THE REGIONAL COUNCIL

Wellington Regional Council Annual Report 1999

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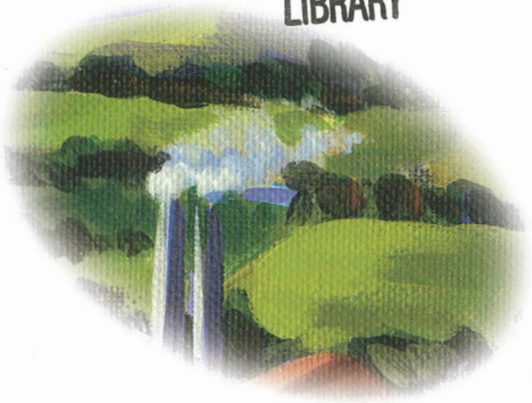
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THE REGIONAL COUNCIL

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ANNUAL HIGHLIGHTS

- Excellent results from an independent review of our resource consent conditions which showed that we are consistently getting the balance right between the wants of the applicant and the needs of the environment. Further, the median time for processing resource consents was ten days – half the statutory timeframe.

- Completion of our new Regional Land Transport Strategy has dominated our work in the transport area and should provide the platform for driving forward solutions to the Region's Land Transport needs.

- A decision by the Council to reduce by 4% the water levy charged to our four city council customers, as a result of cost savings made by Council's water group.

- Receipt of Landcare Research award in recognition of the very substantial reductions (73%) in Bovine Tb reactor numbers achieved by the Council over the past four years.

- The performance of Council's flood protection systems during the October 1998 floods and the prompt assessment and completion of the majority of the repair works as a result of the floods. The accelerated capital improvement programme, approved by the Council after the floods, will be completed by June 2000.

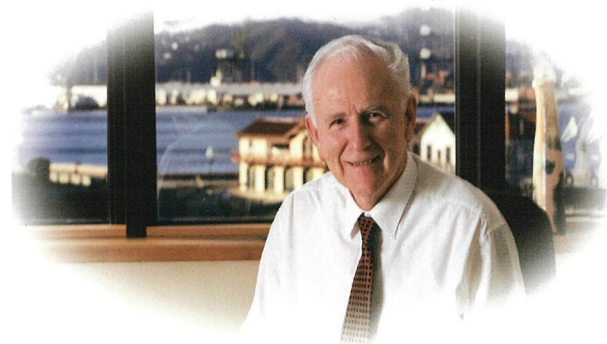
- Continued positive feedback to Park Rangers and from Visitor Satisfaction Surveys indicating that the Council's Regional Parks and forests are high quality environments enjoyed by many people.

- Payment of Council's $25 million share towards the Regional Stadium which has assisted the Stadium Trust to keep the project on time and within budget.

- Completion of a review of WRC rates which showed that since 1990/91 regional rates have reduced by 10.5% in real terms.

- Good progress towards minimising the potential impact of any disruption caused by the year 2000 computer bug.

AN INTRODUCTION FROM THE CHAIRPERSON



Stuart Macaskill

1998/99 has been another challenging year for the Council, but one in which we have continued to "produce the goods" for the community. We again have a number of key success stories to tell, some of which are included within the Annual Highlights section, while others are within the Committee reports which follow.

I believe the Council has been able to achieve much for the community in its respective areas of responsibility:

Environmental Management

During the past year we achieved greater efficiencies in our consent processing and an independent audit of the conditions we put on resource consents showed that we were operating fairly and sensibly.

Much of our efforts during 1998/99 have been aimed at trying to get the Government to rethink some of its planned amendments to the Resource Management Act 1991. Whilst we think that many of the proposals will bring necessary improvements to the way in which the Act operates, we cannot support the few that are ideologically rather than practically driven and which will not lead to better or more efficient decision making.

On a brighter note, we have been busy implementing our Regional Policy Statement and now that our regional plans are nearing the approval stage, we are looking forward to progressing to the "doing stage" as opposed to the "planning stage".

Regional Transport

In the vacuum created by the stalled roading reforms we have been getting on with finalising our Regional Land Transport Strategy. This strategy provides a coherent framework for the further development of land transport in our Region. It represents a major stake in the ground for this Council and for the community concerned with preserving and enhancing the transport network.

During the year the Council has also become very involved in the Transmission Gully debate. The Council has commissioned, in conjunction with Transit NZ, a regional willingness to pay survey to gauge the level of support for the project under different funding options. The Council intends to retain a strong interest in the Transmission Gully project and in ensuring that those agencies with State Highway responsibilities do all within their powers to meet the wishes of the Regional community.

Regional Water Supply

We are delighted that our continuing efforts in cost containment have meant that we are in a position to reduce our water charges by 4% in the 1999/2000 year.

During the year we have also continued in our efforts to bring the wholesale and retail elements of the Region's metropolitan water supply into one integrated management structure. We remain convinced that the economies of scale efficiencies that could be gained from such a move are significant and we wish to be in a position to pass on these savings directly to water users. Unfortunately the four metropolitan city councils have not yet agreed to our integration proposal despite the substantial savings available. We are hopeful that our persistence will encourage one of the city councils to join with us to bring about a positive outcome.

Land Management

Our war against Bovine Tb is being won, evidenced by the 73% reduction in Bovine Tb reactor numbers over the past four years. This is great news and underlines the fact that our earlier decision to increase funding in this area is indeed paying dividends.

Our work in controlling plant and animal pests has progressed well and we remain on track with implementing our Regional Pest Management Strategies. This included a major pest operation in the sensitive Wainuiomata/Orongorongo Water Catchment areas.

Flood Protection

The severe floods experienced last October in all of the major rivers in the Region placed a real strain on Council resources. Particularly pleasing has been the performance of the flood protection systems and of the Council's staff in responding to the events. The Council moved swiftly to carry out the necessary flood damage repairs and to accelerate its capital expenditure programme in response to the floods, and as a result received high praise from those in the community directly affected.

Our ongoing challenge is to continue to maintain and enhance the Region's flood protection systems within budgets which are sustainable and affordable for the Regional community.

Regional Parks

The community has some wonderful assets in the range of Regional Parks, forests and other recreational areas within our network. During 1998/99, we have continued our policy of maintaining the Regional Park assets we already have rather than seeking to expand the parks network.

Any expansion of our parks network will be considered as part of the development of our next Long Term Financial Strategy, due for release in April 2000.

Regional Stadium

The Stadium is nearing completion and the dream of a world class multi-purpose sports and cultural facility for the Region is now a reality. Without the Council's contribution of $25 million, it simply would not have happened.

Year 2000

During the year the Council's staff have continued testing and remediation work of all key Council computer systems and key equipment. In addition, assurances have been sought from key suppliers as to their compliance.

All processes were fully tested on 9 September 1999 (9/9/99) and no major issues emerged. Also Council's processes to ensure Y2K readiness of its critical business systems, have been independently reviewed by Audit New Zealand and within the water area by Beca Carter Hollings and Ferner Ltd.

The Council believes that it has taken all resonable steps to ensure that its systems and those of its essential suppliers are Year 2000 compliant.

Summary

Once again I wish to thank the General Manager and his staff for delivering the outputs which have enabled the Council to have another successful year.

The new Council, post the October 1998 election, has an exciting feel about it and I'm sure we will continue to go from strength to strength.



Stuart Macaskill
Chairperson

GENERAL MANAGER'S REPORT



Howard Stone

Each year at this time I prepare my report on the Council's activities for the previous financial year. Some days ago I started to draft the usual form of report and after half a dozen lines, I not only recognised that I was likely to bore readers but I was also boring myself. That version was therefore consigned to the rubbish tin.

In its place, I want to spend some time recognising what really produces the Annual Report and that is the performance of people in this organisation who actually do the work. I mean those people who are often out of sight of the public and even out of the minds of some of their colleagues. There has been much comment recently about the demise of "public service" as an ethic in government. I would like to assure readers of this report that this is far from true at the Wellington Regional Council. The commitment of the people below is testimony to that.

In this organisation, there are people who are "on the ground operators"; those who are "back room support"; those who do very specialised and highly people-orientated jobs; and those who, by sheer force of their personalities, add the oil to the organisation to make it a place where people like to go to work.

On the ground I especially want to recognise the following people.

Jeff Evans (Area Engineer, Flood Protection), our "savvy operator", whose very presence on the Hutt River adds value to our flood protection work and the community's perception of it.

Robin Blake (Ranger, Natural Forestry) alias "Lofty", who this year had the unenviable task of removing a large number of rotting animal carcasses from water catchment areas in the interest of public health.

Ken Wright (Senior Biosecurity Officer), who is always cheerful and doing his best to provide excellent customer service to the many western regional land holders who have pest problems on their properties.

Rod Whittet (Senior Technician), who again, willingly gets on with the job at Te Marua Water Treatment Plant and at times, becomes a showman by making presentations unique and interesting to the many visitors who come to view the plant.

And finally in this group, **Jon Marks** (Resource Technician), whose committed work in the hydrology and flood warning area, along with his particular talents for sporting activities, is highly valued by the Council.

Supporting those people who do the "on the ground" work, we have a number of people in the "backroom".

There is **Tim Watson** (Technical Officer) who, aside from his drafting and GIS responsibilities, has also become a "tours specialist" for the many visitors to our operations in the Wairarapa.

Christine Harrington (WP Operator), who has been with the Council for over 13 years and continues in her own special way to make sure that matters of logic, grammar, spelling and discipline are in sharp focus.

In the Finance boiler room, **Kerry Saywell** (Management Accountant) has developed a reputation for continuously producing high quality detailed work which people can absolutely rely on. And finally, **Andrew Smith** (GIS Operator) who is the real skill behind much of the smart presentation material we see on screens in the Council Chamber.

Those specialising in jobs which would over tax most of us average human beings, are people like **Pele Aulavemai** (Enquiry Service Supervisor) who, for 8 years, has been the male voice on the Ridewell line providing consistently high level service to public transport users in the Wellington Region. Also in the Transport area is **Chrissy Dowland** (Total Mobility Co-ordinator) whose management and organisation of total mobility funding in the region has done credit to the humanitarian face of the Council.

Finally, in all organisations you need people whose very personality infects others in a positive way, usually through their behaviour and the fact that they always have a smile on their face. Particularly famous at the Wellington Regional Council is **Pat Gray** (Supervising Receptionist) whose positive attitude encourages the rest of us to be less self preoccupied.

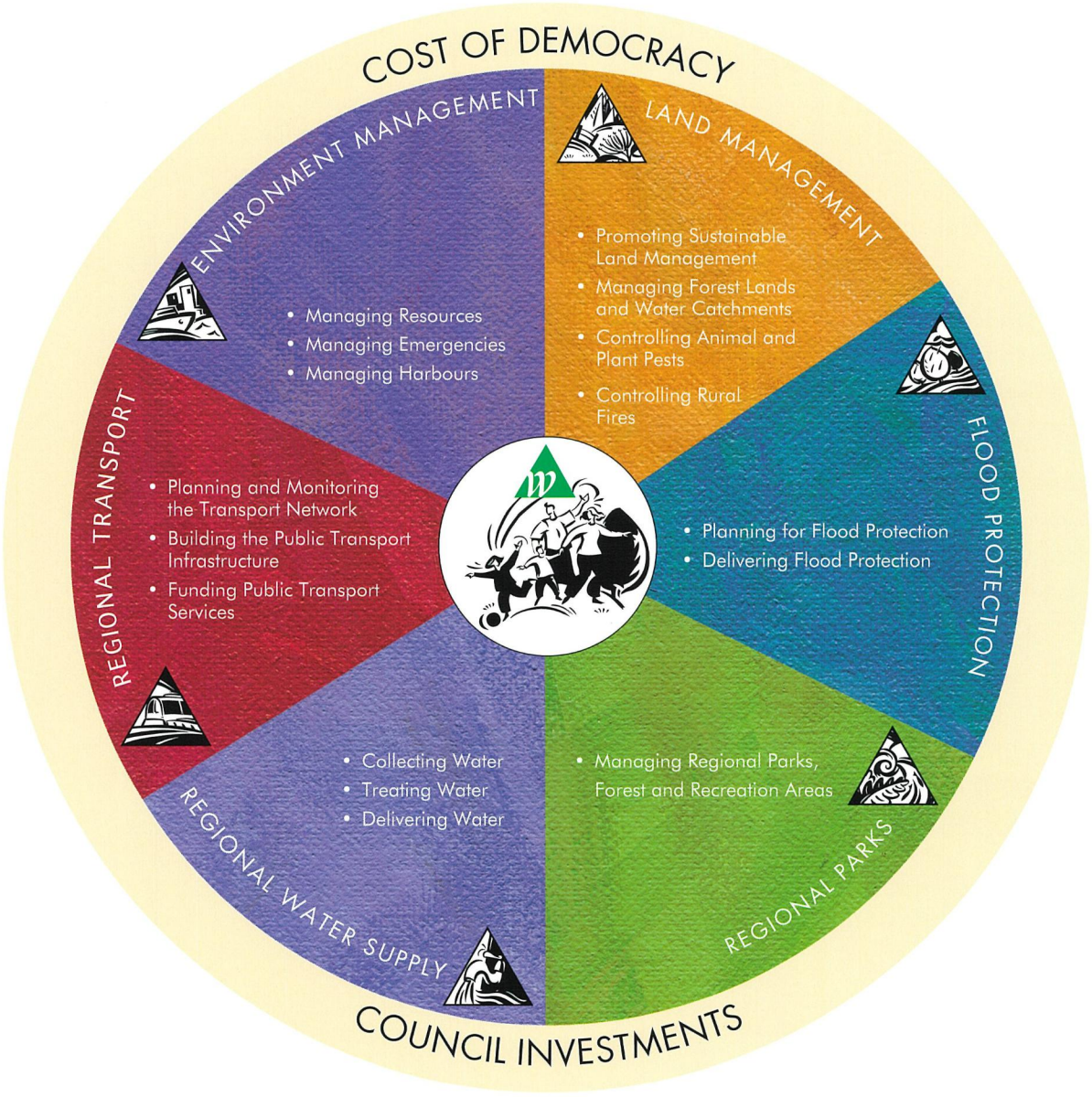
To those people and to the great number of other committed people who work for the Council, I thank you and salute you for enabling the Council to deliver to the community the contents of this Annual Report for 1999.



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

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.

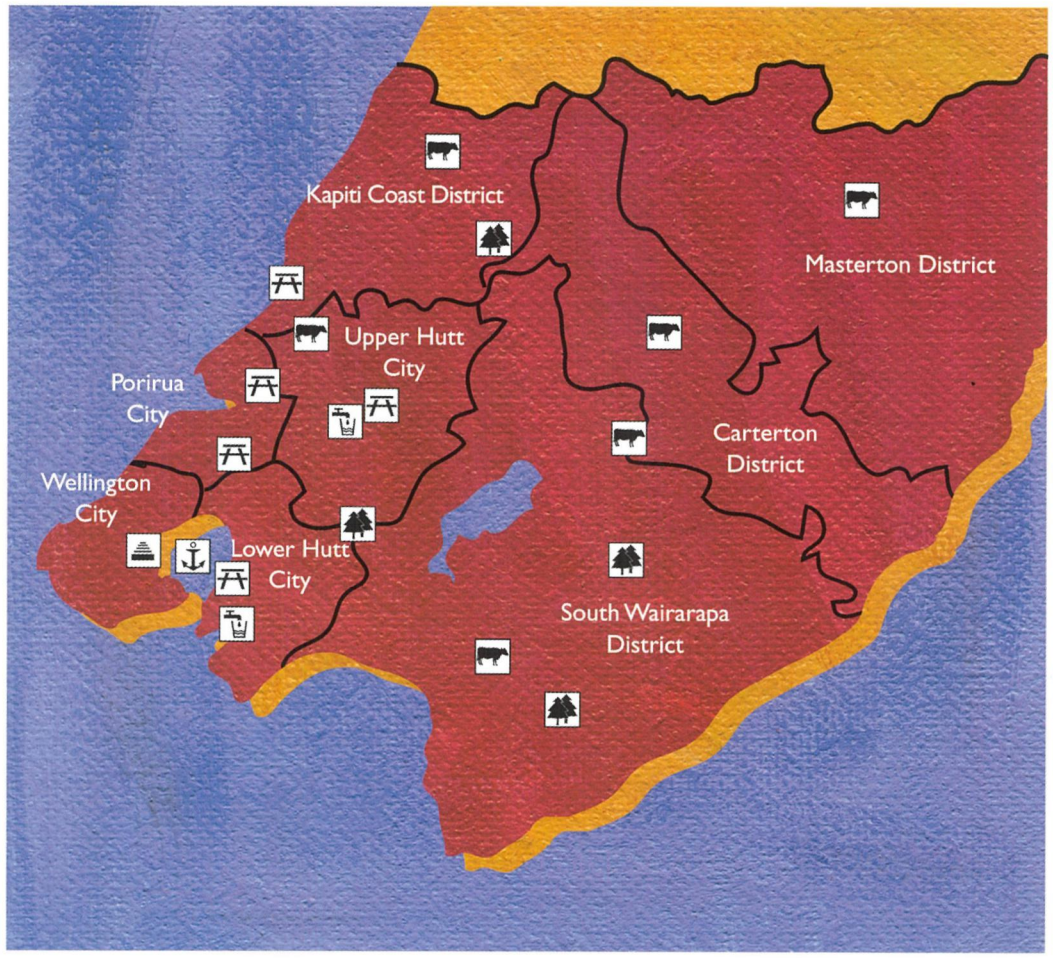
Efficient. Ratepayers are entrusting the Council with their money. It is the Council's responsibility to use those funds well. The Council's aim is to be an efficient organisation that demands value for money.

What We Do and Why

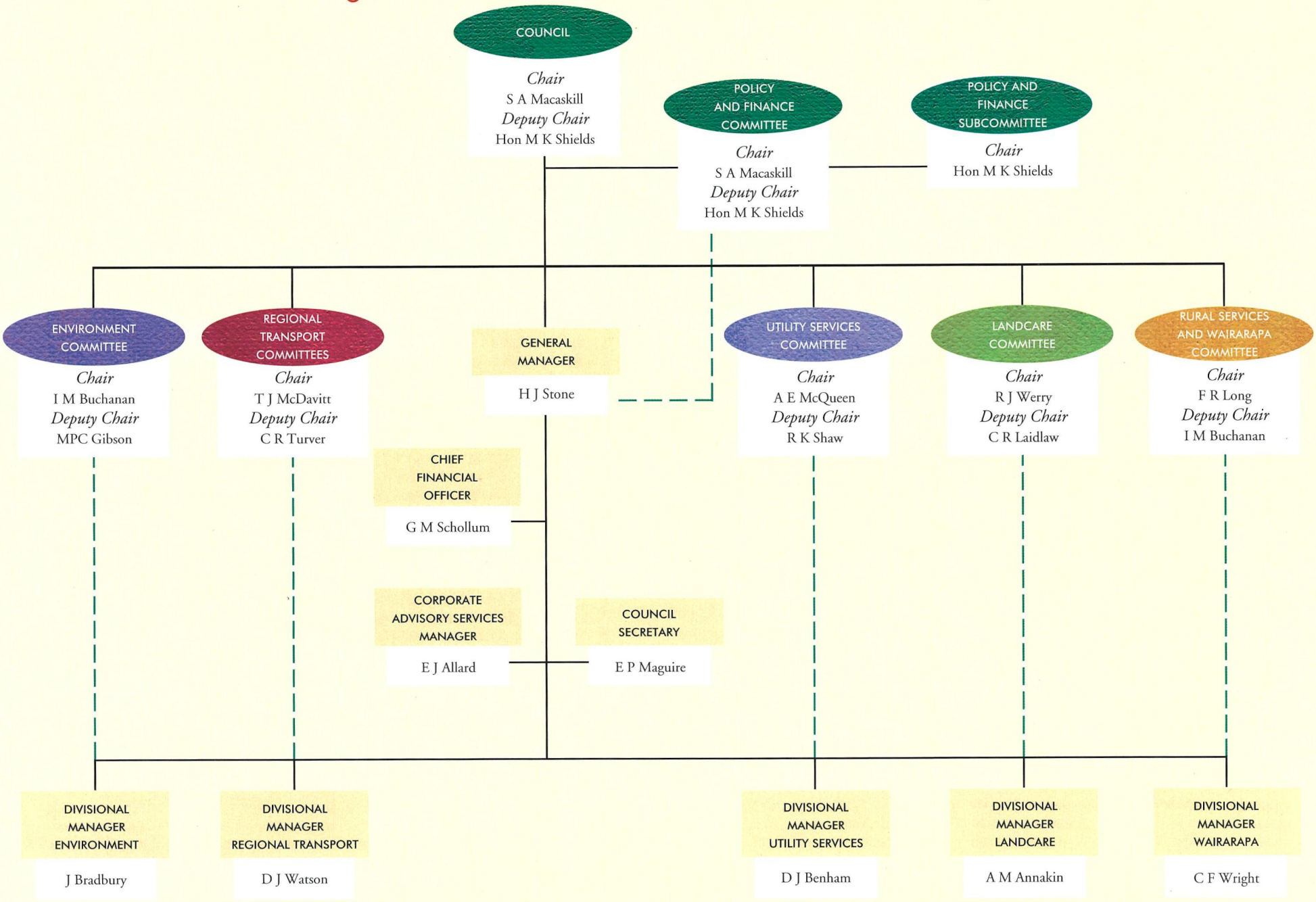
Most of the Council's services are statutory responsibilities and it must carry out these activities. An objective, however, is to generally "add value" by exceeding the statutory minimum because to do so is sensible, practical and in the best interests of the community.

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 414,048 (1996 figures)
- 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 more than 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.
- CentrePort Limited (77% WRC owned) had over 5,000 shipping arrivals and handled a total of 9.02 million manifest tonnes of cargo in the 1998 financial year.



COUNCIL AND MANAGEMENT STRUCTURE



(AS AT 30 JUNE 1999)

Committee Report



Ian Buchanan

This year we completed our environmental education/communication strategy. Targeting the community, businesses and school children, its central focus is *community involvement.* Now that our regional plans and policies are nearing completion, the Council is anxious to "get out there" and work with the community. Together we can make a real difference to the Region's environment.

Managing Resources

We are always trying to improve the way in which we deliver our environmental management services. This year we achieved greater efficiencies; the median processing time for non-notified consents dropped to seven working days and the cost reduced by $20. An independent audit of the conditions we were putting on resource consents showed that we were operating fairly and sensibly.

Much time has been spent this year in responding to the proposed changes to the Resource Management Act 1991. Although the Council supports the majority of the Amendment Bill, it is strongly opposed to some of the proposals. We don't think they will lead to better decisions or reduce timeframes and costs.

Managing Emergencies

Local authorities and emergency services have been working together to set up an integrated Emergency Management Group for the central New Zealand area. Realising that we cannot afford to wait for the promised new legislation, we are in the process of setting up an emergency management organisation that will allow for shared information, expertise and resources.

Managing Harbours

Even with three passenger inter-island fast ferries running at one period of time, everything has gone smoothly and without major problems. All our major remote navigation aids are now solar-powered, reducing maintenance costs and increasing reliability. At last we have the long awaited new harbours legislation that will eventually allow us to complete new harbour bylaws. These, together with our Tier Two Regional Oil Pollution Response Plan that has been formally approved by the Maritime Safety Authority, will result in safer harbours and coastal waters.

COMMITTEE MEMBERS

Chairperson	I M Buchanan
Deputy Chair	M P C Gibson
Members	J G J Allen
	T J McDavitt
	Hon M K Shields
	C R Turver
	Council Chairperson *(ex officio)*
Appointees	B Earl (Emergency Management)
	R J Morrison (Harbours)

PASSENGER TRANSPORT

Committee Report



Terry McDavitt

The Minister of Transport announced his proposed roading reforms in December 1998. As they have not progressed through parliament during the year it is uncertain whether they will feature in the next government's legislative programme.

This situation leaves a policy gap that the Council hopes to fill through the implementation of the Regional Land Transport Strategy. Work on the Regional Land Transport Strategy has dominated our attention this year.

Planning and Monitoring the Transport Network

The Regional Land Transport Strategy has now been through its consultative stages and should be adopted by the Council shortly. It is seen by stakeholders as a robust and realistic strategy for transport in the Region, providing a sound platform for the agencies required to deliver on its proposals. There are two critical issues where the strategy requires additional work to be undertaken: A definitive *corridor management plan for State Highway 1* between Paremata and McKay's Crossing is to be completed early next year along with the second and final part of the Transmission Gully Willingness to Pay Survey; and the level, timing and application of *road pricing* will be studied over the next year.

Building The Public Transport Infrastructure

Further commuter carparking facilities at key railway stations have been developed. The land currently used by commuters at Porirua railway station was purchased from Housing New Zealand to secure it for the long term. Land and buildings at Paraparaumu station adjacent to the current carparking area were also purchased for a future carpark extension. Planning for improvement of the bus/rail interchange at Lambton has been proceeding.

Funding Public Transport Services

Bus and rail patronage continues to increase. Total Mobility ridership in particular is increasing to the extent that additional funding has had to be found. A new service catering for weekend night owls was started in Wellington City, first on a trial basis but later as a normal contracted service. This service operates to three different areas of the City from Courtenay Place at 1 am, 2 am and 3 am on the weekend. Patronage growth has been phenomenal. Transition to the funding policy arrangement decided in 1998 continues, with varied impacts around the Region. The overall transport rate increase has been held at under 2%.

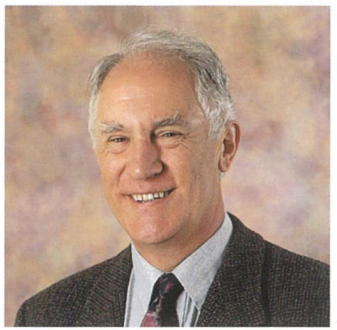
COMMITTEE MEMBERS *

Chairperson	T J McDavitt
Deputy Chair	C R Turver
Members	JGJ Allen
	M M Bonner
	I M Buchanan
	M P C Gibson
	A E McQueen
	Hon M K Shields
	Council Chairperson *(ex officio)*
Appointee	SJ Kedgley[1]

* 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.

1 Speaking but no voting rights.

Committee Report



Euan McQueen

Much effort this year went into promoting our goal of establishing integrated management of water delivery in our supply area. This Committee promoted a proposal that in our view would deliver significant savings to Wellingtonians. Unfortunately little tangible progress was made. Notwithstanding our lack of success in this area, it was a successful and busy year for areas under the Committee's responsibilities, both operationally and financially.

The Water Group

The Water Group continued to provide high quality water to the people of Metropolitan Wellington. Long dry spells in the summer had the system operating at full capacity on a number of days. However, the system coped well with those demands.

Financially, the Group achieved a surplus for the year (prior to abnormal items) of $5.0M which is $2.3M better than budget and $1.1M better than last year. Savings were made in operating expenditure and interest costs. Abnormal items reduced this position by $0.9M.

A strong submission was received from our four city customers during the 1999/2000 Annual Plan deliberations to reduce the bulk water levy. Given the level of savings expected, the Council decided to reduce the levy by 4%, or $1M, rather than to reduce debt further. The 1999/2000 year will see a further review of future levy levels taking into account appropriate debt levels, depreciation provisions and intergenerational fairness. It is worth noting that the levy now is 4% below where it was 10 years ago (adjusted for inflation).

A separate comprehensive report of the Water Group's activities for this year is available.

Other Activities

The Utility Services Committee also oversees the work of the Facilities Management Water Contract (FMC) with Wellington City Council and the Council's Plantation Forestry operation.

The FMC financial result was slightly below the budget, recording a small loss. This new contract delivered a saving to Wellington City of $700,000 over the previous arrangement.

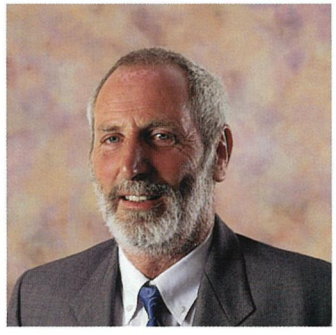
While the Plantation Forestry operation generated gross revenue of $4M from logging operations during the year, this was not sufficient to meet interest and other costs. The overall cash position for 1999/2000 year is expected to improve as we harvest better quality logs.

COMMITTEE MEMBERS

Chairperson	A E McQueen
Deputy Chair	R K Shaw
Members	C R Laidlaw
	R F Thomas
	R J Werry
	Council Chairperson *(ex officio)*[1]
	Council Deputy Chairperson *(ex officio)*[1,2]
Appointees	I Hutchings[3]

1 The Council Chairperson and Council Deputy Chairperson are not members of the Utility Services Committee when considering Regional Bulk Water Supply matters.
2 The Deputy Council Chairperson does not vote when the Council Chairperson is present.
3 Speaking but no voting rights.

Committee Report



Dick Werry

Flood Protection

Council officers responded magnificently to the October 1998 floods in the Hutt Valley and Kapiti Coast rivers. The Council approved additional expenditure of $4.7M, over the two financial years 1998/99 and 1999/2000. At 30 June 1999, some 70% of the repair work is complete and preparations for the capital improvements are well advanced. Momentum continued on commitments to accelerate the Hutt River Floodplain Management Plan "Design Standard"; public consultation is underway and generating a lot of interest. Other programmed capital works completed or advanced included: Upper Rahui (Otaki River) and Nash St. (Hutt River). "Friends of the River" groups were launched for the Waikanae and Otaki rivers, along with Environmental Strategies for each river.

Regional Parks

Regional Parks and forests also suffered storm damage last October. However, all repair and most programmed maintenance standards were achieved. The hot dry summer strained Park resources, especially those with water features. A Security Ranger was appointed for the Wainuiomata/Orongorongo Catchment.

Completed capital works included: Rimutaka Incline Walkway upgrades, refurbishing the Queen Elisabeth Park water supply and replacing the Whareroa Beach toilets.

Policy initiatives focused on improved Asset Management Plans, and the *Signature* tools for assessing and comparing recreation, environmental and heritage values for the Council's Parks and forests. The Landcare Committee also considered reviews on future opportunities across Council lands, East Harbour Regional Park, and our possible management of Whitireia Park. Recreation use of the increasingly popular Akatarawa forest was surveyed for the first time.

Natural Forestry

An independent audit confirmed vegetation management compliance with industry standards. Several new host/insects and fungi relationships were found. A draft Environmental Asset Management Plan will add significantly to the Council's ability to assess the wider community and ecological values of its parks, forests and riparian areas. A successful animal pest control operation was completed in the Wainuiomata/Orongorongo Catchment.

COMMITTEE MEMBERS

Chairperson	R J Werry
Deputy Chair	C R Laidlaw
Members	M M Bonner
	F R Long
	A E McQueen
	R K Shaw
	R F Thomas
	Council Chairperson *(ex officio)*
	Council Deputy Chairperson *(ex officio)*[1]
Appointee	A D Ross[2]
	J Gilbert

1 The Deputy Council Chairperson does not vote when the Council Chairperson is present.
2 Speaking but no voting rights.

RURAL SERVICES AND WAIRARAPA

Committee Report



Rick Long

The Rural Services & Wairarapa Committee has responsibilities for matters affecting the Wairarapa and the rural community of the Region.

Environment Management

We have continued to place a high priority on effectively carrying out our environmental management services. We were pleased this year to note that a recent independent review of the conditions applied to resource consents found that all conditions examined were appropriate. During the year 264 resource consents were issued, the vast majority without any significant difficulties or cost. Our consents monitoring programme again found a generally encouraging compliance rate. Ongoing monitoring of Wairarapa's natural resources has continued during the year.

Land Management

Once again the Council has undertaken a substantial programme of Bovine Tb possum control with operations being completed on 225,100 hectares – nearly 28% of the Region's area. Livestock reactor numbers have continued to fall and the number of infected herds is down 73% on the level of four years ago. Towards the end of the year we were able to make a start on a new initiative that will enable possum control to be undertaken outside operational areas in conjunction with landholders.

Further progress has been achieved in controlling plant and animal pests throughout the Region with the successful completion of the third year of the regional Pest Management Strategies. Of particular note has been the substantial pest control work completed under the key native ecosystems programme.

Our hill country sustainability work has progressed with the development of a further four sustainability plans. However, the overall soil conservation programme has made slower progress than desired because of the effects of last year's severe drought in the Wairarapa.

Flood Protection

All ongoing river scheme maintenance programmes were completed during the year. However an additional $1,013,000 was required for flood damage repair works in Wairarapa rivers following severe floods in September and October 1998.

The new Waiohine Floodplain Advisory Committee has begun regular meetings and is steadily addressing the challenging issues on that floodplain.

COMMITTEE MEMBERS

Chairperson	F R Long
Deputy Chair	I M Buchanan
Members	A E McQueen
	C R Turver
	Council Chairperson *(ex officio)*
	Council Deputy Chairperson *(ex officio)*[1]
Appointees	M Beetham
	J Berkett
	J Dalziell
	R Southey

1 The Deputy Council Chairperson does not vote when the Council Chairperson is present.

Operating Results

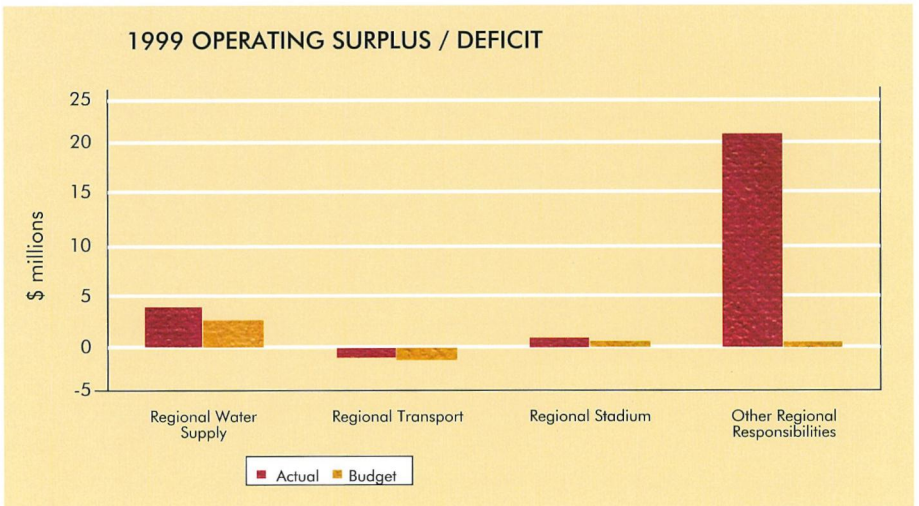
The Council's net operating surplus for the 1999 financial year was $26.9 million compared with a projected surplus of $2.4 million. Significant components of this surplus above budget were:

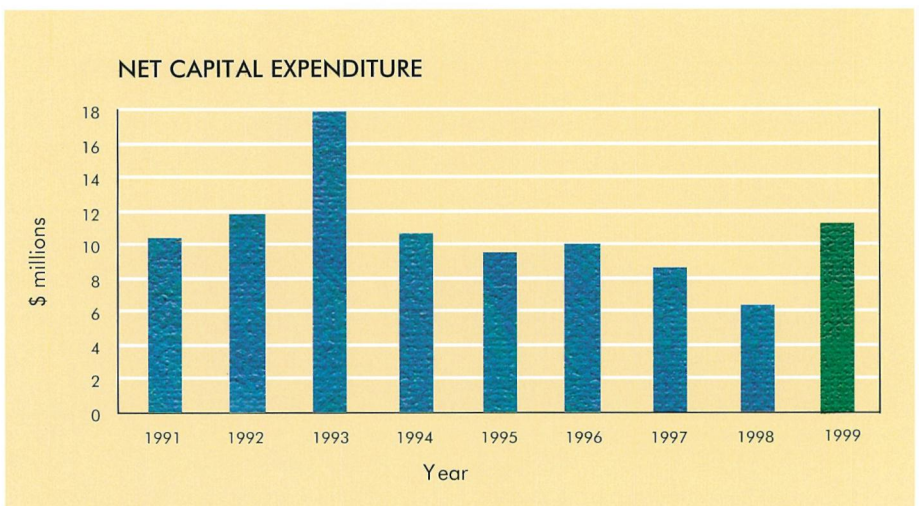
- A gain on sale of investments of $17.7 million as a result of Council selling its investment in CentrePort to one of its 100% owned subsidiaries, Port Investments Ltd.
- An additional surplus of $6.2 million from Council's subsidiaries primarily as a result of receipt by Council of a special dividend of $6 million.
- An additional surplus of $1.4 million in Regional Water Supply largely because of reduced expenditure on interest, chemicals, power, materials, contractors and personnel costs.
- Unbudgeted expenditure of $2.3 million on flood protection as a result of the October 1998 floods.

Capital Expenditure

The Council has once again carried out a significant capital expenditure programme during the year. Notable projects advanced or completed included:

- Upgrading Waterloo Treatment Plant
- Completion of chemical reaction tank at Wainuiomata Water Treatment Plant.
- Renewal of Orongorongo pipeline from the intake to the tunnel.
- Completion of Rahui reservoir rising main.
- Acceleration of various flood protection projects as a result of October 1998 floods.





- Flood protection works at Nash Street in Lower Hutt.
- Implementation of new Financial System nearing completion.

Funding

The adjacent table summarises the Council's operating result and shows how surplus funds have been applied after providing for capital expenditure, debt servicing and reserve transfers. While an additional $9.8 million has been able to be applied to debt repayment during 1998/99, this has been primarily generated from investments.

Investments

CentrePort has experienced a record year in both values and profitability with the company's 1998 restructuring clearly providing an early pay back. Also, as a result of the conversion of convertible notes, CentrePort has been able to pay a special dividend of $7.5 million to shareholders bringing to $10.6 million the dividends paid or payable in 1998/99. (WRC's share of $10.6 million = $8.2 million)

SUMMARY FUNDING STATEMENT	*1999 Actual $000s*	*1999 Budget $000s*	*Variance $000s*
Regional water supply	4,003	2,619	1,384
Regional transport	(677)	(895)	218
Regional stadium	678	478	200
Other regional responsibilities	22,888	228	22,660
Operating surplus (deficit)	**26,892**	**2,430**	**24,462**
Movement in reserves	5,518	1,790	3,728
Add back non cash items	(9,393)	6,601	(15,994)
Add back investment writedown	153	-	153
Funding surplus from operations	**23,170**	**10,821**	**12,349**
Less:			
Net capital expenditure	11,808	9,301	2,507
Investment additions	66,412	25,500	40,912
New loans	(32,845)	(33,389)	544
Investment redemption	(40,800)	-	(40,800)
Net capital expenditure and investment	**4,575**	**1,412**	**3,163**
Working capital movement	(586)	-	(586)
Debt repayment	19,181	9,409	9,772
Net funding surplus (deficit)	-	-	-

Public Debt

Net public debt has increased at 30 June 1999 to $95 million, up $19 million during 1998/99. This increase is primarily as a result of Council borrowing $25 million in order to on lend this amount to the Wellington Regional Stadium Trust.

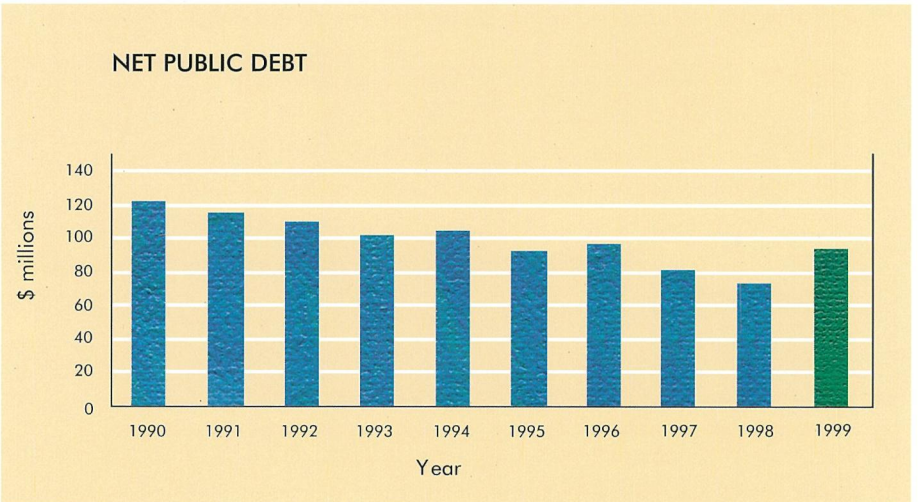
Despite the increased debt the Council has continued to maintain AA- credit rating which it attained last year. This very positive credit rating is being used to assist the Council to minimise borrowing costs, while maintaining flexibility.

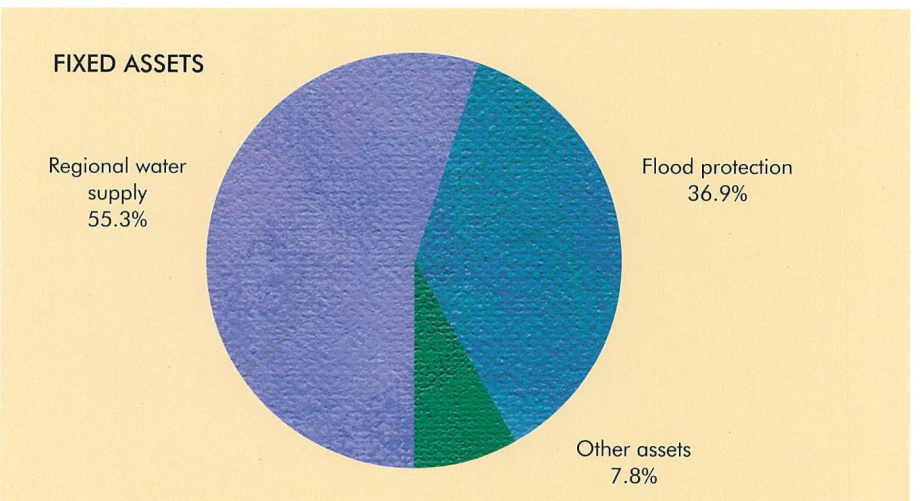
Asset Management

The majority of the Council's asset base consists of Regional Water Supply and Flood Protection infrastructural assets. These important community assets are required to be maintained and where possible enhanced, to provide desired service levels. During the year Council further refined its asset management plans covering both Regional Water Supply and Flood Protection infrastructural assets in addition to making excellent progress on its asset management plans covering Regional Parks and Natural Forestry. We will continue to work closely with Audit New Zealand as further refinements are made to Council's asset management plans in future.

Compliance with Council Policies

The Council is pleased to report that no instances of non-compliance occurred during the year to 30 June 1999, with the exception of one minor technical breach of Council's Treasury Management Policy relating to the investment of funds.





WELLINGTON REGIONAL COUNCIL

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999



STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30 June 1999

	Notes	Group 1999 Actual $000s	Group 1998 Actual $000s	Council 1999 Actual $000s	Council 1999 Budget $000s	Council 1998 Actual $000s
OPERATING REVENUE						
Rates and levies		68,424	65,146	68,424	68,383	65,146
Government grants and subsidies		16,421	17,498	16,421	16,500	17,498
Investment revenue		2,513	957	26,044	2,560	2,399
Other external revenue		52,291	52,576	12,236	11,741	13,258
Total operating revenue	1	**139,649**	**136,177**	**123,125**	**99,184**	**98,301**
OPERATING EXPENDITURE						
Personnel		19,179	20,051	19,179	21,341	20,051
Grants and subsidies		31,900	32,632	31,900	31,750	32,632
Interest		12,172	8,219	9,574	9,856	6,634
Depreciation		10,634	10,009	6,695	6,602	6,252
Operating expenses		54,002	60,221	28,885	27,205	28,947
Total operating expenditure	2	**127,887**	**131,132**	**96,233**	**96,754**	**94,516**
Operating surplus before taxation		**11,762**	**5,045**	**26,892**	**2,430**	**3,785**
Taxation expense	10	2,904	1,903	-	-	-
Operating surplus		**8,858**	**3,142**	**26,892**	**2,430**	**3,785**
Share of surplus applicable to minority interest	14	1,452	82	-	-	-
Net surplus for the year		**7,406**	**3,060**	**26,892**	**2,430**	**3,785**

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 1999

	Council 1999 Actual $000s	Council 1999 Budget $000s
OPERATING REVENUE		
Environment management	8,769	8,513
Regional transport	36,016	36,068
Regional water supply	31,258	30,614
Land management	7,265	7,379
Flood protection	9,111	8,999
Regional parks	3,029	2,894
Cost of democracy	2,916	2,915
Stadium	2,903	2,726
Council investments	24,635	1,303
Other	1,383	2,061
	127,285	**103,472**
Less internal operating revenue	4,160	4,288
Total operating revenue	**123,125**	**99,184**

	Council 1999 Actual $000s	Council 1999 Budget $000s
OPERATING EXPENDITURE		
Environment management	8,737	8,798
Regional transport	36,693	36,963
Regional water supply	27,255	27,995
Land management	6,834	7,506
Flood protection	9,240	7,439
Regional parks	2,986	2,745
Cost of democracy	2,907	3,032
Stadium	2,225	2,248
Council investments	1,442	1,918
Other	2,074	2,398
	100,393	**101,042**
Less internal operating expenditure	4,160	4,288
Total operating expenditure	**96,233**	**96,754**
Operating surplus	**26,892**	**2,430**
Less:		
Capital expenditure & investments	78,220	34,801
Loan funding	(32,845)	(33,389)
Investment redemption	(40,800)	-
Rates funded capital expenditure	4,575	1,412
Debt provisioning	19,181	9,409
Reserve movements	(5,518)	(1,790)
Working capital movements	(586)	-
Non-cash items - Gain on sale of investment	17,723	-
Non-cash items - Other	(8,330)	(6,601)
Investment writedown	(153)	-
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 1999

	Notes	Group 1999 Actual $000s	Group 1998 Actual $000s	Council 1999 Actual $000s	Council 1999 Budget $000s	Council 1998 Actual $000s
Ratepayers' funds at the start of the year		**346,900**	**344,049**	**312,687**	**310,861**	**308,902**
Net surplus for the year		7,406	3,060	26,892	2,430	3,785
Total recognised revenues and expenses for the year		**7,406**	**3,060**	**26,892**	**2,430**	**3,785**
Movements in minority interest	**14**	(1,005)	(209)	-	-	-
Distribution of retained earnings to Third Party	**12**	(6)	-	(6)	-	-
Ratepayers' funds at the end of the year		**353,295**	**346,900**	**339,573**	**313,291**	**312,687**

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 1999

	Notes	Group 1999 Actual $000s	Group 1998 Actual $000s	Council 1999 Actual $000s	Council 1999 Budget $000s	Council 1998 Actual $000s
RATEPAYERS' FUNDS						
Retained earnings	**12**	166,156	152,268	164,655	136,868	131,281
Reserves	**13**	174,918	181,406	174,918	176,423	181,406
		341,074	333,674	339,573	313,291	312,687
Minority interests	**14**	12,221	13,226	-	-	-
Total ratepayers' funds		**353,295**	**346,900**	**339,573**	**313,291**	**312,687**
ASSETS						
Current assets	**3**	18,589	19,729	20,953	14,084	13,714
Non-current assets	**5**	513,814	445,528	447,364	425,741	401,219
Total assets		**532,403**	**465,257**	**468,317**	**439,825**	**414,933**
LIABILITIES						
Current liabilities	**8**	68,200	38,566	58,636	20,257	36,705
Non-current liabilities	**9**	110,908	79,791	70,108	106,277	65,541
Total liabilities		**179,108**	**118,357**	**128,744**	**126,534**	**102,246**
Net assets		**353,295**	**346,900**	**339,573**	**313,291**	**312,687**



Stuart Macaskill
Chairperson
23 November 1999



Howard Stone
General Manager
23 November 1999



Greg Schollum
Chief Financial Officer
23 November 1999

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 1999

	Notes	Group 1999 Actual $000s	Group 1998 Actual $000s	Council 1999 Actual $000s	Council 1999 Budget $000s	Council 1998 Actual $000s
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash provided from:						
Customers		39,629	38,830	-	-	-
Rates, levies, subsidies and taxes		84,508	83,145	84,508	84,884	83,145
Interest		2,223	373	1,765	670	851
Dividends		4	7	4	1,890	981
Other		15,007	12,208	12,295	11,740	12,797
		141,371	134,563	98,572	99,184	97,774
Cash disbursed to:						
Suppliers and employees		103,827	109,642	78,308	80,296	79,446
Interest		11,508	7,952	9,289	9,510	6,877
Income tax paid		3,100	1,320	-	-	-
		118,435	118,914	87,597	89,806	86,323
Operating activities net cash flows	**22**	**22,936**	**15,649**	**10,975**	**9,378**	**11,451**
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash provided from:						
Sale of fixed assets		268	564	261	554	535
Sinking funds		1,218	3,662	1,218	-	3,662
Disposal of other investments		3	-	-	-	-
Disposal of CentrePort Ltd shares & convertible notes		-	-	40,800	-	-
		1,489	4,226	42,279	554	4,197

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

	Group 1999 Actual $000s	Group 1998 Actual $000s	Council 1999 Actual $000s	Council 1999 Budget $000s	Council 1998 Actual $000s
Cash disbursed for:					
Purchase of fixed assets	14,285	9,079	11,269	9,856	7,140
Regional Stadium	25,000	-	25,000	25,000	-
Sinking funds	151	151	151	-	151
Liquid bank deposit	40,800	-	40,800	-	-
Advance to associate company	22	-	-	-	-
Regional water supply contingency investment	611	611	611	500	611
	80,869	9,841	77,831	35,356	7,902
Investing activities net cash flows	**(79,380)**	**(5,615)**	**(35,552)**	**(34,802)**	**(3,705)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash provided from:					
Public debt and term debt proceeds	73,300	7,035	32,500	34,835	7,035
Advance from subsidiary	-	-	6,602	-	-
	73,300	7,035	39,102	34,835	7,035
Cash disbursed for:					
Public debt and term debt settlement	14,974	17,729	14,174	9,411	14,979
Repayment of Intercompany current account	-	-	440	-	-
Distribution to third party	6	-	6	-	-
Dividends	2,077	291	-	-	-
	17,057	18,020	14,620	9,411	14,979
Financing activities net cash flows	**56,243**	**(10,985)**	**24,482**	**25,424**	**(7,944)**
Net increase in cash held	**(201)**	**(951)**	**(95)**	**-**	**(198)**
Add opening cash and deposits	4,108	5,059	4,013	4,000	4,211
Closing cash and deposits	**3,907**	**4,108**	**3,918**	**4,000**	**4,013**

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), Pringle House Limited (100% owned) Port Investments Limited (100% owned) and CentrePort Limited (76.9% owned).

The financial statements have been prepared in accordance with the Local Government Act 1974 which now legally requires compliance with generally accepted accounting practice.

2. MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain fixed assets.

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 its subsidaries. All significant intercompany transactions have been eliminated.

3.2 Revenue Recognition

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 on an accrual basis (net of imputation credits). Other income is also recognised on an accrual basis.

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, regional water supply assets, floodplain management plans, infrastructure assets (including flood protection, transport and navigational aids) 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), 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.

CentrePort 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 CentrePort Limited are recorded at cost.

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
CentrePort Limited floating plant, cranes, wharves	10-50 years

Flood protection infrastructural assets (principally stopbanks) are generally considered to be non-depreciable. This is based on the engineering assessment that stopbanks in the Wellington Region are not subject to detectable settlement.

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

Investment properties and properties intended for resale are revalued annually at net market value.

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 Group of companies including CentrePort 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 while other Group entities lease 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 estimated based on the actuarial method.

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. All of these are recognised in the statement of financial position. Group entities use forward rate agreements, and swaps solely to manage interest rate exposure. Revenues 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)

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

3.13 Overhead Allocation and Internal Transactions

The Council allocates overhead to operational activities on a variety of different bases that are largely determined by usage. The treasury operation of the Council is treated as an internal bank 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 Statement of Cashflows

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

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

Investing activities are those activities relating to the acquisition and disposal of non current assets. Financing activities comprise the change in equity and debt capital structure.

3.15 Rounding of Amounts

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

3.16 Comparatives

In most cases comparison is made with the 1998/99 budget as set out in the 1998/99 Annual Plan. In other cases the comparatives are the 1997/98 actual figures.

3.17 Legislative Compliance

Under section 594ZU 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 changes in accounting policies since the date of the last audited statements.

NOTE 1

REVENUE

	Group 1999 Actual $000s	*Group 1998 Actual $000s*	*Council 1999 Actual $000s*	*Council 1999 Budget $000s*	*Council 1998 Actual $000s*
General rate	17,701	17,587	17,701	17,717	17,587
Transport rate	19,523	19,523	19,523	19,523	19,523
River rate	1,753	1,382	1,753	1,753	1,382
Regional water supply levy	25,218	25,218	25,218	25,218	25,218
Bovine tuberculosis rates	545	551	545	524	551
Stadium purposes rate	2,726	-	2,726	2,726	-
Wairarapa scheme rates	958	885	958	922	885
Government grants and subsidies	16,421	17,498	16,421	16,500	17,498
Dividends	179	123	6,004	1,890	981
Sinking fund interest	555	568	555	590	568
Other interest	1,779	266	1,762	80	850
Gain on sale of investment	-	-	17,723	-	-
Other Subsidiaries revenue	40,605	38,618	-	-	-
Other Council external revenue	11,686	13,958	12,236	11,741	13,258
Total operating revenue	**139,649**	**136,177**	**123,125**	**99,184**	**98,301**

NOTE 2

TOTAL OPERATING EXPENDITURE INCLUDES

	Group 1999 Actual $000s	*Group 1998 Actual $000s*	*Council 1999 Actual $000s*	*Council 1999 Budget $000s*	*Council 1998 Actual $000s*
Assets written off	1,694	41	1,694	-	41
Bad debts written off	56	186	22	-	14
Directors fees	153	146	-	-	-
Fees to auditors for audit of financial statements	147	144	85	90	90
Fees to auditors for other services	27	67	20	45	48
Increase (decrease) in provision for doubtful debts	(214)	235	(310)	-	242
Loss (gain) on sale of assets	(67)	(107)	(60)	(328)	(194)
Operating lease rentals	2,612	2,126	1,745	1,717	1,642
Rates collection cost	1,201	1,102	1,201	1,290	1,102
Subscriptions	52	45	52	50	45
Decrease (increase) in value of investments	430	1,478	153	-	1,319
Insurance	753	676	753	758	676

The Council has invested a further $611,000 (1998 $610,000) in a self insurance fund as part of its risk management of Regional Water Supply assets.

NOTE 3

CURRENT ASSETS

		Group 1999 $000s	Group 1998 $000s	Council 1999 $000s	Council 1998 $000s
Bank & call deposits		3,907	4,108	3,918	4,013
Receivables	4	12,504	11,804	15,178	8,951
Inventory		2,178	1,206	1,857	750
Taxation refund due		-	754	-	-
Taxation dispute deposit		-	1,857	-	-
		18,589	**19,729**	**20,953**	**13,714**

The Council has an overdraft facility of $1,000,000 with the National Bank which is unsecured. The current interest rate on the facility is 8.5%.

NOTE 4

RECEIVABLES

	Group 1999 $000s	Group 1998 $000s	Council 1999 $000s	Council 1998 $000s
Rates outstanding	2,834	2,513	2,834	2,513
Other receivables	10,726	10,561	7,248	7,652
Provision for dividends receivable	-	-	6,000	-
Less provision for doubtful debts	(1,056)	(1,270)	(904)	(1,214)
	12,504	**11,804**	**15,178**	**8,951**

NOTE 5

NON-CURRENT ASSETS

		Group 1999 $000s	Group 1998 $000s	Council 1999 $000s	Council 1998 $000s
Future tax benefit		1,356	1,231	-	-
Investments	6	87,385	21,517	98,974	56,308
Fixed assets	7	425,073	422,780	348,390	344,911
		513,814	**445,528**	**447,364**	**401,219**

NOTE 6

INVESTMENTS

	Group 1999 $000s	*Group 1998 $000s*	*Council 1999 $000s*	*Council 1998 $000s*
Sinking funds	5,575	6,090	5,575	6,090
CentrePort Limited shares	-	-	-	15,385
CentrePort Limited convertible notes	-	-	-	7,692
WRC Holdings Limited shares	-	-	11,882	12,035
New Zealand Local Government Insurance Corporation Limited shares	80	80	80	80
Plantation forests	13,327	13,327	13,327	13,327
Regional water supply contingency investment	2,310	1,699	2,310	1,699
Stadium advance	25,000	-	25,000	-
Liquid bank deposit	40,800	-	40,800	-
Other investments	293	321	-	-
Total investments	**87,385**	**21,517**	**98,974**	**56,308**

The Council has money invested on deposit with financial institutions to comply with the regulations on the provisions of sinking funds. The weighted average of the interest rates on sinking funds as at 30 June 1999 is 9.51% (1998 9.54%). At 30 June 1999 the fair value of sinking funds is estimated at $5.6M (1998 $6.1M).

As at 30 June 1998, the Council held 76.9% of the shares and 2,634,351 convertible notes in CentrePort Limited (formerly Port Wellington Limited). Manawatu-Wanganui Regional Council owned the remaining 23.1%. In October 1998, the Council sold all shares and convertible notes to its wholly owned subsidiary Port Investments Limited for $40.8M.

The Council holds 100% of the shares in WRC Holdings Limited. The book value of the shares reflects the net asset backing of the investment at 30 June 1999.

Independent valuations of the plantation forests have been completed by Alan Bell and Associates. The estimated value as at 30 June 1999 based on a discount rate of 8.0% is $27M (1998 $31M).

The weighted average of the interest rates on the regional water supply contingency investment as at 30 June 1999 is 6.50% (1998 9.05%). At 30 June 1999 the fair value of the regional water supply contingency investment is estimated at $2.3M (1998 $1.7M).

The council advanced $25M to the Wellington Regional Stadium Trust in August 1998. The advance is on an interest free basis, with limited rights of recourse recognising the "quasi equity" nature of the advance. At 30 June 1999 the Council expects that the advance will be fully repaid.

Proceeds from the sale of CentrePort Limited shares and convertible notes have been invested in a bank deposit. The interest rate on this investment as at 30 June 1999 is 4.72%.

NOTE 7

FIXED ASSETS – GROUP

	Cost $000s	*Revaluation $000s*	*Accumulated Depreciation $000s*	*Book Value 1999 $000s*	*Book Value 1998 $000s*
Operational assets					
Port buildings and wharves	39,325	-	14,208	25,117	25,751
Land and buildings	60,218	8,811	1,516	67,513	68,061
Fixtures and fittings	1,145	-	865	280	94
Plant and equipment	28,924	-	19,916	9,008	9,298
Motor vehicles	3,674	-	2,151	1,523	1,538
Computer equipment / software	4,942	-	2,100	2,842	651
	138,228	8,811	40,756	106,283	105,393
Floodplain management plans	8,224	-	1,703	6,521	6,794
Infrastructural assets					
Flood protection	17,740	89,083	69	106,754	105,370
Transport facilities	11,592	1,517	2,464	10,645	10,437
Navigational aids	1,713	-	752	961	1,064
	31,045	90,600	3,285	118,360	116,871
Capital works in progress	1,447	-	-	1,447	1,196
Total regional responsibilities	**178,944**	**99,411**	**45,744**	**232,611**	**230,254**
Regional water supply assets					
Land and buildings	38,343	1,417	3,741	36,019	36,132
Pipelines, reservoirs and structures	96,496	72,817	22,502	146,811	148,717
Fixtures, plant and equipment	8,113	-	2,095	6,018	2,916
Motor vehicles	1,374	-	908	466	369
Capital works in progress	3,148	-	-	3,148	4,392
Total regional water supply	**147,474**	**74,234**	**29,246**	**192,462**	**192,526**
Total Group fixed assets 1999	**326,418**	**173,645**	**74,990**	**425,073**	
Total Group fixed assets 1998	**314,981**	**175,039**	**67,240**		**422,780**

NOTE 7

FIXED ASSETS – COUNCIL

	Cost $000s	*Revaluation $000s*	*Accumulated Depreciation $000s*	*Book Value 1999 $000s*	*Book Value 1998 $000s*
Operational assets					
Land and buildings	24,679	1,441	1,516	24,604	24,722
Fixtures and fittings	1,145	-	865	280	94
Plant and equipment	1,479	-	1,128	351	519
Motor vehicles	3,674	-	2,151	1,523	1,538
Computer equipment / software	4,942	-	2,100	2,842	651
	35,919	1,441	7,760	29,600	27,524
Floodplain management plans	8,224	-	1,703	6,521	6,794
Infrastructural assets					
Flood protection	17,740	89,083	69	106,754	105,370
Transport facilities	11,592	1,517	2,464	10,645	10,437
Navigational aids	1,713	-	752	961	1,064
	31,045	90,600	3,285	118,360	116,871
Capital works in progress	1,447	-	-	1,447	1,196
Total regional responsibilities	**76,635**	**92,041**	**12,748**	**155,928**	**152,385**
Regional water supply assets					
Land and buildings	38,343	1,417	3,741	36,019	36,132
Pipelines, reservoirs and structures	96,496	72,817	22,502	146,811	148,717
Fixtures, plant and equipment	8,113	-	2,095	6,018	2,916
Motor vehicles	1,374	-	908	466	369
Capital works in progress	3,148	-	-	3,148	4,392
Total regional water supply	**147,474**	**74,234**	**29,246**	**192,462**	**192,526**
Total Council fixed assets 1999	**224,109**	**166,275**	**41,994**	**348,390**	
Total Council fixed assets 1998	**215,675**	**167,239**	**38,003**		**344,911**

NOTE 8

CURRENT LIABILITIES

		Group 1999 $000s	Group 1998 $000s	Council 1999 $000s	Council 1998 $000s
Payables		20,184	18,640	14,811	13,946
Employee provisions		4,004	3,468	2,245	2,024
Current account - WRC Holdings Group		-	-	11,018	4,277
Term borrowing (current)		13,450	-	-	-
Public debt (current)	11	30,562	16,458	30,562	16,458
		68,200	**38,566**	**58,636**	**36,705**

NOTE 9

NON-CURRENT LIABILITIES

		Group 1999 $000s	Group 1998 $000s	Council 1999 $000s	Council 1998 $000s
Public debt (non-current)	11	70,108	65,541	70,108	65,541
Term borrowings		40,800	14,250	-	-
		110,908	**79,791**	**70,108**	**65,541**

Term borrowings are made up of two bank loan facilities. CentrePort Limited has a bank loan facility which is unsecured and matures on 16 June 2000. The interest rate charged on the facility as at 30 June 1999 ranged from 4.8% to 5.1%p.a (1998 ranged from 9.7% to 9.3% p.a).

WRC Holdings Limited has a bank loan facility of $55,000,000 drawn to $40,800,000 which is secured by a debenture over the assets of company and matures on 28 October 2001. The interest rate charged on the facility as at 30 June 1999 was 5.04% p.a.

NOTE 10

TAXATION

	Group 1999 $000s	*Group 1998 $000s*	*Council 1999 $000s*	*Council 1998 $000s*
Operating profit before tax	**7,235**	**1,762**	**4,176**	**246**
Adjustments for permanent differences				
Imputation credits received	88	483	2,957	483
Tax effect of imputation credits	(267)	(1,464)	(8,961)	(1,464)
Subvention payment	-	-	590	619
Non assessable income	(181)	-	-	-
Non deductable loss	485	1,449	-	-
Non deductable expenditure	624	223	-	-
Additional depreciation	(167)	(270)	-	-
Losses recognised	(20)	-	61	-
Loss not recognised	1,177	136	1,177	116
Taxable income	**8,974**	**2,319**	-	-
Taxation charge @ 33%	2,961	765	-	-
Prior year under (over) provision	(57)	1,138	-	-
Taxation expense	**2,904**	**1,903**	-	-

TAXATION (continued)

The assessable income of the Council includes income derived, net of related expenses, from the WRC Group of companies, including the CentrePort Group and NZLGIC. All other income currently derived by the Council is exempt from income tax.

Subvention payments

The financial statements include subvention payments payable by subsidiaries to the Council for the use of tax losses incurred by the Council. In the current year, provision for a payment of $0.59 M (1998 $0.62 M) 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 CentrePort Limited, $7.4M (1998 $7.3M) of its future income tax benefits have not been recognised as an asset in the financial statements. Future income tax benefits of $0.08M (1998 $0.12M) attributable to amounts provided, but not currently deductible in Pringle House Limited have also not been recognised.

Similarly, deferred tax liabilities of $0.05M (1998 $0.02M) relating to depreciation in the Pringle House Limited 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.

Tax losses not recognised

The Council has estimated tax losses of $4.5M (1998 $3.2M) 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 $1.48M (1998 $1.04M).

Imputation credits

$8.14M (1998 $8.48M) 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

PUBLIC DEBT		Group 1999 $000s	Group 1998 $000s	Council 1999 $000s	Council 1998 $000s
Opening balance		81,999	89,618	81,999	89,618
New loans raised		32,500	7,035	32,500	7,035
Forestry encouragement loans		345	325	345	325
Loans repaid or rolled over		(14,110)	(14,918)	(14,110)	(14,918)
Ministry for the Environment loan principal repaid		(64)	(61)	(64)	(61)
Total external financing		**100,670**	**81,999**	**100,670**	**81,999**
Public debt current portion	8	30,562	16,458	30,562	16,458
Public debt non-current portion	9	70,108	65,541	70,108	65,541
		100,670	**81,999**	**100,670**	**81,999**

Council public debt maturities	Council public debt by maturity $000s
2000	30,562
2001	8,808
2002	4,313
2003	17,120
2004	3,088
2005 – 2018	36,779
	100,670

Local Government Stock issued prior to 30 June 1997 is fully secured. $54.7M (1998 $66.2M) is secured by a charge against special rates and $2.9M (1998 $4.2M) is secured by a charge against the regional water supply levy. Public debt issued subsequent to 30 June 1997 is unsecured. The weighted average of the interest rates (after the effect of derivatives) on the Public Debt as at 30 June 1999 is 7.8% (1998 8.3%). At 30 June 1999 the fair value of public debt is estimated at $103M (1998 $85M). Further detailed analysis of public debt is provided on page 126.

NOTE 12

RETAINED EARNINGS

	Group 1999 $000s	*Group 1998 $000s*	*Council 1999 $000s*	*Council 1998 $000s*
Opening balance	152,268	153,181	131,281	131,469
Net surplus for the year	7,406	3,060	26,892	3,785
Transferred from reserves	8,309	1,917	8,309	1,917
Transferred to reserves	(2,042)	(5,291)	(2,042)	(5,291)
Interest earned	(743)	(874)	(743)	(874)
Distribution of retained earnings to Third Party	(6)	-	(6)	-
Realised asset revaluation on disposal	964	275	964	275
Closing balance	**166,156**	**152,268**	**164,655**	**131,281**

NOTE 13

RESERVES

	Group 1999 $000s	*Group 1998 $000s*	*Council 1999 $000s*	*Council 1998 $000s*
Opening balance	181,406	177,433	181,406	177,433
Transferred from operations	2,042	5,291	2,042	5,291
Transferred to operations	(8,309)	(1,917)	(8,309)	(1,917)
Interest earned	743	874	743	874
Realised asset movements	(964)	(275)	(964)	(275)
Closing balance	**174,918**	**181,406**	**174,918**	**181,406**

RESERVES (continued)	*Group 1999 $000s*	*Group 1998 $000s*	*Council 1999 $000s*	*Council 1998 $000s*
Represented by				
Election reserve	23	169	23	169
Regional park land purchase reserve	608	561	608	561
Flood contingency reserve	491	1,073	491	1,073
Regional water supply reserve	2,272	4,904	2,272	4,904
Water operations network reserve	(231)	53	(231)	53
Transport reserve	2,321	2,818	2,321	2,818
Wairarapa scheme reserves	859	861	859	861
Rural fire contingency reserve	320	294	320	294
Navagational aids reserve	26	24	26	24
Bovine tuberculosis rate reserve	763	629	763	629
Environment legal contingency reserve	426	392	426	392
Hutt ground water reserve	172	159	172	159
Transit maintenance reserve	193	331	193	331
Wairarapa workshop reserve	34	22	34	22
River rates reserve	(206)	(120)	(206)	(120)
Akura nursery reserve	(49)	-	(49)	-
Stadium reserve	177	-	177	-
1998/99 expenditure carry forwards	242	1,795	242	1,795
Total operational reserves	**8,441**	**13,965**	**8,441**	**13,965**
Asset revaluation reserve	166,275	167,239	166,275	167,239
Investment revaluation reserve	202	202	202	202
Total reserves	**174,918**	**181,406**	**174,918**	**181,406**

NOTE 14

MINORITY INTERESTS

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

	Group 1999 $000s	*Group 1998 $000s*
Opening balance	13,226	13,435
Minority share of operating surplus	1,452	82
Minority dividends paid	(2,457)	(291)
Closing balance	**12,221**	**13,226**

NOTE 15

EMPLOYEES

	Council 1999	*Council 1998*
Number of employees	375	373

NOTE 16

CONTINGENCIES

Contingent liabilities

	Group 1999 $000s	Group 1998 $000s	Council 1999 $000s	Council 1998 $000s
Termination of Wellington City Water facilities management contract	1,000	-	1,000	-
Ewen Floodway	-	1,224	-	1,224
Final settlement for Orongorongo tunnel	-	136	-	136
Other legal proceedings and obligations	2,734	335	326	335
Uncalled capital in WRC Holdings Limited	-	25,000	75,000	25,000
	3,734	**26,695**	**76,326**	**26,695**

The current contract with Wellington City Council to manage their Water operations expires in June 2000. No decision has made either Council on whether this will be extended. Loss of the contract would result in significant costs for the Council.

The Ewen Floodway, and Orongorongo contingent liabilities are claims by contractors in respect of completed capital works. These claims have been settled during the year.

A subsidiary of CentrePort Limited has entered into a conditional contract which requires CentrePort to guarantee rental payments of $2,000,000.

Contingent assets

	Group 1999 $000s	Group 1998 $000s	Council 1999 $000s	Council 1998 $000s
Consideration for grant of right of way	50	50	50	50
Other	87	-	-	-
	137	**50**	**50**	**50**

The Group also had claims against contractors in relation to the building of the Regional Council Centre which was settled this year. The value of the settlement was $180,000.

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 1999 $000s	*Group 1998 $000s*	*Council 1999 $000s*	*Council 1998 $000s*
Transport operator commitments				
Less than one year	26,465	27,604	26,465	27,604
One to two years	7,470	6,799	7,470	6,799
Two to five years	8,485	10,781	8,485	10,781
	42,420	**45,184**	**42,420**	**45,184**
Operating lease commitments				
Less than one year	664	360	1,358	1,142
One to two years	357	360	1,114	1,070
Two to five years	119	75	3,138	3,079
Later than five years	-	-	-	1,018
	1,140	**795**	**5,610**	**6,309**
Capital commitments	**1,321**	**1,347**	**434**	**1,160**
Total commitments	**44,881**	**47,326**	**48,464**	**52,653**

NOTE 18

FINANCIAL INSTRUMENTS

Currency risk

The Group is not exposed to any material 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 ongoing basis.

The Council manages receivables on behalf of itself and the WRC Holdings Group of companies excluding CentrePort Limited. 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. CentrePort Limited performs credit evaluations on all customers requiring credit and generally does not require collateral.

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, public debt and money market portfolios.

To minimise this risk on term debt and public debt, management 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 1999 the Group had entered into forward rate and swap agreements with maturities of:

	Group 1999 $000s	*Group 1998 $000s*	*Council 1999 $000s*	*Council 1998 $000s*
Less than one year	5,000	15,000	-	-
One to two years	2,000	-	-	-
Two to three years	9,000	-	-	-
Seven to eight years	5,000	-	5,000	-
Nine to ten years	10,000	-	10,000	-
More than ten years	5,000	-	5,000	-
	36,000	**15,000**	**20,000**	**-**

Interest rate risk on term borrowings is also managed through the use of fixed interest instruments, revolving stock facilities and the placement of debt to minimise rollover risk. The Council manages interest rate risk on investment funds through the use of short-term investments in accordance with the Council's treasury policy.

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.

During the year ended 30 June 1999, the Wellington Regional Council has not entered into any severance agreements with any of its employees that exceeded $50,000.

NOTE 20

COUNCILLORS' REMUNERATION

	Council 1999 $	*Council 1998 $*
Salary / fees received or receivable	367,947	338,124
Meeting allowances	247,500	219,608
Travel expenses	48,940	56,618
	664,387	**614,350**

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

	Council 1999	*Council 1998*
$Nil to $ 9,999	50	37
$10,000 to $ 19,999	2	1
$20,000 to $ 29,999	6	4
$30,000 to $ 39,999	2	4
$40,000 to $ 49,999	2	1
$50,000 to $ 59,999	2	2
$60,000 to $ 69,999	1	1
$80,000 to $ 89,999	1	1
	66	**51**

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 $142,000. In terms of his contract, the General Manager is entitled to the following benefits:

	Council 1999 $	*Council 1998 $*
Salary	142,000	136,500
Motor vehicle	11,550	11,550
Superannuation	21,160	20,420
Medical insurance	1,922	1,922
Life insurance	1,600	1,600
Professional fees	1,500	1,500
Representative allowance	3,000	3,000
Telephone allowance	561	444
Bonus paid if performance objectives achieved	14,200	13,650
	197,493	**190,586**

For the year ended 30 June 1999 the total cost to the Wellington Regional Council of the remuneration package received by the General Manager was $193,088.

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

	Council 1999	*Council 1998*
$100,000 to $ 109,999	1	-
$110,000 to $ 119,999	1	2
$120,000 to $ 129,999	3	3
$130,000 to $ 139,999	1	2
$140,000 to $ 149,999	1	1
$150,000 to $ 159,999	1	-
$190,000 to $ 199,999	1	1
	9	**9**

NOTE 22

RECONCILIATION OF OPERATING SURPLUS WITH CASH FLOW FROM OPERATING ACTIVITIES

	Group 1999 $000s	*Group 1998 $000s*	*Council 1999 $000s*	*Council 1998 $000s*
Operating surplus	**8,858**	**3,142**	**26,892**	**3,785**
Add non-cash items				
Depreciation	10,634	10,009	6,695	6,252
Decrease (increase) in gain of sale of investments	-	-	(17,723)	-
Decrease (increase) in value of investments	484	1,478	153	1,319
Decrease (increase) in future tax benefit	(125)	(373)	-	-
Add (less) movements in working capital				
Decrease (increase) in accounts receivable	(7,272)	687	(6,227)	40
Decrease (increase) in inventory	(972)	226	(1,107)	82
Decrease (increase) in tax refund due	922	(148)	-	-
Decrease (increase) in tax dispute deposit	1,857	1,094	-	-
Increase (decrease) in accounts payable	7,877	(438)	865	(150)
Increase (decrease) in employee provisions	221	(92)	221	(92)
Increase(decrease) in WRC Holdings Group current account	-	-	579	238
Add (less) items classified as investing activities				
Decrease (increase) in accounts payable related to fixed assets	(968)	372	(800)	372
Net loss (gain) on disposal of fixed assets	1,627	(66)	1,634	(153)
Sinking funds interest compounded	(552)	(567)	(552)	(567)
Add (less) items classified as financing activities				
Forestry encouragement loan interest compounded	345	325	345	325
Net cash flow from operating activities	**22,936**	**15,649**	**10,975**	**11,451**

NOTE 23

RELATED PARTIES

The Council owns 100% of the shares in WRC Holdings Limited and indirectly, 76.9% of the shares of CentrePort Limited.
Chief Executive H J Stone is a director of CentrePort Limited.
Councillor FR Long is the owner of the Sign Factory.

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

Significant transactions during the year ended 30 June 1999 included:

	Council 1999 $000s	*Council 1998 $000s*
CentrePort Group		
Income from use of navigational facilities	550	550
Income from convertible notes	189	627
Income from dividends	-	973
Expense for rental and services	(39)	(39)
WRC Holdings Group		
Income from management services provided	77	69
Income from subvention payment	560	619
Expense for rent of the Regional Council Centre	(1,062)	(1,048)
Expense for interest on inter company current account	(279)	(365)
Sign Factory		
Expense for services	(2)	-

NOTE 24

There have been no significant events subsequent to balance date that would materially affect these accounts.

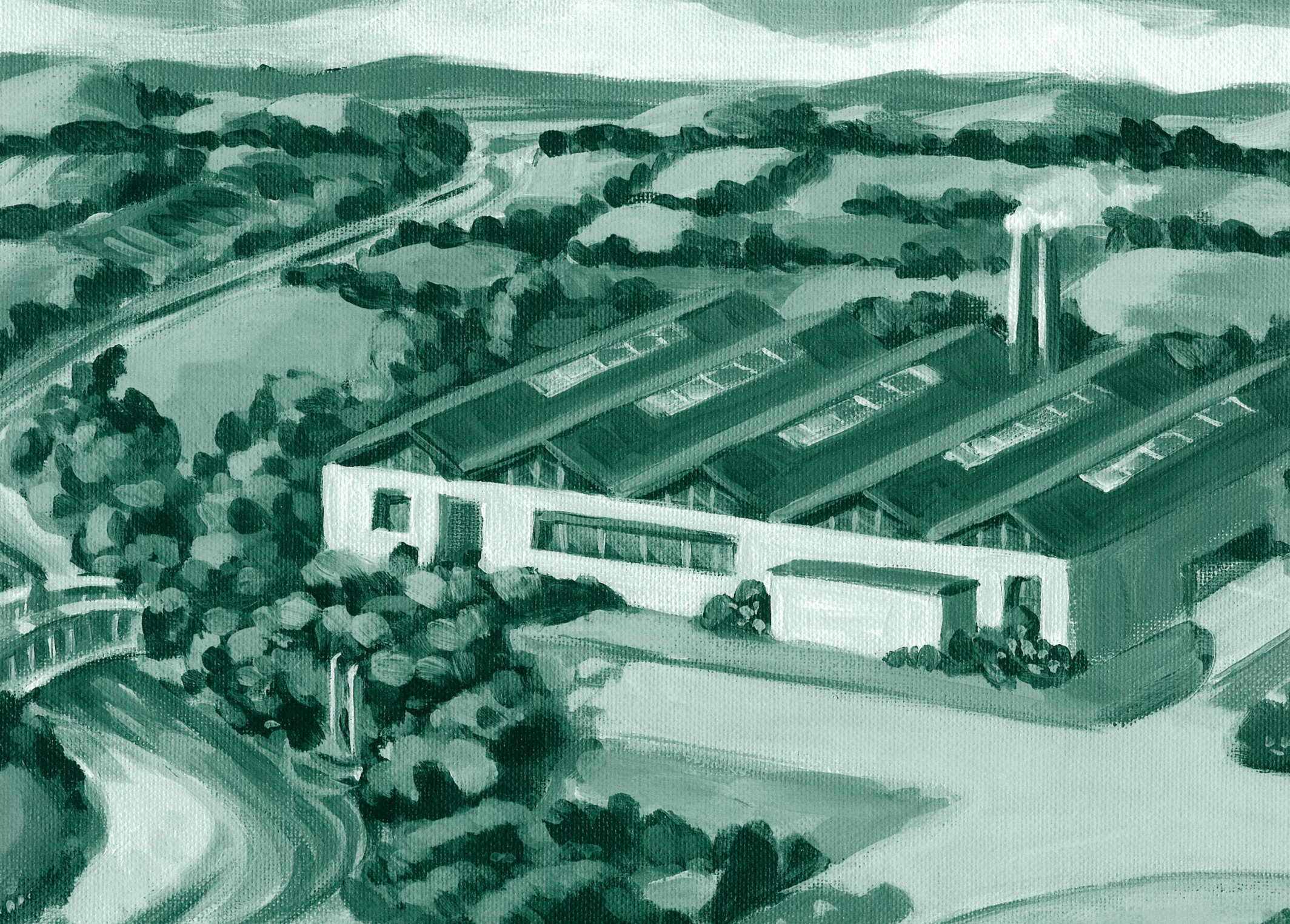
NOTE 25

STATEMENT OF SERVICE PERFORMANCE FOR SIGNIFICANT ACTIVITIES

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

Environment management	51
Regional transport	65
Regional water supply	73
Land management	83
Flood protection	95
Regional parks	105
Cost of democracy	112
Investments	115
Stadium	118

For each activity the actual achievement is compared to the planned performance indicators as set out in the 1998/99 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

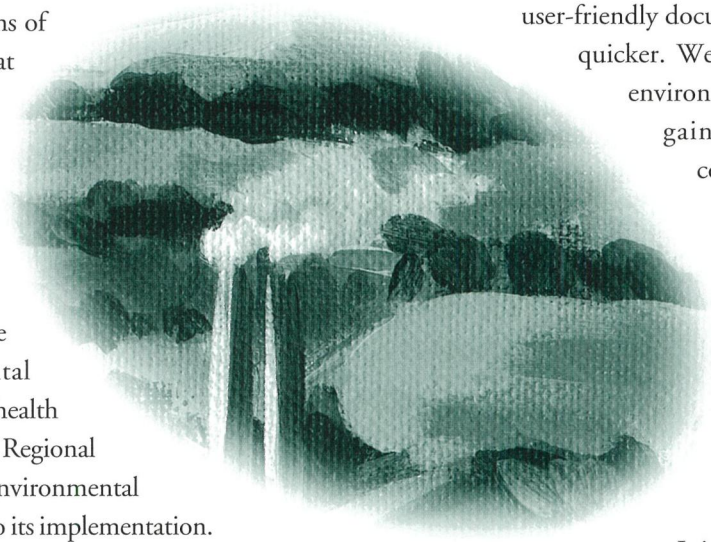
Role

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

STRATEGIC DIRECTION

Making the Resource Management Act 1991 work

The Council fully supports the spirit and intentions of the Resource Management Act 1991. We think that much of the criticism of the Act is misguided and ill-informed and that some of the proposed amendments will not achieve what the Minister for the Environment intends. In fact, in our view they will result in more uncertainty and greater costs for our customers. This Council is committed to administering the Act in a professional and sensible manner. We recognise that good environmental management is essential to the social and economic health of the Region – both now and in the future. Our Regional Policy Statement has set our strategic direction for environmental management and we shall continue to give priority to its implementation.



Satisfying our customers

We are committed to a fair and equitable approach to resource management. Although we cannot always meet everyone's needs, our goal is for all our customers to feel that they have been treated well. We are committed to reducing the "red tape" where possible, consulting meaningfully with our community, producing user-friendly documents and making the consents process easier and quicker. We shall continue to adopt a balanced approach to environmental management by recognising the economic gains that development brings. But we will not compromise future generations.

Keeping our Region safe

As our harbours are used for a variety of recreational and commercial purposes – fast ferries, container ships, wind-surfers, dragon boats, etc – there are inevitable conflicts. We shall continue to try and meet the needs of each, and protect the safety of all.

It is vital that this Region is as ready as possible to cope with a major emergency event. We shall be working with territorial authorities and emergency management organisations to ensure that our roles and responsibilities are clear and that we all work together for the benefit and protection of the community.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

LONG TERM

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

It will achieve this by having:

- all regional plans operative by the year 2000;

The Council is preparing the following regional plans: Regional Air Quality Management Plan, Regional Coastal Plan, Regional Plan for Discharges to Land, Regional Freshwater Plan and Regional Soil Plan. All plans are at the proposed stage and are significantly advanced through the statutory process.

Submissions have been received on all plans. Hearings have been held and decisions released on the Regional Air Quality Management Plan, Regional Coastal Plan and Regional Plan for Discharges to Land. Several decisions for each of these three plans have been referred to the Environment Court. Subject to the satisfactory progress of references through the Environment Court, the Council is on target to achieve the objective of having all regional plans operative by the year 2000.

- transparent charging policies and consent management policies and programmes which guarantee a specific level of service;

The Council's Resource Management Charging Policy is working effectively. The Council has become more accountable to consent applicants and consent holders. The Policy will be reviewed again in 1999/2000.

The Council's award winning Consents and Compliance Procedures Manual has helped to ensure consistent practices have been followed by the Council. The manual is continually reviewed and updated where necessary.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

LONG TERM

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

The public's increased awareness of the Council's incident response service resulted in a 20% increase in the number of pollution complaints received during the 1998/99 financial year. A 24-hour service is provided in accordance with our operating procedures.

Follow-up actions including informal warnings and formal enforcement procedures are undertaken, depending on the nature and severity of the incident, in accordance with our operating procedures.

SHORT TERM

A report will be completed to the satisfaction of the Council that demonstrates that the Regional Policy Statement is being implemented according to the implementation plan and within a budget of $123,000.

A final report summarising all of the work for the year was presented to the Environment Committee on 17 June 1999. Projects undertaken during the year included Trees for Survival; the Regional Plant Guide; enhancement of the Kakaho Estuary and Waiwhetu Stream; urban sustainability; ecosystem delineation and policy development; water conservation; heritage policy; and the riparian management strategy. Actual costs were $112,000.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

SHORT TERM

The statutory approval process for the following plans will be carried out within a budget of $318,000 and to the satisfaction of Council: Proposed Regional Coastal Plan; Proposed Regional Plan for Discharges to Land; Proposed Regional Air Quality Management Plan; Proposed Regional Freshwater Plan; Proposed Regional Soil Plan and Proposed Regional Landscape Plan.

Progress on all plans was made in accordance with statutory proceedings and was reported regularly to the Environment Committee during the year. Actual costs were $345,000.

All complaints and notified pollution incidents will be responded to, recorded and, where appropriate, followed up to the satisfaction of the Environment or Rural Services and Wairarapa Committees, within a budget of $145,000.

During the year, 989 pollution complaints were investigated (162 more than last year) and follow-up actions reported to the respective Council committees. The increased activity meant that actual costs were $188,000.

There were no new prosecution cases commenced during 1998/99. However a longstanding issue of costs for a previous prosecution was successfully concluded.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

SHORT TERM

All consents will be processed in accordance with statutory timeframes and the Council's Resource Management Charging Policy 1997, within a budget of $456,000.	651 consents were processed during the year, of which four were outside the statutory timeframes. This represents a huge improvement on last year when out of 808 consents processed 112 were outside the statutory timeframe. The median processing time for non-notified consents was 10 working days – a maximum processing period of 20 working days is permitted under the Resource Management Act 1991. Actual Costs were $398,000. More importantly, a PricewaterhouseCoopers' audit of our current conditions found that the Council is not risk averse and is certainly not favouring the environment over business.
All consents will be monitored according to the procedures set down in the Resource Management Act 1991 and the Compliance Monitoring Procedures Manual, within a budget of $392,000.	Procedures in the Resource Management Act 1991 and the Compliance Monitoring Procedures Manual were adhered to. Actual Costs were $423,000.

Performance Indicators

Managing Resources

LONG TERM

The Council will continue to monitor 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.

Baseline environmental monitoring programmes were developed for the period 1997 – 2000 for the following: water quality (coastal and freshwater), groundwater, hydrology and air quality. These programmes were all implemented as proposed.

The fresh water quality report showed little overall change to the quality of fresh water in the Region. Water quality had improved in some areas, principally in response to improvements to sewer and storm water systems by territorial authorities. In other areas the effects of urban and rural storm water runoff caused deterioration.

The baseline coastal water report showed similar results with little overall change in water quality across the Region.

The annual groundwater report showed that groundwater levels in Kapiti and the Hutt Valley dropped to their lowest levels since 1994 over the summer but recovered to average levels by the end of June 1999.

Preliminary results from air quality monitoring indicated that air pollutants were present at a level higher than had been originally anticipated with vehicle and domestic sources being major contributors. A full report on the results of air quality monitoring will be released in the 1999/00 financial year.

The findings of the above monitoring programmes will ultimately enable the Council to assess whether the anticipated environmental results as defined in the Regional policies and plans are being achieved.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

SHORT TERM

The state of the environment will be monitored and the following annual reports will be completed to the satisfaction of the Council and within a budget of $998,000: • Environmental monitoring; • Freshwater quality; • Coastal water quality; • Groundwater; • Hydrology.	The state of the environment was monitored and the following annual reports completed to the satisfaction of the Council. The total actual cost was of $902,000 • Reported to Environment Committee on 1 December 1998. • Reported to Environment Committee on 1 December 1998. • Reported to Environment Committee on 17 June 1999. • Reported to Environment Committee on 1 December 1998. • Reported to Environment Committee on 1 December 1998.
A 5-yearly "State of the Environment" report will be produced to the satisfaction of the Council within a budget of $69,000.	Work is still in progress. Expected completion date is now the end of November 1999. Cost to date is $63,000.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Resources

LONG TERM

Under the Charter of Understanding, the Council and iwi of the Region will continue to have a mutually beneficial relationship.

The Charter of Understanding was reviewed in 1996. Ara Tahi, the Council's inter-iwi representative group, meets at least four times annually. Meetings of Ara Tahi benefit both the Council and iwi by providing a formal opportunity to discuss matters of mutual interest, to exchange information, and to develop policy. Iwi are consulted on the preparation of regional plans and on non-notified resource consents. Funding is provided to enable iwi to comment on the non-notified consents. This provides benefits to iwi by enabling cultural matters to be raised and considered, and to the Council by providing better information on iwi concerns.

SHORT TERM

Iwi will be consulted during the preparation of all changes to regional plans according to the provisions of the relevant consultation contract and within a budget of $27,000.

Iwi were consulted to provide commentaries for the State of the Environment Report. Actual costs were $28,000.

Ara Tahi will meet four times a year within a budget of $11,000.

Ara Tahi met on 3 September 1998, 3 December 1998, 11 March 1999, 9 April 1999 and 3 June 1999. The April meeting was a special meeting called to discuss roading reforms. Actual costs were $11,000.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Emergencies

LONG TERM

The Council will be able to demonstrate that it has done all that is reasonably possible to ensure that the Region is ready to cope with a major emergency.

The Council has continued to provide an effective (and regularly tested) operational headquarters (both fixed and mobile) that is capable of functioning in a major emergency.

An Emergency Management Group is being established for Central New Zealand.

SHORT TERM

A programme of work designed to ensure that the Council can respond effectively to an emergency event, will be carried out and reported on a six monthly basis to the Environment Committee, within a budget of $185,000.

A report was presented to the Environment Committee on the 27 July 1999. The programme of work included publishing the agreed roles and responsibilities of all the key regional response organisations, training staff, maintenance of the headquarters and communications system, and completion of a headquarters and communications system, and completion of a headquarters response exercise. Actual costs were $189,000.

Performance Indicators

Managing Emergencies

SHORT TERM

Within a budget of $77,000, reports will be prepared to the satisfaction of the Council which:	Reports were prepared to the Council's satisfaction with an actual cost of $85,000.
• Define the nature of the hazard posed by the transport of petroleum products;	• A project brief was prepared for the study of the hazard posed by the transport of petroleum products. Opus International Consultants were awarded a contract following a competitive tender process. The study was completed and reported to the Environment Committee on 6 May 1999.
• Scope the potential impact of climate change on the Wellington Region.	• A report was completed summarising current knowledge on climate change and the potential impacts on the Wellington Region. The findings were presented to the Environment Committee on 6 May 1999.

ENVIRONMENT MANAGEMENT

Performance Indicators

Managing Harbours

LONG TERM

The Council will continue to demonstrate that it has carried out its responsibilities under the relevant legislation, and done all that is reasonably possible to ensure that the Region's harbours are a safe environment for recreational and commercial users.

The Council continues to enforce maritime safety regulations. Present routine tasks are:

- Issuing harbour licences for operators of smaller harbour craft.
- Issuing and renewing pilot exemption certificates.
- Issuing Hot Work Permits to allow welding or burning repairs on ships.
- Regulating the positioning and nature of swing moorings.
- Investigating reported safety incidents or breaches of harbour bylaws and taking action as necessary.
- Obtaining cargo stowage plans and dangerous cargo plans.

Navigational aids are provided to assist vessels to use the Region's harbours in all weathers at all times. The navigation aids are checked regularly and any defects are repaired as soon as possible.

The Beacon Hill Communications Station continues to provide a 24-hour communication service for both recreational and commercial harbour users.

Any reports of oil spills in harbour waters are checked within 30 minutes and clean up action for actual oil spills commences within one hour of being reported.

Performance Indicators

Managing Harbours

SHORT TERM

The Beacon Hill Harbour Communications Station will provide a 24 hour, 365 days service which is in accordance with Council agreed operating standards and within a budget of $304,000.	The Beacon Hill Communications Station provided a 24-hour communication service for both recreational and commercial harbour users in accordance with the Council's specified standards. Actual costs for 1998/99 were $328,000.
Reports of oil spills in harbour waters will be checked within 30 minutes and clean up action for actual oil spills commenced within one hour of being reported in harbour waters and within three hours of being reported in regional coastal waters, all within a budget of $44,000. A formal log will be kept and incidents followed up where possible.	There were 59 callouts during 1998/99 and all were checked within the specified timeframes. No significant oil spills occurred during the period. A formal log was kept documenting each event. Actual costs were $15,000.
Within a budget of $92,000, work will be carried out to ensure that harbour safety is maintained including:	Harbour safety was maintained at an actual cost of $127,000:
• approving new navigation bylaws;	• The extensive review and revision of the Region's harbour bylaws was further advanced. Final development and approval of the bylaws was postponed pending the commencement of new legislation replacing the Harbours Act 1950.
• investigating and responding to all reports of unsafe behaviour within the harbour waters and all harbour emergencies in accordance with statutory requirements. A formal log will be kept.	• All reported incidents have been responded to and investigated, with referrals to the appropriate authorities. In the review period, there were no significant events. A formal log was kept.

ENVIRONMENT MANAGEMENT

Financial Summary

	1999 Actual $000s	*1999 Budget $000s*
FUNDING STATEMENT		
General rate	6,777	6,777
Other rates	-	-
Government subsidies	61	63
Other revenue	1,931	1,673
Total operating revenue	**8,769**	**8,513**
Operating expenditure	8,294	8,419
Interest	24	18
Depreciation / loss (gain) on disposal	419	361
Total operating expenditure	**8,737**	**8,798**
Operating surplus (deficit)	**32**	**(285)**
Less:		
Capital expenditure	148	100
Loan funding	-	-
Rates funded capital expenditure	148	100
Debt provisioning	88	88
Reserve movements	(10)	(112)
Non cash items	(419)	(361)
Net funding surplus (deficit)	**225**	-

	1999 Actual $000s	*1999 Budget $000s*
OPERATING EXPENDITURE		
Managing resources	6,777	6,955
Managing harbours	1,264	1,214
Managing emergencies	696	629
Total operating expenditure	**8,737**	**8,798**
CAPITAL EXPENDITURE		
Land and buildings	-	-
Plant and equipment	66	42
Motor vehicles	120	94
Asset disposals	(38)	(36)
Total capital expenditure	**148**	**100**


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REGIONAL TRANSPORT

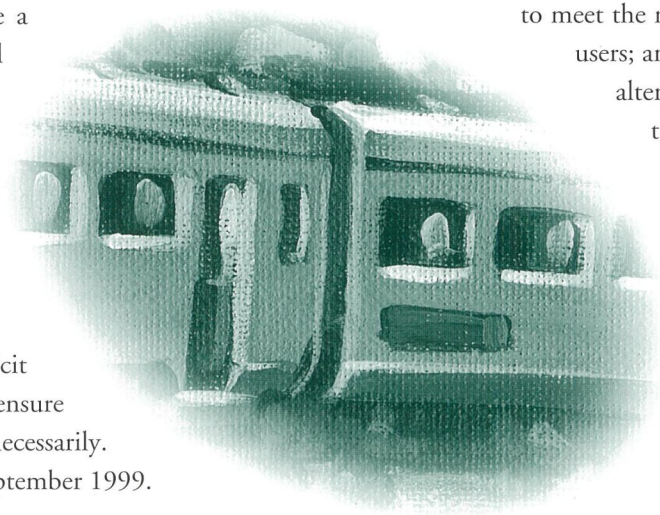
Role

To ensure delivery of a safe, fair, reliable and environmentally friendly transport system in the Region at least cost to the regional ratepayer.

STRATEGIC DIRECTION

A Responsibility to the Region

Our transport system is vital to the economic and social health of the Region. We have a Regional Land Transport Strategy which contains our transport policies and a planned programme of activities which have been developed, with community support, to provide a desirable transport system for the Region. But the full strategy creates a funding deficit. Community expectations cannot be fully met by current funding levels. Unless we put the regional rates up to an unacceptable level, or obtain additional sources of funding, we cannot afford to implement this Strategy fully. The Council feels strongly that it has a responsibility to the Region to do everything in its power to solve this funding deficit problem. This included reviewing the Strategy to ensure that we had not raised community expectations unnecessarily. The new strategy was adopted by the Council in September 1999.



An Equitable Transport Policy

Central to the Council's transport policies are the following principles: first, that those who choose to commute by car during peak hours should pay the full cost of this choice; secondly, that it is important for the Region's road system to meet the needs of commercial, recreational, rural and off-peak users; and thirdly, that to reduce peak hour road congestion, alternative services to the private car, such as buses and trains, should be maintained and enhanced.

Putting Principles into Practice

The Council helps put these principles into practice by assisting with the funding of public transport. But this is costly for the ratepayer. The Council, therefore, wants to stimulate the public transport market by funding infrastructure and implementing demand management policies, such as congestion pricing. This will enable public transport operators to provide quality services at market rates without significant long-term funding support from regional ratepayers.

Performance Indicators

Planning and Monitoring the Transport Network

LONG TERM

The Council will develop and monitor the implementation of an affordable Regional Land Transport Strategy that is consistent with any National Land Transport Strategy and which reflects the prevailing community views.	Implementation of the current Regional Land Transport Strategy (RLTS) is monitored and reported to the Secretary of Transport and the Regional Land Transport Committee annually. Technical analysis supporting the review of the current Strategy was completed in the 1998/99 financial year leading to the issue of a draft RLTS for consultation in May 1999. A critical objective of the review is affordability. An extensive and comprehensive public consultation programme accompanied the issuing of the draft Strategy with submissions closing on 30 June 1999. The Minister of Transport released a non statutory National Transport Statement in lieu of a National Land Transport strategy. The draft RLTS acknowledges this national statement.

SHORT TERM

Reports will be prepared for both the Secretary of Transport and the Regional Land Transport Committee on progress with implementing the Regional Land Transport Strategy, using the performance measures within the Strategy, and within a budget of $60,000.	The report was sent to the Secretary of Transport and other interested parties on 7 December 1998. The report was produced internally with no external costs.
A report on the options for passenger transport upgrades will be completed and reported to the Regional Transport Committee within a budget of $65,000.	Options were reviewed and prioritised, and a detailed evaluation of the top ranked project – upgrading and extending rail services in the Kapiti area – was carried out. The ensuing report was presented to the Passenger Transport Committee on 27 November 1998. Expenditure for the year was $54,000.

REGIONAL TRANSPORT

Performance Indicators

Building The Public Transport Infrastructure

LONG TERM

The Council will maintain and develop public transport user facilities to conform to the Council's quality and effectiveness criteria.

Public transport user facilities continue to be maintained to standard. Several additional enhancements were completed during the year. These included the construction of new bus shelters in Cuba Street, Wellington, and the successful implementation of a monitored system at Waterloo Interchange.

SHORT TERM

All current public transport user facilities will be maintained in accordance with the Council's guidelines to the satisfaction of the Manager, Policy and Planning, and within a budget of $400,000.

All existing infrastructure was maintained to the Council's standards at a cost of $415,000. Additional costs were incurred at the Waterloo Interchange relating to the new video security system, and also on the replacement of subway pumping equipment.

REGIONAL TRANSPORT

Performance Indicators

Funding Public Transport Services

LONG TERM

The Council will purchase public transport services which conform to both the Council's transport policies, as expressed by the Regional Passenger Transport Plan, and to the Council's vehicle quality standards, so that the overall level of service is progressively increased in response to anticipated growth in demand.

The Regional Passenger Transport Plan has been reviewed and is now incorporated in the Regional Land Transport Strategy for 1999-2004. The 1992 vehicle quality standards impose requirements on passenger service contractors to keep their vehicle fleets up-to-date. Significant service changes during the year included - the extension of the cross-town Campus Connection which provides a direct link between Victoria University and the eastern suburbs, and the trial of buses "After Midnight" on Friday and Saturday nights. Both improvements are proving to be successful.

SHORT TERM

The Council will achieve, through the tendering process approved by Transfund New Zealand, a total contract price for bus and rail services of no more than $30,251,000 (including concessionary fare reimbursements and five Ganz Mavag refurbishments).

The total cost of contracted services, including concessionary fare reimbursements and five Ganz Mavag refurbishments, was $29,623,000. Transfund tendering procedures were complied with.

The Total Mobility Scheme will be administered to the satisfaction of Transfund New Zealand within a budget of $930,000.

Costs for the year were $1,023,000. This included the funding of four vehicle hoists at a cost of $63,000. A likely budget overspend because of increasing demand was identified early in the financial year, and Council approved at the six month review an increase in expenditure of up to a total of $1,040,000.

All tendering and contracting procedures will be carried out in accordance with the competitive pricing procedures approved by Transfund New Zealand.

Transfund New Zealand carried out an audit during the year and have advised that they were satisfied that the required tendering processes had been complied with.

REGIONAL TRANSPORT

Performance Indicators

Funding Public Transport Services

LONG TERM

The Council will maintain the current level of information sources, such as timetables, bus stop displays, media advertising and telephone enquiries.

The provision of transport information services was maintained at existing service levels during the year.

SHORT TERM

All timetable leaflets will be produced within a budget of $302,000 to a standard acceptable to the service providers. Timetables will always be maintained in print except in emergency situations or when information has not been supplied by service providers.

All timetables were maintained in stock during the year. Twenty timetables were updated, and a second edition of the Wellington Bus & Train Guide was produced. A total of 379,000 copies were printed at a cost of $243,000. Timetables were approved by service providers before printing.

All passenger stops with permanent timetable facilities will display current timetables, within a budget of $157,000.

Current timetables were displayed on all stops with permanent facilities. Additional expenditure was incurred due to significant alterations to two major routes which required the replacement of all displays over the full distance of the routes. Expenditure for the year was $168,000.

REGIONAL TRANSPORT

Financial Summary

	1999 Actual $000s	*1999 Budget $000s*
FUNDING STATEMENT		
Transport rate	19,523	19,523
Other rates	-	-
Government subsidies	16,253	16,407
Other revenue	240	138
Total operating revenue	**36,016**	**36,068**
Operating expenditure	35,800	36,142
Interest	480	480
Depreciation / loss (gain) on disposal	413	341
Total operating expenditure	**36,693**	**36,963**
Operating surplus (deficit)	**(677)**	**(895)**
Less:		
Capital expenditure	38	60
Loan funding	-	-
Rates funded capital expenditure	**38**	**60**
Debt provisioning	195	195
Reserve movements	(497)	(809)
Non-cash items	(413)	(341)
Net funding surplus (deficit)	-	-

	1999 Actual $000s	*1999 Budget $000s*
OPERATING EXPENDITURE		
Funding public transport services	32,910	33,868
Planning and monitoring the transport network	1,173	1,019
Building the public transport infrastructure	2,610	2,076
Total operating expenditure	**36,693**	**36,963**
CAPITAL EXPENDITURE		
Land and buildings	-	-
Plant and equipment	18	50
Motor vehicles	20	20
Asset disposals	-	(10)
Total capital expenditure	**38**	**60**



REGIONAL WATER SUPPLY

Role

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

STRATEGIC DIRECTION

Meeting a Growing Demand

Our current water sources and treatment plants may reach capacity some time around 2020 - exactly when will depend on the growth rate of consumption. At present, the capacity of our treatment plants means that we have a limited supply of water only on a few days in summer. The Council will be monitoring demand in relation to supply capacity so that it can take appropriate measures to ensure a continuing water supply.

Keeping Up With Quality Standards

In 1995, the Ministry of Health published revised Drinking Water Standards for New Zealand. This Council has a target of attaining an "A" grade for its water treatment plants, where practical.

Increasing Efficiency

The water supply levy charged to the four city customers for 1999/00 has been reduced by four percent. This has been possible through increased efficiencies and reduced interest charges. Work is continuing to further reduce operational costs.



Water Integration

Independent studies have shown these are significant benefits of an integrated water delivery structure.

This Council has proposed that the four cities lease their assets to the Regional Council for 30 years.

The Regional Council expects savings in the order of $40 per annum would be rebated to each ratepayer under this proposal. That proposal remains on the table.

The Council believes that any integrated water entity should continue to be held in public ownership. A survey poll conducted by the Council in 1998 showed a strong preference for continued public ownership and operation of the water supply system.

REGIONAL WATER SUPPLY

Performance Indicators

Collecting, Treating and Delivering Water

LONG TERM

Sufficient water will continue to be available on a daily basis to meet the 1 in 50 year return period drought situation. The related water supply infrastructure will be maintained and improved to meet the standards specified in the Regional Water Supply Asset Management Plan.

Previous projections have indicated that there is sufficient water available to meet the Region's demand during a dry summer, which has a 1 in 50 year return period. Supply projections were refined through a computer based sustainable yield model. This shows that the infrastructure is sufficient to meet this requirement until 2020 at current growth rates. Customers are being consulted on the 1 in 50 year drought strategy, which is less than that of Auckland's 1 in 200 year strategy, though their system is less dynamic in its raw water supply.

The Council manages water supply assets in accordance with a planned programme of maintenance. The policy is that there is no deferred maintenance. The Asset Management Plan was prepared in accordance with the National Asset Management Steering Group guidelines.

Customers were also consulted during the year about security of supply. The Council has adopted an n-1 policy. This means that either the Te Marua or Waterloo plants could be out of commission and the daily base water requirement of 145ML still met.

SHORT TERM

Ongoing operational activities will be maintained as specified in the Regional Water Supply Asset Management Plan within a budget of $8,650,000.

All ongoing operational activities were completed in accordance with the Water Group's documented programmes. Actual costs were $7,016,000.

Performance Indicators

Collecting, Treating and Delivering Water

SHORT TERM

The security of supply will be improved through increasing capacity at the Waterloo Treatment Plant by completing installation of pump and pipeline modifications in accordance with recognised industry standards. 1998/99 expenditure will be within a budget of $1,150,000 to ensure total project expenditure does not exceed $2,250,000.	Upgrading the Waterloo Water Treatment Plant was completed in accordance with recognised industry standards. Expenditure for the year was $702,000 and total project expenditure was $1,759,000.
The supply to Petone will be improved by completing construction of the Petone Reservoir rising main in accordance with the Hutt City Council's works programme and to recognised industry standards. 1998/99 expenditure will be within a budget of $115,000 to ensure total project expenditure does not exceed $630,000.	The project was essentially completed during the year in accordance with recognised industry standards. The final connection is dependent on Hutt City who expect to complete their work in August 1999. Cost for the year was $172,000 which exceeded the budget for the year, however the total project cost was $551,000 which did not exceed the total project budget of $630,000.

Performance Indicators

Collecting, Treating and Delivering Water

LONG TERM

All water supply activities will be undertaken in an environmentally sympathetic manner according to the principles of the Resource Management Act 1991.

The Council acquires and complies with all appropriate resource consents. The consents govern the quantity of water that can be drawn from each source 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.

The Council started the process of obtaining ISO 14001 for its water supply activities. This is an environmental standard. Certification is expected during 1999/00.

SHORT TERM

Vegetation control measures will be carried out in the water supply catchments in accordance with the Council's Forestry Management Plan and within a budget of $159,000 so that the treatment plants receive good quality water.

WRC's Landcare Division carried out vegetation control measures to the satisfaction of the Water Group and provided regular reports. The budget of $159,000 was overspent by $25,000. This related to a noxious animal control operation in the Wainuiomata and Orongorongo catchments. It was undertaken as a result of an increase in giardia and cryptosporidium in the raw water during the winter of 1998.

All appropriate resource consents will be obtained and conditions complied with, within a budget of $125,000.

Resource consents are held for the right to take water at all sites and for all discharges. All conditions were complied with and resource consents obtained, at an actual cost for 1998/99 of $70,000. This underspend against budget, represents timing differences related to obtaining surface water consents, with residual costs to be incurred during 1999/00.

Performance Indicators

Collecting, Treating and Delivering Water

LONG TERM

The Council will demonstrate that it has a high standard of customer service. It will provide customers with up-to-date and relevant information, as well as listening and responding to their needs.

The Council has a policy to provide excellent customer service to all customers. Regular communication has been maintained with each of the metropolitan authorities to ensure service levels are being met. Publication of an annual Business Report, which started in 1998/99, is in line with this policy.

SHORT TERM

Customers will be provided with an annual report by 30 September 1998 which will include the following information:

- Operating costs that are benchmarked against other providers. Structural anomalies will be removed as far as possible to allow relevant comparisons.
- Actual quality compared with targeted performance.
- A list of incidents where supply has been interrupted, together with the time taken to respond and repair.
- A report on compliance with resource consent requirements.

The 1997/98 Business Report was ready for publication by 30 September 1998. However it was decided to delay publication for a short period until after the Council's Annual Report was published.

All the subjects stated in the four facing bullet points were included as part of the overall content of the Business Report.

REGIONAL WATER SUPPLY

Financial Summary

	1999 Actual $000s	*1999 Budget $000s*
FUNDING STATEMENT		
General rate	-	-
Regional water supply levy	25,218	25,218
Government subsidies	-	-
Other revenue	6,040	5,396
Total operating revenue	**31,258**	**30,614**
Operating expenditure	14,580	16,702
Interest	6,706	6,870
Depreciation / loss (gain) on disposal	5,969	4,423
Total operating expenditure	**27,255**	**27,995**
Operating surplus (deficit)	**4,003**	**2,619**
Less:		
Capital expenditure and investments	6,530	6,636
Loan funding	(3,454)	(3,985)
Rates funded capital expenditure	**3,076**	**2,651**
Debt provisioning	9,813	5,278
Reserve movements	(2,917)	(887)
Non cash items	(5,969)	(4,423)
Net funding surplus (deficit)	-	-

	1999 Actual $000s	*1999 Budget $000s*
OPERATING EXPENDITURE		
Collecting and treating water	19,624	20,018
Delivering water	7,631	7,977
Total operating expenditure	**27,255**	**27,995**
CAPITAL EXPENDITURE		
Waterloo treatment plant	746	1,260
System control and protection projects	714	806
Te Marua improvement projects	613	560
Orongorongo and Wainui improvement projects	865	800
Pipeline projects	1,597	1,695
Other projects	880	824
Total project expenditure	**5,415**	**5,945**
Land and buildings	-	-
Plant and equipment	244	127
Motor vehicles	283	98
Asset disposals	(22)	(34)
Total capital expenditure	**5,920**	**6,136**
Investment additions	610	500
Capital expenditure and investments	**6,530**	**6,636**

REGIONAL WATER SUPPLY

Statement of Financial Position

As at 30 June 1999

	Notes	Council 1999 $000s	Council 1998 $000s
RATEPAYERS' FUNDS			
Retained earnings		56,889	46,957
Reserves		76,259	80,122
Total Ratepayers' funds		**133,148**	**127,079**
ASSETS			
Current assets			
Receivables		3,512	3,926
Inventory		1,538	447
Total current assets		5,050	4,373
Non-current assets			
Investments		4,351	6,657
Fixed assets	7	192,462	192,526
Total non-current assets		196,813	199,183
Total assets		**201,863**	**203,556**
LIABILITIES			
Current liabilities			
Payables		2,402	3,834
Employee provisions		593	564
Total current liabilities		2,995	4,398
Non-current liabilities			
Public debt		65,720	72,079
Total non-current liabilities		65,720	72,079
Total liabilities		**68,715**	**76,477**
Net assets		**133,148**	**127,079**


BEWARE
POSSUM TRAP

LAND MANAGEMENT

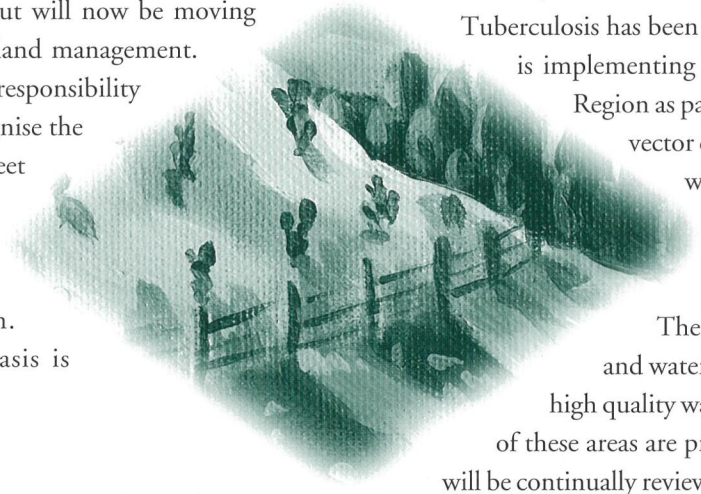
Role

To protect the productive capacity of land in the Region and promote sustainable land management practices.

STRATEGIC DIRECTION

Promoting Sustainable Land Management

Forty percent of the Wellington Region is erosion prone hill country. This erosion can be prevented or reduced by improving land use practices, by planting trees and by retaining native bush in erosion prone areas. In the past we have concentrated our efforts on soil conservation, but will now be moving more towards the wider concept of sustainable land management. This recognises the need for land owners to take responsibility for their land management practices and to recognise the economic and social worth of managing land to meet the needs of this, and future generations. The Council will be carrying out education programmes and promoting sustainable land management through its Regional Soil Plan. Nevertheless, although the Council's emphasis is changing, expenditure will remain constant.



Controlling Animal and Plant Pests

Pest plants and animals, particularly the possum, pose a significant threat to the environment and to our agricultural industries. Under the Biosecurity Act 1993, the Council has prepared Regional Pest Management Strategies which became operative in July 1996. These set out which plant and animal pests the Council will control, as well as how this work is to be carried out and funded. The Council's role is primarily regulatory. We shall only become involved in an operational sense when we judge there to be a significant public benefit.

In addition, a National Pest Management Strategy for the control of Bovine Tuberculosis has been prepared by the Animal Health Board. The Council is implementing significant possum control programmes within the Region as part of this strategy. We shall continue to organise these vector control programmes, although the costs will be shared with the farming sector and central government.

Managing Forest Lands and Water Catchments

The Council manages significant areas of natural forests and water catchments in the western part of the Region so that high quality water sources are maintained and the natural ecosystems of these areas are protected. The degree and nature of work carried out will be continually reviewed to assess both economic and environmental needs. To protect its own land from fire, the Council operates a rural fire district in the western part of the Region and assists other local authorities with rural fire control.

Performance Indicators

Managing Forest Lands and Water Catchments

LONG TERM

The condition of natural forests on Council lands will be maintained to a quality which complies with a Natural Forest Working Plan, verified by peer review every five years, commencing in 1999.

The Natural Forest Working Plan is being incorporated into the Regional Parks and Natural Forests Asset Management Plan. This will ensure a more strategic approach to the maintenance of Natural Forests on Council lands. The draft Regional Parks and Natural Forests Asset Plan was peer reviewed in July 1999.

In the interim, natural forest areas are being maintained in accordance with existing policies and procedures. Maintenance activities included the completion of the third forest health survey, the continuation of the Old Mans Beard eradication programme, and digital photography to monitor forest canopy improvement after possum control operations.

SHORT TERM

The Natural Forest Working Plan will be approved by the Landcare Committee and, thereafter, natural forest areas will be managed in accordance with this plan and within a budget of $282,000.

The Natural Forest Working Plan was not approved by the Landcare Committee. However, the Committee noted the change from a Forest Working Plan to an Environmental Asset Plan format.

Meanwhile, natural forest areas were managed in accordance with existing policies and procedures. Management activities included possum population monitoring in the Whakatikei Forest and the Regional Parks, vegetation monitoring trials on the Akatarawa Forest and a detailed assessment of Key Native Ecosystems. The planned possum control operation in the Wainuiomata and Orongorongo Catchment was extended for operational and safety reasons to cover 7400 ha. As a result the total cost was $338,000.

LAND MANAGEMENT

Performance Indicators

Managing Forest Lands and Water Catchments

LONG TERM

The Council's current water catchments will be managed according to the conditions of a service level contract with the Council's water supply business unit.

Vegetation management contract conditions were met for the 1998/99 financial year. Projects undertaken were re-measurement of vegetation assessment plots in the Hutt catchment, describing and scoring key native ecosystems and a major possum control operation in the Wainuiomata/Orongorongo Catchments. A forest health survey was also completed.

SHORT TERM

Services will be provided in accordance with the service level contract to the satisfaction of the Divisional Manager, Utility Services and within a budget of $115,000.

Services defined in the contract, or as agreed, were provided and reported on to the satisfaction of the Divisional Manager, Utility Services. The total cost was $48,500. Additional budget was diverted to the possum control operation in the Wainuiomata/Orongorongo Water Catchment Area.

LAND MANAGEMENT

Performance Indicators

Managing Forest Lands and Water Catchments

LONG TERM

The effects of vegetation fire in the Council's Rural Fire District will be mitigated by continuing to coordinate measures for the prevention, detection, control and suppression of fires.

Council policy is to ensure fire protection standards meet the National Rural Fire Authority Management Code of Practice. Compliance has continued. The Council continues to co-ordinate fire control measures through section 14 Agreements with the surrounding Territorial Authorities. Fire publicity activities are co-ordinated with the national programme. A fire ban was imposed from January 1999 to March 1999 because of the high fire danger.

Fire suppression was carried out by volunteer fire forces and urban fire brigades. Training for staff and contractors continued.

SHORT TERM

The Council will continue to meet the National Rural Fire Authority Code of Practice requirements within a budget of $91,000.

The Council's rural fire plan was approved by the Wellington Rural Fire Co-ordinating Committee on behalf of the National Rural Fire Authority. All equipment was regularly checked and maintained. Fewer resources were required due to the low number of fires. Total cost was $67,000.

LAND MANAGEMENT

Performance Indicators

Promoting Sustainable Land Management

LONG TERM

By 2005, 25 Sustainability Plans will be operating on targeted areas of severely erodible land and Property Conservation Plans will be operating on the balance of identified erodible land.

Target areas have been identified and 12 Sustainability Plans are now operative. Progress is on target to have 29 operative plans by 2005.

SHORT TERM

Five new Sustainability Plans, two new Property Conservation Plans and 35 reviewed Property Conservation Plans will be developed to approved standards and formats within a budget of $64,000.

Four Sustainability Plans, one new Property Conservation Plan and 30 reviewed Property Conservation Plans were completed to approved standards and formats at a cost of $60,800.

Work will be completed under the ten approved Sustainability Plans and at least 175 Property Conservation Plans to the Department's performance standards, within a budget of $444,000.

Soil Conservation programmes completed on seven Sustainability Plans and 114 Property Conservation Plans, in accordance with performance standards and at a cost of $323,000. Fewer programmes were completed due to drought conditions experienced in the Wairarapa.

LAND MANAGEMENT

Performance Indicators

Promoting Sustainable Land Management

LONG TERM

Sustainable land management will progressively be practised in identified problem areas.

A methodology to record new and existing sustainable land management on the target areas will form part of the Council's regional monitoring programme. The Council's planting programme is reducing erosion by stabilising soils in vulnerable areas.

SHORT TERM

Approved programmes will be completed under six catchment control schemes to the satisfaction of each scheme Advisory Committee and to established standards, within a budget of $77,000.

Approved Soil Conservation programmes completed in six Catchment Control Schemes to the satisfaction of the Scheme Advisory Committees and to established standards at a cost of $77,900.

Protection planting at Stoney Creek will be consolidated and the replacement of protection fencing at Rough Hill will continue within a budget of $24,000.

As a result of flooding in the Tuturumuri area, the focus has been on rehabilitation works including gravel retention structures in Stoney Creek to provide maximum downstream benefits in line with the Engineering recommendations in the report requested by the Awhea - Opuawe committee. Limited maintenance work has been carried out on the Rough Hill boundary fence. All works were achieved at a cost of $24,100.

Isolated works for District Councils and one-off programmes will be completed within a budget of $34,000.

Approved Isolated Works programmes were completed on 16 properties at a cost of $14,000. Demand was reduced due to drought conditions.

Performance Indicators

Controlling Animal and Plant Pests

LONG TERM

By July 2001, the Council will reduce the percentage of infected Tb cattle and deer herds, from 8.6% to 4.3%, working under contract to the Animal Health Board as part of the National Bovine Tb Pest Management Strategy.

In July 1998, the target for 2001 was revised downwards to 3.7%. The number of Tb infected cattle and deer herds have reduced from 149 in June 1998 to 108 in June 1999. The target for 1999 was 138 infected herds. The current percentage of infected herds is 3.7%, indicating that the revised 2001 target has already been achieved. The Animal Health Board will set new targets for 2000 and 2001 in the near future.

SHORT TERM

Bovine Tb vector control operations will be completed on 246,630 hectares to the satisfaction of the Council and the Animal Health Board and within a budget of $3,012,000.

A total of 225,100 hectares were completed to Council and Animal Health Board standards at a total cost of $2,491,000. The reduced operational hectare total follows the deferment of parts of a number of operations due to low vector densities and declining Tb infections.

Performance Indicators

Controlling Animal and Plant Pests

LONG TERM

The control of animal and plant pests will be achieved in accordance with approved regional strategies with the aim of minimising actual and potential detrimental effects on the environment.

Regional Pest Management Strategies for pest animals and plants were approved in July 1996. The strategies have a five-year term. Compliance with the 1998/99 regional operational plans has generally been very good as landowners have become more aware of their responsibilities for pest management.

Monitoring of pest plant species during 1998/99 indicates there were no sudden or undesirable impacts on the environment. An exception to this was the rapid increase of the aquatic plant Hornwort, in the wetlands and drainage systems east of Lake Wairarapa. Information from other parts of the country suggests this will be a very difficult plant to control. The Old Man's Beard control programme in Wellington City was revised in 1999 to maximise future progress. New procedures include taking a tougher approach with landowners who repeatedly fail to control this plant to required standards. The ongoing removal of the new environmental pest plants is continuing to result in improved forest health and species diversity, particularly within the Greater Wellington urban area.

Rabbit haemorrhagic disease (RHD) continues to be active in the Region. Rabbit densities remain at very low levels in the majority of prone areas. Monitoring indicates that RHD will spread naturally, even at low densities. Rook control occurred in 1998 using a new aerial application technique. This procedure has been very successful in other parts of the country. The health of the Region's Key Native Ecosystems (KNE) continues to improve as expanded possum control programmes were implemented in 1998/99. The Royal Forest and Bird Protection Society and Conservation Corps have actively supported this programme over the past year. Vegetation monitoring programmes are underway to determine changes over time.

LAND MANAGEMENT

Performance Indicators

Controlling Animal and Plant Pests

SHORT TERM

The implementation of the third year of the Regional Animal Pest Management Strategy will be completed in accordance with the approved operational plan to the satisfaction of the Rural Services and Wairarapa Committee, and within a budget of $634,000.	The implementation has been completed. However, an annual report on achievements under the Regional Animal Pest Management Strategy for the 1998/99 financial year was not presented to the Rural Services and Wairarapa Committee for approval until November 1999. Net expenditure was $632,900.
The implementation of the third year of the Regional Pest Plant Management Strategy will be completed in accordance with the approved operational plan to the satisfaction of the Rural Services and Wairarapa Committee and within a budget of $554,000.	The implementation has been completed. However, an annual report on achievements under the Regional Pest Plant Management Strategy for the 1998/99 financial year was not presented to the Rural Services and Wairarapa Committee for approval until November 1999. Total cost was $567,000.

LAND MANAGEMENT

Financial Summary

	1999 Actual $000s	*1999 Budget $000s*
FUNDING STATEMENT		
General rate	3,475	3,475
Other rates	591	563
Government subsidies	20	30
Other revenue	3,179	3,311
Total operating revenue	**7,265**	**7,379**
Operating expenditure	6,657	7,241
Interest	-	-
Depreciation / loss (gain) on disposal	177	265
Total operating expenditure	**6,834**	**7,506**
Operating surplus (deficit)	**431**	**(127)**
Less:		
Capital expenditure	169	277
Loan funding	-	-
Rates funded capital expenditure	**169**	**277**
Debt provisioning	-	-
Reserve movements	92	(139)
Non-cash items	(177)	(265)
Net funding surplus (deficit)	**347**	**-**

	1999 Actual $000s	*1999 Budget $000s*
OPERATING EXPENDITURE		
Managing forest lands and water catchments	903	978
Promoting sustainable land management	1,038	1,144
Controlling animal and plant pests	4,893	5,384
Total operating expenditure	**6,834**	**7,506**
CAPITAL EXPENDITURE		
Land and buildings	-	-
Plant and equipment	64	175
Motor vehicles	148	138
Asset disposals	(43)	(36)
Total capital expenditure	**169**	**277**



FLOOD PROTECTION

Role

To assist the community to protect itself from the consequences of floods and to provide access to river environments.

STRATEGIC DIRECTION

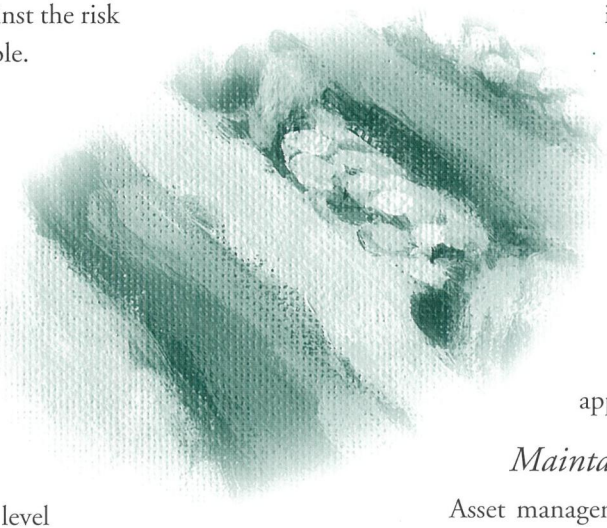
Risk versus Affordability

Many of the Region's residents, businesses and landowners are concerned about the risk and consequences of flooding. In fact, the history and development of many communities is closely linked to living with the vagaries of rivers and the effects of flooding and erosion. The problem facing these groups has always been how to protect themselves and their possessions against the risk and effects of flooding given the limited resources available.

A Balance of Benefits

For the Council, deciding what works should be done is a matter of balancing the immediate benefits to those at risk against the benefits for the Region as a whole. In the past we have been called upon to provide flood protection works - sometimes at significant expense to the regional ratepayer - when much of the benefit quite clearly accrues to an individual or a local community.

Funding is now the critical determinant of the nature and level of flood management in the community.



Floodplain Management Planning

Floodplain management planning involves developing and implementing strategies to reduce the likelihood of flooding and is the key to identifying significant flood hazards in the Region. The Council is working closely with local communities through territorial authorities, residents, individual landowners and interest groups to:

- identify flood risk and ensure that communities are fully informed;
- gain community consensus to sustainable, cost-effective solutions;
- clarify timeframes and funding arrangements;
- ensure that systems work within design standards and provide for environmental enhancement.

The Council will also respond quickly and appropriately to flood emergencies.

Maintaining Assets

Asset management plans are being further refined to ensure that existing flood protection assets and river environments continue to be maintained to acceptable standards. However, all new works will be subject to satisfactory funding arrangements.

FLOOD PROTECTION

Performance Indicators

Planning for Flood Protection

LONG TERM

By 2006, the Council will complete plans for the management of regionally significant floodplains and will complete flood hazard assessments of rivers in the Region which are subject to flooding.

The Otaki and Waikanae Floodplain Management Plans, and the Waiwhetu Stream and Hutt River Flood Hazard Assessments, were completed as at 1998/99. The Hutt River Floodplain Management Plan (HRFMP), has been the focus on the western side of the Region and significant progress has been made this financial year. The Council decided to accelerate investigations so that a "Design Standard" for the Hutt River could be recommended by the Hutt River Floodplain Management Advisory Committee by 30 June 1999. This was achieved.

The Wainuiomata Flood Hazard Assessment was affected by the acceleration of the HRFMP, however excellent progress was made and the project will be completed early in 1999/2000.

A draft Floodplain Management report, including flood hazard maps, has been prepared for the Mangatarere Stream.

SHORT TERM

BY 31 DECEMBER 1998:

The Otaki Floodplain Management Plan will be published after approval by the Landcare Committee within a budget of $88,000.

The Otaki Floodplain Management Plan and the Otaki Environmental Strategy were completed, published and approved by the Landcare Committee in June 1998 and April 1999 respectively, at a cost of $54,000. In addition, the 'Friends of the River' group was established to monitor implementation of the Plan and the Environmental Strategy.

FLOOD PROTECTION

Performance Indicators

Planning for Flood Protection

SHORT TERM

BY 30 JUNE 1999:

The Hutt River Floodplain Management Plan, Phases 2/3 (develop, choose and refine options), will be progressed in accordance with the approved project plan. 1998/99 expenditure will be within a budget of $245,000 to ensure that total allocated budget for the remaining investigations, planning and publication phases does not exceed $1,152,000.

During the year, Council decided to accelerate the Hutt River Floodplain Management Plan investigations and produce a recommendation on the "Design Standard" for the Hutt River by 30 June 1999. As a result expenditure was $547,000. This acceleration will be offset in future years to ensure that total expenditure does not exceed $1,152,000.

The Wainuiomata River Flood Hazard Assessment will be completed to the satisfaction of the Landcare Committee within a budget of $139,000.

The Wainuiomata Flood Hazard Assessment is behind programme due to the additional input required into the accelerated Hutt River Floodplain Management Plan. The floodplain survey was completed and a basic hydraulic model assembled. Budget expended was $102,000.

Public consultation programmes for the reviewed Upper Ruamahanga, Waipoua, and Waiohine River schemes and Phases 1 & 2 of the Mangaterere River and Floodplain Investigation will be completed to the satisfaction of the Wairarapa and Rural Services Committee within a budget of $160,000.

The 1998 flood damage has resulted in less than expected progress with the public consultation programmes for the Upper Ruamahanga, Waiohine and Waipoua River schemes. A draft Phase 1 and Phase 2 report has been prepared for the Mangaterere Stream. Total cost was $70,000.

FLOOD PROTECTION

Performance Indicators

Delivering Flood Protection

LONG TERM

By 2007, the Council will reduce the average annual cost of flood damage in the western part of the Region by a projected $2 million.

During the year, the Upper Rahui Improvements, on the Otaki River were completed. The reduction in annualised damages due to this work is estimated at $50,000 a year. Design of the Chrystalls Bend stopbank was completed and its construction in the 1999/2000 financial year will reduce annualised damages on the Otaki Floodplain by approximately $800,000 a year.

Bank protection works at Nash Street on the Hutt River were completed. These works will reduce the erosion potential in that area and generally improve the security provided by the Hutt River flood protection system.

SHORT TERM

The design of the Otaki River, Chrystalls Bend stopbank project will commence to accepted engineering standards within a budget of $66,000. 1998/99 expenditure will be within a budget of $66,000 to ensure that overall project expenditure does not exceed $547,000.

The design for the Otaki River Chrystalls Bend stopbank was completed within programme and within budget (actual $65,200). Landowner access arrangements for the construction phase were also negotiated. The design estimate is $545,000 which will ensure that costs are within the project budget.

FLOOD PROTECTION

Performance Indicators

Delivering Flood Protection

SHORT TERM

Construction of the Otaki River, Upper Rahui Improvements will be completed according to approved programme and accepted engineering standards. 1998/99 costs will be within a budget of $293,000 to ensure that overall project expenditure does not exceed $355,000.	Earthworks, stopbanks and part of the edge protections for the Upper Rahui Improvements were completed at a cost of $255,400. However, the balance of the edge protection works were deferred to 1999/2000 due to delays in the gravel extraction operation. Council has approved an additional $25,000 following a review phase in the project. Total project cost for 1999/2000 is $60,000 and that will ensure the overall expenditure does not exceed the revised budget of $380,000.
Construction of the Hutt River, Nash Street Bank Protection works will be completed to accepted engineering standards within a budget of $600,000.	The Nash Street Bank Protection works were completed on programme, except for minor landscaping, which was delayed by the weather. Provision of $20,000 for landscaping has been provided for to complete the project in 1999/2000 at an estimated $494,000. Total cost in 1998/99 was $473,400.

FLOOD PROTECTION

Performance Indicators

Delivering Flood Protection

LONG TERM

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

Flood protection structures were severely tested during the floods of October 1998. Most performed very well, however, damage estimated at $2.85 million occurred. Council approved additional funding to repair the damage. Excellent progress is being made on the flood damage repairs, with all work scheduled for completion by June 2000. At the completion of this work, structures will have been repaired so that they continue to perform to design standards.

SHORT TERM

Maintenance operations will be carried out in the western part of the region that satisfy established quality assurance policies and statutory requirements and within a budget of $1,620,000.

Maintenance programmes in the western part of the Region were disrupted by major flood events in October 1998. The total damage to flood protection works on the Hutt, Otaki and Waikanae Rivers, and the Waitohu Stream was $1,756,750.

The Council approved an additional $1,286,000 to complete flood damage repairs, with the balance ($470,750) funded from the reallocation of existing budget.

Excellent progress has been made on the amended maintenance programme. Work which was not possible to complete this year was re-budgeted into 1999/2000 ($564,000). All maintenance work was completed in accordance with established quality assurance policies and statutory requirements at a total cost of $2,359,800.

FLOOD PROTECTION

Performance Indicators

Delivering Flood Protection

LONG TERM

By 2003 the major Wairarapa rivers will be managed under revised river management schemes as part of their floodplain management plans, with community funding derived from revised scheme differential rates.

Progress has been less than anticipated in 1998/99 due to changed priorities resulting from flood damage. However, overall progress towards the 2003 deadline is satisfactory. Plan development and consultation will now follow the revised priorities set by the Rural Services and Wairarapa Committee in March 1998.

Phase 1 – Issues and Phase 2 – Options reports have been completed for the Waiohine, Upper Ruamahanga and Waipoua Rivers. A draft combined Phase 1 and Phase 2 report has been prepared for the Mangaterere Stream and a Waiohine Floodplain Advisory Committee has been set up to select a desirable floodplain management option and assist with the public consultation process.

The Waingawa plan has now been operative for five years and a scheme review has been completed. Consultation is progressing with the Advisory Committee and key landowners regarding the outcomes of the review.

SHORT TERM

Maintenance operations will be carried out for the Region's seven Wairarapa rivers schemes to established standards and to the satisfaction of the Scheme Advisory Committees within a budget of $841,000.

Maintenance operations for the seven Wairarapa river schemes have been completed to established standards and to the satisfaction of the Scheme Advisory Committees at a total cost of $840,000. An additional $1,012,000 of approved flood damage repair was required for the schemes.

FLOOD PROTECTION

Performance Indicators

Delivering Flood Protection

LONG TERM

The Council will continue to be 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 significantly affected by the October 1998 flood events. The flood events caused substantial loss of vegetation buffers, major erosion areas and some loss of amenities in most of the large rivers in the Region. Restoring this damage will take some time, but good progress has been made with the flood damage repair project.

SHORT TERM

Hutt River berms will be maintained to established standards and within a budget of $31,000.	The Hutt River berms were significantly affected by the October 1998 flood events. Repair works on the berms are now largely complete and the berms have been largely restored to established standards. Total cost was $29,000.
Construction of Donald's Creek – Featherston flood protection works will be completed according to approved programme and accepted engineering standards within a budget of $268,000.	The Donald's Creek flood protection works were completed to the approved programme and accepted engineering standards at a cost of $327,000 including an additional $55,000 for the purchase of the flood detention area.

FLOOD PROTECTION

Financial Summary

	1999 Actual $000s	1999 Budget $000s
FUNDING STATEMENT		
General rate	5,481	5,481
River rate	1,753	1,753
Wairarapa scheme rates	767	755
Government subsidies	83	-
Other revenue	1,027	1,010
Total operating revenue	**9,111**	**8,999**
Operating expenditure	6,338	4,673
Interest	2,255	2,314
Depreciation / loss (gain) on disposal	647	452
Total operating expenditure	**9,240**	**7,439**
Operating surplus (deficit)	**(129)**	**1,560**
Less:		
Capital expenditure	2,044	1,629
Loan funding	(1,766)	(1,745)
Rates funded capital expenditure	**278**	**(116)**
Debt provisioning	1,233	1,247
Reserve movements	(859)	881
Non-cash items	(647)	(452)
Net funding surplus (deficit)	**(134)**	**-**

	1999 Actual $000s	1999 Budget $000s
OPERATING EXPENDITURE		
Planning for flood protection	854	983
Delivering flood protection	8,386	6,456
Total operating expenditure	**9,240**	**7,439**
CAPITAL EXPENDITURE		
Hutt floodplain management plan	547	245
Hutt river improvements	476	600
Waikanae floodplain management plan	-	-
Waikanae river improvements	105	15
Otaki floodplain management plan	54	57
Otaki river improvements	343	388
Porirua floodplain management	15	79
Wairarapa floodplain management plan	281	269
Other projects	109	189
Major project expenditure	**1,930**	**1,842**
Land and buildings	46	18
Plant and equipment	-	8
Motor vehicles	111	97
Asset disposals	(43)	(336)
Total capital expenditure	**2,044**	**1,629**



REGIONAL PARKS

Role

To manage and enhance the regional park network to provide the community with outdoor recreational opportunities.

STRATEGIC DIRECTION

The Council manages five regional parks, and provides access to other forests and recreation areas in the Wellington Region. Regional Parks and forest areas are spread along the western side of the Region. They provide major urban areas with recreation opportunities and allow regionally significant landscapes, forests and heritage features to be protected and enhanced.

Over the next eight years the Council will concentrate on maintaining and enhancing existing regional parks and recreation areas. It will do this by:

- improving its level of customer service by providing good facilities, better visitor information and resident rangers to assist customers and maintain standards;



- ensuring a sound funding base and seeking new funding sources;
- employing "best practice" land management and environmental protection;
- maintaining assets effectively;
- gauging customer satisfaction and responding positively to changing community values and preferences.

REGIONAL PARKS

Performance Indicators

LONG TERM

The Council will continue to maintain the existing regional park network and main recreation areas to standards specified in the Park Maintenance Manual.

Operations staff and contractors maintained the recreational infrastructure within the network of five regional parks and the three main recreation areas of the Rimutaka Incline, Tunnel Gully and the Hutt River Trail, to the standards in the Park Maintenance Manual. The range of tracks, picnic areas and building facilities supporting outdoor recreation opportunities were maintained to set standards and generally provided high levels of visitor satisfaction. (Survey results showed an 83.5 percent satisfaction level across all parks.)

A roading upgrade programme was completed at the Rimutaka Incline Recreation Area. Planned maintenance on access roads at Kaitoke Regional Park was undertaken.

During the year, Regional Parks' responsibilities expanded to include a full time Ranger service in the Wainuiomata and Orongorongo Water Collection Areas. This service has been provided to enhance the management of the Water Collection Area and in turn the water quality.

Park Rangers supervised park maintenance and administration, ensured compliance with management plans and bylaws, and promoted good land management in leased areas.

REGIONAL PARKS

Performance Indicators

SHORT TERM

Maintenance and programmed minor works will be undertaken for picnic areas, roads, tracks, bridges, signs, buildings, fences and revegetation areas to comply with the Park Maintenance Manual and appropriate architectural, engineering and building standards, as reported annually to the Divisional Manager, Landcare and within a budget of $667,000.	Overall, maintenance and minor works complied with the Parks Maintenance Manual and appropriate standards. Maintenance of second priority recreation areas focused on public safety and the maintenance of structural assets. Maintenance projects included the renewal of access roads at Kaitoke, Akatarawa forest roads and the reinstatement of eroded sections of the Queen Elizabeth Park coastal track. The above activities were completed at a cost of $663,254. The Council approved additional expenditure of $68,000 to repair damage from the October 1998 floods. Compliance with the maintenance standards has been reported to the Divisional Manager, Landcare.
Land management activities will be carried out within the terms of the management plans, leases and licences, within a budget of $133,000.	Land management activities were carried out within the terms of the Park management plans, leases and licences. Gorse control work at East Harbour Regional Park was reduced following the Council's decision to allow more of the Pencarrow Lakes block to regenerate. Leases and licences were reviewed and renewed at Battle Hill, Kaitoke and Queen Elizabeth Parks. These activities were completed at a cost of $116,000.

REGIONAL PARKS

Performance Indicators

SHORT TERM

The Park Rangers will ensure that visitor activities comply with park management plans and bylaws. All significant incidents reported will be investigated and appropriately responded to. These activities will be completed within a budget of $495,000.

Ranging Services ensured that visitor activity complied with management plans and bylaws on regional parks, Akatarawa and Pakuratahi Forests, and the Hutt and Wainuiomata/Orongorongo Water Collection Areas. The Hutt River Trail and Priority 2 Recreation Areas have not been monitored due to greater priorities in primary recreation areas.

The summer holiday period was very hot and dry which resulted in additional ranging required to cope with the additional public demand. This increased ranger servicing increased costs to a total of $659,000. This included an additional Council approved budget of $141,000 to implement a full time ranger service in the Wainuiomata/Orongorongo Catchment Area from December 1998.

REGIONAL PARKS

Performance Indicators

SHORT TERM

The Capital Works programme will be carried out to architectural, engineering and building standards on time and within a budget of $368,000.

The roading improvement programme at the Rimutaka Incline Recreation Area was completed on time and to engineering standards and specifications. The Council varied the programme during the year to enable the repair of damage from the October 1998 storms. This change in priority meant that the Rimutaka Incline car park was deleted. However, the road was still upgraded, with new culverts installed and watertables cleared out. The work was completed at a cost of $105,707 (budget $107,000).

Council approved a variation to the Pakuratahi Truss Bridge restoration project. An assessment report was prepared on all the historic bridges in the Rimutaka Incline Recreation Area which identified that other bridges required restoration before the Pakuratahi Truss Bridge. The revised programme included preparation of contract documents for the restoration of the Pakuratahi and Ladle Bend bridges. This work was completed on time. Work on the No. 2 Bridge was completed in July 1999. All work was completed to engineering, conservation and architectural standards. The total project cost $50,925 (budget $67,000).

The Queen Elizabeth Water Supply project was completed on time, to engineering standards and within budget. Additional work was carried out on the chlorination plant to meet safety standards. The project cost this financial year was $181,019 (budget $194,000).

REGIONAL PARKS

Performance Indicators

LONG TERM

Visitor numbers to regional parks and recreation areas will be maintained at current levels.

Overall visitor numbers in 1998/99 were slightly higher than 1997/98. Visitor numbers have increased 21% since 1991/92. There were changes as to which parks and recreation areas were visited in 1998/99. Kaitoke Regional Park received higher numbers than the previous year. This was due to the long hot summer. However, Belmont and Battle Hill Regional Parks and the Rimutaka Incline and Tunnel Gully Recreation Areas received fewer visitors.

SHORT TERM

Visitor numbers will be maintained to at least current levels and recorded monthly. Park visitor satisfaction will be monitored through a visitor satisfaction recording programme. Both will be reported to the Landcare Committee.

Visitor counts were recorded and reported monthly to the Landcare Committee. Visitor numbers in 1998/99 were 706,519 compared to 649,286 in 1997/98. The increase in numbers was due to the long hot summer.

A visitor satisfaction survey was carried out during March 1999, at a cost of $7,000. The results were reported to the Landcare Committee in June. Results were very positive with an average satisfaction score of 83.5% across all parks.

REGIONAL PARKS

Financial Summary

	1999 Actual $000s	*1999 Budget $000s*
FUNDING STATEMENT		
General rate	2,477	2,477
Other rates	-	-
Government subsidies	-	-
Other revenue	552	417
Total operating revenue	**3,029**	**2,894**
Operating expenditure	2,707	2,502
Interest	98	101
Depreciation / loss (gain) on disposal	181	142
Total operating expenditure	**2,986**	**2,745**
Operating surplus (deficit)	**43**	**149**
Less:		
Capital expenditure	499	423
Loan funding	(312)	(254)
Rates funded capital expenditure	**187**	**169**
Debt provisioning	184	188
Reserve movements	(67)	(66)
Non-cash items	(181)	(142)
Net funding surplus (deficit)	**(80)**	**-**

	1999 Actual $000s	*1999 Budget $000s*
OPERATING EXPENDITURE		
Managing regional parks, recreation areas and trails	2,986	2,745
Total operating expenditure	**2,986**	**2,745**
CAPITAL EXPENDITURE		
Queen Elizabeth Park Water Supply	270	194
Rimutaka Incline Bridge Restoration	51	67
Rimutaka Incline	106	107
Total project expenditure	**427**	**368**
Land and buildings	1	-
Plant and equipment	7	10
Motor vehicles	109	80
Asset disposals	(45)	(35)
Total capital expenditure	**499**	**423**

COST OF DEMOCRACY

Role

To provide effective political representation on behalf of the Wellington regional community.

This financial summary covers the political costs of Council, including both the direct costs relating to Councillors carrying out their statutory roles and the costs of support services provided by the Council Secretariat.

Specifically, such costs include:

- Councillors' annual salaries, daily meeting allowances and 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 publication of meeting papers and costs of management and staff directly involved in servicing Council and its Committees;
- Other public notices, dealing with special orders, WRC Rates, elections and the like;
- The Regional Council's share of local body election costs including triennial constituency and membership reviews plus induction of Councillors following elections;
- 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.

COST OF DEMOCRACY

Financial Summary

	1999 Actual $000s	*1999 Budget $000s*
FUNDING STATEMENT		
General rate	1,830	1,830
Other rates	-	-
Government subsidies	-	-
Other revenue	1,086	1,085
Total operating revenue	**2,916**	**2,915**
Operating expenditure	2,891	3,019
Interest	-	-
Depreciation / loss (gain) on disposal	16	13
Total operating expenditure	**2,907**	**3,032**
Operating surplus (deficit)	**9**	**(117)**
Less:		
Capital expenditure	26	42
Loan funding	-	-
Rates funded capital expenditure	**26**	**42**
Debt provisioning	-	-
Reserve movements	(146)	(146)
Non-cash items	(16)	(13)
Net funding surplus (deficit)	**145**	**-**

	1999 Actual $000s	*1999 Budget $000s*
OPERATING EXPENDITURE		
Direct members' costs	895	876
Committee secretariat	516	516
Divisional management support	250	250
Other costs	1,035	1,170
Election costs	211	220
Total operating expenditure	**2,907**	**3,032**
CAPITAL EXPENDITURE		
Land and buildings	-	-
Plant and equipment	-	17
Motor vehicles	43	43
Asset disposals	(17)	(18)
Total capital expenditure	**26**	**42**



INVESTMENTS

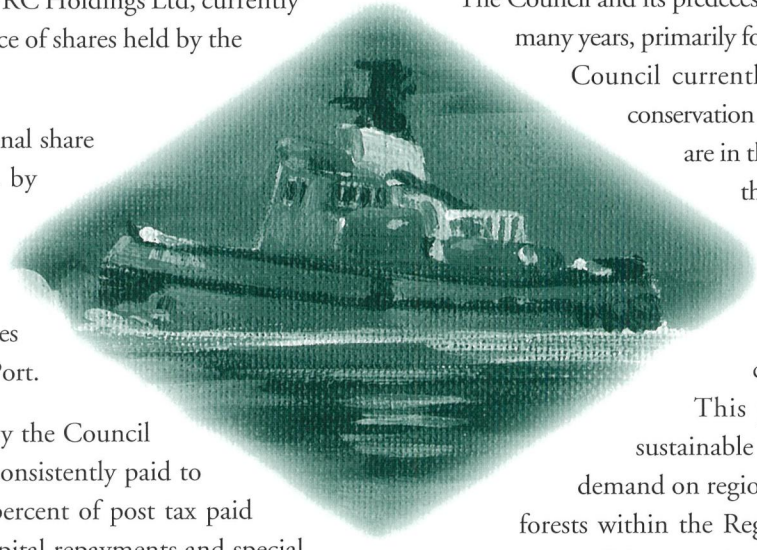
The Council manages a significant portfolio of investments comprising equity investments, forestry, investment property, sinking funds, advances, special funds and, from time to time, short-term money market deposits. The Treasury Management Policy includes the Council's philosophy and approach to the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

Of the Council's investments, its majority shareholding in CentrePort 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. On 8 April 1999, the Council reconfirmed that, in respect of both forestry cutting rights and the Port, the Council should be "a seller at the right price rather than a holder at all costs". However, further work is required before it will be in a position to sell. Any decision to sell will be subject to consultation with the community.

CentrePort

The Council, through its subsidiary company WRC Holdings Ltd, currently owns 76.9 percent of CentrePort with the balance of shares held by the Manawatu-Wanganui Regional Council.

In June 1999 CentrePort converted into additional share capital the convertible notes previously held by Council. The Council, through WRC Holdings, previously held 2,634,351 convertible notes in CentrePort which had a book value of $7.7 million. After conversion of the convertible notes the Council continues to own 76.9% of CentrePort.



CentrePort 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 percent of post tax paid profit. In addition, the Council has received capital repayments and special dividends as follows: $3.8 million in 1992, $12.3 million in 1995 and $5.8 million in 1999. These have reduced the Council's investment in CentrePort, whilst retaining its 76.9 percent 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 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, 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 is negotiated annually.

Other Investments

The Council owns the Regional Council Centre, Wakefield Street through a subsidiary company, Pringle House Ltd, 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 Pringle House Ltd. While Pringle House Ltd 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. These investment properties have been progressively disposed of in recent years and it is our intention to continue divesting all remaining interest in these assets.

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's other business units, Akura Conservation Centre and the Wairarapa Workshop, are required to return to Council an internal dividend in the same way as plantation forestry and reserve forests. The internal dividend rate is based on the net assets employed by each of these businesses. The level of internal dividend will continue to be reviewed annually.

The payment of an internal dividend provides certainty of cashflow to the rates line and is paid regardless of the level of surplus generated by the business units.

INVESTMENTS

Financial Summary

	1999 Actual $000s	*1999 Budget $000s*
INCOME STATEMENT		
Revenue	27,602	4,270
Operating expenditure	3,662	4,015
Earnings before interest	23,940	255
Interest	(2,220)	(2,097)
Operating surplus (deficit)	**26,160**	**2,352**
Contribution to rates	2,967	2,967
Earnings retained	**23,193**	**(615)**

	1999 Actual $000s	*1999 Budget $000s*
OPERATING SURPLUS OF INDIVIDUAL INVESTMENTS		
CentrePort Limited	1,327	1,890
WRC Holdings Limited	5,605	(584)
Treasury management	3,215	2,786
Plantation forests	(769)	(555)
Reserve forests	(806)	(963)
Administration properties	(264)	(271)
Investment properties	71	-
Akura conservation centre	34	36
Wairarapa workshop	24	13
Gain on sale of CentrePort	17,723	-
Operating surplus (deficit)	**26,160**	**2,352**

STADIUM

Role

The Council's primary role is as a funder of the project and, in conjunction with the Wellington City Council, it is a joint settlor of the Wellington Regional Stadium Trust. In turn, the Stadium Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Stadium as a multi-purpose sporting and cultural venue.

STRATEGIC DIRECTION

Background

In August 1995, the Council agreed in principle to participate in the establishment of the Wellington Regional Stadium Trust. The Wellington Regional Council (Stadium Empowering) Act 1996 empowers the Council to lend up to $25 million to the Trust to facilitate the planning, development and construction of the Stadium. The Council reached this decision after extensive public consultation which was supported by a market research survey conducted during July/August 1995. The decision in principle was conditional upon the risks of the project being fully investigated and being found to be within acceptable boundaries for a project of this type.

During 1997, the Council commissioned both a financial risk assessment of the Stadium Trust's Project Plan and a construction risk review. On the basis of the independent professional advice received, the Council agreed, on 28 November 1997, to proceed to lend $25 million to the Stadium Trust, subject to a number of conditions being met. The Council agreed to the loan being on an interest free basis, with limited rights of recourse, recognising the 'quasi equity' nature of the advance. The Council also agreed that the loan to the Trust would be advanced in July 1998, or later if all the conditions established by the Council had not been met by that date (i.e. the loan was only to be advanced once all conditions had been met). In the event the loan was advanced to the Stadium Trust on 6 August 1998.

The Council decided that, in keeping with the spirit of the transparency and accountability principles contained within the Local Government Amendment (No 3) Act 1996, it would borrow the entire $25 million which would then be onlent to the Stadium Trust.

The Council also established a separate Stadium Purposes Rate to service and repay the $25 million it has borrowed. This rate is levied on a differential basis reflecting direct and indirect benefits to different parts and classes of ratepayers throughout the Region. The Stadium Purposes Rate appeared as a separate item on each rates assessment commencing in the 1998/99 financial year.

Where to from here?

The Council will continue to exercise governance over the Stadium Trust in its capacity as joint settlor of the Trust to ensure as far as practicable that ratepayers' interests are protected.

STADIUM

Financial Summary

	1999 Actual $000s	*1999 Budget $000s*
FUNDING STATEMENT		
General rate	-	-
Stadium purposes rate	2,726	2,726
Government subsidies	-	-
Other revenue	177	-
Total operating revenue	**2,903**	**2,726**
Operating expenditure	103	104
Interest	2,122	2,144
Depreciation / loss (gain) on disposal	-	-
Total operating expenditure	**2,225**	**2,248**
Operating surplus (deficit)	**678**	**478**
Less:		
Capital expenditure & investments	25,000	25,000
Loan funding	**(25,000)**	**(25,000)**
Rates funded capital expenditure	-	-
Debt provisioning	501	478
Reserve movements	177	-
Non-cash items	-	-
Net funding surplus (deficit)	-	-

	1999 Actual $000s	*1999 Budget $000s*
OPERATING EXPENDITURE		
Regional Stadium	2,225	2,248
Total operating expenditure	**2,225**	**2,248**
CAPITAL EXPENDITURE		
Land and buildings	-	-
Plant and equipment	-	-
Motor vehicles	-	-
Asset disposals	-	-
Total capital expenditure	-	-
Investment additions	25,000	25,000
Total capital expenditure	**25,000**	**25,000**

THE REGIONAL COUNCIL

caring about you & your environment

Statement of Compliance and Responsibility

Compliance

The Council and management of Wellington Regional Council confirm that all the statutory requirements of Parts VIIA and VIIB of the Local Government Act 1974 regarding financial management and borrowing have been complied with.

Responsibility

The Council and management of Wellington Regional Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and management of 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.

In the opinion of the Council and management of Wellington Regional Council, the annual Financial Statements for the year ended 30 June 1999 fairly reflect the financial position and operations of Wellington Regional Council.

STUART MACASKILL Chairman 23 November 1999	HOWARD STONE General Manager 23 November 1999	GREG SCHOLLUM Chief Financial Officer 23 November 1999

Audit New Zealand

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF WELLINGTON REGIONAL COUNCIL AND GROUP FOR THE YEAR ENDED 30 JUNE 1999

We have audited the financial statements on pages 18 to 119. The financial statements provide information about the past financial and service performance of Wellington Regional Council and group and its financial position as at 30 June 1999. This information is stated in accordance with the accounting policies set out on pages 24 to 26.

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 1999 and the results of its operations and cash flows and service performance achievements for the year ended 30 June 1999.

Auditor's responsibilities

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

The Controller and Auditor-General has appointed E M Mason, 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*
- whether the accounting policies are appropriate to Wellington Regional Council and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, including the Auditing Standards issued by the Institute of Chartered Accountants of 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.

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 Wellington Regional Council and group on pages 18 to 119:
  - comply with generally accepted accounting practice *and*
  - fairly reflect:
    - the financial position as at 30 June 1999 *and*
    - the results of its operations and cash flows for the year ended on that date *and*
    - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 23 November 1999 and our unqualified opinion is expressed as at that date.

E Mason

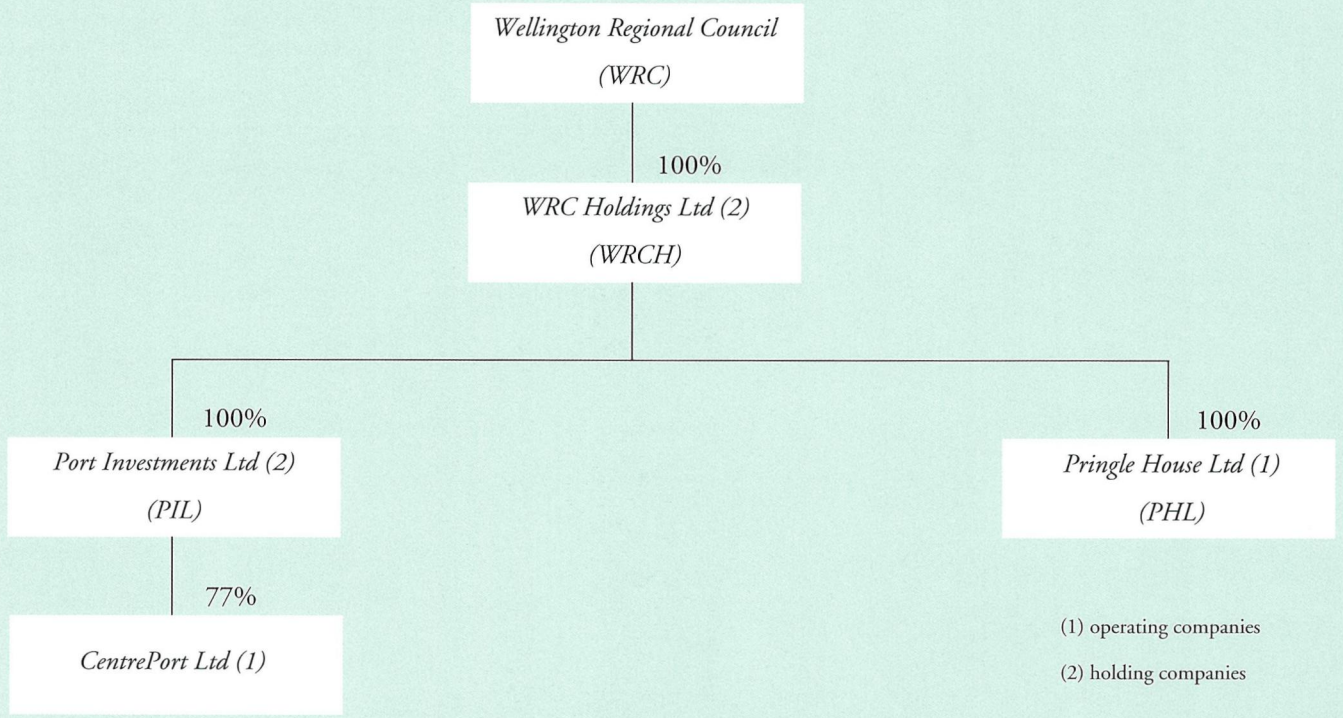
E M Mason
Audit New Zealand
On behalf of the Controller and Auditor-General
Wellington, New Zealand

SUBSIDIARY COMPANIES

WRC Holdings Group

Subsidiary Company Structure

Wellington Regional Council owns 100% of WRC Holdings Ltd which in turn owns 100% of Pringle House Ltd and 100% of Port Investments Ltd. Port Investments Ltd's main asset is a 77% shareholding in CentrePort Ltd. More information about the WRC Holdings Group and the CentrePort Group is contained on the following pages.



WRC Holdings Group

Objectives of the Group

The primary objective of the group is to effectively manage any investments held to maximise the commercial value to shareholders while protecting the shareholders' long term interests.

Shareholders

Wellington Regional Council: 100%

Directors

Stuart Macaskill (Chairman)

Alison Lawson

Euan McQueen

Jim Rowe

Hon Margaret Shields

PERFORMANCE TARGETS

	Actual 1999	*Budget 1999*
Gross rental revenue	$1,199,000	$1,219,000
Earnings before depreciation, subvention interest and tax	$10,161,000	$743,000
Ratio of earnings before depreciation, subvention, interest and tax to gross revenue	34.2%	47.0%
Return on fixed assets	11.5%	9.2%
Return on shareholders funds	48.9%	6.0%

Note:: The performance targets are those provided by the Directors in the Statement of Corporate Intent (SCI) for the 1998/99 financial year.

CentrePort Group

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

Port Investments Ltd: 76.9%

Manawatu-Wanganui Regional Council: 23.1%

Directors

Nigel Gould (Chairman)

Ken Harris (Managing Director)

Jim Jefferies

Malcolm Johnson

Bernie Knowles

Jenny Morel

Howard Stone

PERFORMANCE TARGETS

	Actual 1999	*Budget 1999*
Net profit (before tax)[1]	$9.55m	$7.65m
Net profit (after tax)[2]	$6.32m	$4.95m
Return on total assets[3]	15.4%	12.6%
Return on shareholders' funds[4]	13.0%	10.4%
Dividend stream[5]	$9.00m	$1.23m

(1) Actual net profit (before tax)

(2) Actual net profit (after tax)

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

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

(5) 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 1998/99 financial year.

COMPLIANCE WITH COUNCIL POLICIES

Introduction

The Local Government Amendment (No 3) Act 1996 requires each Council to prepare the following policy documents:

- Long-Term Financial Strategy
- Funding Policy
- Investment Policy
- Borrowing Management Policy

The Wellington Regional Council chose to adopt the provisions of the No 3 Act one year early with such policies being adopted before 30 June 1997. The Council is now currently in the process of updating all of these policies. It is now appropriate to report on the extent to which these policies have been complied with during the 1998/99 year.

(a) Long-Term Financial Strategy (LTFS)

Council's LTFS (Facing the Future 1997-2007:1998 *Update*) was adopted on 25 June 1998. 1998/99 was the second year of 10 years contained within the LTFS. The major variance between the 1998/99 budget and the 1998/99 actual relates to the fact that the Council restructured its holding in CentrePort Limited through selling its interest in CentrePort to one of its 100% owned subsidiaries and the Council also received a special dividend of $6 million from its subsidiaries.

(b) Funding Policy

Council's Funding Policy as adopted in June 1997, (and subsequently amended,) was complied with during 1998/99.

(c) Investment Policy/Borrowing Management Policy

Council's Treasury Management Policy (incorporating both the Investment Policy and Borrowing Management Policy) was adopted in April 1997.

A summary of Council's compliance with the Treasury Management Policy (TMP) is detailed in the following tables.

		Yes	*No*
Council Limit Compliance Analysis			
Less than 33% of total debt is to mature in any one financial year		✓	
Access to committed lines of no less than $5m.		✓	
Access to uncommitted lines of no less than $10m.		✓	
Less than 40% of total debt has a floating rate profile.		✓	
Counterparty exposures:	ANZ<$10m	✓	
	NBNZ<$50m*		✓**
	BNZ<$10m	✓	
	Westpac Trust<$10m	✓	

* The Policy was amended during the year to reflect that the NBNZ is the funder of Council's subsidiary - WRC Holdings Limited.

** The breach relates to the draw down of the Stadium loan of $25 million being held within the Council's main bank account, for seven days, prior to it being forwarded to the Stadium Trust.

	Actual	*TMP Limits*
Council Borrowing Limits Compliance Analysis		
Total financial cost to rates and levies	13%	20%
Total debt to rates and levies	139%	175%
Net debt / head of population	$230	$300

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 $28.3 million between 1990 and 1999. 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*	*1998 $000s*	*1999 $000s*
REGIONAL WATER SUPPLY DEBT										
Regional Water Supply	68,050	67,966	68,486	75,050	73,473	71,192	72,050	72,620	72,079	65,720
Regional Water Supply reserves [1]	-	-	(1,684)	(2,593)	(3,624)	(2,773)	(2,417)	(1,877)	(4,958)	(2,041)
Regional Water Supply net debt	**68,050**	**67,966**	**66,802**	**72,457**	**69,849**	**68,419**	**69,633**	**70,743**	**67,121**	**63,679**
STADIUM DEBT	-	-	-	-	-	-	-	-	-	**24,500**
OTHER DEBT										
Forestry - Western Region	2,742	2,735	3,924	4,107	4,282	4,454	4,942	5,839	7,216	8,469
Forestry - Wairarapa	471	1,227	1,446	1,611	1,583	1,409	1,838	2,515	3,286	4,112
Flood Protection - Western Region	5,279	8,820	10,999	15,300	19,653	22,052	22,727	23,248	23,122	23,437
Flood Protection - Wairarapa	997	1,102	1,033	904	1,404	1,309	1,216	1,121	1,232	1,432
Waterloo Interchange	4,765	6,149	6,066	5,998	5,860	5,717	5,563	5,416	5,242	5,047
Regional parks	654	648	611	579	565	622	763	861	999	1,127
Main office building	24,851	24,851	24,141	23,410	22,406	21,721	21,206	10,433	9,518	8,508
Other buildings	84	1,335	1,305	1,175	853	838	1,041	1,018	1,001	982
Computers and equipment	2,023	436	767	980	1,037	875	394	232	-	-
Emergency management	-	-	-	-	150	305	244	181	117	46
CentrePort related activities	7,756	8,195	8,004	5,982	5,593	5,317	5,013	-	-	-
Financial Information System	-	-	-	-	-	-	-	-	-	1,470
Treasury use of reserves [1]	1,969	1,669	6,524	9,685	10,814	9,676	10,348	9,716	13,964	8,441
Treasury internal loans	5,718	(7,184)	(13,189)	(31,878)	(30,991)	(38,552)	(38,316)	(42,899)	(47,904)	(49,755)
Other reserves [1]	(1,969)	(1,669)	(4,840)	(7,092)	(7,190)	(6,903)	(7,931)	(7,839)	(9,006)	(6,400)
Other net external public debt	**55,340**	**48,314**	**46,791**	**30,761**	**36,019**	**28,840**	**29,048**	**9,842**	**8,787**	**6,916**
Total Council net external public debt	**123,390**	**116,280**	**113,593**	**103,218**	**105,868**	**97,259**	**98,681**	**80,585**	**75,908**	**95,095**

YOUR REGIONAL COUNCILLORS

from October 1998
Fourteen Councillors are elected from six constituencies:

Porirua Constituency (2)

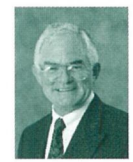


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(04) 239 9084 (pvt fax)
(025) 231 6102 (mobile)
marg.shields@xtra.co.nz

Kapiti Constituency (1)



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RD1
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(06) 364 3650 (pvt fax)
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cturver@clear.net.nz

Upper Hutt Constituency (1)



Stuart Macaskill QSO, JP
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(04) 384 5023 (bus fax)
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(04) 526 7160 (pvt fax)
(025) 421 258 (mobile)

Lower Hutt Constituency (3)



Jim Allen JP
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(04) 567 1936 (bus fax)
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dwerry@xtra.co.nz

Wairarapa Constituency (2)



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YOUR REGIONAL COUNCILLORS

Wellington Constituency (5)



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Mike Gibson JP
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(026) 320 5325 (pager)

Regional Council Membership until October 1998

Kapiti Constituency (1)
Ernie Gates QSM, JP

Lower Hutt Constituency (3)
Sandra Greig JP
Dick Werry
Irvine Yardley

Porirua Constituency (2)
Jim Gray
Hon Margaret Shields QSO

Upper Hutt Constituency (1)
Stuart Macaskill QSO, JP

Wairarapa Constituency (2)
Ian Buchanan
One Vacancy

Wellington North Constituency (2)
Euan McQueen
Martyn Turner

Wellington South Constituency (3)
Margaret Bonner JP
Denis Foot
Terry McDavitt JP

ADDRESS DETAILS AND DIRECTORY

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0800 4WN REG
04-385 6960 (fax)
www.wrc.govt.nz (website)

Ridewell Inquiry Service
04-801 7000 (phone)
0800 801 700 (free phone)

WAIRARAPA

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DIRECTORY

Auditors
Audit New Zealand

Bankers
National Bank of New Zealand

Treasury Advisors
Bancorp New Zealand Limited

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


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