



SUMMARY OF THE 2017/18

GREATER WELLINGTON REGIONAL COUNCIL

# ANNUAL REPORT

## PŪRONGO Ā TAU



greater WELLINGTON  
REGIONAL COUNCIL  
Te Pane Matua Taiao

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## Welcome to our summary of – the Annual Report 2017/18

Each year Greater Wellington delivers an Annual Report including audited financial statements. The Council adopted our Annual Report 2017/18 on 30 October 2018.

This summary report provides a snapshot of the detail contained in our full Annual Report 2017/18, which you can find on our website, in any of our public offices and at libraries across the region

In short, our Annual Report reflects a strong performance by the council, which should instil confidence among our many communities for the future of our region.

Many large scale projects of significance were advanced during the year with more than \$65 million invested in future proofing critically important infrastructure, and the region is safer and more resilient as a result. Some projects have taken longer than originally expected to bring to fruition due to the need to take more time to consider options with affected communities and agreed enduring outcomes.

The Public Transport transformation programme and specifically the roll out of the new bus network, was of course the focus of much of our attention. At the time of preparing our Annual Report, we were working through

some of the challenges inherent in such a complex and far-reaching project. We acknowledge that there have been a number of issues from driver shortages and drivers getting used to new routes, to considerable changes for some commuters as a result of the route changes. It is our expectation to be in a position to positively report on our new and improved bus network system in our next year's report.

The adoption of the Long Term Plan 2018-28 has provided us with a clear roadmap for the future and we are grateful for those in the community who took the time to provide their feedback as we collectively created our plan for the decade to move the region forward.

We hope you enjoy this insight into our year and all of the exciting projects we have delivered to our communities and continue to follow our journey to creating a strong and vibrant future for our region.

Chris Laidlaw

Greg Campbell

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# Working for you – who we are and what we do

Greater Wellington's Long Term Plan 2015/25 and subsequent annual plans set out the work we planned to deliver for 2017/18 and how that work aligned to the

five community outcomes. This document provides a summary of the work we have delivered through the year and how our finances were managed.

## Improving quality of life through attaining the Community Outcomes

<b>Strong Economy</b>	A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment
<b>Connected Community</b>	People are able to move around the region efficiently and communications networks are effective and accessible
<b>Resilient Community</b>	A regional community that plans for the future, adapts to climate change and is prepared for emergencies
<b>Healthy Environment</b>	An environment with clean air, fresh water, healthy soils and diverse ecosystems that supports community needs
<b>Engaged Community</b>	People participate in shaping the region's future, take pride in the region, value the region's urban and rural landscapes, and enjoy the region's amenities

## Greater Wellington is responsible for a wide range of activities that contribute to the overall wellbeing of the Wellington region reflected in the community outcomes:

- providing protection from flooding
- delivering the Metlink public transport network
- looking after the environment, the land, the seas and waterways
- managing parks and trails for your recreational use
- providing long-term and sustainable initiatives for the region, from travel options to economic programmes.

## Did you know?

**Makes up 3% of New Zealand's total land area** from Wellington City in the south to Ōtaki on the west coast and Pukaha Mt Bruce in the east.

**8,049 km**  
area



**320kms of rivers**  
and we manage  
**280km of stopbanks**



**Our Earthquake Planning Guide**  
received national and international recognition for its innovative design AND content

**91 schools representing 24,355 students** participated in the active travel initiative Movin' March



**1.8 million visits** were made to our regional parks



Our Pedal Ready scheme **trained 6,000 adults and children**, including the Wellington police on bikes

**35,000 trees** were planted on six parks  
**11,900 willow poles** were planted to strengthen river buffers



Peak time rail use **increased by 6%**



**3,600 tonnes of rock** was placed along river banks to repair erosion damage and maintain river alignments

## Financial overview

This overview provides a summary of the major aspects of our financial management and results for the 2017/18 year.

We have produced this overview to give Greater Wellington residents a snapshot of our finances. Full details are

provided later in the report. Refer to the full Annual Report for the full financial statements as well as the costs of providing services for each activity, comparing what was spent with what was budgeted.

## Financial performance

Greater Wellington continued to focus on enhancing its financial management and sound financial position. We performed strongly in managing operating costs and debt levels.

The year-end net deficit of (\$7.6)m was \$23.7m unfavourable to budget. There have been many contributing factors, many of which have an offsetting effect. The primary drivers are the unfavourable fair value movement of interest rate derivatives (swaps), additional water treatment costs at the Waterloo treatment plant, extended pre-capitalisation phases of the alternate water source, KiwiRail network insurance, other PT transformation costs, remediation of a prior year rates issue, and lower NZTA grants.

This is partially offset by higher public transport fare revenue, timing of trolley bus decommissioning, savings on an interim ticketing solution, additional interest earned from prefunding of debt, Emission Trading Scheme (ETS) proceeds, and Kaikoura earthquake related insurance revenue.

Greater Wellington invested \$65.7m in the regions infrastructure with key programmes of work across the organisation. Capital expenditure was \$16.8 million favourable to budget primarily due to timing of Public Transport-related projects, off-set by RiverLink property acquisition timing and additional costs for the Waterloo water quality project.

Greater Wellington had a strong performance against its financial measures. Refer to the full Annual Report for these.

**\$315.6 million**  
revenue from rates, grants  
& other sources



**\$1.5 billion**  
of total assets  
managed by  
Greater Wellington



**\$314.5 million**  
costs of running the  
Greater Wellington region



**\$379.6 million**  
borrowing position at  
the end of 2017/18



**(\$7.6) million**  
net deficit after  
tax for 2017/18



**\$65.7 million**  
capital spend  
for 2017/18



**\$4.23**  
costs of delivering all Council  
services per rating unit per day



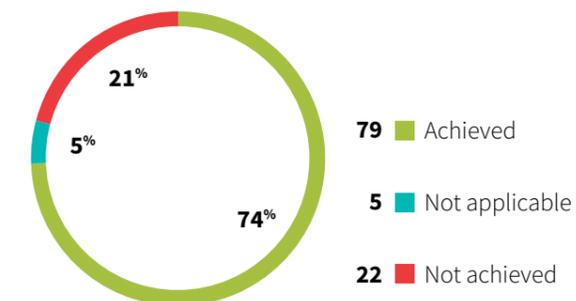
**AA credit rating**  
with Standard & Poor's  
indicating good  
financial health



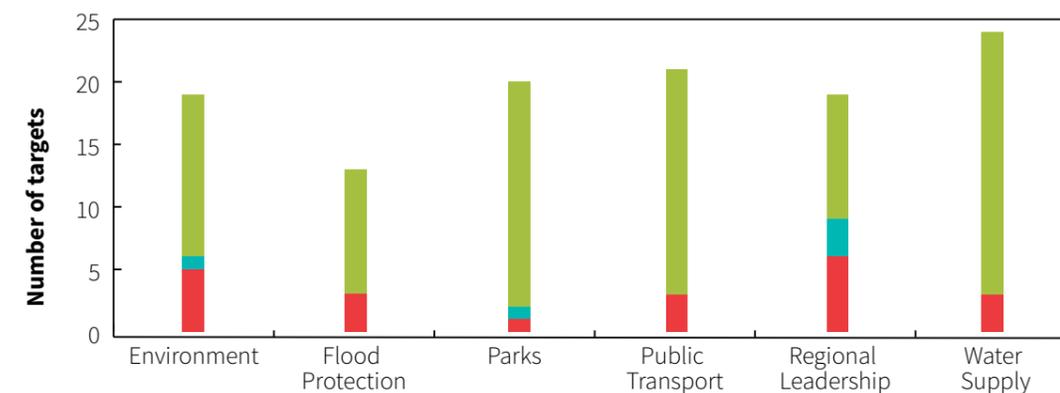
## How well did we measure up?

Greater Wellington reports against 106 performance targets as outlined in the Long Term Plan 2015-25. Overall, we have worked successfully with the community in meeting most of our performance targets and agreed work programme.

As displayed in the graph (right) 74 percent of the performance targets were met. Five percent of the measures were assigned as Not applicable. Targets that fell within this category reflect measures where we were unable to get an accurate measurement or instances when targets have been updated since publication of the Long Term Plan 2015-25.



The graph below displays the total number of non-financial performance targets by Activity Group. Further details on the performance targets can be found in the full Annual Report and are summarised further in this document.



Number of targets	Environment	Flood Protection	Parks	Public Transport	Regional Leadership	Water Supply
Achieved	15	10	4	18	10	22
Not applicable	1	0	1	0	3	0
Not achieved	6	3	1	3	6	3

# Our financial performance at a glance

## Annual revenue

2016/17  
Actual  
**\$296.5M**

2017/18  
Actual  
**\$315.6M**

2017/18  
Annual Plan  
**\$318.3M**

**\$153.0M**  
from rates  
and water  
levy

**\$162.6M**  
from grants  
and other  
sources

## Annual expenditure

2016/17  
Actual  
**\$295.5M**

2017/18  
Actual  
**\$314.5M**

2017/18  
Annual Plan  
**\$311.4M**

## Capital expenditure

2016/17  
Actual  
**\$47.7M**

2017/18  
Actual  
**\$65.7M**

2017/18  
Annual Plan  
**\$82.5M**

## Debt

2016/17  
Actual  
**\$327.5M**

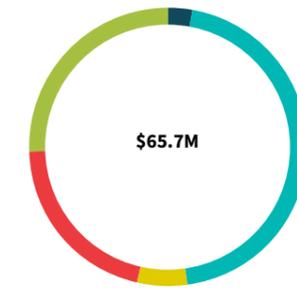
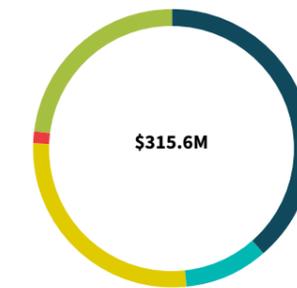
2017/18  
Actual  
**\$379.6M**

2017/18  
Annual Plan  
**\$396.2M**

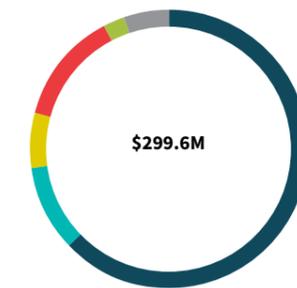
# Financial Summary

Greater Wellington's revenue is sourced primarily through rates and grants from central government. Other revenue sources include water supply levy, fees, charges and investment income.

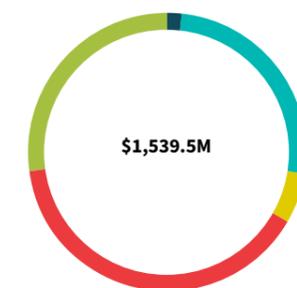
Greater Wellington's capital expenditure highlights infrastructure investment in public transport, flood protection, water supply and parks and forests.



The below pie chart illustrates Greater Wellington's operational expenditure by strategic area outcomes.



The below chart illustrates Greater Wellington's asset base comprising public transport, flood protection, water supply and parks and forests assets. Public transport includes \$398.3m of rail rolling stock and railway station infrastructure owned by Greater Wellington Rail Limited, a Council subsidiary.





## Putting a spotlight on some of the smaller things we do

The following pages highlight some of Greater Wellington's hidden gems – work we do that often is not recognised.

### Akura Nursery

#### Enhancing our local environment, one seedling at a time

On more than 42 hectares near Masterton, a small number of dedicated Greater Wellington staff at Akura Nursery work through the coldest months to provide seedlings, and poplar and willow trees to the region. These plants prevent erosion, enhance soil quality, protect our waterways, increase the region's biodiversity and sequester harmful carbon emissions.

The nursery was developed 33 years ago primarily so we could grow our own poplar and willow trees. This was to meet the demand from our land management teams, who work with farmers across the region to ensure soil quality and hillside erosion is controlled by planned plantings. Developing our own nursery allowed us to create a highly managed system that meets our specific needs. The trees also play a critical role in our flood protection work and riparian planting projects.

Across the 42 hectares are hundreds of planted rows, which accommodate about 20 varieties of poplar and willow trees. The trees are pruned, harvested, and bundled by contractors to prepare them for distribution. Each variety of tree is grown for a specific environment – coastal plantings, swampy land or hillside farms. Both the Akura staff and the land management advisors work hard to ensure that they are providing the right plant for the right spot.

The staff who tend Akura are justifiably proud of what they have achieved in the nursery. In 2007 a retail section was added, selling more than 50 species of native plants propagated from seeds and eco-sourced from across the Wairarapa, alongside fertilizer, spades and other equipment. With the increasing number of lifestyle blocks in the area, the retail side is becoming increasingly popular and customers appreciate the staff's sound advice.

Since the introduction of the retail section, the Akura Nursery has become one of the only nurseries of its kind. It doesn't require any ratepayer funding to provide the willow, and poplar trees for the land management work undertaken across the region. All revenue from retail sales is put back into the nursery to upgrade equipment and fund day-to-day operations.

Akura Nursery is a one-stop shop where you can get the plants and advice to allow those plants to thrive and protect our biodiversity for the future.



## Ramaroa

### Bringing our rich Māori, European and natural heritage to life

The rich Māori, European and natural heritage of Queen Elizabeth Park is on display with the opening of the award-winning Ramaroa Heritage Centre at Mackays Crossing. Ramaroa comprises a large meeting room capable of seating 60 people. This space can be booked by community groups and other organisations for their own activities or to learn more about the park.

The name Ramaroa is Māori in origin with 'rama' meaning light and 'roa' meaning long. Ramaroa can be interpreted as eternal flame or guiding light, projecting a radiance that invites and connects the community and visitors to the park. Naming the building Ramaroa reaffirms the significance of an ancestral connection for the local iwi, Ngāti Toa Rangatira, Ngāti Haumia and Te Ātiawa ki Whakarongotai.

In addition to providing a name, the iwi were involved every step of the way towards its establishment. They provided a cultural impact assessment, set up archaeological protocols for artefacts found during excavation and cultural monitoring during earthworks, blessed the site before commencement, designed the kowhaiwai panels and whakairo (carving), and led the dawn opening ceremony. The project and building represent our partnership with mana whenua in action.

When designing Ramaroa, architect Ben Gilpin drew inspiration from the park's rich and diverse history, from its lengthy Māori heritage as well as US Marines occupation during World War Two. The building, which has been recognised with two 2018 Wellington/Wairarapa Architectural Design Awards, a 2018 NZ Signs Award and the Window Association of NZ Design Award 2018, reflects this heritage.

It refers both to the traditional Māori whareniui and the tent structures from the Marine camp. Two separate gable buildings are linked by a gullwing roof. Ramaroa's central support posts are adorned with a Manaia guardianship figure, showing kaitiakitanga for our people, flora and fauna – the taonga of Queen Elizabeth Park. The roof, tilted walls and large decks reference both a traditional Māori 'whareniui' and military style tents used by US Marines who once occupied this area.



## Biosecurity

### Innovation and working with local communities are the way forward

Smothering, strangling, displacing, infecting, browsing, killing. There are many ways pest plants and animals can seriously threaten the health of our native and productive plants and animals and, as a consequence, undermine our biodiversity and primary production. In the past year we've made great progress in using innovative methods, and exciting new equipment to improve our biodiversity through biosecurity measures.

In Te Ahumairangi Hill we're partnering with Wellington City Council to investigate the successful control of rat numbers *without* poison. This would not only save costs in servicing bait stations each year, but also would reduce the risk to other animals that aren't targets. The replacement bait of choice? Chocolate. Our biosecurity team has set up several self-setting traps with chocolate lures that are checked every three months.

The rodent numbers are being monitored by tracking tunnels – tubes with ink on the floor that show footprints. These are showing numbers remaining at low levels. The site also has chew cards with peanut butter smeared on them. These let us know what kind of pests are visiting by looking at bite marks left in the cards. They're being used at the Te Ahumairangi Hill to monitor possums, and so far none has been found thanks to the ongoing work around the rest of the town belt. The chew cards are used to great effect throughout the region to understand what pests we're dealing with.

Porirua Scenic Reserve is a beautiful example of lowland kohekohe podocarp and tawa podocarp forest that has been receiving a greater level of protection from our biosecurity staff. We're working with Porirua City Council to tackle several pests, including tradescantia, old man's beard, gorse, broom, possum, stoat, hedgehog, feral cat, rats and stock that occasionally find a hole in the fence. A total of 214 bait stations control possums and rats, and 31 traps for stoats, are all checked every three months. Since our work started in 1995, there has been a significant increase in birds such as tui and grey warbler, and self-introductions of kākāriki and bell bird.

There are other areas where we are starting to see fantastic results after many years of work to control pest animals. A great example is the rook programme. Rooks are large black birds with glossy feathers that are native to Great Britain and Europe. They like to eat crop seedlings. This often means entire paddocks have to be re-sown. From 1985 to 1994, the number of rooks increased tenfold in our region. Since 1992 we've been working hard to bring numbers back down, and in the past 10 years they have decreased across the region by 86% as a result.

Our fleet of vehicles has also been updated with new technology. Our new whisper-quiet electric farm bikes are perfect for night shooting of possum, rabbits and hares as the team can almost silently cover ground. The new e-bikes are also very lightweight and able to manoeuvre on tight tracks, so it's possible to cover a much larger area than on bulky regular motorbikes. The e-bikes are also very environmentally friendly.

We are tackling these and many more biosecurity issues across the region by planning for the next 20 years with the proposed Regional Pest Management Plan 2019-2039. Submissions for the plan ended in July 2018. After public hearings late in 2018, the new plan is on track to be adopted in early 2019.



# The Ruamāhanga Whaitua Committee

## Success through community engagement

The Ruamāhanga Whaitua Committee has worked with the community, scientists and leaders over the last four years studying the whaitua (water catchment area). The study is aimed at understanding whaitua characteristics, the pressures facing it, alongside the cultural, economic, and environmental values the community associate with its waterbodies, and management options appropriate to its unique waterways and communities.

The Whaitua Committee members are appointed following a public submission period to form a group of local people tasked with recommending ways to maintain and improve the quality of our fresh water. The Ruamāhanga Whaitua Committee was established in December 2013, and is working to produce a Whaitua Implementation Programme (WIP). That programme will contain recommendations for the integrated management of land and water resources within the catchment.

During 2017/18, the Committee finalised the full range of recommendations including acceptable limits of water usage for urban and rural users, these recommendations will go on to form their Whaitua Implementation Programme, which will be presented to Council in the first quarter of the next financial year. A Whaitua Implementation Programme describes the ways the community who live within the whaitua want to manage their water now and for future generations, through a range of integrated tools, policies and strategies.

When the recommendations from the Whaitua Implementation Programme are adopted these will be incorporated into our Natural Resources Plan.

Getting to this stage has involved a truly connected community engagement effort. In April/May 2018, the Whaitua Committee went back to speak at community halls where they had met over the previous four years building the plan, to share with the community the draft recommendations. This was part of a long series of engagement sessions and knowledge gathering which had helped shape the Ruamāhanga Whaitua Implementation Programme.

The Ruamāhanga Whaitua Committee was the first committee to be established and reaching this point has shown us the benefits of this collaborative policy development and the confidence, trust and belief the Committee expressed in front of their peers. The credit for producing such a powerful and challenging document goes to the community-led process and ultimately the people of Wairarapa for supporting the Committee.

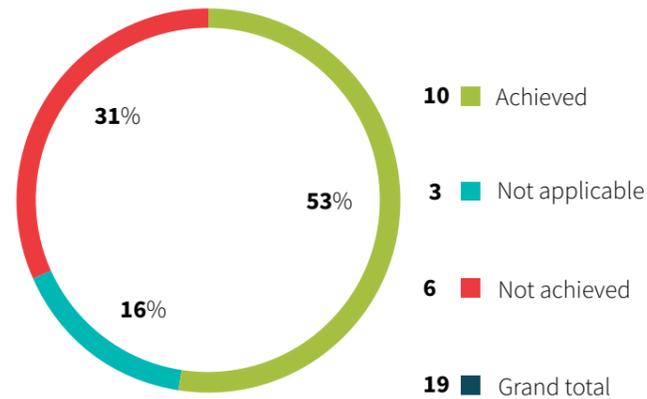
# Regional leadership – Ngā Kaihautū o te Rohe

Our Regional Leadership activities focus on the things that really matter to our communities - providing for economic growth and opportunity, resilient infrastructure, civil

defence, a world-class transport network, and a beautiful and healthy environment.

## What we did:

- Māori cultural heritage and values strongly reflected in the development of key strategic documents;
- Progressing the development of a Wellington Regional Investment Plan in partnership with other local agencies and central government;
- Completion of a review of the Regional Land Transport Plan which supports the funding decisions of central government for the region's transport needs now and in the future, including Let's Get Wellington Moving;
- Significant work by the Wellington Regional Emergency Management Office and partners to improve our response and resilience to emergency events in the region.



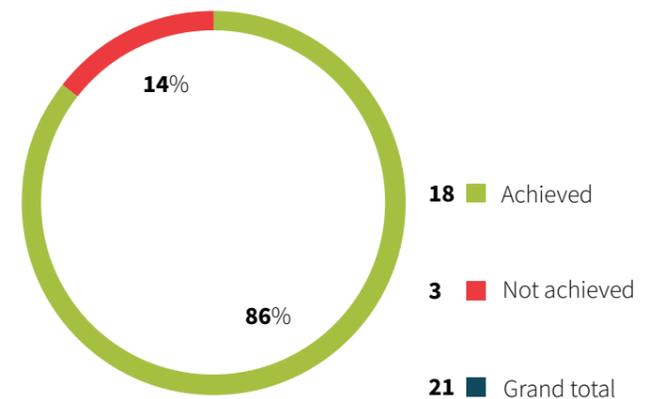
# Public transport – Ngā Waka Tūmatanui

Through our public transport network which includes the buses, trains and ferries we strive to seamlessly connect the communities across our region to the places where they live, work and play. As a region we have a culture of

using public transport and we are committed to providing high quality public transport solutions that are accessible to all.

## What we did:

- Significant preparation for the roll-out of the new Metlink network transition.
- Integrated fares and ticketing to support the network roll-out using Snapper as an interim ticketing solution.
- A new fare structure was prepared for roll-out of the new network – 25% off-peak discount, 25% tertiary concession, 50% accessible concession and free bus transfers within a 30 minute window.
- Increased rail capacity on the Kapiti line.
- Additional park & ride facilities to cater for the ever growing number of commuters.
- Provided a subsidised taxi service for those members of the public unable to use buses or trains.

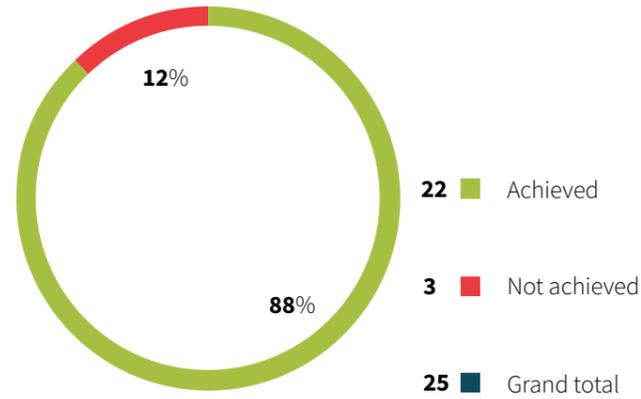


# Water supply – Ngā Puna Wai

Future proofing the region’s bulk water supply to the four cities (Wellington, Hutt, Upper Hutt and Porirua) for the immediate future and for generations to come.

## What we did:

- Provided safe drinking water to the four cities.
- Undertook investigative work into options for an alternative water supply to Wellington – cross harbour pipeline or bores.
- The replacement value of the Water Supply assets increased to \$1.151m, a 39% increase.
- Upgraded the Waterloo Water Treatment Plan to add ultraviolet (UV) light and chlorine disinfection to the treatment process in response to discovery of *E. coli*.



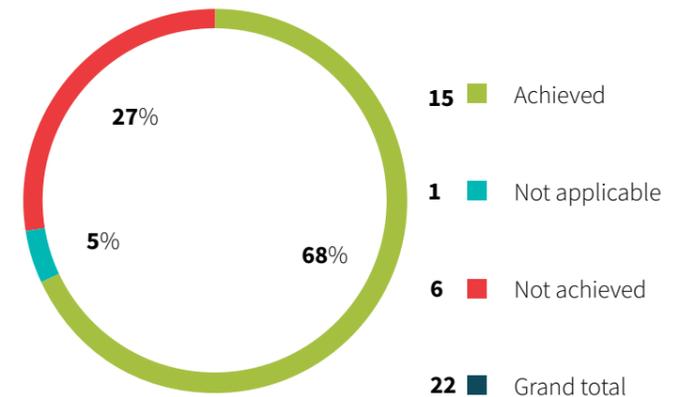
# Environment – Te Taiao

Greater Wellington is one of the entities who have a role in looking after our environment. We are a regulator and also a provider of services. We invest in environmental

assets and services because they matter not only for the communities in our region but for all New Zealanders.

## What we did:

- Progressed the proposed Natural Resources Plan. The Plan is designed to integrate the Wellington Region’s five existing regional plans – the Regional Coastal Plan, Regional Freshwater Plan, Regional Soil Plan, Regional Air Quality Management Plan and Regional Plan for Discharges to Land. Developed with others and through partnership with mana whenua, the proposed Plan recognises the relationship that Māori with ancestral claims to the region have with the region’s natural and physical resources.
- We have worked with landowners to improve water quality and protect other sites of importance throughout the region, for example we worked with landowners to install fencing to exclude stock and planted poplar and willow poles to address issues of land erosion.
- Joined with Wellington City Council and the Next Foundation to be part of the Predator Free Wellington project.
- Continued to monitor air, water and soil quality in the region.



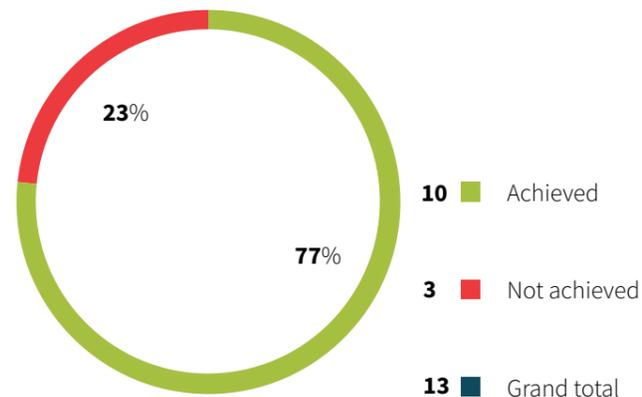
# Flood protection and control works – Te Tiaki me te Arahi Waipuke

Greater Wellington is responsible for managing flood risk from the region's rivers and streams. We develop floodplain management plans, provide a free advice and consultation service, maintain and build flood protection

infrastructure, work with the community to improve the environment and recreational opportunities and provide flood warnings.

## What we did:

- The preliminary design was completed and approval given by Hutt City Council and Greater Wellington Regional Council to proceed to detailed design and consenting.
- A number of native planning projects were undertaken across the region working with Friends of the Rivers and Streams groups. These initiatives contribute to the environmental enhancement works under the Environmental Strategy Implementation outcomes.
- Some unplanned activity such as Pinehaven Reserve planting in support of Pinehaven School, an upgrade from the Chrystalls Bend stopbank in Otaki and ground surface improvements to the Jim Cooke Park stopbank.



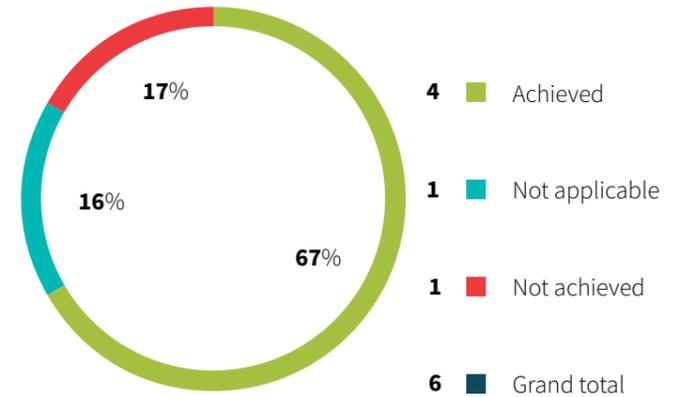
# Parks – Ngā Papa Whenua

Greater Wellington's regional parks are a place for everyone to explore, learn about our vast natural history and protect our biodiversity.

We manage nine parks and two water collection areas across the region, totalling over 50,000ha. Each one is a unique natural area: together they offer a huge range of recreational opportunities and experiences.

## What we did:

- We went out to the community with *Everything is Connected*, a discussion document on the Parks Network Plan seeking community feedback to inform our next plan.
- We signed a long term lease for Riding for Disabled at Battle Hill Farm Forest Park.
- A new "bike skills" area at Stratton Street, Belmont Regional Park, was opened – proving very popular with children and adults alike.
- We continued to maintain and improve the facilities available to the public, which is especially important given the continued growth in visitors and campers to our regional parks.
- We opened Ramaroa, a brand new facility at Queen Elizabeth Park. Read the full story on page 13.



## Our regional parks, forests and trails

**Akatarawa Forest:** 15,000 hectares of rugged wilderness between Upper Hutt and the Kāpiti coast, popular for motorised recreation, mountain biking, horse riding, hunting and tramping.

**Battle Hill Farm Forest Park:** a working farm, wetlands and remnant forest, plus a popular campground and site of one of the last battles between Māori and early colonial forces.

**Belmont Regional Park:** the open hills and forested valleys 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 Parangarau Lakes.

**Kaitoke Regional Park:** Rata, rimu and beech shelter the Te Awa Kairangi/Hutt River gorge, with swimming holes, bushwalks, campsites, and the film setting for “Rivendell” in *The Lord of the Rings*.

**Pakuratahi Forest:** home to the Remutaka Rail Trail over restored railway bridges and through historic tunnels. Extensive horse riding and mountain biking trails near the popular Tunnel Gully and Mt Climie.

**Queen Elizabeth Park:** 638 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. Site of the historic Lower Dam, one of the first water supply dams for Wellington City.

While not a regional park, **Whitireia Park** is jointly managed via a park board with Ngāti Toa Rangatira and serviced by Greater Wellington. It has great views of Porirua Harbour and Mana Island, coastal cliffs, beaches and streams with swimming, snorkelling, rock climbing and golf.

As well as the parks 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 1 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.

### Ōtaki 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.



# Financial Statements

## Summary statement of comprehensive revenue and expense for the year ended 30 June 2018

	Greater Wellington			Greater Wellington Group	
	2018 Actual \$000s	2018 Budget \$000s	2017 Actual \$000s	2018 Actual \$000s	2017 Actual \$000s
Operational revenue	297,507	294,414	283,046	374,074	349,465
Finance costs	(19,843)	(19,921)	(16,477)	(32,170)	(27,039)
Operational Expenditure	(291,739)	(291,516)	(277,937)	(382,360)	(359,652)
<b>Operational surplus / (deficit) for the year before transport improvements</b>	<b>(14,075)</b>	<b>(17,023)</b>	<b>(11,368)</b>	<b>(40,456)</b>	<b>(37,226)</b>
Transport Improvement Grants and subsidies	16,406	23,905	13,419	16,406	13,419
Transport improvement expenditure	(1,262)	-	(1,056)	(1,262)	(1,056)
<b>Net revenue / (expenditure) for transport improvements</b>	<b>15,144</b>	<b>23,905</b>	<b>12,363</b>	<b>15,144</b>	<b>12,363</b>
<b>Surplus / (deficit) for the year before tax and fair value gains / (losses)</b>	<b>1,069</b>	<b>6,882</b>	<b>995</b>	<b>(25,312)</b>	<b>(24,862)</b>
Share of Equity accounted investments surplus / (deficit)	-	-	-	23,081	(18,569)
Fair value gains / (losses) in profit and loss	(8,684)	9,250	17,918	(881)	28,248
Earthquake related items	-	-	-	19,359	87,325
Tax on continuing operations	-	-	-	1,254	(10,884)
<b>Surplus / (deficit) after tax</b>	<b>(7,615)</b>	<b>16,132</b>	<b>18,913</b>	<b>17,501</b>	<b>61,258</b>
<b>Other comprehensive revenue and expense</b>					
Increases / (decreases) in revaluations	195,041	54,655	67,107	195,041	13,045
Fair value movements in other comprehensive revenue and expense	-	-	-	-	-
<b>Total comprehensive revenue and expense for the year</b>	<b>187,426</b>	<b>70,787</b>	<b>86,020</b>	<b>212,542</b>	<b>74,303</b>
<b>Attributed to:</b>					
Non controlling interest				203,742	73,778
Equity holders of the parent				8,800	525
<b>Total comprehensive revenue and expense for the year</b>	<b>187,426</b>	<b>70,787</b>	<b>86,020</b>	<b>212,542</b>	<b>74,303</b>

## Summary statement of changes in equity for the year ended 30 June 2018

	Greater Wellington			Greater Wellington Group	
	2018 Actual \$000s	2018 Budget \$000s	2017 Actual \$000s	2018 Actual \$000s	2017 Actual \$000s
Equity - opening balance as at 1 July	919,986	880,067	833,966	1,175,160	1,101,023
Total comprehensive revenue and expense for the year	187,426	70,787	86,020	212,542	74,303
Dividend to non controlling interest	-	-	-	(462)	(162)
<b>Closing equity at 30 June</b>	<b>1,107,412</b>	<b>950,854</b>	<b>919,986</b>	<b>1,387,241</b>	<b>1,175,160</b>
<b>Equity attributed to:</b>					
Equity holders of the parent	1,107,412	950,854	919,986	1,333,130	1,129,389
Non controlling interests	-	-	-	54,111	45,771
<b>Closing equity at 30 June</b>	<b>1,107,412</b>	<b>950,854</b>	<b>919,986</b>	<b>1,387,241</b>	<b>1,175,160</b>

## Summary statement of financial position

As at 30 June 2018

	Greater Wellington			Greater Wellington Group	
	2018 Actual \$000s	2018 Budget \$000s	2017 Actual \$000s	2018 Actual \$000s	2017 Actual \$000s
Current assets	119,341	73,633	85,254	191,537	157,295
Non-current assets	1,454,132	1,300,078	1,243,288	1,848,456	1,638,547
<b>Total assets</b>	<b>1,573,473</b>	<b>1,373,711</b>	<b>1,328,542</b>	<b>2,039,993</b>	<b>1,795,842</b>
Current liabilities	144,820	192,857	143,039	177,220	149,389
Non-current liabilities	321,241	230,000	265,517	475,532	471,293
<b>Total liabilities</b>	<b>466,061</b>	<b>422,857</b>	<b>408,556</b>	<b>652,752</b>	<b>620,682</b>
<b>Net Assets</b>	<b>1,107,412</b>	<b>950,854</b>	<b>919,986</b>	<b>1,387,241</b>	<b>1,175,160</b>
Equity attributed to:					
Equity holders of the parent	1,107,412	950,854	919,986	1,333,130	1,129,389
Non controlling interests	-	-	-	54,111	45,771
<b>Total equity</b>	<b>1,107,412</b>	<b>950,854</b>	<b>919,986</b>	<b>1,387,241</b>	<b>1,175,160</b>

## Summary statement of cashflows

for the year ended 30 June 2018

	Greater Wellington			Greater Wellington Group	
	2018 Actual \$000s	2018 Budget \$000s	2017 Actual \$000s	2018 Actual \$000s	2017 Actual \$000s
Cashflows from operating activities	18,102	25,046	33,525	24,864	22,547
Cashflows from investing activities	(65,296)	(81,316)	(48,579)	(55,540)	27,759
Cashflows from financing activities	52,156	60,288	13,119	33,694	(53,013)
<b>Net increase / (decrease) in cash, cash equivalents</b>	<b>4,962</b>	<b>4,018</b>	<b>(1,935)</b>	<b>3,018</b>	<b>(2,707)</b>
Opening cash equivalents	346	17,300	2,281	567	3,274
<b>Closing cash equivalents</b>	<b>5,308</b>	<b>21,318</b>	<b>346</b>	<b>3,585</b>	<b>567</b>

The full financial statements presented in the Annual Report 2017/18 have been audited and have an unqualified audit opinion.

Greater Wellington's full financial statements have been prepared in accordance with PBE Standards.

Specific disclosures included in the summary financial statements have been extracted from the full financial statements. These financial statements contain no information that has been restated or reclassified.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

The full financial statements can be obtained from the Greater Wellington website.

The financial statements are denominated in NZ\$.

The summary financial statements comply with PBE FRS 43 – Summary financial statements.

# Explanations to financial variances from budget

## 1. Operational revenue

The operational revenue is higher mainly due to additional rail fare revenue, external contribution to National Ticketing Programme, interest revenue and a one-off earthquake insurance payout, partially offset by lower rates revenue and NZTA grants and subsidies.

## 2. Operational expenditure and finance costs

The operational expenditure and finance costs are in line with the budget.

## 3. Transport improvements grants and subsidies

Transport improvements revenue is significantly lower than budget due to lower claimable costs for key transport programs and projects.

## 4. Fair value

Fair value is significantly unfavourable to budget due to a decrease in the fair value of the swaps from declining market interest rates and write-down of the Wellington Regional Stadium Trust advance.

## 5. Total assets

The total assets have increased mainly due to the revaluation of water supply and parks infrastructure, investments in water quality, Riverlink and key transport projects.

## 6. Total liabilities

The total liabilities are higher due to an unfavorable fair value movement for derivative.

## 7. Cash flow

Overall cash and cash equivalents are significantly lower than budget due to a lower opening cash position which reflects the change on investment portfolio to a longer term.

Refer to the Annual Report for the detailed explanations to financial variances from budget.

# 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. The insurance claim process has commenced and engineering damage assessments are being completed. Extensive repairs are still to be commenced and this brings considerable uncertainty in relation to the final quantification of insurance claims. The Group is working closely with independent advisors and the insurers assessors to progress the claim.

The Group has separate insurance policies for CentrePort and CentrePort Properties Limited. The Group received \$100m of progress payments in 2018 for claims on these policies of which \$60m related to CentrePort and \$40m related to CentrePort Properties Limited.

CentrePort 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 \$60m were received by CentrePort in the year ended 30 June 2018 (2017: \$100m) bringing total progress payments received to 30 June 2018 to \$160m. These payments are applied to business interruption (loss of rents and temporary works) in the first instance and secondly to material damage.

CentrePort Properties Limited, including its associate entities (SPVs) has a total insured value of their property portfolio of \$276.8m including loss of rents (of up to \$49.8m). The indemnity period is 36 months.

CentrePort Properties Limited is managing the insurance claim for each of the SPVs and is responsible for distribution of non specific progress payments received to date. CentrePort Properties Limited allocates progress payments to each SPV based on the current assessment of the claim as advised by the insurers assessor.

CentrePort Properties Limited received a progress payment of \$40m in the year ended 30 June 2018 (2017: \$10m) bringing total progress payments received to date to \$50m. An allocation totalling \$41.0m (2017: \$7.2m) has been made to the SPVs.

# Events occurring after the balance date

No dividend was declared post balance date by WRC Holdings (2017: Nil).

Subsequent to balance date, CentrePort received a non-specific insurance advance of \$50m and CentrePort Properties Group received a non-specific insurance advance of \$50m, of which \$3.6m has been allocated to Harbour Quays A1 Limited and \$46.3m to Harbour Quays F1F2 Limited.

Subsequent to balance date, CentrePort Properties Ltd and the insurers have agreed terms for a final settlement

of the insurance claim for CentrePort Properties Ltd, Harbour Quays A1 Ltd, Harbour Quays D4 Ltd and Harbour Quays F1F2 Ltd. At the date of signing, the final settlement documentation has not been finalised.

Financial statements will be authorised for issue by Council on 31 October 2018.

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 2018

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 2018.

The summary of the annual report comprises the following summary statements on pages 3 to 29:

- the summary statement of financial position as at 30 June 2018;
- 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 2018;
- the notes to the summary financial statements that include other explanatory information; and
- the summary non-financial information 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 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 2018 in our auditor's report dated 31 October 2018.

That report also includes an emphasis of matter paragraph drawing attention to Note 8 of the full annual report which explains the material impact of the Kaikoura earthquake on the Group. This note explains and links to other disclosures in the financial statements that outline the assumptions around the insurance proceeds expected to be received, and the extent of impairment of assets, and related tax treatment, and the significant uncertainties and judgements 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 the significant uncertainties and judgements involved in estimating earthquake related costs and insurance proceeds.

Information about this matter is included in the summary of the annual report on pages 28 and 29.

### 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.

In addition to reporting on the summary annual report, we have reported on the full annual report, we have audited the Regional Council's 2018-28 long term plan, performed a limited assurance engagement related to the Regional Council's debenture trust deed, and a probity audit for the Public Transport Operating Model. Other than this reporting and these engagements, we have no relationship with, or interests in, the Regional Council or its subsidiaries and controlled entities.



### Jacques Coetzee

Audit New Zealand  
On behalf of the Auditor General  
Wellington, New Zealand  
31 October 2018

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