



Have
your
say...

on Greater Wellington's
plans for 2011/12:

Resource management

Transport

Water supply

Parks and forests

Safety and flood protection

Land management

Regional sustainable development

Community

Resource management charging policy

Dangerous dams policy

Proposal to join the Local
Government Funding Agency

SEE INSIDE FOR SUBMISSION FORM
SUBMISSIONS CLOSE 28 APRIL 2011

Highlighting the proposed Regional Rail Package

Greater Wellington and the Government are jointly proposing an important addition to the rail upgrade programme that will require further funding from ratepayers:

- Taking ownership of the Ganz Mavag units (we already own the Matangi trains)
- Refurbishment of the Ganz Mavag fleet
- More carriages on the Wairarapa Line
- Continued Government investment in the passenger rail network



Chair's message

Once more it is a pleasure to introduce this proposed annual plan and invite your comments

For the forthcoming year we have kept to a bare minimum the rate increase required for “business as usual” – 1.98% across the normal activities of the organisation. At the same time we are proposing an important change to the rail upgrade programme in partnership with the Government. This will require a further 2.60% funding, bringing the total proposed rates increase to 4.58%. For the average property, the total increase equates to approximately \$20 per annum. However, the exact dollar figure will vary according to your property value and the district in which you live.

Why plan a rail upgrade at a time when most people are tightening their belts? For some years we have been immensely frustrated at our lack of ability to undertake comprehensive forward planning of the regional rail network. The sorry history of rail ownership does not need rehearsing and we all know the result – antiquated infrastructure that has caused many headaches for commuters. The \$550 million improvements currently being rolled out – the new Matangi fleet and an upgraded network – will be enormously helpful but they are simply “catch-up”. The challenge has been that with so many parties involved we could not sensibly plan how to deliver or fund the next stage.

The rail package we are proposing in this annual plan would give us certainty.

If agreed, it would result in the Greater Wellington owning the metropolitan rail fleet, together with our regional stations (except Wellington Railway Station), while the Government would continue to own the network.

What would be the benefit of this new arrangement?

First of all we believe that permanent regional ownership of the metropolitan rail fleet and stations would give you, the residents of the region, more control over the long-term future of these assets, regardless of which company has the operating and maintenance contracts. We would ensure that assets are maintained, with no chance of any kind of asset stripping.

The second benefit is that ownership would be divorced from the operator. Essentially this means that Greater Wellington could introduce competition into the provision of rail services, providing greater incentive for the operator to perform and thus better value for ratepayers and more reliable service for passengers.

Rail is a key enabler of economic activity in our region, with 11.1 million trips in the last year. Most of these passengers commute into Wellington City for work. We believe that attaining more certainty around the rail system will benefit our regional economy.

The proposal also includes the refurbishment of the 30-year-old Ganz Marvag trains. Even when all the new Matangi units are in use, there will not be enough capacity for the projected peak hour demand and, unfortunately, the Ganz fleet has reached its “use by” date. Currently we have sufficient funding to refurbish only one of these units (a prototype) but the package would enable us to refurbish the whole fleet, thus increasing capacity.

The package also gives us the ability to put more carriages on the Wairarapa Line.

An important part of the deal involves continued network upgrades by the Government. Significant work such as replacing wooden poles, signals and overhead wires would be programmed in, with secured funding.

This is just the broad parameters of the proposed package. We are still in discussion with the Government over the phasing in of some of the changes and, of course, we need feedback from you as to whether you think this is a good idea for our region in the long term.

Our Council believes it is a unique opportunity to secure and “future proof” our metropolitan rail network, while still retaining Government funding support.

Though I have described the rest of our rates increase as covering “business as usual”, there is one feature that is worth highlighting. Next year we are proposing significant funding (\$750,000) to continue the feasibility study for the Wairarapa Water Use Project. This project recognises the pressures currently on water in Wairarapa, resulting in both quality and quantity issues.

The idea is to harvest some of the vast amount of water that pours off the Tararua ranges in the winter, store it off-river and release it for a variety of community and agricultural uses during the dry season. In recent years we have undertaken a massive study of the behaviour of groundwater and rivers in Wairarapa, and we believe that a carefully conceived and executed water scheme could help restore the balance of our degraded systems. It would also be one of the largest economic development projects in the region, bringing benefits much further afield than the immediate area under consideration.

This annual plan also covers our usual wide range of activity – other transport work, flood control, biodiversity, regional parks, emergency management, economic development, land and water management, and many other areas. All of this is aimed at enabling the economic, environmental, social and cultural wellbeing of our community.

At a time when the economy is flat lined and when the whole nation is united in its response to the tragedy of the Christchurch earthquake, we have thought hard about our proposed rates increase. However, on balance it seemed to us that the proposed rail package and work such as the Wairarapa Water Use project are investments in our future and, despite current circumstances, are worthy of consideration.

Our Council looks forward to your response.

This consultation document is based on what we know now - but some areas are difficult to predict. These include future oil prices and the level of the New Zealand dollar, both of which impact on our public transport costs. When we make our final rates decision at the end of June we will use the most current projections available to assess likely changes in these areas.

FRAN WILDE
CHAIR

Proposal to enable GW to invest in the Local Government Funding Agency

(Amendment to 10-Year Plan 2009-19)

Statement of Proposal to amend Greater Wellington's Treasury Risk Management Policy contained in Greater Wellington's *10-Year Plan 2009-19* and to invest in the New Zealand Local Government Funding Agency Limited

The New Zealand Local Government Funding Agency Limited (LGFA), which will be a Council-Controlled Trading Organisation, is being created by a group of councils nationwide to enable them to borrow at lower interest margins. Greater Wellington is proposing to be an investor in the LGFA along with the Government.

Because Greater Wellington's borrowing from the LGFA will generally be required to hold shares in the LGFA and enter into guarantees for obligations of the LGFA and other councils, Greater Wellington also proposes to be a principal shareholding local authority. This will require Greater Wellington to invest capital into the LGFA, on which it expects to receive a return. This investment will also assist in making the LGFA viable.

Greater Wellington will need to alter its security arrangements to provide a security over its rates and rates revenue to any loans and related transactions to the LGFA. Such rates security is provided by most councils nationwide in relation to their borrowing requirements.

Investing in the LGFA requires an amendment to the Treasury Risk Management Policy containing the Greater Wellington's Liability Management and Investment Policies. These policies form part of the Policies Document in Greater Wellington's 2009-2019 Long Term Council Community Plan. The amendment to the policy will recognise the proposal to participate in the LGFA Scheme as a principal shareholding local authority (and guaranteeing local authority) and amend the Treasury Risk Management Policy accordingly.

Greater Wellington is interested to hear what you think of the proposal of investing in the LGFA to lower the cost of borrowing for Greater Wellington and the resulting changes to the Treasury Risk Management Policy required to enable this. Submissions close at 4pm, 28 April 2011.

A full statement of proposal and Information Memorandum is included in Greater Wellington's Annual Plan 2011/12 – Proposed. The Information Memorandum sets out, among other things, an analysis of the costs and benefits of participating in the LGFA scheme.

Proposed Dangerous Dams Policy

The Building Act 2004 (the Act) requires Greater Wellington to review its policy on Dangerous Dams within five years of the policy being adopted. The policy only applies to medium or high-potential impact dams that are three or more metres deep, and hold 20,000 or more cubic metres of water or fluid.

Amendments to the Act in 2008 introduced two additional categories of dam; earthquake-prone and flood-prone. Section 161 of the Act requires now also requires Greater Wellington to develop a policy on these categories of dam in conjunction with the dangerous dam policy.

In identifying dams of concern, the policy proposes to investigate dams:

- That have not complied with the requirement to supply a complying annual compliance certificate, or
- Where complaints have been received, or
- Where information received under the Building (Dam Safety) Regulations 2008 highlight areas of concern, or
- Where through other related work (such as undertaking compliance work) Greater Wellington becomes concerned about a dam

Where a dam has been identified as potentially dangerous, earthquake prone or flood prone, further investigations will be undertaken by Greater Wellington in conjunction with the dam owner to establish whether the dam meets the dangerous, earthquake prone or flood prone criteria.

If a dam is deemed to be dangerous, earthquake prone or flood prone, Greater Wellington (with the dam owner) will take action to reduce or remove the danger. The range of actions proposed varies depending on the risk and potential impact should the dam fail.

At each stage of the process, the proposed policy allows dam owners to dispute Greater Wellington's assessment of the dam and provide information to Greater Wellington that may influence the assessment. Greater Wellington also has the ability to recover costs for inspection work under the policy.

Have
your
say...

Proposed Resource Management Charging Policy (2011)

Greater Wellington has reviewed its Resource Management Charging Policy, which sets out a regime for resource management charges for the Wellington region, including:

- Resource consent application charges
- Consent supervision and monitoring charges
- Charges for not complying with a rule in a regional plan or the Resource Management Act 1991
- Charges for providing information in relation to plans and resource consents
- Application charges for changing a plan or the Regional Policy Statement

The charges in the policy are made either under section 36 of the Resource Management Act 1991 or section 150 of the Local Government Act 2002. The charges are consistent with Greater Wellington's Revenue and Financing Policy June 2006.

The review has resulted in some key changes to the policy, including:

- An increase to the hourly charge-out rate for Greater Wellington from \$105/hour to \$110/hour.
- Changes to initial fixed application fees for processing applications
- Inclusion of existing policy on Building Act charges under the Building Act 2004
- An increase in the customer service charge for all consents from \$35/year to \$40/year
- Changes to some compliance monitoring charges to reflect changes brought about by central government regulations and current best practice
- Changes to state of the environment charges for consents to discharge contaminants to air and land / water from bulk earthworks

Full copies of these proposals can be viewed at www.gw.govt.nz/have-your-say, Greater Wellington's Wellington or Masterton offices, or at your local library

Resource management



- Develop a new regional plan with Te Upoko Taiao – Natural Resource Management Committee (includes water allocation and land use)
- Move towards finalising an operational Regional Policy Statement
- Resolve appeals, and where necessary defend decisions, on the Regional Policy Statement
- Work with the Environmental Protection Authority on projects of national significance, such as Transmission Gully motorway consents
- Continue the feasibility study for the Wairarapa Water Use Project

Selected key projects from the 2011/12 Annual Plan

Transport



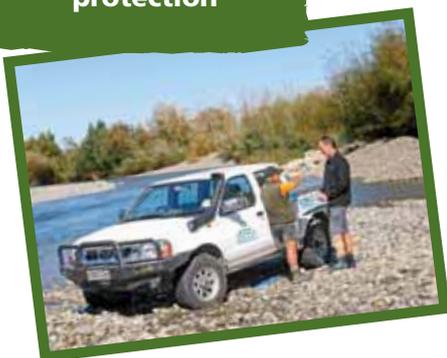
- Develop a Regional Land Transport Programme for 2012-15
- Study the options for delivering a high-quality public transport system in Wellington city, including light rail
- Continue roll-out of the new Matangi passenger trains
- Begin refurbishment of Ganz Mavag passenger trains
- Review public transport services' fare structures

Water supply



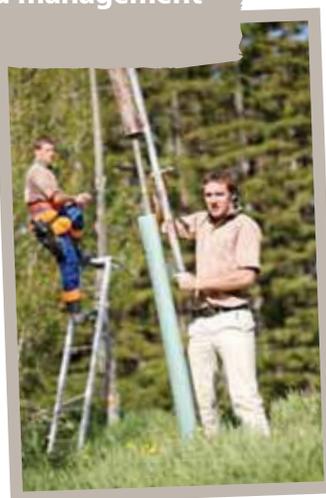
- Increase the size of and earthquake strengthen the Te Marua water storage lakes
- Investigate the options for increasing water supply – either a new water storage lake at Kaitoke or a dam at Whakatikei

Safety and flood protection



- Construct the Boulcott-Hutt Stopbank and Otaki River edge-protection works
- Begin the lower Waitohu Stream and Ebdentown flood protection improvements
- Recommend improvements to our Civil Defence structure to be better prepared for emergencies

Land management



- Complete a Regional Biodiversity Strategy
- Carry out erosion control in the Whareama and Awhea catchments

Regional sustainable development



- Develop strategies on climate change and water
- Continue developing the genuine progress index to measure the region's wellbeing

Have your say...

Parks and forests



- Set the rules and policies for managing Whitireia Park (with Ngāti Toa Rangatira) and Baring Head
- Help develop a management strategy for Wairarapa Moana Wetlands Park
- Formalise our relationships with parks' Friends groups

Community



- Develop an iwi internship programme at Greater Wellington
- Review the voting system and constituencies for the Council
- Commence developing the Greater Wellington Long-Term Plan 2012-22

Selected key changes from the 10-Year Plan 2009-19

Transport

- As part of the proposed Regional Rail Package, Greater Wellington will fully fund some rail project expenditure at the time the expense is incurred and recover a share of the debt servicing costs from the New Zealand Transport Agency over the life of that debt. This will have the effect of increasing Greater Wellington's debt and reported operating deficit in 2011/12
- The timing of expenditure on rail rolling stock projects has changed. An extra \$86 million is budgeted for 2011/12 compared to that forecast in the *10-Year Plan 2009-19*. This expenditure had been projected to occur in previous years
- Expenditure on bus services is \$8.8 million less than forecast in the *10-Year Plan 2009-19* due to lower contract costs, the commercialisation of routes 110 and 120, and funding bus service improvements from within existing budgets
- The cost of subsidising train services is \$5.6 million less than forecast in the *10-Year Plan 2009-19* due to reduced maintenance and insurance expenditure on the new Matangi trains

Water supply

- Work to strengthen and increase the size of the Te Marua water storage lakes has been extended from 2011/12 to 2012/13. As a result, \$3 million of funding has been transferred from the 2010/11 to the 2011/12 and 2012/13 financial years

Safety and flood protection

- The Waiwhetu Floodplain Management Plan has been delayed to 2013 while the lower part of the stream was cleaned up
- Reviews of the Otaki and Hutt Floodplain Management Plans have been delayed to 2013 while the Boulcott-Hutt Stopbank design work and the Waiwhetu Stream clean-up were completed
- Construction of the Boulcott-Hutt Stopbank has been delayed by one year due to delays in gaining the necessary consents

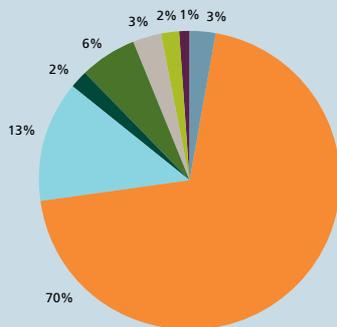
Land management

- A new Biodiversity department was created to coordinate all our biodiversity activities in one place. The creation of this department will enable a coordinated focus for Greater Wellington's biodiversity functions, including the production of a regional strategy that establishes a regional vision, objectives and priorities for management.

Proposed rating information for 2011/12

The total increase in regional rates for 2011/12 is 4.58% (this will differ between city and district council areas)

Proposed expenditure 2011/12

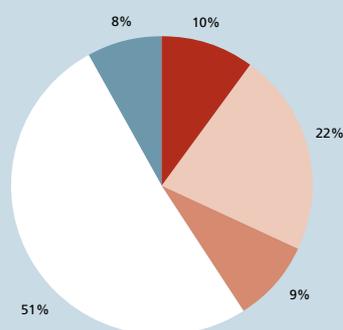


Resource management	\$11.7m (3%)
Transport	\$238.8m (70%)
Water supply	\$45.2m (13%)
Parks	\$7.9m (2%)
Safety and flood protection	\$19.9m (6%)
Land management	\$8.7m (3%)
Regional sustainable development	\$8.1m (2%)
Community	\$5.2m (1%)

All figures exclude GST

Greater Wellington is planning \$31 million on capital expenditure, \$137 million on transport improvements and \$177 million in operating expenditure. This pie chart shows the total cost of delivering Greater Wellington's services, broken down by our groups of activities. The most significant area of our expenditure is transport, accountable for 70% of the total work programme for 2011/12.

Proposed revenue 2011/12



General rates	\$26.0m (10%)
Targeted rates	\$59.1m (22%)
Water supply levy	\$24.2m (9%)
Government subsidies	\$142.5m (51%)
Other revenue	\$20.6m (8%)

All figures exclude GST

Greater Wellington's work programmes will be funded by a mix of rates, levies, government subsidies and other revenue. Regional rates, comprising general rates and targeted rates, make up 32% of Greater Wellington's total revenue for 2011/12. Government subsidies (primarily for funding public transport services and the extensive public transport rail network upgrade) make up a further 51% and the water supply levy (charged to the Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 9%. The remaining 8% of revenue is from other external sources.

Proposed rates and levies

Residential region-wide rates calculator

What is the impact on your property?

The table below shows how you can calculate your own residential proposed region-wide rates for 2011/12. For example, if you live in Upper Hutt city and have a residential property with a capital value of \$350,000, your indicative regional rates are \$335.30 plus GST = \$385.60.

	2011/12 region-wide ¹ rates per \$100,000 of capital value, excluding the EDA rate		Enter the capital value of your property		EDA rate ² residential property		Indicative rates on your property for 2011/12 ¹
Wellington city	\$58.26	x		÷ 100,000	+	\$14.00	=
Lower Hutt city	\$91.98	x		÷ 100,000	+	\$14.00	=
Upper Hutt city	\$91.80	x		÷ 100,000	+	\$14.00	=
Porirua city	\$85.70	x		÷ 100,000	+	\$14.00	=
Kapiti Coast district	\$63.73	x		÷ 100,000	+	\$14.00	=
Masterton district	\$33.88	x		÷ 100,000	+	\$14.00	=
Carterton district	\$44.72	x		÷ 100,000	+	\$14.00	=
South Wairarapa district	\$46.01	x		÷ 100,000	+	\$14.00	=
Upper Hutt city example	\$91.80	x	\$350,000	÷ 100,000	+	\$14.00	= \$335.30

Please note: The above calculations do not include rates set by your local city or district council and any district or property specific targeted rate. A calculator to assist you check your proposed region-wide rates for all property types is available on our website www.gw.govt.nz.

¹ Region-wide rates are rates that are charged to all ratepayers in the region. It excludes bovine Tb, South Wairarapa river rates, Wairarapa river and drainage schemes and any Warm Greater Wellington targeted rates, as they impact only certain ratepayers that are covered by these programmes

² Grow Wellington is the region's economic development agency (EDA). The EDA rate is a targeted rate allocated on a fixed-amount basis for residential and rural ratepayers. It is allocated on capital value for businesses. For residential properties the fixed amount is \$14.00 + GST and rural properties \$28.00 + GST. Greater Wellington rates are set and assessed by Greater Wellington but are invoiced and collected by the relevant city or district council in the Wellington region. Such combined collection arrangements are cost effective and more convenient for ratepayers.

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy in the *Policies Document* of the *10-Year Plan 2009-19*.

Summary of proposed rates and levies

This table shows the rates and levies for Greater Wellington in 2011/12, together with the changes from 2010/11. Rates comprise the general rate and various targeted rates. Greater Wellington also charges a water supply levy directly to the four city councils in the region. The city councils then rate accordingly for this levy.

The largest single component of Greater Wellington's rates is the transport rate. The increase in the transport rate for 2011/12 includes the financial impacts of the ongoing extensive rail rolling stock and network upgrade.

Fluctuations in the world oil price and New Zealand exchange rate can also significantly impact the amount paid by Greater Wellington for its diesel bus contracts.

The total increase in regional rates for 2011/12 is 4.58%. The water supply levy, which is charged to the four metropolitan city councils, is proposed to increase by 3% over 2010/11. When the water supply levy is included, Greater Wellington's overall increase is 4.23%.

By rate and levy type:	2010/11 Budget \$000s	2011/12 Plan \$000s	Change \$000s	Change %
General rates ¹	26,803	25,983	(820)	(3.06%)
Targeted rates:				
River management rates ²	3,976	4,459	483	12.15%
Transport rates ³	41,392	45,437	4,045	9.77%
Stadium rates	2,676	2,676	-	-
EDA rates	4,500	4,500	-	-
Bovine Tb rates	143	143	-	-
South Wairarapa district – river rates	83	83	-	-
Wairarapa scheme and stopbank rates	1,288	1,290	2	0.16%
Total targeted rates	54,058	58,588	4,530	8.38%
Total regional rates	80,861	84,571	3,710	4.58%
Water levy	23,460	24,164	704	3.00%
Total regional rates and levies⁴	104,321	108,735	4,414	4.23%
Warm Greater Wellington rates ⁵	31	532		
Total rates and levies	104,352	109,267		

¹ Overall the general rate has decreased over 2009/10 due to increased returns from investments and lower debt servicing costs, which particularly impacts the general rate funded flood protection programme

² The River management rates have increased due the continuing flood protection programme including the Boulcott-Hutt Stopbank in Lower Hutt and the Convent Road and South Waitohu stopbank improvements in Kapiti, which are progressing in 2011/12

³ The transport rate has increased due to funding the ongoing rail upgrade projects and the increased expenditure associated with ensuring the rail network and rolling stock are appropriately managed and maintained after the upgrade is complete

⁴ This total excludes any Warm Greater Wellington targeted rates as they impact only those ratepayers that participate in the scheme

⁵ Warm Greater Wellington is the scheme to assist regional ratepayers install insulation or clean heating appliances in their home

What is the impact on your city or district?

Rates increases vary between city and district councils because of differing capital values. Further, some of Greater Wellington's work programmes impact differently across the region, especially flood protection and public transport.

By area:	2010/11 Budget \$000s	2011/12 Plan \$000s	Change \$000s	Change %
Wellington city	41,832	43,507	1,675	4.00%
Lower Hutt city	15,327	16,273	946	6.17%
Upper Hutt city	5,450	5,820	370	6.79%
Porirua city	6,547	6,927	380	5.80%
Kapiti Coast district	6,349	6,768	419	6.60%
Masterton district	1,798	1,724	(74)	(4.12%)
Carterton district	766	765	(1)	(0.13%)
South Wairarapa district	1,276	1,269	(7)	(0.55%)
Tararua district ¹	2	2	-	-
Region-wide rates²	79,347	83,055	3,708	4.67%
Bovine Tb rate	143	143	-	-
South Wairarapa district – river rates	83	83	-	-
Wairarapa scheme and stopbank rates	1,288	1,290	2	0.16%
Total regional rates	80,861	84,571	3,710	4.58%
Water supply levy	23,460	24,164	704	3.00%
Total regional rates and levies³	104,321	108,735	4,414	4.23%
Warm Greater Wellington rate ⁴	31	532		
Total rates and levies	104,352	109,267		

¹ 11 rural properties in the Tararua district are within the boundaries of the Wellington region

² Region-wide rates are rates that are charged to all ratepayers in the region. It excludes bovine Tb, South Wairarapa river rates, Wairarapa river and drainage scheme rates and any Warm Greater Wellington targeted rates, as they impact only certain ratepayers that are covered by these programmes

³ These totals exclude any Warm Greater Wellington targeted rates as they impact only those ratepayers that participate in the scheme

⁴ Warm Greater Wellington is the scheme to assist regional ratepayers install insulation or clean heating appliances in their home

Note that all figures on this page exclude GST

Figures labelled "2010/11 Budget" are sourced from Greater Wellington's Annual Plan – 2010/11, and those labelled "2011/12 Plan" are those proposed in this Annual Plan – 2011/12.

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy in the Policies Document of the 10-Year Plan 2009-19.



on the Annual Plan 2011/12 – Proposed, Local Government Funding Agency (amendment to the 10-Year Plan 2009-19), Dangerous Dams Policy and Resource Management Charging Policy (2011)

Submission form

Online www.gw.govt.nz/have-your-say
 Written – use this FreePost form
 – Fax 04 385 6960
 – info@gw.govt.nz

**Submissions close
4pm 28 April 2011**

Annual Plan 2011/12 – Proposed

Please give us feedback on the proposed Annual Plan 2011/12

Key projects for 2011/12 (see p4-5)

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Please use the back page if you need more space

Key changes from our 10-Year Plan 2009-19, including the proposed regional rail package (see p5)

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Please use the back page if you need more space

Proposed rates (see p6-7)

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Please use the back page if you need more space

Proposal to join the Local Government Funding Agency (amendment to the 10-Year Plan 2009-19) (see p3)

Please give feedback on this proposed amendment to the 10-Year Plan 2009-19

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Please tick if you also want to present your views on this proposal in person

Please use the back page if you need more space

Your details:

Name

Postal address

Phone Email

Please tick if you also want to present your views in person. You will be allocated a timeslot (19 or 20 May) and notified in writing. (Submissions may be made publicly available under the Local Government Official Information and Meetings Act 1987. If you make a submission as an individual, we will consider removing your personal details if you request this in your submission)

Dangerous Dams Policy Please give us your feedback on this proposed policy (see p3)

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Please tick if you also want to present your views on this proposal in person.

Please use the back page if you need more space

Resource Management Charging Policy (2011) Please give us your feedback on this proposed policy (see p3)

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Please tick if you also want to present your views on this proposal in person.

Please use the back page if you need more space

Full copies of the *Annual Plan 2011/12*
– *Proposed, Statement of Proposal on the Local Government Funding Agency, Proposed Dangerous Dams Policy and Proposed Resource Management Charging Policy (2011)* are available from:

- www.gw.govt.nz/have-your-say
- Your local library
- Your nearest Greater Wellington office:
142 Wakefield Street, Wellington
34 Chapel Street, Masterton

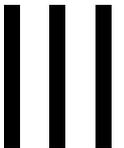
For more information, please contact Greater Wellington:

- 0800 496 734
- info@gw.govt.nz
- Or attend a public meeting (details to be advertised in newspapers and on our website)

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