

## Greater Wellington Regional Council

# Annual Report Summary 2014/15

### Chair's report

The past year has seen the Greater Wellington Regional Council (GWRC) deliver a number of significant initiatives which impact on both our natural environment and our resilience as a region. We continued to engage with our diverse communities and received a clear message about the activities they believe the regional council should be focused on over the next 10 years. Communities said they want reassurance that our infrastructure is resilient and the quality of our environment is protected.

In 2014 the Government made changes to the Local Government Act (2002) which impacted on the way councils consulted on their Long Term Plans. This resulted in GWRC producing a standalone consultation document which highlighted the changes in priorities and spending over the next 10 years. The Council actively promoted the consultation document within the region and was very pleased with the engagement it received. By going into the communities and asking people what they thought our priorities should be, rather than just relying on written submissions, GWRC was able to develop a plan which resonates with communities and helps future proof our region. The Long Term Plan was signed off on 30 June 2015.

Once again this year the Wellington Region witnessed the havoc that nature can cause through storms and heavy rain, all of which confirmed the importance of our investment in resilience. In May and June this year we experienced record rainfall that affected the Wellington Region from the Kapiti Coast to Wellington City and resulted in significant surface and river flooding. The Wellington Region Emergency Management Office (WREMO) demonstrated a high level of competence as it guided the region through these events, and helped coordinate responses from across the regional council including our public transport operations provided by Metlink. The effort to keep our customers updated as the weather events unfolded was extraordinary, including responding to 3,000 calls. Flood protection warnings were managed superbly and I would like to make a special mention of thanks to our field staff who were often working in atrocious conditions.

In June 2015 we worked with the Masterton District Council to agree a collaborative approach to flood protection in Masterton, with the long-term objective of achieving a 100-year level of protection, plus allowance for climate change. Both councils agree we share a clear objective of ensuring our community is adequately protected from the risk of flooding now and in the future.

And in Hutt City, where flooding poses a threat to the central business district and could cost more than a billion dollars in damage and put lives at risk, we worked collaboratively with Hutt City Council around options for public consultation on the Hutt City Centre Reach flood protection upgrade.

At GWRC we work in partnership with our communities on a number of initiatives. In the year under review a diverse and talented group of people was chosen to help the Porirua community decide how it wants to care for and manage its rivers, harbours and coastal water into the future. The 13 members of Te Awarua o Porirua Whaitua (catchment) Committee were confirmed in December 2014 and will be instrumental in setting a direction for managing natural resources in the Porirua watershed. People in Te Awarua o Porirua Whaitua have the opportunity to be involved in the project as it is being developed. The Whaitua committee's job is to make sure the community fully understands the issues and feel confident to be involved in finding solutions.

Another major achievement to be signed off on 30 June 2015, and now out for consultation, was the ground-breaking new Proposed Natural Resources Plan for the Wellington Region that sets out objectives, rules and guidelines for protecting and sustainably using natural resources in the region. The plan sets limits for natural resource use and quality, while ensuring an environment without compromising opportunities

for sustainable economic growth. The proposed plan is the result of five years of collaboration with iwi, business and the community, starting with an award winning partnership with the region's six mana whenua iwi. We believe the plan provides certainty for users of natural resources so they can confidently invest in technologies and practices to limit harmful discharges, and more efficiently use our precious natural capital. The plan is based on extensive research as well as an in-depth understanding of the values the community holds and the places which are most special.

Much of our work is around regional infrastructure and planning. In 2014/15 the Regional Land Transport Plan 2015 was approved by the Regional Transport Committee and adopted by GWRC in April. This is a complex piece of work, signalling investment in roading and freight networks to help unlock the region's growth potential and supporting new cycleways and better public transport.

Finally I want to acknowledge the work and commitment of Councillor Fran Wilde who resigned as Chair after almost eight years in the role. Fran joined the regional council in 2004 and under her leadership the council has led many changes that have been extremely important and beneficial to the whole region. Fran continues as a councillor, and on behalf of the councillors and staff I thank her for her dedication and leadership during her time as Chair, and look forward to working with her in the future.

A handwritten signature in black ink, appearing to read 'Chris Laidlaw', with a long horizontal stroke extending to the right.

Chris Laidlaw

## Chief Executive's report

I am pleased to present my first annual report.

I have appreciated the welcome and support from Councillors, staff, our strategic partners and the community during these initial months, especially at a time of such change and complexity. I also acknowledge the former Chief Executive, David Benham, who left a legacy of stability and good management.

The Council has been operating in a fast changing environment in all its key activities.

We lead several major programmes of work, which have the capability of transforming our performance in public transport, flood protection, environmental management and resilience. Many of these are large, complex programmes undertaken in conjunction with key strategic partners.

For example, our new Public Transport Operating Model (PTOM) is designed to encourage more competition for transport contracts, grow patronage and give customers value for money. PTOM introduces significant opportunity, applying different disciplines and activities and increased complexity. Once fully implemented, our organisation will be very different.

New resource management aspirations, particularly in fresh water, are demanding sharp focus and we are working closely with our stakeholders and communities.

My early objectives on arriving at the Council were to listen, learn and assess. My initial focus was on two fronts.

First, our relationships with key partners. The Council operates with a range of partners, ranging from commercial service providers to local authorities and central government agencies. These relationships are integral to our success – including many being funding partners.

The debate on local government reform during the year caused uncertainty and presented unique challenges in relationships with other Councils. I prioritised key relationships in the public transport, environment management and local authority areas and am pleased to report strengthening in all of these.

This has facilitated substantial progress in a range of complex areas:

- Transition arrangements to move to new rail contracts in 2016
- A refocus on improving our customers' experiences on our rail network
- Agreement on bus route classification, as required by PTOM
- NZTA and GWRC alignment on major public transport activities and strategies
- Joint work and progress on Bus Rapid Transit
- Flood protection plans in Masterton and the Hutt Valley
- Bringing together key parties in the Transmission Gully work
- Working with other local councils and Local Government Commission on local government reform options
- Economic development and bulk water activities.

Second, our capability to successfully lead and manage the wide range of changes in our external environment. In May, we launched an internal initiative, 'Making Greater Wellington even greater'. This focused on building new specialised capability in areas critical to our success, such as programme management, finance and community engagement. It also aims to drive a vision of greater cohesion and collaboration, supported by a 'one organisation' approach to our work.

We have a strong executive team. Not only does the team boast deep competence and commitment, but there is a strong sense of unity and common purpose.

It is a tribute to the senior leadership team that alongside all these internal and external changes, staff engagement lifted over the period. We have very strong capability and commitment throughout the organisation, to a level that would be the envy of private enterprise.

Across all functions of the Council it has been a very busy and successful year.

- The Long Term Plan was approved
- A Proposed Natural Resources Plan for the Wellington Region was approved for consultation
- The second of the five Whaitua (catchment) Committees was established and work is well advanced on a third
- Public transport is on a transformational path. Rail Procurement is well advanced and the complex range of initiatives leading us to new bus contracts and fleet, are on track. We made unprecedented progress on new park and ride facilities with excellent support from NZTA and invested in improving local rail infrastructure. This will lift the on-time performance of our trains.
- We are refocusing and investing on lifting our customer experience on public transport and are already seeing good improvements in patronage on rail (4.2 percent)
- The integration of both bulk water and our economic development activities into regional bodies was successfully completed
- Health and safety was a major focus and I am very positive about Council progress in this area- I see the disciplines becoming increasingly entrenched in our organisation's culture.
- Substantial progress was made in flood protection, particularly in Hutt Valley and Masterton. Consultation on Hutt City Centre upgrade is now underway and drawing strong community support
- Farm management plans are working well and growing in number, with record plantings in erosion-prone land in Wairarapa
- An executive level appointment was made to Pou Whakarae and new approaches developed in conjunction with Iwi
- We made excellent progress in the Wairarapa Water Use Project, working now to two preferred sites
- We managed a range of resilience challenges, most notably the floods in May, which disrupted our public transport services and caused damage to some of our assets.
- We transitioned a change in Chair of the Council at the end of the period.

We look forward to a very busy and successful year and are motivated to tackle future challenges together. We have the right team, capabilities and approaches.

Thank you to Councillors and the community for their ongoing support. In particular, I would like to record my appreciation to both the outgoing and incoming Chairs, for their confidence in me and the executive team.



Greg Campbell

## EXECUTIVE LEADERSHIP TEAM

Chief Executive Officer  
Greg Campbell

General Manager,  
Environment Management  
Nigel Corry

General Manager,  
Catchment Management  
Wayne O'Donnell

General Manager,  
Public Transport  
Wayne Hastie

General Manager,  
Corporate Services / Chief Financial Officer  
Dave Humm

General Manager,  
Strategy  
Luke Troy

General Manager,  
People and Customer  
Leigh-Anne Buxton

Te Pou Whakarae  
Rawiri Faulkner

## Key achievements for 2014/15

### Regional leadership

The Regional Land Transport Plan was completed, bringing together the former transport strategy, programme and a series of corridor and action plans into a single integrated plan. The Plan provides a strong programme of funded projects over the next six years to make significant improvements to the regional transport network.

WREMO won the International Association of Emergency Managers (IAEM) Global Technology & Innovation Award for use of social media as an engagement tool to help build strong communities, promote disaster preparedness, and communicate official emergency management information during and after an event. They also won the IAEM Oceania Partners in Preparedness Award for the partnership between WREMO and the private sector in the development of the 200litre emergency rainwater tank.

The Wellington Region Genuine Progress Index was updated, providing a holistic measurement tool that assesses whether the region's growth, increased production of goods, and expanding services have resulted in the improvement of the welfare (or well-being) of the people in the region.

The Wellington Regional Economic Development Agency (WREDA), the new regional economic development agency, was established merging various economic and tourism related agencies. WREDA will provide a more co-ordinated delivery approach to supporting regional economic growth.

The Wellington Water Committee (a joint committee of the Wellington Regional Council, Hutt City Council, Porirua City Council, Upper Hutt City Council and Wellington City Council) held its first meeting. The Committee provides oversight of Wellington Water Limited and of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the areas of Lower Hutt City, Porirua City, Upper Hutt City and Wellington City.

### Public transport

GWRC funded 1.3 million bus, rail and ferry services, and 36.4 million passenger trips, which equates to a 1.7 percent increase from 2013/14. Annual rail patronage exceeded 12 million trips for the first time in recent history, reaching 12.1 million trips.

There was progress in the investigation phase and business case for the Integrated Fares and Ticketing (IFT) project, confirming that there is a strong strategic and economic basis for progressing with integrated fares and ticketing. The next stage of IFT will focus on development of technical specifications, and planning for procurement of an integrated ticketing solution, along with fares policy development.

Three parties were selected to respond to the Public Transport Operating Model (PTOM) Rail Request for Tender, and good progress is being made on future bus fleet requirements and the PTOM bus contracting process. PTOM and IFT are fundamental contributors to achieving the direction for public transport in the region set out in the Regional Public Transport Plan.

Five of the six stages of the Matangi 1 upgrade were completed, and five new Matangi 2 trains were shipped from South Korea.

### Water supply

GWRC Bulk Water Group was integrated with Capacity Infrastructure Services Ltd in August 2014 to form the new council controlled organisation Wellington Water Ltd. In March 2015 the structure went live and the new company moved into new offices which feature an open plan environment to encourage collaboration and workflow communication.

The first Regional Asset Management Plan (RAMP) covering the three waters services for five councils was completed, describing how water supply, wastewater and stormwater services are delivered across the Wellington metropolitan region, as well as issues and responses. This was a significant achievement that

GWRC contributed to through its involvement in Wellington Water.

All water treatment plant buildings were strengthened, or confirmed compliance, to 100 percent of the new building standard.

A new high availability data network was constructed and put into service, which uses microwave technology to connect water treatment plants with GWRC's main office in Pipitea, IBM Petone and Masterton through a dedicated resilient network. This will minimise data outages and provide a critical alternative to commercially operated infrastructure in the event of an emergency.

### **Environment**

The Porirua Harbour and Wairarapa Moana Collaborative Restoration projects progressed on a number of fronts, including governance, management, volunteer coordination, community engagement and ecological restoration.

The Fish Passage Restoration programme and Wetland Protection Support programme were established in line with the direction set by the Proposed Natural Resources Plan.

29,000 poplar and willow poles were planted on erosion-prone land through the extensive Farm Plan programme operating primarily in Wairarapa hill country. The Ministry of Primary Industries (MPI) provided further funding for the Wellington Regional Erosion Control Initiative (WRECI). Over the next four years a total of \$3.5million will be spent on protecting 1,500 hectares of erosion-prone land.

We planned and coordinated management actions to reduce threats to the ecological health of 61 key native ecosystem sites on public and private land.

All dairy farms in the Mangatarere catchment have now completed development of operative Farm Environment Plans.

2014/15 was the first year of operational activity following the sale of forestry cutting rights. This included the preparation of an asset management plan and a key operational document relating to health and safety.

Pest control works were completed to over 68,000 ha in North Wairarapa, Kapiti, Porirua and Wellington, and staff deployed to the Auckland fruit fly response as part of the National Response Team for the National Biosecurity Capability Network led by MPI.

### **Flood protection and control works**

Floodplain management plans for Te Kāuru (Upper Ruamahanga Catchment), Waiohine and Pinehaven were progressed, and land acquisition for the implementation of the Hutt, Pinehaven and Waiohine floodplain management plans was accelerated.

We agreed, with Hutt City Council, options for public consultation on the Hutt City Centre Reach upgrade. The consultation process commences in the first quarter of 2015/16.

The Hutt and Wairarapa river maintenance programmes were completed, and resource consent applications were lodged for renewal of all maintenance activities in the region's rivers. A code of practice and an environmental monitoring plan were also developed as part of the renewal process to highlight the actions that flood protection staff would take to minimise environmental effects.

### **Parks**

New tracks-- from the Korokoro Forks to Belmont Trig (in Belmont Regional Park), Point Howard and the Kowhai track to Butterfly Creek (East Harbour Regional Park)--were completed, providing improved visitor access to popular destinations in the regional parks network. Community feedback was very positive on the level of engagement, quality of workmanship and environmental protection demonstrated on the Kowhai track upgrade.

The Great Outdoors Summer Events programme was successful, drawing a record 18,917 people across 57

events. Other activities in the parks network included a two week filming stint for Pete's Dragon at Battle Hill and working with the Department of Conservation to tender complementary farm licences at Queen Elizabeth Park and Whareroa.

We continued joint planning and funding bids with parks 'friends' group, resulting in an improved sense of ownership by these groups, and record volunteer hours spent on the parks.

The farm hub at Belmont Regional Park was relocated as part of an agreement with NZTA around sale of land for the Transmission Gully Motorway. The new woolshed, yards and associated facilities opened in January 2015.

Te Ara o Whareroa (Queen Elizabeth Park Cycleway) was launched in October 2014, with the opening due in January 2016. A project steering group representing the partners GWRC, NZTA and the Kapiti Coast District Council is guiding project planning and implementation.



## Financial overview for the year ended 30 June 2015

Council - Statement of comprehensive income	Council		
	2015 Actual \$000s	2015 Budget \$000s	2014 Actual \$000s
Operational Revenue	212,789	207,851	215,101
Finance costs	(10,248)	(10,760)	(9,424)
Operational expenditure	(202,874)	(203,390)	(203,604)
<b>Operational surplus / (deficit) for the year before transport</b>	<b>(333)</b>	<b>(6,299)</b>	<b>2,073</b>
Transport improvement grants and subsidies revenue	9,872	9,279	4,152
Transport improvement expenditure	(5,374)	(5,492)	(2,882)
<b>Net revenue / (expenditure) for transport improvements</b>	<b>4,498</b>	<b>3,787</b>	<b>1,270</b>
<b>Surplus / (deficit) for the year before tax and fair value gains / (losses)</b>	<b>4,165</b>	<b>(2,512)</b>	<b>3,343</b>
Fair value gains / (losses) in profit and loss	(19,518)	159	19,642
Tax	-	-	-
<b>Surplus / (deficit) after tax</b>	<b>(15,353)</b>	<b>(2,353)</b>	<b>22,985</b>
<b>Other comprehensive income</b>			
Increases / (decreases) in revaluations	919	-	27,681
Fair value movements in other comprehensive income	-	-	-
<b>Total comprehensive income / (deficit) for the year</b>	<b>(14,434)</b>	<b>(2,353)</b>	<b>50,666</b>

Greater Wellington's net operating surplus for the 2014/15 year before fair value gains and losses was \$4.165 million, compared with a budgeted deficit of \$2.512 million. Including fair value movements of (\$19.518 million) and tax the net deficit was \$15.353 million, which is \$13.000 million behind budget.

Asset revaluations resulted in a \$0.919 million increase, mostly due to the five yearly revaluations of Harbours Navigational Aids assets.

### Significant components of variance are:

#### Grants and subsidies - Revenue and expenditure

Greater Wellington receives grant revenue to fund various transport programmes and projects. Revenue is only received when expenditure is incurred and grant revenue is \$4.9 million lower due to the lower transport expenditure including:

- Lower trolley bus infrastructure renewals expenditure of \$1.2 million due to less work carried out than anticipated.
- Lower rail contract expenditure of \$3.5m because of higher than budgeted fare revenue and savings in rail operating costs.
- Lower diesel bus operations expenditure of \$1.4m as contractual inflation payments have been lower than expected.

#### Other Revenue

Interest revenue from investments was \$1.7 million higher due to higher cash balances being held during the year and favourable deposit rates.

- Additional revenue was received from Ministry for the Environment (MfE) for the Wairarapa Moana Clean-up project of \$650k.
- Revenue of \$567k was received for additional pest control work.
- Additional consents revenue of \$741k, primarily from the Roads of National Significance (RONS) projects.

## Financial overview for the year ended 30 June 2015

### Operational Costs

- Additional costs were incurred, including for the Wairarapa Moana Clean-up project of \$650k, funded by MfE.
- Additional consents costs associated with the RONS programme, these were recovered from NZTA.
- Additional costs for the timing of the Whaitua programme, which progressed at an accelerated pace, including significantly research and monitoring costs being brought forward.

### Fair value adjustments

The main adjustment is the non-cash \$18.5m reduction on Swap valuations. These swaps provide long term certainty of the costs of our borrowing.

This unfavourable movement is due to our contract swap rates being higher than the equivalent actual market rates, and reflects the downward trend in interest rates with rates at close to historical lows. GWRC's average swap rate at June is 4.80%.

### Asset Revaluations

Asset revaluations are typically done every five years. The revaluation this year of the Harbours Navigational aids resulted in a \$1 million increase in the value of these assets. The changes in current costs over time emphasise the on-going financial challenge of building and replacing key infrastructure for the region.

### Council - Statement of financial position

	Council		
	2015 Actual \$000s	2015 Budget \$000s	2014 Actual \$000s
Current assets	108,667	63,590	121,164
Non-current assets	1,015,611	1,033,646	990,531
<b>Total assets</b>	<b>1,124,278</b>	<b>1,097,236</b>	<b>1,111,695</b>
Ratepayers equity	863,859	859,573	878,293
Current liabilities	62,151	23,663	108,775
Non-current liabilities	198,268	214,000	124,627
<b>Net equity and liabilities</b>	<b>1,124,278</b>	<b>1,097,236</b>	<b>1,111,695</b>

### Total Assets

The balance sheet assets variance is primarily due to a movement between current financial assets and non-current assets, as funds held have shorter maturity times and the continued investment in GW Rail primarily for the Matangi 2 purchase and on-going station upgrades.

### Debt

Overall, debt increased by only \$6.0 million as the funds from the previous year's Forestry Cutting rights disposal were utilised to lower debt. There has also been a shift between current and non-current debt reflecting the change in maturity dates.

**Financial overview  
for the year ended 30 June 2015**

**Council - Statement of cash flows**

	Council		
	2015 Actual \$000s	2015 Budget \$000s	2014 Actual \$000s
Cashflows from operating activities	13,958	16,126	30,072
Cashflows from investing activities	(37,191)	(70,137)	(45,379)
Cashflows from financing activities	9,942	59,419	26,488
Net increase (decrease) in cash, cash equivalents and bank overdraft	(13,291)	5,408	11,181
Opening cash equivalents	19,516	22,287	8,335
Closing cash equivalents	<b>6,225</b>	<b>27,695</b>	<b>19,516</b>

The overall decrease in cash equivalents is mostly due to a greater level of contingency deposits of more than 90 days. Financial assets overall increased by \$15m.

**Chris Laidlaw**

*Chair*

30<sup>th</sup> September 2015

**Greg Campbell**

*Chief Executive*

30<sup>th</sup> September 2015

**Dave Humm**

*Chief Financial Officer*

30<sup>th</sup> September 2015

## Financial overview for the year ended 30 June 2015

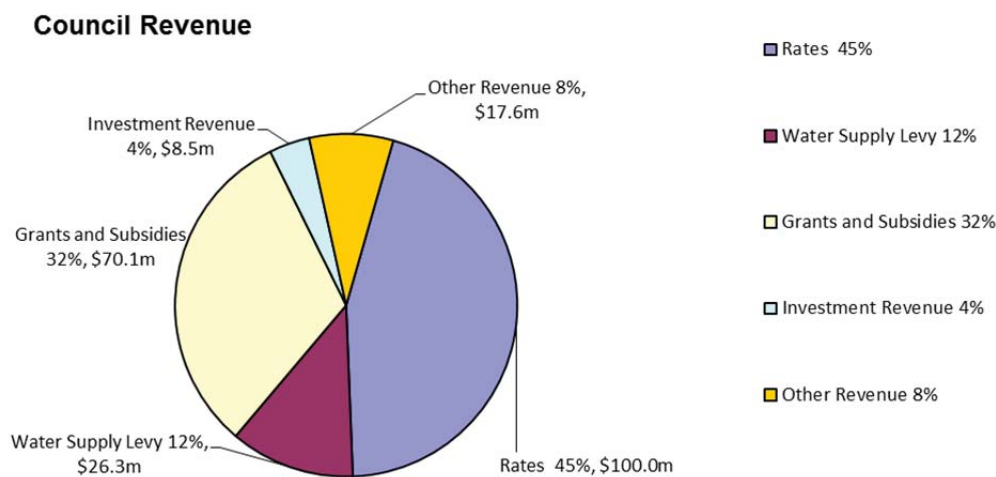
During 2014 central Government introduced additional financial and reporting requirements which are included in this overview.

The following graphs need to be read collectively and in conjunction with the attached financial statements. Individually these graphs show a particular view on one aspect of the financial health and management of the GWRC.

It is also important to keep in mind the overall strategy and policies GWRC has also adopted when reading these graphs. These are included within the Long Term Plan.

### Rates

this pie chart illustrates GWRC's sources of revenue. Rates made up 45% of revenue in 2015. Grant and subsidies, predominately from central Government for public transport, makes up the next largest share at 32%.



These next graphs indicate whether GWRC has kept within the rates limit is adopted in the LTP.

### Rates (increases) affordability

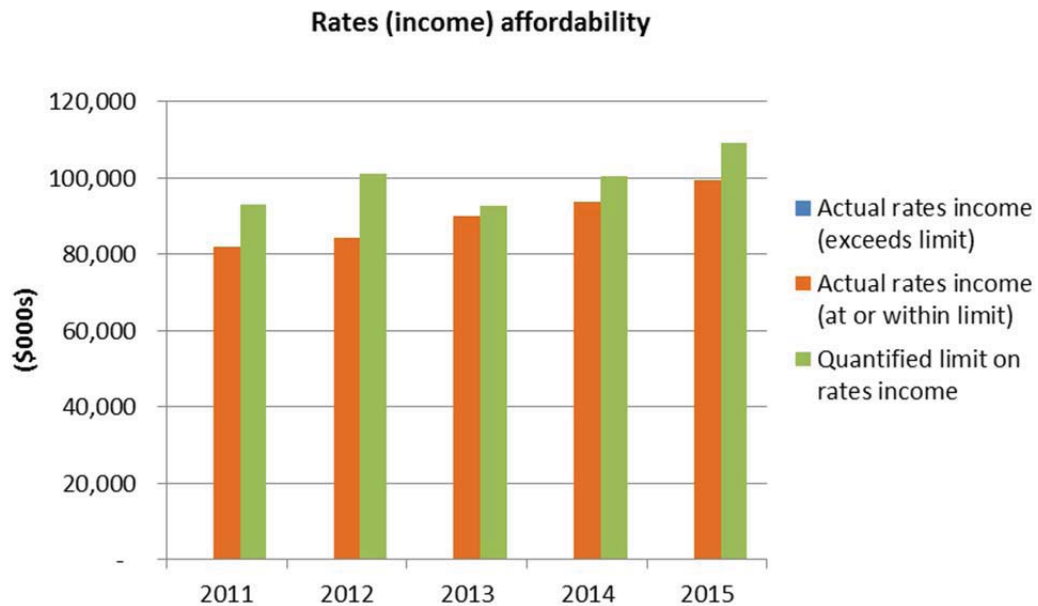
GWRC adopted an average increase of 8.5% per annum (around \$31 per year for the average residential ratepayer) in its 2012/22 LTP as it continues to significantly invest in improving the public transport network and the on-going flood protection programme.

It is pleasing to report that the increases have been lower than forecast in the LTP.

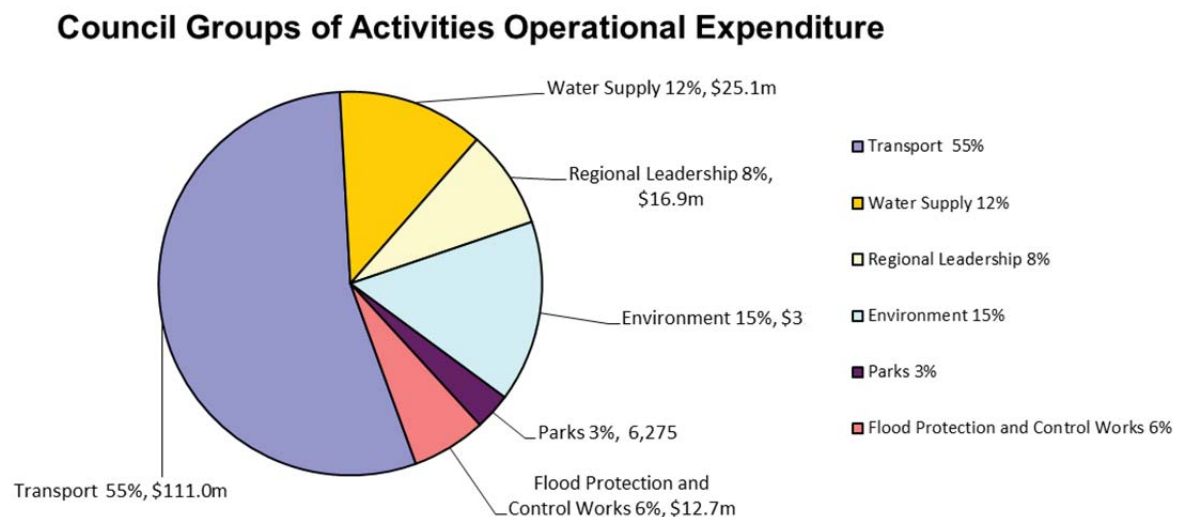
## Financial overview for the year ended 30 June 2015

### Rates income affordability

This graph shows the total rates actually received compared to the LTP rates limits.



This pie chart illustrates GWRC's operational expenditure by group of activities. The largest portion is for public transport, at \$111 million equates to 55% of operational expenditure in 2014.



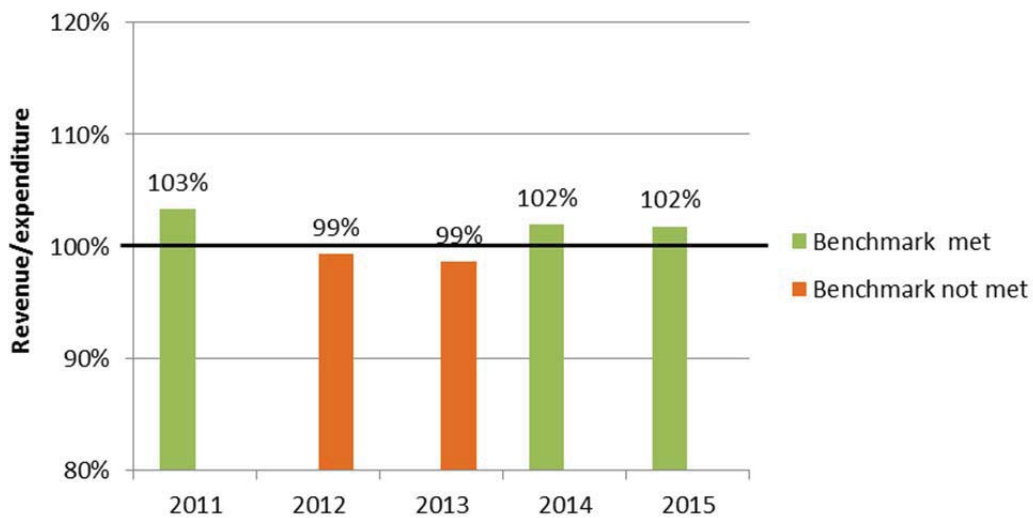
**Financial overview  
for the year ended 30 June 2015**

**Balanced Budget**

This graph shows whether GWRC has been receiving revenue greater or less than its operational expenditure, i.e. whether GWRC has raised adequate revenue to meet its on-going operational costs including depreciation and other non-cash adjustments.

Over time GWRC is meeting this benchmark test.

**Balanced Budget Benchmark**

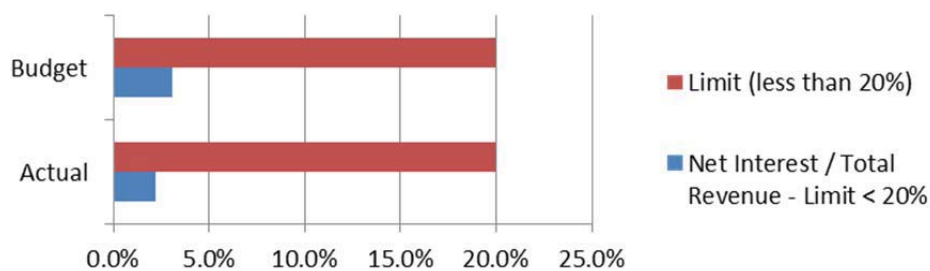


**Financial Strategy Financial Limits**

The goal of GWRC’s financial strategy is to ensure GWRC delivers good value for ratepayers’ investment by delivering the right services at the best cost. The strategy encompasses three key financial limits that GWRC adopted in its 2012-22 long term plan.

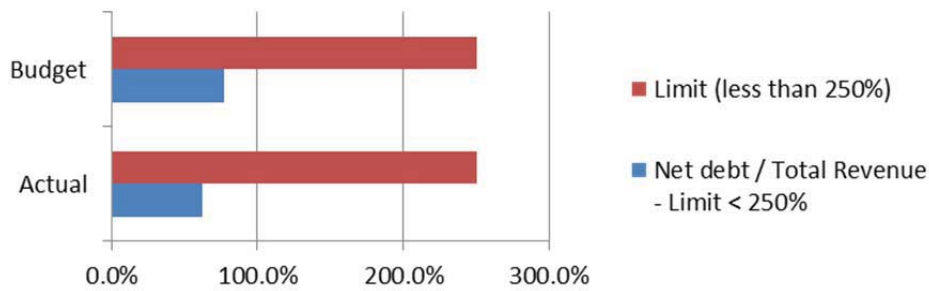
These graphs show that GWRC is being managed within these financial prudential limits.

**Net interest / Total revenue – Limit < 20%**

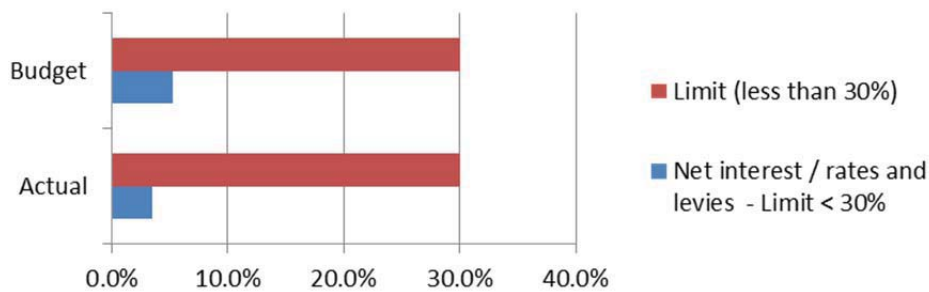


**Financial overview  
for the year ended 30 June 2015**

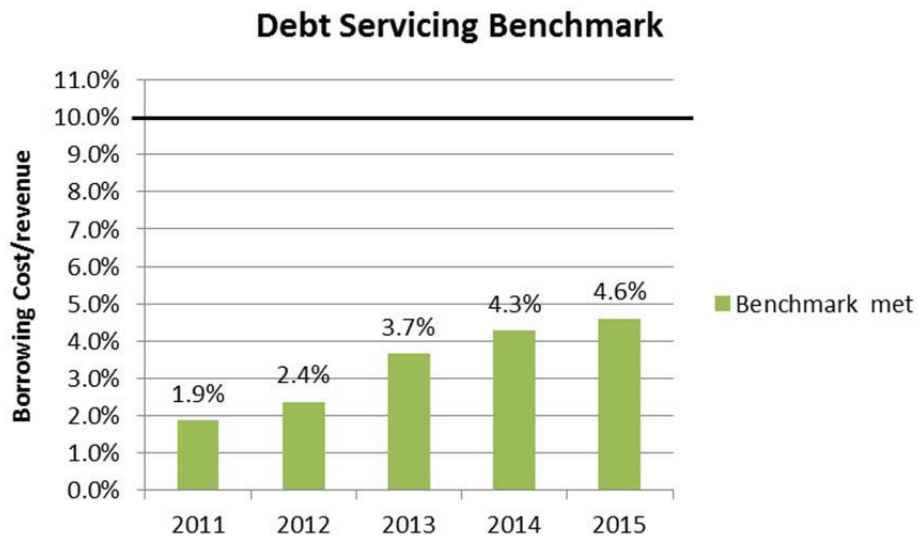
**Net debt / Total revenue - Limit < 250%**



**Net interest / Rates and levies - Limit < 30%**



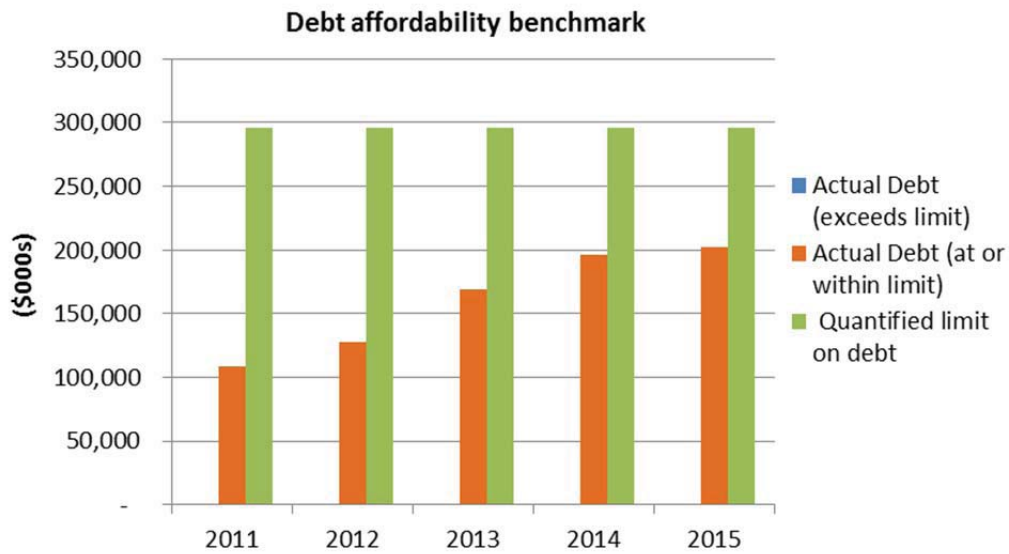
**Debt affordability graphs – Debt Servicing**



This graph shows the percentage of borrowing costs to revenue. A higher percentage indicates a higher exposure to shifts in interest rates. The benchmark prudential limit is set by central Government at 10% for non-high population growth regions.

Over time GWRC is meeting this benchmark test.

**Financial overview**  
**for the year ended 30 June 2015**

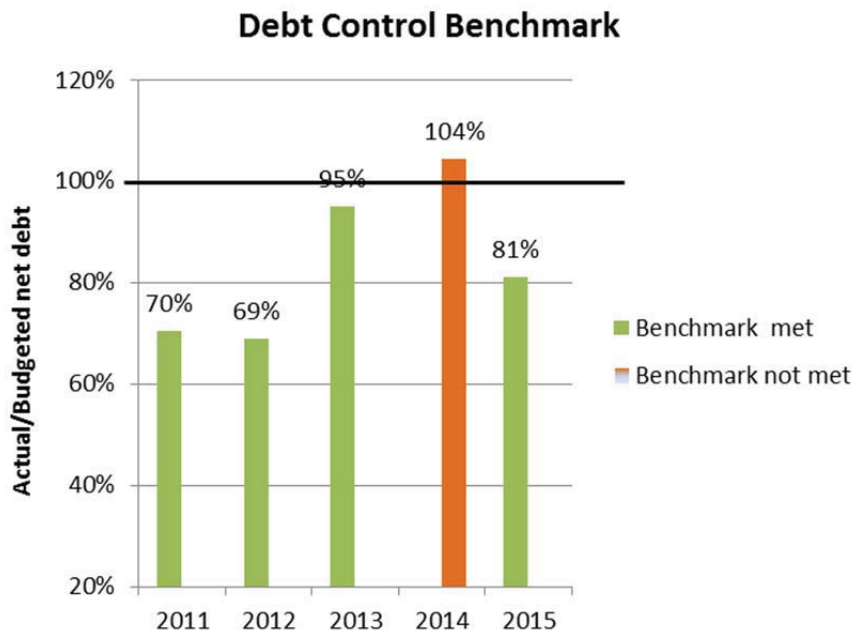


This graph shows the actual debt compared to the debt limit adopted in the 2012-22 LTP. In the LTP the debt projection was for it to peak at \$296 million in 2017/18 as the full impact of the investment in upgrading the rail network would be in place.

Over time GWRC is meeting this benchmark test.

**Debt affordability graphs – Debt benchmark**

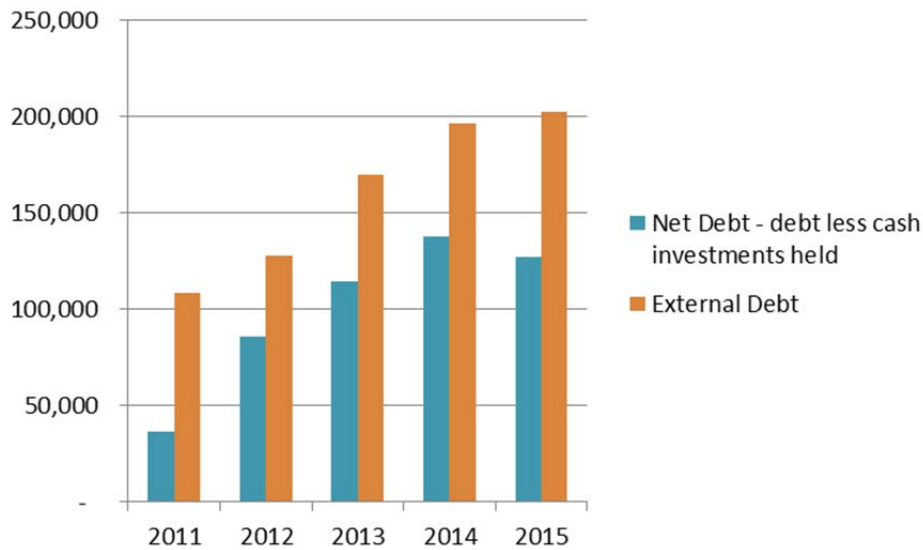
This graph indicates whether actual net debt is less than the budgeted net debt position.



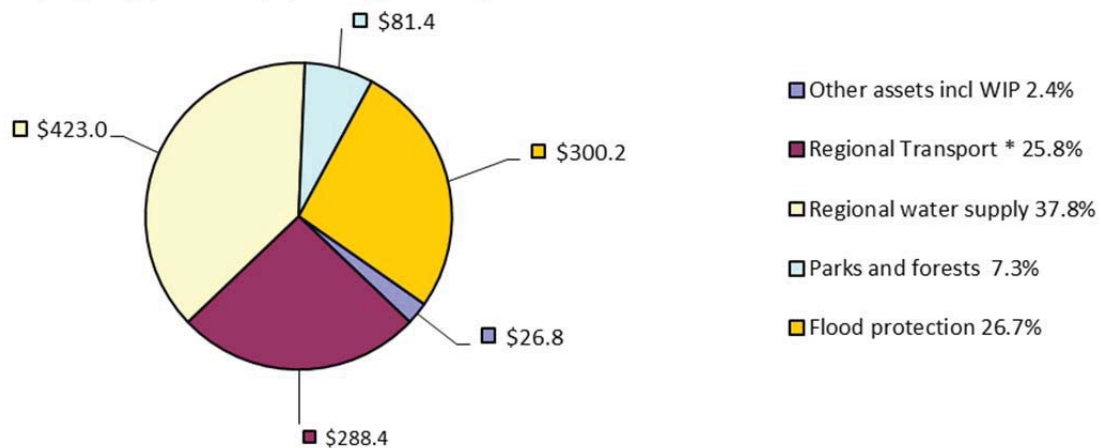


## Financial overview for the year ended 30 June 2015

This graph shows that cash investments significantly lower the overall outstanding debt position



### Council property, plant & equipment (\$ millions)



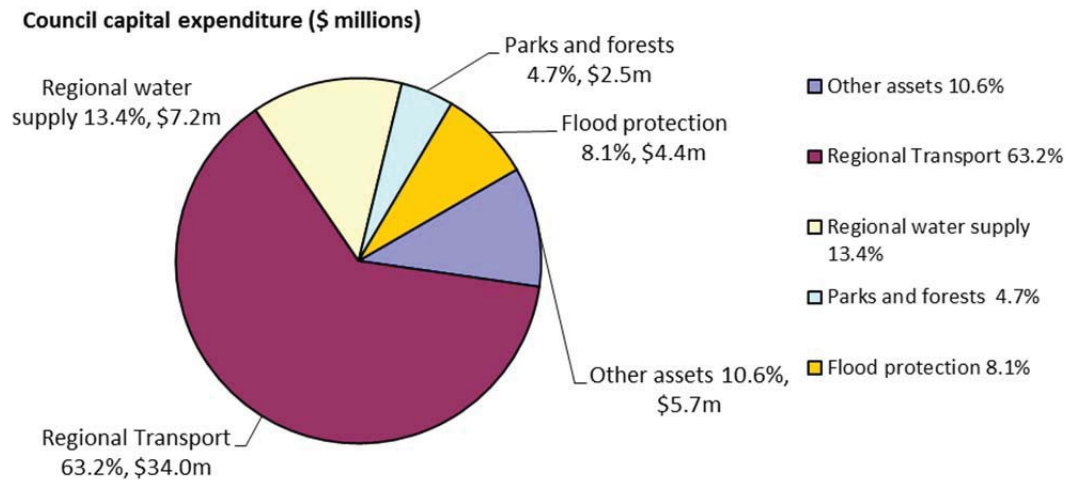
\* Includes \$274.8m of rail rolling stock and railway station infrastructure owned by Greater Wellington Rail Limited, a Council subsidiary

This pie chart shows the breakdown of our assets at the year end.

GWRC looks after many important community assets. Our asset base consists of regional water supply, regional parks and forests, flood protection and public transport. The new Matangi trains, the Ganz Mavag trains, and all stations excluding Wellington station are owned by the 100% owned GWRC subsidiary, Greater Wellington Rail Limited (GWRL). (Need to be consistent on what we call GWRL)

Continued management and investment in these assets is essential. GWRC and GWRL maintain and updates detailed asset management plans to ensure the assets are maintained and made available on behalf of the community.

**Financial overview  
for the year ended 30 June 2015**



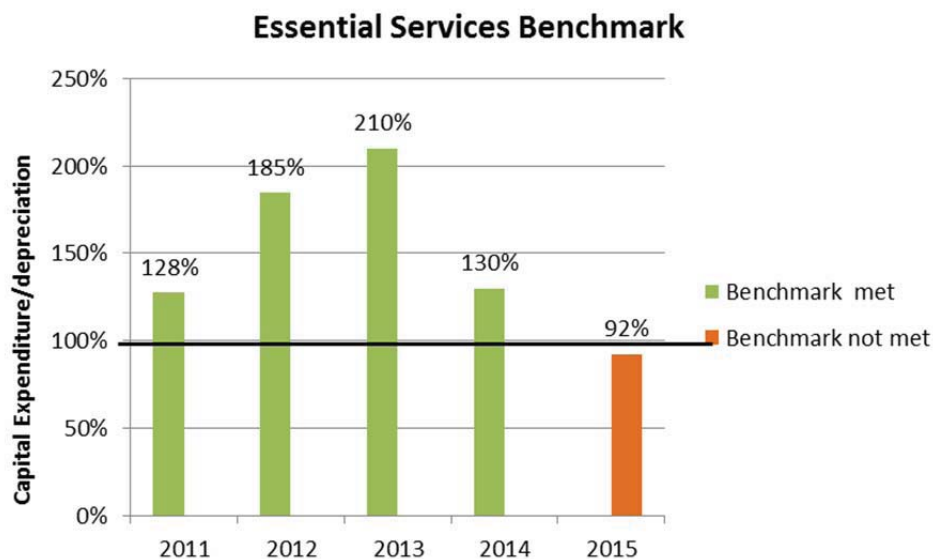
This pie chart shows the breakdown of the \$54 million in capital and improvement expenditure for the year ended 30 June 2015. The transport number includes \$23 million invested in GWRL for rail rolling stock and infrastructure improvements. It is included in the above graph to illustrate the extent of the continued investment in public transport.

**Essential Services**

This graph compares actual capital expenditure with depreciation. The general concept is that over time capital expenditure will be similar to depreciation indicating that assets are being replaced in an appropriate and timely manner. As a requirement of the legislation this only includes flood protection and water assets.

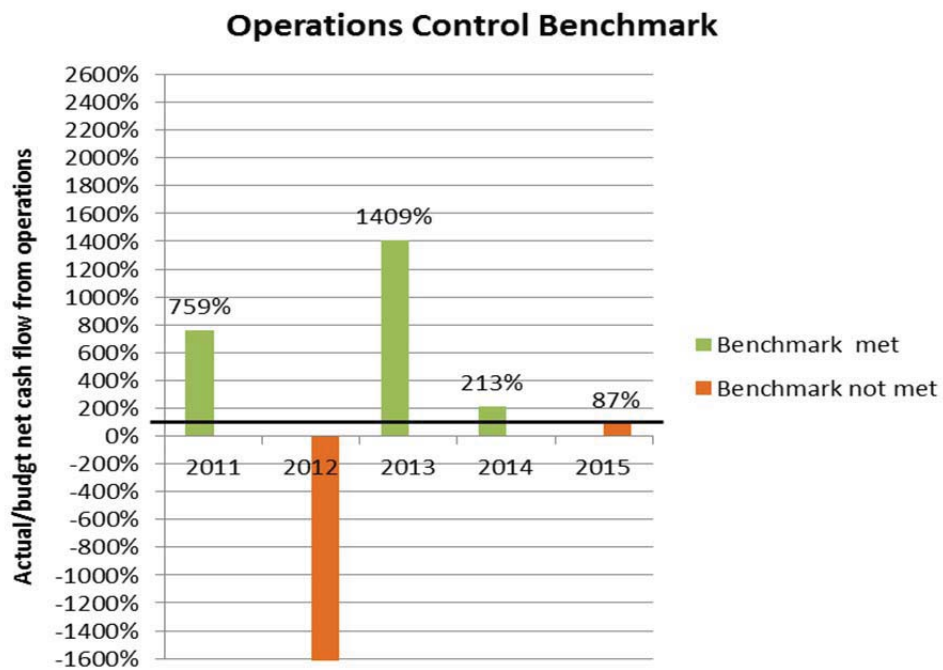
Over time we are meeting this benchmark due to the ongoing new flood protection assets being built.

With very long life assets it will not be unexpected to have periods where the results are below this benchmark like this year.



**Financial overview**  
**for the year ended 30 June 2015**

**Operational cash control**



This graph shows whether our actual cashflow from operations was close to our budgeted position. With infrastructure projects, there are often variations in timing that cause large differences between budget and actual in a given period.

**Financial overview  
for the year ended 30 June 2015**

<b>Group - Statement of comprehensive income</b>	<b>Group</b>	
	<b>2015 Actual \$000s</b>	<b>2014 Actual \$000s</b>
Operational Revenue	296,804	277,092
Finance costs	(20,282)	(19,135)
Operational expenditure	(288,668)	(277,493)
<b>Operational surplus / (deficit) for the year before transport</b>	<b>(12,146)</b>	<b>(19,536)</b>
Transport improvement grants and subsidies revenue	9,872	4,152
Transport improvement expenditure	(5,374)	(2,882)
<b>Net revenue / (expenditure) for transport improvements</b>	<b>4,498</b>	<b>1,270</b>
<b>Surplus / (deficit) for the year before tax and fair value gains / (losses)</b>	<b>(7,648)</b>	<b>(18,266)</b>
Fair value gains / (losses) in profit and loss	(20,047)	7,961
Tax	4,284	3,560
<b>Surplus / (deficit) after tax</b>	<b>(23,411)</b>	<b>(6,745)</b>
<b>Other comprehensive income</b>		
Increases / (decreases) in revaluations	564	29,505
Fair value movements in other comprehensive income	-	425
<b>Total comprehensive income / (deficit) for the year</b>	<b>(22,847)</b>	<b>23,185</b>

<b>Group - Statement of financial position</b>	<b>Group</b>	
	<b>2015 Actual \$000s</b>	<b>2014 Actual \$000s</b>
Current assets	133,270	147,229
Non-current assets	1,532,630	1,520,658
<b>Total assets</b>	<b>1,665,900</b>	<b>1,667,887</b>
Equity	1,163,666	1,181,394
Current liabilities	67,580	119,029
Non-current liabilities	434,654	367,464
<b>Net equity and liabilities</b>	<b>1,665,900</b>	<b>1,667,887</b>

<b>Group - Statement of cash flows</b>	<b>Group</b>	
	<b>2015 Actual \$000s</b>	<b>2014 Actual \$000s</b>
Cashflows from operating activities	29,092	41,620
Cashflows from investing activities	(36,959)	(58,274)
Cashflows from financing activities	(7,237)	29,751
Net increase (decrease) in cash, cash equivalents and bank overdraft	(15,104)	13,097
Opening cash equivalents	22,217	9,120
<b>Closing cash equivalents</b>	<b>7,113</b>	<b>22,217</b>

The Group results include subsidiaries CentrePort Limited, WRC Holdings Limited, Pringle House Limited, Port Investments Limited and Greater Wellington Rail Limited and associates, Wellington Water Limited and WREDA. During 2014/15 Grow Wellington was transitioned to WREDA which Greater Wellington owns 20% of with Wellington City Council owning 80%.

## Independent Auditor's report

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This is a summary of Greater Wellington Regional Council's (GWRC) activities for the year 1 July 2014 to 30 June 2015. The information has been extracted from our Annual Report 2014/15, which was authorised for issue by the Chair, Chief Executive and Chief Financial Officer on the 30th September 2015. 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. These summary financial statements are presented in New Zealand dollars rounded to the nearest thousand.

GWRC 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 International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The financial statements include a Statement of Compliance to this effect.

A summary report cannot be expected to provide as complete an understanding of GWRC's activities as provided by the full annual report. For the full Annual Report 2014/15, please see [www.gw.govt.nz](http://www.gw.govt.nz) or phone 0800 496 734.

For more information please contact the Greater Wellington Regional Council:

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