

## Summary of the Annual Report 2009



Fran Wilde, Chair, Greater Wellington

### **This Year In Review summarises Greater Wellington's Annual Report 2009**

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

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

This was a major and time-consuming exercise for us and we are also aware that

the public consultation required places major demands on our community. I am grateful to those who responded to our request for input.

The second of the major strategies – the Regional Policy Statement (RPS) – was completed and put out for consultation as a final draft. The RPS is a critical strategy for the region, containing objectives for environmental management. This is an area of growing concern round the country as all communities struggle to balance economic growth with the necessity to protect the environment for future generations. In Wellington we also have major challenges, with water quality in particular, and the final RPS will give guidance both to Greater Wellington and local councils as to how we should approach these issues long term.

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

All of this planning took up major internal resources and as a consequence we did not make as much progress as we had wished on the planned Water Strategy. However, this is now a top priority. Throughout the year we also engaged intensively with other councils in the region on our response to climate change. This is ongoing work and will become more important as predicted weather variations increase in intensity. In my introduction to the plan for the year I warned of the impact that oil price rises could have on our budget and the flow-on to our rates. Now in retrospect we know that one of the few pieces of good news in an otherwise bleak economic outlook was that oil prices crashed. This probably wasn't much comfort for the individuals and families in our region who were hit by the fallout from the biggest recession in decades, but it has helped with our transport rate for the forthcoming year.

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

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

During the year the waiting was over in respect of our new trolley bus fleet and we now have 60 new vehicles on the street going through their commissioning process. Also, the Government announced its new policy on Roads of National Significance (RoNS) and it was gratifying that the whole of SH1 from Levin to Wellington Airport was included. We hope this will result in more focus on our region from government transport agencies in the future.

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

**Fran Wilde**  
Chair

## What does Greater Wellington do?

### **Water supply to reservoirs**

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

### **Environmental management**

Ensures the region's natural resources are used appropriately.

### **Regional parks and forests**

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

### **Metlink buses and trains**

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

### **Transport planning**

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

### **Emergency management**

Coordinates civil defence emergency management for the region.

### **Flood protection**

Helps communities protect themselves from the effects of flooding.

### **Pest control**

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

### **Harbour safety**

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

### **Land management**

Works with landowners to prevent or reduce soil erosion.

### **Regional economic development**

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

## Key achievements for 2009

### Environment

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

### Public transport

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

### Water supply

- All water delivered complied with the new Drinking-Water Standards for New Zealand
- The water levy remained the same as last year because of operational efficiencies and cost reductions. The levy returned to pre-1995 levels.
- All water treatment plants maintained their quality gradings

### Parks

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

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

### **Safety and flood protection**

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

### **Community**

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

### **Corporate**

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

## Financial overview

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

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

This has reduced the current year's expenditure.

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

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

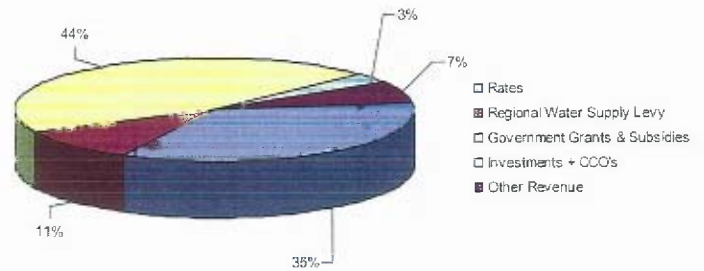
### Summary comprehensive income statement for the year ended 30 June 2009

	Greater Wellington			Greater Wellington Group	
	Actual 2009 \$000s	Budget 2009 \$000s	Last year 2008 \$000s	Actual 2009 \$000s	Last year 2008 \$000s
Operating revenue	168,093	162,055	153,466	221,408	205,685
Operating expenditure	159,489	160,435	147,957	206,549	194,640
Operating surplus	8,604	1,620	5,509	14,859	11,045
Unrealised gains and losses	7,260	2,102	5,460	(789)	4,136
Forestry revaluation/cost of goods sold	(924)	909	(4,393)	(924)	(4,393)
Net grant revenue/(expenditure) for transport improvements	(15,255)	(16,344)	(9,118)	2,758	6,648
Net Surplus (deficit) for the year before tax	(315)	(11,713)	(2,542)	15,904	17,436
Tax	-	-	-	(2,412)	(3,201)
Total comprehensive income for the year	(315)	(11,713)	(2,542)	13,492	14,235

## Council revenue

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

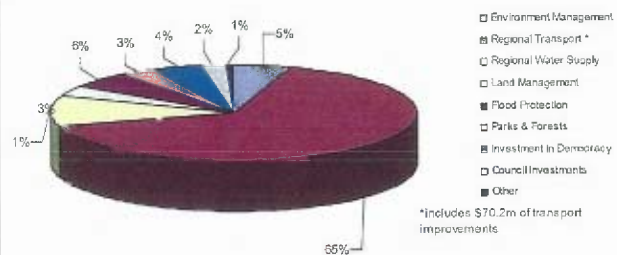
Council Revenue



## Council operating expenditure

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

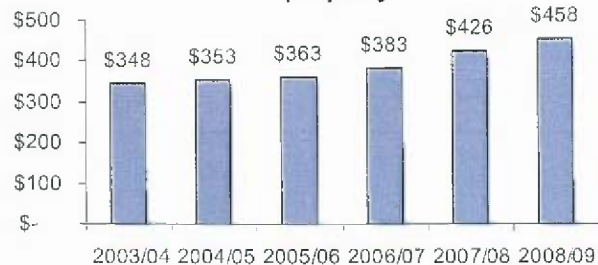
Council Operational Expenditure



## Average rates collected per property

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

Average rates including GST collected per property



## Cash flows for the year ending 30 June 2009

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

### Summary cash flow for the year ended 30 June 2009

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

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

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

**Summary balance sheet as at 30 June 2009**

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

Notes:

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

**Fran Wilde**  
Chair  
29 September 2009

**David Benham**  
Chief Executive  
29 September 2009

**Barry Turfrey**  
Chief Financial Officer  
29 September 2009

# Audit Report

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## Matters relating to the electronic presentation of the audited Summary Annual Report

This audit report relates to the Summary Annual Report of the Wellington Regional Council and Group's Summary Annual Report (the Regional Council) for the year ended 30 June 2009 included on Regional Council's website. The Regional Council's Council is responsible for the maintenance and integrity of the Regional Council's website. We have not been engaged to report on the integrity of the Regional Council's website. We accept no responsibility for any changes that may have occurred to the Summary Annual Report since they were initially presented on the website.

The audit report refers only to the Summary Annual Report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this Summary Annual Report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Summary Annual Report and related audit report dated 29 September 2009 to confirm the information included in the audited Summary Annual Report presented on this website.

Legislation in New Zealand governing the preparation and dissemination of the Summary Annual Report may differ from legislation in other jurisdictions.

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

Greater Wellington is a public benefit entity for financial reporting purposes. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice, and comply with New Zealand Equivalents to IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The financial statements include a Statement of Compliance to this effect.

A summary report cannot be expected to provide as complete an understanding of Greater Wellington's activities as provided by the full annual report. For the full *Annual Report 2009*, please see [www.gw.govt.nz](http://www.gw.govt.nz) or phone 0800 496 734.

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