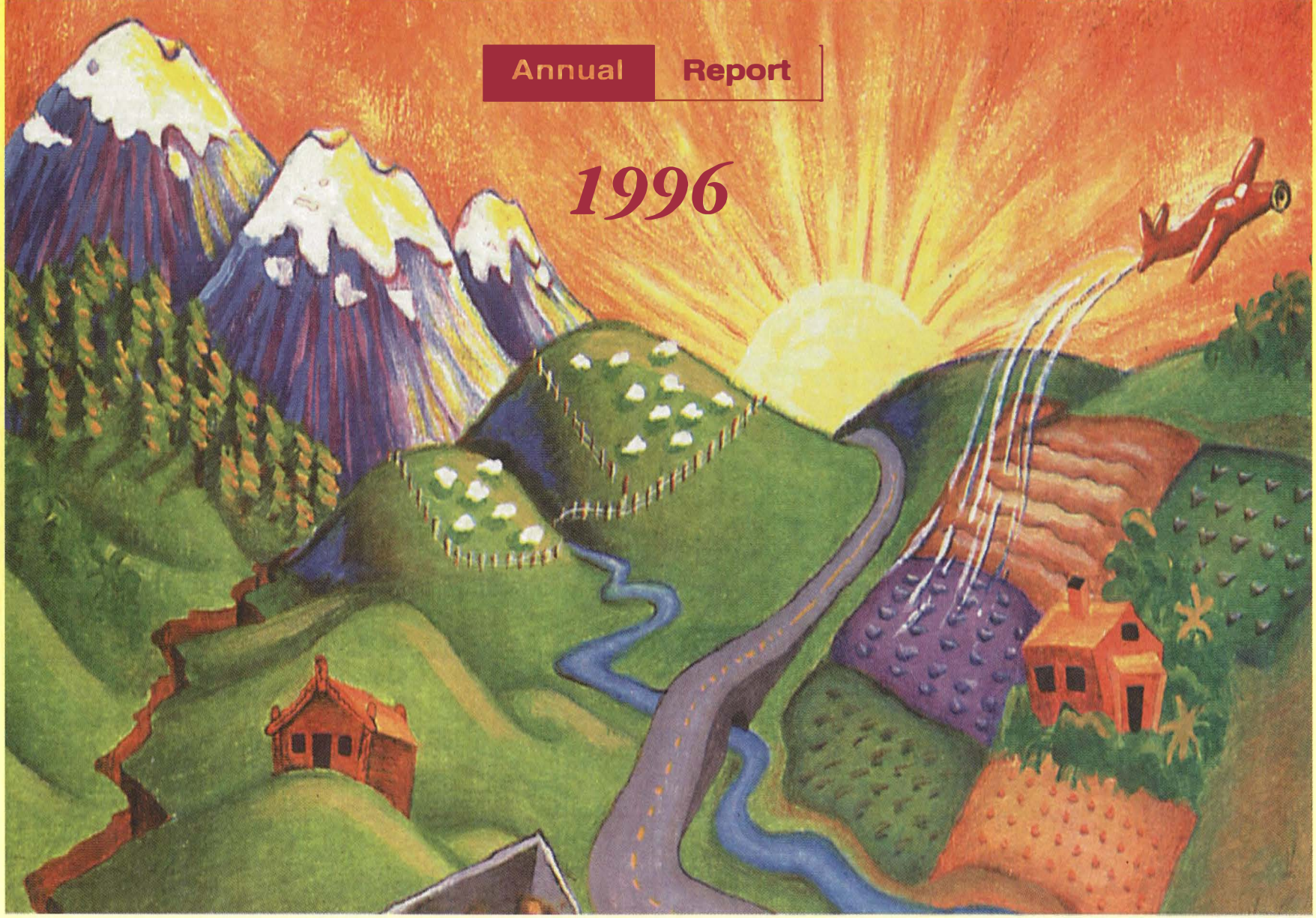


Wellington Regional Council

Contents

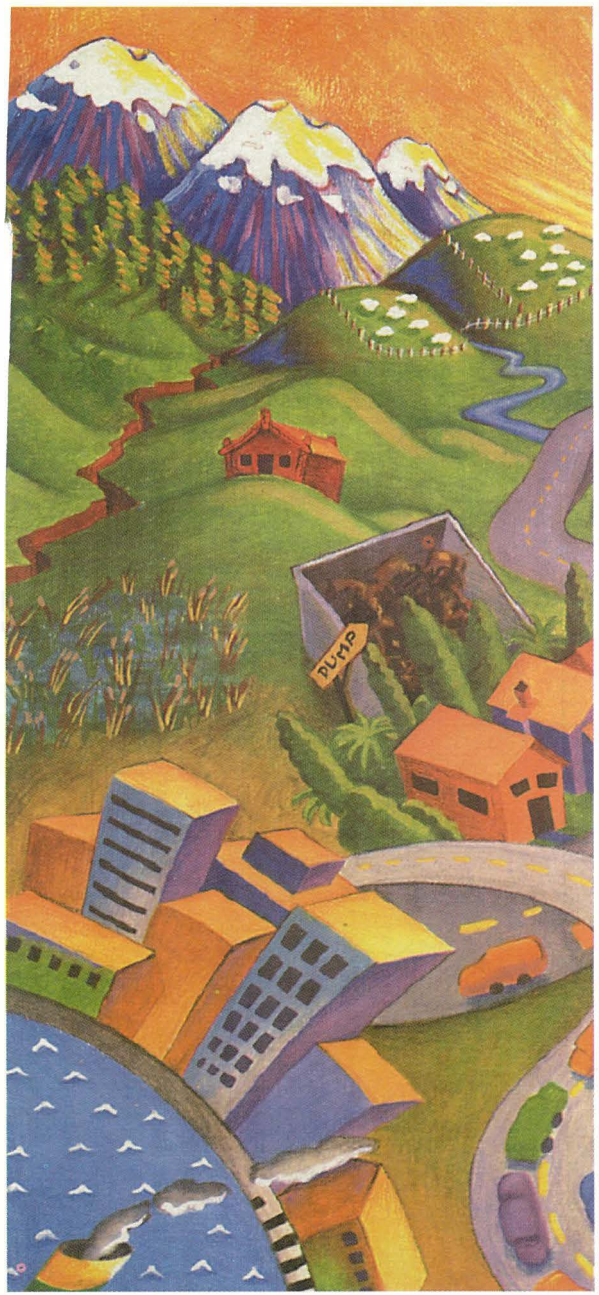
Highlights of the Year 3
Chairperson's Foreword 4
General Manager's Report 5
Financial Overview 6
Environment 8
Landcare 9
Utility Services 10
Regional Transport 11
Rural Services and Wairarapa 12
Council and Management Structure 13
Members of the Wellington Regional Council 14
Financial Statements of the Wellington Regional Council 15
Statement of Accounting Policies 16
Statement of Financial Performance 20
Statement of Movement in Ratepayers' Funds 21
Statement of Financial Position 22
Statement of Cash Flows 23
Total Council Financial Summary 24
Notes to Financial Statements 25
Resource Policy and Planning 36
Resource Consents and Investigations 39
Harbour Management and Control 41
Civil Defence 43
River Management and Flood Protection 46
Recreation and Regional Parks 49
Conservation Forestry 52
Plantation Forestry 54
Regional Biosecurity Management 56
Regional Soil Conservation 59
Wairarapa River Management 61
Wairarapa Planning and Resource Management 63
Wairarapa Soil Conservation Reserve Forestry 67
Public Transport Planning 69
Transport Planning and Policy 71
Transport Customer Services and Quality 73
Corporate Support 75
Elected Members 79
Investments and Business Units 80
Regional Water Supply 83
Audit Report 100
Supplementary Information 101

Cover art by Ruth Paul

In Memory

Tragically, in the year reported on, staff member Alison Morton died in an accident while collecting water samples on Lake Wairarapa

Annual Highlights



The continued intensive possum control programme resulted in a 44% drop in reactor numbers of animals with Bovine Tb

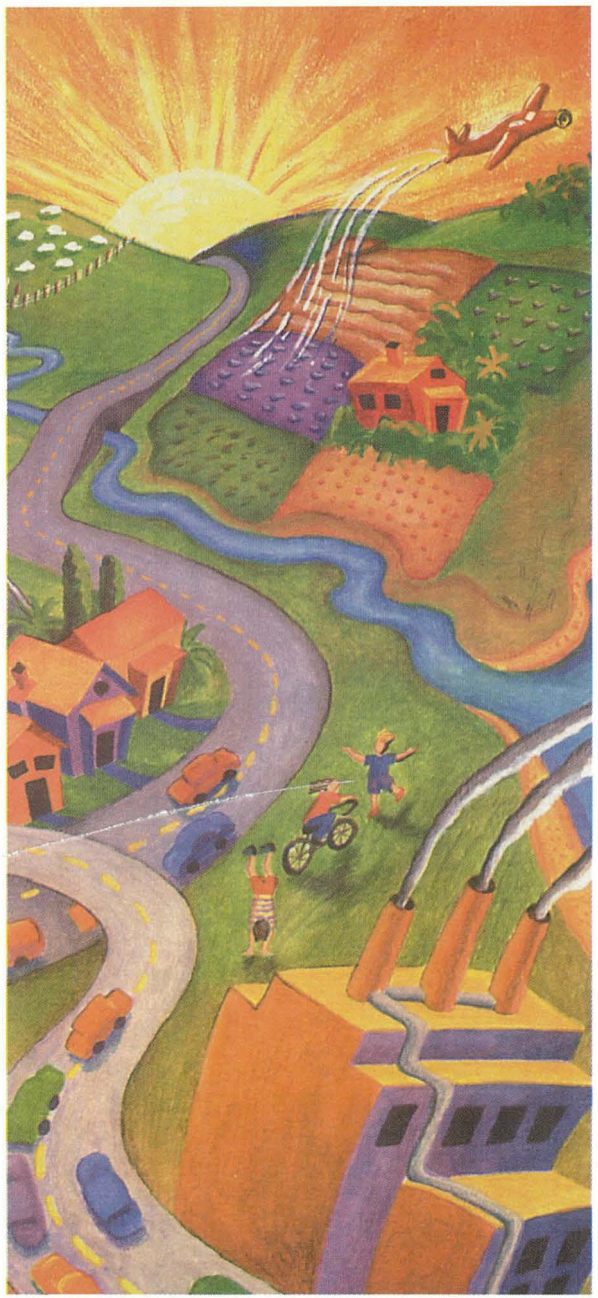
All six regional plans proposed under the Resource Management Act 1991 are now in either draft or proposed form

The Ewen Floodway Project on the Hutt River was completed on time and $3 million under budget

A marked increase in patronage of buses and total mobility programmes stretched transport resources to their limit

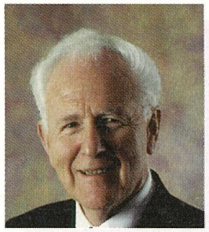
The Wellington City Water Facilities Management Contract exceeded 98% of its performance indicators

Regional Pest Management Strategies were adopted, signalling new directions for some areas of pest control



□7□\□S□H□□□W□H□[□W□□□K□H□U□H

Chairperson's Foreword



The 1995/96 year has been another very successful one for this Council. The high level of achievement of planned outputs reflects well on management and staff as well as councillors.

Our overall financial position is very healthy. Rates for 1995/96 were held at virtually the same level as in the previous year. Capital expenditure was $10.2 million but net debt only increased by $1.4 million.

One of the major achievements of the Council was the publication on 16 August 1995 of "Facing the Future" — the culmination of the Council's 10 year strategic planning process. Getting to this point was no simple task and required care in bringing together a package that balanced community aspirations for services of this Council with a level of funding that is affordable to the regional community.

Another major milestone was the official opening of the completed Ewen Floodway Project by His Excellency the Governor General, The Rt. Hon Sir Michael Hardie-Boys. This was a joint project with the Hutt City Council.

A very positive outcome relates to control of Bovine Tb. Council has invested substantial funds, along with those received from the Animal Health Board. We are now seeing significant reductions (44%) of reactor numbers in cattle herds in treated areas.

We would like to have seen more progress concerning funding public passenger transport as the year saw the end of the Regional Petrol Tax, but there is still uncertainty on longer term sources of funds and the levels of funding.

The October 1995 Local Body Election saw several changes to the Council's membership. Last year's report noted the valuable contribution made by Councillors Arnold, Driver and Paske who did not seek re-election.

It is also appropriate to place on record our appreciation for the contribution of the three who were unsuccessful at the election — Councillors Donaldson, Lawson and Ogden. It was very disappointing to lose a councillor of the calibre and experience of the Deputy Council Chairperson, Alison Lawson.

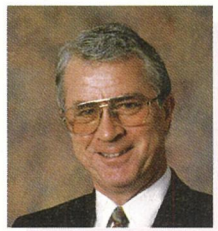
The year saw extensive debate about whether or not the WRC should have a role in funding the proposed new regional stadium. After receiving very strong community support, Council agreed in principle to become involved. A local Bill was introduced into Parliament in April by Wellington Central MP Pauline Gardiner (the Bill was enacted in the last days of the present Parliament and received the Royal Assent on 2 September).

Finally, I want to place on record my thanks to all councillors, management and staff, for their contribution in the past year. As the President of Local Government New Zealand, a position from which I have only just retired, it became very obvious to me just what a quality organisation the Wellington Regional Council is.



STUART MACASKILL
Chairperson

General Manager's Report



The plan for the period covered by this report called for significant changes in the management and operating structure of the Council. I am pleased to report that these have been largely implemented and are working well.

The Landcare Division now has a focus independent of other operations of the Council which is allowing much more attention to be paid to its raison d'être.

The Environment Division has been restructured to place much more emphasis on client service. This has involved a considerable shift in the mindsets of officers from one of being the "regulator" to the "enabler" of resource uses which fall within the law.

The Rural Services activities of the Council have applied considerable pressure on middle management, particularly responding to Bovine Tb control through animal pest management. The growth in this activity has been very significant and the results are now showing through with a reduction in the reported incidence of Bovine Tb reactors.

Planning for the introduction of the Local Government Amendment Act No. 3 occupied a considerable amount of time last year. It will continue to do so in 1996/97. There is much that is positive about the fiscal responsibility aspects of the Act, although this Council has largely been applying the prescribed process for some years. However, I have to say that, while I totally support "appropriate" accountability, I feel that local government is now experiencing diminishing returns, or even negative returns, from the plethora of processes and reporting associated with "accountability". In the forthcoming year, the Council will be endeavouring to determine accurately just how much it is costing ratepayers to "police" activities, rather than "produce" tangible community services.

Corporate Management Team

John ALLARD Corporate Policy Manager

Andrew ANNAKIN Divisional Manager Landcare

David BENHAM Chief Financial Officer

Peter LESLIE Divisional Manager Utility Services

Ted MAGUIRE Council Secretary

Jane BRADBURY Divisional Manager Environment

Dave WATSON Divisional Manager Regional Transport

Colin WRIGHT Divisional Manager Wairarapa

Good management will produce good results whether in a private or public ownership environment. The competencies required are the same and rely on the behaviour and attributes of the managers involved. Integrity, honesty, objectivity and open communication systems are essential to encourage others to contribute because they wish to, not because they have to.

1995/96 was the development phase of the vehicle to improve the WRC's performance in this area. This next year will test its contribution to the principles of the WRC Charter of Values which is at the core of the working environment we all seek.

The past year has again been very demanding on all those who work at the WRC. It seems that this has become the norm rather than the exception and perhaps does, more than anything else, underline just how much local government has changed in the last six years.

My thanks go to all those staff who have made the extra effort to make the WRC's contribution to the community a meaningful and worthwhile one.

HOWARD STONE
General Manager

Financial Overview

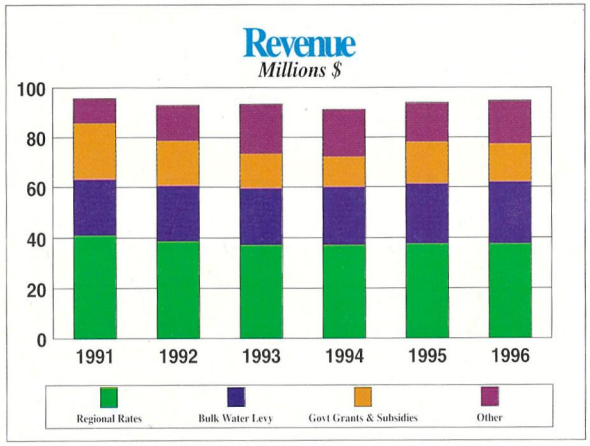
The financial statements of the Wellington Regional Council are presented on pages 15 to 99.

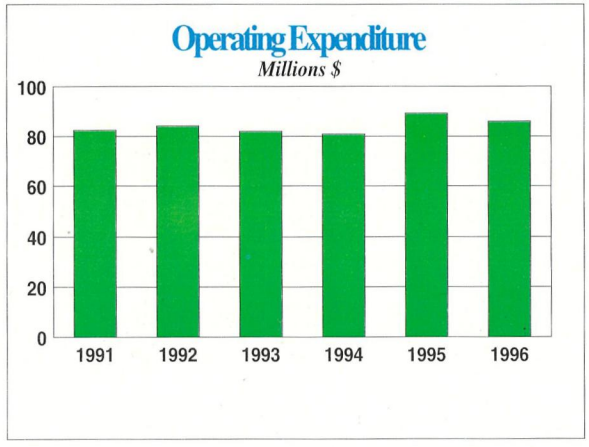
The Council's statement of financial performance shows an operating surplus of $8.5m against a budget of $5.4M.

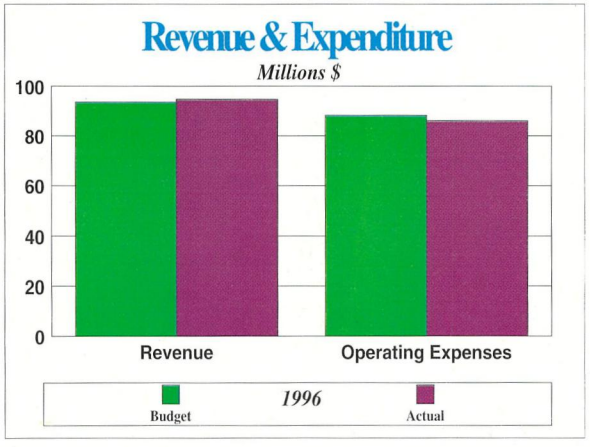
External Revenue of $1.0M more than budget was achieved mainly from earning an additional $0.7M in investment revenue from reserves and sinking fund deposits. Although recognised as accounting revenue these moneys are reapplied to the investments and are not available for distribution.

A major contributing factor to the surplus has been lower interest expense than was budgeted with the

	Budget $000s	Actual $000s	Variance $000s
Operating Surplus	5,350	8,455	3,105
Proceeds from Asset Sales	-	570	570
Add Back Non-Cash Items	5,047	6,041	994
Transfer to Reserves	(1,456)	(3,491)	(2,035)
Transfer from Reserves	3,640	3,857	217
Transfer to Investments	(1,207)	(1,713)	(506)
Funds Available for Application	11,374	13,719	2,345
Application of Funds			
Capital Expenditure	14,658	10,747	(3,911)
New Loans	(7,988)	(7,037)	951
Net Rate Funded Capital Expenditure	6,670	3,710	(2,960)
Debt Retirement	5,204	5,981	777
Funds Applied to Working Capital	(500)	4,028	4,528
	11,374	13,719	2,345







Financial Overview

Council drawing down less debt than required. This came through the re-phasing of some capital projects, and cash from operational savings and asset sales being used to defer borrowings.

The preceding table summarises the operating result and shows the surplus after providing for capital expenditure, debt servicing and reserve transfers.

The Council continues to preserve a strong balance sheet, maintaining a notable capital expenditure programme whilst achieving a reducing debt profile. The Council holds significant investments in the Port of Wellington Limited and plantation forests, the market value of which would substantially off-set Public Debt.

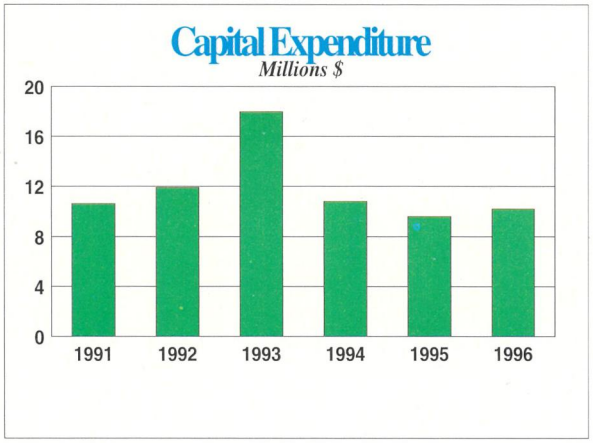
The major part of the Council's asset base consists of bulk water and flood protection infrastructural assets. Whilst providing for accounting depreciation, these important community assets continue to be maintained and enhanced to preserve the current service levels they provide.

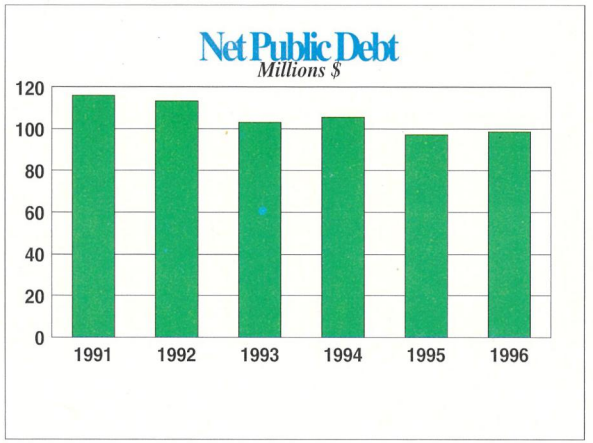
The total Council net public debt has reduced over the last six years from $123.4m to $98.7m (Budget 1995/96 $101.0m). The Council's ten year strategic plan forecasts that debt will continue to decline to a projected $80m in 2005/06.

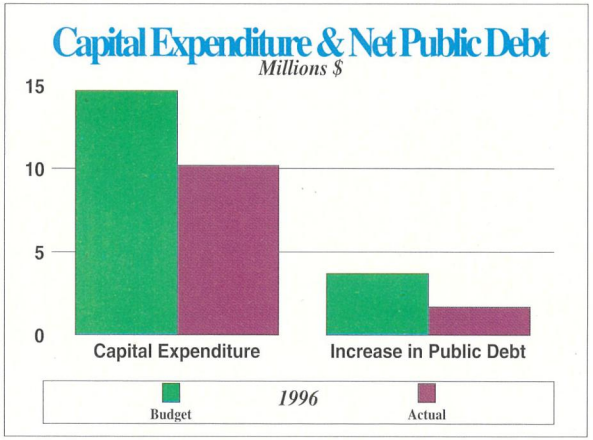
For more detailed information on debt per activity see page 101.

Equity reserves have been maintained over the year without a diminishment in value . They are not cash reserves but represent the carry forward of accumulated funds from prior years to be applied to particular projects and areas of benefit.

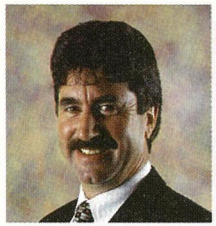
Total ratepayers funds have grown by $8.0m reflecting the Council's effective stewardship of the assets under its control.







Environment



A time of change

This year the Environment Division has been restructured - the prime purpose being to enhance the quality of its customer service.

Much of the recent criticism of the Resource Management Act 1991 is unfounded. The Council cannot always give everyone exactly what they want. It has to balance the needs of individuals with its responsibility to achieve sustainable environmental outcomes. However, this Council aims to ensure that everyone receives a fair and professional service at a minimum cost.

Despite the disruption of restructuring and reduced staff numbers for a good part of the year, the Division has met most of its performance indicators. This is testament to the professionalism, hard work and commitment of the Environment staff.

Policy and Planning

The Council received high accolades for its Regional Policy Statement. It won two national awards, including Best Overall Document. This standard has been maintained with the regional plans, all of which are at the draft or proposed stage.

The incorporation of the tangata whenua values also took a step forward with the finalisation of consultation contracts between the Council and local iwi.

The Department also met all of its performance indicators.

Further details on pages 36 to 38.

Civil Defence

The completion of a draft Corporate Disaster Preparedness Plan, a mobile communications centre and successful exercises with other agencies, means that the Civil Defence team has made progress this year.

Committee Members

Chairperson I M BUCHANAN	
Deputy Chairperson D FOOT	*T McDAVITT*
*A E McQUEEN***	*S A MACASKILL***
Hon. M K SHIELDS	*I A YARDLEY*
*A CHERRINGTON**	*B EARL**
*P WHITLEY**	*R MORRISON**

(Appointed Member)* *(** Ex Officio Member)*

Nearly all the performance indicators were met.

Further details on pages 43 to 45.

Consents and Investigations

280 consent applications were processed. A programme to enhance the compliance monitoring of consents was completed in February. This aspect of the Council's work should improve further with the changes brought about by the restructuring.

Other achievements include the completion of annual freshwater and coastal water quality reports and a prompt pollution response service. Legal action was initiated over several pollution incidents.

Further details on pages 39 to 40.

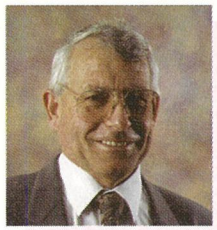
Harbours

The Department has continued to protect the safety of harbour users and to avoid coastal waters being contaminated. There were no significant oil spills in the harbours, while minor spills were responded to rapidly.

A major development was resuming the management of Porirua Harbour from Porirua City Council. Navigation aids in both the Wellington and Poririua harbours have been upgraded.

Further details on pages 41 to 42.

Landcare



Flood Protection

The Ewen Floodway Project was officially opened by the Governor General on March 23, 1996. This has been a significant undertaking by our Council over the last eight years, jointly with Hutt City. It is great to see the project finally completed at a cost of $30 million, some $3 million under budget.

Operations and maintenance works programmes have continued. In addition to the normal programme, bank edge improvements, at a cost of $430,000, have been completed in the Hutt River at Marsden Bend and Belmont. Additional repairs were also undertaken in the Waitohu Stream following significant flood damage in February 1996.

Good progress occurred with floodplain management investigations. A draft plan has been prepared for the Waikanae River. The mitigation measures for the Otaki Floodplain Management Plan have been agreed and progress made preparing a summary report for the Hutt River and a flood hazard assessment for the Waiwhetu Stream. Significant input on flooding and river erosion matters has also been made to District Plan processes.

The Waikanae River Kauri Puriri improvements have continued, to programme. Detailed design work is under way and resource consents lodged.

It is anticipated that construction work will start at the end of this year.

Further details on pages 46 to 48.

Regional Parks

The operations and maintenance programme was completed with some modifications for environmental protection and walkway upgrades.

The capital works programme was completed including improvements to water supply at Battle Hill Farm Forest Park, housing on East Harbour Regional Park and office facilities at Belmont Regional Park. The Hutt River Trail had a further five kilometres of track developed, bridges built, bollards and picnic tables installed. Council also acquired 44 hectares of native bush for East Harbour Regional Park.

A number of regional park planning items have been finalised. The Belmont Regional Park Management Plan was completed with the Advisory Committee, as was the Interim Council Lands Management Plan and a winter survey of park visitors. The Regional Mountain Bike Policy was also finalised. This document addresses issues on our regional parks to ensure the effective provision of mountain biking opportunities.

Further details on pages 49 to 51.

Committee Members

Chairperson E F GATES	
Deputy Chairperson S V GREIG	*M M BONNER*
H R LOADER	*A E McQUEEN***
*S A MACASKILL***	*M G TURNER*
R J WERRY	*A ROSS**
(Appointed Member)*	*(** Ex Officio Member)*

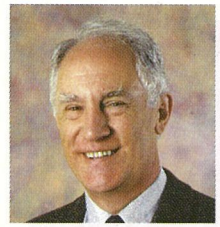
Conservation Forestry

Staff assessed vegetation conditions in the Hutt Catchment. Accurate recording of private animal kills in the catchments meant contract hunters were not required. An 8000-hectare possum control operation was completed on WRC forest lands. A natural forest working plan was drafted. A forest health surveillance contract was put in place.

The Department ensured rural fire control met appropriate standards by continuing to support volunteer rural fire forces in the western region. Rural Fire agreements with territorial authorities continued.

Further details on pages 52 to 53.

Utility Services



Regional Water Supply

This year has been an eventful one with key projects either completed or nearing completion.

The Te Marua Wash Water Treatment Plant was successfully commissioned on manual mode in accordance with the contract. This has been a large and complex project. Our staff are modifying the main water treatment plant controls so that the total complex can operate on fully automatic control.

The review of the Bulk Water levy charging system continued. Presentations were made to all four territorial authority customers. Council plans to make a final decision by the end of 1996, allowing for the introduction of a revised levy charging system for the 1997/98 financial year.

The Ministry of Health's (1995) drinking water standards are recommended to be implemented by 1997. Even with our modern treatment plants and high-quality water sources, there are major implications relating to water quality gradings and implementing the standards. Work will continue on the implications in the coming year.

The construction of a $3.8 million terminal reservoir on the Kaitoke system at Ngauranga began in May. It is expected to take two years to complete.

Considerable progress was made on the upgrading of pipelines between the Orongorongo Tunnel and the treatment plant. The completion of this project has been delayed by the necessity to repair the tunnel lining and remove more rock than originally expected.

Further details on pages 83 to 99.

Plantation Forestry

Contractors successfully completed the large silviculture programme worth $370,000. This will ensure that future revenues from the Council's plantation forests are maximised.

The log harvest programme began in January. After initially good results, the price of logs on the international market fell dramatically in March/April. As a result, a decision was made to stop selling logs for export and concentrate on the domestic market. The final income from log sales was $923,000 compared with the budget of $1.31 million. Trees, unlike most other commodities, continue to increase in volume and hopefully value when they are not harvested.

Further details on pages 54 to 55.

Committee Members

Chairperson A E McQUEEN	
Deputy Chairperson M G TURNER	*E F GATES*
J A GRAY	*S A MACASKILL***
R J WERRY	*(** Ex Officio Member)*

Other Activities

The Utility Services Committee oversees the work of the Laboratory, Wellington City Water and Technical Services. These WRC-owned businesses have to produce a specified return to Council.

The Laboratory provides water quality testing services. Wellington City Water operates the water supply facilities management contract for the Wellington City Council. Technical Services provides engineering and project management services mainly to the Regional Water Supply Department and Wellington City Water.

It is pleasing that all three Business Units either met or exceeded their dividend requirements. Also much effort has been directed towards retaining the Wellington City Council water supply facilities management contract. On this contract, performance levels have risen to above the 98% level compared with the contract required level of 95%.

Further details on pages 80 to 82.

Regional Transport



For the first time in several years there has been a growth in patronage on bus and rail services. The Council has yet to solve the long-term funding problem but much effort has gone into developing an alternative approach and this will continue.

Public Transport Planning

In the last year funded by Transit New Zealand, the Council was able to secure financial support for several major passenger transport infrastructure projects, particularly in the urban rail area. These works include an accelerated programme of Ganz Mavag refurbishment, an improved Porirua Railway Station and a replacement of the Wellington Station platform canopies. All these projects will be provided during the next 12 months.

Significant increases in patronage on buses and total mobility services have seen resources stretched to the limit. Additional peak buses have been organised to carry commuters that would otherwise have been left at the bus stop. Total mobility use has increased several times faster than anticipated. After a long negotiation between the Human Rights Commission acting on behalf of a number of wheelchair users and Stagecoach Wellington, a trial of fully-accessible buses has been agreed. The trial will be held over the next two years.

Further details on pages 69 to 70.

Transport Planning and Policy

The second Regional Land Transport Strategy was adopted at the beginning of the year and relaunched at a special Transport Futures Forum, held in April. The Forum concluded that funding the Strategy was a major issue. Together with other regional and local authorities, the Council is promoting a package funding approach and work on the technical process commenced towards the end of the financial year. Coupled with the package funding approach is a proposal for supplementary funding which would see additional funds being raised locally to accelerate the regional programme if the regional community agrees.

Work began on the Waterloo Interchange Spaceframe which will not be complete until next year. Waterloo is now the second-most-used station in the network. Additional car parking was added during the year at several locations and was quickly taken up by commuters.

Further details on pages 71 to 72.

Committee Members

Chairperson T McDAVITT	
Deputy Chairperson Hon. M K SHIELDS	*M M BONNER*
I M BUCHANAN	*D FOOT*
S V GREIG	*A E McQUEEN***
*S A MACASKILL***	*I A YARDLEY*

*(** Ex Officio Member)*

Customer Services and Quality

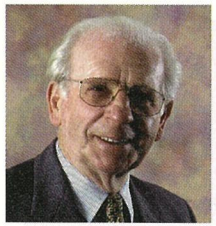
The Ridewell information service and Council inspectors continue to provide the quality service users of the public transport system have come to expect.

Some 249,800 enquiries have now been processed by Ridewell — an increase of 50,000 on 1994/95.

The world Floranza exhibition in Wellington and the Bledisloe Cup Test provided the team with additional challenges. The success of both from a public transport viewpoint further enhanced the reputation of Ridewell.

Further details on pages 73 to 74.

Rural Services and Wairarapa



Regional Biosecurity Management

During the year, Animal Health Board-approved Bovine Tb possum control operations were undertaken over 234,800 hectares, which represents 29% of the total land area of the region.

The Council obtained additional funds from the Government and the Animal Health Board to complete an additional 45,100 hectares. Bovine Tb reactor numbers have fallen 44% in the past year.

Noxious plants were controlled in terms of the approved Regional Noxious Plants Programme. Particular efforts were applied to the eradication of Old Man's Beard in Wellington City and 482 new sites were identified and clearance obtained.

A milestone was achieved with the adoption of Regional Pest Management Strategies for plant and animal pests under the Biosecurity Act. These strategies represent a new direction for some aspects of pest control.

Further details on pages 56 to 58.

Regional Soil Conservation and Wairarapa River Management

Excellent progress was made with floodplain management plan investigations for the Waiohine, Waipoua and Upper Ruamahanga Rivers. The next stage will be consultation with affected communities.

Good progress was also achieved with the Hill Country Sustainability Land Use Study. Attention now focuses on the best way of implementing the results.

Steady progress was achieved with maintenance of the various river schemes, although a large flood in the Upper Ruamahanga River on June 30 resulted in significant damage to river assets.

Further details on pages 59 to 62.

Committee Members

Chairperson H R LOADER	
Deputy Chairperson I M BUCHANAN	*E F GATES*
J A GRAY	*A E McQUEEN***
*S A MACASKILL***	*D ADAMS**
*H BEST**	*J DALZIELL**
*T DRAPER**	*G HAWKINS**
*D MILNE**	

(Appointed Member)* *(** Ex Officio Member)*

Wairarapa Planning and Resource Management

328 consents were granted under the Resource Management Act 1991. The vast majority of consents were processed without significant difficulties with average turnaround time of seven working days.

Submissions were made on 140 consent applications to district councils while appropriate contribution were made towards the development of Regional Plans for Soil, Freshwater, Discharges to Land and Air, and the Landscape Plan.

Investigations and measurement of the hydrological resources of the Wairarapa continued and significant progress was made with the water quality baseline survey of the major waterways.

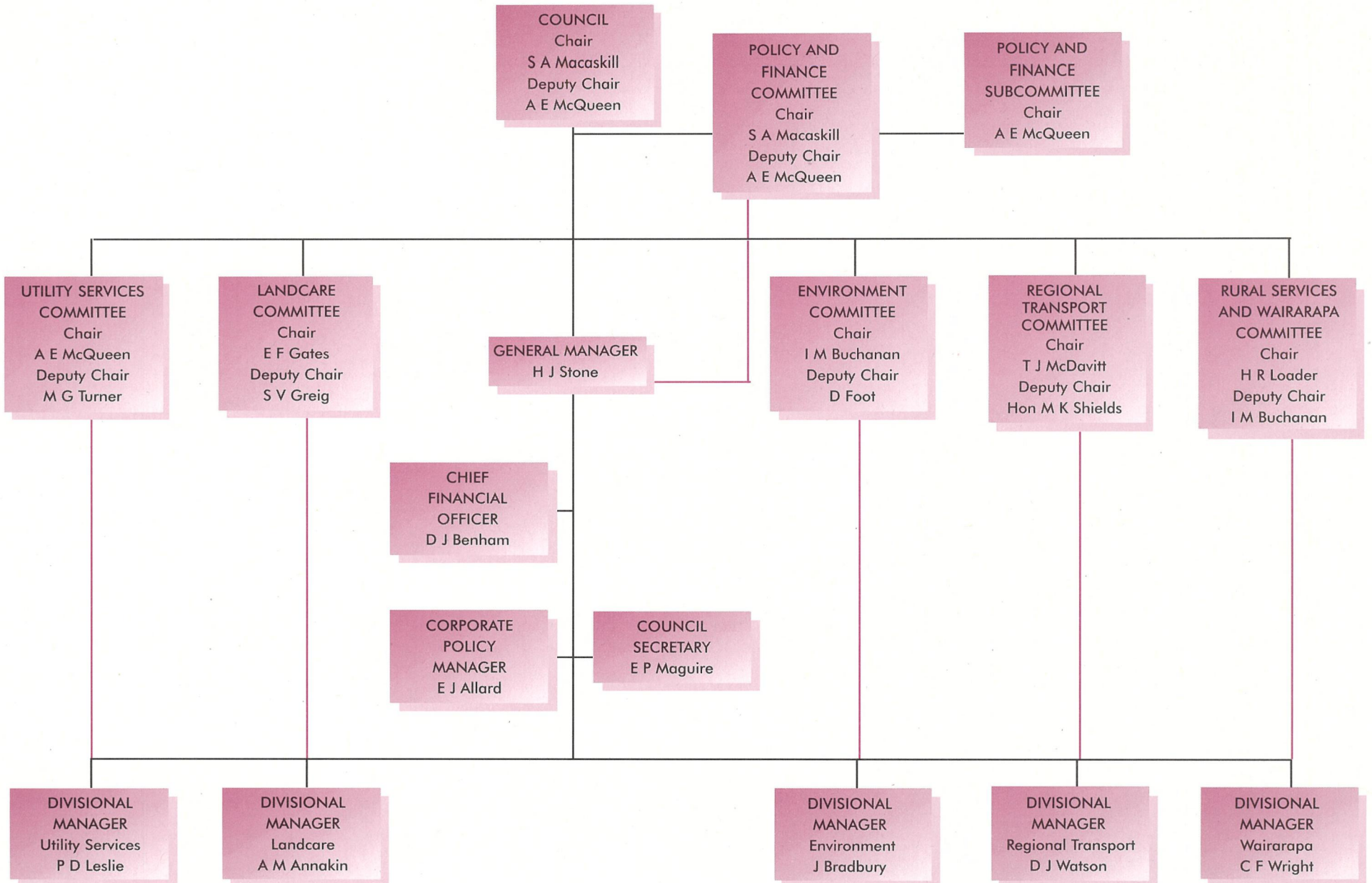
Further details on pages 63 to 66.

Wairarapa Soil Conservation Reserve Forests

Thinning and pruning work was undertaken on 375 hectares of Radiata plantings. Further progress was made in alleviating erosion on active slips and reducing the build-up of gravel in aggrading riverbeds.

Further details on pages 67 to 68.

Structure Chart



Constituencies Members

from October 1995

KAPITI CONSTITUENCY (1)



E F Gates QSM, JP (Ernie)
"Bienvenue", 11 Iti Gr
WAIKANAE
0-4-293 6350 (pvt ph)
0-4-293 6305 (pvt fax)
025-430 378 (mobile)

PORIRUA CONSTITUENCY (2)

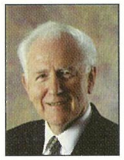


J A Gray (Jim)
Box 54-003
MANA
0-4-239 9359 (pvt ph/fax)



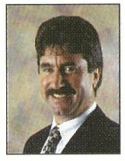
Hon M K Shields QSO (Margaret)
23 Haunui Road
PUKERUA BAY
0-4-239 9949 (pvt ph/fax)

UPPER HUTT CONSTITUENCY (1)

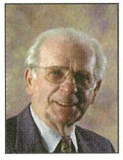


S A Macaskill QSO, JP (Stuart)
P O Box 40 418
WELLINGTON
0-4-384 5708 (bus ph)
0-4-385 6960 (bus fax)
0-4-526 7683 (pvt ph)
0-4-526 7160 (pvt fax)
025-421 258 (mobile)

WAIRARAPA CONSTITUENCY (2)



I M Buchanan (Ian)
86 Pownall St
MASTERTON
0-6-378 7261 (bus/pvt ph)
0-6-378 7474 (bus/pvt fax)
025-495 093 (mobile)



H R Loader JP (Harley)
20 Boltons Rd
MASTERTON
0-6-377 4489 (bus ph)
0-6-377 3465 (pvt ph)
0-6-377 1368 (pvt fax)

LOWER HUTT CONSTITUENCY (3)



S V Greig JP (Sandra)
145 Normandale Rd
LOWER HUTT
0-4-586 0847 (pvt ph/fax)

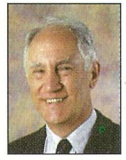


R J Werry (Dick)
7 Marina Grove
LOWER HUTT
0-4-566 3465 (pvt ph/fax)
025-417 647 (mobile)

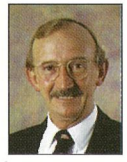


I A Yardley (Irvine)
35A Cheviot Road
EASTBOURNE
0-4-568 8256 (pvt ph/fax)
025-418 369 (mobile)

WELLINGTON NORTH CONSTITUENCY (2)



A E McQueen (Euan)
6 Kabul Street
KHANDALLAH
0-4-479 5568 (pvt ph/fax)
0-4-498 3000
ext 44170 (bus ph)
026-320 5325 (pager)
025-435 617 (mobile)



M G Turner (Martyn)
9 Lochiel Road
KHANDALLAH
0-4-479 7559 (pvt ph/fax)

WELLINGTON SOUTH CONSTITUENCY (3)



M M Bonner JP (Margaret)
108 Washington Ave
BROOKLYN
04-389 7026 (pvt ph/fax)



D Foot (Denis)
13 Grass Street
ORIENTAL BAY
0-4-385 7934 (bus ph)
0-4-384 4375 (bus fax)
0-4-384 9123 (pvt ph/fax)



T J McDavitt JP (Terry)
19 Holloway Road
ARO VALLEY
0-4-384 9368
(bus/pvt ph/fax)

Financial Statements of the Wellington Regional Council for the Year Ended 30 June 1996

STATEMENT OF ACCOUNTING POLICIES
Year Ended 30 June 1996

1. REPORTING ENTITY

The financial statements presented are those of the Wellington Regional Council. The group consists of Wellington Regional Council and its subsidiaries; Port of Wellington Limited and Pringle House Finance Limited.

The Wellington Regional Council was formed on 1 November 1989 and constituted under the Local Government (Wellington Region) Reorganisation Order 1989.

The financial statements have been prepared in terms of Part XII A of the Local Government Act 1974 and specifically section 223E, and, so far as practicable, generally accepted accounting practice.

2. MEASUREMENT BASE

Those accounting principles considered appropriate by the New Zealand Society of Accountants for measurement and reporting of results and financial position under the historical cost method, modified by valuation of certain assets, have been followed.

3. ACCOUNTING POLICIES

The Accounting Policies adopted in the financial statements which have a significant effect on the results and the financial position disclosed are set out below:

3.1 REVENUE

Rates and levies are recognised as income in the year the assessments are issued. Government grants and contributions from local territorial authorities for contract works are recognised as income when eligibility has been established by the grantor. Revenue from dividends is recognised when received.

3.2 INVESTMENTS

The Council has money invested with financial institutions on term deposit and Local Body Stock, to comply with the regulations on the provision of sinking funds (see Note 7).

The Council owns 10/13ths of the shares in the Port of Wellington Limited. Those shares have been included at par value.

The Council owns 100% of the shares in Pringle House Finance Limited. The main asset of this company is the Council's Head Office building. The value of this investment reflects the market value of that building.

Plantation forests are shown at the 1991 revalued cost and any gain in value is recognised on the realisation of logging revenues.

All other investments are shown at the lower of cost or net realisable value.

3.3 FIXED ASSETS AND DEPRECIATION

The Council has categorised its fixed assets into operational assets, regional water supply assets, floodplain management plan assets, infrastructural assets and work in progress (see Note 9).

Work in progress on major projects is capitalised upon completion of project phases. The cost includes interest incurred by the project to the date of capitalisation.

Operational Assets
These are tangible assets used in the operating activities of the Council, including land and buildings, motor vehicles, plant and equipment, furniture and fittings and computer equipment.

Depreciation is provided on a straight line basis 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:

Fixtures and Fittings	5-10 years
Port of Wellington Buildings and Wharves	15-50 years
Buildings	10-100 years
Plant and Equipment	5-10 years
Motor Vehicles	5 years
Computer Equipment	3-5 years

Regional Water Supply Assets
These are tangible assets used in the operating activities of Regional Water Supply. They include land and buildings, motor vehicles, plant, furniture, chattels, pipelines, reservoirs and structures.

Depreciation is provided on a straight line basis 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:

Fixtures, Plant and Equipment	5-10 years
Motor Vehicles	5 years
Buildings	10-100 years
Pipelines	50-100 years
Reservoirs	100 years
Structures/Lakes and Dams	150 years

Floodplain Management Plans
These are the accumulated costs for the Council in establishing floodplain management plans for all the major watercourses in the Region. Costs include investigation works, environmental impact studies, hydrological modelling and the cost of public consultation in the development of these plans.

The establishment of these plans has provided a database for future capital works and will provide an ongoing benefit to the community. The costs have therefore been capitalised and amortised over 15 years.

Infrastructural Assets
These are the fixed utility systems that provide a continuing service to the community and are not generally regarded as tradeable. They include stopbanks, river rock work and vegetative plantings of river protection assets, harbour navigational aids and the Waterloo transport interchange.

Depreciation is not provided on river protection assets as the maintenance programme is considered such that those assets' values are maintained. Depreciation is provided on a straight line basis for the remaining assets at rates that will write off assets, less their estimated residual value, over their remaining useful lives.

Navigational Aids	10 years
Waterloo Interchange	40 years

Work in Progress
Work in progress is not depreciated until the project phase is completed and capitalised.

3.4 DEBT PROVISIONING

In certain circumstances, both now and in the past, funds have been required to be set aside each year to meet future repayments of loans or commitments.

These funds, described as Sinking Funds, are administered by an independent body of Sinking Fund Commissioners, appointed by the Council. The funds are included in the Statement of Financial Position, and any associated interest income is included in the Statement of Financial Performance. This interest is compounded within the sinking fund. Debt provisioning in the Financial Summaries also includes the repayment of loan principal where appropriate.

3.5 STOCKS

Stocks and work in progress are valued at the lower of cost or net realisable value on the basis of first in first out. Nursery stocks are valued at 50 percent of current market value.

3.6 TAXATION

Scope
Taxation provisions included in these accounts are those of Pringle House Finance Limited, Pringle House Limited, WRC Properties Limited, Port of Wellington Limited, Port of Wellington (1988) Limited and the Wellington Regional Council.

The assessable income of the Council includes income derived, net of related expenses, from the Pringle House Group of companies and the Port of Wellington Limited (income derived from the Port of Wellington became taxable on 1 April 1993). All other income currently derived by the Council is exempt from income tax.

Accounting Policy
The taxation charge for the period is the estimated liability in respect of any assessable income, after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future (see Note 10).

The Council and its subsidiaries apply the liability method of accounting for deferred taxation on a comprehensive basis. Future income tax benefits are only recognised to the extent that there is virtual certainty of realisation.

3.7 ACCOUNTS RECEIVABLE

Accounts receivable are stated at estimated realisable value after providing against debts where collection is doubtful.

3.8 LEASES

The Wellington Regional Council leases some vehicles and office plant. Group entities lease certain land, buildings and wharves.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating surplus in equal instalments over the lease term.

3.9 FINANCIAL INSTRUMENTS

The group is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors and creditors. Revenue and expenses in relation to financial instruments are recognised in the statement of financial performance.

All financial instruments are managed in accordance with the group's Treasury Policy.

3.10 FOREIGN CURRENCY

Foreign currency transactions are converted at the New Zealand dollar exchange rate at the date of the transaction. The Council does not have material transactions or hold any monetary assets and liabilities in foreign currencies.

3.11 GOODS AND SERVICES TAX

The Statement of Financial Performance and Statement of Cash Flows are exclusive of GST. The Statement of Financial Position is also exclusive of GST except for Accounts Payable and Receivable which are GST inclusive. The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Accounts Payable.

3.12 COST OF CAPITAL

The Local Government Act 1974 places an obligation on local government to identify and report on the cost of capital involved in each significant activity. During 1991/92 the Council completed an initial valuation of all its assets. Based on these results a policy of applying a cost for the use of those assets has been agreed. This cost has been detailed in each significant activity. A rate of 6% (1995 6%) on the total value of assets has been used. This is the Council's current estimate of an applicable real rate of interest (market rate less the premium included herein for inflation). This is believed to be an appropriate rate to use when most assets have been valued at depreciated replacement value, and therefore already recognise the cumulative effect of inflation in that value. Such costs of capital are not included in the financial statements but have been disclosed by way of note (see Note 19).

3.13 OVERHEAD ALLOCATION

The Council allocates overhead from support service functions on a variety of different bases largely determined, where possible, by usage. This amount is included in each significant activity's operating expenditure.

The treasury operation in the Council is treated as an internal banking activity. Any surplus generated is credited directly to the Statement of Financial Performance.

3.14 THE STATEMENT OF FINANCIAL PERFORMANCE AND THE TOTAL COUNCIL FINANCIAL SUMMARY

The Statement of Financial Performance is stated on an accrual accounting basis. All capital expenditure, loan principal repayments and change in investments are shown in the Statement of Financial Position and in detail in the notes. In accordance with generally accepted accounting practice all income whether for

operating or capital expenditure is included in the Statement of Financial Performance.The Total Council Financial Summary incorporates all aspects of Council expenditure and is shown on page 24. It includes all operating expenditure of the Council and in addition capital expenditure and financing activities. Expenditure in each significant activity is detailed on pages 36 to 99.

3.15 BASIS OF CONSOLIDATION

The Council has used the purchase method of consolidation for Pringle House Finance Limited and the Port of Wellington Limited. All significant intercompany transactions have been eliminated.

3.16 ROUNDING OF AMOUNTS

All amounts have been rounded off to the nearest thousand dollars unless otherwise stated.

3.17 COMPARATIVES

The comparatives where appropriate are for the year ended 30 June 1995. In most cases the comparison is against the 1996 budget as set out in the 1995/96 Annual Plan.

The Budget comparative has been amended from the Annual Plan to correctly show the interest transfer to the Port of Wellington Capital Redemption Reserve which was incorrectly classified in expenses. A correction has also been made to restate capitalised internal charges.

	$000s
Operating Surplus per 1995/96 Annual Plan	4,002
Add Back Interest Transferred to Reserve	1,187
Add Back Internal Charges	161
Amended Budgeted Surplus Per Financial Statements	5,350

3.18 LEGISLATIVE COMPLIANCE

Under section 549ZU of the Local Government Act 1974 a regional council is required to divest itself from any ownership or interest in transport operational or infrastructural assets. The Wellington Regional Council continues to maintain an equitable interest in the Waterloo Interchange and has made exhaustive attempts to either transfer or sell the asset to other parties. No suitable arrangement has yet been found. The Minister of Transport can provide an extension for the Council. However, at balance date, no such extension has been received.

4. CHANGES IN ACCOUNTING POLICIES

There have been no material changes in accounting policies. Accounting policies have been applied on a basis consistent with those used in previous years.

STATEMENT OF FINANCIAL PERFORMANCE
Year Ended 30 June 1996

	Notes	Group 1996 Actual $000s	Group 1995 Actual $000s	Council 1996 Budget $000s	Council 1996 Actual $000s	Council 1995 Actual $000s
Revenue						
Rates and Levies		63,762	63,131	63,719	63,762	63,131
Government Grants and Subsidies		15,180	16,666	14,995	15,180	16,666
Investment Revenue		1,435	1,462	3,331	4,080	2,951
External Revenue		53,506	42,759	11,690	11,714	11,190
Total Revenue	1	**133,883**	**124,018**	**93,735**	**94,736**	**93,938**
Expenditure						
Personnel Costs		18,768	17,668	19,208	18,768	17,668
Grants and Subsidies		29,176	28,022	28,915	29,176	28,022
Interest Costs		8,339	8,751	8,753	6,625	8,725
Depreciation		9,117	8,324	5,348	5,670	5,353
Operating Expenses	2	53,813	49,338	26,161	25,453	26,077
Other Expenses	3	692	3,594	-	589	3,542
Total Expenses	4	**119,905**	**115,697**	**88,385**	**86,281**	**89,387**
Operating Surplus Before Taxation		13,978	8,321	5,350	8,455	4,551
Taxation	10	2,545	1,097	-	-	-
Operating Surplus		**11,433**	**7,224**	**5,350**	**8,455**	**4,551**
Share of Surplus Applicable to Minority Interest		1,228	1,043	-	-	-
Net Surplus for the Year		**10,205**	**6,181**	**5,350**	**8,455**	**4,551**

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

STATEMENT OF MOVEMENT IN RATEPAYERS' FUNDS
Year Ended 30 June 1996

	Notes	Group 1996 Actual $000s	Group 1995 Actual $000s	Council 1996 Budget $000s	Council 1996 Actual $000s	Council 1995 Actual $000s
Ratepayers' Funds at the Start of the Year		326,294	324,424	295,666	295,666	292,223
Net Surplus for the Year		10,205	6,181	5,350	8,455	4,551
Unrealised Decrease in Revaluation Reserves		(541)	(1,707)	-	(541)	(1,707)
Other Revenue and Expenses		(20)	599	-	(20)	599
Total Recognised Revenues and Expenses for the Period		**9,644**	**5,073**	**5,350**	**7,894**	**3,443**
Movements in Minority Interest	14	524	(3,203)	-	-	-
Ratepayers' Funds at the End of the Year		**336,462**	**326,294**	**301,016**	**303,560**	**295,666**

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

STATEMENT OF FINANCIAL POSITION
As at 30 June 1996

	Notes	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
ASSETS					
Current Assets					
Bank and Call Deposits		4,082	4,409	4,015	3,417
Receivables	5	14,119	13,550	9,815	8,639
Stocks		1,618	1,670	921	699
		19,819	19,629	14,751	12,755
Non-current Assets					
Future Tax Benefit	10	896	1,792	-	-
Investments	7	35,899	34,202	71,818	70,173
Fixed Assets	9	422,024	418,809	343,299	339,401
		458,819	454,803	415,117	409,574
		478,638	**474,432**	**429,868**	**422,329**

	Notes	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
LIABILITIES AND RATEPAYERS' FUNDS					
Current Liabilities					
Bank Overdraft		759	-	-	-
Accounts Payable		17,817	22,822	13,753	16,155
Employee Provisions		3,826	4,224	1,953	1,948
Current Account Pringle House		-	-	3,828	3,468
Provision for Tax		-	1,000	-	-
Public Debt (Current)	11	25,900	18,020	25,900	18,020
		48,302	46,066	45,434	39,591
Non-current Liabilities					
Public Debt	11	80,874	87,072	80,874	87,072
Term Borrowings		13,000	15,000	-	-
		93,874	102,072	80,874	87,072
Ratepayers' Funds					
Retained Earnings	12	144,714	134,010	124,729	115,775
Reserves	13	178,831	179,891	178,831	179,891
Minority Interests	14	12,917	12,393	-	-
		336,462	326,294	303,560	295,666
		478,638	**474,432**	**429,868**	**422,329**

The accompanying notes and accounting policies should be read in conjunction with th financial statements.

S A Macaskill
Chairperson

H J Stone
General Manager

Date: 24 September 1996

STATEMENT OF CASH FLOWS
Year Ended 30 June 1996

	Notes	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Cash Flow from Operating Activities					
Cash provided from:					
- Customers		43,046	31,865	-	-
- Rates, Levies, Subsidies		80,149	82,216	80,149	82,216
- Investment Revenue		1,435	1,462	4,080	2,925
- Other		8,684	5,310	9,331	5,875
		133,314	120,853	93,560	91,016
Cash disbursed to:					
- Suppliers and Employees		106,465	87,107	74,927	67,454
- Interest		8,944	9,337	7,184	9,320
- Taxation		2,807	2,450	-	-
		118,216	98,894	82,111	76,774
Operating Activities Net Cash Flows	22	**15,098**	**21,959**	**11,449**	**14,242**
Cash Flows from Investing Activities					
Cash provided from:					
- Sale of Fixed Assets		1,056	2,315	1,017	2,225
- Loans Repaid		-	3	-	3
- Sinking Funds		826	3,206	826	3,206
- Wairarapa Scheme Withdrawals		282	79	282	79
- Share Capital Repayment POWL		-	-	-	20,000
- Share Sales		-	145	-	145
		2,164	5,748	2,125	25,658
Cash disbursed to:					
- Purchase of Fixed Assets		14,228	13,357	11,573	11,696
- Sinking Funds		1,086	2,324	1,086	2,324
- Purchase of Convertible Notes POWL		-	-	-	7,692
- Intercompany Loan Repayment		-	-	-	407
- Capital Redemption Investment		1,187	12,313	1,187	12,313
- Investment in Patent		13	-	-	-
- Bulk Water Contingency Investment		526	-	526	-
- Investment in Associate		-	2,930	-	-
		17,040	30,924	14,372	34,432
Investing Activities Net Cash Flows		**(14,876)**	**(25,176)**	**(12,247)**	**(8,774)**

	Notes	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Cash Flows from Financing Activities					
Cash provided from:					
- Term Debt Proceeds		7,037	19,950	7,037	4,925
- Group Loans		-	-	-	3,700
- Issue of Convertible Notes		-	2,308	-	-
		7,037	22,258	7,037	8,625
Cash disbursed for:					
- Term Debt Settlement		7,641	15,670	5,641	14,684
- Dividends		704	554	-	-
- Capital Reduction POWL		-	6,000	-	-
		8,345	22,224	5,641	14,684
Financing Activities Net Cash Flows		**(1,308)**	**34**	**1,396**	**(6,059)**
Net Increase (Decrease) in Cash Held		(1,086)	(3,183)	598	(591)
Add Opening Cash and Deposits		4,409	7,592	3,417	4,008
Closing Cash and Deposits		**3,323**	**4,409**	**4,015**	**3,417**
Bank and Call Deposits		4,082	4,409	4,015	3,417
Bank Overdraft		(759)	-	-	-
Closing Cash and Deposits		**3,323**	**4,409**	**4,015**	**3,417**

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

TOTAL COUNCIL FINANCIAL SUMMARY
Year Ended 30 June 1996

FUNDING APPLIED TO	Notes	1996 Budget $000s	1996 Actual $000s
Resource Policy and Planning	26	2,245	1,772
Resource Consents and Investigations	27	3,556	3,134
Harbour Management and Control	28	1,103	1,196
Civil Defence	29	564	444
River Management and Flood Protection	30	7,755	7,655
Recreation and Regional Parks	31	3,224	3,147
Conservation Forestry	32	1,051	893
Plantation Forestry	33	1,538	1,256
Regional Biosecurity Management	34	3,697	3,939
Regional Soil Conservation	35	1,251	1,174
Wairarapa River Management	36	1,762	1,769
Wairarapa Planning and Resource Management	37	1,538	1,428
Wairarapa Soil Conservation Reserve Forests	38	460	405
Public Transport Planning	39	29,055	29,820
Transport Planning and Policy	40	3,407	2,812
Transport Customer Services and Quality	41	1,322	1,092
Corporate Support	42	4,981	4,837
Elected Members	43	2,695	2,783
Investments and Business Units	44	7,013	4,967
Regional Water Supply	45	30,381	27,178
Internal Charges		(9,415)	(9,755)
Total Funds Applied to Activities		**99,183**	**91,946**
COST OF CAPITAL ($000s)	19		22,998

This statement represents a consolidation of each activity's financial summary provided on pages 36 to 99. This financial summary is the Council's cost of service statement showing the funding required by each activity and how this is sourced. A net funding surplus represents overall savings in an activity; being the sum of operational revenues and expenditure, capital expenditure, net reserve transfers, new loans and debt repayments. A net funding deficit reflects costs exceeded funds available.

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	Notes	1996 Budget $000s	1996 Actual $000s
Provided From:			
Regional Rates		37,815	37,818
Other Rates and Levies		25,904	25,944
Government Subsidies		14,995	15,180
Investment Revenue		3,331	4,080
Other Revenue		21,105	21,469
Internal Charges		(9,415)	(9,755)
Total Revenue	1	93,735	94,736
Applied to:			
Operating Expenditure		97,800	96,036
Internal Charges		(9,415)	(9,755)
Total Operating Expenditure	4	88,385	86,281
Less Non-funded Items		(5,047)	(6,041)
Net Operating Expenditure		83,338	80,240
Capital Expenditure		14,658	10,177
Investments		1,187	1,713
Total Funds Applied to Activities		99,183	92,130
Net Funds From Activities		**(5,448)**	**2,606**
FUNDING FROM FINANCING ACTIVITIES			
Provided From:			
Loans		7,988	1,736
Transfer From Reserve Investments		-	-
Funds From Financing Activities		7,988	1,736
Applied to:			
Debt Provisioning		3,020	314
Transfer to Reserve Investments		20	-
Funds Applied to Financing Activities		3,040	314
Net Funds From Financing Activities		4,948	1,422
Net Funding Surplus/(Deficit)		**(500)**	**4,028**

NOTES TO FINANCIAL STATEMENTS

Year Ended 30 June 1996

NOTE 1 Revenue	Group 1996 Actual $000s	Group 1995 Actual $000s	Council 1996 Budget $000s	Council 1996 Actual $000s	Council 1995 Actual $000s
General Rates	18,054	18,154	18,052	18,054	18,154
Transport Rates	18,630	18,781	18,629	18,630	18,781
River Rates	1,134	1,025	1,134	1,134	1,025
Bulk Water Levy	24,433	23,686	24,433	24,433	23,686
Pest Management Rates	638	626	633	638	626
Wairarapa Scheme Rates	873	859	838	873	859
Govt Grants and Subsidies	12,804	13,139	11,524	12,804	13,139
Regional Petrol Tax	2,376	3,527	3,471	2,376	3,527
Dividends Received	130	39	3,000	2,350	1,845
Sinking Fund Interest Received	677	598	309	677	598
Other Interest Received	628	825	22	1,053	508
Other Revenue	53,506	42,759	11,690	11,714	11,190
Total Revenue	**133,883**	**124,018**	**93,735**	**94,736**	**93,938**

NOTE 2 Operating Expenses	Group 1996 Actual $000s	Group 1995 Actual $000s	Council 1996 Budget $000s	Council 1996 Actual $000s	Council 1995 Actual $000s
Asset Write-offs	22	-	-	22	-
Bad Debts Written Off	96	42	-	32	12
Contract Services	8,584	8,858	8,608	8,584	8,858
Directors Fees	105	119	-	-	-
Fees to Auditors for Audit of Financial Statements	161	151	100	100	95
Fees to Auditors for Other Services	28	26	45	28	26
Increase (Decrease) in Provision for Doubtful Debts	394	(71)	-	383	(41)
Insurance	813	1,247	842	740	1,247
Loss(Gain) on Sale of Assets	(204)	204	(303)	(204)	204
Operating Lease Rentals	529	548	309	430	288
Rates Collection Cost	1,175	1,106	1,221	1,175	1,106
Subscriptions	51	144	40	51	144
Other Operating Costs	42,059	36,964	15,299	14,112	14,138
Total Operating Expenses	**53,813**	**49,338**	**26,161**	**25,453**	**26,077**

NOTE 3 Other Expenses	Group 1996 Actual $000s	Group 1995 Actual $000s	Council 1996 Budget $000s	Council 1996 Actual $000s	Council 1995 Actual $000s
Writedown of Investment Properties Intended for Sale	466	-	-	466	-
Writedown of Karori Upper Dam	76	-	-	76	-
Reserve Interest Transfer	-	599	-	-	599
Writedown of Investments	150	2,995	-	47	2,943
Total Other Expenses	**692**	**3,594**	**0**	**589**	**3,542**

NOTE 4
Total Expenses by Activity

	Notes	Group 1996 Actual $000s	Council 1996 Budget $000s	Council 1996 Actual $000s
Resource Policy and Planning	26	1,735	2,236	1,735
Resource Consents and Investigations	27	3,107	3,537	3,107
Harbour Management and Control	28	1,169	1,129	1,169
Civil Defence	29	526	646	526
River Management and Flood Protection	30	5,635	5,385	5,635
Recreation and Regional Parks	31	2,896	2,954	2,896
Conservation Forestry	32	929	1,027	929
Plantation Forestry	33	1,231	1,288	1,231
Regional Biosecurity Management	34	3,916	3,663	3,916
Regional Soil Conservation	35	1,174	1,251	1,174
Wairarapa River Management	36	1,762	1,762	1,762
Wairarapa Planning and Resource Management	37	1,411	1,514	1,411
Wairarapa Soil Conservation Reserve Forests	38	405	460	405
Public Transport Planning	39	29,829	29,064	29,829
Transport Planning and Policy	40	3,125	3,720	3,125
Transport Customer Services and Quality	41	1,109	1,285	1,109
Corporate Support	42	5,458	4,983	5,458
Elected Members	43	2,759	2,667	2,759
Investments and Business Units	44	5,232	5,789	5,232
Regional Water Supply	45	22,628	23,440	22,628
Internal Charges		(9,755)	(9,415)	(9,755)
Council Subsidiaries' Expenses		33,624	-	-
Total Expenses		**119,905**	**88,385**	**86,281**

NOTE 5
Receivables

	Notes	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Rates Receivable	6	4,170	2,806	4,170	2,806
Other Receivables		11,054	11,454	6,699	6,503
Less Provision for Doubtful Debts		(1,105)	(710)	(1,054)	(670)
Total Receivables		**14,119**	**13,550**	**9,815**	**8,639**

NOTE 6
Rates Receivable

	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Wellington City Council	2,621	1,505	2,621	1,505
The Hutt City Council	925	665	925	665
Porirua City Council	145	160	145	160
Upper Hutt City Council	263	198	263	198
Kapiti Coast District Council	141	159	141	159
Masterton District Council	33	50	33	50
Carterton District Council	20	30	20	30
South Wairarapa District Council	22	39	22	39
Tararua District Council	-	-	-	-
Total Rates Receivable	**4,170**	**2,806**	**4,170**	**2,806**

NOTE 7 Investments	Notes	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Wairarapa Schemes		-	282	-	282
Sinking Funds	8	8,093	7,833	8,093	7,833
POWL Shares		-	-	15,385	15,385
POWL Convertible Notes		-	-	7,692	7,692
POWL Capital Redemption Invest.		13,500	12,313	13,500	12,313
Equity in Pringle House Finance Ltd		-	-	13,215	13,261
Shares in Local Govt Insurance		80	80	80	80
Patents		48	35	-	-
Plantation Forests		13,327	13,327	13,327	13,327
Regional Water Supply Insurance Reserve		526	-	526	-
Other Investments		325	332	-	-
Total Investments		**35,899**	**34,202**	**71,818**	**70,173**

The Council has money invested on term deposits with financial institutions and in local body stock to comply with the regulations on the provisions of sinking funds.

The Council hold shares in the Port of Wellington Ltd which have been included at par value. The Council owns $^{10}/_{13}$ths of the shares and the Manawatu-Wanganui Regional Council owns the remaining $^{3}/_{13}$ths. The current market value of the Council's shareholding is estimated to be $46M.

The Council holds 2,634,351 convertible notes in the Port of Wellington Ltd with a book value of $7.7M. The notes are unsecured, subordinated and are convertible or redeemable at the Port of Wellington Ltd's election subject to the provisions set out in the convertible note deed. In any event the convertible notes are otherwise due to be redeemed on 28 June 1998.

The Council also owns 100% of the shares in Pringle House Finance Limited. An adjustment has been made to the value of the Council's shareholding in Pringle House Finance Limited to reflect net asset backing of the investment at 30 June 1996.

Independent valuations of plantation forests have been completed by Alan Bell and Associates. The valuation as at 30 June 1996 is $28.6M. (1995 $31.0M).

NOTE 8 Sinking Funds	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Opening Balance	7,833	8,715	7,833	8,715
Instalments	409	1,726	409	1,726
Interest Income	677	598	677	598
Withdrawals	(826)	(3,206)	(826)	(3,206)
Closing Balance	**8,093**	**7,833**	**8,093**	**7,833**

NOTE 9
Fixed Assets

Below are the various bases of valuation of the Council. Pringle House Finance Limited's land and building was revalued to market valuation at 30 June 1996. Other Pringle House Finance Limited assets are valued at cost. Port of Wellington Limited's assets acquired in October 1988 are stated at cost based on a business valuation carried out at that time. Subsequent purchases of fixed assets by Port of Wellington Limited are recorded at cost.

Council		Cost	1991 Valuation
Land and Buildings	(a)		x
Fixtures and Fittings		x	
Plant and Equipment		x	
Motor Vehicles		x	
Computer Equipment		x	
Floodplain Management Plans		x	
Bulk Water System	(b)		x
Flood Protection	(b)		x
Transport Facility	(b), (c)		x
Navigational Aids		x	
Work in Progress		x	

Basis of 1991 Valuation:

(a) 1990 Government Value.
(b) Depreciated replacement value determined by the Council.
(c) Waterloo Interchange - the Council is in the process of divesting itself of the asset in accordance with the Local Government Act.

Additions to the Council's assets since the 1991 valuation are shown at cost.

NOTE 9 (cont'd)
Fixed Assets

	GROUP					COUNCIL				
	Cost	Reval-uation	Accum. Deprecn	Book Value 1996	Book Value 1995	Cost	Reval-uation	Accum. Deprecn	Book Value 1996	Book Value 1995
Operational Assets										
Port Buildings, Wharves	34,634	-	8,802	25,832	26,269					
Land and Buildings	59,506	11,779	1,148	70,137	71,597	23,967	2,530	1,148	25,349	26,658
Fixtures and Fittings	1,487	-	1,206	281	389	1,487	-	1,206	281	389
Plant and Equipment	10,356	-	5,795	4,561	5,107	2,042	-	1,332	710	798
Motor Vehicles	16,755	-	10,681	6,074	5,592	3,737	-	1,917	1,820	1,701
Computer Equipment	2,327	-	1,606	721	1,043	2,327	-	1,606	721	1,043
	125,065	11,779	29,238	107,606	109,997	33,560	2,530	7,209	28,881	30,589
Floodplain Management Plans	4,733	-	368	4,365	2,838	4,733	-	368	4,365	2,838
Infrastructural Assets										
Flood Protection	10,694	89,083	-	99,777	100,692	10,694	89,083	-	99,777	100,692
Transport Facilities	10,442	1,517	1,484	10,475	10,795	10,442	1,517	1,484	10,475	10,795
Navigational Aids	1,782	-	582	1,200	1,169	1,782	-	582	1,200	1,169
	22,918	90,600	2,066	111,452	112,656	22,918	90,600	2,066	111,452	112,656
Capital Works in Progress	7,437	-	-	7,437	4,901	7,437	-	-	7,437	4,901
Total Regional Responsibilities	**160,153**	**102,379**	**31,672**	**230,860**	**230,392**	**68,648**	**93,130**	**9,643**	**152,135**	**150,984**
Regional Water Supply Assets										
Land and Buildings	37,617	1,698	2,440	36,875	37,307	37,617	1,698	2,440	36,875	37,307
Pipelines/Reservoirs/ Structures	80,433	73,453	12,804	141,082	144,894	80,433	73,453	12,804	141,082	144,894
Fixtures, Plant and Equipment	1,331	-	1,172	159	239	1,331	-	1,172	159	239
Motor Vehicles	940	-	599	341	349	940	-	599	341	349
Capital Works in Progress	12,707	-	-	12,707	5,628	12,707	-	-	12,707	5,628
Total Regional Water Supply Assets	**133,028**	**75,151**	**17,015**	**191,164**	**188,417**	**133,028**	**75,151**	**17,015**	**191,164**	**188,417**
Total Group	**293,181**	**177,530**	**48,687**	**422,024**	**418,809**	**201,676**	**168,281**	**26,658**	**343,299**	**339,401**

NOTE 10
Taxation

	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Dividends	2,695	2,402	2,695	2,402
Operating Income - Port of Wellington Ltd	7,876	5,571	-	-
Operating Income - Pringle House Group	494	(1,590)	-	-
Convertible Note Interest	704	-	704	-
Operating Expenses	(36)	-	(35)	-
Deductible Interest	(2,118)	(2,185)	(2,118)	(2,185)
Operating Profit Before Tax	**9,615**	**4,198**	**1,246**	**217**
Adjustments for Permanent Differences				
Imputation Credits Received	1,251	1,183	1,157	1,183
Tax Effect of Imputation Credits	(3,791)	(3,585)	(3,506)	(3,585)
Inter-group Loss Offset	-	-	-	43
Inter-group Subvention	-	-	510	1,353
Non-assessible Income	(31)	(2)	-	-
Building Devaluation	150	2,995	-	-
Non-deductible Expenditure	61	76	-	-
Future Tax Benefit Not Recognised	593	789	593	789
Other Permanent Differences	48	157	-	-
Taxable Income	**7,896**	**5,811**	**-**	**-**
Taxation Charge @ 33%	2,606	1,918	-	-
Prior Year Overprovision	(61)	(821)	-	-
Taxation Expense	**2,545**	**1,097**	**-**	**-**
Taxation Expense is represented by:				
Taxation Payable	1,649	(695)	-	-
Future Taxation Benefit	896	1,792	-	-
Taxation Expense	**2,545**	**1,097**	**-**	**-**
Future Taxation Benefit comprises:				
Balance 1 July 1995	1,792	-	-	-
Current Year Movement	(842)	754	-	-
Prior Year Adjustments	(54)	1,038	-	-
Balance 30 June 1996	**896**	**1,792**	**-**	**-**

Subvention Payments

The financial statements include subvention payments payable by subsidiaries to the Council for the use of tax losses incurred by the Council. In the current year payments of $0.47M (1995 $1.35M) have been included in the financial statements.

The payments by subsidiaries have been disclosed as Council Subsidiaries Expenditure and the income has been credited against the interest charges incurred by the Council to which the subvention payments relate.

Timing Differences Not Recognised

Due to the long-term nature of the fixed assets deployed by the Port of Wellington, $2.1M (1995 $2.0M) of its future income tax benefits have not been recognised as an asset in the financial statements. Similarly, deferred tax liabilities of $0.19M (1995 $0.16M) relating to depreciation in Pringle House Limited have not been recognised because it is not anticipated that the building will be disposed of in the foreseeable future and therefore that this liability will not crystallise.

Future income tax benefits of $0.12M attributable to future deductions in Pringle House Finance Limited have not been recognised.

The Council has income tax losses of $1.32M (1995 $0.79M) available to be carried forward to be offset against taxable income in the future subject to Inland Revenue confirmation. The tax effect of these losses is $0.44M (1995 $0.26M).

Port of Wellington Tax Investigation

The Inland Revenue Department has issued assessments disallowing approximately $18.4M of deductions primarily relating to depreciation claims for the 1988 through to 1993 income tax years. The income tax effect of these assessments is $6.1M. The Group has lodged objections to these assessments.

As required by law, 50 percent of this amount, amounting to $3.0M, has been paid to the Inland Revenue subsequent to balance date.

The Group has continued to claim depreciation for the years ended 30 June 1994, 1995 and 1996 on the same basis as earlier years. The depreciation claimed is $5.6M and it is likely the Inland Revenue will dispute these claims. The income tax effect of these deductions is $1.8M.

No provision has been made for the income tax paid or payable in relation to any of the depreciation claims disallowed or expected to be disallowed by the Inland Revenue. The assessments and any subsequent assessments will be strongly rebutted on the basis of legal and accounting advice given to the Group.

If the issue is decided wholly in favour of the Inland Revenue, the Group's retained earnings would decrease by $7.9M plus the interest payable on the unpaid tax in dispute. If the issue is decided in the Group's favour there will be no effect on the financial statements, other than the interest received for the amount of the tax paid in dispute.

Imputation Credits

$3.32M (1995 $1.92M) of imputation credits are potentially available within the subsidiaries to attach to dividends paid to the Council. The subsidiaries' ability to carry forward imputation credits is contingent upon them continuing to meet the requirements of the Income Tax Act.

NOTE 11
Public Debt

	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Opening Balance	105,092	114,582	105,092	114,582
New Loans Raised	7,037	4,925	7,037	4,925
Forestry Encouragement Loans	286	269	286	269
Loans Repaid and/or Rolled Over	(5,588)	(14,634)	(5,588)	(14,634)
Principal Repaid	(53)	(50)	(53)	(50)
Total External Financing	**106,774**	**105,092**	**106,774**	**105,092**
Public Debt Current Portion	25,900	18,020	25,900	18,020
Public Debt Term Portion	80,874	87,072	80,874	87,072
	106,774	**105,092**	**106,774**	**105,092**

Loans are due for repayment in the following periods:

	$000s
1997	25,900
1998	6,000
1999	14,250
2000	13,119
2001	9,259
Beyond	38,246
	106,774

Public Debt is secured by a special rate on the ratepayers of the Wellington region or, in the case of Regional Water Supply loans, by way of levy on the constituent territorial authorities supplied with bulk water. The weighted average of the interest rates on Public Debt is 8.6% (1995 8.5%).

The Forestry Encouragement Loan amount shown here is accrued interest from loans that are due for payment from 2007 which will correspond with revenue from logging. There is expected to be a surplus to the Council after the repayment of Forestry Loans.

Further detailed analysis of Public Debt is provided on pages 101and 102.

NOTE 12
Retained Earnings

	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Opening Balance	134,010	122,602	115,775	105,997
Surplus Attributable to the Group	10,205	6,181	8,455	4,551
Transferred From Reserves	3,857	5,657	3,857	5,657
Transferred to Reserves	(3,491)	(2,895)	(3,491)	(2,895)
Interest Earned	(1,038)	-	(1,038)	-
Reserve Reclassifications	(20)	(66)	(20)	(66)
Asset Realised Movements	725	2,531	725	2,531
Asset Revaluations	466	-	466	-
Closing Balance	**144,714**	**134,010**	**124,729**	**115,775**

NOTE 13
Reserves

	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Opening Balance	179,891	186,226	179,891	186,226
Operational Reserve Movements				
Transferred from Operations	3,491	2,895	3,491	2,895
Transferred to Operations	(3,857)	(5,657)	(3,857)	(5,657)
Interest Earned	1,038	599	1,038	599
Reserve Reclassifications	-	66	-	66
	672	(2,097)	672	(2,097)
Other Reserve Movements				
Asset Realised Movements	(725)	(2,531)	(725)	(2,531)
Asset Revaluations	(466)	-	(466)	-
Asset Unrealised Movements	(541)	(1,707)	(541)	(1,707)
	(1,732)	(4,238)	(1,732)	(4,238)
Closing Balance	**178,831**	**179,891**	**178,831**	**179,891**
Represented by				
Election Reserve	14	148	14	148
Regional Park Reserve	549	510	549	510
Forestry Renewal Reserve	76	70	76	70
Flood Contingency Reserve	680	658	680	658
River Maintenance Reserve	93	-	93	-
Bulk Water Reserve	2,417	2,772	2,417	2,772
Transport Contingency Reserve	4,467	4,571	4,467	4,571
Wairarapa Scheme Reserves	583	348	583	348
Rural Fire Contingency Reserve	250	213	250	213
Navigational Aids Reserve	95	28	95	28
Bovine Tuberculosis Rate Reserve	458	131	458	131
Consents Legal Contingency Reserve	333	140	333	140
Hutt Groundwater Reserve	135	87	135	87
Other Reserves	198	-	198	-
Total Operational Reserves	**10,348**	**9,676**	**10,348**	**9,676**
Asset Revaluation Reserve	168,281	169,725	168,281	169,725
Investment Revaluations	202	490	202	490
Total Reserves	**178,831**	**179,891**	**178,831**	**179,891**

NOTE 14
Minority Interests

The Wellington Regional Council owns 10/13ths of the shares of the Port of Wellington Limited. Minority interests in the Statement of Financial Position represent the equity of the Manawatu-Wanganui Regional Council which owns the balance of the shares.

	Minority Interests 1996 $000s	Minority Interests 1995 $000s
Opening Balance	12,393	15,596
Capital Redemption	-	(3,692)
Minority Share of Operating Surplus	1,228	1,043
Minority Dividends Paid	(704)	(554)
Closing Balance	**12,917**	**12,393**

NOTE 15
Contingent Liabilities

The Council has contingent liabilities as disclosed below. The Ewen Floodway and Mangaone Stream contingent liabilities are claims in respect of completed capital works. The Council is contesting these claims.

	Council 1996 $000s	Council 1995 $000s
Ewen Floodway and Mangaone Stream	910	840
Rates Refund Claim	157	-
Other Legal Proceedings	93	-
Uncalled Capital in Pringle House Finance Limited	25,000	25,000
Total Contingent Liabilities	**26,160**	**25,840**

The Group has a contingent liability in respect of taxation in dispute of $7.9M plus interest payable as the unpaid tax in dispute (see Note 10) and a pending action with a maximum potential exposure of $0.25M. These claims are being defended.

NOTE 16
Commitments

The Council has contractual commitments for operating leases, capital works and to transport operators as disclosed below. Operating lease commitments are for vehicles, computer equipment and office equipment.

	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Transport Operator Commitments				
Less than One Year	25,116	24,154	25,116	24,154
One to Two Years	21,461	23,271	21,461	23,271
Two to Five Years	5,531	23,234	5,531	23,234
	52,108	**70,659**	**52,108**	**70,659**
Operating Lease Commitments				
Less than One Year	558	559	451	430
One to Two Years	497	480	368	355
Two to Five Years	501	707	114	392
	1,556	**1,746**	**933**	**1,177**
Capital Commitments	**1,868**	**5,680**	**1,868**	**5,680**
Total Commitments	**55,532**	**78,085**	**54,909**	**77,516**

The Council rents space from Pringle House Limited in The Regional Council Centre. The rental agreement is currently under negotiation.

NOTE 17 Employees	Council 1996	Council 1995
Number of Employees	370	355

NOTE 18
Financial Instruments

Currency Risk
The Council is not exposed to any currency risk.

Credit Risk
The financial instruments which expose the Group to credit risk are principally bank balances, debtors and investments. The Group monitors credit risk on an ongoing basis. The Wellington Regional Council manages debtors and creditors on behalf of itself and the Pringle House Group of companies. A provision for doubtful debts is maintained by the Group and monitored on a regular basis. Bank balances and short-term investments are held with New Zealand registered banks in accordance with the Council's treasury policy. No collateral is held in respect of bank balances or investments.

Concentration of Credit Risk
The majority of the Council's income is through rates and the Bulk Water Levy. Bulk Water Levies are collected from the four Wellington Metropolitan Cities and rates are collected for the Council by the Territorial Authorities in the region on an agency basis. Funding for Public Transport is received from Transfund New Zealand.

Interest Rate Risk
The interest rate risk on investment funds is managed through the use of short-term investments in accordance with the Group's treasury policy. The group has exposure to interest rate movements as a result of its term borrowings and public debt. This risk is managed through the use of fixed interest instruments, revolving stock facilities and the placement of debt to minimise rollover risk.

Fair Values
Except where stated otherwise the estimated fair values of all the financial instruments of the Group are the carrying amounts of the financial instruments.

NOTE 19
Cost of Capital

	Note	Council 1996 $000s	Council 1995 $000s
Resource Policy and Planning	26	4	22
Resource Consents and Investigations	27	38	62
Harbour Management and Control	28	129	136
Civil Defence	29	27	31
River Management and Flood Protection	30	4,109	3,891
Recreation and Regional Parks	31	174	164
Conservation Forestry	32	149	152
Plantation Forestry	33	885	899
Regional Biosecurity Management	34	52	52
Regional Soil Conservation	35	-	-
Wairarapa River Management	36	3,503	3,677
Wairarapa Planning and Resource Management	37	22	19
Wairarapa Soil Conservation Reserve Forests	38	-	-
Public Transport Planning	39	2	1
Transport Planning and Policy	40	731	723
Transport Customer Services and Quality	41	4	1
Corporate Support	42	258	258
Elected Members	43	4	-
Investments and Business Units	44	416	401
Regional Water Supply	45	12,491	12,145
Total Cost of Capital		**22,998**	**22,634**

NOTE 20
Remuneration of Councillors and Executives

Councillors Remuneration

	Councillors 1996 $	Councillors 1995 $
Salary/Fees Received or Receivable	354,837	330,294
Meeting Allowances	183,440	156,940
Travel Expenses	49,267	48,564
	587,544	**535,798**

The number of Councillors and Committee appointees in these figures are shown below in their relevant salary/fee band (including allowances). The increase in number of Councillors between 1995 and 1996 reflects the changed membership of Council and Committees following the 19 October 1995 Local Body Elections.

Nil to $ 9,999	42	20
$10,000 to $19,999	4	1
$20,000 to $29,999	5	7
$30,000 to $39,999	1	1
$40,000 to $49,999	2	2
$50,000 to $59,999	1	1
$60,000 to $69,999	1	1
$80,000 to $89,999	1	1
	57	**34**

Executive Remuneration

Total remuneration received by the executive officers is distributed across the following bands.

	Executive Officers 1996	Executive Officers 1995
$ 90,000 to $ 99,999	1	3
$100,000 to $109,999	3	2
$110,000 to $119,999	1	2
$120,000 to $129,999	2	-
$130,000 to $139,999	1	1
$140,000 to $149,999	-	-
$150,000 to $159,999	-	-
$160,000 to $169,999	-	1
$170,000 to $179,999	1	-
	9	**9**

Remuneration to Chief Executive Officer

The General Manager of the Wellington Regional Council, appointed under section 119C(1)(a) of the Local Government Act 1974, receives a salary of $125,000.

In terms of his contract, the General Manager is entitled to the following additional benefits:

Nature of Benefit	Remuneration 1996 $	Remuneration 1995 $
Salary	125,000	120,000
Motor Vehicle	11,583	11,486
Superannuation	15,000	14,400
Medical Insurance	3,000	3,000
Life Insurance	1,392	1,392
Professional Fees	1,500	1,500
Representative Allowance	3,000	3,000
Telephone Allowance	444	444
Bonus Paid if Performance Objectives Achieved	12,000	9,000
	172,919	**164,222**

For the year ended 30 June 1996 the total annual cost, to the Wellington Regional Council of the remuneration package being received by the General Manager is calculated at $172,919.

NOTE 21
Information in Relation to the Cost to a Local Authority of any Severance Agreement Between a Local Authority and any Employee

The Wellington Regional Council has not entered into any severance agreements with any of its employees during the financial year ended 30 June 1996 that exceeded $50,000.

NOTE 22
Reconciliation of Operating Surplus With Cash Flow From Operating Activities

	Group 1996 $000s	Group 1995 $000s	Council 1996 $000s	Council 1995 $000s
Operating Surplus	11,433	7,224	8,455	4,551
Add Non-cash Items				
Depreciation	9,117	8,575	5,670	5,353
Writedown of Investments	-	5,113	46	2,943
Current Account Movement - Pringle House Group	-	-	360	4,032
Increase in Future Tax Benefit	896	(1,792)	-	-
Add (Less) Movements in Working Capital				
Decrease (Increase) in Accounts Receivable	(569)	(3,066)	(1,176)	(2,817)
Decrease (Increase) in Stock	52	68	(222)	15
Increase (Decrease) in Accounts Payable	(5,005)	4,694	(2,402)	2,842
Increase (Decrease) in Employee Provisions	(398)	66	5	66
Increase (Decrease) in Tax Payable	(1,000)	480	-	-
Add (Less) Items Classified as Investing Activities				
Increase in Accounts Payable Related to Fixed Assets	379	758	451	686
Net Loss on Sale of Fixed Assets	(273)	(238)	(204)	(238)
Asset Revaluations	466	-	466	-
Repayment of Loan in Subsidiary	-	-	-	(3,293)
Profit on Sale of Shares	-	102	-	102
Add (Less) Items Classified as Financing Activities				
Receipt of Term Trade Receivable	-	(25)	-	-
Net Cash Flow From Operating Activities	**15,098**	**21,959**	**11,449**	**14,242**

NOTE 23
Related Parties

The Council owns 100 percent of the shares in Pringle House Finance Limited and 10/13ths of the shares of the Port of Wellington Limited. Councillor H R Loader is a Director of Loader Engineering Limited and Wellington Regional Council Chief Executive, H J Stone, is a Director of Port of Wellington Limited

During the year transactions between the Council and related parties included:

	Council 1996 $000s	Council 1995 $000s
Port of Wellington Limited		
Income from Use of Navigational Facilities	550	550
Income from Convertible Notes	704	-
Income from Dividends	2,350	1,845
Expense for Rental and Services	(89)	(54)
Pringle House Limited		
Income from Management Services Provided	100	100
Income from Subvention Payment	510	1,353
Expense for Rent of The Regional Council Centre	(992)	(1,748)
Loader Engineering Limited		
Expense for Engineering Services	(17)	(19)

H J Stone receives $17,500 Director's remuneration from Port of Wellington Limited.

All transactions with related parties have been carried out on normal commercial terms.

NOTE 24
Equal Employment Opportunities Programme 1996/97

The Wellington Regional Council is committed to providing a work place environment based on equal employment opportunities (EEO).

The Council will implement policies and programmes designed to ensure that all appointments, promotions, rewards and work programmes are based on demonstrated job competence, relevant skills, qualifications and individual potential, regardless of colour, race, ethnic or national origin, sex, marital status, religious or ethical belief, sexual orientation, age, disability, family status, political opinion or employment status.

During 1995/96 the Council put considerable effort into developing a *Charter* of Values and Principles. One section of the Charter deals with how we treat each other and respecting differences. The Charter will be the basis of follow up detailed policy and practice development in 1996/97.

NOTE 25
Financial Summaries and Statements of Service Performance for Significant Activities

The following notes 26 to 45 on pages 36 to 99 detail the activities or collection of activities which the Council believes are distinct from others and should be reported separately.

Statement of Service Performance

The performance targets and achievements detailed in this Annual Report are believed to represent an appropriate selection of targets for each significant activity.

Each year the Council undertakes an extensive review of activities and achievements at the half year. This six monthly review provides the Council the opportunity to reconsider targets set in the Annual Plan. In some instances it may be considered inappropriate to proceed with some projects or additional projects may be added. Also completion dates may change because of altered priorities.

Any variations on performance achieved are commented upon under the heading `Actual Performance'.

The key element of setting and measuring service performance is that of quality. This is also the most difficult to define, set and measure. The approach adopted by this Council is hierarchical in nature. In setting the performance indicator the ideal measure is that which is externally set and measured. However, that is, in many instances, not possible. The hierarchy used is given below, with the top approach being the most desirable selection, if that is not possible then the next level is set and so on.

External measure with performance externally set and measured.

External measure with performance internally set and measured.

Internal measure with performance internally set and measured by either:

- Council approval
- Council policy or plan
- Satisfaction of manager.

The performance indicators are used to attempt to measure the success in achieving the overall objectives. The sum of the overall objectives is set to meet the total outcome defined in the role.

Financial Summaries

The financial summaries for each activity show a comparison of revenue, expenses, capital expenditure and funding sources against the Annual Plan projected numbers. How funds were applied to each significant activity is also detailed.

A net funding surplus represents overall savings in an activity after allowing for debt provisioning and reserve transfers. A new funding deficit reflects total costs exceeded funds available and would need to be accounted for from within the Council's overall surplus, cash or debt requirements.

RESOURCE POLICY AND PLANNING

ROLE: To promote the sustainable management of the Region's environment through well informed and integrated planning and policy development, in accordance with the Regional Policy Statement and the Resource Management Act 1991.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To promote the sustainable management of the natural and physical resources of the Region through the provision of effective policies and plans.	The Regional Policy Statement is implemented according to the Department's responsibilities outlined in the implementation plan, within budget and to the satisfaction of the Council.	Achieved. This work was completed and a report was presented to and accepted by the Environment Committee on 20 June 1996. Actual cost was $4,376 (budget $79,533).
	The statutory approval process for the Proposed Regional Coastal Plan is carried out within budget and to the satisfaction of Council.	Achieved. In compliance with the statutory approval process, hearings on the Plan were held on schedule during May 1996. On completion of the hearings, work commenced on assisting the Hearings Committee with the preparation of decisions for recommendation to Council. Actual cost was $66,035 (budget $130,635).
	The statutory approval process for the Proposed Regional Discharges to Land Plan is carried out within budget and to the satisfaction of Council.	Achieved. In compliance with the statutory approval process, a summary of submissions was notified on 29 July 1995. Further submissions were sought up until 1 September 1995. Since that time approximately 400 officer reports have been prepared in anticipation of hearings in October 1996. Actual cost was $26,508 (budget $65,904).
	The statutory approval process for the Proposed Regional Air Quality Management Plan is carried out within budget and to the satisfaction of Council.	Achieved. In compliance with the statutory approval process, submissions closed on 22 September 1995. A summary of submissions was notified on 2 December 1995 and further submissions sought up until 9 February 1996. Actual cost was $13,382 (budget $53,559).
	By June 1996 a draft Regional Freshwater Plan is completed within budget and to the satisfaction of Council.	Achieved. The draft Regional Freshwater Plan was approved for public release by Council at its meeting on 10 October 1995. Further, a Tradable Permits Policy paper was endorsed by the Environment Committee on 15 February 1996. Actual cost was $155,115 (budget $210,135).

RESOURCE POLICY AND PLANNING (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
	By June 1996 a draft Regional Soil Plan is completed within budget and to the satisfaction of Council.	Achieved. The draft Regional Soil Plan was approved by Council on 21 May 1996 and released for public comment on 8 June 1996. Actual cost was $42,925 (budget $82,788).
	By June 1996 a draft Regional Landscape Plan is completed within budget and to the satisfaction of Council.	Achieved. The draft Regional Landscape Plan was approved by Council on 29 June 1996. Actual cost was $48,190 (budget $67,721).
	By December 1995 a strategy for achieving an acceptable level of risk from seismic and geological hazards is completed which is within budget and acceptable to Council.	Achieved. The Earthquake and Geological Hazard Mitigation Strategy was approved by Council on 12 December 1995. Additionally, a set of comprehensive earthquake hazard maps was produced and presented to the Environment Committee on 20 June 1996. Actual cost was $97,591 (budget $137,971).
To ensure that the Council and the regional community are kept well informed about the environmental status of the Region and the suitability and effectiveness of regional policies and plans.	*A report of the specified programmes in the Regional Monitoring Strategy is completed within budget and to the satisfaction of Council*	*Achieved. A report on the specified monitoring programmes in the Regional Monitoring Strategy was presented to and accepted by the Environment Committee on 20 June 1996. Actual cost was $11,501 (budget $16,394).*
To assist the Council to take account of the principles of the Treaty of Waitangi.	The Inter-iwi Representative group meets four times a year.	Achieved. Meetings were held on 21 September 1995, 14 December 1995, 6 March 1996 and 5 June 1996.
The Department, other Council departments and, where appropriate, the regional community are provided with high quality and timely Geographic Information Systems (GIS) services.	*Ninety percent of client feedback forms, which accompany every completed GIS job, state that the work was completed within specified time frames and budgets, and to a satisfactory standard.*	*Achieved. The client feedback forms indicated that, out of 79 jobs with specified deadlines, 97 percent were completed within the set time frame. Further, 97 percent of those responding to the client survey were satisfied with the service provided. Of the 35 quoted fixed cost jobs, 94 percent were completed within the set budget.*
	NB: All work to be subject to the Department's quality control process.	All work complied with the Department's internal quality standards.

NOTE 26 (continued)

RESOURCE POLICY AND PLANNING Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Regional Policies and Plans	1,484	1,064
Information and Monitoring	179	146
Advisory Services	281	304
Iwi Participation	135	99
Geographic Information System	166	159
Funds Applied to Major Activities	**2,245**	**1,772**

COST OF CAPITAL ($000s)		4

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	2,174	2,174
Other Rates	-	-
Government Subsidies	-	-
Investment Revenue	-	-
Other Revenue	71	41
Total Revenue	2,245	2,215
Applied to:		
Operating Expenditure	2,236	1,735
Less Non-funded Items	(6)	(1)
Net Operating Expenditure	2,230	1,734
Capital Expenditure	15	38
Total Funds Applied to Activities	2,245	1,772
Net Funds From Activities	**0**	**443**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	-	-
Transfer to Reserves	-	-
Funds Applied to Financing Activities	0	0
Net Funds From Financing Activities	0	0
Net Funding Surplus/(Deficit)	**0**	**443**

NOTE 27

RESOURCE CONSENTS AND INVESTIGATIONS

ROLE: To promote the sustainable management of the Region's environment by identifying and controlling the effects of activities.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To promote the sustainable management of natural and physical resources, and to resolve conflicts between resource users through the consents granting process.	Consent applications are processed according to the Resource Management Act 1991 within statutory time frames and with appropriate records available.	Ninety-two out of 282 applications fell outside the statutory time frames specified by the Resource Management Act 1991. Achievement rate is 67 percent.
To promote the sustainable management of natural and physical resources through monitoring, supervision and control of resource uses, and the promotion of wise resource management practices.	*Each new resource consent is inspected within three months of the consent decision taking effect.*	*In total 177 new resource consents were inspected, seven of which (air discharge consents) were not inspected within three months of the consent decision taking effect. This represents a 96 percent achievement rate.*
	Develop a programme for enhancing Council compliance monitoring, by March 1996, to the satisfaction of the Environment Committee.	*Achieved. A programme was developed and accepted by the Environment Committee on 15 February 1996.*
	An up-to-date record of written complaints and notified pollution incidents and responses is maintained and available for inspection.	*Achieved. An up-to-date record of all complaints and notified pollution incidents and responses is maintained. All reported incidents were investigated as required.*
To provide consistently reliable and timely information and services relating to the Region's hydrological resources.	Not more than three percent of the hydrological record per station per year is lost due to circumstances under our control.	Achieved. The management and control of hydrological data was maintained within the set three percent tolerance level. Of the 1.9 percent of hydrological records per section irretrievably lost, 0.8 percent was due to circumstances under our control.
	Produce annual reports on: • Hydrology, by December 1995 • Freshwater Quality, by August 1995 • Coastal Water Quality, by May 1996 to the satisfaction of the Divisional Manager, Environment.	The following reports were produced: • Hydrology - January 1996 (audited December 1995) • Freshwater Quality - September 1995 • Coastal Water Quality - May 1996 to the Divisional Manager's satisfaction.

RESOURCE CONSENTS AND INVESTIGATIONS Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Consents Management	877	889
Compliance	1,535	1,034
Hydrology Services	1,144	1,211
Funds Applied to Major Activities	**3,556**	**3,134**

COST OF CAPITAL ($000s)		38

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	2,320	2,320
Other Rates	-	-
Government Subsidies	-	-
Investment Revenue	-	22
Other Revenue	1,236	882
Total Revenue	3,556	3,224
Applied to:		
Operating Expenditure	3,537	3,107
Less Non-funded Items	(16)	(15)
Net Operating Expenditure	3,521	3,092
Capital Expenditure	35	42
Total Funds Applied to Activities	3,556	3,134
Net Funds From Activities	**0**	**90**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	-	-
Transfer to Reserves	-	241
Funds Applied to Financing Activities	0	241
Net Funds From Financing Activities	0	(241)
Net Funding Surplus/(Deficit)	**0**	**(151)**

HARBOUR MANAGEMENT AND CONTROL

ROLE: To provide and implement plans and policies to ensure a clean, well-regulated and safe environment for navigation and recreation within harbour waters.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To provide a safe environment for navigation within Wellington regional harbours.	Any electrically defective navigation aid is repaired and back in service within 24 hours, and repair details recorded.	Achieved. A log is kept monitoring the down time of all navigational aids. During the period all navigational aids requiring electrical service were repaired within the target response time of 24 hours. Such details routinely reported to Council.
	The operational status of main navigation lights is checked every three hours during the hours of darkness by use of a formal check list.	Achieved. In the reporting period a daily check list was maintained recording the operation of all navigational aids during the hours of darkness. Further, all irregularities and potential mechanical defects were highlighted for corrective action.
To maintain effective control and monitoring of vessels using the harbour.	*A 24 hour per day, 365 day per year service is maintained in accordance with industry standards.*	*Achieved. A daily log recorded all shipping movements and incidents during the period in order to maintain effective control and monitoring of vessels using the harbours. All major incidents formally reported to Council.*
To maintain adequate equipment and plans for rapid response to oil pollution and other emergencies in harbour and regional coastal waters.	Any reports of oil spills in harbour waters checked within 30 minutes and incident details are formally recorded.	Achieved. During the period all reported oil spills in harbour waters were checked and responded to within 30 minutes and a record raised detailing the event.
	Any actual oil spills have the appropriate clean up action commence within one hour of the occurrence and operations undertaken are formally recorded for cost recovery and prosecution purposes.	Achieved. In the past year no major oil spill occurred requiring a full clean up and recovery exercise. The Council undertook legal action against a local authority for a pollution event, which was detected sometime after the original occurrence. Minor spills were attended to within target response times.
	As above, but within three hours for area Otaki to Castlepoint.	Achieved. There was no reported oil spill in the coastal area of Otaki to Castlepoint during the year.
	In conjunction with other emergency services and government agencies, attend planning meetings and participate in or organise emergency exercises. Review standard response manuals and update where required.	Achieved. Regular meetings and exercises were held with other emergency services and government agencies during the period. Manuals were updated as required. Three oil spill exercises were conducted during the year.
To ensure that all harbour users' actions are safe and harmonious with others.	*Provide a 24 hour response availability for harbour emergencies. Each call out to be investigated by Harbour Ranger or referred to an appropriate authority.*	*Achieved. A 24 hour recreational response service maintained, all call outs attended to in the first instance by a harbour ranger and if required referred to the appropriate authority.*

HARBOUR MANAGEMENT AND CONTROL Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Navigational Aids	260	316
Beacon Hill Signal Station	410	429
Emergency Services	129	169
Recreation Services	155	140
Harbour Master Duties	149	142
Funds Applied to Major Activities	**1,103**	**1,196**

COST OF CAPITAL ($000s)		129

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	547	547
Other Rates	-	-
Government Subsidies	-	24
Investment Revenue	3	10
Other Revenue	635	670
Total Revenue	1,185	1,251
Applied to:		
Operating Expenditure	1,129	1,169
Less Non-funded Items	(59)	(59)
Net Operating Expenditure	1,070	1,110
Capital Expenditure	33	86
Total Funds Applied to Activities	1,103	1,196
Net Funds From Activities	**82**	**55**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	23
Funds From Financing Activities	0	23
Applied to:		
Debt Provisioning	-	-
Transfer to Reserves	82	90
Funds Applied to Financing Activities	82	90
Net Funds From Financing Activities	(82)	(67)
Net Funding Surplus/(Deficit)	**0**	**(12)**

NOTE 29

CIVIL DEFENCE

ROLE: To promote and enhance regional emergency awareness, co-ordination and response through well-informed and integrated mitigation, preparedness, response and recovery programmes.

OVERALL OBJECTIVES

To contribute to the reduction of regional exposure to identified threats by active participation in mitigation, awareness and development programmes.

To ensure that the Region has a response organisation capable of achieving a professional, sustained and effective operation during any civil defence emergency that affects the Region.

PLANNED OUTPUTS

PERFORMANCE INDICATORS

Complete by June 1996, within budget, those tasks defined in the Department's published mitigation policy to the satisfaction of the Regional Controller.

Complete by June 1996, with the agreement of all territorial authority civil defence/emergency management organisations, a draft five year strategy to inform the public of natural hazards within the Region to the satisfaction of the Regional Controller and two senior regional emergency service liaison officers.

By March 1996 publish, in written form, the agreed roles and responsibilities of all the key regional response organisations to the satisfaction of the Regional Controller and two senior emergency service liaison officers.

By June 1996 develop a corporate disaster response plan, to the satisfaction of the Regional Controller and the Divisional Manager, Environment.

By June 1996 complete to the satisfaction of the Regional Controller a comprehensive report that looks at all facets of disaster preparedness and awareness, and surveys the major client/partner groups and organisations of the Department, and makes recommendations for future development.

Maintain and operate, in accordance with the Department's guidelines, the Regional Emergency Communication System, and by March 1996 submit a report detailing the operational status of each communications site to the satisfaction of the Regional Controller.

ACTUAL PERFORMANCE

Achieved. Tasks under the mitigation policy were completed to the satisfaction of the Regional Controller on 12 March 1996. Actual cost was $24,237 (budget $30,796).

The draft five year strategy has been deferred pending the outcome of a review of the future direction of the Council's emergency management function.

Achieved. Surveys were sent to 65 response organisations and the agreed roles and responsibilities compiled in March 1996 to the satisfaction of the Regional Controller and two senior emerency service liaison officers.

A draft corporate disaster plan was advanced by 30 June 1996 to the satisfaction of the Regional Controller and the Divisional Manager, Environment. Further work to finalise the Plan will occur during the 1996/97 year.

In fulfilment of this performance indicator a draft preparedness programme report and the Civil Defence marketing overview were prepared to the satisfaction of the Regional Controller in May 1996.

Achieved. The Regional Emergency Communication System has been maintained in accordance with the Department's guidelines. The Regional Controller approved a report detailing the operational status of each communication site on 12 March 1996.

CIVIL DEFENCE (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS	ACTUAL PERFORMANCE
	PERFORMANCE INDICATORS	
	Every emergency request and official warning is to be documented and responded to in accordance with the procedures defined in the Regional Duty Officers' Manual.	*Achieved. A total of 51 written warnings plus verbal warnings were issued, in the main, covering potential flooding following periods of heavy rain. Additionally, 55 updates on Mount Ruapehu eruptions were processed. All were actioned in accordance with the procedures defined in the Regional Duty Officers' Manual.*
	Publish internally, by August each year, an annual training programme and report on the achievements to the satisfaction of the Regional Controller by June 1996.	*Achieved. A training programme was published in July 1995 and a report on the achievements was approved by the Regional Controller on 12 March 1996.*
	Design and run two civil defence tabletop exercises, to the satisfaction of the Regional Controller and two senior emergency service liaison officers, by May 1996.	*Achieved. Tabletop exercises were conducted on 8 December 1995 and 4 March 1996. The exercises were evaluated by the Police and approved to the satisfaction of the Regional Controller in March 1996.*
To ensure a rapid and effective recovery operation can be co-ordinated throughout the Region following any major civil defence emergency.	Run, to established standards, a regional activity on an aspect of disaster recovery that further enhances knowledge and understanding of the topic. This activity to have been held by June 1996.	Achieved. A workshop for all interested parties was held on 11 September 1995.

NOTE 29 (continued)

CIVIL DEFENCE Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Mitigation	73	89
Preparedness	164	120
Response	231	170
Recovery	96	65
Funds Applied to Major Activities	**564**	**444**

COST OF CAPITAL ($000s)		27

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	586	586
Other Rates	-	-
Government Subsidies	47	43
Investment Revenue	5	4
Other Revenue	10	5
Total Revenue	648	638
Applied to:		
Operating Expenditure	646	526
Less Non-funded Items	(82)	(82)
Net Operating Expenditure	564	444
Capital Expenditure	-	-
Total Funds Applied to Activities	564	444
Net Funds From Activities	**84**	**194**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	84	61
Transfer to Reserves	-	-
Funds Applied to Financing Activities	84	61
Net Funds From Financing Activities	(84)	(61)
Net Funding Surplus/(Deficit)	**0**	**133**

NOTE 30

RIVER MANAGEMENT AND FLOOD PROTECTION

ROLE: To provide quality river management in response to the needs of the people in the western area of the Wellington Region.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To ensure the ongoing maintenance and effectiveness of waterways land and assets.	All Wellington maintenance operations completed during the year within budget and in accordance with the Department's quality assurance policy and statutory requirements. $1,063,734	Wellington maintenance operations were completed in accordance with revised programme, quality assurance policy and statutory requirements. Additional expenditure for Belmont works funded from flood contingency and gravel income and for Marsden bend works funded by The Hutt City Council. $1,182,157
	All Kapiti maintenance operations completed during the year within budget and in accordance with the Department's quality assurance policy and statutory requirements. $395,150	Maintenance programme completed within budget in accordance with quality assurance policy and statutory requirements. Minor Otaki River channel works were deferred due to reprioritisation. $364,104
	One thousand five hundred tonnes of rock rip-rap for maintenance of river edge protection for the Hutt River supplied by 30 June 1996 within budget and to specification. $74,000	Six thousand one hundred tonnes of rock rip-rap purchased to specifications including 5,600 tonnes for Belmont bank protection works to repair November 1994 flood damage. $191,146
	Eight hundred tonnes of rock rip-rap for maintenance of river edge protection for the Otaki River supplied by 30 June 1996 within budget and to specification. $43,200	Achieved. Eight hundred and twenty tonnes of rock rip-rap purchased for Otaki River maintenance by 30 June 1996 within budget and to specification. $27,945
To enhance the quality of riverside environments for environmental and recreational purposes.	*Twenty thousand units of vegetative material planted in the Hutt River within budget and to programme.* *$43,000*	*Achieved. Twenty-two thousand nine hundred units ot vegetative material planted in the Hutt River within budget and to programme.* *$40,779*
	Ten thousand units of vegetative material planted in the Otaki and Waikanae Rivers within budget and to programme. *$19,600*	*Achieved. Twelve thousand eight hundred units of vegetative material planted in the Otaki and Waikanae Rivers within budget and to programme.* *$16,177*

RIVER MANAGEMENT AND FLOOD PROTECTION (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To ensure that the community has timely warning of floods.	Appropriate flood warnings given within one hour of receipt. $21,500	Achieved. Appropriate flood warnings given within one hour of receipt. $11,191
To ensure that management plans which have had adequate community input are in place for all floodplains.	*Complete Phase 1 investigations report for the Hutt River within budget and accepted by the Landcare Committee by 30 June 1996. $157,750*	*Draft Phase 1 Investigations Summary Report for the Hutt River complete. The report will be finalised and reported to the Landcare Committee by December 1996. $139,200*
	Complete Phase 3 investigations report for the Otaki River, with public consultation, within budget and accepted by the Landcare Committee by 30 June 1996. $222,000	*Achieved. Phase 3 Investigations Report for the Otaki River completed, with public consultation within budget and measures approved by the Landcare Committee on 11 June 1996. $200,762*
	Complete the draft Waikanae Floodplain Management Plan, with public consultation, within budget and report to the Landcare Committee by 30 June 1996. $80,000	*Draft Waikanae Floodplain Management Plan complete with public consultation and reported to the Landcare Committee on 11 June 1996. $83,183*
	Waiwhetu Stream Flood Hazard Assessment Report completed within budget and accepted by the Landcare Committee by 31 May 1996. $45,700	*Waiwhetu Stream Flood Hazard Assessment Report completed within budget and accepted by the Landcare Committee on 11 June 1996. $35,061*
To progressively assist the regional community to have sustainable protection from the effects of floods to a standard set by an informed community.	Complete construction of the Ewen Floodway river works and contribute to the construction of the landscape works within the approved budget, by 30 June 1996, while satisfying the requirements of the Project Quality Plan and the river works resource consents to the satisfaction of the Ewen Floodway Joint Control Committee. $1,760,500	Achieved. Ewen Floodway Project reached practical completion and contribution made to construction of landscape works within approved budget by 30 June 1996. Works completed in accordance with Project Quality Plan and the river works resource consents to the satisfaction of the Ewen Floodway Joint Control Committee. $1,602,761
	Complete flooding easement survey for Stebbings Dam within budget by 31 December 1995 to approved engineering standards. $21,000	Stebbings Dam Flooding Easement Survey completed March 1996 within budget to approved engineering standards. $17,674
	Note: All work subject to the Department's quality assurance policy.	All work completed in accordance with the Department's quality assurance policy.

RIVER MANAGEMENT AND FLOOD PROTECTION Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Operations and Maintenance - Wgtn	1,281	1,557
Operations and Maintenance - Kapiti		
Operations and Maintenance - Other	504	535
Advisory Services	229	222
Policy Development	243	282
Hutt River - Design/Build	114	53
Ewen Floodway - Build	1,013	972
Otaki - Design/Build	2,542	2,389
Waikanae - Design/Build	540	533
Porirua - Design/Build	535	387
Other Projects - Design/Build	636	625
	118	100
Funds Applied to Major Activities	**7,755**	**7,655**

COST OF CAPITAL ($000s)		4,109

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	4,323	4,323
Other Rates	1,126	1,126
Government Subsidies	-	2
Investment Revenue	133	186
Other Revenue	1,257	1,343
Total Revenue	6,839	6,980
Applied to:		
Operating Expenditure	5,385	5,635
Less Non-funded Items	(382)	(364)
Net Operating Expenditure	5,003	5,271
Capital Expenditure	2,752	2,384
Total Funds Applied to Activities	7,755	7,655
Net Funds From Activities	**(916)**	**(675)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	1,684	1,451
Transfer From Reserves	-	150
Funds From Financing Activities	1,684	1,601
Applied to:		
Debt Provisioning	713	776
Transfer to Reserves	55	116
Funds Applied to Financing Activities	768	892
Net Funds From Financing Activities	916	709
Net Funding Surplus/(Deficit)	**0**	**34**

NOTE 31

RECREATION AND REGIONAL PARKS

ROLE: The management of the Council's regional park areas provides recreational access to and landscape protection for important natural features within the Region.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
High level of visitor satisfaction from people using regional parks and recreation areas.	Park visitor satisfaction will be recorded through registering letters of compliment/complaint. Letters of complaint not to exceed 20 percent of compliments.	Achieved. Twenty-seven letters of compliment and three letters of complaint were received. Letters of complaint were 11 percent versus compliment.
	Maintenance of all picnic areas, roads, tracks, bridges, signs, buildings, fences and revegetation areas throughout the year to Park Maintenance Manual standards and budget. $1,642,646	All Priority One maintenance standards achieved as set out in the Park Maintenance Manual. Some Priority Two maintenance deferred, mainly due to the commencement of the higher priority, unbudgeted, Walkway Structures Upgrade Programme approved by Council. $1,578,969
Regional park and recreation services are provided to a professional standard.	*Water supply facilities at Battle Hill Farm Forest Park upgraded to potable drinking standard by March 1996 and to budget.* *$28,000*	*Achieved. Water supply facilities upgraded by March 1996 to potable drinking standard and to budget. $23,902*
	Ranger's office at Stratton Street, Belmont Regional Park, completed to architect's specifications and building consent standards by April 1996 and to budget. $42,000	*Ranger's office completed in June 1996 to architect's specifications and building consent standards. $42,821*
	Houses at Baring Head, East Harbour Regional Park, refurbished to specifications and building standards by June 1996 and to budget. $36,000	*Programme for housing upgrade reviewed to include upgrade of water supply originally programmed for the 1996/97 financial year. Revised programme completed to specifications and building standards on time and to budget. $34,557*
To promote awareness of park values and recreation opportunities to the community.	Visitor numbers will be maintained to at least current levels throughout the year and will be recorded monthly.	Achieved. Visitor numbers have remained relatively static with a 0.1 percent increase in the year . Visitor numbers were recorded monthly.

	94/95	95/96	% Change
Belmont Regional Park	94,463	93,309	-1.22
Battle Hill Farm Forest Park	68,024	60,089	-11.66
Kaitoke Regional Park	99,747	102,203	2.46
Queen Elizabeth Park	372,118	372,100	0
Rimutaka Incline	32,887	30,885	-6.08
Tunnel Gully	50,603	60,166	+18.89
Total All Parks	**717,842**	**718,752**	**+0.12**

RECREATION AND REGIONAL PARKS (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
	Marketing strategy completed to approval of Landcare Committee and to budget by February 1996. $20,000	Marketing strategy funding was reapplied to unbudgeted Walkway Structures Upgrade Programme as approved by the Landcare Committee. $10,386

RECREATION AND REGIONAL PARKS Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Battle Hill Farm Forest Park	506	538
Belmont Regional Park	447	438
Kaitoke Regional Park	372	354
Queen Elizabeth Park	628	611
East Harbour Regional Park	60	71
Recreation Areas	517	505
Recreation and Landscape Planning	184	203
Promotions	231	160
Trails	31	9
Landscape and Recreational Services	43	41
Work Schemes	205	217
Funds Applied to Major Activities	**3,224**	**3,147**

COST OF CAPITAL ($000s)		174

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	2,507	2,507
Other Rates	-	-
Government Subsidies	242	193
Investment Revenue	39	57
Other Revenue	300	287
Total Revenue	3,088	3,044
Applied to:		
Operating Expenditure	2,954	2,896
Less Non-funded Items	(88)	(66)
Net Operating Expenditure	2,866	2,830
Capital Expenditure	358	317
Total Funds Applied to Activities	3,224	3,147
Net Funds From Activities	**(136)**	**(103)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	229	194
Transfer From Reserves	-	20
Funds From Financing Activities	229	214
Applied to:		
Debt Provisioning	60	53
Transfer to Reserves	33	58
Funds Applied to Financing Activities	93	111
Net Funds From Financing Activities	136	103
Net Funding Surplus/(Deficit)	**0**	**0**

NOTE 32

CONSERVATION FORESTRY

ROLE: Preserve and protect water collection areas and other indigenous forest areas owned by Council in the Wellington Region, and support a rural fire service for the western part of the Region.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To ensure the protection and enhancement of native vegetation growth.	Maintain roads and tracks so that access is possible for suitably equipped four wheel drive vehicles for 99 percent of the time in the summer and 95 percent during winter, within a budget of $40,000.	Achieved. Roads and tracks maintained so that access was possible for suitably equipped four wheel drive vehicles at all times during the year at a cost of $21,295.
	Assess the botanical condition of the catchments according to industry standards and to the satisfaction of the Manager, Bulk Water, within a budget of $30,200.	Achieved. Botanical condition of catchments assessed according to industry standards (certified by Landcare Research), to the satisfaction of the Manager, Bulk Water, at a cost of $27,919.
To enable the management of the rural fire control function within the gazetted rural fire district and agency areas.	*Ensure that the various human and mechanical resources remain ready for fires so that they can meet the Code of Practice requirements in all respects, within a budget of $81,000.*	*Achieved. Human and mechanical resources were available for fires to meet the Code of Practice requirements in all respects (as evidenced by passing the NRFA audit) at a cost of $45,345.*

CONSERVATION FORESTRY Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Indigenous - Forest Operations	421	444
Indigenous - Catchment Operations	193	142
Rural Fire District	437	307
Funds Applied to Major Activities	**1,051**	**893**

COST OF CAPITAL ($000s)		
		149

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	704	704
Other Rates	-	-
Government Subsidies	-	-
Investment Revenue	18	17
Other Revenue	358	380
Total Revenue	1,080	1,101
Applied to:		
Operating Expenditure	1,027	929
Less Non-funded Items	(51)	(30)
Net Operating Expenditure	976	899
Capital Expenditure	75	(6)
Total Funds Applied to Activities	1,051	893
Net Funds From Activities	**29**	**208**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	12	12
Transfer to Reserves	17	79
Funds Applied to Financing Activities	29	91
Net Funds From Financing Activities	(29)	(91)
Net Funding Surplus/(Deficit)	**0**	**117**

NOTE 33

PLANTATION FORESTRY

ROLE: To protect and enhance the Council's metropolitan plantation forests and maximise their profitability.

OVERALL OBJECTIVES	PLANNED OUTPUTS	ACTUAL PERFORMANCE
	PERFORMANCE INDICATORS	
The addition of value to Council's plantation forests while balancing profit maximisation objectives with soil and water conservation and recreational use.	To achieve an income of $1.312M assuming prices do not reduce from 1994/95 levels	Log prices fell in March 1996. Actual income amounts to $1.0M. 1994/95 level of prices were, on average, $52 per tonne. This fell to $43 per tonne in March 1996. Actual logging volumes 21,000 tonnes, budget logging volumes 24,000 tonnes.
	To complete the planned silvicultural work on the Council's metropolitan plantation forests to industry accepted quality standards, within a budget of $388,000.	Achieved. Actual cost was $369,523. All programmed silviculture completed to industry accepted standards.
	To carry out foliage analysis over three compartments of Pakuratahi Forest, plus up to five compartments of Puketiro and Valley View Forests according to NZFRI standards, and apply 5 tonnes of phosphate fertiliser within a budget of $52,000.	Foliage analysis was completed at a cost of $17,548. The application of fertiliser has been held over to spring on advice of consultants.

PLANTATION FORESTRY Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Plantation Development and Maintenance	1,288	1,256
Roading	250	-
Funds Applied to Major Activities	**1,538**	**1,256**

COST OF CAPITAL ($000s)	
	885

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Other Rates	-	-
Government Subsidies	-	-
Investment Revenue	7	18
Other Revenue	1,312	974
Total Revenue	1,319	992
Applied to:		
Operating Expenditure	1,288	1,231
Less Non-funded Items	-	-
Net Operating Expenditure	1,288	1,231
Capital Expenditure	250	25
Total Funds Applied to Activities	1,538	1,256
Net Funds From Activities	**(219)**	**(264)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	250	532
Transfer From Reserves	-	-
Funds From Financing Activities	250	532
Applied to:		
Debt Provisioning	31	32
Transfer to Reserves	-	7
Funds Applied to Financing Activities	31	39
Net Funds From Financing Activities	219	493
Net Funding Surplus/(Deficit)	**0**	**229**

NOTE 34

REGIONAL BIOSECURITY MANAGEMENT

ROLE: To provide for animal and plant pest management in the Wellington Region, including the management of animal pests at levels and by methods which do not cause economic and environmental damage, and management of the Regional Noxious Plants Programme.

OVERALL OBJECTIVES

To reduce the incidence of Bovine tuberculosis in farmed cattle and deer, and to undertake surveillance and monitoring to establish the effectiveness of Bovine tuberculosis vector control programmes.

To control possums, hares, rabbits and rooks to levels that are not a significant threat to agriculture, horticulture, forestry or the environment.

PLANNED OUTPUTS

PERFORMANCE INDICATORS

Complete initial Bovine tuberculosis possum control operations to Council and Animal Health Board standards by 30 June 1996 at a cost not exceeding $891,600.

The initial control operations comprise:

- Three initial non-Crown Bovine areas totalling 65,427 hectares.
- Two initial operations on Crown land totalling 8,468 hectares.

Complete maintenance Bovine tuberculosis possum control operations to Council and Animal Health Board standards by 30 June 1996 at a cost not exceeding $1,815,700.

The maintenance control operations comprise:

- Committed maintenance programmes over nine areas totalling 82,266 hectares.
- Three new maintenance programmes over 20,565 hectares.
- Seven Crown maintenance programmes over 13,007 hectares.

Respond to requests within target times with subsequent action or control action undertaken in accordance with Council standards.

ACTUAL PERFORMANCE

Achieved. An expanded programme was approved in September 1995. A total of 91,230 hectares were completed to Council and Animal Health Board standards at a total cost of $1,040,900.

The initial control operations included:

- Five initial non-Crown areas totalling 88,190 hectares.
- Two initial Crown areas totalling 3,040 hectares.

An additional 17,335 hectares were completed under the expanded programme.

Achieved. Under the expanded programme a total of 143,545 hectares were maintained to Council and Animal Health Board standards at a total cost of $1,679,530.

The maintenance operation included:

- Committed maintenance programmes over 10 areas totalling 88,675 hectares.
- Four new maintenance programmes over 40,575 hectares.
- Eight Crown maintenance programmes over 14,295 hectares

An additional 27,707 hectares received maintenance control.
Achieved. Control of animal pests to approved standard levels of control, as determined in accordance with Council policy guidelines, was completed over 65,588 hectares at a total cost of $485,713.

REGIONAL BIOSECURITY MANAGEMENT (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To provide an appropriate level of control of the noxious plants identified in the Wellington Regional Council's Noxious Plants Control Programme.	Complete Plant Pest Management Strategies, obtain approval for operational plans from the relevant Ministers of the Crown and develop an appropriate rating system for pest plants in accordance with the Biosecurity Act by 30 June 1996 within a cost of $20,000.	Plant Pest Management Strategy was approved on 2 July 1996. The Operational Plan was deferred pending an amendment to the Biosecurity Act. Strategy rating system developed, revised and implemented. Total cost was $27,000.
	Complete initial inspections and investigate the control of all target plant sites with the exception of Wild Oat and Old Man's Beard before 30 January 1996. Undertake additional inspections, as required, to ensure control within a cost of $24,000.	Achieved. Inspection and control of 277 active plant sites were completed before 30 January 1996. Plant counts continue to decline each season, thus reducing inspection costs. Total cost was $19,500.
	Monitor widespread plants to ensure control is undertaken in accordance with the Regional Noxious Plants Programme. Ragwort areas to be completed by 31 March 1996 within a cost of $13,000. Monitoring of other widespread species to be completed by 30 June 1996 within a cost of $50,000.	Achieved. A total of 655 inspections were undertaken to ensure the control of widespread plants in accordance with the Regional Noxious Plants Control Programme. Total cost of $44,700. The Ragwort areas and monitoring of other widespread species were completed as programmed.
	Cover 33 percent of open rural land to locate unrecorded or potential noxious plants, within a cost of $30,000.	General inspections were completed over 79,000 hectares (12.5%). A lower than expected coverage of rural land has occurred due to staff involvement in the development of the Regional Pest Plant Management Strategy. Total cost was $22,000.
	Complete year four of the Wellington City Old Man's Beard control operations in accordance with the approved control programme within a cost of $80,000.	A total of 1,841 properties were inspected to locate infestations, resulting in 482 new sites being located and cleared. Total cost was $84,900.
To educate the public regarding noxious plants and the responsibility of land occupiers regarding their control.	*Continue occupier and public education on noxious plants identification and control by completing four school programmes, one major field day and one newspaper article per month, within a cost of $10,000.*	*Increased interest in plant identification and control information from the public. Additional staff resources were diverted to respond. Staff participated in four school programmes and four major field days. Monthly newspaper articles were provided. Total cost was $15,000.*

REGIONAL BIOSECURITY MANAGEMENT Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Pest Management - General	714	752
Pest Management - Bovine Tuberculosis -	1,519	1,637
Pest Management - Bovine Tuberculosis -	896	1,019
Noxious Plants Control	568	531
Funds Applied to Major Activities	**3,697**	**3,939**

COST OF CAPITAL ($000s)		
		52

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	1,798	1,798
Other Rates	633	638
Government Subsidies	150	114
Investment Revenue	9	42
Other Revenue	1,425	1,683
Total Revenue	4,015	4,275
Applied to:		
Operating Expenditure	3,663	3,916
Less Non-funded Items	(120)	(127)
Net Operating Expenditure	3,543	3,789
Capital Expenditure	154	150
Total Funds Applied to Activities	3,697	3,939
Net Funds From Activities	**318**	**336**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	-	-
Transfer to Reserves	318	327
Funds Applied to Financing Activities	318	327
Net Funds From Financing Activities	(318)	(327)
Net Funding Surplus/(Deficit)	**0**	**9**

NOTE 35

REGIONAL SOIL CONSERVATION

ROLE: To provide appropriate levels of protection and rehabilitation to erosion prone land, and promote the sustainable use of the Region's soils.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To promote the sustainable use of the Region's soil, and to reduce the incidence of land instability and soil erosion.	Completion of six catchment control scheme annual programmes within a total operating cost of $90,158 in accordance with scheme standards and to the satisfaction of ratepayers' advisory committees.	Six annual programmes were completed at a total actual operating cost of $93,400. Work was completed according to scheme standards and approved at ratepayers' advisory committee meetings.
	The completion of land stability and erosion control works under individual property conservation plan programmes to defined standards and within a total operating cost of $660,706.	Land stability and erosion control works completed to standard at a total cost of $490,200. Although all available poplar and willow poles from Akura Conservation Centre were fully utilised, the downturn in the agricultural economy and aversion to the Council's joint venture policy meant the outcome was 25 percent below budget.
	Consolidation and extension of rehabilitation works in gullies and streams within the Stoney Creek Soil Conservation Reserve at a cost of $27,401.	Achieved. Gravel retention structures and erosion control willow planting satisfactorily completed at a total cost of $27,400.

REGIONAL SOIL CONSERVATION Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Public Liaison	188	198
Resource Management Act and Consents	26	38
Investigations	205	240
Isolated Works	47	30
Property Conservation Works	666	528
Soil Conservation Schemes	91	115
Reserve Rehabilitation	28	25
Funds Applied to Major Activities	**1,251**	**1,174**

COST OF CAPITAL ($000s)	
	0

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	747	750
Wairarapa Scheme Rates	42	42
Government Subsidies	-	3
Investment Revenue	-	5
Other Revenue	463	417
Total Revenue	1,252	1,217
Applied to:		
Operating Expenditure	1,251	1,174
Less Non-funded Items	-	-
Net Operating Expenditure	1,251	1,174
Capital Expenditure	-	-
Total Funds Applied to Activities	1,251	1,174
Net Funds From Activities	**1**	**43**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	-	-
Transfer to Reserves	1	5
Funds Applied to Financing Activities	1	5
Net Funds From Financing Activities	(1)	(5)
Net Funding Surplus/(Deficit)	**0**	**38**

NOTE 36

WAIRARAPA RIVER MANAGEMENT

ROLE: To provide appropriate levels of protection within the Wairarapa from the hazards of flooding and river erosion.

OVERALL OBJECTIVES

To progressively assist the Wairarapa community to have sustainable protection from the effects of floods and river erosion to a standard set by an informed community.

PLANNED OUTPUTS

PERFORMANCE INDICATORS

Completion of six river management scheme annual programmes within a total operating cost of $1,119,242 in accordance with scheme standards and to the satisfaction of ratepayers' advisory committees.

Completion of Phase One of the Upper Ruamahanga River and Floodplain Investigation, including preparation of a Phase One *Issues* report.

ACTUAL PERFORMANCE

Six scheme programmes were completed within an overall actual operating cost of $1,162,200. This included unforeseen insurance costs of $30,971. Annual meetings and approval of works were achieved with ratepayers' advisory committees.

Achieved. Investigations were completed, culminating in the Phase One Issues Report published in November 1995.

WAIRARAPA RIVER MANAGEMENT Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Public Liaison	156	74
Resource Management Act and Consents	42	35
Investigation	347	277
Isolated Works	58	73
Rivers Schemes	1,159	1,310
Funds Applied to Major Activities	**1,762**	**1,769**
COST OF CAPITAL ($000s)		3,503

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	1,115	1,115
River Rates	8	8
Wairarapa Scheme Rates	680	698
Government Subsidies	-	99
Investment Revenue	81	51
Other Revenue	240	190
Total Revenue	2,124	2,161
Applied to:		
Operating Expenditure	1,762	1,762
Less Non-funded Items	-	-
Net Operating Expenditure	1,762	1,762
Capital Expenditure	-	7
Total Funds Applied to Activities	1,762	1,769
Net Funds From Activities	**362**	**392**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	74	77
Transfer to Reserves	288	365
Funds Applied to Financing Activities	362	442
Net Funds From Financing Activities	(362)	(442)
Net Funding Surplus/(Deficit)	**0**	**(50)**

NOTE 37

WAIRARAPA PLANNING AND RESOURCE MANAGEMENT

ROLE: To promote sustainable management through integrated planning and policy development, the issuing of resource consents, and investigation and monitoring of the natural and physical resources. To enhance regional disaster preparedness in the Wairarapa.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To promote sustainable management of the Wairarapa environment in water, land and air management planning.	Respond to statutory planning activities, including district plan reviews, in accordance with the Resource Management Act 1991, adhering to the time limits specified and to the Department's quality control guidelines, at a total cost of $25,682.	Achieved. One hundred and forty district council planning applications were reviewed, received and responded to within the Resource Management Act time limits and the Department's quality guidelines at a cost of $20,660.
	Complete the following to the Department's quality control guidelines at a total cost of $61,809 by 30 June 1996: • Research and provide general planning assistance in Phase One of the Upper Ruamahanga Scheme Review (Issues and Options). • Assist with the supply and co-ordination of information from the Wairarapa to the Regional Freshwater, Air Quality and Soils Plans. • Prepare and contribute on general and specific planning matters relevant to the Wairarapa Division, e.g., coastal management and land use matters.	Completed the following to the Department's quality control guidelines at a total cost of $44,402: • Achieved. Phase One of the Upper Ruamahanaga Scheme Review was completed on schedule. • Achieved. Information from the Wairarapa was provided to all regional plan documents. • Achieved. The Wairarapa Division provided contribution and consultation on many environmental planning issues. An appeal on the Riversdale Beach coastal hazard zone is still to be heard.
The promotion of sustainable management through the resource consent granting process in accordance with the Regional Policy Statement.	*Processing of all new consents, e.g., for water, air and land use activities, within statutory time frames for approval by the Rural Services and Wairarapa Committee by 30 June 1996 at a total cost of $118,831.*	*Achieved. A total of 328 consents were processed at a total cost of $118,797. Processing time averaged seven working days for non-notified consents. Totals include gravel consent processing and development of the new environment charging system. Consents were processed within statutory time frames and to the satisfaction of the Rural Services and Wairarapa Committee.*
	To provide information to the general public on consent granting procedures and issues to the satisfaction of the Department Manager at a total annual cost of $22,615.	*Achieved to the satisfaction of the Department Manager and at a total cost of $10,820. Iwi consultation policy is continuing to be progressed and developed.*

WAIRARAPA PLANNING AND RESOURCE MANAGEMENT (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
The avoidance of environmental contamination in the Wairarapa.	Completion of the following activities, including an annual report, by 30 June 1996 to the Department's quality control guidelines at a total cost of $184,700: • Agricultural waste inspections, including inspection reports, forwarded to resource users by 16 June 1996. • Air quality monitoring programme. • Compliance monitoring. • Riverbed monitoring programme.	The following activities were undertaken within the Department's quality control guidelines. (Actual expenditure was $194,069 due to additional legal costs incurred.) • Agricultural waste inspection annual report was forwarded to resource users by 27 May 1996. • Air quality report was provided to Council on 7 February 1996. • Compliance monitoring was completed. • All work programmes were completed except the establishment of the Mangatarere and Kaipaitongata networks.
	To respond to pollution incidents/enforcement matters to the satisfaction of the Department Manager at a total cost of $23,836.	Achieved. Seventy pollution complaints reponded to within the Department Manager's quality standards, at a total cost of $14,275.
Investigate and monitor the status of water and land within the Wairarapa.	*Manage the hydrological/hydrogeological data collection network such that less than two percent of the automatically recorded data is lost and 85 percent of the data is filed on TIDEDA within six months of collection at an annual cost of $191,354.*	*Achieved. 98.3 percent of the automatically recorded data was collected and 86 percent of data was processed and filed onto TIDEDA within six months of collection at a cost of $170,566.*
	To complete the following water quality monitoring programmes, including an annual report, to the satisfaction of the Manager, Planning and Resources, by 30 June 1996 at a total cost of $94,144: • *Baseline Water Quality of Wairarapa Rivers.* • *Coastal Water Quality.* • *Lake Wairarapa Water Quality.*	*The Lake Wairarapa Water Quality Monitoring Programme was temporarily suspended following a tragic accident. All other programmes were completed to schedule. Reports were completed on work undertaken for the Manager, Planning and Resources. Total cost was $65,666.*
	To assist in the preparation of the Freshwater Plan to the satisfaction of the Manager, Planning and Resources, at a total cost of $20,000.	*The Department provided assistance in the development of the Council's Freshwater Plan at a cost of $21,609. Additional work and information was required by Resource Policy and Planning in Wellington.*

WAIRARAPA PLANNING AND RESOURCE MANAGEMENT (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To safeguard the community against flood hazards in the Ruamahanga and Whareama Catchment areas.	Issue 95 percent of flood warnings within one hour of the alarm being triggered at a cost of $94,104.	Achieved. Fifty-seven (100 percent) separate flood warnings were issued within one hour of the alarm being triggered at a total cost of $89,811.
To ensure that the Wairarapa Division can respond to a major civil defence emergency.	*To complete to the satisfaction of the Manager, Civil Defence, at a total cost of $58,190:*	*Achieved to the satisfaction of the Manager, Civil Defence, at a total cost of $53,567, the following:*
	• *Further enhance the liaison capabilities of the Wairarapa headquarters with emergency services, responding agencies, the media and the three Wairarapa territorial authorities, through ongoing contact, workshops and participation in exercises.*	• *Three workshops were held during the year (Kobe, Lifelines, Down the Gurgler). Continuing contact is maintained through the emergency services co-ordinating committee.*
	• *Undertake staff training for all available Wairarapa Division staff covering flood warning, road closures, dealing with the media, communications, recovery, resource allocation and headquarters procedures by 30 June 1996.*	• *Comprehensive training was given on road closures, message writing, radio use, flood warning, recovery and headquarters procedures, and handling the media. Training sessions also included territorial authorities and representatives from emergency services by 30 June 1996.*
	• *Run a major regionwide communications exercise to test the capability of new radio and communications equipment by 30 October 1995.*	• *Ten of 11 districts took part in communications exercise on 26 October 1995.*
	• *Organise and facilitate the second phase of cross boundary co-operation through a Masterton based conference by 30 November 1995.*	• *The three Wairarapa territorial authorities signed off a mutual aid agreement between themselves in June 1996.*
	• *Take regional recovery guidelines and proposals to the three Wairarapa territorial authorities for discussion and the development of recovery action plans by 31 March 1996.*	• *Each territorial authority signed off their recovery plans jointly by March 1996. Kobe Earthquake seminar and Insurance Council workshop were held to aid planning.*

WAIRARAPA PLANNING AND RESOURCE MANAGEMENT Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Policy and Planning	206	174
Consents and Compliance	544	535
Water Resource Investigation	692	636
Civil Defence	96	83
Funds Applied to Major Activities	**1,538**	**1,428**

COST OF CAPITAL ($000s)	
	22

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	1,064	1,064
Other Rates	-	-
Government Subsidies	-	4
Investment Revenue	1	2
Other Revenue	488	388
Total Revenue	1,553	1,458
Applied to:		
Operating Expenditure	1,514	1,411
Less Non-funded Items	(20)	(20)
Net Operating Expenditure	1,494	1,391
Capital Expenditure	44	37
Total Funds Applied to Activities	1,538	1,428
Net Funds From Activities	**15**	**30**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	15	16
Transfer to Reserves	-	-
Funds Applied to Financing Activities	15	16
Net Funds From Financing Activities	(15)	(16)
Net Funding Surplus/(Deficit)	**0**	**14**

NOTE 38

WAIRARAPA SOIL CONSERVATION RESERVE FORESTS

ROLE: To protect and conserve the soil within soil conservation reserves, and minimise damage to surrounding land through revegetation and forest management, whilst maximising future sustainable forest revenue to Council within these constraints.

OVERALL OBJECTIVES

To achieve sustainable soil conservation management of reserves such that on-site and downstream impacts of soil erosion and flooding are minimised, whilst providing a contribution to the Council to offset rates by maximising the future returns from harvest of conservation forests.

PLANNED OUTPUTS

PERFORMANCE INDICATORS

Optimum silviculture applied to defined standards to 392 hectares at Stoney Creek and Hiwinui at a cost not exceeding $148,100.

ACTUAL PERFORMANCE

Optimum silviculture applied to 375 hectares to specified standards at a cost of $146,382. The reduced area treated reflects the more intensive treatment necessitated by excellent tree growth.

WAIRARAPA SOIL CONSERVATION RESERVE FORESTS Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Reserve Forests	460	405
Funds Applied to Major Activities	**460**	**405**

COST OF CAPITAL ($000s)	
	0

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Other Rates	-	-
Government Subsidies	-	-
Investment Revenue	4	7
Other Revenue	2	2
Total Revenue	6	9
Applied to:		
Operating Expenditure	460	405
Less Non-funded Items	-	-
Net Operating Expenditure	460	405
Capital Expenditure	-	-
Total Funds Applied to Activities	460	405
Net Funds From Activities	**(454)**	**(396)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	**495**	**489**
Transfer From Reserves	**-**	**-**
Funds From Financing Activities	495	489
Applied to:		
Debt Provisioning	41	36
Transfer to Reserves	-	-
Funds Applied to Financing Activities	41	36
Net Funds From Financing Activities	454	453
Net Funding Surplus/(Deficit)	**0**	**57**

NOTE 39

PUBLIC TRANSPORT PLANNING

ROLE: To ensure the provision of public transport services that meet the needs of the regional community in the most efficient and cost effective way.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To ensure the provision of justifiable bus and rail services in accordance with agreed service and patronage standards and legal requirements.	All tendering and contracting procedures carried out in accordance with the competitive pricing procedures approved by Transit New Zealand and to the satisfaction of Transit New Zealand auditors.	Achieved. Procedures were audited by Transit New Zealand, to its satisfaction, in June 1996
To ensure the provision of appropriate ongoing passenger services for the transport disadvantaged and the disabled.	Total Mobility scheme administered to the satisfaction of Transit New Zealand auditors.	Not specifically audited by Transit New Zealand. Council officers audited all taxi company invoices for the use of vouchers. A total of 142,000 vouchers were issued during the year, via agencies, to 4,000 registered members, of whom 620 were wheelchair users.
	Review of eligibility criteria for participation in Total Mobility scheme, to the satisfaction of the Regional Transport Committee.	Achieved. Existing eligibility criteria reconfirmed by Council's Transport Committee on 13 June 1996.
To ensure that the future public transport needs of the regional community are met.	*Review of all scheduled school bus services carried out in time for implementation at the beginning of 1996 school year, to the satisfaction of the Divisional Manager, Regional Transport.*	*Wellington City review completed in Term 1 of 1996, and the remainder were completed by the end of June 1996.*
	Review of Service Level Guidelines to improve rational basis upon which decisions are made about bus service provision, to the satisfaction of the Divisional Manager, Regional Transport.	*The Service Level Guidelines project was not completed. The project will be continued in 1996/97.*
To promote public transport use by publishing information about available services.	All timetable leaflets produced to a standard acceptable to the service providers and always maintained in print except for emergency situations or when information has not been supplied by service providers.	Achieved. Thirty timetable leaflets were maintained in stock, of which 26 were updated during the year. 377,000 copies were printed at a cost of $253,000. Timetables are approved by service providers before printing.
To promote public transport use in accordance with the policies in the Regional Land Transport Strategy.	*Achieve, through the tendering process approved by Transit New Zealand, a total contract price for bus and rail services of no more than $26,859,000.*	*The total contract price for bus and rail services was $26,746,000 plus concessionary fares reimbursement of $981,000.*

PUBLIC TRANSPORT PLANNING Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Public Transport Services	27,624	28,571
Total Mobility	740	826
Public Transport Information	446	307
Planning and Development	245	116
Funds Applied to Major Activities	**29,055**	**29,820**

COST OF CAPITAL ($000s)		2

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Transport Rates	15,319	15,319
Transit Subsidy	10,475	11,671
Petrol Tax	3,261	2,215
Investment Revenue	-	1
Other Revenue	-	-
Total Revenue	29,055	29,206
Applied to:		
Operating Expenditure	29,064	29,829
Less Non-funded Items	(9)	(9)
Net Operating Expenditure	29,055	29,820
Capital Expenditure	-	-
Total Funds Applied to Activities	29,055	29,820
Net Funds From Activities	**0**	**(614)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	-	-
Transfer to Reserves	-	-
Funds Applied to Financing Activities	0	0
Net Funds From Financing Activities	0	0
Net Funding Surplus/(Deficit)	**0**	**(614)**

NOTE 40

TRANSPORT PLANNING AND POLICY

ROLE: To prepare transport plans and programmes, and to identify policies that will, when implemented, ensure the provision of efficient and effective transport systems for the Wellington regional community.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To ensure the adoption of transport policies which provide the best overall economic, environmental and social benefit for the regional community as proposed in the Regional Policy Statement.	Completion of a study of a roading link between Porirua and Belmont (Lower Hutt) by 30 June 1996 within budget and to the satisfaction of the Divisional Manager, Regional Transport.	This project was delayed by the late completion of the State Highway 2 study and has been rescheduled to 1996/97.
To ensure the Council fulfils all the statutory planning and consultation requirements of the Transit New Zealand Act.	*Recruit a Regional Road Safety Co-ordinator and implement at least two road safety projects within budget and to the satisfaction of the Manager, Transport Planning and Policy, by 30 June 1996.*	*Achieved. A Regional Road Safety Co-ordinator was appointed in October 1995. Several road safety projects have been achieved within budget and to standard. Actual cost was $62,475 (budget $98,500).*
To promote public transport use in accordance with the policies in the Regional Land Transport Strategy.	Implementation of 90 percent of the park and ride infrastructure projects set out in the first year of the three year programme produced in line with the adopted funding guidelines and quality standards by 30 June 1996 at a cost of $89,500. (Total cost $1,610,000 over three years.)	The priority of park and ride projects was reviewed by the Regional Transport Committee during the year in the light of additional funding. Car parks were developed at Petone, Taita and Waterloo, and a number of others were improved. The Council funded the purchase of land to secure the continued availability of the car park at Upper Hutt Station. Actual expenditure was $247,000.
	Continue to improve the weather protection facilities for users of the Lambton Bus/Rail Interchange by providing the next stage of the Council adopted covered walkway system at a cost of $400,000 by 30 June 1996.	This project was deferred by Council in September 1995 because of proposals for the development of a Lambton transport hub.
	Replace the bus shelters and bus bays at Courtenay Place, Wellington, in accordance with the Council guidelines for infrastructure as part of the Courtenay Place, Cambridge and Kent Terraces intersection upgrade at a cost of $300,000 by 30 June 1996.	A number of discussions were held between the local business people, the City Council and the Regional Council, and an agreed scheme for the area has been adopted. The project will now proceed in 1996/97 and has been included as part of the 1996/97 Annual Plan.

TRANSPORT PLANNING AND POLICY Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Transport Studies	611	513
Public Transport Policy	489	458
Transport Infrastructure	2,307	1,841
Funds Applied to Major Activities	**3,407**	**2,812**

COST OF CAPITAL ($000s)	
	731

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Transport Rates	2,333	2,333
Transit Subsidy	370	286
Petrol Tax	106	72
Investment Revenue	230	473
Other Revenue	13	10
Total Revenue	3,052	3,174
Applied to:		
Operating Expenditure	3,720	3,125
Less Non-funded Items	(313)	(313)
Net Operating Expenditure	3,407	2,812
Capital Expenditure	-	-
Total Funds Applied to Activities	3,407	2,812
Net Funds From Activities	**(355)**	**362**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	700	700
Funds From Financing Activities	700	700
Applied to:		
Debt Provisioning	140	154
Transfer to Reserves	205	596
Funds Applied to Financing Activities	345	750
Net Funds From Financing Activities	355	(50)
Net Funding Surplus/(Deficit)	**0**	**312**

TRANSPORT CUSTOMER SERVICES AND QUALITY

ROLE: To promote public transport ridership through the provision of accurate consumer information and by championing the principles of quality and superior customer service amongst public transport companies.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To ensure that public transport services operate in accordance with the approved service registrations and standards set in any contract.	At least 95 percent of all scheduled services to have been monitored against approved timetables by 30 June 1996.	Achieved. All peak services and substantially all other services (representing 97 percent of scheduled services) have been monitored on at least one occasion.
	Refer service failures to operating companies within one working day and monitor responses.	Achieved. All service failures were noted and referred to operators within 24 hours.
To promote public transport use.	*All public complaints received through the Ridewell Service Centre will be recorded and, where requested, a response will be provided to the complainant within seven days.*	*Achieved. 249,800 enquiries have been handled by the Ridewell Service Centre of which there were 1,261 complaints. All complaints were responded to within seven days of receipt.*

TRANSPORT CUSTOMER SERVICES AND QUALITY Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Service Monitoring	328	265
Administration of Information Services	994	827
Funds Applied to Major Activities	**1,322**	**1,092**
COST OF CAPITAL ($000s)		4

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Transport Rates	978	978
Transit Subsidy	240	327
Petrol Tax	104	89
Investment Revenue	-	-
Other Revenue	-	-
Total Revenue	1,322	1,394
Applied to:		
Operating Expenditure	1,285	1,109
Less Non-funded Items	(17)	(17)
Net Operating Expenditure	1,268	1,092
Capital Expenditure	54	-
Total Funds Applied to Activities	1,322	1,092
Net Funds From Activities	**0**	**302**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	-	-
Transfer to Reserves	-	-
Funds Applied to Financing Activities	0	0
Net Funds From Financing Activities	0	0
Net Funding Surplus/(Deficit)	**0**	**302**

NOTE 42

CORPORATE SUPPORT

ROLE: To provide effective corporate support services to meet the needs of Council, its management and staff.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To provide timely and effective *added value* professional Human Resource advice, guidance and consultancy services to Council management and staff.	Quarterly reviews with managers and selected staff to indicate greater than 80 percent satisfaction with the services provided by the Human Resources Department.	The Human Resources customer satisfaction review process has not yet been established and is being targeted for the 1996/97 financial year.
	Review at least two key human resources systems for effectiveness, to the satisfaction of the Human Resources Manager, during the financial year.	Achieved. The Council reviewed its recruitment and selection processes, and the staff induction and orientation programmes.
To develop, implement and monitor policies and programmes to ensure the Council's compliance with the Health and Safety in Employment Act 1992.	*By 31 December 1995, critically review the current hazard management processes and investigate and report on alternative risk management strategies.*	*Considerable progress has been made in the identification and management of hazards. The Council's Health and Safety group will receive the report in 1996/97.*
To ensure Council compliance with its Equal Employment Opportunities obligations.	In consultation with the General Manager, select, develop and implement two policy initiatives drawn from the results of the March 1995 Cultural Review.	Achieved. The Council developed a "Charter" and reviewed the staff remuneration policies by June 1996.
To provide the Council with financial skills, advice and services so as to ensure that the organisation's assets, liabilities and operations are accurately accounted for and managed.	*The current account bank balance to be within set limits 80 percent of the time. (Current limits are: -$100,000 to $300,000.)*	*Achieved a current account balance within limits for 81.25 percent of the time.*
	Monthly reports available to Council by 20th working day of the month following.	*Achieved. Council received monthly financial reports within target deadlines.*
	Complete and provide for audit annual accounts which meet statutory and New Zealand Society of Accountants' standards eight weeks after balance date of each year.	*Accounts were provided nine weeks after balance date. An unqualified audit opinion was received.*
To provide effective and efficient secretarial services to Council, Committees, Subcommittees and other meetings convened by Council.	All order papers for ordinary meetings of Council and Committees are distributed to Councillors not less than three working days before the meeting.	Achieved. All order papers for ordinary meetings were available by target due dates.

CORPORATE SUPPORT (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
	Public notice is given in accordance with the Local Government Official Information and Meetings Act.	Achieved. Public notice of meetings was provided for in compliance with statutory requirements.
	Council and Committee minutes are provided to the respective divisional manager by the third working day after the meeting and distributed to members within six working days following the meeting.	Council and Committee minutes are being provided within guidelines. There was a delay in publishing formal minutes of the April budget meeting.
	All decisions made at a meeting are notified to the relevant divisional managers within two working days of the meeting.	Achieved. Divisional managers are receiving notification by due dates.
To provide quality administrative support services to Council, management and staff.	*Register, record and distribute all incoming mail by midday on all working days.*	*Achieved. Incoming mail was registered on receipt and distributed on schedule.*
	No working time is lost to The Regional Council Centre staff attributable to lack of routine maintenance or stationery supplies.	*Achieved. Adequate stocks of stationary and office supplies were maintained during the year.*
	Review and update, if necessary, at least once during the year the Council's Standing Orders, Official Information Directory, and Policy and Delegations Manuals.	*All necessary amendments to Standing Orders, Information Directories and Delegation Manuals were made as required.*
	Ensure that all routine maintenance activities are completed on schedule in accordance with prescribed departmental standards.	*Achieved. Routine daily, weekly and monthly back ups were completed on schedule.*
To ensure that the public and staff of the Wellington Regional Council know and understand what the organisation does, do not confuse it with territorial authorities and perceive that it is making a positive contribution to the community of the Wellington Region.	The Annual Plan and Annual Report are published in the format agreed by management within the statutory time frame.	Achieved. The Annual Plans and Annual Report were approved and published within statutory time frames and to specified standards.

CORPORATE SUPPORT (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
To assist all departments of Council in the effective and efficient management of all property and land assets.	*All changes are made to stored information on titles, valuations, agreements, users, etc., in the Asset Management System as they arise and are checked six monthly with clients.*	*A new information database is being developed in conjunction with the Council's property management consultants. Data verification and accuracy is being maintained.*
	Monthly client reports are distributed by the third working day after receipt of the end of month financial reports.	*The Council's property management function was contracted out in September 1995. New financial reports are being developed in conjunction with the database project above.*
	That the Wellington Regional Council tenancy is maintained within budget, without deterioration in the quality of the office environment.	*Tenancy was maintained without a deterioration to the office environment. Actual expenditure was $1,315,000 compared to budgeted $1,305,800.*
To manage the Council's vehicle fleet effectively.	All motor vehicle routine maintenance, licensing and insurance procedures are carried out on schedule.	Achieved. Maintenance for vehicles was arranged as required and all licences renewed on time.
	Fleet card monthly management reports are to be reviewed before distribution, all errors noted and followed up so that they are corrected before the next month's end.	Achieved. Fleet card reports were reviewed upon receipt and any corrections were notified on a monthly schedule.

NOTE 42 (continued)

CORPORATE SUPPORT Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Human Resources	436	438
Committee and Management Services	431	430
Corporate Communications	392	560
Information Technology and Support Services	3,006	2,750
General Management and Divisional Support	2,796	2,826
Finance	867	872
Wellington Regional Council Occupancy	1,294	1,304
Insurances	355	299
Rates Collection	1,221	1,175
	10,798	10,654
Corporate Recoveries	(5,817)	(5,817)
Funds Applied to Major Activities	**4,981**	**4,837**

COST OF CAPITAL ($000s)		258

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	1,221	1,221
Community Dividend	(500)	(500)
General Rates	721	721
Other Rates	-	-
Government Subsidies	-	34
Investment Revenue	4	3
Other Revenue	3,777	3,972
Total Revenue	4,502	4,730
Applied to:		
Operating Expenditure	10,800	11,275
Corporate Recoveries	(5,817)	(5,817)
	4,983	5,458
Less Non-funded Items	(758)	(1,035)
Net Operating Expenditure	4,225	4,423
Capital Expenditure	756	414
Total Funds Applied to Activities	4,981	4,837
Net Funds From Activities	**(479)**	**(107)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	19	20
Transfer to Reserves	2	111
Funds Applied to Financing Activities	21	131
Net Funds From Financing Activities	(21)	(131)
Net Funding Surplus/(Deficit)	**(500)**	**(238)**

ELECTED MEMBERS Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Elected Members	2,695	2,719
Stadium Research	-	64
Funds Applied to Major Activities	**2,695**	**2,783**

COST OF CAPITAL ($000s)	
	4

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	1,642	1,642
Other Rates	-	-
Government Subsidies	-	-
Investment Revenue	5	14
Other Revenue	904	905
Total Revenue	2,551	2,561
Applied to:		
Operating Expenditure	2,667	2,759
Less Non-funded Items	(9)	(7)
Net Operating Expenditure	2,658	2,752
Capital Expenditure	37	31
Total Funds Applied to Activities	2,695	2,783
Net Funds From Activities	**(144)**	**(222)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	148	148
Funds From Financing Activities	148	148
Applied to:		
Debt Provisioning	-	-
Transfer to Reserves	4	14
Funds Applied to Financing Activities	4	14
Net Funds From Financing Activities	144	134
Net Funding Surplus/(Deficit)	**0**	**(88)**

NOTE 44

INVESTMENTS AND BUSINESS UNITS

INVESTMENTS

The Council holds two significant investments - Port Company shares and plantation forests.

The Council's philosophy is to **maximise returns** on these investments **without** requiring any contribution from the community in the form of rates. The Council **does not** collect rates for any pure investment.

PORT COMPANY

The Council, on behalf of the community, owns 77% of the Port of Wellington Limited. The Council's current policy with regard to this holding is to maximise the value potential from the company.

The Port Company has recently purchased the Wellington container terminal and now has full operational control of the Port. The Council believes that there is significant value to be added to the company over the next few years as the container terminal is fully integrated into the company. Once that has been achieved, it is expected that the Council will consider various divestment options. The Council's current policy on the future ownership of the Port is that it should own not less than 51%.

The Annual Plan *forecasts* dividends and interest of $3.0 million per annum to be received *from the Port*. However, some residual debt associated with the Port investment reduces the net return to approximately $2.1 million per annum.

The estimated current market value of the Council's interest in the Port is $46 million.

PLANTATION FORESTRY

The Council and its predecessor organisations have been involved in plantation forestry for many years. When indigenous logging and sawmilling on Council land ceased in the early 1970s, exotic planting increased. These new plantation forests were added to those forests already established in the late 1950s and 1960s for soil conservation and water quality purposes. The Council now holds 6,000 hectares of plantation and soil conservation reserve forests.

The overall policy of the Council with regard to plantation forests is to maximise profit while meeting recreational, soil and water conservation needs. This policy assumes that harvesting will be on a suitable yield basis and, furthermore, will be maintained without any demand on regional rates.

The net income from forestry increases steadily across the *next ten years* as more areas of the estate reach maturity. Forestry revenues are expected to increase significantly beyond the year 2005.

The details of these forestry activities are shown on pages 54 to 55 and 67 to 68.

The current estimated market value of the forestry investment is $28.6 million.

OTHER INVESTMENTS

Apart from the Council's head office building, various property ground leases in Blair and Allen Streets (previously owned by the Wellington Harbour Board) are held in this portfolio. A number of these ground lease properties have been sold recently; the remainder did not reach the Council's required price. These properties have been re-leased and are achieving satisfactory returns.

The Council's head office building rental streams, which have now been adjusted to commercial rates, do not meet the debt servicing costs of that investment. The Council occupies seven of the nine floors.

The overall Council debt portfolio is managed centrally to maximise the Council's ability to negotiate with financial institutions. As a result of Council surpluses, sales of property and capital returns from the Port Company, the Council's 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. That surplus is then used to offset regional rates.

The income generated from the internal treasury function and property virtually offsets the deficit produced by the head office building.

The current market value of the remaining investment property assets and head office building is $11.3 million.

MANAGEMENT OF INVESTMENT RISK

From a risk management point of view, the Council is well aware that its investment returns are exposed to the success or otherwise of its two main investment sectors - the Port and forestry. At an appropriate time the Council believes it should reduce that exposure and spread that risk by reducing its holding in both investments, using the proceeds to reduce debt. The timing of these divestments will be in accordance with the Council's objective to maximise the return.

The Council recognises that, as a responsible public authority, any investments that it does hold should be low risk. It also recognises that lower risk generally means lower yields.

Clearly, the income that flows from the Council's investment portfolio makes a considerable contribution to reducing regional rates. These investments effectively reduce rates by close to 6% per annum.

BUSINESS UNITS

The Council has a number of business units which are directly associated with its core functions. At this point in time it is believed that these services are more cost effectively provided within the Council rather than externally. This, however, is constantly under review and may change at any time if such activities can be provided more effectively externally.

The key drivers to the continued provision of these services within the Council are:

- that their operations are not in any way subsidised by rates;
- that they provide a better service level performance than externally;
- that their charge out rates (to Council clients) are not above their external equivalents.

The following services are internally provided:-

- Engineering consultancy and design services.
- Wellington City Water facility management.
- Soil Conservation Nursery.
- Laboratory services.

INVESTMENTS AND BUSINESS UNITS Financial Summaries

OPERATING SURPLUS	1996 Budget $000s	1996 Actual $000s
Port of Wellington Limited	2,463	2,467
Reserve Forests	(454)	(396)
Plantation Forests	31	(239)
Treasury Management	3,392	4,873
Pringle House Finance Limited	(1,140)	(1,721)
Akura Conservation Centre	34	(25)
Technical Services	44	123
WCC Water	64	100
Laboratory	96	127
Wairarapa Workshop	18	19
Property Services	(84)	(116)
Drainage and Water Schemes	(2)	10
Wairarapa Consultation	-	5
Total Operating Surplus	4,462	5,227
Contribution to Rates	(2,197)	(2,197)
	2,265	**3,030**
COST OF CAPITAL ($000s)		1,300

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	(2,197)	(2,197)
Other Rates	116	133
Government Subsidies	-	4
Investment Revenue	2,133	1,915
Other Revenue	9,750	10,043
Total Revenue	9,802	9,898
Applied to:		
Operating Expenditure	7,537	6,868
Less Non-funded Items	(101)	(723)
Net Operating Expenditure	7,436	6,145
Capital Expenditure	388	(520)
Investments	1,187	1,187
Total Funds Applied to Activities	9,011	6,812
Net Funds From Activities	**791**	**3,086**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	(736)	(4,537)
Transfer From Reserves	(3,640)	(3,833)
Funds From Financing Activities	(4,376)	(8,370)
Applied to:		
Debt Provisioning	(1,642)	(4,624)
Transfer to Reserves	(1,943)	(4,439)
Funds Applied to Financing Activities	(3,585)	(9,063)
Net Funds From Financing Activities	(791)	693
Net Funding Surplus/(Deficit)	**0**	**3,779**

Statements of Service Performance and Financial Statements of Regional Water Supply for the Year Ending 30 June 1996

NOTE 45

REGIONAL WATER SUPPLY STATEMENT OF FINANCIAL POSITION

As at 30 June 1996

	1996 $000s	1995 $000s
ASSETS		
Current Assets		
Receivables	2,354	2,237
Stocks	365	207
	2,719	2,444
Non-current Assets		
Investments	15,850	9,138
Fixed Assets	191,164	188,417
	207,014	197,555
	209,733	**199,999**

	1996 $000s	1995 $000s
LIABILITIES AND RATEPAYERS' FUNDS		
Current Liabilities		
Accounts Payable	3,021	1,735
WRC Current Account	1,175	-
Employee Provisions	291	280
	4,487	2,015
Non-current Liabilities		
Public Debt	84,960	80,329
	84,960	80,329
Ratepayers' Funds		
Retained Earnings	33,580	39,478
Reserves	86,706	78,177
	120,286	117,655
	209,733	**199,999**

NOTE 45 (continued)

REGIONAL WATER SUPPLY Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
System Support	1,740	2,142
Te Marua Source	10,436	9,071
Wainuiomata Source	4,130	3,312
Waterloo Source	1,146	1,671
Design Instrumentation and Control	3,824	3,037
Distribution System	9,105	7,945
Funds Applied to Major Activities	**30,381**	**27,178**

COST OF CAPITAL ($000s)		
		12,491

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Bulk Water Levy	24,433	24,433
Government Subsidies	-	-
Investment Revenue	670	1,278
Other Revenue	178	253
Total Revenue	25,281	25,964
Applied to:		
Operating Expenditure	23,440	22,628
Less Non-funded Items	(3,016)	(3,173)
Net Operating Expenditure	20,424	19,455
Capital Expenditure	9,957	7,197
Investments	-	526
Total Funds Applied to Activities	30,381	27,178
Net Funds From Activities	**(5,100)**	**(1,214)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	6,811	4,628
Transfer From Reserves	2,792	2,792
Funds From Financing Activities	9,603	7,420
Applied to:		
Debt Provisioning	3,545	3,769
Transfer to Reserves	958	2,437
Funds Applied to Financing Activities	4,503	6,206
Net Funds From Financing Activities	5,100	1,214
Net Funding Surplus/(Deficit)	**0**	**0**

REGIONAL WATER SUPPLY - SYSTEM SUPPORT

ROLE: To provide a quality bulk water supply service to the people of the Region.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
That water conservation over dry periods in summer is encouraged.	Carry out water conservation television advertising during January and February at a cost not exceeding $30,000. Should total water consumption exceed 200 megalitres per day for more than five consecutive days additional water conservation radio advertising will be undertaken at a cost not exceeding $10,000.	Achieved. Actual water consumption did not warrant additional advertising. Actual expenditure was $29,300.
	All advertising material to be approved for quality by the Manager, Corporate Communications.	All advertising was approved by the Manager, Corporate Communications.

REGIONAL WATER SUPPLY - SYSTEM SUPPORT Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Administration	1,482	1,354
Policy Determination	258	258
Financial Costs	-	4
Investments	-	526
Funds Applied to Major Activities	**1,740**	**2,142**

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Bulk Water Levy	5,240	5,240
Government Subsidies	-	-
Investment Revenue	874	340
Other Revenue	-	27
Total Revenue	6,114	5,607
Applied to:		
Operating Expenditure	4,672	4,649
Less Non-funded Items	(2,932)	(3,029)
Net Operating Expenditure	1,740	1,620
Capital Expenditure	-	(4)
Investments	-	526
Total Funds Applied to Activities	1,740	2,142
Net Funds From Activities	**4,374**	**3,465**

COST OF CAPITAL ($000s)

FUNDING FROM FINANCING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
Loans	-	-
Transfer From Reserves	212	212
Funds From Financing Activities	212	212
Applied to:		
Debt Provisioning	3,422	3,646
Transfer to Reserves	1,164	1,650
Funds Applied to Financing Activities	4,586	5,296
Net Funds From Financing Activities	(4,374)	(5,084)
Net Funding Surplus/(Deficit)	**0**	**(1,619)**

REGIONAL WATER SUPPLY - TE MARUA SOURCE

ROLE: To provide a quality, cost effective bulk water service to Upper Hutt City, Porirua City and parts of Lower Hutt City and Wellington City.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
That water delivered from the Te Marua source meets the Ministry of Health Drinking Water Standards.	Ninety-five percent of routine water samples taken from the Silverstream, Johnsonville and Karori sample points to contain not more than three coliform organisms and be free of faecal coliforms. Sampling frequency to be not less than specified in the Ministry of Health Drinking Water Standards for New Zealand.	Achieved. No routine water samples contained more than three coliform organisms and no faecal coliforms were present. Testing occurred with a frequency consistent with the Ministry of Health Drinking Water Standards for New Zealand.
That there is sufficient capacity available to enable all consumers to receive an uninterrupted supply of water from the local authority service reservoirs connected to the Te Marua source.	*Service reservoirs to have 99 percent availability at not less than 25 percent of full capacity.*	*Achieved. Service reservoirs were never below 25 percent of full capacity.*
That both the quality and the security of the water supply delivered from the Te Marua source are enhanced as necessary through capital improvements.	Continue work on meeting the consent requirements for discharges to the Hutt River by completing construction of the Te Marua Washwater Recovery Plant and initial commissioning by 30 June 1996. 1995/96 expenditure to be within budget to ensure overall project expenditure does not exceed $5.3M.	Initial commissioning of the Washwater Recovery Plant was completed by 30 June 1996. Costs to completion will not exceed $5.7M.
	Implement recommendations in the Scheme Options Report for the full treatment of all water from the Te Marua Water Treatment Plant by reviewing the options available and preparing a programme of works by 30 June 1996. The selected option to be approved for quality by an independent registered or chartered engineer. 1995/96 expenditure not to exceed the budget of $0.2M.	Actual expenditure was $0.1M. Investigation of options included an option to "do nothing". The implications of this warranted further review and this is still being carried out. A programme was prepared by 30 June 1996.
	Improve pump efficiency at the Te Marua Pumping Station by installing and commissioning a variable speed drive to one fixed speed pump on the main plant outlet pipeline by 30 June 1996. The work to be carried out according to the Electrical Supply Authorities' Regulations. 1995/96 expenditure not to exceed budget of $0.35M.	Achieved. Actual expenditure was $0.1M. The drive was installed on 28 June 1996. The work was performed in accordance with Electrical Supply Authority Regulations.

REGIONAL WATER SUPPLY - TE MARUA SOURCE Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Operations and Maintenance	3,121	2,776
Capital Projects:		
Washwater Recovery	3,126	3,920
Upgrade for Enhanced Clarification	200	83
Pumping Station Variable Speed Drive	350	99
Consent Applications	804	297
Te Marua Overflows	873	86
Financial Costs	1,962	1,810
Funds Applied to Major Activities	**10,436**	**9,071**

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Bulk Water Levy	5,363	5,363
Government Subsidies	-	-
Investment Revenue	1	234
Other Revenue	-	1
Total Revenue	5,364	5,598
Applied to:		
Operating Expenditure	5,083	4,572
Less Non-funded Items	-	14
Net Operating Expenditure	5,083	4,586
Capital Expenditure	5,353	4,485
Investments	-	-
Total Funds Applied to Activities	10,436	9,071
Net Funds From Activities	**(5,072)**	**(3,473)**

COST OF CAPITAL ($000s)

FUNDING FROM FINANCING ACTIVITIES

Provided From:		
Loans	5,160	4,316
Transfer From Reserves	-	-
Funds From Financing Activities	5,160	4,316
Applied to:		
Debt Provisioning	88	88
Transfer to Reserves	-	-
Funds Applied to Financing Activities	88	88
Net Funds From Financing Activities	5,072	4,228
Net Funding Surplus/(Deficit)	**0**	**755**

REGIONAL WATER SUPPLY - WAINUIOMATA SOURCE

ROLE: To provide a quality, cost effective bulk water service to parts of Lower Hutt City and Wellington City.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
That water delivered from the Wainuiomata source meets the Ministry of Health Drinking Water Standards.	Ninety-five percent of routine water samples taken from the Tunnel Grove, Hutt Bridge and Thorndon Pumping Station sampling sites to contain not more than three coliform organisms and be free of faecal coliforms. Sampling frequency to be not less than that specified in the Ministry of Health Drinking Water Standards for New Zealand.	Achieved. No routine water samples contained more than three coliform organisms and no faecal coliforms were present. Testing occurred with a frequency consistent with the Ministry of Health Drinking Water Standards for New Zealand.
That there is sufficient capacity available to enable all consumers to receive an uninterrupted supply of water from the local authority service reservoirs connected to the Wainuiomata source.	*Service reservoirs to have 99 percent availability at not less than 25 percent of full capacity.*	*Achieved. Service reservoirs were never below 25 percent of full capacity.*
That the quality and security of the water delivered from the Wainuiomata source are enhanced as necessary through capital improvements.	Improve the security of supply from the Wainuiomata Water Treatment Plant by installing and commissioning a standby power plant by 30 June 1996. Work to be carried out to the requirements of the Electrical Supply Authorities' Regulations at a cost not to exceed the 1995/96 budget of $0.11M.	Achieved. Actual expenditure was $0.06M. The standby power plant was commissioned on 30 November 1995. Work was performed in accordance with Electrical Supply Authorities' Regulations.
	Improve the security of supply from the Orongorongo source by completing the replacement of the pipeline through the Orongorongo Tunnel by 31 January 1996. Pipeline to be tested to withstand 150 percent of normal operating pressure. Expenditure this year not to exceed the 1995/96 budget of $1.4M.	Delays were caused by the need to carry out additional work to remove rock in the tunnel to achieve necessary clearances. Actual expenditure was $0.8M.
	Improve the security and capacity of supply to the Wainuiomata Water Treatment Plant by investigating and designing the renewal of the Orongorongo Pipeline between the Orongorongo Tunnel and the Treatment Plant. Pipeline to be designed to withstand 150 percent of normal operating pressure. Design to be complete by 30 June 1996 and 1995/96 expenditure not to exceed the budget of $0.05M.	Achieved. Actual expenditure was $0.05M. Preliminary design was completed on 28 June 1996. Pipeline design will withstand 150 percent of normal operating pressure.

REGIONAL WATER SUPPLY - WAINUIOMATA SOURCE (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
	Improve the security and capacity of supply from the Orongorongo source by investigating and designing the upgrade of the existing intakes in the Orongorongo Catchment. Design to meet the requirements of the appropriate New Zealand Standards for concrete structures and 1995/96 expenditure not to exceed the budget of $0.08M.	Achieved. Actual expenditure was $0.05M. Design commenced on 1 March 1996. Design meets appropriate New Zealand Standards for concrete structures.
	Improve the quality of water supplied to the Wainuiomata Water Treatment Plant by purchasing and commencing to install instrumentation at the intakes in the Orongorongo Catchment by 30 June 1996. Instrumentation design to be approved for quality by an independent registered or chartered engineer. Expenditure in 1995/96 not to exceed the budget of $0.15M.	Achieved. Actual expenditure was $0.15M. Installation work commenced on 27 May 1996. Instrumentation design was audited by an independent registered engineer.

REGIONAL WATER SUPPLY - WAINUIOMATA SOURCE Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Operations and Maintenance	1,241	1,067
Rehabilitation Projects:		
Replace Orongorongo Tunnel Pipeline	1,400	834
Orongorongo Intake Instrumentation	150	153
Pipeline to Treatment Plant	50	49
Orongorongo Intakes	80	53
Capital Projects:		
Wainuiomata Treatment Plant Standby Power	105	58
Financial Costs	1,104	1,098
Funds Applied to Major Activities	**4,130**	**3,312**

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Bulk Water Levy	2,349	2,349
Government Subsidies	-	-
Investment Revenue	(112)	30
Other Revenue	-	7
Total Revenue	2,237	2,386
Applied to:		
Operating Expenditure	2,345	2,165
Less Non-funded Items	-	-
Net Operating Expenditure	2,345	2,165
Capital Expenditure	1,785	1,147
Investments	-	-
Total Funds Applied to Activities	4,130	3,312
Net Funds From Activities	**(1,893)**	**(926)**

COST OF CAPITAL ($000s)

FUNDING FROM FINANCING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
Loans	105	-
Transfer From Reserves	1,680	1,680
Funds From Financing Activities	1,785	1,680
Applied to:		
Debt Provisioning	4	4
Transfer to Reserves	(112)	591
Funds Applied to Financing Activities	(108)	595
Net Funds From Financing Activities	1,893	1,085
Net Funding Surplus/(Deficit)	**0**	**159**

REGIONAL WATER SUPPLY - WATERLOO SOURCE

ROLE: To provide a quality, cost effective bulk water service to parts of Lower Hutt City and Wellington City.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
That water delivered from the Waterloo source meets the Ministry of Health Drinking Water Standards.	Ninety-five percent of routine water samples taken from the Waterloo Treatment Plant and Buick Street Pumping Station sampling sites to contain not more than three coliform organisms and be free of faecal coliforms. Sampling frequency to be not less than specified in the Ministry of Health Drinking Water Standards for New Zealand.	Achieved. No routine water samples contained more than three coliform organisms and no faecal coliforms were present. Testing occurred with a frequency consistent with the Ministry of Health Drinking Water Standards for New Zealand.
That there is sufficient capacity available to enable all consumers to receive an uninterrupted supply of water from the local authority service reservoirs connected to the Waterloo source.	*Service reservoirs to have 99 percent availability at not less than 25 percent of full capacity.*	*Achieved. Service reservoirs were never below 25 percent of full capacity.*

REGIONAL WATER SUPPLY - WATERLOO SYSTEM Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Operations and Maintenance	1,146	1,671
Funds Applied to Major Activities	**1,146**	**1,671**

COST OF CAPITAL ($000s)

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Bulk Water Levy	1,146	1,146
Government Subsidies	-	-
Investment Revenue	-	1
Other Revenue	-	-
Total Revenue	1,146	1,147
Applied to:		
Operating Expenditure	1,146	1,656
Less Non-funded Items	-	15
Net Operating Expenditure	1,146	1,671
Capital Expenditure	-	-
Investments	-	-
Total Funds Applied to Activities	1,146	1,671
Net Funds From Activities	**0**	**(524)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	-	-
Transfer From Reserves	-	-
Funds From Financing Activities	0	0
Applied to:		
Debt Provisioning	-	-
Transfer to Reserves	-	-
Funds Applied to Financing Activities	0	0
Net Funds From Financing Activities	0	0
Net Funding Surplus/(Deficit)	**0**	**(524)**

REGIONAL WATER SUPPLY - DESIGN, INSTRUMENTATION AND CONTROL

ROLE: To ensure that a quality, cost effective bulk water service is provided to the Wellington metropolitan region by undertaking system wide functions.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
That all bulk water supply systems are monitored for water quality and quantity.	Carry out routine bacteriological water quality sampling and testing of all bulk supply systems by a Telarc registered laboratory not less than five days out of every seven as required by the Ministry of Health Drinking Water Standards for New Zealand at a cost not exceeding $0.31M.	Achieved. Actual expenditure was $0.31M. Sampling was carried out by a Telarc registered laboratory at the frequency required by the Ministry of Health Drinking Water Standards for New Zealand.
To maintain the accuracy of cost apportionment between consumers.	*Calibrate territorial authority consumption water flow recorders twice yearly no later than 31 October 1995 and 30 April 1996 at a cost not exceeding $20,000.*	*Achieved. Actual expenditure was $14,900. Calibration tests were completed before 31 October 1995 and 30 April 1996.*
That control of leakage in the metropolitan area is improved.	Improve control of leakage in the metropolitan area by undertaking a leak detection programme by contracts in conjunction with the metropolitan territorial authorities. Work to be undertaken to the satisfaction of the Engineer to the Contract. 1995/96 cost not to exceed budget of $0.18M.	Achieved. Actual expenditure was $0.18M. Work was commissioned in each of the four territorial authorities prior to 30 June 1996. The work undertaken was to the satisfaction of the Engineer to the Contract.
That both the quality and the security of the water supply delivered by the bulk supply system and also its developments are enhanced, as necessary, by capital improvements.	*Improve the control of the bulk supply system by progressing the development of a strategic model of the bulk water system by 30 June 1996. Costs not to exceed 1995/96 Annual Plan budget of $80,000.*	*Achieved. Actual expenditure was $77,200. The review of preferred modelling system options is currently being undertaken.*

REGIONAL WATER SUPPLY - DESIGN, INSTRUMENTATION AND CONTROL Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Operations and Maintenance	3,596	2,822
Motor Vehicles and Equipment	161	101
Capital Projects:		
System Control	80	129
Financial Costs	(13)	(15)
Funds Applied to Major Activities	**3,824**	**3,037**

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Bulk Water Levy	3,571	3,571
Government Subsidies	-	-
Investment Revenue	6	32
Other Revenue	178	195
Total Revenue	3,755	3,798
Applied to:		
Operating Expenditure	3,634	2,871
Less Non-funded Items	(51)	(64)
Net Operating Expenditure	3,583	2,807
Capital Expenditure	241	230
Investments	-	-
Total Funds Applied to Activities	3,824	3,037
Net Funds From Activities	**(69)**	**761**

COST OF CAPITAL ($000s)

FUNDING FROM FINANCING ACTIVITIES

Provided From:		
Loans	80	129
Transfer From Reserves	-	-
Funds From Financing Activities	80	129
Applied to:		
Debt Provisioning	5	5
Transfer to Reserves	6	30
Funds Applied to Financing Activities	11	35
Net Funds From Financing Activities	69	94
Net Funding Surplus/(Deficit)	**0**	**855**

REGIONAL WATER SUPPLY - DISTRIBUTION SYSTEM

ROLE: To ensure that a quality, cost effective bulk water service is provided to the Wellington metropolitan region.

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
That water delivered from the bulk supply system meets the Ministry of Health Drinking Water Standards.	Ninety-five percent of routine water samples taken from the Silverstream, Johnsonville, Tunnel Grove, Hutt Bridge, Thorndon Pumping Station and Karori sample points to contain not more than three coliform organisms and be free of faecal coliforms. Sampling frequency to be not less than specified in the Ministry of Health Drinking Water Standards for New Zealand.	Achieved. No routine water samples contained more than three coliform organisms and no faecal coliforms were present. Testing occurred with a frequency consistent with the Ministry of Health Drinking Water Standards for New Zealand.
That there is sufficient capacity available to enable all consumers to receive an uninterrupted supply of water from the local authority service reservoirs connected to the bulk supply system.	*Service reservoirs to have 99 percent availability at not less than 25 percent of full capacity.*	*Achieved. Service reservoirs were never below 25 percent of full capacity.*
That both the quality and the security of the water supply delivered from the bulk supply system are enhanced, as necessary, through capital improvements.	Improve the quality of water supplied from the Wainuiomata Water Treatment Plant by cement mortar lining the section of the 525 mm cast iron trunk main between Tunnel Grove and Randwick by 30 June 1996. 1995/96 expenditure not to exceed 1995/96 Annual Plan budget of $0.48M. Pipeline to be tested to withstand 150 percent of normal operating pressure.	Achieved. Actual expenditure was $0.36M. Lining completed on 28 June 1996. Pipeline tested to withstand 150 percent of normal operating pressure.
	Improve the security of supply to the Onslow Zone of Wellington City by remachining the Kaiwharawhara Pumping Station. This involves ordering of pumpsets and commencing building renovation work by 30 June 1996. 1995/96 expenditure to be within budget to ensure that overall project cost does not exceed $0.85M. Work to be carried out in compliance with Electrical Supply Authorities' Regulations.	Achieved. Actual expenditure was $0.37M. Pumpset orders were placed and renovations completed by 30 June 1996. The work was performed in accordance with Electrical Supply Authorities' Regulations

REGIONAL WATER SUPPLY - DISTRIBUTION SYSTEM (continued)

OVERALL OBJECTIVES	PLANNED OUTPUTS PERFORMANCE INDICATORS	ACTUAL PERFORMANCE
	Improve the security of the bulk supply system following an earthquake by purchasing further pipes and couplings. Purchases to be by tender and 1995/96 expenditure not to exceed 1995/96 Annual Plan budget of $0.1M. All pipes and couplings to be in accordance with New Zealand pipe standards.	Achieved. Actual expenditure was $0.1M. Pipes and couplings purchased comply with New Zealand pipe standards.
	Improve the security of supply to Porirua by completing a rising main to a new reservoir at Ascot Park to the standards required of a bulk water supply main. Pipeline to be designed to withstand 150 percent of normal operating pressure. Pipeline to be completed and tested by 30 June 1996. 1995/96 expenditure not to exceed 1995/96 Annual Plan budget of $0.3M.	Achieved. Actual expenditure was $0.2M. Pipeline was completed and tested on 14 November 1995. Pipeline withstood 150 percent of normal operating pressure and meets standards required by bulk water supply main.
	Improve the security of supply to Petone by designing a rising main to a new reservoir in Petone. Pipeline to be designed to withstand 150 percent of normal operating pressure. Design to be complete by 30 June 1996 and be within budget such that the overall project cost does not exceed $0.55M.	This programme has been delayed due to the Hutt City Council amending its work programme. Actual expenditure for the year was $0.02M. This represents design work done to date.
	Improve the security of supply on the Kaitoke system by commencing construction of a bulk supply reservoir at Ngauranga. Excavation to be complete and concrete work commenced by 30 June 1996. All construction work to be carried out as required for a design for a risk factor applying to a Category 1 structure in Table 2.3.1 of NZS 4203:1994. 1995/96 expenditure to be within budget such that construction cost does not exceed $3.2M.	The project was delayed due to land purchase issues beyond Wellington Regional Council's control. Excavation of earthworks commenced on 1 May 1996. Design was in accordance with the risk factor applying to a Category 1 structure. Actual expenditure was $0.3M.

NOTE 45 (continued)

REGIONAL WATER SUPPLY - DISTRIBUTION SYSTEM Financial Summaries

FUNDING APPLIED TO MAJOR ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Operations and Maintenance	1,528	1,555
Rehabilitation Projects:		
Replace Kaiwharawhara Pumping Station Equipment	425	372
Reline Pipeline from Tunnel Grove to Randwick Pumping Station	475	362
Capital Projects:		
Seismic Protection	100	96
Ngauranga Reservoir	1,298	305
Petone Reservoir Rising Main	30	21
Ascot Park Branch Main	250	235
Plimmerton Rising Main	-	57
Kaitoke Main	-	5
Wainuiomata Pipeline	-	10
Financial Costs	4,999	4,927
Funds Applied to Major Activities	**9,105**	**7,945**

COST OF CAPITAL ($000s)

FUNDING FROM OPERATING AND INVESTING ACTIVITIES	1996 Budget $000s	1996 Actual $000s
Provided From:		
General Rates	-	-
Bulk Water Levy	6,764	6,764
Government Subsidies	-	-
Investment Revenue	(99)	641
Other Revenue	-	23
Total Revenue	6,665	7,428
Applied to:		
Operating Expenditure	6,560	6,715
Less Non-funded Items	(33)	(109)
Net Operating Expenditure	6,527	6,606
Capital Expenditure	2,578	1,339
Investments	-	-
Total Funds Applied to Activities	9,105	7,945
Net Funds From Activities	**(2,440)**	**(517)**

FUNDING FROM FINANCING ACTIVITIES		
Provided From:		
Loans	1,466	183
Transfer From Reserves	900	900
Funds From Financing Activities	2,366	1,083
Applied to:		
Debt Provisioning	26	26
Transfer to Reserves	(100)	166
Funds Applied to Financing Activities	(74)	192
Net Funds From Financing Activities	2,440	891
Net Funding Surplus/(Deficit)	**0**	**374**

AUDIT REPORT

Audit New Zealand

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF WELLINGTON REGIONAL COUNCIL AND GROUP FOR THE YEAR ENDED 30 JUNE 1996

We have audited the financial statements and performance information on pages 16 to 99. The financial statements provide information about the past financial performance of Wellington Regional Council and group and its financial position as at 30 June 1996. The performance information specifies the performance targets and other measures by which the performance of Wellington Regional Council and group can be judged in relation to its objectives. This information is stated in accordance with the accounting policies set out on pages 16 to 19.

Responsibilities of the Council

The Local Government Act 1974 requires the Council to prepare financial statements which fairly reflect the financial position of Wellington Regional Council and group as at 30 June 1996 and the results of its operations and cash flows for the year ended 30 June 1996. The Local Government Act 1974 also requires the Council to report the performance targets and other measures by which the performance of Wellington Regional Council and group can be judged in relation to its objectives.

Auditor's responsibilities

Section 25(1)(c) of the Public Finance Act 1977 requires the Audit Office to audit the financial statements and performance information presented by the Council. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and the performance information and report its opinion to you.

The Controller and Auditor-General has appointed D C Cruickshank, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements and performance information. It also includes assessing:

- the significant estimates and judgements made by the Council in the preparation of the financial statements and performance information *and*
- whether the accounting policies are appropriate to Wellington Regional Council's and group's circumstances, consistently applied and adequately disclosed

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and performance information are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and performance information and Wellington Regional Council's and group's compliance with significant legislative requirements.

We have carried out assurance related assignments for the Wellington Regional Council. Other than these assignments and in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in the Council or any of its subsidiaries.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion:

- the financial statements of Wellington Regional Council and group on pages 16 to 35:
  - comply with generally accepted accounting practice *and*
  - fairly reflect:
    - the financial position as at 30 June 1996 *and*
    - the results of its operations and cash flows for the year ended on that date
- the performance information of Wellington Regional Council and group on pages 36 to 99 fairly reflects the achievements in relation to the performance targets and other measures adopted for the year ended 30 June 1996

Our audit was completed on 24 September 1996 and our unqualified opinion is expressed as at that date.

D C Cruickshank
Audit New Zealand
On behalf of the Controller and Auditor-General

Wellington, New Zealand

SUPPLEMENTARY INFORMATION

PUBLIC DEBT

Details provided here show movements in public debt of the Wellington Regional Council. In the tables sinking fund investments are netted off against the debt to give net external public debt.

SINKING FUNDS

Sinking funds are investments required to be set up by local authorities to ensure that funds are available on the maturity of loans to repay them.

The earnings rate on the sinking fund investments will usually be less than the interest rate cost of the debt. This is called the negative spread and represents the return of the bank or other provider of funds.

In addition, the dollar amount of this negative spread for a particular loan is not known until loan maturity. This is because, for a fixed rate loan, the interest rate payable is known at the commencement of the loan but the interest rate that will be received on sinking fund contributions throughout the life of the loan will not be known until the contribution is made. This means that the Council is exposed to an additional interest rate risk.

DEBT PROFILE

	1990 $000	1991 $000	1992 $000	1993 $000	1994 $000	1995 $000	1996 $000
Public Debt	103,375	99,825	98,476	85,188	114,582	105,092	106,774
Redeemable Preference Shares	26,562	25,000	25,000	25,000	-	-	-
Total Public Debt	129,937	124,825	123,476	110,188	114,582	105,092	106,774
Less Sinking Funds	6,547	8,545	9,883	6,970	8,715	7,833	8,093
Net External Public Debt	**123,390**	**116,280**	**113,593**	**103,218**	**105,867**	**97,259**	**98,681**

RECONCILIATION OF MOVEMENT IN PUBLIC DEBT

	1996 $000
Net movement between 1995 and 1996	1,423
Represented by:	
Loan Funded Capital Expenditure	7,037
Increase in Forestry Encouragement Loans	286
Debt Retirement	(6,266)
Surplus Applied to Debt	(3,458)
Movement in Reserves	366
Asset Sales	(570)
Movement in Working Capital - Cash	4,028
	1,423

SUPPLEMENTARY INFORMATION (continued)

PUBLIC DEBT POSITION BY FUNCTIONAL AREA

REGIONAL RESPONSIBILITIES

The table opposite shows movements in public debt from the formation of the Wellington Regional Council to 30 June 1996.

The trend clearly shows a reduction of net public debt of $26.3 million between 1990 and 1996.

REGIONAL WATER SUPPLY

The net external public debt of Regional Water Supply is tracking below the 20 year business plan projections and is quite sustainable within a utility of this nature.

RESERVES

Reserves are shown in the table as debt. This clearly shows that the Council does not hold reserves in the form of cash assets. If the Council was to invest and borrow externally at the same time there would be an interest rate cost. Hence reserves are used to reduce external borrowings and therefore this reduces interest expense until reserves are required to be used.

	DEBT PROFILE						
FUNCTIONAL AREA	1990 $000	1991 $000	1992 $000	1993 $000	1994 $000	1995 $000	1996 $000
Forestry - Western Region	2,742	2,735	3,924	4,107	4,282	4,454	4,942
Forestry - Wairarapa	471	1,227	1,446	1,611	1,583	1,409	2,599
Rivers - Western Region	5,279	8,820	10,999	15,300	19,653	22,052	22,726
Rivers - Wairarapa	997	1,102	1,033	904	1,404	1,309	456
Waterloo Interchange	4,765	6,149	6,066	5,998	5,860	5,717	5,563
Recreation	654	648	611	579	565	622	763
Corporate:							
- Headquarters Building	24,851	24,851	24,141	23,410	22,406	21,721	21,204
- Masterton Office	84	1,335	1,305	1,175	853	838	1,041
- Computer and Equipment	2,023	436	767	980	1,037	875	394
Civil Defence					150	305	244
Port Related Activities	7,756	8,195	8,004	5,982	5,593	5,317	5,013
Treasury Internal Loans	5,718	(7,184)	(13,189)	(31,878)	(30,991)	(38,552)	(38,318)
Reserves	1,969	1,669	6,524	9,685	10,814	9,676	10,348
Regional Responsibilities Net Debt	57,309	49,983	51,631	37,853	43,209	35,743	36,979
Less Regional Responsibilities External Reserves	1,969	1,669	4,840	7,092	7,190	6,903	7,931
Regional Responsibilities Net External Public Debt	**55,340**	**48,314**	**46,791**	**30,761**	**36,019**	**28,840**	**29,048**
Regional Water Supply Net Debt	68,050	67,966	68,486	75,050	73,473	71,192	72,050
Less Regional Water Supply Reserves			1,684	2,593	3,624	2,773	2,417
Regional Water Supply Net External Public Debt	**68,050**	**67,966**	**66,802**	**72,457**	**69,849**	**68,419**	**69,633**
Total Net External Public Debt	**123,390**	**116,280**	**113,593**	**103,218**	**105,868**	**97,259**	**98,681**

SUPPLEMENTARY INFORMATION (continued)

KEY FINANCIAL INDICATORS

REGIONAL RESPONSIBILITIES

The table opposite highlights the financial performance over the past six years and clearly reflects the intent of the 1989 reforms.

Existing and new responsibilities have been taken on, major capital projects have proceeded and, since 1991, debt has been significantly reduced, all against a backdrop of reduced rates.

Given this profile, the financial position of the Council is very sound.

REGIONAL RESPONSIBILITIES	1991 $m	1992 $m	1993 $m	1994 $m	1995 $m	1996 $m
Government Grants and Subsidies Income	22.3	17.9	13.7	13.5	13.1	12.8
Other External Revenue	6.2	12.0	19.2	16.2	19.2	19.7
Regional Rates	41.2	38.8	37.3	37.3	37.9	37.8
Operating Expenditure	64.5	63.9	61.1	59.4	63.9	63.7
Operating Surplus	9.0	7.9	9.7	8.8	6.2	5.2
Capital Expenditure	5.5	4.2	8.8	8.6	5.1	3.0
Fixed Assets	156.4	150.3	157.3	163.4	164.3	165.4
Ratepayers' Funds	166.1	156.5	170.1	179.9	178.0	182.1
Net External Public Debt	48.3	46.8	30.8	36.0	28.8	29.1

REGIONAL WATER SUPPLY

Again it is apparent that the financial position and the trends provided opposite indicate a very sound position.

REGIONAL WATER SUPPLY	1991 $m	1992 $m	1993 $m	1994 $m	1995 $m	1996 $m
Bulk Water Levy	22.2	22.0	22.5	23.0	23.7	24.4
Operating Expenditure	18.3	20.3	20.9	21.5	22.5	22.6
Operating Surplus	3.9	1.8	1.6	1.5	1.2	3.3
Capital Expenditure	5.1	7.7	9.2	2.2	4.5	7.2
Fixed Assets	166.1	181.3	187.4	186.7	188.4	191.2
Ratepayers' Funds	94.1	114.1	111.5	112.3	117.7	121.5
Net External Public Debt	68.0	66.8	72.5	69.8	68.4	69.6
Interest as a Percentage of Levy	47.7%	43.6%	41.9%	34.6%	31.4%	32.1%

CONSTITUENCIES/MEMBERS UNTIL OCTOBER 1995

KAPITI CONSTITUENCY (1)

E F Gates QSM JP

PORIRUA CONSTITUENCY (2)

M Arnold QSO
B H Donaldson JP

UPPER HUTT CONSTITUENCY (1)

S A Macaskill QSO JP

WAIRARAPA CONSTITUENCY (2)

I M Buchanan
H R Loader JP

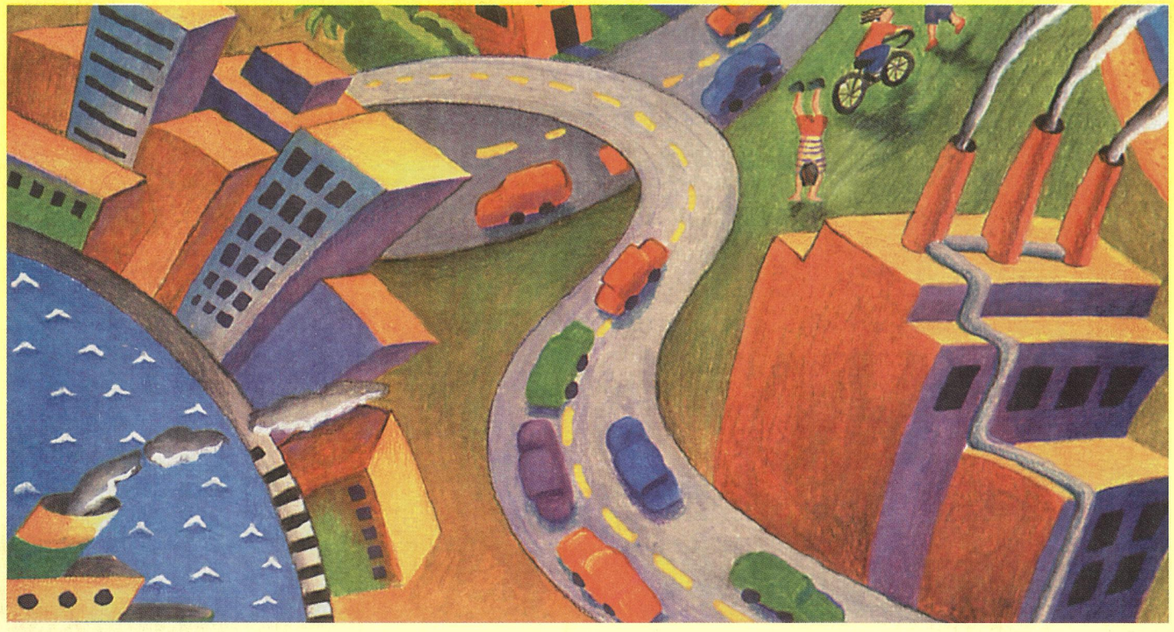
LOWER HUTT CONSTITUENCY (3)

S V Greig JP
A M Lawson
D K Ogden

WELLINGTON CONSTITUENCY (5)

S J Driver
D Foot
A E McQueen
T J McDavitt JP
L R Paske QSO JP


THE REGIONAL COUNCIL



THE REGIONAL COUNCIL