



If calling, please ask for Democratic Services

Finance, Risk and Assurance Committee

Tuesday 30 November 2021, 9.30am

Remotely, via Microsoft Teams

Members

Martin Matthews (Chair)

Cr Blakeley

Cr Hughes

Cr Kirk-Burnnand (Deputy Chair)

Cr Connelly

Cr Lamason

Recommendations in reports are not to be construed as Council policy until adopted by Council

Finance, Risk and Assurance Committee

Tuesday 30 November 2021, 9.30am

Remotely, via Microsoft Teams

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Please note these minutes remain unconfirmed until the Finance, Risk and Assurance Committee meeting on 30 November 2021.

Report 21.480

Public minutes of the Finance, Risk and Assurance Committee meeting on 12 October 2021

All members participating remotely at 9.30am.

Members Present

Martin Matthews (Chair)
Councillor Kirk-Burnnand (Deputy Chair)
Councillor Blakeley
Councillor Connelly
Councillor Hughes
Councillor Lamason (until 10.29am)

All members participated at this meeting remotely, and counted for the purpose of quorum, as per clause 25B of Schedule 7 to the Local Government Act 2002.

Public Business

1 Apologies

There were no apologies.

2 Declarations of conflicts of interest

There were no declarations of conflicts of interest.

3 Public participation

There was no public participation.

4 Confirmation of the Public minutes of the Finance, Risk and Assurance Committee meeting of 3 August 2021 - Report 21.355

Moved: Cr Lamason / Cr Kirk-Burnnand

That the Committee confirms the Public minutes of the Finance, Risk and Assurance Committee meeting of 3 August 2021 - Report 21.355

The motion was **carried**.

5 Confirmation of the Public Excluded minutes of the Finance, Risk and Assurance Committee meeting of 3 August 2021 - Report PE21.388

Moved: Cr Kirk-Burnnand / Cr Blakeley

That the Committee confirms the Public Excluded minutes of the Finance, Risk and Assurance Committee meeting of 3 August 2021 - Report 21.355

The motion was **carried**.

6 Update on the progress of action items from previous Finance, Risk and Assurance Committee meetings – October 2021 – Report 21.458 [For information]

Samantha Gain, General Manager, Corporate Services, spoke to the report.

7 Health, Safety and Wellbeing Update – Report 21.430 [For information]

Julie Barber, Manager, Health and Safety, spoke to the report.

8 Harbour Management – Risk and Compliance Update October 2021 – Report 21.459 [For information]

Grant Nalder, Harbour Master, spoke to the report.

9 Business Assurance Update – Report 21.465

Samantha Gain, General Manager, Corporate Services, spoke to the report.

Moved: Cr Lamason / Cr Hughes

That the Committee approves the outline Business Assurance Plan 2021-24 (Attachment 3).

The motion was **carried**.

Noted: The Committee requested that officers report back to the Committee regarding incorporating further reference to regulatory risk into the detailed Business Assurance Plan and regarding the management items noted in Attachment 3 of the report.

10 Interim Audit – 2020/21 Annual Report – Report 21.463 [For information]

Alison Trustrum-Rainey, Chief Financial Officer, spoke to the report.

11 Recent Derailment on the Network – Report 21.453 [For information]

Fiona Abbott, Manager, Assets and Infrastructure, spoke to the report.

12 Quarterly Risk Update – Q1 2021/22 – Report 21.438 [For information]

Samantha Gain, General Manager, Corporate Services and David Nalder, Risk Management Support, spoke to the report.

Councillor Lamason left the meeting at 10.29am, during discussion on the above item, and did not return.

Resolution to exclude the public

13 Resolution to exclude the public – Report 21.475

Moved: Cr Blakeley / Cr Kirk-Burnnand

That the Committee excludes the public from the following parts of the proceedings of this meeting, namely:

Cyber Security Roadmap update October 2021 – Report PE21.473

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter, and the specific ground/s under section 48)1 of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

Cyber Security Roadmap update – Report PE21.473	
<i>Reason/s for passing this resolution in relation to each matter</i>	<i>Ground/s under section 48(1) for the passing of this resolution</i>
The report contains information about Greater Wellington’s cyber security status. Release of this information exposes Greater Wellington to cyber-attack threats by making it easier for the public to know our cyber security status. It is necessary for Greater Wellington to exclude the information contained in this report from the public domain to protect our information assets and reduce our likelihood of cyber-attack. Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this risk.	The public conduct of this part of the meeting is excluded as per section 7(2)(j) of the Act – to prevent the disclosure of use of official information for improper gain or improper advantage.

This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would

be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

The motion was **carried**.

The public part of the meeting closed at 10.31am.

M Matthews

Committee Chair

Date:



Please note these minutes remain unconfirmed until the Finance, Risk and Assurance Committee meeting on 30 November 2021.

The matters referred to in these minutes were considered by the Finance, Risk and Assurance Committee in Public Excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report 21.484

Public Excluded minutes of the Finance, Risk and Assurance Committee meeting on 12 October 2021

All members participating remotely at 10.31am.

Members Present

Martin Matthews (Chair)
Councillor Kirk-Burnnand (Deputy Chair)
Councillor Blakeley
Councillor Connelly
Councillor Hughes

Public excluded Business

1 Cyber Security Roadmap update October – Report PE21.473 [For information]

Sue McLean, Chief Information Officer, spoke to the report.

The meeting closed at 10.38am.

M Matthew

Committee Chair

Date:

Finance, Risk and Assurance Committee
12 October 2021
Report 21.509



For Information

UPDATE ON PROGRESS OF ACTION ITEMS FROM PREVIOUS FINANCE, RISK AND ASSURANCE COMMITTEE MEETINGS – NOVEMBER 2021

Te take mō te pūrongo

Purpose

1. To update the Finance, Risk and Assurance Committee (the Committee) on the progress of action items arising from previous Committee meetings.

Te horopaki

Context

2. Items raised at Committee meetings, that require actions from officers, are listed in the table of action items from previous Council meetings (**Attachment 1** – Action items from previous Finance Risk and Assurance Committee meetings – November 2021). All action items include an outline of the current status and a brief comment.

Ngā hua ahumoni

Financial implications

3. There are no financial implications from this report, but there may be implications arising from the actions listed.

Ngā tūāoma e whai ake nei

Next steps

4. Completed items will be removed from the action items table for the next report. Items not completed will continue to be progressed and reported. Any new items will be added to the table following this Committee meeting and circulated to the relevant business group/s for action.

**Ngā āpitihanga
Attachment**

Number	Title
1	Action items from previous Finance Risk and Assurance Committee meetings – November 2021

**Ngā kaiwaitohu
Signatory**

Writer	Samantha Gain – General Manager, Corporate Services
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He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> The action items are of an administrative nature and support the functioning of the Committee.
<i>Implications for Māori</i> There are no direct implications for Māori arising from this report.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> Action items contribute to Council's and Greater Wellington's related strategies, policies and plans to the extent identified in Attachment 1 .
<i>Internal consultation</i> There was no internal consultation.
<i>Risks and impacts - legal / health and safety etc.</i> There are no known risks.

Finance, Risk and Assurance Committee
30 November 2021
Report 21.529



For Decision

DRAFT 2020/21 ANNUAL REPORT

Te take mō te pūrongo

Purpose

1. To advise the Finance, Risk and Assurance Committee (the Committee) of Council's draft Annual Report for the year ended 30 June 2021.

He tūtohu

Recommendations

That the Committee:

- 1 **Notes** that the audit is yet to be completed and that changes to the Annual Report, for the year ended 30 June 2021, may be required once the audit process has been completed.
- 2 **Recommends** that Council:
 - a **Adopts** the Annual Report for the year ended 30 June 2021 (Attachment 1), subject to any changes required once the audit process has been completed, and
 - b **Authorises** the Council Chair and Chief Executive to make minor changes that may arise as part of finalising the audited Annual Report for the year ended 30 June 2021.

Te tāhū kōrero

Background

2. Under the Local Government Act 2002 Council must prepare and adopt, in respect of each financial year, an annual report within four months after the end of the financial year to which it relates.
3. The Annual Report documents Greater Wellington's achievement of financial and non-financial performance from the 2018-28 Long Term Plan. It also includes the audited financial statements for the Council and its subsidiaries, reported as a group.
4. At the Committee meeting in October 2021, officers informed the Committee of legislation passed in July 2021 to extend the statutory reporting time limit for completion and adoption of local authority 2020/21 Annual Reports from 31 October 2021 to 31 December 2021 (section 98(7)(a) of the Local Government Act 2002).

5. At that same meeting the Committee was informed that the final Annual Report for the year ended 30 June 2021 would be presented to Council for adoption on 9 December 2021. With the audit process taking longer than originally expected this adoption date has been shifted to 16 December 2021.
6. The Audit Director, Clint Ramoo, will attend the 30 November Committee meeting and provide an update as to the status of the audit.

Te tātaritanga Analysis

Non-Financial Performance

7. Greater Wellington reports on 63 non-financial performance measures in the Annual Report and achieved 71 percent (45) of these in the year ended 30 June 2021 (this compares with 59 percent (37) achieved in the year ended 30 June 2020), and exceeded our targets in several areas. For example this year we:
 - a Delivered treatment to 913 hectares of erosion prone land against a target of 550 hectares – the largest area of treatment to erosion prone land delivered, in a single year, since the Wellington Region Erosion Control Initiative began in 2010
 - b Planted 48,000 native trees across our Regional Parks, compared to a target of 35,000
 - c Welcomed 1.94 million visitors to our Regional Parks, which is an increase of 180,000 visitors compared to the previous year
 - d Achieved an average residual trap catch rate of 2.5 percent in our Regional Possum Predator Control Programme area against a target of less than five percent.
8. Greater Wellington did not achieve 29 percent (18) of our measures (this compares with 41 percent (26) in the previous financial year). Many of the measures that were not achieved were very close to the target, for example:
 - a Our Public Transport network continued to be impacted by COVID-19, with us achieving 61.8 boardings per capita in 2020/21, compared to 62.4 boardings per capita in 2019/20.
 - b Driver shortages impacted reliability of our scheduled bus services, with 98.2 percent of scheduled services delivered against a target of 99.5 percent.
 - c A shift in the focus of our Sustainable Transport Initiatives during 2020/21 meant that only 4,048 adults participated in a sustainable transport initiative or promotion, against a target of 4,418.
 - d Wellington Water recorded one event in the bulk water supply which prevented the continuous supply of drinking water to a small number of consumers for a period of approximately four hours and nine minutes. This was against targets of zero events to the bulk water supply disrupting the continuous supply of drinking water and a less than four hour median response time for resolution of urgent callouts.

Financial Performance

9. The 2020/21 financial year has had many challenges and the Council continued to focus on enhancing its financial management and sound financial position, performing strongly in managing operating costs.
10. The operating deficit for the year was \$2.61 million compared to the forecast deficit of \$15.47 million set in the 2020/21 Annual Plan.
11. The total revenue and operating expenses were less than budget mainly due to delay in grants & subsidies because of delays to capital projects and the reclassification of transitional rail subsidies received from Waka Kotahi from a gross to net basis.
12. Capital expenditure was 48.72% or \$40.1 million less than budget mainly due to timing of water supply work programme and the deferral of the cross harbour pipeline project.
13. Refer to note 33 in the *Notes to the Financial Statements* of the draft 2020/21 Annual Report ([Attachment 1](#)) for explanations to major variances between the actual and budget numbers.
14. The actual reserve balance as at 30 June 2021 as compared to the 2018-28 Long Term Plan is set out in [Attachment 2](#).

Audit Opinion

15. As noted in paragraph 5, Audit NZ have been unable to deliver the completed audit within previously agreed timeframes. Audit NZ have cited significant resource constraints and have indicated the audit completion and their audit opinion to be provided by the 16 December 2021. A new Council Meeting has been established for this date, in order to adopt the 2020/21 Annual Report.
16. Audit NZ have informed management that the audit opinion may carry an emphasis of matter or a qualification relating to the desktop assessment of infrastructure assets valuation. Officers are working closely with audit to achieve an acceptable outcome and will update Council closer to the adoption of the annual accounts.

Ngā hua ahumoni

Financial implications

17. The 2020/21 Annual Report, includes the financial statements for Greater Wellington, as at 30 June 2021 (Attachment 1). A summary of financial performance from the 2020/21 Annual Report is outlined in paragraphs 9-14 above.

Ngā tikanga whakatau

Decision-making process

18. The matters requiring decision in this report were considered by officers against the requirements of Part 6 of the Local Government Act 2002.

**Te hiranga
Significance**

19. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of these matters, taking into account Council's Significance and Engagement Policy and Greater Wellington's Decision-making Guidelines. Officers recommend that these matters are of medium significance, as the 2020/21 Annual Report is a key accountability document for the Council to our communities.

**Te whakatūtakitaki
Engagement**

20. In line with the Significance and Engagement Policy, officers determined that no engagement on the matters for decision is required.

**Ngā tūāoma e whai ake nei
Next steps**

21. Present the final Annual Report (and Summary of the Annual Report) for the year ended 30 June 2021 to Council for adoption on 16 December 2021.
22. The Council is required within one month of adoption of the Annual Report, to make the report and a summary report available to the public. The Annual Report and Summary Report will be published on the Council's website and limited hard copies will be produced.

**Ngā āpitihanga
Attachments**

Number	Title
1	Draft 2020/21 Annual Report
2	Reserve balance as at 30 June 2021

**Ngā kaiwaitohu
Signatories**

Writers	Ashwin Pai, Financial Controller Zofia Miliszewska, Team Leader, Corporate Planning and Reporting
Approvers	Alison Trustrum-Rainey, Chief Financial Officer Jake Gilmer, Manager, Strategic and Corporate Planning Samantha Gain, General Manager, Corporate Services Luke Troy, General Manager, Strategy

He whakarāpopoto i ngā huritaonga Summary of considerations
<p><i>Fit with Council's roles or with Committee's terms of reference</i></p> <p>The Committee provides assurance to the Council to adopt the Annual Report.</p>
<p><i>Implications for Māori</i></p> <p>The Draft 2020/21 Annual Report (Attachment 1) includes reporting on what has been delivered or progressed during the reporting year to improve outcomes for mana whenua and Māori.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>The 2020/21 Annual Report, reports against the third year of the 2018-28 Long Term Plan. This will be provided to Council for adoption within the extended statutory timeframes.</p>
<p><i>Internal consultation</i></p> <p>The Finance and Strategic and Corporate Planning departments were consulted in preparing this Committee report.</p> <p>The Draft 2020/21 Annual Report (Attachment 1) was prepared in consultation with ELT and departmental managers.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>There are no specific risks arising from the matters for decision.</p>

DRAFT

Te Pane Matua Taiao
2020/21 Pūrongo ā Tau

Greater Wellington Regional Council
2020/21 Annual Report

DRAFT

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He kupu nā te Heamana me te Tumu Whakarae e wehe ana | Message from the Chair and outgoing Chief Executive

Kia ora koutou,

2020/21 has been a successful year of planning and partnership for Greater Wellington. We collaborated with our community and mana whenua partners to deliver key services, create a number of ambitious plans, and to set a foundation of strength and resilience to address ongoing challenges.

At the forefront of all our plans was the development of our 2021-31 Long Term Plan (LTP), which sets the direction of our work and what we want to achieve over the next ten years. An important element of the LTP is a new Integrated Strategy, which aligns our vision, community outcomes, and strategic priorities as an organisation.

A key focus throughout this year was working with our mana whenua partners and engaging with iwi across all of our plans and activities. Engagement with mana whenua occurred in the development of our 2021-31 LTP. We also developed a Māori Outcomes Framework to guide our organisation in improving outcomes for mana whenua and Māori in our region. Te Matarau a Māui, the Māori economic development strategy, was also approved this year to support iwi in fostering economic development and collaborative pathways to prosperous Māori futures.

The COVID-19 pandemic has continued to bring complex challenges to our region. This year Greater Wellington has been adaptive in its response to the pandemic, working to improve regional resilience and provide key infrastructure. Funding from the Jobs for Nature initiative was used (in collaboration with the Department of Conservation and Taranaki Whānui) to protect native ecosystems in Pencarrow and Porirua. Funding from the Regional Economic Development & Investment Unit (REDIU) was also used to fund riparian planting and erosion management in the Hutt and Ruamāhanga rivers. Each of these initiatives supported important environmental outcomes and supported the region's economic recovery.

With the challenges of the pandemic in mind, we finalised the Regional Growth Framework this year, and supported the establishment of the Wellington Regional Leadership Committee to implement the framework and support the region's economic development and recovery.

The Public Transport team continued to respond to changes in Alert Levels to ensure the safety of our communities and workforce across the region and received an international award alongside Snapper for our response to COVID-19 in the 'Most Innovative Customer Serving Operator' category.

We have faced challenges this year recruiting and retaining bus drivers, with driver shortages compounded by COVID-19. Greater Wellington is working to improve driver terms and conditions and approved a funding proposal to lift Metlink operator wages to the living wage.

Climate change has been an increasing concern for our community, and we have made significant progress this year to ensure a thriving region for future generations. This year we continued our progress towards being a climate positive region by 2035. The Low Carbon Acceleration Fund (LCAF) was utilised this year to fund two key restoration projects in the region. The Toitū te Whenua Parks Network Plan was also completed and includes significant plans to retire grazing land and restore native habitats.

We adopted two key transport plans this year, both with a strong focus on decarbonisation. The 2021-31 Regional Public Transport Plan outlines the strategic direction for how we will deliver our public transport services and included a pathway to achieve a net carbon zero public transport fleet by 2030. The 2021-31 Regional Land Transport Plan sets the strategic vision for the region's transport network and included three ambitious targets to increase active and public transport use, decrease transport related carbon emissions and reduce deaths and serious injuries on our roads.

We continued to demonstrate a strong passion and commitment to the environment this year. To better deliver for our environment and for our communities, Greater Wellington has begun a process to shift towards delivering our services based on the natural catchment boundaries within our region. This model will allow us to better protect our environment and more effectively engage with communities and mana whenua. We have already seen the success of this model through the mahi of our Whaitua Committees on the Whaitua Implementation Programme. The Whaitua te Whanganui-a-Tara Committee is in the final stages of completing a Whaitua Implementation Programme and have integrated a strong focus on involving the community and mana whenua.

We have achieved an operating deficit of \$2.6 million for the year, compared to a forecast deficit of \$15.5 million set in the 2020/21 Annual Plan. This is primarily due to timing difference in operating expenditure, delay in grants and subsidies as a result of delays to capital projects, a change in accounting for rail network renewals and additional dividend received from CentrePort Limited.

Collaboration with key partners this year has led to substantial progress in a number of important projects across the region. A project design was developed for RiverLink, and Predator Free Wellington continues to work towards eradicating all rats in the Miramar area and preparing for eradication operations in the next group of Wellington suburbs. Let's Get Wellington Moving has ended the year with a more developed direction for the city's transport system, and the location of Kaiwharawhara was confirmed as the preferred site for the Multi-User Ferry Precinct.

In September 2021, Greg Campbell stepped down as Chief Executive, after being in the role at Greater Wellington for seven years. We would like to thank Greg for his service to Greater Wellington.

We are proud of the work that has been done this year and acknowledge the mahi of our staff, alongside the invaluable input and mahi of our mana whenua partners, our team of volunteers, and the wider regional community. We encourage you to read this report and get involved in our work we are doing to develop an extraordinary region: thriving, connected and resilient.

Nāku noa, nā

Nigel Corry
Chief Executive (from 15 September 2021)

Daran Ponter
Council Chair

Kia ora koutou,

He angitu te tau 2020/21 i runga i ngā mahi whakamahere, rangapū hoki mō te Rohe o Pōneke. I mahi tahi mātou me ō mātou hapori, mana whenua hoki ki te tuku i ngā ratonga hirahira, ki te waihanga i ngā whakamahere awhero huhua, tae noa ki te whakaū i te kaha me te manawaroa ki te whiriwhiri i ngā take o te wā.

Tōmua i roto i ā mātou mahere katoa ko te whakawhanake i te Mahere Roa 2021-31, e whakarite ana i te huarahi mō ā mātou mahi me ā mātou whāinga i roto i ngā tekau tau e haere ake nei. Ko tētahi āhuetanga motuhake o te LTP ko te Rautaki Tuitui, e tuitui ana i tā mātou pae tawhiti, ngā hua hapori me ngā whakaarotau rautaki o te tōpūtanga.

Ko tētahi arotahi matua i te tau ko te mahi tahi ki ō mātou mana whenua me te whirinaki ki ngā iwi ki te whiriwhiri i te katoa o ā mātou mahere, mahi hoki. I mahi tahi mātou ko ngā iwi i te whanaketanga o te Mahere Roa 2021-31. I whakawhanakehia hoki e mātou tētahi Rautaki Hua Māori ki te ārahi i tō mātou rōpū kia pai ake ai ngā hua mō ngā mana whenua me ngā Māori i roto i tō mātou rohe. I whakaetia i tēnei tau ngā kaupapa o Te Matarau a Māui, o te Rautaki Whanake Ōhanga Māori hoki, ki te tautoko i ngā iwi ki te whakatairanga i te whanaketanga ōhanga me ngā huarahi mahi tahi ki te āpōpō e tōnui ai te Māori.

E werohia tonutia ana tō tātou rohe e te mate urutā KOWHEORI-19. I tēnei tau, kua urutau te tū a Te Pane Matua ki ngā take o te mate urutā, ā, i ngana ki te whakapakari i te manawaroa o te rohe me te hangahanga tōtika. I whakapaua te tahua i te kaupapa Jobs for Nature (he mahinga tahitanga me Te Papa Atawhai me Taranaki Whānui) ki te tiaki i ngā pūnaha hauropi ki Pencarrow me Porirua. I whakapaua hoki te tahua i te Regional Economic Development & Investment Unit (REDIU) ki te tautoko i ngā whakatōnga tupu, i te whakahaere horo whenua hoki ki ngā awa o Te Awakairangi me Ruamāhanga. Ka tautokohia e ēnei mahi ngā hua hirahira taiao me te whakaoranga o te ōhanga ā-rohe.

I runga anō i ngā wero o te mate urutā, i whakaoti i ā mātou te Rautaki Whakatupu ā-Rohe i tēnei tau me te tautoko atu i te whakatūnga o te Wellington Regional Leadership Committee ki te whakatinana i te rautaki me te tautoko i te whanaketanga me te whakaoranga ōhanga o te rohe.

Ka kōkiritia tonutia e te tīma Waka Tūmatanui ngā āhuetanga o te huringa o ngā Taumata Ohiti kia haumarua ai ō mātou hapori, ā mātou kaimahi huri i te rohe, ā, i riro i a rātou me Snapper tētahi whakawhiwhinga ā-ao i runga i tā mātou whiriwhiri i te KOWHEORI-19 i te wāhanga 'Most Innovative Customer Serving Operator'.

He nui ā mātou heke i tēnei tau ki te kimi tangata, ki te whakamaui hoki i ngā kaitaraiwa pahi nā te tokoiti i raru anō ai i a KOWHEORI-19. E whāia ana e Te Pane Matua ki te whakapai ake i ngā kawenga me ngā herenga, ā, i whakaae atu ki tētahi tono pūtea kia hikitia ngā utu kaimahi o Metlink ki te utu oranga.

Ko te huringa o te āhuarangi tētahi āwangawanga nui ake mō tō tātou hapori, ā, i koke whakamua ai i tēnei tau kia taurikura ai te rohe mō ngā uri whakatupu. I tēnei tau i kōkiri mātou kia tōrunga te āhuarangi ki tēnei rohe hei te tau 2035. I whakamahia te Low Carbon Acceleration Fund (LCAF) i tēnei tau ki te utu i ngā kaupapa whakarauora matua e rua i roto i te rohe. I whakaoti i te Toitū te

Whenua Parks Network Plan me ngā mahere nui ki te whakamutu i te whenua tītongi, ā, kia whakahokia mai te nōhanga māori.

E rua ngā mahere waka whenua matua i whakaaetia i tēnei tau, ā, e arotahi atu ki te whakaiti i te waro. Kei te 2021-31 Regional Public Transport Plan e whakamārama ana i te aronga rautaki mō te whakarato i ō mātou ratonga waka whenua tūmatanui me te huarahi ki te whakatutuki kia kore waro ai te huinga waka whenua tūmatanui hei te tau 2030. Kei roto i te 2021-31 Regional Land Transport Plan te pae tawhiti mō te waka whenua rōpū, ā, e toru ngā whāinga whakahihiko ki te whakanui ake i te whakamahinga o ngā waka whenua tūmatanui, ki te whakaiti i te puha waro o ngā tāpiringa waka whenua, ā, ki te whakaiti anō hoki i ngā matenga me ngā wharatanga taumaha ki runga i ō tātou rori.

I tēnei tau, i whakaahuangia tonutia e mātou te ngākau nui me te ngākau titikaha ki te taiao. Ki te whakapai ake i ā mātou mahi mō tō mātou taiao me ō mātou hapori, kua tīmata a Te Pane Matua i tētahi tukanga ki te whakarato i ā mātou ratonga i runga i ngā rohenga māori i roto tonu i tō mātou rohe. Mā tēnei kawenga e āhei ana mātou ki te tiaki ake i tō mātou taiao me te mahi tahi ake ki ngā hapori me te mana whenua. Kua kitea kētia e mātou te angitutanga o tēnei tauira i ngā mahi o ā mātou Komiti Whaitua i roto i te Whaitua Implementation Programme. Kua tata oti te Komiti Whaitua te Whanganui-a-Tara i tētahi Whaitua Implementation Programme, ā, kua uru atu tētahi aronga nui kia whai wāhi te hapori me te mana whenua.

I \$2.6 miriona te takarepa o te kaute whakahaere i tēnei tau, ahakoa i matapaetia he takarepa o te \$15.5 miriona i whakarite i roto i te Mahere ā-Tau 2020/21. Nā te takanga o te wā te rerekētanga o ngā nama whakahaere, te takaroa o ngā whakawhiwhinga me ngā moni āwhina i runga i ngā takaroatanga o ngā whakatakanga haupū rawa, te panoni i te kaute mō ngā whakahou rerewhenua, tae noa ki ngā tāpiringa moni hua i tau mai i a CentrePort Limited.

Ko te mahi tahi me ngā hoa haere matua i tēnei tau, i neke whakamua nui ai ngā kaupapa hirahira huri noa i te rohe. I waihangatia tētahi kaupapa mō RiverLink, ā, e haere tonu ngā mahi a Predator Free Wellington ki te mōtiti i ngā kiore ki te wāhi o Miramar me te whakarite kaupapa mōtiti mō tētahi atu rōpū tāone o Pōneke. Ka whakaoti i a Let's Get Wellington Moving i tēnei tau tētahi aronga mārama ake mō te pūnaha waka whenua ā-tāone, me te whakatau i a Kaiwharawhara hei wāhi tau ana mō te Multi-User Ferry Precinct.

Nō te Mahuru 2021, i heke a Greg Campbell hei Tumu Whakarae, i muri i tana tūnga ki Te Pane Matua mō ngā tau e whitu. E maioha ana ki a Greg mō tana mahi ki te tōpūtanga, ki te rohe whānui hoki.

E poho kererū ana mātou i ā mātou mahi i tēnei tau me ngā mihi ki ngā mahi o ā mātou kaimahi, tae noa ki ngā kura nui me te mahi o ō mātou mana whenua, ā mātou tīma tūao, me te hapori whānui tonu. E akiaki ana mātou i a koe ki te pānui i tēnei pūrongo me te kuhu mai ki roto i ā mātou mahi ki te whakawhanake i tētahi rohe whakahirahira: e tōnui ana, e tūhono ana, e manawaroa ana.

Nāku noa, nā

Nigel Corry
Tumu Whakarae (mai i te 15 o Mahuru 2021)

Daran Ponter
Heamana Kaunihera

He tiro whānui i ngā mahi i tutuki i a mātou | Overview of our Performance

Ko te Tau kua pahure | A Year in Review

Planning, Partnership, and Regional Resilience

This year we continued to deliver key services to the Region, as well as develop a number of ambitious plans with our mana whenua partners and community to set a regional foundation of resilience and connection.

This year we:



Set a **strong and transformative regional direction** for the next ten years:

- Developed the **2021-31 Long Term Plan**, which sets our priorities for the next ten years
- Created an **Integrated Strategy**, which outlines how we will deliver our community outcomes
- Adopted the **2021-31 Regional Land Transport Plan** with three ambitious targets regarding safety, modeshift and carbon reduction
- Adopted the **2021-31 Regional Public Transport Plan**
- Contributed to the progress of a number of projects in collaboration with other organisations including **RiverLink, Predator Free Wellington, Let's Get Wellington Moving and the Multi-User Ferry Precinct**
- Implemented **Living Wage for all Metlink bus drivers**



Aided in **regional recovery and adaption to COVID-19**:

- Utilised government funding including **Jobs for Nature** to provide key flood protection infrastructure and forest restoration work across the region
- Finalised the **Wellington Regional Growth Framework**
- Supported the establishment of the **Wellington Regional Leadership Committee**
- Committed to **Te Upoko o Te Ika a Māui** to promote regional social procurement
- Continued to provide a **safe and reliable public transport system**



Worked to **improve outcomes for mana whenua and Māori**:

- Developed a **Māori Outcomes Framework**
- Approved **Te Matarau a Māui (the Māori economic development strategy)** and appointed an independent board to support its success and implementation
- Undertook engagement with our mana whenua partners in the development of the **2021-31 Long Term Plan**



Worked to **address the threat of climate change**:

- Utilised the **Low Carbon Acceleration Fund** to fund two key restoration projects
- Finalised **2020-30 Toitū te Whenua Parks Network Plan** including a plan to retire grazing and restore native ecosystems
- Developed a pathway to achieve a **net carbon zero public transport fleet by 2030**

- Reviewed and improved arrangements for regional climate change governance through the establishment of the **Wellington Region Climate Change Forum**



Delivered for the environment:

- Started to progress towards a **catchment-based delivery model** to better deliver for our environment and effectively engage with key communities and mana whenua
- Made significant progress in developing a **Te Whanganui-a-Tara Committee Whaitua Implementation Programme** with the community and mana whenua
- **Resolved 93 percent of appeals** to the Environmental Court and processed 576 non-notified resource consents.



Continued to be **community focused:**

- Ran the **'Design a Metlink Bus'** contest for children in the region. Two buses were adorned with custom-made vinyl wraps to display the winning designs
- Worked with the community to design and restore the **swing bridge** at Kaitoke Regional Park to be more accessible and safer for public use
- Hosted a **'Night Skies' stargazing event** with Wellington Astronomical Society to celebrate Matariki
- Ran the **'Whakarongo ki te Taiao – Feeling the rhythm of the land'** community event with over 300 attendants to celebrate Wairarapa Moana's status as a Wetland of International Significance

You can read more about the performance of Greater Wellington's activities on pages **XX-YY** (Ngā Mahi a Te Pane Matua Taiao | Activities of Greater Wellington Regional Council).

Ko ngā hua mō te hapori | Community outcomes

Greater Wellington aims to improve the quality of life of the people who live in the Wellington Region. We aspire to improve the overall wellbeing of the region and we do this by aligning the work we do through five Community Outcomes which are set out in our 2018-28 Long Term Plan. These outcomes underpin the activities we do, and flow through to our vision.

Our Vision:

He rohe taurikura – ka tōnui, ka honohono, ka pakari hoki
An extraordinary region – thriving, connected and resilient

Our Community Outcomes:

Outcome	What does that mean?	Contributing Groups of Activities
Strong Economy	A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment	Environment (page XX) Regional Parks and Forests (page XX) Flood Protection and Control Works (page XX) Regional Leadership (page XX) Water Supply (page XX) Metlink Public Transport (page XX)
Connected Community	People are able to move around the region efficiently, and our communications networks are effective and accessible	Regional Leadership (page XX) Metlink Public Transport (page XX)
Resilient Community	A community that plans for the future, adapts to change and is prepared for emergencies	Environment (page XX) Flood Protection and Control Works (page XX) Regional Leadership (page XX) Water Supply (page XX)
Healthy Environment	An environment with clean air, freshwater, healthy soils, and diverse ecosystems, that supports community needs	Environment (page XX) Regional Parks and Forests (page XX) Flood Protection and Control Works (page XX) Regional Leadership (page XX) Water Supply (page XX) Metlink Public Transport (page XX)
Engaged Community	An engaged community that takes pride in our region, values our urban and rural landscapes, and enjoys our amenities and choice of lifestyles	Environment (page XX) Regional Parks and Forests (page XX) Regional Leadership (page XX)

Ko te whakarahi ake i ngā hua mō te mana whenua me te Māori | Improving outcomes for mana whenua and Māori

Greater Wellington has strong partnerships with mana whenua across the region. We work both collectively and with each iwi entity directly on a variety of plans and projects to sustainably manage and protect our natural resources, restore our native ecosystems, and develop a more resilient and connected region. Our work with mana whenua is important in working towards upholding our commitment to Te Tiriti o Waitangi and provides vital insight and knowledge into how we can improve our region.

Greater Wellington has six mana whenua partners as represented by the following entities:

- Ngā Hapū o Ōtaki
- Ātiawa ki Whakarongotai Charitable Trust
- Te Rūnanga o Toa Rangatira Inc
- Port Nicholson Block Settlement Trust
- Rangitāne O Wairarapa Inc
- Ngāti Kahungunu ki Wairarapa Charitable Trust

Greater Wellington also has links with mātāwaka communities around the region.

We engaged with our mana whenua partners on a number of plans and projects this year, including throughout the development of the 2021-31 Long Term Plan. During the LTP engagement process, councillors and officers met with iwi representatives on several occasions to discuss their priorities, aspirations and resourcing requirements and to build the partnership arrangements going forward. The outcomes of these discussions were fed into the development of the final Long Term Plan, which was adopted by Council in June 2021.

This has been a year of transition for Greater Wellington as we work with our mana whenua partners on how to further develop and strengthen our partnerships and uphold our commitments to Te Tiriti o Waitangi. We started to examine how our processes can better align with mātauranga Māori to inform policy, strategy, planning and delivery of our services. We also started to determine how Greater Wellington can work to improve outcomes for mana whenua and develop a sustainable environment that fosters opportunities for growth and resiliency.

This is a continuous process for Greater Wellington, and we have begun to make progress this year in determining how to effectively partner with and improve outcomes for mana whenua.

This year we:

Developed a Māori Outcomes Framework to guide our progress in partnering with and improving outcomes for mana whenua and Māori going forward.

Engaged with our mana whenua partners to develop the 2021-31 Long Term Plan

Agreed on a new baseline funding model for mana whenua which allows mana whenua to determine their own aspirations in developing positive outcomes for their community and the region.

Adopted Te Matarau a Māui, the Māori economic development strategy, and appointed an independent board to support the success of the work programme.



Artwork from the Greater Wellington Regional Council Chamber, by Elaine Bevan (Ngāti Raukawa, Ngāti Toa) with the assistance of Ezra Bevan (Ngāti Raukawa, Ngāti Toa), Hermann Salzmann (Ngāti Toa Rangatira, Ngāti Raukawa, Ngāti Koata), and Kohai Grace (Ngāti Toa) with the assistance of her son Rakairoa Hori (Ngāti Toa) and a whakairo student (of Sam Hauwaho) Benjamin Jolley (Waikato)

Ko te Mahi mō te Āhuarangi | Climate Action

Climate change has wide-reaching effects across our community, infrastructure, economy and natural ecosystems. There has been growing concern and awareness this year on how the changing climate will impact our region, and a significant push from our community that we need to take action to mitigate and adapt to climate change.

Understanding the causes of climate change and the effects it has on our region is essential to developing long term solutions. The mindset that humans are separate from the environment has led to an overuse of natural resources, and consequently a number of negative impacts on our Earth, including climate change. Changes in the climate also lead to further negative impacts on our region.

[Insert Causes and Effects graphic here]

For more information on the effects of climate change on our region please see:
<http://www.gw.govt.nz/assets/Uploads/WhaituaClimateChangeprojectionsMarch2020.pdf>

To prevent these negative impacts on our region, we must stop the overuse of natural resources with actions such as reducing carbon emissions, and we need to reconnect with and support our native ecosystems and environment.

Greater Wellington has made significant progress this year in addressing climate change through establishing governance structures, developing strategies, managing risks and progressing towards our carbon emission reduction targets of net carbon zero by 2030 and climate positive by 2035.

Governance:

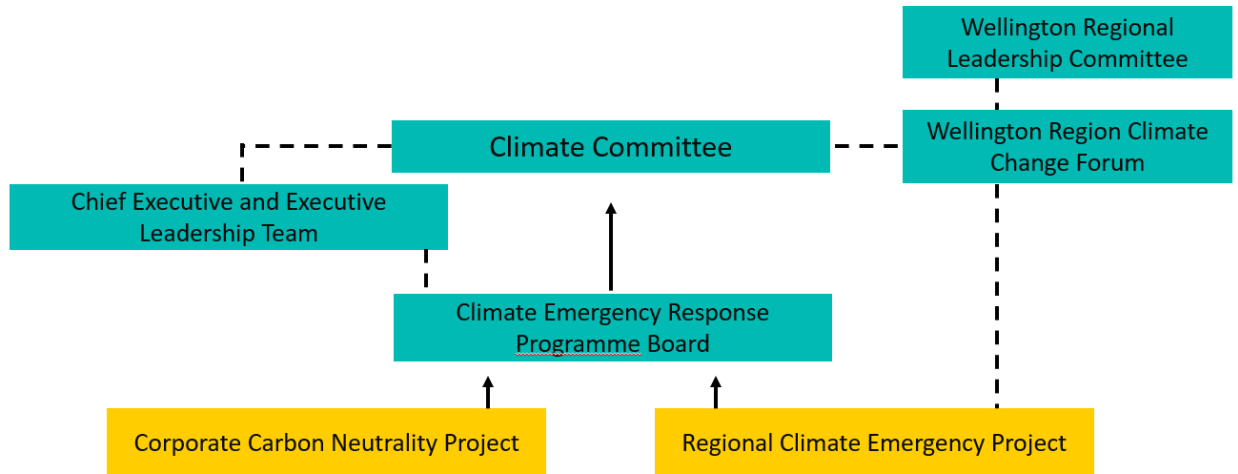
The Climate Committee is structured to include eight Greater Wellington Councillors, an external climate expert and a mana whenua representative.¹ The Committee's purpose is to oversee and inform the development and review of Greater Wellington's work from a climate change lens. The Committee also provides leadership on climate change for the organisation and the region to mitigate and adapt to climate change.

The Wellington Region Climate Change Working Group works to provide a space for all the Region's councils and mana whenua to network, discuss issues, share information and, where appropriate, achieve a consistent approach on climate change mitigation and adaptation. To better reflect their role as an advisory body and focus on working with Māori and mana whenua, the Working Group was disestablished this year and the **Wellington Region Climate Change Forum** was established to continue this work.

The Wellington Regional Leadership Committee brings together key leaders across the region including Greater Wellington, local authorities, mana whenua partners and central government. The Joint Committee is responsible for implementing the Regional Growth Framework and address key challenges to the region including climate change.

¹ A mana whenua representative has yet to be appointed to this committee

The **Climate Emergency Response Programme Board** provides oversight and governance to the implementation of Greater Wellington’s climate strategies.



Strategy:

Greater Wellington’s strategy for mitigating and adapting to the causes and effects of climate change are guided by the following key plans:

The Long Term Plan (LTP) sets the direction and priorities for Greater Wellington for the next ten years. The 2021-31 LTP outlines addressing climate change as one of the four overarching strategic priorities for the next ten years and includes ambitious plans and funding to reach our goal of being net carbon zero by 2030 and climate positive by 2035.

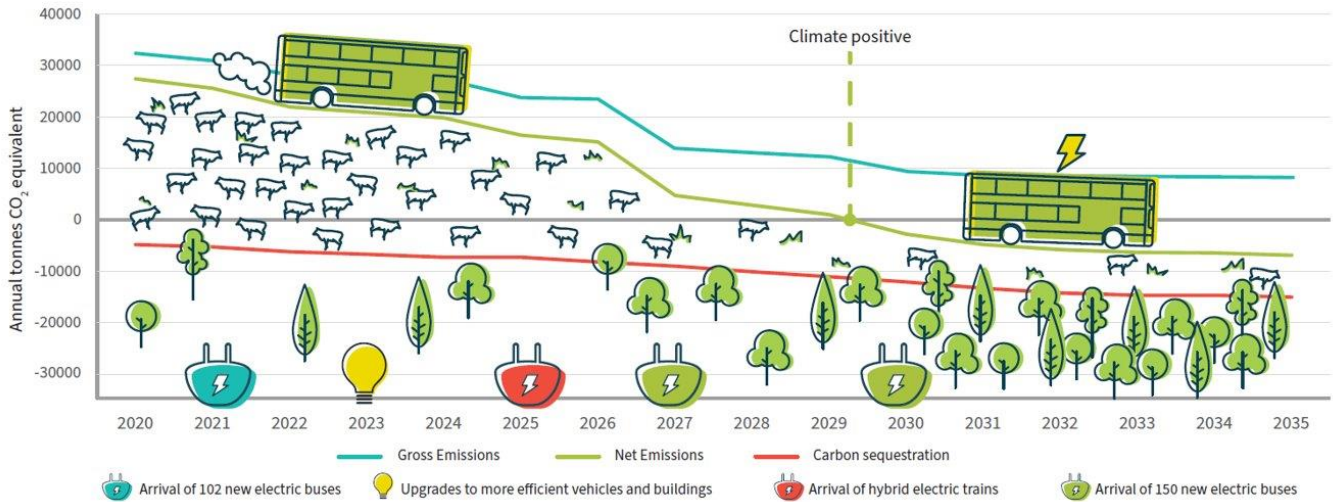
Wellington Regional Growth Framework is a spatial plan that outlines how the region will adapt to key challenges and opportunities to get the best outcomes and benefits for the region. The Plan outlines four main priorities including housing supply, affordability and choice, transport choice and access, iwi and Māori housing, capacity and taonga, and climate change and regional resilience.

The Regional Climate Emergency Response Programme includes Greater Wellington’s declaration of a climate emergency and outlines the governance and actions that will support our work to mitigate and adapt to climate change.

Within the Programme we have two ten-point action plans:

1. **Our Corporate Carbon Neutrality Action Plan** outlines how the organisation will work to reduce or offset our greenhouse gas emissions. Council’s favoured emissions reduction pathway, from 2020 to 2035, is illustrated below:
2. **Our Regional Climate Emergency Action Plan** outlines how Greater Wellington will work with others to build climate action consistency across the Region.

Attachment 1 to Report 21.529



Greater Wellington also responds to central government strategies on how to mitigate and adapt to climate change, and advocates to central government on key climate legislation and plans including the Climate Change Commission draft advice released this year.

Risk Management:

We have worked on developing and implementing key actions this year to address and manage the risks that climate change poses on our region. We are managing these risks through mitigating our effect on climate change as well as adapting to the changes caused by climate change.

Here are some of the key ways we have managed the risk of climate change on our region this year:

Mitigating our impact on climate change

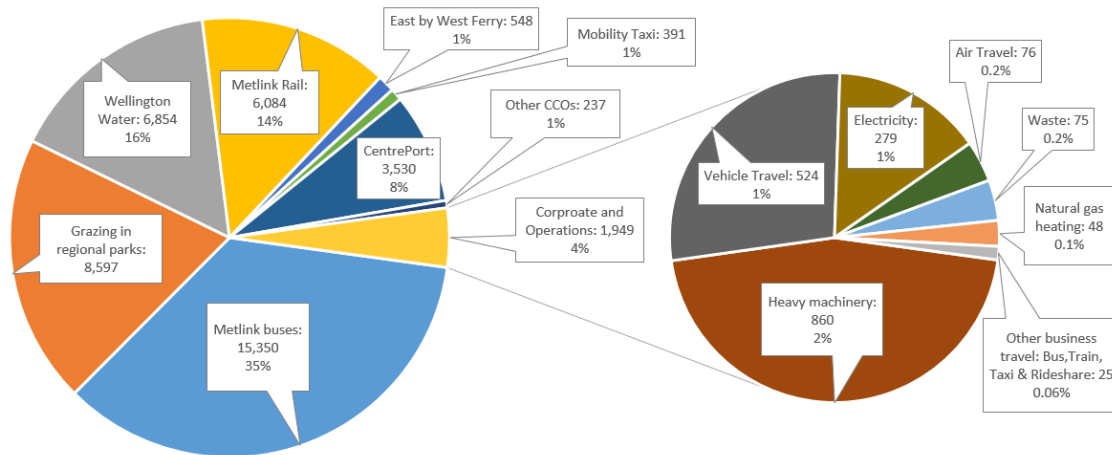
- Adopted the 2021 Regional Public Transport Plan with a pathway to a fully electric public transport fleet
- Adopted the 2021-31 Regional Land Transport Plan with targets to reduce transport related emissions by 35 percent and increase public and active transport by 40 percent.
- Made it mandatory to consider climate change and carbon reduction options Council activities, business and procurement.

Adapting to the changing climate

- Established the Low Carbon Acceleration Fund and funded key restoration projects
- Utilised Jobs for Nature funding to fund restoration projects
- Set an ambition plan in the 2021-31 LTP to reduce grazing in parks
- Provided climate resilient infrastructure through Regional Economic Development & Investment Unit Projects
- Continued robust environmental monitoring including measuring saline intrusion into water supply

Metrics and Targets:

GW Group Carbon Footprint 2019-20



Total footprint: 43,525 tonnes CO₂ equivalent

Corporate and operations footprint only: 1949 tonnes CO₂ equivalent

Measuring and monitoring of Greater Wellington’s carbon footprint is necessary to determine how to reach our goal of lowering emissions as much and as soon as possible and reaching our goals of being net carbon neutral by 2030, and climate positive by 2035. Monitoring our carbon footprint involves collecting significant amounts of data from 90 emissions sources and undergoing an independent audit. This process means the previous 2019/20 financial year is the latest complete data set to use in this Annual Report.

In the 2019/20 financial year the Greater Wellington Group² carbon emissions of 43,525 tonnes CO₂ equivalent remained stable, falling approximately one percent in comparison to the year before. This slowed emissions growth is a marked improvement on the average rise of 9.3 percent of previous years. The emissions total for 2019/20 is mostly impacted by the regional effect of the global pandemic and represents significant emissions changes over the year.

Emissions grew along with growth in demand for several community services. Wellington Water Limited emissions increased nine percent due to an increase in bulk water processing and CentrePort Limited emissions increased by five percent due to an increase in freight. Emissions fell from our largest source of emissions, with Metlink bus emissions decreasing by one percent, Metlink rail by three percent and East by West ferry by 10 percent. This decrease in public transport emissions was helped by electric bus charging increasing by almost 300 percent this year.

Our future plans to meet our carbon goals include decreasing emissions of our two biggest emitters: public transport and grazing in parks. This will be done through significant afforestation to create carbon sinks and by converting the majority of the public transport fleet to electric drive by 2030. Between 2025 and 2030, when most of the public transport fleet will be converted to electric drive, larger emissions reductions will be possible. Over the decade, the Council anticipates significant reductions in livestock related emissions from regional park land. Where possible and on behalf of the community, the Council intends to keep its total emissions and emissions intensity trending downward and using its shareholding in Council Organisations to influence stakeholders to do the same.

² Greater Wellington Group includes Greater Wellington Regional Council, Council Organisations and subsidiaries

Ko tā Te Pane Matua Taiao whakautu, whiriwhiri hoki i te pānga atu o te Mate KOWHEORI-19 | How Greater Wellington responded and adapted to the COVID-19 pandemic

The COVID-19 pandemic has brought wide-reaching and complex challenges to the region that will continue to affect our community in years to come. **Greater Wellington has worked hard this year to create a foundation of resilience and stability to respond to COVID-19 and aid the region in adapting to ongoing and upcoming challenges.**

Our Continuous **Response** to COVID-19



Greater Wellington has responded to changes in COVID-19 Alert levels throughout the year to keep our community safe. We have set up processes to allow all staff to work from home when needed and continue to provide key services to the region including a safe and reliable public transport system, flood protection, environmental services, and the regional civil defence emergency coordination centre. We have maintained strict hygiene procedures on our public transport throughout all Alert Levels and ran proactive campaigns to encourage safe practices such as wearing a mask and physical distancing on public transport.

Our **Adaptation** to Changes & Challenges



As the COVID-19 pandemic progressed this year the region continued to face new and unforeseen challenges. Greater Wellington shifted in response to focus on how we could collectively adapt as a region to these challenges and develop a foundation of strength and resilience. We have continued to deliver key services and support our community and local economy.

This year we:

Worked to **improve outcomes for mana whenua and Māori** through supporting the regional Māori economic development strategy, Te Matarau a Māui.

Utilised central government funding to **provide key flood protection infrastructure** in the Hutt and Ruamāhanga River catchments.

Committed to Te Upoko o Te Ika a Māui to **promote regional social procurement.**

Enhanced our environment throughout the region by utilising central government 'Jobs for Nature' funding.

How We Are **Moving** Forward Together



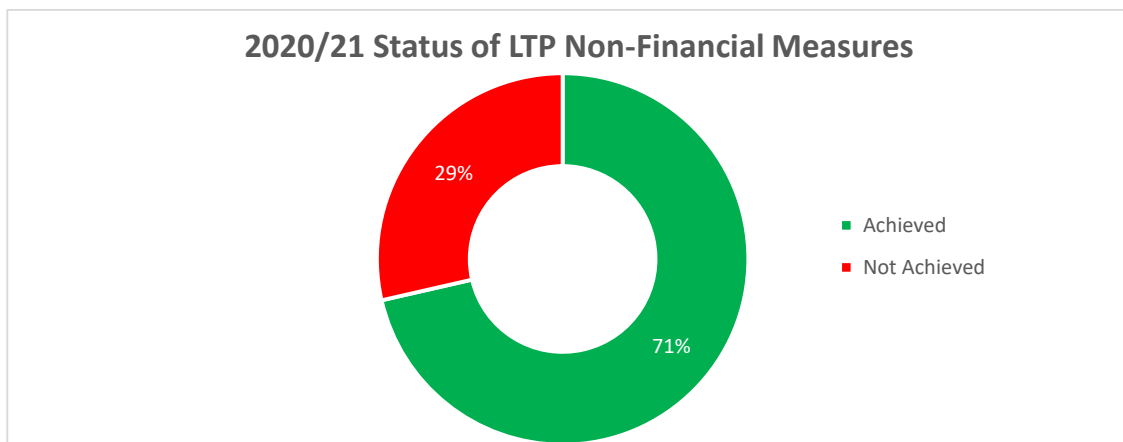
The region will continue to face complex challenges due to COVID-19. To face these challenges and move forward we need to work collaboratively as a region and support our local economy. Greater Wellington, along with the other councils in the Wellington-Wairarapa-Horowhenua region, endorsed the Wellington Regional Growth Framework (WRGF) this year and supported the establishment of the **Wellington Regional Leadership Committee (WRLC)**. The WRLC is responsible for the WRGF, regional economic development and regional economic recovery.

The WRLC brings together representatives from mana whenua, GWRC, nine local territorial authorities, and two Ministers representing central government. Greater Wellington is the administrative authority for the WRLC, which means we ensure it has the resources, information, and support in the areas it is responsible for.

He tiro whānui i te rawa | Non-financial performance

Greater Wellington reports against 63 non-financial performance measures in the Annual Report. These measures were set during the preparation of the 2018-28 Long Term Plan.

Greater Wellington achieved 71 percent (45) of the non-financial performance measures and did not achieve 29 percent (18) of the measures. Many of the measures that were not achieved were very close to the target.



The 'achieved' measures represent the significant work Greater Wellington has done this year to improve our region. Despite a number of challenges this year, we were able to exceed the targets of several of our 45 achieved measures:

- We delivered 913 hectares of erosion prone land treatment, against a target of 550 hectares, which is the largest area of erosion prone land treatment delivered in a single year since the beginning of the Wellington Region Erosion Control Initiative in 2010.
- In our Pest Management work, we aimed for a less than five percent residual trap catch for possums in the Regional Possum Predator Control Programme area, and achieved an average trap catch of 2.5 percent this year.
- We exceeded our target of 41 percent of identified vulnerable floodplains with a Flood Management Plan in place by 27 percent, with 68 percent of identified floodplains having a Flood Management Plan in place.
- We exceeded our target of planting 35,000 native trees in our Regional Parks this year, planting a total of 48,000 native trees across our region.
- We saw 1.94 million people visit our Regional Parks this year, which is an increase from the 1.76 million visitors last year
- We received a 4.7 out of five rating for the level of overall satisfaction with our Resource Consent Processing Services, exceeding our target by 0.7.

We faced some challenges this year that resulted in not achieving 18 of our performance measures. The most significant challenges that we faced included:

- COVID-19 continued to effect patronage numbers on public transport with boardings per capita this year sitting at 61.8, compared to 62.4 in 2019/20. With the current recovery rate we are observing (an average 80-85 percent of pre-COVID levels), we expect patronage levels to return to 2018/19 levels by 2021/22.

- Bus operator driver shortages affected the reliability of our scheduled bus services, with 98.2 percent of scheduled services delivered against a target of 99.5 percent.
- Changes in WorkSafe regulations, infrastructure renewals and network disruptions significantly impacted rail reliability and punctuality, with 98.3 percent of scheduled rail services delivered against a target of 99.5 percent, and 90.3 percent of rail services on-time to five minutes against a target of 92 percent.

Other performance measures that were not achieved included:

- Structural improvements to the Pinehaven Floodplain Management Plan were delayed this year with 38 percent of the improvements implemented against a target of 66 percent.
- A shift in the focus of our Sustainable Transport Initiatives during 2020/21 meant that only 4,048 adults participated in a sustainable transport initiative or promotion, against a target of 4,418.
- Rate of resource consent compliance for high-risk activities where historical compliance rates are below 80 percent were not achieved for water takes (60.1 percent), earthworks (78.5 percent) and municipal wastewater (58.3 percent).
- 58 percent of public transport users were satisfied with the provision of Metlink information about delays and disruptions against a target of 72 percent or higher. This score was impacted this year by cancellations due to a shortage in bus drivers. These cancellations are being addressed through changes in the timetable and improvements to Metlink's website, app and real-time information system to provide more information about delays and disruptions.
- We recorded one event in the bulk water supply which prevented the continuous supply of drinking water to a small number of consumers for a period of approximately four hours and nine minutes. This was against targets of zero events to the bulk water supply disrupting the continuous supply of drinking water and a less than four hour median response time for resolution of urgent callouts.

You can read more about our non-financial performance in the Mahi a Te Pane Matua Taiao | Activities of Greater Wellington Regional Council section on pages [XX-YY](#).

He tiro whānui i te pūtea | Financial performance

The financial overview provides a summary of the major aspects of our financial management and results for the 2020/2021 year.

This overview gives Wellington Region residents a snapshot of our finances. Full details are provided later in the report, including financial statements and the costs of providing services for each activity, comparing what was spent with what was budgeted.

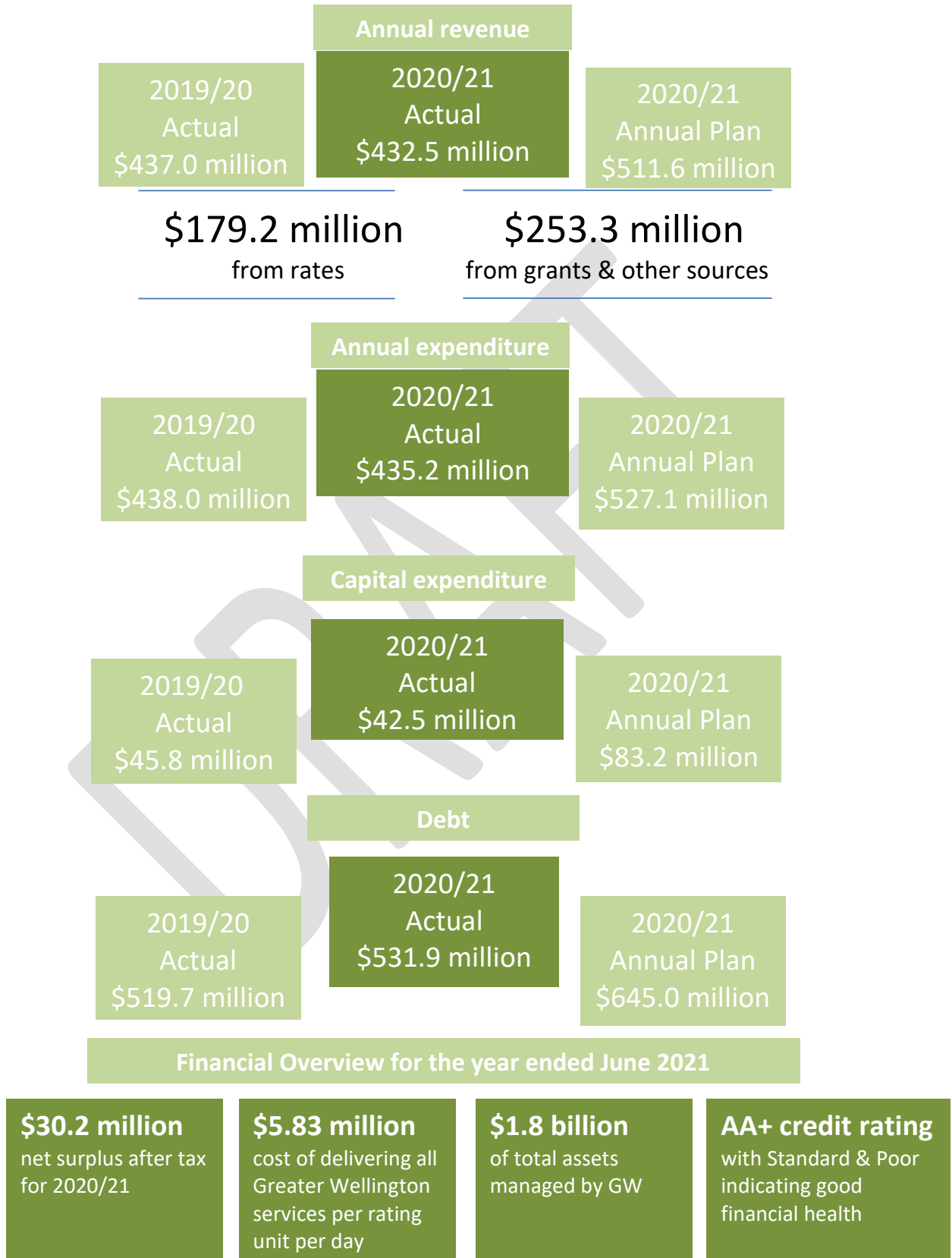
Greater Wellington continued to focus on enhancing its financial management and sound financial position, performing strongly in managing operating costs.

Greater Wellington achieved an operating deficit before tax of \$2.6 million for the year, compared to a forecast deficit before tax of \$15.5 million set in the 2020/2021 Annual Plan.

The total revenue and operating expenses were less than budget mainly due to delay in grants and subsidies as a result of delays to capital projects and the reclassification of transitional rail subsidies received from Waka Kotahi from a gross to net basis.

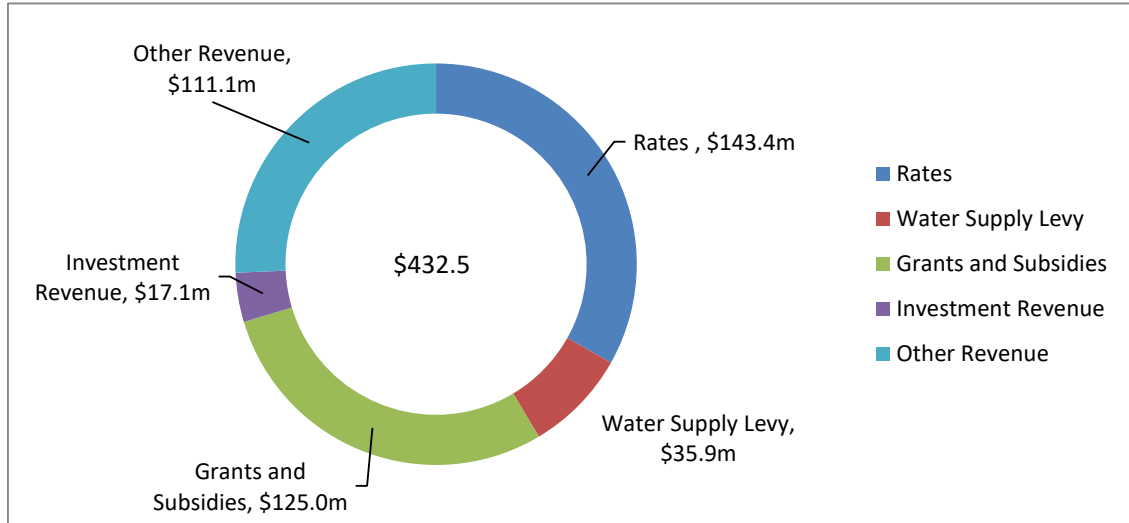
Capital expenditure was underspent mainly due to timing of water supply work programme and the deferral of the cross harbour pipeline project.

Finances at a glance (He Purongo Putea)



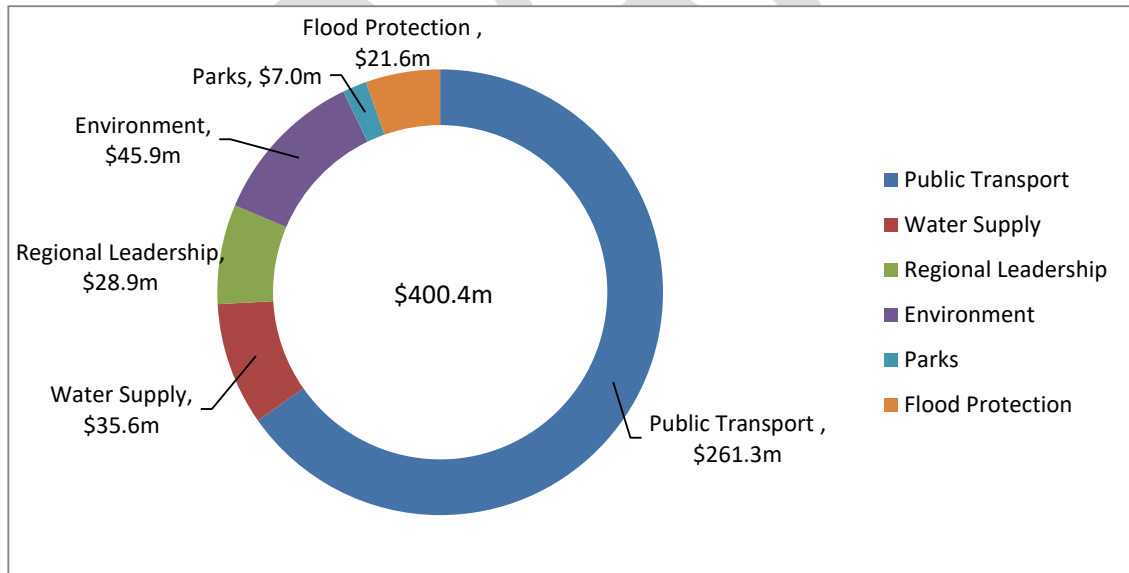
Revenue

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



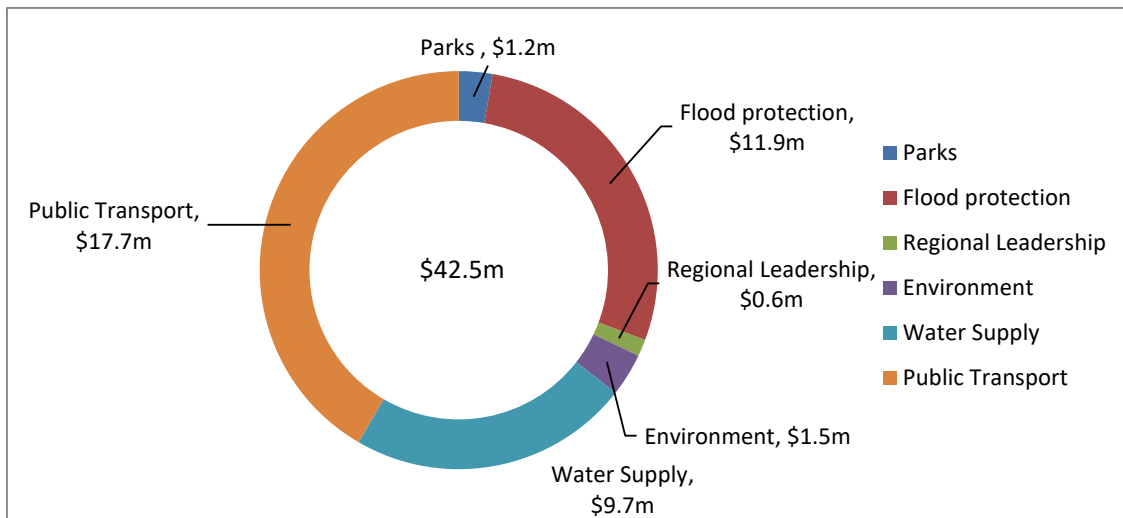
Operational Expenditure

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



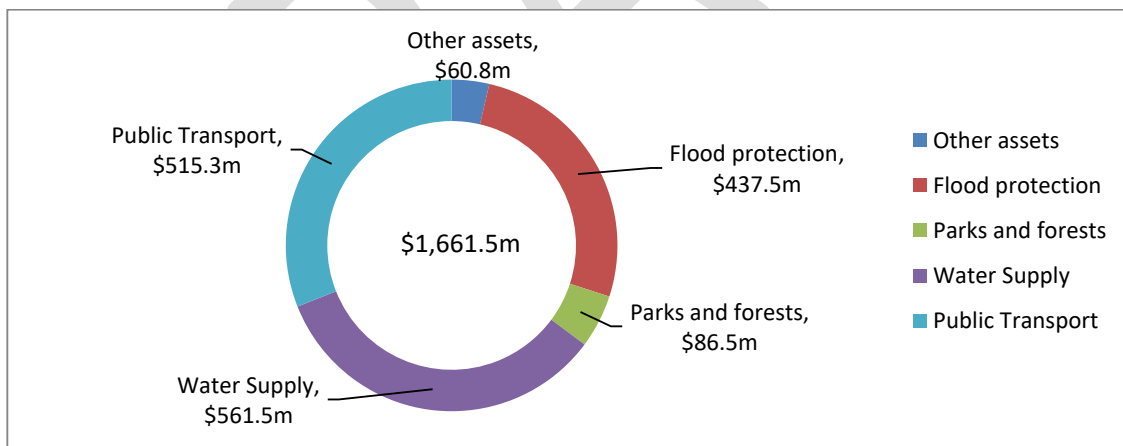
Financial overview for the year ended

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



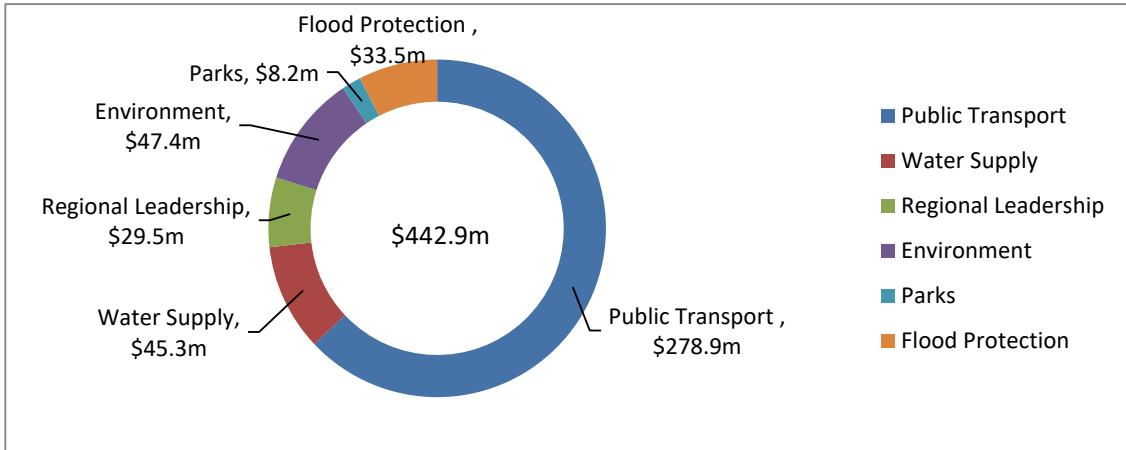
Property, plant, and equipment

The below pie chart illustrates Greater Wellington's asset base comprising public transport, flood protection, water supply and parks. Public transport includes \$452.7m of rail rolling stock and railway station infrastructure owned by Greater Wellington Rail Limited, a Council subsidiary.



Financial overview for the year ended 30 June 2021

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



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Ngā Mahi a Te Pane Matua Taiao | Activities of Greater Wellington Regional Council

How to read this section:

For each Activity Group we report:

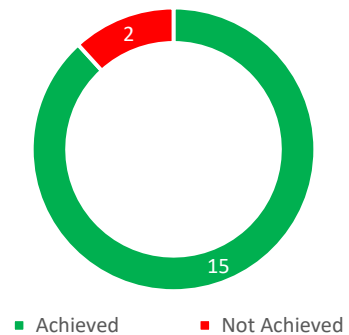
1. An overall summary of the year's performance
2. Results of the non-financial performance measures, with narrative on the results
3. Funding Impact Statements

Activity Group	Page Number
Te Taiao Environment	X - Y
Ngā Papa Whenua Regional Parks and Forests	X - Y
Te Tiaki Me Te Arahi Waipuke Flood Protection and Control Works	X - Y
Ngā Kaihautū o te Rohe Regional Leadership	X - Y
Ngā Puna Wai Water Supply	X - Y
Ngā Waka Tūmatanui Metlink Public Transport	X - Y

Te Taiao | Environment

Priority Area	Freshwater quality and biodiversity
Community Outcomes	Strong economy Resilient community Healthy environment Engaged community
Activities	Resource management Land management Biodiversity management Pest management Harbour management

2020/21 Status of Non-Financial Performance



Overall Summary of the year's performance

Greater Wellington's Environment activities achieved 88 percent out of their 17 performance measures this year. For more detailed information on these performance measures including explanations for measures that were not achieved, please see the 'Measuring our Performance' section below.

Greater Wellington is responsible for regulating, protecting, and enhancing the Wellington Region's natural resources. We do this by regulating natural resources, protecting and enhancing biodiversity, and working with communities to manage land sustainably. We also look after the region's harbours and manage environmental threats such as pest animals and plants.

This year we have made significant progress in delivering for our environment. We continued to sustainably manage the region's natural resources through the finalisation and implementation of the proposed Natural Resources Plan, with a significant number of appeals (93 percent) to the Environment Court being successfully resolved. We have also continued to provide resource consents and enforce environmental regulations, with the team processing 576 non-notified resource consents for organisations and the community this year (in 2019/20 we processed 511).

Across of all our work we have continued to keep the impact and risk of COVID-19 front of mind this year. The pandemic resulted in delays and resource limitations throughout the year, making it more difficult to progress a number of projects and plans.

To better deliver for our environment and for our communities, Greater Wellington has begun a process to shift our delivery focus towards a catchment-based approach. This approach involves working across teams within the organisation and collaborating with iwi and local community members to deliver based on natural catchment areas. We have started working from a catchment-based approach through several projects this year including with the flood protection team on procedures and operations. Our teams have found that this new integrated method leads to a more efficient, effective and collaborative process in which we are able to work with the community and iwi to implement what they want to see for their catchment area.

An example of the benefits of a catchment-based approach is the ongoing success of our Whaitua programme. This year, the Whaitua Te Whanganui-a-Tara Committee is progressing well towards the completion of its Whaitua Implementation Programme. The Committee has taken a strong position on ensuring the community and mana whenua play a role in the development and implementation of the programme, and mana whenua representatives have been developing a companion document, Mahere Wai, to voice the mana whenua perspective on the programme. Recommendations from the

Te Awarua o Porirua Whaitua Implementation programme were also incorporated into the Porirua District Plan.

Another example of working through a catchment-based approach is our Mahi Waiora project. Mahi Waiora was formed this year as a cross-organisation initiative to define and develop more effective ways of working across the organisation, with Ngā Hapu o Ōtaki, and with community members to achieve outcomes in the proposed Natural Resource Plan. This year we worked with Ngā Hapu o Ōtaki in co-sampling water quality and monitoring the inanga (a native freshwater whitebait fish) population in the Waitohu catchment.

The Land Management team has been working closely with Wairarapa iwi on how to better partner on restorative programmes, including developing a Matauranga Māori training resource for Greater Wellington operations staff, as well as a strategy on how to expand and improve relationships between mana whenua and programmes at Greater Wellington. Land Management has also implemented erosion planting projects this year with the largest area of erosion prone land planted, in a single year since the beginning of the programme (913 hectares).

We have continued to protect and improve biodiversity in our region's natural ecosystems this year. The Wairarapa Moana Wetland Project, in collaboration with Rangitāne o Wairarapa, Ngāti Kahungunu ki Wairarapa, the Department of Conservation and South Wairarapa District Council, has made significant progress, with the area gaining Ramsar status as a Wetland of International Significance³. Being recognised with this status reflects the high value of the Moana, despite its degraded state, and marks a small but important step toward restoring its mana.

Greater Wellington was successful in securing funding for the Wairarapa Moana Wetland Project through Jobs for Nature to boost restoration efforts through to 2025. This is enabling a continuation and expansion of the range of operational work including pest plant and animal management, visitor facilities management, community engagement and environmental education. Restorative work has also progressed, with 10,000 native trees planted this year at Lake Domain.

Additional wetland restoration work has also progressed this year through the Wetland Programme, which has supported over 100 wetland sites across the region since it became operative in 2016 with increasing interest in the programme this year. The first cycle of the wetland monitoring system was also completed. This is a significant accomplishment as the data collected is being used across the organisation to produce better informed plans and projects for restoring wetlands.

The Key Native Ecosystems (KNE) programme was largely completed this year with the majority of KNE operational plans finalised. A new interactive dashboard was also developed this year to identify which species are present in KNE sites, the types of forest ecosystem within each site, and the work that has been undertaken by the Wetland Programme and Fish Passage Programme. This data will provide more information on how to protect and restore these ecosystems. The biodiversity team also worked with Ngāti Toa to apply for funding from the Freshwater Improvement fund for fish passage and Mātauranga Māori mahi.

Pest management has had a successful year, with the completion of the 2020/21 Regional Pest Management Plan Operational Plan. This plan guides the delivery of pest animal and plant management in the region to foster healthy and productive native ecosystems. Part of the delivery of this plan included the implementation of the Regional Possum Predator Control Programme this year which saw over 106,000 hectares of possum control and 4,295 hectares of mustelid control delivered.

³ For more information on Ramsar Status see www.ramsar.org

Our core pest plant and animal work programme continued this year, and despite a significant increase in demand for rabbit control, we successfully responded to almost 1,300 public requests for pest advice and control. We have also been working this year to prepare and deliver the Akatarawa aerial control project to manage predator numbers in this area, with input and advice from five of our mana whenua partners on the delivery of the operations in Akatarawa and Hutt Water Collection Area.

Greater Wellington has continued to provide effective harbour management this year. The Regional Navigation Safety Bylaws were revised with considerable input from the community, legal advisors, and Councillors. We also obtained funding from Maritime New Zealand this year to run a campaign to promote safe boating and reduce recreational injuries and fatalities on the water. This funding was also used to invest in safety equipment and tools to encourage safer behaviours.

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Measuring our performance

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
Resource Management	Customer satisfaction	Level of overall satisfaction with consent processing services ⁴	>4 when measured on a scale of 1 to 5	4.33	Achieved	>4	4.7	Achieved	
	Process resource consents in a timely manner	Percentage of non-notified resourced consents processed within statutory timeframes	100%	100%	Achieved	100%	100%	Achieved	
	Monitor compliance with resource consents	Rates of compliance for high-risk activities ⁵ where historical compliance rates are below 80% ⁶	High risk activities <80% · Water takes · Earthworks · Municipal wastewater, water supply, water races	Water takes 70.8% Earthworks 67.9% Municipal wastewater 59.5% Municipal water supplies and water races 87.5%	Not Achieved	>80%	Water takes 60.1% Earthworks 78.5% Municipal wastewater 58.3% Municipal water supplies and water races 81.6%	Not Achieved	A
	Effective response to environmental incidents	Rate of detection ⁷ and associated action taken on non-complying incidents ⁸	Establish baseline (28.7% in 2017/18)	31.7%	Not Achieved	Maintain or increase against previous year	39.2%	Achieved	

⁴ On a scale of 1 (very dissatisfied) to 5 (very satisfied).

⁵ The activities defined as high risk are potentially subject to change if risk profile changes.

⁶ Compliance rates are solely determined by consent holder performance.

⁷ 'Detection' – a discharge or activity is attributed to a specific source (i.e. non-compliance by a specific person(s) is confirmed).

⁸ This is only measured against those incidents in which environmental effects are rated minor or higher.

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
Land Management	Implement farm plans to reduce nutrient and sediment discharges from erosion-prone land	Erosion prone hill-country covered by an active ⁹ farm plan	60%	60.4%	Not Achieved	63%	60%	Not Achieved	B
	Deliver planting programme on identified erosion-prone land	Erosion-prone hill country planted	446.1 hectares	775 hectares	Achieved	550 hectares	913 hectares	Achieved	
	Deliver farm environment plans to reduce nutrient and sediment loss	Over 50% of all contestable funding is allocated to priority catchments identified in the proposed Natural Resources Plan ¹⁰	New Measure	Achieved ¹¹	Achieved	Achieved	Achieved ¹²	Achieved	
	Provide high quality goods and services to landowners from the Akura nursery	Survival of poles planted under the Wellington Regional Erosion Control Initiative (WRECI)	New Measure	56%	Not Achieved	85%	89%	Achieved	

⁹ "Active" is assessed by whether a farm plan has led to some delivery of erosion mitigation work in the past three years.

¹⁰ The "contestable fund" provides assistance to landowners for implementing remediation works to farm system environmental risks. These grants are coordinated through farm environment plans and incentivise farm system improvements that will result in a water quality or biodiversity enhancement. Works are prioritised by priority catchments identified in the Proposed Natural Resources Plan, and any unallocated funding is accessible to non-priority catchments after February in any plan year.

¹¹ In 2019/20 86 percent of all contestable funding was allocated to priority catchments identified in the proposed Natural Resources Plan.

¹² In 2020/21 68 percent of all contestable funding was allocated to priority catchments identified in the proposed Natural Resources Plan.

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
Biodiversity Management	Plan and deliver a programme to maintain or improve the ecological condition of identified high biodiversity value sites ¹³	Percentage of management actions ¹⁴ achieved to improve the habitat for native plants and animals	97.5%	95%	Achieved	95%	97.7%	Achieved	
Pest Management	Provide possum control services in bovine TB free areas	Number of possums in the Regional Possum Predator Control Programme area	Low (<5% Residual Trap Catch)	Residual Trap Catch 1.4% in the areas that did receive pest control ¹⁵	Not Achieved	Low (<5% Residual Trap Catch)	Weighted average catch RTC 2.5%	Achieved	
	Provide pest species control services in Greater Wellington Key Native Ecosystems (KNE)	Deliver in accordance with KNE plans ¹⁶	New measure	Achieved	Achieved	Achieved	Achieved ¹⁷	Achieved	
	Provide pest control services across the region	Deliver in accordance with the Regional Pest Management Plan ¹⁸	New measure	Not Achieved ¹⁹	Not Achieved	Achieved	Achieved	Achieved	

¹³ High biodiversity value sites are those managed under the Key Native Ecosystem programme and within collaborative biodiversity projects carried out within Porirua Harbour and Wairarapa Moana catchments.

¹⁴ Management actions can include improving legal protection, fencing, and undertaking the control of pest plants and animals.

¹⁵ We were only able to deliver possum predator control across 76 percent of the planned Regional Possum Predator Control Programme area during 2019/20. The main reason for this was that the COVID-19 Alert Level 4 and 3 restrictions prevented the total area from receiving pest control. However, for the area that was covered during the year the residual trap catch was within the target.

¹⁶ These plans describe the work that will be done to protect plants and animals over a three-year period.

¹⁷ In 2020/21 more than 97 percent of pest plant control and 100 percent of pest animal control was delivered.

¹⁸ Refer to operational plan: <http://www.gw.govt.nz/biosecurity/>

¹⁹ The COVID-19 Alert Level restrictions caused delays and we missed the opportunity to complete some pest plant and animal control operations during 2019/20.

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
Harbour Management	Manage the safety of marine activities in the region's waters	Beacon Hill Communications station is staffed and operational 24 hours a day, seven days a week	100%	100%	Achieved	100%	100%	Achieved	
		All navigation aids are working 24 hours a day, seven days a week	99.9%	99.9%	Not Achieved ²⁰	100%	100%	Achieved	
		Operate in accordance with the current Port and Harbour Marine Safety Code	Compliant with standard	Compliant with standard	Achieved	Compliant with standard	100%	Achieved	
		Warnings and infringements issued	New measure 7 infringements 32 warnings (2017/18)	15 Infringements 19 Warnings	Not Achieved ²¹	Decrease	10 infringements 11 warnings	Achieved	
		Meet obligations to Maritime NZ for oil spill response equipment maintenance and exercises	New measure	3 equipment checks 1 exercise	Not Achieved ²²	4 equipment checks 2 exercises	4 equipment checks 2 exercises	Achieved	

²⁰ The solar switch on the Point Halswell light failed in mid-May 2020. The battery on one of the Mana Channel markers failed in August 2019 and was replaced. All the individual lights met the required international standards for availability.

²¹ The 2019/20 target was to decrease the number of infringements and warnings issued. However, we increased the time spent on the water connecting with customers during 2019/20 and this increased focus on enforcement led to more infringements being issued.

²² After discussion with Maritime NZ one exercise and one equipment check were not completed due to COVID-19 Alert Level restrictions during 2019/20.

Narrative on Results

A – Compliance rates are solely determined by consent holder performance. In 2020/21 only municipal water supplies and water races achieved rates of compliance of over 80 percent. While there was an improvement in rates of compliance for earthworks activities (up from 67.9 percent in 2019/20 to 78.5 percent) there was a decrease in compliance for water takes (down from 70.8 percent in 2019/20 to 60.1 percent) and municipal wastewater (down from 59.5 percent in 2019/20 to 58.3 percent).

B – This result represents the total area of properties that have engaged in erosion mitigation work in the past three years and have a Greater Wellington-produced farm plan. Due to the changing national regulations around Farm Plans, this measure no longer captures the farm planning service being provided by the Wellington Regional Erosion Control Initiative programme. A new measure that more accurately reflects the services provided under this programme has been included in the 2021-31 Long Term Plan to replace this measure.

Attachment 1 to Report 21.529

Environment

Funding Impact Statement
For the year ending 30 June 2021

	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Sources of operating funding				
General rate	30,618	32,061	30,053	30,761
Targeted rates	74	765	73	676
Subsidies and grants for operating purposes	1,785	-	922	-
Fees and charges	6,294	6,770	5,990	6,634
Fines, infringement fees, and other receipts ¹	7,906	4,039	6,107	4,009
Total operating funding	46,677	43,635	43,145	42,080
Applications of operating funding				
Payments to staff and suppliers	(36,872)	(34,180)	(34,058)	(33,402)
Finance costs	(278)	(437)	(262)	(366)
Internal charges and overheads applied	(8,768)	(7,882)	(7,689)	(7,485)
Total applications of operating funding	(45,918)	(42,499)	(42,009)	(41,253)
Surplus/(deficit) of operating funding	759	1,136	1,136	827
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase / (decrease) in debt	591	1,097	834	2,050
Gross proceeds from asset sales	111	67	40	117
Total sources of capital funding	702	1,164	874	2,167
Applications of capital funding				
- to meet additional demand	(740)	-	(977)	-
- to improve the level of service	(417)	-	(227)	-
- to replace existing assets	(324)	(2,168)	(607)	(2,922)
(Increase) / decrease in investments	-	-	-	-
(Increase) / decrease in reserves	20	(132)	(199)	(72)
Total applications of capital funding	(1,461)	(2,300)	(2,010)	(2,994)
Surplus/(deficit) of funding	-	-	-	-
Depreciation on Environment assets	1,137	1,292	1,169	1,165

¹ This includes revenue from the Animal Health Board, sales of trees and rental income.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan.

All figures on this page exclude GST.

Attachment 1 to Report 21.529

	2020/21		2019/20	
	Actual	Long Term Plan	Actual	Long Term Plan
	\$000s	\$000s	\$000s	\$000s
Operating funding				
Resource management	24,054	23,225	21,790	22,310
Land management	8,551	6,073	6,990	5,959
Biodiversity management	4,957	4,954	4,982	4,843
Pest management	6,678	7,026	7,005	6,655
Harbour management	2,438	2,357	2,378	2,313
Total operating funding	46,678	43,635	43,145	42,080
Applications of operating funding				
Resource management	(22,954)	(22,473)	(21,405)	(21,864)
Land management	(8,169)	(5,947)	(6,807)	(5,790)
Biodiversity management	(5,614)	(4,901)	(4,781)	(4,790)
Pest management	(6,649)	(6,872)	(6,630)	(6,568)
Harbour management	(2,530)	(2,306)	(2,386)	(2,241)
Total applications of operating funding	(45,916)	(42,499)	(42,009)	(41,253)
Capital expenditure				
Capital project expenditure	(605)	(1,920)	(729)	(2,457)
Land and buildings	-	-	(6)	-
Plant and equipment	(471)	(6)	(721)	(46)
Vehicles	(405)	(242)	(355)	(419)
Total capital expenditure	(1,481)	(2,168)	(1,811)	(2,922)

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan.

All figures on this page exclude GST.

Ngā Papa Whenua | Regional Parks and Forests

Priority Area	Freshwater quality and biodiversity
Community Outcomes	Strong economy Healthy environment Engaged community

2020/21 Status of Non-Financial Performance



Overall Summary of the Year's Performance

Greater Wellington's Regional Parks and Forests activities achieved 100 percent of their six performance measures this year. For more detailed information on these performance measures including explanations for measures that were not achieved, please see the 'Measuring our Performance' section below.

Greater Wellington is responsible for managing eight regional parks and forests on behalf of the community. This includes monitoring ecosystem health, facilitating community use and recreation, and planning on how we can protect and enhance these areas.

A highlight for our Regional Parks this year was the completion of the 2020-30 Toitū te Whenua Parks Network Plan. This new plan for our Regional Parks has started to shift the way we deliver for our parks, placing a strengthened emphasis on environmental outcomes throughout all the work that we do. We have had a strong start in planning for the delivery of the 2020-30 Toitū te Whenua Parks Network Plan.

Two key restoration projects in the 2020-30 Toitū te Whenua Parks Network Plan Parks were established this year in Queen Elizabeth and Kaitoke Regional Parks. These projects were approved through the Low Carbon Acceleration Fund with additional funding from One Billion Trees to retire grazing and restore native ecosystems in the parks. Progress is moving quickly for these restoration projects, with winter planting having commenced in August 2021.

The Alert Level 3 and 4 lockdown last year due to COVID-19 halted all work on the ground, which resulted in a number of project delays and an increased workload this year in Alert Levels 1 and 2 to catch up. Despite this increased workload and project delays, we were still able to achieve all of our non-financial performance measures this year.

This year we were approved through Jobs for Nature funding for a restoration project in the Hem of Remutaka area in partnership with the Department of Conservation, Taranaki Whānui and community volunteers. The project is underway with initial steps beginning this year. This work will significantly improve the native ecosystem on the Pencarrow Coast including Parangarahu Lakes and Baring Head and will create six new jobs within the community.

Greater Wellington staff and members of Taranaki Whānui continue to play an active role in the co-management of the Parangarahu Lakes, with monthly meetings of Rōpū Tiaki and restoration events including whanau planting days and rāhui²³ on beaches to protect the nesting cycle of endangered birds.

²³ Means to put in place a temporary ban on an area. After an agreed lapse of time, the rāhui is lifted.

An increasing number of people across the region have been coming to visit and camp at our Regional Parks this year. We welcomed almost two million visitors to our Regional Parks during 2020/21. Kaitoke Regional Park also had over 30,000 camper nights last summer, which is the highest number of camper nights that park has ever experienced.

We continued to update and improve our Regional Parks for the benefit of our communities. This year we worked with Be. Lab, an accessibility organisation, to rebuild the swing bridge at Kaitoke Regional Park to be safer and wheelchair accessible using a highly innovative design. We also completed a comprehensive Dam Safety Review of the Birchville Dam to ensure the safety of local communities in the unlikely event of a flood.

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Measuring our Performance

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
Regional Parks and Forests	Provide facilities and services that support the community enjoying, valuing and participating in regional parks	Percentage of regional population that has visited a regional park in last 12 months	68%	74%	Achieved	≥70%	72%	Achieved	
		Number of visits to a regional park in the last 12 months	1.7 million	1.76m	Achieved	Increase on baseline	1.94m	Achieved	
		Percentage of regional park visitors that are satisfied with their experience ²⁴	95%	98% (achieved)	Achieved	95%	97%	Achieved	
		On-park volunteer hours ²⁵	15,503 hours	10,720	Not Achieved ²⁶	15,000	15,509	Achieved	
		Average asset condition (1 = excellent; 5 = very poor)	2.33 (structures) 2.25 (tracks)	2.13 (structures) 1.57 (tracks) 2.07 (overall)	Achieved	≤3	2.13 (structures) 1.56 (tracks) 2.07 (overall)	Achieved	
	Protect and care for the environment, landscape and heritage	Restore significant degraded environments	22,000 native trees planted pa	63,376	Achieved	35,000	48,000	Achieved	C

Narrative on Results

C – The target of 35,000 native trees planted for the 2020/21 financial year was exceeded by 13,000 trees. The target was set in the 2018-28 Long Term Plan and ended up being a conservative target given the opportunities and external funding obtained from One Billion Trees and Jobs for Nature programmes.

²⁴ Randomly selected sample of 500 residents 16+yr in the Wellington Region, telephone interviewing and face to face interviews with questionnaire, 90 percent confidence interval

²⁵ This is a measure of time spent by volunteers carrying out on-park work, e.g. tree planting, nursery work, track building, pest trapping. Rangers on-site collect the number of volunteer hours.

²⁶ In 2019/20, all our usual volunteer planting days in autumn/winter were instead carried out by contractors, due to the uncertainty of the COVID-19 pandemic. This meant our volunteer hours were lower than usual. We also suspended all volunteer activity in our parks during COVID-19 Alert Levels 4 and 3 (March – May 2020) which resulted in volunteer hours being significantly below target. Volunteers re-started park-based work at Level 2 in May 2020.

Attachment 1 to Report 21.529

Regional Parks and Forests

Funding Impact Statement
For the year ending 30 June 2021

	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Sources of operating funding				
General rate	4,844	6,544	6,422	6,515
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	280	272	224	254
Fines, infringement fees, and other receipts ¹	1,137	717	1,529	708
Total operating funding	6,261	7,533	8,175	7,477
Applications of operating funding				
Payments to staff and suppliers	(4,105)	(3,836)	(4,623)	(3,824)
Finance costs	(437)	(638)	(466)	(580)
Internal charges and overheads applied	(2,493)	(2,143)	(2,187)	(2,035)
Total applications of operating funding	(7,035)	(6,617)	(7,276)	(6,439)
Surplus/(deficit) of operating funding	(774)	916	899	1,038
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase / (decrease) in debt	895	1,346	604	1,572
Gross proceeds from asset sales	82	74	299	92
Total sources of capital funding	977	1,420	903	1,664
Applications of capital funding				
- to meet additional demand	(389)	-	-	-
- to improve the level of service	(334)	-	-	-
- to replace existing assets	(440)	(2,325)	(1,449)	(2,691)
(Increase) / decrease in investments	-	-	-	-
(Increase) / decrease in reserves	960	(11)	(353)	(11)
Total applications of capital funding	(202)	(2,336)	(1,802)	(2,702)
Surplus/(deficit) of funding	-	-	-	-
Depreciation on Parks assets	2,339	2,293	2,413	2,251

¹ This includes rental income and park activity fees.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan.

All figures on this page exclude GST.

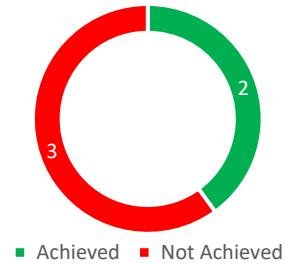
Attachment 1 to Report 21.529

	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Operating funding				
Parks Planning	275	-	247	-
Visitor Services	5,972	7,533	7,928	7,477
Protecting the environment of regional parks	14		-	
Total operating funding	6,261	7,533	8,175	7,477
Applications of operating funding				
Parks Planning	(275)	-	(253)	-
Visitor Services	(6,790)	(6,617)	(6,974)	(6,439)
Protecting the environment of regional parks	30	-	(49)	-
Total applications of operating funding	(7,035)	(6,617)	(7,276)	(6,439)
Capital expenditure				
Battle Hill Farm Forest Park	(37)	(22)	(37)	(110)
Belmont Regional Park	(73)	(1,277)	(73)	(1,023)
Queen Elizabeth Park	(221)	(402)	(221)	(346)
Whitireia Park	(28)	-	(28)	-
Pakuratahi Forest	(386)	-	(386)	(164)
Akatarawa Forest	(73)	-	(73)	(284)
Wainuiomata Recreation Area	(3)	-	(3)	(33)
Kaitoke Regional Park	(260)	(85)	(260)	(358)
East Harbour Regional Park	1	(215)	1	(13)
Other	99	(76)	(51)	(54)
Capital project expenditure	(981)	(2,077)	(1,131)	(2,385)
Land and buildings	-	-	-	-
Plant and equipment	(6)	-	(150)	-
Vehicles	(175)	(248)	(168)	(306)
Total capital expenditure	(1,162)	(2,325)	(1,449)	(2,691)
<p>This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations. For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan. All figures on this page exclude GST.</p>				

Te Tiaki Me Te Arahi Waipuke | Flood Protection and Control Works

Priority Area	Regional resilience Freshwater quality and biodiversity
Community Outcomes	Strong economy Resilient community Healthy environment Engaged community

2020/21 Status of Non-Financial Performance



Overall Summary of the year's performance

Greater Wellington's Flood Protection and Control Works activities achieved 40 percent of their five performance measures this year. For more detailed information on these performance measures including explanations for measures that were not achieved, please see the 'Measuring our Performance' section below.

Greater Wellington is responsible for providing flood protection and managing flood risk across the region. We identify the risk of flooding in certain rivers and streams and mitigate this risk through developing floodplain management plans and providing and maintaining key flood protection infrastructure. Our flood protection team works closely with mana whenua, landowners and crown entities across the region to protect communities and improve the health of our rivers and streams.

This year we have utilised central government funding to support delivery of a number of flood protection initiatives across the region. Jobs for Nature funding was used to establish the Major River Riparian Management project which aims to plant 120,000 trees along riverbanks to provide flood protection and improve the health of the rivers. Project details including site locations in the Ruamāhanga Catchment and plant species were discussed with Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa, and we secured 36,000 native and willow trees of which 12,000 were planted in riverbanks in Masterton. Representatives from both Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa have been involved in the early stages of the Masterton erosion site and will continue to be a part of the project as it progresses.

Our team also obtained funding through the Regional Economic Development & Investment unit (REDIU) to plan and implement ten Hutt River Erosion Edge Protection projects. This year we made substantial progress in planning these projects, with six out of ten sites completing detailed designs, and processes put into place to obtain contractors for each site.

The Flood Protection team have faced various challenges this year including budgeting and consenting issues that have caused project delays. While these delays have resulted in not meeting the majority of the annual performance targets, the team were able to successfully address all of the issues that arose and are now continuing to progress all of the delayed projects to plan and build better flood protection infrastructure across the region.

Progress has been made on the RiverLink project with Waka Kotahi (NZ Transport Agency) and Hutt City Council to provide flood protection, improve transport connections, and to support urban growth in Lower Hutt central city. RiverLink continues to work closely with mana whenua with Taranaki Whānui and Ngāti Toa Rangatira now providing input through representation on the RiverLink Board and in the design of the works. RiverLink partners have finalised the resource consent application and are ready for lodgement next financial year with construction scheduled to begin in 2023. Significant communication material has also been developed this year to increase community awareness and

knowledge of the project and its progress. Communication has included a new website and advertising campaigns in the community and on social media.

We have been working with the community-led Waiōhine Action Group for several years to develop a living statement on how to manage the flood and erosion risks to land on the Waiōhine River Floodplain. This year the Waiōhine River Plan was agreed upon and went out for consultation to gain further feedback from the wider public²⁷.

With increasing extreme weather conditions and heavy rainfall, flood response has been an essential aspect of Greater Wellington's work. We have been working to improve flood warning and response through the Flood Risk Management Programme. This year we made progress in developing regional flood response procedures that can be used for any flood event anywhere in the region through new regional procedures and training. Over the past year we have responded to a number of flood events where we have adapted sections of the new procedures to improve our service, including maintaining a 24/7 Duty Roster across the region, working with the Wellington Region Emergency Management Office to supply flood information and advice on community impacts, and conduct flood checks to assess damage.

²⁷ Between 24 June and 16 August 2021 around 200 submissions were received from the community on this Plan.

Measuring our performance

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
Flood Protection and Control Works	Provide the standard of flood protection agreed with communities	Major flood protection and control works are maintained, repaired and renewed to the key standards defined in relevant planning documents ^{28 29}	Yes	Completed	Achieved	Yes	Completed	Achieved	
		Percentage of Floodplain Management Plans (FMP) recommended structural improvements implemented	Hutt – 33% Ōtaki – 47% Waikanae – 45% Pinehaven – 0%	Hutt – 33% Ōtaki – 47% Waikanae – 56% Pinehaven – 33%	Achieved	Hutt – 33% Ōtaki – 50% Waikanae – 56% Pinehaven – 66%	Hutt – 33% Ōtaki – 47% Waikanae – 56% Pinehaven – 38%	Not Achieved	D
		Percentage completion of Lower Wairarapa Valley Development Scheme work programme (2007/2021)	88%	94%	Note Achieved ³⁰	100%	97%	Not Achieved	E
	Provide information and understanding of flood risk in the community ³¹	Percentage of identified vulnerable floodplains with a FMP in place	24%	30%	Not Achieved ³²	41%	56%	Achieved	
		Percentage of identified vulnerable floodplains with flood hazard mapping available via online portal	72%	80%	Not Achieved ³³	83%	80%	Not Achieved	F

²⁸ Non-Financial Performance Measures Rules 2013, Flood protection and control works measure [1].

²⁹ Detailed reporting of maintenance, repair and renewal or upgrade works is included in annual asset management and implementation reports to Greater Wellington Environment Committee.

³⁰ Not achieved in 2019/20 due to COVID-19 Alert Level restrictions preventing site-work from being able to be carried out on the Pukio East stopbank, and Whakawhiriwhiri Stream project works were unable to be completed due to landowner access issues.

³¹ These measures are based on a list of vulnerable floodplains, and targets for Floodplain Management Plans/mapping.

³² Waiōhine River Plan was delayed in 2019/20 due to COVID-19 Alert Level restrictions delaying engagement with the community.

³³ Not achieved due to the delays in the consultation and adoption of the Waiōhine River Plan.

Narrative on Results

D – Hutt and Waikanae Floodplain Management Plans were achieved. The Pinehaven Floodplain Management Plan was delayed due to reduced scope to meet project budgets and outcomes but is progressing and will recover the required progress over the coming year. The Ōtaki Floodplain Management Plan implementation is pending the completion of a review of the Plan. This review is scheduled to be completed in the 2021/22 financial year.

E – Progress on the Lower Wairarapa Valley Development Scheme work programme was delayed due to consenting issues with finding a location to dispose of excess material from the project. After investigation, appropriate disposal sites have now been established allowing the project to be completed in the 2021/22 financial year.

F – The percentage of identified vulnerable floodplains with flood hazard mapping available via an online portal has not been achieved in 2020/21. This has not been achieved because a) delays in producing flood hazard information caused by a number of issues including issues identified in peer review and community group input that are being managed by the team, and b) delays in updating the Greater Wellington website.

Flood Protection and Control Works

Funding Impact Statement
For the year ending 30 June 2021

	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Sources of operating funding				
General rate	11,716	12,851	11,801	12,031
Targeted rates	8,459	9,143	8,478	8,476
Subsidies and grants for operating purposes	574	-	(3)	-
Fees and charges	-	-	-	-
Fines, infringement fees, and other receipts ¹	5,476	5,254	4,748	4,954
Total operating funding	26,225	27,248	25,024	25,461
Applications of operating funding				
Payments to staff and suppliers	(12,502)	(10,511)	(11,313)	(10,249)
Finance costs	(5,073)	(6,353)	(5,275)	(5,760)
Internal charges and overheads applied	(4,060)	(3,615)	(3,561)	(3,432)
Total applications of operating funding	(21,635)	(20,479)	(20,149)	(19,441)
Surplus/(deficit) of operating funding	4,590	6,769	4,875	6,020
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase / (decrease) in debt	8,162	13,224	5,525	15,690
Gross proceeds from asset sales	-	105	64	76
Total sources of capital funding	8,162	13,329	5,589	15,766
Applications of capital funding				
- to meet additional demand	-	-	-	-
- to improve the level of service	(11,731)	(18,945)	(8,799)	(20,740)
- to replace existing assets	(150)	(308)	(262)	(266)
(Increase) / decrease in investments ²	(282)	(423)	(420)	(386)
(Increase) / decrease in reserves	(589)	(422)	(983)	(394)
Total applications of capital funding	(12,752)	(20,098)	(10,464)	(21,786)
Surplus/(deficit) of funding	-	-	-	-
Depreciation on Flood Protection and Control assets	1,786	1,785	1,654	1,526

1 This includes revenue from the sales of shingle, rental income and direct contributions from territorial authorities for flood protection work.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan.

All figures on this page exclude GST.

Attachment 1 to Report 21.529

	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Operating funding				
Understanding flood risk	2,626	2,862	2,507	2,746
Maintaining flood protection and control works and Improving flood security	22,517	24,386	22,517	22,715
Total operating funding	25,143	27,248	25,024	25,461
Applications of operating funding				
Understanding flood risk	(2,310)	(2,264)	(2,118)	(2,226)
Maintaining flood protection and control works and Improving flood security	(19,326)	(18,215)	(18,031)	(17,215)
Total applications of operating funding	(21,636)	(20,479)	(20,149)	(19,441)
Capital expenditure				
Hutt River improvements	(6,635)	(13,934)	(6,635)	(14,662)
Otaki River improvements	(302)	(1,931)	(302)	(2,195)
Wairarapa scheme	(769)	(1,682)	(769)	(2,507)
Other flood protection	(4,175)	(1,398)	(1,075)	(1,376)
Land and buildings	-	-	-	-
Plant and equipment	-	(19)	(34)	(12)
Vehicles	-	(289)	(247)	(254)
Total capital expenditure	(11,881)	(19,253)	(9,062)	(21,006)

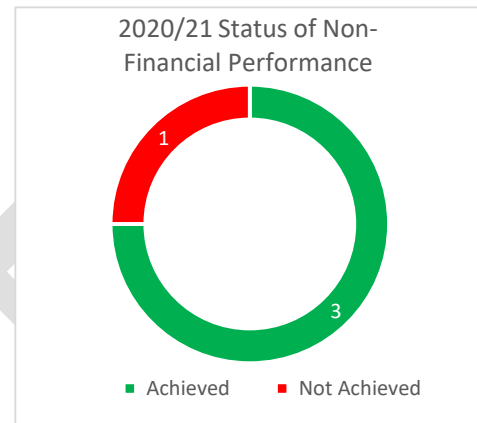
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Ngā Kaihautū o te Rohe | Regional Leadership

Priority Area	Water Supply Public Transport Regional Resilience Freshwater quality and biodiversity
Community Outcomes	Strong economy Connected community Resilient community Healthy environment Engaged community
Activities	Wellington Regional Strategy ³⁴ Emergency management Democratic services Relationships with Māori and mana whenua Regional transport planning and programmes Regional initiatives



Overall Summary of the year's performance

Greater Wellington's Regional Leadership activities have achieved 75 percent of their four performance measures this year. For more detailed information on these performance measures including explanations for measures that were not achieved, please see the 'Measuring our Performance' section below.

Greater Wellington recognises the importance of having a collective voice and collaborative approach to tackling issues across the region. Communities often face complex issues that require a regional approach to solutions. To do this we coordinate a range of activities across our region in partnership with local authorities, mana whenua and other key partners.

The key challenge and uncertainty this year was the impact of COVID-19 in how the region would progress during the ongoing pandemic. A significant outcome for this was delivering the Wellington Regional Growth Framework. This Framework was formed with support from the region's eight territorial authorities and Horowhenua District Council and works to set the basis for the region's economic direction, including how to adapt to the impacts of COVID-19. This year the Wellington Regional Strategy Committee was disestablished, and the Wellington Regional Leadership Committee (Joint Committee)³⁵ was established to implement the Wellington Regional Growth Framework and develop innovative methods to stimulate growth and adapt to the impacts of COVID-19.

The 2021-31 Regional Land Transport Plan (RLTP) was confirmed this year. This sets out the strategic vision and direction for the region's transport network over the next 30 years and includes the full programme of activities for the next six years. It set three ambitious targets to reduce reliance on

³⁴ In 2020/21 the Wellington Regional Strategy Committee was disestablished, and the Wellington Regional Leadership Committee (Joint Committee) was established.

³⁵ The Joint Committee is comprised of representatives from mana whenua, local territorial authorities, Horowhenua District Council and central government. Greater Wellington is the administrative authority for the WRLC which means we ensure it has the resources, information, and support to facilitate regional adaptation and resilience.

private motor vehicle use through implementing mode shift strategies, reduce transport related emissions, and reduce deaths and serious injuries on our roads.

As part of promoting mode shift away from vehicle use, Greater Wellington facilitated several behaviour changes programmes this year across our region's communities to promote cycling and walking. Programmes included *Bikes in Schools*, *Movin'March*, and *the Greater Welly Bikefest*. These programmes were highly successful this year, with 62 percent of primary schools in the Wellington region participating in the *Movin'March* cycling campaign. Education is an essential component of mode shift. This year saw continued success with Greater Wellington's Pedal Ready Training – an education campaign to improve road safety for cyclists. This year 6000 children and young people and 63 schools participated in the Pedal Ready program.

Greater Wellington engaged with the community to develop the new 2021-31 Long Term Plan, which sets the direction for our organisation for the next ten years. This Plan outlines four overarching strategic priorities including responding to the climate emergency, improving outcomes for mana whenua and Māori, responding to the impact of COVID-19 and aligning with Government direction.

Greater Wellington engaged with our mana whenua partners across a range of initiatives throughout the year. This included engagement on the 2021-31 LTP, where new baseline funding was agreed for mana whenua to enable them to work with Greater Wellington to develop positive outcomes for their communities and for the region. This allows Greater Wellington to share mutually agreed opportunities with mana whenua across the business. Council also adopted the Māori Outcomes Framework. This framework is the key overarching framework that will assist the organisation realign the way we all work to achieve the strategic priority, improving outcomes for mana whenua and Māori. This is a key internal tool that will enable us to monitor our progress along the way and set our direction for the path ahead that impacts on everything we do.

Te Matarau a Māui, the Māori Economic Development Strategy was approved alongside our mana whenua partners which supports iwi in fostering economic development and growth for their people across the region. An independent Board was appointed to support its implementation and ensure its success.

We currently are in a time of transition as the Council starts to work with mana whenua to develop the most effective and beneficial way of working together. As Greater Wellington moves towards a catchment-based delivery model for our activities, discussions also began with mana whenua on creating catchment-based relationships, where new catchment areas would work for and with mana whenua as kaitiaki on their own sites of significance and waterways.

Greater Wellington continued to address the threat of climate change this year. We utilised the Low Carbon Acceleration Fund to approve two restorative projects in the region. We also implemented further governance structures to address climate change. The Climate Committee was established this year and the Wellington Region Climate Change Working Group was disestablished, with the Wellington Region Climate Change Forum established to continue their work and better reflect the Forum's role as an advisory body and better focus on working with Māori and mana whenua.

Greater Wellington and partners Bluebridge, KiwiRail, CentrePort Limited, Wellington City Council and Waka Kotahi have worked on options for the location of a Multi-User Ferry Precinct to replace the current two Single User Ferry Terminals. This year Kaiwharawhara was reaffirmed as the preferred location for the precinct. The location was selected as the best site for the future operation of inter-island ferry services, and to best suit the ongoing operations of CentrePort Limited and the employment and economic development it creates.

Greater Wellington's Democratic Services continued to facilitate public engagement and Council meetings this year. The team facilitated 66 Council, Committee and Joint Committee meetings this year including public hearings for the 2020-30 Toitū te Whenua – Parks Network Plan, the 2021-31 Regional Land Transport Plan, the 2021-31 Wellington Regional Public Transport Plan, the 2021-31 Long Term Plan and the Navigation and Safety Bylaws. The Democratic Services team assisted the organisation in responding to 282 Local Government Official Information and Meetings Act (LGOIMA) information requests from the community.

The Wellington Regional Emergency Management Office ran the Exercise Parawhenua this year, which coordinated an initial response to a distant source tsunami. The exercise saw over 180 people from councils across the region, and liaison officers from Fire and Emergency New Zealand, the New Zealand Police, Waka Kotahi, District Health Boards, the Ministry for Social Development and others, and has received positive feedback from participants and exercise assessors.

Community Response Plans were also being developed this year for all designated areas of the Wellington Region, with the completion of the Hataitai Community Response Plan in the fourth quarter. The completed plans form Section 5 of each local community's Community Emergency Hub guide, providing a snapshot of local assets and priorities to help get the community responding to a large earthquake quickly and effectively.

Measuring our performance

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
Emergency Management	Work with the regional community to improve resilience to, and preparedness for, major emergency events	Percentage of households with sufficient emergency food and water to last at least seven days	10%	31.2% ³⁶	Achieved	13%	29%	Achieved	
		Annual activation test for each Emergency Operations Centre (EOC) and Emergency Coordination Centre (ECC)	100%	100% ³⁷	Achieved	100%	100%	Achieved	
		Number of published Community Response Plans	75%	91%	Not Achieved	100%	100%	Achieved	
Regional Transport Planning & Programmes	Coordinate and deliver programmes which promote and encourage sustainable and safe transport choices	Number of adults participating in Sustainable Transport initiatives and promotions ³⁸	Establish Baseline 2,919 (2017/18)	4,418	Achieved	Increase	4,048	Not Achieved	G

Narrative on Results

G – A large proportion of the target number of adults in this performance measure has been derived from participation in the Aotearoa Bike Challenge (ABC, a national workplace cycle challenge) held in February each year. Greater Wellington decreased its level of participation in ABC this year, resulting in a slightly lower ABC participation rate of 3,679 (compared to 4,012 in 2019/20). We are shifting our focus towards more multi-model initiatives targeting behaviour change and mode shift for adults going forward.

³⁶ This figure reflects the percentage of households which answered 'yes' to all items that applied to them for emergency supplies. This indicates the amount of people who have 7 days of 'emergency supplies' which, in addition to emergency food and water, includes medications, pet supplies, alternative means of cooking, and so on.

³⁷ The regional Emergency Coordination Centre and all six of the Emergency Operations Centres were activated to respond to COVID-19 in late 2019/20, providing an opportunity to test processes, procedures and equipment and taking the place of the annual activation exercise.

³⁸ Aotearoa Bike Challenge – Wellington, national cycle skills courses, Smart Travel Challenge, Smart Travel registrations, and bus/bike workshops.

Attachment 1 to Report 21.529

Regional Leadership

Funding Impact Statement
For the year ending 30 June 2021

	2020/21 Actual	2020/21 Long Term Plan	2019/20 Actual	2019/20 Long Term Plan
	\$000s	\$000s	\$000s	\$000s
Sources of operating funding				
General rate	9,745	10,002	8,829	10,235
Targeted rates	7,610	9,034	7,224	8,577
Subsidies and grants for operating purposes	2,637	1,402	1,444	1,369
Fees and charges	-	19	18	18
Fines, infringement fees, and other receipts ¹	4,268	2,864	4,657	2,817
Total operating funding	24,260	23,321	22,172	23,016
Applications of operating funding				
Payments to staff and suppliers	(28,067)	(21,425)	(23,109)	(22,587)
Finance costs	(686)	(1,028)	(703)	(1,040)
Internal charges and overheads applied	(184)	(649)	(251)	(655)
Total applications of operating funding	(28,937)	(23,102)	(24,063)	(24,282)
Surplus/(deficit) of operating funding	(4,677)	219	(1,891)	(1,266)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	504	266
Increase / (decrease) in debt	3,930	(191)	891	717
Gross proceeds from asset sales	20	31	14	77
Total sources of capital funding	3,950	(160)	1,409	1,060
Applications of capital funding				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	(581)	(108)	(847)	(787)
(Increase) / decrease in investments ²	2,057	2	1,818	553
(Increase) / decrease in reserves	(749)	47	(489)	440
		-		-
Total applications of capital funding	727	(59)	482	206
Surplus/(deficit) of funding	-	-	-	-
Depreciation on Regional Leadership assets	201	504	182	410

¹ This includes revenue from the territorial authorities to fund the amalgamated regional emergency management group.

² This includes the change in the Warm Greater Wellington programme balance.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan.

All figures on this page exclude GST.

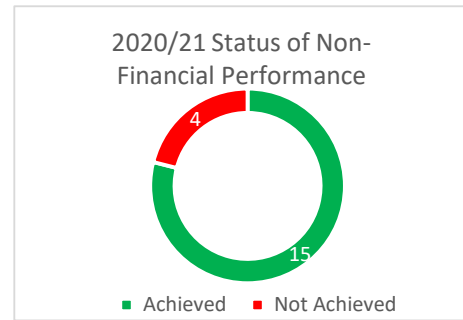
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	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Operating funding				
Wellington Regional Strategy	5,008	5,219	4,706	5,012
Emergency Management	4,281	4,135	4,316	4,123
Democratic Services	2,891	2,387	2,680	2,484
Relationships with Maori	1,037	1,312	1,488	1,469
Regional transport planning and programmes	6,014	4,908	5,050	4,576
Regional initiatives	5,029	5,360	3,931	5,352
Total operating funding *	24,260	23,321	22,171	23,016
Applications of operating funding				
Wellington Regional Strategy	(4,826)	(5,332)	(5,044)	(5,222)
Emergency Management	(3,795)	(4,062)	(4,636)	(3,981)
Democratic Services	(2,723)	(2,308)	(2,687)	(2,698)
Relationships with Maori	(1,230)	(1,305)	(1,188)	(1,462)
Regional transport planning and programmes	(12,738)	(4,711)	(6,380)	(5,576)
Regional initiatives	(3,625)	(5,384)	(4,127)	(5,343)
Total applications of operating funding	(28,937)	(23,102)	(24,062)	(24,282)
Capital expenditure				
Capital project expenditure	(538)	-	(716)	(521)
Land and buildings	-	-	-	-
Plant and equipment	-	(5)	-	(14)
Vehicles	(43)	(103)	(131)	(252)
Total capital expenditure	(581)	(108)	(847)	(787)

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations
For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the
"Revenue and Financing Policy" in the 2018-28 Long Term Plan.
All figures on this page exclude GST.

Ngā Puna Wai | Water Supply

Priority Area	Water supply Regional resilience
Community Outcomes	Strong economy Resilient community Healthy environment



Overall Summary of the year’s performance

Greater Wellington’s Water Supply activities have achieved 79 percent of their 19 performance measures this year. For more detailed information on these performance measures including explanations for measures that were not achieved, please see the ‘Measuring our Performance’ section below.

Greater Wellington is responsible for maintaining the bulk water supply and delivering safe drinking water to Wellington, Hutt, Upper Hutt and Porirua city councils³⁹. These services are delivered by Wellington Water Limited⁴⁰, a jointly owned water management company.

Providing bulk water supply involves managing an extensive network of infrastructure, ensuring safe and reliable water sources and ensuring that our freshwater is sustainable. To maintain a resilient and sustainable water supply for our community and future generations to come, we need a water supply that can cope with emergencies and the ongoing impact of climate change. We support Te Mana o te Wai in our work to provide safe water supply to the region in a manner that is respectful to the environment.

Wellington Water Limited has made significant progress on a number of big infrastructure improvements in the bulk water network in the last year. Preparation of a detailed design was completed for the Silverstream pipe bridge project. Seismic strengthening of the treated water reservoir at the Wainuiomata Water Treatment Plant was also completed. Both these projects were prioritised as important steps towards increasing the resilience of our bulk water supply network in the event of a natural disaster.

An initial process assessment for the Te Marua Water Treatment Plant upgrade project has commenced this year. This is a crucial project to increase the output capacity of the plant, which currently supplies over 40 percent of the region’s total water supply volume in a typical year. This upgrade will also work to increase the drought resiliency of the region.

This year Wellington Water established the Te Mangai Taketake role within Wellington Water to enhance the way the organisation works with mana whenua by developing a better understanding of te ao Māori and te reo Māori across Wellington Water. The establishment of this role is a commitment to developing capability within the Wellington Water whānau and foster understanding of te ao Māori issues and priorities.

Wellington Water Limited has faced a number of challenges this year with increased workload due to COVID-19 and a lack of skilled professionals in the current labour market. Changes in Alert Levels due to COVID-19 have also caused strain on the ability to deliver services. Wellington Water has responded to these challenges by implementing new processes and training to maximize efficiency in order to continue to deliver robust and safe drinking water to the region.

³⁹ The city councils are responsible for the distribution of water direct to households and businesses through their own networks, which are managed on their behalf by Wellington Water Limited.

⁴⁰ Wellington Water Limited is a council-controlled organisation that is jointly owned by Greater Wellington and the Hutt, Porirua, Upper Hutt and Wellington city councils, and South Wairarapa District Council.

Attachment 1 to Report 21.529

This year the government announced a proposed new system to ensure that of all New Zealand's three waters – drinking water, wastewater and storm water – are efficiently delivered, affordable and fit for purpose. Greater Wellington has been involved in the development and testing of options for the Three Waters Reform and assessing possible impacts of this proposal.

DRAFT

Measuring our performance

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results	
Water Supply	Provide water that is safe and pleasant to drink	Number of waterborne disease outbreaks ⁴¹	0	0	Achieved	0	0	Achieved		
		Customer Satisfaction	Number of taste complaints related to bulk water supply	5	0	Achieved	<5	0	Achieved	
			Number of complaints from Territorial Authorities (TAs) on drinking water clarity	0	0	Achieved	<5	0	Achieved	
			Number of complaints from TAs on drinking water odour	0	0	Achieved	<5	0	Achieved	
			Number of complaints from TAs on drinking water pressure or flow	1	0	Achieved	<5	0	Achieved	
			Number of complaints per 1,000 connections (end consumers) to the bulk water supply system ^{42 43}	0.04	0	Achieved	<0.2	0	Achieved	
	Safety of drinking water ⁴⁴	Compliance with part 4 of the drinking-water standards (bacteria compliance criteria)	Yes	100%	Achieved	Yes	100%	Achieved		

⁴¹ The outcome of the Havelock North Drinking Water Inquiry (relating to drinking water supply and safety) is likely to result in changes to reporting requirements

⁴² Non-Financial Performance Measures Rules 2013, Water supply measure [4(a-e)]

⁴³ Using the Water NZ survey data for the number of end consumers provided with drinking water (145,224).

⁴⁴ Non-financial Performance Measure Rules 2013, Water supply measure [1(a)-(b)]

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results	
		Compliance with part 5 of the drinking-water standards (protozoal compliance criteria)	Yes	100%	Achieved	Yes	100%	Achieved		
Water Supply	Provide a continuous and secure bulk water supply	Number of events in the bulk water supply preventing the continuous supply of drinking water to consumers	0	0	Achieved	0	1	Not Achieved	H	
		Sufficient water is available to meet normal demand except in a drought with a severity of greater than or equal to 1 in 50 years ^{45 46}	0.4%	6.9%	Not Achieved	<2%	12%	Not Achieved	I	
		Attendance for urgent call-outs ⁴⁷	Time from local authority receiving notification to service personnel reaching site	No events occurred	0	Achieved	<60 minutes	39 minutes	Achieved	J
			Time from local authority receiving notification to service personnel confirming resolution	No events occurred	0	Achieved	<4 hours	4 hours	Not Achieved	K
		Attendance for non-urgent call-outs ⁴⁸	Time from local authority receiving notification to service personnel reaching site	35 minutes	0.9 hours ⁴⁹	Achieved	<36 hours	0 hours	Achieved	
			Time from local authority receiving notification to service personnel confirming resolution	30 minutes	1.25 days	Achieved	<15 days	0 days	Achieved	
		Average drinking water consumption per resident per day within the TA districts supplied by the bulk water system ⁵⁰	351 L/p/d	369.8 L/p/d	Achieved	<374 L/p/d	372.1 L/p/d	Achieved	L	

⁴⁵ Normal demand includes routine hosing restrictions

⁴⁶ Assessed using a probability model of annual water supply shortfall

⁴⁷ Non-financial Performance Measure Rules 2013, Water supply measure [3(a)-(b)]

⁴⁸ Non-financial Performance Measure Rules 2013, Water supply measure [3(c)-(d)]

⁴⁹ The 2019/20 result represents the median response time from 1 July 2019 through to 30 June 2020 for non-urgent callouts related to the bulk water network.

⁵⁰ Non-Financial Performance Measures Rules 2013, [5] Greater Wellington cannot technically report due to the wording of the measure but will report the average of all residents' consumption for the district it supplies with bulk water.

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
		Maintenance of the reticulation network: Percentage of real water loss from the networked reticulation system ^{51 52}	0.7%	0.07% ⁵³	Achieved	+/- 2%	0.12%	Achieved	
Water Supply	Provide bulk water in compliance with all resource consents and environmental regulations	Full compliance with resource consents ⁵⁴	New measure	100%	Achieved	Yes	100%	Achieved	
		Annual review of relevant environmental legislation	New measure	100%	Achieved	Yes	100%	Achieved	
		HSNO location and stationary container test certificates are current	New measure	0%	Not Achieved ⁵⁵	Yes	75%	Not Achieved	M

Narrative on Results

H – One event occurred this year preventing the continuous supply of drinking water to an estimated 70 houses for a period of four hours and nine minutes due to equipment failure at the Aro reservoir. The annual calibration inspection plan has been revised to mitigate against potential future incidents.

I – The Te Marua Water Treatment Plant cannot treat water to its full capacity due to the technology in the plant. Wellington Water Limited is currently working with Greater Wellington to deliver an upgrade to the facility.

J – There was one incident at Aro reservoir resulting in seven reported outages to Wellington City Council residential properties on 8 March 2021. Service Crew attended the incident in 39 minutes.

⁵¹ Non-Financial Performance Measures Rules 2013, Water supply measure [2]

⁵² All connections are metered, production flows are subtracted from supply flows and weekly mass balance checks carried out to identify losses. Differences in metering accuracy account for the loss or gain of water supplied rather than leakage or unauthorised use.

⁵³ This is the non-revenue bulk water as a percentage of the annual production volume. Non-revenue bulk water is the total amount of bulk supplied water that has been used for scouring plus the amount of main leakage from the bulk mass balance.

⁵⁴ Full compliance means no notices/convictions (abatement notices, infringement notices, enforcement orders, or convictions).

⁵⁵ Not achieved in 2019/20 as Wellington Water Limited had a Location Compliance Certificate (LCC) for Waterloo through to 26 June 2020 but it was not validated following regulation change. Gear Island hydrofluorosilicic acid (HFA) is not certified, with a HSNO conditional variation in place until November 2021.

K – There was one incident at Aro reservoir resulting in seven reported outages to Wellington City Council residential properties on 8 March 2021. This was resolved in 4 hours and 9 minutes.

L – This result (calculated using a rolling 12-month average of all residents' consumption for the district it supplies with bulk water) is tracking just under the target. Nightflow and job leak information show that the number of leaks and total leakage across city council networks remains relatively high in both public and private leaks. We expect water restrictions to continue to be required to maintain a stable demand of water in the summer and may become more frequent and restrictive. Detecting and fixing leaks in the bulk water network is a key priority for Greater Wellington, as it is for the city council distribution networks, however it will take time to show a reduction in overall usage. Additional Service Crews are targeting proactive leak repairs. Increasing the number of network meters will help to identify leaks quicker, and detection and repair times will remain challenges without further meters.

M – One of our four Water Treatment Plants (Waterloo) did not meet HSNO location and stationary container test requirements. The Waterloo location has a non-compliance issue related to fluoridation that will take significant funds to repair. Wellington Water Limited is currently waiting for investment advice on whether to repair this issue. The Gear Island Water Treatment Plant also has a HSNO conditional variation in place until November 2021, and the renewal of the variation is on hold until November 2021 due to the poor condition of the ceiling structure. The Health (Fluoridation of Drinking Water) Amendment Bill currently in front of Parliament, if passed, might require that Petone's water supply be fluoridated. Therefore, changes made to the Gear Island and Waterloo locations will depend on the results of this Bill.

Attachment 1 to Report 21.529

Water Supply

Funding Impact Statement
For the year ending 30 June 2021

	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Sources of operating funding				
General rate	-	-	-	-
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Fines, infringement fees, and other receipts ¹	36,842	37,451	36,159	35,572
Total operating funding	36,842	37,451	36,159	35,572
Applications of operating funding				
Payments to staff and suppliers	(28,433)	(20,467)	(21,435)	(20,293)
Finance costs	(4,745)	(5,782)	(4,789)	(5,194)
Internal charges and overheads applied	(2,469)	(2,198)	(2,166)	(2,088)
Total applications of operating funding	(35,647)	(28,447)	(28,390)	(27,575)
Surplus/(deficit) of operating funding	1,195	9,004	7,769	7,997
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase / (decrease) in debt	11,974	17,994	8,951	10,294
Gross proceeds from asset sales	8	-	1	-
Total sources of capital funding	11,982	17,994	8,952	10,294
Applications of capital funding				
- to meet additional demand	(72)	-	(1,691)	(1,533)
- to improve the level of service	(830)	(3,666)	(8,999)	(7,900)
- to replace existing assets	(8,793)	(19,349)	(2,438)	(5,299)
(Increase) / decrease in investments	(3,435)	(3,983)	(3,487)	(3,559)
(Increase) / decrease in reserves	(47)	-	(106)	-
Total applications of capital funding	(13,177)	(26,998)	(16,721)	(18,291)
Surplus/(deficit) of funding	-	-	-	-
Bulk Water Levy ¹	35,860	35,892	34,788	34,230
Depreciation on Water assets	15,789	16,200	15,768	15,951

¹ This includes revenue from the bulk water supply levy charged to the Wellington, Upper Hutt, Porirua and Lower Hutt City councils and interest income.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan.

All figures on this page exclude GST.

Attachment 1 to Report 21.529

	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Operating funding				
Water Supply	36,842	3,451	36,159	35,572
Total operating funding	36,842	3,451	36,159	35,572
Applications of operating funding				
Water Supply	(35,647)	(28,447)	(28,390)	(27,575)
Total applications of operating funding	(35,647)	(28,447)	(28,390)	(27,575)
Capital expenditure				
Water sources	(625)	(21)	(625)	(20)
Water treatment plants	(1,422)	(1,650)	(1,422)	(1,492)
Pipelines	(3,167)	(17,088)	(3,167)	(4,865)
Pump stations	(829)	(251)	(829)	(245)
Reservoirs	-	-	-	-
Monitoring and control	(62)	(188)	(62)	(184)
Seismic protection	-	-	-	-
Energy	-	-	-	-
Other	(3,539)	(3,760)	(6,972)	(7,869)
Land and buildings	-	-	-	-
Plant and equipment	(51)	(57)	(51)	(57)
Vehicles	-	-	-	-
Total capital expenditure	(9,695)	(23,015)	(13,128)	(14,732)

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

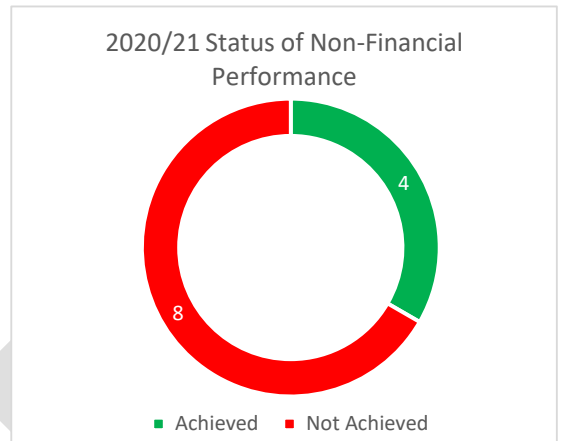
For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan.

All figures on this page exclude GST.



Ngā Waka Tūmatanui | Metlink Public Transport

Priority Area	Public transport
Community Outcomes	Strong economy Connected community Healthy environment
Activities	Metlink network planning and operations – an integrated and accessible network Bus and ferry operations – frequent, reliable bus and ferry services Rail operations – a high-capacity rail system



Overall Summary of the year's performance

Greater Wellington's Metlink Public Transport activities have achieved 33 percent of their 12 performance measures this year.

Greater Wellington manages the Metlink Public Transport network and delivers public transport services across the region. We deliver services across an integrated network of bus and rail, and the harbour ferry service.

This year we successfully completed the review of Te Mahere Waka Whenua Tūmatanui o te Rohe o Pōneke Wellington Regional Public Transport Plan 2021-2031 (RPTP). The RPTP is the primary planning and policy document for public transport in the Wellington Region and describes how we will deliver the high-level strategic direction for public transport. The RPTP includes a target to contribute to the regional target of a 40 percent increase in mode share from public transport and active modes by 2030 and maps out a pathway to achieve a 60 percent reduction in public transport emissions by 2030. A notable outcome from the RPTP includes the establishment of a Unit to establish an express bus service between the Wellington Railway Station and the Airport.

During the year Council agreed to an increase in fleet requirements by the addition of up to four new electric buses in financial year 2021/22 to meet projected patronage growth – subject to receiving Waka Kotahi funding approval (this is in addition to the 98 electric buses already agreed to by Council in 2019/20). The Council also approved a new electric ferry to replace the current diesel ferry on the East to West harbour service starting in late 2021. The electric ferry will be Australasia's first fully electric commuter ferry to hit the water and is estimated to have the same decarbonisation benefit of eight electric buses.

Metlink has undertaken significant steps towards implementation of the National Ticketing Solution. This will improve public transport for all New Zealanders through a centralised, standardised approach to paying for public transport (bus, rail, and commuter ferry) in all regions across New Zealand. Preparation in the Wellington Region began for a trial of cash-free express bus routes (scheduled to take place in July 2021), and the Snapper on Rail Pilot (scheduled for late October/early November 2021).

Metlink engaged mana whenua during the preparation of the 2021-31 LTP on what public transport priorities should be for the next ten year and has continued working with Te Herenga Waka – Victoria University of Wellington on the new Living Pa development on Kelburn Parade. This provides a

valuable opportunity to tell the story of Pa, through creating a purpose-built building and bus shelter, incorporating cultural designs made by local artists.

Metlink has been developing a new way to work with and engage with mana whenua this year through co-designing an iwi engagement strategy with our six iwi partners on how to better engage and work with mana whenua on future public transport policies and initiatives.

Responding to COVID-19

COVID-19 continued to be front of mind in how Metlink managed the public transport network throughout the year. While Alert levels remained at Levels 1 and 2 this year, we responded to changing requirements in an agile and coordinated approach. We maintained strict hygiene protocols throughout the year, regardless of Alert Levels, to ensure the ongoing safety of our passengers and staff. We developed proactive messaging campaigns to ensure people made the right choices for their health, safety and wellbeing. Successful campaigns such as #onboardwithmasks, and the double decker bus mask wrap were great promotions and guidance of wearing masks and maintaining physical distancing.

Metlink Public Transport continues to show extensive planning and resilience in response to the pandemic environment, evident in our annual Passenger Satisfaction Survey results which indicated that 90 percent of passengers were satisfied with our response to COVID-19. We also received an international award for Metlink and Snapper's joint response to COVID-19, winning the Most Innovative Customer Serving Operator award at the 2021 Transport Ticketing Awards in June 2021. Our winning factors spanned a change of operational settings, supporting analytics, and successful integration into the Ministry of Health contact tracing and iOS app.

Bus operations

Metlink faced significant challenges this year with recruiting and retaining drivers, compounded by COVID-19 and associated disruptions to services. Critical to addressing our driver workforce challenges was our cooperation with operators and strong union involvement, to refine our service levels to better match driver resource to meet customer service demand. We took an active role in working to resolve the dispute by providing and funding mediators to encourage a mutually satisfactory outcome for drivers and, ultimately, our customers. In April 2021, as part of the gradual improvement of driver terms and conditions, Council agreed to a funding proposal that was offered to Metlink Public Transport Operating Model (PTOM) bus operators to enable them to align the associated minimum bus driver base rates to the Living Wage.

Significant strides were undertaken to improve our delivery of real-time digital information to customers. This year we successfully introduced a new Metlink website and app, and an iOS Snapper top-up app. The on-bus audio visual Request for Proposal was released, with development expected to commence in October 2021.

Metlink continued its pathway to decarbonisation. Important to this was our continued development of bespoke software that calculates fuel emissions for every bus trip. Our bus provider Tranzurban is conducting a trial to convert one diesel double decker bus to electric which will inform Council of further decarbonisation options.

Rail Operations

Rail service delivery performance has remained consistent. Crucial to the day-to-day operation and disruption management of the Network, we invested significant work to strengthen the partnership arrangement with Transdev and KiwiRail. We continued a multi-year programme to renew KiwiRail's

aging rail network infrastructure to ensure the rail network is fit for purpose and to improve the resiliency of the rail corridor. In February 2020, the government announced investment in further KiwiRail network infrastructure upgrades, including for the elements required from Greater Wellington's new train fleet Business Case. We progressed the business case for the refurbishment of the Wairarapa carriage fleet to a low/zero carbon train, with intentions to improving service frequency and performance. Tangible outcomes will be a new track and a second platform in Featherston, and a signalling system between Featherston and Masterton (to provide more frequent services).

Other notable achievements during 2020/21 include:

- Park & ride extensions at Featherston and Upper Hutt
- Wallaceville Station refurbishment and seismic strengthening
- New and refurbished toilet facilities across our stations
- Wellington Station Platform roof and lighting upgrades
- Double tracking at Trentham to Upper Hutt almost complete (will result in reliability/capacity improvements).

Measuring our performance

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
Metlink Public Transport	Transform and elevate customer experience and use of Metlink passenger services	Percentage of rail users who are satisfied with their trip overall ⁵⁶	Rail 93%	93% ⁵⁷	Achieved	>92%	95%	Achieved	N
		Percentage of bus users who are satisfied with their trip overall ⁵⁸	Bus 92%	90% ⁵⁹	Not Achieved	>92%	92%	Achieved	N
				.. ⁶⁰	Not Measured				
	Annual public transport boardings per capita	74.5 Rebased to exclude commercial boardings: 71.8 ⁶¹	62.4	Not Achieved	76.9 Rebased to exclude commercial boarding's: 73.0	61.8	Not Achieved	O	

⁵⁶ Satisfied = score of 6-10 on a scale of 0-10

⁵⁷ In 2019/20 COVID-19 Alert Level restrictions prevented the Annual Passenger Satisfaction survey from being undertaken. The reported result is from the interim survey, (which used the same methodology as the annual survey and covered the full rail network) carried out in November 2019 (pre-COVID-19 disruptions).

⁵⁸ Satisfied = score of 6-10 on a scale of 0-10

⁵⁹ In 2019/20 COVID-19 Alert Level restrictions prevented the Annual Passenger Satisfaction survey from being undertaken. The reported result is from the interim survey (run in November 2019) which does not represent the whole bus network, only the Wellington City bus service.

⁶⁰ In 2019/20 the whole bus network (excluding Wellington City bus services) was not included in the interim Passenger Satisfaction survey run in November 2019 so no interim result can be reported.

⁶¹ Performance prior to 2018/19 included boardings for commercial trips, which are no longer reported to Greater Wellington as these services are now defined as exempt services under the LTMA 2003. The baseline (2017) excluding these exempt services is 71.8.

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
Metlink Public Transport	Deliver services in accordance with the published timetable	Percentage of scheduled services delivered (reliability)	Bus 99.1% ⁶²	98.9%	Not Achieved	99.5%	98.2% ⁶³	Not Achieved	P
		Percentage of scheduled services delivered (reliability)	Rail 97.2%	95.7%	Not Achieved	99.5%	98.3%	Not Achieved	Q
		Percentage of scheduled bus services on-time at origin (punctuality) - to 5 minutes ⁶⁴	Bus N/A ⁶⁵	94.2% ⁶⁶	Not Achieved	95%	95.4% ⁶⁷	Achieved	
		Percentage of scheduled bus services on-time at destination (punctuality) - to 5 minutes ⁶⁸	Bus N/A ⁶⁹	53.8% ⁷⁰	Not Achieved	Increase on previous year	51.9% ⁷¹	Not Achieved	R

⁶² Reliability for the 2018/19 year is based on services that are actually tracked by our Real Time Indicator (RTI) and Snapper systems, and therefore results cannot be compared with prior years. In prior years operators self-reported reliability.

⁶³ This measure is calculated by comparing the total number of scheduled trips with the total number of trips that actually ran, as tracked by RTI and Snapper systems

⁶⁴ This measure is based on services that depart from origin, departing between one minute early and five minutes late.

⁶⁵ This measure has changed from the previous (2015-25) Long Term Plan, moving from 10 to 5 minutes punctuality with the new bus contracting environment.

⁶⁶ 2019/20 result: Measure excludes trips where the start time of the trip was not recorded. This could have been due to trip being cancelled or not run, an equipment failure or driver did not trip on at origin. Trips where there is no origin data represents 11.5 percent of total trips.

⁶⁷ 2020/21 result: Measure excludes trips where the start time of the trip was not recorded. This could have been due to trip being cancelled or not run, an equipment failure or driver did not trip on at origin. Trips where there is no origin data represents 10.2 percent of total trips.

⁶⁸ This measure is based on bus services that arrive at destination, arriving between one minute early and five minutes late. For 2020/21: 51.9 percent of services arrived at their destinations on time, 41.3 percent arrived more than one minute early, and 6.7 percent arrived more than five minutes late.

⁶⁹ Bus punctuality at destination has not been reported on in prior years; therefore, results cannot be compared with prior years.

⁷⁰ 2019/20 result: Measure excludes trips where the end time of the trip was not recorded. This could have been due to trip being partially cancelled, an equipment failure, the driver not completing the trip or driver tripping off **prior to the** destination stop (e.g., if there were no more passengers on board). Trips where there is no destination data represents 12.1 percent of total trips.

⁷¹ 2020/21 result: Measure excludes trips where the end time of the trip was not recorded. This could have been due to trip being partially cancelled, an equipment failure, driver not completing the trip or driver tripping off prior **to the** destination stop (e.g. if there were no more passengers on board). Trips where there is no destination data represents 12.0 percent of total trips.

	Level of Service	Performance Measures	Baseline (2017)	2019/20 Result	2019/20 Status of Result	2020/21 Target	2020/21 Result	2020/21 Status of Result	Commentary on 2020/21 Results
		Percentage of scheduled rail services on-time (punctuality) - to 5 minutes ⁷²	Rail 88%	89.4%	Not Achieved	92%	90.3%	Not Achieved	S
Metlink Public Transport	Provide accessible and accurate information on Metlink services to the public	Percentage of users who are satisfied with the provision of Metlink information - about delays and disruptions	67%	57% ⁷³	Not Achieved	≥72%	58%	Not Achieved	T
	Maintain and improve the performance and condition of Metlink assets	Percentage of passengers who are satisfied with overall station/stop/wharf	91%	93% ⁷⁴	Not Achieved	≥92%	94%	Achieved	N
		Average condition rating of all bus shelters maintained by Metlink (1 = very good and 5 = very poor)	1.8	1.6	Achieved				
	Provide a subsidised taxi service to customers unable to use buses or trains	Percentage of users who are satisfied with the overall service of the scheme ⁷⁶	99%	98%	Not Achieved	≥99%	93%	Not Achieved	V

⁷² The rail punctuality measure is based on rail services arriving at key interchange stations and final destination, within five minutes of the scheduled time.

⁷³ In 2019/20 COVID-19 Alert Level restrictions prevented the Annual Passenger Satisfaction survey from being undertaken. The reported result is from the interim survey, carried out in November 2019 which covers the full rail network but not the whole bus network (only the Wellington City bus services). It also excludes ferry services.

⁷⁴ ⁷⁴ In 2019/20 COVID-19 Alert Level restrictions prevented the Annual Passenger Satisfaction survey from being undertaken. The reported result is from the interim survey (run in November 2019) which does not represent the whole bus network, only the Wellington City bus service. It also excludes ferry services.

⁷⁵ 2019/20 COVID-19 Alert Level restrictions prevented the Annual Passenger Satisfaction survey from being undertaken. The interim survey, carried out in November 2019, covers the full rail network but not the whole bus network (only the Wellington City bus services). It also excludes ferry services. As such no interim result can be reported.

⁷⁶ Measured through the GWRC Total Mobility Survey 2021. Satisfied = score of 3-5 on a scale of 1-5. In 2017/18 the satisfaction scale changed from 1 -10 points to 1-5 points.

Narrative on Results

N– This information is collected through the final 2021 Passenger Satisfaction Survey.

O – Prior to the emergence of COVID-19 in late March 2020, we had been seeing record patronage growth for both bus and rail. Passenger Boardings were reduced by approximately 16 percent in 2019/20 (from 39 million to 33 million boardings) due to COVID-19. Patronage has since been recovering at an average of 80-85 percent of pre-COVID levels. With the current recovery rate, we expect patronage levels to return to 2018/19 levels by 2021/22.

P – This target has not been met due to service cancellations that increasingly impacted the bus network. Driver shortages faced by our two largest bus operators have been the key contributor to service cancellation and resultant reliability failures. Such shortages have been driven by the ongoing impact of COVID-19, existing terms and conditions for drivers, the housing unaffordability of Wellington and the high cost of living in Wellington. To mitigate the effect of driver shortages on bus reliability, we implemented prioritisation processes for bus scheduling including prioritising low frequency routes to ensure buses were running reliability throughout the region. This measure takes into account these prioritisation efforts. We ran a communication campaign to ensure patrons were notified of any changes to the bus schedule including messaging via the Metlink website, Metlink App, text messages and advertisements in bus stops and on the radio. We also started discussions with operators and unions on how to proactively approach the driver shortage problem using timetable adjustments, as well as what could be done more systemically to ensure that becoming a bus driver is an attractive proposition for people.

Q – Changes in WorkSafe regulations as well as infrastructure renewals and network disruptions significantly impacted rail reliability this year. WorkSafe regulations related to ensuring separation between train services in tunnels which meant having to change the scheduling of train services on the Wairarapa Line. Reliability on the Wairarapa Line was also affected by worksites along the line to undertake infrastructure renewal work. There were also a number of network disruptions that had a minor impact on reliability.

R – This year 51.9 percent of bus services were on time at the destination stop, a further 41.3 percent arrived early, and 6.7 percent of services arrived late. We have seen a significant amount of early arrival this year. This increase is due to lower-than-expected bus patronage caused by COVID-19, and therefore resulting in less time needed for a bus to run its scheduled route. Another cause of early arrival is the recovery time that is provided in the bus timetable to account for factors outside of Greater Wellington's control (ex. traffic delays, passenger volumes). Given the lower passenger volume this year, this recovery time has resulted in an increase in buses arriving early to their destinations.

S – Performance was impacted by a number of network issues, which affected services on both the Johnsonville and Kāpiti Lines. These included slips, minor faults, signal faults, worksite handover issues and weather-related issues. Worksites undertaking infrastructure renewal along the Wairarapa Line affected rail punctuality on the Hutt Line. Renewal work on the Wairarapa Line line has begun and will continue for at least the next two years. Services on the Wairarapa Line have also been significantly impacted by a change to WorkSafe regulations related to ensuring separation between train services in tunnels, which meant having to change the scheduling of train services on the Wairarapa Line.

T–The score for information about delays and disruptions still remains one of the lowest scoring areas. This year the score is largely influenced by a high number of cancellations on the bus network due to driver shortages. These cancellations are being addressed by changes to the bus timetables and improvements to Metlink’s website, app, and real-time information system to provide more information about delays and disruptions.

U – We have not been able to undertake renewals in Wellington City Council area due to the Rationalisation and Renewal Strategy not being endorsed by both organisations.

V – This result is partially impacted by a lower number of respondents to the GWRC Total Mobility Survey 2021 due to a difficulty in engaging patronage in completing the survey. The approach and distribution of the survey will be reviewed to facilitate more respondents in the upcoming financial year. It does identify some particular operator-centric issues that are prioritised for resolution – particularly customer service standards and wheelchair accessible vehicle availability.

DRAFT

Attachment 1 to Report 21.529

Metlink Public Transport

Funding Impact Statement

For the year ending 30 June 2021

	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Sources of operating funding				
General rate	-	-	-	-
Targeted rates	77,037	78,511	69,788	70,193
Subsidies and grants for operating purposes	118,614	76,830	145,288	75,095
Fees and charges	79,778	99,738	72,819	97,447
Fines, infringement fees, and other receipts ¹	8,912	2,759	8,532	6,194
Total operating funding	284,341	257,838	296,427	248,929
Applications of operating funding				
Payments to staff and suppliers	(249,330)	(215,856)	(273,621)	(214,601)
Finance costs	(11,927)	(14,731)	(13,224)	(14,323)
Internal charges and overheads applied	-	(10,477)	-	(9,949)
Total applications of operating funding	(261,257)	(241,064)	(286,845)	(238,873)
Surplus/(deficit) of operating funding	23,084	16,774	9,582	10,056
Sources of capital funding				
Subsidies and grants for capital expenditure	-	30,947	8,082	29,782
Increase / (decrease) in debt	(3,221)	11,443	(707)	14,587
Gross proceeds from asset sales	-	-	-	-
Total sources of capital funding	(3,221)	42,390	7,375	44,369
Applications of capital funding				
- to meet additional demand	(187)	-	(1,113)	-
- to improve the level of service	310	(28,708)	(556)	(32,885)
- to replace existing assets	(1,086)	(3,648)	(1,355)	(3,100)
(Increase) / decrease in investments ²	(16,709)	(26,651)	(16,461)	(20,660)
(Increase) / decrease in reserves	(2,190)	(157)	2,528	2,220
Total applications of capital funding	(19,863)	(59,164)	(16,957)	(54,425)
Surplus/(deficit) of funding	-	-	-	-
Depreciation on Public Transport assets	5,337	9,389	5,084	6,064

1 This includes revenue from Greater Wellington Rail Limited for services provided to manage the rail assets.

2 Greater Wellington fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the New Zealand Transport Agency. This expenditure is treated as operational expenditure in Greater Wellington's accounts as the underlying assets will mostly be owned by the Greater Wellington subsidiary Greater Wellington Rail Limited. This has the effect of creating an operational deficit which is funded by debt in accordance with Greater Wellington's Revenue and Financing policy.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan.

All figures on this page exclude GST.

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	2020/21 Actual \$000s	2020/21 Long Term Plan \$000s	2019/20 Actual \$000s	2019/20 Long Term Plan \$000s
Operating funding				
Metlink public transport network planning	18,185	24,019	20,279	24,940
Rail operations and asset management	146,299	132,399	164,256	128,635
Bus and ferry operations and asset management	119,857	101,420	111,892	95,354
Total operating funding	284,341	257,838	296,427	248,929
Applications of operating funding				
Metlink public transport network planning	(19,421)	(21,710)	(20,423)	(24,525)
Rail operations and asset management	(128,712)	(121,251)	(154,851)	(119,703)
Bus and ferry operations and asset management	(113,123)	(98,103)	(111,571)	(94,645)
Total applications of operating funding (excluding improvements)	(261,256)	(241,064)	(286,845)	(238,873)
Improvement Expenditure				
Bus and ferry operations and asset management	-	-	-	-
Total improvement expenditure	-	-	-	-
Total applications of operating funding (including improvements)	(261,256)	(241,064)	(286,845)	(238,873)
Net surplus/(deficit) of operating funding	23,085	16,774	9,582	10,056
Investment in Greater Wellington Rail Ltd				
Rail Operations and asset management	(16,709)	(26,651)	(16,461)	(20,660)
Capital project expenditure				
New public transport shelters, signage, pedestrian facilities and systems	(931)	(32,356)	(2,164)	(35,985)
Land and buildings	-	-	(836)	-
Plant and equipment	(33)	-	(24)	-
Vehicles	-	-	-	-
Total capital expenditure	(964)	(32,356)	(3,024)	(35,985)
Total investment in Public transport Infrastructure	(17,673)	(59,007)	(19,485)	(56,645)
This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations. For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan. All figures on this page exclude GST.				

Tā te Kaunihera Rōpū me ngā Mahi Haumi | Council Controlled Organisations and Investments

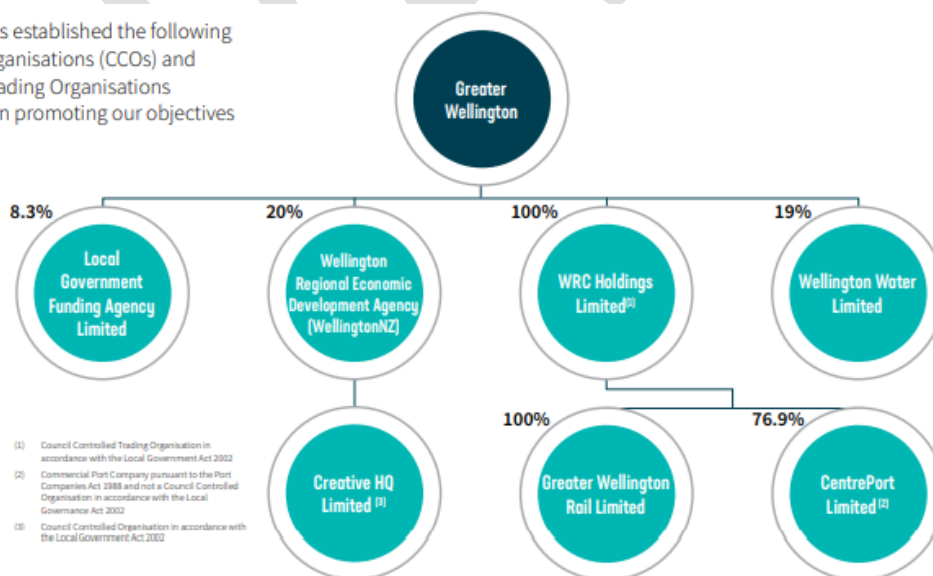
Overview

Greater Wellington has a number of subsidiary entities that deliver services to the region and these operate through a variety of structures. These organisations are “council organisations” as defined in the Local Government Act 2002 (section 6).

- **A council controlled organisation (CCO)** is an organisation in which the council (or councils) either controls, directly or indirectly, 50 percent of the shareholding votes or has the right, directly or indirectly, to appoint 50 percent or more of the directors, trustees or managers. A CCO can be a company, trust, partnership, incorporated society or joint-venture.
- **A council controlled trading organisation (CCTO)** is a CCO that operates a trading undertaking for the purpose of making a profit.
- **A council organisation (CO)** is any organisation in which the council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a number of bodies including CCOs and CCTOs.
- **Investments** – Greater Wellington has a significant portfolio of investments

Council controlled organisations (CCOs) and Council controlled trading organisations (CCTOs)

Greater Wellington has established the following Council controlled organisations (CCOs) and Council Controlled Trading Organisations (CCTOs) which assist in promoting our objectives for the region.



Wellington Water Limited

Wellington Water Limited manages Greater Wellington’s bulk water supply function. Wellington Water Limited also manages local water supply, stormwater and wastewater service delivery in the four cities of the Wellington Region. Wellington Water Limited is jointly owned by Greater Wellington,

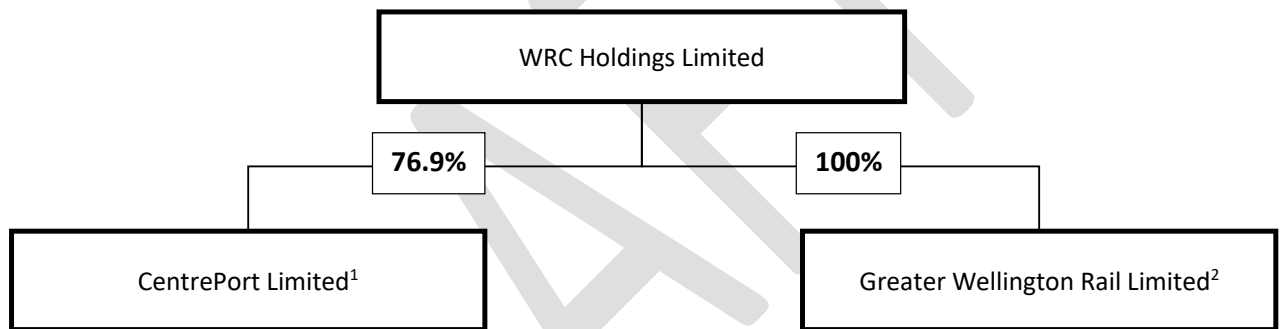
Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council and South Wairarapa District Council. Greater Wellington holds a 19% equity stake. It is run by an independent board of directors and is accountable to the Wellington Water Committee – a joint committee of elected representatives from each of the shareholding councils. (reword to mention the water supply section but also they can refer to Wellington Water’s Annual Report based on their statement of intent)

Performance targets

Wellington Water Limited’s performance measures are set out in the Water Supply section of the 2018-28 Long Term Plan⁷⁷ and performance targets for the 2020/21 year are set through Wellington Water Limited’s 2020/21 Statement of Intent. Wellington Water Limited’s performance against these measures can be found in the Water Supply section of this report, as well as in Wellington Water Limited’s 2020/21 Annual Report, available on their website.

WRC Holdings Group

Greater Wellington has established the following equity investments in the WRC Holdings Group:



¹Commercial Port Company pursuant to the Port Companies Act 1988 and not a Council Controlled Organisation in accordance with the Local Government Act 2002

²Council Controlled Trading Organisation in accordance with the Local Government Act 2002

WRC Holdings Limited is an investment holding company. The main operating companies in the group are CentrePort Limited and Greater Wellington Rail Limited. Every year, WRC Holdings Limited provides to Greater Wellington, as 100 percent shareholder, a Statement of Intent for the WRC Holdings Group.

The WRC Holdings Group is Greater Wellington’s prime investment vehicle and the main mechanism by which it will own and manage any additional equity investments should they be acquired in the future. Periodically, Greater Wellington reviews the structure to determine if it is still an appropriate vehicle for holding its investments.

The primary objectives of WRC Holdings Limited are to support Greater Wellington’s strategic vision and operate successful, sustainable and responsible businesses, manage its assets prudently and, where appropriate, provide a commercial return. It has adopted policies that prudently manage risks and protect the investment.

⁷⁷ Pages 66-68 of the 2018-28 Long Term Plan sets out the Water Supply non-financial performance measures, as included in the Wellington Water Annual Report.

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WRC Holdings group financial performance targets are:*Financial WRCH group results compared with Statement of Intent (SOI) Targets*

	Actual 2021	Target 2021	Actual 2020
	\$'000	\$'000	\$'000
Net (deficit) / surplus before tax	(13,734)	(10,110)	147,045
Net (deficit) / surplus after tax	(37,413)	(7,570)	143,288
Earnings before interest, tax, depreciation and amortisation (EBITDA)	11,295	20,312	171,149
Return on Shareholder's equity	(5.50)%	(1.10)%	22.90%
Return on total assets	(1.70)%	(0.90)%	15.70%
Shareholders equity to total assets	68.50%	70.20%	68.90%
Dividends	14,600	2,900	2,800

Directors of WRC Holdings and GWRL as at 30 June 2021 (excluding CentrePort Limited) are:

- Prue Lamason (Chair)
- Roger Blakeley
- Glenda Hughes
- Chris Kirk-Burnannd
- Nick Leggett
- Helen Mexted
- Nancy Ward

Greater Wellington Rail Limited

Greater Wellington Rail Limited owns Greater Wellington's investments in rail rolling stock and other assets, which includes the following:

- 18 SW Carriages
- 6 SE Carriages
- 1 AG Luggage van
- 83 Matangi units
- 1 Matangi Driving Simulator
- 2 remote controlled shunt crabs
- Rail infrastructure – EMU depot, rail stations, overbridges/underpasses, car park

Financial Performance targets

	Actual 2021	Target 2021	Actual 2020
Operating expenditure (\$ million)	41.0	46.1	40.5
Capital expenditure (\$ million)	16.7	16.8	16.5
Shareholder fund to total asset(1)	81.4%	82.3%	80.6%

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CentrePort Limited

	Actual 2021 \$'000	Target 2021 \$'000	Actual 2020 \$'000
CentrePort Limited			
Net profit before tax	10,800	13,200	19,700
Net profit after tax ⁷⁸	8,600	9,500	14,700
Return on total assets ⁷⁹	1.4%	18%	3.8%
Return on equity ⁸⁰	1.9%	2.2%	3.9%
Dividend as a % of underlying net profit after tax before earthquake impacts and changes in fair value	58.3%	52.6%	34.1%
Dividend	20,000	5,000	5,000

CentrePort Limited Safety and Security Performance Targets

Objective	Performance Measure	Performance		
		FY20 Actual	FY21 Target	FY21 Q4
Create a zero harm workplace	Lost Time Injury Frequency (per 200,000 hours worked)	2.7	≤ 3.2	2.18
	Lost Time Injury Severity (per 200,000 hours worked)	8.0	≤ 8	17.75
	bSafe Reports (incident and near miss reports)	1,059	> 1,000	201 (875 YTD)
	Site Inspections	261	> 120	100 (255 YTD)
	Safety Interactions	302	> 120	50 (219 YTD)
	Random Drug and Alcohol Testing (as a percentage of total employees)	> 40% outside COVID level 4 lockdown	> 40%	44 people tested (162 YTD)
	Comply with the AS/NZS 4801: Occupational Health and Safety Management Systems as per AS/NZS 4801 audit	Compliance with AS/NZS 4801	Compliance with AS/NZS 4801	Compliance with AS/NZS 4801
	Policy reviewed annually against CentrePort's objectives and external benchmarks	Compliance with Policy	Compliance with Policy	Compliance with Policy
Being a respected and responsible employer	Conduct annual employee engagement survey and follow up actions	Engagement survey conducted	Engagement survey conducted	Survey conducted in June

⁷⁸ Underlying net profit after tax before earthquake impacts and changes in fair value includes abnormal items.

⁷⁹ Return on assets = earnings before interest, tax, earthquake impacts, and changes in fair value divided by the average opening and closing non current assets.

⁸⁰ Return on equity = underlying net profit after tax before earthquake impacts and changes in fair value divided by the average opening and closing total equity. The Statement of Corporate Intent (SCI) targets are from the SCI for the financial years ended 30 June 2021 to 2023 which was approved for issue in June 2020.

CentrePort Limited Environment Performance Measures

Objective	Performance Measure	Performance		
		FY20 Actual	FY21 Target	FY21 Q4
Minimise impact on the environment	Environmental Management System	Toitū Envirocare Gold https://www.toitu.co.nz/about-us/brandstatus (Formerly EnviroMark)	Maintain Toitū Envirocare Gold https://www.toitu.co.nz/about-us/brandstatus	Toitū Envirocare Gold status maintained.
	System: consistency with ISO14001		Audit and third stage certification complete	Planning for Toitū Envirocare Diamond (ISO14001) audit.
	Complaints: number of complaints from external stakeholders about environmental performance	Five	Zero	<p>Four complaints for the year.</p> <p><u>MSC Wieland</u> Multiple noise complaints from the public lodged with CentrePort and local authorities regarding low frequency sound from the container ship the MSC Wieland. CentrePort Communication Manager controlled the response to media and complainants. MSC Wieland is on the NZ Noisy Ship Register, and is no longer on the schedule to visit New Zealand Ports.</p> <p><u>Mobile Plant Noise Complaint</u> Complaint from community regarding reversing and movement alarms on mobile plant. Engagement meetings held with Regulator (WCC) to understand the risk associated with mobile plant and requirement for acoustic warnings. A review programme is underway for alternative acoustic warning options on mobile plant, including removing them completely. Direct engagement with complainant continues.</p> <p><u>Container Berth Reinstatement Noise Complaint</u> Complaint from resident within Oriental Bay regarding the marine piling noise. CPL Engagement and Communication Manager has liaised with complainant. Including an open invitation to visit the site and view the plant and project to gain a further understanding of the source of sound. Complainant has agreed to visit if the sound continues to be an issue – no contact for some months.</p>

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				<p><u>Dust Complaint</u> Dust complaint lodged by a member of public via the GWRC Compliance Team. Complaint related to the operation of the gravel crushing operation at Kaiwharawhara Point. Immediate controls improved with additional sprinklers and mobile water cart deployed. Longer term controls of pre-emptive monitoring and polymering has been implemented. GWRC Compliance department have verified the success of the controls and have liaised directly with complainant.</p>								
	Solid waste to landfill (quantity) including the potential for third party waste	Significant quantities of construction and demolition waste diverted from landfill to be reused or recycled.	Waste minimization integrated into Regeneration	<p>Infrastructure projects have provided the opportunity to recover, store, and recycle engineering standard material for use within the port regeneration programme.</p> <p>Diversion of waste from the regional landfill post the 2016 Kaikoura Earthquake (in tonnes):</p> <table border="0"> <tr> <td>Concrete</td> <td>110,000</td> </tr> <tr> <td>Asphalt</td> <td>11,000</td> </tr> <tr> <td>Steel</td> <td>3,000</td> </tr> <tr> <td>Other</td> <td>8,000</td> </tr> </table>	Concrete	110,000	Asphalt	11,000	Steel	3,000	Other	8,000
Concrete	110,000											
Asphalt	11,000											
Steel	3,000											
Other	8,000											
Operate in a sustainable manner	Greenhouse gas emissions (quantity CO ₂ equivalent) Emissions measured in accordance with ISO 14064 – 1:2006 and the Greenhouse Gas Protocol	Emission reduction opportunities are progressing (EV's, electric bomb carts, electrical upgrades including diesel generator replacement).	Develop an Emissions Management Plan to support GWRC's goal to be carbon neutral by 2030	<p>Emissions Plan completed. Emission reduction activities progressing, including EVs, LED lighting, electrical substation and lighting upgrades. Investigation into carbon offset options continuing.</p> <p>FY20 emissions inventory certified through GWRC as a Scope 3 item.</p>								
Ensure regulatory compliance	Compliance breaches	Zero	Zero	Zero								

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CentrePort Limited Customer Performance Measures

Objective	Performance Measure	Performance		
		FY20 Actual	FY21 Target	FY21 Q4
Maintain compliance with the International Ship & Port Security (ISPS) Code	Compliance is maintained, all incidents are reported to MNZ and NZ Customs Service, and learning reviews are undertaken and recommendations implemented	Compliance with the ISPS maintained	Compliance maintained as per annual audit	Compliance with the ISPS maintained One breach for the period reported to NZ Customs and Maritime New Zealand, the breach related to a stowaway attempt. All learnings have been shared and corrective actions are in progress. Five reportable breaches in total for the year.
Maintain compliance with the Port & Harbour Safety Code (PHSC)	The requirements of the PHSC continue to be met. Risk assessments of new tasks or reviews post incident completed.	No breaches of the PHSC	No breaches of the PHSC All new task risk assessments and post incident reviews complete	Marine Operations consistent with the Port and Harbour Safety Code.

CentrePort Limited Investment Performance Measures

Objective	Performance Measure	Performance		
		FY20 Actual	FY21 Target	FY21 Q4
Financial performance measures	Group EBITDA	\$22.8m	\$16.1m	\$13.7m
	Underlying Net Profit After Tax ('Underlying NPAT')	\$14.7m	\$9.5m	\$8.6m
	Group EBIT Return on Assets	3.8%	1.8%	1.4%
	Underlying NPAT Return on Group Equity	3.9%	2.2%	1.9%
	Gearing Ratio	n/a	0.7%	1.7%
	Dividend	\$5.0m	\$5.0m	\$20.0m (incl. \$15m Special Dividend)
	Dividend Distribution as a percentage of Underlying NPAT	34.1%	52.6%	58.3% (excl. \$15m Special Dividend)
Planning supports the appropriate regeneration and growth of the port	Base line Portfolio Investment Case completed with Priorities Identified	Updated Portfolio Investment Plan and implementation of critical Priority 1 and Priority 2 projects. Priority Projects as per the Portfolio Investment Plan and SCI.	Updated Portfolio Investment Plan and implementation of all Priority 1 and further progress on Priority 2 projects. Projects as per the Portfolio Investment Plan and SCI.	Receipt of endorsement from Shareholders to our Regeneration Investment Summary which links to the overall Portfolio Investment Summary provided in 2020. Significant progress on Priority 1 projects, including Container Berth Reinstatement, Ground Resilience Programme, Seaview Wharf Renewal and Interislander SUT development.

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<p>Infrastructure restoration and challenge</p>	<p>Necessary works to enable MTOP growth in logs (3M JAS) and containers (150k TEU), minimise current operational restrictions and projects to enable long term regeneration works.</p>	<p>MTOP Ferry Works and return of rail onto port complete</p>	<p>Container and Logs Works MTOP Works Complete</p>	<p>Land development works progressing on former BNZ land based on agreements reached with Bluebridge. Completion delayed until Q1 FY22 based on Bluebridge requirements. Inner Port land for port operations continuing with completion of demolition of CPL House and commencement of land development works. Investigating use of land off-port at various locations. This will enable relocation of business services to enable regeneration, along with long term options for growth (e.g. distribution hubs). Continued issues with material supply affecting project progress.</p>
	<p>Implementation of natural hazard resilience programme which is developed to mitigate business continuity risks and provide incremental resilience improvement</p>	<p>Identified log and container works (i.e. bomb cart implementation) are all being executed or completed</p>	<p>Major works commenced at Seaview Wharf and ground resilience works completed for Thorndon Container Wharf</p>	<p>Ground resilience programme continuing with next stage commenced and has been accelerated relative to previous assumptions. AQ resilience planning works complete. Detailed execution planning to commence Q1 FY22. 2-3 year programme of works. Electric Internal Movement Vehicles (IMV) fully commissioned into operations. Electrical resilience in execution on-going. Seaview Wharf Renewal consent lodge with regulators in April 2021 and targeting receipt of consent end of July 2021. Interisland Single User Terminal wharf concept design complete.</p>
	<p>Development of key major project initiatives.</p>	<p>Consent obtained and works commenced on Seaview Wharf Renewal and Container Berth Extension</p>	<p>Consents obtained for CityPort Inner Harbour Development. Extended Container Berth Operational.</p>	<p>Physical works continues to progress for the <u>Container Berth Reinstatement</u> with the project currently on programme and budget with operations still targeting end of 2021. This is dependent on material supply. <u>Seaview Wharf Renewal</u> resource consent application lodged just after the end of Q3 and expecting consent from regulators in July 2021.</p>

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				<p>Site works targeted to commence end of 2021. Overall budget continues to be under pressure due to market conditions and constraints.</p> <p><u>KiwiRail SUT</u>: concept design for wharf and seawall complete. Progressing to next detailed stage following announcement of ship purchase by KiwiRail at the end of June 2021. KiwiRail driving consenting process.</p> <p><u>Multi-User Ferry Precinct</u>: Master Planning process underway. CPL leading on behalf of Future Ports Forum.</p> <p><u>Inner Harbour Precinct</u>: developing brief for Master Plan development with key stakeholders.</p>
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CentrePort Limited Stakeholders & Community Performance Measures

Objective	Performance Measure	Performance		
		FY20 Actual	FY21 Target	FY21 Q4
Building awareness of the value and contribution of CentrePort's activities to the regional economy	Targeted engagement with key stakeholders directly and via digital channels	<p>Face-to-face meetings with key stakeholders/influencers</p> <p>Regular stakeholder updates via digital channels</p>	<p>Face-to-face meetings with key stakeholders/influencers</p> <p>Regular stakeholder updates via digital channels</p>	<p>The CEO met a range of stakeholders including central/local government representatives and customers.</p> <p>Ten updates on LinkedIn including video and other digital collateral on CentrePort activities.</p>
Community integration	CentrePort supports and participates in community initiatives	Community engagement partnerships across economic, community and environmental programmes	Community engagement partnerships across economic, community and environmental programmes	<p>Continued sponsorship partnerships.</p> <ul style="list-style-type: none"> • Sustainable Coastlines. • ExportNZ Wellington Export Awards. • Whanganui Chamber of Commerce Business Awards. • Wellington Regional Children's Hospital • Wellington City Mission. • Hearing House/Southern Cochlear Implant programme. • RPNYC Youth Regatta • Hikitea Crane restoration
Consulting employees, stakeholders and the community, as appropriate	Engage stakeholders / community on Regeneration Plan	Regeneration Plan engagement plan finalised and implemented	Engagement with stakeholders as per Regeneration Plan and	<p>Staff engagement survey conducted.</p> <p>Staff training survey conducted.</p> <p>Continued engagement along with fuel industry representatives (led</p>

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			engagement plan	by Z) on community engagement strategy for Seaview Wharf and pipeline project. Established joint website and met with various stakeholder groups.
Engage with stakeholders on environmental matters	Environmental Consultative Committee meeting frequency	At least 3 per annum	At least 3 per annum	3 meetings held during the year. Meetings held in Q1, Q3 and Q4.
	Iwi relationships	We are currently exploring with mana whenua iwi the basis of a long-term relationship. Through this process we will identify together how we will engage on an ongoing basis	Confirm meeting framework with mana whenua, and explore the ability to reflect tikanga Maori in our Board appointments	Positive contact with iwi maintained, though scheduled Matariki event cancelled due to Covid Alert Level 2 restrictions. Awaiting appointment of new CEO at Port Nicholson Block Settlement Trust mid 2021 before developing an engagement framework with Taranaki Whanui. Relationship agreement with iwi for Multi User Ferry Precinct in development.
Strengthen relationships by working collaboratively with key stakeholders	Strategy meetings with CentrePort's Board and Port Investments Ltd's Board	At least 2 meetings per annum to discuss key strategic issues including the regeneration of CentrePort, and key decisions under CentrePort's Constitution	At least 2 meetings per annum to discuss key strategic issues including the regeneration of CentrePort, and key decisions under CentrePort's Constitution	Held quarterly meetings with GWRC. Additional meetings held to discuss Ferry developments and the establishment of a captive insurance company.

Wellington Regional Economic Development Agency (WellingtonNZ)

WellingtonNZ is the key provider for economic development in the region, combined with tourism, venues and major events management for Wellington City. Under an agreement between all the councils in the region, WellingtonNZ was established in late 2014. It is owned jointly by Wellington City Council (80 percent shareholding) and Greater Wellington (20 percent shareholding). The ownership reflects the proportion of funding by the two shareholding councils. It is run by an independent board of directors

Performance targets

The performance targets for Wellington NZ are set through their 2020/21 Statement of Intent. Results against the 2020/21 year will be published in their Annual Report by the end of December 2021.

Council Organisations

Wellington Regional Stadium Trust (Sky Stadium)

Sky Stadium is a regional facility which provides a high quality, multi-purpose venue for sporting and cultural events.

Greater Wellington provided a \$25 million loan to the Wellington Regional Stadium Trust to plan and build the stadium. It is one of the Trust's principal funders.

Greater Wellington appoints one of its Councillors to the Wellington Regional Stadium Trust and jointly with Wellington City Council appoints other trustees. Greater Wellington also monitors the trust's performance against its Statement of Trustees Intent.

Investments

Greater Wellington has a significant portfolio of investments, comprising:

- liquid financial deposits
- administrative properties (e.g. depots)
- forestry
- equity investments in the WRC Holdings Group (including CentrePort Limited)
- rail rolling stock and related assets

Greater Wellington's approach in managing investments is to balance risk against maximising returns. We recognise that as a responsible public authority, investments should be held for the long-term benefit of the community, with any risk being managed appropriately. We also recognise that lower risk generally means lower returns.

From a risk management point of view, Greater Wellington is well aware that investment returns to the rate line are exposed to the success or otherwise of two main investments – the WRC Holdings Group (including CentrePort Limited) and our liquid financial deposits.

Investments offset the need for rates revenue. Regional rates would need to be higher without the revenue from Greater Wellington's investments.

Treasury management

Greater Wellington's treasury management is carried out centrally to maximise our ability to negotiate with financial institutions.

We then on-lend these funds to activities that require debt finance. This allows the true cost of debt funding to be reflected in the appropriate areas. The surplus is used to offset regional rates.

Local Government Funding Agency

Greater Wellington is a founding shareholder in the Local Government Funding Agency (LGFA). The LGFA was established by statute in December 2011 and Greater Wellington has subscribed to \$1,866,000 of shares in the LGFA. The LGFA assists local authorities with their wholesale debt requirements by providing funds at better rates than are available directly in the marketplace. Greater Wellington sources term debt requirements from the LGFA and receives an annual dividend.

As part of the arrangement, Greater Wellington has guaranteed the debt obligations of the LGFA, along with the other shareholders of the LGFA, in proportion to its level of rates revenue. Greater Wellington believes the risk of this guarantee being called on is extremely low, given the internal liquidity arrangements of the LGFA, the lending covenants of the LGFA and the charge over rates the LGFA has from all councils' borrowers.

Liquid financial deposits

Greater Wellington holds \$33 million in liquid financial deposits as a result of selling our interest in CentrePort Limited to our wholly owned subsidiary (WRC Holdings Limited). We regularly review the rationale for holding these liquid financial deposits, taking into account the general provisions of our Treasury Management Policy, including our attitude to risk, creditworthy counterparties, and need to hold liquidity to meet liquidity covenants to maintain our high credit rating.

Administrative properties

Our interests in the Upper Hutt and Mabey Road depots are grouped to form an investment category, Administrative Properties.

Forestry

Greater Wellington and our predecessor organisations have been involved in forestry for many years, primarily for soil conservation and water quality purposes.

The organisation holds 6,000ha of forested land, of which about 4,000ha is in the western or metropolitan part of the region, with the remaining 2,000ha in Wairarapa.

The cutting rights to these forests were sold for a period of up to 60 years in the 2013/14 year.

Our overall investment policy with regard to forestry is to maximise long-term returns while meeting soil conservation, water quality and recreational needs.

Civic Financial Services Limited

Greater Wellington has a minor equity interest in Civic Financial Services Limited. This investment is owned directly by Greater Wellington rather than via the WRC Holdings Group.

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Ko te Moni Tārewa Debt	X

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He tauākī whakamahuki Whiwhinga me Utu | Statement of Comprehensive Revenue and Expense

	Note	Council			Group	
		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Operating revenue						
Rates and levies	3	179,231	179,818	173,640	179,231	173,640
Transport grants and subsidies	3	125,031	195,664	158,790	125,031	158,790
Other revenue	3	128,194	136,162	107,304	202,603	198,650
Other gains / (losses) - net	3	432,456	511,644	439,734	506,865	531,080
		116	-	(2,707)	1,183	(2,707)
Total operating revenue and gains		432,572	511,644	437,027	508,048	528,373
Operating expenditure						
Employee benefits	4	(61,868)	(56,755)	(55,884)	(86,499)	(86,088)
Grants and subsidies		(129,038)	(211,929)	(206,189)	(115,798)	(193,524)
Depreciation and amortisation	5	(29,196)	(29,891)	(28,431)	(57,461)	(56,826)
Finance expenses		(21,314)	(21,663)	(22,369)	(21,199)	(22,388)
Other operating expenses	6	(193,762)	(206,874)	(125,135)	(256,031)	(193,643)
Total operating expenditure		(435,178)	(527,113)	(438,006)	(536,988)	(552,468)
Operating surplus/(deficit) before other items and tax		(2,606)	(15,468)	(979)	(28,940)	(24,095)
Share of associate's surplus/(deficit)		-	-	-	135	14
Earthquake related items:						
Insurance deductible expenses	8	-	-	-	-	(3,456)
Impairment of assets	8	-	-	-	-	(818)
Earthquake costs	8	-	-	-	-	(975)
Net insurance recovery - associates	8	-	-	-	-	172,500
Other fair value changes						
Gain / (loss) on financial instruments	7	32,775	13,821	(17,711)	32,775	(17,711)
Fair value gain/(loss) on investment property	7,19	-	-	-	(1,998)	747
Total fair value movements		32,775	13,821	(17,711)	30,777	150,287
Surplus/(deficit) before tax		30,169	(1,647)	(18,690)	1,972	126,206
Tax (expense)/benefit	9	-	-	-	(22,458)	(2,185)
Surplus from continuing operations		30,169	(1,647)	(18,690)	(20,486)	124,021
Operating surplus / (deficit) after tax		30,169	(1,647)	(18,690)	(20,486)	124,021
Other comprehensive revenue and expenses						
Revaluation gain/(loss) on infrastructure assets after tax	16	-	-	27,229	14,991	26,030
Increases/ (Decreases in valuations of other financial assets)		4,689	-	3,720	4,689	3,720
		4,689	-	30,949	19,680	29,750
Total other comprehensive income		4,689	-	30,949	19,680	29,750
Total comprehensive income		34,858	(1,647)	12,259	(806)	153,771
Surplus is attributable to:						
Attributed to:						
Equity holders of the Parent		34,858	(1,647)	12,259	(1,451)	117,483
Non-controlling interest		-	-	-	645	36,288
		34,858	(1,647)	12,259	(806)	153,771

He tauākī Ahumoni | Statement of Financial Position

	Note	Council			Group	
		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
ASSETS						
Current assets						
Cash and cash equivalents	11	4,675	23,837	9,338	196,792	259,392
Trade and other receivables	12	53,638	-	89,711	63,939	106,069
Other financial assets	14	157,452	29,479	83,114	113,452	83,114
Inventories	13	3,476	-	3,134	6,391	5,860
Derivatives	21	604	-	-	604	-
Total current assets		219,845	53,316	185,297	381,178	454,435
Non-current assets						
Other financial assets	14	19,934	104,030	69,723	27,687	25,723
Property, plant and equipment	16	1,261,082	1,290,541	1,251,469	1,932,815	1,861,478
Intangible assets	17	16,351	-	12,710	19,543	16,173
Investment in subsidiaries	20	302,695	302,510	286,295	-	-
Investment properties	19	-	-	-	55,493	59,903
Derivatives	21	531	-	1,293	531	1,293
Investments accounted for under the equity method		-	-	-	727	592
Deferred tax assets	10	-	-	-	31,106	27,662
Total non-current assets		1,600,593	1,697,081	1,621,490	2,067,903	1,992,824
Total assets		1,820,438	1,750,397	1,806,787	2,449,081	2,447,259
LIABILITIES						
Current liabilities						
Derivatives	21	1,120	-	871	1,120	871
Trade and other payables	22	63,335	66,670	65,882	71,716	74,009
Interest bearing liabilities	23	151,850	126,800	119,655	139,448	99,929
Employee benefits liabilities and provisions	24	8,373	-	4,700	11,549	10,208
Income tax payable		-	-	-	2,198	526
Total current liabilities		224,678	193,470	191,108	226,031	185,543
Non-current liabilities						
Interest bearing liabilities	23	380,000	518,218	400,000	380,000	400,000
Derivatives	21	51,312	-	84,496	51,312	84,496
Deferred tax liabilities	10	-	-	-	150,776	129,052
Employee benefits liabilities and provisions	24	160	-	152	327	509
Service concession liability	16	26,291	-	27,893	26,291	27,893
Total non-current liabilities		457,763	518,218	512,541	608,706	641,950
Total liabilities		682,441	711,688	703,649	834,737	827,493
Net assets		1,137,997	1,038,709	1,103,138	1,614,344	1,619,766
EQUITY						
Retained earnings		326,996	262,281	283,071	648,950	653,591
Other reserves		811,001	776,428	820,067	865,488	861,006
Minority interest		-	-	-	99,908	105,169
Total equity		1,137,997	1,038,709	1,103,138	1,614,346	1,619,766

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Darran Ponter
Chair

16 December 2021

Nigel Corry
Chief Executive

16 December 2021

Alison Trustrum-Rainey
Chief Financial Officer

16 December 2021

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He tauākī whakamārama Moni Taurite | Statement of Changes in Equity

Note	Council			Group	
	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Opening equity	1,103,138	1,040,356	1,090,879	1,619,765	1,467,146
Operating surplus /(deficit) after tax	30,169	(1,647)	(18,690)	(20,486)	124,021
Dividend to non-controlling interest	-	-	-	(4,615)	(1,154)
Asset revaluation movements	-	-	27,229	14,992	26,033
Revaluation movement of other financial assets	4,689	-	3,720	4,689	3,720
Total closing equity at 30 June	1,137,997	1,038,709	1,103,138	1,614,344	1,619,766
Non-controlling interest					
Opening non-controlling interest	-	-	-	105,168	70,034
Share of operating surplus/(deficit)	-	-	-	(4,108)	36,565
Share of reserves movements	-	-	-	3,463	(277)
Dividends paid	-	-	-	(4,615)	(1,154)
Non-controlling interest at end of year	-	-	-	99,908	105,168
Asset revaluation reserves					
Opening asset revaluation reserves	776,066	752,991	748,860	801,721	775,437
Subs opening equity adjustments	-	-	-	(2,017)	-
Increase (Decrease) in Asset Revaluation Reserves	-	-	27,229	14,992	26,030
Share of non-controlling interest	-	-	-	(3,463)	277
Transfers from/(to) accumulated funds	-	-	(23)	-	(23)
Closing asset revaluation reserve	776,066	752,991	776,066	811,233	801,721
Fair Value Reserve					
Opening fair value reserve	8,987	-	5,267	8,987	5,267
Current year movement	4,688	-	3,720	4,688	3,720
Closing fair value reserve	13,675	-	8,987	13,675	8,987
Other reserves					
Opening other reserves	34,538	34,463	34,927	34,491	34,879
Transfers from accumulated funds	20,785	(11,032)	6,462	-	6,462
Transfers to accumulated funds	(8,644)	-	(7,685)	(8,643)	(7,685)
Interest earned	656	-	835	-	835
Closing other reserves	47,335	23,431	34,539	25,848	34,491
Retained earnings					
Opening accumulated funds	283,546	252,902	301,825	669,399	581,532
Subs opening equity adjustments	-	-	-	2,017	-
Operating surplus / (deficit) after tax	30,169	(1,653)	(18,690)	(20,486)	124,021
Interest allocated to reserves	(656)	-	(835)	-	(835)
Other transfers to reserves	(20,785)	-	(6,462)	-	(6,462)
Transfers from reserves	8,644	11,038	7,685	8,644	7,685
Share on non-controlling interest	-	-	-	4,108	(36,565)
Other transfers from/(to) reserves	-	-	23	-	23
Revaluation movement of other financial assets	-	-	-	-	-
Closing accumulated funds	300,918	262,287	283,546	663,682	669,399
Total closing equity at 30 June	1,137,997	1,038,709	1,103,138	1,614,344	1,619,766

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He tauākī Kapewhiti | Statement of Cash-Flow

	Note	Council			Group	
		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Cash flows from operating activities						
Receipts from customers		-	-	-	80,959	83,300
Rates revenue received		141,692	143,958	136,855	141,692	136,855
Water supply levy received		35,860	35,860	34,788	35,860	34,788
Government subsidies received		158,437	195,664	112,249	158,437	112,249
Interest received		2,782	4,725	4,568	7,676	7,400
Dividends received		14,666	-	2,886	66	86
Rent income		-	-	-	6,642	6,439
Fees, charges and other revenue		112,526	131,437	96,459	111,751	111,502
Payments to suppliers and employees		(250,772)	-	(157,283)	(340,830)	(258,469)
Payment of grants and subsidies		(129,056)	(475,563)	(208,287)	(115,525)	(195,333)
Interest paid		(21,339)	(21,664)	(23,472)	(21,173)	(23,443)
Income tax paid / (refund)		-	-	-	(2,509)	(3,518)
Business loss of rents	8	-	-	-	-	(5,843)
Temporary works	8	-	-	-	-	-
Business Interruption Temporary works	8	-	-	-	-	-
Net cash from (used in) operating activities	25	64,794	14,417	(1,237)	63,045	6,013
Cash flows from investing activities						
Receipts from sale of property, plant, and equipment		197	1,056	2,004	5,096	2,004
Investment withdrawals		-	5,400	-	-	-
Earthquake insurance payments received		-	-	-	-	206,998
Sale of investments (bonds & term deposits)		-	-	-	(176)	-
		197	6,456	2,004	4,920	209,002
Purchase of property, plant and equipment		(38,097)	(78,248)	(38,723)	(107,817)	(85,380)
Purchase of intangible assets		(576)	-	(30)	(576)	(30)
Development of investment properties		-	-	-	(2,797)	(5,239)
Acquisition of investments		(43,176)	(17,689)	(21,675)	(26,776)	(4,675)
EQ capital expenditure		-	-	-	-	-
Investment in joint venture		-	-	-	(7,680)	-
Other transfer		-	-	-	-	(147)
Net cash flow from investing activities		(81,651)	(89,481)	(58,424)	(140,725)	113,531
Cash flows from financing activities						
Loan funding		12,195	109,209	52,142	19,695	32,417
Loan funding		-	-	-	-	-
Debt repayment		-	(21,703)	-	-	-
Dividends paid to non-controlling interests		-	-	-	(4,615)	(1,154)
Net cash from financing activities		12,195	87,506	52,142	15,080	31,263
Net increase / (decrease) in cash and cash equivalents		(4,662)	12,442	(7,519)	(62,600)	150,807
Cash and cash equivalents at the beginning of year		9,338	11,395	16,857	259,393	108,585
Cash, cash equivalents, and bank overdrafts at the end of the year	11	4,676	23,837	9,338	196,793	259,392

He tauākī Pūtea Kawekawe | Funding Impact Statement

	Council			
	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Budget 2020 \$'000
Sources of operating funding				
General rate	49,835	51,491	52,711	52,132
Targeted rates	93,521	97,454	86,140	87,923
Subsidies and grants for operating purposes	125,049	78,232	150,204	76,464
Interest and dividends from investments	17,140	6,009	7,202	5,006
Fees and charges	82,134	106,992	75,023	104,544
Fines, infringement fees, and other receipts ¹	64,801	50,832	59,865	52,807
Total operating funding	432,480	391,010	431,145	378,876
Applications of operating funding				
Payments to staff and suppliers	(384,689)	(329,350)	(386,708)	(327,259)
Finance costs	(21,314)	(23,432)	(22,369)	(23,712)
Total applications of operating funding	(406,003)	(352,782)	(409,077)	(350,971)
Surplus / (deficit) of operating funding	26,477	38,228	22,068	27,905
Sources of capital funding				
Subsidies and grants for capital expenditure	-	30,947	8,586	30,048
Increase / (decrease) in debt	54,255	44,005	18,624	47,763
Gross proceeds from asset sales	315	299	1,944	426
Total sources of capital funding	54,570	75,251	29,154	78,237
Applications of capital funding				
- to meet additional demand	(1,345)	-	(4,136)	(1,533)
- to improve the level of service	(13,950)	(51,319)	(19,224)	(61,525)
- to replace existing assets	(23,375)	(30,402)	(15,393)	(21,315)
Increase / (decrease) in investments	(41,119)	(31,395)	(12,858)	(24,343)
Increase / (decrease) in reserves	(1,259)	(363)	389	2,574
Total applications of capital funding	(81,048)	(113,479)	(51,222)	(106,142)
Surplus / (deficit) of capital funding	(26,478)	(38,228)	(22,068)	(27,905)
Funding balance	(1)	0	0	0
Depreciation on council assets	29,196	34,298	28,431	30,239
Water supply levy	35,860	35,892	34,788	34,230

¹ This includes the water supply levy charged to Wellington, Upper Hutt, Lower Hutt and Porirua City councils.

This statement is not an income statement. It excludes all non-cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms, please refer to the "Revenue and Financing Policy" in the 2018-28 Long Term Plan.

All figures on this page exclude GST.

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He Pūtea Penapena | Financial Reserves

We have two types of council created reserves, which are monies set aside by the council for a specific purpose:

- Retained earnings – any surplus or deficit not transferred to a special reserve is aggregated into retained earnings.
- Other reserves – any surplus or deficit or specific rate set aside or utilised by council for a specific purpose. Reserves are not separately held in cash and funds are managed as part of Greater Wellington’s treasury risk management policy.

Other reserves are split into four categories:

- Area of Benefit reserves – any targeted rate funding surplus or deficit is held to fund future costs for that area.
- Contingency reserves – funds that are set aside to smooth the impact of costs associated with specific unforeseen events.
- Special reserves – funds that are set aside to smooth the costs of irregular expenditure.
- Re budgeted reserves – expenditure that has been rated for in one year when the project will not be completed until the following year.

Council created reserves		Opening balance Jul-20 \$'000	Deposits \$'000	Withdrawals \$'000	Closing balance Jun-21 \$'000
Area of benefit reserves					
Regional parks reserve	Any funding surplus or deficit relating to the provision of regional parks is used only on subsequent regional parks expenditure	56	1	-	57
Public transport reserve	Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure	10,254	1,728	-	11,982
Transport planning reserve	Any funding surplus or deficit relating to the provision of public transport planning services is used only on subsequent public transport planning expenditure	1,020	19	-500	539
WRS reserve	Any funding surplus or deficit relating to the Wellington Regional Strategy implementation is used only on subsequent Wellington Regional Strategy expenditure.	640	133	-100	673
Iwi reserve	Any funding surplus or deficit relating to the provision of iwi project fund is used only on subsequent iwi project funding expenditure	376	5	-300	81
WREMO reserve	Contributions by other local authorities to run the WREMO	134	219	-	353
Catchment scheme reserves	Any funding surplus or deficit relating to the provision of flood protection and catchment management schemes is used only on subsequent flood protection and catchment management expenditure	8,323	1,198	-648	8,873
Land management reserves	Any funding surplus or deficit relating to the provision of targeted land management schemes is used only on subsequent land management expenditure	3,182	838	-1,988	2,032
Contingency reserves					
Environmental legal reserve	To manage the variation in legal costs associated with resource consents and enforcement	246	3	-239	10
Flood contingency reserves	To help manage the costs for the repair of storm damage throughout the region.	3,104	75	-100	3,079
Rural fire reserve	To help manage the costs of rural fire equipment.	78	2	-	80
Special reserves					
Election reserve	To manage the variation in costs associated with the election cycle	273	78	-	351
Corporate systems reserve	To manage the variation in costs associated with key IT infrastructure and software.	1,970	36	(1,006)	1,000
Long Term Plan reserve	to manage variation in costs associated with Long term plan process	598	172	(390)	380
Masterton Building Reserve	To manage future fitout cost of the new Masterton Building	493	10	(200)	303
Wellington Analytics	Contribution by other local authorities for set up costs	117	3	-	120

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		Opening balance Jul-20 \$'000	Deposits \$'000	Withdrawals \$'000	Closing balance Jun-21 \$'000
Council created reserves	Purpose of the fund				
Reserve					
Environmental Restitution Reserve	To manage variation in costs associated with environmental restoration projects	-	525	-	525
Low Carbon Acceleration Fund Reserve	To manage costs associated with reducing Council's carbon footprint	-	-	(78)	(78)
General Reserve	To manage variation in costs associated with new initiative projects	-	11,538	-	11,538
Re-budget reserve					
Rebudgeted reserve	Expenditure that has been rated for in 2020/21 when the project will not be completed until 2021/22	3,096	4,851	(3,096)	4,851
Earthquake proceeds reserve	to manage future repair and maintenance due to the Kaikoura earthquake	579	7	-	586
		34,538	21,442	(8,645)	47,335

All figures on this page exclude GST.

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Ko te Moni Tārewa | Debt

	Opening balance 2020 \$'000	Additions \$'000	Repayments \$'000	Closing balance 2021 \$'000	Finance costs \$'000
Regional leadership					
Strategic planning	3,310	7,441	(424)	10,327	258
Wairarapa water use project	3,457	-	(3,457)	-	154
Warm Wellington	7,907	(1,260)	(2,052)	4,596	302
Public transport					
Public transport	239,394	10,483	(13,158)	236,719	11,927
Water supply					
Water supply	99,884	16,655	(4,803)	111,736	4,624
Environment					
Environment	6,091	1,277	(635)	6,733	278
Flood protection and control works					
Flood protection and control works	107,908	13,336	(5,535)	115,709	5,074
Parks					
Parks	9,555	1,013	(687)	9,880	437
Investments					
Property and other	41,164	17,106	(3,344)	54,926	1,645
	<u>518,670</u>	<u>66,051</u>	<u>(34,095)</u>	<u>550,626</u>	<u>24,699</u>
					Council Actual 2021 \$'000
Total activities debt					<u>550,626</u>
Treasury internal funding ⁽¹⁾					<u>(18,776)</u>
					<u>531,850</u>
External debt (current)					<u>151,850</u>
External debt (non-current)					<u>380,000</u>
					<u>531,850</u>

⁽¹⁾ Greater Wellington Regional Council manages community outcome debt via an internal debt function. External investments and debt are managed through a central treasury management function in accordance with the Treasury Management Policy. All figures on this page exclude GST.

He whakamārama mō ngā Tauākī Pūtea | Notes to the Financial Statements

1. Reporting Entity

2.1 Basis of preparation

1.1 Reporting entity

Greater Wellington Regional Council (Greater Wellington) is a regional local authority governed by the Local Government Act 2002. Greater Wellington's principal address is 100 Cuba Street, Wellington, New Zealand. The Group consists of Greater Wellington and its subsidiaries as disclosed below.

The Greater Wellington provides water, parks, transport, infrastructure, environmental regulation and monitoring to the Greater Wellington region for community and social benefit, rather than to make a financial return. Accordingly Greater Wellington has designated itself and the Group as public benefit entities (PBE's) and applies New Zealand Tier 1 Public Sector Public Benefit Entity accounting standards (PBE Accounting Standards).

The financial statements of Greater Wellington and the group are for the year ended 30 June 2021. The financial statements were authorised for issue by the council on 16 December 2021.

Accounting judgements and estimations

The preparation of financial statements in conformity with PBE Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These results form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on going basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, when the revision affects only that period. If the revision affects current and future periods, it is reflected in those periods.

(i) Property, Plant and Equipment and Investment Property

Operational Port Land was independently valued by Colliers International, a registered valuer, on 30 June 2021.

Council and management have undertaken a process to determine what constitutes Investment Property and what constitutes Property, Plant and Equipment. There is an element of judgement in this. There is a development Port plan, and those items of land that are considered integral to the operations of the port have been included in Operational Port Land. Land held specifically for capital appreciation or to derive rental income has been classed as Investment Property.

(ii) Capital Work in Progress

This includes capital projects requiring resource consent to proceed. Management regularly review these projects to determine whether the assumptions supporting the project continue to be valid. The Capital Works in Progress balance is carried forward on the basis the project has been determined to proceed.

(iii) Joint Control of Harbour Quays Special Purpose Vehicles (SPVs)

Note 15 describes Harbour Quays D4 Limited (the SPV) as joint ventures of the Group although the SPVs are owned by CentrePort Properties Limited, a subsidiary of CentrePort.

In addition, management has made the estimations and judgements on the useful life of assets as stated per note 2 – Depreciation and Financial Instruments categories in note 26 (e).

(iv) Revenue recognition relating to insurance revenue from the port insurance claim

See note 8 for details

See note 15 for details

(v) Income tax calculations

See note 9 for details

2. Accounting Policies**2.1 Basis of preparation****Statement of compliance**

The financial statements of the Greater Wellington and Group have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements are prepared in accordance and comply with Tier 1 PBE Accounting Standards.

The consolidated financial statements are presented in New Zealand dollars, rounded to the nearest thousand. The functional currency of the Greater Wellington and the Group is New Zealand dollars. The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, forestry assets, derivative financial instruments and certain infrastructural assets that have been measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

2.2 Basis of consolidation

The consolidated financial statements include Greater Wellington and its subsidiaries. Subsidiaries are those entities controlled directly or indirectly by the Parent. The financial statements of subsidiaries are included in the consolidated financial statements using the purchase method. A list of subsidiaries is included in note 20.

The minority interest represents Manawatu Wanganui Regional Council's 23.1% share of CentrePort Limited. Greater Wellington's investment in subsidiaries is held at cost in its own "Parent entity" accounts.

Associates are entities in which the Group has significant influence but not control over their operations. Greater Wellington's share of the assets, liabilities, revenue and expenditure are included in the financial statements of the Group on an equity accounting basis.

All significant intercompany transactions are eliminated on consolidation.

Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

An investment is accounted for using the equity method from the date on which the investee becomes a joint venture.

The requirements of PBE IPSAS 26 impairment of Cash-Generating Assets are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with PBE IPSAS 26 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) to its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in the extent that the recoverable amount of the investment subsequently increases.

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When a Group entity transacts with a joint venture of the Group, profit and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the joint venture that are not related to the Group.

2.3 Borrowing costs

Borrowing costs are recorded at amortised cost. Borrowing costs directly attributable to capital construction are capitalised as part of those assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.4 New Zealand Local Government Funding Agency

Greater Wellington Regional Council is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard & Poor's of AA+.

Financial reporting standards require Greater Wellington to recognise the guarantee liability at fair value. However, Greater Wellington has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Greater Wellington considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- Greater Wellington is not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

2.5 Foreign currency

In the event that the Group has any material foreign currency risk, it will be managed by derivative instruments to hedge the currency risk.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange gains and losses arising on their translation are recognised in the statement of comprehensive revenue and expenses.

2.6 Employee entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date when it is probable that settlement will be required and they are capable of being measured reliably. The present value is determined by discounting the future cash flows at a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of revenue and expenses as incurred. Greater Wellington Regional Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

2.7 Provisions

A provision is recognised in the statement of financial position when Greater Wellington and the Group has a present legal or constructive obligation as a result of a past event and it is probable that an amount will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected

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future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.8 Goods and services tax

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

2.9 Leases

Greater Wellington and the Group leases office space, office equipment, vehicles, land, buildings and wharves. Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

Consolidated entity as lessee:

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Consolidated entity as lessor:

Operating leases relate to subleases of properties (excluding land) leased with lease terms between 1 and 12 years, with an option to extend for a further period between 1 and 6 years. All operating lease contracts (excluding land) contain market review clauses. An operating lease relating to land has a term of 125 years. The lessee does not have an option to purchase the property or land at expiry of the lease period.

Lease incentive

In the event that lease incentives are provided to lessees to enter into operating leases, such incentives are recognised as a reduction of rental income on a straight line basis.

2.10 Service concession asset and liability

Greater Wellington (as guarantor) has entered into a service concession arrangement with Transit, NZ Bus, and Mana (the Operators) to provide bus services with double decker buses. These buses meet the definition of service concession asset and are initially recognised at fair value and subsequently measured in accordance with PBE IPSAS 32. They are depreciated over a useful life of 30 years on a straight line basis. An initial financial liability is also recognised which is accounted for using the amortised cost model leading to finance expenses over 15 years.

2.11 Overhead allocation and internal transactions

Greater Wellington allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation of Greater Wellington is treated as an internal banking activity. Any surplus generated is credited directly to the statement of comprehensive revenue and expenses.

Individual significant activity operating revenue and operating expenditure are stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in Greater Wellington and the Group's financial statements.

The democratic process costs have not been allocated to significant activities, except where there is a major separate community of benefit other than the whole region, i.e. regional water supply and regional transport.

2.12 Equity

Equity is the community's interest in Greater Wellington and the Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within Greater Wellington and the Group. The components of equity are accumulated funds, revaluation reserves and other reserves.

2.13 Statement of cash flow

The following are the definitions used in the statement of cash flow:

- (a) Operating activities comprise the principal revenue producing activities of the Group and other activities that are not considered to be investing or financing activities.
- (b) Investing activities are those activities relating to the acquisition and disposal of Property, Plant and Equipment, Investment Property, Intangible Assets and Joint Ventures. Investments include securities not falling within the definition of cash.
- (c) Financing activities are those activities that result in the changes in size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to capital structure are included in financing activities.

2.14 Budget figures

The budget figures are those approved by the Council at the beginning of the year in the Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Greater Wellington for the preparation of these financial statements.

2.15 Standards, amendments, and interpretations issued but not yet effective

The following are the significant new or revised standards or interpretations in issue that are not yet required to be adopted by entities preparing financial statements for periods ending 30 June 2021.

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes. The amendment is effective for the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Council will not early adopt this amendment.

PBE IPSAS 40 PBE Combinations

PBE IPSAS 40 replaces PBE IFRS 3 Business Combinations. PBE IFRS 3 excluded from its scope combinations under common control and combinations arising from local authority reorganisations. These are now included within the scope of PBE IPSAS 40, through the inclusion of both acquisition and amalgamation accounting. This new standard is effective for the year ending 30 June 2022 and is applied prospectively. The Council will not early adopt this amendment.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

3. Revenue from exchange and non-exchange transactions

Revenue is recognised when billed or earned on an accrual basis.

(i) Rates and levies

Rates and levies are a statutory annual charge and are recognised in the year the assessments are issued.

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(ii) Government grants and subsidies

Greater Wellington receives government grants from Waka Kotahi NZ Transport Agency. These grants subsidise part of Greater Wellington's costs for the following – the provision of public transport subsidies to external transport operators, the capital purchases of rail rolling stock within a Greater Wellington subsidiary and transport network upgrades owned by KiwiRail. The grants and subsidies are recognised as revenue when eligibility has been established by the grantor. Other grants and contributions from territorial local authorities are recognised as revenue when eligibility has been established by the grantor.

(iii) User charges

Revenue from user charges is recognised when billed or earned on an accrual basis.

(iv) Dividends

Revenue from dividends is recognised on an accrual basis (net of imputation credits) once the shareholder's right to receive payment is established.

(v) Interest

Interest is accrued using the effective interest rate method. The effective interest rate method discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(vi) Sales of goods

Other revenue is recognised when billed or earned on an accrual basis. Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Group are recognised as revenue when control over the asset is obtained.

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2021	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from exchange transactions:					
Water supply	35,860	35,860	34,788	35,860	34,788
Subsidiaries revenue	-	-	-	61,949	66,077
Dividends	14,666	3,214	2,886	82	86
Interest received	2,466	1,510	3,864	5,831	8,161
Rental income	5,298	4,409	4,410	29,828	29,118
Total exchange	58,290	44,993	45,948	133,550	138,230
Revenue from non-exchange transactions:					
General rates	49,835	49,637	52,711	49,835	52,711
Targeted rates	93,536	94,326	86,141	93,536	86,141
Rates, penalties, remissions & rebates	741	-	758	741	758
Grants & subsidises	114,788	180,853	150,204	114,788	150,204
Transport improvement grants	10,243	14,811	8,586	10,222	8,586
Provision of goods & services	105,023	127,024	95,386	104,193	94,450
Total non-exchange	374,166	466,651	393,786	373,315	392,850
Total exchange and non-exchange	432,456	511,644	439,734	506,865	531,080

4. Employee Benefits

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2021	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Other employee benefits expense	56,431	54,169	51,586	81,062	81,790
Defined contribution plan employer contributions	5,437	2,586	4,298	5,437	4,298
Total personnel costs	61,868	56,755	55,884	86,499	86,088

Many public and private sector entities, including Greater Wellington, are continuing to investigate historic underpayment of holiday entitlements. For such employers that have workforces that include differential occupational groups with complex entitlements, non-standard hours, allowances and/or overtime, the process of assessing compliance with the Holidays Act (2003) (the Act) and determining the underpayment is time

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consuming and complicated. For the current year, Greater Wellington has made a provision of \$1.93m for the Holiday Act remediation payment.

5. Depreciation and amortisation

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Port wharves and paving	-	-	2,036	1,207
Land and buildings	615	650	1,488	1,939
Plant and equipment	2,618	2,157	7,116	7,231
Rail rolling stock	-	-	16,645	16,645
Motor vehicles	1,054	999	1,054	999
Flood protection	1,267	1,122	1,268	1,122
Water infrastructure	15,784	15,731	15,784	15,731
Transport infrastructure	3,289	3,041	7,495	7,225
Navigational aids	114	135	115	131
Parks and forests	2,118	2,182	2,119	2,182
Right to use	1,544	1,544	1,544	1,544
Amortisation-Computer software	793	870	797	870
	29,196	28,431	57,462	56,826

6. Other operating expenditure

	Council		Group		
	Actual	Budget	Actual	Actual	Actual
	2021	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Other operating expenses					
Fees to principal auditor for financial statements audit	417	328	229	82	229
Fees to principal auditor for Long Term Plan and other services	151	-	-	151	-
Impairment of trade receivables	342	-	(122)	242	(22)
Rates and insurance	2,848	2,868	3,312	10,430	13,384
Transport Improvement expenditure	-	-	2,098	-	2,098
Directors' fees	-	-	-	599	553
Subscriptions LGNZ	622	420	457	622	457
Operating lease rentals	5,041	5,829	2,664	7,270	3,981
Energy and utilities	3,850	2,974	3,542	3,850	3,542
ouncillor fees and costs	1,421	1,237	1,304	1,421	1,304
Repairs and maintenance expenses	8,755	8,307	6,074	26,864	25,022
Materials and supplies	93,599	110,316	45,721	93,599	45,721
Contractors and consultants	66,978	62,892	52,667	88,209	52,750
Other operating expenses	9,738	11,703	7,189	22,692	44,624
Total other expenditure	193,762	206,874	125,135	256,031	193,643

7. Fair value movements

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2021	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value movements in financial instruments					
Interest rate swaps	32,775	13,821	(17,711)	32,775	(17,711)
Fair value movements of investment properties					
Investment properties	-	-	-	(1,998)	747
	32,775	13,821	(17,711)	30,777	(16,964)

8. Earthquake Related Costs

a) Kaikoura earthquake

A 7.8 magnitude earthquake struck in the early hours of 14 November 2016 in Kaikoura which has had a significant impact on CentrePort. The earthquake significantly damaged Port infrastructure and Port properties including the land on which the Port operates. The major Port operations impacted were the Container services and the Investment property portfolio. Other Port services including logs, ferries, fuel, cruise and break bulk activities had substantially recovered immediately following the earthquake.

b) CentrePort Ltd Claim

In previous years, the Group reached full and final settlements on its insurance claims for a total of \$484.5m. All insurance proceeds have been received by the Group.

	Material Damage \$'000	Business Interruption \$'000	Total settlement \$'000	2021 \$'000	2020 \$'000
Loss of gross profits and rents	-	39,586	39,586	-	15,502
Temporary works expenditure incurred to date	9,958	67,195	77,153	-	-
Material damage - preliminary estimates	394,349	-	394,349	-	183,580
Discount for Early Settlement	-	(13,082)	(13,082)	-	(13,082)
Deductible buydown	(10,944)	(2,556)	(13,500)	-	(13,500)
Total insurance income	393,363	91,143	484,506	-	172,500

c) Port land

An adjustment of \$43.6m (2020: \$60.0m) to the fair value of land has been made to recognise the resilience work that needs to be undertaken to support the land. This adjustment is discussed in note 16.

d) Tax impact

Refer to note 9 for information on the material assumptions and sensitivities related to the impact of the earthquake on income tax.

9. Taxation

a) Accounting policy

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which Greater Wellington and the Group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

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Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Income tax recognised in profit or loss				
Tax expense/(benefit) comprises:				
Current tax expense/(benefit)	-	-	4,179	1,223
Adjustments recognised in the current period in relation to the deferred tax of prior periods	-	-	20,096	(3,403)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	(179)	(1,818)	4,365
Tax expense	-	179	22,458	2,185
Surplus/(deficit) from operations	30,169	(18,690)	1,972	126,206
Income tax expense/(benefit) calculated at 28%	8,444	(5,233)	515	35,338
Surplus/(deficit) not subject to taxation				
Non-deductible expenses	115,711	121,567	120,128	125,641
Non-assessable income	(119,703)	(116,885)	(124,255)	(150,959)
Land and buildings reclassification	-	-	633	501
Tax effect of unimputed portion of intercompany dividend	-	-	1,592	-
Tax loss offsets from or subventions paid to Group companies	-	-	-	-
Unused tax losses and temporary differences not recognised as deferred tax assets	1,232	1,845	-	12
Tax effect of imputation credits	(5,678)	(1,115)	(1,590)	(331)
Temporary differences	-	-	-	835
Recognition of deferred tax on buildings / Change in use of assets	-	-	(565)	(5,449)
Permanent differences	-	-	1,723	-
(Under)/over provision of income tax in previous year	(6)	(179)	24,276	(3,403)
Tax expense	-	-	22,458	2,185

Greater Wellington's net income subject to tax consists of its assessable income net of related expenses derived from Greater Wellington and the Group, including the CentrePort Group, and any other council controlled organisations. All other income currently derived by the Greater Wellington is exempt from income tax.

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Tax expense/(benefit) is attributable to:				
Continuing operations	-	-	22,458	2,185

b) Tax loss sharing

On 22 September 1998 WRC Holdings Limited, its wholly owned subsidiary and CentrePort Limited entered into a Tax Loss Sharing Agreement under which the WRC Holdings Group will receive subvention payments from CentrePort Limited equivalent to 33% of its available losses (now 28%), with the balance of losses offset, where the companies elect to do so. During the 2021 year, no subvention payments were made (2020: Nil) and no loss offsets occurred (2020: Nil).

The 2021 financial statements for the parent do not include any subvention payments to be received (2020: Nil) for utilisation of the Greater Wellington's net losses.

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10. Deferred tax

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
The balance comprises temporary differences attributable to:				
Tax losses	-	-	30,522	26,853
Temporary differences	-	-	584	809
	-	-	31,106	27,662
<i>Other</i>				
Temporary differences	-	-	(150,776)	(129,052)
Sub-total other	-	-	(150,776)	(129,052)
Total deferred tax liabilities	-	-	(119,670)	(101,391)

Movements-Group	Investment properties \$'000	Property, plant and equipment \$'000	Trade and other payables \$'000	Tax losses \$'000	Insurance Recoverable \$'000	Total \$'000
Balance at 1 July 2020	(113)	(94,697)	1,576	23,098	(30,293)	(100,429)
Charged to income	113	2,120	(767)	3,754	(6,182)	(962)
Balance at 30 June 2020	-	(92,577)	809	26,852	(36,475)	(101,391)

Movements-Group	Investment properties \$'000	Trade and other payables \$'000	Trade and other payables \$'000	Tax losses \$'000	Insurance Recoverable \$'000	Total \$'000
Group						
Balance at 1 July 2021	-	(92,577)	809	26,852	(36,475)	(101,391)
Charge to income	-	(8,254)	(225)	3,670	(13,470)	(18,279)
Balance at 30 June 2021	-	(100,831)	584	30,522	(49,945)	(119,670)

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Tax losses	12,022	10,774	-	-
Temporary differences	-	-	-	-
	12,022	10,774	-	-

Tax losses not recognised

Greater Wellington has \$42.880 million of unrecognised tax losses at Parent level (2020: \$38.480 million) available to be carried forward and to be offset against taxable income in the future. The tax effect of losses at 28% was \$12.006 million (2020: \$10.774 million).

The ability to carry forward tax losses is contingent upon continuing to meet the requirements of the Income Tax Act 2007.

11. Cash and cash equivalents

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	4,675	9,338	196,792	259,392
Total cash and cash equivalents	4,675	9,338	196,792	259,392

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Cash at bank and on hand earns interest at the official cash rate. Short term deposits are made for varying terms of between one day and three months depending on the immediate cash requirements of Greater Wellington and the Group. They earn interest at the respective short term deposit rates and the fair value of cash and cash equivalents is the stated value. As at 30 June 2021 there are no funds invested in a money market term deposit (2020: \$nil).

Cash and cash equivalents includes cash in hand, deposits held on call with banks, and other short term, highly liquid investments with original maturities of three months or less.

12. Trade and other receivables

a) Accounting policy

Short term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Impairment of a receivable is established when there is objective evidence that Greater Wellington and the Group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers and other customers. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

	Council		Group	
	Actual 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Receivable from non-exchange transactions				
Rates and water levies receivable*	19,457	15,619	19,457	15,619
Accrual revenue	25,674	27,323	25,674	27,323
Other receivable**	2,537	1,950	1,457	2,187
Total Receivable from non-exchange transactions	47,668	44,892	46,588	45,129
Receivable from exchange transactions				
Trade Customer	3,573	39,757	13,441	49,712
Prepayment & other receivable	3,598	5,921	5,112	12,187
Total Receivable from exchange transactions	7,171	45,678	18,553	61,899
less: provision for impairment of receivable	-1,202	-859	-1,202	-959
Total Receivable	53,638	89,711	63,939	106,069

* Greater Wellington uses the region's territorial authorities to collect rates. Payment of the final instalment of rates is not received until after year end.

**Trade customers are non-interest bearing and are generally on 30 90 day terms. Therefore, the carrying value of debtors and other receivables approximates fair value.

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b) Provision for impairment of receivables

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Opening balance	(859)	(981)	(959)	(981)
Movement	(343)	122	(243)	22
Closing balance	(1,202)	(859)	(1,202)	(959)

The impairment provision has been determined based on a review of outstanding balances as at 30 June 2021.

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Not past due	4,944	37,794	12,823	43,443
Past due 31-60 days	28	626	273	3,154
Past due 61-90 days	648	208	638	340
Past due > 90 days	491	3,079	774	3,368
Total gross trade receivables	6,111	41,707	14,508	50,305

13. Inventories**a) Accounting policy**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Harbours	-	-	1,506	1,225
Depots	-	-	-	-
Water supply	2,800	2,750	2,800	2,750
Rail	-	-	-	-
Wairarapa	676	384	678	384
Emergency management	-	-	-	-
CentrePort spare stock	-	-	1,299	1,419
CentrePort fuel and stock	-	-	108	82
** Other inventories **at cost	-	-	-	-
Total inventory	3,476	3,134	6,391	5,860

No inventories are pledged as securities for liabilities (2020: Nil)

14. Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Purchases and sales of financial assets are recognised on trade date, the date on which Greater Wellington and the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Greater Wellington & the Group has transferred substantially all the risks and rewards of ownership.

Greater Wellington and the Group's financial assets are categorised as follows:

- Financial assets at fair value accounted through operating surplus or deficit.
Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains or losses on re measurement are recognised in operating surplus or deficit. Financial assets acquired principally for the purpose of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset. The current / non-current classification of derivatives is explained in the derivatives accounting policy below.
- Financial assets at fair value accounted through other comprehensive revenue and expenses.
Financial assets are classified in this category if they were not acquired principally for selling in the short term. After initial recognition, these assets are measured at their fair value. Any gains and losses are recognised directly to equity, except for impairment losses which are recognised in other comprehensive revenue and expenses.
- Financial assets available for sale.
Financial assets are either designated in this category or not classified in any of the other categories. Available for sale financial assets are initially recorded at fair value plus transaction costs when it can be reliably estimated. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised directly through equity. If there is no active market, no intention to sell the asset and fair value cannot be reliably measured, the item is measured at cost. Where the investment is determined to be impaired, the cumulative loss is reclassified from reserves to the surplus or deficit.
- Loans and receivables.
These assets are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non current assets. After initial recognition they are measured at amortised costs using the effective interest method. Gains and losses when the asset is impaired or sold are accounted for in the surplus or deficit.
- Held to maturity investments.
These are assets with fixed or determinable payments with fixed maturities that Greater Wellington and the Group has the intention and ability to hold to maturity.

After initial recognition they are recorded at amortised cost using the effective interest method. Gains and losses when the asset is impaired or settled are recognised in the surplus or deficit.

Impairment of financial assets

(i) *Loans and other receivables, and held to maturity investments:*

Impairment is established when there is objective evidence that Greater Wellington and the Group will not be able to collect amounts according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default payments are considered indicators that an asset is impaired. The amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables the carrying amount of the asset is reduced through the use of an allowance account, and the amount of loss is recognised as a surplus or deficit. When the receivable is uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, and government stock, are recognised directly against the instrument's carrying amount.

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(ii) Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. For debt investments, significant financial difficulties, probability that the debtor will enter bankruptcy, and default payments are considered indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expenses is reclassified from equity to the statement of revenue and expenses.

Equity investment impairment losses recognised in the surplus or deficit are not reversed through the statement of revenue and expenses.

If in a subsequent period fair value of a debt instrument increases, and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the statement of revenue and expenses.

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Loan/Advances				
Loan to WRC Holdings Limited	44,000	44,000	-	-
Loans and Advances to Joint Venture	-	-	7,753	-
Stadium advance	900	-	900	-
Warm Wellington funding	6,111	8,169	6,111	8,169
Equity/shares				
Civic Financial Services Limited shares	80	80	80	80
New Zealand Local Government Funding Agency Limited shares	7,072	6,241	7,072	6,241
Deposits				
Bank deposits with maturity terms more than three months	53,000	33,000	53,000	33,000
New Zealand Local Government Funding Agency Limited borrower notes	7,650	6,800	7,650	6,800
Contingency fund				
Bulk water supply contingency fund	40,499	37,337	40,499	37,337
Material damage property insurance contingency fund	10,678	10,097	10,678	10,097
Major flood contingency fund	7,396	7,113	7,396	7,113
	177,386	152,837	141,139	108,837
Current financial assets	157,452	83,114	113,452	83,114
Non-current financial assets	19,934	69,723	27,687	25,723
Total financial assets	177,386	152,837	141,139	108,837

a) Advance to Wellington Regional Stadium Trust

Greater Wellington advanced \$25 million to the Wellington Regional Stadium Trust in August 1998. The advance is on an interest free basis with limited rights of recourse. The obligations of Greater Wellington to fund the Trust

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are defined under a Funding Deed dated 30 January 1998. Under the terms of this deed, any interest charged on the limited recourse loan is accrued and added to the loan. The advance is not repayable until all non settlor debts of the Trust are extinguished and is subject to the Trust's financial ability to repay debt at that time. Greater Wellington without prejudice expect that the Stadium will not repay the advance and consequently the asset is fully impaired.

Greater Wellington advanced \$900,000 to the Wellington Regional Stadium Trust in December 2020. The advance is for 10 years with the first two years being interest free. Afterwards an interest rate of 3% applies.

b) Loan to WRC Holdings Limited

GWRC loaned \$44,000,000 (2020: \$44,000,000) to its wholly owned subsidiary WRC Holdings Limited. The rate per 30 June 2021 is 0.9225% (2020: 1.0175%) and is reset quarterly.

c) Loans and Advances to Joint Venture

During the year CentrePort provided a secured and interest bearing long term shareholder advance to Direct Connect Container Services of \$7,000,000. Interest is payable on the principal of 7.0% per annum. The loan is repayable on 29 November 2029.

CentrePort provided unsecured advances to Direct Connect Container Services Limited. There is no interest charged on these advances and they are repayable on demand.

d) Warm Wellington

The Warm Wellington programme provides funding to ratepayers for home insulation and clean heating in association with the Energy Efficiency and Conservation Authority. Under this programme Greater Wellington provided up to \$5,000 assistance to ratepayers. The assistance is fully recovered by way of a targeted rate on those ratepayers that participate in the programme. The Programme has been discontinued in the latter part of the financial year.

The Warm Wellington balance is classified as loans and receivable. As it is not feasible to determine the future cash flows, we are carrying the actual balance at fair value rather than amortised cost. We consider the outstanding amount of the loan (principal plus interest) as the fair value.

e) Civic Financial Services Limited

Greater Wellington holds 80,127 shares (2020: 80,127 shares) in the New Zealand Local Government Insurance Corporation, trading as Civic Financial Services Limited.

f) Bank deposits with maturity terms more than three months

Greater Wellington has invested \$53,000,000 (2020: \$33,000,000) of its funds in short term deposits with an average rate of 1.01% (2020: 2.27%). They are recorded at fair value.

g) New Zealand Local Government Funding Agency Limited

Greater Wellington is a founding shareholder of the New Zealand Local Government Funding Agency Limited (LGFA) and holds 1,866,000 fully paid shares (2020: 1,866,000). It has also invested \$7,650,000 (2020: \$6,800,000) in LGFA borrower notes, which return on average 1.01% as at 30 June 2021 (2020: 1.10%). The LGFA has the right to elect to convert the borrower notes into redeemable shares. This can only occur after it has fully called on its unpaid capital and only in the situation of their being at risk of imminent default.

h) Bulk water supply contingency fund

Greater Wellington is holding \$40,499,000 (2020: \$37,337,000) in bulk water supply contingency funds. These are invested as follows: \$35,499,000 (2020: \$32,337,000) in term deposits and \$5,000,000 (2020: \$5,000,000) in bank bonds. The weighted average rate is 1.26% (2020: 2.50%). The investments are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

i) Material damage property insurance contingency fund

Greater Wellington has invested \$10,678,000 (2020: \$10,097,000) of its material damage property insurance contingency fund in short term deposits with an average rate of 0.96% (2020: 2.13%). The investments are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

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j) Major flood contingency fund

Greater Wellington has invested \$7,396,000 (2020: \$7,113,000) of its major flood contingency fund in a short term deposit with a rate of 0.80% (2020: 2.00%). The deposit is recorded at fair value.

15. Aggregated joint venture information

Name of joint venture	Principal activity	2021	2020
		Percentage ownership %	Percentage ownership %
Harbour Quays A1 Limited*	Commercial rental property	-	76.9
Harbour Quays D4 Limited*	Commercial rental property	76.9	76.9
Harbour Quays F1F2 Limited*	Commercial rental property	-	76.9
Direct Connect Container Services Limited*	Transport hubbing and logistics	38.5	38.5

* During the year ended 30 June 2021, Harbour Quays A1 Limited and Harbour Quays F1F2 Limited were both amalgamated into CentrePort Properties Limited.

* All companies are incorporated and operate in New Zealand.

Summarised balance sheet

	Actual 2021 \$'000	Actual 2020 \$'000
Current		
Cash and cash equivalents	354	88
Other current assets (excluding cash)	304	120
Total current assets	658	208
Other current liabilities (including trade payables)	(251)	(149)
Total current liabilities	(251)	(149)
Non-current		
Assets	15,043	87
Total non-current assets	15,043	87
Financial liabilities	(16,160)	(800)
Other liabilities	-	-
Total non-current liabilities	(16,160)	(800)
Net assets	(710)	(654)

Summarised statement of comprehensive income

	Actual 2021 \$'000	Actual 2020 \$'000
Revenue	2,757	1,152
Operating expenses	(2,822)	(1,427)
Net finance cost	-	-
	(65)	(275)

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Reconciliation of summarised financial information

	Actual 2021 \$'000	Actual 2020 \$'000
Opening net assets 30 June	(653)	(378)
Profit/(loss) for the year	(65)	(275)
Gain on sale of asset	8	-
Closing net assets	(710)	(653)
Interest in joint venture	(355)	(327)
Applied against loan advances	355	327
Carrying value	-	-

16. Property, plant and equipment

Property, plant and equipment consists of operational and infrastructure assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose.

Property, plant and equipment is categorised into the following classes:

- Operational land and buildings
- Operational plant and equipment
- Operational vehicles
- Flood protection infrastructural assets
- Transport infrastructural assets
- Ports wharves and paving
- Navigational aids infrastructural assets
- Parks and forests infrastructural assets
- Capital work in progress
- Regional water supply infrastructural assets
- Right of use assets

All property, plant and equipment is initially recorded at cost.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Greater Wellington and the Group, and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Revaluation

Infrastructural assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years, except operational port freehold land which is valued every three years.

Revaluation movements are accounted for on a class of asset basis. The fair value of revalued assets is recognised in the financial statements of Greater Wellington and the Group and reviewed at the end of each reporting period to ensure that the carrying value is not materially different from its fair value. Any revaluation increase in the class of asset is recognised in other comprehensive revenue and expenses and accumulated as a separate component of equity in the asset revaluation reserve, except to the extent it reverses a previous revaluation decrease for the same asset previously recognised in the statement of revenue and expenses, in which case the increase is credited to the statement of revenue and expenses to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is charged to the statement of revenue and expenses to

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the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation.

The following assets are revalued every five years:

Flood protection

The flood protection infrastructure assets were valued at 30 June 2020 using Optimised Depreciated Replacement Cost (ODRC) methodology in accordance with the guidelines published by the National Asset Management Steering (NAMS) Group.

The valuations were carried out by a team of qualified and experienced flood protection engineers from within the Flood Protection department. The asset valuation was reviewed by John Vessey, Principal Engineering Economist and Opus International Consultants. He concluded that the 2020 valuation of Greater Wellington's flood protection assets is deemed acceptable and appropriate for financial reporting purposes.

Western flood protection land was valued as at 30 June 2020 by Martin Veale ANZIV, SPINZ and Brian Whitaker ANZIV, SPINZ, using a derived value rate per hectare, based on sales data of rural and reserve land from recognised valuation sources which reflects fair value. Baker & Associates valued Wairarapa flood protection land as at 30 June 2020. Land valuation was completed by Stuart McCoshim MRICS, MPINZ, using comparison to market sales of comparable type land in similar locations to each parcel, which reflects fair value.

Parks and forests

The parks and forests land and buildings were valued at 30 June 2018. Land and improvements have been valued using the market value methodology by Fergus Rutherford, Registered Valuer of Baker and Associates Limited. Roads, fences, bridges, tracks and other park infrastructure were valued at 30 June 2018 and have been valued using ODRC methodology by Bronek Kazmierow, Parks Principal Ranger Assets and Maintenance. Peter Ollivier, Senior Project Director of Calibre Consulting Limited reviewed the unit rate methodology.

Public transport

Operational assets and rail infrastructural and rolling stock are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. They are revalued every five years.

GWRL public transport rail station infrastructural assets and rolling stock were independently valued by John Freeman, FPINZ, TechRICS, MACostE, Registered Plant and Machinery Valuer, a Director of Bayleys Valuations Limited as at 30 June 2019 using Optimised Depreciated Replacement Cost (ODRC) methodology.

Regional water supply

Regional water supply infrastructure assets were valued by John Freeman as at 30 June 2018 using ODRC methodology. Water supply buildings were revalued by Paul Butcher, BBS, FPINZ, Registered Valuer, a Director of Bayleys Valuations Limited as at 1 July 2018 using ODRC methodology.

Water urban based land assets were valued by Telfer Young (Martin J Veale, Registered Valuer, ANZIV, SPINZ) as at 30 June 2018 using current market value methodology in compliance with PINZ professional Practice (Edition 5) Valuation for Financial Reporting.

Water catchment and rural based assets were valued by Baker & Associates (Fergus T Rutherford, Registered Valuer, BBS (VPM), ANZIV) as at 30 June 2018 using current market value methodology in compliance with PINZ Professional Practice (Edition 5) Valuation for Financial Reporting.

Greater Wellington Regional Council Group (including CentrePort Limited)

Operational Port Land is stated at fair value at the date of revaluation less any subsequent impairment losses. Fair value is determined by reference to the highest and best use of land as determined by the independent valuer. Operational Port Land was last independently valued by Bayleys, a registered valuer, on 30 June 2020.

The fair value of operational port freehold land is recognised in the financial statements of the Group and reviewed at the end of each reporting period to ensure that the carrying value of land is not materially different from its fair value. Any revaluation increase of Operational Port Land is recognised in other comprehensive revenue and expenses and accumulated as a separate component of equity in the properties revaluation reserve, except to the extent it reverses a previous revaluation decrease for the same asset previously recognised in the statement of revenue and expenses, in which case the increase is credited to the statement of revenue and

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expenses to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is charged to the statement of revenue and expenses to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation.

At 30 June 2011 the Group purchased the Metropolitan rail assets from Kiwi Rail wholly owned by the New Zealand Government.

The consideration for these assets which includes stations, platforms, and rail rolling stock was for a nominal consideration of \$1.00.

The assets were recognised in the Group accounts via the statement of revenue and expense. Greater Wellington Rail public transport rail station infrastructural assets and its rolling stock were valued by Bayleys using ODRC methodology at 30 June 2019.

Any increase in the value on revaluation is taken directly to the asset revaluation reserve. However, if it offsets a previous decrease in value for the same asset recognised in the statement of revenue and expenses, then it is recognised in the statement of revenue and expenses of the decrease previously changed. A decrease in the value on revaluation is recognised in the statement of revenue and expense where it exceeds the increase of that asset previously recognised in the asset revaluation reserve.

Property, Plant and Equipment is recorded at cost less accumulated depreciation and impairment. Cost represents the value of the consideration to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service. All Property, Plant and Equipment is depreciated, excluding land.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Greater Wellington and the Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non exchange transaction, it is recognised at its fair value as at the date of acquisition. Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably. The costs of day to day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds to the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight line basis on all tangible property, plant and equipment, other than land and capital works in progress, at rates which will write off assets, less their estimated residual value over their remaining useful lives.

The useful lives of major classes of assets have been estimated as follows:

Port, wharves and paving	10 to 50 years
Operational port freehold land	Indefinite
Operational land	Indefinite
Operational buildings	10 to 75 years
Operational plant and equipment	2 to 40 years
Operational vehicles	2 to 34 years
Flood protection infrastructural assets	10 years to indefinite
Transport infrastructural assets	5 to 50 years
Rail rolling stock	5 to 35 years
Navigational aids infrastructural assets	10 to 50 years
Parks and forests infrastructural assets	4 to 155 years
Regional water supply infrastructural assets	3 to 214 years

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Capital work in progress is not depreciated. Stopbanks included in the flood protection infrastructure

Capital work in progress is not depreciated. Stopbanks included in the flood protection infrastructure asset class are maintained in perpetuity. Annual inspections are undertaken to ensure design standards are being maintained and to check for impairment. As such, stopbanks are considered to have an indefinite life and are not depreciated.

Impairment of property, plant, and equipment

Property, plant, and equipment that has a finite useful life is reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non cash generating assets

Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.

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Council 2021	Cost /	Accumulated	Carrying	Current year	Current year	Net	Transfers	Current year	Revaluation	Cost /	Accumulated	Carrying
	revaluation	depreciation	amount	additions	disposals	depreciation		Impairment	surplus	revaluation	depreciation	amount
	1 Jul 2020		1 Jul 2020							30 Jun 2021		30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating assets												
<u>At cost & valuation</u>												
Land and buildings	30,117	(2,702)	27,415	2,350	-	(611)	191	-	-	32,658	(3,313)	29,345
Plant and equipment	13,290	(7,452)	5,838	8,842	(419)	(2,221)	7,796	-	-	29,509	(9,673)	19,836
Motor vehicles	8,763	(5,436)	3,327	794	(660)	(415)	(6)	-	-	8,891	(5,851)	3,040
Total	52,170	(15,590)	36,580	11,986	(1,079)	(3,247)	7,981	-	-	71,058	(18,837)	52,221
Infrastructural assets												
<u>At cost & revaluation</u>												
Flood protection	435,948	(2,257)	433,691	4,501	-	(1,268)	599	-	-	441,048	(3,525)	437,523
Navigational aids	2,254	(131)	2,123	-	-	(115)	38	-	-	2,292	(246)	2,046
Parks and forests	92,517	(4,203)	88,314	167	-	(2,119)	133	-	-	92,817	(6,321)	86,496
Transport infrastructure	39,802	(3,041)	36,761	163	(53)	(3,274)	2,751	-	-	42,662	(6,315)	36,347
Water infrastructure	603,855	(31,266)	572,589	6,457	(6,328)	(15,784)	4,540	-	-	608,524	(47,051)	561,473
Capital work in progress	53,611	-	53,611	21,743	-	-	(16,634)	-	-	58,720	-	58,720
Right to use	30,889	(3,089)	27,800	-	-	(1,544)	-	-	-	30,889	(4,633)	26,256
Total	1,258,876	(43,987)	1,214,889	33,031	(6,381)	(22,560)	(8,573)	-	-	1,276,952	(68,091)	1,208,861
Total Council	1,311,046	(59,577)	1,251,469	45,017	(1,132)	(27,351)	(592)	-	-	1,348,010	(86,928)	1,261,082

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Council 2020	Cost /	Accumulated	Carrying	Current year	Current year	Net	Transfers	Current year	Revaluation	Cost /	Accumulated	Carrying
	revaluation	depreciation	amount	additions	disposals	depreciation		Impairment	surplus	revaluation	depreciation	amount
	1 Jul 2019		1 Jul 2019							30 Jun 2020		30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating assets												
<u>At cost and valuation</u>												
Land and buildings	33,334	2,923	30,411	1,799	(1,506)	222	205	(3,715)	-	30,117	(2,701)	27,416
Plant and equipment	12,617	(5,508)	7,109	695	(283)	(1,944)	261	-	-	13,290	(7,452)	5,838
Motor vehicles	8,293	(4,969)	3,324	1,053	(583)	(468)	-	-	-	8,763	(5,437)	3,326
Total	54,244	(13,400)	40,844	3,547	(2,372)	(2,190)	466	(3,715)	-	52,170	(15,590)	36,580
Infrastructural assets												
<u>At cost and valuation</u>												
Flood protection	404,713	(2,560)	402,153	3,772	-	303	1,658	-	25,805	435,948	(2,257)	433,691
Navigational aids	2,254	-	2,254	-	-	(131)	-	-	-	2,254	(131)	2,123
Parks and forests	91,959	-	91,959	188	(240)	(2,169)	610	-	-	92,517	(4,203)	88,314
Transport infrastructure	32,245	(2,034)	30,211	421	-	(3,041)	7,136	-	-	39,802	(3,041)	36,761
Water infrastructure	603,585	(15,538)	588,047	114	(19)	(15,729)	175	-	-	603,855	(31,267)	572,588
Capital work in progress	32,977	-	32,977	30,934	-	-	(10,300)	-	-	53,611	-	53,611
Right to use	30,889	(1,544)	29,345	-	-	(1,544)	-	-	-	30,889	(3,088)	27,801
Total	1,198,622	(21,676)	1,176,946	35,429	(259)	(22,311)	(721)	-	25,805	1,258,876	(43,987)	1,214,889
Total Council	1,252,866	(35,076)	1,217,790	38,976	(2,631)	(24,501)	(255)	(3,715)	25,805	1,311,046	(59,577)	1,251,469

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Group 2021	Cost /	Accumulate	Carrying	Current year	Current year	Current year	Net	Current year	Current year	Revaluation	Cost /	Accumulate	Carrying
	revaluation	d	amount	Current year	Current year	impairment	depreciation	Impairment	Impairment	surplus	revaluation	d	amount
	1 Jul 2020	depreciation	1 Jul 2020	additions	disposals	charges		charges			30 Jun 2021	&	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating assets													
Land and buildings	120,766	(19,723)	101,043	14,650	(2,217)	7,899	(1,488)	3,434	7,899	6,747	151,280	(21,211)	130,069
Plant & Equipment	92,583	(50,147)	42,436	8,842	(2,148)	-	(6,718)	25,308	-	-	124,585	(56,865)	67,720
Motor vehicles	8,763	(5,436)	3,327	794	(660)	-	(415)	6)	-	-	8,891	(5,851)	3,040
Total	222,112	(75,306)	146,806	24,286	(5,025)	7,899	(8,621)	28,736	7,899	6,747	284,756	(83,927)	200,829
Infrastructural assets													
<u>At cost and valuation</u>													
Flood protection	435,948	(2,258)	433,690	4,501	-	-	(1,268)	599	-	-	441,048	(3,525)	437,523
Navigational aids	2,254	(131)	2,123		(42)	-	(115)	38	-	-	2,292	(246)	2,046
Parks and forests	92,517	(4,203)	88,314	167	-	-	(2,119)	133	-	-	92,817	(6,321)	86,496
Capital works in progress	95,328	-	95,328	61,069	-	-	-	(51,178)	-	-	105,219	-	105,219
Port wharves and paving	70,461	(52,458)	18,003	-	-	-	(2,036)	18,660	-	-	89,079	(54,495)	34,584
Transport infrastructure	500,692	(23,866)	476,826	23,041	(306)	-	(23,925)	2,751	-	-	526,178	(47,790)	478,388
Water infrastructure	603,855	(31,266)	572,589	6,457	(6,328)	-	(15,784)	4,540	-	-	608,524	(47,050)	561,474
Right to use	30,889	(3,089)	27,800	-	-	-	(1,544)	-	-	-	30,889	(4,633)	26,256
Total	1,831,944	(117,271)	1,714,673	95,235	(348)	-	(46,791)	(24,457)	-	-	1,896,046	(164,061)	1,731,986
Total Group	2,054,056	(192,577)	1,861,479	119,521	(5,373)	7,899	(55,412)	4,279	7,899	6,747	2,180,802	(247,988)	1,932,815

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Group 2020	Cost /	Accumulated	Carrying	Current year	Current year	Net	Transfers	Current year	Revaluation	Cost /	Accumulated	Carrying
	revaluation	depreciation	amount	additions	disposals	depreciation		Impairment	surplus	revaluation	depreciation	amount
	1 Jul 2019		1 Jul 2019							30 Jun 2020		30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating assets												
Land and buildings	116,825	(18,659)	98,166	8,509	(1,507)	(1,064)	3,054	(12,033)	5,918	120,766	(19,723)	101,043
Plant and Equipment	88,487	(43,035)	45,452	695	(288)	(7,112)	3,689	-	-	92,583	(50,147)	42,436
Motor vehicles	8,293	(4,969)	3,324	1,053	(583)	(468)	-	-	-	8,763	(5,437)	3,326
Total Group's property, plant and equipment	213,605	(66,663)	146,942	10,257	(2,378)	(8,644)	6,743	(12,033)	5,918	222,112	(75,307)	146,805
Infrastructural assets												
Flood protection	404,713	(2,560)	402,153	3,772	-	302	1,658	-	25,805	435,948	(2,258)	433,690
Parks and forests	91,959	(2,034)	89,925	187	(240)	(2,168)	610	-	-	92,517	(4,203)	88,314
Capital work in progress	47,343	-	47,343	65,764	-	-	(17,779)	-	-	95,328	-	95,328
Port wharves and paving	69,275	(51,253)	18,022	-	(19)	(1,204)	1,204	-	-	70,461	(52,458)	18,003
Navigational aids	2,254	-	2,254	-	-	(131)	-	-	-	2,254	(131)	2,123
Transport infrastructure	489,448	-	489,448	4,108	-	(23,866)	7,136	-	-	500,692	(23,866)	476,826
Water infrastructure	603,585	(15,538)	588,047	114	(19)	(15,728)	175	-	-	603,855	(31,266)	572,589
Right of use	30,889	(1,544)	29,345	-	-	(1,545)	-	-	-	30,889	(3,089)	27,800
Total infrastructural assets	1,739,466	(72,929)	1,666,537	73,945	(278)	(44,340)	(6,996)	-	25,805	1,831,942	(117,269)	1,714,673
Total Group's property, plant and equipment	1,953,071	(139,592)	1,813,479	84,202	(2,656)	(52,984)	(253)	(12,033)	31,723	2,054,054	(192,576)	1,861,478

Infrastructural assets further disclosures

	Closing book value	Constructed by Council	Assets transferred to Council	Estimated replacement cost
Council 2021	\$'000	\$'000	\$'000	\$'000
Infrastructural assets				
Water treatment plants and facilities	250,028	3,790	-	338,794
Other water assets	311,447	880	-	281,790
Flood protection and control works	437,524	5,100	-	461,527
Total infrastructural assets	998,999	9,770	-	1,082,111
	Closing book value	Constructed by Council	Assets transferred to Council	Estimated replacement cost
Council 2020	\$'000	\$'000	\$'000	\$'000
Infrastructural assets				
Water treatment plants & facilities	257,986	51	-	283,371
Other water assets	314,604	238	-	338,327
Flood protection and control works	433,690	5,430	-	433,690
Total infrastructural assets	1,006,280	5,719	-	1,055,388

Capital Work in Progress

Capital work in progress includes capital projects requiring resource consent to proceed. Management regularly review these projects to determine whether the assumptions supporting the project proceeding continue to be valid. The Capital Work in Progress balance is carried forward on the basis the projects have been determined they will proceed.

Service Concession Arrangement*Background:*

Greater Wellington (as grantor) has entered into an arrangement with Tranzit, NZ Bus, and Mana (the Operators) to provide bus services. The arrangement requires Operators to provide timetable services using double decker buses under contracts terms of 15 years.

During this period, the operator will earn revenues from operating the buses while Greater Wellington pays the service fees and substantively control the use of the double decker buses as specified in the agreement. At the end of the contract term, the ownership of those buses will transfer to Greater Wellington with the price determined using a contracted formula.

Service concession asset

The double decker buses were initially recognised at fair value of \$31 million in 2018/19 and have been subsequently measured in accordance with PBE IPSAS 32. They have an estimated useful life of 20 years and are depreciated on a straight line basis.

Service concession liability

\$31 million of financial liability in relation to the service concession arrangement has also been initially recognised in 2018/19. This financial liability has been subsequently accounted for using the amortised cost model leading to finance expenses over 15 years.

Public Transport

A summary of the rolling stock assets is as follows

Asset Type	Quantity
Matangi EMUs	48
Matangi 2 EMUs	35
Matangi Driving Simulator	1
SW Carriages	18
SE Carriages	6
AG Van	1
Shunt Crabs	2

A summary of the station based assets are as follows:

Asset type	Quantity
Stations	47
Station Buildings	23
Station Shelter	58
Station Pedestrian Overbridges	16
Station Pedestrian Subways	13
Facilities Cycle racks & lockers, seating, litter bins	Numerous
Access Paths, handrails, fence, stairs, barriers, ramps	N/A
Park & Ride Sites Car park	41
CCTV equipment & infrastructure sites	47
Rail Depot Buildings	2
Signs	Over 750
Lights	Over 1,100

Flood Protection

A summary of the flood protection infrastructure assets is as follows:

Asset Type	Description
Stopbank	Earth embankments generally aligned beside the river to prevent floodwaters flowing into floodplain area. Stopbanks are maintained in perpetuity.
Outlet structures	Culverts or pipes designed to carry stormwater under the stopbank to the river channel connected to a headwall and fitted with a 'flap gate' to prevent floodwaters from flowing behind the stopbank during a flood.
Floodway sills	Part of the stopbank structure but constructed at a lower crest level to allow excess flood waters to spill.
Training banks	Earth embankments, similar to stopbanks, located within the river corridor to direct storm water into the river channel, effective for minor flood flows.
Floodwalls	Concrete structures, which perform the same function as a stopbank. Often used in the place of a stopbank when space is limited. Can be a standalone structure or be constructed on top of a stopbank.
Access track	A gravel track up to 3m wide used for access to the river corridor.

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Asset Type	Description
Cycleway track	A sealed track up to 3m wide used for access to the river corridor.
Drainage channel	An open channel, which drains the river corridor, carrying stormwater to the river channel. Drainage Channels are maintained in perpetuity.
Boundary fences (stock exclusion)	Conventional fencing using 8 strands of 2.5 mm HT wire with No 2 round posts at 4 m intervals.
Groynes	Structures built perpendicular to the river bank to push fast flowing water away from the bank edge and protect the bank from erosion.
Timber groynes	Driven railway irons with timber railings.
Debris Arrestor	Driven railway irons linked together with horizontal rail or steel to collect debris during flood events.
Debris fence	Driven railway irons cabled together in a herringbone pattern and pointing 45 to 60 degrees downstream from the river bank, usually interplanted with willows.
Debris Fence w Rock Head	As above with rock head.
Riprap	A sloping structure placed against an existing the river bank to provide erosion protection.
Concrete block line	Similar to rocklines but constructed of large concrete blocks, which are cabled together to form a flexible mass.
Demolition Line	Obsolete structure no longer best practice. Demolition material would no longer be used for edge protection. The demolition lines on the Hutt and Otaki Rivers, and the use of car bodies in the Wairarapa have been replaced with rocklines and boulder groynes; these structures are considered the modern day equivalent.
Railway iron and netting fence	Driven railway irons linked together with steel cable support netting filled with river gravels.
Fascine	Horizontal willows cabled together and anchored to concrete blocks. Railway irons are driven in front of the structure.
Willow	Planted willow trees along the bank edge to maintain a stable bank edge.
Weir	A structure constructed across the active channel to prevent degradation of the riverbed.
Drop structures	A concrete structure constructed across the floodway at bed level to control riverbed erosion.
Detention Dam	An earth embankment with a culvert through its base to store floodwaters during a flood event. The culvert is sized to restrict flows, reducing the peak of a flood. Greater Wellington has two detention dams on the Porirua Stream scheme built solely for flood detention purposes; Seton Nossiter and Stebbings.
Barrage Gates	A set of six radial gates constructed across the outlet from Lake Wairarapa to control lake levels.
Waiwhetu Floodwalls	Concrete walled drainage channel.
Diversion cut	A diversion that was cut on the Ruamahanga river. During the Lower Valley Barrage gates construction.
Rock mattress	An erosion protection structure constructed from gabion baskets and reinforced grass at the end of the Oporua floodway.

Operational Port Land

Operational Port Land is measured at fair value less any allowance for impairment.

Operational Port Land was independently valued by Colliers International, a registered valuer, on 30 June 2021. The assessed value at that time was \$132.7m which was adjusted by \$43.6m for estimated Operational Port Land resilience costs, to arrive at fair value for financial reporting purposes.

Due to the outbreak of the Coronavirus (COVID 19) there is a material valuation uncertainty regarding the assessed value of the Operational Port Land.

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	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Industrial Zoned Land	-	-	104,744	94,725
Commercial Zoned	-	-	-	2,200
Other Port Land	-	-	28,010	25,495
	-	-	132,754	122,420
Less Provision for Land Resilience	-	-	(43,588)	(60,000)
Additions, Transfers, and Disposals of Port Land since valuation	-	-	-	-
Total Operational Port Land	-	-	89,166	62,420
Industrial Zoned Land				
Industrial Zoned Land as at 1 July	-	-	94,725	79,590
Additions	-	-	-	-
Transfers/Reclassifications	-	-	4,871	12,145
Increase / (decrease) in fair value	-	-	5,147	2,990
	-	-	104,743	94,725
Commercial Zoned Land				
Commercial Zoned Land as at 1 July	-	-	2,200	8,832
Additions	-	-	-	-
Transfers/Reclassifications	-	-	-	(6,548)
Increase / (decrease) in fair value	-	-	(2,200)	(83)
	-	-	-	2,201
Other Port Land				
Other Port Land as at 1 July	-	-	25,495	25,231
Additions	-	-	-	-
Transfers/Reclassifications	-	-	915	(2,716)
Increase / (decrease) in fair value	-	-	1,600	2,980
	-	-	28,010	25,495
Provision for Land Resilience				
Provision for Land Resilience as at 1 July	-	-	(60,000)	(63,000)
Additions	-	-	10,282	5,318
Transfers/Reclassifications	-	-	(1,769)	4,801
Change in Provision for Land Resilience charged to Revaluation Reserve	-	-	7,899	(7,119)
	-	-	(43,588)	(60,000)

The fair value of Operational Port Land has been determined in accordance with Australia and New Zealand Valuation and Property Standards, in particular Valuation Guidance Note NZVGN 1 Valuations for Use in New Zealand Financial Reports and IVS 300 Valuations for Financial Reporting.

The fair value of Operational Port Land is based on the highest and best use for transport distribution, road/rail/port linkages and logistics.

The fair value of Operational Port Land is determined with reference to a fair value hierarchy of inputs. All inputs into the determination of fair value of Operational Port Land sit within level 3 of this hierarchy as they are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Each freehold parcel of land is valued on a rate per square metre basis using the direct sales comparison approach. In carrying out this comparison, consideration is given to:

- Sales of land or development sites within the wider Wellington region
- Size, shape, location and access to services
- Road frontage , exposure to vehicles
- Allowable height and density of use.

Key assumptions underlying the valuation are set out below:

- It is assumed that CentrePort will erect a structural sea wall along the reclamation edge to ensure that all sites offer appropriate stability for commercial development. All costs associated with the sea wall are to be borne by CentrePort and have been excluded from the valuer's assessed value. This has been taken into account in the fair value as noted in the "Operational Port Land Resilience" adjustment on the following page.

Industrial Zoned Land	Assessed Value	Valuation approach	Key valuation assumptions	Valuation impact
Freehold Land	\$ 97.3m (2020: \$88.1m)	Direct Sales Comparison approach	Weighted average land value - the rate per sqm applied to the subject property. This ranges from \$180psqm to \$1,500psqm	+/-5% \$4.9m (2020: +/-5% \$4.4m)
Leasehold Land	\$7.4m (2020: \$6.6m)	Capitalised Net Rental approach	Weighted average land value - the rate per sqm applied to the subject property. This ranges from \$50psqm to \$1,350psqm	+/-5% \$0.4m (2020: +/-5% \$0.3m)
Assessed Value	\$104.7m (2020: \$94.7m)			
Provision for Land Resilience	(\$43.6m) (2020: (\$60m))	Cost estimates	Estimated cost of completing land resilience work.	+/-15% \$6.5m (2020: +/-15% \$9.0m)
Total Fair Value	\$61.1m (2020: \$34.7m)			

Operational Port Land resilience

An adjustment of \$43.6m has been made to the fair value of Operational Port Land at 30 June 2021 (2020: \$60.0m) to recognise the resilience work that is needed to be undertaken to support the land and achieve the assessed value determined by Colliers International in their independent valuation.

The resilience works costs are estimated with reference to the costs for remediation works already undertaken for part of the operational port land and third party cost estimates. \$10.3m of remediation works were completed during the year, and \$1.8m of works previously undertaken were reclassified to Property, Plant and Equipment. The land resilience provision was decreased by \$7.9m for the revised estimate of the cost to complete the remediation works.

There is a significant level of uncertainty attached to the level of adjustment to be recognised for port land resilience. This uncertainty includes the appropriate level of resilience required for each area of land, the range of potential technical solutions available to provide the desired level of resilience, and the cost of each potential solution.

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The following table summarises the key inputs and assumptions used by the valuer to arrive at fair value and the sensitivity of the valuation to movements in unobservable inputs.

Other Port Land	Assessed Value	Valuation approach	Key valuation assumptions	Valuation impact
Leasehold Land	\$24.4m (2020: \$22.5m)	Capitalised Net Market Ren	Weighted average land value - the rate per sqm applied to the subject property. This ranges from \$150psqm to \$700psqm	+5% \$1.2m (2020: +5% \$1.1m)
Leasehold Land	\$3.6m (2020: \$3.0m)	Market Capitalisation	Market capitalisation rate - the rate of return determined through analysis of comparable, market related sales transactions, which is applied to a property's sustainable net income to derive value. This is set at 8.5%	-0.5% \$0.5m +0.5% \$0.6m (2020: -5% \$0.2m +5% -\$0.2m)
		Discounted Cashflow	Discount rate - the rate of return used to determine the present value of future cash flows. The rate used was 9.0%	0.5% \$0.1m + 0.5% \$0.1m (2020: -5% \$0.1m +5% -\$0.1m)
Total Fair Value	\$28.0m (2020: \$25.5m)			

Greater Wellington Rail Limited (GWRL)

GWRL infrastructural assets and its rolling stock were independently valued by John Freeman, FPINZ, TechRICS, MACostE, Registered Plant and Machinery Valuer, a Director of Bayleys Valuations Limited as at 30 June 2019 using Optimised Depreciated Replacement Cost (ODRC) methodology.

All other property, plant and equipment are carried at cost less accumulated depreciation and any allowance for impairment.

17. Intangible assets

Software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives between 1 and 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

New Zealand Emission Trading Scheme

New Zealand Units (NZU's) received for pre 1990 forests are recognised at fair value on the date received. They are recognised as an asset in the balance sheet and income in the statement of revenue and expense. The deforestation contingency is not recognised as a liability as there is no current intention of changing the land use. The estimated liability that would arise should deforestation occur has been estimated in the notes to the accounts.

NZU's in respect of post 1989 forests are recognised at fair value on the date received. As trees are harvested or carbon stocks decrease a liability and expense will be recognised for the NZU's to be surrendered to Government.

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Subsequently to initial recognition NZUs are revalued annually through the revaluation reserve.

Council	Software \$'000	*Emission units \$'000	Total \$'000
Year ended 30 June 2020			
Opening net book amount	2,751	7,668	10,419
Additions	30	451	481
Net Amortisation charge	(870)	-	(870)
Revaluation	-	2,679	2,679
Closing net book amount	1,911	10,799	12,710
At 30 June 2020			
Cost and valuation	10,714	10,799	21,513
Accumulated amortisation and impairment	(8,803)	-	(8,803)
Net book amount	1,911	10,799	12,710
Year ended 30 June 2021			
Opening net book amount	1,911	10,799	12,710
Additions	576	-	576
Disposals	-	-	-
Revaluation	-	3,858	3,858
Net amortisation charge	(793)	-	(793)
Closing net book amount	1,694	14,657	16,351
At 30 June 2021			
Cost and valuation	11,289	14,658	25,947
Accumulated amortisation and impairment	(9,595)	-	(9,596)
Net book amount	1,694	14,658	16,351

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Group	Goodwill \$'000	Software \$'000	*Emission units \$'000	Total \$'000
Year ended 30 June 2020				
Opening net book amount	2,674	3,171	7,668	13,513
Additions	-	674	451	1,125
Revaluation	-	-	2,680	2,680
Amortisation charge **	-	(1,145)	-	(1,145)
Closing net book amount	2,674	2,700	10,799	16,173
At 30 June 2020				
Cost	2,674	15,629	10,799	29,102
Accumulated amortisation and impairment	-	(12,929)	-	(12,929)
Net book amount	2,674	2,700	10,799	16,173
Group	Goodwill \$'000	Software \$'000	Emission Units \$'000	Total \$'000
Year ended 30 June 2021				
Opening net book amount	2,674	2,700	10,799	16,173
Additions	-	640	-	640
Revaluation	-	-	3,858	3,858
Disposal	-	(72)	-	(72)
Amortisation charge	-	(1,056)	-	(1,056)
Closing net book amount	2,674	2,212	14,657	19,542
At 30 June 2021				
Cost and valuation	2,674	14,547	14,657	31,878
Accumulated amortisation and impairment	-	(12,337)	-	(12,335)
Net book amount	2,674	2,212	14,657	19,543

No intangible assets are pledged as security for liabilities.

**The amortisation expense is included in operating expenses in the statement of comprehensive income.

18. Insurance coverage, asset values and contingency funds

Section 31 A (a) Local Government Act Amendment Act No 3

- a) The total value of all assets of the local authority that are covered by insurance contracts, and the maximum amount to which they are insured.

	Value of assets covered by insurance \$'000	Maximum level of insurance coverage \$'000
Council assets	1,605,675	653,537
Rolling stock	524,000	175,000
Total	2,129,675	828,537

- b) The total value of all assets of the local authority that are self-insured, and the value of any fund maintained by the local authority

	Value of fund maintained \$'000	Total value of assets self-insured \$'000
Council assets	103,525	1,206,740
Rolling stock	-	349,000
Total	103,525	1,555,740

Mean Damage Estimates are used based on a 1,000 year average return interval (ARI) targeting the Wellington Fault based on a magnitude (Mw) 7.3 rupture to understand the risk and level of funds required to meet a catastrophic event. The combined mean damage estimate for the Water underground assets and Flood Protection assets has been calculated at \$135 million and \$71 million respectively by Tonkin & Taylor and Aon.

The Government will provide up to 60% of the loss of Infrastructure assets such as stopbanks, flood protection structures and below ground water infrastructure assets. This support is laid down in section 26 of the Guide to the National Civil Defence Plan Emergency Management Plan.

The total value of all assets of the local authority that are covered by financial risk sharing arrangements, and the maximum amount available to the local authority under those arrangements

Council's insurance cover is shared with Hutt City Council, Upper Hutt City Council, Kāpiti Coast District Council and Porirua City Council. The Council shares its building and equipment insurance with these four Councils to the value of \$600 million, based on our Council assets of \$685 million and sharing group assets of \$1.741 billion.

19. Investment properties

Accounting policy

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. Gains or losses arising from changes in fair value of investment property are included in the statement of comprehensive income in the period in which they arise

Greater Wellington holds no investment in properties.

The Group's investment properties comprise of CentrePort Limited Group developed and undeveloped investment properties.

The Group has the following classes of Investment Property:

- Developed Investment Property
- Land Available for Development
- Lessors Interests

Valuation approach

The fair value of Freehold Investment Property is based on the highest and best use for commercial property.

Investment properties are measured at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the reporting date.

Due to the outbreak of the Coronavirus (COVID 19) there is a material valuation uncertainty regarding the assessed value of Investment Property.

Operational Investment Properties were valued on 30 June 2021 by independent registered valuers from Colliers International.

Developed investment properties and land available for development have been valued in accordance with Valuation Guidance Note ANZVGN 9 - Assessing rental value and NZ IAS 40 - Investment Property. Land available for development was valued in accordance with Valuation Guidance Note NZVGN 1 Valuations for Use in New Zealand Financial Reports and IVS 101-105 and 400.

Developed Investment Property- Valuation

Developed Investment Property consists of the building and a leasehold interest in the land for the Customhouse. The property is leased to a third party.

Developed Investment Property is valued using a combination of the following approaches:

- Market capitalisation approach – This is where the fair value is determined by capitalising the property's market ground rental with reference to sales of lessors' interests, and then an allowance is made for the difference between contract rent (either over or under) discounted until a notional equilibrium point in the lease term
- Discounted cashflow approach – This is where fair value is determined by a present value of the projected cashflow of the property over a period, making allowances for such variables as discount rates, growth rates, rental levels, vacancy allowances, capital expenditure and outgoing, and terminal yields.
- Contract Income approach – This is where fair value is determined by directly capitalising the passing income. This method is effective where income is receivable from a secure tenant, however this is less effective where the current contract rent varies from the assessed market rent due to various factors.

Land Available for Development – Valuation

Land Available for Development consists of the Harbour Quays Development Land and the sites of the former BNZ Building (2020: Harbour Quays Development Land, former BNZ Building and the former Statistics House). These were valued on 30 June 2020 by independent registered valuers of the firm Colliers International. The sites were valued in accordance with Australia and New Zealand Valuation and Property Standards for assessing the market value of the property, in particular Valuation Guidance Note NZVGN 1 – Valuations for Use in New Zealand Financial Reports and IVS 101 105 and 400.

Land Available for Development is valued using the direct sales comparison approach. This is where the subject property is compared with recently sold properties of a similar nature with fair value determined through the application of positive and negative adjustments for their differing features. In carrying out this comparison, consideration is given to sales of similar property within the wider Wellington region.

Other key assumptions underlying the valuation are set out below:

- It is assumed that all 'normal' site services are fully reinstated, and no allowance has been made for any remedial or repair work required to the site or surrounding land and infrastructure.
- The valuation is based on the current Masterplan and the provision of several development sites across the precinct. Any alteration to the Masterplan or development sites may have an impact on the valuation.
- There are limitations to the soil along the reclamation edge and ground improvements are needed across the sites to mitigate the risk of lateral spread. This was factored into the valuation and the adopted values reflect the requirement for additional sub terrain site strengthening costs likely to be incurred as part of any new development.
- The valuation assumed that CentrePort will erect a structural sea wall along the reclamation edge to ensure that all sites offer appropriate stability for commercial development. All costs associated with the sea wall are assumed to be borne by CentrePort and have been excluded from Collier's valuation. This has been estimated and deducted from the assessed value to measure the fair value in these financial statements.

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- Due to low market confidence in the precinct (particularly for office uses); market assurance needs to be regained. This is perceived to be difficult should CentrePort decide against a strengthened seawall and elect for a compromised alternative solution.
- All interim income generated from the vacant sites has been disregarded. This income does help offset operating expenses and holding costs, however, many of the 'vacant' land sales referenced to value the subject land, also similarly have existing income pending redevelopment.

After allowing for impairment based on the expected costs to repair or demolish the properties, the fair value of Land Available for Development is \$29.5m (2020: \$30.0m)

The table below summarises the valuation approach used by the valuers before allowances for infrastructure service costs to arrive at fair value and the sensitivity of the valuation to the movements in unobservable inputs.

	Assessed value	Valuation approach	Key valuation assumptions	Valuation impact
Developed Investment Property		Market Capitalisation	Capitalisation rate - the rate of return determined through analysis of comparable, market related sales transactions, which is applied to a property's sustainable net income to derive value. The rate selected was 7.25%	+0.25% \$1.0m (2020: + - 0.125% \$0.5m)
	\$26.0m (2020: \$29.9m)	Contract income	Capitalisation rate - the rate of return determined through analysis of comparable, market-related sales transactions, which is applied to a property's sustainable net income to derive value. The rate selected was 8.5%	-0.25% \$0.75m + 0.25% \$1.0m (2020: + - 0.125% \$0.5m)
		Discounted Cashflow	Discount rate - the rate of return used to determine the present value of future cashflows. The rate selected was 8.0% (2020: 8.5%)	+0.25% \$0.54m (2020: + - 0.25% \$0.5m)
Land Available for Development	\$37.9m (2020: \$39.6m)	Direct Sales comparison	Weighted average land value - the rate per sqm applied to the subject property. The rates applied ranged from \$100 - \$2,500 per sqm	+5.0% \$1.9m (2020: +5% \$2.0m)

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Developed investment properties brought forward	-	-	29,901	29,822
Additions / (disposals)	-	-	-	59
Increase / (decrease) in fair value	-	-	(3,900)	19
Developed investment properties carried forward	-	-	26,001	29,900
Land available for development brought forward	-	-	30,003	25,082
Additions / (disposals)	-	-	2,457	4,192
Consolidated from SPV's	-	-	-	-
Impairment on Earthquake damage	-	-	(4,871)	-
Increase / (decrease) in fair value	-	-	1,904	729
Land available for development carried forward	-	-	29,493	30,003
Total investment properties	-	-	55,494	59,903

20. Investments in subsidiaries and associates

Accounting policy

Greater Wellington consolidates as subsidiaries in the group financial statements all entities over which Greater Wellington may direct the governance policies so as to obtain benefits from the activities of the entity. This power generally exists where Greater Wellington has an interest of 50% or more of council controlled organisations or more than one half of the voting rights on the governing body.

The investment in subsidiaries is carried at cost in the council's parent entity financial statements.

Breakdown of investments in subsidiaries and associates:

		Equity holding	
		2021	2020
		%	%
WRC Holdings Limited	Subsidiary of Greater Wellington	100	100
CentrePort Limited*	Subsidiary of WRC Holdings Limited	76.9	76.9
Greater Wellington Rail Limited	Subsidiary of WRC Holdings Limited	100	100
Wellington New Zealand	Minority Interest	20	20
Wellington Water Limited	Council Controlled Organisation	15	15

All the companies mentioned above were incorporated in New Zealand and have a balance date of 30 June.

All significant intra group transactions have been eliminated on consolidation.

* CentrePort Limited established CentrePort Captive Insurance Limited. CentrePort is in the process of applying to the Reserve Bank of New Zealand for a licence under The Insurance (Prudential Supervision) Act 2010 for this company to operate as an insurance company.

	Actual	Actual
	2021	2020
	\$'000	\$'000
WRC Holdings Limited shares	302,545	286,145
Wellington Water Limited	150	150
Total investment in subsidiaries	302,695	286,295

For commercial sensitivity purposes, the financial information of associates is not disclosed.

21. Derivative financial instruments

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current asset portion				
Interest rate swaps	604	-	604	-
Total current asset portion	604	-	604	-
Non-current asset portion				
Interest rate swaps	531	1,293	531	1,293
Total non-current asset portion	531	1,293	531	1,293
Total derivative financial instruments - assets	1,135	1,293	1,135	1,293

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Current liability portion				
Interest rate swaps	1,120	871	1,120	871
Total current liability portion	1,120	871	1,120	871
Non-current liability portion				
Interest rate swaps	51,312	84,496	51,312	84,496
Total non-current liability portion	51,312	84,496	51,312	84,496
Total derivative financial instruments - liabilities	52,432	85,367	52,432	85,367
Total net fair value movement	(51,297)	(84,074)	(51,297)	(84,074)

For more information on interest rate swaps and foreign exchange contracts, please refer to note 27 Financial Instruments. The fair values of the derivative financial instruments have been determined using a discounted cashflow technique based on market prices at balance date.

22. Trade and other payables

	Council		Group	
	Actual 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Trade payables	52,415	53,539	67,483	69,228
Deposits and bonds	-	-	28	6
Revenue in advance	1,907	2,477	1,907	2,477
Accrued interest on borrowings	2,273	2,298	2,298	2,298
Amounts due to related parties	6,740	7,568	-	-
Total current creditors and other payables	63,335	65,882	71,716	74,009

Trade and other payables are non interest bearing and are normally settled on 30 day terms, therefore the carrying value approximates their fair value.

23. Debt

	Note	Council		Group	
		Actual 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Current debt liabilities					
Secured					
Commercial paper	(ii)	81,850	94,655	61,948	74,929
Floating rate notes		70,000	25,000	70,000	25,000
Bank loans	(iii)	-	-	-	-
NZ Green Investment Finance		-	-	7,500	-
Total current debt liabilities		151,850	119,655	139,448	99,929
Committed lines	(i)	-	-	-	-
Bank loans	(iv)	-	-	-	-
Fixed rate bond	(vi)	25,000	25,000	25,000	25,000
Floating rate notes	(v)	355,000	375,000	355,000	375,000
Total non-current debt liabilities		380,000	400,000	380,000	400,000
Total debt liabilities		531,850	519,655	519,448	499,929

Terms and conditions

Greater Wellington provides security to lenders as required in the form of debenture stock which provides a charge over rates and rates income.

- (i) Greater Wellington has no overdraft facility. As at 30 June 2021 Greater Wellington has \$120,000,000 (2020: \$105,000,000) credit lines of which \$120,000,000 (2020: \$105,000,000) is undrawn. Two credit lines are for \$35,000,000 each, of which \$35,000,000 mature in 2023 and \$35,000,000 mature in 2025. These two facilities can be repaid or drawn down until expiry and have the ability to be extended annually at the discretion of the bank. A third facility is for \$50,000,000 and has no maturity date with the provider having a 15 month notice period. All three facilities are subject to a charge over rates.

As at 30 June 2021 the Group had no bank overdraft balance (2020: \$0).

- (ii) Greater Wellington has issued four (2020: five) commercial paper as at 30 June 2021. Three mature within three months from balance date and one matures between 3 month and 1 year. Their weighted average interest rate is 0.3775% (2020: 0.59%).

- (iii) As at 30 June 2021 Greater Wellington has issued 16 (2020: 13) Floating Rate Notes (FRN) as per the below table. The interest rates are ranging between 0.6725% and 1.1920% (2020: 0.7925% and 1.2425%) and are reset quarterly based on the 90 day bank bill rate plus a margin.

Maturity	2021	2020
May-21	-	25,000,000
Oct-21	45,000,000	45,000,000
Apr-22	25,000,000	25,000,000
Apr-23	30,000,000	30,000,000
Oct-23	25,000,000	25,000,000
Jun-24	25,000,000	25,000,000
Apr-25	25,000,000	25,000,000
Jun-25	25,000,000	25,000,000
Nov-25	25,000,000	25,000,000
Jun-26	25,000,000	25,000,000
Apr-27	25,000,000	25,000,000
Apr-28	25,000,000	25,000,000
Oct-28	25,000,000	-
Apr-29	25,000,000	25,000,000
Apr-30	25,000,000	25,000,000
Apr-32	25,000,000	-
Apr-33	25,000,000	25,000,000
0	425,000,000	400,000,000

- (iv) WRC Holdings Limited has received a \$44,000,000 loan from Greater Wellington which matures on 15 October 2021 and is repriced quarterly. The loan has an interest rate of 0.9225%. (2020: 1.1075%)
- (v) The \$25,000,000 fixed rate bond has a 4.31% coupon and is due for repayment in April 2031.
- (vii) NZ Green Investment Finance

In June 2020 CentrePort entered into a \$15,000,000 debt facility with New Zealand Green Investment Finance (NZGIF) to accelerate investment into low carbon projects.

The Group has drawn down \$7,500,000 of this facility at balance date (2020: nil). The interest rate is based on BKBM (bank bill bid settlement) rate plus a margin payable on funds drawn. A commitment fee is also payable on the facility limit. The term of the facility is 12 months and was renewed on 11 June 2021. The Lender has first ranking security over all current and future assets held by the Group.

24. Employee entitlements and provisions

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current liability				
Employee benefits	8,177	3,632	11,353	9,140
Provision	196	1,068	196	1,068
	8,373	4,700	11,549	10,208
Non-current portion				
Employee benefits	160	152	327	509
Total employee benefit liabilities	8,533	4,852	11,876	10,717

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date when it is probable that settlement will be required and they are capable of being measured reliably. The present value is determined by discounting the future cash flows at a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

The rate used for discounting the provision for future payments is 1.8% (2020: 1.4%).

	Annual leave	Long service leave	Earthquake repair works	ESCT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Council					
2020					
Opening carrying value	3,632	152	116	950	4,851
Addition	4,545	8	-	100	4,653
Amounts used	-	-	(20)	(950)	(970)
Carrying amount at end of year	8,177	160	96	100	8,533

25. Reconciliation of operating surplus/(deficit) with cashflow from operating activities

	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Surplus/(deficit) after tax	30,169	(18,690)	(20,486)	124,021
Add/(less) non-cash items				
Depreciation and amortisation	29,196	28,431	57,723	57,191
Impairment of property, plant and equipment	-	-	-	-
Net (loss) gain on sale of fixed assets	(116)	2,707	(1,184)	3,905
Borrowings	-	-	-	(108)
Gain on fair value of financial instruments	(32,775)	-	(32,775)	-
Loan write off	1,000	-	1,000	-
Equity accounted earnings from associate companies	-	-	-	-

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	Council		Group	
	Actual	Actual	Actual	Actual
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Change in value of future tax benefit	-	-	18,276	1,117
EQ related cost	-	-	-	-
Emission units allocated for no value	-	(451)	-	(451)
Decrease (Increase) in Value of Investment property	-	-	2,261	-
Changes in fair value of derivative financial instruments	-	17,711	-	17,711
Changes in fair value of stadium advance	-	-	-	-
Movement in provision for impairment of doubtful debts	342	(122)	342	(122)
Add/(less) movements in working capital				
Accounts receivable	35,731	(51,136)	56,339	(53,838)
Warm Wellington receivable	2,057	1,818	2,057	1,818
Inventory	(347)	(79)	(534)	(973)
Decrease (increase) in provisions & retentions	(118)	-	(118)	-
Borrowings	-	-	-	-
Accounts payable	(4,141)	16,775	(18,515)	9,402
Employee provisions	3,799	1,799	1,277	3,687
Insurance receivable	-	-	-	50,000
Tax	-	-	1,673	(2,295)
Other	-	-	-	145
Add / (less) items classified as investing or financing				
Accounts payable related to fixed assets	-	-	(907)	(1,782)
Accounts receivable related to investment property	-	-	339	-
Prepayments related to property plant and equipment	-	-	(3,583)	3,583
Inc/(Dec) Gain/Loss on disposal of property, plant and equipment	-	-	-	-
Inc/(Dec) Gain/Loss on disposal of investment	-	-	-	-
Inc/(Dec) in insurance progress payment schedule	-	-	-	(206,998)
Other	-	-	-	-
Net cash inflow/(outflow) from operating activities	64,797	(1,237)	63,185	6,013

26. Financial instruments

Greater Wellington and Group have a series of policies to manage the financial risks associated with its operation. These risks include market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cashflow interest rate risk.

Greater Wellington and Group seek to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial instruments is governed by Treasury policies which are approved by the Council / the board of directors respectively. The policies do not allow Greater Wellington and the Group to enter into any transaction that is speculative in nature.

(a) Market risk

Currency risk

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Greater Wellington and the Group manages currency risk by ensuring that where possible asset purchases are denominated in New Zealand dollars. Any foreign currency risks arising from contractual commitments and liabilities are managed by entering into forward foreign exchange contracts to hedge the foreign currency risk exposure. This means that the Group is able to fix the New Zealand dollar amount payable prior to delivery of goods and services from overseas.

As at 30 June 2021 Greater Wellington does not have any material foreign exchange contracts (2020: Nil). In the Group there is no FX contract as per 30 June 2021 (2020: no contract). CentrePort have one small contract.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has exposure to fair value interest rate risks as a result of investments, external debt and cash balances.

To minimise the risk on external debt, management monitors the levels of interest rates on an ongoing basis and uses forward rate and swap agreements as well as interest rate collars (options) to manage interest rate exposures for future periods. At 30 June 2021 Greater Wellington and the Group had entered into the following interest rate swap agreements:

Movement in interest rate:	Council		Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Less than one year	55,000	30,000	55,000	30,000
One to two years	20,000	55,000	20,000	55,000
Two to five years	130,000	95,000	130,000	95,000
Greater than five years	265,000	240,000	265,000	240,000
Total fair value interest rate risk	470,000	420,000	470,000	420,000

At 30 June 2021, the fixed interest rates of swaps of the Council and Group vary from 1.20% to 5.40% (2020: 1.20% to 5.40%).

Cashflow interest rate risk

Cashflow interest rate risk is the risk that the cashflows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Group to cashflow interest rate risk.

Generally, Greater Wellington and the Group raises long term borrowings at floating rate and swaps this back into fixed rates using interest rate swaps to manage the cashflow interest rate risk. Under the interest rate swaps Greater Wellington and the Group agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Sensitivity analysis

The tables below illustrate the potential profit and (loss) impact for reasonably possible market movements, with all other variables held constant, based on Greater Wellington and the Group's financial instrument exposures at balance date.

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30 June 2021	Council +1%	Council +1%	Council -1%	Council -1%	Group +1%	Group +1%	Group -1%	Group -1%
Interest rate risk	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash at bank and term deposits	47	-	(47)	-	1,968	-	(1,968)	-
New Zealand Local Government Funding Agency Limited borrower notes	73	-	(73)	-	73	-	(73)	-
Bank deposits with maturity terms more than 3 months	530	-	(530)	-	530	-	(530)	-
Bulk water supply contingency fund	355	-	(355)	-	355	-	(355)	-
Material damage property insurance contingency fund	107	-	(107)	-	107	-	(107)	-
Major flood contingency fund	74	-	(74)	-	74	-	(74)	-
Loan to WRC Holdings Limited	440	-	(440)	-	-	-	-	-
Derivatives	740	-	(836)	-	740	-	(836)	-
Financial liabilities								
NZ Green Investment Fund	-	-	-	-	(75)	-	75	-
Commercial paper	(819)	-	819	-	(819)	-	819	-
Floating rate notes	(4,250)	-	4,250	-	(4,250)	-	4,250	-
Derivatives	21,019	-	(22,748)	-	21,019	-	(22,748)	-
Total sensitivity to interest rate risk	18,316	-	(20,141)	-	19,722	-	(21,547)	-

30 June 2020	Council +1%	Council +1%	Council -1%	Council -1%	Group +1%	Group +1%	Group -1%	Group -1%
Interest rate risk	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash at bank and term deposits	93	-	(93)	-	2,594	-	(2,594)	-
New Zealand Local Government Funding Agency Limited borrower notes	64	-	(64)	-	64	-	(64)	-
Bank deposits with maturity terms more than 3 months	330	-	(330)	-	330	-	(330)	-
Bulk water supply contingency fund	323	-	(323)	-	323	-	(323)	-
Material damage property insurance contingency fund	101	-	(101)	-	101	-	(101)	-
Major flood contingency fund	71	-	(71)	-	71	-	(71)	-
Loan to WRC Holdings Limited	440	-	(440)	-	-	-	-	-
Derivatives	(446)	-	459	-	(446)	-	459	-
Financial liabilities								
Commercial paper	(946)	-	946	-	(749)	-	749	-
Floating rate notes	(4,000)	-	4,000	-	(4,000)	-	4,000	-
Derivatives	23,658	-	(25,756)	-	23,658	-	(25,756)	-
Total sensitivity to interest rate risk	19,688	-	(21,773)	-	21,946	-	(24,031)	-

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial instruments which expose Greater Wellington and the Group to credit risk are principally bank balances, loans and advances to joint ventures, receivables and investments. Greater Wellington and the Group monitors credit risk on an ongoing basis. The loans and advances to joint ventures are with a related party from CentrePort.

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Bank balances, bank bonds and notes as well as short term investments are held with New Zealand registered banks in accordance with Greater Wellington's Treasury Risk Management Policy. No collateral is held by Greater Wellington in respect of bank balances or investments. CentrePort Limited performs credit evaluations on all customers requiring credit and generally does not require collateral.

The initial Stadium advance from 1998 is reliant on the Stadium Trust repaying all its external debt prior to making repayments to the settling trustees. The repayment of the stadium advance is not expected to be realised.

The December 2020 advance to the Wellington Regional Stadium Trust matures in December 2030 and is expected to be repaid.

Concentration of credit risk

Greater Wellington derives the majority of its income from rates, the regional water supply levy, train fares and transport subsidies. Regional water supply levies are collected from the four Wellington metropolitan cities and rates are collected for Greater Wellington by the territorial authorities in the region on an agency basis. Funding for public transport is received from the Waka Kotahi New Zealand Transport Agency and the Te Manatu Waka Ministry of Transport.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

	Council		Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and term deposits	57,675	42,338	249,792	292,392
Trade and other receivables	53,638	89,711	63,939	106,069
Bank bonds/Floating rate note New Zealand Local Government Funding Agency Limited borrower notes	5,000	5,000	5,000	5,000
Stadium advance	7,650	6,800	7,650	6,800
Derivative financial instrument assets	900	-	900	-
Bulk water supply contingency fund	1,135	1,293	1,135	1,293
Material damage property insurance contingency fund	35,499	32,337	35,499	32,337
Major flood contingency fund	10,678	10,097	10,678	10,097
Loan to WRC Holdings Limited	7,396	7,113	7,396	7,113
Loans and Advances to Joint Ventures	44,000	44,000	-	-
Total credit risk	-	-	7,753	-
	223,571	238,689	389,742	461,101

Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to Standard & Poor's credit rating or to historical information about counterparty default rates.

Counterparties with credit ratings	Council		Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
New Zealand Local Government Funding Agency Limited borrower notes				
AA+	7,650	6,800	7,650	6,800
Cash at Bank and term deposits				
AA-	103,126	84,421	244,243	297,471
Moody's A1 = A+ S&P	8,122	-	38,122	-
A	-	7,459	21,000	44,459
Bank bonds/Floating rate note				
AA-	5,000	5,000	5,000	5,000
Derivative financial instruments				
AA-	1,135	1,293	1,135	1,293

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(c) Liquidity risk

Liquidity risk is the risk that Greater Wellington and the Group will encounter difficulty in raising funds to meet financial commitments as they fall due.

Greater Wellington minimises liquidity risk principally by maintaining liquid financial investments and undrawn committed lines with its relationship banks in accordance with the Treasury Risk Management Policy. The investments are in either short term deposits or negotiable securities that are readily traded in the wholesale market. All counterparties have an A or better S&P rating. CentrePort Limited reduces its exposure to liquidity risk through a bank overdraft and a New Zealand dollar commercial bill facility.

Contractual maturity analysis of financial liabilities

The table below analyses Greater Wellington and the Group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual date. Future interest payments on floating rate debt are based on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cashflows.

30 June 2021	Less than 3 months \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000	Contractual cashflows \$'000	Carrying amount \$'000
Council 2021							
Financial liabilities							
Trade and other payables	-	63,335	-	-	-	63,335	63,335
Commercial paper	62,000	20,000	-	-	-	82,000	81,850
Derivatives	3,646	9,544	11,027	21,605	7,117	52,939	52,432
Lines of credit	-	-	-	-	-	-	-
Floating rate notes	980	28,076	73,630	138,294	181,738	422,718	425,000
Fixed rate bond	-	1,078	1,078	3,234	30,388	35,778	25,000
Total financial liabilities	66,626	122,033	85,735	163,133	219,243	656,770	647,617
Council 2020							
Financial liabilities							
Trade and other payables	-	65,882	-	-	-	65,882	65,882
Commercial paper	75,000	20,000	-	-	-	95,000	94,655
Derivatives	2,061	12,108	14,073	35,588	21,428	85,258	85,367
Floating rate notes	980	28,076	73,630	138,294	181,738	422,718	400,000
Fixed rate bonds	-	1,078	1,078	3,234	31,464	36,854	25,000
Total financial liabilities	78,041	127,144	88,781	177,116	234,630	705,712	670,904
Group 2021							
Financial liabilities							
Trade and other payables	-	71,716	-	-	-	71,716	71,716
Commercial paper	62,000	-	-	-	-	62,000	74,930
Derivatives	3,646	9,544	11,027	21,605	7,117	52,939	52,432
Lines of credit	-	-	-	-	-	-	-
Floating rate notes	980	28,076	73,630	138,294	181,738	422,718	400,000
Fixed rate bond	-	1,078	1,078	3,234	30,388	35,778	25,000
WRCH Group Loans	-	-	-	-	-	-	-
NZ Green Investment Finance	-	7,592	-	-	-	7,592	7,500
Total financial liabilities	66,626	118,006	85,735	163,133	219,243	652,743	631,578
Group 2020							
Financial liabilities							
Trade and other payables	-	74,009	-	-	-	74,009	74,009
Commercial paper	75,000	-	-	-	-	75,000	74,930
Derivatives	2,061	12,108	14,073	35,588	21,428	85,258	85,367
Floating rate notes	980	28,076	73,630	138,294	181,738	422,718	400,000
Fixed Rate Bond	-	1,078	1,078	3,234	31,464	36,854	25,000
WRCH Group Loans	-	-	-	-	-	-	-
Total financial liabilities	78,041	115,271	88,781	177,116	234,630	693,839	659,306

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(d) Fair value hierarchy disclosures

For those instruments recognised at fair value in the balance sheet, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Council	Significant non observable inputs \$'000	Observable inputs \$'000	Quoted market price \$'000	Total \$'000
30 June 2021				
Financial assets				
Bank bonds / notes	-	5,000	-	5,000
New Zealand Local Government Funding Agency Limited borrower notes	-	7,450	-	7,450
Stadium advance	900	-	-	900
Civic Financial Services Limited shares	80	-	-	80
New Zealand Local Government Funding Agency Limited shares	7,072	-	-	7,072
Derivative financial instrument assets	-	1,135	-	1,135
Total assets	8,052	13,585	-	21,637
Financial liabilities				
Derivative financial instrument liabilities	-	52,432	-	52,432
Fixed rate bonds	-	25,000	-	25,000
Floating rate notes	-	425,000	-	425,000
Total liabilities	-	502,432	-	502,432
30 June 2020				
Financial assets				
Bank bonds / notes	-	5,000	-	5,000
New Zealand Local Government Funding Agency Limited borrower notes	-	6,800	-	6,800
Civic Financial Services Limited shares	80	-	-	80
New Zealand Local Government Funding Agency Limited shares	6,241	-	-	6,241
Derivative financial instrument assets	-	1,293	-	1,293
Total assets	6,321	13,093	-	19,414
Financial liabilities				
Derivative financial instrument liabilities	-	85,367	-	85,367
Fixed rate bonds	-	25,000	-	25,000
Floating rate notes	-	400,000	-	400,000
Total liabilities	-	510,367	-	510,367

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Group	Significant non observable inputs \$'000	Observable inputs \$'000	Quoted market value \$'000	Total \$'000
30 June 2021				
Financial assets				
Bank bonds / notes	-	5,000	-	5,000
New Zealand Local Government Funding Agency Limited borrower notes	-	7,450	-	7,450
Stadium advance	900	-	-	900
Civic Financial Services Limited shares	80	-	-	80
New Zealand Local Government Funding Agency Limited shares	7,072	-	-	7,072
Loans and Advances to Joint Venture	7,753	-	-	7,753
Derivative financial instrument assets	-	1,135	-	1,135
Total assets	15,805	13,585	-	29,390
Liabilities				
Derivative financial instrument liabilities	-	52,432	-	52,432
Fixed rate bonds	-	25,000	-	25,000
Floating rate notes	-	425,000	-	425,000
NZ Green Investment Finance	-	7,500	-	7,500
Total liabilities	-	509,932	-	509,932
30 June 2020				
Financial assets				
Bank bonds/notes	-	5,000	-	5,000
New Zealand Local Government Funding Agency Limited borrower notes	-	6,800	-	6,800
Civic Financial Services Limited shares	80	-	-	80
New Zealand Local Government Funding Agency Limited shares	6,241	-	-	6,241
Derivative financial instrument assets	-	1,293	-	1,293
Total assets	6,321	13,093	-	19,414
Financial liabilities				
Derivative financial instrument liabilities	-	85,367	-	85,367
Fixed rate bonds	-	25,000	-	25,000
Floating rate notes	-	400,000	-	400,000
Total liabilities	-	510,367	-	510,367

There were no transfers between the different levels of the fair value hierarchy

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Valuation techniques with significant non observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance of the level 3 fair value measurements.

There were no transfers between the different levels of the fair value hierarchy during the period.

Council	Level 3 \$'000
Balance at 1 July 2020	6,321
Gain and losses recognised in the operating surplus or deficit	-
Gain and losses recognised in other comprehensive revenue and expense	831
New debt / Transfer in	900
Maturing debt / Transfer out	-
Balance at 30 June 2021	8,052
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	-
Balance at 1 July 2019	5,281
Gain and losses recognised in the operating surplus or deficit	-
Gain and losses recognised in other comprehensive revenue and expenses	1,040
Maturing debt / Transfer out	-
Balance at 30 June 2020	6,321
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	-
Group	Level 3 \$'000
Balance at 1 July 2020	6,321
Gain and losses recognised in the operating surplus or deficit	-
Gain and losses recognised in other comprehensive revenue and expense	831
New debt / Transfer In	8,653
Maturing debt / Transfer out	-
Balance at 30 June 2021	15,805
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	-
Balance at 1 July 2019	5,281
Gain and losses recognised in the operating surplus or deficit	-
Gain and losses recognised in other comprehensive revenue and expense	1,040
Maturing debt / Transfer out	-
Balance at 30 June 2020	6,321
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	-

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(e) Financial instrument categories

Council	Assets at fair	Assets at fair	Shares, loans and receivables	Held to maturity investments	Total
	value through surplus or deficit	value through other comprehensive revenue and expense			
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
30 June 2021					
Cash and cash equivalents	-	-	4,675	-	4,675
Receivables and pre-payments	-	-	53,638	-	53,638
NZ Local Government Funding Agency shares	-	7,072	-	-	7,072
Civic Financial Services Limited shares	-	80	-	-	80
Wellington Water Limited shares	-	-	150	-	150
NZ Local Government Funding Agency borrower notes	-	-	-	7,650	7,650
Warm Wellington Funding	-	-	6,111	-	6,111
Bank Deposits with maturity terms more than 3 months	-	-	-	53,000	53,000
Stadium advance	-	-	-	900	900
Bulk Water Supply Contingency Fund	-	-	-	40,499	40,499
Material Damage Property Insurance Contingency Fund	-	-	-	10,678	10,678
Major Flood Contingency Fund	-	-	-	7,396	7,396
Derivative financial instruments	1,135	-	-	-	1,135
Loan to WRC Holdings Limited	-	-	-	44,000	44,000
Total assets	1,135	7,152	64,574	164,123	236,984
30 June 2020					
Cash and cash equivalents	-	-	9,338	-	9,338
Receivables and pre-payments	-	-	89,711	-	89,711
NZ Local Government Funding Agency shares	-	6,241	-	-	6,241
Civic Financial Services Limited shares	-	80	-	-	80
Wellington Water Limited shares	-	-	150	-	150
NZ Local Government Funding Agency borrower notes	-	-	-	6,800	6,800
Warm Wellington Funding	-	-	8,169	-	8,169
Bank Deposits with maturity terms more than 3 months	-	-	-	33,000	33,000
Bulk Water Supply Contingency Fund	-	-	-	37,337	37,337
Material Damage Property Insurance Contingency Fund	-	-	-	10,097	10,097
Major Flood Contingency Fund	-	-	-	7,113	7,113
Derivative financial instruments	1,293	-	-	-	1,293
Loan to WRC Holdings Limited	-	-	-	44,000	44,000
Total assets	1,293	6,321	107,368	138,347	253,329

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Assets	Assets at fair	Assets at fair	Shares, Loans and receivables	Held to maturity investments	Total
	value through surplus or deficit	value through other comprehensiv e revenue and expense			
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
30 June 2021					
Cash and cash equivalents	-	-	196,792	-	196,792
Receivables and pre-payments	-	-	63,939	-	63,939
NZ Local Government Funding Agency shares	-	7,072	-	-	7,072
Civic Financial Services Limited shares	-	80	-	-	80
Wellington Water Limited shares	-	-	150	-	150
NZ Local Government Funding Agency borrower notes	-	-	-	7,650	7,650
Warm Wellington Funding	-	-	6,111	-	6,111
Bank Deposits with maturity terms more than 3 months	-	-	-	53,000	53,000
Stadium advance	-	-	-	900	900
Bulk Water Supply Contingency Fund	-	-	-	40,499	40,499
Material Damage Property Insurance Contingency Fund	-	-	-	10,678	10,678
Major Flood Contingency Fund	-	-	-	7,396	7,396
Loans and Advances to Joint Venture	-	-	7,753	-	7,753
Derivative financial instruments	1,135	-	-	-	1,135
Total assets	1,135	7,152	274,745	120,123	403,155
30 June 2020					
Cash and cash equivalent	-	-	259,392	-	259,392
Receivables and prepayments	-	-	106,069	-	106,069
NZ Local Government Funding Agency shares	-	6,241	-	-	6,241
Civic Financial Services Limited shares	-	80	-	-	80
Wellington Water Limited shares	-	-	150	-	150
NZ Local Government Funding Agency borrowers notes	-	-	-	6,800	6,800
Warm Wellington Funding	-	-	8,169	-	8,169
Bank Deposits with maturity terms more than 3 months	-	-	-	33,000	33,000
Water Supply Contingency Investment	-	-	-	37,337	37,337
Material Damage Property Insurance Contingency Fund	-	-	-	10,097	10,097
Major Flood Contingency Fund	-	-	-	7,113	7,113
Derivative financial instruments	1,293	-	-	-	1,293
Total assets	1,293	6,321	373,780	94,347	475,741

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Liabilities	Liabilities at fair value through surplus or deficit	Measured at amortised cost	Total
	\$'000	\$'000	\$'000
Council			
30 June 2021			
Trade and other payables	-	63,335	63,335
Commercial paper	-	81,850	81,850
Floating rate notes	-	425,000	425,000
Fixed rate bond	-	25,000	25,000
Derivative financial instruments	52,432	-	52,432
Total liabilities	52,432	595,185	647,617
30 June 2020			
Trade and other payables	-	65,882	65,882
Commercial paper	-	94,655	94,655
Floating rate notes	-	400,000	400,000
Fixed rate bond	-	25,000	25,000
Derivative financial instruments	85,367	-	85,367
Total liabilities	85,367	585,537	670,904
Group			
30 June 2021			
Trade and other payables	-	71,820	71,820
Commercial paper	-	61,947	61,947
Floating rate notes	-	425,000	425,000
Fixed rate bond	-	25,000	25,000
Loans and Advances to Joint Venture	-	7,753	7,753
Derivative financial instruments	52,432	-	52,432
Total liabilities	52,432	591,520	643,952
30 June 2020			
Trade and other payables	-	74,009	74,009
Commercial paper	-	74,929	74,929
Floating rate notes	-	400,000	400,000
Fixed rate bond	-	25,000	25,000
Derivative financial instruments	85,367	-	85,367
Total liabilities	85,367	573,938	659,305

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27. Contingencies

	Council		Group	
	Actual 2021	Actual 2020	Actual 2021	Actual 2020
	\$'000	\$'000	\$'000	\$'000
Legal proceedings and obligations	159	-	159	-
Uncalled capital - WRC Holdings Limited				
50,000,000 \$1 shares uncalled and unpaid	50,000	50,000	-	-
19,000,000 \$1 shares, called and paid	-	1,126	-	-
3,500,000 \$1 shares uncalled and unpaid	3,500	3,500	-	-
12,100,000 \$1 shares, 11,774,000 shares called and paid	326	-	-	-
New Zealand Local Government Funding Agency Limited				
1,866,000 \$1 shares uncalled and unpaid	1,866	1,866	1,866	1,866
Total contingencies	55,851	56,492	2,025	1,866

Greater Wellington is a founding shareholder of the New Zealand Local Government Funding Agency Limited (LGFA). As part of the arrangement Greater Wellington has guaranteed the debt obligations of the LGFA along with other shareholders of the LGFA in proportion to its level of rates revenue. Greater Wellington believes the risk of this guarantee being called on is extremely low, given the internal liquidity arrangements of the LGFA, the lending covenants of the LGFA and the charge over rates the LGFA has from councils. Total security stock certificates on issue are \$14,420,000,000 (2020: \$12,437,500,000).

The Group has no contingent assets as at reporting date which is uncharged from previous year.

28. Related party transactions

Related party disclosures have not been made for transaction with related parties that are with a normal supplier or client/recipient relationship on terms and condition no more favourable than those that it is reasonable to expect Greater Wellington and the Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the

Greater Wellington Group, where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such transactions.

Related party transactions required to be disclosed

Greater Wellington has paid Wellington NZ totals grants of \$4.4m during the year (2020: \$4.4m). This grant partly funds Wellington NZ activities, of supporting the development of economic development strategies and initiatives for Wellington. Greater Wellington has collected these funds for the grant via the targeted WRS rate from all ratepayers.

During the year Greater Wellington issued commercial paper of \$19.9 million to its Subsidiary CentrePort Limited through a private placement transaction. All terms and conditions were consistent with those prevailing in the market at the time.

Key management personnel

	Parent Actual	Parent Actual
	2021	2020
	\$'000	\$'000
Council		
Remuneration	1,146	1,023
Full-time equivalent members	13	13
Executive Leadership Team including the Chief Executive		
Remuneration	2,673	2,797
Full-time equivalent members	10	11
Total key management personnel remuneration	3,820	3,820
Total full-time equivalent personnel	23	24

Due to the difficulty in determining the full time equivalent for Councillors, the full time equivalent figure is taken as the number of Councillors.

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29. Remuneration

Chief Executive remuneration

For the year ending 30 June 2021, Greater Wellington's Chief Executive, appointed under section 42(1) of the Local Government Act 2002, received a total remuneration from Greater Wellington of \$424,965 (2020: \$412,131).

	Actual 2021 \$	Actual 2020 \$
Councillor remuneration		
Councillor R Blakeley	82,791	81,031
Councillor J Brash	92,553	66,790
Councillor I McKinnon (until 20 November 2019)	-	26,385
Councillor A Staples	96,694	92,821
Councillor B Donaldson (until 20 November 2019)	-	32,631
Councillor P Gaylor	95,971	81,519
Councillor S Kedgley (until 20 November 2019)	-	27,521
Councillor K Laban	66,620	66,338
Chair C Laidlaw (until 20 November 2019)	-	57,168
Councillor P Lamason	85,698	84,577
Councillor and Chair D Ponter	165,418	142,478
Councillor P Swain (until 20 November 2019)	-	27,521
Councillor D Ogden (until 20 November 2019)	-	22,245
Councillor C Kirk-Burnnand	71,721	46,302
Councillor D Lee	79,705	51,544
Councillor G Hughes	82,760	53,323
Councillor J van Lier	68,546	45,459
Councillor R Connelly	66,620	44,291
Councillor T Nash	82,760	53,323
Total Councillors remuneration	1,137,857	1,103,267

The following table identifies the number of full time employees, including employees on maternity leave and their fixed term replacements, and the full time equivalent number of all other part time, fixed term and casual employees as at the end of the reporting period, 30 June 2021.

	Number of employees	
	2021	2020
\$60,000 and below	61	62
\$60,001 - \$79,999	157	151
\$80,000 - \$99,999	169	146
\$100,000 - \$119,999	87	74
\$120,000 - \$139,999	62	51
\$140,000 - \$159,999	20	15
\$160,000 - \$179,999	18	19
\$180,000 - \$199,999	11	10
\$200,000 - \$239,999	8	9
\$240,000 - \$440,000	6	7
Total employees	599	544
The number of full time employees as at 30 June 2021	583	525
The full time equivalent number of all other non-full time employees	51	57
The number of employees receiving total remuneration of less than \$60,000	61	62

A full time employee or full time equivalent is based on a 40 hour week.

Total annual remuneration has been calculated to include any non-financial benefits and other payments in excess of normal remuneration such as employer KiwiSaver contribution.

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If the number of employees for any band was 5 or less then it has been combined with the next highest band. Including the Chief Executive, the top band range is \$240,000 \$440,000.

30. Capital commitments and operating leases

	Council		Group	
	Actual 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Capital commitments				
Property, plant and equipment	-	4,105	80,266	77,575

WRC Holdings Limited has no capital or operating commitments as at 30 June 2021 (2020: Nil).

At balance date CentrePort had entered into commitments for the acquisition of property, plant, and equipment amounting to of \$21.5m for the Group (2020: \$10.1m).

Greater Wellington Rail at balance date had commitments in respect of contracts for capital expenditure of \$58.5 million (2020: \$63.3 million). This relates to the heavy maintenance the rolling stock.

Operating leases as lessee

Future minimum lease payments under non-cancelable operating leases as at 30 June are as follows:

	Council		Group	
	Actual 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Within one year	17,433	16,834	17,656	17,060
After one year but no more than five years	72,364	67,561	72,772	68,176
More than five years	66,933	78,303	67,228	78,636
Total non-cancellable operating leases	156,731	162,698	157,656	163,872

These leases have an average life of between 1 and 10 years with some renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

During the year \$5,041,346 was recognised as an expense in the statement of comprehensive income (2020: \$2,664,059).

Operating leases as lessor

Greater Wellington and the Group leases its investment properties under operating leases. The lease terms have non-cancelable terms from one to four years. The future aggregated minimum lease receipts to be collected under non-cancelable operating leases are as follows:

	Council		Group	
	Actual 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Within one year	3,029	3,443	20,943	21,581
After one year but no more than five years	6,860	7,680	54,327	60,921
More than five years	24,214	25,828	52,185	33,961
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases not recognised in the financial statements	34,103	36,951	127,456	116,463

No contingent rents have been recognised in the statement of comprehensive income during the period.

Electric vehicle commitments

Greater Wellington agreed to a series of greenhouse gas (carbon) reduction targets for its corporate operations and areas of direct influence. As a result, Greater Wellington has endorsed an action plan which puts forward a preference to accelerate the implementation of an electric bus fleet in the region by 2030.

Council has resolved to add 98 more electric buses to the current fleet of 10 electric buses in the Metlink fleet and has entered into contracts with operators for the supply of these. 25 of 98 new electric buses have been added into Te Pane Matua Taiao | Greater Wellington Regional Council
2020/21 Pūrongo ā Tau | 2020/21 Annual Report

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the fleet by financial year 2021. However the amounts payable are still commercially sensitive and have not been disclosed.

31. Severance payments

There were three employees (2020: four) who received severance payments of \$304,013 (2020: \$353,965). This disclosure has been made in accordance with section 33 of Schedule 10 of the Local Government Act 2002.

32. Rating base information

	Total
(a) the number of rating units within the district or region of the local authority at the end of the preceding financial year:	205,665
(b) the total capital value of rating units within the district or region of the local authority at the end of the preceding financial year:	\$158.676bn
(c) the total land value of rating units within the district or region of the local authority at the end of the preceding financial year.	\$83.3bn

Profit attributable to the ordinary equity holders of the Council

33. Major variances between actual and budget

Statement of comprehensive revenue and expenses	Council Actual 2021 \$'000	Council Budget 2021 \$'000
Revenue		
Rates and levies	179,231	179,823
Grants and subsidies	114,788	180,853
Other revenue	128,310	136,162
Total operational revenue	422,329	496,838
Operational Revenue	-	-
Expenditure		
Finance costs	(21,314)	(21,663)
Employee benefits	(61,868)	(56,755)
Grants and subsidies	(129,038)	(211,929)
Other operating expenses including depreciation	(222,958)	(236,766)
Operational surplus/(deficit) for the year before transport improvements	(12,849)	(30,275)
Grants and subsidies	10,243	14,811
Net revenue/(expenditure) for transport improvements	10,243	14,811
Surplus/(deficit) for the year before tax and fair value gains / losses	(2,606)	(15,469)
Asset revaluation	-	-
Fair value gains/(losses) in revenue and expenditure statement	32,775	13,821
Total comprehensive income/(deficit) for the year	30,169	(1,648)
Balance sheet		
Assets		
- Current	219,845	53,316
- Non-current	1,600,593	1,697,075
Total assets	1,820,438	1,750,391
Liabilities		
- Ratepayers equity	1,137,997	1,038,703
- Current liabilities	224,678	193,470

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Statement of comprehensive revenue and expenses	Council Actual 2021 \$'000	Council Budget 2021 \$'000
- Non-current liabilities	457,763	518,218
Total equity and liabilities	1,820,438	1,750,391
Statement of cash flow		
Cashflows from operating activities	64,794	14,417
Cashflows from investing activities	(81,651)	(89,481)
Cashflows from financing activities	12,195	87,506
	-	-
Net increase / (decrease) in cash, cash equivalents and bank overdraft	(4,662)	12,442
Cash and cash equivalents at the beginning of the year	9,338	11,395
Cash and cash equivalents at the end of the year	4,676	23,837

Greater Wellington's 2020/21 net operating deficit before fair value gains and losses is \$2.6 million, compared to a budgeted deficit of \$15.5 million. Total comprehensive income is \$30.2 million including fair value movements (\$32.8 million), which is \$19.0 million above budget.

Significant components of this variance are:

1. Transport operational grants and subsidies

The grants and subsidies are lower due to lower than budgeted capital expenditure and the reclassification of transitional rail subsidies received from Waka Kotahi from a gross to net basis.

2. Other revenue

Other revenue is lower mainly due to the impact of Covid-19 on the patronage numbers and the resultant lower farebox revenue offset by the payment of a special dividend from CentrePort.

3. Grants and subsidies

The grants and subsidies are lower due to the reclassification of transitional rail subsidies received from Waka Kotahi from a gross to net basis.

4. Other operating expenses

Other operating expenses are lower due to the reclassification of transitional rail subsidies received from Waka Kotahi from a gross to net basis and resource constraints in implementing the low carbon fund initiatives.

5. Total assets

The total assets are higher than budget mainly due to an advance made Wellington Regional Stadium Trust and a special dividend received from Centre Port during the year.

6. Ratepayers equity

Ratepayers equity is higher than budget mainly due to the favourable variance to budget as a result of fair value movements.

7. Cashflows

Cash and cash equivalents are significantly lower than budget mainly due to the investment of surplus funds for a term exceeding three months.

34. Events occurring after the balance date

Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The

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proposed reform programme is being progressed through a partnership basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner.

Following the Government announcement on the 27 October 2021 on Three Waters Reform, there is increased certainty with the proposal to transfer the three water delivery and infrastructure from the 67 councils to four Water Service Entities (WSEs). In June 2021, the Government proposed regional boundaries for each entity A, B, C and D, which would manage water assets for the country. Council would belong to WSE 'C', along with 22 other Councils. The WSE would be independent with a separate Board of Directors and Councils would have no shareholding and no financial interest. At the date of this annual report being approved for issue there is due to this announcement, increased certainty that should the legislation be enacted, Council will not provide water services from 1 July 2024.

Official cash rate

Subsequent to balance date the Reserve Bank reduced the Official Cash rate (OCR) on 18 August to 0.25% 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 rates swaps.

COVID-19

As an essential service provider, Metlink and CentrePort Limited are able to operate during all COVID-19 Alert Levels with appropriate additional public health measures in place. There is no any material impact on the operations.

Dividend

No dividend was declared post balance date by WRC Holdings Limited (2020: Nil).

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

He tauākī whākinga a te Pūrongo ā-Tau mō te tau ka oti i te 30 o Hune 2021 | Annual Report disclosure statement for the year ended 30 June 2021

What is the purpose of this statement?

The purpose of this statement is to disclose Greater Wellington’s financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Greater Wellington is required to include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations).

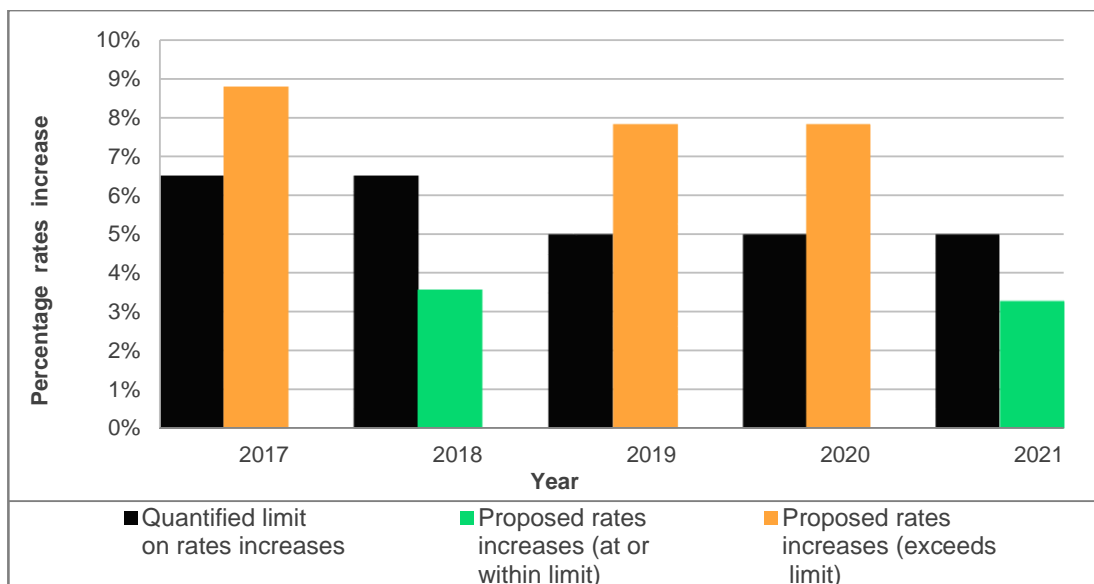
Refer to the regulations for more information, including definitions of some of the terms used in this statement.

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 Greater Wellington.

It is also important to keep in mind the overall strategy and policies the Council has also adopted when reading these graphs. These are included within the 2018-28 Long Term Plan.

Rates affordability

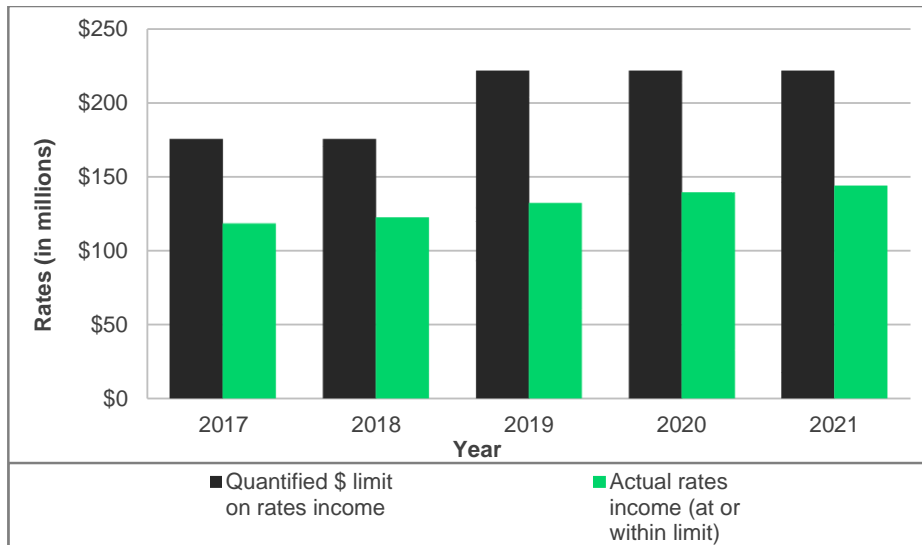
The following graph compares Council's actual rates increases with a quantified limit on rates increases contained in the Financial Strategy included in Council's Long Term Plan. The quantified limit is that rate increases will not exceed the Local Government Cost Index by more than 2%.



Rates (income) affordability

The following graph compares Council's actual rates income with a quantified limit on rates contained in the Financial Strategy included in Council's Long Term Plan.

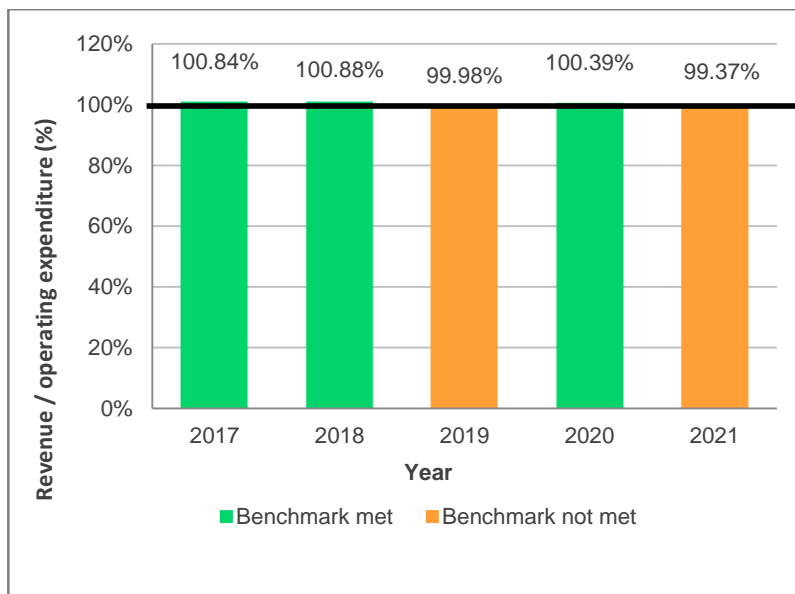
Greater Wellington adopted an average increase of 5.0% per annum (around \$30, GST inclusive, per year for the average residential ratepayer) in its 2018-28 Long Term Plan as it continues to significantly invest in improving the public transport network and the on-going flood protection programme.



Balanced Budget

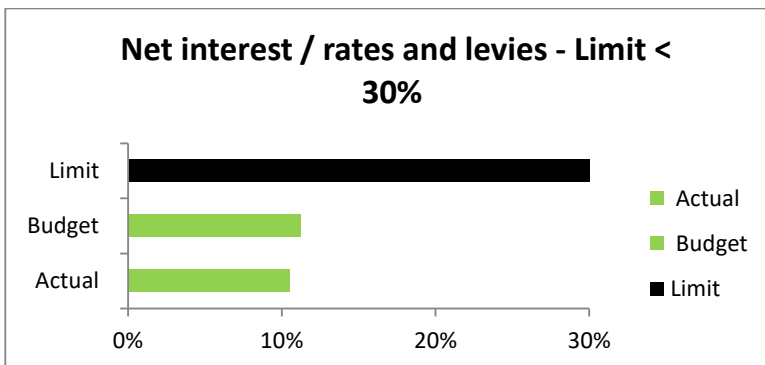
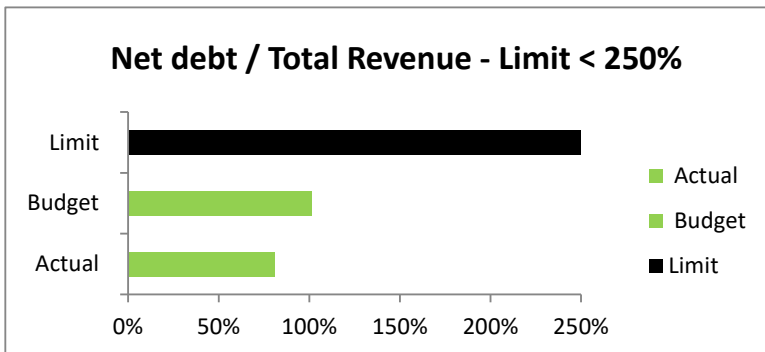
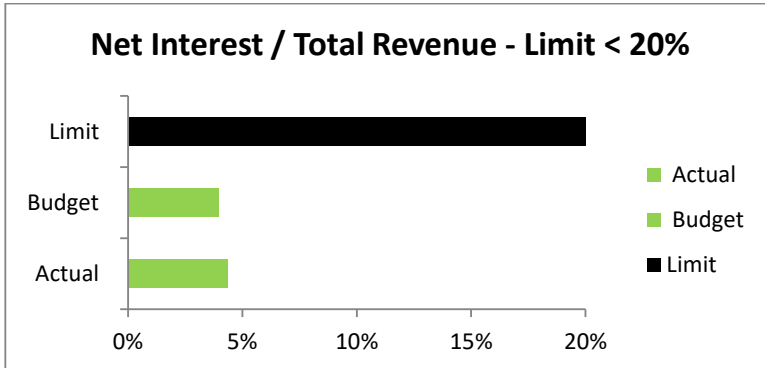
This graph shows whether the Council has been receiving revenue greater or less than its operational expenditure, i.e. whether the Council has raised adequate revenue to meet its on-going operational costs including depreciation and other non-cash adjustments.

Over recent years the Council has been exceeding this benchmark.



Financial Strategy financial limits

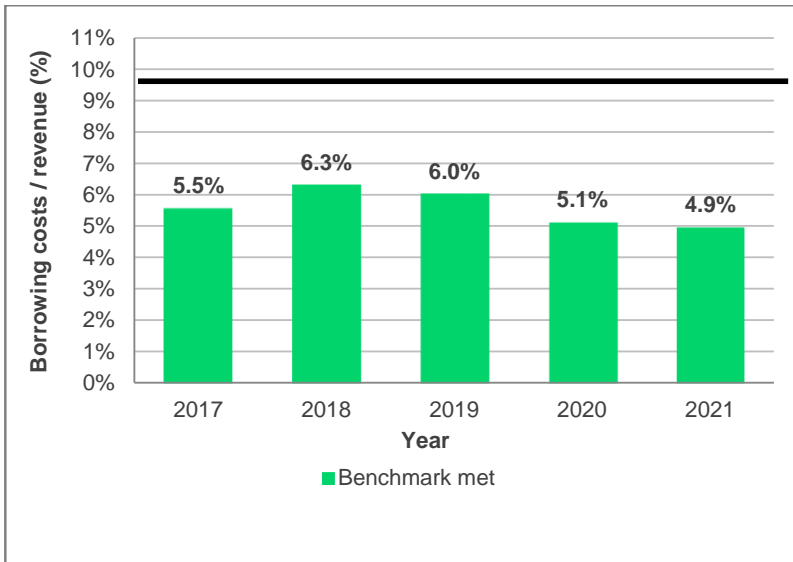
The goal of Greater Wellington’s Financial Strategy is to ensure Greater Wellington delivers good value for ratepayers’ investment by delivering the right services at the best cost. The Strategy encompasses three key financial limits that Greater Wellington adopted in its 2018-28 Long Term Plan. These graphs show that Greater Wellington is being managed within these financial prudential limits.



Debt affordability graphs – debt servicing

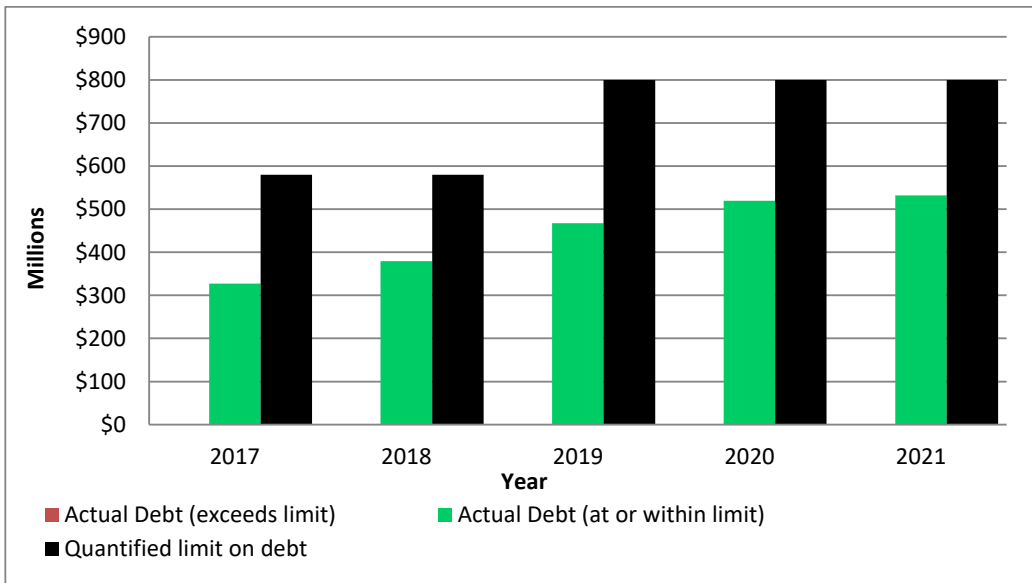
This graph shows the percentage of borrowing costs to revenue. A higher percentage indicates a higher exposure to shifts in interest rates. The benchmark prudential limit is set by Central Government at 10 percent for non-high population growth regions.

Greater Wellington continues to satisfy this benchmark test.



Debt affordability graphs – debt balance

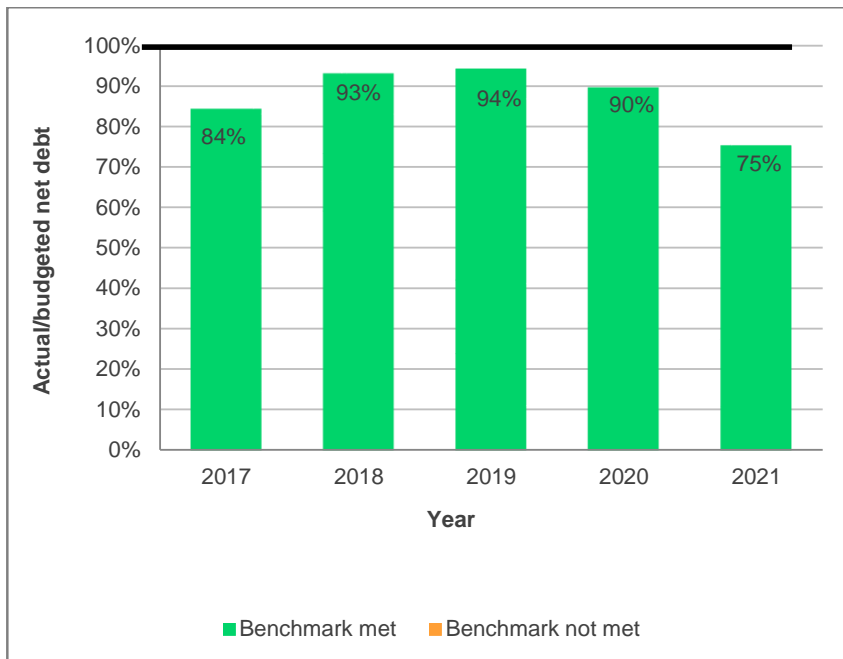
This graph shows the actual debt compared to the debt limit adopted in the 2018-28 Long Term Plan. In the 2018-28 Long Term Plan the debt projection was for debt to peak at \$763 million in 2024/25 as the full impact of the investment in upgrading the public transport network, the substantial flood protection work in the Hutt valley and the significant bulk water resilience projects are completed. Greater Wellington continues to satisfy this benchmark test.



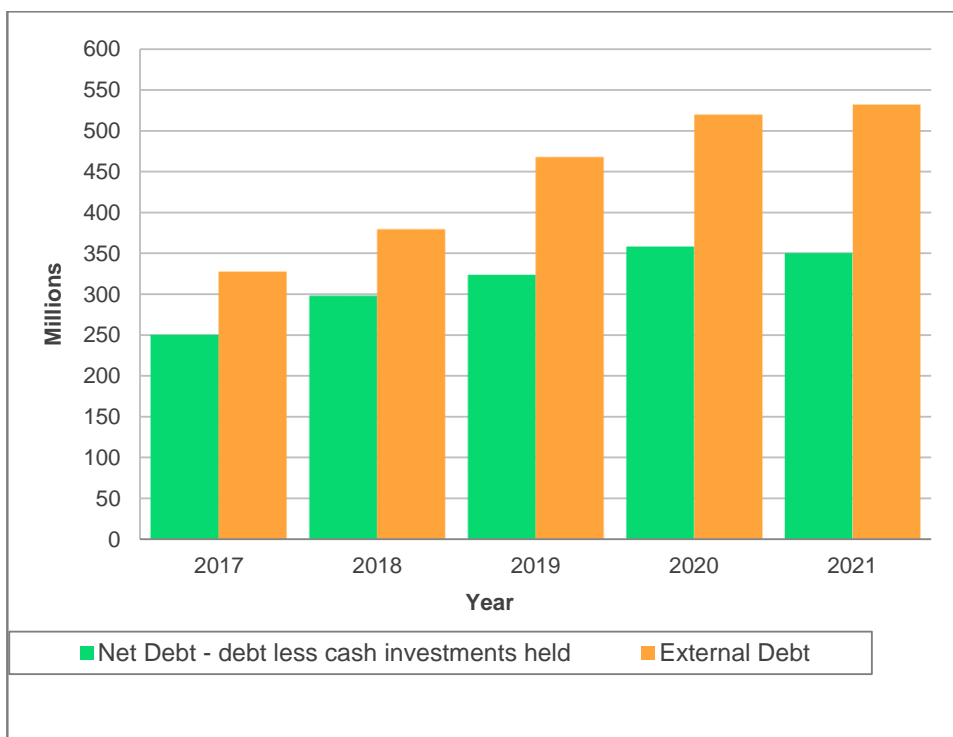
Debt affordability – debt benchmark

This graph indicates whether actual net debt is less than the budgeted net debt position. Percentages close to 100% indicate that our actual result is close to what we planned.

The Council meets this benchmark.



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

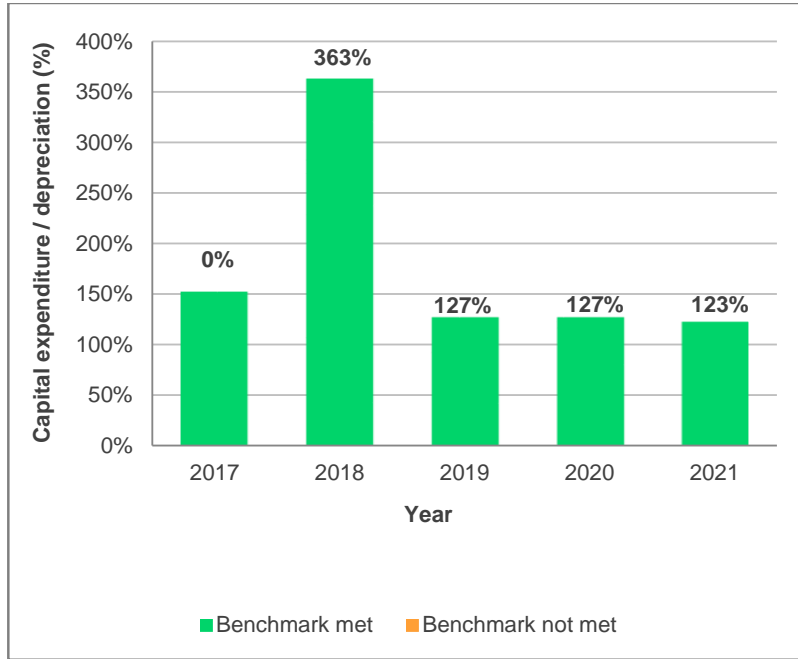


Essential services

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.

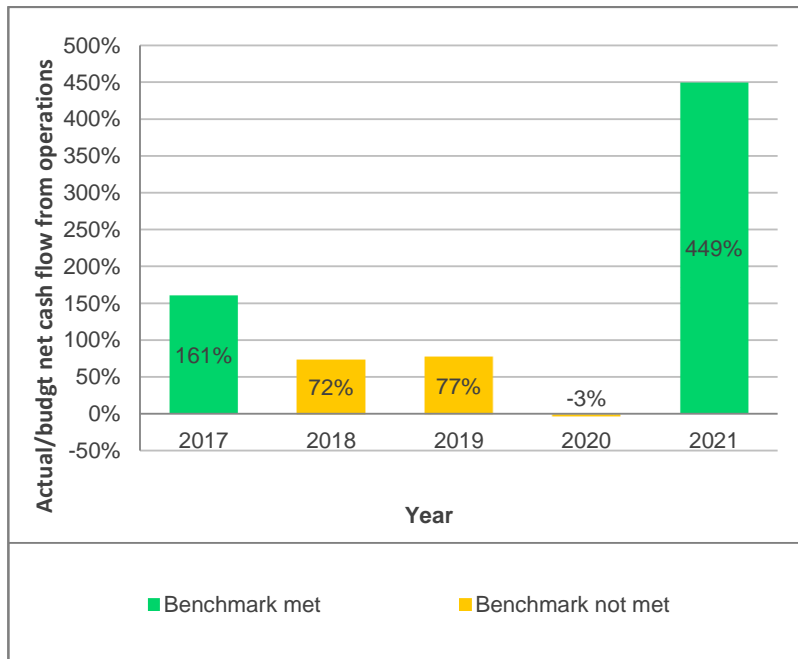
Over time we are meeting this benchmark due to the ongoing new flood protection works being built around the region.

With very long life assets it will not be unexpected to have large periods of time where the results are below this benchmark level.



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.



He tauākī mō te tutukinga o ngā tūtohu me ngā haepapa | Statement of compliance and responsibility

Compliance

The Council and Greater Wellington's management confirm that all the statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

Responsibility

The Council and Greater Wellington management accept responsibility for preparing the annual financial statements and judgements used in them. The Council and Greater Wellington management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and Greater Wellington management, the annual financial statements for the year ended 30 June 2021 fairly reflect the financial position and operations of the Greater Wellington Regional Council

Daran Ponter

Chair

16 December 2021

Nigel Corry

Chief Executive

16 December 2021

Alison Trustrum-Rainey

Chief Financial Officer

16 December 2021

He Pūrongo Arotake Pūtea | Audit Report

TO BE PROVIDED BY AUDIT

Ētahi atu taipitopito korero | Other information

Ngā Māngai a Rohe | Regional Councillors

KAPITI COAST	TE AWA KAIRANGI KI TAI/LOWER HUTT	PŌNEKE/WELLINGTON	PORIRUA-TAWA	TE AWA KAIRANGI KI UTA/UPPER HUTT	WAIRARAPA
Penny Gaylor M 027 664 8869 E penny.gaylor@gw.govt.nz	Ken Laban M 029 200 0044 E ken.laban@gw.govt.nz Prue Lamason M 021 858 964 E prue.lamason@gw.govt.nz Josh van Lier M 021 515 450 E josh.vanlier@gw.govt.nz	Roger Blakeley M 021 229 6928 E roger.blakeley@gw.govt.nz Glenda Hughes M 021 495 3673 E glenda.hughes@gw.govt.nz Daran Ponter T 04 830 4246 M 027 454 0689 E daran.ponter@gw.govt.nz David Lee M 021 220 2357 E david.lee@gw.govt.nz Thomas Nash M 029 123 1536 E thomas.nash@gw.govt.nz	Jenny Brash M 027 354 4233 E jenny.brash@gw.govt.nz Chris Kirk-Burnnand M 021 658 237 E chris.kb@gw.govt.nz	Ros Connelly M 027 733 5076 E ros.connelly@gw.govt.nz	Adrienne Staples M 027 446 8060 E adrienne.staples@gw.govt.nz

Ko te Tū ā Komiti o te Kaunihera | Council committee structure

As at September 2021

(C) Chair

(D) Deputy Chair (if appointed)

(Co-C) Co-chair (if appointed)

Council									
Cr Ponter (C) Cr Staples (D) Crs Blakeley, Brash, Connelly, Gaylor, Hughes, Kirk-Burnnand, Laban, Lamason, Lee, Nash, and van Lier.									
Environment	Transport	Chief Executive Employment Review	Climate	Finance, Risk and Assurance	Regional Transport	Te Upoko Taiao – Natural Resources Plan	Wairarapa	Wellington Regional Strategy	Hutt Valley Flood Management
Cr Gaylor (C) Cr Connelly (D)	Cr Blakeley (C) Cr Lee (D)	Cr Hughes (C) Cr Gaylor (D)	Cr Nash (C) Cr Lee (D)	Mr Martin Matthews (C) Cr Kirk-Burnnand (D)	Cr Staples (C) Cr Ponter (D)	Cr Brash (Co-C)	Cr Staples (C)	Mayor Foster (C) Mayor Barry (D)	Cr Lamason (C) Cr van Lier (D)
Crs Blakeley, Brash, Hughes, Kirk-Burnnand, Laban, Lamason, Lee, Nash, Ponter, Staples, and van Lier.	Crs Brash, Connelly, Gaylor, Hughes, Kirk-Burnnand, Laban, Lamason, Nash, Ponter, Staples, and van Lier.	Crs Kirk-Burnnand, Laban, and Ponter.	Crs Brash, Connelly, Gaylor, Kirk-Burnnand, Laban, and van Lier.	Crs Blakeley, Connelly, Hughes, and Lamason.		Crs Connelly, Gaylor, Nash, Staples, and van Lier.	Crs Gaylor, and van Lier	Cr Lee	Crs Connelly, and Laban
Ms Barbie Barton			Dr Maria Bargh		Mayors Baker, Barry, Beijen, Foster, Guppy, Gurnathan, Lang and Patterson. Ms Speight (NZTA) Mr Gordon (KiwiRail)	Mr Carter Ms Ropata	Mayors Beijen, Lang and Patterson.	Mayors Baker, Guppy, Gurnathan and Patterson. Deputy Mayor Free. Crs Calvert and Condie	Mayor Guppy. Deputy Mayor Lewis. Crs Edwards and Wheeler

Ko tā Te Pane Matua Taiao tū | Greater Wellington structure

As at September 2021

Nigel Corry Chief Executive							
Samantha Gain	Donna Hickey	Scott Gallacher	Alistair Cross	Wayne O'Donnell	Luke Troy	Monica Fraser	Jeremy Holmes
General Manager Corporate Services	Acting General Manager People and Customer	General Manager Metlink	General Manager Environment Management	General Manager Catchment Management	General Manager Strategy	Te Pou Wakarae Te Hunga Whiriwhiri	Regional Manager WREMO
Finance	Human Resources	Strategy and Investments	Environmental Policy	Flood Protection	Strategic and Corporate Planning		
Information Communications and Technology	Customer Engagement	Assets and infrastructure	Environmental Regulation	Land Management	Democratic Services		
Legal and Procurement	Customer Contact	Operations	Environmental Science	Biodiversity	Regional Transport		
Programme Management Office	Health, Safety and Wellbeing	Network and Customer	Parks	Biosecurity	Business Continuity and Emergency Management		
Treasury		Commercial Partnerships	Harbour Management		Company Portfolio Management and Economic Development		

Attachment 2 to Report 21.529

Reserve balance as at 30 June 2021 as compared to the Long Term Plan

Council created reserves	Purpose of the fund	Long Term Plan balance at 30 June 2021 \$000s	Actual reserve balance at 30 June 2021 \$000s
Area of benefit reserves			
Public transport reserve	Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure	9,095	11,982
Transport planning reserve	Any funding surplus or deficit relating to the provision of public transport planning services is used only on subsequent public transport planning expenditure.	865	539
WRS reserve	Any funding surplus or deficit relating to the Wellington Regional Strategy implementation is used only on subsequent Wellington Regional Strategy expenditure.	292	673
WREMO reserve	Contributions by other local authorities to run the WREMO	51	353
Catchment scheme reserves	Any funding surplus or deficit relating to the provision of flood protection and catchment management schemes is used only on subsequent flood protection and catchment management expenditure	12,512	11,043
Contingency reserves			
Environmental legal reserve	To manage the variation in legal costs associated with resource consents and enforcement	223	10
Flood contingency reserves	To help manage the costs for the repair of storm damage throughout the region.	3,395	3,079
Rural fire reserve	To help manage the costs of rural fire equipment.	81	80
Special reserves			
Election reserve	To manage the variation in costs associated with the election cycle	224	351
Corporate systems reserve	To manage the variation in costs associated with key IT infrastructure and software.	0	1,000
General reserve	To manage variation in costs associated with new initiative projects	0	11,538
Other reserve balances	Re-budgets and other reserve funds	73	6,687
Total reserves (GST exclusive)		26,811	47,335

Finance Risk and Assurance Committee
18 November 2021
Report 21.543



For Information

QUARTERLY FINANCE UPDATE – QUARTER 1 2021/22

Te take mō te pūrongo

Purpose

1. To provide the Finance, Risk and Assurance Committee (the Committee) with Greater Wellington Regional Council's (Greater Wellington) financial reports for the quarter ended 30 September 2021.

Te tāhū kōrero

Background

2. This report provides a review of the financial performance of Greater Wellington's activities for the year to 30 September 2021. The year-to-date operating position is \$1.4 million favourable to budget.

Te tātaritanga

Analysis

3. The finance report for the first quarter of the year ending 30 June 2022 is included as **Attachment 1** to this report. The key results are:
 - a Total Revenue was \$8.3m less than budget
 - b Total Expenditure was \$9.6m lower than budget
 - c This gave an operational deficit of \$4.4m, \$1.4m better than budget
 - d Capital expenditure was underspent by \$16.5m or 70 percent below budget.
4. Quarter 1 results were impacted by COVID-19 lockdown restrictions, with restrictions leading to reduced farebox revenue and delayed capital projects. It is anticipated that these impacts, although not as significant, will continue into the remaining three quarters of the year. It is anticipated that Greater Wellington will continue to see a material underspend to budget on capital projects by 30 June 2022.

Ngā āpitihanga

Attachment

Number	Title
1	Financial Summary Report – 30 September 2021

**Ngā kaiwaitohu
Signatories**

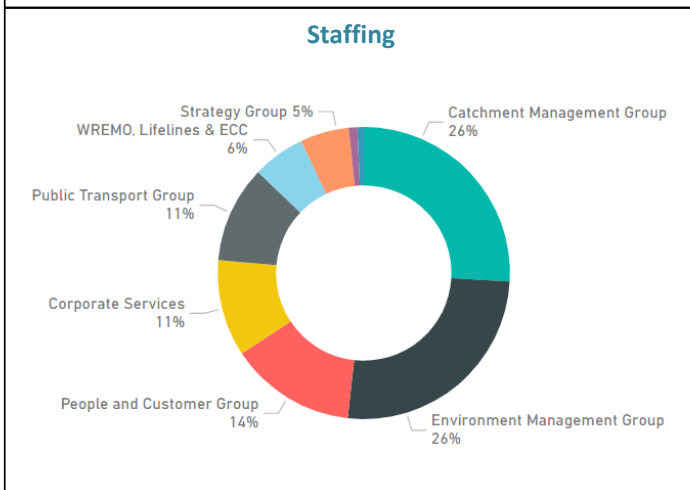
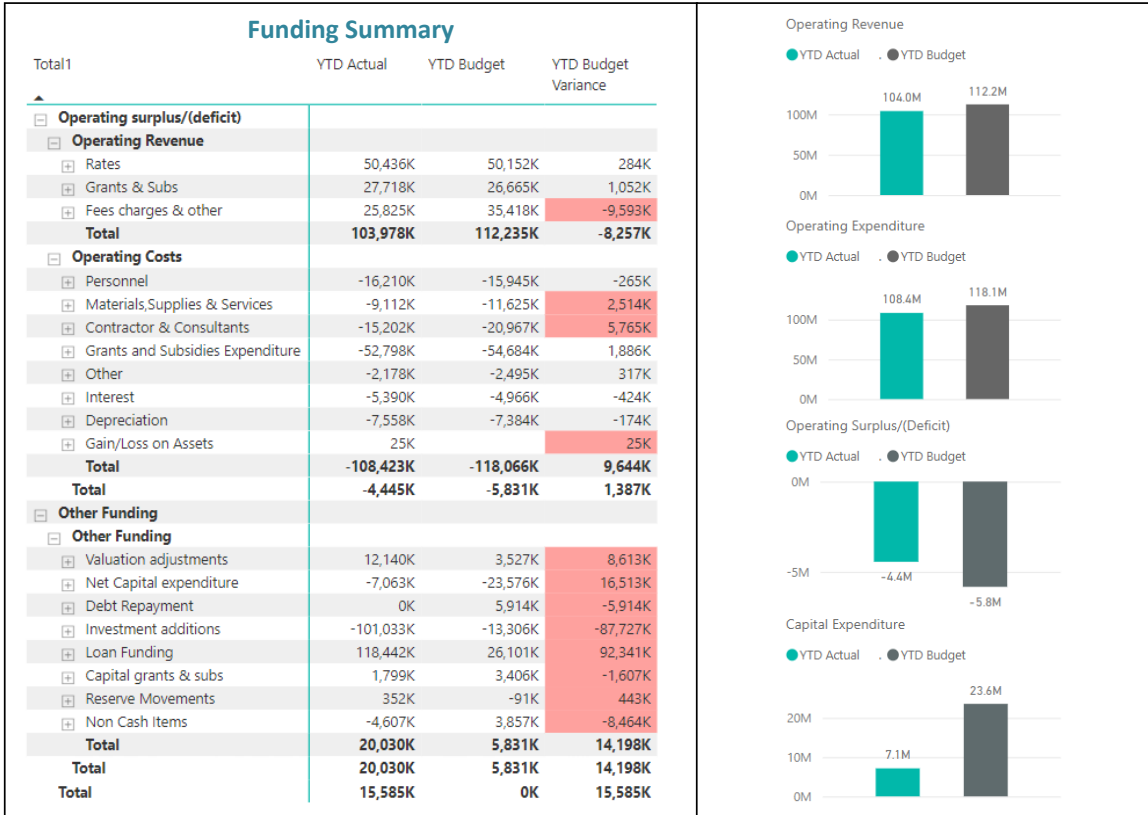
Writer	Darryl Joyce – Acting Accounting Services Manager Ali Trustrum-Rainey – Chief Financial Officer
Approver	Samantha Gain – General Manager, Corporate Services

He whakarāpopoto i ngā huritaonga Summary of considerations
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>The Committee’s specific responsibilities include to “review the robustness of the organisation’s financial performance”.</p>
<p><i>Implications for Māori</i></p> <p>There are no known implications for Maori.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>The report reviews performance against the financial statements in Council’s Long Tern Plan 2021/22.</p>
<p><i>Internal consultation</i></p> <p>All business groups contribute to Greater Wellington’s financial performance.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>There are no risks arising from this report.</p>

Attachment 1 to Report 21.543

Financial Summary Report – 30 September 2021

Council Financial Summary – 30 September 2021



Attachment 1 to Report 21.543

Financial Summary Report – 30 September 2021

Summary of Key Issues & Quarter One Financial Update

Key Issues

- The August COVID-19 lockdown caused a reduction in Public Transport farebox revenue of \$8m. Discussions with Waka Kotahi to fund more than the standard 51% of this short fall are continuing.
- The full year 21/22 CAPEX and OPEX project works schedule is under pressure due to the August 2021 COVID-19 country wide lock down, continued resource constraints and other project delays. These delays are elaborated further below.

An enhanced Project monitoring report has been developed in Ngātahi for use by the ELT to aid governance of the top 20 largest projects. This will go live with the Ngātahi go live of 1 February

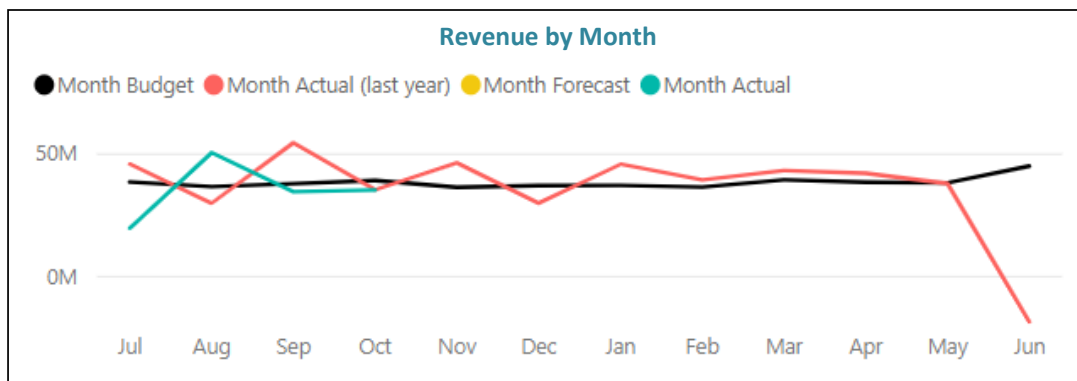
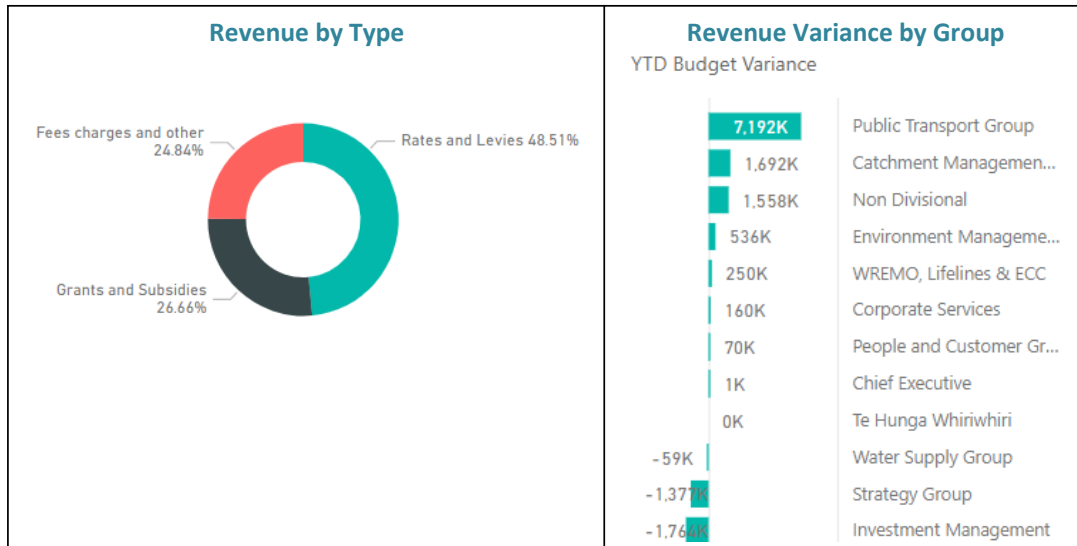
Quarter One Financial Update

- Total Revenue was \$8.3m less than budget. Public Transport was \$10.0m unfavourable in fare revenue due to Delta variant lockdown and changing public transport use as a result of Covid-19.
- Total Expenditure was \$9.6m lower than budget. Of this, \$4.6m was from Strategy, with \$3.4m – Regional Transport expenditure delays with LGWM and \$1.2m – Low Carbon Fund was not drawn down. \$2.3m was from Public Transport due to OPEX project delays with the EV programme, electrification of bus and ferry fleet. \$2.5m was from Catchment on land management, biodiversity and biosecurity projects due to Covid-19 restrictions.
- This gave an operational deficit of \$4.4m, \$1.4m better than budget.
- Capital expenditure was underspent by \$16.5m. The majority of this is due to Covid-19 and resource constraints. \$7.0m was from Flood Protection with delays in Shovel Ready and RiverLink construction, design and property purchases. \$5.1m was from delays in Water projects.

Financial Summary Report – 30 September 2021

Operating Revenue

-103,978,148 YTD Actual -112,235,109 YTD Budget 8,256,961 YTD Budget Variance



Revenue Key Variances

(\$7.2m) **Public Transport – (\$5.1m)** in bus fare revenue, due to the delta variant lockdown and change in working practices due to Covid-19. The bus fare revenue budget has dropped by \$2.0m since last financial year. **(\$4.9m)** was from rail fare revenue, also due to the delta variant lockdown and change in working practices due to Covid-19. The rail fare revenue budget has dropped by \$8.0m since last financial year. **\$2.8m**, Grants and Subsidies revenue of the unfavourable variances were offset by **\$2.2m** of bus fare revenue and **\$2.2m** of rail fare revenue. Grants and subsidies revenue is calculated an average of 51% of the net of farebox revenue and cost. With less farebox revenue more cost is claimed; hence more grants and subsidies revenue.

Attachment 1 to Report 21.543

Financial Summary Report – 30 September 2021

Another **(\$1.8m)** from PT was due to delays in EV programme, timetable changes and timing variance in ERAA and living wage.

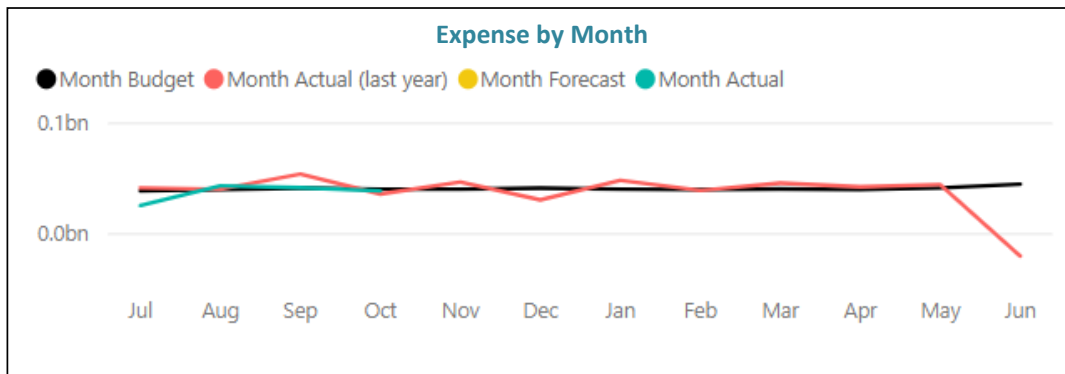
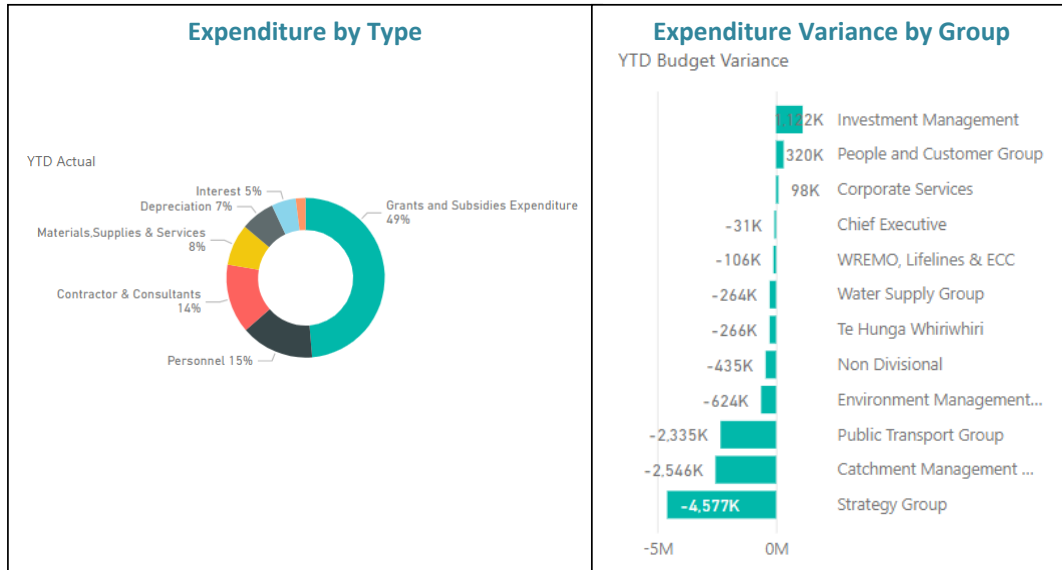
(\$1.7m) **Flood Protection – (\$2.2m)** was from the shovel ready project grant delays due to Covid-19 and procurement of contractors. MBIE funding may need to be carried forward to the next financial year subject to Crown approval. \$0.6m favourable in Land Management from timing of the phasing of Wellington Regional Erosion Control Initiative (WRECI) grant revenue.

Attachment 1 to Report 21.543

Financial Summary Report – 30 September 2021

Operating Expenditure

108,422,734 YTD Actual	118,066,420 YTD Budget	-9,643,686 YTD Budget Variance
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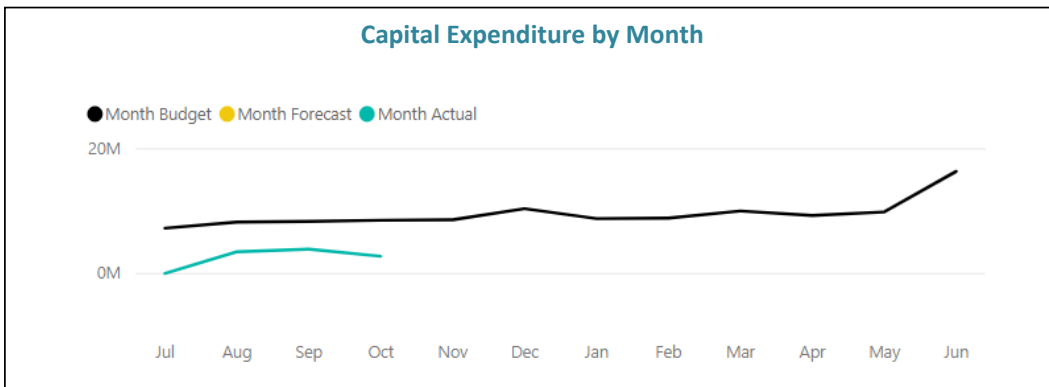
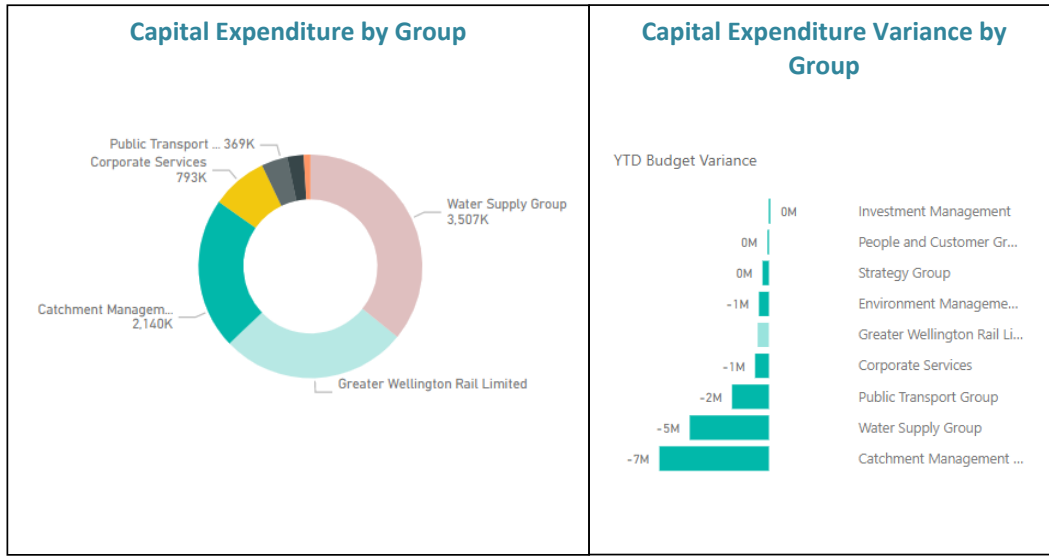
Expense Key Variances

- \$4.6m** **Strategy** – \$3.4m favourable mainly due to delay in LGWM and Transport Model, \$1.2m favourable as Low Carbon Fund is not drawn down.
- \$2.4m** **Public Transport** – Mainly due to delays in projects: \$1.0m in Electric Vehicle programme, \$0.6m in Bus Network timetable changes and Service Design enhancement, \$0.4m in electrification of Bus fleet and Ferry infrastructure and \$0.4m in RTI 2.0
- \$3.9m** **Catchment** – Mainly due to delays in projects: in Hill Country Erosion programme (WRECI), in Predator Free Wellington, Pinehaven stream works and the Wairarapa Moana MFE project.

Financial Summary Report – 30 September 2021

Capital Expenditure

7,135,213 23,575,895 -16,440,682
 YTD Actual YTD Budget YTD Budget Variance



Capital Expenditure Key Variances

- \$7.0m Flood Protection** – delays in multiple projects: \$2.8m in Shovel Ready and MFE projects from resourcing delays, \$2.9m in RiverLink due to delay of design/construction, \$0.7m in Kapiti FMP implementation due to Otaki FMP review not yet completed.
- \$5.1m Water** – \$4.5m due to delay in projects due to Covid19 and resource constraints, \$0.6m Kingsley Main project delayed due to re-design required.
- \$2.4m Public Transport** – Mainly due to delays in projects: \$0.8m in Porirua station bus shelter

Attachment 1 to Report 21.543

Financial Summary Report – 30 September 2021

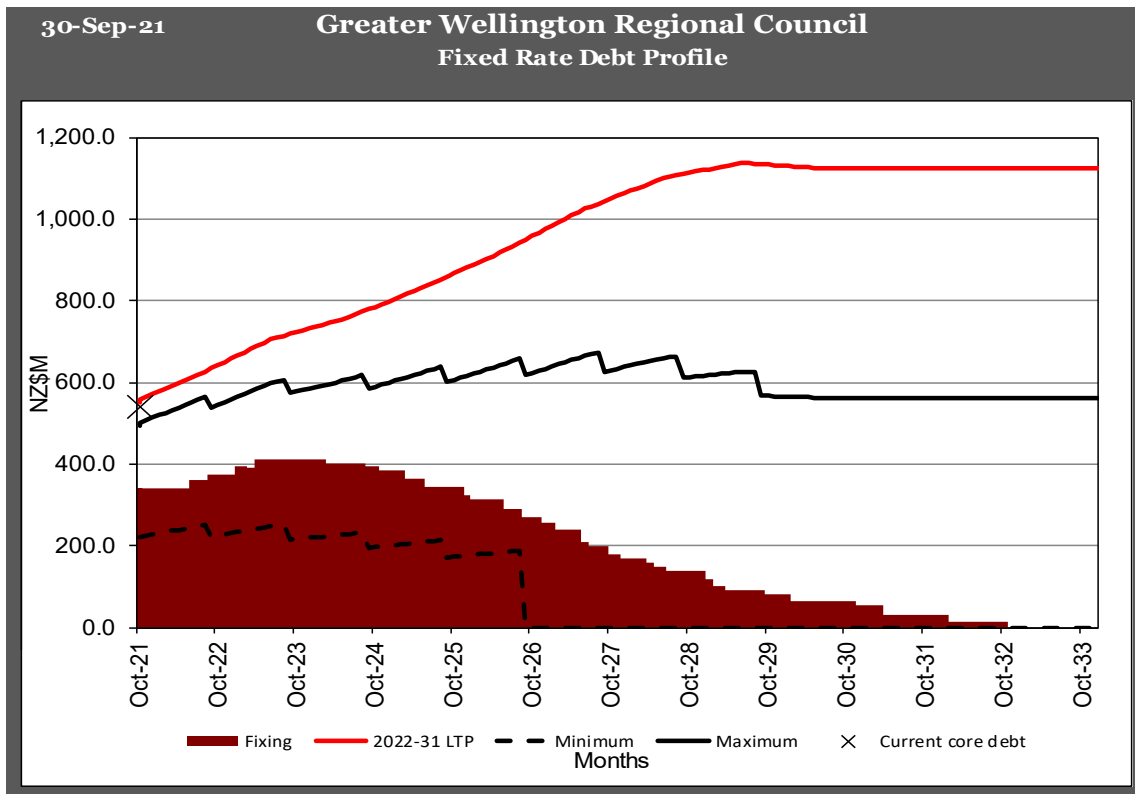
upgrade, \$0.6m in GWRC ticketing solutions, \$0.5m in Paraparaumu and Waikanae bus hubs and shelter upgrade, \$0.5m in multiple minor projects.

Attachment 1 to Report 21.543

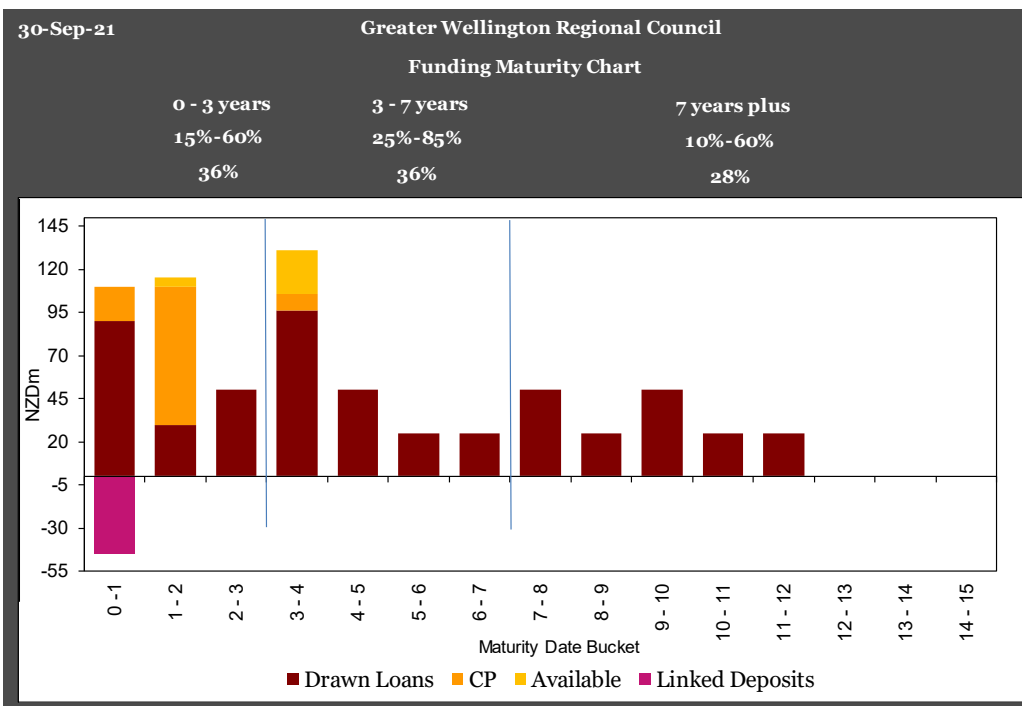
Financial Summary Report – 30 September 2021

Compliance with Treasury Risk Management Policy

Total Council Limit Compliance Analysis				Compliant		Compliant				
				Yes	No	Yes	No	actual %	%	
Debt Interest Rate Policy Parameters - based on 2021-51 LTP proposed										
Current	40% - 90%	✓	65%	Countersparty credit exposure with New Zealand registered banks which have a credit rating of at least A-, long term, and A2 short term						✓
year 1	40% - 90%	✓	59%	Other countersparty exposure within policy limits						✓
year 2	35% - 85%	✓	57%	Maximum countersparty exposure with a NZ registered bank is within \$119 million limit						✓
year 3	30% - 80%	✓	51%	The repricing of liquid financial investments are to occur within the following timebands						
year 4	25% - 75%	✓	40%	0 - 1 year	70% - 100%	✓	95%			
year 5	20% - 70%	✓	28%	1 - 5 years	0% - 30%	✓	5%			
year 6	0% - 65%	✓	19%	Core Council External Borrowing Limits - Ratios						
year 7	0% - 60%	✓	13%	Net Debt / Total Revenue < 300%						✓ 4.2%
year 8	0% - 55%	✓	8%	Net interest / Total Revenue < 20%						✓ 88.3%
year 9	0% - 50%	✓	6%	Net interest / Annual rates and levies < 30%						✓ 9.8%
year 10	0% - 50%	✓	3%	Liquidity > 110%						✓ 123%
year 11	0% - 50%	✓	1%							
year 12	0% - 50%	✓	0%							
year 13	0% - 50%	✓	0%							
year 14	0% - 50%	✓	0%							
year 15	0% - 50%	✓	0%							
The maturity of total external debt to fall within the following timebands										
0 - 3 years	15% - 60%	✓	36%							
3 - 7 years	25% - 85%	✓	36%							
> 7 years	10% - 60%	✓	28%							



Financial Summary Report – 30 September 2021



Finance Risk and Assurance Committee
30 November 2021
Report 21.550



For Information

HEALTH SAFETY AND WELLBEING UPDATE

Te take mō te pūrongo

Purpose

1. To advise the Finance, Risk and Assurance Committee (the Committee) of Greater Wellington Regional Council's Health, Safety and Wellbeing (HSW) performance and activity.

Te tāhū kōrero

Background

2. The HSW performance scorecard is outlined in [Attachment 1](#).

HSW Fatal and Severe risk controls programme

3. Fatal and Severe Risk (FSR) work programmes currently underway are transportation and driving, lone and remote working, and working on or over water. Progress on each is outlined below:

Transportation and driving

4. Key progress elements are:
 - a The FleetCoach communications and change management programme is in development currently with the Greater Wellington Brand and Insights team.
 - b Recruitment for the Greater Wellington fleet manager role has commenced and is anticipated an incumbent will be in place in early 2022.

Lone and remote working

5. Key progress elements are:
 - a The final handsets are being fitted to remaining Environmental Science and Land Management vehicles and will complete the roll out across the Greater Wellington fleet by end November 2021 before handover to BAU.
 - b Additional training is also being rolled out in conjunction with the remaining handsets.

Working on or over water

6. Key progress elements are:

- a The Working on or Over Water Standard, essential controls and toolkit guidance are with the Environment Management and Catchment Management General Managers for approval and sign-off as joint risk owners.

Wellbeing

- 7. Key progress elements are:
 - a Supporting employee wellbeing throughout the impact of COVID-19 continues to be a primary focus
 - b This includes regular multimedia messaging, including participation in Mental Health Awareness Programmes in October.

HSW support in response to COVID-19

- 8. The major focus since the last report has been responding to Government direction and the ever-changing COVID-19 landscape.
- 9. A COVID-19 exposure risk assessment, based on WorkSafe guidelines has been undertaken to consider where mandatory vaccination is a reasonable and necessary step to manage the risks presented by COVID-19 in Greater Wellington workplaces
- 10. This identified a number roles which potentially puts Greater Wellington workers at greater risk of exposure to COVID-19 because of one of the following factors:
 - a The role is defined as essential work at higher alert levels
 - b The nature of the work responding to emergencies
 - c The role is public facing/has high interaction with members of the public
 - d It is mandated by the Public Health Order (vaccinations) 2021 (the PHO) or
 - e It is requested by iwi partners, or other PCBU's (persons conducting or business undertaking) on a case-by-case basis (and becoming increasingly common).
- 11. We are now consulting on the COVID 19 exposure assessment, and the draft Greater Wellington COVID-19 vaccination policy. This policy outlines: measures in place to control the risk of COVID19 in our workplaces, supporting employees to be vaccinated, risk based mandatory vaccinations, and potential impacts of an employee not being vaccinated or electing not to disclose vaccination status where required.
- 12. Initial feedback indicates a high level of support for both the policy and mandatory vaccination across the organisation.
- 13. Legal advice has been sought to ensure our approach is robust and privacy obligations are met throughout the process.
- 14. We are now considering next steps once the new COVID-19 protection framework (the 'traffic light system') comes into effect and are waiting on guidance from Government and Taituarā (Local Government Professionals Aotearoa) to ensure we follow a consistent approach.

**Ngā āpitihanga
Attachment**

Number	Title
1	HSW performance scorecard to October 2021

**Ngā kaiwaitohu
Signatories**

Writer	Julie Barber, Manager, Health Safety and Wellbeing
Approvers	Samantha Gain, General Manager, Corporate Services Donna Hickey, General Manager, People and Customer

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> This report assures the Committee that Greater Wellington's legal obligations under the Health and Safety at Work Act 2015 are maintained and met.
<i>Implications for Māori</i> There are no known implications for Māori.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The HSW Policy and Wellbeing Strategy are included in Greater Wellington's Annual Plan 2020/21.
<i>Internal consultation</i> The COVID19 risk exposure assessment referenced in paragraph 10 was done in consultation with employees, managers and health, safety and wellbeing representatives.
<i>Risks and impacts - legal / health and safety etc.</i> The HSW risks and treatment are outlined in paragraphs 4 to 8 inclusive.

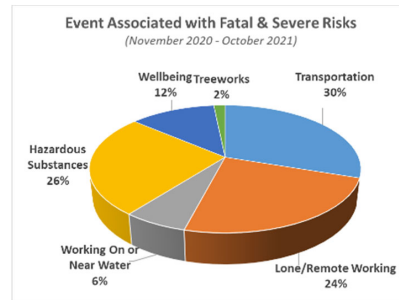
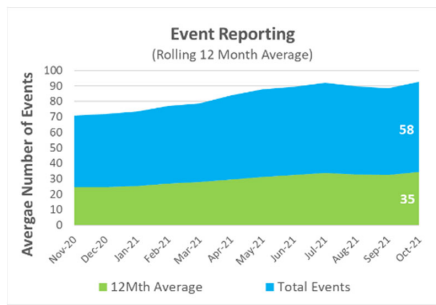
Attachment 1 to Report 21.550

Health, Safety and Wellbeing Performance Scorecard to end October 2021

Fatal and Severe Risk (FSR) Controls Programme

FSR title	Inherent risk	Residual risk	Target risk	Activity this quarter	
Transportation and driving	Very high	High	Medium	FleetCoach comms, change and implementation programme in development	On track
Lone and remote working	Very high	High	Medium	Radio network project nearing handover to BAU	On track
Working in or near water	Very high	High	Medium	Standard, essential controls and risk assessment tool with GM's Catchment and Environment for sign off	On track

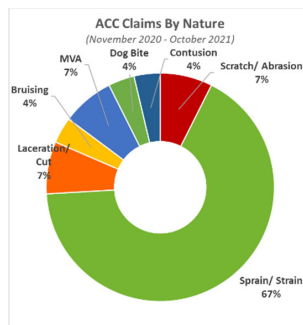
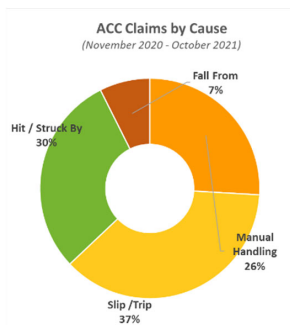
Event reporting



New / emerging trends September - October 2021

- Vehicle near miss event and collisions resulting in minor damage
- Staff engaging with members of public acting unlawfully
- Slips, trips and falls resulting in minor injury

ACC work injury claims

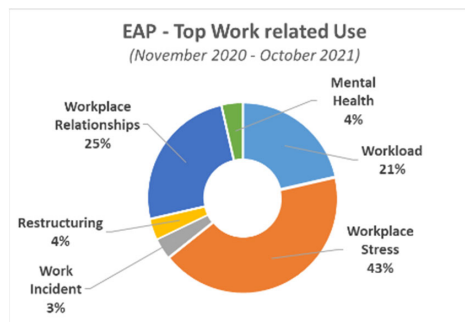
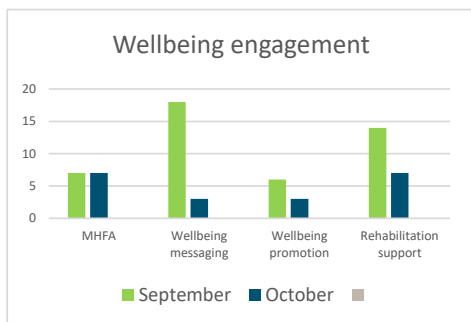


Work injury claims last 12 months	
Total claims	27
Lost time claims	8
Total days lost	609
Includes 3 longer term claims following surgery, 2 concussion following MVA, the remainder of LT injuries resulted from minor events with less than 7 days lost time	



**Attachment 1 to Report 21.550
Health, Safety and Wellbeing Performance Scorecard to end October 2021**

Wellbeing



*Mental health first aid * Work, non-work and illness rehabilitation EAP – Employee Assistance Programme

High Consequence Events: September - October 2021

Dept	Event type	Event description	Corrective action
Flood Protection	Near miss / property damage	Nut securing mower blade came off causing the blade to come free and puncture tractor tyre.	Blade secured with castle nut and split pin to prevent recurrence.



Finance, Risk and Assurance Committee
30 November 2021
Report 21.527



For Information

HARBOUR MANAGEMENT – RISK AND COMPLIANCE UPDATE - NOVEMBER 2021

Te take mō te pūrongo
Purpose

1. To update the Finance, Risk and Assurance Committee (the Committee) on any significant compliance issues or emerging or changing risks affecting Greater Wellington's Harbours function.

Te tātaritanga
Analysis

Shelly Bay wharves

2. Further clarification is being sought in relation to ownership of the Shelly Bay wharves and this will inform further action.

Channel Risk Assessment

3. Two stakeholder consultation meetings relating to Channel Risk Assessment will have been held by the time of the November Committee meeting and a verbal update will be provided by officers.

Sunken/Derelict vessels

Sealion

4. The vessel is berthed at Glasgow wharf, where the owner is continuing to work on the vessel.
5. There is a caretaker on board and officers will continue to monitor the situation.

Mana bridge jumping

6. Porirua City Council (PCC) have replied to the letter sent by Greater Wellington regarding the bridge jumping situation. They are willing to be involved in looking at multi-party solutions for the area.
7. Greater Wellington and PCC met on 11 November and this issue was discussed. Actions from that meeting were for Greater Wellington to work with PCC and Waka Kotahi to create a formal risk assessment.
8. The information already held by officers and discussed with the Committee provide a good starting point, and officers will make contact with other agencies to progress this.

9. The flexible marker poles trialed have remained in place and seem to assist so more will be installed shortly. This should improve the situation when there are no guards present.
10. Security guards have started in the vicinity working on the good weather days - to good effect.

Wave measuring buoys

11. On Wednesday 13 November 2021, while hosting Greater Wellington Councillors at Beacon Hill, the remaining wave buoy came adrift. This was recovered two days later by NIWA. It was checked and replaced on 1 November 2021.
12. The second buoy is still waiting for parts and will be replaced once repaired. The location will depend on NIWA's report comparing the two locations we have had for the past year.
13. NIWA is considering purchasing a third buoy to have in reserve at Greta Point.

Navigation aids

14. While going to the rear leading light - one of the main lights for entering the harbour, located near Makaro/Ward Island - it was found the walkway between the concrete tower and the timber structure we tie too had been washed away in bad weather.
15. Safe alternative access was arranged, and officers are looking at an improved long-term solution. This highlighted that the location of some of our critical assets do face unexpected issues. Officers take this as an opportunity to review what is in place and look for improvements when carrying out repairs or replacement.

Navigation issues

Barrett reef buoy issues

16. Officers engaged contractors to place an additional anchor on the mooring for the navigation buoy at the harbour entrance.
17. When the spare anchor was placed on the seabed, a rope was run between the existing mooring and the new anchor (normal practise). At same point after this work was completed one end of the rope came loose and floated to the surface.
18. Over two days two recreational vessels fouled this line with their propellers. Both required assistance to return to their berths.
19. The contractors were contacted after the first instance but were not able to inspect the site at that time.
20. The contractors subsequently inspected the site, identified their rope and removed the issues. They have taken responsibility and are working with both vessel owners.
21. A report has been provided to officers recommending changes to avoid a possible reoccurrence.

Aratere gearbox issues

- 22. At the end of October the *Aratere* developed a problem with a gearbox on one of their shafts. This resulted in communication between Greater Wellington’s Harbourmaster, Marlborough Harbourmaster and Interisland line to establish what had happened, what the company wished to do and any safety issues around the vessel.
- 23. On this occasion a tug accompanied the vessel through The Sounds and then another met the *Aratere* near the harbour entrance at Wellington. This was agreed with the ships surveyor specifically for that situation.

Vessel Valentine

- 24. Interisland Line are looking to introduce a freight ship by the end of this year to boost their lost capacity due to the loss of the *Kaiarahi* until sometime next year.
- 25. As this is a new vessel to Cook Strait, the company has approached the Harbourmasters in Marlborough and Wellington to consider a risk assessment on how to familiarise crew with berthing the ship safely at both ports safely.
- 26. Officers have had input and signed off on their proposal and this will now be considered by Maritime New Zealand.
- 27. The *Valentine* has left dry-dock and is on its way to New Zealand.

Ngā hua ahumoni

Financial implications

- 28. The disposal of derelict or uninsured vessels will be an unplanned expenditure from our operating budget.
- 29. Recommendations from the channel risk assessment will have a variety of financial implications for both CentrePort and Greater Wellington. Depending upon the recommendations followed and how they are implemented, changes can be planned for over time.

Ngā tūāoma e whai ake nei

Next steps

- 48. The Committee will be updated on these risks, and any new issues, in future reports.

Ngā kaiwaitohu

Signatories

Writer	Grant Nalder – Manager, Harbours, Harbourmaster
Approvers	Al Cross – General Manager, Environment Management Samantha Gain – General Manager, Corporate Services

He whakarāpopoto i ngā huritaonga Summary of considerations
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>This report allows the Committee to “review... Greater Wellington’s identification and management of risks faced by Council and the organisation... [including]... whether Greater Wellington is taking effective action to mitigate significant risks.”</p>
<p><i>Implications for Māori</i></p> <p>Risk mitigation can protect and preserve taonga.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>This report does not contribute directly to Council’s or Greater Wellington’s key strategies, plans, or policies.</p>
<p><i>Internal consultation</i></p> <p>Environmental Regulation were consulted regarding Shelly Bay wharves.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>Specific risks and related mitigations are discussed in the Analysis section of this report.</p>

Finance, Risk and Assurance Committee
30 November 2021
Report 21.557



For Information

BUSINESS ASSURANCE UPDATE

Te take mō te pūrongo
Purpose

1. To provide the Finance, Risk and Audit Committee (the Committee) with an update on Business Assurance reviews and related action points.

Te horopaki
Context

Business assurance/Internal audit action points

2. The outstanding action points and relevant updates from prior audit reports are outlined in the Audit Status Update November 2021, [Attachment 1](#). These all relate to the *Health and Safety audit* completed in July 2021. Action points in earlier audit reports have all been completed.

Business Assurance Plan

3. The Committee approved an updated outline Business Assurance Plan at its meeting on 12 October 2021 (Report 21.465 - Attachment 3 setting out the plan on a page, and Attachment 4 the outline scope of each review), and requested that a review relating to regulatory risks in relation to the reliance on data from disparate sources, also be included in the plan.

Te tātaritanga
Analysis

Amendment of Business Assurance Plan

4. It is proposed that a business assurance review relating to regulatory risks would look at Greater Wellington's systems and processes to ensure regulatory requirements are met, and to check the integrity of the data relied upon to exercise those requirements.
5. Officers are reviewing the placement of the reviews in the Business Assurance Plan, to accommodate the 'regulatory' review. It is realistic to plan for three or four business assurance reviews each year, given available resourcing capacity in Greater Wellington and PricewaterhouseCoopers (PwC), and available budget.
6. There has been a delay in commencing the procurement and contract management review (scheduled to occur this quarter). This will now take place in Quarter 1 2022 (January – March 2022). Adding the regulatory review in 2022 will take the planned reviews in 2022 to six. Officers consider the Post Optimus implementation review could

be removed from the business assurance programme, on the basis that there will be an internal review by the project team, and that there is an independent quality assurance review prior to each 'go-live' which has not identified any major challenges.

7. Following the commencement of the new General Manager, Environment (29 November 2021), further work will be done to schedule the reviews, and a revised plan will be presented to the Committee at its next meeting.

Ngā hua ahumoni

Financial implications

8. There are no financial implications. The costs of having the business assurance reviews undertaken are covered in operational budgets.

Ngā tikanga whakatau

Decision-making process

9. The matters requiring decision in this report were considered against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga

Significance

10. Officers considered the significance (as defined by part 6 of the Local Government Act 2002) of these matters, taking into account Greater Wellington's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers consider these matters are of low significance, due to their administrative nature.

Te whakatūtakitaki

Engagement

11. Given the low significance of these matters, no engagement was considered necessary.

Ngā tūāoma e whai ake nei

Next steps

12. Officers will work with Greater Wellington's business assurance partner (PwC) to refine scope and timing of the reviews, with a revised plan to be presented to the next meeting.
13. Officers will continue to report back to the Committee on the implementation of the business assurance plan as the audits are completed and will continue to monitor the audit action points for completion.

**Ngā āpitihanga
Attachment**

Number	Title
1	Audit Status Update November 2021

**Ngā kaiwaitohu
Signatory**

Approver	Samantha Gain – General Manager, Corporate Services
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He whakarāpopoto i ngā huritaonga Summary of considerations
<p><i>Fit with Committee’s terms of reference</i></p> <p>The Committee’s Terms of Reference provide for it to “approve an internal audit plan”.</p>
<p><i>Implications for Māori</i></p> <p>There are no known impacts for Māori.</p>
<p><i>Contribution to Annual Plan / Long term Plan / Other key strategies and policies</i></p> <p>Internal audit / business assurance reviews the effectiveness of Greater Wellington’s internal controls framework and processes such that Council can deliver effectively on its objectives, including safeguarding assets as set out in its Long Term Plan and Annual Plans. Internal audit supports the risk management policy and risk management framework.</p>
<p><i>Internal consultation</i></p> <p>The proposed internal audit arrangements were developed by management in consultation with a number of Greater Wellington’s third tier managers, with ELT oversight and review, and taking into account Committee and Council input provided in a workshop on 27 July 2021.</p>
<p><i>Risks and impacts: legal / health and safety etc.</i></p> <p>Internal audit acts to reduce risk by ensuring controls are operating as Greater Wellington has developed through its policies and procedures.</p>

Attachment 1 to Report 21.557

Audit Status Update November 2021

Recommendations and responses for internal audit reviews

Audit point action item	Responsibility	Audit Priority	Expected completion date	Action (required/completed) to address audit point/update on progress	Complete Yes ✓
Health, Safety & Wellbeing (July 2021)					
Review management, and broader employee, HSW KPIs and update to align to and promote the Council's HSW vision and specific HSW role accountabilities. This should also include continuing the work underway to define and set the HSE annual targets and objectives for the Finance, Risk and Audit Committee (FRAC) and ELT	HSW manager	P1	March 2022	CE HSW KPI revised from measuring LTIFR to number of HSW site visits/ interactions and reporting findings to Council, in September when the new CE came into office. This will cascade to ELT and senior leaders	
Establish competency measures or criteria for team leaders and management as part of their performance measurement framework	HSW manager	P2	June 2022	Linked to above	
Establish an upwards feedback mechanism that allows individuals and teams to capture how well their direct managers and leaders are enabling the HSW vision	HSW manager	P2	Aug 2022	HSW culture survey	
Continue developing the current initiatives to a) improve the HSW conversations at Executive level and b) developing and rolling out the 'lessons worth sharing' approach.	HSW manager	P2	June 2022	Lessons worth sharing format in development currently	
Review the FSR register for risk rating and action clarity and consistency	HSW manager and team	P1	March 2022	Scoping underway for critical risk review underway. This will be put into a project discipline commencing Jan 2022.	

Attachment 1 to Report 21.557

Audit Status Update November 2021

Audit point action item	Responsibility	Audit Priority	Expected completion date	Action (required/completed) to address audit point/update on progress	Complete Yes ✓
Work with employees to identify those critical risks where there is not a clear and complete understanding of the required mitigations, and support through appropriate education, mentoring or partnering. Progress on this should be included in HSW reporting given the critical nature of these risks	HSW manager	P2	June 2022	Workers working with the risk included in development of risk review (above) and control/development of risk controls HSW training a package which covers this currently in development	
Continue developing standards, guidelines and assessment tools for managing this important FSR		P3	TBC		
The Human Resources team should consult with the Health and Safety team to refresh the training register to reflect the training completed to date, and develop processes to maintain the training register. This could include exploring opportunities to use KESAW to record the training completed by individuals	HSW / HR managers	P2	June 2022	Some dependency on HR implementing an LMS system in the next 12 months	
Set up working on or near water competency evaluation measures to confirm personnel continue to have the right capability to manage this critical risk.	HSW manager and team	P1		Working on or near water standard, guidance and essential control have been finalised after consultation and feedback with risk holders and due for GM signoff. Working on or near water assessment tool in place. Training and	

Attachment 1 to Report 21.557

Audit Status Update November 2021

Audit point action item	Responsibility	Audit Priority	Expected completion date	Action (required/completed) to address audit point/update on progress	Complete Yes ✓
				competency matrix review and update underway	
Develop an appropriate action plan to address the wellbeing concerns highlighted in the recent wellbeing survey. Given the specialised nature of wellbeing and mental health, consideration should be applied to sourcing external expertise to help and/or guide the development of the Council's response	HSW / HR managers	P1	March 2022	Procurement for Rongoma Maori mental health providers underway Planning for protecting mental health at work pilot underway	
Develop a change management approach that helps the Council further develop the maturity and buy-in of its HSW approaches. This should include consideration given to: <ul style="list-style-type: none"> • Continuing engaging with operational teams to understand what is working well and opportunities to improve the efficiency of HSW process whilst still managing HSW risks • Developing a map of all HSW processes and systems to understand the level of relevance, consistency and utilisation, and identify where approaches and enablers can be consolidated or streamlined • Continuing to consult with operational teams on upcoming changes, initiatives and suggestions 	HSW manager	P3	TBC		

Attachment 1 to Report 21.557

Audit Status Update November 2021

Audit point action item	Responsibility	Audit Priority	Expected completion date	Action (required/completed) to address audit point/update on progress	Complete Yes ✓
before implementation to avoid hesitance in acceptance, inefficiencies and inconsistencies <ul style="list-style-type: none"> Identification of opportunities for improving system functionality (where possible) 					
Continue to emphasise and enforce the contractor procurement policies and due diligence checks related to Health and Safety.	HSW manager/senior advisors	P2	June 2022	Review and update of contractor policies and procedures is planned in Q3 of the HSW business plan	
Develop an approach to provide assurance over the operation of GWRC's health and safety obligations and commitments (refer to the report for the objectives described that is required for management to develop an HSW oversight/ assurance framework).	HSW manager	P1	June 2022	Development of an HSW assurance framework is planned in Q3 of the HSW business plan	
Our of scope observations and recommendations					
Develop a consistent employee induction process	HSW / HR managers	P3	TBC		
Progress against the Wilson report actions has been made and this should be shared to encourage work and to provide positive recognition while maintaining focus on outstanding actions.		P3	TBC		
Key person risk and reliance on the Health and Safety Manger should be monitored and succession planning needs to be considered		P3	TBC	Considered in teams personal development plans	

Attachment 1 to Report 21.557

Audit Status Update November 2021

Audit point action item	Responsibility	Audit Priority	Expected completion date	Action (required/completed) to address audit point/update on progress	Complete Yes ✓
GWRC should consider performing a review of all policy, procedural and guideline documents to look for opportunities to streamline and consolidate.		P2	June 2022	Review and update of outdated documents underway	
GWRC should consider how it allocates resources across the Council and review the current roles and responsibilities to ensure they are relevant, clear, and appropriate and understood.		P1	June 2022	Dependency on Fit for Future Structure	
GWRC should consider whether the administration tasks are appropriate given the risk profile and maturity of the associated teams, or where relevant reinforce their importance and identify how additional support or training could help		P3			

The following priority ratings have been used to prioritise the recommendations outlined in the H&S Audit above above:

Priority Rating	Definition
Priority 1	This action addresses matters that are fundamental to the GWRC's system of internal control. The matters observed may cause a business objective not to be met, or leave a risk unmitigated, and need to be addressed as soon as possible.
Priority 2	This action addresses matters that have an important effect on internal controls, but do not require immediate action. A business objective may still be met in full or in part, or a risk adequately mitigated, but the weakness represents a deficiency in the system that needs to be addressed.

Attachment 1 to Report 21.557

Audit Status Update November 2021

Priority 3	The action addresses an opportunity for continuous improvement which improves the overall efficiency and effectiveness of the process. This action does not address control weaknesses or control failures.
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Finance, Risk and Assurance Committee
 30 November 2021
 Report 21.552



For Decision

RESOLUTION TO EXCLUDE THE PUBLIC

That the Committee excludes the public from the following parts of the proceedings of this meeting, namely:—

Cyber Security Roadmap Update – November 2021 – Report PE21.551

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

Cyber Security Roadmap Update – November 2021 – Report PE21.551	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
The report contains information about Greater Wellington’s cyber security status. Release of this information exposes Greater Wellington to cyber-attack threats by making it easier for the public to know our cyber security status. It is necessary for Greater Wellington to exclude the information contained in this report from the public domain to protect our information assets and reduce our likelihood of cyber-attack. Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this risk.	The public conduct of this part of the meeting is excluded as per section 7(2)(j) of the Act – to prevent the disclosure of use of official information for improper gain or improper advantage.

This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.