

HE WHAKARĀPOPOTO I TE PŪRONGO Ā-TAU 2018/19

SUMMARY OF THE ANNUAL REPORT 2018/19



1 JULY 2018–30 JUNE 2019



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao





CONTENTS

3

Welcome to our Summary of the Annual Report 2018/19

5

Our year in review

19

Summary of financial performance

24

Explanations to financial variances from budgets

4

Who we are and what we do

16

Performance summary

22

Financial statements

26

Audit report

Every year we produce an Annual Report of our actual performance against our intended activities and level of performance as included in our Long Term Plan and Annual Plan.

To make this information more accessible, we also produce this Summary of the Annual Report, a shorter version that gives you a snapshot the work that we have delivered and how our finances were managed from 1 July 2018 to 30 June 2019.

If you would like to access the full Annual Report 2018/19 please visit www.gw.govt.nz/annual-report/



ANEI TĀ MĀTOU WHAKARĀPOPOTO I TE PŪRONGO Ā-TAU 2018/19

WELCOME TO OUR SUMMARY OF THE ANNUAL REPORT 2018/19

Kia ora koutou,

This summary report provides a snapshot of the detail contained in our full Annual Report 2018/19. The first year into our Long Term Plan 2018-28, this felt like the most challenging year in the history of the Greater Wellington Regional Council.

The launch of the region's new bus network, alongside a wide range of changes, did not go smoothly and our customers were directly and significantly impacted. There was much attention and feedback as we encountered scheduling, capacity and workforce-related issues. An ambitious and difficult plan was never going to proceed without issues, and, difficult though the experience was, we still feel that we are on the right course for Wellington.

Outside of public transport, we made some great breakthroughs across many aspects of our work, some unthinkable a year ago. We've heard the rising chorus of concern from the community on climate change and we've redoubled our efforts to address the issues it poses. Our focus has been to work with regional partners to build shared understanding of the regional impact of climate change, an essential pre-cursor to far-reaching decisions that will have to be made in the future.

Our new Regional Pest Management Plan 2019-2039 puts us on track to minimise threats to native plants and animals, and foster healthy ecosystems throughout our region.

Investment in our regional parks and forests has seen a steady increase in visitor numbers and, with the help of dedicated volunteers, we planted an incredible 52,000 trees over the year.

This past year also saw the completion of the implementation programmes for Ruamāhanga Whaitua and Te Awarua-o-Porirua Whaitua, and the introduction of Whaitua te Whanganui-a-Tara, the third of our community-led collaborative processes to improve the health of our land and waterways. This committee works with stakeholder organisations, mana whenua and local communities to improve the health of the waterways in the Te Whanganui-a-Tara catchment, which extends from Upper Hutt in the north to Wellington city in the south, Wainuiomata in the east and Makara in the west.

We hope you enjoy this insight into our year. We couldn't achieve our vision of creating an extraordinary region that is connected, thriving and resilient without you, our partners, stakeholders and communities. Thank you for being on the journey with us.

Nāku noa, nā



Chris Laidlaw,
Chair



Greg Campbell,
Chief Executive

MŌ MĀTOU ME Ā MĀTOU MAHI

WHO WE ARE AND WHAT WE DO

As the regional council for the Wellington Region, we are responsible for a wildly diverse range of activities around our region. This sees us delivering public transport across the region to monitoring rivers and lakes in the Wairarapa to managing nine geographically unique regional parks and forests, and a number of other recreational areas.

Our region makes up 3 percent of New Zealand's total land area, covering a total of 8,049km².

Almost 500km of coastline runs from the Tasman Sea to the Pacific Ocean and we have a coastal marine area of 7,867km². Of the 320km of rivers and waterways weaving across the region, we manage 280km of stopbanks along them. The region is also home to 521, 500 people¹ and has a GDP of \$37.1 billion, or 13 percent of the national GDP.²

At Greater Wellington Regional Council, we have a vision for our region to become an extraordinary region – thriving, connected and resilient.

Our core role is to protect the environment while enabling sustainable economic development. We provide leadership, infrastructure and services to help connect and grow our region. Along with our mana whenua partners, we protect our region's waterways and land.

Our Long Term Plan 2018-28 sets out the work we planned to deliver in our six groups of activities. This work contributes to the achievement of our five community outcomes.

¹ Subnational population estimates at 30 June 2018 provisional, Statistics NZ, 2018.

² Regional GDP 2018 – Wellington, Statistics NZ, 2018.



KO NGĀ HUA MŌ TE HAPORI COMMUNITY OUTCOMES

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 communications networks are effective and accessible
Resilient Community	A regional community that plans for the future, adapts to climate 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	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

Baring Head, Photo by Shanon Stevens



NGĀ MAHI A TE PANE MATUA TAIAO

ACTIVITIES OF GREATER WELLINGTON

We aim to improve the wellbeing of our region's people by achieving the five community outcomes through the work of six groups of activities:



Flood protection and control works



Regional parks and forests



Metlink public transport



Regional leadership



Environment



Water supply

East Harbour, Photo by Shanon Stevens



HE AROTAKE

I TE TAU KUA HURI

OUR YEAR IN REVIEW



PLEASE DO NOT FEED THE BIRDS OR OTHER WILDLIFE. PLEASE DO NOT FEED THE BIRDS OR OTHER WILDLIFE.



PROTECTING OUR ENVIRONMENT AND NATURAL RESOURCES

One of our core roles as a regional council is to protect the environment, and we have taken great steps towards this in the 2018/19 year.

After 10 years of development, we released the latest stage of our ambitious Proposed Natural Resources Plan, which provides a blueprint for the positive management of our natural resources.

We introduced our new Regional Pest Management Plan 2019-39, which will keep biodiversity thriving and help us remove unwanted pest plants and animals from our region. We also established the Wellington Regional Biodiversity Framework Project, which connects efforts to protect and enhance biodiversity and to design a shared way forward. The project is a partnership between Greater Wellington, mana whenua partners, the Department of Conservation and the wider community.

South Coast, Photo by Ian Robertson

Our community-led whitua (catchment) work continued this year, with the introduction of Whitua te Whanganui-a-Tara, the third of our committees that work with a range of stakeholder organisations, mana whenua and communities to identify what is needed to support better stewardship of water. This year we also completed two whitua committees in the catchments of Ruamāhanga and Te Awarua-o-Porirua Whitua (Porirua Harbour).

The Wellington Region Erosion Control Initiative received \$500,000 of extra funding from the Ministry for Primary Industries relating to the new One Billion Trees programme to support this initiative. This funding boost enabled an additional 195 hectares of erosion-prone land to be treated in 2018/19.

TAKING STEPS TOWARDS A WORLD-CLASS, INTEGRATED PUBLIC TRANSPORT NETWORK

This year the troubled overhaul of the Wellington city bus network led to some strong customer dissatisfaction and subsequent negative media coverage. Issues around poor punctuality and reliability, exacerbated by a shortage of bus drivers, meant many of our performance targets for public transport were not met. Resourcing issues continue to be addressed through initiatives such as an ongoing bus driver career recruitment campaign and working with communities to address any remaining network design challenges.

These issues overshadowed the positive aspects of the network change; including increased all day and weekend services, a better geographical spread of services and cheaper fares for many customers.

Annual passenger boardings on buses were 24.7 million passengers in June 2019, growth of over 4 percent year on year across the region. In Wellington city growth was 5.2 percent year on year.

With the rail network we developed a business case for new trains on the Wairarapa and Manawātū lines and started a multi-year programme to renew KiwiRail's ageing rail network. This has been our busiest year yet for our regional rail network with an all-time patronage high of 14.3 million passenger journeys, which is 771,000 more than the previous year.

Lambton Quay, Photo by Shanon Stevens





ANZ

OLD BANK SHOPPING ARCADE

MOJO

onebitz

WILLIAMS GROCER







ENSURING OUR COMMUNITIES AND INFRASTRUCTURE ARE RESILIENT

Greater Wellington has continued to play our part in building our region's resilience to the changing climate, curbing our carbon emissions and reducing our carbon footprint. We worked closely with all councils in the region on a number of climate change initiatives, including the Wellington Region Natural Hazards Management Strategy. Greater Wellington also took steps towards reducing carbon emissions for the organisation and the region.

Overall, relationships with mana whenua are generally progressing well. Council has been working closely with Ara Tahi to consider its purpose moving forward into the next triennium, and a new draft model has been created for consideration by the incoming council. Greater Wellington supports its mana whenua partners exercising their tino rangatiratanga rights which Te Ātiawa ki Whakarongotai (AKW) has by stepping away from Ara Tahi. Greater Wellington will hold the AKW vacancy at Ara Tahi as AKW continues to engage in programmes specific to their rohe.

This year saw the development and finalisation of the Wellington Regional Investment Plan, a long-range blueprint that details the investment required over the next 30 years to ensure future success and improve the quality of life for the Wellington Region. This was developed in partnership with the eight territorial authorities across the region.

We also started work on a regional Māori Economic Development Strategy and action plan, focused on improving Māori wellbeing.

A major milestone was the government's announcement of a funding package for the Let's Get Wellington Moving programme, which received unanimous support from both Wellington City Council and Greater Wellington. This programme will help move more people using fewer vehicles, while supporting the growth of the city and region, and make it safer and easier to get around.

Progress was made to help prepare the region for an emergency. The Earthquake Planning Guide was translated into 16 languages to ensure our communities are all equally prepared to respond during an earthquake.

The Hutt River revitalisation project, RiverLink, a joint initiative between Greater Wellington, NZ Transport Agency and Hutt City Council, represents a major, multi-year project for us with significant investment required over the next 10 years. Despite some challenges and minor delays over the year, the project has progressed well, including project management establishment, appointment of design consultants, and property acquisitions.

PROVIDING HIGH-QUALITY DRINKING WATER

Wellington Water had a busy year ensuring the community remains confident in the quality of the water we provide. All performance targets were met, with one exception – the provision of a continuous and secure bulk water supply. A capacity constraint was identified at the Te Marua water treatment plant. This reduced the capacity of the plant to deliver water, affecting the drought resilience of the bulk network and resulting in the 1 in 50-year target not being met. Plans are being developed to address this.

The renewal programme progressed well and will continue into the next year.

Our reservoir seismic strengthening work also continued with completion of the detailed design of the Wainuiomata reservoir and we expect construction to start during the summer months.

We continued to explore options for an alternative water source for Wellington city by completing the harbour bores investigation. This turned out not to be a viable option, so the cross-harbour pipeline remains the preferred option and is being further developed.

Owhiro Bay, Photo by Shanon Stevens



HE WHAKARĀPOPOTO TUTUKINGA

PERFORMANCE SUMMARY

Greater Wellington measures its performance against 65 targets within six areas of focus. In the 2018/19 year, we achieved 46 of our targets (71 percent).

Te Taiao **Environment** 13/17 targets met

Regulating and monitoring the use of our region's natural resources

Some of our performance results

- In the past year, the community in Miramar has trapped 2,949 rats, 10 stoats, 174 hedgehogs and 2,937 mice
- Wellington Region Erosion Control Initiative planted more than 210,000 trees, including 21,500 willow and poplar trees, 180,500 exotic forestry and 8,500 natives on 718ha of erosion-prone land

Ngā Puna Wai **Water Supply** 18/19 targets met

Providing safe drinking water and future-proofing bulk water supply to Wellington, Lower Hutt, Upper Hutt and Porirua cities

Some of our performance results

- Provided safe drinking water to the four cities (Wellington, Lower Hutt, Upper Hutt and Porirua)
- No waterborne disease outbreaks
- No complaints related to bulk water supply, water clarity, odour or flow
- No events preventing the continuous supply of drinking water to consumers

Ngā Waka Tūmatanui **Metlink Public Transport** 2/14 targets met

Managing the Metlink public transport network and delivering public transport services to the regional populations

Some of our performance results

- For bus and rail services, we did not meet a number of targets for satisfaction, reliability or punctuality
- Three out of four targets related to bus services leaving and arriving on time (within 5 minutes) fell below the 90% target
- For rail, we missed our target of 90% for scheduled services on time
- Growth in patronage across the Metlink public transport and rail networks

Ngā Kaihautū o te Rohe **Regional Leadership** 3/4 targets met

Working with partners to facilitate and achieve shared decision making across the region

Some of our performance results

- Increased number of adults participating in sustainable transport initiatives
- Increase in the number of households with sufficient emergency food and water to last at least seven days

Te Tiaki me te Arahi Waipuke

Flood Protection

4/5 targets met

Managing flood risk from our region's rivers and streams

Some of our performance results

- Major flood protection and control works were maintained, repaired and renewed to key standards
- Structural improvements were implemented from Floodplain Management Plans
- 320,000 m³ of gravel was extracted from our region's river systems
- 12,400 native plants and 13,400 willow poles were planted to strengthen river buffers

Ngā Papa Whenua

Regional Parks and Forests

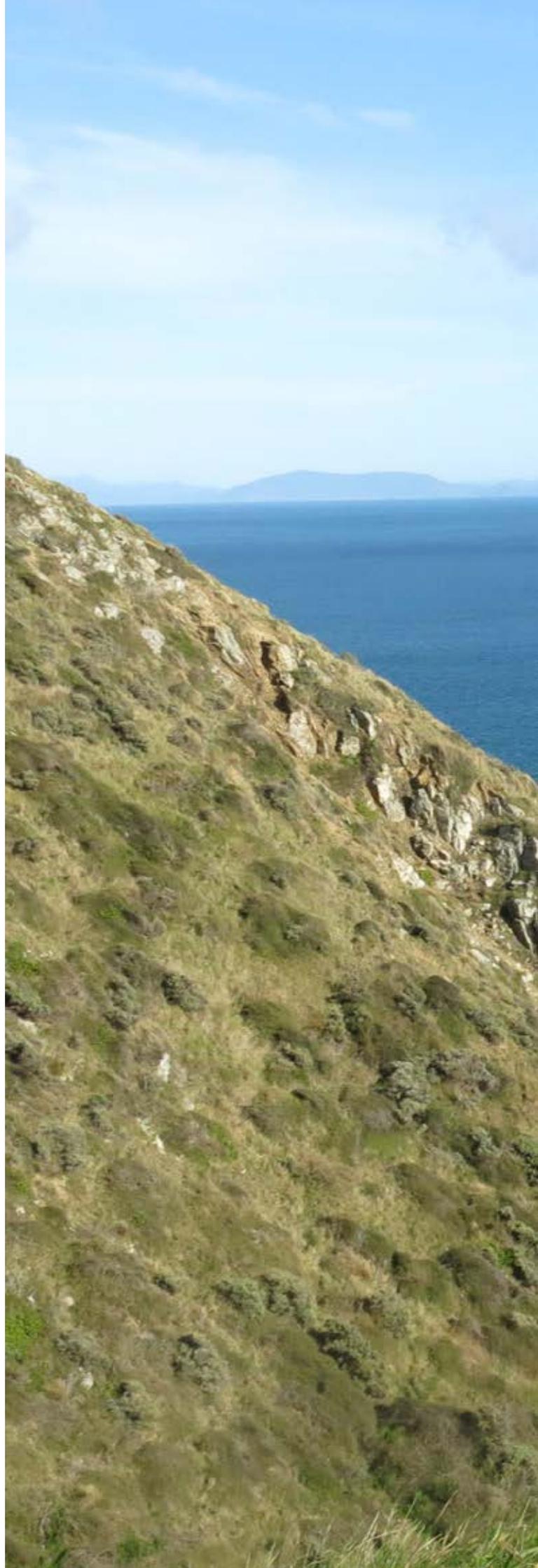
6/6 targets met

Managing nine unique parks and two water collection areas across the region

Some of our performance results

- 74% of the region's population visited a regional park in the last 12 months
- 1.84 million visits to a regional park
- 95% of visitors were satisfied with their park experience
- 52,000 trees planted

Whitireia Park, Photo by Shanon Stevens





HE WHAKARĀPOPOTO TUTUKINGA Ā-PŪTEA

SUMMARY OF FINANCIAL PERFORMANCE

In 2018/19 we continued to focus on enhancing our financial management and sound financial position, performing strongly in managing operating costs.

Our overall operating deficit, excluding capital grants, was held to \$2.5 million more than budgeted. This represents just 0.6 percent of our total overall operating costs. While there were a number of operational issues within public transport, the operating result was only slightly below the budget.

In other activities there have been a number of contributing factors, many of which have had an offsetting effect. The two with the largest impacts relate to:

- Costs associated with the RiverLink project, which were incurred through the purchase of land and the planned demolition and removal of unused buildings to make way for the Hutt River project

- Investments in our core Information, Communication and Technology systems including a review of the core financial and asset management systems

The reported year-end deficit before other items and tax of \$3 million (including capital grants) was \$15.5 million unfavourable to budget. The primary driver of this was lower transport improvement grants and subsidies of \$13 million reflecting lower than budgeted capital expenditure in the year due to the focus on and allocation of resources to operational issues.

An ambitious programme of activity for many projects that were dependent on third parties also made for challenging completion deadlines.

Overall investments across the business totalled \$82 million, including funding toward Metlink's rail network.



FINANCES AT A GLANCE

\$388.6m

revenue from rates, grants and other sources

\$391.6m

cost of running Greater Wellington

AA credit rating

with Standard & Poor's, indicating good financial health

\$467.5m

borrowing position at the end of 2018/19

\$1.7b

of total assets managed by Greater Wellington

\$81.9m

capital spend for 2018/19

\$5.24

cost of delivering Greater Wellington services per rating unit per day

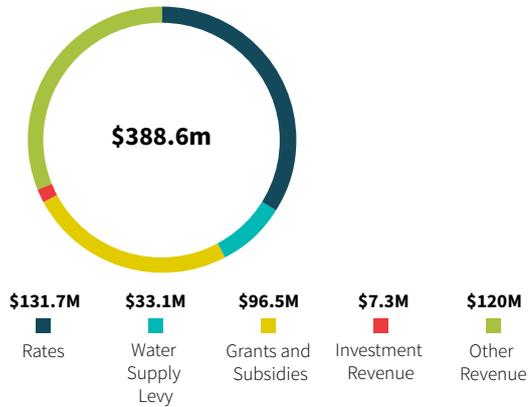
\$28.7m

net deficit after tax for 2018/19

Whitirea Park, Photo by Shanon Stevens

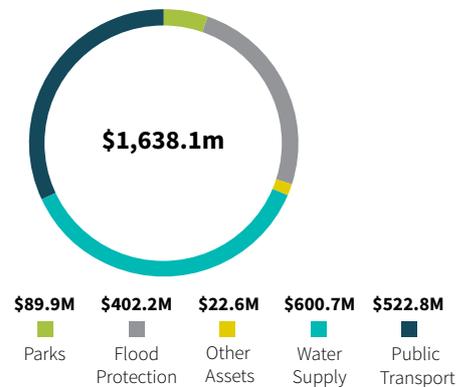
Revenue

The revenue needed to do our work in 2018/19 was sourced primarily through rates and grants from central government. Other sources include water supply levy, fees, charges and investment income.



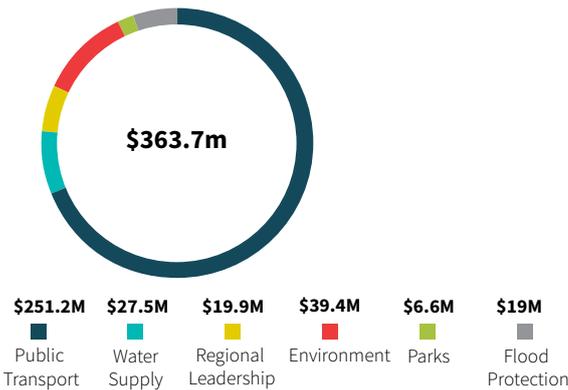
Assets

Our assets base comprises infrastructure in public transport, flood protection, water supply and parks. Public transport includes \$457.2 million of rail rolling stock and railway station infrastructure owned by Greater Wellington Rail Limited, a Greater Wellington subsidiary.



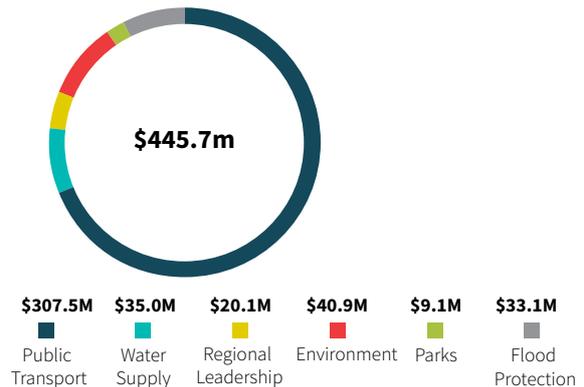
Operational expenditure

This was the cost of running our day-to-day operations for the year 2018/19 by the six groups of activities.



Total expenditure

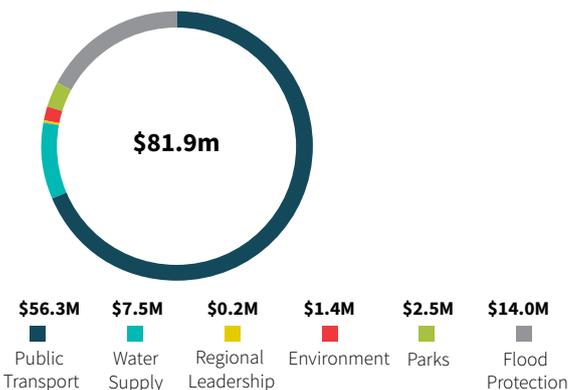
This was our total expenditure (operational plus capital) for the year 2018/19 by the six groups of activities.



Capital expenditure

This was the amount we invested in building new infrastructure or renewing or upgrading existing assets for 2018/19.

These are things that will continue to have benefits beyond the year. The funding for capital expenditure came from subsidies and grants, debt and gross proceeds from asset sales.



HE TAUĀKĪ PŪTEA

FINANCIAL STATEMENTS

Summary statement of comprehensive revenue and expense for the year ended 30 June 2019	Greater Wellington			Greater Wellington Group	
	2019 Actual \$000s	2019 Budget \$000s	2018 Actual \$000s	2019 Actual \$000s	2018 Actual \$000s
Operational revenue	374,303	369,635	297,507	457,137	374,074
Finance costs	(23,341)	(22,581)	(19,843)	(23,391)	(32,170)
Operational expenditure	(363,549)	(359,025)	(291,739)	(466,218)	(382,360)
Operational surplus/(deficit) for the year before transport improvements	(12,587)	(11,971)	(14,075)	(32,472)	(40,456)
Transport improvement grants and subsidies	11,423	24,439	16,406	11,423	16,406
Transport improvement expenditure	(1,826)	-	(1,262)	(1,826)	(1,262)
Net revenue/(expenditure) for transport improvements	9,597	24,439	15,144	9,597	15,144
Surplus/(deficit) for the year before tax and fair value gains/(losses)	(2,990)	12,468	1,069	(22,875)	(25,312)
Share of equity accounted investments surplus/(deficit)	-	-	-	10,311	23,081
Fair value gains/(losses) in profit and loss	(25,725)	8,907	(8,684)	(24,704)	(881)
Earthquake related items	-	-	-	60,717	19,359
Tax on continuing operations	-	-	-	1,818	1,254
Surplus/(deficit) after tax	(28,715)	21,375	(7,615)	25,267	17,501
Other comprehensive revenue and expense					
Increases/(decreases) in revaluations	12,182	1,140	195,041	55,570	195,041
Fair value movements in other comprehensive revenue and expense	-	-	-	-	-
Total comprehensive revenue and expense for the year	(16,533)	22,515	187,426	80,837	212,542
Attributed to:					
Non-controlling interest	(16,533)	22,515	187,426	63,989	203,742
Equity holders of the parent	-	-	-	16,848	8,800
Total comprehensive revenue and expense for the year	(16,533)	22,515	187,426	80,837	212,542

	Greater Wellington			Greater Wellington Group	
	2019 Actual \$000s	2019 Budget \$000s	2018 Actual \$000s	2019 Actual \$000s	2018 Actual \$000s
Summary statement of changes in equity for the year ended 30 June 2019					
Equity – opening balance as at 1 July	1,107,412	1,144,562	919,986	1,387,241	1,175,160
Total comprehensive revenue and expense for the year	(16,533)	22,515	187,426	80,837	212,542
Dividend to non-controlling interest	-	-	-	(932)	(462)
Closing equity at 30 June	1,090,877	1,167,077	1,107,412	1,467,146	1,387,241
Equity attributed to:					
Equity holders of the parent	1,090,877	1,167,077	1,107,412	1,397,112	1,333,130
Non-controlling interests	-	-	-	70,034	54,111
Closing equity at 30 June	1,090,877	1,167,077	1,107,412	1,467,146	1,387,241

	Greater Wellington			Greater Wellington Group	
	2019 Actual \$000s	2019 Budget \$000s	2018 Actual \$000s	2019 Actual \$000s	2018 Actual \$000s
Summary statement of financial position as at 30 June 2019					
Current assets	137,749	83,218	119,341	292,363	191,537
Non-current assets	1,568,118	1,600,218	1,454,132	1,933,816	1,848,456
Total assets	1,705,867	1,683,436	1,573,473	2,226,179	2,039,993
Current liabilities	116,455	169,442	144,820	134,869	177,220
Non-current liabilities	498,535	346,917	321,241	624,164	475,532
Total liabilities	614,990	516,359	466,061	759,033	652,752
Net assets	1,090,877	1,167,077	1,107,412	1,467,146	1,387,241
Equity attributed to:					
Equity holders of the parent	1,090,877	1,167,077	1,107,412	1,397,112	1,333,130
Non-controlling interests	-	-	-	70,034	54,111
Total equity	1,090,877	1,167,077	1,107,412	1,467,146	1,387,241

	Greater Wellington			Greater Wellington Group	
	2019 Actual \$000s	2019 Budget \$000s	2018 Actual \$000s	2019 Actual \$000s	2018 Actual \$000s
Summary statement of cashflow for the year ended 30 June 2019					
Cashflows from operating activities	30,109	38,955	18,102	43,959	24,864
Cashflows from investing activities	(106,451)	(127,155)	(65,296)	36,153	(55,540)
Cashflows from financing activities	87,891	91,951	52,156	24,888	33,694
Net increase/(decrease) in cash, cash equivalents	11,549	3,751	4,962	105,000	3,018
Opening cash equivalents	5,308	15,164	346	3,585	567
Closing cash equivalents	16,857	18,915	5,308	108,585	3,585

The full financial statements presented in the Annual Report 2018/19 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: gw.govt.nz/annual-report/

The full financial statements are denominated in NZ\$.

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

EXPLANATIONS TO FINANCIAL VARIANCES FROM BUDGETS

- 1. Operational revenue**
Operational revenue is higher than budget due to increase in grants and subsidies revenue partially offset by lower rates revenue.
- 2. Operational expenditure**
Operational expenditure is higher than budget due to increased contractors and consultant costs associated with public transport, information technology and a review of key financial and asset management systems.
- 3. Transport improvement grants and subsidies**
Transport improvement grants and subsidies were lower than budget due to lower claimable capital expenditure costs for key transport programmes and projects.
- 4. Fair value**
Fair value movement is unfavourable to budget, reflecting the decrease of the fair value of the interest rate swaps held by Greater Wellington due to the continuing decrease in market interest rates.
- 5. Total assets**
The total assets are in line with the budget. The key driver of the higher level of current assets relates to replacing external funding to WRC Holdings Ltd with funding through Greater Wellington of \$44 million.
- 6. Total liabilities**
The key drivers of the higher level of liabilities compared to budget relate to the derivatives and non-interest bearing liabilities not being included in the budget position.
- 7. Equity**
The key driver of the lower than budget equity is the unfavourable variance to budget with regard to the fair value adjustments referred to above.
- 8. Cashflow**
The overall cash position (including cash equivalents) is only slightly down on budget as a result of a lower cash position at the beginning of the financial year being offset by lower cash outflows in relation to capital expenditure.



Earthquake related matters

A 7.8 magnitude earthquake struck on 14 November 2016 in Kaikōura, 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.

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 were signed. The insurance claim process is well advanced and engineering damage assessments have been completed. However, there is considerable uncertainty in relation to the final quantification for the settlement of the insurance claim. 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.

At the time of the earthquake, CentrePort had a total insured value (in relation to Port infrastructure) of \$600.0 million for both Material Damage and Business Interruption combined. The Business Interruption covers a 36-month indemnity period. Insurance progress payments of \$90.0 million were received by CentrePort in the year ended 30 June 2019 (2018: \$60.0 million) bringing total progress payments received to 30 June 2019 to \$250.0 million. These payments are applied to business interruption (loss of rents and temporary works) in the first instance and secondly to material damage.

During the year ended 30 June 2019, CentrePort Properties Limited, including its associate property entities (SPVs), reached a full and final settlement on its insurance claim of \$170.4 million. Of this, \$158.2 million related to the SPVs and \$12.2 million related to CentrePort Properties Limited.

All insurance proceeds have been received by CentrePort Properties Limited and allocated to the SPVs as set out in the settlement agreement.

Insurance and property related impacts for CentrePort and CentrePort Properties Limited are set out below. As the SPVs were equity accounted until 31 May 2019, the impact of the earthquake in relation to the SPVs is accounted for separately as described in note 15 of the full financial statements.

The Group received \$210.4 million of payments in 2019 for claims on these policies, of which \$90.0 million related to CentrePort progress payments and \$120.4 million related to the final settlement for the CentrePort Properties Limited claim.

Events occurring after the balance date

No dividend was declared post balance date by WRC Holdings Ltd. (2018: Nil).

Subsequent to balance date the Reserve Bank reduced the Official Cash Rate (OCR) on 7 August to 1.0 percent and market interest rates have reduced. This will reduce interest costs on floating rate borrowings and increase the liability values for the existing floating to fixed interest rate swaps.

Financial statements will be authorised for issue by Council on 10 October 2019.

Subsequent to balance date, CentrePort Ltd, and the insurers have agreed terms for a final settlement of their outstanding insurance claims. At the date of signing, the final settlement documentation has not yet been signed by all parties.

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



HE PŪRONGO AROTAKE PŪTEA AUDIT REPORT

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 2019

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 2019.

The summary of the annual report comprises the following summary statements on pages 16 to 25:

- the summary statement of financial position as at 30 June 2019;
- 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 2019;
- 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 2019 in our auditor's report dated 10 October 2019.

That report also includes an emphasis of matter paragraph drawing attention to Note 8 of the full financial statements which explains the material impact of the Kaikoura earthquake on the Group in relation to CentrePort Limited. This note explains the uncertainties that remain to be resolved, including the value of the final settlement of the insurance claim. It also links to disclosures in the financial statements about the uncertainties and judgements involved in the allocation of insurance proceeds and the related tax treatment, and the adjustment to the fair value of port land.

Information about this matter is included in the summary of the annual report on page 25.

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 performed agreed upon procedures in respect of Greater Wellington Regional Council – Wellington Metropolitan Rail special purpose financial statements, performed a limited assurance engagement related to the Regional Council's debenture trust deed, and assurance services related to the procurement of a new radio communications network and the procurement of an integrated fares and ticketing system. 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
10 October 2019

Below: Wairarapa Lake Domain
Following page: Remutaka Ranges, photo by Shanon Stevens







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October 2019
GW/CP-G-19/121

