

Annual Plan Summary 2010/11

Have your say

on the next year
for the Wellington region

(Submission open between 23 March and 23 April 2010)

This is a summary of the Greater Wellington Regional Council's proposed Annual Plan 2010/11

- It contains information on our key projects for the 2010/11 financial year
- Have your say by making a submission on px
- For a full copy of the proposed Annual Plan 2010/11, see px

Chair's message

Over the two decades of their existence, Regional Councils around New Zealand have all evolved slightly differently. However, we share a common objective of creating sustainable growth in our regional communities through the provision of public goods that are best delivered regionally.

Greater Wellington Regional Council now has a wide range of accountabilities, including environmental, social and economic development, and changes to the nature of our delivery have created a need for the organisation to be better attuned to the needs of all parts of the community and to have greater agility in our responses.

In particular, we want to provide sound governance of natural resources and enable sustainable economic development. With many different constituencies round the region, we know that it is impossible to please all of the people all of the time, but recently we have been putting more effort into honing our ability to be proactive in the face of diverse needs.

The coming year provides us with challenges that are similar to those being faced by many other commercial and community organisations in our region. We have growing demand for services and, in some cases, forward commitments for substantial expenditure, in an economic environment that precludes the generation of additional income to the level required. We are acutely aware that our residents need enhanced services (in some cases, such as rail improvements, "need" is an understatement) but at the same time many people are in their worst financial position for some years. Thus affordability is a major issue and we have taken it seriously in examining the programme outlined in this Annual Plan.

A year ago we believe that the overall increase required in our rates income for the forthcoming year could be as high as 11%. By taking a base-line look at all our services, we have pulled that back to 2.2%.

It is worthwhile noting that the general rate accounts for only 22.7% of our total income. The graph on page X of this proposed plan shows you the whole picture.

Although we have carefully managed the budget for the forthcoming year, we know that the demands of the following year will also put considerable pressure on rates, so we will continue to look at further savings.

Although spending in many areas will not increase in the year covered by this proposed plan, we have maintained our ten-year plan to push ahead with flood control work and we also have contractual commitments to buy the Matangi trains. The first of the trains off the production line are due to arrive in Wellington later in 2010 and, after a commissioning process here, will have started picking up passengers on the Hutt line before the end of the year. The majority of the infrastructure renewal programme (double

tracking, power lines and depot) being undertaken by KiwiRail is due to be completed around the end of the financial year 2010/11 and we expect that all lines will have some new trains running on them by June 2011, with the Matangi gradually replacing the oldest rolling stock. As the new Matangi trains are introduced we plan to progressively refurbish the Ganz Mavag units. I know this will be a supreme relief for long-suffering Wellington commuters, who have been extremely patient with the frequent delays and breakdowns as the antiquated infrastructure is replaced.

Another significant initiative for us this year is the start of the development of a new Natural Resource Plan, providing updated rules and guidelines for the use of all natural resources. Up till now we have had five plans covering different aspects of our environment, but we are now developing a single comprehensive one that will take account of the complex interrelationships between land and water. The committee overseeing this work is a partnership with regional iwi representatives. We are taking a “bottom up” approach, starting with significant local engagement round the region to identify the key issues of concern to different groups and communities of interest. We expect the whole development process to take at least two years, and there will be plenty of opportunities for people to be involved along the way.

Feeding into the development of the Regional Plan is our environmental research and monitoring. In particular, scientific data from the last few years is giving us the tools to decide on minimum flows for major rivers and sustainable yields for aquifers. These decisions are becoming important with increasing demand for water and a less predictable climate, and it is critical that our decisions are based on facts. This work will feed into the development of the Regional Plan.

In the environmental area we have a major “business as usual” commitment. This includes areas as diverse as resource consent processing, didymo surveillance, a 24-hour pollution-response service and working with community groups, schools, businesses and landowners on restoration work throughout the region. These, along with soil conservation, biodiversity, pest animal and plant control, running our outstanding regional parks and, of course, the extensive flood protection work, are all core business for the council – delivering a public good by managing our natural capital.

Similarly, we also deliver in social and economic areas - managing the regional civil defence and emergency response, planning the transport network, funding public transport, providing bulk water supply for the four cities, working as the major funder of the regional stadium and funding the region’s economic development agency – Grow Wellington. This work is best delivered regionally and Greater Wellington is committed to working with our local authority partners to ensure that we provide top service and good value.

In transport, while rail has grabbed the headlines, work continues on introducing real-time information for bus and train travellers, reviewing bus services and supporting the introduction of bus priority lanes. The Government’s announcement of the Wellington part of the Roads of National Significance programme has given us certainty around the state highway network – long overdue for upgrading - and we are now able to plan more effectively. During the forthcoming year we are also proposing to undertake a review of the formula used to calculate the transport rate applied to different areas of the region.

One aspect of our transport delivery that will doubtless engender lively comment – and where we invite your input – is the public transport fare review. The Council reviews fares annually and the last increase was in September 2008. This year we are proposing a 3% increase in overall revenue, which will impact differently on different parts of the transport system. The increase is in line with our policy of maintaining the user contribution at around 45 – 50% of the cost of providing the services, with the remainder from rates and government subsidies.

Partnerships are not new to this region and, at a time when central government is contemplating the future arrangements of local government, it is pertinent to examine how we can do better. No doubt people here and throughout the country will be watching the impact of changes in the Auckland region, where the creation of one large council combining the mandates of the regional council and all the local authorities will result in one voice for a third of the county’s population.

The elected leaders of the Wellington region believe we already have a high degree of collaboration, utilising the Wellington Regional Strategy process and other joint delivery mechanisms. Nevertheless, it is prudent to search for ways to improve. The councils of the region are at present working together closely to see how we can better share service delivery in a number of areas. This work has made good progress and I am confident will result in savings for ratepayers. We are also exploring any potential changes in governance arrangements that might be more effective than the current setup. The final outcome of this will need to involve the community and hopefully we will be in a position to consult during the forthcoming year.

This proposed plan includes many elements of work with our regional partners – local authorities, community groups and business – as well as delivery for which we are solely responsible. I ask you to read it carefully and share with us your views on any of the proposals.

Fran Wilde
Chair

Key projects for 2010/11

Have your say

See p7

Resource Management

- Develop a single integrated plan to manage all our natural resources after community engagement
- Continue our Wetland Action Plan and Pauatahanui Inlet Action Plan
- Establish minimum flows for major rivers and sustainable usage of key aquifers (underground water)
- Continue our Take Care programme (supports community groups, businesses and landowners to restore wetlands, streams, dunes and estuaries)
- Maintain our commitment to the Take Action environmental education programme and continue our close involvement with the Enviroschools programme

Transport

- Review the Hutt Transport Corridor Plan
- Continue expanding the School Travel Plan programme
- Carry out the Travel Awareness programme for sustainable transport
- Ensure public transport services provide value for money by redeploying resources from poorly performing services
- Support bus priority, particularly in the Wellington CBD
- Continue public transport planning towards the 2011 Rugby World Cup
- Continue funding rail, bus and harbour ferry services
- Maintain and monitor quality standards for public transport users
- Continue the Total Mobility Scheme (offers half-price taxi fares for people with disabilities)
- Continue bringing 48 new two-car Matangi passenger trains into service and complete improvements to rail infrastructure
- Complete the double tracking from MacKays Crossing to Waikanae and the electrification of the railway track from Paraparaumu to Waikanae
- Extend Park & Ride facilities (subject to available funding)
- Continue providing information on Metlink's public transport services through a call centre, timetables and website
- Continue introducing real-time information at bus stops and railway stations to inform users when the next service will actually arrive (rather than its scheduled time)

Water Supply

- Complete the Te Marua and Wainuiomata Water Treatment Plant mini hydro-generator schemes
- Earthquake proof and increase the storage capacity of a Te Marua water storage lake
- Inform the public about reduced water from the Te Marua water storage lakes during the 2010/11 summer

Parks and Forests

- Run the Great Outdoors summer events programme, with at least 50 events and 4,900 participants
- Organise other events, including buggy walks, Arbor Day celebrations and planting days
- Assist "Friends" groups with environmental activities in the region's parks and forests
- Form a joint governance arrangement with Ngati Toa for Whitireia Park
- Continue developing the Wairarapa Moana project in partnership with other groups
- Complete the Parks Network Management Plan
- Control pest animals and pest plants in all regional parks, as well as monitor forest health

Safety and Flood Protection

- Continue issuing flood warnings within 30 minutes of alarms being triggered in accordance with established flood procedures
- Carry out earthquake and tsunami event exercises
- Continue providing navigation aids in our harbours and a communication service for Wellington Harbour from the new Beacon Hill Signal Station
- Educate people about water safety and enforce maritime safety rules
- Complete Stage 1 of the Waiohine River floodplain management plan
- Commence Waipoua River flood hazard assessment to identify the flood risk to Masterton
- Complete the Pinehaven flood hazard study
- Complete Waiwhetu floodplain management plan investigations
- Complete the Otaki River Floodplain Management Plan review
- Clean-up and perform flood protection works on Waiwhetu Stream from Bell Road to the Port Road Bridge in Lower Hutt
- Commence construction of Boulcott/Hutt Stopbank in Lower Hutt
- Complete Convent Road improvements and the South Waitohu Stopbank in Otaki
- Complete the Hutt River bank-edge protection works at Ebdentown and Bridge Road in Upper Hutt
- Complete Year 4 of the Lower Wairarapa Valley Development Scheme improvement works in the Ruamahanga River
- Complete the Otaki River Environmental Strategy review
- Continue working with Friends of Otaki and Waikanae Rivers to enhance the Otaki and Waikanae river corridors

Land Management

- Carry out the Regional Pest Management Strategy
- Assist in controlling 10 National Interest Pests under contract to MAF Biosecurity on a cost-recovery basis
- Carry out the Regional Possum Control Programme in the northern Wairarapa
- Support community programmes to increase the scope and size of regional pest control programmes
- Improve biodiversity in the region
- Continue our soil conservation programmes
- Promote the Regional Council Pool of the Afforestation Grant Scheme to landowners
- Carry out the Wellington Regional Erosion Control Initiative in the Wairarapa hill country

Regional Sustainable Development

- Roll out high-speed broadband
- Review the Wellington Regional Strategy (a sustainable economic growth strategy)

Community

- Conduct the Council's 2010 three-yearly elections
- Continue to support the Disability Reference Group
- Carry out the outcomes of the review of the Charter of Understanding with the region's iwi
- Monitor the performance of the Westpac Stadium Trust, to which Greater Wellington provided a loan

Key changes from the 10-Year Plan 2009-19

Have your say

See p7

Resource Management

- \$50,000 has been provided to support the Porirua Harbour and Catchment Modelling programme, a key part of the Porirua Harbour Strategy programme (a joint partnership between the Porirua and Wellington city councils, Ngati Toa and Greater Wellington)
- We have reduced our in-stream flow-measurement work and associated groundwater research spend by \$75,000

Transport

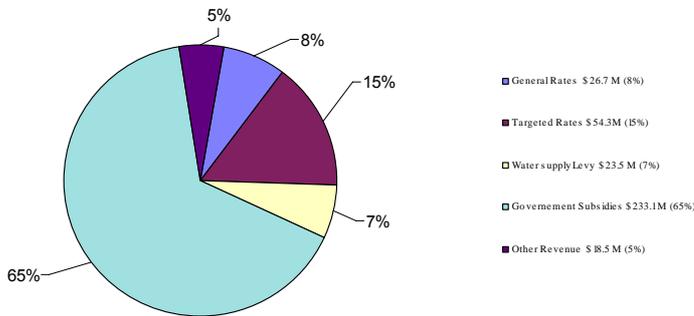
- The cost of providing diesel bus services has dropped by approximately \$3 million, following the commercial registration and consequential withdrawal of subsidies for bus routes 110 and 120 from February 2010
- The cost of the real-time information project has been reduced by \$1.2 million for 2010/11
- The forecast cost of subsidising passenger rail operations in Wellington has decreased by approximately \$3 million, mainly because of reduced maintenance and insurance costs on the new Matangi trains as they are phased into service
- There have been a number of changes to the expected timing of payments for rail infrastructure and rolling stock projects that are underway. Expenditure in 2010/11 has been reduced by approximately \$16 million and, as a result, reduced the debt by \$0.5 million
- Wellington Cable Car Limited has provided revised forecast costs for renewing the trolley bus infrastructure, with the cost of this work increasing by \$3.3 million

Consistent with the *10-Year Plan 2009-19*, this *Annual Plan 2010/11 – Proposed* includes a public transport fare revenue increase of 3%. The last fare increase was in September 2008. The Council reviews fares annually and the proposed increase is deemed necessary to ensure that the direct user contribution to the cost of providing services will remain within the target range of 45% to 50% over the medium term.

Rating information for 2010/11

Revenue

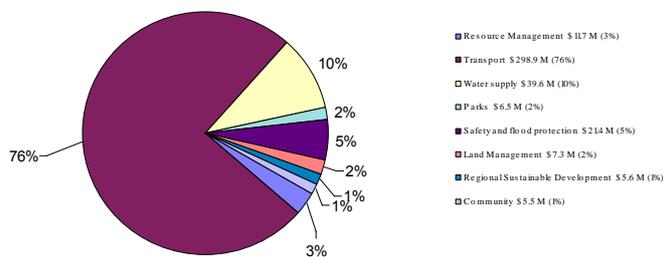
Greater Wellington's Revenue
2010/11 %



Greater Wellington's work programmes will be funded by a mix of rates, levies, government subsidies and other revenue. Regional rates, comprising general rates and targeted rates, make up 22% of Greater Wellington's total revenue for 2010/11. Government subsidies (primarily for funding public transport services and the extensive public transport rail network upgrade) make up a further 65% and the water supply levy (charged to the Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 7%. The remaining 5% of revenue is from other external sources.

Expenditure

Greater Wellington's gross
expenditure 2010/11 %



Greater Wellington is planning \$29 million on capital expenditure, \$202 million on transport improvements and \$168 million in gross operating expenditure. This pie chart shows the total cost of delivering Greater Wellington's services, broken down by our groups of activities. The most significant area of our expenditure is transport, accountable for 75% of the total work programme for 2010/11.

RATES CALCULATOR FOR RESIDENTIAL PROPERTIES

The table below shows how you can calculate your own residential proposed regional rates for 2010/11. For example, if you live in Porirua city and have a residential property with a capital value of \$350,000 your indicative regional rates are \$336.95

	Proposed 2010/11 rates per \$100,000 of capital value, excluding the EDA rate		Enter the capital value of your property		Proposed Economic development rate residential property		Proposed Rates on your property for 2010/11 *
Wellington city	\$66.20	x		÷	+	\$15.75	=
Lower Hutt city	\$91.50	x		÷	+	\$15.75	=
Upper Hutt city	\$93.56	x		÷	+	\$15.75	=
Porirua city	\$91.77	x		÷	+	\$15.75	=
Kapiti Coast district	\$67.31	x		÷	+	\$15.75	=
Masterton district	\$39.67	x		÷	+	\$15.75	=
Carterton district	\$49.91	x		÷	+	\$15.75	=
South Wairarapa district (1)	\$51.46	x		÷	+	\$15.75	=

* Proposed rates excludes any "Warm Greater Wellington" targeted rates as they impact only those ratepayers that participate in the scheme.

Note: ⁽¹⁾ Excludes river rates charged on Greytown and Featherston urban properties

Porirua city example	\$91.77	x	\$350,000	÷	+	\$15.75	=	\$336.95
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Please note: The above calculation does not include rates set by your local city or district council.

Greater Wellington rates are set and assessed by Greater Wellington but are invoiced and collected by the relevant territorial authority in the Wellington region. Such combined collection arrangements are cost effective and more convenient for ratepayers.

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy.

Please note that all figures on this page include GST.

Proposal for Creative HQ to expand

In 2007, Greater Wellington established Grow Wellington (a Council-Controlled Organisation, CCO) to deliver the economic development goals of the Wellington Regional Strategy. To help achieve these goals, Grow Wellington runs Creative HQ, a business incubator.

Creative HQ has since grown to a point where it wants to expand further. However, its current legal structure does not allow investors to invest in it. So Grow Wellington is proposing to:

- Form a new CCO (as a subsidiary of Grow Wellington) to govern, own and manage Creative HQ to enable investment and expansion

Greater Wellington considers this structure the most likely to attract investment, while enabling Grow Wellington to maintain ownership and responsibility for strategic direction, and ensuring that Creative HQ continues to deliver in line with the Wellington Regional Strategy.

Creative HQ is partly funded through rates (the Wellington Regional Strategy targeted rate), and also attracts some public sector funding. It is a current funding condition that Creative HQ be a separate legal entity.

The full proposal is included in Greater Wellington's *Annual Plan 2010/11 – Proposed* (to view a copy, please see px).

Have your say on the Annual Plan and Creative HQ proposal

Online – www.gw.govt.nz/have-your-say

Written – use this FreePost form

– fax 04 385 6960

– info@gw.govt.nz

Annual Plan 2010/11 – Proposed

Please give us your feedback on our Key Projects for 2010/11 and Key Changes from our 10-Year Plan 2009-19.

Key Projects for 2010/11

(see px)

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Greater Wellington's Key Changes from our 10-Year Plan 2009-19

(see px)

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Please use a separate sheet of paper if you need more space

Proposed new separate legal entity for Creative HQ

Please give us your feedback on this proposal (see px)

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Please use a separate sheet of paper if you need more space

Your details:

Name:

Postal address:

Phone: Email:

Please tick if you also want to present your views in person. You will be allocated timeslot (12 May and 14 May) and notified in writing

For a copy of the full *Annual Plan 2010/11 – Proposed*:

- See www.gw.govt.nz/Annual-Plan-2010-11
- Visit your local library
- Visit your nearest Greater Wellington office:
 - 142 Wakefield Street, Wellington
 - 34 Chapel Street, Masterton

For more information, please contact Greater Wellington:

0800 496 734

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Or attend a public meeting (details to be advertised in newspapers and on our website)

Submissions close 4pm 23 April 2010

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GW/MET-G-10/11

Back of feedback form (FREEPOST FORM)

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