THE REGIONAL COUNCIL

Wellington Regional Council Annual Report

1997

CONTENTS

Introduction

Annual Highlights ____ 1
An Introduction from the Chairperson ____ 2
General Manager's Report ____ 4
Wellington Regional Council ____ 6
Council and Management Structure ____ 8
Environment Committee Report ____ 9
Passenger Transport Committee Report ____ 10
Utility Services Committee Report ____ 11
Landcare Committee Report ____ 12
Rural Services and Wairarapa Committee Report ____ 13
Staff Management Review ____ 14
Financial Overview ____ 15

Financial Statements

Statement of Financial Performance ____ 20
Statement of Movements in Ratepayers' Funds ____ 22
Statement of Financial Position ____ 23
Statement of Cash Flows ____ 24
Statement of Accounting Policies ____ 26
Notes to the Financial Statements ____ 29

Statements of Service Performance

Environment Management ____ 51
Regional Transport ____ 63
Regional Water Supply ____ 71
Land Management ____ 81
Flood Protection ____ 91
Regional Parks ____ 97
Cost of Democracy ____ 103
Investments and Business Units ____ 105

Responsibility Statements

Statement of Responsibility ____ 108
Audit Report ____ 109

Supplementary Information

Subsidiary Companies ____ 110
Net Public Debt ____ 112
Constituencies and Elected Members ____ 113
Address Details and Directory ____ 114

THE REGIONAL COUNCIL

ANNUAL HIGHLIGHTS



- The requirements of the Local Government Amendment Act (No. 3) satisfied one year early.
  - Ten year strategic plan *Facing the Future 1997-2007* completed.
  - A further increase in bus and rail patronage resulting from a programme of improved services and facilities.
  - Substantial drop in Bovine Tb reactor numbers as a result of the Council's possum control work.
- Agreement by the four metropolitan cities to initiate a review of water supply.

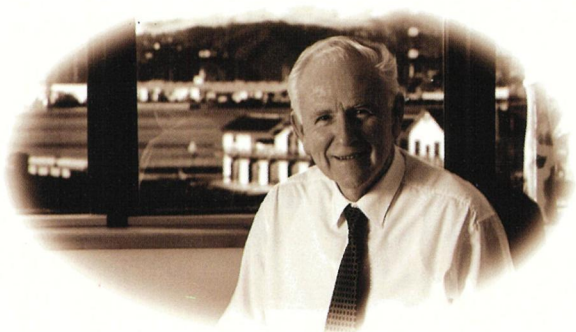
- The previously closed Hutt Catchment reopened for public access.
- Waikanae River Kauri-Puriri flood protection works completed ahead of schedule and within overall project budget.
- All regional plans required by the Resource Management Act now notified.
- Consent processing time reduced to provide better response to customers.
- Regional park walkway structures checked and upgraded as necessary for Building Act compliance.





- Operating surplus for the 1996/97 financial year of $5.3 million.
  - AA- credit rating obtained from Standard and Poor's, ranking the Council amongst the top tier of major New Zealand corporates.
  - Net long-term debt reduced to $81 million.
- Extensive consultation and evaluation of the Council's involvement in a Regional Stadium.

AN INTRODUCTION FROM THE CHAIRPERSON



Stuart Macaskill

The 1996/97 financial year has been an important one for the Council. This Council, along with eight other councils in New Zealand, chose to adopt the provisions of the Local Government Amendment Act (No. 3), one year early. From 1 July 1997 the Council has been operating under the new financial management regime. The new legislation is significant for local government and provides the impetus for continued improvements in financial management practices. Of course, much work had to be done before 30 June 1997 and both Councillors and officers have been focusing heavily on developing the policies and procedures required by the new Act.

The principles underlying the new legislation are sound and have been largely applied by this Council in the past. Nevertheless, new disciplines were introduced with the legislation which will benefit all ratepayers (e.g., the need for each Council to review the rationale for the funding of each of its activities).

In 1995 the Council published its first ten year strategic plan. The new legislation now mandates the publication of a long term financial strategy every three years.

Facing the Future 1997-2007, the Council's second ten year financial strategy was adopted by the Council on 26 June 1997. It combines the traditional annual planning document within a document covering a ten year horizon. We have outlined through this process a zero percent increase in regional rates (excluding the stadium rate) over the next three years. We think that such an approach provides certainty to the community and means that you as ratepayers can see where we are heading.

Some important operational achievements for the Council during the 1996/97 financial year include:

- All our regional plans notified thereby setting in place the framework for ongoing environmental management.
- Further increases in patronage on both buses and trains indicating our Regional Land Transport Strategy of encouraging public passenger transport is working.
- Significant reductions in Bovine Tb reactor numbers indicating the fight against Tb is being won.
- Continued improvements in the level of flood protection across the Region as danger spots are progressively addressed.
- Agreement by the four metropolitan cities to initiate a review of water supply which creates a unique opportunity to achieve increased efficiency in the delivery of water to our customers.
- Ongoing risk management in relation to this Council's responsibilities in the proposed Regional Stadium.
- Credit rating of AA- obtained from Standard and Poor's which reinforces the quality of the Council's credit.

I am very optimistic that, finally after years of underfunding transport, the Government is committed to reviewing the way in which transport is structured and funded within New Zealand. The outcome of the review could significantly change the role of this Council in the public transport area. We have provided our input into the review process and now await the outcome with great interest. In the meantime we are pursuing ways in which we can increase our funding base to meet the public passenger transport needs of the Region.

I would like to express my thanks to all Councillors, management and staff for their contribution to what has been another challenging, but satisfying year as Chairperson.

I have pleasure in submitting this Annual Report and the financial statements for the year ended 30 June 1997.



Stuart Macaskill
Chairperson

GENERAL MANAGER'S REPORT



Howard Stone

The past year has been a demanding one for Councillors, management and staff alike as we have sought to combine a number of new initiatives with a full ongoing programme of work in all areas of Council activity.

Compliance with the new local government legislation has impacted heavily on workloads as timetables have been squeezed. Inevitably normal work has had to be done at the same time so that outputs which were contracted with the community within the 1996/97 Annual Plan have not been compromised.

The Council is now very well placed having chosen to comply with the new local government legislation one year early. The building blocks of sound financial management are well entrenched and management is now in a position to focus on incremental improvements.

I am particularly pleased with the process that culminated in the publication of *Facing the Future 1997-2007*, the Council's long term financial strategy. It has been built up from ten year business plans in each area of Council's activities and represents a robust contract with the community for the foreseeable future.

All operational divisions of the Council have continued to contribute towards the achievement of key organisational goals.

The Utility Services Division is currently being restructured resulting in a number of new staff appointed to senior positions within the division. These appointments have added considerable strength to an already high performing team.

The Environment Division has been able to consolidate on the gains made from its restructuring in 1995 and is focused on customer service as it delivers its regulatory and policy roles.

While the Transport Division continues to face uncertainty as the Government undertakes a fundamental review of the structure and funding of transport in

New Zealand, much has been achieved by the division in the past year under difficult circumstances.

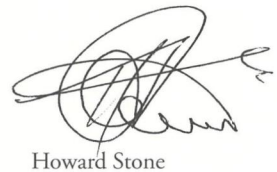
While 'business as usual' has been the theme for the Wairarapa Division, real results are clearly emerging from the work completed in the past few years in terms of Tb reactor numbers, sustainable land management and pest management. In addition, the division has had to cope with significant flood damage during the year.

The Landcare Division is currently in the process of restructuring as it looks to position itself for the challenges of the next 3-5 years. Its activities have been reviewed during the year and its key roles redefined.

The remaining corporate divisions of the Council have continued to provide high quality support services to the operating divisions.

I am pleased that the "Review and Reward" performance management process introduced during the year has been well received by staff. My objective with "Review and Reward" was to enhance the value of performance management for both the staff and the organisation. I hope that we can build on the success of the process to date.

1996/97 has been a successful but busy year. I say it every year but I do get concerned at the stresses placed on the organisation and the people within it. My thanks go to all those staff who make the Wellington Regional Council the quality organisation that it is.



Howard Stone
General Manager

Executive Management Team

Divisional Manager, Environment	Jane Bradbury
Divisional Manager, Regional Transport	Dave Watson
Divisional Manager, Utility Services	David Benham
Divisional Manager, Landcare	Andrew Annakin
Divisional Manager, Wairarapa	Colin Wright
Chief Financial Officer	Greg Schollum
Council Secretary	Ted Maguire
Corporate Advisory Services Manager	John Allard

Overview

The Wellington Regional Council was formed by local government reorganisation in 1989 and is an amalgamation of predecessor authorities and special purpose boards. Its responsibilities include environmental management, flood protection and land management, provision of regional parks, public transport planning and funding, and delivering a water supply to the Wellington metropolitan cities.

Much of the Council's work is long-term in nature. Consequentially, it must plan prudently for the future if it is to maintain assets and quality standards, respond to environmental changes, as well as meeting the community's needs and aspirations of the future. These issues have been addressed in the Council's ten year strategic plan *Facing the Future 1997-2007*

Our Organisational Goals

The Regional Council is striving to be an organisation which is:

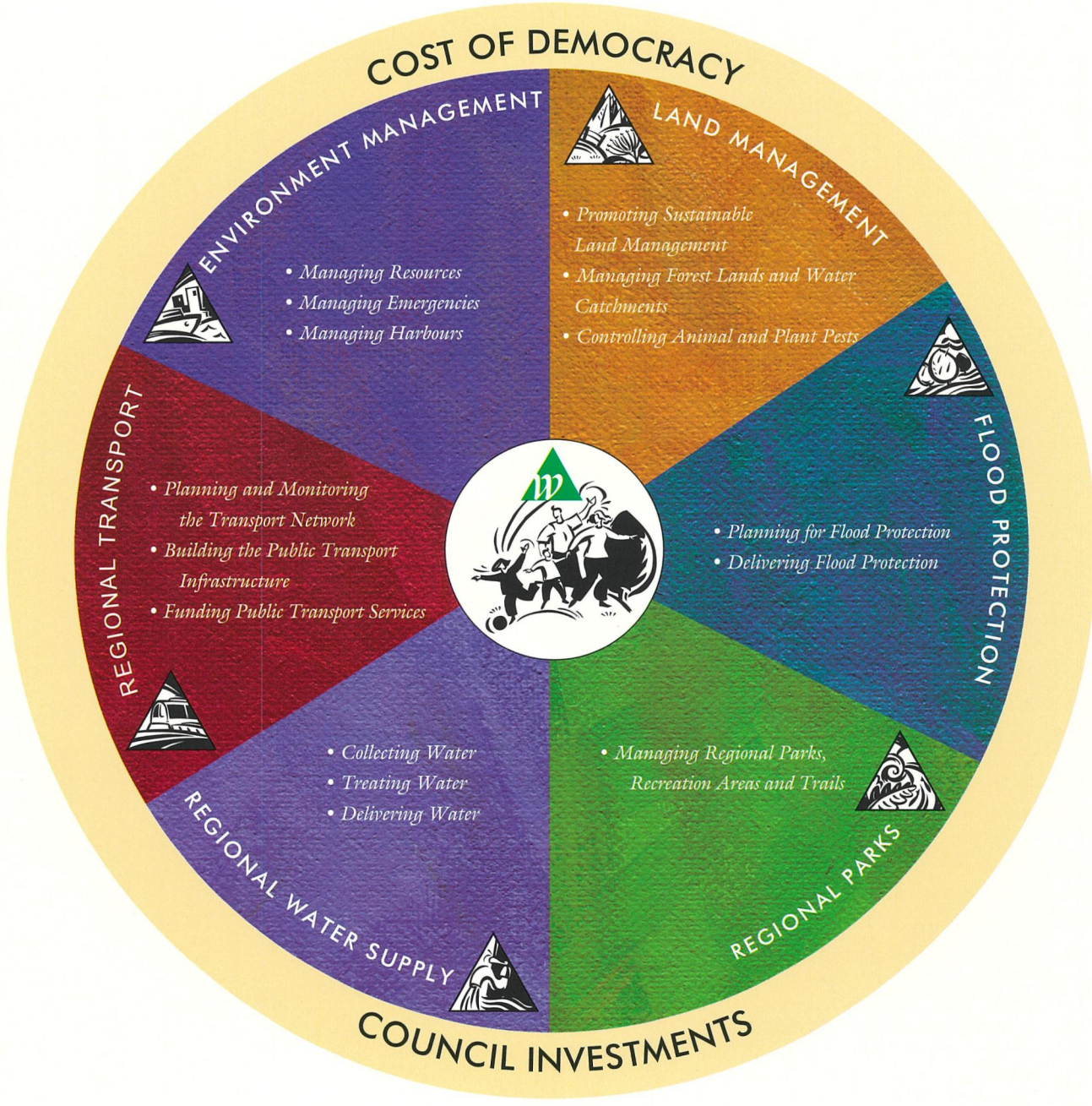
Achieving. The Council is committed to producing high quality work at all times and to being an effective organisation - an organisation that makes a difference.

Responsive. This Council is committed to being responsive - an organisation that listens and acts accordingly.

Efficient. Ratepayers are entrusting the Council with their money. It is the Council's responsibility to use those funds well. The Council's aim is to be an efficient organisation that demands value for money.

What We Do and Why

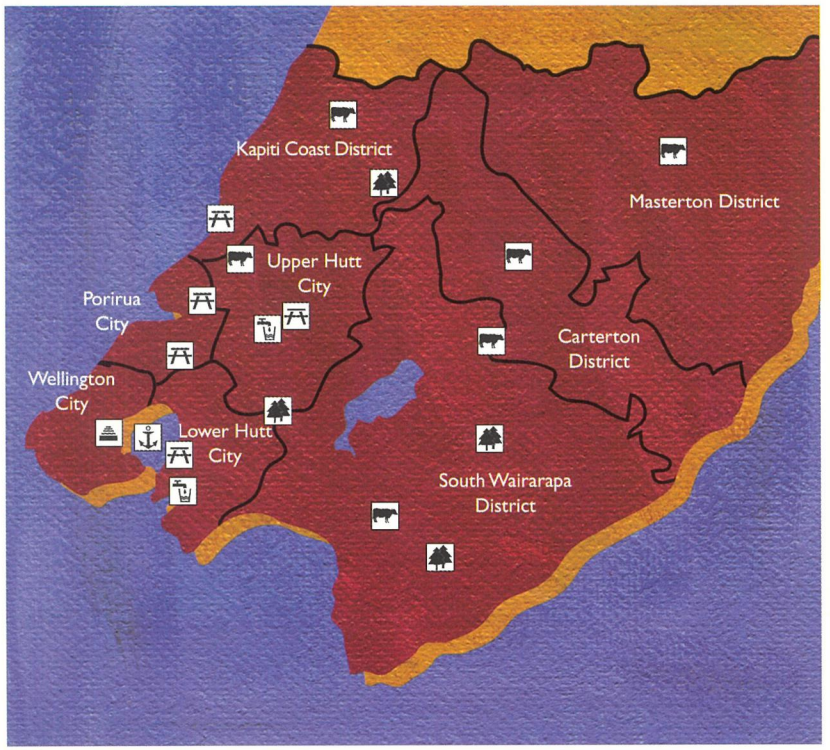
Most of the Council's services are statutory responsibilities and it must carry out these activities. An objective, however, is to generally "add value" by exceeding the statutory minimum because to do so is sensible, practical and in the best interests of the community.

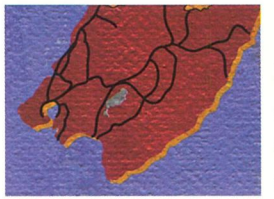


THE WELLINGTON REGION

Some facts about the Region

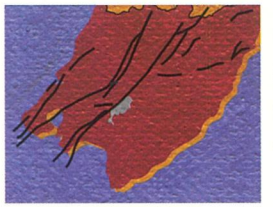
- The Wellington Region covers a land area of 813,000 hectares, and a maritime area of 786,000 hectares. There are 497 kilometres of coastline.
- The population of the Wellington Region is 414,585 (provisional figures at December 1996)
- The Regional Council manages 575 kilometres of river channels and 190 kilometres of stopbanks. It is responsible for one of the largest flood protection schemes in New Zealand.
- About 25 million passenger journeys are made on the Region's public transport system each year.
- The Regional Council delivers over one million tonnes of water each week to City Councils in metropolitan Wellington.
- The Regional Council undertakes possum control programmes on approximately 245,000 hectares of regional land each year.
- The Regional Council manages 10,000 hectares of regional parks.
- Port Wellington Limited had almost 5,000 shipping arrivals and handled a total of 7.46 million manifest tonnes of cargo in the 1997 financial year.





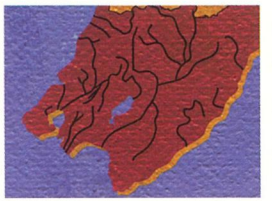
Transport

Both road and rail transport links follow two main corridors. Commuter traffic congests roads into the capital, highlighting the need for an attractive public transport system.



Faultlines

Sitting on the edge of two major crustal plates, with four active faultlines, the Region is highly vulnerable to earthquakes.



Rivers

With major settlements by rivers, the Region is at risk from flooding. Effective flood protection is costly and begs the question "Who should pay?"

Wellington

With an economy dominated by the service sector, Wellington's recent economic growth is slower than other areas of New Zealand.

Kapiti Coast

As one of the fastest growing areas in the country, the Kapiti Coast faces increasing pressure on services and natural resources.

Wairarapa

Primary production for export is expected to grow, particularly forestry.

Climate Change

Changing climatic patterns may bring a greater need for flood protection works and soil conservation.

Port of Wellington

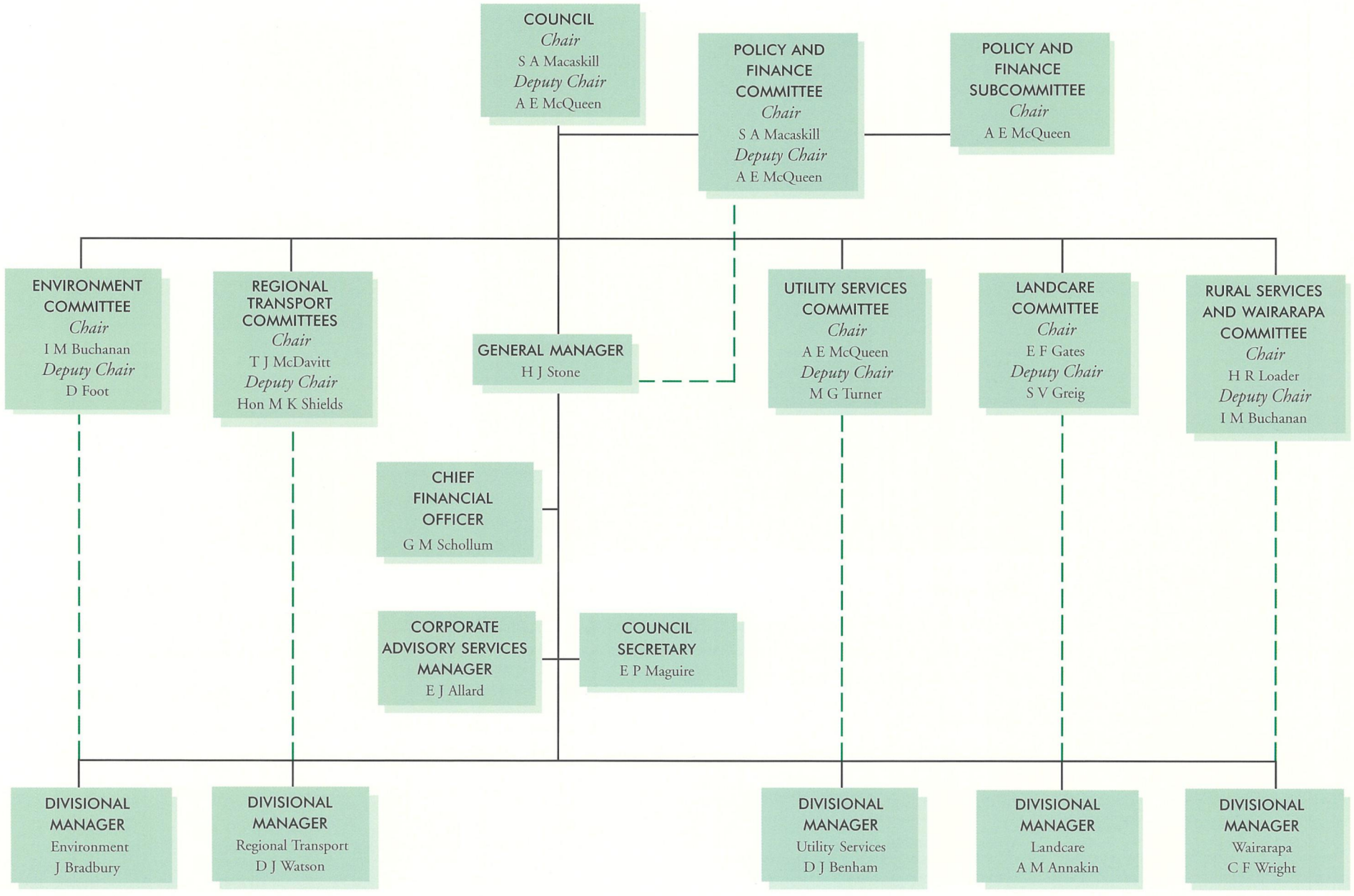
The Port, with other transport operations, forms a transport hub - with potential for expansion.

Cultural Diversity

The Region is becoming more culturally diverse. Local government decision-making has to be sensitive to this.

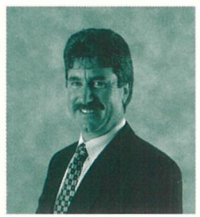
Regional parks | Agriculture | Central Government | Soil Conservation | Shipping | Water Supply

COUNCIL AND MANAGEMENT STRUCTURE



ENVIRONMENT

Committee Report



Ian Buchanan

This year the Council has made significant progress with its environment management work. We are now seeing the benefits of an internal reorganisation. Particularly pleasing for me is the change in culture. Staff are now very aware of the importance of good customer relations and good customer service and are constantly looking for alternative, non-regulatory means, to carry out our environmental responsibilities.

Managing Resources

Now that we have notified all our regional plans, we have moved further towards a comprehensive policy framework for environmental management in the Region. Together with the newly developed resource management charging policy, we hope that we have gone some way towards providing resource users with the certainty that they have been seeking for their planning and business decision-making.

During the year, we have developed a customer service policy, a compliance monitoring procedures manual and a consents procedures manual - all designed to improve our service to those customers who either have, or want, resource consents. The processing time for non-notified consents has been reduced and our compliance work enhanced.

Our pollution response team has been very busy - probably because community awareness of the service has increased. Hopefully, this work will reduce in the future as the Region becomes more environmentally responsible.

So that we can gauge whether our plans, consents and pollution response work is having the desired effect, a baseline state of the environment monitoring programme has been developed. The annual report on the state of our Region's environment will be our measure for how well we are doing.

Harbours Management

Unfortunately, we have had two fatal incidents in our harbour waters this year. Our harbours staff have been working closely with the investigating agencies and we have made some amendments to our practices. However, all harbour users are dependent on others acting in a responsible manner. It was pleasing to be commended for our response to an oil spill incident in Wellington Harbour.

Committee Members

Chairperson	I M Buchanan
Deputy Chair	D Foot
Members	T J McDavitt
	Hon M K Shields
	I A Yardley
	Council Chairperson *(ex officio)*
	Council Deputy Chairperson *(ex officio)**
Appointees	A D Cherrington (Kapiti Constituency)
	B Earl (Civil Defence)
	A P C Whitley (Harbours)
	R J Morrison (Harbours)

* The Council Deputy Chairperson is not a member of the Environment Committee when considering issues related to water supply.

PASSENGER TRANSPORT

Committee Report



Terry McDavitt

Much of our effort this year has gone into solving our public transport funding problems. Consultation with the community through surveys, submissions and face to face discussions has prompted us to seek legislative change to allow the Council to raise additional funding locally. We will pursue this concept with Government during its review of land transport pricing.

Planning and Monitoring the Transport Network

The Council held two further transport futures forums. The final forum received the outcomes of a community survey on "Willingness to Pay". This survey demonstrated that there was support for the Council raising additional income locally to help fund regional transport activities. The preferred mechanisms were a regional petrol tax or a commuter car parking levy.

The Council started a review of its Regional Land Transport Strategy. This review will run concurrently with the Ministry of Transport's development of a National Land Transport Strategy.

In addition, the Council has been involved in studies of a public transport Lambton Hub, SH2 improvements, the Northern Gateway and transport issues relating to the Regional Stadium.

Building The Public Transport Infrastructure

A significant programme of public transport infrastructure was undertaken by the Council through agreements with territorial authorities. Of particular importance was the upgrading of Porirua Railway Station. An additional pedestrian shelter between the Wellington Railway Station and the business centre was completed.

New public transport shelters were provided as part of the Courtenay Place intersection revamp. Additional parking spaces have been provided at various railway stations to further enhance park and ride. Some bus stops on the Wellington City Blue Bus Route were adapted to improve access to low floor buses as part of the accessible bus trial.

Funding Public Transport Services

Patronage on both buses and trains has continued to increase. Total Mobility demands continued to grow faster than anticipated. The Council is looking for ways to limit increases in the cost to ratepayers of this service.

Refurbishment of the Ganz Mavag rail units has been accelerated and will continue through the 1997/98 year. The Wellington City School, Upper Hutt and Wainuiomata public transport services were reviewed.

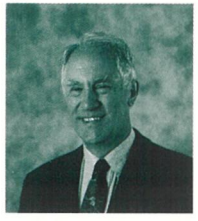
Committee Members *

Chairperson	T J McDavitt
Deputy Chair	Hon M K Shields
Members	M M Bonner
	I M Buchanan
	D Foot
	S V Greig
	I A Yardley
	Council Chairperson *(ex officio)*
	Council Deputy Chairperson *(ex officio)*
Appointee	J C Horne

* The Regional Land Transport Committee is a separate committee comprising members of the Passenger Transport Committee and appointees representing local authorities, Central Government agencies and users.

UTILITY SERVICES

Committee Report



Euan McQueen

A pivotal development during the year was the agreement by the four metropolitan cities and this Council to initiate a review of water supply in metropolitan Wellington. This study will assess the best option for the rationalisation of the water supply and reticulation in the Wellington metropolitan area, and compare it with current arrangements. We believe through this review we have a unique opportunity to make a major step forward to achieve more efficiency in the delivery of water in our Region.

A further significant event has been the decision of the Wellington City Council to competitively tender the maintenance component of the facilities management contract currently held by this Council. Should we be unsuccessful in retaining this contract then significant exit costs are likely to accrue. This Council certainly hopes that Wellington City will take into account options offered from the water supply review prior to any final decision on the maintenance contract.

Financial Result

From a financial perspective the Regional Water Supply operation produced a surplus ahead of budget of $1.0 million This surplus was largely achieved by savings in chemicals, contracted maintenance and interest charges. These savings have been applied to debt reduction.

Significant Projects Completed

A new 20 megalitre reservoir has been completed at Ngauranga during the year. This $3.8 million project was completed four months ahead of schedule and under budget. This will enable the commencement of decommissioning of the open Karori Reservoir which has been used since 1874.

During the year a significant upgrade of the Orongorongo supply was carried out. This included the replacement of the 3.2 kilometre pipeline through the Orongorongo Tunnel, refurbishment of the intakes, installation of new instrumentation and replacement of the bridge across the Orongorongo River.

Other Activities

The Utility Services Committee also oversees the work of the Laboratory, Wellington City Water, Technical Services and Plantation Forestry.

It is pleasing that all business units, with the exception of Plantation Forestry, either met or exceeded their internal dividend requirements.

Plantation Forestry had a difficult year with the drop in log prices. The adverse effect of lower prices was minimised by harvesting blocks which were accessible through the winter months when production is traditionally reduced. This gave access to domestic markets which were maintained over the balance of the year.

Committee Members

Chairperson	A E McQueen
Deputy Chair	M G Turner
Members	E F Gates
	J A Gray
	R J Werry
	Council Chairperson *(ex officio)**

* The Council Chairperson is not a member of the Utility Services Committee when considering Regional Water Supply matters.

Committee Report



Ernie Gates

Flood Protection

This year's completed operations and maintenance programmes included bank protection improvements in the Otaki and Hutt Rivers. Fortunately, no significant flood events occurred in the Western Region during the year. This Committee's river corridor environmental enhancement programmes are a continuing source of pride.

The official opening of the Ewen Floodway Project was a highlight along with publishing the well received Hutt River Floodplain Management Plan Phase 1 Summary Report, *Living with the River*. The Waiwhetu Stream Management Plan was also approved.

The Kauri Puriri improvements on the Waikanae River were substantially completed, ahead of programme and within project budget. The draft Waikanae Floodplain Management Plan also gained Committee endorsement for the final round of consultation. As the Landcare Division's first complete floodplain management plan, this is a significant milestone.

Agreement was reached with landowners on proposals for the Otaki River Upper Rahui improvements. The initial Hutt River, Nash Street investigations were completed and progress made on the proposed Otaki River separate rating scheme.

Regional Parks

Maintenance standards were generally met, and the capital works programme substantially completed, including new toilets and reprogrammed activity from the 1995/96 Walkway Structures Upgrade. Revenue increased with higher returns from fees, charges, leases and cost recoveries.

Land management practices improved, along with revamped grazing operations at Battle Hill and Dry Creek. Rubbish bin removal is being successfully trialed at Kaitoke Regional Park.

The Council approved the Belmont Regional Park Management Plan. An Operational plan for the Hutt Water Collection Area also gained approval and public access re-established for the first time in over 40 years. Overall regional park visitor numbers showed a small, 0.8 percent, decrease on the previous year.

Conservation Forestry

A comprehensive vegetation assessment regime is now in place (completing a database of the Council's natural forests dating back to the 1950s) and is subject to regular audit by Landcare Research Limited. A draft Animal Pest Control Strategy has been prepared and a 5,500 hectare possum control operation carried out in the Akatarawas.

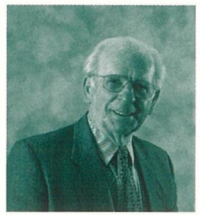
Unfortunately, an initiative to establish a proposed single Rural Fire District for the Region's western side failed because of legal impediments. However, rural fire management systems generally improved during the year.

Committee Members

Chairperson	E F Gates
Deputy Chair	S V Greig
Members	M M Bonner
	H R Loader
	M G Turner
	R J Werry
	Council Chairperson *(ex officio)*
	Council Deputy Chairperson *(ex officio)*
Appointee	A D Ross

RURAL SERVICES AND WAIRARAPA

Committee Report



Harley Loader

The Rural Services and Wairarapa Committee has responsibilities for matters affecting the Wairarapa and the rural community of the Region. Hence it is largely involved with matters coming under the environment management, land management and flood protection activities of the Council.

Environment Management

During the year 340 resource consents were issued under the Resource Management Act, while 300 consents were inspected for compliance. Submissions or comments were made on 159 consent applications to district councils and contributions were again made towards the development of the Council's regional plans.

There has been ongoing monitoring of Wairarapa's natural resources and annual reports have been produced on surface flows and groundwater in the Wairarapa.

Land Management

Bovine Tb possum control operations were completed on 220,900 hectares, which represents over 25% of the Region's land area. The Committee has been very pleased to see that the substantial commitments made to Tb vector control in recent years is now producing significant positive results. Reactor numbers have fallen from 1458 to 666 in the past two years, while the number of herds on movement control is down 30% from the previous year.

New regional strategies, under the Biosecurity Act, for plant and animal pests were approved at the beginning of the year. These strategies involved some significant changes from the approaches used in the past and the first year of the new strategies was completed without major problems.

The Hill Country Sustainability Study has been completed and has resulted in a sustainable land use support package and property sustainability plans which will be advanced in future years.

Flood Protection

All ongoing river scheme maintenance programmes were completed during the year. In addition, $270,000 was required to be spent on flood damage repair works following a series of moderate floods in Wairarapa rivers.

Significant progress was achieved in flood management planning with reports on possible options being completed for the Waiohine, Upper Ruamahanga, and Waipoua Rivers. An additional investigation on possible flood relief options for Donald's Creek was also completed.

Committee Members

Chairperson	H R Loader
Deputy Chair	I M Buchanan
Members	E F Gates
	J A Gray
	Council Chairperson *(ex officio)*
	Council Deputy Chairperson *(ex officio)*
Appointees	D W Adams
	H W Best
	J W Dalziell
	V A Draper
	G Hawkins
	J D G Milne

Equal Employment Opportunities Programme

The Wellington Regional Council is committed to providing a work place environment based on equal employment opportunities (EEO). The commitment is set out in the Charter of Values and Principles adopted in 1996.

The Council continues to 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.

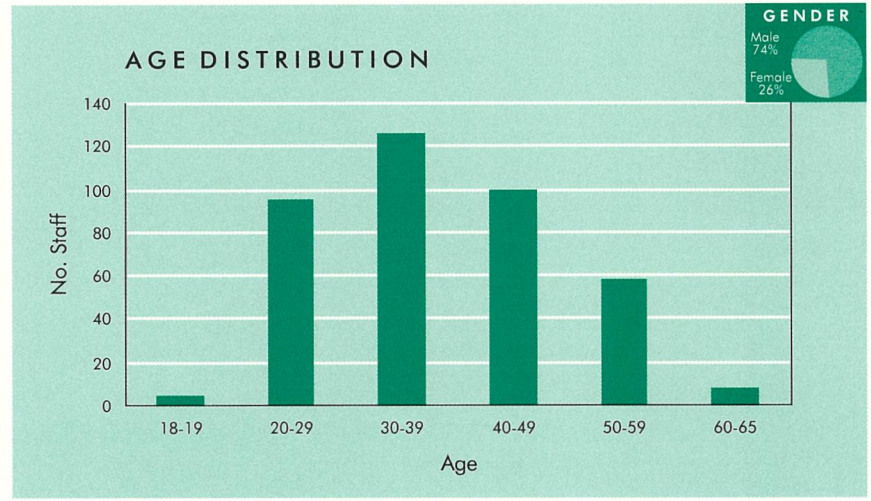
During 1996/97 the Council advanced its processes in support of elements of the Charter. In particular, a sexual harassment policy and procedure was developed and adopted, and a review was undertaken of the Council's employee support services. Work commenced on developing further the Council's Equal Employment Opportunities Policy.

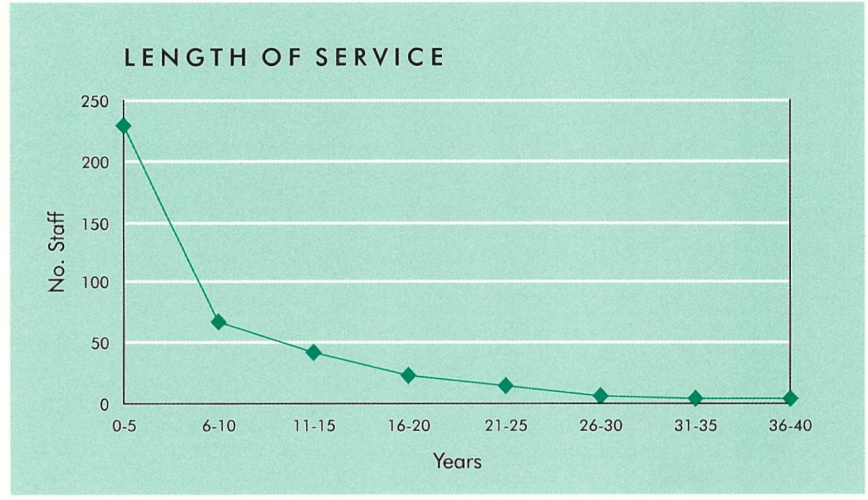
The General Manager has recently emphasised to all managers and others responsible for recruitment, promotion, and performance appraisal the importance of looking at the inherent attributes of an individual, such as tenacity, energy, and integrity. Such characteristics are not dependent on race, sex or other background aspects of a person. The "Review and Reward" system of performance appraisal operated in the Council supports this philosophy.

Staff Welfare and Development

A continuing focus for the Council is occupational safety and health. The Council believes health and safety awareness is more than meeting the legislative obligations, and should be part of everyday management practise.

Continuing training is provided to reinforce this Council's fundamental commitment to provide quality customer service. Other training and employee development initiatives have been based on growing individual staff and management competencies, in keeping with the "Review and Reward" process.





Operating Result

The Council has achieved a net operating surplus for the 1997 financial year of $5.3 million compared with a projected deficit of $0.2 million.

A major contributing factor to the surplus has been lower than budgeted interest costs as a result of operational savings, the rephasing of some capital projects, and asset sales being used to defer borrowings. Savings in Regional Transport operator payments and infrastructure projects, together totaling $1.9 million, have further contributed to the Council's surplus. (Although infastructure projects are normally capital in nature, the payments made by the Regional Council are considered to be grants and the expenditure is therefore reflected in the operating result). Also operational savings of $1.0 million have been achieved in the Regional Water Supply activity. This is largely due to savings in chemical costs, expenditure on contractors and net interest expense.

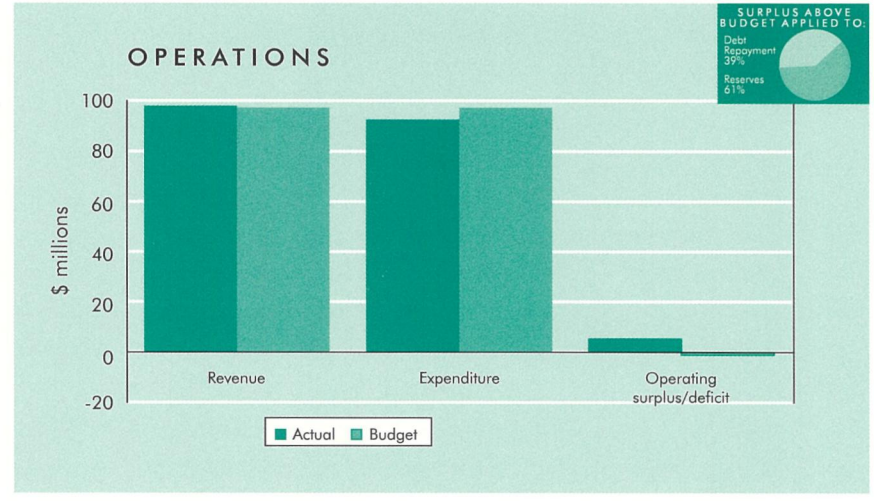
As has been Council practice, any surpluses above budget in the Regional Water Supply and Transport areas are either transferred into reserves or applied to debt in those areas.

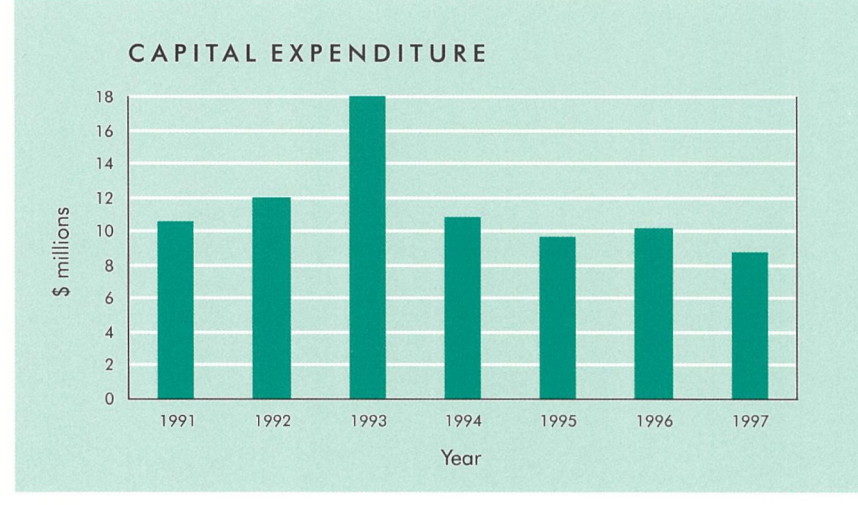
Capital Expenditure

The Council has also undertaken a significant capital expenditure programme during the year. The Ngauranga water supply reservoir and Waikanae River Kauri Puriri flood protection improvements were substantially completed ahead of schedule. This resulted in more expenditure falling into this financial year, however, both projects are on target to be completed within their overall budget.

Funding

In accordance with the Council's policy, all surplus funds after reserve transfers and working capital requirements are used to repay debt. In 1997 the funding surplus from operations above budget used to repay debt was $2.1 million. This policy has been a pivotal reason why the Council has been able to deliver a flat rates line while maintaining debt at prudent levels and carrying out major capital work programmes each year.





The adjacent table summarises the operating result and shows how funds have been applied after providing for capital expenditure, debt servicing and reserve transfers.

Public Debt

Net public debt has been reduced by $18.1 million in the financial year to $80.6 million (compared to a budgeted $106.8 million). A major reason for the unbudgeted reduction was the decision during the year by the Council to apply the capital redemption investment of $14.7 million to debt repayment. The Council's better than budgeted operating surplus has also contributed to the reduction.

The Council has budgeted for net public debt to rise to $115.5 million during the 1998 financial year with the commitment to fund $25 million for the Regional Stadium. Over the next ten years it is expected that debt will reduce to $77 million.

Credit Rating

A significant event for the Wellington Regional Council was the attainment of a Standard and Poor's credit rating. The Council achieved a AA- credit rating, ranking it alongside trading banks and well above many of New Zealand's major corporates. The AA- rating for long-term debt reflects the Council's consistent budgetary performance, conservative financial management, and its strong commitment to financial planning. It means that the Wellington Regional Council has a "very strong capacity to pay". The Council's rating for short-term debt is A.1+, the highest possible. As well as providing ratepayers of the Region reassurance in the financial management of the Council, the credit rating is

	1997 Actual $000s	*1997 Budget $000s*	*Variance $000s*
Regional water supply	1,825	782	1,043
Regional transport	(1,090)	(3,043)	1,953
Other regional responsibilities	4,607	2,086	2,521
Operating surplus (deficit)	**5,342**	**(175)**	**5,517**
Movement in reserves	562	3,866	(3,304)
Add back non cash items	6,399	6,523	(124)
Funding surplus from operations	**12,303**	**10,214**	**2,089**
Net capital expenditure	(8,717)	(9,793)	1,076
Proceeds from unbudgeted asset sales	841	-	841
New loans	7,515	7,129	386
Investment additions	(1,984)	(1,280)	(704)
Net capital expenditure and investment	**(2,345)**	**(3,944)**	**1,599**
Investment redemption	14,782	-	14,782
Investment used for debt reduction	(14,782)	-	(14,782)
Working capital movement	1,434	-	1,434
Debt repayment	(11,392)	(6,270)	(5,122)
Net funding surplus (deficit)	-	-	-

particularly important under the new Local Government Amendment Act, positioning the Council to take full advantage of the new borrowing regulations from 1 July this year.

Asset Management

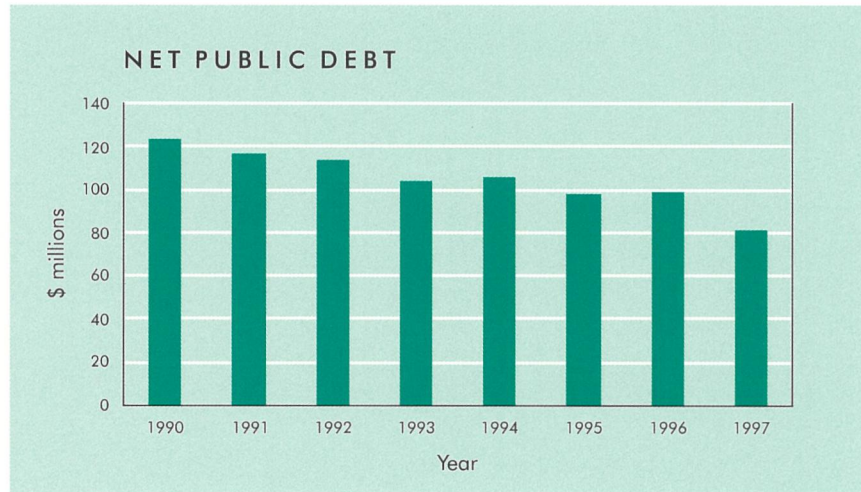
The majority of the Council's asset base consists of regional water supply and flood protection infrastructural assets. Whilst the Council provides for accounting depreciation, these important community assets continue to be maintained and enhanced to preserve the current service levels they provide. A focus for the Council in the coming year will be the ongoing development and refinement of asset management plans, to ensure work programmes are sufficient and maintenance and renewal costs are correctly provided for in long-term financial projections.

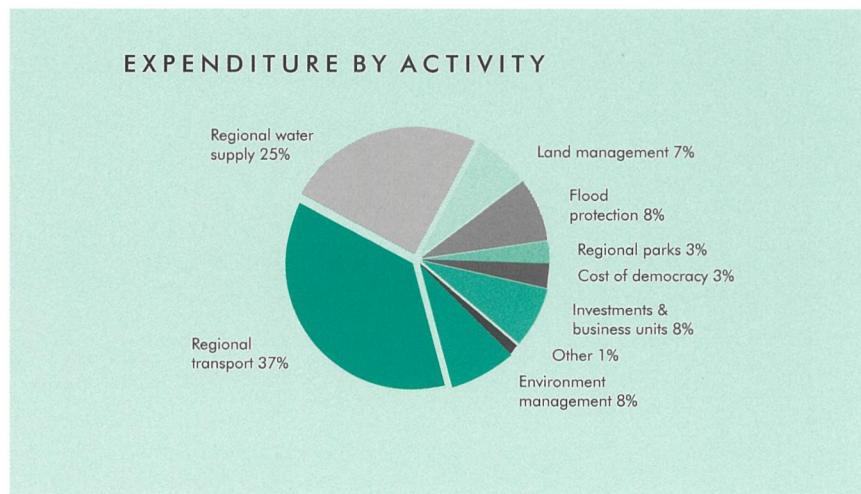
Investments

The Council has investments in subsidiary companies: Port Wellington Limited and WRC Holdings Limited.

Port Wellington Limited has achieved a solid result and largely met dividend expectations - an excellent outcome given the difficult trading circumstances and competitive nature of the business.

WRC Holdings Limited has also achieved an operating result above budget. The major asset within the WRC Holdings Group is the Regional Council Centre, the building occupied by the Council in central Wellington. Although principally owned as the Council's head office building, the asset is managed as an investment property. Further details on the performance of these companies are provided in the supplementary information within this Annual Report.





WELLINGTON REGIONAL COUNCIL

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997



STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30 June 1997

	Notes	Group 1997 Actual $000s	Group 1996 Actual $000s	Council 1997 Actual $000s	Council 1997 Budget $000s	Council 1996 Actual $000s
OPERATING REVENUE						
Rates and levies		65,615	63,762	65,615	65,596	63,762
Government grants and subsidies		16,131	15,180	16,131	16,161	15,180
Investment revenue		1,259	1,435	3,852	3,421	4,080
External revenue		52,718	53,506	12,517	12,162	11,714
Total operating revenue	1	**135,723**	**133,883**	**98,115**	**97,340**	**94,736**
OPERATING EXPENDITURE						
Personnel costs		19,993	18,768	19,993	20,755	18,768
Grants and subsidies		30,842	29,176	30,842	31,870	29,176
Interest costs		9,241	8,339	7,236	9,834	6,625
Depreciation		10,349	9,117	6,678	6,685	5,670
Operating expenses		54,793	54,505	28,024	28,371	26,042
Total operating expenditure	2	**125,218**	**119,905**	**92,773**	**97,515**	**86,281**
Operating surplus (deficit) before taxation		**10,505**	**13,978**	**5,342**	**(175)**	**8,455**
Taxation	10	2,290	2,545	-	-	-
Operating surplus (deficit)		**8,215**	**11,433**	**5,342**	**(175)**	**8,455**
Share of surplus applicable to minority interest	14	1,146	1,228	-	-	-
Net surplus (deficit) for the year		**7,069**	**10,205**	**5,342**	**(175)**	**8,455**

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

STATEMENT OF FINANCIAL PERFORMANCE BY ACTIVITY

For the Year Ended 30 June 1997

	Notes	Council 1997 Actual $000s	Council 1997 Budget $000s
OPERATING REVENUE			
Environment management		8,604	8,759
Regional transport		35,421	35,330
Regional water supply		26,759	26,191
Land management		7,034	6,899
Flood protection		8,944	8,521
Regional parks		2,909	2,816
Cost of democracy		2,576	2,569
Investments and business units		11,153	11,200
Stadium		-	-
Other		670	381
		104,070	**102,666**
Less internal operating revenue		5,955	5,326
Total operating revenue		**98,115**	**97,340**

	Notes	Council 1997 Actual $000s	Council 1997 Budget $000s
OPERATING EXPENDITURE			
Environment management		8,146	8,925
Regional transport		36,511	38,391
Regional water supply		24,934	25,409
Land management		6,934	7,121
Flood protection		7,916	7,687
Regional parks		2,738	2,767
Cost of democracy		2,641	2,505
Investments and business units		7,610	9,188
Stadium		144	-
Other		1,154	848
		98,728	**102,841**
Less internal operating expenditure		5,955	5,326
Total operating expenditure		**92,773**	**97,515**
Operating surplus (deficit)		**5,342**	(175)
Rate funded capital expenditure and investments		(2,415)	(3,944)
Debt provisioning		(26,174)	(6,270)
Working capital movements		1,434	-
Reserve movements		632	3,866
Non-cash items		6,399	6,523
Net investment redemption		14,782	-
Net funding surplus (deficit)		-	-

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

STATEMENT OF MOVEMENTS IN RATEPAYERS' FUNDS

For the Year Ended 30 June 1997

	Notes	Group 1997 Actual $000s	Group 1996 Actual $000s	Council 1997 Actual $000s	Council 1997 Budget $000s	Council 1996 Actual $000s
Ratepayers' funds at the start of the year		336,462	326,294	303,560	303,560	295,666
Net surplus (deficit) for the year		7,069	10,205	5,342	(175)	8,455
Unrealised decrease in revaluation reserves		-	(541)	-	-	(541)
Other revenue and expenses		-	(20)	-	-	(20)
Total recognised revenues and expenses for the year		7,069	9,644	5,342	(175)	7,894
Movements in minority interest	14	518	524	-	-	-
Ratepayers' funds at the end of the year		344,049	336,462	308,902	303,385	303,560

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 1997

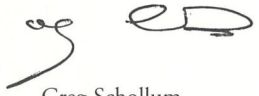
	Notes	Group 1997 $000s	Group 1996 $000s	Council 1997 $000s	Council 1996 $000s
RATEPAYERS' FUNDS					
Retained earnings	12	153,181	144,714	131,469	124,729
Reserves	13	177,433	178,831	177,433	178,831
		330,614	323,545	308,902	303,560
Minority interests	14	13,435	12,917	-	-
Total ratepayers' funds		**344,049**	**336,462**	**308,902**	**303,560**
ASSETS					
Current assets	3	22,539	19,819	14,034	14,751
Non-current assets	5	450,766	458,819	404,737	415,117
Total assets		**473,305**	**478,638**	**418,771**	**429,868**
LIABILITIES					
Current liabilities	8	33,638	48,302	31,251	45,434
Non-current liabilities	9	95,618	93,874	78,618	80,874
Total liabilities		**129,256**	**142,176**	**109,869**	**126,308**
Net assets		**344,049**	**336,462**	**308,902**	**303,560**



Stuart Macaskill
Chairperson
23 September 1997



Howard Stone
General Manager
23 September 1997



Greg Schollum
Chief Financial Officer
23 September 1997

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

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 1997

	Group 1997 $000s	Group 1996 $000s	Council 1997 $000s	Council 1996 $000s
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash provided from:				
Customers	41,529	43,046	-	-
Rates, levies, subsidies and taxes	82,167	80,149	82,167	80,149
Investment revenue	480	758	3,073	3,403
Other	12,146	8,684	12,690	9,331
	136,322	132,637	97,930	92,883
Cash disbursed to:				
Suppliers and employees	103,280	106,465	76,802	74,927
Interest	8,974	8,944	7,097	7,184
Income tax paid	2,699	2,807	-	-
Taxation dispute deposit	2,951	-	-	-
	117,904	118,216	83,899	82,111
Operating activities net cash flows	**18,418**	**14,421**	**14,031**	**10,772**
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash provided from:				
Sale of fixed assets	1,220	1,056	1,138	1,017
Sinking funds	55	826	55	826
Disposal of other investments	6	282	-	282
Disposal of capital redemption investment	14,782	-	14,782	-
Disposal of redeemable preference shares	-	-	1,467	-
	16,063	2,164	17,442	2,125
Cash disbursed for:				
Purchase of fixed assets	16,591	14,228	10,287	11,573
Sinking funds	216	409	216	409

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

	Notes	Group 1997 $000s	Group 1996 $000s	Council 1997 $000s	Council 1996 $000s
Capital redemption investment		1,283	1,187	1,283	1,187
Investment in redeemable preference shares		-	-	1,467	-
Investment in patent		3	13	-	-
Regional water supply contingency investment		563	526	563	526
		18,656	16,363	13,816	13,695
Investing activities net cash flows		(2,593)	(14,199)	**3,626**	(11,570)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash provided from:					
Public and term debt proceeds		11,209	7,037	7,209	7,037
		11,209	7,037	7,209	7,037
Cash disbursed for:					
Public and term debt settlement		24,670	7,641	24,670	5,641
Dividends		628	704	-	-
		25,298	8,345	24,670	5,641
Financing activities net cash flows		(14,089)	(1,308)	(17,461)	**1,396**
Net increase in cash held		**1,736**	(1,086)	**196**	**598**
Add opening cash and deposits		3,323	4,409	4,015	3,417
Closing cash and deposits		**5,059**	**3,323**	**4,211**	**4,015**
Bank and call deposits	3	5,059	4,082	4,211	4,015
Bank overdraft	8	-	(759)	-	-
Closing cash and deposits		**5,059**	**3,323**	**4,211**	**4,015**

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

STATEMENT OF ACCOUNTING POLICIES

1. REPORTING ENTITY

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

The Group consists of the Wellington Regional Council and its subsidiary companies WRC Holdings Limited (100% owned), and Port Wellington Limited (76.9% owned).

The financial statements have been prepared in accordance with the Local Government Act 1974 and generally accepted accounting practice.

2. MEASUREMENT BASE

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

3. ACCOUNTING POLICIES

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 Basis of Consolidation

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

3.2 Revenue

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

3.3 Investments

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

All other investments, including those in subsidiaries, are shown at the lower of cost or net realisable value.

3.4 Fixed Assets and Depreciation

The Council has categorised its fixed assets into operational assets, water supply assets, flood management plans, infrastructure and capital works in progress.

The Council undertook an asset valuation exercise in 1991. Asset values based on the 1991 valuation are land and buildings (1990 government valuation), and the regional water supply system, flood protection and transport facilities infrastructure assets (1991 depreciated replacement cost). Additions to assets since 1991 are recorded at cost.

Port Wellington Limited's assets acquired on 1 October 1988 are stated at cost based on a business valuation carried out at that time. Subsequent

purchases of fixed assets by Port Wellington Limited are recorded at cost.

Investment properties within the Group are revalued annually at net current value.

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:

Buildings	10-100 years
Pipelines, reservoirs, dams	50-150 years
Plant, vehicles, equipment	3-20 years
Floodplain management plans	15 years
Navigational aids	10 years
Waterloo Interchange	40 years
Port Wellington Limited floating plant, cranes, wharves	10-50 years

Flood protection infrastructural assets are not depreciated as the completion of ongoing maintenance programmes are maintaining the assets at current values. Work in progress is not depreciated until the project phase is completed.

3.5 **Inventories**

Cost of inventories held for maintenance and construction purposes is calculated using the weighted average cost method. Nursery stocks are valued at 50% of current market value. All other inventories are valued at the lower of cost or net realisable value on a first in first out basis.

3.6 **Taxation**

The assessable income of the Council includes income derived, net of related expenses, from the WRC Holdings Group of companies and Port Wellington Limited. All other income currently derived by the Council is exempt from income tax.

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

3.9 Employee Entitlements

Provision is made at year end for the total staff entitlement to annual leave. Entitlements to retirement gratuities and long service leave are accrued based upon the number of staff who have completed the requisite years of service.

3.10 Financial Instruments

The Group is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, overdraft facilities, investments, debtors and creditors and are recognised in the statement of financial position. Group entities use forward rate agreements and swaps solely to manage interest rate exposure. Revenue and expenses in relation to financial instruments are recognised in the statement of financial performance.

3.11 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 or liabilities in foreign currencies.

3.12 Goods and Services Tax (GST)

The financial statements have been prepared net of GST.

3.13 Overhead Allocation and Internal Transactions

The Council allocates overhead from support service functions on a variety of different bases largely determined, where possible, by usage. The treasury operation of the Council is treated as an internal banking activity. Any surplus generated is credited directly to the statement of financial performance.

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

The "Cost of Democracy" costs have not been allocated to significant activities, except where there is a separate community of benefit from the whole Region, i.e. Regional Water Supply and Regional Transport.

3.14 Rounding of Amounts

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

3.15 Comparatives

In most cases comparison is made with the 1997 budget as set out in the 1996/97 Annual Plan. In other cases the comparatives are the 1996 actual figures.

3.16 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, no such extension has been received.

4. CHANGES IN ACCOUNTING POLICIES

There have been no material changes in accounting policies.

For the Year Ended 30 June 1997

NOTE 1

REVENUE

	Group 1997 Actual $000s	*Group 1996 Actual $000s*	*Council 1997 Actual $000s*	*Council 1997 Budget $000s*	*Council 1996 Actual $000s*
General rates	18,557	18,054	18,557	18,557	18,054
Transport rates	19,109	18,630	19,109	19,109	18,630
River rates	1,328	1,134	1,328	1,328	1,134
Regional water supply levy	25,213	24,433	25,213	25,218	24,433
Pest management rates	512	638	512	512	638
Wairarapa scheme rates	896	873	896	872	873
Government grants and subsidies	16,131	12,804	16,131	16,161	12,804
Regional petrol tax	-	2,376	-	-	2,376
Dividends	165	130	2,097	2,400	2,350
Sinking fund interest	779	677	779	421	677
Other interest	315	628	976	600	1,053
Other revenue	52,718	53,506	12,517	12,162	11,714
Total operating revenue	**135,723**	**133,883**	**98,115**	**97,340**	**94,736**

NOTE 2

OPERATING EXPENDITURE INCLUDES

	Group 1997 Actual $000s	*Group 1996 Actual $000s*	*Council 1997 Actual $000s*	*Council 1997 Budget $000s*	*Council 1996 Actual $000s*
Assets written off	22	98	22	-	98
Bad debts written off	38	96	3	-	32
Directors fees	111	105	-	-	-
Fees to auditors for audit of financial statements	158	161	100	100	100
Fees to auditors for other services	33	44	29	45	28
Increase (decrease) in provision for doubtful debts	(69)	394	(81)	-	383
Loss (gain) on sale of assets	(249)	(135)	(300)	(123)	(204)
Operating lease rentals	1,081	529	562	628	430
Rates collection cost	1,184	1,175	1,184	1,269	1,175
Subscriptions	50	51	50	50	51
Writedown of investment properties	-	616	-	-	466
Decrease (increase) in value of investments	-	-	(139)	-	47

NOTE 3

CURRENT ASSETS

		Group 1997 $000s	Group 1996 $000s	Council 1997 $000s	Council 1996 $000s
Bank and call deposits		5,059	4,082	4,211	4,015
Receivables	4	12,491	13,960	8,991	9,815
Inventory		1,432	1,618	832	921
Taxation refund due		606	159	-	-
Taxation dispute deposit	10	2,951	-	-	-
		22,539	**19,819**	**14,034**	**14,751**

NOTE 4

RECEIVABLES

	Group 1997 $000s	Group 1996 $000s	Council 1997 $000s	Council 1996 $000s
Rates outstanding	4,812	4,170	4,812	4,170
Other receivables	8,714	10,895	5,151	6,699
Less provision for doubtful debts	(1,035)	(1,105)	(972)	(1,054)
	12,491	**13,960**	**8,991**	**9,815**

NOTE 5

NON-CURRENT ASSETS

		Group 1997 $000s	Group 1996 $000s	Council 1997 $000s	Council 1996 $000s
Future tax benefit		858	896	-	-
Investments	6	23,878	35,899	59,960	71,818
Fixed assets	7	426,030	422,024	344,777	343,299
		450,766	**458,819**	**404,737**	**415,117**

NOTE 6

INVESTMENTS

	Group 1997 $000s	*Group 1996 $000s*	*Council 1997 $000s*	*Council 1996 $000s*
Sinking funds	9,033	8,093	9,033	8,093
Port Wellington Limited shares	-	-	15,385	15,385
Port Wellington Limited convertible notes	-	-	7,692	7,692
WRC Holdings Limited shares	-	-	13,354	13,215
New Zealand Local Government Insurance Corporation Limited shares	80	80	80	80
Capital redemption investment	-	13,500	-	13,500
Patents	45	48	-	-
Plantation forests	13,327	13,327	13,327	13,327
Regional water supply contingency investment	1,089	526	1,089	526
Other investments	304	325	-	-
Total investments	**23,878**	**35,899**	**59,960**	**71,818**

The Council has money invested on deposit with financial institutions to comply with the regulations on the provisions of sinking funds. With effect from 1 July 1997 the Council has been able to unwind sinking funds where approval has been received from the stockholders.

The Council holds 76.9% of the shares in Port Wellington Limited which have been included at par value. Manawatu-Wanganui Regional Council owns the remaining 23.1%. The Council also holds 2,634,351 convertible notes in Port Wellington Limited. The notes are unsecured, subordinated and are convertible or redeemable at Port Wellington Limited'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 estimated value of the Council's holding in Port Wellington Limited at 30 June 1997 is $39 million.

The Council holds 100% of the shares in WRC Holdings Limited (formerly Pringle House Finance Limited). The book value of the shares reflects the net asset backing of the investment at 30 June 1997.

Independent valuations of the plantation forests have been completed by Alan Bell and Associates. The estimated value as at 30 June 1997 based on a discount rate of 8.0% is $34 million.

NOTE 7

FIXED ASSETS – GROUP

	Cost $000s	*Revaluation $000s*	*Accumulated Depreciation $000s*	*Book Value 1997 $000s*	*Book Value 1996 $000s*
Operational assets					
Port buildings and wharves	37,160	-	10,528	26,632	25,832
Land and buildings	60,086	11,022	1,305	69,803	70,137
Fixtures and fittings	1,457	-	1,236	221	281
Plant and equipment	26,988	-	16,562	10,426	8,815
Motor vehicles	3,886	-	2,102	1,784	1,820
Computer equipment	2,554	-	1,971	583	721
	132,131	11,022	33,704	109,449	107,606
Floodplain management plans	6,052	-	771	5,281	4,365
Infrastructural assets					
Flood protection	16,202	89,075	-	105,277	99,777
Transport facilities	10,749	1,516	1,804	10,461	10,475
Navigational aids	1,724	-	665	1,059	1,200
	28,675	90,591	2,469	116,797	111,452
Capital works in progress	1,778	-	-	1,778	7,437
Total regional responsibilities	**168,636**	**101,613**	**36,944**	**233,305**	**230,860**
Regional water supply assets					
Land and buildings	37,838	1,622	2,890	36,570	36,875
Pipelines, reservoirs and structures	94,255	73,529	16,356	151,428	141,082
Fixtures, plant and equipment	3,541	-	1,353	2,188	159
Motor vehicles	1,007	-	695	312	341
Capital works in progress	2,227	-	-	2,227	12,707
Total regional water supply	**138,868**	**75,151**	**21,294**	**192,725**	**191,164**
Total Group fixed assets	**307,504**	**176,764**	**58,238**	**426,030**	**422,024**

FIXED ASSETS – COUNCIL

	Cost $000s	*Revaluation $000s*	*Accumulated Depreciation $000s*	*Book Value 1997 $000s*	*Book Value 1996 $000s*
Operational assets					
Land and buildings	24,547	1,773	1,305	25,015	25,349
Fixtures and fittings	1,457	-	1,236	221	281
Plant and equipment	2,089	-	1,496	593	710
Motor vehicles	3,886	-	2,102	1,784	1,820
Computer equipment	2,554	-	1,971	583	721
	34,533	1,773	8,110	28,196	28,881
Floodplain management plans	6,052	-	771	5,281	4,365
Infrastructural assets					
Flood protection	16,202	89,075	-	105,277	99,777
Transport facilities	10,749	1,516	1,804	10,461	10,475
Navigational aids	1,724	-	665	1,059	1,200
	28,675	90,591	2,469	116,797	111,452
Capital works in progress	1,778	-	-	1,778	7,437
Total regional responsibilities	**71,038**	**92,364**	**11,350**	**152,052**	**152,135**
Regional water supply assets					
Land and buildings	37,838	1,622	2,890	36,570	36,875
Pipelines, reservoirs and structures	94,255	73,529	16,356	151,428	141,082
Fixtures, plant and equipment	3,541	-	1,353	2,188	159
Motor vehicles	1,007	-	695	312	341
Capital works in progress	2,227	-	-	2,227	12,707
Total regional water supply	**138,868**	**75,151**	**21,294**	**192,725**	**191,164**
Total Council fixed assets	**209,906**	**167,515**	**32,644**	**344,777**	**343,299**

NOTE 8

		Group 1997 $000s	Group 1996 $000s	Council 1997 $000s	Council 1996 $000s
CURRENT LIABILITIES					
Bank overdraft		-	759	-	-
Accounts payable		18,576	17,817	14,096	13,753
Employee provisions		4,062	3,826	2,116	1,953
Current account - WRC Holdings Group		-	-	4,039	3,828
Public debt (current)	11	11,000	25,900	11,000	25,900
		33,638	**48,302**	**31,251**	**45,434**

NOTE 9

		Group 1997 $000s	Group 1996 $000s	Council 1997 $000s	Council 1996 $000s
NON-CURRENT LIABILITIES					
Public debt (non-current)	11	78,618	80,874	78,618	80,874
Term borrowings		17,000	13,000	-	-
		95,618	**93,874**	**78,618**	**80,874**

NOTE 10

	Group 1997 $000s	*Group 1996 $000s*	*Council 1997 $000s*	*Council 1996 $000s*
TAXATION				
Dividends	2,460	2,695	2,460	2,695
Operating income - Port Wellington Group	7,277	7,876	-	-
Operating income - WRC Holdings Group	665	494	-	-
Convertible note interest	693	704	693	704
Net operating loss of taxable activities	(405)	(36)	(405)	(35)
Deductible interest	(1,802)	(2,118)	(1,802)	(2,118)
Operating profit before tax	**8,888**	**9,615**	**946**	**1,246**
Adjustments for permanent differences				
Imputation credits received	1,151	1,251	1,033	1,157
Tax effect of imputation credits	(3,488)	(3,791)	(3,130)	(3,506)
Subvention payment	-	-	370	510
Non assessable income	(156)	(31)	-	-
Building devaluation	-	150	-	-
Non deductable expenditure	195	286	-	-
Additional depreciation	(527)	(176)	-	-
Loss not recognised	781	593	781	593
Taxable income	**6,844**	**7,897**	-	-
Taxation charge @ 33%	2,259	2,606	-	-
Prior year over provision	31	(61)	-	-
Taxation expense	**2,290**	**2,545**	-	-

TAXATION (continued)

Subvention payments

The financial statements include subvention payments due from subsidiaries to the Council for the use of tax losses incurred by the Council. In the current year, provision for a payment of $0.37 million (1996 $0.51 million) has been included.

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

Timing differences not recognised

Due to the long-term nature of the fixed assets employed by Port Wellington Limited, $2.3 million (1996 $2.1 million) of its future income tax benefits have not been recognised as an asset in the financial statements. Future income tax benefits of $0.12 million (1996 $0.12 millon) attributable to amounts provided, but not currently deductible in the WRC Holdings Group have also not been recognised.

Similarly, deferred tax liabilities of $0.27 million (1996 $0.20 millon) relating to depreciation in the WRC Holdings Group have not been recognised because it is not anticipated that the assets will be disposed of in the foreseeable future and therefore the liability will not crystalise.

The Council has estimated tax losses of $2.1 million (1996 $1.32 million) available to be carried forward to be offset against taxable income in the future subject to Inland Revenue Department confirmation. The tax effect of these losses is $0.69 million (1996 $0.44 million).

Port Wellington Limited tax investigation

The Inland Revenue Department has issued assessments disallowing approximately $18.4 million of deductions, primarily relating to depreciation claims for the 1988 through to 1993 income tax years. The income tax effect of these assessments is $6.1 million The Group has lodged objections to these assessments and the matter is now proceeding to the High Court. As required by law, 50% of this amount, amounting to $3.0 million, has been paid to the Inland Revenue Department.

The Group has continued to claim depreciation for the 1994 through to 1997 income tax years on the same basis. The depreciation claimed is $7.0 million and it is likely that the Inland Revenue Department will also dispute these claims. The income tax effect of these deductions is $2.3 million.

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 Department. The assessments and any subsequent assessments will be strongly rebutted on the basis of legal and accounting advice given to the Port Wellington Group.

If the issue is decided wholly in favour of the Inland Revenue Department, the Group's retained earnings would decrease by $8.4 million 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 realisation of the taxation in dispute asset and the interest income thereon.

Imputation credits

$7.7million (1996 $3.32 million) of imputation credits are potentially available within the subsidiaries to attach to future 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

	Group 1997 $000s	*Group 1996 $000s*	*Council 1997 $000s*	*Council 1996 $000s*
PUBLIC DEBT				
Opening balance	106,774	105,092	106,774	105,092
New loans raised	7,209	7,037	7,209	7,037
Forestry encouragement loans	305	286	305	286
Loans repaid or rolled over	(24,613)	(5,588)	(24,613)	(5,588)
Ministry for the Environment principal repaid	(57)	(53)	(57)	(53)
Total external financing	**89,618**	**106,774**	**89,618**	**106,774**
Public debt current portion	11,000	25,900	11,000	25,900
Public debt non-current portion	78,618	80,874	78,618	80,874
	89,618	**106,774**	**89,618**	**106,774**
Loans are due for repayment in the following periods				
1998			11,000	
1999			12,896	
2000			18,119	
2001			9,109	
2002			4,447	
Beyond			34,047	
			89,618	

Public debt obligations are fully secured against the rateable property of the Region. The weighted average of the interest rates on the public debt as at 30 June 1997 is 8.2% (1996 8.6%).

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 page 112.

NOTE 12

RETAINED EARNINGS

	Group 1997 $000s	*Group 1996 $000s*	*Council 1997 $000s*	*Council 1996 $000s*
Opening balance	144,714	134,010	124,729	115,775
Net surplus for the year	7,069	10,205	5,342	8,455
Transferred from reserves	3,592	3,857	3,592	3,857
Transferred to reserves	(2,158)	(3,491)	(2,158)	(3,491)
Interest earned on reserves	(802)	(1,038)	(802)	(1,038)
Reserve reclassifications	-	(20)	-	(20)
Realised asset revaluation on disposal	766	725	766	725
Unrealised asset revaluation	-	466	-	466
Closing balance	**153,181**	**144,714**	**131,469**	**124,729**

NOTE 13

RESERVES

	Group 1997 $000s	*Group 1996 $000s*	*Council 1997 $000s*	*Council 1996 $000s*
Opening balance	178,831	179,891	178,831	179,891
Transferred from operations	2,158	3,491	2,158	3,491
Transferred to operations	(3,592)	(3,857)	(3,592)	(3,857)
Interest earned	802	1,038	802	1,038
Asset realised movements	(766)	(725)	(766)	(725)
Asset revaluations	-	(466)	-	(466)
Asset unrealised movements	-	(541)	-	(541)
Closing balance	**177,433**	**178,831**	**177,433**	**178,831**

RESERVES (continued)	*Group 1997 $000s*	*Group 1996 $000s*	*Council 1997 $000s*	*Council 1996 $000s*
Represented by				
Election reserve	88	14	88	14
Regional park land purchase reserve	517	549	517	549
Forestry renewal reserve	-	76	-	76
Flood contingency reserve	892	680	892	680
River maintenance reserve	-	93	-	93
Regional water supply rehabilitation reserve	1,877	2,417	1,877	2,417
Transport reserve	3,550	4,467	3,550	4,467
Wairarapa scheme reserves	685	583	685	583
Rural fire contingency reserve	271	250	271	250
Navagational aids reserve	103	95	103	95
Bovine tuberculosis rate reserve	481	458	481	458
Environment legal contingency reserve	362	333	362	333
Hutt ground water reserve	146	135	146	135
Rivers Transit New Zealand maintenance reserve	305	-	305	-
River rates reserve	3	-	3	-
1996/97 expenditure carry forwards	436	198	436	198
Total operational reserves	**9,716**	**10,348**	**9,716**	**10,348**
Asset revaluation reserve	167,515	168,281	167,515	168,281
Investment revaluations	202	202	202	202
Total reserves	**177,433**	**178,831**	**177,433**	**178,831**

NOTE 14

MINORITY INTERESTS

Minority interests represent Manawatu-Wanganui Regional Council's 23.1% share of Port Wellington Limited.

	Group 1997 $000s	*Group 1996 $000s*
Opening balance	12,917	12,393
Minority share of operating surplus	1,146	1,228
Minority dividends paid	(628)	(704)
Closing balance	**13,435**	**12,917**

NOTE 15

EMPLOYEES

	Council 1997	*Council 1996*
Number of employees	387	370

NOTE 16

CONTINGENCIES

Contingent liabilities

The Ewen Floodway, Mangaone Stream and Orongorongo Tunnel contingent liabilities are claims by contractors in respect of completed capital works. The Council is contesting these claims. Wellington City Council has made a decision to terminate the facilities management contract and put the work out for tender. Loss of the contract would result in significant costs for the Council.

	Council 1997 $000s	*Council 1996 $000s*
Termination of Wellington City Water facilities management contract	1,000	-
Ewen Floodway and Mangaone Stream	1,224	910
Ministry of Defence rates refund claim	-	157
Final settlement for Orongorongo Tunnel	400	-
Other legal proceedings and obligations	338	93
Uncalled capital in WRC Holdings Limited	25,000	25,000
	27,962	**26,160**

The Group also has a contingent liability in respect of taxation in dispute (refer note 10).

	Council 1997 $000s	*Council 1996 $000s*
Contingent assets		
Consideration for grant of right of way	50	-

NOTE 17

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, as well as rental for space in the Regional Council Centre. This rental is paid to a subsidiary, Pringle House Limited.

	Group 1997 $000s	*Group 1996 $000s*	*Council 1997 $000s*	*Council 1996 $000s*
Transport operator commitments				
Less than one year	24,640	25,116	24,640	25,116
One to two years	7,108	21,461	7,108	21,461
Two to five years	8,013	5,531	8,013	5,531
	39,761	**52,108**	**39,761**	**52,108**
Operating lease commitments				
Less than one year	716	558	1,430	451
One to two years	290	497	1,127	368
Two to five years	86	501	3,055	114
Later than five years	-	-	2,037	-
	1,092	**1,556**	**7,649**	**933**
Capital commitments	**928**	**1,868**	**642**	**1,868**
Total commitments	**41,781**	**55,532**	**48,052**	**54,909**

NOTE 18

FINANCIAL INSTRUMENTS

Currency risk

The Council is not exposed to any currency risk.

Credit risk

Financial instruments which expose the Group to credit risk are principally bank balances, receivables and investments. The Group monitors credit risk on an on going basis.

The Council manages receivables on behalf of itself and the WRC Holdings Group of companies. A provision for doubtful debts is maintained 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 by the Council in respect of bank balances or investments.

Concentration of credit risk

The Council derives the majority of its income from rates, the regional water supply levy and transport subsidies. Regional water supply levies are collected from the four Wellington metropolitan cities and rates are collected for 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 Group has exposure to interest rate movements as a result of its investments, term borrowings and public debt.

To minimise this risk, Port Wellington Limited monitors the levels of interest rates on an ongoing basis and uses forward rate and swap agreements to hedge interest rates when rates are anticipated to rise. At 30 June 1997 Port Wellington Limited had entered into swap agreements with principal outstanding of $15 million.

The Council's interest rate risk on investment funds is managed through the use of short-term investments in accordance with the treasury policy. Interest rate risk on term borrowings is managed through the use of fixed interest instruments, revolving stock facilities and the placement of debt to minimise rollover risk. With effect from 1 July 1997 the Council is now permitted to enter into incidental arrangements to more actively manage interest rate risk.

Fair values

Except where stated otherwise the estimated fair values of all the financial instruments of the Group are the book value of those instruments.

NOTE 19

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 1997 that exceeded $50,000.

NOTE 20

COUNCILLORS' REMUNERATION

	Council 1997 $	*Council 1996 $*
Salary / fees received or receivable	351,470	354,837
Meeting allowances	220,500	183,440
Travel expenses	56,385	49,267
	628,355	587,544

Total remuneration received by Councillors and Committee appointees is distributed across the following bands.

	Council 1997	*Council 1996*
$Nil to $ 9,999	32	42
$10,000 to $ 19,999	-	4
$20,000 to $ 29,999	5	5
$30,000 to $ 39,999	3	1
$40,000 to $ 49,999	1	2
$50,000 to $ 59,999	3	1
$60,000 to $ 69,999	1	1
$80,000 to $ 89,999	1	1
	46	57

NOTE 21

EXECUTIVE REMUNERATION

The General Manager of the Wellington Regional Council, appointed under section 119C(1)(a) of the Local Government Act 1974, receives a salary of $130,000. In terms of his contract, the General Manager is entitled to the following benefits:

	Council 1997 $	*Council 1996 $*
Salary	130,000	125,000
Motor vehicle	11,583	11,583
Superannuation	19,536	14,862
Medical insurance	1,671	3,000
Life insurance	1,600	1,500
Professional fees	1,500	1,500
Representative allowance	3,000	3,000
Telephone allowance	444	444
Bonus paid if performance objectives achieved	13,000	12,000
	182,334	**172,889**

For the year ended 30 June 1997 the total cost to the Wellington Regional Council of the remuneration package received by the General Manager was $177,048.

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

	Council 1997	*Council 1996*
$90,000 to $ 99,999	-	1
$100,000 to $ 109,999	1	3
$110,000 to $ 119,999	4	1
$120,000 to $ 129,999	2	2
$130,000 to $ 139,999	1	1
$170,000 to $ 179,999	-	1
$180,000 to $ 189,999	1	-
	9	**9**

NOTE 22

RECONCILIATION OF OPERATING SURPLUS WITH CASH FLOW FROM OPERATING ACTIVITIES

	Group 1997 $000s	*Group 1996 $000s*	*Council 1997 $000s*	*Council 1996 $000s*
Operating surplus	**8,215**	**11,433**	**5,342**	**8,455**
Add non-cash items				
Depreciation	10,349	9,117	6,678	5,670
Decrease (increase) in value of investments	21	-	(139)	46
Current account movement - WRC Holdings Group	-	-	211	360
Decrease (increase) in future tax benefit	38	896	-	-
Add (less) movements in working capital				
Decrease (increase) in accounts receivable	1,469	(569)	824	(1,176)
Decrease (increase) in inventory	186	52	89	(222)
Decrease (increase) in tax refund due	(447)	(1,000)	-	-
Decrease (increase) in tax dispute deposit	(2,951)	-	-	-
Increase (decrease) in accounts payable	759	(5,005)	343	(2,402)
Increase (decrease) in employee provisions	236	(398)	163	5
Add (less) items classified as investing activities				
Decrease (increase) in accounts payable related to fixed assets	1,244	379	1,272	451
Net loss (gain) on sale of fixed assets	(227)	(273)	(278)	(204)
Sinking funds interest compounded	(779)	(677)	(779)	(677)
Asset revaluation	-	466	-	466
Add (less) items classified as financing activities				
Forestry encouragement loan interest compounded	305	-	305	-
Net cash flow from operating activities	**18,418**	**14,421**	**14,031**	**10,772**

NOTE 23

RELATED PARTIES

Councillor H R Loader is a director of Loader Engineering Limited.
Councillor I M Buchanan is a director of Wairarapa Outdoor Pursuits Limited
Chief Executive H J Stone is a director of Port Wellington Limited
The Council owns 100% of the shares in WRC Holdings Limited and 76.9% of the shares of the Port Wellington Limited.

All transactions with related parties have been carried out on normal commercial terms. Significant transactions during the year ended 30 June 1997 included:

	Council 1997 $000s	*Council 1996 $000s*
Port Wellington Group		
Income from use of navigational facilities	550	550
Income from convertible note	693	704
Income from dividends	2,092	2,350
Expense for rental and services	29	89
WRC Holdings Group		
Income from management services provided	57	100
Income from subvention payment	370	510
Expense for rent of the the Regional Council Centre	1,034	992
Loader Engineering Limited		
Expense for engineering services	4	17
Wairarapa Outdoor Pursuits Limited		
Expense for outdoor training	1	-

H J Stone receives $17,500 Directors' remuneration from Port Wellington Limited.

NOTE 24

RESTATEMENT OF 1996/97 ANNUAL PLAN OPERATING DEFICIT

The 1996/97 budgeted operating deficit has been amended from the annual plan to correctly restate internal charges.

	Council 1997 $000s
Operating deficit per 1996/97 Annual Plan	(758)
Internal charges within 1996/97 Annual Plan reclassified as capital expenditure	583
Amended operating deficit per statement of financial performance	(175)

An adjustment has also been made for the reclassification of income from the capital redemption investment between revenue and expenditure of $1.28 million.
This has no effect on the Council's budgeted operating deficit. Certain other comparatives have been restated due to reclassifications and changes in layout of the financial statements.

NOTE 25

STATEMENT OF SERVICE PERFORMANCE FOR SIGNIFICANT ACTIVITIES

The significant activities of the Council are recorded on the following pages:

Environment management	51
Regional transport	63
Regional water supply	71
Land management	81
Flood protection	91
Regional parks	97
Cost of democracy	103
Investments and business units	105

For each activity the actual achievement is compared to the planned performance indicators as set out in the 1996/97 Annual Plan. A financial summary is also included showing the operating surplus or deficit and capital expenditure for the year, as well as how that expenditure was funded. Any remaining funding surplus is used to repay debt in accordance with Council policy.



ENVIRONMENT MANAGEMENT

ROLE

To promote the sustainable management of the Region's natural and physical resources.

STRATEGIC DIRECTION

Environment Management Strategy

The Regional Policy Statement for the Wellington Region (RPS), prepared under the Resource Management Act 1991, is the umbrella under which the Council will promote the sustainable management of the Region's environment. By stating policies and methods by which environmental outcomes will be achieved, the RPS provides a strategy for environmental management within the Region. Regional plans are an important part of that strategy.

A Balanced Approach

A balanced approach will be taken to resource management. The Council will facilitate development and the economic gains that it brings - but not at the expense of future generations. Whilst ensuring that the community can sensibly use our natural resources, the Council will work towards improving or maintaining environmental quality within the Region. It will monitor its progress in achieving environmental objectives.

Ensuring Compliance

The Council will be paying more attention to compliance. Good policies and plans are redundant if they are not backed up by effective enforcement work. Non-compliance can result in environmental damage. It may also be inequitable as some users are not bearing the costs of their activities. However, although enforcement action will be taken when necessary, the Council will endeavour to work cooperatively with the community to ensure that rules are complied with.

A Constructive Relationship with Iwi

The Council is beginning to develop an excellent relationship with iwi of the Region, but recognises that there are still many issues to be worked through. It is committed to building a relationship which is fair and constructive - and based on mutual respect and trust.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

LONG TERM

The Council will carry out its resource management responsibilities in a way which is fair, equitable, provides investment certainty, involves the least possible compliance costs and gives sustainable outcomes. It achieves this by having:

- All regional plans operative by 2000.

The Council is preparing six regional plans. Significant progress has been made during the year on the plans and all have now been notified as proposed plans. This year decisions were released on the Proposed Regional Coastal Plan and on the Proposed Regional Plan for Discharges to Land. The Proposed Regional Freshwater Plan, Proposed Regional Soil Plan and Proposed Regional Landscape Plan were notified. Some progress was made on preparing officer reports for the Proposed Regional Air Quality Management Plan.

- Transparent charging policies and consent management policies and programmes which guarantee a specific level of service.

The Council's Resource Management Charging Policy was adopted on 20 February 1997 following a formal consultation process with resource users and the public. As well as being based on principles of fairness and reasonableness, the policy provides investment certainty (the Council does not intend to review the charges for three years), and minimises compliance costs (it includes provisions for self monitoring of some consents). Similarly, a Resource Management Charging Policy for Gravel Extraction was adopted by Council on 1 July 1997.

We now have standard procedures in place for dealing with all aspects of consents to guarantee a specific level of service. The following operations manuals and policies were completed:

- Resource Management Charging Policy
- Consents Procedures Manual
- Compliance Monitoring Procedures Manual
- Customer Service Policy

Performance Indicators

Managing Resources

LONG TERM

- An efficient pollution response service and follow-up procedures.

The Council has developed standard procedures to increase the efficiency of its pollution response service. It has developed a new incident database to improve its record keeping and reporting capability. The database also allows us to monitor follow-up and enforcement actions, as well as providing a means of monitoring the responsiveness of the service.

SHORT TERM

BY 30 JUNE 1997:

The Regional Policy Statement is implemented according to the implementation plan, within a budget of $94,000 and to the satisfaction of Council.

Achieved. A detailed progress report on the implementation was completed and reported to the Environment Committee on 19 June 1997. Actual costs were $29,000.

The following plans are notified and the statutory approval process commenced within a budget of $330,000 and to the satisfaction of Council: Regional Soil Plan, Regional Freshwater Plan and Regional Landscape Plan.

Achieved. The plans were approved by Council and notified as follows:

- The Regional Soil Plan was notified on 26 April 1997
- The Regional Freshwater Plan was notified on 25 February 1997
- The Regional Landscape Plan was notified on 28 June 1997

Actual costs were $265,000.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

SHORT TERM

BY 30 JUNE 1997:	
The statutory approval process for the following plans is carried out within budget of $214,000 and to the satisfaction of Council: Proposed Regional Plan for Discharges to Land; Proposed Regional Coastal Plan; and Proposed Regional Air Quality Management Plan.	Achieved. Hearings on the Proposed Regional Plan for Discharges to Land were held during October and November 1996. Decisions were completed and publicly notified on 12 April 1997. Decisions on the Proposed Regional Coastal Plan were notified on 16 November 1996. Nine submitters made references to the Environment Court. Work has commenced on preparing the officers' reports on decisions requested on the Proposed Regional Air Quality Management Plan. Work has progressed slowly on this plan due to pressure of work on other plans. This plan will be given increased priority in the new financial year. Actual costs were $130,000.
Consents are inspected and reported on according to the Council's Compliance Monitoring Programme and within a budget of $506,000.	Achieved. A total of 967 consent inspections were made during the year (including 199 boat sheds) in accordance with the Council's compliance monitoring programme, and within budgeted expenditure levels. Actual costs were $324,000.
An administrative charging policy, prepared under section 36 of the Resource Management Act 1991, is completed after having gone through a public consultation process.	Achieved. The policy was released for public submission on 3 August 1996. Hearings were held on 27-30 September and 1 October 1996. The policy was adopted by the Council on 20 February 1997. Similarly, a Resource Management Charging Gravel Extraction Policy was adopted by the Council on 1 July 1997. Both policies became effective from 1 July 1997.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

SHORT TERM

All complaints and notified pollution incidents are responded to, recorded and, where appropriate, followed up to the satisfaction of the appropriate Council Committee, and within a budget of $140,000.

Achieved. All incidents (444) were responded to and reported as appropriate to the respective Council Committee on a regular basis. Follow-up actions have been undertaken as required. Actual costs were $134,000.

A customer service policy is developed for consents management by 30 September 1996. All consents thereafter are processed according to statutory time frames and in accordance with the policy.

The policy was completed on 30 September 1996. During the year 824 consents were processed, of which 24 did not meet the statutory time frames. The achievement rate was 97% The median processing time for non-notified consent applications is now 10 working days (the Resource Management Act 1991 allows for a period of 20 days to process consent applications).

LONG TERM

The Council monitors the state of the environment to demonstrate that the overall quality of the Region's natural and physical resources has been maintained or enhanced and that regional policies and plans are achieving their anticipated environmental results.

The Council has undertaken a fundamental review of its baseline environmental monitoring and reporting programmes to ensure that they focus on the environmental results anticipated in regional policies and plans. This has resulted in modifications to existing monitoring programmes, and the introduction of scoping investigations into ambient air quality. The review identified that further work is required before appropriate soil, land and coastal process monitoring programmes, and a long-term air quality monitoring programme can be established.

An annual reporting programme has been established. Progress towards achieving the outcomes are to be reported in five yearly "State of the Environment" reports. The first such report will be produced in June 1999.

In the western part of the Region, an analysis of trends in coastal water quality has shown that the Council's objective of maintaining and improving water quality in the Proposed Regional Coastal Plan is being achieved. A quarter of monitored sites show improved water quality.

Performance Indicators

Managing Resources

SHORT TERM

BY 30 JUNE 1997:

The following annual reports are completed within a budget of $908,000 and to the satisfaction of the Council:

Achieved. Actual costs attributable to these projects was $875,000.

State of the environment of the Region (budget $47,000)

The State of the environment of the Region report (Bulletin 35) was completed and reported to the Environment Committee on 24 October 1996. Actual costs were $44,000.

Freshwater quality (budget $254,000)

The freshwater quality report covering the western area was completed and reported to the Environment Committee on 5 December 1996. The Baseline Water Quality Report (1991-1996) for Wairarapa rivers was completed by 30 June 1997, and reported to the Rural Services and Wairarapa Committee on 28 August 1997. Actual costs were $247,000.

Coastal water quality (budget $143,000)

The western area coastal water quality report was completed by 30 June 1997 and reported to the Environment Committee on 31 July 1997. The coastal bacteriological monitoring report for the Wairarapa coast was completed and reported to the Rural Services and Wairarapa Committee on 3 June 1997. Actual costs were $133,000.

Groundwater quality (budget $24,000)

The groundwater quality report was completed and reported to the Environment Committee on 24 October 1996. Actual costs were $34,000.

Nitrate contamination of water in Kapiti (budget $4,000)

The nitrate contamination of water in Kapiti report was completed and reported to the Environment Committee on 8 May 1997. Actual costs were $5,000.

Pesticide contamination of groundwater (budget $7,000)

The pesticide contamination of groundwater report was completed and reported to the Environment Committee on 19 June 1997. Actual costs were $5,000.

Contamination of gasworks sites (budget $35,000)

The contamination of gasworks sites in the Region report was completed and reported to the Environment Committee on 13 February 1997. Actual costs were $28,000.

Contamination by closed landfills (budget $54,000)

The contamination by closed landfills report was completed and reported to the Environment Committee on 27 March 1997. Actual costs were $25,000.

Hydrology (budget $340,000)

The annual hydrology report was completed in September 1996 and reported to the Environment Committee on 24 October 1996. The Wairarapa hydrology report was completed and reported to the Rural Services and Wairarapa Committee on 3 June 1997. Actual costs were $354,000.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

LONG TERM

Under the Charter of Understanding the Council and iwi of the Region have a mutually beneficial relationship.

The Charter of Understanding was reviewed in 1996. During the year iwi were consulted specifically on the Regional Soil Plan and the Regional Landscape Plan. Ara Tahi, the Inter-Iwi Representative Group, met on six occasions. Of particular significance was the development of a policy for funding iwi to participate more effectively in the processing of non-notified resource consents. This will provide benefits to the iwi by enabling cultural matters to be raised and considered, and to the Council by providing better information on iwi concerns.

SHORT TERM

The Inter-Iwi Representative Group (Ara Tahi) meets four times a year within a budget of $15,000.

Achieved. Ara Tahi met on 18 September 1996, 11 December 1996, 19 February 1997, 13 March 1997, 2 May 1997 and 4 June 1997. Two additional meetings were held to discuss a change to the Council's funding policy for non-notified resource consents. Actual costs were $7,000.

By 30 June 1997 iwi are consulted during the preparation of regional plans according to the provisions of the relevant consultation contract and within budget of $49,000.

Achieved. Contracts have been signed with six out of seven iwi. The six iwi provided comments on plans and further meetings were held to discuss issues raised. Actual costs were $13,000.

Ara Tahi is satisfied that iwi have been notified of relevant consent applications.

Achieved. On 26 June 1997 the Council ratified a funding policy for iwi to comment on non-notified consent applications. Iwi were consulted during the development of this policy through Ara Tahi.

Performance Indicators

Managing Emergencies

LONG TERM

The Council can demonstrate that it has done all that is reasonably possible to ensure that the Region is ready to cope with a major emergency event.	The Council has continued to provide an operational headquarters capable of functioning in a major emergency. A document has been published outlining the roles and responsibilities of agencies in the event of a major disaster, and placed advice in the Yellow Pages. Work in the area of hazard identification has continued with an investigation of the fire hazard at the urban/rural interface. In addition, the Council has contributed to the Review of Emergency Services and adopted a future direction which has the potential to provide an enhanced service to the community.

SHORT TERM

By 31 March 1997 publish, in written form, the agreed roles and responsibilities of all the key regional response organisations, including the Regional Council, to the satisfaction of the Environment Committee and within a budget of $4,000.	Achieved. 60 key regional response organisations were approached to confirm their roles and responsibilities in a civil defence emergency. We are in receipt of 52 signed responses. A report was completed and reported to the Environment Committee on 27 March 1997. Actual costs were $3,000.
By 30 June 1997 demonstrate to the Chairperson, Environment Committee, by a realistic exercise, that the Regional Headquarters could operate effectively in a major emergency event. This exercise is to be subject to an external peer review and within a budget of $14,000.	Achieved. An exercise was held on 7 May 1997. A number of key external agencies participated in the exercise. The peer review was carried out by staff from the NZ Police. The exercise was reported to the Environment Committee on 19 June 1997. Actual costs were $11,000.
By 30 June 1997 carry out a Region-wide exercise that demonstrates to the satisfaction of the Chairperson, Environment Committee, that the communication system is operating satisfactorily and report on any required improvements. This exercise is to be subject to an external peer review and within a budget of $6,000.	Achieved. An exercise was carried out on 1 November 1996. Territorial authority personnel formally participated in the exercise. Of the 54 different communication means tested, two presented minor problems which were subsequently remedied. Although there was no external peer review, the territorial authority participants confirmed that the testing method was satisfactory. The results of the exercise were reported to and approved by the Chairperson, Environment Committee. Actual costs were $1,500.

Performance Indicators

Managing Harbours

LONG TERM

The Council can demonstrate that it carried out its responsibilities under the Harbours Act 1950 and the Marine Transport Act 1994 and has done all that is reasonably possible to ensure that the Region's harbours are a safe environment for recreational and commercial users.

The Beacon Hill Harbour Communications Station has continued to provide a communications service for both recreation and commercial harbour users on a 24 hour basis and according to Council's specified standards. This year it has worked on producing updated operations manuals to enhance procedures.

A draft Tier Two Oil Pollution Response Plan has been prepared and is in the final stages of approval. This year the Council has demonstrated it can effectively and efficiently cope with a major oil spill in the harbour.

All navigation aids have been kept in working order, and harbour rangers have been active in dealing with the inevitable conflicts which arise with the wide variety of recreational and commercial users of both Porirua and Wellington Harbours.

Maritime safety regulations have been complied with, including the maintenance of all necessary records, e.g., licensing commercial users and pilot exemption certificates.

SHORT TERM

By 30 November 1996 an assessment is made as to whether the front lead light requires refurbishment and, if so, the required budget and time frames are set to the satisfaction of the Environment Committee, and within a budget of $10,000.

The report was completed and reported to the Environment Committee on 8 May 1997. The assessment was delayed awaiting responses concerning technical information (lamps and solar panels) and costs from equipment suppliers. The budget anticipated external consultant's advice. This was not required. Actual costs were nil.

By 30 June 1997 the Tier Two Oil Pollution Response Plan, prepared under the Maritime Transport Act 1994, is approved by the Maritime Safety Authority within a budget of $2,000.

The Maritime Safety Authority sought some late amendments to the plan and requested the Council consult further with the Department of Conservation and iwi. The target date was not achieved and it is now anticipated that the tier two plans will be approved by the end of the 1997 calendar year. Actual costs were $2,000.

Performance Indicators

Managing Harbours

SHORT TERM

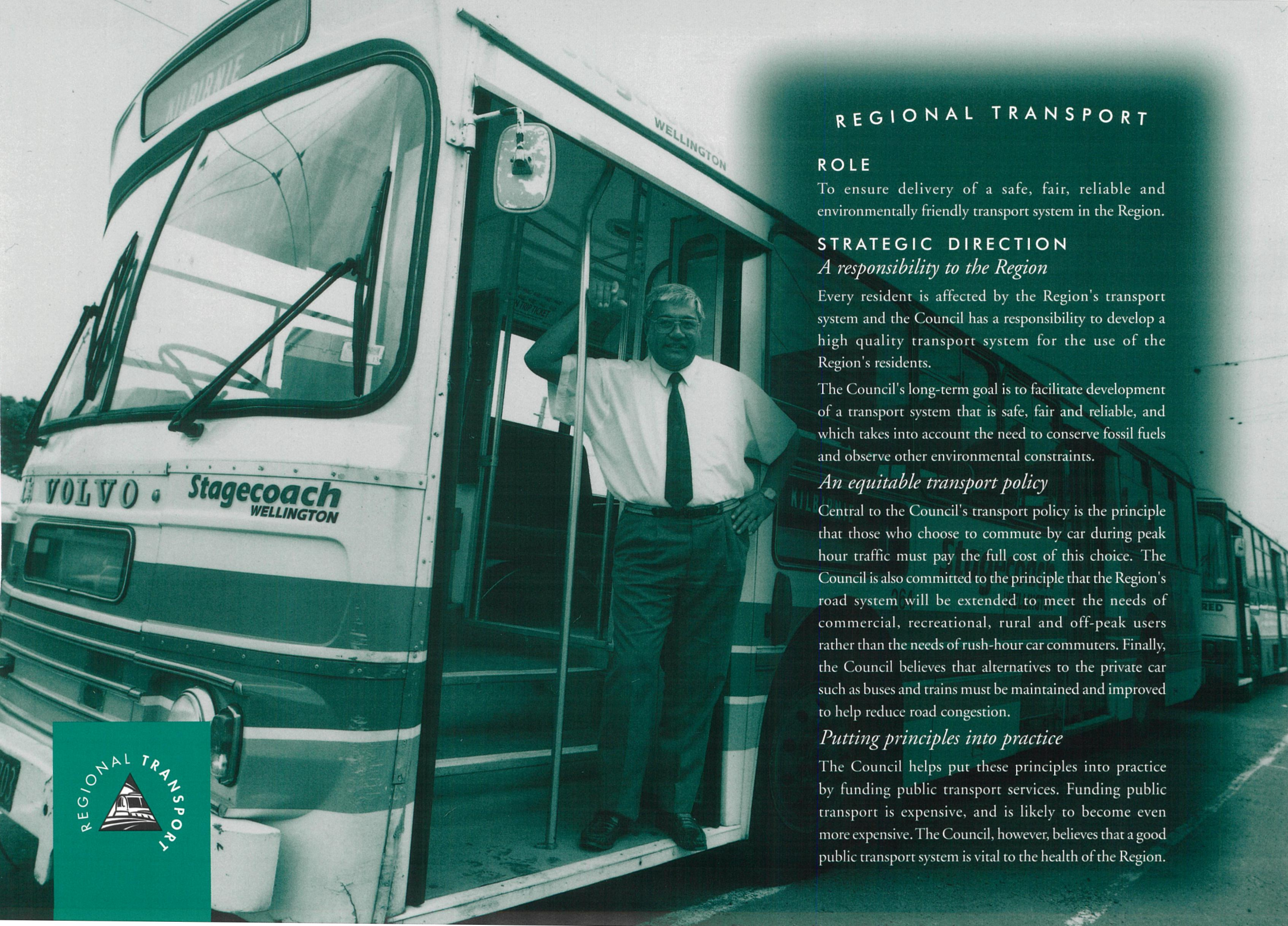
Reports of oil spills in harbour waters have been checked within 30 minutes and cleanup action for actual oil spills begun within one hour of being reported in harbour waters and within three hours of being reported in regional coastal waters, within a budget of $99,000. A formal log is to be kept and incidents followed up, where able and appropriate.	Achieved. A total of 60 recorded call out reports involving reported oil spills were received up to 30 June 1997. These were formally logged, checked out within 30 minutes and followed up where appropriate. Actual costs were $98,000.
The operational status of main navigation lights has been checked every three hours during the hours of darkness by use of a formal checklist, and any electrically defective navigation aid has been repaired and back in service within 24 hours, within a budget of $90,000. A formal log is to be kept.	During the year 12 minor defects were found in the main navigational lights. Each was remedied within the 24 hour service requirement. A formal log was kept. Actual costs were $109,000.
The Beacon Hill Harbour Communications Station has provided 24 hour per day, 365 day per year service which is in accordance with Council specified standards and within a budget of $320,000.	The Beacon Hill Harbour Communications Station maintained a constant and unbroken service during the year. The Environment Committee ratified the specified standards on 12 September 1996. Actual costs were $331,000.
In the year ended 30 June 1997 all reports of unsafe behaviour within harbour waters and all harbour emergencies are investigated and responded to, or referred to an appropriate authority, in accordance with statutory requirements, and within a budget of $101,000. A formal log is to be kept of all significant reports.	All reported incidents have been responded to and investigated, with referrals to appropriate authorities. A formal log has been kept. In particular, staff have worked closely with investigating authorities following the fatal incidents in Wellington and Porirua Harbours. Actual costs were $109,000.

ENVIRONMENT MANAGEMENT

Financial Summary

	1997 Actual $000s	*1997 Budget $000s*
FUNDING STATEMENT		
General rates	6,779	6,779
Other rates	-	-
Government subsidies	69	50
Other revenue	1,756	1,930
Total operating revenue	**8,604**	**8,759**
Operating expenditure	7,655	8,457
Interest	49	50
Depreciation / loss (gain) on disposal	442	418
Total operating expenditure	**8,146**	**8,925**
Operating surplus (deficit)	**458**	**(166)**
Capital expenditure	(127)	(151)
Loan funding	-	-
Debt provisioning	(79)	(80)
Reserve movements	(74)	(21)
Non cash items	442	418
Net funding surplus (deficit)	**620**	**-**

	1997 Actual $000s	*1997 Budget $000s*
OPERATING EXPENDITURE		
Managing resources	6,385	7,049
Managing harbours	1,361	1,303
Managing emergencies	400	573
Total operating expenditure	**8,146**	**8,925**
CAPITAL EXPENDITURE		
Land and buildings	-	-
Plant and equipment	47	88
Motor vehicles	115	102
Asset disposals	(35)	(39)
Total capital expenditure	**127**	**151**



REGIONAL TRANSPORT

ROLE

To ensure delivery of a safe, fair, reliable and environmentally friendly transport system in the Region.

STRATEGIC DIRECTION

A responsibility to the Region

Every resident is affected by the Region's transport system and the Council has a responsibility to develop a high quality transport system for the use of the Region's residents.

The Council's long-term goal is to facilitate development of a transport system that is safe, fair and reliable, and which takes into account the need to conserve fossil fuels and observe other environmental constraints.

An equitable transport policy

Central to the Council's transport policy is the principle that those who choose to commute by car during peak hour traffic must pay the full cost of this choice. The Council is also committed to the principle that the Region's road system will be extended to meet the needs of commercial, recreational, rural and off-peak users rather than the needs of rush-hour car commuters. Finally, the Council believes that alternatives to the private car such as buses and trains must be maintained and improved to help reduce road congestion.

Putting principles into practice

The Council helps put these principles into practice by funding public transport services. Funding public transport is expensive, and is likely to become even more expensive. The Council, however, believes that a good public transport system is vital to the health of the Region.

REGIONAL TRANSPORT

Performance Indicators

Planning and Monitoring the Transport Network

LONG TERM

The Council will monitor and maintain a Regional Land Transport Strategy that is consistent with any National Land Transport Strategy, and which reflects the prevailing community views.	Progress towards the implementation of the Regional Land Transport Strategy is monitored and reported on annually to the Secretary of Transport and the Regional Land Transport Committee . A review of the Regional Land Transport Strategy will commence in the 1997/98 year and is scheduled for completion in September 1998 following the release of the National Land Transport Strategy. The review includes an extensive public consultation process to capture community views.

SHORT TERM

Report to the Secretary of Transport on the progress towards implementing the strategy and report to the Regional Land Transport Committee against the performance measures in the strategy within a budget of $75,000.	Achieved. A report on progress towards the implementation of the Regional Land Transport Strategy was sent to the Secretary of Transport on 31 October 1996. A report on the achievements against performance measures was submitted to the Regional Land Transport Committee on 26 September 1996. Actual expenditure $53,000.
Complete a study of a roading link between Porirua and Belmont (Lower Hutt) to the satisfaction of the Divisional Manager, Regional Transport.	The study was completed to standard and presented to the Regional Land Transport Committee on 1 May 1997. The cost of the study was $102,000 as against a budget of $81,000. Additional consultant costs were incurred because the in-house transport modeller position could not be filled.
Implement at least three road safety projects within the budget to the satisfaction of the Divisional Manager, Regional Transport.	Achieved. Total budget $115,000, expenditure $112,000. Among projects completed to standard were: • Safe Routes to Schools programme • Otaki College Students Against Drunk Driving. • Streetskills cycle programme

REGIONAL TRANSPORT

Performance Indicators

Building the Public Transport Infrastructure

LONG TERM

The Council will maintain, and when funding allows, enhance all public transport user facilities to conform to the Council's quality and effectiveness standards.

Public transport user facilities were maintained to standard and within budget for the year (total cost $720,000). A number of enhancements were made during the year, including new bus shelters at Courtenay Place, Porirua and Masterton; upgrading of the Porirua Railway Station; extension of covered walkways in Featherston Street; and new park and ride facilities at Takapu Road, Upper Hutt, Silverstream, Taita, Paremata and Paraparaumu Railway Stations.

SHORT TERM

Maintain all current public transport user facilities in accordance with previously adopted guidelines within a budget of $732,000.

All existing infrastructure was maintained to the Council's standards at a cost of $720,000. A major project, the recladding of the Waterloo Interchange spaceframe, was completed during the year.

Performance Indicators

Funding Public Transport Services

LONG TERM

The Council will purchase, subject to funding constraints, services that conform to the Council's transport policies and priorities as expressed by the Regional Passenger Transport Plan, and which meet the Council's vehicle quality standards.	Transport services (including Total Mobility) totalling $28,846,000 were purchased during the year. Because of uncertainty over long-term funding few service changes occurred during the year, except where initiated by operators and at no or minimal cost to the Council. The vehicle quality standards were amended to increase the maximum allowable age of buses in use on school services from 20 to 25 years.

SHORT TERM

Carry out all tendering and contracting procedures in accordance with the competitive pricing procedures approved by Transfund New Zealand, and to the satisfaction of Transfund New Zealand auditors and within a budget of $75,000.	Achieved. A report on an audit carried out by Transfund New Zealand in the 1995/96 year was received in September 1996. Our tendering and contracting procedures were found to be in order. Expenditure was $40,000.
Achieve, through the tendering process approved by Transfund New Zealand, a total contract price for bus and rail services of no more than $28,600,000 (including concessionary fare reimbursements).	Achieved. The total cost of contracted services, including concessionary fare reimbursements, was $28,051,000. Transfund procedural requirements were complied with.
Administer the Total Mobility Scheme to the satisfaction of Transfund New Zealand and within a budget of $100,000.	Achieved. While there was no audit by Transfund, their procedures were complied with and an independent review was carried out by Audit New Zealand in March 1997. A Total Mobility Working Group was established to oversee budget and member registration. Administration costs for the year were $86,400.

Performance Indicators

Funding Public Transport Services

SHORT TERM

Review the service level guidelines and have them adopted by the Council to improve the rational basis upon which decisions are made about bus service provision within a budget of $20,000.	This review has been incorporated into the review of the Regional Passenger Transport Plan and the Regional Land Transport Strategy scheduled for completion in September 1998 following the release of the National Land Transport Strategy.
Increase the number of Ganz Mavag rail units being refurbished from the 1995/96 Tranz Rail contract requirements of four two-car sets a year, to eight two-car sets this year within a budget of $1,250,000.	Delays were experienced by Tranz Rail in setting up a second production line. Work commenced in May 1997 and the additional units will be completed in the1997/98 financial year. Expenditure in 1996/97 was $500,000.

Performance Indicators

Funding Public Transport Services

LONG TERM

The Council will maintain the current level of provision of information sources such as timetable leaflets, bus stop displays, media advertising and telephone enquiries, and enhance their effectiveness by providing "real time" information through automatic vehicle identification (AVI) technology.	The provision of transport information services was maintained at existing service levels during the year. The Ridewell Service Centre received its one millionth call in November 1996. A trial of AVI technology was commenced and is continuing.

SHORT TERM

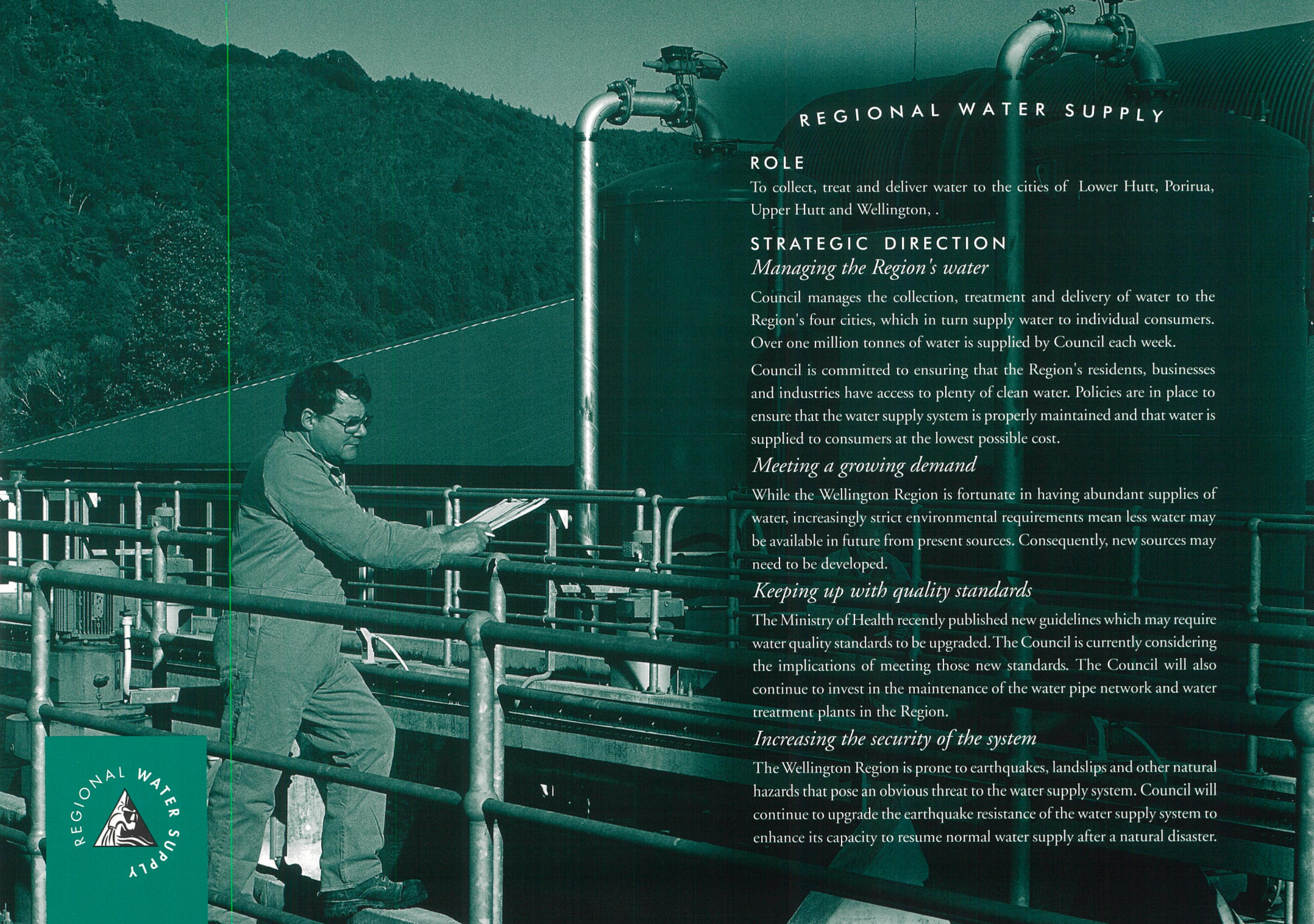
Produce all timetable leaflets to a standard acceptable to the service providers, and always maintain in print, except for emergency situations or when information has not been supplied by service providers.	Achieved. Thirty timetable leaflets were maintained in stock, of which 16 were updated during the year. 356,000 copies were printed at a cost of $253,000 (budget $400,000). Timetables are approved by service providers before printing.
Carry out a trial of automatic vehicle identification (AVI) and, if the trial proves successful, commence to progressively install this technology on key Wellington City bus routes, within a budget of $50,000.	Achieved. The trial commenced in tandem with an accessible bus trial. This is still under evaluation and no extension of the system has been commenced. Expenditure was $9,200.

REGIONAL TRANSPORT

Financial Summary

	1997 Actual $000s	*1997 Budget $000s*
FUNDING STATEMENT		
Transport rates	19,109	19,109
Other rates	-	-
Government subsidies	15,939	16,021
Other revenue	373	200
Total operating revenue	**35,421**	**35,330**
Operating expenditure	35,600	37,449
Interest	582	582
Depreciation / loss (gain) on disposal	329	360
Total operating expenditure	**36,511**	**38,391**
Operating surplus (deficit)	**(1,090)**	**(3,061)**
Capital expenditure	(9)	(127)
Loan funding	-	-
Debt provisioning	(147)	(148)
Reserve movements	917	2,976
Non-cash items	329	360
Net funding surplus (deficit)	-	-

	1997 Actual $000s	*1997 Budget $000s*
OPERATING EXPENDITURE		
Funding public transport services	31,690	33,476
Planning and monitoring the transport network	1,372	1,255
Building the public transport infrastructure	3,449	3,660
Total operating expenditure	**36,511**	**38,391**
CAPITAL EXPENDITURE		
Land and buildings	-	-
Plant and equipment	-	65
Motor vehicles	18	82
Asset disposals	(9)	(20)
Total capital expenditure	**9**	**127**



REGIONAL WATER SUPPLY

REGIONAL WATER SUPPLY

ROLE

To collect, treat and deliver water to the cities of Lower Hutt, Porirua, Upper Hutt and Wellington, .

STRATEGIC DIRECTION

Managing the Region's water

Council manages the collection, treatment and delivery of water to the Region's four cities, which in turn supply water to individual consumers. Over one million tonnes of water is supplied by Council each week.

Council is committed to ensuring that the Region's residents, businesses and industries have access to plenty of clean water. Policies are in place to ensure that the water supply system is properly maintained and that water is supplied to consumers at the lowest possible cost.

Meeting a growing demand

While the Wellington Region is fortunate in having abundant supplies of water, increasingly strict environmental requirements mean less water may be available in future from present sources. Consequently, new sources may need to be developed.

Keeping up with quality standards

The Ministry of Health recently published new guidelines which may require water quality standards to be upgraded. The Council is currently considering the implications of meeting those new standards. The Council will also continue to invest in the maintenance of the water pipe network and water treatment plants in the Region.

Increasing the security of the system

The Wellington Region is prone to earthquakes, landslips and other natural hazards that pose an obvious threat to the water supply system. Council will continue to upgrade the earthquake resistance of the water supply system to enhance its capacity to resume normal water supply after a natural disaster.

Performance Indicators

Collecting, Treating and Delivering Water

LONG TERM

The Council will ensure that the water supply quality continually meets the Ministry of Health Drinking Water Standards.

The Council currently meets Ministry of Health Drinking Water Standards. Drinking Water Standards apply to water which leaves the Te Marua, Wainuiomata, Gear Island, Buick Street and Waterloo Water Treatment Plants. The Council has a policy to target an "A" grade standard for water supplied from each of the plants. This means that the water supplied is completely satisfactory, with minimal levels of health risk.

The plants are currently graded in accordance with the 1984 standards. Under the 1984 criteria, water produced from Te Marua has an "A" grading. To maintain an "A" grading against 1995 standards it will be necessary to restrict plant flow or modify treatment processes. Options are being evaluated. Water supplied from Waterloo, Gear Island and Buick Street is currently graded "B". This would be upgraded to "A" if chlorine was added to the treated water. The Wainuiomata plant was constructed according to the 1984 standards. Water supplied will receive an "A" grading under the 1995 standards following some minor capital works.

Tests are carried out on a regular basis for *Giardia/Cryptosporidium* (priority one), Faecal Coliforms (priority one) and Fluoride (priority two). The testing is carried out in accordance with the standards, by a Ministry of Health approved laboratory, on water leaving the treatment plants.

Performance Indicators

Collecting, Treating and Delivering Water

SHORT TERM

The collection, treatment and delivery of water shall be managed so as to ensure the quality of water supplied as measured at sampling points defined in the 1996-2005 Regional Water Supply business plan continually complies with the Ministry of Health Drinking Water Standards.	Achieved. Actual expenditure for the year was $357,760 against a budget of $365,000. No instances of faecal coliforms were found in any test. The test for *Giardia* and *Cryptosporidium* on treated water is turbidity, where the source is surface water. Water supplied from Te Marua complies and Wainuiomata will comply following minor capital works. Waterloo complies with this criteria as the source is secure groundwater.
Carry out vegetation control in the water supply catchments to the Council's Forestry Management Plan so that good quality water is received by the treatment plants within a budget of $160,000.	Achieved. Good quality raw water is being received by the treatment plants. Vegetation control was carried out in accordance with the Forestry Management Plan. Actual expenditure was $85,069.
Improve the security of supply on the Kaitoke system by continuing construction of a bulk supply reservoir at Ngauranga. 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 of NZS 4203:1994. 1996/97 expenditure to be within budget, ensuring project expenditure does not exceed $3.82 million.	Achieved. Construction of the reservoir was substantially complete at 30 June 1997. Final project cost is $3.77 million, against a budget of $3.82 million. Construction was carried out in accordance with the risk factor applying to a Category 1 structure in Table 2.3 of NZS 4203:1994.

REGIONAL WATER SUPPLY

Performance Indicators

Collecting, Treating and Delivering Water

LONG TERM

To continue to maintain the water supply infrastructure in accordance with industry recognised standards as set down in the Regional Water Supply Asset Management Plan.	The Council manages the water supply assets in accordance with a planned programme of maintenance. The policy is that there is no deferred maintenance.The existing Asset Management Plan is currently being improved. This will be completed by 30 June 1998.

SHORT TERM

To carry out maintenance work as defined in the Regional Water Supply Asset Management Plan.	Achieved. Actual expenditure was $3.5 million against a budget of $3.9 million. All planned maintenance has been completed. There are no outstanding maintenance work orders relating to the 1996/97 financial year.
Commence design of the pipeline from Te Marua supernatant lagoon to the Hutt River. 1996/97 expenditure to be within budget, ensuring project expenditure does not exceed $0.74 million.	Achieved. Expenditure for the 1996/97 year was $48,000 against a budget of $60,000. Design of the pipeline commenced on 5 May 1997.

Performance Indicators

Collecting, Treating and Delivering Water

LONG TERM

The Council will undertake all water supply activities in an environmentally sympathetic manner by complying with the Resource Management Act and actively promote water conservation.	The Council acquires and complies with all appropriate resource consents. The consents govern the quantity of water that can be drawn from the sources and how much must remain. They are also sought for any discharges from the treatment plants. All by-products from the plants are processed through waste water recovery plants and removed off site.

SHORT TERM

Carry out water conservation television advertising over January and February within a budget of $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. All advertising material to be approved for quality by the Manager, Corporate Communications.	Achieved. A billboard campaign was substituted for television advertising and was completed and approved by the Manager, Corporate Communications. Additional radio advertising was not required as consumption did not exceed the 200 megalitres per day for more than five consecutive days. Expenditure on the advertising programme amounted to $18,000.
Commence rehabilitation of the washwater solids drying site at Te Marua in accordance with the plan approved by the Manager, Consents Management. 1996/97 expenditure to be within budget, ensuring project expenditure does not exceed $1.275 million.	Achieved. Actual expenditure for the 1996/97 year amounted to $58,000 against a budget of $450,000. Rehabilitation commenced and the work programme was agreed. Most of the work will be carried out in 1997/98.

REGIONAL WATER SUPPLY

Performance Indicators

Collecting, Treating and Delivering Water

LONG TERM

The Council will ensure that sufficient water is always available on a daily basis to meet the 1 in 50 year return period drought situation.	Previous projections have indicated that there is sufficient water available to meet the Region's demand during a dry summer which has a one in 50 year return period. Supply projections are to be refined through a reliable yield model which is currently under development. Delivery of the computer based model is expected during the 1997/98 year. Timing of future capital expenditure for water supply will be partly governed by the findings from this model.

SHORT TERM

Service reservoirs to be kept at least 25% full for 95% of the time and this service to be provided within budgets set out in the Operating Budget section of the Regional Water Supply Business Plan.	All reservoir levels are monitored by telemetry or using weekly circular charts. One incident of low reservoir level occurred but was of short duration at the Timberlea Reservoir on 15 October 1996 for seven hours.
Improve the security of supply from the Orongorongo source by replacing the Orongorongo Truss Pipe Bridge in the Orongorongo Catchment. Design to meet the requirements of the appropriate New Zealand standards for structures, and within a budget of $0.2 million.	The bridge was completed on 14 April 1997 in accordance with the appropriate standards. The total cost was $0.25 million.
Improve the security of supply to the Onslow Zone of Wellington City by completing the remachining of the Kaiwharawhara Pumping Station. 1996/97 expenditure to be within budget, ensuring total project expenditure does not exceed $0.85 million. Work to be carried in compliance with the Electrical Supply Authority Regulations.	Achieved. Work was carried out in accordance with Electrical Supply Authority Regulations. Actual project costs were $0.55 million.

Performance Indicators

Collecting, Treating and Delivering Water

SHORT TERM

Review and achieve a satisfactory external peer review of the Regional Water Supply Emergency Response Plan.	A peer review was carried out by engineering consultant Brunsdon Cathie Ltd and submitted on 30 June 1997. The report was satisfactory in that it provided guidelines to improve emergency response planning which will be implemented in the 1997/98 and following years.
Design pump and pipeline modifications at Waterloo Treatment Plant to improve security and increase capacity of the Regional Water Supply system to acceptable industry standards. 1996/97 expenditure to be within budget, ensuring total project expenditure does not exceed $2.74 million.	Achieved. Actual expenditure for the 1996/97 year was $83,000 against a budget of $100,000. Pump and pipeline modifications were designed to acceptable industry standards.This project is planned for completion in 1997/98.

LONG TERM

The Council will maintain high standards of customer service.	The Council has a policy to provide excellent customer service to all customers. Regular communication is maintained with each of the metropolitan authorities to ensure service levels are being met. Several initiatives are underway to provide enhanced customer satisfaction levels.

SHORT TERM

Carry out a customer survey of the four territorial authority customers within a budget of $15,000. Response by customers to be at least "satisfactory".	Particular emphasis is being placed on building relationships with the four customers as evidenced by the development of a wholesale supply agreement and changes to the pricing methodology. The survey has been carried over into the 1997/98 financial year. There has been no actual expenditure incurred in the 1996/97 year.

REGIONAL WATER SUPPLY

Financial Summary

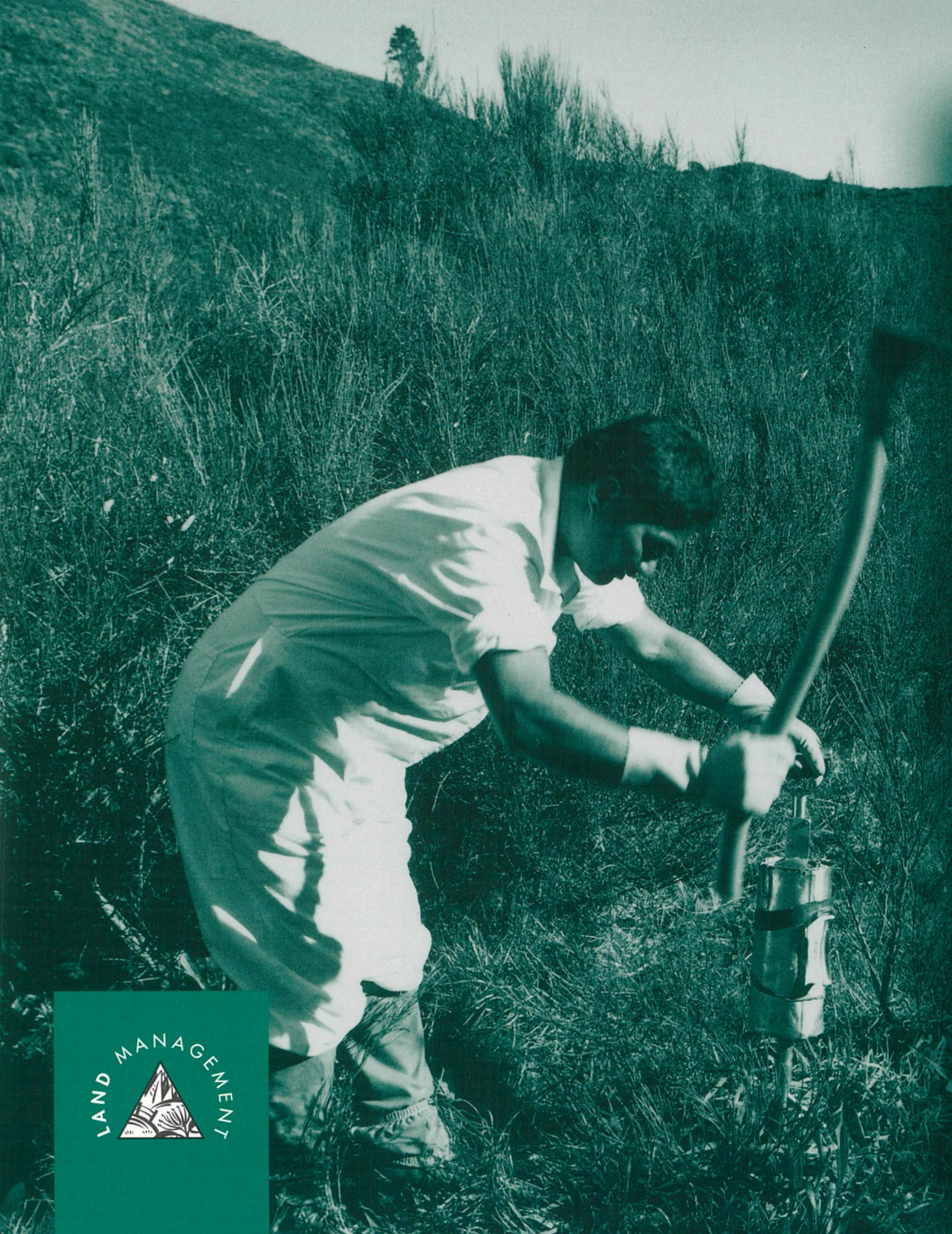
	1997 Actual $000s	*1997 Budget $000s*
FUNDING STATEMENT		
General rates	-	-
Regional water supply levy	25,213	25,218
Government subsidies	-	-
Other revenue	1,546	973
Total operating revenue	**26,759**	**26,191**
Operating expenditure	12,761	12,958
Interest	8,242	8,492
Depreciation / loss (gain) on disposal	3,931	3,959
Total operating expenditure	**24,934**	**25,409**
Operating surplus (deficit)	**1,825**	**782**
Capital expenditure	(6,866)	(6,208)
Loan funding	4,301	4,492
Debt provisioning	(3,731)	(3,859)
Reserve movements	540	834
Non cash items	3,931	3,959
Net funding surplus (deficit)	-	-

	1997 Actual $000s	*1997 Budget $000s*
OPERATING EXPENDITURE		
Collecting and treating water	13,778	14,590
Delivering water	11,156	10,819
Total operating expenditure	**24,934**	**25,409**
CAPITAL EXPENDITURE		
Transfer of laboratory services	460	-
Waterloo treatment plant	83	100
System control and protection projects	353	425
Te Marua improvement projects	19	965
Orongorongo and Wainui improvement projects	1,643	1,173
Reservoir construction and optimisation projects	3,235	2,691
Other projects	355	689
Total project expenditure	**6,148**	**6,043**
Land and buildings	-	-
Plant and equipment	82	47
Motor vehicles	103	158
Asset disposals	(30)	(40)
Total capital expenditure	**6,303**	**6,208**
Investment additions	563	-
Capital expenditure and investments	**6,866**	**6,208**

REGIONAL WATER SUPPLY

Financial Summary

	Notes	*Council 1997 $000s*	*Council 1996 $000s*
RATEPAYERS' FUNDS			
Retained earnings		44,101	43,892
Reserves		77,028	86,706
Total ratepayers' funds		**121,199**	**121,461**
ASSETS			
Current assets			
Recievables		1,249	2,354
Inventory		306	365
Total current assets		1,555	2,719
Non-current assets			
Investments		19,604	15,850
Fixed assets	7	192,725	191,164
Total non-current assets		212,399	207,014
Total assets		**213,954**	**209,733**
LIABILITIES			
Current Liabilities			
Accounts payable		3,239	3,021
Employee provisions		258	291
Total current liabilities		3,497	3,312
Non-current liabilities			
Public debt		89,258	84,960
Total non-current liabilities		89,258	84,960
Total liabilities		**100,798**	**89,447**
Net assets		**121,199**	**121,461**



LAND MANAGEMENT

ROLE

To protect the productive capacity of land in the Region and promote the intrinsic values of sustainable land management for present and future generations.

STRATEGIC DIRECTION

Land is an essential resource for the Region. The Council is responsible for key aspects of land management including soil conservation, animal pest and pest plant control, managing water catchment areas and rural fire control.

Promoting Sustainable Land Management

40% of the Wellington Region is erosion prone hill country. The valuable topsoil layer is removed by landslips and erosion in upper catchments. It then fills up downstream channels, thereby increasing flood risk. Erosion also lowers the quality of water, making it unsuitable for water supply, recreational use and for wildlife. This erosion can be prevented or reduced by improving land use practices, by planting trees and by retaining native bush in erosion prone areas.

Controlling Animal and Plant Pests

Plant and animal pests, particularly the possum, pose a significant threat to the environment and to our agricultural industries. New Regional Pest Management Strategies under the Biosecurity Act 1993 came into force from July 1996. These strategies determine which plant and animal pests the Council will act to control and how this work will be funded. A National Pest Management Strategy for control of Bovine Tb came into force in August 1996. The Council is implementing significant possum control programmes for the Region as part of this strategy.

Forest Lands and Water Catchment Management

The Council manages and has stewardship over significant areas of indigenous forests and water catchment areas in the western part of the Region. These catchments are managed to protect their natural ecosystems and to contribute to the provision of high quality source water for the Region.

Rural Fire Control

Fires in rural areas destroy vegetation and property. To protect its own land from fire, the Council operates a rural fire district in the western part of the Region and provides guidance and assistance on rural fire control to other local authorities.

LAND MANAGEMENT

LAND MANAGEMENT

Performance Indicators

Promoting Sustainable Land Management

LONG TERM

By 2005, 40% of the erosion prone hill country, as identified by the National Land Use Capability Survey and prioritised in accordance with funding policies, to be planted with poplars and willows to enhance soil stability.

By 2005, 4,000 hectares of soil conservation woodlots, identified and prioritised as above, to be established.

A proposed methodology has been developed for identifying and prioritising erosion prone hill country, and recording and reporting progressive achievement of its sustainability. Once the methodology is satisfactorily tested the 426 hectares (10.6% of target) established in 1996/97, and areas previously planted, will be recorded and reported against the approved, long-term, regional land sustainability targets.

SHORT TERM

Complete approved soil conservation programmes on 150 properties incorporating the planting of 25,000 poplars and willows and 100 hectares of woodlots within a budget of $466,000.

Achieved. Approved soil conservation programmes were completed utilising the available stocks of 22,000 poplars and willows to quality standards on 168 properties. 105 hectares of woodlots were established at a cost of $423,000.

Complete approved programmes in six catchment control schemes within a budget of $77,000 and to the satisfaction of ratepayers advisory committees.

Approved soil conservation programmes were completed in six catchment control schemes at a cost of $87,000, to the satisfaction of each scheme advisory committee. The additional expenditure relates to emergency repair work to erosion control structures.

LAND MANAGEMENT

Performance Indicators

Promoting Sustainable Land Management

LONG TERM

The Council is satisfied that erosion is being reduced and prevented in vulnerable areas, including eroding areas in soil conservation reserves and in wind erosion prone topsoil areas of the Wairarapa valley.	The Council has reviewed its Wind Erosion Control Scheme and the catchment management funding policies to ensure that the priority areas for control are being targeted, that planting standards are being maintained, and that these areas have a priority for funding assistance. The Council's planting programme is reducing erosion by stabilising soils in vulnerable areas.

SHORT TERM

Complete approved wind erosion control programmes on 40 properties incorporating 8 kilometres of north-west aligned shelter within a budget of $63,000.	Approved wind erosion control programmes were completed on 31 properties, establishing 11.6 kilometre of north-west aligned shelter belts, to required quality standards, at a cost of $87,000. Additional revenue allowed an increase from the original work programme. 70% of the additional expenditure was met by clients.
Establish 5,000 willows and poplars in aggrading streams and oversow five hectares of eroding gullies in the Stoney Creek Soil Conservation Reserve within a budget of $24,000.	900 willows were planted. Excellent establishment from previous season reduced requirement considerably. Alternative rehabilitation and protection works were undertaken including 550 metres of fencing and 680 metres of grade control structures. Total cost was $25,000.

LAND MANAGEMENT

Performance Indicators

Controlling Animal and Plant Pests

LONG TERM

By July 2001 the Council will achieve a 50% reduction in the current number of cattle and deer Tb movement controlled herds under contract to the Animal Health Board as part of the National Pest Management Strategy.

The number of cattle and deer herds on movement control has reduced from 283 in June 1996 to 198 in June 1997. The target for 1997 was 279. The Council has, therefore, in conjunction with disease control undertaken by MAF Quality Management, achieved a 30% reduction in just the first year of the National Pest Management Strategy.

SHORT TERM

Complete Bovine Tb vector control operations on 230,700 hectares to the satisfaction of the Council and the Animal Health Board and within a budget of $3,223,000. (Control programme is subject to agreed commitments under the National Bovine Tb Pest Management Strategy).

Achieved. A total of 220,870 hectares were completed to Council and Animal Health Board standards at a total cost of $3,066,500. The reduced operational hectare total was due to the agreed deferment of the Mataikona and Te Wharau (part) areas because of limited stakeholder funds.

LONG TERM

By July 2001 the Council will have 60% of the farmed land of the Region under a possum control maintenance programme.

At June 1996 the total area of farmed land under maintenance control was 251,466 hectares or 45.%. By June 1997 this total had increased to 307,003 hectares or 55.3%. New areas added to the programme in 1996/97 included Taueru - Maungaraki, Te Wharau (part) and Otaki Buffer. In addition, Council undertakes maintenance control over 49,283 hectares of Crown land in indigenous forest.

LAND MANAGEMENT

Performance Indicators

Controlling Animal and Plant Pests

LONG TERM

The Council is satisfied that the control of pest animals and plants, in accordance with approved regional strategies, is achieving the aim of minimising actual and potential detrimental effects on the environment.	Five year regional pest management strategies were adopted by the Council in July 1996. The strategies focus on landowner responsibility for management of most plant and animal pests. Council monitoring indicates that there has been no sudden or undesirable impacts on the environment during the 1996/97 year. Annual reports providing a summary of performance against objectives stated in the Regional Pest Management Strategy Operational Plans have been presented to Council. Increases in rabbit infestation have occurred in isolated areas. However, landowners have been proactive in minimising the effects of this upsurge. Major improvements in native plant regeneration have been recorded in key native ecosystem areas following possum control programmes. The removal of Old Man's Beard and other pest plant species is also having a significant beneficial impact on forest health.

SHORT TERM

Complete the implementation of the first year of the Regional Plant Pest Management Strategy in accordance with approved operational plan and to the satisfaction of the Rural Services and Wairarapa Committee, and within a budget of $574,000.	Achieved. The Rural Services and Wairarapa Committee, as the delegated Regional Management Agency, has received and approved the annual report on the implementation of the Regional Plant Pest Management Strategy for the 1996/97 year. Total cost was $551,600.
Complete the implementation of the first year of the Regional Animal Pest Management Strategy in accordance with the approved operational plan and to the satisfaction of the Rural Services and Wairarapa Committee, and within a cost of $621,000.	Achieved. The Rural Services and Wairarapa Committee, as the delegated Regional Management Agency, has received and approved the annual report on the implementation of the Regional Animal Pest Management Strategy for the 1996/97 year. Total cost was $539,600.

Performance Indicators

Managing Forest Lands and Water Catchments

LONG TERM

The natural forest condition on Council lands is maintained to a quality which complies with the Forest Working Plan, verified by peer review every five years, commencing in 1997.

The Forest Working Plan is still in draft form and it needs to be reviewed by Council officers and approved by the Landcare Committee before it becomes a full working document by June 1998. In the meantime, 21 formal vegetation plots were installed in current and future catchments, as well as in three regional parks, to complement the plots in the Hutt Catchment. Also forest protection systems, particularly forest health, are being implemented. For example:

- An animal pest management strategy was drafted, complying with the Council's Regional Pest Management Strategy, to direct the animal pest control effort over the next five years and establish the monitoring required,
- A three year contract for forest health surveillance has been signed, and
- Support provided for an external agency's application to the sustainable Management Fund for the development of Monitoring Systems and Indicators for Indigenous Forest Ecosystem Management.

SHORT TERM

Provide policy advice on forestry issues, contribute to planning activities such as the Incline Management Plan and the Regional Soil Plan and to prepare the Annual and Business Plans, to a standard and time scale acceptable to the Divisional Manager, Landcare within a budget of $36,900.

Advice on forestry issues was provided to the Divisional Manager, Landcare and the Landcare Committee on a regular basis as required. Staff contributed as planned to the draft Regional Soil Plan, the Incline Management Plan and, in addition, to the Regional Landscape Plan and Hutt Catchment Access Policy. The annual and business plans were completed to timetable and accepted by the Divisional Manager, Landcare. Total cost was $45,100.

LAND MANAGEMENT

Performance Indicators

Managing Forest Lands and Water Catchments

SHORT TERM

Maintain access roads and tracks to a standard for metalled roads and tracks accepted by Transfund New Zealand that keeps the basic integrity of the running surface formation so that access is possible for legitimate vehicles during permitted times, within a budget of $37,600.

Achieved. Access roads and tracks were maintained to standards that enabled year round access for staff. Budgeted grader work and hydramowing proved unnecessary this year due to the good road and track conditions. Total cost was $27,400.

LONG TERM

To provide an effective contribution to the Council's objectives for water quality from catchments via an effective basket of vegetation management activities on an agreed service level contract to the regional water business.

Vegetation management contract conditions were met for the 1996/97 year. New vegetation plots were installed and measured, animal control activity undertaken, slip activity monitored, a possum control operation undertaken and a forest health survey completed.

The 1997/98 contract with the regional water business will be in place by the end of September 1997.

SHORT TERM

Maintain the botanical condition of existing and future catchments according to industry standards to the satisfaction of the Manager, Regional Water Supply, within a budget of $220,000.

Achieved. The planning of vegetation assessment work was completed. The first phase of assessments was completed with plots established in the Wainuiomata and Orongorongo Catchment plus at Akatarawa and Pakuratahi. Vegetation assessment work was completed and audited by Landcare Research. The work under the vegetation management services contract was completed to the satisfaction of the Manager, Regional Water Supply. Total cost was $143,500.

Performance Indicators

Managing Forest Lands and Water Catchments

LONG TERM

Mitigate the effects of vegetation fires in the Council's Rural Fire District by promoting and carrying out measures for the prevention, detection, control and suppression of fires.

The Wellington Regional Council continues to co-ordinate fire control measures through its chairmanship of the Wellington Rural Fire Co-ordinating Committee, and via section 14 agreements with the surrounding territorial authorities. Fire prevention activities are co-ordinated with the national programme. A wildfire hazard map has been produced to assist with prevention measures and a database has been established to monitor vegetation loss through fires.

Fire suppression is carried out in association with urban fire brigades and combined planning and training sessions are held with the New Zealand Fire Service. All rural fire staff attended one full day on fire simulator training and provided training to contractors. A fire ban was imposed in February and March 1997 because of the high fire danger and one fire was attended.

SHORT TERM

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 including compliance with the National Rural Fire Authority's audit, within a budget of $52,000.

Achieved. Pre-season fire training was provided for staff and contractors. A satisfactory audit was completed by the National Rural Fire Authority and, in addition, the Council's rural fire plan was reviewed and approved by the Rural Fire Co-ordinating Committee. Fewer resources were required due to the low number of fires. Total cost was $11,400.

Plan and support the Rural Fire community's activities, including the Co-ordinating Committee and firefighting to the satisfaction of the Divisional Manager, Landcare, within a budget of $73,400.

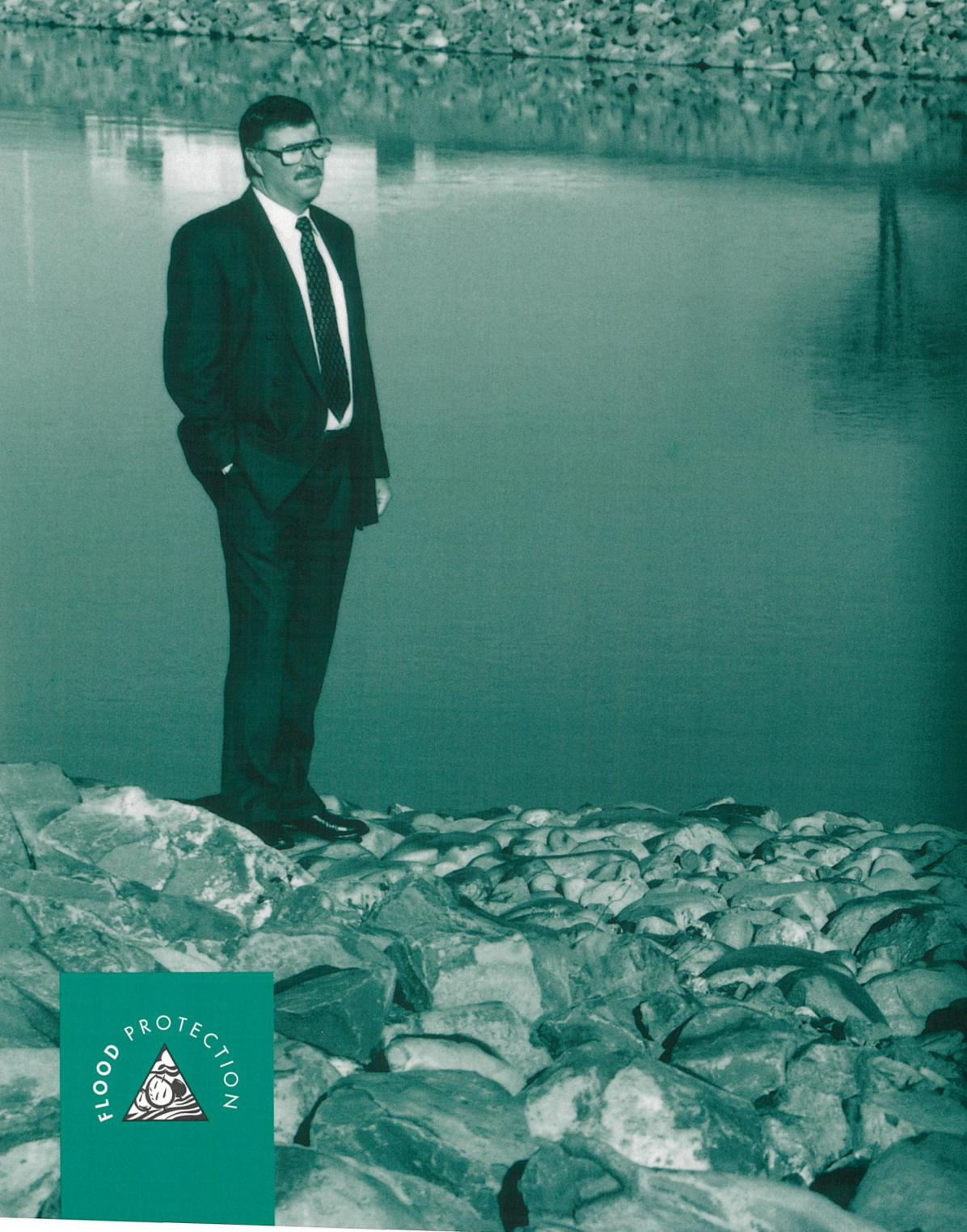
Achieved. The Manager, Conservation Forestry was elected Chairperson of the Rural Fire Co-ordinating Committee and the Council signed section 14 agreements under the Forest and Rural Fires Act. Grants were provided and equipment purchased to support the five volunteer rural fire forces. The purchase of volunteer support equipment was subsidised from the National Rural Fire Authority. Net cost was $64,300.

LAND MANAGEMENT

Financial Summary

	1997 Actual $000s	*1997 Budget $000s*
FUNDING STATEMENT		
General rates	3,431	3,422
Other rates	557	557
Government subsidies	60	90
Other revenue	2,986	2,830
Total operating revenue	**7,034**	**6,899**
Operating expenditure	6,676	6,845
Interest	6	5
Depreciation / loss (gain) on disposal	252	271
Total operating expenditure	**6,934**	**7,121**
Operating surplus (deficit)	**100**	**(222)**
Capital expenditure	(103)	(93)
Loan funding	-	-
Debt provisioning	(12)	(13)
Reserve movements	(88)	57
Non-cash items	252	271
Net funding surplus (deficit)	**149**	**-**

	1997 Actual $000s	*1997 Budget $000s*
OPERATING EXPENDITURE		
Managing forest lands and water catchments	1,000	1,046
Promoting sustainable land management	1,211	1,227
Controlling animal and plant pests	4,723	4,848
Total operating expenditure	**6,934**	**7,121**
CAPITAL EXPENDITURE		
Land and buildings	-	-
Plant and equipment	34	23
Motor vehicles	83	73
Asset disposals	(14)	(3)
Total capital expenditure	**103**	**93**



FLOOD PROTECTION

ROLE

To provide sustainable protection from the consequences of floods and to provide sustainable river environments to a standard set by an informed community.

STRATEGIC DIRECTION

A risk to the Region

Many of the Region's residents, businesses and landowners are concerned about the risk of flooding. In fact, the history and development of a number of communities is tied up with living with the vagaries of rivers and the effects of flooding and erosion. The difficulty facing these communities has always been how to protect against the effects of flooding given the limited resources available.

Protection now and in the future

Providing flood protection involves ensuring that lives and property are safe when floods occur. Planning flood protection involves developing strategies that will help reduce the likelihood of flooding in future. To achieve these ends the Council undertakes flood protection works, which have the additional benefit of enhancing the environment. Such works, however, are expensive. Providing a cost effective service to the community is the Council's major consideration.

In the matter of flood protection, the Council's approach has been to work closely with local communities, consulting as necessary with territorial authorities, residents, individual landowners, ratepayers and interest groups. The Council believes that when people know what the problems are in this area they will be able to decide what flood protection work should be done, and how much money should be spent on it.

A balance of benefits

Ultimately, deciding what work should be carried out is a matter of balancing the immediate benefits for those at risk against broader benefits for the Region as a whole. This balance is reflected in the way the Council funds its floodplain management planning, river works, and various schemes to enhance the environment.

FLOOD PROTECTION

FLOOD PROTECTION

Performance Indicators

Planning for Flood Protection

LONG TERM

By 2006, the Council will complete plans for the management of floodplains and will complete assessments of rivers in the Region subject to flooding.

A draft Waikanae Floodplain Management Plan has been prepared and approved by the Landcare Committee for the final round of consultation. *Living with the River,* a phase 1 summary document for the Hutt River Floodplain, has been completed and published. The Waiwhetu Stream Management Plan has been completed and approved by the Council. Phase 2 options reports have been completed for the Upper Ruamahanga, Waipoua and Waiohine Rivers, while a phase 1 issues report has been completed for the Taueru River. The Waingawa River plan is complete and in operation.

SHORT TERM

Complete the Waikanae River Floodplain Management Plan and draft Otaki Floodplain Management Plan (with public consultation). Obtain approval by the Landcare Committee within a budget of $223,000.

A draft Waikanae Floodplain Management Plan was completed at a cost of $64,900 in 1996/97 and presented to the Landcare Committee on 10 June 1997. The draft was approved for the final round of consultation. The final plan is scheduled to be reported to the Landcare Committee on 14 October 1997. The Otaki Floodplain Management Plan was progressed at a cost of $61,200 in 1996/97 but was delayed by the departure of the project manager. The work has been deferred to the 1997/98 year.

Complete Phase 2 of the floodplain management investigation of the Upper Ruamahanga, Waipoua and Waiohine Rivers and obtain approval from the Council within a budget of $211,000.

Phase 2 options reports completed for the Upper Ruamahanga, Waipoua and Waiohine Rivers at a cost of $83,000. Upper Ruamahanga report approved by Council for consultation. Progress was affected by higher priority given to the unplanned Donald's Creek investigation and to flood damage repair work.

FLOOD PROTECTION

Performance Indicators

Delivering Flood Protection

LONG TERM

By 2006, the Council will reduce the average annual cost of flood damage in the region by a projected $2.5 million.

The Waikanae River Kauri Puriri flood protection improvements were substantially completed which will reduce the average annual cost of flood damage in the Region by a projected $0.5 million.

SHORT TERM

Building of the Waikanae River Puriri Road stopbank, and El Rancho channel improvements begun, within a budget of $731,500 and to accepted engineering standards.

The Waikanae River, Kauri/Puriri Road stopbank and El Rancho channel improvements were substantially completed ahead of schedule to approved engineering standards and within overall project budget. There will be compensating savings of $330,000 in 1997/98. Actual cost in 1996/97 was $1,057,000.

LONG TERM

Structures which are designed, built and maintained to lessen the effects of flooding, perform to design standards.

All operations and maintenance works programmes were completed during the year. All flood protection structures performed to approved engineering design standards and no failures occurred.

SHORT TERM

Maintenance operations in the western part of the Region are completed, satisfying established quality assurance policies and statutory requirements and within a budget of $1,633,200.

Achieved. Maintenance and operations works programmes in the western part of the Region were completed within budget at a cost of $1,617,000, in accordance with revised programmes, quality assurance policies and statutory requirements.

FLOOD PROTECTION

Performance Indicators

Delivering Flood Protection

SHORT TERM

All maintenance programmes for the Region's six Wairarapa rivers are completed within a budget of $916,800 to established standards and to the satisfaction of the Scheme Advisory Committee.

Six Wairarapa scheme maintenance programmes completed to established standards, at a cost of $917,000, to the satisfaction of each Scheme Advisory Committee. An additional $270,000 of approved flood damage repair was required in the Waipoua, Upper Ruamahanga, and Waiohine Rivers. In these schemes, annual programmes were modified, with the approval of each respective committee, to accommodate the changed priorities resulting from flood damage.

LONG TERM

The Council is satisfied that, as part of its river management role, the quality of riverside environments has improved so far as budget allocations permit.

Riverside environments were maintained to current quality standards and further vegetative planting was undertaken. A review of current service levels and priorities commenced and will be reported to the Council for approval in the 1997/98 year.

SHORT TERM

30,000 plants are successfully planted on or near specified rivers within a budget of $64,100.

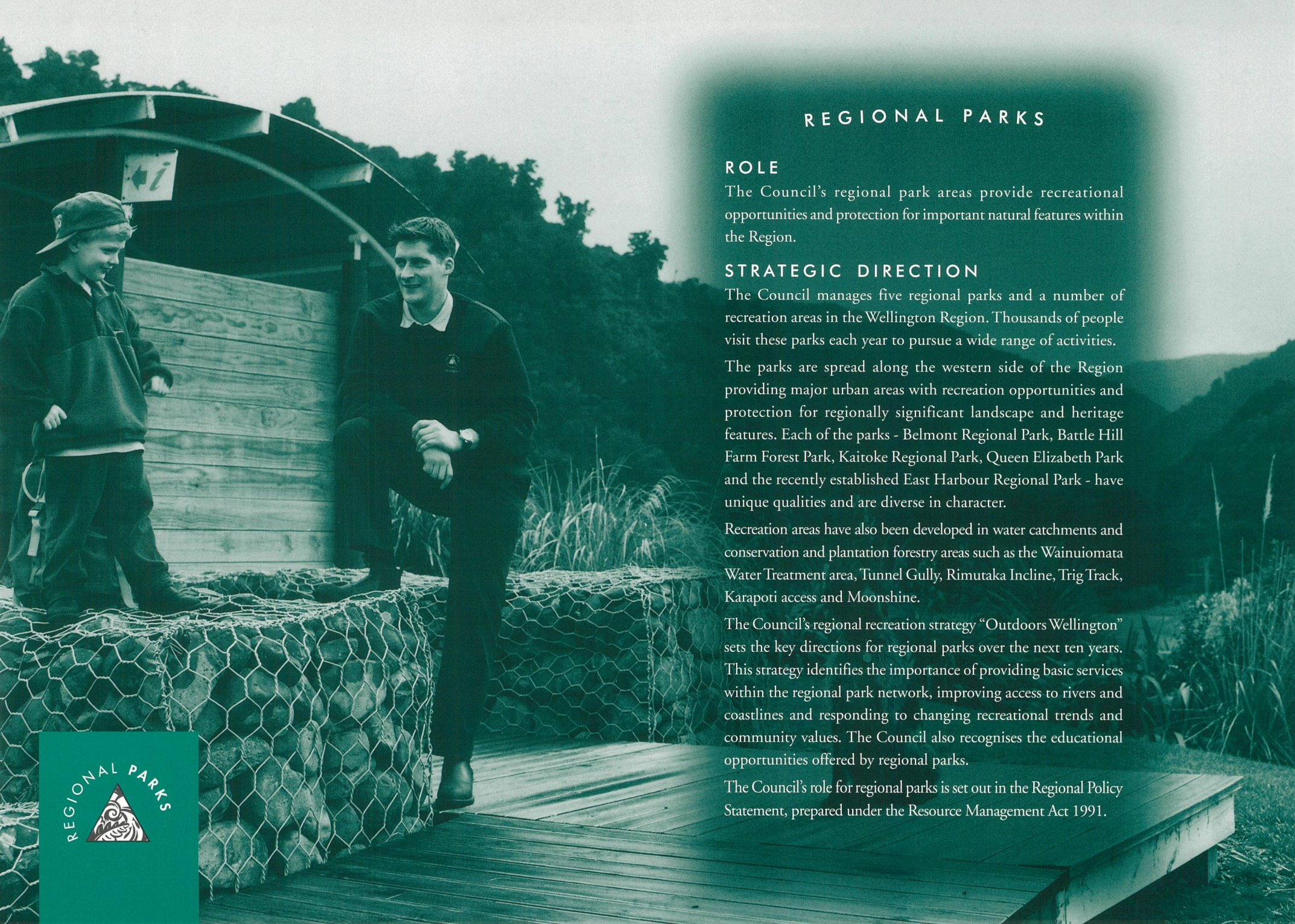
39,520 units of vegetative material were planted in the Hutt (25,510 units) and Kapiti Rivers (14,010 units) at a cost of $67,250. Over expenditure relates to additional plantings which were funded from the maintenance budget.

FLOOD PROTECTION

Financial Summary

	1997 Actual $000s	*1997 Budget $000s*
FUNDING STATEMENT		
General rates	5,618	5,609
River rates	1,328	1,328
Wairarapa scheme rates	695	695
Government subsidies	59	-
Other revenue	1,244	889
Total operating revenue	**8,944**	**8,521**
Operating expenditure	4,837	4,575
Interest	2,490	2,530
Depreciation / loss (gain) on disposal	589	582
Total operating expenditure	**7,916**	**7,687**
Operating surplus (deficit)	**1,028**	**834**
Capital expenditure	(1,474)	(1,625)
Loan funding	1,271	1,476
Debt provisioning	(829)	(907)
Reserve movements	(632)	(360)
Non-cash items	589	582
Net funding surplus (deficit)	(47)	-

	1997 Actual $000s	*1997 Budget $000s*
OPERATING EXPENDITURE		
Planning for flood protection	937	1,013
Delivering flood protection	6,979	6,674
Total operating expenditure	**7,916**	**7,687**
CAPITAL EXPENDITURE		
Hutt floodplain management plan	154	302
Hutt River improvements	(25)	140
Waikanae floodplain management plan	80	46
Waikanae River improvements	1,057	732
Otaki floodplain management plan	61	178
Other projects	34	28
Major project expenditure	**1,361**	**1,426**
Land and buildings	22	96
Plant and equipment	3	15
Motor vehicles	133	133
Asset disposals	(45)	(45)
Total capital expenditure	**1,474**	**1,625**



REGIONAL PARKS

ROLE

The Council's regional park areas provide recreational opportunities and protection for important natural features within the Region.

STRATEGIC DIRECTION

The Council manages five regional parks and a number of recreation areas in the Wellington Region. Thousands of people visit these parks each year to pursue a wide range of activities.

The parks are spread along the western side of the Region providing major urban areas with recreation opportunities and protection for regionally significant landscape and heritage features. Each of the parks - Belmont Regional Park, Battle Hill Farm Forest Park, Kaitoke Regional Park, Queen Elizabeth Park and the recently established East Harbour Regional Park - have unique qualities and are diverse in character.

Recreation areas have also been developed in water catchments and conservation and plantation forestry areas such as the Wainuiomata Water Treatment area, Tunnel Gully, Rimutaka Incline, Trig Track, Karapoti access and Moonshine.

The Council's regional recreation strategy "Outdoors Wellington" sets the key directions for regional parks over the next ten years. This strategy identifies the importance of providing basic services within the regional park network, improving access to rivers and coastlines and responding to changing recreational trends and community values. The Council also recognises the educational opportunities offered by regional parks.

The Council's role for regional parks is set out in the Regional Policy Statement, prepared under the Resource Management Act 1991.

REGIONAL PARKS

REGIONAL PARKS

Performance Indicators

LONG TERM

The Council will provide outdoor recreation opportunities and identifies, protects and enhances regionally significant landscapes, natural and heritage features within the network of regional parks, recreation areas and trails.

Recreational infrastructure was maintained within the network of five regional parks and eight recreation areas. The range of walking tracks, picnic areas and building facilities supporting outdoor recreation opportunities was maintained to set standards and provided high levels of visitor satisfaction. The upgrade programme for walkway structures on all regional park and recreation areas walkways was substantially completed. Three further toilet facilities were added to improve visitor comfort and maintain environmental standards. The first stage of a road upgrade programme was completed at Queen Elizabeth Park and the Rimutaka Incline Recreation Area. Additional recreation opportunity was added by providing access to the Hutt Water Collection Area.

The range of natural settings within the different parks was maintained through the provision of ranger services ensuring compliance with regional park management plans and bylaws and promoting good land management practice in leased areas. Conservation programmes included carrying out Mistletoe identification, banding of host trees at Kaitoke Regional Park and goat and gorse control programmes on Belmont Regional Park. Weed control programmes were commenced in conservation areas at Queen Elizabeth Park. A significant increase in weed and animal control programmes across all regional parks has been included in the 1997/98 Recreation Department ten year operating plan

Heritage protection was advanced with the refurbishment of the old Woolshed and education opportunities were improved for schools with the opening of the Ken Gray Education Centre at Battle Hill Farm Forest Park.

REGIONAL PARKS

Performance Indicators

SHORT TERM

Carry out maintenance and programmed minor works for picnic areas, roads, tracks, bridges, signs, buildings, fences and revegetation areas to comply with park maintenance manual and appropriate architectural, engineering and building standards, as reported annually to the Divisional Manager, Landcare.	Maintenance was generally carried out to standards as specified within the parks maintenance manual, except for Queen Elizabeth Park. The current maintenance contract at Queen Elizabeth Park only achieved standards 24% of the year. This was because the Coastal Track was closed for four months and horticultural and facilities maintenance standards were not met. Minor works carried out to programme and to building and engineering standards. A report on maintenance standards has been furnished to and approved by the Divisional Manager, Landcare.
Provide park ranging services to ensure visitor activities comply with management plan policies and regional park bylaws and monitor facilities to maintain effective services and safety standards to be reported annually to the Divisional Manager, Landcare.	Park ranging services provided at Battle Hill, Belmont, Kaitoke, and Queen Elizabeth Regional Parks. Ranger services operated at reduced levels at East Harbour Regional Park, the Hutt River trail and in the recreation areas, due to unfilled ranger vacancies. An annual report on ranger services covering compliance and safety matters has been furnished to, and approved by, the Divisional Manager, Landcare.
Complete the above activities to budget $1,238,500.	The activities as described above were provided within budget at a cost of $1,156,300.

REGIONAL PARKS

Performance Indicators

SHORT TERM

Complete the capital works programme to architectural, engineering and building standards on time and within a budget of $203,000.	A new toilet block at Battle Hill was completed to standard but behind schedule in April at a cost of $32,700 (Budget $25,000). The additional cost was due to septic tank requirements. An upgrade of the Queen Elizabeth Park farm homestead was delayed to address wider farm building issues. Farm building and homestead upgrades were completed in June at a cost of $25,100 (Budget $40,000), however completion of the new garage was not achieved until July. The upgrade of the East Harbour Regional Park water supply system and houses was completed at a cost of $52,900 (Budget $58,000), however, the deadline was missed due to access issues with a neighbour. Programmed recreation area toilets were completed to standard at a cost of $75,200 (Budget $80,000), however some deadlines were missed. Overall the capital works programme was completed within budget.
Progress Council Lands Management Plan, review management plan process and respond to statutory planning issues affecting regional parks within a budget of $45,000 and to the satisfaction of the Divisional Manager, Landcare.	Achieved. Progress on regional mountain lands policy involved promulgation and interpretation of existing policy with affected departments and initial assessment of impacts from logging the Pakuratahi Forest area on the adjacent Rimutaka Incline Recreation Area. A review of the future planning needs for the Wellington Regional Council Forest Lands and Water Collection Areas Management Plan and regional parks management plans was also carried out. Statutory planning issues were addressed in a timely manner. All work was completed to the satisfaction of the Divisional Manager, Landcare and within budget at a cost of $22,800.
Maintain visitor numbers to at least current levels and record monthly, with overall results to be reported to Council at the end of the financial year.	Overall visitor counts for the 1996/97 year were 668,500, 0.8% down on the 1995/96 financial year and overall indicate a relatively static situation. Individually park visitor numbers were up 6.6% at Belmont Regional Park, 8.0% at Battle Hill Farm Forest Park but were down 1.8% at Queen Elizabeth Park, 12.8% at the Tunnel Gully recreation area and 3.4% at the Rimutaka Incline recreation area.

Performance Indicators

LONG TERM

Within available resources and following the recreation strategy priorities, the Council will improve access to river corridors and the coastline.

The Hutt River trail was improved through upgrading track maintenance standards and improving three bridge structures to meet new safety standards. Coastal access was maintained at Queen Elizabeth Park by reinstating a significant portion of the trail after it was eroded by heavy seas.

There has been an increase in budget over the next ten years to bring maintenance standards in line with the high level of use the Hutt River trail is receiving. There will be ongoing liaison with the associated territorial authorities, the Rivers Department of the Regional Council and the Hutt Valley Rotary Club to develop further initiatives that will advance the development of the trail in line with the concept plan.

SHORT TERM

Progress the Hutt River trail in line with the agreed development plan in conjunction with the Hutt Valley rotary clubs, territorial authorities and the Rivers Department of the Council within a budget of $11,000.

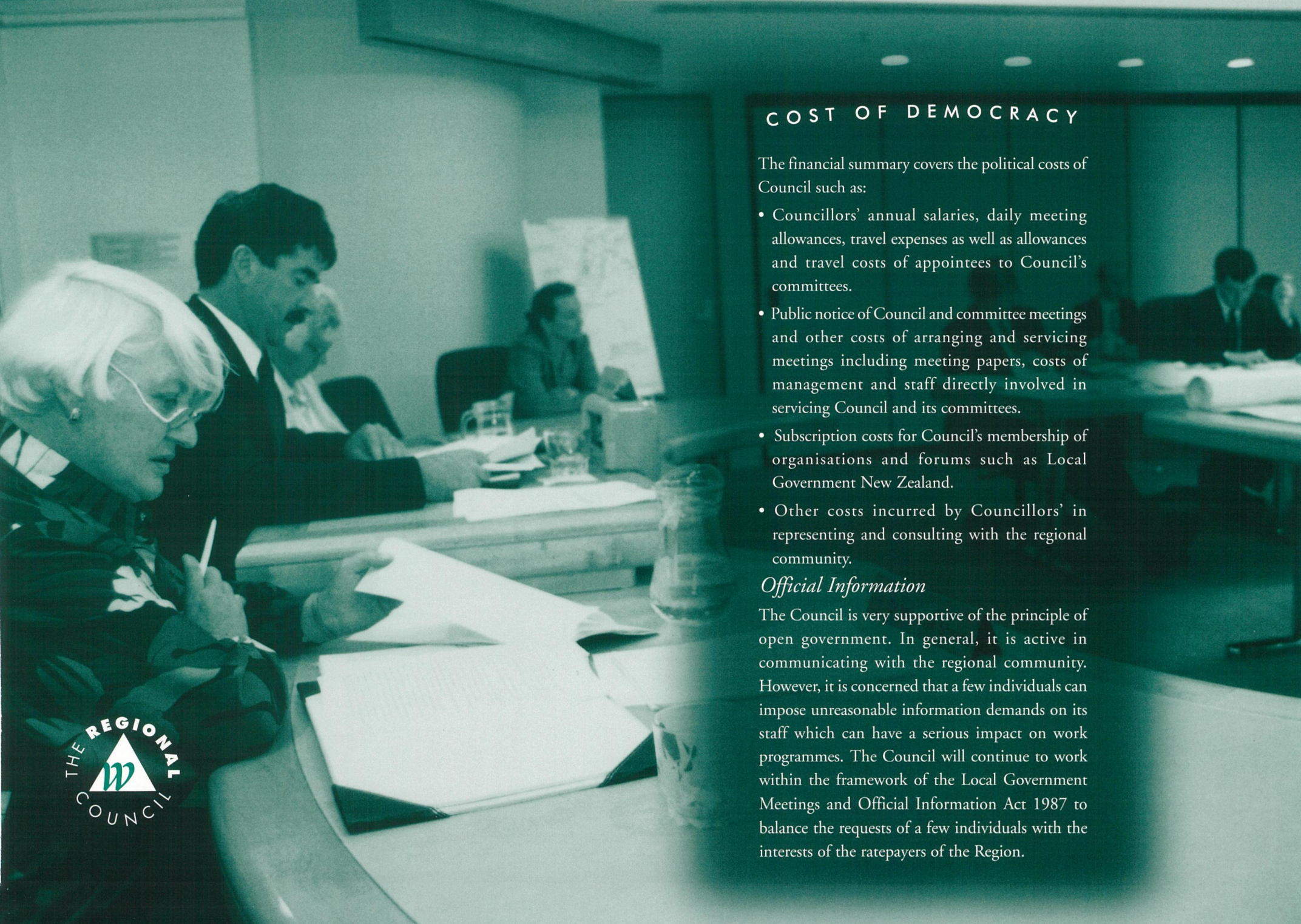
There has been ongoing liaison with the Rivers Department, rotary clubs and local authorities to develop an agreement for trail maintenance responsibilities between the different parties. Three bridges were upgraded to meet new safety standards and additional work was carried out to bring maintenance in line with set standards. Actual cost was $21,300.

REGIONAL PARKS

Financial Summary

	1997 Actual $000s	*1997 Budget $000s*
FUNDING STATEMENT		
General rates	2,468	2,468
Other rates	-	-
Government subsidies	-	-
Other revenue	441	348
Total operating revenue	**2,909**	**2,816**
Operating expenditure	2,533	2,546
Interest	92	102
Depreciation / loss (gain) on disposal	113	119
Total operating expenditure	**2,738**	**2,767**
Operating surplus (deficit)	**171**	**49**
Capital expenditure	(306)	(619)
Loan funding	186	203
Debt provisioning	(88)	(99)
Reserve movements	20	347
Non-cash items	113	119
Net funding surplus (deficit)	**96**	**-**

	1997 Actual $000s	*1997 Budget $000s*
OPERATING EXPENDITURE		
Managing regional parks, recreation areas and trails	2,738	2,767
Total operating expenditure	**2,738**	**2,767**
CAPITAL EXPENDITURE		
Battle Hill	33	25
Queen Elizabeth Park	25	40
East Harbour Regional Park	53	58
Rimutaka Incline	75	80
Total project expenditure	**186**	**203**
Land and buildings	72	360
Plant and equipment	6	19
Motor vehicles	65	54
Asset disposals	(23)	(17)
Total capital expenditure	**306**	**619**



THE REGIONAL COUNCIL

COST OF DEMOCRACY

The financial summary covers the political costs of Council such as:

- Councillors' annual salaries, daily meeting allowances, travel expenses as well as allowances and travel costs of appointees to Council's committees.
- Public notice of Council and committee meetings and other costs of arranging and servicing meetings including meeting papers, costs of management and staff directly involved in servicing Council and its committees.
- Subscription costs for Council's membership of organisations and forums such as Local Government New Zealand.
- Other costs incurred by Councillors' in representing and consulting with the regional community.

Official Information

The Council is very supportive of the principle of open government. In general, it is active in communicating with the regional community. However, it is concerned that a few individuals can impose unreasonable information demands on its staff which can have a serious impact on work programmes. The Council will continue to work within the framework of the Local Government Meetings and Official Information Act 1987 to balance the requests of a few individuals with the interests of the ratepayers of the Region.

COST OF DEMOCRACY

Financial Summary

	1997 Actual $000s	*1997 Budget $000s*
FUNDING STATEMENT		
General rates	1,662	1,662
Other rates	-	-
Government subsidies	-	-
Other revenue	914	907
Total operating revenue	**2,576**	**2,569**
Operating expenditure	2,629	2,493
Interest	-	-
Depreciation / loss (gain) on disposal	12	12
Total operating expenditure	**2,641**	**2,505**
Operating surplus (deficit)	**(65)**	**64**
Capital expenditure	-	(3)
Loan funding	-	-
Debt provisioning	-	-
Reserve movements	(74)	(73)
Non-cash items	12	12
Net funding surplus (deficit)	**(127)**	**-**

	1997 Actual $000s	*1997 Budget $000s*
OPERATING EXPENDITURE		
Direct members' costs	882	744
Committee secretariat	501	501
Divisional management support	250	250
Other costs	1,008	1,010
Election costs	-	-
Total operating expenditure	**2,641**	**2,505**
CAPITAL EXPENDITURE		
Land and buildings	-	-
Plant and equipment	-	3
Motor vehicles	-	-
Asset disposals	-	-
Total capital expenditure	**-**	**3**



INVESTMENTS AND BUSINESS UNITS

The Council manages a significant portfolio of investments comprising equity investments, forestry, investment property, sinking funds, special funds and, from time to time, short-term money market deposits. The Treasury Management Policy includes the Council's philosophy and approach to the management of its investments.

Of the Council's investments, its majority shareholding in Port Wellington limited and its interests in forestry are of most significance to ratepayers. At an appropriate time the Council believes it should reduce its exposure to both investments and use the proceeds to repay debt.

Port Wellington Limited

The Port is a significant strategic asset held by the Council on behalf of the regional community and has consistently paid to shareholders, by way of dividend, at least 50% of post tax paid profit. In addition, the Council has received capital repayments as follows: $3.8 million in 1992 and $12.3 million in 1995. These have reduced the Council's investment in Port Wellington Limited whilst retaining its 76.9% ownership.

Forestry

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

THE REGIONAL COUNCIL

Forestry (continued)

The overall investment policy of the Council with regard to forestry is to maximise profit while meeting soil conservation, water quality and recreational needs. This policy assumes that harvesting will be on a sustainable yield basis and will be maintained without any demand on regional rates. In fact, with effect from 1 July 1997, both the plantation and reserve forests within the Region are required to return an *internal dividend* irrespective of the operating result for the year. The internal dividend reflects the intergenerational equity issues inherent in the forestry investment and recognises the cost of ratepayer equity. The level of internal dividend contribution to the rates line from forestry will be negotiated annually.

The Council periodically reviews its rationale for holding its forestry investment. Such a review is currently taking place and Council expects to make a decision in respect of its long-term ownership during the 1997/98 financial year.

Other Investments

The Council owns the Regional Council Centre, Wakefield Street, through a subsidiary company of WRC Holdings Limited, together with various investment properties in Wellington City.

It occupies seven of the nine floors of the Regional Council Centre and pays market based rentals to the WRC Holdings Group. While the Group generates an operating surplus, the costs of servicing the debt on the Regional Council Centre mean that there is an overall deficit arising from this investment.

The investment properties are primarily in Blair and Allen Streets, Wellington City. They are owned by way of ground leases which were transferred to the Council at no cost when the functions of the Wellington Harbour Board were assumed in 1989. It is the Council's intention to divest all interest in these properties in the long-term.

Treasury Management

The Council's treasury management activity is carried out 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. This surplus is then used to offset regional rates.

Business Units

The Council has a number of business units which are directly associated with its core functions. At this point in time the Council believes that these services are more cost effectively provided within the Council rather than externally. This, however, is constantly under review.

The following services are provided internally:

- Engineering consultancy and design services
- Akura soil conservation nursery
- Laboratory services

The Council also has a facilities management contract with Wellington City to manage the distribution of water within the city.

The business units are required to provide an internal dividend, the same way as forestry. The payment of an internal dividend provides certainty of cash flow to the rates line and is paid regardless of the level of surplus generated by the business unit.

INVESTMENTS AND BUSINESS UNITS

Financial Summary

	1997 Actual $000s	*1997 Budget $000s*
OPERATNG STATEMENT		
Revenue	13,080	13,127
Operating expenditure	11,870	11,153
Earnings before interest	1,210	1,974
Interest	(4,260)	(1,965)
Operating surplus (deficit)	**5,470**	**3,939**
Budgeted contribution to rates	1,927	1,927
Earnings retained	**3,543**	**2,012**

	1997 Actual $000s	*1997 Budget $000s*
OPERATING SURPLUS OF INDIVIDUAL INVESTMENTS		
Port Wellington Limited	2,101	2,480
WRC Holdings Limited	(1,369)	(1,450)
Treasury management	4,628	2,086
Reserve forests	(691)	(6,86)
Plantation forests	(565)	(142)
Administration properties	(194)	(49)
Investment properties	161	133
Investment income	1,283	1,280
OPERATING SURPLUS OF INDIVIDUAL BUSINESS UNITS		
Technical services	31	128
WCC water	(105)	83
Laboratory	135	47
Drainage and water schemes	41	-
Akura conservation centre	17	21
Wairarapa consultation	(9)	7
Wairarapa workshop	6	1
Operating surplus (deficit)	**5,470**	**3,939**
Budgeted contribution to rates	1,927	1,927
Earnings retained	**3,543**	**2,012**

STATEMENT OF RESPONSIBILITY

Responsibility

1 The Council and management of the Wellington Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

2 The Council and management of the Wellington Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

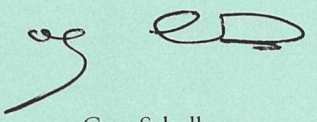
3 In the opinion of the Council and management of the Wellington Regional Council, the annual financial statements for the year ended 30 June 1997 fairly reflect the financial position and operations of the Council.



Stuart Macaskill
Chairperson
23 September 1997



Howard Stone
General Manager
23 September 1997



Greg Schollum
Chief Financial Officer
23 September 1997

AUDIT REPORT

Audit New Zealand

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF WELLINGTON REGIONAL COUNCIL AND GROUP FOR YEAR ENDED 30 JUNE 1997

We have audited the financial statements and performance information on pages 20 to 107. The financial statements provide information about the past financial performance of Wellington Regional Council and group and its financial position as at 30 June 1997. 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 26 to 28.

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 1997 and the results of its operations and cash flows for the year ended 30 June 1997. The Local Government Act 1984 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

Section25(1)(c) of the Public Finance Act 1989 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 report its opinion to you.

The Controller and Auditor-General has appointed David 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. 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 the Wellington Regional Council'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 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 and group's compliance with significant legislative requirements.

We carried out several assurance related assignments for Wellington Regional Council. Other than these assignments, we have no relationship with or interests in the Wellington Regional 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 the Wellington Regional Council and group on pages 20 to 49.
  - comply with generally accepted accounting practice *and*
  - fairly reflect:
    - the financial position as at 30 June 1997
    - the results of its operations and cash flows for the year ended on that date *and*
- the performance information of Wellington Regional Council and group on pages 51 to 107 fairly reflects the achievements in relation to the performance targets and other measures adopted for the year ended 30 June 1997.

Our audit was completed on 23 September 1997 and our unqualified opinion is expressed as at that date.

David Cruickshank
Audit New Zealand
On behalf of the Controller and Auditor-General
Wellington, New Zealand

SUBSIDIARY COMPANIES

Port Wellington Group[1]

Objectives of the Group

The primary objectives of the Group are to:

- Operate as a successful business;
- Operate as a functional commercial port to service the Port's customers;
- Provide a commercial return to shareholders and to protect the investment of the shareholders.

Shareholders

Wellington Regional Council: 76.9%

Manawatu-Wanganui Regional Council: 23.1%

Directors

Nigel Gould (Chairman)

Graham Mulligan (Managing Director)

Jim Jefferies

Malcolm Johnson

Bernie Knowles

Jenny Morel

Howard Stone

[1] Previously Port of Wellington Group

PERFORMANCE TARGETS

	Actual 1997	*Budget 1997*
Net profit (before tax)	$7.28m	$7.05m
Net profit (after tax)	$4.99m	$4.88m
Return on total assets *	12.2%	12.6%
Return on shareholders' funds **	10.9%	10.7%
Dividend stream***	$2.72m	$2.72m

* Return on total assets is the net profit before interest and tax divided by the average total assets.

** Return on shareholders' funds is the net profit after tax divided by the average shareholders' funds (excluding convertible notes).

***Dividend streams are on a cash basis determined by the financial year in which payments are made.

Note: The performance targets are those provided by the Directors in the Statement of Corporate Intent (SCI) for the 1996/97 financial year.

SUBSIDIARY COMPANIES

WRC Holdings Group[1]

Objectives of the Group

The primary objective of the group is to own and operate the Wellington Regional Council headquarters at 142-146 Wakefield Street, Wellington (known as the Regional Council Centre).

The Council occupies seven of the nine floors.

Shareholders

Wellington Regional Council: 100%

Directors

Stuart Macaskill (Chairman)

Alison Lawson

Euan McQueen

Jim Rowe

PERFORMANCE TARGETS

	Actual 1997	*Budget 1997*
Gross rental revenue	$1,228,000	$1,232,000
Earnings before depreciation, interest and tax	$605,000	$436,000
Ratio of earnings before depreciation, interest and tax to gross revenue	49.3%	35.4%
Return on fixed assets	6.3%	4.4%
Return on shareholders funds	4.5%	3.3%
Percentage of lettable rental space leased	95.3%	100%

[1] Previously Pringle House Finance Group

Net Public Debt

Public Debt

The adjacent table details movements in public debt by functional area, from the time of the Wellington Regional Council reorganisation in 1989. Net external public debt has been reduced by $42.8 million between 1990 and 1997. Debt figures in the table are shown net of sinking fund investments.

Reserves [1]

Reserves are shown in the table as debt. This clearly shows that the Council does not hold reserves in the form of cash assets. Reserves are used to reduce external borrowings, therefore reducing interest expense. When reserves are required to be used, new loans are taken out to fund the expenditure.

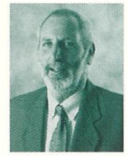
	1990 $000s	1991 $000s	1992 $000s	1993 $000s	1994 $000s	1995 $000s	1996 $000s	1997 $000s
REGIONAL WATER SUPPLY DEBT								
Regional Water Supply net debt	68,050	67,966	68,486	75,050	73,473	71,192	72,050	72,620
Regional Water Supply reserves [1]	-	-	(1,684)	(2,593)	(3,624)	(2,773)	(2,417)	(1,877)
Regional Water Supply net external public debt	68,050	67,966	66,802	72,457	69,849	68,419	69,633	70,743
OTHER DEBT								
Forestry - Western Region	2,742	2,735	3,924	4,107	4,282	4,454	4,942	5,839
Forestry - Wairarapa	471	1,227	1,446	1,611	1,583	1,409	1,838	2,515
Flood Protection - Western Region	5,279	8,820	10,999	15,300	19,653	22,052	22,727	23,248
Flood Protection - Wairarapa	997	1,102	1,033	904	1,404	1,309	1,216	1,121
Waterloo Interchange	4,765	6,149	6,066	5,998	5,860	5,717	5,563	5,416
Regional parks	654	648	611	579	565	622	763	861
Main office building	24,851	24,851	24,141	23,410	22,406	21,721	21,206	10,433
Other buildings	84	1,335	1,305	1,175	853	838	1,041	1,018
Computers and equipment	2,023	436	767	980	1,037	875	394	232
Emergency management	-	-	-	-	150	305	244	181
Port of Wellington related activities	7,756	8,195	8,004	5,982	5,593	5,317	5,013	-
Treasury use of reserves [1]	1,969	1,669	6,524	9,685	10,814	9,676	10,348	9,716
Treasury internal loans	5,718	(7,184)	(13,189)	(31,878)	(30,991)	(38,552)	(38,316)	(42,899)
Other reserves [1]	(1,969)	(1,669)	(4,840)	(7,092)	(7,190)	(6,903)	(7,931)	(7,839)
Other net external public debt	**55,340**	**48,314**	**46,791**	**30,761**	**36,019**	**28,840**	**29,048**	**9,842**
Total Council net external public debt	**123,390**	**116,280**	**113,593**	**103,218**	**105,868**	**97,259**	**98,681**	**80,585**

YOUR REGIONAL COUNCILLORS

Lower Hutt Constituency (3)



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



R J Werry (Dick)
7 Marina Grove
LOWER HUTT
0-4-566 3465 (pvt ph)
0-4-566 3464 (pvt fax)

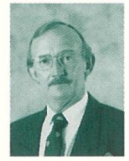


I A Yardley (Irvine)
35A Cheviot Road
EASTBOURNE
0-4-568 8256 (pvt ph/fax)

Wellington North Constituency (2)



A E McQueen (Euan)
6 Kabul Street
KHANDALLAH
0-4-479 5568 (pvt ph/fax)

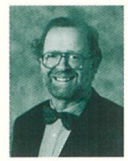


M G Turner (Martyn)
9 Lochiel Road
KHANDALLAH
0-4-479 7559 (pvt ph/fax)

Wellington South Constituency (3)



M M Bonner JP (Margaret)
108 Washington Avenue
BROOKLYN
0-4-389 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)



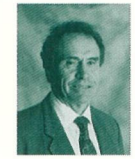
T J McDavitt JP (Terry)
19 Holloway Road
ARO VALLEY
0-4-384 9368 (bus/pvt ph/fax)

Kapiti Constituency (1)



E F Gates QSM, JP (Ernie)
"Bienvenue", 11 Iti Grove
WAIKANAE
0-4-293 6350 (pvt ph)
0-4-293 6305 (pvt fax)

Porirua Constituency (2)



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



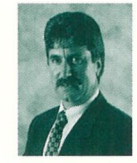
Hon M K Shields QSO (Margaret)
23 Haunui Road
PUKERUA BAY
0-4-239 9949 (pvt ph)
0-4-239 9849 (pvt fax)

Upper Hutt Constituency (1)



S A Macaskill QSO, JP (Stuart)
P O Box 11646
WELLINGTON
0-4-384 5708 (bus ph)
0-4-385 6960 (bus fax)
0-4-526 7683 (pvt ph)

Wairarapa Constituency (2)



I M Buchanan (Ian)
86 Pownall Street
MASTERTON
0-6-378 7261 (pvt ph)
0-6-370 8287 (bus/pvt fax)
0-6-370 8286 (bus ph)



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

THE REGIONAL COUNCIL

ADDRESS DETAILS AND DIRECTORY

WELLINGTON

Main Office
The Regional Council Centre
142-146 Wakefield Street
Wellington
P O Box 11 646
0-4-384 5708 (phone)
0-4-384 5707 (free phone)
0-4-385 6960 (fax)

Ridewell Inquiry Service
0-4-801 7000 (phone)
0800 801 7000 (free phone)

Harbours Department
Maritime Museum Building
Queens Wharf
Wellington
P O Box 11 646
0-4-384 5708 (phone)
0-4-471 1373 (fax)

WAIRARAPA

34 Chapel Street
Masterton
P O Box 41
0-6-378 2484 (phone)
0-6-378 2146 (fax)

DIRECTORY

Auditors
Audit New Zealand

Bankers
National Bank of New Zealand

Treasury Advisors
Bancorp New Zealand Limited

Solicitors
Chapman Tripp Sheffield Young
Oakley Moran
Simpson Grierson
Garwith and Co.


THE REGIONAL COUNCIL
caring about you & your environment