



greater
WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

WE'VE BEEN THROUGH A BIT TOGETHER THIS YEAR WITH EARTHQUAKES, FLOODS AND KING TIDES BUFFETING US. THROUGH ALL THIS WE AT **GREATER WELLINGTON REGIONAL COUNCIL** WERE RIGHT BY YOUR SIDE DOING WHAT WE NEEDED TO DO TO HELP YOU GET THROUGH. THIS INCLUDES PRODUCING THIS **SUMMARY** OF THE **ANNUAL REPORT/ PŪRONGO Ā TAU 2016/17**. TO CELEBRATE THE RESILIENCE AND STRENGTH OF OUR GREATER COMMUNITIES WE'VE PRODUCED THIS VERY SPECIAL EDITION FOR **2016/17**. IT'S NO SECRET THAT AS A REGION WE ARE BUILT TOUGH. A TRUE TESTAMENT TO THE KIWI CAN-DO ATTITUDE. IN RECOGNITION OF OUR EXTRAORDINARY JOURNEY, WE'VE CREATED A FULL AND FRANK REPORT, WHICH LAYS OUT ALL THE KEY FACTS IN BLACK AND WHITE.

LIMITED EDITION

WE UNDERSTAND THAT WE ARE ALL VERY BUSY PEOPLE AND THE THOUGHT OF PICKING UP A 200 PAGE REPORT CAN BE A BIT DAUNTING, BUT WE'RE REALLY PROUD OF WHAT WE HAVE ACHIEVED AND WANT TO SHARE IT WITH YOU. THINK OF THIS AS A CONDENSED VERSION OF OUR FULL REPORT, WE HAVE PROVIDED HEAPS OF THE GREAT STORIES. FOR A DEEPER DIVE PICK UP A COPY OF THE FULL REPORT OR VISIT WWW.GW.GOV.T.NZ

CONTENTS

IHIRANGI

Chair's Foreword Kōrero Whakataki a te Heamana	2
Chief Executive's Foreword Kōrero Whakataki a te Pou Whakahaere	4
Community Outcomes Ko ngā Hua mō te Hapori	6
Our place in your world Ko te Wāhi ki a Mātou	8
Leading the region through adversity Arahanga i te Rohe i ngā Kōarotanga	17
Adapting to the changing climate Urutau ki tō tātou āhuarangi hurihuri	19
Protecting our most precious resource - water Tiakina tō tātou tino rawa – te wai	20
Finances at a glance He Pūrongo Pūtea	22
Major variances - council	27
Audit report He Pūrongo Arotake Pūtea	29
Other Information	32
Regional Councillors Ngā Māngai a Rohe	32

AUDITORS

Audit New Zealand on behalf of
the Auditor-General

BANKERS

ANZ Bank New Zealand Limited

TREASURY ADVISERS

PwC New Zealand



CHAIR'S FOREWORD KŌRERO WHAKATAKI A TE HEAMANA

This past year has been one of rapid adaptation and some re-ordering of the council's key priorities. It has brought a new focus on what really matters to the people of Greater Wellington and how the council can reinforce the resilience of the region's transport, water supply and other vital infrastructure. It has also brought home the realisation that we need to be more assertive in protecting the region's natural capital and leading a more collective approach to the very real risks presented by climate change.

The effects of the November 2016 earthquake and the large scale flooding that quickly followed the quake were a wake-up call to all of us. The effects of these were felt across much of the council's work and resulted in costs that had not been provided for. Yet they did not disrupt our ability to deliver core services to the community and provided reassuring evidence of this council's ability to deal with major disruption.

Working with the government and other councils we have begun the process of building a more resilient and connected infrastructure to withstand shocks. These emergencies have shown that, when it matters, central and local government can work together very effectively.



Public transport is undergoing rapid evolution. Numerous improvements to the quality of the service are being introduced. New bus contracts have been signed with the promise of a steady conversion of the region's bus fleet to full electric and far lower emissions. We are now well on the way to a new, simplified fare structure, new bus routes and an integrated ticketing regime. Hard decisions have had to be made in order to ensure we can deliver a genuine 21st century public transport system and prepare the way for mass transit within the short to medium term.

Real progress is being made in providing a blueprint for the region when it comes to natural resources management with a single integrated plan that looks to the future. The council has led a new drive to achieve practical results in climate change mitigation and adaptation and to bring greater clarity for ratepayers on the often unsettling implications of natural hazards.

We are blessed with an exceptional management team and it is a tribute to the staff that morale has remained high in spite of the severe dislocations of office and meeting room space that the earthquake invoked. The quality of the organisation's work has remained consistently high across the board and that, in a time of deep uncertainty, is the most reassuring factor of all.

Chris Laidlaw



CHIEF EXECUTIVE'S FOREWORD KŌRERO WHAKATAKI A TE POU WHAKAHAERE

We live in an extraordinary region filled with diverse communities that are truly proud to call it their home. Over the past year we've faced circumstances which have both tested our communities and Greater Wellington as an organisation, and through it all we have stood tall and continue to work toward a greater future for our communities.

While the November earthquake and the floods that hit the region had an undeniable impact on us all we continued to provide our core services and, through adversity, we learnt valuable lessons about the resilience of both our region and the customers we serve.

We are beginning to see the tangible effects of climate change and the work being done by Greater Wellington to identify what impact this may have for us all and the changes we have implemented to ensure that we are able to protect our environment for future generations.

Our customers are increasingly expecting more digital engagement with us and we have risen to the challenge in this regard with the large number of customers who have downloaded our Metlink commuter smartphone app. This year we also produced online maps showing flood hazards to help both our customers and the region's local councils access critical information.



It has been a transformational year for Greater Wellington. While it hasn't been easy it's been heartening to see how our communities engaged with us and supported us in our work. The nature of the work we do means that we have to make some big decisions, and we understand the impact of these can be emotive, as they affect our communities day to day lives. Hearing your voice is an important part of the work we do.

We cannot operate without the region's customers' support nor the support we receive from our partners including mana whenua, local and central government and academia. Finally, I thank all the staff of Greater Wellington who everyday bring a huge level of passion and pride to the work they are doing to ensure we create a brighter, vibrant and sustainable region which will continue to thrive into the future.

Greg Campbell

COMMUNITY OUTCOMES

KO NGĀ HUA MŌ TE HAPORI

We work to constantly improve the region to ensure it's a place where people want to live and thrive. Our community outcomes reflect the ambition and energy of the people who choose to live here.

We're involved in providing many of the often unseen and unsung services people take for granted but which underpin the quality of life in the region. We aspire to improve the overall wellbeing of the region and align our work to five community outcomes to achieve this.

STRONG ECONOMY

A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment.

CONNECTED COMMUNITY

People are able to move around the region efficiently and our communications networks are effective and accessible.

RESILIENT COMMUNITY

A community that plans for the future, adapts to change and is prepared for emergencies.

HEALTHY ENVIRONMENT

An environment with clean air, fresh water, healthy soils and diverse ecosystems that supports community needs.

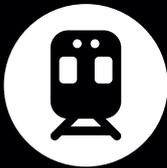
ENGAGED COMMUNITY

An engaged community that takes pride in our region, values our urban and rural landscapes, and enjoys our amenities and choice of lifestyles.

THIS DOCUMENT HAS BEEN DESIGNED AND PRINTED TO SUSTAIN A FAIR BIT OF WEAR AND TEAR, WHY NOT TAKE IT FOR A FIELD TRIP AND READ IT IN ONE OF OUR AWESOME LOCATIONS:



On board the Eastbourne Ferry



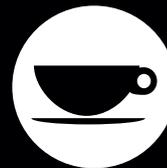
In a carriage on one of our Metlink Matangi Trains



Among the birds at Kaitoke regional park



In one of our nine regional parks



Sipping a latté in a Greytown café



Beside the shores at Paekakariki Beach

OUR PLACE IN YOUR WORLD

KO TE WĀHI KI A MĀTOU

Taking care of the things that really matter

The work we do at Greater Wellington touches on your lives every day. From the public transport you ride on, to the water you drink or swim in and the regional parks you explore, we are working to deliver our communities the best possible experience.

When we say we are working toward a greater Wellington region, we really mean it. Everything we do is to shape our region to be the very best it can be - now and into the future.

PROMOTING AND PRESERVING OUR NATURAL AND CULTURAL HERITAGE by embracing our role as the guardians of our network of regional parks and forests. This includes maintaining existing facilities and creating new facilities looking to the future needs of our park users. This year we recorded:

4.38 million visits to our regional parks

17,293 volunteer hours in helping plant, maintain and restore our parks

68% of the region's population visiting our parks

PROTECTING OUR BIODIVERSITY by actively controlling the spread of pest animal and plants and being actively involved in predator free initiatives across the region as well as planting to control erosion, weed control and involving the community to plant native trees in our regional parks, during 2016/17 this included:

14 significant wetlands being improved through our Wetland Programme

89 sites identified as having high value biodiversity are being actively managed

3,207 properties surveyed to identify and control pest plants

A TRIAL OF GOODNATURE TRAPS as an alternative to poisons for possums and stoats

PROMOTING ACTIVE TRANSPORT through our sustainable transport programme which encourages communities across our region to get out of their cars and commute via pedestrian and pedal power.

60 children per day are using *Te Ara o Whareora* cycleway through the dunes at Queens Elizabeth Park to travel to school

4,399 children and adults learned cycle safety skills through our Pedal Ready programme

Over 4,000 children tracked 50,000 daily walking and cycling during *Movin' March* through our passport competition – based on an average of 1km per journey this inspired over 50,000km of potential car travel to be replaced by active transport

PROVIDING WORLD CLASS PUBLIC TRANSPORT through a focus on continuing to improve our network of trains, buses, ferries, to provide greater connection across the region. Highlights include:

13.1 million rail passenger journeys, 24.4 million bus journeys, 196 thousand ferry journeys

Customer satisfaction at **92%** overall

NEW RAIL OPERATOR Transdev Wellington commenced operations

Successfully tendered and awarded **9** bus operating contracts

30,000 downloads of the new Metlink Commuter smartphone app



Mountain biker Julia Congalton enjoys the challenging tracks in Belmont Regional Park.



Our regional parks, forests and trails

AKATARAWA FOREST: 15,000 hectares of rugged wilderness between Upper Hutt and the Kapiti coast, popular for motorised recreation, mountain biking, horse riding, hunting and tramping.

BATTLE HILL FARM FOREST PARK: a working farm, campground and site of one of the last battles between Māori and early colonial forces.

BELMONT REGIONAL PARK: the open hills and forests between Porirua and Hutt Valley, historic Korokoro Dam, WWII ammunition stores, original Wellington-Pauatahanui coach road.

EAST HARBOUR REGIONAL PARK: sheltered valleys, sweeping bays, lighthouse and wetlands, includes Baring Head, Butterfly Creek and the freshwater Parangarahu Lakes.

KAITOKE REGIONAL PARK: Rata, rimu and beech shelter the the Te Awa Kairangi/Hutt River gorge, with swimming holes, bushwalks, campsites, and a setting for Lord of the Rings.

PAKURATAHI FOREST: home to the 18km Rimutaka Rail Trail over restored railway bridges and through historic tunnels.

QUEEN ELIZABETH PARK: 650 hectares edged by a sandy beach, pa sites, World War II US Marine Camps, tramways museum. Rare dune landscape, peat swamps and pastoral views.

WAINUIOMATA RECREATION AREA: peaceful and sheltered valley ideal for family outings, picnics, and easy walks.

While not a regional park, **WHITIREIA PARK** is jointly managed via a Park Board with Ngati Toa Rangatira. It has great views of Porirua Harbour and Mana Island, coastal cliffs, beaches and streams with swimming, snorkelling, rock climbing and golf.

As well the parks we have we also have recreational river trails which the public are able to enjoy.

HUTT RIVER TRAIL

The Hutt River Trail which starts at Hikoikoi Reserve on Petone's Marine Parade and stretches 29 kilometres along the eastern riverbank of Te Awa Kairanga/Hutt River. Throughout the journey you can explore two sites where The Lord of the Rings was filmed. During 2016/17 over one million visitors made use of the Hutt River Trail.

WAIKANAE RIVER TRAIL

The Waikanae River flows from the western foothills of the Tararua Ranges about 50 km north of Wellington. The upper catchment covers 125 square kilometres of predominately regenerating native bush, mature forest and pasture. Around about 40 to 50 people per day use the river trail for cycling, walking, and dog walking. Other activities the river trail is used for include horse riding, running, fishing, and access to swimming sites.

OTAKI RIVER TRAIL

This 3.5 km walkway starts at the highway near Winstone's shingle crushing plant, and runs along the top of the stopbank to the estuary at the river mouth. Around 140 people per week use the trail for walking (often with children and dogs), cycling, fishing and horse riding.



Contact centre receives national recognition

Our contact centre staff (including Caitlyn Taniela – pictured) receive over 20,000 enquiries each month. In August 2016 our contact team leader Rhonda Brown received the Team Leader of the Year award from the Contact Centre Institute of New Zealand (CCiNZ).

The award celebrated her achievements in managing this transition in a smooth manner and creating a truly superb multi-purpose contact centre which allows us to provide a greater customer experience to everyone in the region.

THE WICKED WEEK THAT WAS*

7.8 EARTHQUAKE

AFTERSHOCKS

TSUNAMI

FLOODS

TORRENTIAL RAIN

GALES – 140KM/HR

TORNADOS

KING TIDES/SUPERMOON

BOMB SCARES

TRAFFIC ACCIDENTS & JAMS

ROAD CLOSURES

SWARM OF BEES IN HUTT VALLEY

CRUISE SHIP WITHOUT POTABLE WATER

*All of the above happened during the week of 14th November
– taken from a whiteboard at WREMO
(Wellington Region Emergency Management Office)



Liani Harding

Kairuruku/Project Coordinator from Te Hunga Whiriwhiri - the team who oversee our relationship with Mana Whenua and tikanga Māori across the organisation

MANA WHENUA PARTNERS IN THE REGION INCLUDE:

**TARANAKI WHĀNUI KI TE UPOKO O TE IKA A MAUI REPRESENTED BY
THE PORT NICHOLSON BLOCK SETTLEMENT TRUST**

**NGĀTI TOA RANGATIRA REPRESENTED
BY TE RŪNANGA O TOA RANGATIRA INC**

NGĀTI RAUKAWA KI TE TONGA REPRESENTED BY NGĀ HAPŪ Ō OTAKI

**TE ATI AWA KI WHAKARONGOTAI REPRESENTED
BY THE ATI AWA KI WHAKARONGOTAI CHARITABLE TRUST**

TE RUNANGANUI O TARANAKI WHĀNUI KI TE UPOKO O TE IKA A MAUI

**NGĀTI KAHUNGUNU KI WAIRARAPA REPRESENTED
BY THE NGĀTI KAHUNGUNU KI WAIRARAPA CHARITABLE TRUST**

**RANGATĀNE Ō WAIRARAPA REPRESENTED BY RANGITĀNE
Ō WAIRARAPA INC**



LEADING THE REGION THROUGH ADVERSITY **ARAHANGA I TE ROHE I NGĀ KŌAROTANGA**

November 2016 was a turbulent time for the region. While the focus was on the Kaikoura earthquake, only one day later the region was hit by extreme weather conditions and flooding. Throughout these events Greater Wellington took a lead in helping our region recover, build resilience and stand tall through the tough times that we found ourselves facing one after the other.

Greater Wellington has a key role working with the Wellington Regional Emergency Management Office managing the civil defence response across the region, providing support, building resilience and sending out key messaging for communities who were affected by the earthquake.

This real life experience tested our people and provided some valuable insight into the needs of our communities and how we at Greater Wellington operate during these times. As a result the need to provide more robust and up to date information for business and communities in the region was identified.

Two separate websites were created to help people get prepared and better provide critical messages to our communities quickly and reliably as soon as there is an emergency.

- WREMO.org.nz website has been designed to swiftly and accurately provide key messaging to the communities at the time of an event.
- GetPrepared.org.nz allows our communities to learn more about what they need to do before an event to prepare themselves prior to emergency events.

One of the core services greatly affected by the November events was our Metlink public transport network.

The Metlink.org.nz website recorded its busiest day shortly after the earthquake and floods with almost 60,000 customers clicking to explore how they would be able to move around the region to continue their day to day lives.

While we can never foresee when these events may occur nor understand how our communities will cope, the events of November 2016 demonstrated to us all that as a region we are resilient. It also showed that Greater Wellington plays a pivotal role in helping our communities respond and recover, as well as the importance of ensuring our plans are robust and adaptable.



ADAPTING TO THE CHANGING CLIMATE **URUTAU KI TŌ TĀTOU ĀHUARANGI HURIHURI**

As the guardians and stewards of our region, Greater Wellington is committed to creating a brighter future for our communities. This means we cannot shy away from our responsibility to plan and prepare for the very real changes we are likely to face as a result of the changing climate. It is clear that already the early effects of climate change are happening, and that this is the biggest environmental challenge we face together. Everyone in our region will be affected.

Our Climate Change Strategy was adopted in 2015 and guides the work we do in this area. As part of implementing this Strategy, in October 2016 we changed our corporate vehicle policy to prioritise the purchase of electric vehicles. In practice this means we only purchase petrol or diesel vehicles when no suitable electric option is available. We now have eight electric or hybrid vehicles in our fleet and this will continue to grow.

The most significant piece of the work in the climate change area for this year was the commissioning of a report from NIWA. This significant research study and subsequent report provides a projection of how the region is likely to be affected by climate change.

Our Public Transport Operating Model (PTOM) was the first in New Zealand to incentivise operators to provide low emission bus fleets. We signed a contract with Tranzit Coachlines and Uzabus and this includes the introduction of 32 electric buses over three years from 2018.

Awareness campaigns for active transport encourage our residents to reduce reliance on private vehicles by walking, cycling and ride sharing. These programmes are achieving significant reach across the region. One example of this in action, the Aotearoa Bike Challenge, saw 1,916 participants from 167 workplaces cycle a total of 285,719 kilometres during February 2017. If these same journeys were taken in private vehicles an estimated 57 tonnes of carbon dioxide would have been emitted across the region.

Greater Wellington continues to encourage employees to reduce waste, recycle and compost. Across its three main offices, Greater Wellington diverts approximately twenty tonnes of recyclable and organic waste from landfill each year.

We also have a role to play in managing and maintaining forests in the region which draw carbon dioxide down from the atmosphere (carbon sequestration). Possum control and Key Native Ecosystem (KNE) programmes help maintain the carbon sequestration capacity of forests located within the 129,000 hectares under our management (the KNE programme encompasses 48,000 hectares of mostly forest ecosystems and regional possum control covers over 81,000 hectares of the region). Trees planted through our biodiversity and parks programmes, along with erosion control initiatives, have resulted in thousands of new trees and shrubs being planted each year.

While we cannot stop climate change from happening, we intend to take the lead and continue to adapt our own practices and educate our customers on how we can best work together to adapt to our changing climate.

PROTECTING OUR MOST PRECIOUS RESOURCE - WATER **TIAKINA TŌ TĀTOU TINO RAWA – TE WAI**

Behind the scenes

During the year the quality of freshwater across the country was at the forefront of people's minds more than it had ever been before. With the release of the National Policy Statement on Freshwater Management and increased media coverage on the quality of our water communities were increasingly talking about the importance of protecting this precious resource.

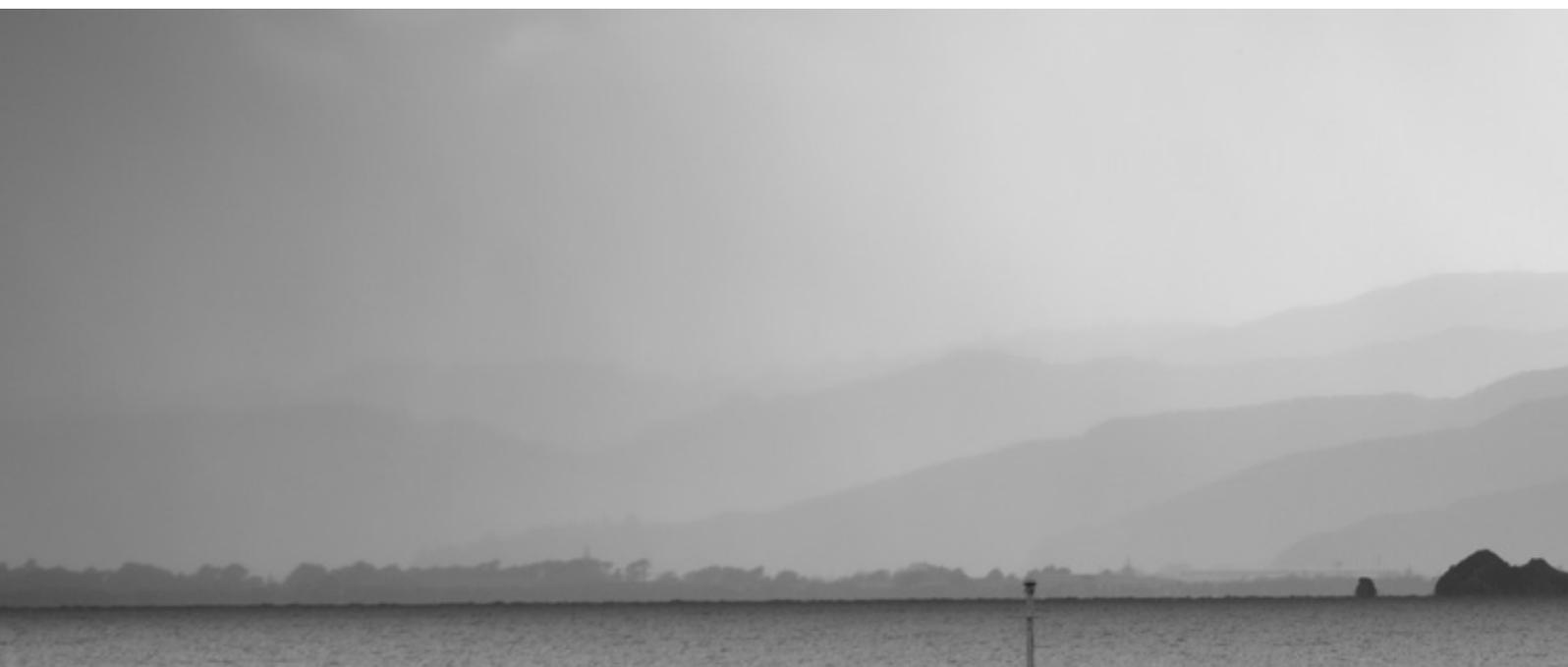
The quality and quantity of our water has been a key focus for us at Greater Wellington for a long time. As the wholesale supplier of the region's drinking water and as an organisation committed to protecting and enhancing our environment we have a proud history of ensuring the community has access to drinkable water.

Following the development of our proposed Natural Resources Plan in 2015, the hearing of submissions started during the year, the Whaitua Committee model was created to allow communities to have direct input to the water quality and quantity in their local catchment. The committees exist within local catchment areas to allow community members to establish bottom lines for the management of water for the future.

As part of our role in providing wholesale drinking water to the metropolitan district and city councils in our region, Greater Wellington manages two protected water catchments – the Hutt and Wainuiomata/ Orongorongo water collection areas. Together these areas provide around 65 percent of the Wellington metropolitan area's drinking water. During the year a new management plan was developed for these areas, which outlines a management approach of the catchments upstream of the water intakes to minimise the need for water treatment and ensure optimum water quality for consumption.

The plan supports the ongoing limitation of public access to these important catchment areas and active management of threats including maintaining low numbers of pest animals which can contribute to giardia and cryptosporidium in our waterways. Setting core goals and actions for collaborative management of these areas by Wellington Water and Greater Wellington is an important milestone.

It is critical that the planning and implementation of work to protect and maintain our water quality continues with our partners and communities. We all have a relationship to freshwater and from this comes a shared responsibility to ensure it's here to stay in a way which we can all use.



Working with communities to enhance our wetlands and waterways

At Greater Wellington we are working alongside landowners to help them protect the environment through our Healthy Waterways programmes. Excluding livestock from waterways and wetlands in our region is an effective way of improving both the quality of our water and provide a healthier habitat for aquatic plants and animals.

The Wetland and the Riparian programmes were created to provide support and financial assistance to landowners to protect and restore streams, rivers and wetlands which are significant to the biodiversity within our region. These sites have been identified by our biodiversity and land management teams alongside community and mana whenua and are home to vulnerable native plants and animals as well as having significance to Māori.

Through these Healthy Waterways programmes, landowners can apply for funding to fence and plant significant waterways to restrict stock access and reduce the polluted runoff reaching the water as well as the risks of erosion over time.

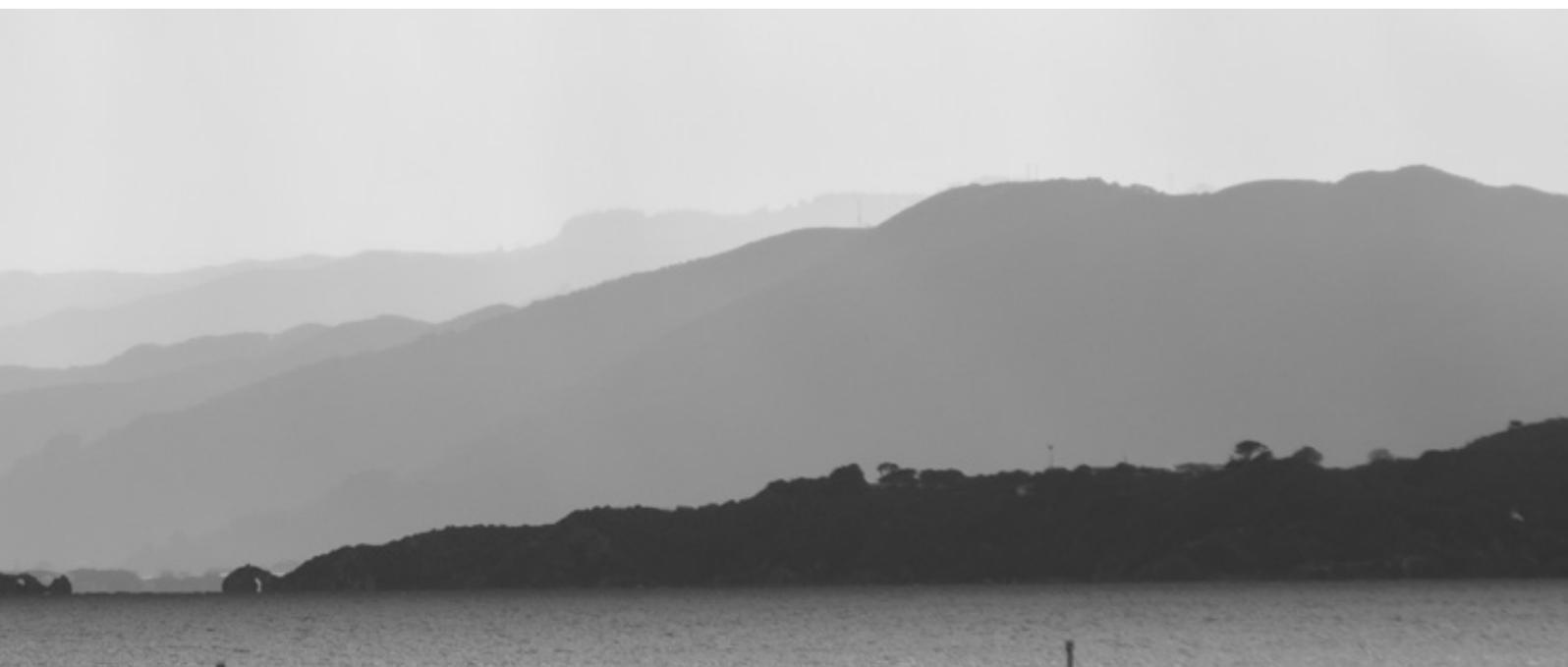
In Wairarapa, the Healthy Waterways programme has enabled landowners to bring in the community to work alongside us and other key groups to improve and enhance the significant waterways at the Kourarau Dam near Gladstone.

Local farmers David Blackwood and Mike Murray own land surrounding the dam. Noting the land and water surrounding the dam had been identified as significant by mana whenua, they realised stock would need to be kept away from the waterways.

After applying for funding through the Healthy Waterways programme the farmers met with Greater Wellington, iwi, The Fish and Game Council and neighbours to form a group to determine how best to protect the area while ensuring the dam would continue to be attractive and useable by the whole community.

They decided on a three stage project, the first of which has already been completed. During stage one they built fences to prevent livestock from entering the water and held a planting day with local school children. At this planting day the children learnt about the importance of protecting our environment as well as the Māori history of the area.

With the proposed Natural Resources Plan requiring stock to be excluded from significant waterways by mid-2018, this project has demonstrated that proactive action by both landowners and the community, working alongside Greater Wellington, is beneficial to our waterways and wetlands future.



FINANCES AT A GLANCE

HE PŪRONGO PŪTEA

ANNUAL REVENUE

2015/16
ACTUAL
\$238.1M

2016/17
ACTUAL
\$296.5M

2016/17
ANNUAL PLAN
\$298.0M

\$147.0M
from rates

\$149.5M
from grants &
other sources

ANNUAL EXPENDITURE

2015/16
ACTUAL
\$233.3M

2016/17
ACTUAL
\$295.5M

2016/17
ANNUAL PLAN
\$296.7M

CAPITAL EXPENDITURE

2015/16
ACTUAL
\$130.0M

2016/17
ACTUAL
\$47.7M

2016/17
ANNUAL PLAN
\$60.8M

DEBT

2015/16
ACTUAL
\$312.4M

2016/17
ACTUAL
\$327.5M

2016/17
ANNUAL PLAN
\$365.5M

GREATER WELLINGTON ACHIEVED AN OPERATING SURPLUS OF \$1.0 MILLION COMPARED TO A BUDGETED \$1.3 MILLION.

Significant earthquake related costs were incurred during the year including loss of dividend from CentrePort. Spending was controlled elsewhere to reduce the impact.

GREATER WELLINGTON'S NET SURPLUS IS \$18.9 MILLION COMPARED TO A BUDGETED SURPLUS OF \$6.5 MILLION, GIVING RISE TO A FAVOURABLE VARIANCE OF \$12.4 MILLION.

This is mainly due to the revaluation of interest rate swaps which does not impact the rates requirement.

GREATER WELLINGTON HAD A STRONG PERFORMANCE AGAINST ITS FINANCIAL MEASURES.

These are financial 'benchmarks' that local bodies are required to report against as outlined in the 10 Year Plan 2015-25.

WE SPENT \$48 MILLION DURING THE YEAR ON ASSET RENEWALS AND NEW ASSETS FROM A BUDGETED CAPITAL EXPENDITURE PROGRAMME OF \$61 MILLION.

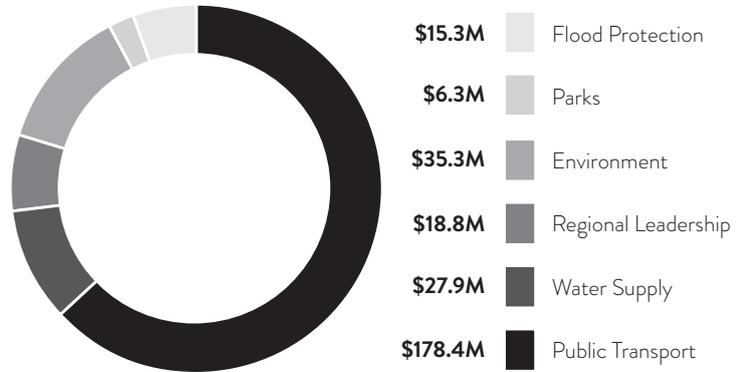
The difference to budget is mainly due to timing of Riverlink property purchases and Public Transport spend.

GREATER WELLINGTON HAS MAINTAINED ITS AA CREDIT RATING.

OUR DEBT IS BELOW PLANNED LEVELS – net debt is \$328 million, compared to our plan of \$366 million.

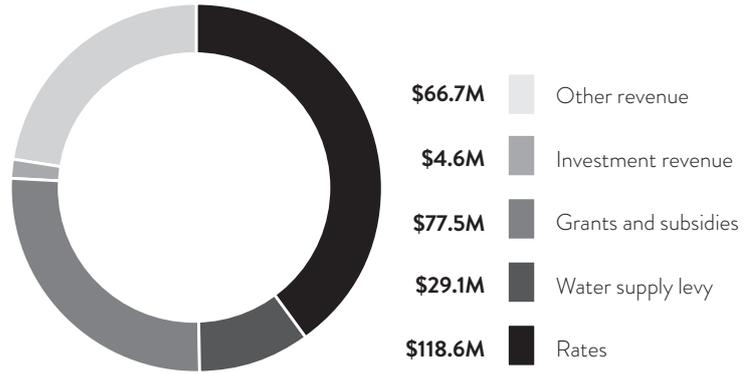
\$11.28 per residence per week is all it costs to pay for the wide range of services that Greater Wellington Regional Council provides.

Operational expenditure by strategic area



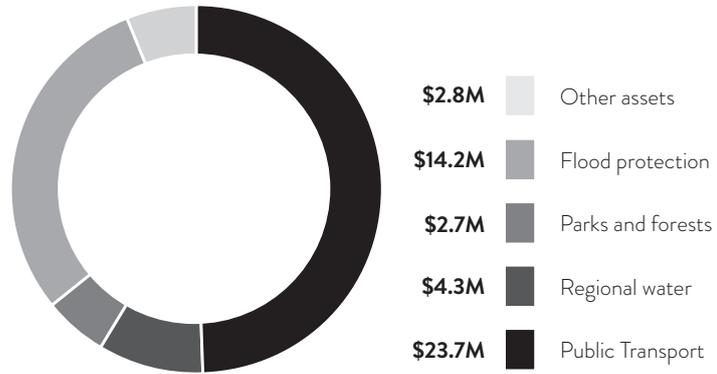
Revenue

Greater Wellington’s revenue is sourced primarily through rates, and grants from central government. Other revenue is from the water supply levy, fees and charges, and investment revenue.



Capital expenditure

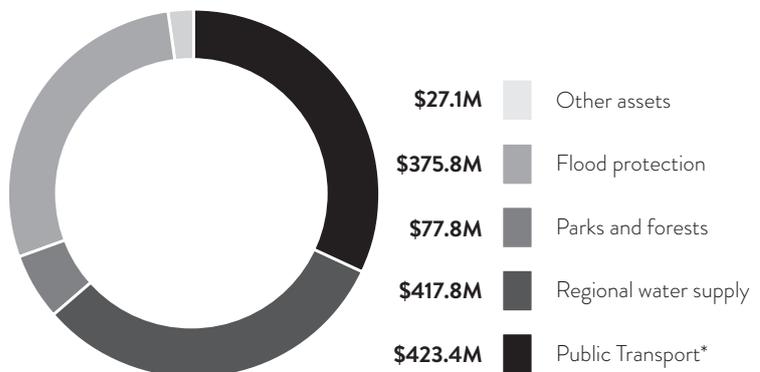
Greater Wellington spent \$48 million on capital and improvement expenditure, which highlights Council’s continued infrastructure investment in public transport, flood protection, water supply and parks & forests.



Property, plant and equipment

Greater Wellington looks after many important community assets. Our asset base consists of public transport, regional parks and forests, flood protection and regional water supply. Public transport assets include the new Matangi trains and all stations excluding Wellington station.

Continued management and investment in these assets is essential. Maintaining and updating the detailed asset management plans ensures the assets are available to the community now and in the future.



* Includes \$408.5m of rail rolling stock and railway station infrastructure owned by Greater Wellington Rail Limited, a Council subsidiary.

FINANCIAL STATEMENTS

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2017	Greater Wellington		Greater Wellington Group		
	2017 Actual \$000s	2017 Budget \$000s	2016 Actual \$000s	2017 Actual \$000s	2016 Actual Restated* \$000s
Operational revenue	283,046	282,580	223,997	350,553	296,723
Finance costs	(16,477)	(16,534)	(12,464)	(28,127)	(20,655)
Operational Expenditure	(277,937)	(280,174)	(220,021)	(359,651)	(301,681)
Operational surplus / (deficit) for the year before transport improvements	(11,368)	(14,128)	(8,488)	(37,225)	(25,613)
Transport improvement grants and subsidies	13,419	15,460	14,053	13,419	14,053
Transport improvement expenditure	(1,056)	-	(784)	(1,056)	(784)
Net revenue / (expenditure) for transport improvements	12,363	15,460	13,269	12,363	13,269
Surplus / (deficit) for the year before tax and fair value gains / (losses)	995	1,332	4,781	(24,862)	(12,344)
Share of Equity accounted investments surplus / (deficit)	-	-	-	(18,569)	7,086
Fair value gains / (losses) in profit and loss	17,918	5,179	(34,674)	28,248	(39,254)
Earthquake related items	-	-	-	87,325	
Tax on continuing operations	-	-	-	(10,884)	(10,827)
Surplus / (deficit) after tax	18,913	6,511	(29,893)	61,258	(55,339)
Other comprehensive revenue and expense					
Increase / (decreases) in revaluations	67,107	-	-	13,045	(247)
Fair value movements in other comprehensive revenue and expense	-	-	-		
Total comprehensive revenue and expense for the year	86,020	6,511	(29,893)	74,303	(55,586)
Attributed to:					
Non controlling interest				73,778	(58,267)
Equity holders of the parent				525	2,681
Total comprehensive revenue and expense for the year	86,020	6,511	(29,893)	74,303	(55,586)

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017	Greater Wellington		Greater Wellington Group		
	2017 Actual \$000s	2017 Budget \$000s	2016 Actual \$000s	2017 Actual \$000s	2016 Actual Restated* \$000s
Equity - opening balance as at 1 July	833,966	882,054	863,859	1,101,023	1,158,180
Total comprehensive revenue and expense for the year	18,914	6,511	(29,893)	61,258	(55,339)
Dividend to non controlling interest	-	-	-	(162)	(1,571)
Other movement	67,107	-	-	13,041	(247)
Closing equity at 30 June	919,987	888,565	833,966	1,175,160	1,101,023
Equity attributed to:					
Equity holders of the parent	919,987	888,565	833,966	1,129,389	1,054,565
Non controlling interests	-	-	-	45,771	46,458
Closing equity at 30 June	919,987	888,565	833,966	1,175,160	1,101,023

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017	Greater Wellington		Greater Wellington Group		
	2017 Actual \$000s	2017 Budget \$000s	2016 Actual \$000s	2017 Actual \$000s	2016 Actual Restated* \$000s
Current assets	85,254	67,151	94,829	157,295	113,518
Non-current assets	1,243,288	1,222,523	1,145,612	1,638,547	1,658,066
Total assets	1,328,542	1,289,674	1,240,441	1,795,842	1,771,584
Current liabilities	93,038	121,103	95,825	149,389	100,919
Non-current liabilities	315,517	280,000	310,655	471,293	569,642
Total liabilities	408,555	401,103	406,480	620,682	670,561
Net Assets	919,987	888,571	833,961	1,175,160	1,101,023
Equity attributed to:					
Equity holders of the parent	919,987	888,565	833,966	1,129,389	1,054,565
Non controlling interests	-	-	-	45,771	46,458
Total equity	919,987	888,571	833,961	1,175,160	1,101,023

SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2017	Greater Wellington		Greater Wellington Group		
	2017 Actual \$000s	2017 Budget \$000s	2016 Actual \$000s	2017 Actual \$000s	2016 Actual Restated* \$000s
Cashflows from operating activities	33,525	20,853	21,593	22,547	35,017
Cashflows from investing activities	(48,579)	(68,535)	(134,076)	27,759	(146,381)
Cashflows from financing activities	13,119	55,488	108,539	(53,013)	106,998
Net increase / (decrease) in cash, cash equivalents	(1,935)	7,806	(3,944)	(2,707)	(4,366)
Opening cash equivalents	2,281	(2,646)	6,225	3,274	7,640
Closing cash equivalents	346	5,160	2,281	567	3,274

This is a summary of Greater Wellington Regional Council's (GWRC) activities for the year 1 July 2016 to 30 June 2017. The information has been extracted from our Annual Report 2016/17, which was adopted by the Council on 31st October 2017. It has been prepared in accordance with FRS-43: Summary Financial Statements. The financial statements have been prepared in accordance with Tier 1 PBE Standards. The annual report contains detailed information about our finances and service performance. Audit NZ has audited the full financial statements and issued an unqualified report with an emphasis of matter opinion included for the impacts of the earthquake. This summary has been examined by Audit NZ for consistency with the full annual report. These summary financial statements are presented in New Zealand dollars rounded to the nearest thousand.

Greater Wellington is a public benefit entity for financial reporting purposes. The financial statements have been prepared in accordance with the New Zealand Generally Accepted Accounting Practice, and comply with New Zealand Equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The financial statements include a Statement of Compliance to this effect.

A summary report cannot be expected to provide a complete overview of Greater Wellington's activities as provided by the full annual report. For the full Annual Report 2016/17, please see www.gw.govt.nz or phone 0800 496 734.

MAJOR VARIANCES - COUNCIL

1. Rates and levies

Greater Wellington rates and levies revenue was \$0.5 million higher due to:

- growth in the number of the region's city and district councils rating units resulted an additional \$1.3million in general rates collected
- reduced targeted rates collected for Warm Wellington by the region's city and district councils of \$0.8million, as some ratepayers have paid off their Warm Wellington rate during the year.

2. Grants and subsidies revenue

Greater Wellington primarily receives grant revenue to fund various key transport programmes and projects. Grants and subsidy revenue is \$5.9 million lower than budget which reflects lower than planned claimable costs for key transport programmes and projects.

3. Other revenue

Greater Wellington receives revenue from external fees and charges, interest revenue and any gains/(losses) on the disposal of assets. Other revenue was \$5.9 million higher due to:

- additional interest revenue from investments of \$1.8 million higher, due to higher cash balances being held during the year and favourable deposit rates
- additional consents revenue of \$1.5 million primarily from the Roads of National Significance (RONS) projects and other consenting activities
- additional rail fare revenue of \$2.4 million due to higher than expected patronage growth during the year
- additional revenue of \$1.3 million from the National Ticketing Programme
- additional revenue of \$0.8 million from stakeholders for Wellington Regional Infrastructure Resilience Business case
- additional Warm Wellington revenue of \$0.8million reflecting ratepayers during the year who settle their Warm Greater Wellington rate
- lower dividends and subvention payments \$3.7 million received from Centre Port.

4. Operational Costs

Greater Wellington operational expenditure is \$2.3 million lower due to:

- reduced Public Transport costs of \$4.5 million due to lower expenditure on the Public Transport Operating Model project, Fares and Ticketing project, operator payments, trolley overhead wire maintenance and diesel costs
- reduced costs for Regional Transport Planning initiatives \$0.8 million due to delays in agreeing work programmes with third parties
- reduced costs for Water Wairarapa project \$0.4 million reflecting changes in funding partner contributions to the project
- reduced costs of \$0.8 million reflecting delays in the timing of hearings for the proposed Natural Resource Plan
- additional costs for water supply \$2.2 million reflecting additional water health quality work, alternate water source exploration, and higher depreciation on assets capitalised during year, and loss on assets disposed of
- additional consent costs \$1.2 million associated with the RONS programme. These were recovered from NZTA
- additional costs for Wellington Regional Infrastructure Resilience Business Case \$0.8 million to support the development of this business case for the region. This was funded from contributions from partners.

5. Fair value adjustments

The main adjustment is the non cash \$17.9 million increase in interest rate swap valuations. These swaps provide long term certainty for the cost of borrowing. The favourable movement is due to our contract swap rates being lower than the equivalent actual market rates, and reflects the upward trend in interest rates. Greater Wellington's average swap rate at 30 June is 4.89%.

6. Total Assets

The assets have increased \$88 million during the year, reflecting the revaluation of flood protection infrastructure \$67 million and the continued investment in GW Rail primarily for the Matangi train purchase and on going improvements.

8. Cash flow

Overall cash and cash equivalents have decreased mostly due to a greater level of contingency deposits of more than 90 days. Financial assets have increased \$4 million.

9. Earthquake Related Costs

A 7.8 magnitude earthquake struck in the early hours of 14 November 2016 in Kaikoura which has had a significant impact on CentrePort. The earthquake significantly damaged Port infrastructure and Port properties including the land on which the Port operates. The major Port operations impacted were the Container services and the Investment property portfolio held by the Port. Other Port services including logs, ferries, fuel, cruise and break bulk activities had substantially recovered immediately following the earthquake. The impact of the earthquake has been reflected in these financial statements with the information available to the date these financial statements are signed

CentrePort Limited has a total insured value (in relation to port infrastructure) of \$600m for both Material Damage and Business Interruption combined. The Business Interruption covers a 36 month indemnity period. Insurance progress payments of \$100m were received by CentrePort Limited in the year ended 30 June 2017. This payment was applied to business interruption (loss of rents and temporary works) in the first instance and secondly to material damage. CentrePort Properties Limited received a progress payment of \$3.4m.

CentrePort Properties Limited, including its associate entities (SPVs) has a total insured value of their property portfolio of \$276.3m including loss of rents (of up to \$49.8m). The indemnity period is 36 months. A progress payment of \$10.0m has been received in the 2017 financial year. A further \$3.7m has been paid in relation to the property deductible buy down policy. Initial draft damage assessment reports for the investment properties have been prepared by independent advisors. Insurance and property related impacts for CentrePort Properties Limited are included in the Group line items as expanded on below.

Total insurance income for the year ended 30 June 2017 amounted to \$166million. Insurance receivable as at 30 June 2017 was \$63m. Total impairment costs on damaged assets including investment properties was \$59m for the year ended 30 June 2017.

Full details of insurance proceeds and asset impairments on CentrePort and its associate entities are available in Note 8 & 15 of the full financial statements.

Events occurring after the balance date

No dividend was declared post balance date by WRC Holdings (2016: Nil).

Financial statements were authorised for issue by Council on 31 October 2017.

There were no other subsequent events up to the date of these financial statements which would affect the amounts or disclosures in the financial statements.

AUDIT REPORT

HE PŪRONGO AROTAKE PŪTEA

Independent Auditor's Report

To the readers of the Greater Wellington Regional Council's summary of the annual report for the year ended 30 June 2017

The summary of the annual report was derived from the annual report of the Greater Wellington Regional Council (the Regional Council) for the year ended 30 June 2017.

The summary of the annual report comprises the following summary statements on pages 6 to 28:

- the summary statement of financial position as at 30 June 2017;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2017;
- the notes to the summary financial statements that include other explanatory information; and
- the summary statement of service provision of the Regional Council.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2017 in our auditor's report dated 31 October 2017.

That report also includes an emphasis of matter paragraph drawing attention to note 8 of the full annual report which explains how the Kaikoura earthquake affected the Regional Council and Group. This note explains the assumptions around the insurance proceeds expected to be received, the extent of the impairment of assets, and related tax treatment, and the inherent uncertainties involved in estimating them. Note 15 of the full annual report also explains how the Kaikoura earthquake affected the equity accounted results of the Group's joint ventures, including uncertainties involved in estimating earthquake related costs and insurance proceeds.

Information about this matter is included in the summary of the annual report on page 28.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS-43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in the Regional Council and Group.



Andy Burns,

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

30 November 2017



OTHER INFORMATION

REGIONAL COUNCILLORS

NGĀ MĀNGAI A ROHE

KAPITI COAST



Penny Gaylor
T 06 364 7534
M 027 664 8869
penny.gaylor@gw.govt.nz

UPPER HUTT



Paul Swain
T 04 528 7830
M 021 270 9113
paul.swain@gw.govt.nz

LOWER HUTT



Ken Laban
T 04 971 8982
M 029 200 0044
ken.laban@gw.govt.nz

WAIRARAPA



Adrienne Staples
T 06 308 9119
M 027 446 8060
adrienne.staples@gw.govt.nz



Prue Lamason
T 04 566 7283
M 021 858 964
prue.lamason@gw.govt.nz

WELLINGTON



Roger Blakeley
M 021 229 6928
roger.blakeley@gw.govt.nz



David Ogden
T 04 569 2058
M 027 445 2650
david.ogden@gw.govt.nz



Sue Kedgley
T 04 384 9123
M 021 270 9088
sue.kedgley@gw.govt.nz

PORIRUA-TAWA



Jenny Brash
T 04 233 8217
M 027 354 4233
jenny.brash@gw.govt.nz



Chris Laidlaw (Chair)
T 04 830 4246
M 027 425 4668
chris.laidlaw@gw.govt.nz



Barbara Donaldson (Deputy Chair)
T 04 237 0773
M 021 976 747
barbara.donaldson@gw.govt.nz



Ian McKinnon
T 04 472 6832
M 027 472 6831
ian.mckinnon@gw.govt.nz



Daran Ponter
T 04 475 9959
M 027 454 0689
daran.ponter@gw.govt.nz





greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

FOR MORE INFORMATION,
PLEASE CONTACT GWRC:

Wellington office

PO Box 11646
Manners Street
Wellington 6142
T 04 384 5708
F 04 385 6960

Masterton office

PO Box 41
Masterton 5840
T 06 378 2484
F 06 378 2146

**Follow the Wellington
Regional Council**



www.gw.govt.nz
info@gw.govt.nz

November 2017
GW/CP-G-17/112



Please recycle
Produced sustainably