



Proposed 2007/08 Annual Plan – summary

submission period
5 April – 7 May

Incorporating a proposed amendment to the *2006–16 Ten-Year Plan (LTCCP)*

Quality for Life



- This document is a summary of Greater Wellington's *Proposed 2007/08 Annual Plan*, which also incorporates a proposed amendment to *Section 2.1* of the *Revenue and Financing Policy* in the *2006–16 Ten-Year Plan (Long-Term Council Community Plan or LTCCP)* – refer to page 6 for details.
- The *Proposed 2007/08 Annual Plan* contains information about Greater Wellington's key projects for the 2007/08 financial year, starting on 1 July 2007.
- Details on how to give us your views or comments and make a submission on the Proposed Annual Plan and LTCCP amendment are outlined on the final two pages of this document. **The deadline for making a submission is 4.00pm, Monday 7 May 2007.**
- Please contact us if you wish to obtain a copy of the full *Proposed 2007/08 Annual Plan* – refer to the details at the end of page 6.

Chairman's Message

Greater Wellington is committed to working co-operatively and collaboratively with our partners. We realise that this Annual Plan can only be delivered if we work closely with other councils, central government agencies, private-sector businesses and communities.

This Annual Plan contains a wide range of services. Three areas particularly require your attention.

Please give us your views and comments on our work (refer to page 7).

Your input will help us to deliver services that meet your needs.

Public transport network

The Wellington region is fortunate to have a well developed and well used public transport network. Unfortunately, under-investment in rail infrastructure by previous asset owners over many years, combined with a significant and rapid increase in users, has put considerable strain on the network. The resulting capacity and reliability issues have frustrated network users. Greater Wellington fully understands these frustrations, and is working hard to improve the situation.

Greater Wellington has only recently been legally permitted to own public transport assets, such as trains. Since then we have built strong partnerships to improve public transport infrastructure.

As a result, central government, through Land Transport New Zealand, is funding a significant proportion of the capital investment required for network improvements, with Greater Wellington ratepayers funding the balance.

Acquiring new trains takes time. By international standards we are a small player in the market. There are also constraints created by the peculiarities of our network, such as the rail gauge and tunnel sizes. However, new carriages will be in place on the Wairarapa line by the end of the year and we are currently ordering 70 new trains for the metropolitan area. These should be ready in about three years' time.

Meanwhile we are being careful to temper public expectations and are not promising services or facilities in this Annual Plan that cannot be delivered.

Rural and urban flood protection

Greater Wellington Regional Council is committed to investigating a long-term approach to integrating our land and river programmes. We want to work closely with the community to improve the quality of our river catchments.

Last year we were told that flood protection work was a priority for Hutt Valley and Wairarapa residents. Consequently, we brought forward planned flood protection work in these areas – which means that the costs have been brought forward too. This year we will be working hard to deliver the new programmes. Details of our flood protection work are contained in this Annual Plan.

Wellington Regional Strategy

Greater Wellington, at the request of most of the city and district councils in the region, has agreed to adopt a new rate to fund a regional economic development agency (EDA). This agency will implement the Wellington Regional Strategy developed over the past three years by the region's Councils, central government, businesses and community groups.

Sustainable economic development is pivotal to the success of the Wellington region. Greater Wellington believes that the strategy produced is realistic, pragmatic and a sound way for all councils, central government agencies, academic institutions and private sector businesses in the region to move forward in partnership.

Establishing a new regional EDA will require an increase in Greater Wellington Regional Council rates of \$4.5 million (incl GST). Offsetting this, up to \$3.9 million currently collected by city and district councils in the region for economic development purposes will be deducted from rates. Greater Wellington's agreement to fund the regional EDA is contingent on that rate reduction. The net increase in rates funding for this activity in the region will therefore be \$600,000.

Please note however, that the proposed governance and funding for the Wellington Regional Strategy is currently subject to an objection process initiated by Upper Hutt City Council. We anticipate that this will be resolved before the final 2007/08 Annual Plan is approved by Greater Wellington.

Ian Buchanan – Chairman

2007/08 Key Projects

Environment

- Complete the review of our Regional Policy Statement – the principal document for managing the region's natural and physical resources
- Review our resource management charging policy
- Enhance our Take Charge business pollution-prevention programme, which focuses on commercial and industrial areas
- Enhance the flood-warning systems in the Wairarapa's eastern hills, following a review of our hydrological monitoring network
- Further develop the Wairarapa conceptual groundwater model to increase our understanding of the geology and hydrology of the Wairarapa groundwater system



Transport



- Fund rail, bus and local harbour ferry passenger services
- Complete work on the new Wairarapa train carriages so they can be in service by the end of 2007
- Complete the tender process and sign the supply contract for 70 new trains for the Johnsonville, Paraparaumu, Melling and Hutt Valley lines
- Begin the design work for the western corridor rail network double tracking from MacKays Crossing to Lindale
- Provide extra car park spaces at Porirua, Woodside and Raroa stations and at Plimmerton Domain and Hutt Road, Petone
- Carry out a consultation process on a new Ngauranga-to-Airport transport corridor plan
- Develop work and school travel plans in the region
- Support the proposed Wairarapa log freight rail project

Water supply

- Supply water to the four Wellington metropolitan city councils that complies with the New Zealand Drinking Water Standards: 2005
- Manage vegetation and control pests in the Council-owned water catchments to ensure that high quality water enters our treatment plants, thereby making treatment less expensive with less risk
- Consult with the four Wellington metropolitan city councils and the public about the options for supplying water to our growing population, which will include a new dam and/or water conservation measures
- Improve the security and reduce the risks to our water supply, for example, by providing an emergency pumping station to ensure a second source of supply to part of Wellington City



2007/08 Key Projects

Parks



- Carry out restoration planting and pest control in our regional parks
- Eradicate animal pests in the Wainuiomata Mainland Island
- Undertake preliminary design work on a wetland regional park at Lake Wairarapa
- Complete the Battle Hill Farm and Belmont Regional Park management plans

Safety and flood protection

- Carry out \$6.1 million of capital river works across the region, such as upgrading stopbanks
- Complete \$3.8 million of river maintenance in the Hutt, Otaki, Waikanae and Ruamahanga Rivers
- Progress the Waingawa River scheme review
- Complete the Waiwhetu Stream investigations which includes preparing the Floodplain Management Plan in consultation with the local community
- Complete a Port and Harbour Safety Management System to address identified risks



Land



- Manage Bovine Tb vector control operations in the region to protect farmed cattle and deer
- Complete the review of the Regional Pest Management Strategy
- Support good land management practices to control erosion, including planting poplars in our hill country, establishing shelterbelts and riparian planting alongside waterways
- Develop a long-term approach to integrating our land and river management programmes to improve the quality of our river catchments

Community

- Carry out the Council's triennial elections in October 2007
- Promote the implementation of the Wellington Regional Strategy
- Operate a regional economic development agency to carry out the economic development projects of the Wellington Regional Strategy *[Please note however, that the proposed governance and funding for the Wellington Regional Strategy is currently subject to an objection process initiated by Upper Hutt City Council. We anticipate that this will be resolved before the final 2007/08 Annual Plan is approved by Greater Wellington.]*



See page 6 for details on how to obtain more information and a copy of the full *Proposed 2007/08 Annual Plan* document

2007/08 Key Changes from the 2006–16 Ten-Year Plan (LTCCP)



Environment

- Additional revenue of \$300,000 included for resource consents
- \$100,000 transferred from our communications budget to expand the Take Charge business pollution-prevention programme
- Additional \$54,000 for increased policy input for the Regional Policy Statement review



Water supply

- Capital expenditure on fixed infrastructure reduced by \$1.4 million, principally because a new Hutt River intake and associated pumping station at Te Marua have been deferred
- \$185,000 added to support the implementation of the Water Management Plan that is being prepared with our four Wellington metropolitan city council customers



Parks

- Ranger services for the new wetland regional park at Lake Wairarapa (\$300,000) and for Whitireia Park (\$236,000) have been deferred to 2008/09
- Additional revenue of \$100,000 included as a result of the newly purchased Waitangirua Farm being leased to Landcorp Farming Limited



Land

- Expenditure on Bovine Tb vector control (\$4.4 million) reduced by \$73,000 in accordance with the Animal Health Board's proposed programme



Transport

- Expenditure for heavy maintenance of passenger trains reduced by \$6.4 million; this is now covered under our new rail operating contract
- Payments for infrastructure upgrades required for the new trains (e.g. traction and signals) have increased by \$3.2 million
- \$400,000 included for the concept design of the Western Rail Corridor
- \$25.7 million reduction in capital expenditure (as a result of adjustments to the budget for the new trains to reflect current construction time estimates) with a consequential reduction in revenue from Land Transport NZ, but there is no change to the estimated time of delivery
- Additional \$4.7 million now provided for contracted bus services (increased costs and some service improvements have been partly offset by a \$2.2 million reduction in the budget for future bus improvements)

Refer to the full Proposed 2007/08 Annual Plan for more details



Safety and flood protection

- Lower Wairarapa Valley Development River Scheme capital works (\$870,000) will now start in 2007/08; the programme had to be deferred because of flood damage and has now been rescheduled to take place over seven years until 2013/14
- Capital budgets of \$1.65 million for the Chrystals extended stopbank on the Otaki River and \$476,000 for the Whirinaki Crescent stopbank on the Hutt River have been included to complete these projects; both projects were delayed because of land access issues
- Additional \$51,000 provided to complete the Waiwhetu stream flood management investigation
- Additional \$61,000 included to maintain the new communications system in the regional Emergency Operations Centre



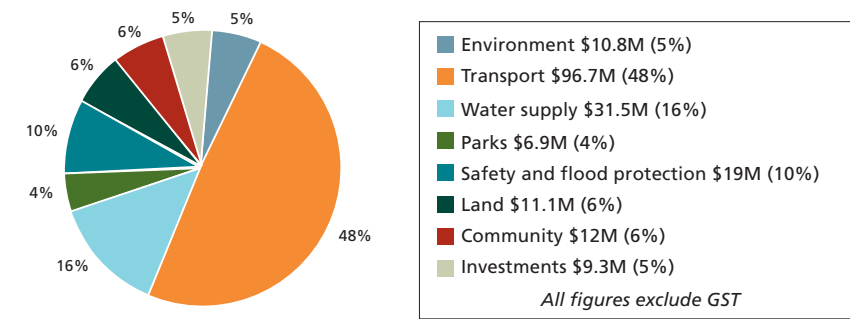
Community

- Additional \$60,000 included for democratic services because of increased distribution costs
- Additional \$300,000 for Greater Wellington to act as keeper of the Wellington Regional Strategy
- \$4.5 million provided to operate a regional economic development agency (to be offset by up to \$3.9 million currently collected by city and district councils for economic development purposes)
NB: currently subject to a legal objection process

See page 6 for details on how to obtain more information and a copy of the full *Proposed 2007/08 Annual Plan* document

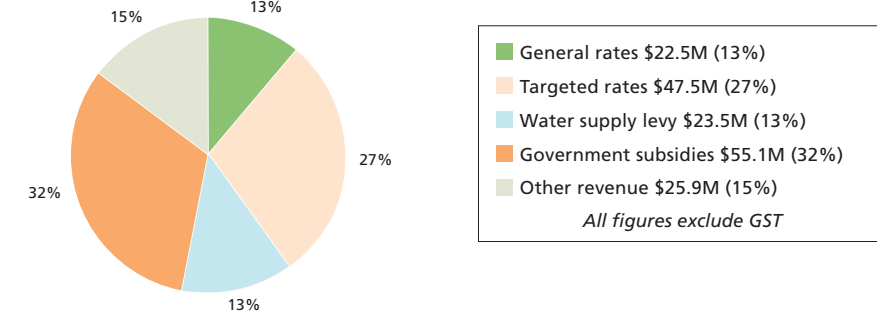
2007/08 Rating Information

Categories of Expenditure



Next year Greater Wellington plans to spend over \$28 million on capital expenditure and transport investments. Our operating expenditure will be over \$162 million. The above pie chart shows the total cost of delivering Greater Wellington's services broken down by our groups of activities. The most significant area of our expenditure is transport, accountable for 48% of the total work programme for 2007/08.

Sources of Revenue



Our work programmes will be funded by a mix of rates, levies, government subsidies and other revenue. Regional rates, comprising general rates and targeted rates, make up 40% of Greater Wellington's total revenue. Government subsidies (primarily for funding public transport) make up a further 32% and the water supply levy (charged to Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 13%.

Summary of rates and levies

By Rate and Levy type: (incl. GST)	2006/07 Budget \$000s	2007/08 Plan \$000s	Change \$000s	Change %
General rates	24,626	25,301	675	2.75%
Targeted Rates:-				
River management rates	3,571	3,789	218	6.10%
Regional transport rates	36,921	40,388	3,467	9.39%
Stadium rates	3,010	3,010	0	0.00%
Bovine Tb rates	160	160	0	0.00%
South Wairarapa District – river rates	198	205	7	3.54%
Wairarapa scheme and stopbank rates	1,206	1,331	125	10.36%
Total Targeted rates	45,066	48,883	3,817	8.47%
Total Rates excluding economic development agency rates	69,692	74,184	4,492	6.45%
Economic development agency rate (EDA)	0	4,500	4,500	n/a
Total Regional rates	69,692	78,684	8,992	12.91%
Water levy	25,623	26,392	769	3.00%
Total rates and levies	95,315	105,076	9,761	10.24%

This table shows the rates and levies that Greater Wellington proposes to collect in 2007/08, together with the changes from 2006/07. Rates comprise the general rate and various targeted rates. Greater Wellington also charges a water supply levy directly to the four metropolitan city councils in the region. The city councils then rate accordingly for this levy.

It is proposed to increase the general rate by 2.75%. Additional capital investment in flood protection and transport means that the overall rate increase is 6.45%.

It is also proposed to increase the water supply levy by 3% from 2006/07 – half the increase signalled in our 2006–16 Ten-Year Plan.

This year, an additional rate, the economic development agency rate (EDA), is proposed to fund a new Economic Development Agency for the Wellington region. Although it is proposed to rate regionally for \$4.5 million (including GST), up to \$3.9 million of this (the sum currently collected for economic development across the region) will come off city and district council rates, leaving Greater Wellington to collect an additional \$600,000.

The total increase in regional rates (including the EDA) proposed for 2007/08 is 12.91%. When the water supply levy is included, the increase is 10.24%.

By Area: (incl. GST)	2006/07 Budget \$000s	2007/08 Plan \$000s	Change \$000s	Change %	Cost of EDA rate \$000s	2007/08 Plan including EDA rate \$000s	Change %
Wellington City	37,017	38,690	1,673	4.52%	2,030	40,720	10.00%
Lower Hutt City	12,680	14,082	1,402	11.06%	893	14,975	18.10%
Upper Hutt City	4,305	4,684	379	8.80%	334	5,018	16.56%
Porirua City	5,391	5,845	454	8.42%	351	6,196	14.93%
Kapiti Coast District	5,443	5,829	386	7.09%	449	6,278	15.34%
Masterton District	1,553	1,580	27	1.74%	247	1,827	17.64%
Carterton District	631	666	35	5.55%	80	746	18.23%
South Wairarapa District	1,105	1,109	4	0.36%	116	1,225	10.86%
Tararua District	3	3	0	0.00%	0	3	0.00%
District-wide rates	68,128	72,488	4,360	6.40%	4,500	76,988	13.01%
Bovine Tb Rate	160	160	0	0.00%	0	160	0.00%
South Wairarapa District – river rates	198	205	7	3.54%	0	205	3.54%
Wairarapa scheme and stopbank rates	1,206	1,331	125	10.36%	0	1,331	10.36%
Total Regional rates	69,692	74,184	4,492	6.45%	4,500	78,684	12.91%
Water supply levy	25,623	26,392	769	3.00%	0	26,392	3.00%
Total rates and levies	95,315	100,576	5,261	5.52%	4,500	105,076	10.24%

Rates increases vary between city and district councils because of differing capital values (equalised). Further, some of Greater Wellington's work programmes impact differently across the region, e.g. flood protection.

Note:

Figures labelled "2006/07 Budget" are sourced from Greater Wellington's 2006/07 Annual Plan, and those labelled "2007/08 Plan" are those proposed in this 2007/08 Annual Plan.

The proposed EDA rate is allocated on a fixed amount basis for residential and rural ratepayers, and capital value for business ratepayers. We welcome your views on alternative allocation options for this rate, including any transitional arrangements from the current allocations rated by the city and district councils for funding economic development.

Rates calculator for residential properties ⁽¹⁾



The table below shows how you can calculate your own indicative residential regional rates for 2007/08.

For example, if you live in Porirua City and have a property with a capital value of \$250,000 your indicative regional rates are \$317.19.

2007/08 proposed rates per \$100,000 of capital value excluding the EDA rate		Enter the capital value of your property		Proposed EDA rate	Proposed rates on your property for 2007/08			
Wellington City	\$66.44	x		+	100,000	+	\$14.06	
Lower Hutt City	\$126.96	x		+	100,000	+	\$14.06	
Upper Hutt City	\$122.19	x		+	100,000	+	\$14.06	
Porirua City	\$121.25	x		+	100,000	+	\$14.06	
Kapiti Coast District	\$78.84	x		+	100,000	+	\$14.06	
Masterton District	\$45.48	x		+	100,000	+	\$14.06	
Carterton District	\$47.72	x		+	100,000	+	\$14.06	
South Wairarapa District ⁽²⁾	\$49.39	x		+	100,000	+	\$14.06	

Note: ⁽¹⁾ All figures include GST ⁽²⁾ Excludes river rates charged on Greytown and Featherston urban properties

Porirua City example	\$121.25	x	\$250,000	+	100,000	+	\$14.06	\$317.19
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Please note: the above calculation does not include rates set by your local city or district council.

Greater Wellington Regional Council rates are set and assessed by Greater Wellington but are invoiced and collected by the relevant city or district council in the Wellington region. Such combined collection arrangements are cost effective and more convenient for ratepayers.

Proposed 2006–16 Ten-Year Plan (LTCCP) amendment

Section 2.1 of the Revenue and Financing Policy

Summary Information

Now that we have a much clearer position on the nature, ownership and funding of our rail infrastructure, we are proposing to amend part of our *Revenue and Financing Policy in the 2006–16 Ten-Year Plan (LTCCP)* to provide greater equity between current and future ratepayers in relation to funding certain rail infrastructure.

Although there are no significant financial consequences, we are required by the *Local Government Act 2002* to propose a formal amendment to the *2006–16 Ten-Year Plan (LTCCP)* for public consultation.

The Proposed Amendment

This LTCCP amendment will allow us to debt fund certain operating expenditure on rail infrastructure assets over a longer time period than the five years of the current policy, for up to 75% of the expected life of the asset. Debt funding allows us to spread the rates impact of the expenditure over the term of the loan.

This particular debt funding only applies to circumstances where Greater Wellington is unable to obtain an ownership interest in the asset, for example upgrading the station platforms to ensure they are at the same height and length of the new trains.

Section 2.1 of the Revenue and Financing Policy provides for circumstances where Greater Wellington will consider funding operating expenditure from sources other than its operating revenue. The proposed amendment (in italics below) replaces the last bullet point in the existing policy:

- *Where the expenditure relates to the provision of passenger rail services, benefits of that expenditure extend beyond one year, and Greater Wellington is unable to obtain an ownership interest in the asset created; in this situation, Greater Wellington may loan fund the expenditure over a period not exceeding 75% of the expected useful life of that asset.*

Financial Impacts

The proposed amendment to the *Revenue and Financing Policy* does not have a significant impact on the financial information contained in the *2006–16 Ten-Year Plan (LTCCP)* and therefore the financial and rating information remains unchanged.

The *Local Government Act 2002* requires all LTCCP amendments to be audited; an unqualified audit opinion has been obtained.

The audit report is included within the *Proposed 2007/08 Annual Plan*, which incorporates this proposed amendment to the *Revenue and Financing Policy in the 2006–16 Ten-Year Plan (LTCCP)*.



Refer to the full *Proposed 2007/08 Annual Plan* document for more information, and to view the audit report

- See our website www.gw.govt.nz
- Email us annualplan@gw.govt.nz
- Phone us 0800-496-734
- Visit our Wellington office 142 Wakefield Street – next to the James Smith carpark by the Duxton Hotel
- Visit our Masterton office 34 Chapel Street – opposite the Departmental building

To obtain more information on the Proposed Annual Plan and LTCCP amendment

- Contact your regional Councillors See back page for details
- Attend a public meeting Details to be advertised

8 Please give us your views and comments

Contact your regional councillors

	Kapiti Constituency Chris Turver T/F 06 364 3640 M 027 230 1601 chris.turver@gw.govt.nz		Lower Hutt Constituency Glen Evans T 04 566 4523 F 04 570 1434 M 027 445 8170 glen.evans@gw.govt.nz
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	Wellington Constituency Judith Aitken T 04 475 8969 M 027 304 3518 judith.aitken@gw.govt.nz
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	Wellington Constituency Terry McDavitt T 04 938 7036 F 04 938 7037 M 021 238 3965 terry.mcdavitt@gw.govt.nz
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	Porirua Constituency Margaret Shields T 04 239 9949 F 04 239 9084 M 027 231 6102 margaret.shields@gw.govt.nz
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	Lower Hutt Constituency Peter Glensor T 04 586 4119 F 04 586 4118 M 027 241 5152 peter.glensor@gw.govt.nz
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	Wellington Constituency Sally Baber T 04 476 3116 M 027 476 3116 sally.baber@gw.govt.nz
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	Wellington Constituency Fran Wilde T 04 890 3786 F 04 890 3766 M 021 888 075 fran.wilde@gw.govt.nz
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	Upper Hutt Constituency Rex Kirton T/F 04 528 4751 M 021 435 277 rex.kirton@gw.govt.nz
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	Lower Hutt Constituency Sandra Greig T/F 04 586 0847 M 027 640 8681 sandra.greig@gw.govt.nz
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	Wellington Constituency Chris Laidlaw T 04 934 3143 F 04 934 3148 M 027 425 4668 chris.laidlaw@gw.govt.nz
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	Wairarapa Constituency Ian Buchanan (Chairman) T 04 802 0346 F 04 384 5023 M 027 282 2833 ian.buchanan@gw.govt.nz
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	Wairarapa Constituency Rick Long T 06 370 1123 F 06 370 1128 M 027 430 4004 rick.long@gw.govt.nz
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Greater Wellington Regional Council PO Box 11646, Manners Street 142 Wakefield Street, Wellington T 04 384 5708 or 0800 496 734 F 04 385 6960 E annualplan@gw.govt.nz www.gw.govt.nz	
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Submissions close
4pm Monday 7 May

Please note that any submission you make may be publicly available under the Local Government Official Information and Meetings Act 1987.

If you are making a submission as an individual, we will consider removing your personal details if you request this in your submission.

Proposed 2007/08 Annual Plan Feedback form

FreePost Authority Number 3156



**Proposed 2007/08 Annual Plan
incl. proposed LTCCP amendment (section 2.1 revenue & financing policy)**
 FreePost 3156
 Greater Wellington Regional Council
 PO Box 11646 Manners Street
 Wellington 6142