



Greater Wellington Regional Council

Year In Review 2009

Summary of the Annual Report 2009



Fran Wilde, Chair,
Greater Wellington

**This Year
In Review
summarises
Greater
Wellington's
Annual
Report 2009
(1 July 2008 –
30 June 2009)**

The year under review has been extremely busy for Greater Wellington. Not only have we undertaken normal delivery of planned business across a wide range of activities, but we have also been working on the production of three major, long-term strategic documents.

The first of these, our Long Term Council Community Plan (LTCCP), sets out our intentions for the next 10 years and the community outcomes we wish to achieve.

This was a major and time-consuming exercise for us and we are also aware that the public consultation required placed major demands on our community. I am grateful to those who responded to our request for input.

The second of the major strategies – the Regional Policy Statement (RPS) – was completed and put out for consultation as a final draft. The RPS is a critical strategy for the region, containing objectives for environmental management.

This is an area of growing concern around the country as all communities struggle to balance economic growth with the necessity to protect the environment for future generations. In Wellington we also have major challenges, with water quality in particular, and the final RPS will give guidance both to Greater Wellington and local councils as to how we should approach these issues long term.

Transport planning also took a major step forward with the development of our new Regional Land Transport Programme by the

Regional Transport Committee. The programme is the result of close collaboration between the local councils, Greater Wellington and six appointees representing various interests throughout the region. It has a three-year focus and gives a clear outline of roading and public transport priorities for the region. Highlights include our major investment in rail, provision for more bus lanes through the Wellington city CBD, and major road improvements to assist both public and private transport at various pinch points in the regional network.

“ The breadth of engagement we have with our community is evident in this report

All of this planning took up major internal resources and as a consequence we did not make as much progress as we had wished on the planned Water Strategy. However, this is now a top priority. Throughout the year we also engaged intensively with other councils in the region on our response to climate change. This is ongoing work and will become more important as predicted weather variations increase in intensity. In my introduction to the plan for the year I warned of the impact that oil price rises could have on our budget and the flow-on to our rates. Now in retrospect we know that one of the few pieces of good news in an otherwise bleak economic outlook was that oil

Quality for Life

Summary of the Annual Report 2009

KEY ACHIEVEMENTS FOR 2008/09

Environment

- Proposed Regional Policy Statement completed for public consultation
- 99% of resource consents processed within statutory timeframes
- 2,000 students from 21 schools took part in our Take Action environment education programme
- Pollution incidents decreased by 8% from last year
- 100% success rate in enforcement actions taken under the Resource Management Act 1991
- 35 community care groups across the region supported to restore degraded ecosystems

Public transport

- Funded 1.2 million bus, rail and ferry timetabled services
- 35.4 million passenger boardings for all modes of public transport – a 2.14% increase from last year
- Ordered 96 new train carriages (or 48 two-car units). These are due to arrive from mid-2010 until late 2011
- New trolley buses introduced
- 161 new Park & Ride carparks
- Bus service reviews underway for Kapiti, Porirua and Wellington
- Three major plans reviewed – Ngauranga to Airport Corridor Plan, Regional Walking Plan and Regional Cycling Plan
- 500 individuals and 24 businesses registered in the first seven weeks of the new regional carpool programme Let's Carpool

Water supply

- All water delivered complied with the new Drinking-Water Standards for New Zealand
- The water levy remained the same as last year because of operational efficiencies and cost reductions
- All water treatment plants maintained their quality gradings



Financial overview

Greater Wellington's net operating surplus for the 2008/09 year before unrealised gains and losses and transport improvements was \$8.604 million, compared with a budgeted surplus of \$1.619 million. Significant components of this surplus were:

- Operating revenue was \$6.038 million over budget due to:
 - Grants for Super Gold cards, \$2.564 million, not budgeted
 - Additional revenue for a number of flood projects, \$0.872 million
 - Increased dividends from the WRC Holdings Group, \$1.66 million
- Operating expenditure was \$0.941 million under budget due to:
 - Unbudgeted expenditure on Super Gold card, \$2.564 million
 - Reduced payments in respect of diesel inflation, \$3.592 million
- Expenditure on transport improvements was under budget due to:
 - Changes in the timing of a number of rail projects, including MacKays Crossing to Waikanae double tracking, station upgrades, signalling and power upgrades

This has reduced the current year's expenditure.

Greater Wellington and its subsidiaries (the Group) achieved a surplus after tax of \$13.492 million.

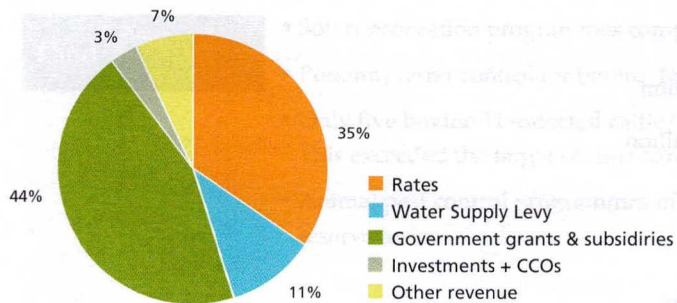
The Group surplus excludes grant expenditure of \$15.780 million for the purchase of rail rolling stock, which is eliminated in the Group financial statements.

Summary income statement for the year ended 30 June 2009

	Greater Wellington			Greater Wellington Group	
	Actual 2009 \$000s	Budget 2009 \$000s	Last year 2008 \$000s	Actual 2009 \$000s	Last year 2008 \$000s
Operating revenue	168,093	162,055	153,466	221,408	205,685
Finance costs	4,908	5,929	4,415	13,354	13,320
Operating expenditure	154,581	154,506	143,542	193,195	181,320
Operating surplus	8,604	1,620	5,509	14,859	11,045
Unrealised gains and losses	7,260	2,102	5,460	(789)	4,136
Forestry revaluation/cost of goods sold	(924)	909	(4,393)	(924)	(4,393)
Net grant revenue/(expenditure) for transport improvements	(15,255)	(16,344)	(9,118)	2,758	6,648
Net surplus/(deficit) for the year before tax	(315)	(11,713)	(2,542)	15,904	17,436
Tax	-	-	-	(2,412)	(3,201)
Surplus/(deficit) for the year	(315)	(11,713)	(2,542)	13,492	14,235
Attributed to					
Minority interest	-	-	-	(303)	1,604
Equity holders of the parent	(315)	(11,713)	(2,542)	13,795	12,631
Surplus/(deficit) for the year	(315)	(11,713)	(2,542)	13,492	14,235

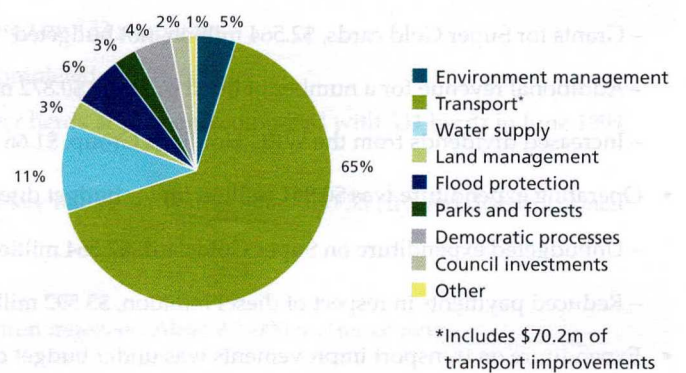
Council revenue

This pie chart illustrates Greater Wellington's revenue sources. Rates made up just 35% of our revenue total, with grant revenue making up the largest share. Central government grants to assist with the funding of public transport make up the majority of grant revenue.



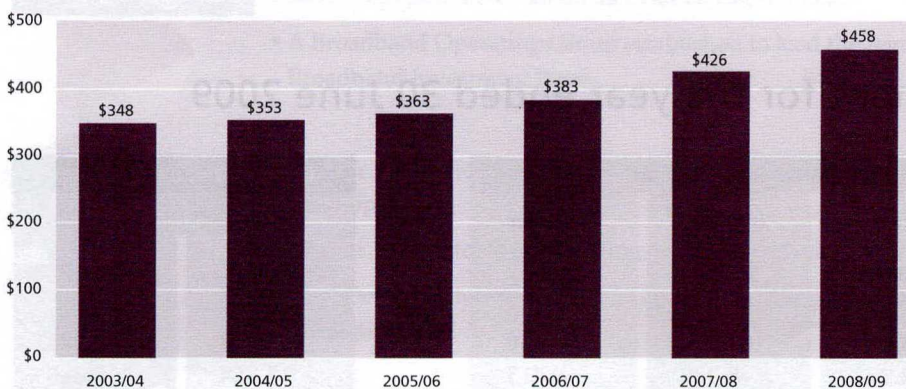
Council operating expenditure

This pie chart shows our operational expenditure. By far the largest proportion is on regional transport and this proportion will increase in future years.



Average rates collected per property

Over the past six years, rates per property have increased by an average of 6.3% per year, including the change for Greater Wellington to rate regionally for economic development from 2007/08. Excluding the economic development rate, the average increase has been 5.1%.



Summary cashflow statement for the year ending 30 June 2009

The summary cashflow statement shows how we generated and used cash. The overall net increase or decrease represents the change in our cash and cash equivalents arising from operating, investing and financing activities.

	Greater Wellington			Greater Wellington Group	
	Actual 2009 \$000s	Budget 2009 \$000s	Last year 2008 \$000s	Actual 2009 \$000s	Last year 2008 \$000s
Cashflows from operating activities	12	(7,137)	8,631	10,860	20,037
Cashflows from investing activities	(34,110)	(20,892)	(27,143)	(86,499)	(82,085)
Cashflows from financing activities	18,246	28,029	4,583	59,412	48,745
Net (decrease) in cash, cash equivalents and bank overdraft	(15,852)	-	(13,929)	(16,227)	(13,303)

Summary of the Annual Report 2009

Parks

- The regional parks and forests attracted almost one million visits
- Regional Outdoors Programme attracted almost 16,000 visitors – a 12% increase

Land

- Soil conservation programmes completed on 133 properties
- Possum/ferret control for bovine Tb completed on 176,500ha
- Only five bovine Tb-infected cattle/deer herds at year-end compared with 331 herds in June 1994. This exceeded the target of nine herds
- Animal pest control programmes in 34 key native ecosystem sites, and 55 city and district council reserve areas

Safety and flood protection

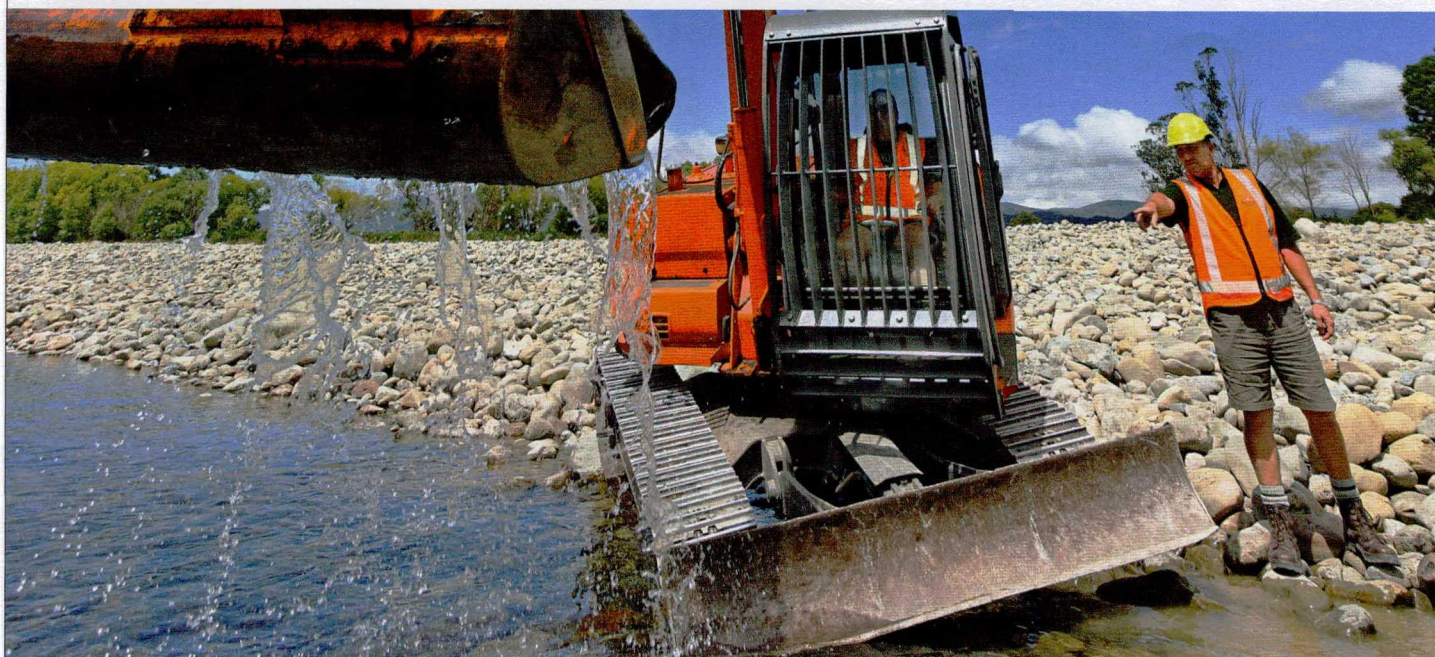
- \$5.4 million spent on new flood protection defences. Almost 1,000 metres of new stopbanks constructed
- Ran a three-day civil defence emergency management exercise with local and national agencies, based on a major earthquake in Wellington
- Construction started on a new Harbour Communications Station at Beacon Hill

Community

- A Greater Wellington Disability Reference Group established
- Māori representatives sat on all Council committees
- A Broadband Operating Group established to lead the region's response to the government's Broadband Investment Fund

Corporate

- Greater Wellington's *10-Year Plan 2009-19* and the *Annual Report 2008* completed with unqualified audit opinions
- Greater Wellington's credit rating of AA- from Standard and Poor's maintained
- New Design Gateway and Print Gateway for all publications resulted in cost savings across the organisation



Summary statement of changes in equity for the year ended 30 June 2009


	Greater Wellington			Greater Wellington Group	
	Actual 2009 \$000s	Budget 2009 \$000s	Last year 2008 \$000s	Actual 2009 \$000s	Last year 2008 \$000s
Equity – opening balance as at 1 July	610,381	606,967	602,058	773,529	750,238
Surplus/(deficit) for the year	(315)	(11,713)	(2,542)	13,492	14,235
Asset revaluation movements taken directly to equity	45,310	63,768	10,865	42,139	10,158
Dividend to minority interest	-	-	-	(1,192)	(1,102)
Total closing equity at 30 June	655,376	659,022	610,381	827,968	773,529
Equity attributable to:					
Equity holders of the parent	655,376	659,022	610,381	784,830	728,896
Minority interests	-	-	-	43,138	44,633
Total closing equity at 30 June	655,376	659,022	610,381	827,968	773,529

Summary balance sheet as at 30 June 2009

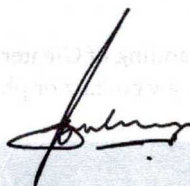
	Greater Wellington			Greater Wellington Group	
	Actual 2009 \$000s	Budget 2009 \$000s	Last year 2008 \$000s	Actual 2009 \$000s	Last year 2008 \$000s
Current assets	64,200	87,522	59,592	71,217	67,356
Non-current assets	702,854	698,566	643,593	1,112,306	988,501
Total assets	767,054	786,088	703,185	1,183,523	1,055,857
Current liabilities	42,535	93,078	80,192	113,136	269,016
Non-current liabilities	69,143	33,988	12,612	242,419	13,312
Total liabilities	111,678	127,066	92,804	355,555	282,328
Total equity	655,376	659,022	610,381	827,968	773,529

Notes:

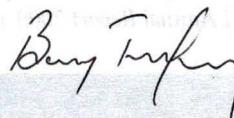
- Non-current assets are lower than budget as Greater Wellington has transferred some short-term financial assets to non-current assets
- Non-current liabilities are higher than budget and current liabilities lower than budget due to the transfer of debt from current liabilities to long-term debt facilities



Fran Wilde
Chair
29 September 2009



David Benham
Chief Executive
29 September 2009



Barry Turfrey
Chief Financial Officer
29 September 2009

Audit Report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of Wellington Regional Council and group's summary annual financial statements, performance information and the other requirement for the year ended 30 June 2009.

We have audited the summary financial statements, performance information and the other requirements as set out in pages 5 to 7.

Unqualified Opinion

In our opinion:

- the summary financial statements, performance information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, performance information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 29 September 2009, on:

- the full financial statements; and
- the performance information; and
- the Regional Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Basis of Opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

During the year we undertook an assurance assignment reviewing the tendering processes over the Real Time Information System. We also performed an audit of the Regional Council's Long Term Council Community Plan.

Other than the assurance assignment and the audit of the Regional Council's Long Term Community Plan, we have no relationship with or interests in the Regional Council or any of its subsidiaries.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on those summary financial statements, performance information and the other requirements. These responsibilities arise from the Local Government Act 2002.



AP Burns, Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
29 September 2009

This is a summary of Greater Wellington's activities for the year 1 July 2008 to 30 June 2009. The information has been extracted from our *Annual Report 2009*, which was authorised for issue by the Chair, Chief Executive and Chief Financial Officer on 29 September 2009. It has been prepared in accordance with FRS-43: Summary Financial Statements. 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. This summary has been examined by Audit NZ for consistency with the full annual report.

Greater Wellington is a public benefit entity for financial reporting purposes. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice, and comply with New Zealand Equivalents to IFRS 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 as complete an understanding of Greater Wellington's activities as provided by the full annual report. For the full *Annual Report 2009*, please see www.gw.govt.nz or phone 0800 496 734.

Greater Wellington
PO Box 11646
Manners Street
Wellington 6142

0800 496 734
info@gw.govt.nz
www.gw.govt.nz

October 2009
GW/COM-G-09/243

prices crashed. This probably wasn't much comfort for the individuals and families in our region who were hit by the fallout from the biggest recession in decades, but it has helped with our transport rate for the forthcoming year.

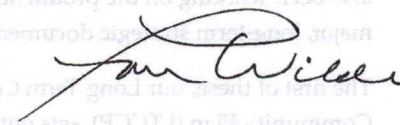
This year transport grew to be an even bigger item of expenditure for us, accounting for 63% of the total budget. Our mandate includes public transport funding, together with working with the Regional Transport Committee on planning the region's overall transport network.

It is fair to say that public transport delivery remains a vexed issue, particularly with regard to rail, where we are dealing with ageing infrastructure that in most countries would have been scrapped long ago. I know it has been immensely frustrating for our travelling public and I thank passengers for their patience as we work with KiwiRail to prepare the network for the new Matangi trains due in 2010. We did make good progress during the year – but, alas, nothing was able to improve the service that is currently on offer!

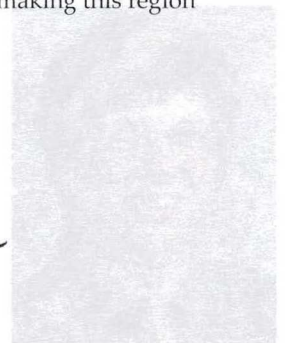
During the year the waiting was over in respect of the new trolley bus fleet and we now have 60 new vehicles on the street going through their commissioning process. Also, the Government announced its new policy on Roads

of National Significance (RoNS) and it was gratifying that the whole of SH1 from Levin to Wellington Airport was included. We hope this will result in more focus on our region from government transport agencies in the future.

The breadth of engagement we have with our community is evident in this report. The lives of all of our residents are touched by our work in some way and we continue to strive to become more efficient, particularly when the community is under economic stress. I would like to thank all those in the region who worked with us during the year – residents, organisations and the local councils. Also, I acknowledge the commitment of our staff and thank them for their contribution to making this region such a desirable place to live.



Fran Wilde
Chair



What does Greater Wellington do?

Water supply to reservoirs

Delivers high-quality treated water to the main reservoirs in each city.

Environmental management

Ensures the region's natural resources are used appropriately.

Regional parks and forests

Maintains a network of regional parks and forests for recreational use.

Metlink buses and trains

Coordinates and funds the region's Metlink public transport network.

Transport planning

Develops long-term plans for the region's transport network.

Emergency management

Coordinates civil defence emergency management for the region.

Flood protection

Helps communities protect themselves from the effects of flooding.

Pest control

Works with landowners to target pest plants and animals, and eradicate bovine Tb.

Harbour safety

Looks after navigational safety in Wellington and Porirua harbours, and the region's coastline.

Land management

Works with landowners to prevent or reduce soil erosion.

Regional economic development

Promotes the Wellington Regional Strategy – a sustainable economic-growth strategy.