greater WELLINGTON
REGIONAL COUNCIL

GREATER WELLINGTON REGIONAL COUNCIL

Annual Report 2009/10

Auditors

Audit New Zealand on behalf of the Auditor-General

Bankers

National Bank of New Zealand

Treasury advisers

Asia Pacific Risk Management

Solicitors

Bell Gully
Chapman Tripp
DLA Phillips Fox
Luke Cunningham & Clere
McBride Davenport James
Oakley Moran
Simpson Grierson

Chair's report

The year under review has been an exciting and active one for Greater Wellington. As you will see from reading this report, we have made significant advances in several areas of core business and have introduced a number of new initiatives

The summary in the Chief Executive's introduction gives a flavour of what has occupied our time and energy. Whether it be the introduction of the new Matangi trains later this calendar year or completing the clean-up and flood protection works in the lower Waiwhetu Stream, Greater Wellington's Councillors and staff are conscious of the need to provide value for money for our ratepayers and other stakeholders.

Like other sectors of the economy, local government generally has been challenged by the past two years of economic difficulties. In my introduction to last year's Annual Plan, I noted that many of our residents were in their worst financial position for some years. When setting rates for the forthcoming year, we took this into account and looked hard at the programmes and timing of delivery. As a result, we were able to hold the rates increase to 2.2%.

In many ways the conservative financial approach that our Council has always taken has proved helpful and we have been able to maintain our core programmes, as well as invest in a few new areas that are critical for our community's wellbeing. However, there is no fat in the system and the next few years – as we move into paying our share of the new trains – will be challenging.

Over the past year we have engaged with the regional community on a number of issues, including the Regional Policy Statement, transport strategies, the Parks Network Plan and the usual Annual Plan consultations. Other engagement has taken place around specific work we are planning at local level, while we also continue our partnerships in a range of areas with the city and district councils of the region and central government agencies.

I would like to use this opportunity to thank all the individuals and organisations who have so willingly shared with us their time and knowledge to help the region. I know that for members of the public, in particular, consultation at times seems unending. We are acutely aware of this and try to make our community engagement relevant and focused, within the constraints of the legal requirements.

At a time when the structure of local government is under great scrutiny, the effectiveness of our collaboration with other local and central government agencies will also be an indicator of whether or not the Wellington region requires external intervention to improve delivery. The activities and delivery of the past year suggest that collaboration is alive and well. In the next 12 months Greater Wellington and local councils will look closely at our governance and delivery arrangements to see what we might do better.

It is a pleasure to introduce this Annual Report 2009/10 on behalf of the Councillors and staff of Greater Wellington.

Fran Wilde

Chief Executive's report

As I write this summary of Greater Wellington's operational activities for the year, I am reminded of both the width and depth of services we provide for our regional residents and ratepayers

We have made progress on some significant projects and set the scene for some exciting new initiatives.

This has been done against a backdrop of a global economic recession that led us to make changes to reduce our average rates increase for the upcoming 2010/11 year to 2.2%. This is well below the 11% that was forecast for that year in our *10-Year Plan 2009-19*. Keeping our increases over the coming years to about this level will be challenging given our exposure to international oil prices and vagaries of the New Zealand dollar's exchange rate.

Public transport matters have never been far from the headlines this year, particularly the news about disruption faced by commuters. We are all looking forward to the completion of a major rail upgrade project which should significantly improve the reliability of our current old and tired network.

As I write this, the first of our new Matangi trains has arrived in Wellington, double-tracking work from Paekakariki to Waikanae is on schedule, station improvements are nearing completion and construction of a new passenger station at Waikanae is soon to begin. This investment has largely been met by taxpayers, but regional ratepayers and fare payers have also been asked to make significant contributions.

Another area of major capital expenditure is flood protection works, particularly those protecting Hutt residents and businesses from the Hutt River and its major tributaries.

The completion of the Waiwhetu Stream clean-up and flood protection work in partnership with the Hutt City Council and Ministry for the Environment was long overdue. This complex project has seen the successful clean-up of what was widely regarded as New Zealand's most polluted stream. Regrettably, some of the toxic waste removed was not properly disposed of in the first instance, causing justifiable concern from Wainuiomata residents. Greater Wellington apologises unreservedly for this and we have strengthened our project management systems to ensure that there are no similar breakdowns in future projects for which we are responsible.

Our next piece of flood protection work involves upgrading and extending the existing stopbank between Fairway Drive and Connolly Street in Lower Hutt. This will provide much needed protection to the Hutt CBD, Hutt Hospital and central residential areas.

As well as the delivery of planned business, we have been working on the production of several major long-term planning documents. A key milestone for the year was the approval in May 2010 of our second-generation Regional Policy Statement (RPS). The RPS is a critical document for the region, containing the key objectives and policies for the environmental management of the region's natural and physical resources.

The completion of the RPS sets the scene for the development of a Natural Resources Plan. As well as looking to integrate our five current natural resources plans into one document, we also want to better understand the values our communities place on their natural environment and the type of regulations they want to protect it.

Another milestone was the near completion of the Parks Network Plan. Our regional parks contribute significantly to the wellbeing of our region's residents and are often referred to as the "jewel in the Regional Council's crown". Currently, each park has its own plan, but as our network grows we need to better plan how we allocate resources and manage activities across that network, as well as doing the best for each park.

This year saw the purchase of a property at Baring Head that will extend the current East Harbour Regional Park. The purchase of the Baring Head block of land happened as the result of a mortgagee sale.

Greater Wellington quickly assembled a consortium group comprising ourselves, the Department of Conservation, Nature Heritage Trust, Hutt City Council and a private contributor. This purchase has secured enduring protection for an iconic part of the region's natural environment.

Three years ago Greater Wellington partnered with nine other regional councils to manage the half of the Government's Afforestation Grants Scheme not directly controlled by MAF. The scheme aims to minimise the effects on New Zealand's carbon balance sheet from increased plantings in the 1990s and the subsequent harvesting of those forests. The scheme integrates well with other hill country conservation planting initiatives already funded by Greater Wellington, with co-benefits for improving water quality, reducing erosion and enhancing biodiversity. To date, more than 860ha have been planted in the Wellington region. Greater Wellington is keen to see this scheme continue beyond that as part of the Government's future baseline funding.

This year the Council decided to support the national Warm New Zealand programme run by EECA (the Energy Efficiency and Conservation Authority). Under this scheme householders can qualify for a Government subsidy towards the cost of installing approved insulation and clean heating appliances. Greater Wellington offers an assistance programme to ratepayers that allows them to fund up to $2,600 from us and repay it over nine years as a targeted rate against their property. In the 2009/10 financial year $252,569 has been provided to 133 regional ratepayers under this scheme.

Greater Wellington continues to invest in the development of our staff. We are seeing the benefits of a managers' training programme and other opportunities for staff to learn and grow. One measure of this is our annual Gallup survey, which measures how engaged our staff are as Greater Wellington employees. This year was our third survey, which showed further improvement on all indicators compared with previous years.

Executive Leadership Team

Chief Financial Officer
Barry Turfrey

General Manager, Environment Management
Nigel Corry

General Manager, Public Transport
Dr Wayne Hastie

General Manager, Utilities and Services
Murray Kennedy

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

General Manager, Catchment Management
Wayne O'Donnell

General Manager, People and Capability
Leigh-Anne Buxton

Manager – Māori Relations
Riki Ellison

A management reorganisation was also completed during the year. Its purpose was to place greater focus on our strategic planning and community engagement roles, as well as to better group similar activities for management purposes. One key feature of this was to boost our relationships with Māori, particularly with our region's mana whenua iwi. This has resulted in the creation of a new role – Māori Relations Manager – which sits on our executive leadership team, recognising the importance to us of our relationships with Māori.

I greatly value the dedication and professionalism of Greater Wellington's staff. This has been a particularly difficult year for us as we delivered our various services and programmes under tight financial constraints. 2010/11 looks like it will also be a demanding year as we continue to balance programmes that our region's ratepayers tell us they want with what they tell us they can afford.

David Benham

Community outcomes

Community outcomes for the Wellington region

Healthy environment

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

Quality lifestyle

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

Sense of place

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

Prosperous community

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

Prepared community

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

Connected community

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

Entrepreneurial and innovative region

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

Essential services

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

Healthy community

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

Strong and tolerant community

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

Key achievements for 2009/10

There have been a number of notable achievements in the past year

- The Regional Policy Statement was approved by the Council in May
- Te Upoko Taiao – Natural Resource Plan Committee was established in late 2009 and the review of our various regional plans commenced
- Construction of the Beacon Hill Signal Station building was completed
- The eMission programme was successfully developed
- The Take Care programme celebrated its 10th year
- The Waiwhetu Stream clean-up and flood improvements works were completed
- Biodiversity enhancement projects were boosted by the Ministry of Social Development's Community Max Scheme, which provided employment for 15 staff for six months
- An aerial possum control operation was undertaken for the Hutt River catchment
- Our BioWorks department performed strongly and produced a better-than-budgeted result
- Wellington Regional Erosion Control Initiative plans were completed for 10 properties in the Whareama Catchment, representing the first plans for this 10-year programme
- Resource consent and Notice of Requirement applications were submitted to the Hutt City Council and Greater Wellington for the proposed Hutt/Boulcott stopbank construction
- The region's broadband project was significantly progressed
- Consultation on the proposed Regional Land Transport Strategy 2010-2040 was completed
- A new Regional Road Safety Plan and Travel Demand Management Plan was adopted
- *Our Region* successfully transitioned to a quarterly insert in community newspapers
- The Greater Wellington and Metlink websites were upgraded
- A successful annual Ara Tahi hui was held
- Our plantation forests harvested their highest-ever amount – 73,000 tonnes. There was also a $6 million increase in the forestry valuation
- The Wairarapa groundwater models were completed and are being used to test scenarios to propose management zones and allocation options
- An Emergency Management educational booklet *It's Easy* was published
- Water supply totalled 52,939 million litres, at an average of 145 million litres per day, 2.4 % less than that for 2008/09 and representing the lowest annual total during the past decade
- The Draft Regional Water Strategy was progressed
- Innovation within water supply continues and for the first time the Wainuiomata Water Treatment Plant has been placed on standby mode over the winter months
- A contract was awarded for the provision of a 300kW generator for the Wainuiomata Water Treatment Plant
- The Te Marua mini-hydro plant was commissioned
- The draft Parks Network Plan was released for public consultation
- Greater Wellington purchased 284ha at Baring Head to add to the regional parks network
- The Wairarapa Moana Wetlands Park was launched
- Approximately 1 million bus, rail and ferry services were funded by Greater Wellington
- There were 35 million passenger boardings across all public transport modes in 2009/10
- The new Matangi trains are in production, with factory testing of Unit 1 almost complete
- A contract was signed for a public transport real-time information system and a pilot was conducted on bus route 14
- Asset management and electronic purchasing projects were rolled out across Greater Wellington
- Warm Greater Wellington launched in April, with 133 completed installations by 30 June
- We achieved significant increases in investment revenue and a lower cost of debt, and refinanced our debt portfolio at good rates in a difficult financing environment

Working with iwi

Development of Māori capacity to contribute to decision making

Ara Tahi

Ara Tahi is Greater Wellington's inter-iwi advisory group made up of representatives from the seven mana whenua iwi groups in the Wellington region, and the Council's Chair and Deputy Chair. Ara Tahi was first established in 1993 with the signing of a Charter of Understanding between mana whenua iwi and the Council. Ara Tahi is a collective forum that discusses matters of concern to both Greater Wellington and mana whenua iwi. Ara Tahi met formally four times in 2009/10 and also held four technical workshops, as well as undertaking a "walkover" in the Otaki river catchment with Ngāti Raukawa, Ngāti Huia and the Kapiti Coast District Council.

Key matters considered by Ara Tahi during the year included:

- Reviewing the Charter of Understanding between mana whenua iwi and Greater Wellington
- Establishing the Te Upoko Taiao – Natural Resource Plan Committee

Iwi representation on committees

All Council committees continue to include a mana whenua iwi representative and this process continues to work well for both the Council and iwi.

Iwi projects

Iwi project funding was provided to Rāngitane and Ngāti Kahungunu ki Wairarapa to support their participation in the Wairarapa Moana Management Board.

Cultural health monitoring projects were initiated in the Wairarapa and the monitoring of cultural values was also integrated into the Waiwhetu Stream clean-up project.

Hui ā Ara Tahi

Greater Wellington facilitated a two-day hui for Ara Tahi and iwi representatives at Hikoikoi in May. The primary focus of the hui was on the future role and make up of Ara Tahi, including reviewing the Charter of Understanding and ensuring Ara Tahi continues to add value to both the mana whenua iwi and Council.

Tā Taihakurei Durie also presented on the Declaration on the Rights of Indigenous People and discussed the implications of the recent signing of this declaration by New Zealand.

Te Upoko Taiao

Greater Wellington established Te Upoko Taiao – Natural Resource Plan Committee as a Council committee to review the existing regional plans and develop a new regional plan covering all natural resources within the region. This committee is made up of seven elected councillors and seven non-elected mana whenua iwi representatives (one from each of the seven mana whenua iwi groups). This committee provides Māori with a direct decision-making role in the regional plan's development.

Māori Relations Manager and Kaitakawaenga/Māori Liaison Officers

Greater Wellington has appointed a Māori Relations Manager in addition to the two specialist Kaitakawaenga/Māori Liaison Officers. This team continues to work with mana whenua iwi groups in building and strengthening the relationship between iwi and the Council, and supporting the capacity of Greater Wellington staff engaging with iwi. The Kaitakawaenga have also taken the lead in coordinating a Rugby World Cup Regional Coordination Group for Māori in the Wellington region.

Financial overview

For the year ended 30 June 2010

	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Council – summary statement of comprehensive income			
Revenue	170,478	168,868	168,093
Finance costs	(5,158)	(5,999)	(4,908)
Operating expenditure*	(145,223)	(151,452)	(144,090)
Depreciation and amortisation	(11,511)	(10,389)	(10,716)
Operating surplus	8,586	1,028	8,379
External funding for Baring Head land purchase	1,100	-	-
Unrealised gains and (losses) on financial instruments	(5,389)	(570)	7,260
Forestry revaluation/cost of goods sold	4,885	1,248	(924)
Transport improvement revenue	78,286	145,939	54,985
Transport improvement expenditure*	(83,064)	(146,541)	(70,015)
Net operating surplus/(deficit) for the year before tax	4,404	1,104	(315)
Other comprehensive income			
Increases/(decreases) in asset revaluations	-	-	45,310
Total comprehensive income	4,404	1,104	44,995

Greater Wellington's operating surplus for the 2009/10 year, before unrealised gains and losses and transport improvements, was $8.586 million, compared with a budgeted surplus of $1.028 million. Including the revenue and expenditure on the transport improvements and valuation movements, the net surplus was $4.404 million, which is $3.300 million ahead of budget.

Significant components of this variance are:

- Greater Wellington receives grant revenue to fund various transport projects. Revenue is only received when expenditure is incurred, a number of projects were below budget, including:
  - Lower expenditure for the purchase of the Matangi trains of $45.4 million due to a slight delay and revised payment schedule. This reduced transport improvement revenue by $40.8 million
  - Lower rail project expenditure, including the MacKays Crossing to Waikanae double tracking of $14.6 million, reduced transport improvement revenue by $8.8 million
  - Reduced payments in respect of diesel bus inflation of $4.2 million. This reduced revenue by $2.4 million
  - Increased rail contract costs of $2.2 million due to decreases in patronage while the rail upgrade is being undertaken
- Increased dividends and subvention payments of $0.8 million over budget were received from the WRC Holdings Group
- The timing of the revaluation of the water assets was brought forward, resulting in higher depreciation than the budgeted $1.1 million
- The purchase of land at Baring Head was not budgeted. The Hutt City Council, Department of Conservation and a private benefactor contributed $1.1 million towards this land purchase
- Changes in interest rates have resulted in unrealised valuation losses on financial instruments of $4.6 million above budget
- High log prices at year end resulted in a significant unrealised increase in the value of the forestry investment of $6.0 million, which is $4.1 million over budget

*Comparatives for 2009 and budgets for 2010 have been reclassified to aid comparability

Financial overview (continued)

Council – summary statement of financial position

	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Current assets	101,879	78,405	64,285
Non-current assets	697,599	707,996	703,803
Total assets	**799,478**	**786,401**	**768,088**
Equity	659,780	634,843	655,376
Current liabilities	44,334	71,865	42,620
Non-current liabilities	95,364	79,693	70,092
Total equity and liabilities	**799,478**	**786,401**	**768,088**

- Current assets are higher than budget and last year as some deposits have been reclassified as current assets
- Equity is higher than budget due to the 2008/09 water revaluation being finalised after the 2009/10 budget was finalised
- Longer maturity debt at balance date has reclassified debt from current to non-current liabilities
- Overall term debt was lower than budget due to the lower level of capital expenditure and transport improvements compared to budget

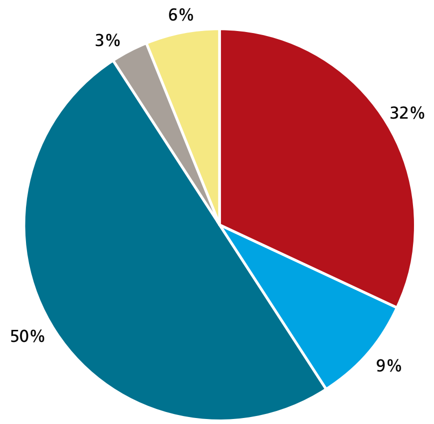
Council – summary of cashflows statement

	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Cashflows from operating activities	17,995	11,035	12
Cashflows from investing activities	(17,788)	(37,997)	(34,110)
Cashflows from financing activities	18,467	29,011	18,246
Net increase (decrease) in cash, cash equivalents and bank overdraft	18,674	2,049	(15,852)
Opening cash equivalents	17,313	35,281	33,165
Closing cash equivalents	35,987	37,330	17,313

- Actual cashflow from operations is higher than budget due to lower expenditure on transport improvements. This is further explained in Note 30
- The lower level of capital expenditure and transport expenditure reduced the cash outflow for investing activities

Financial overview (continued)

Council revenue

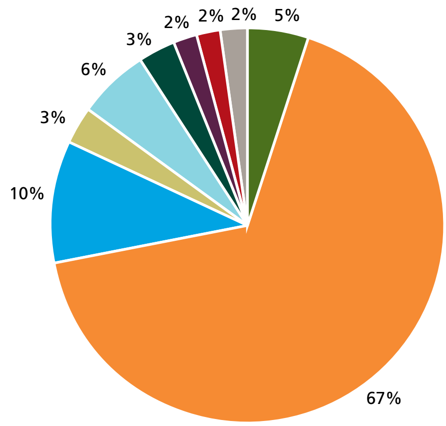


Rates	32%
Water supply	9%
Grants and subsidies	50%
Investments and CCOs	3%
Other revenue	6%

This pie chart illustrates Greater Wellington's source of revenue. Rates made up 32% of our revenue in 2010.

Grants and subsidies, predominately from central government, makes up the largest share.

Council operational expenditure



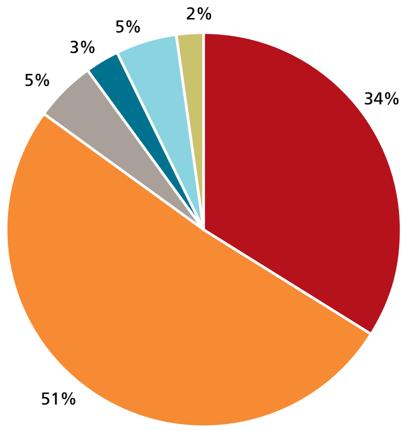
Resource management	5%
Transport*	67%
Water supply	10%
Land management	3%
Safety and flood protection	6%
Parks	3%
Community	2%
Investments	2%
Regional sustainable development	2%

*Includes $83.0m of expenditure on transport improvements

This pie chart illustrates Greater Wellington's operational expenditure by outcome. The largest portion is for public transport, which includes $83.0 million being invested in the rail network improvements during 2010.

Financial overview (continued)

Council rates

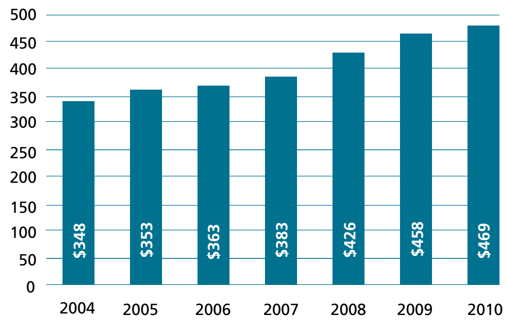


General rates	34%
Transport rates	51%
Economic development rate	5%
Stadium rate	3%
River rates	5%
Wairarapa scheme and pest rates	2%

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

Average rates collected per property

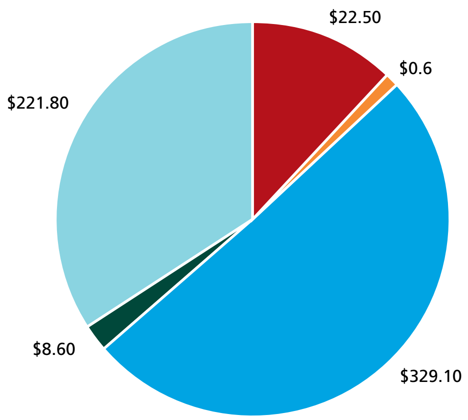
for the year ending 30 June



Over the past seven years, rates per property have increased by an average of 5.8%. This increase includes the change for Greater Wellington taking on rating for economic development for the region, the current major investment in improving the rail network and the continuation of the flood protection programme.

Financial overview (continued)

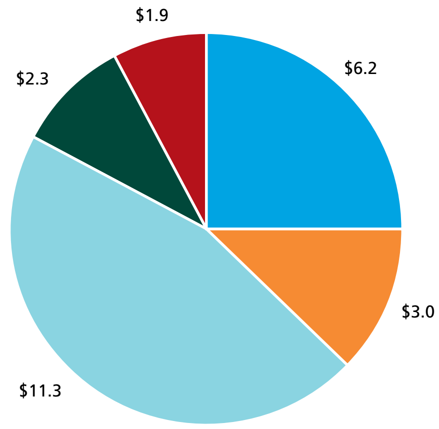
Council fixed assets ($ millions)



Other assets	12.3%
Transport*	0.1%
Water supply	51.5%
Parks and forests	1.4%
Flood protection	34.7%

*Excludes $60 million of rail rolling stock held by Greater Wellington Rail Ltd, a Council subsidiary

Council capital expenditure ($ millions)



Water supply	25.1%
Transport*	12.1%
Flood protection	45.8%
Parks	9.3%
Other	7.7%

*Excludes $83.0 million of transport improvements which are treated as operational expenditure

Greater Wellington looks after many important community assets. Our asset base consists of regional water supply, regional parks and forests, flood protection and, increasingly, public transport. The new Matangi trains will be owned by a Greater Wellington subsidiary, Greater Wellington Rail Limited.

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

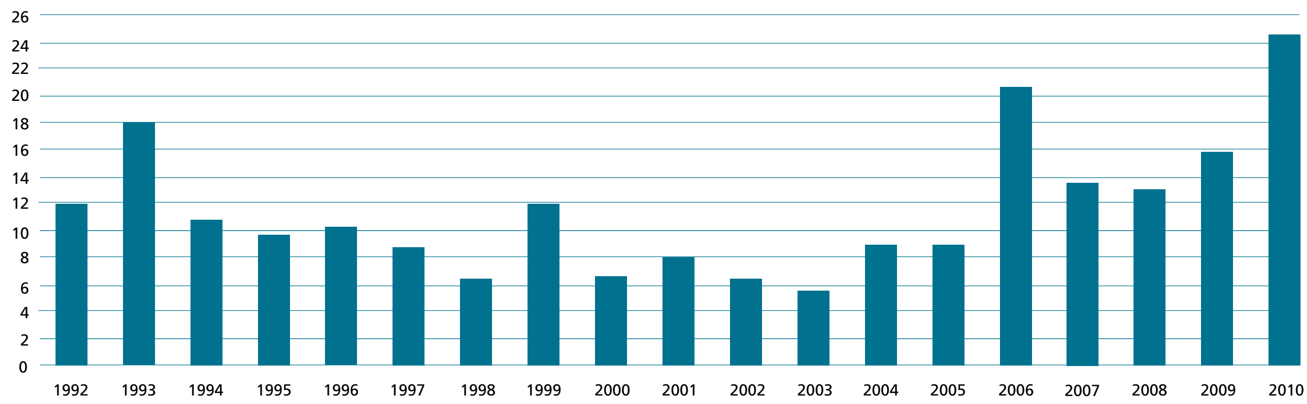
This pie chart shows the breakdown of our assets at year end. In coming years, the required investment in public transport will significantly add to the assets we manage for the Wellington region.

This pie chart shows the breakdown of the $24.7 million in capital expenditure for the year ended 30 June 2010. Capital expenditure included the Waiwhetu flood works, Hutt Stopbank and Beacon Hill upgrade.

This expenditure excludes transport improvements of $83.0 million, which are treated as operating expenditure in the Council accounts. The Matangi trains will be owned by a Greater Wellington subsidiary, Greater Wellington Rail Limited, and other improvements will be owned by the Government entity KiwiRail.

Financial overview (continued)

Council capital expenditure ($ millions)



This graph shows that Greater Wellington is continuing to invest in major infrastructure work. The peaks represent significant flood protection work, including the Waiwhetu Stream in 2009/10.

This graph excludes the $83 million invested in 2009/10 on the rail network improvements and new Matangi trains, (2008/09: $70 million).

Financial overview – Group

For the year ended 30 June 2010

	Group 2010 Actual $000s	Group 2009 Actual $000s
Group – summary of comprehensive income statement		
Revenue	223,111	221,638
Finance costs	(10,019)	(13,354)
Operating expenditure*	(179,176)	(174,665)
Depreciation	(21,549)	(18,010)
Operating surplus	12,367	15,609
External funding Baring Head	1,100	-
Unrealised gains (losses)	(1,544)	(789)
Forestry net revaluation / cost of goods sold	4,885	(924)
Transport improvement revenue	78,286	54,985
Transport improvement expenditure*	(70,702)	(52,977)
Net operating surplus (deficit) for the year before tax	24,392	15,904
Tax	(7,982)	(2,412)
Net operating surplus (deficit) for the year after tax	16,410	13,492
Other comprehensive income		
Increases / (decreases) in asset revaluations	1,907	42,139
Profit for the year from discontinued operations	6,310	-
Total comprehensive income	24,627	55,631
Group – summary statement of financial position		
Current assets	255,080	71,302
Non-current assets	982,966	1,113,256
Total assets	1,238,046	1,184,558
Equity	851,403	827,968
Current liabilities	161,314	111,540
Non-current liabilities	225,329	245,050
Total equity and liabilities	1,238,046	1,184,558
Group – summary of cashflows statement		
Cashflows from operating activities	36,728	10,860
Cashflows from investing activities	(44,922)	(86,499)
Cashflows from financing activities	26,836	59,412
Net increase / (decrease) in cash, cash equivalents and bank overdraft	18,642	(16,227)
Opening cash equivalents	17,869	34,096
Closing cash equivalents	36,511	17,869

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

*Comparatives for 2009 have been reclassified to aid comparability

Financial statements

For the year ended 30 June 2010

Statement of comprehensive income

For the year ended 30 June 2010

	Notes	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Operating revenue						
Rates and levies		103,195	100,671	103,195	102,553	100,671
Grants and subsidies		123,746	99,841	123,746	191,966	99,841
Other gains		172	256	163	-	26
Other revenue		75,184	75,855	22,560	20,288	22,540
Total external operating revenue**	1	**302,297**	**276,623**	**249,664**	**314,807**	**223,078**
Operating expenditure						
Employee benefits	2	51,066	49,779	32,505	32,836	31,383
Grants and subsidies*		68,130	66,169	73,401	78,721	71,263
Depreciation and amortisation	3	21,549	18,010	11,511	10,389	10,716
Finance costs	4	10,019	13,354	5,158	5,999	4,908
Other operating expenses*	5	61,105	59,823	40,442	40,550	42,550
Total external operating expenditure		**211,869**	**207,135**	**163,017**	**168,495**	**160,820**
Operating surplus/(deficit) before transport improvements		**90,428**	**69,488**	**86,647**	**146,312**	**62,258**
Transport improvement expenditure*		(70,702)	(52,977)	(83,064)	(146,541)	(70,015)
Operating surplus/(deficit) before tax		**19,726**	**16,511**	**3,583**	**(229)**	**(7,757)**
Tax expense	8	7,982	2,412	-	-	-
Surplus/(deficit) after tax		**11,744**	**14,099**	**3,583**	**(229)**	**(7,757)**
Other unrealised gains/(losses)						
Unrealised increases in financial assets and instruments		6,326	475	6,326	2,481	7,672
Unrealised increases/(decreases) in financial instrument liabilities		(13,196)	8,032	(5,505)	(1,148)	(230)
Unrealised increases/(decreases) in investment properties		11,536	(9,114)	-	-	-
Net unrealised increases/(decreases) in financial assets and instrument assets/liabilities and investment properties	6	4,666	(607)	821	1,333	7,442
Surplus/(deficit) for the year after tax and unrealised gains/(losses)		**16,410**	**13,492**	**4,404**	**1,104**	**(315)**
Other comprehensive income						
Increases/(decreases) in asset revaluations		1,907	42,139	-	-	45,310
Profit for the year from discontinued operations	7	1,524	-	-	-	-
Tax benefit from discontinued operations	8	4,786	-	-	-	-
Total comprehensive income		**24,627**	**55,631**	**4,404**	**1,104**	**44,995**
Attributed to:						
Non-controlling interest		4,295	(303)	-	-	-
Equity holders of the parent		20,332	55,934	4,404	1,104	44,995
Total comprehensive income		**24,627**	**55,631**	**4,404**	**1,104**	**44,995**

*Comparatives for 2009 and budgets for 2010 have been reclassified to aid comparability

**Total external operating revenue includes revenue for transport improvements of $78.286 million in 2010, $145.939 million for the 2010 budget and $54.985 million in 2009

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

Statement of changes in equity

For the year ended 30 June 2010

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Opening equity	827,968	773,529	655,376	633,739	610,381
Total comprehensive income for the year	24,627	55,631	4,404	1,104	44,995
Dividend to non-controlling interest	(1,192)	(1,192)	-	-	-
Total closing equity at 30 June	**851,403**	**827,968**	**659,780**	**634,843**	**655,376**
Components of equity					
Opening accumulated funds	489,995	482,952	356,514	339,126	362,086
Total comprehensive income for year	24,627	55,631	4,404	1,104	44,995
Movements in other reserves	(5,477)	(47,396)	(3,570)	1,497	(50,567)
Dividend to non-controlling interest	(1,192)	(1,192)	-	-	-
Closing accumulated funds	507,953	489,995	357,348	341,727	356,514
Opening other reserves	16,361	11,104	16,361	14,453	11,104
Movements in other reserves	3,637	5,257	3,637	(1,497)	5,257
Closing other reserves	19,998	16,361	19,998	12,956	16,361
Opening asset revaluation reserves	321,612	279,473	282,501	280,160	237,191
Other movements in revaluation reserve	1,840	42,139	(67)	-	45,310
Closing asset revaluation reserve	323,452	321,612	282,434	280,160	282,501
Asset revaluation and other reserves	343,450	337,973	302,432	293,116	298,862
Total closing equity at 30 June	**851,403**	**827,968**	**659,780**	**634,843**	**655,376**

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

Statement of financial position

As at 30 June 2010

	Notes	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Assets						
Current assets						
Cash and cash equivalents	9	36,511	17,869	35,987	37,330	17,313
Bank term deposits		10,000	12,050	10,000	-	12,050
Trade and other receivables	10	39,325	36,780	36,104	26,121	32,538
Inventories	11	3,668	3,392	2,547	-	2,300
Investment assets held for sale	16	148,107	-	-	-	-
Derivative financial instruments	18	806	92	806	-	84
Other financial assets	12	16,435	-	16,435	14,954	-
Income tax due	8	228	1,119	-	-	-
		255,080	71,302	101,879	78,405	64,285
Non-current assets						
Other financial assets	12	6,566	27,989	4,351	4,614	26,178
Property, plant and equipment	13	888,575	863,804	638,866	646,920	628,450
Intangible assets	14	3,499	1,347	2,850	211	358
Forestry investments	15	13,872	8,987	13,872	12,710	8,987
Investment properties	16	69,714	201,982	-	-	-
Investment in subsidiaries	17	-	-	37,379	43,541	36,115
Derivative financial instruments	18	740	9,147	281	-	3,715
		982,966	1,113,256	697,599	707,996	703,803
Total assets		**1,238,046**	**1,184,558**	**799,478**	**786,401**	**768,088**

	Notes	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Equity and liabilities						
Equity attributable to equity holders of the parent						
Retained earnings		461,712	446,857	357,348	341,727	356,514
Reserves		343,450	337,973	302,432	293,116	298,862
		805,162	784,830	659,780	634,843	655,376
Non-controlling interest		46,241	43,138	-	-	-
Total equity		**851,403**	**827,968**	**659,780**	**634,843**	**655,376**
Current liabilities						
Trade and other payables	19	41,302	48,116	33,817	26,085	27,729
Debt	20	114,224	57,622	7,962	45,780	12,474
Employee benefit liabilities	21	4,895	4,751	2,455	-	2,332
Provisions	22	732	460	-	-	-
Derivative financial instruments	18	161	591	100	-	85
		161,314	111,540	44,334	71,865	42,620
Non-current liabilities						
Debt	20	212,699	239,026	92,699	79,693	68,495
Derivative financial instruments	18	6,906	2,631	2,069	-	949
Employee benefit liabilities	21	1,351	1,328	596	-	648
Deferred tax liability	8	4,373	2,065	-	-	-
		225,329	245,050	95,364	79,693	70,092
Total liabilities		**386,643**	**356,590**	**139,698**	**151,558**	**112,712**
Total equity and liabilities		**1,238,046**	**1,184,558**	**799,478**	**786,401**	**768,088**

Fran Wilde
Chair

28 September 2010

David Benham
Chief Executive

28 September 2010

Barry Turfrey
Chief Financial Officer

28 September 2010

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

Statement of cashflows

For the year ended 30 June 2010

	Notes	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Cashflows from operating activities						
Receipts from customers		64,374	55,640	-	-	-
Rates revenue received		80,357	76,029	80,357	79,093	76,029
Water supply levy received		23,460	23,460	23,460	23,460	23,460
Government subsidies received		123,746	99,841	123,746	191,966	99,841
Interest received		4,432	4,258	4,422	3,114	4,232
Dividends received		1,832	109	1,208	629	13
Fees, charges and other revenue		15,120	12,188	13,050	16,545	10,930
Payments to suppliers and employees		(191,800)	(180,548)	(149,952)	(72,731)	(138,852)
Payment of grants and subsidies		(69,546)	(66,501)	(73,401)	(225,262)	(71,038)
Interest paid		(15,247)	(13,084)	(4,895)	(5,779)	(4,603)
Income tax paid/(refund)		-	(532)	-	-	-
Net cashflows from operating activities	23	**36,728**	**10,860**	**17,995**	**11,035**	**12**
Cashflows from investing activities						
Sale of property, plant and equipment		451	544	442	357	314
Disposal of forestry investments		1,125	1,106	1,125	-	1,106
Purchase of property, plant and equipment		(36,181)	(69,457)	(23,418)	(32,136)	(16,235)
Purchase of intangible assets		(477)	(597)	(383)	-	(225)
Development of investment properties		(15,146)	-	-	-	-
Purchase of shares		-	-	(1,264)	(6,218)	(975)
Disposal of investments		5,306	-	5,710	-	-
Acquisition of investments		-	(18,095)	-	-	(18,095)
Net cashflows from investing activities		**(44,922)**	**(86,499)**	**(17,788)**	**(37,997)**	**(34,110)**
Cashflows from financing activities						
Loan funding		41,033	114,538	31,550	40,337	72,939
Debt repayment		(13,005)	(53,934)	(13,005)	(11,326)	(53,934)
Repayment of intercompany current account		-	-	(78)	-	(759)
Dividends paid to minority interests		(1,192)	(1,192)	-	-	-
Net cashflows from financing activities		**26,836**	**59,412**	**18,467**	**29,011**	**18,246**
Net increase/(decrease) in cash, cash equivalents and bank overdraft		18,642	(16,227)	18,674	2,049	(15,852)
Cash, cash equivalents and bank overdraft at the beginning of year		17,869	34,096	17,313	35,281	33,165
Cash, cash equivalents and bank overdrafts at the end of year		**36,511**	**17,869**	**35,987**	**37,330**	**17,313**

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

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

Statement of accounting policies

For the year ended 30 June 2010

1. Reporting entity

The Greater Wellington Regional Council (Greater Wellington) is a regional local authority governed by the Local Government Act 2002. The Group consists of Greater Wellington and its subsidiaries as disclosed below.

Financial statements for Greater Wellington (the "Parent") and consolidated financial statements (for the "Group") are presented.

For the purposes of financial reporting, Greater Wellington is designated as a public benefit entity. The subsidiary companies comprise WRC Holdings Limited, Pringle House Limited, Port Investments Limited, Greater Wellington Rail Limited, Greater Wellington Transport Limited, Greater Wellington Infrastructure Limited, Grow Wellington Limited and CentrePort Limited. All subsidiaries, except Grow Wellington Limited, are designated as profit-oriented entities. Grow Wellington Limited is designated as a public benefit entity.

2. Statement of compliance

The Group financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 and New Zealand Generally Accepted Accounting Practices (NZ GAAP).

These financial statements are prepared in accordance with New Zealand equivalents to the International Financial Reporting Standards (NZ IFRS), as appropriate for public benefit entities.

The financial statements of Greater Wellington are for the year ended 30 June 2010. The financial statements were authorised for issue by the Council on 28 September 2010.

Accounting judgements and estimations

The preparation of financial statements in conformity with NZ GAAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These results form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, when the revision affects only that period. If the revision affects current and future periods, it is reflected in those periods.

3. Accounting policies

(a) Basis of preparation

The consolidated financial statements are presented in New Zealand dollars, rounded to the nearest thousand. The functional currency of Greater Wellington and its subsidiaries and associates is New Zealand dollars. The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, forestry assets, derivative financial instruments and certain infrastructural assets that have been measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by Group entities.

(b) Basis of consolidation

The consolidated financial statements include Greater Wellington and its subsidiaries. Subsidiaries are those entities controlled directly or indirectly by the Parent. The financial statements of subsidiaries are included in the consolidated financial statements using the purchase method. A list of subsidiaries appears in Note 17 to the financial statements.

The minority interest represents Manawatu-Wanganui Regional Council's 23.1% share of CentrePort Limited.

Greater Wellington's investment in subsidiaries is held at cost in Greater Wellington's own "parent entity" accounts.

Associates are entities in which the Group has significant influence, but not control, over their operations. Greater Wellington's share of the assets, liabilities, revenue and expenditure are included in the financial statements of the Group on an equity accounting basis.

All significant intercompany transactions are eliminated on consolidation.

(c) Revenue recognition

Revenue is recognised when billed or earned on an accrual basis.

Statement of accounting policies (continued)

(i) Rates and levies

Rates and levies are a statutory annual charge and recognised in the year the assessments are issued.

(ii) Government grants and subsidies

Greater Wellington receives government grants from the New Zealand Transport Agency. These grants subsidise part of Greater Wellington's costs for the following – the provision of public transport subsidies to external transport operators, the capital purchases of rail rolling stock within a Greater Wellington subsidiary and transport network upgrades owned by KiwiRail. The grants and subsidies are recognised as revenue when eligibility has been established by the grantor.

Other grants and contributions from territorial local authorities are recognised as revenue when eligibility has been established by the grantor.

(iii) Sale of goods

Revenue on the sale of goods is recognised when all risks are transferred to the buyer and there is no longer control or managerial involvement with the goods.

(iv) Rendering of services

Revenue from services rendered is recognised by reference to stage of completion of the service.

(v) Dividends

Revenue from dividends is recognised on an accrual basis (net of imputation credits) once the shareholder's right to receive payment is established.

(vi) Interest

Interest is accrued using the effective interest rate method. The effective interest rate method discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(vii) Other revenue

Other income is also recognised on an accrual basis. Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Group are recognised as revenue when control over the asset is obtained.

(d) Borrowing costs

Borrowing costs directly attributable to capital construction are capitalised as part of the costs of those assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) Property, plant and equipment

Property, plant and equipment consists of operational and infrastructure assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose.

Property, plant and equipment are categorised into the following classes:

- Port buildings, wharves and paving
- Operational port freehold land
- Operational land and buildings
- Operational plant and equipment
- Operational vehicles
- Flood protection infrastructural assets
- Transport infrastructural assets
- Rail rolling stock
- Navigational aids infrastructural assets
- Parks and forests infrastructural assets
- Capital work in progress
- Regional water supply infrastructural assets
- Regional water supply administrative buildings
- Regional water supply minor equipment
- Regional water supply motor vehicles
- Regional water supply capital work in progress

All property, plant and equipment are initially recorded at cost.

Valuations

Valuations for regional water supply, parks and forests, flood protection and transport infrastructural assets are carried out or reviewed by independent qualified valuers. They are carried out at regular intervals.

Flood protection

The flood protection infrastructure assets were valued at 30 June 2007 using Optimised Depreciated Replacement Cost (ODRC) methodology in accordance with the guidelines published by the National Asset Management Steering (NAMS) Group. The valuations were carried out by a team of qualified and experienced flood protection engineers from within the Flood Protection department.

The asset valuation was reviewed by John Vessey, Principal Engineering Economist, Opus International Consultants. He concluded that the 2007 valuation of Greater Wellington's flood protection assets is deemed acceptable and appropriate for financial reporting purposes.

Western flood protection land was valued as at 30 June 2007 by Martin Veale ANZIV, SPINZ & Brian Whitaker ANZIV, SPINZ, using a derived value rate per hectare, based on sales data of rural and reserve land from recognised valuation sources which reflects fair value.

Baker & Associates valued Wairarapa flood protection land as at 30 June 2007. Land valuation was completed by FT Rutherford BBS (VPM) ANZIV, using comparison to market sales of comparable type land in similar locations to each parcel, which reflects fair value.

Parks and forests

The parks and forests infrastructure assets were valued at 30 June 2008. Land and improvements have been valued using the market value methodology by Fergus Rutherford, registered valuer. Roads, fences, tracks and other park infrastructure have been valued using ODRC methodology in accordance with the guidelines published by NAMS Group, by Graham Laws, Parks and Forests Asset Management Adviser. Fergus Rutherford of Baker & Associates Ltd reviewed the valuation methodology and rates.

Plantation forestry bridges were revalued by Kate Zwartz, Senior Engineer for the engineering consultancy group.

Public transport

Public transport infrastructural assets were valued by Duffill Watts Ltd. Land was valued at market value and other assets at depreciated replacement cost.

Regional water supply

Regional water supply plant and equipment assets were valued by John Freeman, FPINZ, TechRICS, MACostE, Registered Plant and Machinery Valuer, a Director of CB Richard Ellis, as at 30 June 2008 using Optimised Depreciated Replacement Cost (ODRC) methodology.

Water supply buildings were revalued by Paul Butcher, BBS, FPINZ, Registered Valuer, a Director of CB Richard Ellis, as at 1 July 2008 using ODRC methodology.

Water urban-based land assets were valued by Telfer Young (Martin J Veale, Registered Valuer, ANZIV, SPINZ), as at 1 July 2008 using current market value methodology in compliance with PINZ professional Practice (Edition 5) Valuation for Financial Reporting and NZ IFRS re Property Valuations.

Water catchment and rural-based assets were valued by Baker & Associates (Fergus T Rutherford, Registered valuer, BBS (VPM), ANZIV), as at 1 July 2008 using current market value methodology in compliance with PINZ Professional Practice (Edition 5) Valuation for Financial Reporting and NZ IAS 16 re Property Valuation.

Greater Wellington Regional Council Group (including CentrePort Limited)

Operational port freehold land is stated at valuation and determined every three years by an independent registered valuer. Bayleys Property Services valued the land at 30 June 2010 at fair value. The valuations were based on the assets highest and best use in accordance with New Zealand Property Institute Practise Standard 3 – Valuations for Financial Reporting Purposes, with reference to sales evidence of land sales or development sites within the wider Wellington region.

Any increase in the value on revaluation is taken directly to the asset revaluation reserve. However, if it offsets a previous decrease in value for the same asset recognised in the Statement of Comprehensive Income, then it is recognised in the Statement of Comprehensive Income. A decrease in the value on revaluation is recognised in the Statement of Comprehensive Income where it exceeds the increase of that asset previously recognised in the asset revaluation reserve.

The remaining property, plant and equipment is recorded at cost, less accumulated depreciation and impairment. Cost represents the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service. All property, plant and equipment, except land, are depreciated.

(f) Depreciation

Depreciation is provided on a straight-line basis on all tangible property, plant and equipment, other than land and capital works in progress, at rates which will write off assets, less their estimated residual value over their remaining useful lives.

The useful lives of major classes of assets have been estimated as follows:

Statement of accounting policies (continued)

• Port, wharves and paving	10-50 years
• Operational port freehold land	Indefinite
• Operational land and buildings	10 to indefinite
• Operational plant and equipment	2-20 years
• Operational vehicles	3-10 years
• Flood protection infrastructural assets	15 to indefinite
• Transport infrastructural assets	5-50 years
• Rail rolling stock	5-35 years
• Navigational aids infrastructural assets	5-50 years
• Parks and forests infrastructural assets	10-100 years
• Regional water supply infrastructural assets	3-150 years
• Regional water supply administrative buildings	10-50 years
• Regional water supply minor equipment	3-15 years
• Regional water supply vehicles	5-10 years

Capital work in progress is not depreciated.

Stopbanks included in the flood protection infrastructure asset class are maintained in perpetuity. Annual inspections are undertaken to ensure design standards are being maintained and to check for impairment. As such, stopbanks are considered to have an indefinite life and are not depreciated.

(g) Intangible assets

Software is carried at cost, less any accumulated amortisation and impairment losses. It is amortised over the useful life of the asset as follows:

Software	1 to 5 years

(h) Investment properties

Investment properties, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. There are two classes of investment property:

1. Developed investment properties
2. Land available for development

The Regional Council Centre (RCC) is treated as an investment property within the WRC Holdings Group, and as property, plant and equipment within the Group's accounts. Gains or losses arising from changes in fair value of investment properties are included in the Statement of Comprehensive Income in the period in which they arise.

(i) Impairment

All assets are reviewed annually to determine if there is any indication of impairment.

An impairment loss is recognised when its carrying amount exceeds its recoverable amount. Losses resulting from impairment are accounted for in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount, in which case any impairment loss is treated as a revaluation decrease.

(i) Recoverable amount

The recoverable amount of an asset is the greater of the net selling price and value in use.

(ii) Value in use

Value in use for the Group's assets is calculated as being the depreciated replacement cost of the asset. For Greater Wellington's subsidiaries it is calculated as being the estimated future cashflows which are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(j) Forestry investments

Forestry investments are stated at fair value, less point-of-sale costs. They are independently revalued to an estimate of market valuation based on net present value. The net gain or loss arising from changes in forestry valuation is included in the Statement of Comprehensive Income.

(k) Financial instruments

The Group classifies its financial assets and liabilities according to the purpose for which they were acquired.

Financial assets and liabilities are only offset when there is a legally enforceable right to offset them and there is an intention to settle on a net basis.

(i) Financial assets

The Group's financial assets are categorised as follows:

- **Financial assets at fair value accounted through the Statement of Comprehensive Income**

Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains or losses on re-measurement are recognised in the Statement of Comprehensive Income.

- **Financial assets at fair value accounted through equity**

Financial assets are classified in this category if they were not acquired principally for selling in the short term. After initial recognition, these assets are measured at their fair value. Any gains and losses are recognised directly to equity, except for impairment losses, which are recognised in the Statement of Comprehensive Income.

Available-for-sale financial assets are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are initially recorded at fair value plus transaction costs when it can be reliably estimated. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised directly through equity. If there is no active market, no intention to sell the asset and fair value cannot be reliably measured, the item is measured at cost.

Fair value is equal to the Group's share of the net assets of the entity. Upon sale, the cumulative fair value gain or loss previously recognised directly in equity is recognised in the Statement of Comprehensive Income.

- **Loans and receivables**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised costs using the effective interest method. Gains and losses when the asset is impaired or sold are accounted for in the Statement of Comprehensive Income.

- **Held to maturity investments**

These are assets with fixed or determinable payments with fixed maturities that the Group has the intention and ability to hold to maturity. After initial recognition they are recorded at amortised cost using the effective interest method. Gains and losses when the asset is impaired or settled are recognised in the Statement of Comprehensive Income.

- **Impairment of financial assets**

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the statement of comprehensive income.

Loans and other receivables, and held-to-maturity investments:

Impairment is established when there is objective evidence that Greater Wellington and the Group will not be able to collect amounts according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default payments are considered indicators that an asset is impaired. The amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted using the original effective interest rate. For the debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of loss is recognised as a surplus or deficit. When the receivable is uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (ie, not past due). Impairment in term deposits, local authority stock, government stock and community loans are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive income:

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties, probability that the debtor will enter bankruptcy, and default payments are considered indicators that an asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised) in other comprehensive income is reclassified from equity to other comprehensive income.

Equity instrument impairment losses previously recognised in the Statement of Comprehensive Income are not reversed through the Statement of Comprehensive Income.

If in a subsequent period fair value of a debt instrument increases, and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the Statement of Comprehensive Income.

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

Statement of accounting policies (continued)

(ii) Financial liabilities

Financial liabilities comprise trade, other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value, less transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method. Amortisation is recognised in the Statement of Comprehensive Income, as is any gain or loss when the liability is settled. Financial liabilities entered into with duration of less than 12 months are recognised at their nominal value.

(l) Derivative financial instruments

The Group uses derivative financial instruments to manage its exposure to interest rate and foreign exchange risks arising from its operational, financing and investment activities. In accordance with its treasury policies, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are initially recognised at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. For those instruments which do not qualify for hedge accounting, the gain or loss on re-measurement to fair value is recognised immediately in the Statement of Comprehensive Income.

The fair value of an interest rate swap is the estimated amount that the Group would receive or pay to terminate the swap at balance date, based on current interest rates. The fair value of forward exchange contracts is their quoted market price at balance date.

(m) Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value, less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The sale of the asset or disposal group is expected to be completed within one year from the date of classification.

(n) Inventories

Inventories are valued at the lower of cost or net realisable value on a first-in first-out basis.

The value of harvested timber is its fair value, less estimated point-of-sale costs at the date of harvest. Any change in value at the date of harvest is recognised in the Statement of Comprehensive Income.

(o) Income tax

Income tax in the Statement of Comprehensive Income for the year comprises current and deferred tax. Income tax is usually recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity. In this case, that amount is recognised in equity.

Deferred tax is provided using the balance sheet liability method. This provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures, except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

(p) Foreign currency

In the event that the Group has any material foreign currency risk, it will be managed by derivative instruments to hedge the currency risk.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange gains and losses arising on their translation are recognised in the Statement of Comprehensive Income.

(q) Employee entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date. Employee benefits include salaries, annual leave and long service leave. Where the benefits are expected to be paid for within 12 months of balance date, the provision is the estimated amount expected to be paid by the Group. The provision for other employee benefits is stated at the present value of the future cash outflows expected to be incurred. Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income as incurred.

Greater Wellington belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

(r) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an amount will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(s) Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

(t) Leases

The Group leases office space, office equipment, vehicles, land, buildings and wharves.

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

(u) Overhead allocation and internal transactions

Greater Wellington allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation of Greater Wellington is treated as an internal banking activity. Any surplus generated is credited directly to the Statement of Comprehensive Income.

Individual significant activity operating revenue and operating expenditure is stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in the Group's financial statements.

The democratic process costs have not been allocated to significant activities, except where there is a major separate community of benefit other than the whole region, ie, regional water supply and regional transport.

(v) Equity

Equity is the community's interest in the Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the Group.

The components of equity are accumulated funds, revaluation reserves and restricted funds.

(w) Statement of cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Group invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Group and the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure.

(x) Budget figures

The budget figures are those approved by the Council at the beginning of the year in the Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Greater Wellington for the preparation of these financial statements.

(y) Changes in accounting policies

The Council and Group financial statements for the year 30 June 2010 have been prepared under the revised standards and therefore the information for the year ended 30 June 2009 has been restated accordingly.

Statement of accounting policies (continued)

Standards, amendments and interpretations adopted

Standards, amendments and interpretations issued which are effective and have been adopted, and which are relevant to the Council and Group, are:

Those with disclosure impact:

- NZIAS 1 (revised): Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)
  - The revised standard has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised standard has had no impact on the reported results or financial position of the Parent and Group
- Amendments to NZ IFRS 7 Financial Instruments – effective 1 January 2009
  - The revised standard requires the fair value of financial instruments to be determined and disclosed on a hierarchical basis that reflects the significance of the inputs used in making the measurements

Other standards issued are considered to have no material future impact on the Group.

Those with no impact:

- NZ IAS 23 – Borrowing Costs – effective 1 Jan 09
- Amendments to NZ IFRS 2 Share Based Payments – effective 1 Jan 09
- Revised Amendments to NZ IAS 32 Financial Instruments: Presentation of Financial Statements – effective 1 Jan 09
- NZ IFRIC 17 'Distributions of Non-Cash Assets to Owners'
- NZ IFRIC 18 'Transfers of Assets from Customers'
- NZ IFRS 3 'Business Combinations' – revised 2008
- NZ IAS 27 'Consolidated and Separate Financial Statements' – revised 2008
- Amendments to NZ IAS 39 'Financial Instruments: Recognition and Measurement' – Eligible Hedged Items

The following are the new or revised standards or interpretations in issue that are not yet required to be adopted for the period ending on 30 June 2010

- Improvements to New Zealand Equivalents to International Financial Reporting Standards 2009 (Effective for annual reporting periods beginning on or after: n/a Expected to be initially applied in the financial year ending: 30 June 2011)
- Amendments to NZ IFRS 2 'Share-Based Payment' – Group Cash-Settled Share-Based Payment Transactions (Effective for annual reporting periods beginning on or after: 1 January 2010 Expected to be initially applied in the financial year ending: 30 June 2011)
- Amendment to NZ IAS 32 'Financial Instruments: Presentation' – Classification of Rights Issues (Effective for annual reporting periods beginning on or after: 1 February 2010 Expected to be initially applied in the financial year ending: 30 June 2011)
- Amendments to NZ IAS 24 'Related Party Disclosures' (Effective for annual reporting periods beginning on or after: 1 January 2011 Expected to be initially applied in the financial year ending: 30 June 2012)
- NZ IFRS 9 'Financial Instruments' (Effective for annual reporting periods beginning on or after: 1 January 2013 Expected to be initially applied in the financial year ending: 30 June 2014)
- NZ IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' (Effective for annual reporting periods beginning on or after: 1 July 2010 Expected to be initially applied in the financial year ending: 30 June 2011)
- Amendments to NZ IFRIC 14 'Prepayments of a Minimum Funding Requirement' (Effective for annual reporting periods beginning on or after: 1 January 2011 Expected to be initially applied in the financial year ending: 30 June 2012)

The effective date and transitional provisions vary by standard. Most of the improvements are effective for annual periods beginning on or after 1 January 2010, with earlier adoption permitted.

It is not expected that the above standards will have a material impact on the financial statements.

Notes to the financial statements

For the year ended 30 June 2010

Note 1 – Operating revenue

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
General rates	25,828	24,120	25,828	25,828	24,120
Targeted rates	53,260	52,507	53,260	53,265	52,507
Rates penalties	676	610	676	-	610
Remission of rates penalties	(29)	(26)	(29)	-	(26)
Regional rates	79,735	77,211	79,735	79,093	77,211
Regional water supply levy	23,460	23,460	23,460	23,460	23,460
Total rates and levies	103,195	100,671	103,195	102,553	100,671
Grants and subsidies	123,746	99,841	123,746	191,966	99,841
Other revenue					
Sale of goods	5,450	5,873	5,450	7,258	5,873
Logging revenue	6,308	5,386	6,308	6,538	5,386
Subsidiaries revenue	44,504	43,473	-	-	-
Rendering of services	602	572	602	8	572
Animal Health Board	1,834	2,507	1,834	240	2,507
Rental income	1,129	850	1,129	944	850
Rents from investment properties	10,161	12,382	-	-	-
Management fees	-	-	593	737	553
Dividends received	6	11	1,202	629	1,672
Subvention revenue	-	-	1,020	820	895
Interest received	4,432	4,259	4,422	3,114	4,232
Equity accounted earnings from associates	758	542	-	-	-
	75,184	75,855	22,560	20,288	22,540
Other gains					
Gain on sale of fixed asset	9	230	-	-	-
Gain on disposal of property, plant and equipment	163	26	163	-	26
Total operating revenue	**302,297**	**276,623**	**249,664**	**314,807**	**223,078**

Notes to the financial statements (continued)

Note 2 – Employee benefits

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Employee benefits expense	48,103	46,969	30,075	29,173	29,106
Post-employment benefit expense	2,045	1,925	1,512	2,746	1,392
Councillor remuneration	918	885	918	917	885
Total employee benefits	**51,066**	**49,779**	**32,505**	**32,836**	**31,383**

Note 3 – Depreciation and amortisation

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Depreciation				
Port wharves and pavings	2,081	2,210	-	-
Land and buildings	1,614	917	71	62
Plant and equipment	3,486	3,252	809	654
Rail rolling stock	3,303	1,268	-	-
Motor vehicles	805	777	805	777
Flood protection at valuation	247	235	247	235
Water supply	7,853	7,472	7,853	7,472
Flood protection at cost	460	466	460	466
Transport facilities	367	271	367	271
Navigational aids	23	24	23	24
Parks and forests	719	625	719	625
Total depreciation	**20,958**	**17,517**	**11,354**	**10,586**
Amortisation				
Software	591	493	157	130
Total amortisation	**591**	**493**	**157**	**130**
Total depreciation and amortisation	**21,549**	**18,010**	**11,511**	**10,716**

Notes to the financial statements (continued)

Note 4 – Finance costs

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Interest expense					
Interest on borrowings	10,019	13,354	5,158	5,999	4,908
Total finance costs	**10,019**	**13,354**	**5,158**	**5,999**	**4,908**

Note 5 – Other operating expenses

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Auditor's remuneration					
Fees to principal auditor for financial statement audit	210	206	156	151	146
Fees to principal auditor for audit of community plan and other services*	15	141	18	-	141
Fees to other auditor for financial statement audit	95	95	-	-	-
Fees to other auditor for IFRS, tax and other services	82	53	-	-	-
Impairment		-			
Bad debts written off/(back)	-	145	-	-	-
Property, plant and equipment impairment	-	777	-	-	-
Change in provision for impairment of trade receivables	62	43	49	-	43
Insurance					
Insurance	1,525	1,642	1,192	1,149	1,364
General					
Asset write-offs/(written back)	1	7	1	-	7
Directors fees	482	505	-	-	-
LGNZ subscriptions	86	82	86	82	82
Operating lease rentals	-	-	1,648	1,648	1,626
Energy costs	4,272	4,847	2,504	2,811	2,497
Maintenance	20,631	18,885	13,540	13,923	15,201
Consultancy	21,058	21,128	20,679	19,747	20,607
Other operating expenses	12,586	11,267	569	1,039	836
Total other operating expenses	**61,105**	**59,823**	**40,442**	**40,550**	**42,550**

*2010 Audit-related fees for other services were for probity review over tender for the Real-Time Information system costing $14,627 (2009: $2,785)

Notes to the financial statements (continued)

Note 6 – Unrealised gains/(losses)

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Unrealised increase/(decrease) in financial assets and instrument assets/liabilities					
Forestry investment	6,010	182	6,010	1,903	182
Stadium advance	316	293	316	316	293
Bonds – Investments	(713)	1,145	(713)	-	1,145
Bonds – Borrowings	-	-	-	-	-
Loans	(946)	4,601	(946)	(1,148)	4,601
Interest rate swaps	(11,390)	2,763	(3,768)	262	1,451
Diesel contracts	(69)	8	-	-	-
Foreign exchange contracts	(78)	(485)	(78)	-	(230)
	(6,870)	8,507	821	1,333	7,442
Unrealised increase/(decrease) in investment properties					
Investment properties (developed property)	9,844	(4,646)	-	-	-
Investment properties (undeveloped land)	1,692	(4,468)	-	-	-
Net unrealised increase/(decrease) in investment properties	11,536	(9,114)	-	-	-
Net unrealised increase/(decrease) in financial assets and instrument assets/liabilities and investment properties	**4,666**	**(607)**	**821**	**1,333**	**7,442**
Unrealised increase in financial assets and financial instrument assets	6,326	475	6,326	2,481	7,672
Unrealised increase/(decrease) in financial instrument liabilities	(13,196)	8,032	(5,505)	(1,148)	(230)
Unrealised increase/(decrease) in investment properties	11,536	(9,114)	-	-	-
Net unrealised increase/(decrease) in financial assets and instrument assets/liabilities and investment properties	**4,666**	**(607)**	**821**	**1,333**	**7,442**

Notes to the financial statements (continued)

Note 7 – Profit from discontinued operations

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
Profit for the year from discontinued operations					
Rental income	10,759	-	-	-	-
Operating expenses (excluding interest)	(2,089)	-	-	-	-
Interest expense	(5,479)	-	-	-	-
Increase/(decrease) in value of assets held for sale	(1,667)	-	-	-	-
Profit before tax	1,524	-	-	-	-
Attributed income tax credit	4,786	-	-	-	-
Profit for the year from discontinued operations	**6,310**	**-**	**-**	**-**	**-**
Investment assets held for sale (see Note 16)	**148,107**	**-**	**-**	**-**	**-**

CentrePort Limited has announced a plan to dispose of a part interest in three buildings in Harbour Quays. These assets have therefore been reclassified as investment group properties held for sale, and the revenue and expenses incurred in relation to these assets disclosed as discontinued operations.

Notes to the financial statements (continued)

Note 8 – Taxation

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
(a) Income tax recognised in profit or loss					
Tax expense/(benefit) comprises:					
Current tax expense/(benefit)	1,644	(2,396)	-	-	(464)
Adjustments recognised in the current period in relation to the current tax of prior periods	(41)	(98)	-	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	2,224	2,090	-	-	464
Deferred tax expense arising from the write-down, or reversal of previous write-down, of a deferred tax asset	(397)	2,816	-	-	-
Tax expense/(benefit) from discontinued operations	(4,786)	-	-	-	-
Impact of tax rate change	263	-	-	-	-
Impact of changes to building depreciation	4,289	-	-	-	-
Tax loss recognised	-	-	-	-	-
Total tax expense/(benefit)	**3,196**	**2,412**	**-**	**-**	**-**

Notes to the financial statements (continued)

Note 8 – Taxation (continued)

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2010 Budget $000s	Council 2009 Actual $000s
(Profit)/loss from operations	**(24,392)**	**(15,904)**	**(3,583)**	**-**	**315**
(Profit)/loss from discontinued operations	**(1,524)**	**-**	**-**	**-**	**-**
	(25,916)	**(15,904)**	**(3,583)**		**315**
Income tax expense/(benefit) calculated at 30%	7,775	4,771	1,075	-	(95)
(Profit)/loss not subject to taxation	(6,677)	(5,414)	(1,435)	-	(370)
Non-deductible expenses	516	36	-	-	-
Non-assessable income	(2,602)	2,054	-	-	-
Land and buildings reclassification	(1,062)	1,063	-	-	-
Tax loss offsets from or subventions paid to Group companies	(309)	(346)	-	-	-
Tax losses utilised/recognised during period	-	(1,169)	-	-	-
Unused tax losses and temporary differences not recognised as deferred tax assets	1,142	2,091	360	-	465
Tax effect of imputation credits	(155)	(554)	-	-	-
Temporary differences	462	-	-	-	-
Grant for fixed assets	-	(22)	-	-	-
Previously unrecognised and unused tax losses now utilised	(405)	-	-	-	-
Impact of tax rate change	263	-	-	-	-
Impact of changes to building depreciation	4,289	-	-	-	-
	3,237	**2,510**	-	-	-
Over provision of income tax in previous year	(41)	(98)	-	-	-
Total tax expense	**3,196**	**2,412**	**-**	**-**	**-**
Tax expense/(benefit) is attributed to:					
Continuing operations	7,982	2,412	-	-	-
Attributed tax benefit from discontinued operations	(4,786)	-	-	-	-
Total tax expense	**3,196**	**2,412**	**-**	**-**	**-**

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

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

Notes to the financial statements (continued)

Note 8 – Taxation (continued)

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
(b) Current tax assets and liabilities				
Current tax assets				
Subvention receivable – (reported in trade receivables see note 10)	-	-	1,007	895
Tax refund receivable	228	1,119	-	-
Other		-	-	-
	228	**1,119**	**1,007**	**895**
Current tax payables				
Income tax payable attributable to:				
Parent entity	-	-	-	-
Other	-	-	-	-
	-	**-**	**-**	**-**
(c) Deferred tax balances				
Deferred tax assets comprise				
Tax losses	-	-	-	-
Temporary differences	2,587	10,692	-	-
	2,587	**10,692**	**-**	**-**
Deferred tax liabilities comprise				
Temporary differences	6,960	12,757	-	-
	6,960	**12,757**	**-**	**-**

Notes to the financial statements (continued)

Note 8 – Taxation (continued)

Taxable and deductible temporary differences arising from the following:

	Opening balance $000s	Charged to income $000s	Change in depreciation $000s	Change in tax rate $000s	Closing balance $000s
Group 2010					
Investment properties	(12,159)	3,609	2,057	158	(6,335)
Property, plant and equipment	5,743	385	(6,346)	(407)	(625)
Trade and other payables	1,240	(110)	-	(31)	1,099
Other financial liabilities	(598)	2,049	-	-	1,451
Revenue in advance	3,709	(3,709)	-	-	-
Other	-	-	-	37	37
Total	**(2,065)**	**2,224**	**(4,289)**	**(243)**	**(4,373)**
Group 2009					
Investment properties	(5,522)	(6,637)	-	-	(12,159)
Property, plant and equipment	5,546	197	-	-	5,743
Trade and other payables	1,168	72	-	-	1,240
Other financial liabilities	(580)	(18)	-	-	(598)
Revenue in advance	-	3,709	-	-	3,709
Other	140	(140)	-	-	-
Total	**752**	**(2,817)**	**-**	**-**	**(2,065)**
Council 2010					
Property, plant and equipment	-	-	-	-	-
Trade and other payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Other	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Council 2009					
Property, plant and equipment	-	-	-	-	-
Trade and other payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Other	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Notes to the financial statements (continued)

Note 8 – Taxation (continued)

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Unrecognised deferred tax balances				
The following deferred tax assets have not been brought to account as assets:				
Tax losses	4,707	4,576	3,132	2,909
Temporary differences	-	-	-	-
	4,707	**4,576**	**3,132**	**2,909**

Tax losses not recognised

Greater Wellington has tax losses of $11.186 million (2009: $9.698 million) available to be carried forward and offset against taxable income in the future that has not been recognised in the Council's accounts. The tax effect of these losses at 28% is $3.132 million (2009: at 30% $2.909 million).

WRC Holdings Limited has a tax loss to carry forward to the 2011 income year of $0.977 million (2009: nil). The tax effect of those losses at 28% is $0.273 million (2009: at 30% nil).

Port Investments Limited has unrecognised tax losses of $4.651 million (2009: $5.554 million) available to be carried forward and offset against taxable income in the future. The tax effect of these losses at 28% is $1.302 million (2009: at 30% $1.666 million).

Grow Wellington Limited does not have any unrecognised tax losses as they were fully utilised during the period (2009: $0.002 million). The tax effect of these losses at 28% is nil (2009: at 30% $0.001 million).

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
(d) Imputation credit account balances				
Balance at beginning of the period	11,649	10,747	-	-
Attached to dividends received	923	1,447	-	-
Taxation paid	-	731	-	-
Attached to dividends paid	(1,515)	(1,369)	-	-
Other adjustments	50	93	-	-
Balance at end of the period	**11,107**	**11,649**	**-**	**-**
Imputation credits available directly and indirectly to shareholders of the parent company through:				
Parent company	-	-	-	-
Subsidiaries	11,107	11,649	-	-
	11,107	**11,649**	**-**	**-**

Notes to the financial statements (continued)

Note 9 – Cash and cash equivalents

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Cash	591	562	67	6
Bonds and notes	-	-	-	-
Bank deposits with maturity terms less than 3 months	17,050	-	17,050	-
Water supply contingency investment	15,612	14,454	15,612	14,454
Major flood recovery fund	3,258	2,865	3,258	2,865
Bank (overdraft)	-	(12)	-	(12)
Total cash and cash equivalents	**36,511**	**17,869**	**35,987**	**17,313**

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

As at 30 June 2010 bank deposits have a weighted average interest rate of 3.98% (2009: 3.71%) and have various maturity dates. They are available for day-to-day cash management and are recorded at fair value.

As at 30 June 2010 the weighted average interest rate on the water supply contingency investment is 4.19% (2009: 3.44%) and is recorded at fair value.

As at 30 June 2010 the weighted average interest rate on the major flood recovery fund is 4.20% (2009: 2.81%) and is recorded at fair value.

Note 10 – Trade and other receivables

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Rates outstanding	13,037	13,422	13,037	13,422
Trade customers	12,825	10,535	7,899	4,539
Accrued revenue	12,227	11,465	12,227	11,465
Subvention receivable	-	-	1,007	895
Dividends receivable	-	-	1,196	1,659
Interest receivable	1,031	961	1,031	961
Prepayments	954	1,271	444	289
	40,074	37,654	36,841	33,230
Less provision for impairment of receivables	(749)	(874)	(737)	(692)
Total trade and other receivables	**39,325**	**36,780**	**36,104**	**32,538**

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

Notes to the financial statements (continued)

Note 10 – Trade and other receivables (continued)

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Provision for impairment of receivables				
Opening balance	(874)	(878)	(692)	(664)
Movement	125	4	(45)	(28)
Closing balance	**(749)**	**(874)**	**(737)**	**(692)**

The status of receivables as at 30 June 2010 and 2009 are detailed below:

	Group Gross $000s	Group Impairment $000s	Group Net $000s	Council Gross $000s	Council Impairment $000s	Council Net $000s
2010						
Not past due	37,281	575	36,706	34,134	575	33,559
Past due 31-60 days	2,474	-	2,474	2,423	-	2,423
Past due 61-90 days	8	-	8	-	-	-
Past due > 90 days	311	174	137	284	162	122
Total	**40,074**	**749**	**39,325**	**36,841**	**737**	**36,104**
2009						
Not past due	36,368	572	35,796	32,663	573	32,090
Past due 31-60 days	602	-	602	257	-	257
Past due 61-90 days	260	-	260	156	-	156
Past due > 90 days	424	302	122	154	119	35
Total	**37,654**	**874**	**36,780**	**33,230**	**692**	**32,538**

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

Notes to the financial statements (continued)

Note 11 – Inventories

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Harbours	5	5	5	5
Depots	133	129	133	129
Water supply	2,007	1,801	2,007	1,801
Rail	443	471	-	-
Wairarapa	402	365	402	365
Port maintenance	678	621	-	-
Total inventories	**3,668**	**3,392**	**2,547**	**2,300**

In 2010, inventories recognised as cost of sales amounted to nil (2009: nil).
No inventories are pledged as securities for liabilities (2009: nil).

Note 12 – Other financial assets

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Stadium advance	4,271	3,953	4,271	3,953
Local Government Insurance Corporation Limited shares	80	80	80	80
Other investments (non-current bonds and joint ventures)	2,215	18,753	-	16,942
Other investments (current bonds and notes)	16,435	5,203	16,435	5,203
Total other financial assets	**23,001**	**27,989**	**20,786**	**26,178**
Current	16,435	-	16,435	-
Non-current	6,566	27,989	4,351	26,178
Total other financial assets	**23,001**	**27,989**	**20,786**	**26,178**

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

Greater Wellington advanced $25 million to the Wellington Regional Stadium Trust in August 1998. The advance is on an interest-free basis with limited rights of recourse. The obligations of Greater Wellington to fund the trust are defined under a Funding Deed dated 30 January 1998. Under the terms of this deed, any interest charged on the limited-recourse loan is accrued and added to the loan. At 30 June 2010, Greater Wellington expects that the advance will be fully repaid. The advance is not repayable until all non-settlor debts of the trust are extinguished and is subject to the Trust's financial ability to repay debt at that time. The fair value has been determined using a future repayment timetable discounted at a rate of 8%.

Bank bonds/notes are not exchange traded and the fair value has been determined by reference to interest rate rulings at balance date. The amount receivable at maturity is $16 million (2009: $12 million).

There were no impairment expenses or provisions for other financial assets. None of the financial assets are either past due or impaired (2009: no impairment).

Notes to the financial statements (continued)

Note 13 – Property, plant and equipment

	Cost/ revaluation 1 July 2009	Accumulated depreciation and impairment 1 July 2009	Carrying amount 1 July 2009	Additions	Disposals	Revaluations	Impairment losses	Reversal of impairment losses	Other transfers	Cost/ revaluation 30 June 2010	Accumulated depreciation and impairment 30 June 2009	Carrying amount 30 June 2010
2010												
Council operational assets												
Land and buildings	4,239	(1,242)	2,997	288	-	(15)	-	-	671	5,183	(1,313)	3,870
Plant and equipment	10,135	(7,643)	2,492	295	(133)	-	-	-	493	10,790	(8,326)	2,464
Motor vehicles	5,692	(3,436)	2,256	927	(757)				(19)	5,843	(3,510)	2,333
	20,066	**(12,321)**	**7,745**	**1,510**	**(890)**	**(15)**	**-**	**-**	**1,145**	**21,816**	**(13,149)**	**8,667**
Council infrastructural assets												
Flood protection at valuation	216,274	(471)	215,803	485	(52)	10	-	-	4,103	220,820	(718)	220,102
Flood protection at cost	7,621	(5,511)	2,110	-	-	-	-	-	-	7,621	(5,971)	1,650
Navigational aids	1,745	(1,123)	622	-	-	-	-	-	-	1,745	(1,145)	600
Parks and forests	55,788	(646)	55,142	1775*	-	-	-	-	728	58,291	(1,365)	56,926
Transport infrastructure	8,072	(271)	7,801		-	-	-	-	1,161	9,233	(639)	8,594
Capital work in progress	7,995	-	7,995	15,635	(10,387)	-	-	-	-	13,243	-	13,243
	297,495	**(8,022)**	**289,473**	**17,895**	**(10,439)**	**10**	**-**	**-**	**5,992**	**310,953**	**(9,838)**	**301,115**
Regional water supply assets												
Infrastructure assets	335,766	(7,221)	328,545	-	(148)	(62)	-	-	4,764	340,320	(14,774)	325,546
Administration buildings	465	(4)	461	-	-	-	-	-	-	465	(6)	459
Minor equipment	673	(461)	212	3	(3)	-	-	-	-	673	(512)	161
Motor vehicles	1,284	(893)	391	205	(162)	-	-	-	19	1,346	(957)	389
Capital work in progress	1,623	-	1,623	6,113	(5,207)	-	-	-	-	2,529	-	2,529
Total regional water supply	**339,811**	**(8,579)**	**331,232**	**6,321**	**(5,520)**	**(62)**	**-**	**-**	**4,783**	**345,333**	**(16,249)**	**329,084**
Total Council property, plant and equipment	**657,372**	**(28,922)**	**628,450**	**25,726**	**(16,849)**	**(67)**	**-**	**-**	**11,920**	**678,102**	**(39,236)**	**638,866**
*The Baring Head land is a restricted asset. The Baring Head land will be classified as scenic reserve and cannot be disposed of without Crown approval												
Subsidiary Assets												
Land and buildings	48,381	(8,030)	40,351	1,974	-	(1,702)	-	-	(13,332)	35,321	(9,573)	25,748
Plant and equipment	50,128	(17,322)	32,806	2,570	(9)	-	-	-	-	52,689	(19,986)	32,703
Rail rolling stock	52,003	(2,266)	49,737	13,598		-	-	-	(212)	65,389	(5,569)	59,820
Port wharves and paving	63,196	(27,080)	36,116	6,955	-	-	-	-	8,471	78,622	(29,161)	49,461
Port freehold land	76,344	-	76,344	-	-	3,609	-	-	2,024	81,977	-	81,977
Total subsidiary assets	**290,052**	**(54,698)**	**235,354**	**25,097**	**(9)**	**1,907**	**-**	**-**	**(3,049)**	**313,998**	**(64,289)**	**249,709**
Total group property plant and equipment	**947,424**	**(83,620)**	**863,804**	**50,823**	**(16,858)**	**1,840**	**-**	**-**	**8,871**	**992,100**	**(103,525)**	**888,575**

Notes to the financial statements (continued)

Note 13 – Property, plant and equipment (continued)

	Cost / revaluation 1 July 2008	Accumulated depreciation and impairment 1 July 2008	Carrying amount 1 July 2008	Additions	Disposals	Revaluations	Impairment losses	Reversal of impairment losses	Other transfers	Cost/ revaluation 30 June 2009	Accumulated depreciation and impairment 30 June 2009	Carrying amount 30 June 2009
2009												
Council operational assets												
Land and buildings	4,056	(1,200)	2,856	183	(121)	-	-	-	121	4,239	(1,242)	2,997
Plant and equipment	9,426	(7,019)	2,407	210	(35)	-	-	-	534	10,135	(7,643)	2,492
Motor vehicles	5,450	(3,434)	2,016	1,115	(799)				(74)	5,692	(3,436)	2,256
	18,932	**(11,653)**	**7,279**	**1,508**	**(955)**	**-**	**-**	**-**	**581**	**20,066**	**(12,321)**	**7,745**
Council infrastructural assets												
Flood protection at valuation	214,318	(235)	214,083	2,010	-	-	-	-	(54)	216,274	(471)	215,803
Flood protection at cost	7,621	(5,045)	2,576	-	-	-	-	-	-	7,621	(5,511)	2,110
Transport facilities	7,419	-	7,419	-	-	-	-	-	653	8,072	(271)	7,801
Navigational aids	1,726	(1,099)	627	19	-	-	-	-	-	1,745	(1,123)	622
Parks and forests	55,572	-	55,572	2	-	-	-	-	214	55,788	(646)	55,142
Capital work in progress	2,461	-	2,461	9,156	(3,622)	-	-	-	-	7,995	-	7,995
	289,117	**(6,379)**	**282,738**	**11,187**	**(3,622)**	**-**	**-**	**-**	**813**	**297,495**	**(8,022)**	**289,473**
Regional water supply assets												
Infrastructure assets	309,434	(24,002)	285,432	5,214	(191)	45,310	-	-	(24,001)	335,766	(7,221)	328,545
Administration buildings	465	(3)	462	-	-	-	-	-	-	465	(4)	461
Minor equipment	784	(463)	321	67	(33)	-	-	-	(145)	673	(461)	212
Motor vehicles	1,214	(724)	490	64	(50)	-	-	-	56	1,284	(893)	391
Capital work in progress	1,573	-	1,573	4,968	(4,918)	-	-	-	-	1,623	-	1,623
Total regional water supply	**313,470**	**(25,192)**	**288,278**	**10,313**	**(5,192)**	**45,310**	**-**	**-**	**(24,090)**	**339,811**	**(8,579)**	**331,232**
Total council property plant and equipment	**621,519**	**(43,224)**	**578,295**	**23,008**	**(9,769)**	**45,310**	**-**	**-**	**(22,696)**	**657,372**	**(28,922)**	**628,450**
Subsidiary assets												
Land and buildings	94,053	(8,251)	85,802	38,329	-	(1,800)	(1,779)	-	(80,422)	48,381	(8,030)	40,351
Plant and equipment	48,455	(14,900)	33,555	1,845	(172)	-	-	-	-	50,128	(17,322)	32,806
Rail rolling stock	34,250	(998)	33,252	17,753		-	-	-	-	52,003	(2,266)	49,737
Port wharves and paving	71,423	(25,885)	45,538	10,827	-	-	-	-	(19,054)	63,196	(27,080)	36,116
Port freehold land	76,344	-	76,344	-	-	-	-	-	-	76,344	-	76,344
Total subsidiary assets	**324,525**	**(50,034)**	**274,491**	**68,754**	**(172)**	**(1,800)**	**(1,779)**	**-**	**(99,476)**	**290,052**	**(54,698)**	**235,354**
Total group property, plant and equipment	**946,044**	**(93,258)**	**852,786**	**91,762**	**(9,941)**	**43,510**	**(1,779)**	**-**	**(122,172)**	**947,424**	**(83,620)**	**863,804**

Notes to the financial statements (continued)

Note 14 – Intangible assets

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Carrying amount – software				
Opening balance	1,347	1,257	358	277
Additions	2,743	583	2,649	211
Amortisation recognised during period	(591)	(493)	(157)	(130)
Closing balance at 30 June	**3,499**	**1,347**	**2,850**	**358**
Total carrying amount – software				
Gross carrying amount	9,121	6,378	4,944	2,295
Accumulated amortisation and impairment	(5,622)	(5,031)	(2,094)	(1,937)
Closing balance at 30 June	**3,499**	**1,347**	**2,850**	**358**

Note 15 – Forestry investments

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Balance at 1 July	8,987	9,910	8,987	9,910
Forestry sold	(1,125)	(1,106)	(1,125)	(1,106)
Change in fair value less estimated point of sale costs	6,010	183	6,010	183
Balance at 30 June	**13,872**	**8,987**	**13,872**	**8,987**

Plantation forestry activity, including planting, silviculture and harvesting, is undertaken on approximately 6,000ha of predominantly pinus radiata plantings. Up to 75,000 tonnes are harvested annually.

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

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

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

Notes to the financial statements (continued)

Note 16 – Investment properties/investment assets held for sale

Greater Wellington holds no investment in properties.

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

Valuation

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Investment properties				
The Group's investment properties comprise CentrePort's developed and undeveloped investment properties.				
Developed investment properties				
Carrying amount at 1 July	172,534	62,127	-	-
Additions to investment property	(12,512)	12,364	-	-
Transfer to investments held for sale	(118,310)	-	-	-
Fair value adjustments	1,373	(4,646)	-	-
Transfer (to)/from property, plant and equipment	(2,024)	98,387	-	-
Transfer (to)/from land available for development	(1,656)	4,302	-	-
Classification corrections	(4,114)	-	-	-
Total developed investment properties	35,291	172,534	-	-
Land available for development				
Carrying amount at 1 July	29,448	38,218	-	-
Transfers to investment properties held for sale	(2,487)	-	-	-
Disposals and assets held for sale	-	-	-	-
Fair value adjustments	1,692	(4,468)	-	-
Transfer (to)/from development investment properties	1,656	(4,302)	-	-
Classification corrections	4,114	-	-	-
Total land available for development	34,423	29,448	-	-
Total investment properties	**69,714**	**201,982**	**-**	**-**
Investment assets held for sale				
Carrying amount at 1 July	-	-	-	-
Transfer from investment properties held for sale	118,310	-	-	-
Transfer to investment land held for sale	2,487	-	-	-
Additions to property held for sale	15,645	-	-	-
Transfer from plant and equipment	13,332	-	-	-
Net change in the value of developed investment properties	(1,667)	-	-	-
Total investment assets held for sale	**148,107**	**-**	**-**	**-**

Notes to the financial statements (continued)

Note 17 – Investment in subsidiaries

Greater Wellington has the following subsidiary relationships:

	Relationship	Equity held 2010	Equity held 2009	Parent
WRC Holdings Limited	Subsidiary	100%	100%	Greater Wellington
Pringle House Limited	Subsidiary	100%	100%	WRC Holdings
Port Investment Limited	Subsidiary	100%	100%	WRC Holdings
CentrePort Limited	Subsidiary	76.9%	76.9%	Port Investment Limited
Greater Wellington Rail Limited	Subsidiary	100%	100%	WRC Holdings
Greater Wellington Infrastructure Limited	Subsidiary	100%	100%	WRC Holdings
Greater Wellington Transport Limited	Subsidiary	100%	100%	WRC Holdings
Grow Wellington Limited	Subsidiary	100%	100%	Greater Wellington

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

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
WRC Holdings Limited shares	-	-	37,379	36,115
Grow Wellington Limited shares	-	-	-	-
Total investment in subsidiaries	**-**	**-**	**37,379**	**36,115**

Notes to the financial statements (continued)

Note 18 – Derivative financial instruments

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Derivative financial instruments – assets				
Current asset portion				
Foreign exchange contracts	36	84	36	84
Diesel contract	-	8	-	-
Interest rate swaps	770	-	770	-
Total current asset portion	**806**	**92**	**806**	**84**
Non-current asset portion				
Foreign exchange contracts	1	28	1	28
Interest rate swaps	739	9,119	280	3,687
Total non-current asset portion	**740**	**9,147**	**281**	**3,715**
Total derivative financial instruments – assets	**1,546**	**9,239**	**1,087**	**3,799**
Derivative financial instruments – liabilities				
Current liability portion				
Foreign exchange contracts	4	-	4	-
Diesel contract	61	-	-	-
Interest rate swaps	96	591	96	85
Total current liability portion	**161**	**591**	**100**	**85**
Non-current liability portion				
Foreign exchange contracts	1	2	1	2
Interest rate swaps	6,905	2,629	2,068	947
Total non-current liability portion	**6,906**	**2,631**	**2,069**	**949**
Total derivative financial instruments – liabilities	**7,067**	**3,222**	**2,169**	**1,034**

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

Notes to the financial statements (continued)

Note 19 – Trade and other payables

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Trade payables	39,468	33,870	30,151	23,292
Amounts due to related parties	-	-	1,950	2,662
Income received in advance	333	12,933	215	462
Accrued interest payable	1,501	1,313	1,501	1,313
Trade and other payables	**41,302**	**48,116**	**33,817**	**27,729**

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

Notes to the financial statements (continued)

Note 20 – Debt

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Current debt liabilities				
Commercial paper	45,008	-	962	-
Committed lines	7,000	56,823	7,000	11,675
Uncommitted lines	62,216	-	-	-
Forestry Encouragement loans	-	799	-	799
	114,224	57,622	7,962	12,474
Non-current debt liabilities				
Bonds	75,000	50,000	75,000	50,000
Forestry Encouragement loans	2,224	4,167	2,224	4,167
Bank loans	120,000	170,531	-	-
Crown loan	15,475	14,328	15,475	14,328
	212,699	239,026	92,699	68,495
Total debt liabilities	**326,923**	**296,648**	**100,661**	**80,969**

Terms and conditions

Greater Wellington has no overdraft facility. As at 30 June 2010, Greater Wellington had undrawn credit lines of $27,037,000 (2009: $53,325,000), which mature in 2014. The facility can be repaid or drawn down until expiry and has the ability to be extended annually at the discretion of the bank. The interest rate charged on this facility as at 30 June 2010 was 4.00% (2009: ranged between 3.20% to 3.76%). No collateral has been provided.

As at 30 June 2010, Greater Wellington's external debt has a weighted average interest rate (after the effect of derivatives) of 4.59% (2009: 4.56%) and is recorded at amortised cost. The Crown loans are based on a discounted cashflow valuation basis utilising a discount rate of 8%. The amount due at maturity is $26,521,272.

CentrePort Limited has an unsecured bank loan facility of $203 million with renewal dates in 2010, 2011 and 2012. The facility can be repaid or drawn down until expiry. The interest rate charged on this facility as at 30 June 2010 ranged from 2.97% to 4.24% pa (2009: 2.96% to 3.79%). No collateral was required on lending but CentrePort Limited has given a negative pledge and there are therefore restrictions on the quantum of borrowing made.

CentrePort has $83 million of facilities maturing in November 2010. The company will secure replacement facilities to meet ongoing capital structure needs, taking account of capital receipts from the sale of assets held for sale.

The fair value of bonds as at balance date was $76.3 million (2009: $50.5 million).

WRC Holdings Limited has a bank loan facility of $44.0 million, which is undrawn (2009: $44.0 million drawn) and secured by a debenture over uncalled capital in the company. As the facility is undrawn there is no interest rate charged on the facility as at 30 June 2010, (2009: 2.62%). Rate charged on the commercial paper was 3.22% at 30 June 2010.

Notes to the financial statements (continued)

Note 21 – Employee benefit liabilities

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Annual leave	4,895	5,431	2,455	2,332
Long-service leave	1,351	458	451	458
Retirement gratuities	-	144	109	144
Lieu leave	-	46	36	46
Total employee benefit liabilities	**6,246**	**6,079**	**3,051**	**2,980**
Comprising:				
Current	4,895	4,751	2,455	2,332
Non-current	1,351	1,328	596	648
Total employee benefit liabilities	**6,246**	**6,079**	**3,051**	**2,980**

Note 22 – Provisions

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Carrying amount at 1 July	460	415	-	-
Additions including increases	732	507	-	-
Provision used during the year	(460)	(462)	-	-
Total provisions	732	460	-	-
Comprising:				
Current	732	460	-	-
Non-current	-	-	-	-
Total provisions	**732**	**460**	**-**	**-**

Notes to the financial statements (continued)

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Operating surplus/(deficit)	16,410	13,492	4,404	(315)
Add/(less) non-cash items				
Depreciation and amortisation	21,549	18,010	11,511	10,716
Impairment of property, plant and equipment	-	777	-	-
Sale of fixed assets	151	(196)	163	26
Assets written off/(written back)	1	7	1	7
Equity accounted earnings from associate companies	(404)	(217)	-	-
Reclassification and revaluations	(12,080)	-	-	-
Change in value of future tax benefit	2,307	2,816	-	-
Changes in fair value of forestry investments	(6,010)	(182)	(6,010)	(182)
Changes in fair value of investment property	1,366	13,689	-	-
Changes in fair value of derivative financial instruments	12,878	(2,286)	5,187	(1,221)
Changes in fair value of stadium advance	(316)	(293)	(316)	(293)
Changes in fair value of bonds	712	(1,145)	712	(1,145)
Changes in fair value of stadium loan	946	(4,601)	946	(4,601)
Bad debts	-	19	-	-
Movement in provision for impairment of doubtful debts	(32)	(91)	(45)	(217)
Add/(less) movements in working capital				
Accounts receivable	3,065	(12,502)	(6,078)	(8,573)
Inventory	(276)	(531)	(247)	(107)
Tax refund due	891	(1,354)	-	-
Accounts payable	5,171	353	5,935	2,077
Employee provisions	318	504	123	319
WRC Holdings Group current account	-	-	(712)	1,769
Add/(less) items classified as investing or financing activities				
Accounts payable related to fixed assets	(10,624)	(16,029)	-	(488)
(Gains)/losses on disposal of property, plant and equipment	442	315	442	315
WRC Holdings Group activities relating to financing	-	-	1,716	1,620
Forestry Encouragement loan interest compounded	263	305	263	305
Net cashflow from operating activities	**36,728**	**10,860**	**17,995**	**12**

Notes to the financial statements (continued)

Note 24 – Financial instruments

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

The Council and Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial instruments is governed by Treasury policies, which are approved by the Council/board of directors respectively. The policies do not allow the Group to enter into any transaction that is speculative in nature.

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

The Group had exposure to currency risk on purchases of assets and services denominated in foreign currencies during the period but not at balance date.

The Group manages currency risk by ensuring that where possible, asset purchases are denominated in New Zealand dollars. Any foreign currency risks arising from contractual commitments and liabilities are managed by entering into forward foreign exchange contracts to hedge the foreign currency risk exposure. This means that the Group is able to fix the New Zealand dollar amount payable before delivery of goods and services from overseas.

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Forward foreign exchange contracts				
Less than one year	1,640	2,070	1,640	2,070
One to two years	127	1,240	127	1,240
Two to five years	-	82	-	82
	1,767	3,392	1,767	3,392

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

Fair value interest rate risk

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

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

To minimise the risk on external debt, management monitors the levels of interest rates on an ongoing basis and uses forward rate and swap agreements and interest rate collars (options) to manage interest rate exposures for future periods. At 30 June 2010, the Group had entered into the following interest rate swap agreements:

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Interest rate swap agreements				
Less than one year	66,750	25,000	46,000	5,000
One to two years	15,000	46,000	15,000	46,000
Two to five years	130,000	80,000	45,000	15,000
Greater than five years	165,000	200,000	55,000	70,000
	376,750	351,000	161,000	136,000

The notional principal amounts of the outstanding interest rate swap contracts for Greater Wellington were $161,000,000 (2009: $136,000,000) and for the Group $376,750,000 (2009: $351,000,000). At 30 June 2010, the fixed interest rates of swaps of the Council vary from 4.35% to 6.29% (2009: 4.61% to 7.3%). At balance date the swap arrangements of the Group are ranging from 3.39% to 6.49% (2009: 4.61% to 7.30%).

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

Cashflow interest rate risk

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

Generally, the Group raises long-term borrowings at short-term rates and swaps them back into fixed rates using interest rate swaps to manage the cashflow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Greater Wellington borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

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

Bank balances and short-term investments are held with New Zealand-registered banks in accordance with Greater Wellington's Treasury Risk Management Policy. No collateral is held by Greater Wellington in respect of bank balances or investments. CentrePort Limited performs credit evaluations on all customers requiring credit and generally does not require collateral.

Greater Wellington has deposits with ANZ National Bank, Bank of New Zealand, Kiwibank and Westpac New Zealand. These banks have opted into the Crown Retail Deposit Guarantee Scheme guaranteeing deposits up to the value of $1 million.

Concentration of credit risk

Greater Wellington derives the majority of its income from rates, the regional water supply levy and transport subsidies. Regional water supply levies are collected from the four Wellington metropolitan cities and rates are collected for Greater Wellington by the territorial authorities in the region on an agency basis. Funding for public transport is received from the New Zealand Transport Agency and Ministry of Transport.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

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

Greater Wellington minimises liquidity risk principally by maintaining liquid financial investments, undrawn committed lines and overdraft facilities with its relationship banks, in accordance with the Treasury Risk Management Policy. CentrePort Limited reduces its exposure to liquidity risk through a bank overdraft and New Zealand dollar commercial bill facility.

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

Financial instruments categories

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Financial assets				
Fair value through profit and loss				
Derivative financial instrument assets	1,546	9,239	1,087	3,799
Loans and receivables				
Cash at bank and term deposits	46,511	29,931	45,987	29,375
Debtors and other receivables	39,325	36,780	36,104	32,538
Stadium advance	4,271	3,954	4,271	3,954
Total loans and receivables	90,107	70,665	86,362	65,867
Held to maturity				
Local Government Insurance Corporation shares	80	80	80	80
Bank bonds/notes	16,434	22,145	16,434	22,145
Total held to maturity	16,514	22,225	16,514	22,225
Total financial assets	108,167	104,316	103,963	91,891
Financial liabilities				
Fair value through profit and loss				
Derivative financial instrument liabilities	7,067	3,222	2,169	1,034
Financial liabilities – at amortised cost				
Trade and other payables	41,303	48,116	33,817	27,729
Bank overdraft	-	12	-	12
Crown loans	15,475	14,329	15,475	14,329
Commercial paper	45,009	-	963	-
Committed and uncommitted lines	189,216	227,354	7,000	11,675
Forestry encouragement loans	2,224	4,996	2,224	4,966
Fixed rate bonds	75,000	50,000	75,000	50,000
	375,294	348,029	136,648	109,745

Fair value hierarchy disclosures

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

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

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

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

	Total	Valuation technique		
		Quoted market price	Observable inputs	Significant non-observable inputs
	$000s	$000s	$000s	$000s
30 June 2010				
Council				
Financial assets				
Bank bonds/notes	16,434		16,434	
Local Government Insurance Corporation Limited shares	80			80
Stadium advance	4,271		4,271	
Derivative financial instrument assets	1,087		1,087	
Financial liabilities				
Derivative financial instrument liabilities	2,169		2,169	
Group				
Financial assets				
Bank bonds/notes	16,434		16,434	
Local Government Insurance Corporation Limited shares	80			80
Stadium advance	4,271		4,271	
Derivative financial instrument assets	1,546		1,546	
Financial liabilities				
Derivative financial instrument liabilities	7,067		7,067	
30 June 2009				
Council				
Financial assets				
Bank bonds/notes	22,145		22,145	
Local Government Insurance Corporation Limited shares	80			80
Stadium advance	3,954		3,954	
Derivative financial instrument assets	3,799		3,799	
Financial liabilities				
Derivative financial instrument liabilities	1,034		1,034	
Group				
Financial assets				
Bank bonds/Notes	22,145		22,145	
Local Government Insurance Corporation Limited shares	80			80
Stadium advance	3,954		3,954	
Derivative financial instrument assets	9,239		9,239	
Financial liabilities				
Derivative financial instrument liabilities	3,222		3,222	

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

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

Financial instrument risks

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Cash at bank and term deposits	46,511	29,931	45,987	29,375
Trade and other receivables	39,325	36,780	36,104	32,538
Bank bonds	16,434	22,145	16,434	22,145
Stadium advance	4,271	3,954	4,271	3,954
Derivative financial instrument assets	1,546	11,426	1,087	3,799
Total credit risk	108,087	104,236	103,883	91,811

Credit quality of financial assets

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Counterparties with credit ratings				
AAA Cash at bank and term deposits	5,000	-	5,000	-
AA Cash at bank and term deposits	41,511	29,931	40,987	29,375
AA Bank bonds	16,434	22,145	16,434	22,145
AA Derivative financial instruments	1,546	9,239	1,087	3,799

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

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

Contractual maturity analysis of financial liabilities

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

	Carrying amount $000s	Contractual cashflows $000s	Less than 1 year $000s	1-2 years $000s	2-5 years $000s	More than 5 years $000s
2010						
Council 2010						
Trade and other payables	33,817	33,817	33,817	-	-	-
Commercial paper	963	1,000	1,000	-	-	-
Lines of credit	7,000	7,004	-	-	7,004	-
Forestry encouragement loans	2,224	3,314	-	-	921	2,393
Bond issuances	75,000	86,107	4,504	54,504	27,099	
Crown loans	15,475	26,521	-	-	-	26,521
Total	134,479	157,763	39,321	54,504	35,024	28,914
Group 2010						
Trade and other payables	41,303	41,303	41,303	-	-	-
Commercial paper	45,009	45,400	45,400	-	-	-
Lines of credit	7,000	7,004	-	-	7,004	-
Forestry encouragement loans	2,224	3,314	-	-	921	2,393
Bond issuances	75,000	86,107	4,504	54,504	27,099	-
Crown loans	15,475	26,521	-	-	-	26,521
WRCH Group loans	182,216	197,411	70,211	35,040	92,160	-
Total	**368,227**	**407,060**	**161,418**	**89,544**	**127,184**	**28,914**
2009						
Council 2009						
Trade and other payables	27,729	27,729	27,729	-	-	-
Bank overdraft	12	12	12	-	-	-
Commercial paper	-	-	-	-	-	-
Lines of credit	11,675	11,750	11,750	-	-	-
Forestry encouragement loans	4,966	6,326	989	1,868	407	3,062
Crown loans	14,329	26,521	-	-	-	26,521
Total	**58,711**	**72,338**	**40,480**	**1,868**	**407**	**29,583**
Group 2009						
Trade and other payables	48,116	104,464	103,784	600	-	-
Bank overdraft	12	12	12	-	-	-
Commercial paper	-	-	-	-	-	-
Lines of credit	11,675	11,750	11,750	-	-	-
Forestry encouragement loans	4,996	6,326	989	1,868	407	3,062
Crown loans	14,329	26,521	-	-	-	26,521
WRCH Group loans	172,932	203,359	13,835	86,635	102,889	-
Total	**252,060**	**352,432**	**130,370**	**89,103**	**103,296**	**29,583**

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

Contractual maturity analysis of financial liabilities

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

	Liability carrying amount $000s	Asset carrying amount $000s	Contractual cashflows $000s	Less than 6 months $000s	Between 6 months and 1 year $000s	More than 1 year $000s
Council and Group 2010						
Forward foreign exchange contracts:	-	32	-	-	-	-
Outflow	-	-	1,766	758	882	127
Council and Group 2009						
Forward foreign exchange contracts:	-	110	-	-	-	-
Outflow	-	-	3,392	1,105	965	1,322

Sensitivity analysis

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

	Note	2010 -1% Profit $000s	2010 +1% Profit $000s	2009 -1% Profit $000s	2009 +1% Profit $000s
Council					
Interest rate risk					
Financial assets					
Cash at bank and term deposits	1	(459)	459	(294)	294
Bank bonds	2	101	(99)	307	(301)
Derivatives	3a	331	(330)	(2,213)	1,973
Financial liabilities					
Commercial paper	4	10	(10)	-	-
Committed and uncommitted lines	5	70	(70)	117	(117)
Derivatives	3b	(4,068)	4,066	(668)	639
Total sensitivity to interest rates		(4,015)	4,016	(2,751)	2,488

	Note	2010 -10% Profit $000s	2010 +10% Profit $000s	2009 -10% Profit $000s	2009 +10% Profit $000s
Foreign exchange risk					
Financial assets					
Derivatives	3c	200	(164)	389	(318)
Total sensitivity to foreign exchange risk		200	(164)	389	(318)

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

Explanation of sensitivity analysis – Council

1) Cash at bank and term deposits

Cash at bank and term deposits are totalling $45,989,000 (2009: $29,375,000). A movement in interest rates of plus or minus 1% has an effect on interest income of $459,000 (2009: $294,000).

2) Bank bonds

There are $16,435,000 (2009: $22,145,000) invested in bonds and notes. A movement in interest rates of plus or minus 1% has an effect of negative $99,000 (2009: negative $301,000) and $101,000 (2009: $307,000) respectively.

3) Derivatives

a) Interest rate swaps – assets

Derivative financial assets include interest rate swaps which have a fair value totalling $1,050,000 (2009: $3,688,000). A movement in interest rates of plus 1% results in a loss of $330,000 (2009: $1,973,000 gain). A movement in interest rates of minus 1% results in a net gain of $331,000 (2009: $2,213,000 loss).

b) Interest rate swaps – liabilities

Derivative financial liabilities include interest rate swaps which have a fair value totalling $2,164,000 (2009: $1,033,000). A movement in interest rates of plus 1% results in a gain of $4,066,000 (2009: $639,000). A movement in interest rates of minus 1% results in a net loss of $4,068,000 (2009: $668,000).

c) Foreign exchange contracts

Derivative financial assets include forward foreign exchange contracts with a total fair value of $32,000 (2009: $110,000). A movement on foreign exchange rates of plus or minus 10% has an impact of -$164,000/+$200,000 (2009: -$318,000/+$389,000) based on a current valuation.

4) Commercial paper

The issued commercial paper has a value of $963,000 (2009: nil). A movement in interest rates of plus or minus 1% has an effect on interest expenses of $10,000 (2009: nil).

5) Committed and uncommitted lines

Money market borrowing under committed and uncommitted lines totalled $7,000,000 (2009: $11,675,000). A movement of plus or minus 1% in market interest rates has an effect on interest expense of $70,000 (2009: $117,000).

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

	Note	2010 -1% Profit $000s	2010 +1% Profit $000s	2009 -1% Profit $000s	2009 +1% Profit $000s
Group					
Interest rate risk					
Financial assets					
Cash at bank and term deposits	1	(465)	465	(299)	299
Bank bonds	2	101	(99)	307	(301)
Derivatives	3a	(12,915)	12,326	(4,197)	3,928
Financial liabilities					
Borrowings		-	-	-	-
Bank overdraft	4	-	-	-	-
Commercial paper	4	450	(450)	-	-
Committed and uncommitted lines	5	1,882	(1,882)	2,273	(2,273)
		(10,947)	**10,360**	**(1,916)**	**1,653**

	Note	2010 - 10% Profit $000s	2010 + 10% Profit $000s	2009 - 10% Profit $000s	2009 + 10% Profit $000s
Foreign exchange risk					
Financial assets					
Derivatives	3b	200	(164)	389	(318)
Total sensitivity to foreign exchange risk		200	(164)	389	(318)

Notes to the financial statements (continued)

Note 24 – Financial instruments (continued)

Explanation of sensitivity analysis – Group

1) Cash at bank and term deposits

Cash at bank and term deposits are totalling $46,511,000 (2009: $17,881,000). A movement in interest rates of plus or minus 1% has an effect on interest income of $465,000 (2009: $299,000).

2) Bank bonds

There are $16,434,000 (2009: $22,145,000) invested in bonds and notes. A movement in interest rates of plus or minus 1% has an effect of negative $99,000 (2009: negative $301,000) and $101,000 (2009: $307,000) respectively.

3) Derivatives

a) Interest rate swaps

Interest rate swaps have a combined negative fair value totalling negative $5,491,000 (2009: $5,898,000). A movement in interest rates of plus 1% results in a net gain of $12,326,000 (2009: $3,928,000). A movement in interest rates of minus 1% results in a net loss of $12,915,000 (2009: $4,197,000).

b) Foreign exchange contracts

Derivative financial assets include forward foreign exchange contracts with a total fair value of $32,000 (2009: $110,000). A movement on foreign exchange rates of plus or minus 10% has an impact of ($164,000)/$200,000 (2009: ($318,000)/$389,000) based on a current valuation.

4) Commercial paper

The issued commercial paper has a value of $45,008,000 (2009: nil). A movement in interest rates of plus or minus 1% has an effect on interest expenses of $450,000 (2009: nil).

5) Committed and uncommitted lines

Money market borrowing under committed and uncommitted lines totalled $188,210,000 (2009: $217,355,000). A movement of plus or minus 1% in market interest rates has an effect on interest expense of $1,882,000 (2009: $2,273,000).

Notes to the financial statements (continued)

Note 25 – Contingencies

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Legal proceedings and obligations	1,034	1,738	1,034	1,738
Uncalled shares in Wellington Coldstore Limited	750	750	-	-
Uncalled capital – WRC Holdings Limited				
50,000,000 $1 shares uncalled and unpaid	-	-	50,000	50,000
22,170,000 $1 shares, called and paid to 7.1 cents per share (Uncalled 92.9 cents)	-	-	-	20,596
22,170,000 $1 shares, called and paid to 12.8 cents per share (Uncalled 87.2 cents)	-	-	19,332	-
Total contingencies	**1,784**	**2,488**	**70,366**	**72,334**

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

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

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

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

Note 26 – Related parties

Identity of related parties

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

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

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

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

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

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

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

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

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

Notes to the financial statements (continued)

Note 26 – Related parties (continued)

All transactions with related parties have been carried out on normal commercial terms. Significant transactions during the year ended 30 June 2010 included:

	2010 Actual $000s	2009 Actual $000s
CentrePort Wellington Group		
Income from use of navigational facilities and consents charges	653	698
Expense for rental and services	(127)	(105)
Wellington Waterfront Ltd licence purchases from CentrePort	-	(5)
Wellington Waterfront Ltd licence fees to CentrePort	-	138
WRC Holdings Group (Excluding CentrePort)		
Income from management services provided	571	553
Income from subvention payment	13	895
Income from dividends	1,387	1,661
Expense for rent of the Regional Council Centre	(1,648)	(1,626)
Expense for interest on inter company current account	(62)	(46)
Grow Wellington Limited		
Grants	(4,007)	(4,113)
Hutt Valley District Health Board		
Income/(Expenses) for services	2	(56)
NZ Local Government Insurance Corporation Limited		
Income from dividends	6	11
Wellington Waterfront Ltd		
Resource consent fees	(2)	(2)
Local Government Superannuation Trustees Limited		
Employee contributions to superannuation scheme	(416)	(365)
Landcorp Farming		
Expense for services	-	(5)
Moxie Design		
Expense for services	(458)	(749)
Key management personnel		
Key management personnel include the Councillors, Chief Executive and members of the Executive Leadership Team (further details on the Executive Leadership Team are covered in the Chief Executive's report)		
Short-term employee benefits	2,657	2,535
Post-employee benefits	148	149
Other long-term benefits	-	-
Termination benefits	82	-

No provision has been required, nor any expense recognised, for impairment of receivables for any loans or other receivables to related parties (2009: nil).

Notes to the financial statements (continued)

Note 27 – Remuneration

Chief Executive remuneration

For the year ending 30 June 2010, Greater Wellington's Chief Executive, appointed under section 42(1) of the Local Government Act 2002, received a total remuneration of $342,715 (2009: $341,938). The Chief Executive was appointed on 5 September 2005.

	2010 Actual $	2009 Actual $
Councillor remuneration		
Councillor J Aitken	68,705	69,671
Councillor S Baber	73,402	71,058
Councillor P Bruce	57,578	51,014
Councillor I Buchanan	75,646	72,962
Councillor J Burke	55,232	54,550
Councillor B Donaldson	55,708	52,765
Councillor P Glensor	77,996	74,471
Councillor S Greig	55,233	51,014
Councillor R Kirton	55,232	65,615
Councillor C Laidlaw	76,334	71,058
Councillor P Lamason	55,233	51,014
Chair F Wilde	153,637	149,075
Councillor N Wilson	57,816	51,014

Note 28 – Capital commitments and operating leases

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Capital commitments				
Capital expenditure contracted for at balance date but not yet incurred	198,348	247,078	2,580	413

Notes to the financial statements (continued)

Note 28 – Capital commitments and operating leases (continued)

Operating lease commitments – lessee

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Within one year	3,021	3,844	1,698	2,225
After one year but no more than five years	4,908	4,951	145	21
More than five years	4,388	5,558	-	-
Total operating lease commitments – lessee	**12,317**	**14,353**	**1,843**	**2,246**

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

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

Transport and operator commitments

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Within one year	126,665	121,756	126,665	121,756
After one year but no more than five years	168,436	136,890	168,436	136,890
More than five years	101,476	40,590	101,476	40,590
Total transport and operator commitments	**396,577**	**299,236**	**396,577**	**299,236**

Operating lease commitments – lessor

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

	Group 2010 Actual $000s	Group 2009 Actual $000s	Council 2010 Actual $000s	Council 2009 Actual $000s
Within one year	17,875	14,300	-	-
After one year but no more than five years	66,953	37,559	-	-
More than five years	79,253	73,856		
Total operating lease commitments – lessor	**164,081**	**125,715**	**-**	**-**

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

Notes to the financial statements (continued)

Note 29 – Severance payments

There were three employees (2009: four) who received total severance payments of $125,257 (2009 $109,596). The value of each severance payments was $36,492, $82,911 and $5,854. These disclosures have been made in accordance with Section 19 of Schedule 10 of the Local Government Act 2002.

Note 30 – Major variances between actual and budget

	Notes	Council 2010 Actual $000s	Council 2010 Budget $000s	Council favourable (unfavourable) variance
Statement of comprehensive income				
Revenue				
Grants and subsidies	1	123,746	191,966	(68,220)
Dividends and subvention income	2	2,222	1,449	773
Expenditure				
Transport improvement expenditure*	1	83,064	146,541	63,477
Depreciation and amortisation	3	11,511	10,389	(1,122)
Statement of financial position				
Bank term deposits	4	10,000	-	10,000
Other financial assets	4	20,786	4,614	16,172
Forestry investments	5	13,872	12,710	1,162
Investment in subsidiaries	6	37,379	43,541	(6,162)
Property, plant and equipment	7	638,866	646,920	(8,054)
Debt				
Current debt	8	7,962	45,780	37,818
Non-current debt	8	92,699	79,693	(13,006)
Total debt	**8**	**100,661**	**125,473**	**24,812**

Notes to the financial statements (continued)

Note 30 – Major variances between actual and budget (continued)

Explanations

1. Grants and subsidies – revenue and transport improvement expenditure

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

- Lower expenditure for the purchase of the Matangi trains of $45.4 million due to a slight delay and revised payment schedule. This reduced transport improvement revenue by $40.8 million
- Lower rail project expenditure, including the MacKays Crossing to Waikanae double tracking of $14.6 million, reduced transport improvement revenue by $8.8 million
- Reduced payments in respect of diesel bus inflation, $4.2 million
- Increased rail contract costs of $2.2 million due to decreases in patronage while the rail upgrade is being undertaken

The purchase of land at Baring Head was not budgeted. The Hutt City Council, Department of Conservation and a private benefactor contributed $1.1 million towards this land purchase.

2. Dividends and Subvention income

- Increased dividends and subvention payments of $0.8 million over budget were received from the WRC Holdings Group

3. Depreciation and amortisation

- The timing of the revaluation of the water assets was brought forward resulting in higher depreciation than budgeted

4. Term deposits and other investments

Some deposits have moved from long-term to current (less than one year) maturity or into cash equivalents where maturity is less than three months. In 2010, other financial assets includes bond investments of $11,395,000.

5. Forestry investments

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

6. Investment in subsidiaries

The Council share of the new rail rolling stock is funded by way of share capital in GW Rail Ltd. The timing of the Matangi expenditure is different to budget noted above. This movement for the year is attributed solely to share capital called of $1.264 million.

7. Property, plant and equipment

The revaluation of the water supply assets were $18 million below budget.

8. Debt

Longer maturity debt at balance date has reclassified debt from current to non-current liabilities.

*Comparatives for 2009 and budgets for 2010 have been reclassified to aid comparability

Note 31 – Events occurring after balance date

There were no significant events after balance date.

Groups of activities

For each activity the actual achievement is compared to the planned performance indicators as set out in the *2009/10 Annual Plan* in the *10-Year Plan 2009-19* (LTCCP).

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

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

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

Our resource management activities not only enhance the region's environmental wellbeing but also benefit, to varying degrees, the community's social, economic and cultural wellbeing.

We develop and carry out resource management policies and plans, manage resource consents and respond to pollution incidents. This year the Council approved the Regional Policy Statement. We have established Te Upoko Taiao – Natural Resource Plan Committee and commenced a review of regional resource management plans, which will be a key focus in 2010/11. We processed 471 resource consents (99.4% within statutory timeframes) and responded to 1,157 pollution incidents.

We research key environmental issues, and measure the quality and quantity of our natural resources, such as river flows and air quality. We produced our annual report cards on the state of the region's environment, and also carried out a number of specific investigations, including groundwater in the Wairarapa and water quality in the Mangatarere Stream catchment.

We run three environmental education programmes – Take Care, Take Action and Take Charge. This year we worked with about 35 care groups, 1,750 school children and 32 businesses on environmental projects. 2010 marks the 10th year of our Take Care programme, which has seen volunteer care groups plant an estimated 500,000 native plants. We also work with private landowners to get high-value native ecosystems, such as forests, wetlands and dune lands, legally protected and well managed.

How we contribute to community outcomes

The Resource Management group of activities primarily contribute to the following community outcome by promoting the sustainable use, development and protection of the Wellington region's natural and physical resources – water, air, coast, soil and biodiversity:

Healthy Environment

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

This group of activities also contributes to the following outcome:

Healthy Community by helping to provide a clean and healthy environment in which to live.

Resource management

LONG-TERM targets by June 2019	Progress
Customer satisfaction surveys will show that 60% of recent applicants and existing consent holders rate their level of satisfaction with our resource consents as excellent or very good.	Customer satisfaction with our resource consents service is measured every four years. New data will be available in 2012.
There will be no recorded instances where air quality breaches the national environmental standards.	In 2009/10 the national standard for air quality was exceeded twice in the Wairarapa airshed. This brings the total number of breaches to five since 2006.
• All bathing sites (coastal and freshwater) will comply with the national recreational water-quality guidelines	• In 2009/10, 38 of 74 coastal sites and 14 of 21 freshwater sites monitored exceeded the "action" guideline at least once, generally after rainfall
• Nitrate-nitrogen concentration in groundwater will not exceed 50% of the New Zealand Drinking-Water Standards	• In 2009/10, seven of the 70 sites monitored exceeded 50% of the New Zealand Drinking-Water Standards. None of the sites monitored exceeded 100% of the standard
• Water quality in key streams, rivers and lakes will be maintained or enhanced	• In 2008/09, 28 of the 56 river and stream sites monitored had excellent or good water quality, compared to 29 river and stream sites with excellent or good water quality in 2007/08. Data on 2009/10 will be available mid-2010/11 This information feeds into the review of the regional plans.
River flows and groundwater levels will be maintained above the minimum levels.	We monitor river flows and groundwater levels, and where necessary place restrictions on water takes to ensure these flows and levels are above the limits or levels set in the Regional Freshwater Plan. In 2009/10, minimum levels were maintained.
No decline in soil quality.	There are 23 sites which are tested for soil quality. The number of sites with at least one indicator outside the target range are: • 2007/08 – 15 • 2008/09 – 18 Data on 2009/10 will be available mid-2010/11. This information feeds into the review of the regional plans.
The number of reported pollution incidents will decrease on an annual basis.	The number of reported pollution incidents in 2009/10 was 1,157, compared to 1,156 in 2008/09 and 1,376 in 2007/08.

Activity: Resource management planning

SHORT-TERM targets by 30 June 2010	Actual
Formal hearings on the Proposed Regional Policy Statement (RPS) will be initiated by 30 December 2009, following Council approval of the Proposed RPS, within a budget of $455,000.	The Hearing Committee for the Proposed RPS heard submissions in November 2009. Following deliberations of the Hearing Committee on all submissions, a decisions report was prepared and approved by the Council on 18 May 2010. Decisions were publicly notified on 22 May 2010. Actual costs were $405,000 due to using less consultants, and savings in printing and production work.
A report detailing the approach and process for reviewing the regional plans will be prepared to the satisfaction of the Council.	Reports on the approach and process for reviewing the regional plans were prepared and received by the Regulatory and Catchment Management Committees in May 2009. An Engagement and Communications Plan for the regional plan review process was reported to Te Upoko Taiao – Natural Resource Plan Committee in April 2010 and subsequently endorsed by the committee.

Activity: Resource consent service

SHORT-TERM targets by 30 June 2010	Actual
100% of resource consents will be processed within statutory timeframes, within a budget of $663,000.	468 (99.4%) out of 471 consents were processed within statutory timeframes. This compares to 98% in the previous year. Actual costs were $514,000. Lower costs were due to staff vacancies during the year.
100% of consent decisions appealed to the Environment Court will be successfully defended, within a budget of $35,000.	We successfully defended all five appeals resolved in 2009/10. All appeals were resolved by mediation. Actual legal costs were $93,400 because there were more prosecutions than anticipated.
Two workshops on specific issues will be held for consent customers, within a budget of $58,000.	Two workshops were held in June as part of our Muddy Waters programme, delivered to earthworks contractors and consultants. Actual costs were $83,000, including non-chargeable customer information and advice.

Activity: Compliance and enforcement

SHORT-TERM targets by 30 June 2010	Actual
100% of compliance inspections for all major consents with an individual monitoring programme will be completed, within a budget of $478,000.	Not all scheduled inspections were completed. 98% (1,813 of 1,853) scheduled inspections were completed. This compares to 1,791 inspections in the previous year. Actual costs were $275,000 due to staff vacancies during the year.
6.7% (1 in 15) of all consents not subject to an individual monitoring programme will be subject to a monitoring inspection, within a budget of $34,000.	In 2009/10 there were 20 consents not subject to an individual monitoring programme. One of these (5%) was subject to a monitoring inspection. This was completed in July 2010 due to scheduling changes. Actual costs were $20,000.
100% enforcement actions taken will be successful, within a budget of $64,000.	We were successful in all enforcement actions, including six prosecutions, 127 abatement notices and 33 infringement notices. Actual costs were $76,200 because we actioned more prosecutions.

Activity: Pollution prevention and control

SHORT-TERM targets by 30 June 2010	Actual
100% of environmental pollution incidents will be responded to according to the following timeframes, within a budget of $345,000: • Log only – no action required • Red (serious adverse environmental effect which requires immediate attention) – 60 minutes • Yellow (serious environmental effect where no benefit will be gained by an immediate response) – 24 hours • Blue (minor environmental effect not requiring immediate response) – 7 days	All incidents were responded to well within the threshold response timeframes: • 1,157 incidents were notified and responded to, up one on 1,156 in the previous year • Red: 473 incidents with an average response time of 38 minutes • Yellow: 209 incidents with an average response time of 8 hours • Blue: 88 incidents with an average response time of three days Actual costs were $219,000 due to staff vacancies during the year.
20 businesses will be audited for compliance with the Resource Management Act and regional plans, within a budget of $86,000.	16 new businesses were audited. Actual costs were $34,800 because the Take Charge business pollution-prevention programme operated for only four months this year due to staff turnover and a review of Take Charge's resourcing levels.

Activity: State of the environment monitoring

- Environmental monitoring and reporting
- Targeted environmental investigations

SHORT-TERM targets by 30 June 2010	Actual
Greater Wellington's managers with responsibility for water supply and consents will be notified within one working day of low groundwater levels in the Waiwhetu aquifer, within a budget of $52,000.	The Waiwhetu aquifer was well above the low-level warning throughout the year. Actual costs were $18,000 for this reason.
Water samples will be taken weekly throughout the bathing season (1 November – 31 March) and tested for the presence of bacteria. A traffic light warning framework (see below) will be used at the sites and on Greater Wellington's website to inform the public: • Green – low or no public health risk • Amber – alert mode requiring follow-up monitoring • Red – action required and beach closed Within a budget of $61,000.	Recreational water quality samples were collected weekly in the period 1 November to 31 March. The results of bacteriological testing were displayed on the website. The report On the Beaches 2009/10, which set out the results of testing for the bathing season, was presented to the June meeting of the Regulatory Committee. Actual costs were $67,100.
Real-time environmental data will be available on Greater Wellington's website throughout the year, within a budget of $41,000.	Real-time data relating to the following is available on Greater Wellington's website: • Air quality • Meteorology • River flows • Rainfall • Groundwater levels • Lake level • Soil moisture • Tide level Actual costs were $18,400.
Annual report cards containing summary information for key resources will be prepared to the satisfaction of the Council, within a budget of $1,804,000.	The report cards were published and reported to the December meeting of the Regulatory Committee who noted its contents. The cards covered: • Air quality • Groundwater • Harbours, estuaries and beaches • Rainfall and river flows • River and stream health • Recreational water quality • Soil health and contaminated land Actual costs were $1,578,300.

Activity: State of the environment monitoring continued

SHORT-TERM targets by 30 June 2010	Actual
Targeted investigations will be completed in a timely manner and to the satisfaction of the Council, within a budget of $568,000.	Targeted investigations were carried out covering: • Sources of air pollution in Wainuiomata • Mangatarere Stream catchment water quality • Minimum flows in the Lower Ruamahanga River and Waiohine River • Porirua Harbour intertidal sediment and ecology • Porirua Harbour assessment of sediment contamination • Wairarapa groundwater resources • Lake Waitawa Those investigations programmed for completion in 2009/10 were done in a timely manner and to the satisfaction of the Council. Actual costs $466,900. Telemetering of watertakes was deferred to 2010/11.

Unforecast activity:

Greater Wellington began investigating the feasibility of a regionally integrated irrigation scheme for the Wairarapa valley floor at a cost of $150,000. This included completing Stage 2 of the Wairarapa groundwater model as planned. Additional investigations included an economic evaluation (cost benefit analysis), a report on in-stream values from an iwi perspective, a report on financial funding models and options, community consultation briefings and a rural land-user survey.

Activity: Environmental education and community engagement

SHORT-TERM targets by 30 June 2010	Actual
2,000 primary school students will participate in a Take Action environmental education programme, within a budget of $276,000.	1,750 students from 21 schools participated in the Take Action environmental education programme this year. Through the programme a number of schools worked in their communities to help restore degraded ecosystems. Successful initiatives included Greytown School's work to return the school drain to a functioning stream, pest animal monitoring and the installation of rainwater collection tanks at several schools to reduce water use. Actual costs were $286,900.
Community groups will work on restoring 30 degraded ecosystems through the Take Care programme, within a budget of $284,000.	35 care groups worked at sites across the region to restore the environment. Of these, two were new (at Peka Peka and Tarakena Bay) and five which had come to the end of their funding relationship with Greater Wellington were renewed to enable them to complete their projects. Through the groups' efforts and support of local businesses and corporate volunteers, significant progress was made in the restoration of wetlands, streams, dunes, escarpments and estuaries. Actual costs were $286,300.
25 businesses will be assisted to improve their environmental performance through the business sustainability programme and the eMission carbon-reduction programme, within a budget of $39,000.	More than 25 businesses have been helped to improve their environmental performance during the year. Of these, 20 businesses participated in the eMission programme, all achieving bronze-level Enviro-Mark environmental certification or better. Carbon footprints were calculated for the eMission businesses and work commenced to reduce them. Services offered to businesses have included advice, waste audits, help with energy management, transport audits and the promotion of their environmental achievements. Actual costs were $80,500. Includes additional costs of contract staff for the eMission programme.

Funding impact statement

Funding statement	Council 2010 Actual $000s	Council 2010 Budget $000s
General rates	9,787	9,787
Government subsidies	26	10
Interest and dividends	12	12
Other operating revenue	1,889	1,587
Operating revenue	**11,714**	**11,396**
Direct operating expenditure	11,662	11,504
Finance costs	45	55
Depreciation	300	312
Operating expenditure	**12,007**	**11,871**
Operating surplus/(deficit)	**(293)**	**(475)**
Less:		
Capital expenditure	402	318
Proceeds from asset sales	(28)	(10)
Loan funding	(266)	(220)
Rates funded capital expenditure	**108**	**88**
Loan-funded improvement grants		
Debt repayment	129	146
Operational reserve movement	(113)	(397)
Working capital movements	(169)	-
Non-cash items	(276)	(312)
Net funding surplus/(deficit)	**28**	**-**

	Council 2010 Actual $000s	Council 2010 Budget $000s
Operating revenue		
Resource management planning	2,328	2,303
Resource consent and compliance service	3,298	3,229
Pollution control	451	466
Monitor the state of the environment monitoring	4,158	4,111
Environmental education and engagement	1,479	1,287
Total operating revenue	**11,714**	**11,396**
Operating expenditure		
Resource management planning	2,659	2,707
Resource consent and compliance service	3,372	3,251
Pollution control	382	466
Monitor the state of the environment monitoring	4,017	4,124
Environmental education and engagement	1,577	1,323
Total operating expenditure	**12,007**	**11,871**
Capital expenditure		
Environmental monitoring equipment	266	220
Capital project expenditure	**266**	**220**
Plant and equipment	50	70
Vehicles	86	28
Total capital expenditure	**402**	**318**

This funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.


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Transport

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

Our transport activities enhance economic wellbeing by providing a public transport system for people to get to work and by transport planning, which facilitates the movement of freight and all types of vehicles for work and other purposes. This year we consulted the community on the Regional Land Transport Strategy, which will be completed in early 2010/11. We also completed new Road Safety and Travel Demand Management plans.

Public transport services also enhance environmental wellbeing by reducing the number of vehicles on the roads, particularly at congested times. This leads to lower environmental impacts. 2009/10 marked the first increase in peak bus patronage since 2005/06. At the end of June 2010, 56 of the 90 new Matangi trains were in production and key elements of the rail network upgrade were well advanced, including double tracking to Paraparaumu.

We also encourage cycling and walking. These are environmentally friendly transport options with positive spin-offs for personal health and wellbeing. This year we launched the Active a2b programme to encourage walking or cycling to work. 64% of participants reported an improvement to their health and wellbeing. We continue to work with schools and businesses to encourage sustainable travel options. Our Let's Carpool programme now has around 1,350 members.

We also offer transport programmes for people with disabilities to improve social wellbeing. Our Total Mobility Scheme is being currently upgraded, with the introduction of a new electronic system in early 2010/11.

How we contribute to community outcomes

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

Connected Community

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

This group of activities also contributes to other outcomes:

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

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

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

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

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

Transport

LONG-TERM targets by June 2019	Progress
Passenger transport will account for at least 25 million peak-period trips per annum by 2016.	In 2009/10 passenger transport accounted for 17.4 million peak period trips. Bus trips made up 57% of the total trips, rail trips 42% and ferry trips less than 1%. The actual number of peak period trips may be higher, as a further 0.5 million bus trips were unable to be disaggregated into peak and off-peak trips.
Active means of travel will account for at least 15% of region-wide journey to work trips by 2016.	Progress towards this target will next be measured by the 2011 New Zealand Census.
Transport generated CO_2 emissions will remain below 1,065 kilotonnes per annum until 2016.	In 2009/10 transport-generated CO_2 emissions totalled 1,096 kilotonnes.
Average congestion on selected roads will remain below 20 seconds delay per kilometre despite traffic growth.	All-day average congestion was 23.4 seconds delay per kilometre travelled in 2009/10 (New Zealand Transport Agency Travel Time Survey, March 2010). This is an increase of 2.4 seconds from 2009, mainly due to the AM peak appearing to be more congested than in previous years.
There will be no road crash fatalities attributable to roading network deficiencies.	Data shows a reduction in fatal and serious injury crashes from 424 in 2008 to 372 in 2009. It is not possible to determine if this is the start of a long-term trend. Further monitoring will be required to determine how many of these fatal crashes can be attributed specifically to roading network deficiencies.
All new large subdivisions and developments will include appropriate provision for walking, cycling and public transport.	The Regional Policy Statement and Regional Land Transport Strategy include policies to implement this measure. As local district plans are reviewed they will be required to give effect to these policies. Further monitoring will be required to determine appropriate design standards in new developments.
There will be improved road journey times for freight traffic between key destinations.	All-day average journey times have increased on key freight routes between 2009 and 2010. This increase is due to an increase in AM peak travel times, with inter-peak and PM peak times remaining largely unchanged.

Activity: Regional transport network planning

SHORT-TERM targets by 30 June 2010	Actual
A monitoring report on the Regional Land Transport Strategy will be approved for publication by the Regional Transport Committee by 30 September 2009, within a budget of $65,000.	The report was approved for publication at the Regional Transport Committee meeting on 14 October 2009. The delay was caused by the timing of the Regional Transport Committee meeting. Actual costs were $49,000 due to reduced numbers of air quality monitoring stations.
The Regional Land Transport Programme will be varied to the satisfaction of the Regional Transport Committee and adopted by the Council, within a budget of $150,000.	Only minor variations to the programme were required and these did not require public consultation. Minor costs of $5,000 were incurred.
The Regional Transport Committee will approve the release of a reviewed Draft Hutt Corridor Plan for consultation, within a budget of $145,000.	The Hutt Corridor Plan review process was slowed due to other related projects led by other agencies, not being completed on time. Some internal background work was undertaken. $140,000 has been carried forward to 2010/11 so the project can be completed.
The Wairarapa Corridor Plan will be reviewed and the revised plan released by the Regional Transport Committee for consultation, within a budget of $48,000.	The Draft Wairarapa Corridor Plan was approved for release for consultation by the Regional Transport Committee at its meeting on 2 December 2009. Actual costs were $3,000. Savings were made by doing the work in-house, rather than engaging consultants.
A renewed Regional Land Transport Strategy will be approved by the Council, within a budget of $30,000.	A renewed proposed Regional Land Transport Strategy was approved by the Regional Transport Committee for consultation on 2 December 2009. The timing of Regional Transport Committee meetings meant that the final strategy was not approved by Greater Wellington until 2010/11. Actual costs were $14,000. Some expenditure was deferred to 2010/11.
The Regional Transport Committee will approve a reviewed Road Safety Plan, within a budget of $25,000.	A reviewed Regional Road Safety Plan was approved by the Regional Transport Committee on 14 October 2009. Actual costs were $1,000. Savings were made by doing the work in-house, rather than engaging consultants.

Activity: Encouraging sustainable transport choices

SHORT-TERM targets by 30 June 2010	Actual
New travel plans will be developed by 16 schools and four workplaces, and all existing travel plans in schools and workplaces will be monitored / reviewed, within a budget of $729,000.	12 new schools joined the region's school travel plan programme, with a total of 36 in the programme exceeding the overall programme target of 32 by June 2010. Movin' March was developed and launched, with 35 schools in the Wellington region taking part. The Let's Carpool programme exceeded the target of 1,000 workplace registrants. Active a2b was developed and launched in January for workplaces in Wellington city as a means of reducing congestion. We collaborated with the Hutt City Council to carry out an area travel plan for a cluster of industrial area workplaces. Actual costs were $758,000. This was because of increased momentum and activity by existing schools in the programme and a new initiative in the last quarter. Savings were found in other areas of the programme.
At least one community travel behaviour change project will be supported, within a budget of $86,000.	Support and resources were provided to expand Active a2b to include family / community participation. Actual costs were $53,000 due to fewer community projects.
Walking and cycling initiatives will be facilitated. The Cyclist and Walking Journey Planner will be maintained and the region's Active Transport Forum will be facilitated, within a budget of $219,000.	The Cyclist and Walking Journey Planner was launched in September. Active Transport Forums were facilitated in August, November, February and May. The Mind the Gap road-user courtesy campaign was developed and launched in June. A pilot bus drivers / cyclists awareness workshop was undertaken. Support and sponsorship was provided to various walking and cycling events. Actual costs were $196,000 due to increased collaboration.
The Regional Road Safety Campaign will be supported and reported to the Regional Transport Committee, within a budget of $20,000.	Supported and championed the development and launch of Last Choice, a regional road safety campaign to raise awareness of young driver crash risk. Actual costs were $26,000 due to a new initiative in the last half of the financial year.
Public awareness campaigns will be carried out to promote walking, cycling and public transport and to discourage unnecessary car trips, within a budget of $153,000.	Promotion and communications were undertaken to support all sustainable transport programmes. A *Getting Around* brochure was developed highlighting transport options available in the region. Actual costs were $168,000. Savings were found in other areas of the programme.

Activity: Public transport services

SHORT-TERM targets by 30 June 2010	Actual
A new Regional Public Transport Plan will be approved by the Council, within a budget of $50,000.	The plan's preparation was delayed due to potential changes to the Public Transport Management Act 2008. A discussion document was released in March 2010. A draft plan is scheduled for release in February 2011, with the new plan to be completed in June 2011. Actual costs were $2,000. Most of the expenditure was deferred to the 2010/11 year.
Detailed network planning for the review of bus services in Wellington city (excluding Tawa) will be completed and reported to the Council, within a budget of $154,000.	More than 3,000 submissions were received in the initial consultation phase of the review. Detailed planning is underway and options were presented to focus groups in June 2010. This work is expected to be completed and reported to the Council in early 2011. Reviews of Kapiti, Johnsonville, Porirua, Kilbirnie and Wellington CBD operations were also carried out or completed during this period. Actual costs were $126,000. Some expenditure on the Wellington review was deferred to the 2010/11 year.
Peak-time passenger trips using public transport will increase by 4%, off-peak passenger trips using public transport will increase by 6% and the number of public transport vehicles that are wheelchair accessible will increase from the previous year. All of Greater Wellingtons expenditure of $246,329,000 on public transport services will contribute to this target.	Overall peak-time passenger trips by public transport reduced by 0.7%. Overall off-peak passenger trips by public transport reduced by 1.9%. Peak trips by bus increased by 3.5%, while peak rail trips fell by 6.2%. The reduction in rail trips can be partly attributed to service disruptions resulting from essential rail infrastructure maintenance and renewals. Off-peak bus trips fell by 0.5% and rail fell by 6.7%. The fall in rail trips is largely attributable to the number of rail replacement services during the year (particularly at weekends) caused by the network upgrade. 12% of all rail services during the year were provided by bus replacements. There is strong evidence to suggest patronage is correlated to the price of petrol. In 2009/10 the price of petrol was lower than in the previous year. At 30 June 2010, 287 buses were wheelchair accessible compared to 263 at 30 June 2009. At 30 June 2010, 48 trains were wheelchair accessible – the same number as at 30 June 2009. Actual costs were $169,797,000. Changes to the timing of expenditure on the new Matangi trains and on rail infrastructure upgrades are the main contributors to the overall reduction in expenditure.

Activity: Public transport services (continued)

SHORT-TERM targets by 30 June 2010	Actual
A new electronic system for Total Mobility users will be introduced, within a budget of $350,000.	The new electronic system will be in place in September 2010. Delays were experienced while the contractor secured adequate resourcing. Actual costs were $145,000, reflecting the slight delay in project completion.
New Matangi EMUs will arrive in Wellington and testing will commence, within a budget of $60,026,000.	The first two-car Matangi unit was delayed and arrived in Wellington on 31 July 2010. As the majority of costs will not be due until delivery, the majority of budgeted costs will not be incurred until 2010/11. Actual costs were $13,609,000. The remaining expenditure will occur in 2010/11.
A prototype refurbishment of a Ganz Mavag two-car EMU will be complete and reported to the Council, within a budget of $1,950,000.	Work is under way and expected to be completed in December 2010. The start of the project was delayed while funding was confirmed. Actual costs were $1,126,000. The remaining expenditure will be incurred in 2010/11.
15 new bus shelters will be installed across the region, within a budget of $250,000.	19 new shelters were installed. Actual costs were $255,000
A trial of the real-time information system will be completed and reported to the Council, within a budget of $5,500,000.	A trial was completed and reported to the Council in June. On the basis of the success of the trial, the project will be rolled out in 2010/11. Actual costs were $1,736,000. The remaining expenditure will be incurred in 2010/11.
The rail double-tracking from MacKays Crossing to Paraparaumu and the extension of the electrification to Waikanae will continue, within a budget of $49,946,000	This project is on track for completion in February 2011. All significant property hurdles have been resolved. Ballast and track is being laid in discrete sections. Civil works continue on major retaining walls, preloading and traction pole placement. Actual costs were $35,336,000 reflecting overall changes to the timing of the programme. The remaining expenditure will be incurred in 2010/11.

SHORT-TERM targets by 30 June 2010	Actual
90% of residents will rate the service they receive from the Metlink Service Centre as excellent or very good.	77% of residents surveyed in 2010 reported overall satisfaction with the service they received from the Metlink Service Centre, which is similar to the previous year (79%).
More than 95% of calls to the Metlink Service Centre will be answered.	96.4% of all calls to the Metlink Service Centre were answered and customers were provided with the necessary travel information.
Metlink website usage will increase by 15% and its usefulness rating will increase to 70%.	During the year Greater Wellington changed the software it uses to monitor website traffic. The annual public transport survey showed a small increase in usage. 52% of those surveyed had used the website, compared with 51% in the previous year. 65% found the website useful.
Use of txtBUS and txtTRAIN will increase to an average of 3,000 requests per month for each service.	There were 2,964 txtBUS requests and 890 txtTRAIN requests per month. The lower number of txtTRAIN requests is partially attributed to the introduction of alternative methods to get information on train services, such as Tranz Metro's free Metro Alert notification service, and the use of smart phones and Twitter.
All within a budget of $804,000.	Actual costs were $731,000 primarily because of reduced staff hours.

Additional information

During 2009/10 the reliability of the public transport network became an important issue. Additional data is included to report on this.

In 2009/10, 99.7% of bus services have operated on time, an increase of 0.2% from the previous year. A bus service is defined as being "on time" when it runs within 10 minutes of scheduled time at departure and destination.

In 2009/10, 82.2% of rail services have operated on time, a reduction of 5.2% from the previous year. A train service is defined as being "on time" when it departs from or arrives at Wellington Railway Station within three minutes of its scheduled time.

Greater Wellington funds approximately 1 million bus and rail services each year. The reliability statistics show that the vast majority of bus services ran to time in 2009/10. During 2009/10 rail services were less reliable. 58% of the rail reliability issues were attributable to the upgrade works currently being undertaken across the rail network and train breakdowns were also a significant contributor. With the current network upgrade programme due to be completed in 2010/11, and the introduction of the new Matangi fleet from late 2010, there should be a progressive improvement in rail reliability.

A new target will be reported against in future years – the number of bus and train services running to time will improve from the previous year.

Funding impact statement

	Note	Council 2010 Actual $000s	Council 2010 Budget $000s
Funding statement			
Targeted rate		40,835	40,835
Government subsidies	1	122,785	191,725
Interest and dividends		141	147
Other operating revenue		87	1,052
Operating revenue		**163,848**	**233,759**
Direct operating expenditure*		83,984	87,114
Finance costs		1,159	1,458
Depreciation		411	145
Operating expenditure		**85,554**	**88,717**
Transport improvement expenditure*	1	83,064	146,541
Operating surplus/(deficit)		**(4,770)**	**(1,499)**
Less:			
Capital expenditure	2	2,962	9,424
Proceeds from asset sales		(12)	(10)
Loan funding		(563)	(1,669)
Rates and subsidy-funded capital expenditure		**2,387**	**7,745**
Loan-funded transport improvements*		(8,840)	(9,741)
Debt repayment		2,052	2,065
Operational reserve movement		1,196	(1,423)
Working capital movements		2,603	-
Non-cash items		(1,550)	(145)
Net funding surplus/(deficit)		**(2,618)**	**-**

	Council 2010 Actual $000s	Council 2010 Budget $000s
Operating revenue		
Regional transport network planning	1,539	1,720
Encourage sustainable transport choices	2,319	2,297
Public transport services	159,990	229,742
Total operating revenue	**163,848**	**233,759**
Operating expenditure		
Regional transport planning	1,227	1,796
Encourage sustainable transport choices	2,291	2,297
Public transport services*	82,036	84,624
Total operating expenditure	**85,554**	**88,717**
Transport improvement expenditure		
Public transport services*	83,064	146,541
Capital expenditure		
Assets including rail rolling stock	2,932	9,392
Capital project expenditure	**2,932**	**9,392**
Vehicles	30	32
Total capital expenditure	**2,962**	**9,424**

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

[2] Capital expenditure was below budget due to a reclassification from capital expenditure to operational expenditure and changes in the timing of the Real-Time Information project

* Comparatives for budgets for 2010 have been reclassified to aid comparability

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

Water supply

Greater Wellington's water supply group of activities contribute to the following community outcomes – *essential services, healthy community, healthy environment* and *prepared community.* We collect, treat and deliver water to the cities of Lower Hutt, Porirua, Upper Hutt and Wellington.

The continued supply of quality water is essential for the economic and social wellbeing of our community.

This year we continued to manage our water catchments and deliver high-quality water to the four cities. Confirmation from the Public Health Service that the water complied with the New Zealand Drinking-Water Standards is expected.

The supply of water after an emergency event will be critical to the community's ability to recover. Two projects were completed this year to improve the resilience of our network in an emergency. The stream crossing of the rising main to the Messines Road reservoir was replaced beneath the stream bed and the pipeline over Black Creek in Wainuiomata was replaced.

Significant effort has gone into reducing electricity costs and improving the sustainability of water supply by generating electricity on site. A pump at Te Marua has been modified to generate electricity using water to fill the lakes, resulting in a 3.6% reduction in electricity purchased. A second stage of this project is due to be completed in 2011, together with a further hydro-generation installation at the Wainuiomata Water Treatment Plant.

How we contribute to community outcomes

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

Essential Services

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

This group of activities also contributes to other outcomes:

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

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

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

Water supply

LONG-TERM targets by June 2019	Progess
All water supplied will meet the New Zealand Drinking-Water Standards. The gradings of the following treatment plants and the distribution system will be maintained or improved: • Te Marua – A1 • Wainuiomata – A1 • Waterloo – A1 • Gear Island – A1 • Distribution system – a1	Our treatment plants and distribution system have the following gradings: • Te Marua – A1 • Wainuiomata – A1 • Waterloo – B – this is the highest grading available given the Hutt City Council's preference for an unchlorinated supply from this plant • Gear Island – Ungraded (awaiting grading) • Distribution system – a1
Supply security will meet a 2% probability of shortfall (1 in 50-year drought standard).	We are currently operating outside the 2% standard for annual probability of shortfall. We are progressing the developments and activities specified in our 10 Year Plan 2009-19 to restore operational capability within the 2%.
The ISO 14001:2004 standard for environmental management will be maintained.	In 2009/10 the ISO 14001:2004 standard for environmental management was achieved.
Improvements to the system's resilience will be carried out annually to the satisfaction of the Council.	In 2009/10 a number of improvements were made to enhance the system's resilience, including: • Replacing sections of the main pipeline from Wainuiomata to Gracefield • Reviewing the management of pipe stock for emergency repairs • Working on Stage 2 of the recommissioning of the Orongorongo-to-Karori water main between Ngauranga and Thorndon, to provide a back-up method of supply to north Wellington • Burying the pipeline to Karori's main reservoir under Kaiwharawhara Stream to prevent flood damage • Increasing seismic repair stock holding
Per capita gross consumption of water will decrease at a rate of at least 10% over 10 years.	In 2009/10 per capita gross consumption was 374 litres/head/day, 6.3% less than the 399 litres/head/day baseline.

Activity: Water collection, treatment and delivery

SHORT-TERM targets by 30 June 2010	Actual
Water that meets or exceeds national quality standards and meets reasonable daily demand will be supplied to the four cities in the region, within a budget of $21,548,000.	Our monitoring of treated water quality shows that the water we supplied to the four cities complied with the New Zealand Drinking-Water Standards for 2005 (Revised 2008). Greater Wellington expects to have this assessment confirmed by regional public health officials in due course. Confirmation of full compliance in 2008/09 was received during the year. All demand for water within the four cities was met. Actual costs were $20,257,000. Savings were achieved from staff movements, more staff time assigned to capital projects, and reduced chemical and energy costs.
Treatment plant gradings will be maintained or improved.	The grading for each water source and treatment plant was maintained. The Te Marua and Wainuiomata water treatment plants are graded A1. Waterloo Water Treatment Plant is graded B. Gear Island Water Treatment Plant, which is a standby water source, is graded U (ungraded).
Security of supply will be a 3% probability of shortfall (1 in 33-year drought).	The current sustainable yield model used to determine the security of supply shows that the probability of shortfall had risen to 5.4% by the end of the financial year. The model was upgraded in the final quarter of the financial year to include more recent per capita consumption figures, which show a declining trend over the past four years. The upgraded model is currently being tested and very preliminary results show that the current security of supply is likely to be lower than 3%. This outcome is supported by the 2.4% reduction in total water supplied during 2009/10 while the population grew 1.1%.
There will be no deferred maintenance in the system.	Assets are replaced or enhanced in accordance with the asset management plan. There was no deferred maintenance.
The current Hansen asset-management system will be replaced by the SAP asset-management system integrated directly with SAP financial system, within a budget of $445,000.	The SAP asset management system was fully implemented for Water Supply in September 2009, within the specified budget. Actual costs were $305,000.

Activity: Water supply infrastructure

SHORT-TERM targets by 30 June 2010	Actual
Assets will be replaced or enhanced in accordance with the asset management plan, within a budget of $1,007,000.	Greater Wellington continues to replace and enhance its Water Supply assets in accordance with the asset management plan, which was prepared in accordance with national standards. Actual costs were $1,019,000.

Unforecast activity:

In September 2009, a small slip adjacent to Plimmerton School caused a joint to fail on the rising main that supplies the Plimmerton No 2 Reservoir. This break undermined a short section of Motuhara Road and spread debris into several neighbouring properties. The full cost of repairs, including reinstating the bank and repairing the road, was $215,000.

Activity: Planning for future water demand and supply

SHORT-TERM targets by 30 June 2010	Actual
Major infrastructural developments will be undertaken in accordance with the Wellington Water Supply Development Plan, within a budget of $2,500,000:	
• Design work will commence for raising levels of the Stuart Macaskill Lakes, within a budget of $300,000.	• Design work to raise the lake levels was progressed and the building consent process initiated. Actual costs were $248,000.
• Investigations for development of the Upper Hutt aquifer and the application for resource consent will be completed, within a budget of $100,000.	• The project was deferred pending the outcome of other initiatives, including the Kaitoke consent change and Regional Water Strategy.
• The Wainuiomata Water Treatment Plant mini hydro-generator will be constructed, within a budget of $1,600,000.	• The design is well advanced and preparatory construction is underway. The generator has been ordered but a long lead time to delivery (47 weeks) has delayed completion of building construction and generator commissioning until July 2011. Actual costs were $502,000, with remaining budget carried over to 2010/11.
• Design work will be completed and construction commenced for seismic upgrading of the Stuart Macaskill Lakes, within a budget of $500,000.	• Design work is well underway and the building consent process initiated. Construction deferred to 2011/12 following Council decision. Construction for seismic upgrading is deferred to 2011/12 following a Council decision. Actual costs were $433,000.

Unforecast activity:
Pre-feasibility investigations began on an alternative off-river storage lake at an approximate cost of $20,000.

Activity: Water conservation programmes

SHORT-TERM targets by 30 June 2010	Actual
Increases in total consumption will be held to levels consistent with population change and targets for per head consumption, within a budget of $492,000.	Greater Wellington's *10-Year Plan 2009-19* identifies a target of at least 10% reduction in per capita water use by 30 June 2019, from a base of 399 litres per person per day. Gross water supply per resident during 2009/10 equated to 374 litres per person per day – 6.3% less than the target baseline. Gross annual water supply during 2009/10 was 52,939 million litres, 2.4% less than the annual supply total for 2008/9. The estimated resident population supplied increased by 1.1% between 2008/9 and 2009/10. Water conservation publicity and promotions are two of many factors that can affect levels of water use. Water conservation activity was fully funded within the specified budget. Actual costs were $400,000.

Funding impact statement

	Notes	Council 2010 Actual $000s	Council 2010 Budget $000s
Funding statement			
Water supply levy		23,460	23,460
Interest and dividends		1,003	916
Other operating revenue		422	1,056
Operating revenue		**24,885**	**25,432**
Direct operating expenditure	1	14,566	15,597
Finance costs		2,923	3,097
Depreciation		7,906	7,383
Operating expenditure		**25,395**	**26,077**
Operating surplus/(deficit)		**(510)**	**(645)**
Less:			
Capital expenditure		6,233	8,003
Proceeds from asset sales		(55)	(52)
Loan funding		(6,036)	(7,709)
Levy funded capital expenditure		**142**	**242**
Debt repayment	2	6,127	4,854
Investment additions		1,158	1,666
Operational reserve movement		138	-
Working capital movements		(1,291)	(24)
Non-cash items		(8,032)	(7,383)
Net funding surplus/(deficit)		**1,248**	**-**

	Council 2010 Actual $000s	Council 2010 Budget $000s
Operating revenue		
Plan, collect, treat and deliver water	24,372	25,174
Water conservation programmes	513	258
Total operating revenue	**24,885**	**25,432**
Operating expenditure		
Plan, collect, treat and deliver water	24,973	25,659
Water conservation programmes	422	418
Total operating expenditure	**25,395**	**26,077**
Capital expenditure		
Water sources	751	970
Water treatment plants	1,336	1,031
Pipelines	1,870	1,920
Pump stations	164	190
Monitoring and control	924	920
Seismic protection	137	244
Energy	527	1,600
Other	316	833
Capital project expenditure	**6,025**	**7,708**
Plant and equipment	3	81
Vehicles	205	214
Total capital expenditure	**6,233**	**8,003**

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

[2] Debt repayments were increased due to the better operating result

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


Te Marua Entrance
Kaitok
REGIONAL PA

Parks and forests

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

Greater Wellington's diverse parks, forests and recreation areas have significant social benefits as they provide a wide range of outdoor recreation opportunities. Surveys conducted this year indicated that 53% of the regional population visited at least one regional park, forest or recreation area in the past 12 months.

Greater Wellington's parks, forests and recreation areas also contribute to the environmental wellbeing of the community. Intensive plant and animal pest control programmes are carried out, along with a range of restoration activities, many of which involve the community.

Wairarapa Moana Wetlands Park, totalling about 9,000ha, was launched in June 2010. This is a joint arrangement with the Department of Conservation, local iwi and the South Wairarapa District Council. It is a long-term restoration project covering Lake Wairarapa, Lake Onoke and reserves.

At the end of the year Greater Wellington purchased 284ha of land at Baring Head, with assistance from the Nature Heritage Fund, Department of Conservation, Hutt City Council and a private benefactor. The land is adjacent to the 11ha Baring Head block that is already part of the East Harbour Regional Park. The new land will be incorporated into the park and designated as a scenic reserve.

Consultation began on the Greater Wellington Parks Network Plan. This consolidates all the plans for the various parks and forests into a single document. It will be finalised in 2010/11.

Rangers continue to work with the community on education and restoration projects, special events and to provide security for visitors.

How we contribute to community outcomes

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

Healthy Community

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

Quality Lifestyle

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

This group of activities also contributes to other outcomes:

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

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

Parks and forests

LONG-TERM targets by June 2019	Progress
Visits will exceed 1.5 million per annum.	In 2009/10 total park visits were 800,544. This represents a decrease of 17% from 2008/9 and is likely to be due to Wellington's poor summer weather in 2009/10.
65% of the regional residents aged 16+ will have visited a regional park or forest at least once in the past 12 months.	In 2009/10, 53% of regional residents aged 16+ visited a regional park at least once in the past 12 months.
90% of visitors will be satisfied with their most recent park experience.	In 2009/10, 93% of visitors were satisfied with their most recent park experience.
More than 14,000 people will participate in the Regional Outdoors Programme.	In 2009/10, 12,236 people participated in the Great Outdoors Summer Events programme. Residential visitation trends since 2006 show a gradual increase in the rate of residents visiting regional parks.
The health of ecosystems in the parks and forest areas will show a continual improvement.	In 2009/10 the Environmental Action and Monitoring Programme was implemented as planned. This year's rata digital photography monitoring showed an improvement in the health of these indicator trees.
There will be no loss of regionally significant landscapes and heritage features.	In May 2010 the Council approved the draft Parks Network Plan for consultation. The plan identifies significant landscapes and heritage features, and includes policies to protect them. No consents were granted for new or major activities that would have a detrimental effect on regionally significant landscapes and heritage during 2009/10.
Facilities will be developed and maintained according to asset-management plans that have been approved by the Council.	All planned maintenance and renewals have been undertaken in accordance with asset management plans.

Activity: Recreational, facilities and services

SHORT-TERM targets by 30 June 2010	Actual
Park and forest assets will be maintained in accordance with the relevant asset management plans and reported to the satisfaction of the Council, within a budget of $1,794,000.	The parks and forest assets are in good condition across the network, as confirmed through inspection. We carried out the asset renewal programme for infrastructure assets, including major works to the water supply at Queen Elizabeth Park and facilities at Kaitoke Regional Park. A programmed bridge renewal at Queen Elizabeth Park will be completed in late 2010. The Parks Annual Report will be presented to the Council in September 2010. Actual costs were $1,805,000.
Ranger services will be provided for seven days per week in four parks and for five days per week in the remaining parks and forest areas (excluding Whitireia Park and Lake Wairarapa). This will amount to 7,000 hours of ranger time, within a budget of $927,000.	A total of 11,208 hours of ranger time was recorded in 2009/10. This includes time spent on both ranger services and asset management activities. Data collection is being refined so that in 2010/11 hours allocated to ranger services and asset management activities can be reported separately. Actual costs were $622,000. Our spend is at lower levels than budgeted because we experienced more staff movements than usual and did not start the ranger service at Whitireia Park.

Unforecast activity:

Greater Wellington purchased 284ha of land at Baring Head, Wainuiomata, for inclusion as park land in East Harbour Regional Park at a cost of $1,775,500. Greater Wellington's share was $675,000, with other contributors providing the balance of the purchase price.

Activity: Parks network planning

SHORT-TERM targets by 30 June 2010	Actual
A new Regional Parks Network Strategy will be approved by the Council. This will provide a high-level framework for the future management of the parks network, within a budget of $289,000.	A strategy framework for managing the regional parks was endorsed by the Regional Sustainability Committee on 15 October 2009. This was incorporated into a wider review and consolidation of the various regional parks plans. An integrated draft Parks Network Plan was approved for consultation by the Council at its meeting on 18 May 2010. Actual costs were $295,000.
Governance arrangements for Whitireia Park will be confirmed.	Negotiations on the governance arrangements for Whitirea Park have continued with Ngāti Toa Rangatira through the year, as Ngāti Toa Rangatira progresses its Treaty settlement process. Final confirmation of the arrangements is dependent on the Treaty settlement timing, which was delayed.

Activity: Environmental protection and enhancement

SHORT-TERM targets by 30 June 2010	Actual
Compliance with the environmental asset management plan will be achieved to the satisfaction of the Council, within a budget of $925,000.	The weed control and monitoring programmes were completed in their entirety. The animal control programme was substantially completed, apart from the Wainuiomata/Orongorongo Water Collection Area possum control operation, which is being delayed a year as possum levels in the area are still below targeted trigger levels for operations. The Parks Annual Report will be presented to the Council in October 2010. Actual costs were $734,000.
A network-wide system will be established for monitoring plants and trees planted and their survival rate so that Greater Wellington can better monitor the success of its restoration work, within a budget of $105,000.	A framework for determining the survival rate of trees planted across the network has been drafted. The system will be trialled, finalised and carried out in 2011. Actual costs were $123,000.

Unforecast activity:

Greater Wellington assisted the Department of Conservation with Project Kaka by maintaining and monitoring animal pest control in the Hutt Water Collection Area at a cost of $8,000.

Activity: Marketing and community relations

SHORT-TERM targets by 30 June 2010	Actual
A marketing plan will be implemented such that 85% of residents will be able to freely recall a regional park or forest and 50% of residents will have visited one regional park in the previous 12 months, within a budget of $206,000.	81% of residents were able to freely recall a major park or forest in the region. 53% of residents visited at least one park in the previous 12 months. Actual costs were $142,000. All planned activities were completed but less staff time was spent in this area than anticipated.
The Regional Outdoors Programme (Great Outdoors) will be delivered and at least 4,800 people will attend the events led by Greater Wellington.	The Great Outdoors Summer Events programme was delivered, with 4,730 people attending Greater Wellington-led events. Five events were cancelled due to poor weather.
Seven Friends of the Park groups will be actively involved in parks planning and management, within a budget of $9,000.	Six groups (Akatarawa Recreation Access Committee, Friends of Belmont Regional Park, Friends of Maara Roa, Mainland Island Restoration Operation, Hutt Valley Rotary Clubs and the Friends of Queen Elizabeth Park) are actively involved. Relationships are being established with the community associated with Wairarapa Moana Wetlands Park. Actual costs were $5,000.
Systematic recording of on-park volunteer hours and a baseline measure will be established, within a budget of $17,000.	A total 4,573 on-park volunteer hours were recorded across the five regional parks, one forest and the Hutt River Trail. This was carried out as part of regular ranger reporting. Actual costs were $19,000.

Funding impact statement

Funding statement	Council 2010 Actual $000s	Council 2010 Budget $000s
General rate	5,510	5,510
Government subsidies	900	-
Other operating revenue	1,374	998
Operating revenue	**7,784**	**6,508**
Direct operating expenditure	5,788	5,867
Finance costs	232	239
Depreciation	764	211
Operating expenditure	**6,784**	**6,317**
Operating surplus/(deficit)	**1,000**	**191**
Less:		
Capital expenditure*	2,288	817
Proceeds from asset sales	(54)	(96)
Loan funding	(1,188)	(500)
Rates funded capital expenditure	**1,046**	**221**
Debt repayment	270	277
Operational reserve movement	64	(96)
Working capital movements	86	-
Non-cash items	(510)	(211)
Net funding surplus/(deficit)	**44**	**-**

	Council 2010 Actual $000s	Council 2010 Budget $000s
Operating revenue		
Plan, manage and protect	7,162	5,886
Marketing and community relations	622	622
Total operating revenue	**7,784**	**6,508**
Operating expenditure		
Manage regional parks and recreation areas	6,231	5,695
Promote community use	553	622
Total operating expenditure	**6,784**	**6,317**
Capital expenditure		
Baring Head*	1,775	-
Asset management plan upgrades	313	499
Capital project expenditure	**2,088**	**499**
Plant and equipment	-	57
Vehicles	200	261
Total capital expenditure	**2,288**	**817**

*The purchase of land at Baring Head was not budgeted. The Nature Heritage Fund, Hutt City Council, Department of Conservation and a private benefactor contributed $1.1 million towards this land purchase

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

Safety and flood protection

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

We contribute to economic and social wellbeing by assisting the community to protect itself from the consequences of flooding. We do this by investigating flood hazards, preparing floodplain management plans, and building and maintaining flood protection works, as well as extracting gravel. Operating a flood-warning system is an essential component of managing flood risks. As part of this work we look after the river environment, thereby contributing to environmental wellbeing.

We are now into year 10 of the 40-year programme of major capital works to reduce flood damage. A milestone this year was the substantial completion of the flood protection works and clean-up of the Waiwhetu Stream (previously New Zealand's most polluted stream). The process for obtaining consents for the upgrading of the Hutt River Stopbank at Boulcott has commenced and will be a focus in 2010/11.

Greater Wellington runs the Emergency Management Office and Emergency Operations Centre of the Wellington Region Civil Defence Emergency Management Group – a consortium of local authorities in the region. Being prepared and able to respond to emergency events contributes to the economic, social, cultural and environmental wellbeing of the community. This year we completed a two-day regional exercise that built on previous exercises. We are contributing to the It's Our Fault project which relates to the Wellington faultline investigations.

Greater Wellington also manages the region's harbours for navigation safety and manages environmental incidents, such as marine oil spills. This harbour management work contributes to the economic, social and environmental wellbeing of the community. This year saw the completion of the new Beacon Hill Signal Station building, which provides harbour control and communications for all commercial and recreational boats in Wellington Harbour.

How we contribute to community outcomes

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

Prepared Community

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

This group of activities also contributes to other outcomes:

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

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

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

Safety and flood protection

LONG-TERM targets by June 2019	Progress
The assessed value of damages during flood events will be reduced by 20% from 2009 levels in areas where floodplain management plans are being carried out.	Work is progressing on projects that will reduce the region's damage from floods. The major benefits will be derived from the Hutt River flood improvement works and these are being carried out in stages over the next 10 years. The substantive benefits will not be achieved until all of the components of the project are completed in 2019.
5% of flood protection infrastructure spend will be on environmental restoration and enhancement projects.	In 2009/10 environmental enhancement was undertaken at Otaki and at the Barrage Gates on the Ruamahanga River. The first year of a three-year planting programme on the Waiwhetu Stream was completed.
80% of households surveyed will have emergency food and water supplies to last at least three days.	In 2010, 72% of households surveyed had emergency food and 71% emergency water supplies to last at least three days.
80% of businesses surveyed will have current business-continuity plans.	In 2009, 59% of businesses surveyed had current business-continuity plans.
The region will have sufficient capacity to manage an emergency event.	Civil Defence Emergency Management in the Wellington region has adequate facilities (and alternates), systems (communications, information management), tools and trained staff (permanent and volunteer) to manage an emergency event.
There will be no significant accidents in the harbour or coastal waters.	In 2009/10 there were no significant accidents.
Reports of oil spills in harbours and coastal waters will be checked within 30 minutes and clean-up action will be commenced within one hour of being reported (for harbours) and within three hours (for coastal waters).	The number of oil spills reported and responded to (in brackets) are: • 2006 – 23 (2) • 2007 – 21 (2) • 2008 – 27 (4) All responses (including checking and any clean-up action) were within required timeframes.

Activity: Floodplain management planning

SHORT-TERM targets by 30 June 2010	Actual
Flood hazard maps will be prepared for the Mangaroa River and a range of risk management options developed for discussion with the community and decision by the Council, included within the western area "investigations" budget of $163,000.	Flood hazard maps have been finalised between the Upper Hutt City Council and Greater Wellington. One erosion zone area is being disputed by a landowner. The Upper Hutt City Council is carrying out additional site-specific investigations to resolve this dispute before notifying the flood hazard maps in the district plan. Actual costs were $125,000.
The Otaki River floodplain management plan will be reviewed in consultation with the community and adopted by the Council, within a budget of $50,000	This work has been deferred to 2011/12 because of resources commitment to other urgent projects.

Activity: Flood protection infrastructure

SHORT-TERM targets by 30 June 2010	Actual
The construction and upgrade of flood protection infrastructure will be completed in accordance with the capital expenditure programme, within a budget of $9,247,000.	Construction and upgrade of flood protection infrastructure included: • Waiwhetu Stream clean-up and flood improvements substantially completed • Strand Park Stopbank contract maintenance works completed • Notice of Requirement/Consent application for the Boulcott/Hutt project lodged in March 2010 • Otaki River SH1 rock works and associated environmental enhancement works completed • Maoribank urgent works completed The Council has approved to defer Ebdentown construction works to commence in 2010/11 depending on New Zealand Transport Agency funding availability. Actual costs were $10,123,000. Additional costs were due to advanced property purchases for the Hutt River Central City stopbank upgrade and Waiwhetu project. These figures exclude the clean-up and disposal of toxic waste from the Waiwhetu Stream. This work was project managed by Greater Wellington but funded by the Hutt City Council and Ministry for the Environment.
Flood infrastructure in the western part of the region will be maintained in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan. Achievement will be approved by the Council, within a budget of $2,652,000.	All planned maintenance operations were completed in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan. Actual costs were $2,402,000 and incorporated savings in rock prices and innovative methods for heavy protection works.
Flood infrastructure will be maintained in the 10 Wairarapa river schemes to established standards and to the satisfaction of the Scheme Advisory Committees, within a budget of $1,565,000.	Maintenance operations for the 10 Wairarapa river schemes were completed in accordance with established standards and reported to the satisfaction of the Scheme Advisory Committees. Actual costs were $1,476,000. An additional $225,000 of new flood protection measures were constructed, including minor flood damage repair work for the schemes.

Activity: Environmental enhancement of river corridors

SHORT-TERM targets by 30 June 2010	Actual
Maintenance within the Hutt River corridor, including tracks and restoration sites, will be carried out in accordance with the Hutt River Environmental Strategy. Progress will be reported to the Council, within a budget of $200,000.	The Hutt River corridor was maintained in accordance with the Hutt River Environmental Strategy. A summary of significant activities was reported to the Catchment Management Committee on 7 September 2010. Actual costs were $225,000 and included additional tree-clearing costs and channel works.
Maintenance within the Otaki River corridor, including tracks and restoration sites, will be carried out in accordance with the Otaki River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council, within a budget of $25,000.	The Otaki River corridor was maintained in accordance with the Otaki River Environmental Strategy. A summary of significant activities was reported to the Catchment Management Committee on 7 September 2010. Actual costs were $33,700
Maintenance within the Waikanae River corridor, including tracks and restoration sites, will be carried out in accordance with the Waikanae River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council, within a budget of $12,000.	The Waikanae River corridor was maintained in accordance with the Waikanae River Environmental Strategy. A summary of significant activities was reported to the Catchment Management Committee on 7 September 2010. Actual costs were $17,600

Activity: Flood warning service

SHORT-TERM targets by 30 June 2010	Actual
All flood warnings will be issued within 30 minutes of alarms being triggered in accordance with established flood procedures, within a budget of $83,000.	Flood warnings were issued in a timely manner. River alarms were triggered for 21 events, 8 in the Wairarapa and 13 in the western part of the region – fewer than were anticipated. Actual costs were $59,600.

Activity: Civil defence and emergency management

SHORT-TERM targets by 30 June 2010	Actual
Progress with the implementation of the CDEM Group Plan will be to the satisfaction of the Wellington Region CDEM Group, within a budget of $93,000.	The draft of the new Civil Defence And Emergency Management (CDEM) Group Plan has been completed on time. The plan is subject to the outcome of the Shared Services project and will be progressed in early 2011. Actual costs were $55,000.
The Wellington Region CDEM Group will meet twice during the year, within a budget of $37,000.	The Wellington CDEM Group has met on 5 November 2009 and 6 May 2010. Actual costs were $19,000.
A major exercise to test the operational capability of the CDEM Group's Emergency Operations Centre will be conducted, within a budget of $9,000.	Exercise Phoenix VI was successfully carried out on 12 and 13 November 2009. Gaps have been identified and corrective measures to rectify the gaps were put in place. We have made use of two contracted CDEM Group Lifelines Coordinators to provide training to volunteer staff and to participate in the two-day exercise. They have spent 120 hours in preparation of training material, delivering the four training sessions and participating in the exercise. Actual costs were $19,000.
A review of the radio communications capability in the CDEM Group Emergency Operations Centre will be completed and reported to the CDEM Group and Council, within a budget of $20,000.	The communications review has been partially completed due to the project being subjected to the Government's new initiative with digital radio and the implementation of the new Emergency Management Information System. A full report will be tabled at the next CDEM Group meeting and after that to the Council. Actual costs were $4,000.

Unforecast activity:

Two exercises (Tangaroa and Guardian) were not planned for because both were decided at a national level. Costs were only for staff time and fell within budget.

Activity: Harbour management

SHORT-TERM targets by 30 June 2010	Actual
The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service in accordance with Council-agreed operating standards, within a budget of $419,000.	The construction of the new building at Beacon Hill in front of the existing building has not impinged on providing 24-hour, 365-day service which is in accordance with Council-agreed operating standards. This station will become operational in 2010, enhancing the service delivery. Actual costs were $474,000 due to higher-than-expected salary costs.
Navigation aids will be repaired within 24 hours, weather permitting, and maintained in accordance with International Association of Lighthouse Authorities guidelines, within a budget of $140,000.	All navigation aids were maintained in accordance with International Association of Lighthouse Authorities guidelines and repairs completed within 24 hours, with the exception of the Thorndon Container Pile Light. The light collapsed in bad weather in May 2009. After the old pile was removed, consultation with users took place to confirm a light in that location was required and the pile was the most suitable option. The pile was redesigned in an effort to improve longevity, and a new submarine power cable and upgraded navigation light were fitted. The light was operational from 16 June 2010. Actual costs were $143,800.
Reports of oil spills in harbours and coastal waters will be checked within 30 minutes and clean-up action will be commenced within one hour of being reported (for harbours) and within three hours (for coastal waters), within a budget of $17,000.	There were 15 oil spills, with five requiring clean-up action. None were significant spills. Two fishing vessel were prevented from sinking by direct intervention of the Harbour's department staff, averting significant oil spills. All timeframes for checking on reported oil spills and commencing clean-up action were met. Actual costs were $5,700.
All reports of unsafe behaviour will be investigated. Formal records will be kept of all reports, within a budget of $109,000.	There were no significant recreational boating accidents or fatalities during the summer period. Actual costs were $110,000.
At least 500 safe boating packs will be distributed to recreational boaties.	Over 2,500 copies of the revised Regional Navigation and Safety Bylaws and other brochures were distributed to recreational boaties.

Funding impact statement

	Council 2010 Actual $000s	Council 2010 Budget $000s
Funding statement		
General rate	8,918	8,918
Targeted rate	5,049	5,053
Government subsidies	33	116
Interest and dividends	387	450
Other operating revenue	2,450	1,916
Operating revenue	**16,837**	**16,453**
Direct operating expenditure	10,116	9,773
Finance costs	2,639	2,545
Depreciation	1,040	989
Operating expenditure	**13,795**	**13,307**
Operating surplus/(deficit)	**3,042**	**3,146**
Less:		
Capital expenditure	11,323	10,443
Proceeds from asset sales	(225)	(100)
Loan funding	(10,765)	(10,147)
Rates funded capital expenditure	**333**	**196**
Debt repayment	2,684	2,658
Investment additions	393	383
Operational reserve movement	453	898
Working capital movements	853	-
Non-cash items	(876)	(989)
Net funding surplus/(deficit)	**(798)**	**-**

	Notes	Council 2010 Actual $000s	Council 2010 Budget $000s
Operating revenue			
Flood protection		14,192	13,785
Emergency management		857	821
Harbour management		1,788	1,847
Total operating revenue		**16,837**	**16,453**
Operating expenditure			
Flood protection		11,220	10,645
Emergency management		848	857
Harbour management		1,727	1,805
Total operating expenditure		**13,795**	**13,307**
Capital expenditure			
Harbours improvements		945	900
Waiwhetu flood improvements		6,963	5,718
Hutt River improvements		1,691	1,941
Otaki River improvements		261	700
Wairarapa scheme improvements		1,125	888
Other flood protection		84	-
Capital project expenditure		**11,069**	**10,147**
Plant and equipment		33	44
Vehicles		221	252
Total capital expenditure	1	**11,323**	**10,443**

[1] Waiwhetu flood improvements capital expenditure are ahead of budget. The project continues in 2010/11

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

Land management

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

This year a revised Regional Pest Management Strategy was implemented. We continued to focus effort on pests of regional significance, particularly those of limited distribution. Pest control in priority key native ecosystem sites continued and joint venture pest control operations in public reserves with local councils expanded.

Biodiversity enhancement programmes in the region were boosted by our participation in the Ministry of Social Development's Community Max Scheme. Under the scheme 15 additional staff were employed for six months and completed weed control at 50 sites. A very successful aerial possum control operation was conducted in the Hutt River catchment. The number of cattle, deer and dairy herds infected with bovine Tb remains below target levels.

Greater Wellington promotes sustainable land management to protect soil productivity, minimise the environmental effects of land use and enhance biodiversity. This year, 10 farm sustainability plans were prepared for farms in the Whareama catchment. These are the first plans prepared under the Wellington Regional Erosion Control Initiative, a partnership with the Ministry of Agriculture and Forestry. The Afforestation Grant Scheme, a Government-funded programme, continues to provide funds to establish new carbon forests on erosion-prone land. Our Streams Alive programme continues to promote riparian (stream-side) management and planting in 12 priority catchments throughout the region.

How we contribute to community outcomes

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

Healthy Environment

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

This group of activities also contributes to the following outcome:

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

Land management

LONG-TERM targets by June 2019	Progress
6,300ha of erosion-prone farm land will be treated using sustainable management practices. 75% of erosion-prone land will be under farm or sustainability plans.	In 2009/10 390ha of erosion prone land was treated using sustainable management practices. 72% of erosion-prone land is covered by a farm or sustainability plan.
The ecological health and diversity of key native ecosystems will improve.	Active pest control programmes operate in 124 key native ecosystem areas. Regular monitoring in representative areas indicates low numbers of possums, rodents and mustelid predators present in the treated areas, an increased number of native birds in the region and records of rare native birds breeding outside of the Zealandia mainland island. Pest plant control data, surveys and audits indicate success in reducing the competitive dominance exhibited by exotic species.
• There will be no rabbit infestation areas over Level 5 of the modified McLean scale. • There will be fewer than five breeding rookeries in the containment zone. • Possum numbers in the northern Wairarapa Tb-free zone will be maintained at a residual trap-catch rate of less than 5%.	• There were no persistent recorded areas exceeding Level 5 on the modified McLean scale in 2009/10. • Under the Regional Pest Management Strategy of 12 June 2009, the status of rooks changed from Containment species to Total Control species. The long-term target under the Regional Pest Management Strategy is now the eradication of rooks from the Wellington region by 2032. The 2009/10 rook control programme was successful. Currently there are 21 rookeries in the region. • The Regional Possum and Predator Control Programme to control possum numbers in the Tb-free zone is due to start in 2010/11.
30km of streams and rivers will be enhanced (or maintained following enhancement) by fencing and plantings.	In 2009/10, 2.12km of new riparian planting was established.

Activity: Pest (animal and plant) management

SHORT-TERM targets by 30 June 2010	Actual
The operational plan for implementing the RPMS will be achieved and reported in detail to the Council, within a budget of $2,230,000.	The Regional Pest Management Strategy (RPMS) Operational Plan 2009/10 programme was successfully carried out by 30 June 2010 and an annual report will be presented to the Catchment Management Committee for approval in November 2010. Active pest animal control programmes were carried out at 90 sites (19,624 hectares), comprising 34 private sites and 56 reserves. A very successful possum control aerial operation occurred in the Hutt River catchment. Post-operation monitoring did not detect any surviving possums in the treated area. The pest plant RPMS programme was successfully completed at all active infested sites. Site-led pest plant control programmes were carried out at 55 key native ecosystems and reserves. Ten-year management plans were developed for all key focus areas (ie, total control, surveillance species, etc) for long-term planning purposes. Biosecurity information material and the Greater Wellington website were updated to align with the reviewed RPMS. Actual costs were $2,612,500 and included $380,000 of additional funding provided by the Ministry of Social Development's Community Max Scheme, contributions from our territorial authority partners for key native ecosystems and reserves, and revenue for the Hutt Catchment aerial possum control operation.

Activity: Pest (animal and plant) management (continued)

SHORT-TERM targets by 30 June 2010	Actual
The Animal Health Board's Tb vector control programme for the Wellington region is completed to the satisfaction of the Council, within a budget of $718,000.	Significant progress has been made in the programme: • 178,200ha (88.5%) of the possum control programme was completed • 59,400ha (100%) of the possum/ferret survey programme was completed • 249,000ha (100%) of the pig survey programme was completed • All remaining possum control projects are expected to be completed in July 2010 • Only five herds in the region still have bovine Tb infected status Actual costs were $679,000, including a regional share contribution towards the Animal Health Board-managed bovine Tb control programme. Savings were made in transport and contracts carried forward to 2010/11.

Unforecast activity:

Greater Wellington took part in the Ministry of Social Development's Community Max scheme. The scheme was aimed at upskilling young unemployed people for future full-time employment. As a result, Greater Wellington employed an extra 15 staff who worked on more than 50 biodiversity restoration projects in the region. The staff costs were offset by the contribution from the ministry and scheme partners – local councils, the Department of Conservation and other Greater Wellington departments. The total cost was approximately $270,000, while the income generated was approximately $260,000.

Activity: Biodiversity

SHORT-TERM targets by 30 June 2010	Actual
Pests will be maintained at very low levels in the following key native ecosystems within a budget of $569,000: • 10 wetlands • 40 native forest areas • 4 coastal escarpments • 2 dune ecosystems	The focus of the programme was on surveillance and eradication or containment of pests of limited distribution that threaten our regional key native ecosystems. There are 124 sites under pest plant and/or pest animal control. Sites under active pest management include: • 16 wetlands • 82 native forest sites • 12 dune ecosystems • 7 coastal escarpments • 7 river/estuarine area Actual costs were $678,000 and included additional funding provided by the Community Max Scheme.

Activity: Biodiversity (continued)

SHORT-TERM targets by 30 June 2010	Actual
The biodiversity implementation programme will be progressed through the following programmes:	
• Wetland Action Plan, within a budget of $89,000	17 new landowners joined the Wetlands Incentive Programme during the year bringing the total number of landowners in the programme to 157. Actual costs were $73,000.
• Queen Elizabeth II National Trust private land protection programme, within a budget of $84,000	Six QEII National Trust covenants were supported which, when finalised, will protect approximately 64.5ha of lowland indigenous forest and wetland. All six projects will protect ecosystems that fall into the Acutely Threatened category in terms of the national Threatened Environments Classification. In addition, pest control activities were funded on an additional seven registered covenants. Actual costs were $87,000.
• Freshwater ecosystem programme, within a budget of $57,000	The focus this year was on the preparation of a Freshwater Ecosystems Action Plan. Development of the plan involved staff from across the organisation and was completed in June. Actual costs were nil because an action plan was developed internally so there were no external costs.
• Streams Alive riparian planting programme, within a budget of $196,000	The Streams Alive programme has again been concentrated in the Otaki, Waitohu and Mangaroa catchments. However, work has also occurred in the upper Waiohine catchment and the Waihora Stream on the flanks of the Aorangi Ranges. Actual costs were $221,000.
• Pauatahanui Inlet Action Plan, within a budget of $50,000	Work with private landowners in the Pauatahanui catchment offering advice and, in some cases, financial assistance has continued this year. Projects now cover work on the properties of 19 landowners. Work that is completed or currently underway has resulted in the construction of 3.3km of fencing that has protected approximately 2km of stream in the lower Kakaho and Horokiri streams, in addition to the fencing-off of wetland areas. More than 21,000 indigenous plants have been planted and an additional 7,000 were planted in the winter of 2010. All projects involve major financial and in-kind contributions from landowners. Actual costs were $40,000.

Activity: Biodiversity (continued)

SHORT-TERM targets by 30 June 2010	Actual
• Coastal ecosystems, within a budget of $56,000	The carrying out of the Coastal Ecosystem Action Plan has continued. Fencing to protect the dunes north of the Waitohu Stream, supported by the Kapiti Coast District Council and the landowner, was undertaken as was the fencing of the mouth of the Karori Stream, working with Wellington City Council and the landowners. Foredune restoration plans for Riversdale Beach, Plimmerton South Beach/Ngāti Toa, Queen Elizabeth Park, Porirua Stream estuary and Waikanae estuary were prepared. Actual costs were $67,000.

Activity: Soil Conservation

SHORT-TERM targets by 30 June 2010	Actual
12 new farm or sustainability plans will be prepared and approved by Greater Wellington, within a budget of $110,000.	Two Sustainability plans and 10 Wellington Region Erosion Control Initiative (WRECI) plans were completed. Actual costs were $129,000 because the 10 WRECI plans required more field work.
450ha of erosion-prone land will be protected, within a budget of $565,000.	Pole planting was carried out on 315 hectares of erosion-prone land, and new conservation woodlots covering 75ha were established. Additionally, the Afforestation Grant Scheme accounted for a further 277ha. Actual costs were $544,000 because only 390 hectares were protected.
Catchment schemes will be progressed in accordance with agreed workplans, within a budget of $99,000.	The six catchment schemes completed their respective works programmes, as well as undertaking some emergency repair work following heavy rainfall in the Homewood area in May 2010. Actual costs were $111,000 because of the emergency works.
15 events with a land management focus will be supported by Greater Wellington, within a budget of $12,000.	26 events were attended throughout the region. Many of these events were planting days associated with schools and other community groups. Actual costs were $17,000 because of an increase in events attended.

Activity: Akura Conservation Centre

SHORT-TERM targets by 30 June 2010	Actual
Akura Conservation Centre will break even or make a profit, within a budget of $29,000 .	A net operating surplus of $18,000 was achieved.
19,000 3m poplar poles will be supplied, within a budget of $128,000.	21,900 poles were supplied to the Land Management department for planting on erosion-prone land. Total costs were $144,000 as additional poles were supplied for the Land Management programme.

Funding impact statement

	Note	Council 2010 Actual $000s	Council 2010 Budget $000s
Funding statement			
General rate		4,831	4,796
Targeted rate		201	201
Government subsidies		10	115
Interest and dividends		29	25
Other operating revenue	1	3,271	1,751
Operating revenue		**8,342**	**6,888**
Direct operating expenditure		8,084	6,761
Finance costs		1	-
Depreciation		176	146
Operating expenditure		**8,261**	**6,907**
Operating surplus/(deficit)		**81**	**(19)**
Less:			
Capital expenditure		328	419
Proceeds from asset sales		(20)	(36)
Loan funding		(124)	-
Rates funded capital expenditure		**184**	**383**
Operational reserve movement		(4)	(256)
Working capital movements		(391)	-
Non-cash items		(155)	(146)
Net funding surplus/(deficit)		**447**	**-**

	Council 2010 Actual $000s	Council 2010 Budget $000s
Operating revenue		
Promoting sustainable land management	4,057	2,994
Manage pest plants and animals	4,285	3,894
Total operating revenue	**8,342**	**6,888**
Operating expenditure		
Promoting sustainable land management	3,995	2,938
Manage pest plants and animals	4,266	3,969
Total operating expenditure	**8,261**	**6,907**
Capital expenditure		
Plant and equipment	126	100
Vehicles	202	319
Total capital expenditure	**328**	**419**

[1] Revenue for the Afforestation Grant Scheme and the Community Max Scheme

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

Regional sustainable development

Greater Wellington's regional sustainable development group of activities contribute to the following community outcomes – *prosperous community, essential services, entrepreneurial and innovative region, connected community* and *healthy environment*. This group of activities enhance the economic wellbeing of the region by promoting sustainable economic growth, running initiatives to realise the region's economic potential and helping the community to build resilience to the future impacts of climate change. Activities to enhance regional form also contribute to social and environmental wellbeing.

Greater Wellington works with city and district councils in the region, as well as central government and other organisations, on shared responses to resilience issues, particularly adaptation to the future impacts of climate change.

This year saw the launch of the EECA (Energy Efficiency and Conservation Agency) Warm Greater Wellington scheme to part-fund the retrofitting of home insulation. In 2009/10, 133 ratepayers have participated in the scheme.

Greater Wellington is looking at utilising its existing water resources for small-scale power generation. A scheme was commissioned at the Te Marua pumping station during the year and an order was placed for a 300kW generator for Wainuiomata.

The Wellington Regional Strategy is a non-statutory initiative involving Greater Wellington and the region's city and district councils. It is a sustainable economic growth strategy and contains a range of initiatives to realise the region's economic potential. The strategy's broadband project has progressed at pace this year due to the release of the Government's Ultra-Fast Broadband Investment Fund and the Rural Broadband Initiatives. We continue to fund Grow Wellington, the region's economic development agency, as its works to drive growth in exports and help create a strong and vibrant economy.

Greater Wellington followed a special consultative procedure to establish Creative HQ as a CCO and a subsidiary of Grow Wellington Ltd.

Greater Wellington will retain control over Creative HQ Ltd through its shareholding in Grow Wellington Ltd. Creative HQ is a business incubator and a key part of the economic development focus of Grow Wellington.

How we contribute to community outcomes

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

Prosperous Community

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

This group of activities also contributes to the following outcomes:

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

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

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

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

Regional sustainable development

LONG-TERM targets by June 2019	Progress
Regional GDP per capita growth will be above the 10-year rolling average for New Zealand.	Growth in GDP per capita between 1999 and 2009 was 1.45% for the region, compared to 1.84% for New Zealand.
The average regional income of the region's residents will be above the 10-year rolling average for New Zealand.	Average median weekly household income between 1999 and 2009 was $1,145 for the region, compared to $1,010 for New Zealand.
The rate of increase of full-time equivalent jobs will be above the 10-year rolling average for New Zealand.	The rate of full-time equivalent job increases for the region between 1999 and 2009 was 1.85%, compared to 2.40% for New Zealand.
The Regional Climate Change Action Plan will be carried out according to agreed timeframes.	In 2009/10 we consulted with local councils in the region on a draft Climate Change Response Plan. Our approach is being revised based on the feedback received.
The Regional Water Strategy will be carried out according to agreed timeframes.	In 2009/10 we worked with local councils in the region on a draft Regional Water Strategy.
80% of homes in the region could potentially be served by power generated in the region from renewable sources.	Operational wind farms in the region generate enough power to serve around 40% of the region's homes. In 2009/10 the Mill Creek wind farm was consented. When operational this will provide a further 71.3 megawatts of power. A further wind farm with a capacity of 600 megawatts is planned for Castle Hill in the Wairarapa (some of the site is within the Manawatu-Wanganui region).

Activity: Regional Resilience

SHORT-TERM targets by 30 June 2010	Actual
A regional strategy to respond to climate change will be agreed by all local authorities in the region.	A Draft Regional Climate Change Response Plan was circulated to all councils in the region in September 2009 and comments requested. Due to the widely varying nature of the responses to the plan, changes have been made to our approach. A high-level document recommending an approach has been drafted and shared informally with the territorial authorities.
An application for resource consent to develop a wind farm at Puketiro will be lodged with appropriate authorities.	The private developer holding the development rights has completed the site investigations but has decided to defer lodging a resource consent application.

Unforecast activity:

The Warm Greater Wellington programme provides assistance to ratepayers to install home insulation and/or clean heating appliances in conjunction with the Energy Efficiency and Conservation Authority's (EECA) Warm Up New Zealand: Heat Smart programme.

This programme was introduced as part of Greater Wellington's Annual Plan 2010/11 and was first offered to ratepayers in April 2010. Ratepayers who use the scheme fund the programme directly through a targeted rate on their property.

By 30 June 2010, 133 ratepayers had used the scheme at a cost of $252,569.

Activity: Wellington Regional Strategy

SHORT-TERM targets by 30 June 2010	Actual
The WRS Committee will approve the annual report of the WRS office on progress with implementation of the WRS, within a budget of $375,000.	The Wellington Regional Strategy (WRS) office's annual report was approved by the WRS Committee at its meeting on 14 October 2009. The activities of the office were carried out within a budget of $252,000. Savings were made by the slowing down of the Genuine Progress Index project.
A summit for the major stakeholders of the WRS will be held by 30 November 2010 to reflect on achievements and look to the future, within a budget of $25,000.	The annual WRS Summit was held on 29 October 2009 and focused on opportunities to increase the commercialisation of our research and development. More than 60 regional leaders, research agencies and investors attended. The cost of the summit was $4,000. Savings were made primarily on the cost of the venue.
The WRS committee will receive Grow Wellington's annual report and agree that it reflects Grow Wellington's SOI and contributes to the WRS – by 30 April 2010, within a budget of $4,250,000.	Grow Wellington's Annual Report 2008/09 was received by the WRS Committee at its meeting on 14 October 2009. The committee agreed that it fairly reported on the company's Statement of Intent. The company operated within a budget of $4,006,989 during the 2009/10 year.

Funding impact statement

Funding statement	Council 2010 Actual $000s	Council 2010 Budget $000s
General rate	95	95
Targeted rate	4,500	4,500
Interest and dividends	4	-
Other operating revenue	58	192
Operating revenue	**4,657**	**4,787**
Direct operating expenditure	4,632	4,787
Finance costs		-
Depreciation		-
Operating expenditure	**4,632**	**4,787**
Operating surplus/(deficit)	**25**	**-**
Less:		
Loan funding	(282)	-
Rates funded capital expenditure	**(282)**	**-**
Investment additions		-
Operational reserve movement	261	-
Working capital movements	(385)	-
Net funding surplus/(deficit)	**431**	**-**

	Council 2010 Actual $000s	Council 2010 Budget $000s
Operating revenue		
Regional resilience	46	142
Wellington Regional Strategy	111	145
Regional economic development agency	4,500	4,500
Operating revenue	**4,657**	**4,787**
Operating expenditure		
Regional resilience	80	142
Wellington regional strategy	282	395
Regional economic development agency	4,270	4,250
Total operating expenditure	**4,632**	**4,787**

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

Community

Greater Wellington's community group of activities contributes to the following community outcomes – *strong and tolerant community*, and *quality lifestyle*. Our democratic processes contribute to the social wellbeing of the region by ensuring that the community is empowered to participate in the Council's decision making. This year, preparation for the 2010 elections began. This will be a key focus in the first half of 2010/11.

The involvement of Māori in our work is vital to the cultural and social wellbeing of the region. Māori participation and inclusion in decision making was enhanced this year with the establishment of Te Upoko Taiao – Natural Resource Plan Committee. The committee will oversee the development of a new regional plan to guide the use, development and protection of natural resources in the region. The committee comprises seven elected Greater Wellington Regional Councillors and seven members appointed by the region's mana whenua.

The participation and inclusion of Māori in decision making has been further enhanced by the creation of the position of Māori Relations Manager. The Māori Relations Manager works with our Kaitakawaenga (Māori Liaison Officers) and is a member of Greater Wellington's Executive Leadership Team.

How we contribute to community outcomes

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

Strong and Tolerant Community

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

The group of activities also contributes to the following outcome:

Quality Lifestyle by supporting a key recreational facility of the region

Community

LONG-TERM targets by June 2019	Progress
50% of the region's residents believe they understand how their Council makes decisions.	Of residents surveyed in June 2010, 9% said they understand how the Council makes a decision, 44% said they did not understand, 38% were neutral and 9% said they did not know.
More than 75% of the region's residents believe they have some influence on Council decisions.	A survey for this is yet to be undertaken.
At least 45% of eligible electors participate in elections for the Greater Wellington Regional Council.	Progress towards this target will next be measured after the 2010 local body elections.
There is a formal agreement in place, which is regularly reviewed, to guide the relationship between Greater Wellington and the region's iwi.	A review of the Charter of Understanding between Greater Wellington and region's iwi was deferred. Greater Wellington and Ara Tahi are currently reviewing the nature of our partnerships and role of Ara Tahi.
The financial and operational performance of the Westpac Stadium Trust will be in accordance with its Statement of Intent.	In 2009/10 the financial and operational performance of the Westpac Stadium Trust was in accordance with its Statement of Intent.

Activity: Democratic Services

SHORT-TERM targets by 30 June 2010	Actual
All meetings will be conducted in accordance with statutory requirements and Council policies, within a budget of $1,533,000.	All meetings were conducted in accordance with statutory requirements and Council policies. Actual costs were $1,461,000 and were within budget with no significant variations.
Statutory public accountability processes will be completed in accordance with requirements, within a budget of $548,000.	Statutory public accountability processes were completed in accordance with requirements. Actual costs were $515,000 and were within budget with no significant variations.

Activity: Relationship with Māori

SHORT-TERM targets by 30 June 2010	Actual
The review of the Charter of Understanding between iwi and the Council will be completed, within a budget of $10,000.	The review of the Charter of Understanding was delayed while Ara Tahi and Greater Wellington reviewed the nature of our partnerships and the role of Ara Tahi. Therefore, none of the budget was spent.
Ara Tahi will do the following within a budget of $70,000: • Meet formally at least six times • Hold at least six technical workshops	Ara Tahi met 4 times and had 3 technical workshops and one two-day hui. Meetings and workshops were not held where there was not significant business to progress. Actual costs were $41,000.
There will be Māori representation on all Council committees, within a budget of $182,000.	All Greater Wellington committees have Māori representation. Actual costs were $182,000.
Contracts between iwi and Greater Wellington will be in place for agreed projects, within a budget of $80,000.	Project proposals have been received and contracts with the relevant iwi are being developed. Actual costs were $24,000, with fewer than expected projects requiring funding.

Activity: Westpac Stadium

SHORT-TERM targets by 30 June 2010	Actual
The financial and operational performance of the Westpac Stadium Trust will be in accordance with its Statement of Intent, within a budget of $2,676,000.	The financial and operational performance was in line with the budget of $2,676,000 and in accordance with the Statement of Intent.

Funding impact statement

	Council 2010 Actual $000s	Council 2010 Budget $000s
Funding statement		
General rate	2,260	2,793
Targeted rate	2,676	2,676
Interest and dividends	9	10
Other operating revenue	2,191	1,658
Operating revenue	**7,136**	**7,137**
Direct operating expenditure	4,007	4,095
Finance costs	929	1,009
Depreciation	41	35
Operating expenditure	**4,977**	**5,139**
Operating surplus/(deficit)	**2,159**	**1,998**
Less:		
Capital expenditure	10	15
Rates funded capital expenditure	**10**	**15**
Debt repayment	1,612	1,612
Operational reserve movement	89	90
Working capital movements	(25)	-
Non-cash items	275	281
Net funding surplus/(deficit)	**198**	**-**

	Council 2010 Actual $000s	Council 2010 Budget $000s
Operating revenue		
Run a democratic process	3,565	3,566
Relationship with iwi	579	579
Contribution to the Regional Stadium	2,992	2,992
Operating expenditure	**7,136**	**7,137**
Operating expenditure		
Run a democratic process	3,416	3,497
Involve Māori in our work	579	579
Contribution to the Regional Stadium	982	1,063
Total operating expenditure	**4,977**	**5,139**
Capital expenditure		
Plant and equipment	10	15
Total capital expenditure	**10**	**15**

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

Investments

Investment overview

Greater Wellington has a significant portfolio of investments, comprising:

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

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

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

Liquid financial deposits

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

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

Administrative properties

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

Forestry and business units

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

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

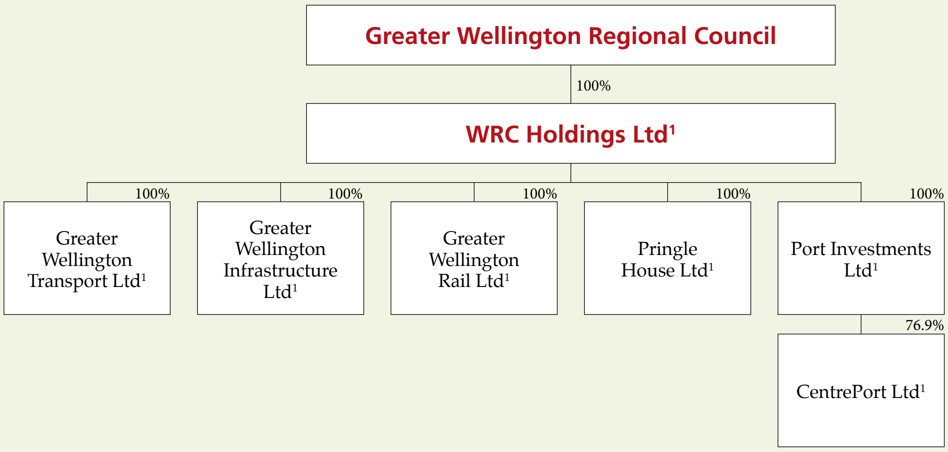
The internal dividend reflects the intergenerational equity issues inherent in the forestry investment and recognises the cost of ratepayer equity. The level of planned internal dividend contribution to the rate line from forestry is currently $225,000 per year. This dividend will continue to be reviewed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

Equity investments in the WRC Holdings Group

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



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

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

Advance to Wellington Regional Stadium Trust

Greater Wellington advanced $25 million to the Wellington Regional Stadium Trust in August 1998. The advance is currently on an interest-free basis, with limited rights of recourse recognising the "quasi-equity" nature of the advance. Under the International Financial Reporting Standards, this advance has been written down to $4.27 million as at 30 June 2010.

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.

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

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

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

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

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

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

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

Objectives of the Group

The primary objectives of the group as set out in the 2009/10 Statement of Intent were to:

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

The financial objectives of the Group shall be to:

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

The environmental objectives of the Group shall be to:

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

The social objectives of the Group are to:

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

The WRC Holdings Group met all its objectives as set out in the 2009/10 Statement of Intent and Greater Wellington's 10-Year Plan (LTCCP).

The nature and scope of activities undertaken by WRC Holdings are consistent with those set out in the 2009/10 Statement of Intent and Greater Wellington's LTCCP.

Directors

Fran Wilde (Chair)
Anne Blackburn
Peter Blades
Ian Buchanan
John Burke
Peter Glensor

Financial performance targets for year ended 30 June 2010

	Actual 2010	Target 2010
Net profit before tax	$12.9 million	$7.8 million
Net profit after tax	$ 10.2 million	$3.8 million
Return on total assets	3.8%	3.7%
Return on shareholder equity (excludes any fair value adjustments)	11.0%	1.4%
Return on shareholder equity (includes any fair value adjustments)	4.9%	NA
Dividends	$1.2 million	$1.2 million

Net profit before tax

The Group posted a net profit before tax of $12.9 million compared to the budget of $7.8 million for the year.

Net profit after tax (before deduction of minority interest)

The net profit after tax was $10.2 million profit compared to the budget of $3.8 million. If revaluations of $7.4 million are included, net profit after tax and revaluations is $17.6 million.

Return on total assets

This target is calculated as earnings before interest and tax (EBIT) and expressed as a percentage of average total assets.

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/decrease in fair value movements from property, devaluations and other financial investment fair value changes. Average parent shareholder equity and earnings have reduced due to the valuation of investment property.

Dividends paid (or payable to the parent shareholder)

The dividend payable is $1.2 million, which is in line with the Statement of Intent.

Activity: Environmental performance targets

Planned target	Actual performance
CentrePort to maintain a formal environmental management system consistent with the standards specified in AS/NZS ISO 14000: 200.	Achieved. Environmental Management Plan updated. Identified and allocated environmental objectives/ targets aimed at ongoing performance improvement.
CentrePort to undertake the monitoring of environmental discharges in accordance with implemented management plans in the areas of:	Achieved.
• Port Noise: Monitoring in accordance with the Port Noise Management Plan to show compliance with the Central Port and Miramar port areas, and inconclusive outcomes for Seaview due to natural ambient noise levels	• Port Noise: Monitored in accordance with the Port Noise Management Plan, showing compliance with the Central Port and Miramar port areas, and inconclusive outcomes for Seaview due to natural ambient noise levels
• Stormwater discharges to the costal marine area	• Stormwater monitoring results for the Wellington City Port Area show stormwater discharged via CentrePort's dedicated stormwater system is compliant with the Regional Coastal Plan Rules. CentrePort remains committed to improving the quality of discharged water
• Fumigants associated with pest treatment of cargoes	• Fumigants: All monitoring data of fumigation of cargoes submitted to Greater Wellington
Formally review, at least annually, the company's compliance with all environmental legislation, district and regional plans, and conditions of resource consents held.	Achieved. Regulatory compliance review was undertaken, showing compliance with the relevant resource consent conditions. Participated in the District and Regional Plan reviews.
CentrePort to maintain a sustainability programme with measurable performance criteria covering as a minimum the monitoring of waste and greenhouse gas emissions.	Achieved. Policy was updated and a new Environmental and Sustainability Committee established with staff representation. A carbon footprint and waste recycling performance review showed overall environmental improvement against the benchmark position.
CentrePort to monitor compliance of the use of methyl bromide for fumigating log shipments, and work collaboratively with Greater Wellington and Crown agencies to investigate alternative fumigation options.	All use of methyl bromide undertaken in accordance with agreed protocols, with monitoring data submitted to Greater Wellington. Participated in a government review on methyl bromide use.
CentrePort to maintain an environment issues register of environmental complaints and issues for monitoring and actioning purposes. The register to be reported to CentrePort's Health, Safety and Environmental Committee on a regular basis (meets at least three times per annum).	Achieved. No issues of materiality recorded.

Planned target	Actual performance
CentrePort will hold a minimum of three Environmental Consultative Committee meetings in 2009/10 comprising CentrePort and affected stakeholders (customers, port users, local authorities, iwi and residential groups). The meetings to provide a forum to identify and inform on a range of environmental port-related matters.	Achieved. CentrePort held three meetings.
CentrePort to comply with all conditions under resource consents and permits held, and fully adhere to the requirements of environmental law.	CentrePort has complied with all of its resource consents.

Planned target – WRC Holdings	Actual performance
• Operate in an environmentally and sustainable manner • Minimise the impact of any of the Group's activities on the environment • Raise awareness of environmental issues within the Group • Ensure Pringle House operates in an energy efficient manner	WRC Holdings via Greater Wellington operates in an environmentally sustainable manner by minimising environmental impacts and raising awareness within the Group. These include, but are not limited to, such activities as choosing vehicles with the lowest environmental impact and supporting public transport usage. Pringle House underwent an environment audit in March 2008. A number of initiatives have recently been undertaken to increase energy efficiency. These include the progressive replacement of halogen light fittings with low wattage equivalents, an upgrade of the main chiller and regular monitoring of energy usage by the property managers.

Activity: Social performance targets

Planned target	Actual performance
CentrePort to maintain tertiary level compliance with the ACC Workplace Safety Management Practices Programme and comply with the AS/NZS 4801: Occupational Health and Safety Management Systems.	Achieved. The ACC tertiary certificate is current until November 2010 when the next audit is due.
CentrePort to maintain compliance with the International Ship & Port Security (ISPS) Code, which promotes security against terrorism within the port environment.	Achieved. Certified compliant until December 2010.
CentrePort to undertake risk assessments and carry out any mitigating procedures relating to the Port & Harbour Safety Code, which promotes safety and excellence in marine operations.	The final component to carrying out the Harbour Safety System was completing construction of a new signal station at Beacon Hill in April 2010. An engineering assessment illustrated that the radar scanner could not be installed on top of the old building due to the size of the scanner and the station's exposed position. The radar mast and associated aerials weigh nearly two tonnes and a new mast was required. A Resource Consent and Building Permit was obtained and construction is underway. It is anticipated that this will be completed by September 2010. Once all equipment is operational the Harbour Safety System will be in a position to be tested operationally and audited.
CentrePort to undertake an appropriate level of community sponsorship.	Achieved. CentrePort contributed $157,588 to a diverse range of sponsorship activity within its region.
To meet regularly with representative community groups.	Achieved.
CentrePort to provide opportunities for employee growth, development, improvement and recognition.	Achieved: Key initiatives in 2010 were introducing individual development programmes and providing tailored development opportunities, introducing monthly employee recognition and long-service recognition for employees with more than 20 years service. Of the 41 employees entered into national training contracts for Level 3 accreditation in Cargo Handling, 28 achieved accreditation in 2010, taking the total number of accredited cargo-handling employees to 37. Five Marine Services employees achieved the National Diploma in Pilot Operations (Level 6), two employees the National Certificate in Tug Operations (Level 4) and one employee a Certificate in Pilot/Launch Operations (Level 4).
CentrePort to undertake an annual review of Health and Safety Policy.	Achieved.

General performance targets

Planned target	Actual performance
CentrePort will, in consultation with shareholders, continue to develop performance targets in the environmental and social areas in order to be able to maintain triple bottom line reporting in accordance with best practice.	Achieved. The 2011 Statement of Corporate Intent has one new social target.
When developing "property held for development", CentrePort's Board is to adhere to the following principles: • Properties may be developed without the building being fully pre-let as long as tenancy risk is managed prudently • Property developments must not compromise port operations • Developments are to be undertaken only if they are able to be funded without additional capital from shareholders Management of tenancy risk means that each single property investment has committed rental income (via executed lease contracts) that is sufficient to meet forecast interest costs on (i) the cost of the site development related to the development, and (ii) the cost of the construction of the development and the vacant net lettable area of the proposed development is no greater than 25%.	Achieved. The investment property tenanted by the New Zealand Customs Service meets the pre-let requirements.

Company objectives

The company's primary objectives as set out in the 2009/10 Statement of Corporate Intent 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 the 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
- Liaise with and communicate the company's environmental and sustainability performance

The social objectives of the company shall be to:

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

Directors

WA Larsen (Chair)
DJ Benham
R Janes
JG Jefferies
EMM Johnson
RM Peterson

Financial performance targets

The following table lists performance against targets set in CentrePort's 2009/10 Statement of Corporate Intent. Comparison against targets is provided, one excluding revaluations and one including revaluations on investment properties and financial instruments (as the Statement of Corporate Intent did not anticipate changes in asset values).

	2009/10 SCI target[1]	2009/10 Actual	
	Excluding valuation changes	Excluding valuation changes	Including valuation changes
Net profit before tax[2]	$8.700 million	$13.697 million	$8.207 million
Net profit/(loss) after tax[2]	$6.500 million	$9.594 million	$6.533 million
Return on port assets	3.9%	6.3%	5.4%
Return on developed property assets	5.8%	6.4%	3.6%
Return on undeveloped property assets	1.3%	1.3%	1.3%
Return on total property assets	4.9%	4.9%	2.9%
Return on total assets	4.5%	5.5%	4.0%
Return on equity	3.3%	4.9%	3.4%
Dividend	$5.170 million	$5.170 million	$5.170 million
Dividend distribution as a percentage of NPAT	79%	54%	–

[1] The financial forecasts in this Statement of Corporate Intent do not include any allowance for a sell-down of property interests

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

Funding impact statement

	Council 2010 Actual $000s	Council 2010 Budget $000s
Funding statement		
Operating revenue	14,818	13,532
Net Interest income	2,923	2,621
Internal grants income	1,264	6,218
	19,005	22,371
Operating expenditure	8,656	9,321
Operating surplus/(deficit)	**10,349**	**13,050**
Less:		
Contribution to general rates	9,820	6,945
Earnings retained	**529**	**6,105**
Operating surplus of individual investments		
Liquid financial deposits	1,552	2,015
WRC Holdings	3,453	7,490
Treasury management	1,063	2,864
Forestry	3,893	570
Business units and property	388	111
Net funding surplus/(deficit)	**10,349**	**13,050**

	Council 2010 Actual $000s	Council 2010 Budget $000s
Contribution to general rates		
Liquid financial deposits	2265	2015
WRC Holdings	2190	916
Treasury management	4910	3750
Forestry	-	225
Business units and property	455	39
Contribution to general rates	**9820**	**6945**

Rates contribution excludes unrealised transactions, deposit and debt movements

[1] Net interest includes revenue from internal debt, less the interest costs of external debt
[2] Internal grants income is revenue from public transport to fund the share capital investment in Greater Wellington Rail Ltd. This is lower than budget because expenditure on the new Matangi trains is lower than budget
[3] The above funding impact statement includes inter-organisational transactions. These include revenue, expenditure and finance costs.

Statement of compliance and responsibility

Compliance

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

Responsibility

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

In the opinion of the Council and Greater Wellington's management, the annual financial statements for the year ended 30 June 2010 fairly reflect the financial position and operations of the Greater Wellington Regional Council.

Fran Wilde
Chair

28 September 2010

David Benham
Chief Executive

28 September 2010

Barry Turfrey
Chief Financial Officer

28 September 2010

Audit report

To the readers of Wellington Regional Council and group's financial statements and service provision information

for the year ended 30 June 2010

The Auditor-General is the auditor of Wellington Regional Council (the Regional Council) and group. The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the service provision information and the Regional Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the Regional Council and group for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Regional Council and group on pages 17 to 70:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - > the Regional Council and group's financial position as at 30 June 2010; and
    - > the results of operations and cash flows for the year ended on that date.
- The service provision information of the Regional Council on pages 73 to 157:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the Regional Council's levels of service provision for the year ended 30 June 2010, including:
    - > the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
    - > the reasons for any significant variances between the actual service provision and the expected service provision.
- The Regional Council and group have complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the Regional Council and group's financial statements and service provision information.

The audit was completed on 28 September 2010, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, the service provision information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, the service provision information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, the service provision information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system controls are working and can be relied on to produce complete and accurate data;

- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported service provision information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the service provision information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, the service provision information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements and service provision information in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Regional Council and group as at 30 June 2010. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The service provision information must fairly reflect the Regional Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, the service provision information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, carrying out an audit of long-term council community plan, carrying out an assurance assignment reviewing the tendering processes over the Real Time Information System, and reviewing the financial information and performance information in the Water Supply Annual Report, we have no relationship with or interests in the Regional Council or any of its subsidiaries.

Karen Young

Karen Young

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements, service provision information and the other requirements

This audit report relates to the financial statements, service provision information and the other requirements of Wellington Regional Council and group for the year ended 30 June 2010 included on Wellington Regional Council's website. The Council is responsible for the maintenance and integrity of Wellington Regional Council's website. We have not been engaged to report on the integrity of Wellington Regional Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, service provision information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, service provision information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, service provision information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, service provision information and the other requirements as well as the related audit report dated 28 September 2010 to confirm the information included in the audited financial statements, service provision information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Council and Committee structure

As at September 2010

(c) Chair (d) Deputy Chair

Council Cr Wilde (c) Cr Glensor (d)	**Wellington Regional Strategy Committee** Sir John Anderson (c) Cr Wilde (d)	**Regional Transport Committee** Cr Wilde (c) Cr Glensor (d)
Transport and Access Committee Cr Glensor (c) Cr Greig (d)	**Regulatory Committee** Cr Baber (c) Cr Lamason (d)	**Catchment Management Committee (including subcommittees)** Cr Buchanan (c) Cr Wilson (d)
Regional Sustainability Committee Cr Laidlaw (c) Cr Bruce (d)	**Finance, Audit and Risk Committee** Cr Aitken (c) Cr Donaldson (d)	**Te Upoko Taiao – Natural Resource Plan Committee** Cr Wilde (co-chair) Te Waari Carkeek (co-chair)

Note: The inaugural meeting of Te Upoko Taiao – Natural Resource Plan Committee was held on 28 October 2009

Greater Wellington management structure

David Benham
Chief Executive

Leigh-Anne Buxton General Manager, People and Capability	**Nigel Corry** General Manager, Environment Management	**Jane Davis** General Manager, Strategy and Community Engagement	**Dr Wayne Hastie** General Manager, Metlink Public Transport	**Murray Kennedy** General Manager, Utilities and Services	**Barry Turfrey** Chief Financial Officer	**Wayne O'Donnell** General Manager, Catchment Management
	Environmental Education	Communications	Business	Development and Strategy	Democratic Services	Biosecurity
	Environmental Monitoring and Investigations	Corporate Planning	Customer Services	Emergency Management	Finance and Support	BioWorks
	Environmental Policy	Māori Relations	Design and Development	Forestry	Information, Communication and Technology	Catchment Management
	Environmental Regulation	Strategic Planning	Rail Projects	Marketing and Design	Property	Flood Protection
	Environmental Support	Sustainable Transport	Transport Procurement	Parks	Treasury	Land Management
	Harbours			Support Services		Support Services
				Water Supply		

Regional Councillors

As at September 2010

KAPITI

Nigel Wilson
T 04 905 0583
M 027 242 4105
nigel.wilson@gw.govt.nz

LOWER HUTT

Peter Glensor
T 04 586 4119
M 027 241 5152
peter.glensor@gw.govt.nz

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

Prue Lamason
T 04 566 7283
F 04 566 2606
M 021 858 964
prue.lamason@gw.govt.nz

PORIRUA/TAWA

John Burke
T 04 233 0377
F 04 233 0317
M 027 444 1483
john.burke@gw.govt.nz

Barbara Donaldson
T/F 04 237 0773
M 021 976 747
barbara.donaldson@gw.govt.nz

UPPER HUTT

Rex Kirton
T/F 04 528 4751
M 021 435 277
rex.kirton@gw.govt.nz

WAIRARAPA

Ian Buchanan
T 06 304 9553
F 06 304 9546
M 027 282 2833
ian.buchanan@gw.govt.nz

WELLINGTON

Fran Wilde (Chair)
T 04 802 0346
F 04 384 5023
M 021 888 075
fran.wilde@gw.govt.nz

Chris Laidlaw
T 04 934 3143
F 04 934 3148
M 027 425 4668
chris.laidlaw@gw.govt.nz

Paul Bruce
T/F 04 972 8699
M 021 027 19370
paul.bruce@gw.govt.nz

Sally Baber
T 04 476 3116
M 027 476 3116
sally.baber@gw.govt.nz

Judith Aitken
T 04 475 8969
M 027 769 6424
judith.aitken@gw.govt.nz

Greater Wellington promotes **Quality for Life** by ensuring our environment is protected while meeting the economic, cultural and social needs of the community

For more information, please contact Greater Wellington:

Wellington office
PO Box 11646
Manners Street
Wellington 6142
T 04 384 5708
F 04 385 6960

Masterton office
PO Box 41
Masterton 5840
T 06 378 2484
F 06 378 2146

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www.gw.govt.nz
info@gw.govt.nz

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