



If calling, please ask for Democratic Services

Council

Thursday 16 December 2021, 9.30am

Remotely, via Microsoft Teams

Members

Cr Ponter (Chair)

Cr Staples (Deputy Chair)

Cr Blakeley

Cr Brash

Cr Connelly

Cr Gaylor

Cr Hughes

Cr Kirk-Burnnand

Cr Laban

Cr Lamason

Cr Lee

Cr Nash

Cr van Lier

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

Council

Thursday 16 December 2021, 9.30am

Remotely, via Microsoft Teams

Public Business

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| 2. | Conflict of interest declarations | | |
| 3. | Public Participation | | |
| 4. | Confirmation of the Public minutes of the Council meeting on 9 December 2021 | 22.6 | 3 |

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| 5. | Adoption of the 2020/21 Annual Report | 21.574 | 11 |
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Exclusion of the Public

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Public Excluded Business

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| 7. | Kaitoke Flume Bridge Seismic Upgrade Project – Budget Approval | PE21.590 | 204 |
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Please note these minutes remain unconfirmed until the Council meeting on 16 December 2021.

Report 22.6

Public minutes of the Council meeting on 9 December 2021

All members participating remotely at 9.31 am.

Members Present

Councillor Ponter (Chair)
Councillor Staples (Deputy Chair)
Councillor Blakeley
Councillor Brash
Councillor Connelly
Councillor Hughes
Councillor Kirk-Burnnand
Councillor Laban
Councillor Lamason
Councillor Lee
Councillor Nash
Councillor van Lier (until 9.36am, from 10.38am)

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

Moved: Cr Lamason / Cr Nash

That the Council accepts the apology for absence from Councillor Gaylor.

The motion was **carried**.

2 Declarations of conflicts of interest

Councillor van Lier declared a conflict of interest with regard to agenda item 7 – Plan Changes 2022: Progress update approach for the Regional Policy Statement change and Natural Resources Plan changes – Report 21.516.

3 Public participation

There was no public participation.

4 Confirmation of the Public minutes of the Council meeting of 28 October 2021 - Report 21.507

Moved: Cr Staples / Cr Brash

That the Council confirms the Public minutes of the Council meeting of 28 October 2021 - Report 21.507.

The motion was **carried**.

5 Confirmation of the Public Excluded minutes of the Council meeting of 28 October 2021 - Report 21.508

Moved: Cr Blakeley / Cr Hughes

That the Council confirms the Public Excluded minutes of the Council meeting of 28 October 2021 - Report 21.508.

The motion was **carried**.

6 Update on the progress of action items from previous Council meetings – December 2021 – Report 21.580 [For Information]

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

Councillor van Lier left the meeting at 9.36am, the conclusion of the above agenda item.

Strategy, policy or major issues

7 Plan Changes 2022: Progress update approach for the Regional Policy Statement change and Natural Resources Plan changes – Report 21.516

Miranda Cross, Team Leader, Policy Development; Irene Clark, Senior Advisor, Environment Policy; Jo Frances, Senior Advisor, Environment Policy; and Rachel Pawson, Senior Policy Advisor, Environment Policy, spoke to the report.

Moved: Cr Staples / Cr Brash

That the Council:

1 Notes that:

a Matters related to changes to the Regional Policy Statement for the Wellington Region, whilst within the scope of the Terms of Reference for

the Environment Committee, will be reported to Council alongside the Natural Resources Plan Changes in the interests of efficiency and transparency due to the interrelated nature of the processes.

- b Officers will continue to progress plan changes on the basis of reporting that has gone to Environment Committee in 2021 and work that has occurred with the Councillor Working Group in 2021.
- 2 Agrees to the guiding approach for the Regional Policy Statement and Natural Resources Plan Changes:
- a Regional Policy Statement Change 1, consistent with the Wellington Regional Growth Framework, to integrate climate change, indigenous biodiversity, and freshwater as a frame, and to describe how that frame will direct urban development.
 - b Natural Resources Plan Change 1 to work through the National Objectives Framework (NOF) set out in the National Policy Statement for Freshwater Management 2020, drawing heavily on the documents produced by the Whaitua process to provide values, environmental outcomes, and target attribute states for plan provisions.
- 3 Agrees to the initial scope of each workstream proposed in Regional Policy Statement Change 1 and Natural Resources Plan Changes 1 to 3, as set out in the report to the Environment Committee - Plan Changes 2022 Scopes and Forward Work Programme - Report 21.340.
- 4 Endorses the establishment of a Plan Changes 2022 Working Group to work with officers in review of plan changes research, development of options and approach, in support of reporting to Committee or Council meetings.
- 5 Endorses the membership of the Plan Changes 2022 Working Group as Councillors Blakeley, Brash, Connelly, Gaylor, Lee, Nash, and Staples.

The motion was **carried**.

Councillor van Lier returned to the meeting at 10.18am, at the conclusion of the above agenda item.

8 Insertion of housing bottom lines into the Regional Policy Statement for the Wellington Region – Report 21.540

Fleur Matthews, Team Leader, Policy Implementation, Environment Policy, and Richard Sheild, Senior Policy Advisor, Environment Policy, spoke to the report.

After questions from Councillors, Nigel Corry, Chief Executive, advised that he was withdrawing the report, and that an updated report would be submitted for consideration at the Council meeting on 24 February 2022.

The meeting adjourned at 10.38am and resumed at 10.52am.

9 Response to the receipt of the Whaitua Te Whanganui-a-Tara Implementation Programme and Te Mahere Wai o Te Kahui Taiaio – Report 21.526

Moved: Cr Blakeley / Cr Connelly

That the Council:

- 1 Requests that the Council Chair writes to Taranaki Whānui ki te Upoko o te Ika and Ngāti Toa Rangatira, acknowledging the significance of Te Mahere Wai and inviting them to collaborate with Greater Wellington in the Regional Policy Statement and Natural Resources Plan Change Processes for Te Whanganui-a-Tara Whaitua Implementation Programme /Te Mahere Wai.
- 2 Requests Officers to undertake a more detailed review and analyses of Te Whanganui-a-Tara Whaitua Implementation Programme and Te Mahere Wai to identify deliverables, priorities, and responsibilities.
- 3 Notes that Te Whanganui-a-Tara Whaitua Implementation Programme and Te Mahere Wai, once implemented through the Plan Change and Whaitua Operational Implementation Programmes, will give effect to the National Policy Statement for Freshwater Management 2020 (NPS-FM 2020) and Mana o Te Wai.
- 4 Notes the magnitude and scale of the delivery and likely implications for future funding decisions and the Long Term/Annual plan cycles.
- 5 Notes that appropriate governance structures are essential to implementing both Te Whanganui-a-Tara WIP and Te Mahere Wai; and will need to help set priorities for delivery through the Whaitua Operational Implementation programme.
- 6 Notes that Greater Wellington will work collaboratively with district and city councils to implement the Whaitua Implementation Programmes through the respective district plan processes.

The motion was **carried**.

10 Updating Park names – Report 21.232

Luke Troy, General Manager, Strategy, and Fiona Colquhoun, Parks Planner spoke to the and tabled updated recommendations.

Moved: Cr Ponter / Cr Connelly

That the Council:

- 1 Approves the name of Wainuiomata Regional Park (renamed from Wainuiomata Recreation Area).
- 2 Authorises the publication of a notice in the Gazette for the purpose of legal public notification of the Council decision on the Wainuiomata Regional Park.
- 3 Notes that officers will report to Council on the renaming of the Akatarawa Forest Park and Pakuratahi Forest Park after receiving advice from mana whenua.

- 4 Notes that officers will work with mana whenua on the appropriate recognition of name changes.

The motion was **carried**.

11 Report of the Environment Committee on the proposed new stock grazing licence at Baring Head/Ōrua-Pouanui, East Harbour Regional Park – Report 21.575

Moved: Cr Lamason / Cr Staples

That the Council:

- 1 Agrees to the issuance of a commercial stock grazing licence for Baring Head/Ōrua-pouanui, for the period from 1 January 2022 to 31 January 2023, incorporating the following provisions:
- 2 The provisions set out in Option 1 (paragraph 25 of Report 21.563), including that the licence provisions are designed to protect the nationally endangered banded dotterel nesting areas on the south coast area of the park.
- 3 That the licence includes a condition limiting the use of fertiliser to a 5 hectare area of Wainuiomata River flats, avoiding the riparian zones of the river and its overflow formed drainage areas.
- 4 That the licence specifies that the use of agri-chemicals is not permitted.
- 5 Agrees that practices, as outlined in Option 2 of Report 21.563, to increase threat management for fire, weeds and pest animals, required for restoration of native vegetation, will commence during the term of the approved grazing license.
- 6 Agrees that the discontinuation of stock grazing licences, at the conclusion of this licence, will be the Council's strategic approach.
- 7 Notes that the Recloning Papatūānuku/Parks Restoration plan currently in development, will provide directions for future restoration at Baring Head in support of Toitū Te Whenua Parks Network Plan 2020-30 (Toitū Te Whenua) directions.

The motion was **carried**.

12 Proposed New Commercial Stock Grazing Licence at Baring Head/Ōrua-Pouanui, East Harbour Regional Park – Report 21.542

Moved: Cr Lamason / Cr Lee

That the Council:

- 1 Notes that the new commercial stock grazing licence will be drafted to incorporate the necessary requirements of:
 - a Section 74 of the Reserves Act 1977
 - b The decisions made by Council on the recommendations outlined in the Report of the Environment Committee on the proposed new stock grazing licence at Baring Head/Ōrua-Pouanui, East Harbour Regional Park (Report 21.575)

- c Toitū Te Whenua Parks Network Plan 2020-30, encompassing advice in the Assessment of Environmental Effects consulted on with the proposal, and the Restricted Activity Assessment recommendations in Report 21.427.
- 2 Authorises the Chief Executive to prepare and sign the new commercial stock grazing licence agreement (made under Section 74 of the Reserves Act), commencing 1 January 2022 and ending on 31 January 2023, with no further extension or right of renewal.

The motion was **carried**.

13 Discontinuing the proposed commercial stock grazing licence at Queen Elizabeth Park – Report 21.520

Moved: Cr Nash / Cr Lamason

That the Council:

- 1 Notes that the primary rationale for a new stock grazing licence was to reduce the risk of fire in Queen Elizabeth Park. However, fire threat management information and advice received subsequently indicates that grazing is not strictly necessary to manage this risk.
- 2 Agrees that it is not appropriate to continue with the licence proposal in its current form and that it be discontinued.
- 3 Agrees that given the discontinuance, consideration of the submissions on the proposed grazing licence is not required.
- 4 Notes the range of alternative threat reduction land management practices outlined in this report.
- 5 Notes that the Reclotting Papatūānuku/Parks Restoration Plan currently in development, and the master planning process (detailed Park specific plan), commencing in July 2023 for Queen Elizabeth Park, will provide directions for facilities supporting recreation and conservation benefits at this park in support of Toitū Te Whenua Parks Network Plan 2020-30 (Toitū Te Whenua) directions.

The motion was **carried**.

Governance

14 Wellington Regional Leadership Committee meeting 11 November 2021 – Report 21.545
[For Information]

Luke Troy, General Manager, Strategy, spoke to the report.

15 Regional Transport Committee meeting 23 November 2021 – Report 21.558 [For Information]

Corporate

16 Statements of Expectations 2022/23 – Report 21.530

Sean Mahoney, Company Portfolio and Economic Development Manager, spoke to the report.

Moved: Cr Lamason / Cr Blakeley

That the Council:

- 1 Approves the key themes for the Statements of Expectations
- 2 Delegates to the Council Chair authority to sign off the final Statements of Expectation.

The motion was **carried**.

17 Shareholders Agreement – Wellington Regional Economic Development Agency – Report 21.569

Sean Mahoney, Company Portfolio and Economic Development Manager, spoke to the report.

Moved: Cr Lamason / Cr Staples

That the Council:

- 1 Approves entering into the shareholders agreement as contained in Attachment 2.
- 2 Authorises the Chief Executive to make any minor editorial amendments and sign the agreement.
- 3 Notes that the separate funding agreement between Greater Wellington Regional Council and WellingtonNZ provides direction and accountability over the attribution of the regional targeted rate.

The motion was **carried**.

18 Greater Wellington's Quarter One Summary Report 2021/22 – Report 21.561

Nigel Corry, Chief Executive, spoke to the report.

Moved: Cr Lamason / Cr Blakeley

That Council accepts Greater Wellington's performance report for the first three months of the 2021/22 financial year, 1 July – 30 September 2021 (Greater Wellington's Quarter One Summary Report as at 30 September 2021) (Attachment 1).

The motion was **carried**.

The public meeting closed at 11.26am.

Councillor D Ponter

Chair

Date:

Council
16 December 2021
Report 21.574



For Decision

GREATER WELLINGTON REGIONAL COUNCIL'S 2020-21 ANNUAL REPORT

Te take mō te pūrongo

Purpose

1. To advise Council on the adoption of Greater Wellington Regional Council's Annual Report for the year ended 30 June 2021.

He tūtohu

Recommendation

That Council:

1. **Adopts** Greater Wellington Regional Council's Annual Report (Attachment 1) and the Summary of the Annual Report (Attachment 2) for the year ended 30 June 2021.
2. **Authorises** the Chief Executive to make minor changes that may arise as part of finalising the audited Annual Report and Summary of the Annual Report for the year ended 30 June 2021.

Consideration by Committee

2. The matters contained in this report were considered by the Finance, Risk and Assurance Committee (the Committee) at their meeting on 30 November 2021 (Draft 2020/21 Annual Report – Report 21.529).
3. The Committee noted that the audit process had not been completed at the time of the meeting but was satisfied with the verbal update provided by Audit New Zealand (Audit NZ) at the meeting.
4. The Committee recommended, after considering all relevant information from Audit NZ, that Council adopts the Annual Report subject to any changes required once the audit process has been completed.

Te tāhū kōrero

Background

5. Under section 98 of the Local Government Act 2002 (LGA), 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 to.

6. Due to the COVID-19 lockdown and restrictions, the LGA was amended to extend the adoption deadline for annual reports in the 2020/21 and 2021/22 financial years. The amendment states that in relation to the financial year ending 30 June 2021, the annual report must be completed and adopted by Council no later than 31 December 2021.
7. The 2020/21 Annual Report for Greater Wellington Regional Council (Greater Wellington) (**Attachment 1**) reports against Year Three of the 2018-28 Long Term Plan (the 2020/21 Annual Plan) on the achievement of financial and non-financial performance measures and includes the audited financial statements for Greater Wellington and its subsidiaries, reported as a group.
8. The 2020/21 Summary of the Annual Report for Greater Wellington (**Attachment 2**) provides a summary of the key information contained in the 2020/21 Annual Report.
9. The Audit Director, Clint Ramoo, will attend the meeting and is expected to provide the Audit opinion.

Te tātāritanga Analysis

Non-financial performance

10. For the year ended 30 June 2021, Greater Wellington achieved 71 percent (45) of the 63 non-financial performance measures that were set in the 2018-28 Long Term Plan (this compares with 59 percent (37) achieved in the year ended 30 June 2020). Despite challenges including COVID-19 restrictions, Greater Wellington exceeded several of its targets.
 - a We delivered 913 hectares of erosion prone land treatment against a target of 550 hectares. This is 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 We planted 48,000 native trees in our Regional Parks, against a target of 35,000 trees.
 - c We achieved an average weighted residual trap catch of 2.5 percent for possums in our Regional Possum Predator Control Programme area, against a target of less than five percent.
 - d We welcomed 1.94 million people to our Regional Parks this year, an increase from the 1.76 million visitors last year.
11. Greater Wellington faced several challenges this year that resulted in not achieving 29 percent (18) of our performance measures (compared with 41 percent (26) in the previous financial year). Many of the measures that were not achieved were very close to target, for example:
 - a Patronage numbers on public transport were affected by COVID-19 this year, with 61.8 boardings per capita recorded compared to our baseline of 62.4. The current recovery rate predicts patronage levels to return to pre-COVID levels by the 2021/22 financial year.

- b Bus reliability was affected by bus operator shortages this year, with 98.2 percent of scheduled services delivered against a target of 99.5 percent. The Public Transport team has been working with bus operators and unions to address driver shortages and improve bus reliability across the network.
- c 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.
- d A shift in the focus of our Sustainable Transport Initiatives during the 2020/21 financial year meant that only 4,048 adults participated in a sustainable transport initiative or promotion, against a target of 4,418.

Financial Performance

- 12. 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.
- 13. 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.
- 14. The total revenue and operating expenses were less than budget mainly due to delay in grants and subsidies because of delays to capital projects and the reclassification of transitional rail subsidies received from Waka Kotahi NZ Transport Agency (Waka Kotahi) from a gross to net basis.
- 15. Capital expenditure was 48.72 percent or \$40.1 million less than budget. This was primarily due to timing delays, many which were due to the impacts of COVID-19 lockdowns and alert level changes and also the deferral of the Cross Harbour Pipeline project.
- 16. 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.
- 17. The actual reserve balance as at 30 June 2021 as compared to the 2018-28 Long Term Plan is set out in the Reserve Balance as at 30 June 2021 (**Attachment 3**). Differences in reserve balances arise for a number of reasons including targeted rate surpluses and deficits, additional revenue like the additional dividend from WRC Holdings Limited, and delayed project expenditure delaying drawings on reserves.

Audit Opinion

- 18. Under the timeline agreed with Audit NZ for the extended statutory reporting timeframe (see paragraph 6 above), Council would have adopted Greater Wellington's 2020/21 Annual Report at Council's 9 December 2021 meeting. However, Audit NZ, citing significant resource constraints, has delayed its audit opinion to 16 December 2021.

19. At the time of writing this report Audit NZ has not completed its audit, however they have indicated that they will issue an unqualified audit opinion with one emphasis of matter paragraph regarding the Three Waters Reform (a standard paragraph that will appear in Audit NZ opinions for all councils that will transfer functions and assets to a new water services entity as part of the Three Waters Reform). Audit NZ have advised that we will receive the Audit Opinion in time to table it at the Council Meeting on 16 December 2021.

Ngā hua ahumoni

Financial implications

20. 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 13-18 above.

Ngā tikanga whakatau

Decision-making process

21. The matters requiring decision in this report were considered against the requirements of Part 6 of the LGA.

Te hiranga

Significance

22. Officers considered the significance (as defined by Part 6 of the LGA) 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 low significance given their administrative nature.

Te whakatūtakitaki

Engagement

23. 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

24. Under Section 98 of the LGA, Greater Wellington is required, within one month of the adoption of the Annual Report, to make the Annual Report and Summary of the Annual Report available to the public. Both documents will be published on Greater Wellington's website and limited hardcopies will be printed and distributed in the community.

**Ngā āpitihanga
Attachments**

| Number | Title |
|---------------|--|
| 1 | Greater Wellington Regional Council's 2020/21 Annual Report |
| 2 | Greater Wellington Regional Council's 2020/21 Summary of the Annual Report |
| 3 | Reserve balance as at 30 June 2021 |

**Ngā kaiwaitohu
Signatories**

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

| |
|---|
| <p>He whakarāpopoto i ngā huritaonga Summary of considerations</p> |
| <p><i>Fit with Council's roles or with Committee's terms of reference</i></p> <p>The Council is required under the LGA to prepare and adopt an Annual Report for each financial year. An amendment to Section 98 of the LGA allows for the 2020/21 Annual Report to be adopted by 31 December 2021.</p> |
| <p><i>Implications for Māori</i></p> <p>Under Schedule 10(35) of the LGA, an annual report must include a report on the activities that the local authority has undertaken in the year to establish and maintain processes to provide opportunities for Māori to contribute to the decision-making process of the local authority. The 2020/21 Annual Report (Attachment 1) outlines how Greater Wellington has engaged with and worked to improve outcomes for mana whenua and Māori during the reporting year.</p> |
| <p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>The 2020/21 Annual Report outlines Greater Wellington's performance against Year Three of the 2018-28 Long Term Plan (and the corresponding 2020/21 Annual Plan).</p> |
| <p><i>Internal consultation</i></p> <p>There was consultation with the Strategic and Corporate Planning, Finance, and Communications and Engagement departments.</p> <p>The 2020/21 Annual Report (Attachment 1) was prepared in consultation with the Executive Leadership Team and departmental managers.</p> |
| <p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>There are no identified risks arising from the matters for decision.</p> |



TE PANE MATUA TAI AO
GREATER WELLINGTON REGIONAL COUNCIL
**Pūrongo ā Tau 2020/21
Annual Report 2020/21**



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He kupu nā te Heamana me te Tumu Whakarae e wehe ana

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 āhuatanga 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 whakaaetia 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 a 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 āhuatanga 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 taura 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 \$20.7 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 tōnu 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 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 \$20.7 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

Attachment 1 to Report 21.574

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:



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 203
- 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 20–59 (*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 | <i>A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment</i> | <i>Environment (page 21)</i> <i>Regional Parks and Forests (page 30)</i> <i>Flood Protection and Control Works (page 34)</i> <i>Regional Leadership (page 39)</i> <i>Water Supply (page 44)</i> <i>Metlink Public Transport (page 51)</i> |
| Connected community | <i>People are able to move around the region efficiently, and our communications networks are effective and accessible</i> | <i>Regional Leadership (page 39)</i> <i>Metlink Public Transport (page 51)</i> |
| Resilient community | <i>A community that plans for the future, adapts to change and is prepared for emergencies</i> | <i>Environment (page 21)</i> <i>Flood Protection and Control Works (page 34)</i> <i>Regional Leadership (page 39)</i> <i>Water Supply (page 44)</i> |
| Healthy community | <i>An environment with clean air, freshwater, healthy soils, and diverse ecosystems, that supports community needs</i> | <i>Environment (page 21)</i> <i>Regional Parks and Forests (page 30)</i> <i>Flood Protection and Control Works (page 34)</i> <i>Regional Leadership (page 39)</i> <i>Water Supply (page 44)</i> <i>Metlink Public Transport (page 51)</i> |
| Engaged community | <i>An engaged community that takes pride in our region, values our urban and rural landscapes, and enjoys our amenities and choice of lifestyles</i> | <i>Environment (page 21)</i> <i>Regional Parks and Forests (page 30)</i> <i>Regional Leadership (page 39s)</i> |

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. The purpose of this funding is to allow mana whenua to determine their own aspirations in developing positive outcomes for their community and allows Greater Wellington to share mutually agreed upon opportunities with mana whenua in activities across the organisation.

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



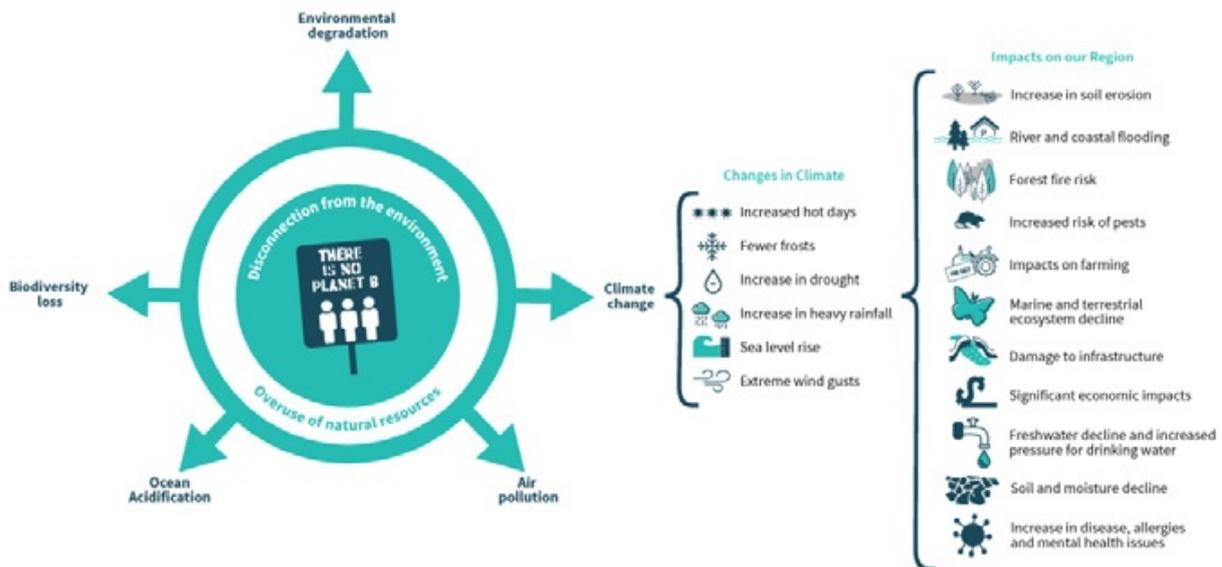
Artwork from the Greater Wellington Regional Council Chamber, by Elaine Bevan (Ngāti Raukawa, Ngāti Toa) with the assistance of Ezra Bevan (Ngāti Raukawa, Ngāti Toa), Hermann Salzmann (Ngāti Toa Rangatira, Ngāti Raukawa, Ngāti Koata), and Kohai Grace (Ngāti Toa) with the assistance of her son Rakairoa 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.



For more information on the effects of climate change on our region please see: <https://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 representative¹. 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

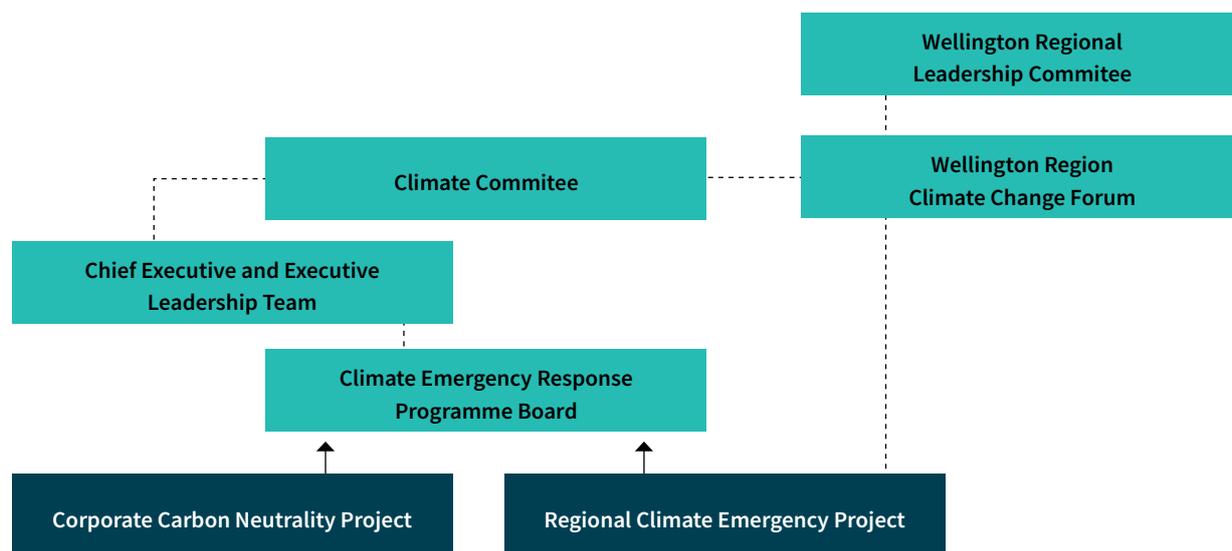
¹ A mana whenua representative has yet to be appointed to this committee.

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.

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.

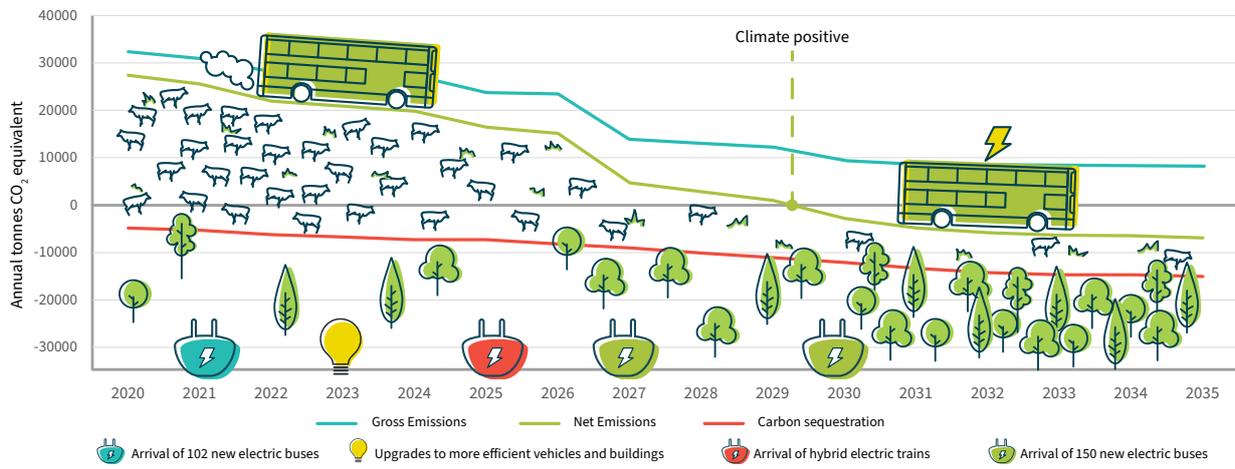
Wellington Regional Growth Framework is a spatial plan that outlines how the region will adapt to key challenges and opportunities to get the best outcomes and benefits for the region. The Plan outlines four main priorities including housing supply, affordability and choice, transport choice and access,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



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.

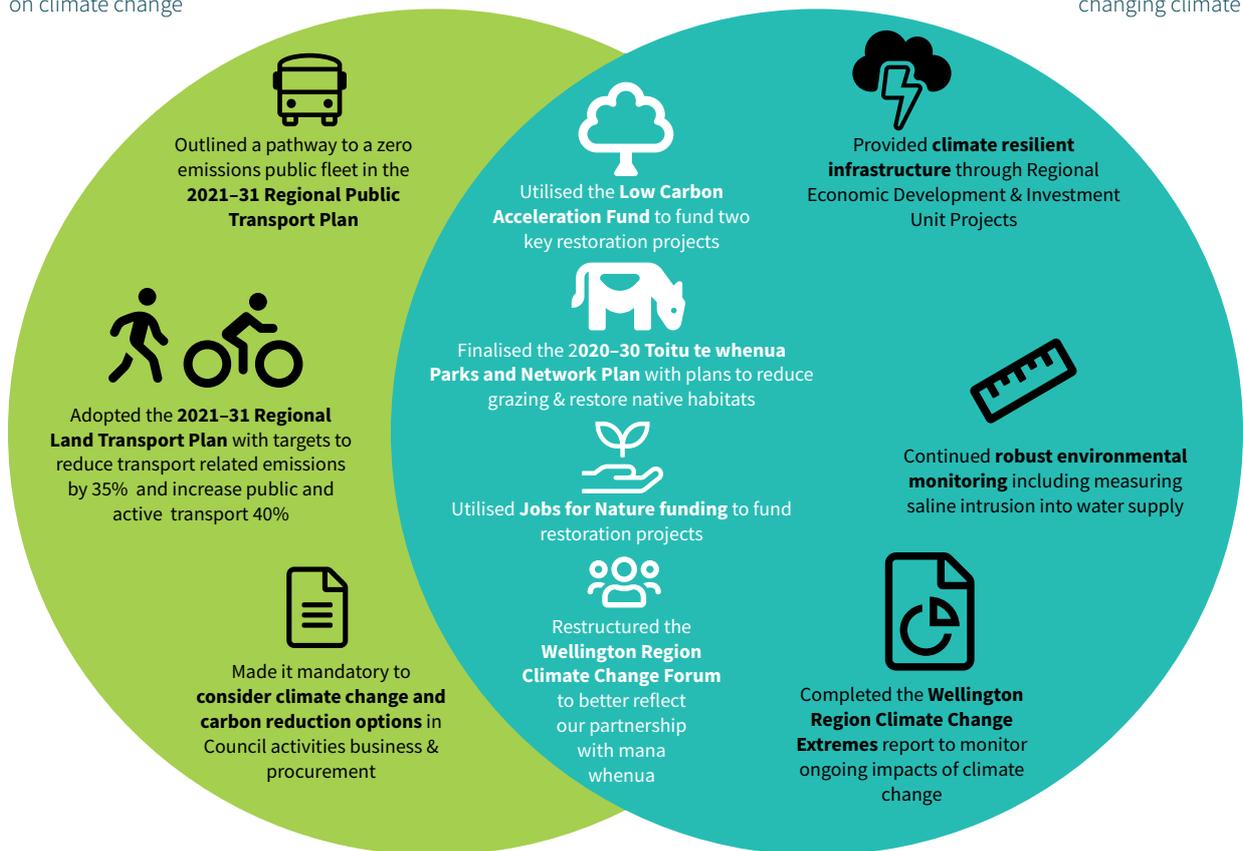
Risk Management:

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.

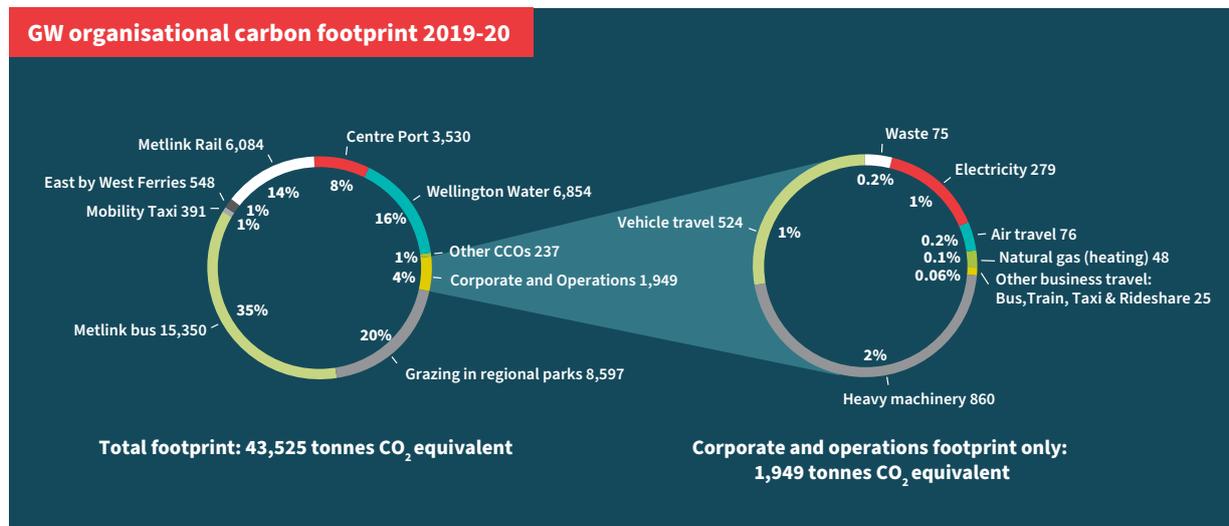
Here are some of the key ways we have managed the risk of climate change on our region this year:

Mitigating our impact on climate change

Adapting to the changing climate



Metrics and Targets:



Total footprint: 43,525 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.

Corporate and operations footprint only: 1,949 tonnes CO₂ equivalent

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:

| | |
|--|---|
| <p>Worked to improve outcomes for mana whenua and Māori through supporting the regional Māori economic development strategy, Te Matarau a Māui.</p> | <p>Utilised central government funding to provide key flood protection infrastructure in the Hutt and Ruamāhanga River catchments.</p> |
| <p>Committed to Te Upoko o Te Ika a Māui to promote regional social procurement.</p> | <p>Enhanced our environment throughout the region by utilising central government ‘Jobs for Nature’ funding.</p> |

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.

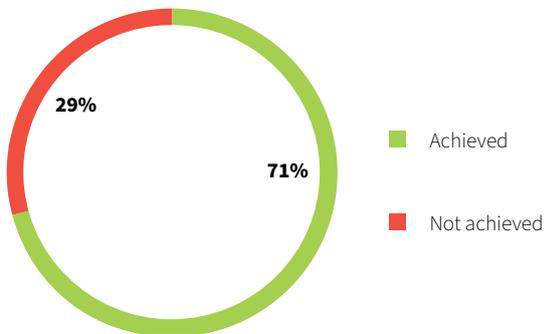
He tiro whānui i te rawa

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.

2020/21 Status of LTP Non-Financial Measures



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 ensured 56 percent of identified vulnerable floodplains have a Flood Management Plan in place, against a target of 41 percent.
- 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 20–59.

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 & 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.

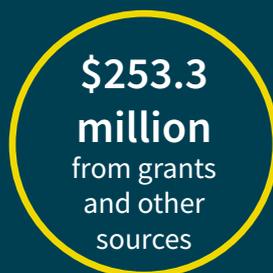
Finances at a glance

Annual revenue

2019/20
Actual
\$439.7 million

2020/21
Annual Plan
\$511.6 million

2020/21
Actual
\$432.5 million



Annual expenditure

2019/20
Actual
\$438.0 million

2020/21
Annual Plan
\$3435.2 million

2020/21
Actual
\$527.1 million

Capital expenditure

2019/20
Actual
\$45.8 million

2020/21
Annual Plan
\$42.5 million

2020/21
Actual
\$83.2 million

Debt

2019/20
Actual
\$519.7 million

2020/21
Annual Plan
\$531.9 million

2020/21
Actual
\$645.0 million

Financial overview for the year ended 30 June 2021

\$30.2 million
net deficit after
tax for 2020/21

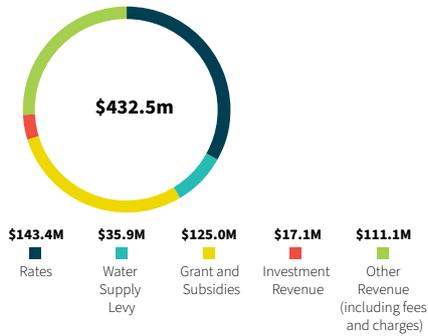
\$5.83
cost of delivering all
Greater Wellington
services per rating
unit per day

\$1.8 billion
of total assets
managed by
Greater Wellington

AA+ credit rating
with Standard &
Poor's indicating
good financial health

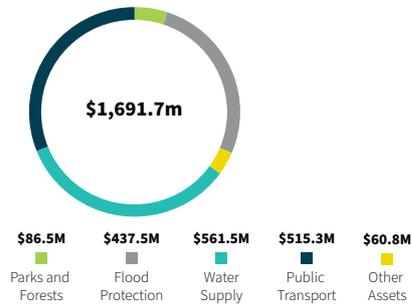
Revenue

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



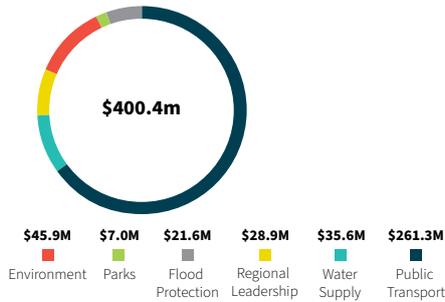
Property, plant, and equipment

The below pie chart illustrates Greater Wellington's asset base comprising public transport, flood protection, water supply and parks. Public transport includes \$456.9m of rail rolling stock and railway station infrastructure owned by Greater Wellington Rail Limited, a Council subsidiary.



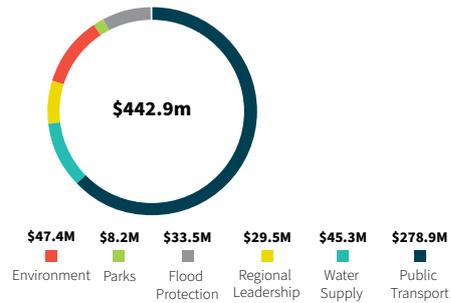
Operational expenditure

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



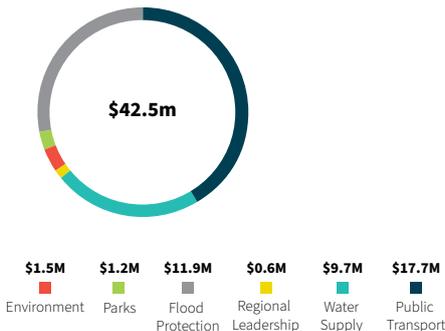
Financial overview for the year ended 30 June 2020

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



**Ngā Mahi a Te Pane
Matua Taiao
Activities of the 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 Statement

| Activity Group | Pages |
|---|--------------|
| Te Taiao Environment | 21 – 29 |
| Ngā Papa Whenua Regional Parks and Forests | 30 – 33 |
| Te Tiaki Me Te Arahi Waipuke Flood Protection and Control Works | 34 – 38 |
| Ngā Kaihautū o te Rohe Regional Leadership | 39 – 43 |
| Ngā Puna Wai Water Supply | 44 – 50 |
| Ngā Waka Tūmatanui Metlink Public Transport | 51 – 59 |

Global Recognition For Wairarapa Moana Wetlands



Locals and visitors have long understood the special and spiritual nature of Wairarapa Moana. It's been a taonga (treasure) for hundreds of years and in August 2020 its reputation went global.

The wetland area borders Lakes Wairarapa and Ōneke and was awarded status as an 'internationally significant' wetland under the Ramsar Convention, an intergovernmental treaty to protect wetland areas around the world.

Greater Wellington has been working for years with Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa, the Department of Conservation and Wairarapa District Council to protect and improve biodiversity of these precious wetlands.

The international recognition was a great honour and was celebrated in March this year with a vibrant festival on the shores of Lake Wairarapa.

"Gaining recognition through the Ramsar status was a huge achievement," said Greater Wellington Councillor for Wairarapa, Adrienne Staples.

"The vision of the Wairarapa Moana Project is to ensure this taonga is cherished as a place of cultural and historical significance that inspires future generations. We can only get there if people feel a deep connection to nature and recognise the tremendous value it holds."

The March festival, 'Whakarongo ki te taiao – Feeling the Land's Rhythms' was a great way to celebrate the honour and for people to explore the habitat and creatures of Wairarapa Moana.

Hundreds came and enjoyed the day, with the oldest attendee being Koro, an ancient Totara log found on the shores and then crafted into an instrument. Koro was symbolic of the spirit of the event, to build and strengthen connection between the Moana and the many people who work, live and play there.

"The festival was a celebration of te taiao, our natural environment. At the end of the day, that's what Greater Wellington is all about – the environment and the people," said Cr Staples.



Te Taiao Environment

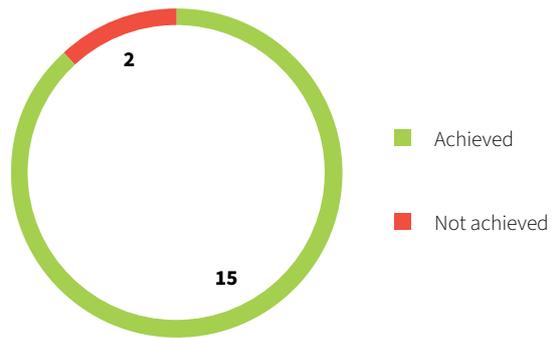
Te Taiao

Environment

This group of activities contributes to:

| | |
|--------------------|--|
| 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 Resource Plan, with 93 percent of appeals 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 Significance.³ 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 \$3.5 million over five years 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.

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.

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

Resource management Measuring our performance

| Level of Service | Performance Measures | Baseline (2017) | 2019/20 Result | 2020/21 Target | 2019/20 Status of Result | 2020/21 Status of Result | 2019/20 Result | 2020/21 Result | Commentary on 2020/21 Results |
|---|--|---|---|--|--------------------------|--------------------------|---|----------------|-------------------------------|
| Customer satisfaction | Level of overall satisfaction with consent processing services ⁴ | >4 when measured on a scale of 1 to 5 | 4.23 | >4 | Achieved | Achieved | 4.7 | | |
| Process resource consents in a timely manner | Percentage of non-notified resourced consents processed within statutory timeframes | 100% | 100% | 100% | Achieved | Achieved | 100% | | |
| 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 · 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% | >80% | Not Achieved | Not Achieved | Water takes 60.1% Earthworks 78.5% Municipal wastewater 58.3% Municipal water supplies and water races 81.6% | | 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% | Maintain or increase against previous year | Achieved | Achieved | 39.2% | | |

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.

Land management Measuring our performance

| Level of Service | Performance Measures | Baseline (2017) | 2019/20 Result | 2020/21 Target | 2020/21 Result | 2020/21 Status of Result | Commentary on 2019/20 Results |
|---|---|-----------------|------------------------|----------------|------------------------|--------------------------|-------------------------------|
| 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% | 63% | 60% | Not Achieved | B |
| Deliver planting programme on identified erosion-prone land | Erosion-prone hill country planted | 446.1 hectares | 775 hectares | 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 ¹² | Achieved | |
| Provide high quality goods and services to landowners from the Akura nursery | Survival of poles planned under the Wellington Regional Erosion Control Initiative (WRECI) | New measure | 56% | 85% | 89% | Not Achieved | Achieved |

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.

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 incentive 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.

Biodiversity management 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 |
|--|--|-----------------|----------------|--------------------------|----------------|----------------|--------------------------|-------------------------------|
| 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 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 |
|---|--|-------------------------------|---|--------------------------|-------------------------------|---------------------------------|--------------------------|-------------------------------|
| 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.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.

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

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 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 Long-Term Plan 2018-28.

All figures on this page exclude GST.

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 |
|--|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| 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 Long-Term Plan 2018-28.

All figures on this page exclude GST

Protecting And Planting In Partnership



Flood protection work happening on the Hutt River

The beautiful Parangarahu Lakes are part of the East Harbour Regional Park. Every year Greater Wellington joins Taranaki Whānui ki Te Upoko Te Ika iwi, MIRO, and other local volunteer groups to plant native plants as part of a programme to protect and connect with this unique area.

This hardworking group not only comes together annually for the planting days, it also co-manages the area, which includes Lake Kohangapiripiri, Lake Kohangatera, the associated wetlands and surrounding land.

Greater Wellington Councillor, Prue Lamason says the work the group does is critical to the protection and restoration of the area.

“Over 50 bird species call this park home, which includes the regionally rare dabchick, tomtit, rifleman, whitehead, kakariki, falcon, banded dotterel and grey duck. They all rely on the unique ecology of the area,” she said.

“The work we do as a combined group on our planting days helps Taranaki whānua iwi members fulfil their kaitiaki (guardian) responsibilities to the park’s historic, cultural and ecological objectives.”

Rōpū Tiaki member, Vince Robertson agrees and says the annual planting days are a great opportunity for everyone to come together.

“The co-management plan objectives of Rōpū Tiaki are really brought to life at these events. This year was very special as there was a blessing ceremony for a commemorative plaque donated by Greater Wellington for the late Sam and June Jackson, esteemed Taranaki Whānui kaumatua who worked with Greater Wellington in this area over many years.

“Nōu te rourou, Nāku to rourou, ka ora ai te taonga Kohango ora – with your help, with my help, our treasured nest, nurturing life and wellbeing, will stay well for future generations,” said Vince Robertson.



Ngā Papa Whenua Regional Parks and Forests

Ngā Papa Whenua Regional Parks and Forests

| This group of activities contributes to: | |
|--|--|
| Priority area | Freshwater quality and biodiversity |
| Community outcomes | Strong economy Healthy environment Engaged community |

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

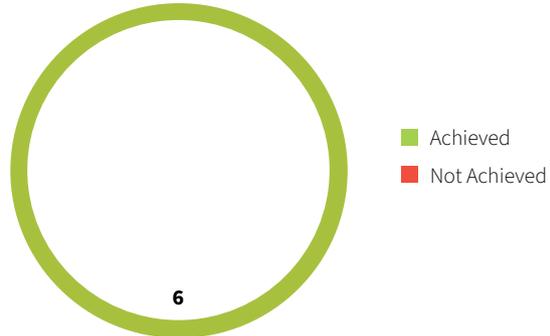
Greater Wellington is responsible for managing eight regional parks and forests on behalf of the community. This includes monitoring ecosystem health, facilitating community use and recreation, and planning on how we can protect and enhance these areas.

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.

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

2020/21 Status of non-financial performance



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.

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.

Regional Parks and Forests

Measuring our performance

| Level of Service | Performance Measures | Baseline (2017) | 2019/20 Result (Audited) | 2019/20 Status of Result | 2020/21 Target | 2020/21 Result | 2020/21 Status of Result | Commentary on 2020/21 Results |
|------------------|--|------------------------------------|--|----------------------------|----------------------|--|--------------------------|-------------------------------|
| | 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 | |
| | Provide facilities and services that support the community enjoying, valuing and participating in regional parks | 95% | 98% (achieved) | Achieved | 95% | 97% | Achieved | |
| | On-park volunteer hours ²⁴ | 15,503 hours | 10,720 | Not Achieved ²⁵ | 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 | |
| | Restore significant degraded environments | 22,000 native trees planted | 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 conversation target given the opportunities and external funding obtained from One Billion Trees and Jobs for Nature programmes

²⁴ Randomly selected sample of 500 residents 16yr+ 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.

Regional Parks and Forests

FUNDING IMPACT STATEMENT

FOR THE YEAR ENDING 30 JUNE 2021

| Sources of operating funding | 2020/21 Actual \$000s | 2020/21 Long Term Plan \$000s | 2019/20 Actual \$000s | 2019/20 Long Term Plan \$000s |
|---|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| 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 | 1 | - | - | - |
| 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 Long-Term Plan 2018-28.

All figures on this page exclude GST.

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 |
|--|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| 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) |

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 Long-Term Plan 2018-28.

All figures on this page exclude GST.

Good Progress On Flood Protection For The Hutt Valley And Wairarapa



Flood protection work happening on the Hutt River

In August last year, Greater Wellington’s flood protection efforts received a major boost with an \$11 million grant from the Government’s post COVID-19 infrastructure fund. Two main areas in Lower Hutt and Wairarapa have been targeted for improvement and excellent progress has been made over the last year.

This is the first co-funding flood protection work since the 1980s, with Greater Wellington contributing \$6 million to the project.

In the Hutt Valley, work will include Hutt River erosion and edge protection. Six out of the 10 site designs for the work were completed this year.

In the Wairarapa, representatives from Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa were involved in the early stages of the Masterton erosion site. Work will target the Ruamāhanga River with stop bank reconstruction, buffer land establishment and tree planting.

Hutt Valley Councillor and Chair of Greater Wellington’s Hutt Valley Flood Management Sub-Committee, Prue Lamason said the work will give families, businesses and communities more certainty for the future.

“In the first instance, this funding boost will bring forward works that will provide a lift to employment in the region, while at the same time adding much needed resilience to floods and a critical first step to managing the effects of climate change.

“In the longer term, this work will provide confidence for people to invest in the regional economy, knowing we have invested in infrastructure that will protect that investment from the effects of flooding,” she said.

Wairarapa Councillor and Greater Wellington Deputy Chair, Adrienne Staples says the region, and New Zealand, needs investment in flood protection infrastructure.

“The Wellington region is a beautiful place to live with our mountain ranges, winding rivers and many ocean-side cities and towns. But we also know there is a flip side to enjoying the beauty in the form of environmental hazards and risks posed to us and our properties,” she said.

This co-funded flood projection project in the Hutt Valley and Wairarapa will significantly improve safety and surety for everyone in the region.



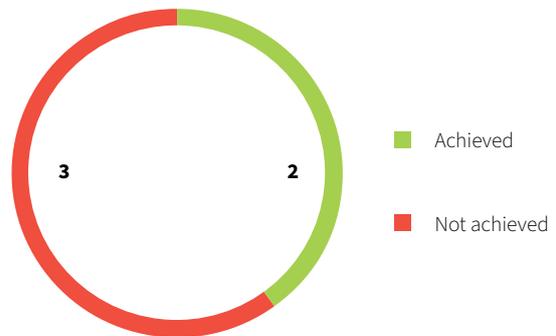
Te Tiaki me te Arahi Waipuke Flood Protection and Control Works

Te Tiaki Me Te Arahi Waipuke

Flood Protection and Control Works

2020/21 Status of non-financial performance

| This group of activities contributes to: | |
|--|-------------------------------------|
| Priority area | Freshwater quality and biodiversity |
| Community outcomes | Strong economy |
| | Resilient community |
| | Healthy environment |
| | Engaged community |



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 project delays this year due to consenting issues and changes in project scope to meet outcomes and budgets. 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.

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

Flood Protection and Control Works

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 |
|--|---|---|--|-----------------------------|--|--|--------------------------|-------------------------------|
| | Major flood protection and control works are maintained, repaired and renewed to the key standards defined in relevant planning documents ²⁸ | Yes | Completed | Achieved | Yes | Completed | Achieved | |
| Provide the standard of flood protection agreed with communities | 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 |
| | Percentage of identified vulnerable floodplains with a FMP in place | 24% | 30% | Not Achieved ³² | 41% | 56% | Achieved | |
| Provide information and understanding of flood risk in the community ³¹ | Percentage of identified vulnerable floodplains with flood hazard mapping available via online portal | 72% | 80% | Not Achieved ³³ | 83% | 80% | Not Achieved | F |

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

²⁹Detailed 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 Whakawhiringiri 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 Wairarapa 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 Wairarapa 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 | (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 | 0 | - | - | - |
| 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 Long-Term Plan 2018-28.

All figures on this page exclude GST.

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 |
|---|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| 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) |
| Ōtaki 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) |

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 Long-Term Plan 2018-28.

All figures on this page exclude GST.

Group Action To Protect Waikanae River



Greater Wellington is monitoring coastal erosion in the lower estuary of the Waikanae River, along with excess sediment deposits.

Waikanae River is one of our most important water ways, travelling 25 kilometres from the Tararua Ranges to the sea. Greater Wellington, district councils, Department of Conservation, local iwi and organisations have come together to protect the river against climate change and other threats.

The group, called Waikanae ki Uta ki Rai (mountains to sea), secured an \$8.5 million grant from Jobs for Nature in 2020 and has been working in a number of ways to protect this special area.

Much of the river area is classified by Greater Wellington as ‘Key Native Ecosystems’ and includes precious examples of lowland riparian forest with highly diverse ecosystems. The areas are home to many plants and freshwater fish that are either regionally or nationally threatened.

Greater Wellington Biodiversity Management Team Leader, Richard Romijn said the catchment’s diverse landscape was an important connector between the mountains and the sea.

“It creates an ecological corridor that links the Tararua Ranges, the Waikanae River estuary, the Kāpiti Marine Reserve and Kāpiti Island Nature

Reserve, creating a network of habitat stepping-stones,” he said.

Greater Wellington does monthly nutrient-level testing, checking on phosphate and nitrate levels. It also conducts annual ecology testing for macro invertebrates. E.coli testing is also regularly conducted over summer.

Waikanae River is prone to flooding so a lot of work has been done to protect homes, trails and the integrity of the riverbank, including an upgrade of the stock bank.

Groups like the Waikanae Estuary Scenic Reserve have been doing significant planting along the river and in the estuary, to help protect the river from climate change and support the ecosystem.

Close attention is also being paid to coastal erosion in the lower estuary and excess sediment deposits from heavy rainfall.

Restoring the river’s health will take time, but with so many groups coming together to tackle the issues, the future is looking brighter for the long-term planning and management of a such a sacred resource.



Ngā Kaihautū o te Rohe Regional Leadership

Ngā Kaihautū o te Rohe

Regional Leadership

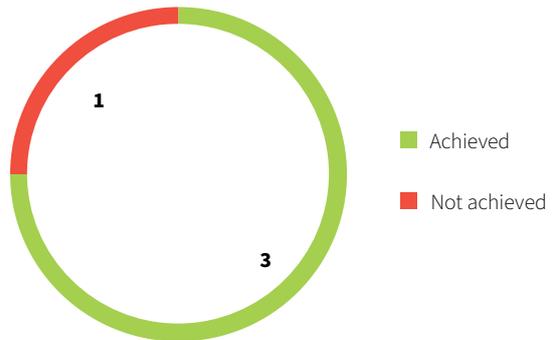
| This group of activities contributes to: | |
|--|--|
| Priority area | Water supply |
| | Public transport |
| | Regional Resilience |
| | Freshwater quality and biodiversity |
| Community outcomes | Strong economy |
| | Connected community |
| | Resilient community |
| | Healthy environment |
| | 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.

2020/21 Status of non-financial performance



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.

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

³⁵The 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 adaption and resilience.

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 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 on 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.

Emergency management 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 |
|---|---|-----------------|---------------------|--------------------------|----------------|----------------|--------------------------|-------------------------------|
| | Percentage of households with sufficient emergency food and water to last at least seven days | 10% | 31.2% ³⁶ | Achieved | 13% | 29% | Achieved | |
| Work with the regional community to improve resilience to, and preparedness for, major emergency events | 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 | |

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.

Regional Transport Planning and Programmes

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 |
|--|--|------------------------------------|----------------|--------------------------|----------------|----------------|--------------------------|-------------------------------|
| 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.

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

REGIONAL LEADERSHIP

FUNDING IMPACT STATEMENT

FOR THE YEAR ENDING 30 JUNE 2021

| Sources of operating funding | 2020/21 Actual \$000s | 2020/21 Long Term Plan \$000s | 2019/20 Actual \$000s | 2019/20 Long Term Plan \$000s |
|---|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| 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 Long-Term Plan 2018-28.

All figures on this page exclude GST.

REGIONAL LEADERSHIP

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 |
|--|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| 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 Māori | 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 Māori | (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 Long Term Plan 2015-25.

All figures on this page exclude GST.

Clearing The Way For Our Freshwater Fish



Shortjaw kokopu - Shyam Morar

There are around 20 species of freshwater fish living in streams, rivers and connecting pipes on the Kāpiti Coast. Most of them need to migrate to and from the sea but often hit barriers along the way. Greater Wellington is working with mana whenua, catchment experts, students and landowners to do something about it.

Greater Wellington Senior Biodiversity Advisor, Katrina Smith says barriers in waterways are stopping fish from accessing suitable habitat, resources and completing their life cycle.

“The main issue is poorly designed, installed and maintained man-made structures such as weirs, culverts, fords and dams. They pose a real threat to freshwater fish species, 72 percent of which are already or at risk of extinction,” she said.

Working with Ngāti Toa Rangatira, Te Ātiawa ki Whakarongotai and Ngā Hapū o Ōtaki, Greater Wellington is talking to famers on the Kāpiti Coast to identify and access barriers to ‘fish passage’.

Greater Wellington Environmental Science Senior Advisor and Project Manager, Penny Fairbrother,

says this is an exciting project bringing a number of groups together to find the best solution.

“A student from Victoria University of Wellington will be employed to lead the assessments and data collection, with members from each iwi providing field work support in their respective areas,” she said.

The project is at the information gathering stage and in the future data will help prioritise work with landowners to fix any barriers that threaten fish passage on the Kāpiti Coast. All data is logged into a national database created by NIWA.

Greater Wellington Kāpiti Coast Councillor, Penny Gaylor said the project is a great example of Council working closely with mana whenua for positive environmental and water outcomes.

“The data collected is vital to establishing a holistic picture of our native species’ health, giving us invaluable insights to creating a consistent, national approach to protecting and restoring our environment,” she said.



Ngā Puna Wai Water Supply

Ngā Puna Wa Water Supply

This group of activities contributes to:

| | |
|--------------------|--|
| 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.

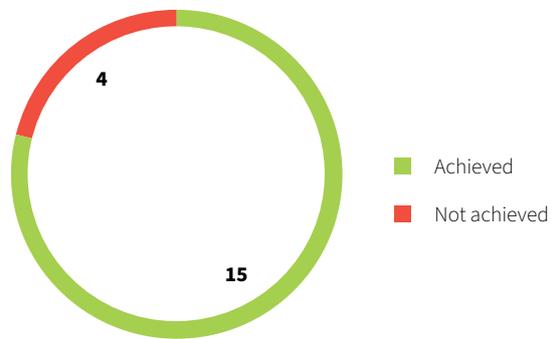
For more detailed information on these performance measures including explanations for measures that were not achieved, please see the ‘Measuring our Performance’ section below.

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 is an important step towards increasing the resilience of our bulk water supply network in the event of a natural disaster.

2020/21 Status of non-financial performance



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.

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.

³⁹The 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.

⁴⁰Wellington 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.

Water Supply

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 |
|--|---|-----------------|----------------|--------------------------|----------------|----------------|--------------------------|-------------------------------|
| | Number of waterborne disease outbreaks | 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 | |
| Provide water that is safe and pleasant to drink | 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 ^{41,42} | 0.04 | 0 | Achieved | <0.2 | 0 | Achieved | |
| | Safety of drinking water: ⁴³ | | | | | | | |
| | Compliance with part 4 of the drinking-water standards (bacteria compliance criteria) | Yes | Yes | Achieved | Yes | 100% | Achieved | |
| | Compliance with part 5 of the drinking-water standards (protozoal compliance criteria) | Yes | Yes | Achieved | Yes | 100% | Achieved | |

⁴¹ Non-Financial Performance Measures Rules 2013, Water supply measure [4(a-e)]
⁴² Using the WaterNZ survey data for the number of end consumers provided with drinking water [L45,Z24].
⁴³ Non-financial Performance Measure Rules 2013, Water supply measure [L1(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 |
|---|--|--------------------|---------------------|--------------------------|----------------|----------------|--------------------------|-------------------------------|
| 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 ^{46,47} | 0.4% | 6.9% | Not Achieved | <2% | 12% | Not Achieved | I |
| | Attendance for urgent call-outs: ⁴⁸ | | | | | | | |
| | 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: ⁴⁹ | | | | | | | |
| | Time from local authority receiving notification to service personnel reaching site | 35 minutes | 0.9 hours | 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 |
| | Maintenance of the reticulation network: Percentage of real water loss from the networked reticulation system ^{51,53} | 0.7% | 0.07% ⁵⁴ | Achieved | +/- 2% | 0.12% | Achieved | |

⁴⁶Normal demand includes routine hoseing restrictions

⁴⁷Assessed using a probability model of annual water supply shortfall

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

⁴⁹Non-financial Performance Measure Rules 2013, Water supply measure [3(c)-(d)]

⁵⁰The 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.

⁵¹Non-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.

⁵²Non-financial Performance Measures Rules 2013, Water supply measure [2]

⁵³All 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.

⁵⁴This 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.

| Level of Service | Performance Measures | Baseline (2017) | 2019/20 Result | 2020/21 Target | 2020/21 Result | 2020/21 Status of Result | Commentary on 2020/21 Results |
|---|--|-----------------|----------------|----------------|----------------|----------------------------|-------------------------------|
| | Full compliance with resource consents ⁵⁵ | New measure | 100% | Yes | 100% | Achieved | |
| Provide bulk water in compliance with all resource consents and environmental regulations | Annual review of relevant environmental legislation | New measure | 100% | Yes | 100% | Achieved | |
| | HSNO location and stationary container test certificates are current | New measure | 0% | Yes | 75% | Not Achieved ⁵⁶ | 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.

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.

⁵⁵ Full compliance means no notices/convictions (abatement notices, infringement notices, enforcement orders, or convictions).

⁵⁶ 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 hydrofluoro-silicic acid (HFA) is not certified, with a HSNO conditional variation in place until November 2021.



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 | 0 | - | - | - |
| Bulk Water Levy¹ | 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 Long-Term Plan 2018-28.

All figures on this page exclude GST.

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 |
|--|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| 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 Long Term Plan 2018-28.

All figures on this page exclude GST.

#OnboardWithMasks



Our #onboardwithmasks campaign was part of an award-winning communications project helping travellers on public transport to make safe choices during the pandemic.



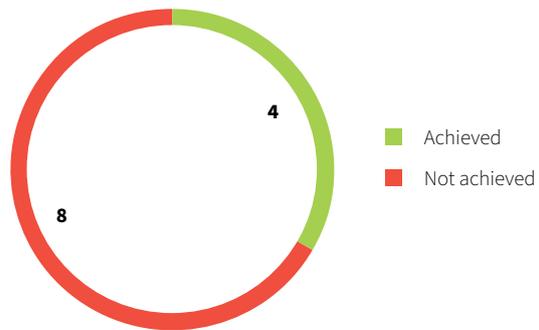
Ngā Waka Tūmatanui Metlink Public Transport

Ngā Waka Tūmatanui

Metlink Public Transport

| This group of activities contributes to: | |
|--|---|
| Priority area | Public transport |
| Community outcomes | Connected community Strong economy 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 |

2020/21 Status of non-financial performance



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 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 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).

Metlink Public Transport

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 |
|---|--|-------------------------|---------------------|--------------------------|---|---------------------|--------------------------|-------------------------------|
| Transform and elevate customer experience and use of Metlink passenger services | Percentage of rail users who are satisfied with their trip overall ⁵⁷ | Rail 93% | 93% ⁵⁸ | Achieved | >92% | 95% | Achieved | N |
| | Percentage of bus users who are satisfied with their trip overall ⁵⁹ | Bus 92% | 90% ⁶⁰ | Not Achieved | >92% | 92% | Achieved | N |
| 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 boardings: 73.0 | 61.8 | Not Achieved | O |
| | | Bus 99.1% ⁶² | 98.9% | Not Achieved | 99.5% | 98.2% ⁶⁴ | Not Achieved | P |
| Deliver services in accordance with the published timetable | Percentage of scheduled services delivered (reliability) | Bus 99.1% ⁶³ | 98.9% | Not Achieved | 99.5% | 98.3% | Not Achieved | Q |
| | Percentage of scheduled bus services on-time at origin (punctuality) – to 5 minutes ⁶⁵ | Bus N/A ⁶⁶ | 94.2% ⁶⁷ | Not Achieved | 95% | 95.4% ⁶⁸ | Achieved | |
| | Percentage of scheduled bus services on-time at destination (punctuality) – to 5 minutes ⁶⁹ | Bus N/A ⁶⁹ | 53.8% ⁷¹ | Not Achieved | Increase on previous year | 51.9% ⁷² | Not Achieved | R |

⁵⁷ Satisfied = score of 6-10 on a scale of 0-10

⁵⁸ 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).

⁵⁹ Satisfied = score of 6-10 on a scale of 0-10

⁶⁰ 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.

⁶¹ 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).

⁶² 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.

⁶³ 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.

⁶⁴ 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.

⁶⁵ This measure is based on services that depart from origin, departing between one minute early and five minutes late.

⁶⁶ This measure has changed from the previous (2015-20) Long Term Plan, moving from 1.0 to 5 minutes punctuality with the new bus contracting environment.

⁶⁷ 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.

⁶⁸ 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.

⁶⁹ 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.

⁷⁰ Bus punctuality at destination has not been reported on in prior years; therefore, results cannot be compared with prior years.

⁷¹ 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.

⁷² 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 ⁷³ | Rail 88% | 89.4% | Not Achieved | 92% | 90.3% | Not Achieved | S |
| 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% ⁷⁴ | 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% ⁷⁵ | 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 | Improvement on previous year | 1.8 | Not Achieved | U |
| 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 ⁷⁷ | 99% | 98% | Not Achieved | ≥99% | 93% | Not Achieved | V |

⁷³ The rail punctuality measure is based on rail services arriving at key interchange stations and final destination, within five minutes of the scheduled time.

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, 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.

⁷⁵ 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.

⁷⁶ 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). As such no interim result can be reported.

⁷⁷ Measured through the GWRC Total Mobility Survey 2021. Satisfied = scores 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 Boarding 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.

Attachment 1 to Report 21.574

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 | 0 | - | - | - |
| Depreciation on Public Transport assets | 5,337 | 9,389 | 5,084 | 6,064 |

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

²Greater 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 Long-Term Plan 2018-28.

All figures on this page exclude GST.

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 |
|---|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| 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 Limited | | | | |
| 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 Long-Term Plan 2018-28.

All figures on this page exclude GST.

Muddying The Waters – It's An Issue



Towards the end of 2020, Greater Wellington had a close up look at the sediment in Te Awarua-o-Porirua. It was part of an underwater survey checking the health of the Onepoto and Pāuatahanui estuaries and results showed the harbour was not looking too good.

This is the sixth underwater survey conducted by NIWA divers and monitors the diversity of animals in sediments, the quality of the sediments and the amount of storm water contaminants and mud.

Greater Wellington Senior Coastal Scientist, Dr Megan Melidonis said the results were concerning.

“The key issues are sedimentation, pollution and ecological degradation. The number and type of species living in the sediment is changing as more mud is settling on the harbour floor.

“This reduces the ability of the estuaries to support food gathering and recreation, or to protect us from storm surges and flooding. Estuaries are important for storing carbon as they act as kidneys for our environment by filtering freshwater before it enters the open coast.”

Dr Melidonis said Te Awarua-o-Porirua Harbour is a special area that needs protection.

“It’s of great cultural importance to Ngāti Toa Rangātira who have kaitiakitanga (guardianship) over the area and historically used the estuary for mahinga kai,” she said.

It’s also an area of significant economic and ecological value with thousands of hectares of farmland, lifestyle blocks, urban settlement, parkland, rail and road corridors – which all put pressures on the estuary ecosystem.

As well as the underwater surveys, Greater Wellington has also installed sensors to measure water murkiness and completed two surveys of the harbour floor to measure the depth.

Greater Wellington Regional Councillor for Porirua, and Tawa, Jenny Brash said the results from the surveys and other monitoring measures were critical in guiding management, policy actions and restoration of the catchments and streams that flow into the harbour.

“We need this data to make strategic decisions on restoration implementation programmes which help us work together to restore the harbour’s health.”

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

Tā te Kaunihera Rōpū me ngā Mahi Haumi

Council Controlled Organisations and Investments

Overview

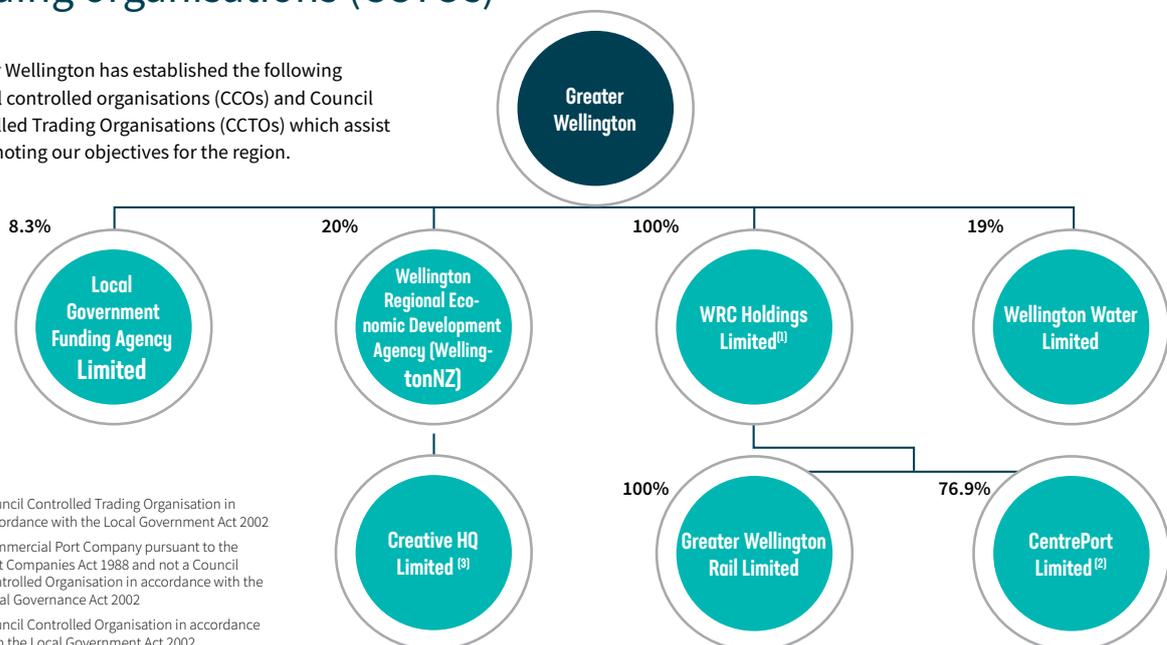
Greater Wellington has a number of subsidiary entities that deliver services to the region and these operate through a variety of structures. These organisations are “council organisations” as defined in the Local Government Act 2002 (section 6).

- **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.



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

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

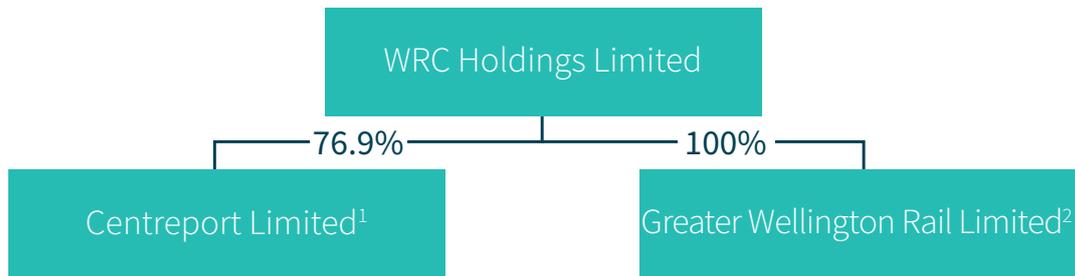
supply section but also they can refer to Wellington Water’s Annual Report based on their statement of intent)

Performance targets

Wellington Water Limited’s performance measures are set out in the Water Supply section of the 2018-28 Long Term Plan⁷⁸ 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:



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

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.

⁷⁸ 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.

WRC Holdings group financial performance targets are:

Financial WRCH group results compared with Statement of Intent (SOI) Targets.

| | Actual 2021 \$000s | Target 2021 \$000s | Actual 2020 \$000s |
|---|-----------------------|-----------------------|-----------------------|
| 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 its subsidiaries as at 31 June 2020 (excluding CentrePort Limited) are:

- Prue Lamason (Chair)
- Roger Blakeley
- Glenda Hughes
- Chris Kirk-Burnand
- 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 parks

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% |

CentrePort Limited

| | Actual 2021 \$000s | Target 2021 \$000s | Actual 2020 \$000s |
|--|-----------------------|-----------------------|-----------------------|
| Net profit before tax | 10,800 | 13,200 | 19,700 |
| Net profit after tax ⁷⁹ | 8,600 | 9,500 | 14,700 |
| Return on total assets ⁸⁰ | 1.4% | 18% | 3.8% |
| Return on equity ⁸¹ | 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

Reporting Against Statement of Intent People.

| Objective | Performance measure | Performance FY20 Actual | Performance FY21 Target | Performance 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 |

⁷⁹Underlying net profit after tax before earthquake impacts and changes in fair value includes abnormal items.

⁸⁰Return on assets = earnings before interest, tax, earthquake impacts, and changes in fair value divided by the average opening and closing non current assets.

⁸¹Return 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 Environmental Performance Targets

| Objective | Performance measure | Performance FY20 Actual | Performance FY21 Target | Performance FY21 Q4 |
|------------------------------------|---|---|--|---|
| | 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. |
| Minimise impact on the environment | Complaints: number of complaints from external stakeholders about environmental performance | Five | Zero | <p>Four complaints for the year.</p> <p>MSC Wieland 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>Mobile Plant Noise Complaint 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>Container Berth Reinstatement Noise Complaint 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> <p>Dust Complaint 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> |

| Objective | Performance measure | Performance FY20 Actual | Performance FY21 Target | Performance FY21 Q4 | | | | | | | | |
|------------------------------------|--|---|--|--|----------|---------|---------|--------|-------|-------|-------|-------|
| Minimise impact on the environment | 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> <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 CO2equivalent) 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.</p> <p>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 | | | | | | | | |

Customer Performance Measures

| Objective | Performance measure | Performance FY20 Actual | Performance FY21 Target | Performance 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 | <p>Compliance with the ISPS maintained</p> <p>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.</p> <p>Five reportable breaches in total for the year.</p> |
| 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 | All new task risk assessments and post incident reviews complete | <p>No breaches of the PHSC</p> <p>Marine Operations consistent with the Port and Harbour Safety Code.</p> |

Investment Performance Measures

| Objective | Performance measure | Performance FY20 Actual | Performance FY21 Target | Performance 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. | <p>Receipt of endorsement from Shareholders to our Regeneration Investment Summary which links to the overall Portfolio Investment Summary provided in 2020.</p> <p>Significant progress on Priority 1 projects, including Container Berth Reinstatement, Ground Resilience Programme, Seaview Wharf Renewal and Interislander SUT development.</p> |
| Infrastructure restoration and challenge | 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. | MTOP Ferry Works and return of rail onto port complete | Container and Logs Works MTOP Works Complete | <p>Land development works progressing on former BNZ land based on agreements reached with Bluebridge. Completion delayed until Q1 FY22 based on Bluebridge requirements.</p> <p>Inner Port land for port operations continuing with completion of demolition of CPL House and commencement of land development works.</p> <p>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).</p> <p>Continued issues with material supply affecting project progress.</p> |

| Objective | Performance measure | Performance FY20 Actual | Performance FY21 Target | Performance FY21 Q4 |
|--|---|--|---|---|
| | Implementation of natural hazard resilience programme which is developed to mitigate business continuity risks and provide incremental resilience improvement | Identified log and container works (i.e. bomb cart implementation) are all being executed or completed | Major works commenced at Seaview Wharf and ground resilience works completed for Thorndon Container Wharf | 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. |
| Infrastructure restoration and challenge | Development of key major project initiatives. | Consent obtained and works commenced on Seaview Wharf Renewal and Container Berth Extension | Consents obtained for CityPort Inner Harbour Development. Extended Container Berth Operational. | Physical works continues to progress for the Container Berth Reinstatement with the project currently on programme and budget with operations still targeting end of 2021. This is dependent on material supply. Seaview Wharf Renewal resource consent application lodged just after the end of Q3 and expecting consent from regulators in July 2021. Site works targeted to commence end of 2021. Overall budget continues to be under pressure due to market conditions and constraints. KiwiRail SUT: 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. Multi-User Ferry Precinct: Master Planning process underway. CPL leading on behalf of Future Ports Forum. Inner Harbour Precinct: developing brief for Master Plan development with key stakeholders. |

Stakeholders & Community Performance Measures

| Objective | Performance measure | Performance FY20 Actual | Performance FY21 Target | Performance 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 | Face-to-face meetings with key stakeholders/ influencers Regular stakeholder updates via digital channels | Face-to-face meetings with key stakeholders/ influencers Regular stakeholder updates via digital channels | The CEO met a range of stakeholders including central/ local government representatives and customers. Ten updates on LinkedIn including video and other digital collateral on CentrePort activities. |
| 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 | Continued sponsorship partnerships. <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 engagement plan | Staff engagement survey conducted. Staff training survey conducted. Continued engagement along with fuel industry representatives (led by Z) on community engagement strategy for Seaview Wharf and pipeline project. Established joint website and met with various stakeholder groups. |

| Objective | Performance measure | Performance FY20 Actual | Performance FY21 Target | Performance FY21 Q4 |
|---|--|--|---|--|
| | 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. |
| Engage with stakeholders on environmental matters | 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.

He tauākī pūtea Financial Statements

He tauākī pūtea

Financial Statements

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Greater Wellington Regional Council

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

For the year ended 30 June 2021

| | Note | Council | | | Group | |
|--|------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | Actual 2021 \$000s | Budget 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 |
| | 3 | 432,456 | 511,644 | 439,734 | 506,865 | 531,080 |
| Other gains / (losses) net | | 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 and earthquake related items | | 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 |

Greater Wellington Regional Council

He tauākī Ahumoni | Statement of Financial Position

For the year ended 30 June 2021

| | Note | Council | | Group | | |
|---|------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | Actual 2021 \$000s | Budget 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 | 1,614,346 | 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 |



Daran Ponter
Chair
09 December 2021



Nigel Corry
Chief Executive
09 December 2021



Alison Trustrum Rainey
Chief Financial Officer
09 December 2021

Greater Wellington Regional Council

He tauākī whakamārama Moni Taurite | Statement of Changes in Equity

For the year ended 30 June 2021

| Note | Council | | Group | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Budget 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Opening equity | 1,103,138 | 1,040,356 | 1,090,879 | 1,619,766 | 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 | 14,991 | 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 | 1,614,346 | 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 | 1,614,346 | 1,619,766 |

Greater Wellington Regional Council

He tauākī Kapewhiti | Statement of Cash-Flow

For the year ended 30 June 2021

| | Note | Council | | Group | | |
|---|-----------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | Actual 2021 \$000s | Budget 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 | 4,675 | 23,837 | 9,338 | 196,793 | 259,392 |

Greater Wellington Regional Council

He tauākī Pūtea Kawekawe | Funding Impact Statement

For the year ended 30 June 2021

| | Council | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Budget 2021 \$000s | Actual 2020 \$000s | Budget 2020 \$000s |
| 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 2021 31 Long Term Plan.

All figures on this page exclude GST.

Greater Wellington Regional Council

He Pūtea Penapena | Financial Reserves

For the year ended 30 June 2021

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.

Attachment 1 to Report 21.574

| Council created reserves | Purpose of the fund | Opening balance Jul20 \$000s | Deposits \$000s | Withdrawals \$000s | Closing balance Jun21 \$000s |
|--------------------------------------|--|------------------------------------|--------------------|-----------------------|---------------------------------------|
| 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 Reserve | Contribution by other local authorities for set up costs | 117 | 3 | - | 120 |
| 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.

Attachment 1 to Report 21.574

Greater Wellington Regional Council

Ko te Moni Tārewa | Debt

For the year ended 30 June 2021

| Debt position | Opening balance 2020 \$000s | Additions \$000s | Repayments \$000s | Closing balance 2021 \$000s | Finance costs \$000s |
|---|--|-----------------------------|------------------------------|--|---|
| 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 |
| | 518,670 | 66,051 | (34,095) | 550,626 | 24,699 |
| | | | | | Council Actual 2020 \$000s |
| Total activities debt | | | | | 550,626 |
| Treasury internal funding ¹ | | | | | (18,776) |
| | | | | | 531,850 |
| | | | | | 531,850 |
| External debt (current) | | | | | 151,850 |
| External debt (non-current) | | | | | 380,000 |
| | | | | | 531,850 |

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

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1. Reporting Entity

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 Greater Wellington and the 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 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 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.

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

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021**

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 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 Tranzit, 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.

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021** Attachment 3 to Report 21.574**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.

(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 2021 \$000s | Budget 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

4 Employee benefits

| | Council | | Group | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Budget 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Employee benefits | | | | | |
| 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 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 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Depreciation and amortisation on assets | | | | |
| 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 | 57,461 | 56,826 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

6 Other operating expenditure

| | Council | | | Group | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Budget 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 |
| Councillor 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 2020 \$000s | Budget 2020 \$000s | Actual 2019 \$000s | Actual 2020 \$000s | Actual 2020 \$000s |
| Fair value movements in financial instruments | | | | | |
| Interest rate swaps | 32,775 | 13,821 | (17,711) | 32,775 | (17,711) |
| | 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 \$000s | Business Interruption \$000s | Total Settlement \$000s | 2021 \$000s | 2020 \$000s |
|--|---------------------------|------------------------------------|-------------------------------|----------------|----------------|
| 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.

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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

| | Council | | Group | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 | - | (179) | 20,096 | (3,403) |
| Deferred tax expense/(income) relating to the origination and reversal of temporary differences | - | 179 | (1,818) | 4,365 |
| Tax expense | - | \$nil | 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 the Greater Wellington Group, including the CentrePort Group, and any other council controlled organisations. All other income currently derived by Greater Wellington is exempt from income tax.

| | Council | | Group | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

Attachment 3 to Report 21.574

10 Deferred tax

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

(30,293)

| | Investment properties \$'000 | Property, plant and equipment \$'000 | Trade and other payables \$'000 | Tax losses \$'000 | Insurance Recoverable \$'000 | Total \$'000 |
|--------------------------------|------------------------------------|---|--|-------------------------|------------------------------------|------------------|
| Movements – Group | | | | | | |
| 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) |

| | Investment properties \$'000 | Property, plant and equipment \$'000 | Trade and other payables \$'000 | Tax losses \$'000 | Insurance Recoverable \$'000 | Total \$'000 |
|--------------------------------|------------------------------------|---|--|-------------------------|------------------------------------|------------------|
| Movements – 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 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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.

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021**

11 Cash and cash equivalents

| | Council | | Group | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Cash and cash equivalents | | | | |
| 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 |

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 uncollectable, 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 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 its rates. Payment of the final installment 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.

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021****b) Provision for impairment of receivables**

| | Council | | Group | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Provision for impairment of receivables | | | | |
| 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 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Gross trade receivables | | | | |
| 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 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Inventories | | | | |
| 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.

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021** Attachment 1 to Report 21.574**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.

(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.

| | Council | | Group | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 | | | | |
| Current financial assets | 157,452 | 83,114 | 113,452 | 83,114 |
| Non current financial assets | | | | |
| 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 Regional Council **Notes to the financial statements As at 30 June 2021**

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 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.

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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

Attachment 3 to Report 21.574

15 Aggregated joint venture information

| Name of joint venture | Principal activity | 2021 Percentage ownership % | 2020 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.

| Statement of comprehensive income | Council and Group | |
|--|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 revenue | Council and Group | |
|---|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s |
| Revenue | 2,757 | 1,152 |
| Operating expenses | (2,822) | (1,427) |
| Net finance cost | - | - |
| | (65) | (275) |

| Reconciliation of summarised financial information | Council and Group | |
|--|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 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.

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021**

Attachment 3 to Report 21.574

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 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

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

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 |
| Right to use | 20 years |

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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**16 Property, plant and equipment**

| Council 2021 | Cost / revaluation 1 Jul 2020 \$'000 | Accumulated depreciation \$'000 | Carrying amount 1 Jul 2020 \$'000 | Current year additions \$'000 | Current year disposals \$'000 | Net depreciation \$'000 | Transfers \$'000 | Current year impairment charges \$'000 | Revaluation surplus \$'000 | Cost / revaluation 30 Jun 2021 \$'000 | Accumulated depreciation \$'000 | Carrying amount 30 Jun 2021 \$'000 |
|----------------------------------|---|---------------------------------------|--|--|--|-------------------------------|---------------------|---|----------------------------------|--|---------------------------------------|---|
| Operating assets | | | | | | | | | | | | |
| At cost & valuation | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | |
| At cost & revaluation | | | | | | | | | | | | |
| 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) | (24,104) | (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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**16 Property, plant and equipment continued**

| Council 2020 | Cost / revaluation 1 Jul 2019 \$'000 | Accumulated depreciation \$'000 | Carrying amount 1 Jul 2019 \$'000 | Current year additions \$'000 | Current year disposals \$'000 | Net depreciation \$'000 | Transfers \$'000 | Current year impairment charges \$'000 | Revaluation surplus \$'000 | Cost / revaluation 30 Jun 2020 \$'000 | Accumulated depreciation \$'000 | Carrying amount 30 Jun 2020 \$'000 |
|-------------------------------|---|---------------------------------------|--|--|--|-------------------------------|---------------------|---|----------------------------------|--|---------------------------------------|---|
| Operating assets | | | | | | | | | | | | |
| At cost and valuation | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | |
| At cost and valuation | | | | | | | | | | | | |
| 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**16 Property, plant and equipment continued**

| Group 2021 | Cost/ revaluation | Accumulated depreciation \$'000 | Carrying amount 1 Jul 2020 \$'000 | Current year additions \$'000 | Current year disposals \$'000 | Net depreciation \$'000 | Transfers \$'000 | Current year impairment charges \$'000 | Revaluation surplus \$'000 | Cost/ revaluation 30 Jun 2021 \$'000 | Accumulated depreciation & impairment \$'000 | Carrying amount 30 Jun 2021 \$'000 |
|-------------------------------|----------------------|---------------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------|---------------------|---|----------------------------------|---|---|---|
| Operating assets | | | | | | | | | | | | |
| Land and buildings | 120,766 | (19,723) | 101,043 | 14,650 | (2,217) | (1,488) | 3,434 | 7,899 | 6,747 | 151,280 | (21,211) | 130,069 |
| Plant and 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) | (8,621) | 28,736 | 7,899 | 6,747 | 284,756 | (83,927) | 200,829 |
| Infrastructural assets | | | | | | | | | | | | |
| At cost and valuation | | | | | | | | | | | | |
| 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 |
| Portwharves 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) | 7,899 | - | 1,896,046 | (164,061) | 1,731,986 |
| Total Group | 2,054,056 | (192,577) | 1,861,479 | 119,521 | (5,373) | (55,412) | 4,279 | 7,899 | 6,747 | 2,180,802 | (247,988) | 1,932,815 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**16 Property, plant and equipment continued**

| Group 2020 | Cost / revaluation 1 Jul 2019 \$'000 | Accumulated depreciation \$'000 | Carrying amount 1 Jul 2019 \$'000 | Current year additions \$'000 | Current year disposals \$'000 | Net depreciation \$'000 | Transfers \$'000 | Current year impairment charges \$'000 | Revaluation surplus \$'000 | Cost / revaluation 30 Jun 2020 \$'000 | Accumulated depreciation \$'000 | Carrying amount 30 Jun 2020 \$'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 to 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**Infrastructural assets further disclosures**

| Council 2021 | Closing book value \$000s | Additions | | Estimated replacement cost \$000s |
|---------------------------------------|------------------------------|----------------------------------|---|--------------------------------------|
| | | Constructed by Council \$000s | Assets transferred to Council \$000s | |
| 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 |

| Council 2020 | Closing book value \$000s | Additions | | Estimated replacement cost \$000s |
|-------------------------------------|------------------------------|----------------------------------|---|--------------------------------------|
| | | Constructed by Council \$000s | Assets transferred to Council \$000s | |
| 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

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. |
| 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. |

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021**

Attachment 3 to Report 21.574

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.

| | Council | | Group | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Industrial Zoned Land | - | - | 104,744 | 94,725 |
| Commercial Zoned | - | - | - | 2,200 |
| Other Port Land | - | - | 28,010 | 25,495 |
| | - | - | 132,754 | 122,420 |
| Less Provisions 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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

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.

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021**

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 | Fair value \$000s | 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.

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

| Council | Software \$000s | *Emission units \$000s | Total \$000s |
|---|-----------------|------------------------|---------------|
| 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**17 Intangible assets continued**

| Council | Software \$000s | *Emission units \$000s | Total \$000s |
|---|----------------------------|-----------------------------------|-------------------------|
| 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 |

| Group | Goodwill \$000s | Software \$000s | *Emission units \$000s | 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 \$000s | Software \$000s | Emission units \$000s | 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 | 19,543 |
| 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) LG 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 \$000s | Maximum level of insurance coverage \$000s |
|----------------|--|---|
| 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 \$000s | Total value of assets self-insured \$000s |
|----------------|------------------------------------|--|
| 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

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

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 outgoings, 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.
- 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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

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| | 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 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Investment properties | | | | |
| Developed investment properties brought forward | - | - | 29,900 | 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 |
| 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 | - | - | 55,493 | 59,903 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**20 Investments in subsidiaries and associates****a) 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 Regional Economic Development Agency | 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 2021 \$000s | Actual 2020 \$000s |
|---|-----------------------------------|-----------------------------------|
| 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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

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21 Derivative financial instruments

| | Council | | Group | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 |
| 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 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Trade and other payables | | | | |
| 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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

23 Debt

| | Note | Council | | Group | |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| | | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Current debt liabilities | | | | | |
| <i>Secured</i> | | | | | |
| 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 |
| | 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

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021**

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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 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| Current liability | | | | |
| Employee benefits | 8,177 | 4,582 | 11,353 | 10,090 |
| Provisions | 196 | 118 | 196 | 118 |
| | 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 \$000s | Long service leave \$000s | Earthquake repair works \$000s | ESCT \$000s | Total \$000s |
|---------------------------------------|---------------------|---------------------------|--------------------------------|-------------|--------------|
| Council 2021 | | | | | |
| 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 |

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

| | Council | | Group | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 | - | - | - | - |
| 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:

| | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2021 \$000s | 2020 \$000s | 2021 \$000s | 2020 \$000s |
| Movement in interest rate: | | | | |
| 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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**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.

| 30 June 2021 | Council +1% Surplus/ (deficit) \$000s | Council +1% Equity \$000s | Council -1% Surplus/ (deficit) \$000s | Council -1% Equity \$000s | Group +1% Surplus/ (deficit) \$000s | Group +1% Equity \$000s | Group -1% Surplus/ (deficit) \$000s | Group -1% Equity \$000s |
|--|--|--|--|--|--|--|--|--|
| Interest rate risk | | | | | | | | |
| 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% Surplus/ (deficit) \$000s | Council +1% Equity \$000s | Council -1% Surplus/ (deficit) \$000s | Council -1% Equity \$000s | Group +1% Surplus/ (deficit) \$000s | Group +1% Equity \$000s | Group -1% Surplus/ (deficit) \$000s | Group -1% Equity \$000s |
|--|--|--|--|--|--|--|--|--|
| Interest rate risk | | | | | | | | |
| 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) | - |

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021**

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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.

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.

| Credit risk | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2021 \$000s | 2020 \$000s | 2021 \$000s | 2020 \$000s |
| 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 | 5,000 | 5,000 | 5,000 | 5,000 |
| New Zealand Local Government Funding Agency Limited borrower notes | 7,650 | 6,800 | 7,650 | 6,800 |
| Stadium advance | 900 | - | 900 | - |
| Derivative financial instrument assets | 1,135 | 1,293 | 1,135 | 1,293 |
| Bulk water supply contingency fund | 35,499 | 32,337 | 35,499 | 32,337 |
| 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 |
| Loan to WRC Holdings Limited | 44,000 | 44,000 | - | - |
| Loans and Advances to Joint Ventures | - | - | 7,753 | - |
| Total credit risk | 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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

| | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2021 \$000s | 2020 \$000s | 2021 \$000s | 2020 \$000s |
| Counterparties with credit ratings | | | | |
| 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 |

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.

| | Less than 3 months \$000s | Less than 1 year \$000s | 1-2 years \$000s | 2-5 years \$000s | More than 5 years \$000s | Contractual cashflows \$000s | Carrying amount \$000s |
|------------------------------------|---------------------------------|-------------------------------|---------------------|---------------------|-----------------------------------|------------------------------------|------------------------------|
| 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021 Attachment 3 to Report 21.574

| | Less than 3 months \$000s | Less than 1 year \$000s | 1-2 years \$000s | 2-5 years \$000s | More than 5 years \$000s | Contractual cashflows \$000s | Carrying amount \$000s |
|------------------------------------|---------------------------------|-------------------------------|---------------------|---------------------|-----------------------------------|------------------------------------|------------------------------|
| 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**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 \$000s | Observable inputs \$000s | Quoted market price \$000s | Total \$000s |
|--|--|--------------------------|----------------------------|----------------|
| 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 |

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021** Attachment 1 to Report 21.574

| Group | Significant non observable inputs \$000s | Observable inputs \$000s | Quoted market value \$000s | Total \$000s |
|--|---|--------------------------------|----------------------------------|-----------------|
| 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 |

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

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

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**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 \$000s |
|--|---------------------------|
| 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 |
| 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 |

| Group | Level 3 \$000s |
|---|---------------------------|
| 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 |
| 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 |

Greater Wellington Regional Council **Notes to the financial statements As at 30 June 2021****(e) Financial instrument categories**

| Council | Assets at fair value through surplus or deficit \$000s | Assets at fair value through other comprehensive revenue and expense \$000s | Shares, loans and receivables \$000s | Held to maturity investments \$000s | Total \$000s |
|--|---|--|---|--|---------------------|
| 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 |
| Total assets | 1,293 | 6,321 | 107,368 | 138,347 | 253,329 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

| Group | Assets at fair value through surplus or deficit \$000s | Assets at fair value through other comprehensive revenue and expense \$000s | Shares, loans and receivables \$000s | Held to maturity investments \$000s | Total \$000s |
|--|--|---|--------------------------------------|-------------------------------------|----------------|
| 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021 Attachment 3 to Report 21.574

| Council | Liabilities at fair value through surplus or deficit \$000s | Measured at amortised cost \$000s | Total \$000s |
|----------------------------------|--|--|---------------------|
| Liabilities | | | |
| 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 | Liabilities at fair value through surplus or deficit \$000s | Measured at amortised cost \$000s | Total \$000s |
|-------------------------------------|--|--|---------------------|
| Liabilities | | | |
| 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

27 Contingencies

| | Council | | Group | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 unchanged 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

| Council | Parent Actual 2021 \$000s | Parent Actual 2020 \$000s |
|---|------------------------------------|------------------------------------|
| 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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

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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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

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.

| Employee remuneration | 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.

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 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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).

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021**Operating leases as lessor**

The Group leases its investment properties under operating leases. The lease terms have non cancellable terms from one to four years. The future aggregated minimum lease receipts to be collected under non cancellable operating leases are as follows:

| | Council | | Group | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2021 \$000s | Actual 2020 \$000s | Actual 2021 \$000s | Actual 2020 \$000s |
| 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 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 | 205,704 |
| (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 | \$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 | \$81.6bn |
| Profit attributable to the ordinary equity holders of the Council | | |

33 Major variances between actual and budget

| | Council Actual 2021 \$000s | Budget 2021 \$000s |
|--|-------------------------------------|--------------------------|
| Statement of comprehensive revenue and expenses | | |
| 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 |

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

| | Council Actual 2021 \$000s | Budget 2021 \$000s |
|---|---|-----------------------------------|
| Statement of comprehensive revenue and expenses | | |
| 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) | (15,468) |
| Asset revaluation | - | - |
| Fair value gains/(losses) in revenue and expenditure statement | 32,775 | 13,821 |
| Total comprehensive income/(deficit) for the year | 30,169 | (1,647) |
| Balance sheet | | |
| Assets | | |
| Balance sheet | | |
| Assets | | |
| Current | 219,845 | 53,316 |
| Non current | 1,600,593 | 1,697,081 |
| Total assets | 1,820,438 | 1,750,397 |
| Liabilities | | |
| Ratepayers equity | 1,137,997 | 1,038,703 |
| Current liabilities | 224,678 | 193,470 |
| Non current liabilities | 457,763 | 518,218 |
| Total equity and liabilities | 1,820,438 | 1,750,397 |
| 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.

Greater Wellington Regional Council **Notes to the financial statements** As at 30 June 2021

Attachment 3 to Report 21.574

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 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).

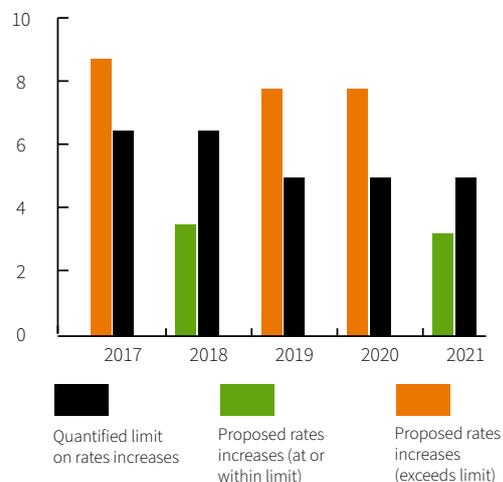
Refer to the regulations for more information, including definitions of some of the terms used in this statement.

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

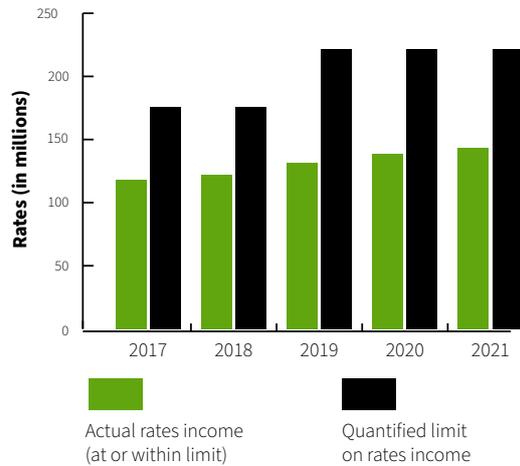
The following graph compares Council's actual rates increases with a quantified limit on rates increases contained in the Financial Strategy included in Council's Long Term Plan. The quantified limit is that rate increases will not exceed the Local Government Cost Index by more than 2%.



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.

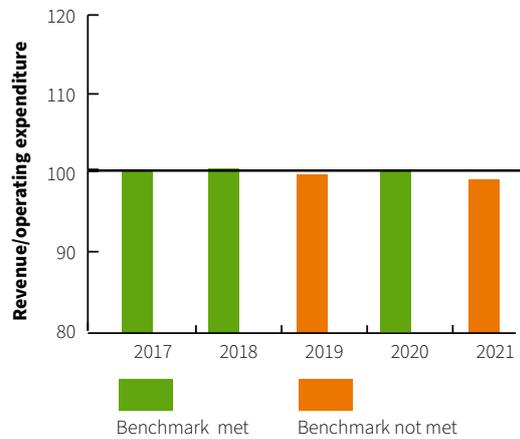
Greater Wellington adopted an average increase of 5.0% per annum (around \$30, GST inclusive, per year for the average residential ratepayer) in its Long Term Plan 2018-28 as it continues to significantly invest in improving the public transport network and the on-going flood protection programme.



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.

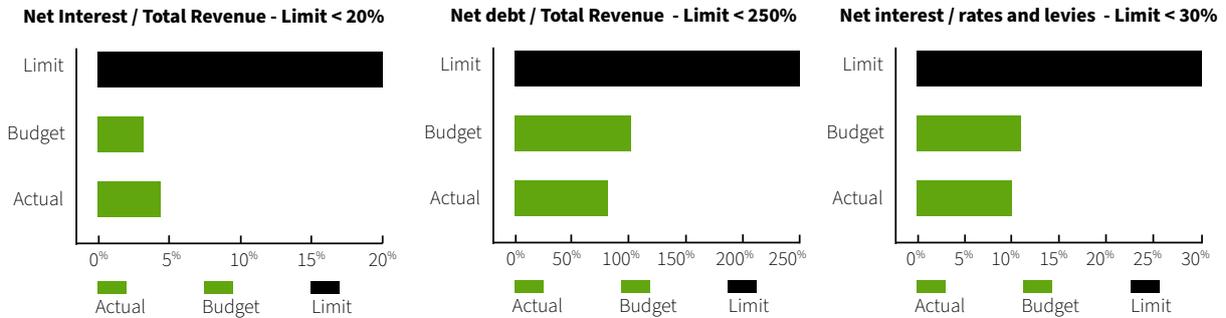
Over recent years the Council has been exceeding this benchmark.



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

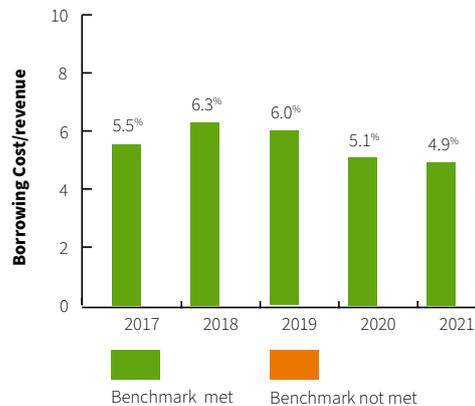
limits that Greater Wellington adopted in its 2018-28 Long Term Plan. These graphs show that Greater Wellington is being managed within these financial prudential limits.



Debt affordability graphs – debt servicing

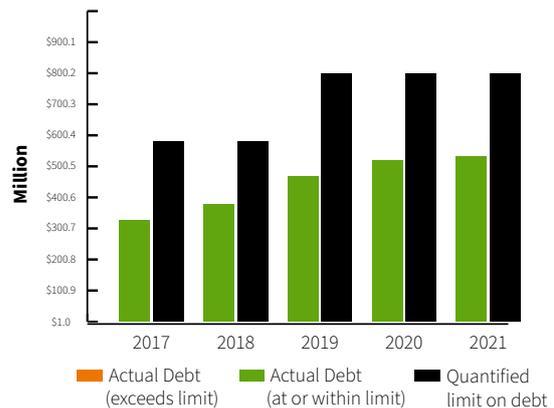
This graph shows the percentage of borrowing costs to revenue. A higher percentage indicates a higher exposure to shifts in interest rates. The benchmark prudential limit is set by Central Government at 10 percent for non-high population growth regions.

Greater Wellington continues to satisfy this benchmark test.



Debt affordability graphs – debt balance

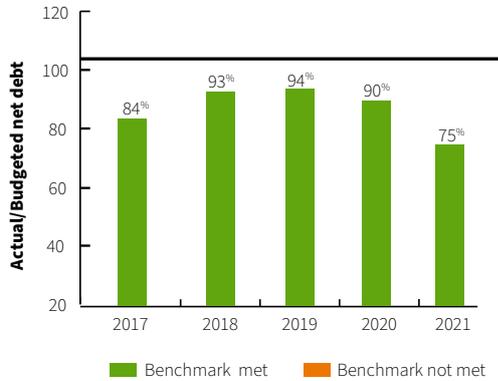
This graph shows the actual debt compared to the debt limit adopted in the 2018-28 Long Term Plan. In the 2018-28 Long Term Plan the debt projection was for debt to peak at \$763 million in 2024/25 as the full impact of the investment in upgrading the public transport network, the substantial flood protection work in the Hutt valley and the significant bulk water resilience projects are completed. Greater Wellington continues to satisfy this benchmark test



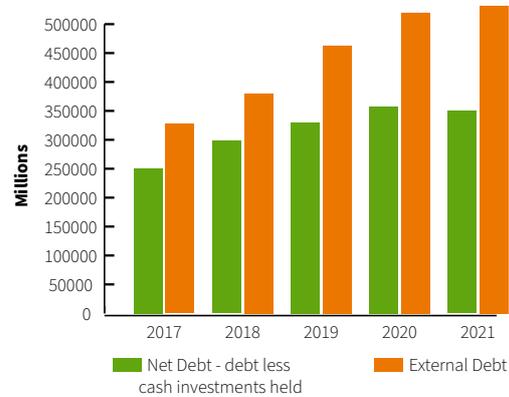
Debt affordability – debt benchmark

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.

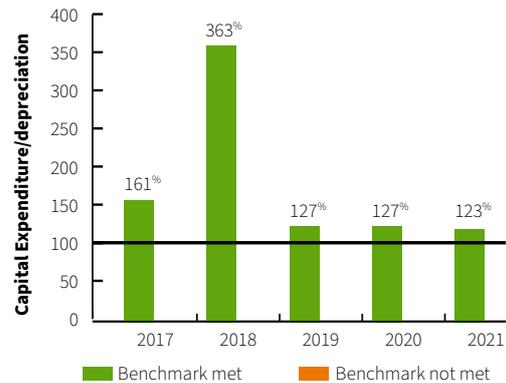


Essential services

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.

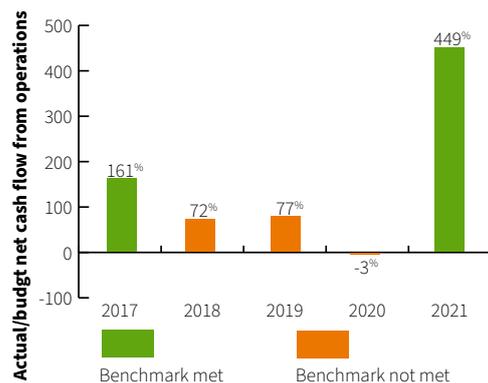
Over time we are meeting this benchmark due to the ongoing new flood protection works being built around the region.

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 2020 fairly reflect the financial position and operations of the Greater Wellington Regional Council.

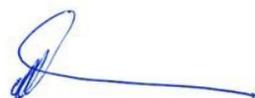
Daran Ponter



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 as at June 2021

KĀPITI COAST



Penny Gaylor

027 664 8869

penny.gaylor@gw.govt.nz

TE AWA KAIRANGI KI TAI/ LOWER HUTT



Ken Laban

029 200 0044

ken.laban@gw.govt.nz



Prue Lamason

021 858 964

prue.lamason@gw.govt.nz



Josh van Lier

021 515 450

josh.vanlier@gw.govt.nz

PORIRUA-TAWA



Jenny Brash

027 354 4233

jenny.brash@gw.govt.nz



Chris Kirk-Burnnand

021 658 237

chris.kb@gw.govt.nz

TE AWA KAIRANGI KI UTA/UPPER HUTT



Ros Connelly

027 733 5076

ros.connelly@gw.govt.nz

Wairarapa



Adrienne Staples

027 446 8060

adrienne.staples@gw.govt.nz

PŌNEKE/WELLINGTON



Roger Blakeley

021 229 6928

roger.blakeley@gw.govt.nz



Glenda Hughes

027 495 3673

glenda.hughes@gw.govt.nz



Daran Ponter

04 830 4246

027 454 0689

daran.ponter@gw.govt.nz



David Lee

021 220 2357

david.lee@gw.govt.nz



Thomas Nash

029 123 1536

thomas.nash@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

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, Gurunathan, Lang and Patterson. Ms Speight (NZTA) Mr Gordon (KiwiRail) | Mr Carter Ms Ropata | Mayors Beijen, Lang and Patterson. | Mayors Baker, Guppy, Gurunathan 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

| Nigel Corry Chief Executive | | | | | | | |
|---|--|--|--|---|---|---|---|
| Samantha Gain General Manager Corporate Services | Donna Hickey Acting General Manager People and Customer | Scott Gallacher General Manager Metlink | Alistair Cross General Manager Environment Management | Wayne O'Donnell General Manager Catchment Management | Luke Troy General Manager Strategy | Monica Fraser Te Pou Whakarae/ Te Hunga Whiriwhiri | Jeremy Holmes Regional Manager WREMO |
| Finance | Human Resources | Strategy and Investments | Environmental Policy s | Flood Protection | Strategic and Corporate Planning | | |
| Information, Communication 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 | | |

For more information, please contact Greater Wellington:

Wellington office

PO Box 11646
Manners St
Wellington 6142
T 04 384 5708
F 04 385 6960

Masterton office

PO Box 41
Masterton 5840
T 06 378 2484
F 06 378 2146

www.gw.govt.nz

info@gw.govt.nz



OCTOBER 2021





The Greater Wellington

Annual Report

Te Pane Matua Taiao he whakarāpopoto i te pūrongo ā-tau 2020/21 Greater Wellington Regional Council Summary of the Annual Report



He tau pukumahi mō tō tātou rohe taiao Busy year for our brilliant region

Every year Greater Wellington produces an Annual Report that looks at our achievements, compared to what we set out to do. It covers all the Council's activities and the way they're delivered and is required by Section 98 of the Local Government Act 2002. It also reports against year three of the 2018-2028 Long Term Plan.

This Summary version gives everyone the chance to see the important information, without the heavy (but very necessary) detail. But if you're into the detail, it's all here at www.gw.govt.nz/annual-report.

Read on and you'll find the inside news on what we've been doing over the year, how we've prepared and actively on track for the future.

It looks at everything from protecting the environment to responding to the challenges of COVID-19, and the outcomes for Mana Whenua and Māori to flood protection and water services.

Greater Wellington, its partners and community have been working hard and we're well prepared. Thanks for your support and let's keep making this a brilliant place to live now and forever.

He hapori whai kaha, manawaroaro Community strength and resilience



Nigel Corry, Chief Executive



Daran Ponter, Council Chair

Mana Whenua Partners

A big focus this year has been working with and improving outcomes for our mana whenua partners. We engaged with iwi on several of our key planning projects and developed frameworks including the 2021-31 Long Term Plan. We also worked to create a Māori economic development strategy to support iwi fostering economic development and growth.

COVID-19

Greater Wellington has worked hard to adapt to the complex challenges that emerged from COVID-19. We utilised government funding to protect native ecosystems and fund riparian planting and erosion management. The Regional Growth Framework was also finalised this year to support economic development and recovery.

Public Transport

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

Climate Change

We continued our strong commitment to climate change action. There were several key projects including the funding of two key restoration projects and finalising the 2020-2030 Toitū Te Whenua Parks Network Plan. We also set ambitious plans and targets to decarbonise our public transport fleet, decrease transport related carbon emissions and increase active travel and public transport use by 2030.

Environment

We continued our passionate commitment to the environment. This year we started to shift our processes towards delivering our services based on natural catchment boundaries to better protect our environment and engage with communities and mana whenua.

Finances

We have achieved an operating deficit of \$15.5 million for the year, compared to a forecast deficit of \$15.5 million set in the 2020-21 Long Term Plan. This is primarily due to a difference in operating expenditure, departmental grants and subsidies as a result of delivery of capital projects, a change in accounting

rail network renewals and additional dividend received from MetroPort Limited.

In September, we were named as the most innovative public transport operator for seven years in a row for his service to the region.

We're proud of the work we've done this year and acknowledge the mahi of our staff and the invaluable input from our mana whenua partners and communities. Please read this report and become involved in the development of an extraordinary, protected and resilient future.

2020/21 was a successful year of planning and partnership for Greater Wellington. We collaborated with our community and mana whenua partners to deliver our services and created several ambitious plans to set a foundation of strength and resilience to deal with ongoing challenges.

Leading the way on that were the development of our 2021-31 Long Term Plan (LTP) and our new Integrated Strategy. Together they set out our future direction, explaining how we'll deliver for our community over the next 10 years.

Te pane matua taiao he whakarāpopoto i te pūrongo ā-tau 2020/21 -
Greater Wellington Regional Council Summary of the Annual Report 2020/21

Te pane matua taiao he whakarāpopoto i te pūrongo ā-tau 2020/21 -
Greater Wellington Regional Council Summary of the Annual Report 2020/21

E hia? E hia u?

How many? How much?

From planting trees to managing resources, there's a lot going on in our region. As you can see, it all adds up.

- 18,000 native trees planted
- 106 million people visited a Regional Park this year
- 1,000 hectares of poplar planting and 248 hectares of afforestation completed
- 13 hectares of erosion prone land planted
- 100 percent of Wellington Region's primary schools participated in Movin' March cycling campaign
- 576 resource consents processed
- 106,000 hectares of mustelid control through the Regional Possum Control programme
- 100 percent of customers satisfied with Metlink's 2019 response and recovery
- 2,750 submissions received on the Regional Transport Plan

Whakapā mai

Please Contact us for more information and answers to your questions.

Greater Wellington Regional Council Phone: 04 384 5708
 Freephone: 0800 496 734
 Email: info@gw.govt.nz

Environment hotline Phone: 0800 496 734
Media enquiries Phone 021 914 266
 Email: comms@gw.govt.nz



Greater Wellington Regional Council is a statutory body made up of 13 regional councillors, representing six constituencies. For information about a committee or to contact your local councillor, please visit <http://www.gw.govt.nz/contact-us>

20 AWESOME EVENTS THIS SUMMER

Create whanaungatanga - unforgettable memories!

January - March 2022
gw.govt.nz/summerevents

Greater Wellington
Te Pane Matua Taiao

Ko te ahunga whakamua mō te hāpori pakari, nui te ora hoki

Vision for a strong, healthy community

It takes planning and structure to help a vision come to life, and that's what Greater Wellington's been doing. We've identified five Community Outcomes that underpin everything we do, and they connect directly to our vision. It means everything's linked with a clear goal to achieve.

Vision:

He rohe taurikura – ka tōnui, ka honohono, ka pakari hoki

An extraordinary region – thriving, connected and resilient

Ko ngā Hua Hapori e rima Five community outcomes

Strong Economy

What does that mean?

A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment.

Contributing Groups of Activities

- Environment
- Regional Parks and Forests
- Flood Protection and Control Works
- Regional Leadership
- Water Supply
- Metlink Public Transport

Engaged Community

What does that mean?

A community that takes pride in the region, values our urban and rural landscapes, and enjoys our amenities and choice of lifestyles.

Contributing Groups of Activities

- Environment
- Regional Parks and Forests
- Regional Leadership

Healthy Environment

What does that mean?

An environment with clean air, fresh water, healthy soils and diverse ecosystems that support community needs.

Contributing Groups of Activities

- Environment
- Regional Parks and Forests
- Flood Protection and Control Works
- Regional Leadership
- Water Supply
- Metlink Public Transport

Connected Community

What does that mean?

People are able to move around the region efficiently and our communications networks are effective and accessible.

Contributing Groups of Activities

- Regional Leadership
- Metlink Public Transport

Resilient Community

What does that mean?

A community that plans for the future, adapts to change and is prepared for emergencies.

Contributing Groups of Activities

- Environment
- Flood Protection and Control Works
- Regional Leadership
- Water Supply

**Kiribati (Te taetae ni Kiribati):
Ko kona ni kabonganai baao ni
mwamwananga n akea te kantoka nakon te
tabo n iti are ko na karekea iai te iti n totoko –
man te Moanibong 20 n Tebetembwa 2021**

2020-21

**Ko te Whakamahere, Rangapū, Manawaroa ā-Rohe
Planning, Partnership and Regional Resilience**

Greater Wellington's year in review

Our financial year runs from 1 July to 30 June and those 12 months have been a significant time for everyone in our region. We've had to deal with the ongoing challenge in COVID-19 and grapple escalating issues such as climate change. We've approached it all with a commitment to planning, partnership and creating resilience.

There was a lot to do and we're really grateful to the community and mana whenua partners for their collaboration in helping deliver our services and develop ambitious plans.

Planning for the future

We completed critical plans and important developments to help build a strong future across the board. We set a clear regional direction for the next 10 years with the development of the 2021-31 Long Term Plan and our Integrated Strategy.

We also set targets around regional transport through the 2021-31 Regional Land Transport Plan and the 2021-31 Regional Public Transport Plan.

In an important step, we implemented a Living Wage for all Metlink bus drivers. We continued our involvement with other organisations including RiverLink, Predator Free Wellington, Let's Get Wellington Moving and the Multi-User Ferry Precinct.

Environmental Focus

We maintained our strong passion and commitment to the environment. We started moving towards a catchment-based approach in delivering our services and made big progress in developing a Te Whanganui-a-Tara Committee Whaitia Implementation Programme.

We processed 576 non-notified resource consents and resolved 93 percent of appeals to the Environment Court.

Community Projects

Metlink ran a popular 'Design a Metlink Bus' contest and two buses were wrapped in custom-made vinyl designs created by talented young people.

We worked with the community to design and restore the swing bridge at Kaitoke Regional Park, making it safer and more accessible.

Several successful events were held including a 'Night skies' stargazing event for Matariki, and the 'Whakarongo ki te Taiao – Feeling the rhythm of the land', celebrating Wairarapa Moana's new global status as a Wetland of International Significance.

Continued progress on key issues

We continued our focus on improving outcomes for mana whenua, regional recovery and adaptation to COVID-19, as well as addressing the growing threat of climate change.

It was a challenging and busy year and has set us up well for the year ahead and into the future.

The following pages take a dive into the detail and a closer look at the amazing people who helped make it all happen.

Ko ngā nekeneke mō ngā take ahirahira Big Steps On Important Issues

By improving the way we operate and planning for the future right across the organisation, there were three areas this year that influenced a lot of our activity.



Ko te mahi ā-rōpū ki te haumaruru i te awa o waikanae Group Action To Protect Waikanae River

Waikanae River is one of our most important water ways, travelling 25 kilometres from the Tararua Ranges to the sea. Greater Wellington, district councils, Department of Conservation, local iwi and organisations have come together to protect the river against climate change and other threats.

The group, called Waikanae ki Uta ki Rai (mountains to sea), secured an \$8.5 million grant from Jobs for Nature in 2020 and has been working in a number of ways to protect this special area.

Much of the river area is classified by Greater Wellington as 'Key Native Ecosystems' and includes precious examples of lowland riparian forest with highly diverse ecosystems.

The areas are home to many plants and freshwater fish that are either regionally or nationally threatened. Greater Wellington Biodiversity Management Team Leader, Richard Romijn said the catchment's diverse landscape was an important connector between the mountains and the sea.

"It creates an ecological corridor that links the Tararua Ranges, the Waikanae River estuary, the Kipiti Marine Reserve and Kipiti Island Nature Reserve, creating a network of habitat stepping stones," he said.

Greater Wellington does monthly nutrient-level testing, checking on phosphate and nitrate levels. It also conducts annual ecology testing for macro invertebrates.

E.coli testing is also regularly conducted over summer.

Waikanae River is prone to flooding so a lot of work has been done to protect homes, trails and the integrity of the riverbank, including an upgrade of the stock bank.

Groups like the Waikanae Estuary Scenic Reserve have been doing significant planting along the river and in the estuary, to help protect the river from climate change and support the ecosystem.

Close attention is also being paid to coastal erosion in the lower estuary and excess sediment deposits from heavy rainfall.

Restoring the river's health will take time, but with so many groups coming together to tackle

the issues, the future is looking brighter for the long-term planning and management of a such a sacred resource.

Image: Greater Wellington is monitoring coastal erosion in the lower estuary of the Waikanae River, along with excess sediment deposits.

Ko Te Whakarahi Ake I Ngā Hua Mō Te Mana Whenua Me Te Māori Improving Outcomes For Mana Whenua And Māori

We have strong partnerships with mana whenua across the region. We value engaging with each iwi group directly on a number of exciting plans and projects.

Our partnership with mana whenua is important in upholding our commitment to Te Tiriti o Waitangi and gives us vital insight and knowledge on how we can improve our region.

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

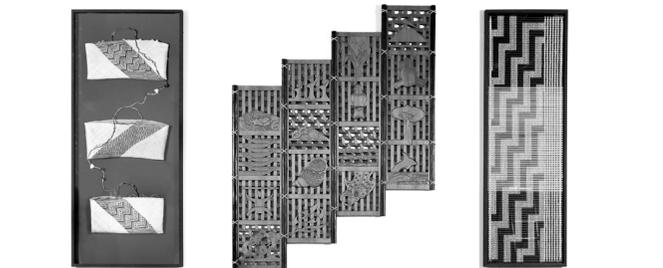
- Ngāi Hapū o Ōtaki
- Ātiawa ki Whakarongotai Charitable Trust
- Te Rīnanga o Tei Rangaitira Inc
- Port Nicholson Block Settlement Trust
- Rangitūne O Wairarapa Inc
- Ngāti Kahungunu ki Wairarapa Charitable Trust

We also have links with mātāwaka communities around the region.

It's been an important year of transition and we've had a good look how our processes can align with mātāwaka Māori to inform policy, strategy, planning and delivery of our services.

It all feeds into how we can improve overall outcomes for mana whenua and Māori. This year we:

- Developed a Māori Outcomes Framework to guide our progress in partnering with and improving outcomes for mana whenua and Māori.
- Adopted the Māori economic development strategy, Te Matarau a Māui, and appointed an independent board to support the success of the work programme.
- Agreed on a new baseline funding model for mana whenua which allows iwi groups to develop positive outcomes for their community and region. It also helps identify opportunities for activities right across the organisation.
- Engaged with mana whenua to develop the 2021-31 Long Term Plan.



Artwork especially commissioned for Greater Wellington, proudly hangs in our Council Chamber. They are a symbol of the sacred nature of our new home at 100 Cuba Street, bringing our people together for the first time in 6 years.

Artists - Elaine Bevan (Ngāti Raukawa, Ngāti Toa) with the assistance of Ezra Bevan (Ngāti Raukawa, Ngāti Toa), Hermann Salzmann (Ngāti Toa Rangaitira, Ngāti Raukawa, Ngāti Kōata), and Kohai Grace (Ngāti Toa) with the assistance of her son Rakaiora Hori (Ngāti Toa) and a whakairo student (of Sam Hauwaho) Benjamin Jolley (Waikato).

Ko tā Te Pane Matua Taiao whakautu, whiriwhiri hoki i te pānga atu o te Mate KOWHEORI-19

Responding to COVID-19

When COVID-19 arrived in New Zealand it impacted every aspect of our lives. Greater Wellington's done a lot to build resilience and stability across the board to help our region adapt to the huge challenges COVID-19 continues to throw at us.

Continuous Response

We responded to changes in COVID-19 Alert Levels throughout the year, setting up processes to allow staff to work from home when needed, so we could continue supplying essential services.

The Public Transport team continued maintaining safe and reliable bus and rail services with strict hygiene protocols throughout all Alert Levels. We also ran high profile campaigns encouraging mask wearing and social distancing on public transport.

Adapting to Changes and Challenges

This year we've looked to work more collectively, across Council and with our partners. We believe this will give us a stronger foundation and greater ability to adapt when needed.

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 Shovel Ready funding to provide key flood protection infrastructure in the Hutt and Ruamahanga River catchments.
- Committed to Te Upoko o Te Ika a Maui to promote regional social procurement.
- Enhanced our environment throughout the region by utilising central government Jobs for Nature funding.

Ready for the Future

Partnerships and collaborations will be key in successfully meeting the challenges of COVID-19. To help achieve that we:

- Finalised the Wellington Regional Growth Framework
- Supported the establishment of the Wellington Regional Leadership Committee (WRLC) to implement Wellington Regional Growth Framework

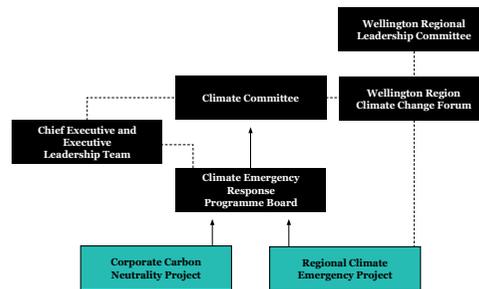


The WRLC is comprised of representatives from mana whenua, local territorial authorities, Horowhenua District Council and central government. Greater Wellington is the administrative authority for the WRLC which means we ensure it has the resources, information, and support to facilitate regional adaptation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

Ko te Mahi mō te Āhuarangi Climate Action Now

Climate change is here and we've seen the wide-reaching effects it has on our community, infrastructure, economy and natural ecosystems. This is a priority for us and we've made a lot of progress this year in establishing governance structures, developing strategies, managing risks and working towards our carbon emissions targets.

Governance:
We've established the following key governance groups, working together to develop and implement climate change strategies.



Strategies guiding the action
There are four key strategies that guide us in addressing climate change.

The 2021-30 Long Term Plan (LTP).
This sets the direction for the next 10 years, including 'addressing climate change' as one of the four overarching priorities. It includes ambitious plans and funding to reduce emissions and increase climate resilience.

Wellington Regional Growth Framework.
This spatial plan outlines how we'll adapt to key challenges and opportunities to achieve the best outcomes for the region. It outlines four main priorities including:

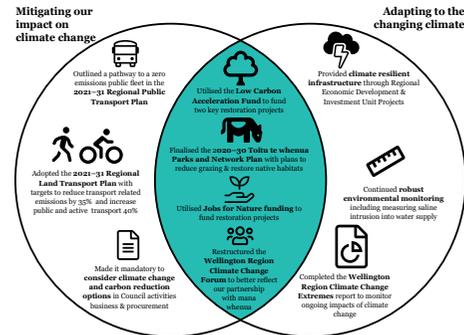
- housing supply, affordability and choice;
- transport choice and access;
- iwi and Māori housing, capacity and taonga; and
- climate change and regional resilience.

The Climate Emergency Response Programme
This outlines the governance and actions to support our work to mitigate and adapt to climate change.

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

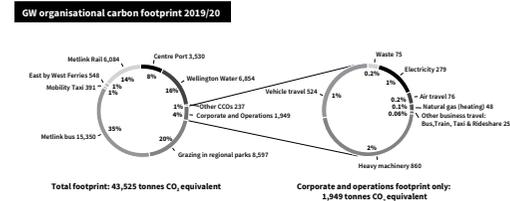
1. Corporate Carbon Neutrality Action Plan. This outlines how we'll work to minimise our direct contribution to climate change by reducing and offsetting our greenhouse gas emissions.
2. Regional Climate Emergency Action Plan. This shows how we'll work with others to build climate action consistency across the Region. We also contribute to central government climate action by making submissions on strategies such as the Climate Change Commission draft advice and Hikina te Kohupara - Kia mauri ora ai te iwi - Transport Emissions: Pathways to Net Zero by 2050.

Risk Management
We've taken action across a lot of areas this year to deal with climate change risks, looking at ways to reduce the impact and adapt to change.



Metrics and Targets
We've drawn a line in the sand, committing to be a carbon neutral organisation by 2030 and climate positive by 2035. To achieve that we're closely monitoring our carbon emissions in everything we do. It takes a long time to gather the data, so the previous 2019/20 financial year is the latest complete data set to use in the Annual Report.

In the 2019/20 financial year the Greater Wellington Group's emissions of 43,525 tonnes remained stable, falling approximately one percent in comparison to the previous year. This reduced emissions growth is a big improvement on the average rise of 9.3 percent of previous years.



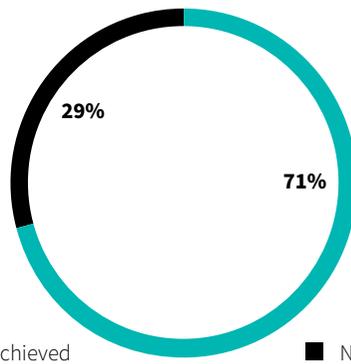
*Greater Wellington Group includes Greater Wellington Regional Council, Council Organisations and subsidiaries

He kupu mō te hapori Community close up

Activities of Greater Wellington

Every year we set goals and measure progress across everything we do. Here are the results and details of what we achieved in 2020/21.

2020/21 Status of non-financial performance

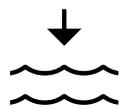


Weather forecast

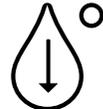
Our climate is changing and it will have a huge affect on how we live our lives. These are the effects we will see in the Wellington Region.



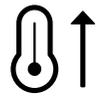
Drought increase



Water shortage increase



Water quality decrease



Temperature increase



Storm intensity increase

Global Recognition For Wairarapa Moana Wetlands

Locals and visitors have long understood the special and spiritual nature of Wairarapa Moana. It's been a taonga (treasure) for hundreds of years and in August 2020 its reputation went global.

The wetland area borders Lakes Wairarapa and Ōneke and was awarded status as an 'internationally significant' wetland under the Ramsar Convention, an intergovernmental treaty to protect wetland areas around the world.

Greater Wellington has been working for years with Ngāiti Kahungunu ki Wairarapa and Rangitīne o Wairarapa, the Department of Conservation and Wairarapa District Council to protect and improve biodiversity of these precious wetlands.

The international recognition was a great honour and was celebrated in March this year with a vibrant festival on the shores of Lake Wairarapa.

"Gaining recognition through the Ramsar status was a huge achievement," said Greater Wellington Councillor for Wairarapa, Adrienne Staples.

"The vision of the Wairarapa Moana Project is to ensure this taonga is cherished as a place of cultural and historical significance that inspires future generations. We can only get there if people feel a deep connection to nature and recognise the tremendous value it holds."

The March festival, 'Whakarongo ki te taiao - Feeling the Land's Rhythms' was a great way to celebrate the honour and for people to explore the habitat and creatures of Wairarapa Moana.

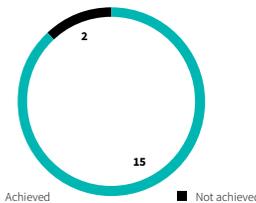
Hundreds came and enjoyed the day, with the oldest attendee being Koro, an ancient Totara log found on the shores and then crafted into an instrument. Koro was symbolic of the spirit of the event, to build and strengthen connection between the Moana and the many people who work, live and play there.

"The festival was a celebration of te taiao, our natural environment. At the end of the day, that's what Greater Wellington is all about - the environment and the people," said Cr Staples.



The Debrief: Te Taiao | Environment

2020/21 Status of non-financial performance



Environment activities achieved 88 percent of their 17 performance measures this year.

Greater Wellington is responsible for regulating, protecting, and enhancing our environment throughout the region.

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 threats to the environment including pest animals and plants.

- There's been plenty to do and we've achieved a lot in delivering for our environment. We finalised and implemented the proposed Natural Resources Plan and continued providing resource consents and enforcing environmental regulations. The Key Native Ecosystems (KNE) programme was also largely completed this year with the majority of KNE operational plans finalised.
- This year began the process of delivering our activities based on natural catchment areas, another way to improve the environment and collaborate with the community and mana whenua. A great example of the benefits of a catchment-based approach is the Whaitua Te Whanganui-a-Tara Committee, which made excellent progress towards completing a Whaitua Implementation Programme (WIP). Mana whenua representatives have been developing a companion document to the WIP, Mahere Wai, to tell the mana whenua perspective on the programme.
- Another example of the successful catchment-based delivery is our Mahi Waiora project, where we work with Ngā Hapū o Ōtaki and the community to implement the proposed Natural Resource Plan. This year the team worked with Ngā Hapū o Ōtaki in co-sampling water quality and monitoring the inanga (a native freshwater whitebait fish) population in the Waitohu catchment.
- We've continued to protect and improve biodiversity in our natural ecosystems. The Wairarapa Moana Wetland Project, in collaboration with Rangitīne o Wairarapa, Ngāiti Kahungunu ki Wairarapa, the Department of Conservation and South Wairarapa District Council, is a great example of a successful project. This year the area gained Ramsar status as a Wetland of International Significance. This is a great honour and reflects the high value of the Moana, despite its degraded state and marks a small but important step toward restoring its mana.
- We were successful in securing funding from 'Jobs for Nature' and '1 Billion Trees' programmes to develop plans and complete operational work including planting 10,000 native trees at Lake Domain beside Lake Wairarapa.
- Our Wetland Programme is progressing well and has supported over 100 wetland sites across the region since its launch in 2016. The wetland monitoring system collected data for the first time this year and that data will feed into plans and projects for restoring our region's wetlands. Our Biodiversity team also worked with Ngāi Toa to apply for funding from the Freshwater Improvement fund for fish passage and Mātauranga Māori mahi.
- Our Land Management team has been working more closely with mana whenua on restorative programmes. This year the team partnered with Wairarapa iwi to develop a Mātauranga Māori training resource for operational staff as well as a strategy on how to work with mana whenua on future projects and programmes.
- The 2020/21 Regional Pest Management Operational Plan was completed, including over 106,000ha of possum control and 4,295 of mustelid control delivered. The pest plant and animal work programme was also implemented and despite a big increase in demand for rabbit control, the team successfully responded to almost 1,300 public requests for pest advice and control.
- We've partnered with our six mana whenua partners to prepare and deliver the Akatarawa aerial control project to manage predator numbers in the area.
- This year our Harbour Management activities included revising the Regional Navigation Safety Bylaws, with valuable input from the community, legal advisors and Councillors. We also ran a successful campaign to promote safe boating and reduce recreational injuries and fatalities on the water.

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



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Protecting And Planting In Partnership

The beautiful Parangarahu Lakes are part of the East Harbour Regional Park. Greater Wellington joins Taranaki Whānui and other local volunteer groups to help protect and connect with the area, which includes Lake Karapiro and the associated wetlands and surrounding land.

Greater Wellington Councillor Prue Lamason says the work the group does is critical to the protection and restoration of the area.

which includes the regionally important species such as the kakariki, falcon, banded kōwhiri and the unique ecology of the area."

Greater Wellington Councillor Prue Lamason says the work the group does is critical to the protection and restoration of the area.

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Rōpū Tiaki member, Vince Robertson agrees and says the annual planting days are a great opportunity for everyone to come together.

Members of Rōpū Tiaki are really brought together as there was a special plaque donated by Greater Wellington to Taranaki Whānui at the Jackson, esteemed Taranaki member of Greater Wellington in this area.

With your help, with my help, with the help of the community, we will stay well for future generations," said Vince Robertson.



The Debrief: Ngā Papa Whenua | Regional Parks And Forests

It is a privilege to have so many beautiful parks and forests in our region.

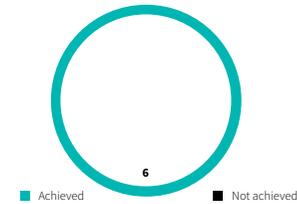
Managing our eight parks and forests is about ecosystem health, making access to our parks and forests easier and enhancing those experiences.

A highlight this year has been the completion of the 2020-30 Toitū te Whenua Parks Network Plan and we've already started looking at the best way to deliver on that, with a stronger focus on improving environmental outcomes across everything we do.

In 2020-30 Toitū te Whenua we were approved through the Queen Elizabeth II Centennial Trust for additional funding from One Tree Hill to restore native ecosystems. We also worked with winter restoration projects with winter.

- This year we had approval, through Jobs for Nature, to run a restoration project in the Hem of Remutaka area in partnership with the Department of Conservation, Taranaki Whānui and community volunteers. It will greatly improve the native ecosystem on the Pencarrow Coast including Parangarahu Lakes and Baring Head.
- Greater Wellington staff and members of Taranaki Whānui continue working together in the co-management of the Parangarahu Lakes. We meet monthly to manage the area and run restoration events including whanau planting days and rāhui on beaches to protect the nesting cycle of endangered birds.
- Over the past year we welcomed almost two million visitors to our Regional Parks. Kaitoke Regional Park had over 30,000 camper nights last summer, which is the highest number ever experienced. We also worked with Be. Lab, an accessibility organisation, to upgrade the swing bridge at Kaitoke Regional Park to be safer and wheelchair accessible.

2020/21 Status of non-financial performance



Regional Parks and Forests activities achieved 100 percent of their performance measures this year

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

WE LISTEN TO THE FORESTS

Greater Wellington protects 43,000 ha at key sites across the region.
Learn more at [gw.govt.nz/listen](https://www.gw.govt.nz/listen)

Greater Wellington
Te Pane Matua Taiao

WHAKARONGO TĀTOU
KI TE WHENUA
WE LISTEN TO THE LAND

Good Progress On Flood Protection For The Hutt Valley And Wairarapa

In August last year, Greater Wellington's flood protection efforts received a major boost with the \$11 million grant from the Government's post COVID-19 infrastructure fund. Two main areas in Lower Hutt and Wairarapa have been targeted for improvement and excellent progress has been made over the last year.

This is the first co-funding flood protection work since the 1980s, with Greater Wellington contributing \$6 million to the project.

In the Hutt Valley, work will include Hutt River erosion and edge protection. Six out of the 10 site designs for the work were completed this year.

In the Wairarapa, representatives from Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa were involved in the early stages of the Masterton erosion site. Work will target the Ruamahānga River with stop bank reconstruction, buffer land establishment and tree planting.

Hutt Valley Councillor and Chair of Greater Wellington's Hutt Valley Flood Management Sub-Committee, Prue Lamason said the work will give families, businesses and communities more certainty for the future.

"In the first instance, this funding boost will bring forward works that will provide a lift to employment in the region, while at the same time adding much needed resilience to floods and a critical first step to managing the effects of climate change.

"In the longer term, this work will provide confidence for people to invest in the regional economy, knowing we have invested in infrastructure that will protect that investment from the effects of flooding," she said.

Wairarapa Councillor and Greater Wellington Deputy Chair, Adrienne Staples says the region, and New Zealand, needs investment in flood protection infrastructure.

"The Wellington region is a beautiful place to live with our mountain ranges, winding rivers and many ocean-side cities and towns. But we also know there is a flip side to enjoying the beauty in the form of environmental hazards and risks posed to us and our properties," she said.

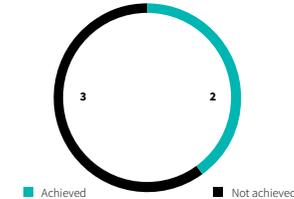
This co-funded flood protection project in the Hutt Valley and Wairarapa will significantly improve safety and surety for everyone in the region.



Flood protection work happening on the Hutt River

The Debrief: Te Tiaki Te Arahi Waipuke | Flood Protection And Control Works

2020/21 Status of non-financial performance



Flood Protection and Control Works activities achieved 40 percent of their performance measures this year.

Our geography, along with climate change, means our region has to be well prepared for the possibility of floods.

Greater Wellington is responsible for providing flood protection and managing flood risk across our region. We identify the risk of flooding and manage the risk by developing floodplain management plans, as well as providing and maintaining key flood protection infrastructure. We also work closely with mana whenua, landowners and crown entities to improve the health of our rivers and streams.

- This year we assessed central government funding to provide key flood protection infrastructure. The Major River Riparian Management project was established through Jobs for Nature funding, providing flood protection to riverbanks in the Ruamahānga Catchment. This year we identified site locations and plant species with Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa. We purchased 36,000 native and willow trees and planted 12,000 of them across riverbanks in Masterton.
- We also obtained funding through the Regional Economic Development & Investment unit to plan and implement 10 Hutt River Erosion Edge Protection projects. Six out of 10 site designs were completed this year and representatives from Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa were involved in the early stages of the Masterton erosion site.

- Progress has been made in our RiverLink project with Waka Kotahi and Hutt City Council, to provide flood protection, improve transport connections and support urban growth in Lower Hutt central city. RiverLink continues to partner with mana whenua, with Taranaki Whānui and Ngāti Toa now contributing through representation on the RiverLink Board and in the design of the works. The resource consent application was finalised this year and we ran major communication campaigns to increase awareness and knowledge of this exciting project.
- We've also been working with the community to develop a living statement to guide how we manage the flood and erosion risks on the Waiohine River Floodplain. We finalised the Waiohine River Plan this year and have asked for feedback from the community.
- With increasing extreme weather conditions, flood response has been an essential part of our work. This year we made good progress in developing regional flood response procedures that can be used for any flood event anywhere in the region. These new procedures have already been applied to a number of flood responses this year.



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Students from South Wellington Intermediate School learn safe cycling moves from Greater Wellington's Pedal Ready instructors. Pedal Ready is a free programme run by Greater Wellington with 35 instructors around the region, helping children and adults to upskill on their current bikes, or safely hop on a bike for the first time.

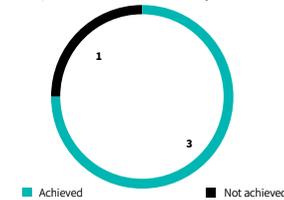
The Debrief: Ngā Kaihautū O Te Rohe | Regional Leadership

It is important to have a collective voice and collaborative solutions across our region.

- Communities often face complex issues that need a regional approach to solutions, so we've coordinated a range of activities across our region, in partnership with local authorities, mana whenua and other key partners.
- The impacts of COVID-19 had a huge effect on our region. A key part of our response was delivering the Wellington Growth Plan to guide our spatial planning and development. This was supported by the Regional Strategy Committee.
- The Wellington Regional Leadership Framework was created, to implement the Wellington Regional Growth Plan.
- The Regional and Transport Plan (RLTP) was adopted this year on for our transport network to set three ambitious targets to reduce transport deaths and serious injuries on our roads, such as Bikes in Schools, and the Welly Bikeshare.
- We engaged mana whenua and the community to develop the direction of the Council for the next 10 years through the 2021-31 Long Term Plan. The Plan outlines four strategic priorities including responding to the climate emergency, improving the impact

- We continued to address the climate emergency. We approved two key restoration projects through the Low Carbon Acceleration Fund and also restructured the Wellington Region Climate Change Working Group to better reflect its role as an advisory body and to improve our connection with Māori and mana whenua.
- We've continued to engage with mana whenua on several key initiatives. Te Matarau a Māui, the Māori Economic Development Framework, was created to support iwi in accelerating economic development and growth for their people across the region. We also collaborated with mana whenua on the development of our new 2021-31 Long Term Plan, where new baseline funding was agreed for mana whenua, enabling them to work with Greater Wellington to develop positive outcomes for their communities and the region. We also developed a Māori Outcomes Framework to guide us in the most effective ways to continue working side by side with mana whenua.
- Together with our partners Bluebridge, KiwiRail, CentrePort Limited, Wellington City Council and Waka Kotahi we've made progress on the Multi-user Ferry Precinct. Kaiwhararua was reaffirmed as the preferred location for the precinct.
- The Wellington Regional Emergency Management Office (WREMO) successfully ran Exercise Parawhenua this year with over 180 people coordinating an initial response to a distant source tsunami. WREMO also developed Community Response Plans for all designated areas of the Wellington region.

2020/21 Status of non-financial performance



Regional Leadership activities achieved 75 percent of their four performance measures this year.

- Greater Wellington's Democratic Services continued to facilitate public engagement and Council meetings this year. They facilitated 66 Council, Committee and Joint Committee meetings including public hearings for several key plans.



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The Debrief: Ngā Puna Wai | Water Supply

Greater Wellington is responsible for maintaining the bulk water supply and delivering safe drinking water to Wellington, Lower Hutt, Upper Hutt and Porirua city councils.

2020/21 Status of non-financial performance



Water Supply activities achieved 79 percent of their 19 performance measures this year.

- While Wellington Water Limited dealt with an increased workload this year, it responded with new processes to maximise efficiency and effectiveness. It also made progress on improving the resilience of our water supply, including the design development of the Silverstream pipe bridge project and seismic strengthening of the treated water reservoir at the Wainuiomata water treatment plant.
- An initial process assessment for the Te Mārua Water Treatment Plant upgrade project also started this year. This upgrade will increase the output capacity of the plant and the drought resilience of our region.
- This year the government announced a new system to ensure New Zealand's three waters – drinking water, wastewater and storm water – are efficiently delivered, affordable and fit for purpose. We were involved in the development and testing of options for the Three Waters Reform and assessing the possible impacts.

Clearing The Way For Our Freshwater Fish

There are around 20 species of freshwater fish living in streams, rivers and connecting pipes on the Kāpiti Coast. Most of them need to migrate to and from the sea but often hit barriers along the way. Greater Wellington is working with mana whenua, catchment experts, students and landowners to do something about it.

The main issue is poorly designed, installed and maintained man-made structures such as weirs, culverts, fords and dams. They pose a real threat to freshwater fish species, 72 percent of which are already at risk of extinction," she said.

Working with Ngāti Toa Rangitira, Te Ātāwa ki Whakarongotai and Ngā Hāpi o Ōtaki, Greater Wellington is talking to farmers on the Kāpiti Coast to identify and access barriers to 'fish passage'.

The project is at the information gathering stage and in the future data will help prioritise work with landowners to fix any barriers that threaten fish passage on the Kāpiti Coast. All data is logged into a national database created by NIWA.



Shortjaw kokoi



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The Greater Wellington Annual Reporter

Te pane matua taiao he whakarāpopoto i te pūrongo ā-tau 2020/21 - Greater Wellington Regional Council Summary of the Annual Report 2020/21

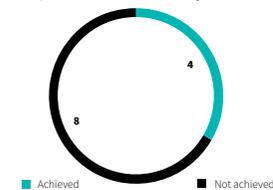


Our #onboardwithmasks campaign was part of an award-winning communications project helping travellers on public transport to make safe choices during the pandemic.

The Debrief: Ngā Waka Tūmatanui | Metlink Public Transport

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

2020/21 Status of non-financial performance



Metlink Public Transport activities achieved 33 percent of their 12 performance measures this year.

- COVID-19 continued to have an impact on how Metlink managed the public transport network. While Alert levels remained at Levels 1 and 2, we responded with an efficient, coordinated approach. We maintained strict hygiene protocols throughout the year, regardless of Alert Levels, to ensure the ongoing safety of passengers and staff.
- We developed communications campaigns to help people make the right choices for their health, safety and wellbeing. Campaigns such as #onboardwithmasks, and the double decker bus mask wrap successfully shared information on wearing masks and maintaining physical distancing. We received an international award at the 2021 Transport Ticketing Awards for the way we responded to COVID-19.
- We completed the review of the 2021-31 Regional Public Transport Plan (RPTP). The 2021-31 RPTP is the main planning and policy document for public transport in our region and describes how we'll deliver the high-level strategic direction. This year the Plan included targets to increase public transport usage by 40 percent and achieve a net carbon zero public transport fleet by 2030.
- Efforts to decarbonise our public transport fleet continued with four new electric double-decker buses and 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 engaged with mana whenua during the preparation of the 2021-31 LTP on public transport priorities. With our six mana whenua partners we co-designed an Iwi Engagement strategy – critical for successful engagement with Māori on public transport policy and initiatives. An example of this is the proposed purpose-built bus shelter on Kelburn Parade, part of Te Herenga Waka – Victoria University of Wellington's new Living Pa development. The shelter will tell the story of Pa by incorporating cultural designs by local artists.
- Metlink faced big challenges this year with recruiting and retaining drivers, compounded by COVID-19 and associated disruptions to services in Alert Level One and Two. Our cooperation with operators and strong union involvement were critical to addressing our workforce challenges. Together we refined service levels to better match driver resource to meet customer demand. In April 2021, as part of the gradual improvement of driver terms and conditions, Council approved a funding proposal to align minimum bus driver base rates with the Living Wage.
- We made big improvements to our delivery of real-time digital information to customers. This year we introduced a new Metlink website and app, and an iOS Snapper top-up app. We're also getting closer to implementing the National Ticketing Solution which aims to standardise the approach to paying for public transport (bus, rail, and ferry).
- Rail service delivery performance remained consistent. We strengthened our partnership with Transdev and KwiRail, which is vital to the day-to-day operation and disruption management of the Network, ensuring the rail network is resilient and fit for purpose.
- Other achievements included progressing the refurbishment of the Wairarapa carriage fleet to improve frequency and performance, station upgrades with Park & Ride extensions, refurbished bathroom facilities, lighting improvements and seismic strengthening.



Muddying The Waters – It's An Issue

Towards the end of 2020, Greater Wellington had a close up look at the sediment in Te Awarua-o-Porirua. It was part of an underwater survey checking the health of the Oneopoto and Pihaitahamui estuaries and results showed the harbour was not looking too good.

This is the sixth underwater survey conducted by NIWA divers and monitors the diversity of animals in sediments, the quality of the sediments and the amount of storm water contaminants and mud.

Greater Wellington Senior Coastal Scientist, Dr Megan Meldonis said the results were concerning.

"The key issues are sedimentation, pollution and ecological degradation. The number and type of species living in the sediment is changing as more mud is settling on the harbour floor.

"This reduces the ability of the estuaries to support food gathering and recreation, or to protect us from storm surges and flooding. Estuaries are important for storing carbon as they act as kidneys for our environment by filtering freshwater before it enters the open coast."

Dr Meldonis said Te Awarua-o-Porirua Harbour is a special area that needs protection.

"It's of great cultural importance to Ngāti Toa Rangātira who have kaitiākitanga (guardianship) over the area and historically used the estuary for mahinga kai," she said.

It's also an area of significant economic and ecological value with thousands of hectares of farmland, lifestyle blocks, urban settlement, parkland, rail and road corridors – which all put pressures on the estuary ecosystem.

As well as the underwater surveys, Greater Wellington has also installed sensors to measure water murkiness and completed two surveys of the harbour floor to measure the depth.

Greater Wellington Regional Councillor for Porirua, and Tawa, Jenny Brash said the results from the surveys and other monitoring measures were critical in guiding management, policy actions and restoration of the catchments and streams that flow into the harbour.

"We need this data to make strategic decisions on restoration implementation programmes which help us work together to restore the harbour's health."

**ENVIRONMENT
HOTLINE**

0800 496 734

(24 hr)

He Pūrongo Pūtea Finances at a glance

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 and a 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 as a result of delays to capital projects and the reclassification of transitional 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.

Annual revenue

| 2019/20 Actual | 2020/21 Annual Plan | 2020/21 Actual |
|-------------------|-------------------------------|--|
| \$439.7 million | \$511.6 million | \$432.5 million |
| | \$179.2 million from rates | \$253.3 million from grants and other sources |

Annual expenditure

| 2019/20 Actual | 2020/21 Annual Plan | 2020/21 Actual |
|-------------------|------------------------|-------------------|
| \$438.0 million | \$3435.2 million | \$527.1 million |

Capital expenditure

| 2019/20 Actual | 2020/21 Annual Plan | 2020/21 Actual |
|-------------------|------------------------|-------------------|
| \$45.8 million | \$42.5 million | \$83.1 million |

Debt

| 2019/20 Actual | 2020/21 Annual Plan | 2020/21 Actual |
|-------------------|------------------------|-------------------|
| \$519.7 million | \$531.9 million | \$645.0 million |

Financial overview for the year ended 30 June 2021

| | |
|---|--|
| \$30.2 million net deficit after tax for 2020/21 | \$1.8 billion of total assets Greater Wellington |
| \$5.83 cost of delivering all Greater Wellington services per rating unit per day | AA+ credit rating with Standard & Poor's good financial health |



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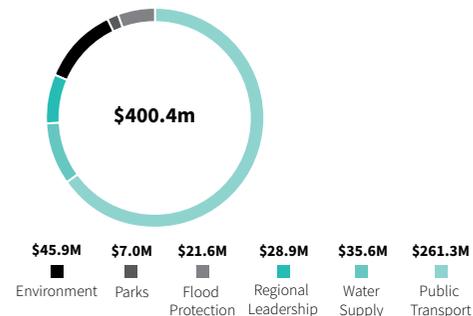
Te pane matua taiao he whakarāpopoto i te pūrongo ā-tau 2020/21 - Greater Wellington Regional Council Summary of the Annual Report 2020/21

Revenue



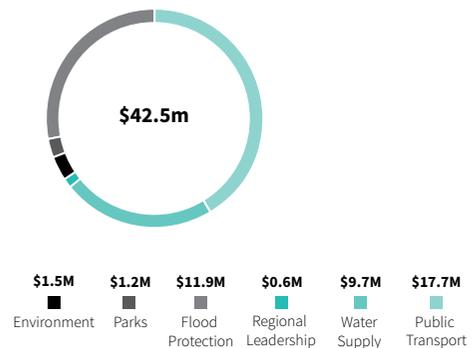
Greater Wellington's revenue is sourced primarily through rates and grants from central government. Other revenue sources include water supply levy, fees, charges, and investment income.

Operational expenditure



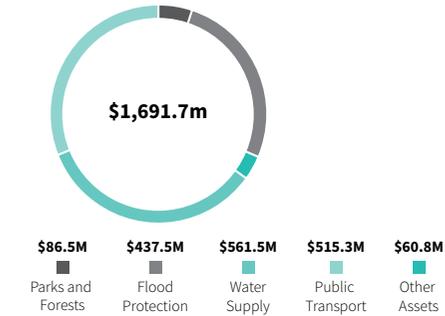
The above pie chart illustrates Greater Wellington's operational expenditure by strategic area outcomes.

Financial overview for the year ended



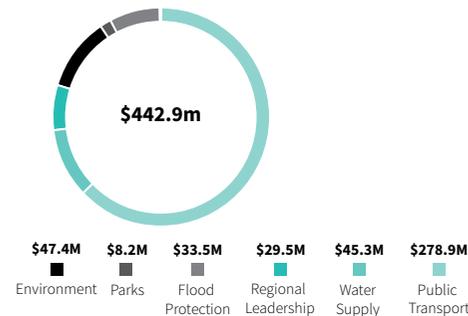
Greater Wellington's capital expenditure highlights infrastructure investment in public transport, flood protection, water supply and parks and forests.

Property, plant, and equipment



The above 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 2020



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

Financial Statements

Summary Statement of Comprehensive Revenue and Expense For the year ended 30 June 2021

| | Greater Wellington | | | Greater Wellington Group | |
|---|--------------------|--------------------|--------------------|--------------------------|--------------------|
| | Actual 2021 \$'000 | Budget 2021 \$'000 | Actual 2020 \$'000 | Actual 2021 \$'000 | Actual 2020 \$'000 |
| Operating revenue and gains | 432,572 | 511,644 | 437,027 | 508,048 | 528,373 |
| Finance expenses | (21,314) | (21,663) | (22,396) | (21,199) | (22,388) |
| Total operating expenditure | (413,864) | (505,450) | (415,638) | (515,789) | (530,080) |
| Operating surplus/(deficit) before other items and tax | (2,606) | (15,469) | (979) | (28,940) | (24,095) |
| Share of associate's surplus/(deficit) | - | - | - | 135 | 14 |
| Fair value gains / (losses) in profit and loss | 32,775 | 13,821 | (17,711) | 32,775 | (17,711) |
| Investment properties | - | - | - | (1,998) | 747 |
| Earthquake related items | - | - | - | - | 167,251 |
| Tax on continuing operations | - | - | - | (22,458) | (2,185) |
| Operating surplus / (deficit) after tax | 30,169 | (1,647) | (18,690) | (20,486) | 124,021 |
| Other comprehensive revenue and expenses | | | | | |
| Increases / (decreases) in revaluations | 4,689 | - | 30,949 | 19,680 | 29,750 |
| Total comprehensive revenue and expense | 34,858 | (1,647) | 12,259 | (806) | 153,771 |
| Attributable to: | | | | | |
| Equity holders of the Parent | 34,858 | (1,647) | 12,259 | (1,451) | 117,483 |
| Noncontrolling interest | - | - | - | 645 | 36,288 |
| | 34,858 | (1,647) | 12,259 | (806) | 153,771 |

Summary Statement of changes in equity For the year ended 30 June 2021

| | Greater Wellington | | | Greater Wellington 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 | 1,619,766 | 1,467,146 |
| Operating surplus / (deficit) after tax | 30,169 | (1,647) | (18,690) | (20,486) | 124,021 |
| Dividend to noncontrolling interest | - | - | - | (4,615) | (1,154) |
| Asset revaluation movements | - | - | 27,229 | 14,992 | 26,933 |
| 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 | 1,614,346 | 1,619,766 |
| Attributable to: | | | | | |
| Equity holders of the Parent | 1,137,997 | 1,038,709 | 1,103,138 | 1,514,438 | 1,514,597 |
| Noncontrolling interest | - | - | - | 99,908 | 105,169 |
| | 1,137,997 | 1,038,709 | 1,103,138 | 1,614,346 | 1,619,766 |

Summary Statement of Financial Position For the year ended 30 June 2021

| | Greater Wellington | | | Greater Wellington Group | |
|--------------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|
| | Actual 2021 \$'000 | Budget 2021 \$'000 | Actual 2020 \$'000 | Actual 2021 \$'000 | Actual 2020 \$'000 |
| Current assets | 219,845 | 53,316 | 185,297 | 381,178 | 454,435 |
| Noncurrent 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 |
| Current liabilities | 224,678 | 193,470 | 191,108 | 226,031 | 185,543 |
| Noncurrent liabilities | 457,763 | 518,218 | 512,541 | 608,706 | 641,050 |
| Total liabilities | 682,441 | 711,688 | 703,649 | 834,737 | 827,493 |
| Net assets | 1,137,997 | 1,038,709 | 1,103,138 | 1,614,346 | 1,619,766 |
| Equity attributed to: | | | | | |
| Other reserves | 1,137,997 | 1,038,709 | 1,103,138 | 1,514,438 | 1,514,597 |
| Minority interest | - | - | - | 99,908 | 105,169 |
| Total equity | 1,137,997 | 1,038,709 | 1,103,138 | 1,614,346 | 1,619,766 |

Summary Statement of Cash-Flow For the year ended 30 June 2021

| | Greater Wellington | | | Greater Wellington Group | |
|---|--------------------|--------------------|--------------------|--------------------------|--------------------|
| | Actual 2021 \$'000 | Budget 2021 \$'000 | Actual 2020 \$'000 | Actual 2021 \$'000 | Actual 2020 \$'000 |
| Cashflows from operating activities | 64,794 | 14,417 | (1,237) | 63,045 | 6,013 |
| Cashflows from investing activities | (81,651) | (89,481) | (58,424) | (140,725) | (113,521) |
| Cashflows 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 |
| Opening cash equivalents | 9,338 | 11,395 | 16,857 | 259,393 | 108,385 |
| Closing cash equivalents | 4,676 | 23,837 | 9,338 | 196,793 | 259,392 |

Major variances between actual and budget:

- Operating revenue and gains**
The operating revenue and gains 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.
- Operating expenditure**
The total operating expenditure is 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.
- Fair value**
Fair value movements are favourable to budget reflecting the increase of the fair value of the interest rate swaps held by Greater Wellington due to the increase trend in market interest rates.
- 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.
- Total equity**
The total equity is higher than budget mainly due to the favourable variance to budget as a result of fair value movements.
- Cashflows**
Cash and cash equivalents are significantly lower than budget mainly due to the investment of surplus funds for a term exceeding three months.

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 proposed reform programme is being progressed through a partnership basis approach with the local government sector, alongside iwi/Moari 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 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 WRG Holdings (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.

The full financial statements presented in the 2020/21 Annual Report have been audited and have an unqualified audit opinion. Greater Wellington's full financial statements have been prepared in accordance with Public Benefit Entity (PBE) Accounting Standards. Specific disclosures included in the summary financial statements have been extracted from the full financial statements. These financial statements contain no information that has been restated or reclassified.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

The full financial statements can be obtained from the Greater Wellington website.

*The full financial statements are denominated in NZ\$.
The summary financial statements comply with PBE FR 43 – Summary financial statements.*

WE LISTEN TO THE FARM- LAND

To help farmers' businesses and the environment prosper, we listen to what they need.

Greater Wellington is helping farmers in their efforts to improve their freshwater systems and biodiversity, which helps profitability and their impact on climate change.

We help farmers deliver on their Farm Environment Plans, and also help them

reduce soil erosion and flooding by stabilising hillsides with poplars and willows.

This year alone we helped fund the installation of 46km of new fencing and riparian planting in 126 hectares of stream-side land.

See what else we're doing at [gw.govt.nz/listen](https://www.gw.govt.nz/listen)



Greater Wellington
Te Pane Matua Taiao

WHAKARONGO TĀTOU
KI TE WHENUA
WE LISTEN TO THE LAND

Attachment 3 to Report 21.574

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 transport planning services is used only on subsequent 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 |

Council
16 December 2021
Report 21.594



For Decision

RESOLUTION TO EXCLUDE THE PUBLIC

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

Kaitoke Flume Bridge Project Approval – Report PE21.590

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:

| Kaitoke Flume Bridge Project Approval – Report PE21.590 | |
|--|--|
| <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> |
| <p>Certain information contained in this report relates to the award of a contract for the delivery of the Kaitoke Flume Bridge Seismic upgrade project and information relevant to the pricing of the contract. Release of this information would be likely unreasonably to prejudice the commercial position of Wellington Water Limited.</p> <p>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 the need to withhold the information.</p> | <p>The public conduct of this part of the meeting is excluded as per section 7(2)(b)(ii) as the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> |

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.