-TERM By 30 June 2006 (continued)

The annual capital works programme will be undertaken to appropriate architectural and engineering standards and within Parks and Forests Infrastructural Asset Management Plan service levels, within a budget of \$355,000.

#### Actual

The annual work programme was undertaken at a cost of \$177,303. All jobs were performed in accordance with appropriate architectural and engineering standards, and with the Parks and Forests Asset Management Plan service levels.

The programmed works completed during 2005/06 included:

- a toilet block at the summit of the Rimutaka Rail Trail at a cost of \$51,576
- a new rangers' office at Queen Elizabeth Park at a cost of \$95,445.

Two projects planned for completion during 2005/06 have been deferred until 2006/07. They are:

- \$50,000 to build a new rangers' office at East Harbour Regional Park
- \$70,000 to build a new rangers' office at Whitireia Park.

During the year, we also designed and tendered a new toilet block in Queen Elizabeth Park at a cost of \$29,778. The building will be completed in 2006/07 as planned.



## Use of Greater Wellington lands (continued)

### Targets

#### SHORT-TERM By 30 June 2006 (continued)

Ranger services will be provided to facilitate public access, educate and inform visitors and users, liaise with community and stakeholder groups, and ensure compliance with Greater Wellington's policies, within a budget of \$809,000.

The service will be provided to the satisfaction of the Landcare Committee and reported following the end of the financial year.

### Actual

A ranger service was provided at a cost of \$614,671 in the regional parks and forests on this basis:

- a seven-day-a-week residential ranger service at Battle Hill Farm Forest Park, Queen Elizabeth Park, Kaitoke Regional Park and the adjacent Hutt Water Collection Area, and the Wainuiomata/Orongorongo Water Collection Area
- a five-day-a-week (including weekends) ranger service at Belmont Regional Park, Akatarawa Forest, Pakuratahi Forest, the Hutt River corridor and East Harbour Regional Park.

The planned start of a five-day ranger service at Whitireia Park, Porirua was deferred until 2006/07.

A report on the ranger services was given to the Landcare Committee at its meeting in August 2006.



## Parks and forests Targets

### Community activities

#### Targets

##### LONG-TERM by 30 June 2013

Community participation in the regional parks, forests and water collection areas will be enhanced.

##### SHORT-TERM By 30 June 2006

The annual environmental enhancement projects as agreed with the divisional manager, Landcare, will be completed within a budget of \$104,000 and reported to the Landcare Committee following the end of the financial year.

#### Actual

We actively encourage community participation in the region's parks, forests and water collection areas. The annual Regional Outdoors Programme ran between January and April and provided 52 events ranging from educational outings to bush walks and hosting sporting events.

Our community groups continue to be actively involved in our parks and forests, particularly in our environmental enhancement and restoration projects and management plan development.

Nine environmental enhancement projects were carried out during the year as planned. These projects involved a combination of providing funding to Friends and care groups to continue their outstanding works, and organising community events in the parks and forests for planting and other environmental enhancement works.

The projects were provided at a cost of \$88,914 and were reported to the August 2006 Landcare Committee meeting.



## Marketing and promotion

### Targets

#### LONG-TERM by 30 June 2013

The number of people using the regional parks, forests and water collection areas will be balanced between attracting visitors and the areas carrying capacity.

#### SHORT-TERM By 30 June 2006

The marketing plan for regional parks and forests will be implemented to the satisfaction of the divisional manager, Landcare, within a budget of \$180,000.

### Actual

We continue to refine and implement our Parks and Forests Marketing Plan. The plan provides the strategies we will use to create the balance between ensuring the parks and forests are well used by the community and that the natural beauty and ecosystems are protected.

The 2005/06 plan was implemented to the satisfaction of the divisional manager, Water Supply, Parks and Forests at a cost of \$166,649.

This programme includes the implementation of the Regional Outdoors Programme. This year's programme was a great success with the highest attendance levels to date and some excellent feedback.

The year also saw the completion of our range of brochures and information boards for all the park and forest areas. Again, feedback was excellent.



## Parks and forests Financial summary

	Council 2006 Actual \$000's	Council 2006 Budget \$000's		Council 2006 Actual \$000's	Council 2006 Budget \$000's
<b>Funding Statement</b>			<b>Operating Revenue</b>		
General Rate	5,420	5,420	Managing Regional Parks, Natural Forests, Recreation Areas & Trails	9,303	6,286
Targeted Rates	0	0	<b>Total Operating Revenue</b>	<b>9,303</b>	<b>6,286</b>
Government Subsidies	2,800	0	<b>Operating Expenditure</b>		
Interest & Dividends	43	43	Managing Regional Parks, Natural Forests, Recreation Areas & Trails	6,398	6,679
Fees, Charges & Other Revenue	1,040	823	<b>Total Operating Expenditure</b>	<b>6,398</b>	<b>6,679</b>
<b>Operating Revenue</b>	<b>9,303</b>	<b>6,286</b>	<b>Capital Expenditure</b>		
Direct Operating Expenditure	5,791	6,049	Queen Elizabeth Park Enhancements	125	180
Interest	125	138	East Harbour Enhancements	0	50
Depreciation	482	492	Whitireia Park development	0	70
<b>Operating Expenditure</b>	<b>6,398</b>	<b>6,679</b>	Rimutake Incline walkway toilets	52	55
<b>Operating Surplus/(Deficit)</b>	<b>2,905</b>	<b>(393)</b>	<b>Major Project Expenditure</b>	<b>177</b>	<b>355</b>
<b>Less:</b>			Land & Buildings	5,600	0
Capital Expenditure	5,958	554	Vehicles	152	166
Proceeds from Asset Sales	(37)	(35)	Plant & Equipment	29	33
Loan Funding	(1,608)	(355)	<b>Total Capital Expenditure</b>	<b>5,958</b>	<b>554</b>
<b>Rates Funded Capital Expenditure</b>	<b>4,313</b>	<b>164</b>			
Debt Repayment	175	179			
Investment Additions	0	0			
Reserve Movements	(984)	(244)			
Working Capital Movements	0	0			
Non-Cash Items	(482)	(492)			
<b>Net Funding Required</b>	<b>(117)</b>	<b>0</b>			

The capital expenditure above was in accordance with the Parks Asset Management Plan. In addition to this, Waitangirua Farm was purchased but was not budgeted for.





Providing effective representation on behalf of the Wellington regional community is considered to be a key role for Greater Wellington Regional Council as a local political body.

Local government has recently gone through an unprecedented period of legislative reform. New local government rating and electoral legislation has resulted in a host of new obligations, and challenged local government to review past practices and implement new procedures.

In the past year, Greater Wellington has considered the establishment of Maori constituencies and has undergone a review of representation arrangements to the point of putting out an initial proposal for public comment.

The investment in democracy area covers the political costs of Greater Wellington, including both the direct costs relating to councillors carrying out their statutory roles and the costs of support services provided by the Council Secretariat. Specifically, such costs for the past year included:

- councillors' annual salaries and travel expenses, as well as allowances and travel costs of other people appointed to our Council's committees
- public notice of Council and committee meetings, and other costs of arranging and servicing meetings, including publication of meeting papers and costs of management and staff directly involved in servicing our Council and its committees

- other public notices, for example, on formal public consultation processes
- managing formal submission processes, for example, on the Long-term Council Community Plan
- providing councillors with up-to-date information on a range of issues and advice on matters directly related to councillors
- subscription costs for Greater Wellington membership of organisations and forums, such as Local Government New Zealand
- other costs incurred by councillors in representing and communicating with the regional community.

Expenditure also included in this area is funding for the publication of economic data on the region, which contributes to informing the community.



## Investment in democracy

### Financial summary

#### Funding Statement

	Council 2006 Actual \$000's	Council 2006 Budget \$000's
General Rate	2,615	2,615
Targeted Rates	0	0
Government Subsidies	0	0
Interest & Dividends	4	4
Fees, Charges & Other Revenue	1,721	1,721
<b>Operating Revenue</b>	<b>4,340</b>	<b>4,340</b>
Direct Operating Expenditure	4,276	4,251
Interest	0	0
Depreciation	11	15
<b>Operating Expenditure</b>	<b>4,287</b>	<b>4,266</b>
<b>Operating Surplus/(Deficit)</b>	<b>53</b>	<b>74</b>
<b>Less:</b>		
Capital Expenditure	13	5
Proceeds from Asset Sales	0	0
Loan Funding	0	0
<b>Rates Funded Capital Expenditure</b>	<b>13</b>	<b>5</b>
Debt Repayment	0	0
Investment Additions	0	0
Reserve Movements	84	84
Working Capital Movements	0	0
Non-Cash Items	(11)	(15)
<b>Net Funding Required</b>	<b>(33)</b>	<b>0</b>

#### Operating Expenditure

	Council 2006 Actual \$000's	Council 2006 Budget \$000's
Direct Members' Costs	1,331	1,313
Council Secretariat	565	564
Divisional Management Support	257	250
Iwi	422	422
Regional Economic Development	50	50
Other Costs	1,662	1,667
Election Costs	0	0
<b>Total Operating Expenditure</b>	<b>4,287</b>	<b>4,266</b>
<b>Capital Expenditure</b>		
Land & Buildings	0	0
Plant & Equipment	13	5
Vehicles	0	0
<b>Total Capital Expenditure</b>	<b>13</b>	<b>5</b>



## Investment overview

Greater Wellington has a significant portfolio of investments comprising:

- liquid financial deposits
- administrative properties (e.g. depots)
- forestry and business units
- advance to the Wellington Regional Stadium Trust
- Greater Wellington's internal treasury management function
- equity investments in the WRC Holdings Group (including CentrePort).

Greater Wellington's philosophy in managing investments is to optimise returns in the long-term while balancing risk and return considerations.

It recognises that as a responsible public authority any investment it holds should be held for the long-term benefit of the community, with any risk being appropriately managed. It also recognises that lower risk generally means lower returns.

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

## Liquid financial deposits

Greater Wellington holds \$44 million in cash deposits as a result of selling its interest in CentrePort to one of its wholly owned subsidiaries, Port Investments Ltd. The rationale for holding these deposits is regularly reviewed, taking into account:

- general provisions of Greater Wellington's Treasury Management Policy, including attitude to risk and creditworthy counterparties
- specific provisions of Greater Wellington's Treasury Management Policy to hold sufficient deposits or have committed funds available as part of its self-insurance of infrastructural assets
- the after-tax rate of return from alternative uses of these funds (e.g. reducing debt)
- the requirement to hedge the \$44 million debt within the WRC Holdings Group.



### Administrative Properties

Greater Wellington's interests in the Upper Hutt depot and the Masterton office building are grouped to form an investment category, Administrative Properties.

### Forestry and business units

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

The overall investment policy with regard to forestry is to maximise long-term returns while meeting soil conservation, water quality and recreational needs. This policy assumes that harvesting will be on a sustainable yield basis and will be maintained without any demand on regional rates. In fact, both the plantation and reserve forest business units are required to budget for an internal dividend irrespective of the projected operating result for the year.

The internal dividend reflects the intergenerational equity issues inherent in the forestry investment and recognises the cost of ratepayer equity. The level of planned internal dividend contribution to the rate line from forestry is currently \$225,000 per year. This dividend will continue to be reviewed annually.

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

BioWorks, Greater Wellington's biosecurity business unit, is not currently required to return an internal dividend.

### Advance to Wellington Regional Stadium Trust

Greater Wellington advanced \$25 million to the Wellington Regional Stadium Trust in August 1998. The advance is currently on an interest-free basis, with limited rights of recourse recognising the 'quasi equity' nature of the advance.

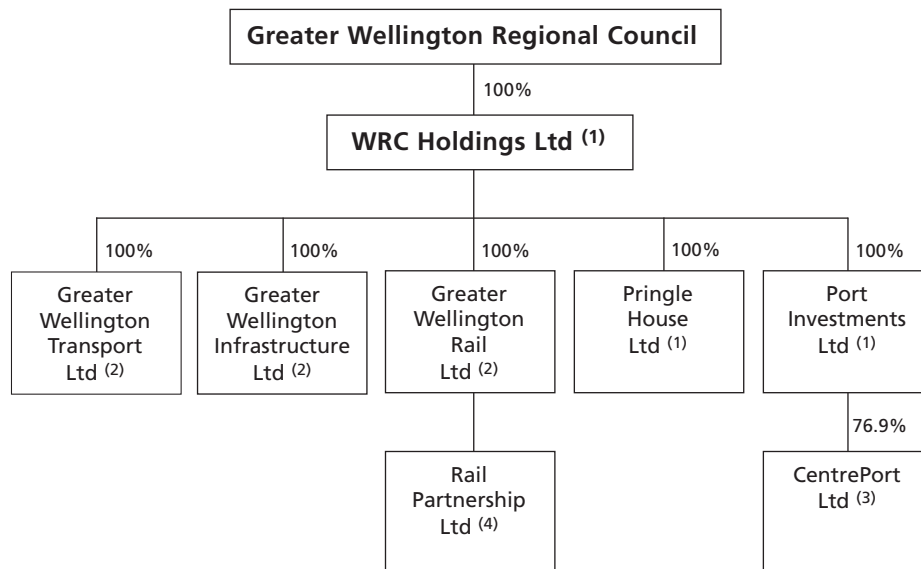
### Greater Wellington's internal treasury function

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



### Equity investments in the WRC Holdings Group

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



(1) Council Controlled Trading Organisation in accordance with the Local Government Act 2002.  
 (2) Council Controlled Trading Organisation in accordance with the Local Government Act 2002. These companies were incorporated on 3 August 2006.  
 (3) Commercial Port Company pursuant to the Port Companies Act 1988 and not a Council Controlled Organisation in accordance with the Local Government Act 2002.  
 (4) Council Controlled Trading Organisation (CCTO) in accordance with the Local Government Act 2002. This CCTO has not yet been formed.

WRC Holdings Ltd and Port Investments Ltd are in essence investment holding companies. The main operating companies in the Group are CentrePort Ltd and Pringle House Ltd. Greater Wellington Transport Ltd, Greater Wellington Infrastructure Ltd and Greater Wellington Rail Ltd will own Greater Wellington interests in public transport infrastructure, such as rail rolling stock, stations and trolley bus wires.

Greater Wellington has a legal opinion saying that, in accordance with the Land Transport Management Act 2003, our public transport infrastructure assets must be owned by a Council Controlled Trading Organisation (CCTO).

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

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

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

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

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

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



## Investments WRC Holdings Group

### Objectives of the Group

The primary objectives of the group as set out in the 2005/06 Statement of Intent (SOI) were to:

- operate as a successful, sustainable and responsible business
- own and operate Greater Wellington's headquarters at 142-146 Wakefield Street, Wellington (known as the 'Regional Council Centre') on a cost-effective basis
- own Greater Wellington's interest in CentrePort Ltd to maximise the commercial value of CentrePort to the shareholders and to protect the shareholders' investment, while maintaining CentrePort's strategic value to the economy of the region
- effectively manage any other investments held by the group in order to maximise the commercial value to shareholder and to protect shareholders' investments.

The financial objectives of the group shall be to:

- provide a commercial return to shareholders
- adopt policies that prudently manage risk and protect the investment of shareholders.

The environmental objectives of the group shall be to:

- operate in an environmentally responsible and sustainable manner
- minimise the impact of any of the group's activities on the environment
- raise awareness of environmental issues within the group
- encourage CentrePort and Pringle House to be more energy-efficient and make greater use of renewable energy.

The social objectives of the group are to:

- be a leading organisation and a superior employer
- provide a safe and healthy workplace
- participate in development, cultural and community activities within the regions in which the group operates
- help sustain the economy of the region.

WRC Holdings Group met all their objectives as set out in the 2005/06 Statement of Intent and Greater Wellington's 2003 – 2013 Long-term Council Community Plan (LCCP).

The nature and scope of activities undertaken by WRC Holdings are consistent with those set out in the 2005/06 Statement of Intent and Greater Wellington's LTCCP.

### Directors

Ian Buchanan (Chairman)  
Margaret Shields  
Terry McDavitt

Rick Long  
Anne Blackburn  
Peter Blades



## Financial performance targets

	<b>Actual 2006</b>	<b>Budget 2006</b>
Net Profit (before tax)	\$6.1m	\$7.0m
Net Profit (after tax)	\$15.2m	\$4.4m
Return on Total Assets	4.7%	6.6%
Return on shareholders' equity ( <b>excludes</b> any increase in the value of investment property)	5.2%	4.1%
Return on shareholder equity ( <b>includes</b> any increase in the value of investment property)	13.7%	N/A
Dividends	\$0.4m	\$0.4m

### Net profit before tax

The group posted a net profit before tax, before any increases in the value of investment property and land, of \$6.1 million compared to the budget of \$7.0 million for the year. The major variation to our budgets is a charge of \$1.3 million (2005 \$3.1 million) to cover impaired assets. CentrePort commissioned two new cranes recently, and consequently wrote down the value of "D" crane. This amounted to most of the impairment charge.

### Net profit after tax (before deduction of minority interest)

The net profit after tax measure includes a \$10.8 million (2005 \$14.4 million) increase in the net current value of the group's investment properties and land.

### Return on total assets

This target is calculated as earnings before interest and tax (EBIT) and expressed as a percentage of average total assets. The result is less than expected. Some CentrePort assets were written down and charged against profit and at the same time the asset base has increased following asset valuations at 30 June 2005 and 30 June 2006, thereby increasing the base used to calculate the ratio.

### Return on shareholder equity

Return on shareholder equity is calculated as net profit after tax (after deduction of minority interest) as a percentage of average shareholder equity (excluding minority interest). The measure is shown both before and after any increase in the value of investment properties. Average parent shareholder equity has also increased due to the revaluation of assets.

### Dividends paid (or payable to the parent shareholder)

As a result of CentrePort's improved performance, dividend payments have been kept at previous levels.





## Investments WRC Holdings Group

### Environmental performance targets

#### Targets

CentrePort Ltd to comply with AS/NZS 14000: Environmental Management Standards.

CentrePort Ltd to promote the introduction into the district and regional coastal plans of the principles of NZS 6809:1999 Acoustics – Port Noise Management and Land Use Planning.

CentrePort to complete a noise management plan to support proposed changes to the noise provisions within the district and regional coastal plans.

The group to comply with all conditions under resource consents and permits held, and full adherence to the requirements of environmental law generally.

#### Actual

CentrePort Ltd (CPL) has established an effective environmental management system that incorporates a separate formal environmental management and emergency management plan in accordance with AS/NZS ISO 14001:2004. CentrePort holds regular Environmental Consultative Committee meetings with representatives of the wider community interest groups. The Health, Safety and Environment Board Committee reviews CPL's environment performance regularly.

Achieved. CPL is working with the respective local bodies to ensure that the District and Regional Plans include the principles of port noise management.

Achieved. CPL's Port Noise Management Plan has been submitted to the respective planning authorities (Wellington City Council and Greater Wellington) to ensure that these are included in the public consultation process.

Achieved.





## Social performance targets

### Targets

CentrePort to maintain 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.

CentrePort to maintain compliance with the International Ship and Port Security (ISPS) Code, which promotes security against terrorism within the port environment.

CentrePort to undertake risk assessments and implement any mitigating procedures relating to the Port and Harbour Safety code which promotes safety and excellence in marine operations.

Undertake a level of sponsorship appropriate to CentrePort.

Meet regularly with representative community groups of CentrePort.

### Actual

Achieved. CentrePort has conducted bi-annual ACC audits, with the next scheduled in 2007. CentrePort currently holds a tertiary level of compliance.

Achieved. Audited in 2006 and passed.

Achieved. The Port and Harbour Safety Code Navigational Risk Assessment has been completed and 31 key risks have been identified. Of these, CentrePort is responsible for managing 17. The assessment recommended increased tug power capacity, more frequent harbour depth soundings, implementing a harbour weather system and determining berth loads. CentrePort is currently working through an action plan, which prioritises mitigating strategies.

Achieved. CentrePort engages in a wide range of community sponsorships ranging from business groups to specific community projects and endeavours. Spending in 2005/06 amounted to \$90,000.

Achieved. CentrePort participates in a number of community working groups such as the Environmental Consultative Committee, Transport Advisory Bodies and Chambers of Commerce.



## Investments WRC Holdings Group

### Social performance targets (continued)

#### Targets

To hold more port tours for community groups.

#### Actual

The International Ship and Port Security (ISPS) Code makes the provision of port tours difficult. Notwithstanding, a small number of tours for stakeholders and community groups have been conducted over the past 12 months.



## General performance targets

### Targets

The group will, in consultation with shareholders, continue to develop performance targets in the environmental and social areas.

### Actual

During consultation, the shareholders reviewed the 2007 Statement of Corporate Intent and the environmental and social performance targets have been revised. As a result, two new environmental targets (2007 SCI items 5.3d and 5.3e) were added. Two environmental targets (2006 SCI items 5.3b and 5.3c) were deleted because they have already been achieved and one social target (2006 SCI item 5.4f) was deleted.



### Objectives of the company

The primary objectives of the company as set out in the 2005/06 Statement of Corporate Intent (SCI) shall be to:

- operate as a successful, sustainable and responsible business
- be customer focused and provide superior service
- be the industry leader in transport logistics solutions.

The financial objectives of the company shall be to:

- provide a commercial return to shareholders
- adopt policies that prudently manage risk and protect the investment of shareholders.

The environmental objectives of the company shall be to:

- operate in an environmentally responsible and sustainable manner
- raise awareness of environmental issues within the company.

The social objectives of the company shall be to:

- be a learning organisation and a superior employer
- provide a safe, healthy workplace
- participate in development, cultural and community activities within the regions in which the company operates.

### Directors

N J Gould (Chairperson)

D J Benham

E M Johnson

W A Larsen

J G Jefferies

R M Peterson

R Janes



## Financial performance targets

The following table lists performance against targets set in CentrePort's 2005/06 Statement of Corporate Intent (SCI). Comparison against targets is provided, excluding and including revaluation gains on investment properties (as the SCI did not anticipate changes in asset values).

	2005/06 Actual excluding valuation changes <sup>(3)</sup>	2005/06 Actual including valuation changes <sup>(3)</sup>	2005/06 SCI Target
Net profit before tax	\$9.0m	\$9.0m	\$9.9m
Net profit after tax	\$6.8m	\$15.3m	\$6.8m
Return on total assets <sup>(1)</sup>			
– port	5.7%	5.7%	7.8%
– investment properties	5.1%	13.6%	4.8%
– overall			6.5%
Return on shareholders' funds <sup>(2)</sup>	4.5%	10.0%	4.5%
Dividend	\$3.6m	\$3.6m	\$3.6m
Dividend % of net profit after tax	53%	23%	53%

<sup>(1)</sup> Net profit before interest and tax as a percentage of average total assets.

<sup>(2)</sup> Net profit after tax as a percentage of average shareholders' funds.

<sup>(3)</sup> Valuation changes include an impairment of property, plant and equipment of \$1.3m and a revaluation of investment property and land available for development of \$8.5m.



## Investments

### Financial summary

	Council 2006 Actual \$000's	Council 2006 Budget \$000's
<b>Income Statement</b>		
Operating Revenue	13,047	12,728
Operating Expenditure	7,964	8,304
<b>Earnings before Interest</b>	<b>5,083</b>	<b>4,424</b>
Interest	(798)	(776)
<b>Operating Surplus/(Deficit)</b>	<b>5,881</b>	<b>5,200</b>
<b>Less:</b>		
Contribution to General Rates	7,759	7,759
Targeted Rate (Stadium)	(2,676)	(2,676)
<b>Earnings Retained</b>	<b>798</b>	<b>117</b>
<b>Operating Surplus of Individual Investments</b>		
Cash Deposits	3,409	3,234
WRC Holdings	2,850	698
Treasury Management	3,907	3,832
Plantation Forests	(1,332)	(365)
Reserve Forests	(986)	(522)
Administrative Properties	51	19
Akura Conservation Centre	0	31
Bioworks	(241)	43
Wairarapa Workshop	7	14
<b>Operating Surplus (Deficit)</b>	<b>7,665</b>	<b>6,984</b>
Regional Stadium	(1,784)	(1,784)
<b>Total Operating Surplus</b>	<b>5,881</b>	<b>5,200</b>