



# Annual Report Summary 2013/14

## Chair's report

In the year under review Greater Wellington Regional Council has completed or significantly advanced a number of major initiatives. It was also a year of unusual challenges in terms of physical resilience and again the council has stepped up to deliver.



In June 2013 the region was hit by a massive storm that created havoc for many communities and took out the rail line between Wellington city and the Hutt. This was followed in July and August by a series of earthquakes centred in Cook Strait - the most significant felt by the region since 1942. The Wellington Region Emergency Management Office (WREMO) co-ordinated the response to the storm and the quakes, and helped ensure that the region was able to return to business as usual as quickly as possible.

During the year, WREMO put considerable time, effort and resources into preparing communities for future events through a number of initiatives, including offering households 200-litre emergency water tanks at a subsidised cost of \$105. These tanks have proved immensely popular with people throughout the region, and the initiative was recognised with a 2014 Global Energy Award for Sustainability.

One of our largest pieces of work over 2013/14 was the Wellington City Public Transport Spine Study, which was subject to public consultation, then formal hearings by a sub-committee of the Regional Transport Committee (RTC). The hearing group principal recommendations were focussed on the route and the mode, with strongly contested public views on the latter. The RTC accepted the hearing committee proposals, confirming the spine through the Wellington CBD and the main cross-city east-west and north-south routes, and also the mode option, for which Bus Rapid Transit was selected as the most appropriate. We have already begun implementation and are working closely with Wellington City Council and the New Zealand Transport Agency on implementation of the plan.

Work on the development our Regional Plan also neared completion. In previous years we began this exercise by asking the community to tell us what they thought were the most critical issues to do with the natural environment in the region. The response was great and we have used that initial input to build the new Plan, going back to community meetings and reference groups throughout the process. In the year under review we shaped the ideas into a document that will become our Draft Regional Plan in 2014/15.

We want local communities to continue to "own" the Plan, so decided some time ago that each major water catchment would have a local committee that would work on any special provisions they thought appropriate for their area and also determine the timing of the implementation of bottom-line rules. We are calling these local catchments "whaitua" and have set up the first Whaitua Committee to oversee the Ruamahanga catchment in Wairarapa, with more to follow throughout the region in the next year or so.

Over the past financial year, we also had a strong focus on economic development, including developing a proposal to amalgamate GWRC's economic development agency, Grow Wellington, with Wellington City Council's relevant agencies - Positively Wellington Tourism, Positively Wellington Venues and the Wellington City Major Events team. The new agency will be known as the Wellington Regional Economic Development Agency (WREDA) and will be able to take a truly regional approach across a number of areas of activity that contribute to economic growth. We are looking at beginning the new agency at the end of the 2014 calendar year.

Another area of more formal collaboration between councils was the work on a proposal to integrate water delivery services with Wellington City, Hutt City, Upper Hutt and Porirua. GWRC has in the past provided bulk water collection and distribution, whereas the cities have been responsible for the "retail" distribution. All councils agreed in principle during the year to join together to provide a shared service at the supply end and to also include the territorial council responsibilities of the wastewater and stormwater management. Although all the councils involved will continue to own their individual assets and determine their annual capital work programmes, the new water company does represent a step forward in local government collaboration in a region of fewer than half a million people. A joint water committee - made up of representatives from the five shareholding councils - will be established to oversee water service delivery.

In all our activities we support and are supported by many regional partners, all of whom I would like to acknowledge. Together we have high ambitions for our region.

Finally, I want to acknowledge the work and commitment of our council CEO David Benham who is about to retire after a long period of service to the council and the regional community. Dave joined GWRC as our GM Finance, then became CFO, then ran the bulk water and forestry operations before taking over as CEO in 2005. On behalf the councillors and staff I thank him for his dedication to the council and his leadership during his time here.

Fran Wilde

## Departing Chief Executive's report

The past year has seen many of the council's initiatives come to fruition to improve infrastructure around the Wellington region.

This is particularly true in the public transport space where investment in key infrastructure is starting to pay off and provide real benefits to commuters coming in and out of the Wellington CBD, and travelling to other towns and cities in the region.

We have boosted our train fleet with more purpose-built Matangi Trains, which has seen an increase in patronage and a decrease in running costs allowing us to provide a better service for less money.

We saw full year patronage increases of 1.58% in bus and 2.54% in rail, which shows a trend of more people deciding to leave their cars at home and opt for public transport for their daily commute. We are hopeful that this trend will continue as the travelling public take advantage of all the improvements that have been made to our public transport systems over the last few years.

The increase in rail fare revenue and reduction in expenditure that the investment in the new trains has caused allowed Council to make a decision to not move forward with proposed public transport fare increases in 2014/15, providing a financial saving to commuters in the region.

The past financial year also saw the completion of the real time information project with the introduction of real time information on the rail network in October 2013 and installation of real time information display signs on Wellington's Golden Mile.

In recognition of the progress the council has made in public transport, GWRC was awarded two awards from the Chartered Institute of Logistics and Transport; one for the Matangi train project and the other jointly with KiwiRail for the improvements to the metro rail service.

The past financial year is one that brought with it unique challenges for the regional council, including the earthquake damage to our Wakefield Street building in Wellington city. This caused us to bring forward a planned move to Shed 39 on the waterfront, with staff setting up in the new building in August, rather than December. I am proud to say that core council activities were not affected by the earthquakes.

In terms of Emergency Management, the council has responded to the many natural events of the past year by placing an increased focus on enhancing the resilience of communities in our region. This has taken many forms, including using the surplus income for our sale of forestry cutting rights to create a self-insurance fund to protect our assets against future events.

We have also successfully negotiated the purchase of land near Kaitoke to house new large-scale water storage for when expansion of our storage network is eventually needed. The new site provides the region with flexibility in the location, scale and cost of new supply options. We have also completed a three-year improvement project to enlarge and strengthen the Stuart Macaskill water storage lakes.

Over the year in review, we also completed the detailed feasibility studies for emergency water storage near Takapu Road (on the Porirua-Wellington boundary), and for a cross harbour emergency water supply pipeline between Seaview and south-east Wellington.

Despite these major projects – and many others – being carried out over the past financial year GWRC achieved an operating surplus of \$3,344,000 (budget, a deficit of \$21,000) for the year ended 30 June 2014, showing a \$3,365,000 favourable result relative to budget.

Below the operating line we have transport improvements numbers and non-operational movements. The surplus here is mainly due to a significant increase in forestry valuations, reduced improvement expenditure directly within GWRC in public transport and financial instrument valuations. When these are included the financial result for the year is a surplus of \$22,986,000 (budget, a surplus of \$3,447k), giving a favourable variance of \$19,539,000.

Finally there is the current year fixed asset revaluations for parks and public transport. These resulted in a further increase of \$27,681,000 bringing the overall surplus to \$50,667,000 for the year.

The previous financial year was one that brought with it significant challenges, but despite this we have managed to keep on track with our major work programmes and have emerged in a strong financial position.

In September 2014 I will step down as Chief Executive, after holding the role for nine years, and spending 25 years working at the Regional Council. It has been a pleasure serving the communities of greater Wellington and I would like to thank all our partners that we have worked alongside over this time to keep our region growing.



David Benham

### Executive Leadership Team

Chief Executive Officer  
Greg Campbell<sup>1</sup>

Acting Chief Financial Officer  
Mike Timmer

General Manager, Environment Management  
Nigel Corry

General Manager, Public Transport  
Wayne Hastie

General Manager, Water Supply  
Chris Laidlow

General Manager, Strategy and Community Engagement  
Jane Davis

General Manager, Catchment Management  
Wayne O'Donnell

General Manager, People and Capability  
Leigh-Anne Buxton

Pou Whakarae (Manager Māori Relations)  
Rick Witana

<sup>1</sup> Greg Campbell commenced 15th September 2014

## Regional leadership



Bus Rapid Transport was agreed by the Regional Transport Committee as the preferred option for Wellington city's public transport spine. This decision provides the platform for key aspects of the Regional Public Transport Plan.

WREMO guided the region through its most significant series of earthquakes since 1942. With over 39,000 followers on its Facebook page WREMONZ has the largest following per capita of any Emergency Management office in the world. WREMO also received the International Association of Emergency Managers Oceania award for the CDEM Group Volunteer programme, and the Energy Globe Foundation Award for Sustainability for the 200 litre water tank initiative.

A proposal was developed to amalgamate GWRC's economic development agency (Grow Wellington) with Wellington City Council's economic development activities (including Positively Wellington Tourism, Positively Wellington Venues and the Wellington City Major Events team). A final decision on the amalgamation will be made in the first half of 2014/15.

A regional spatial planning project, which GWRC is leading, was initiated under the direction of the Mayoral Forum.

## Public transport



This was a significant year for public transport in the region, with adoption of the Regional Public Transport Plan (PT Plan) in June 2014. This Plan is the blueprint for the future of public transport in the region in the medium to long term. The PT Plan included the 2013 update to the Regional Rail Plan and the Wellington City Bus Review, including the decision on the future bus fleet for Wellington.

We funded 1.3 million bus, rail, and ferry services, and 35.8 million passenger trips, which equates to a 1.8% increase from 2012/13. We continued to fund the Total Mobility Scheme which provides subsidised transport for people with disabilities, with 271,000 Total Mobility Scheme trips in 2013/14. We completed the real time information project with the introduction of real time information on rail in October 2013, installation of real time information display signs on Wellington's Golden Mile and handover of operational responsibility by the project team.

There was significant progress in the development of the Public Transport Operating Model. Procurement activity commenced with the holding of a market soundings event in March and a significant level of interest was shown from both New Zealand and overseas participants in the new rail contracts commencing 2016 and new bus contracts commencing 2017. The Transport Agency approved both the Transport Procurement Strategy and the Rail Procurement Procedure.

Favourable financial results during 2013/14, primarily from increased rail fare revenue and reduced rail expenditure, meant that the Council was able to agree that there would be no public transport fare increase in 2014/15.

## Water supply



The purchase of land near Kaitoke to house new large-scale water storage was successfully negotiated. This provides the region with flexibility in the location, scale and cost of new supply capacity when expansion is eventually needed. A three-year improvement project to enlarge and strengthen the Stuart Macaskill water storage lakes was completed, with both full and back in service by November 2013.

Two major steps were taken towards improved emergency readiness, with the completion of detailed feasibility studies for emergency water storage near Takapu Road (on the Porirua-Wellington boundary) and for a cross-harbour emergency water supply pipeline between Seaview and south-east Wellington. These options will be considered as part of an emergency water supply strategy for consultation through GWRC's Long Term Plan 2015-25.

A significant collaborative project with Capacity was initiated which is being project managed by the Water Supply Group. This is the first such project undertaken with Capacity. The project goal is to have one universal radio network which will be used by both organisations with the assets owned by all councils. The benefits of the project are significant including the provision of a dedicated resilient communications network for water supply purposes in the event of an emergency.

Towards the end of this year Council approved a proposal to integrate its water collection, treatment and bulk supply services with the retail supply, wastewater and storm-water services provided by the Hutt, Porirua, Upper Hutt and Wellington city councils.

# Key achievements for 2013/14

## Environment



2013/14 saw implementation of the National Policy Statement for Freshwater Management and establishment of the Ruamahanga Whaitua Committee in Wairarapa.

In the Biodiversity area, a memorandum of understanding was agreed with the Queen Elizabeth II National Trust that sets out how landowners will be supported to establish open space covenants on their land. This year 41ha were protected in perpetuity, at sites where landowners are supported with pest control work to safeguard biodiversity values.

All sites within the Key Native Ecosystem (KNE) programme were reviewed and re-prioritised using a range of ecological criteria. As a result, a revised list of KNE sites has been developed and three-year management plans are being developed for all sites. These cover operations and set out management actions that address identified threats to the sites' biodiversity values.

The Biosecurity team carried out pest control in 130 KNE sites to control threats to ecological health. Aerial possum control projects were completed in Akatarawa, Project Kaka, Western Tararua and the Otaki Buffer (covering 43,700 hectares); the Regional Possum and Predator Control programme in Northern Wairarapa, Kapiti, Porirua and Upper Hutt (covering 36,300 hectares); and vector control for TBFree NZ (covering 24,000 hectares).

The sale of forestry cutting rights to 5,150ha of plantation and soil conservation reserve forests was completed late in the year, with provision made for maintaining full recreational access to the forests.

At the Akura Conservation Centre the second stage of planting was completed, bringing the area of new nursery to 11 hectares, as well as development of the yard and retail area.

26,500 poplar and willow poles were planted on erosion-prone land as part of the extensive Farm Plan programmes operating across the Wairarapa hill country.

## Flood protection and control works



Flood protection work continues, with good progress made over the past year. The Te Kāuru Upper Ruamahanga River Floodplain Management Plan Subcommittee was established, and approval of Phase 1 investigations completed.

Design objectives were agreed and developed into the Integrated Concept Design options for the Hutt River City Centre Project, incorporating river works, stopbanks, bridge renewal and Hutt City Council's 'Making Places' project.

The Hutt River Floodplain Management Plan was implemented, including granting of consents for the Whakawhirihiri Stream diversion and mitigation works in the Wairarapa Valley, and strategic land purchases at Woollen Mills Point and Mills Street.

## Parks



Negotiations concluded with NZTA regarding compensation and mitigation of effects of the Transmission Gully Motorway on the regional parks. A key aspect of the agreement is the relocation of the farm hub at Belmont Regional Park. NZTA also agreed to fully fund a cycleway / walkway from Paekakariki to Raumati South in Queen Elizabeth Park as part of the Mackays to Peka Peka Expressway project.

Enhancement work at the Rimutaka Summit was completed. Pine trees were removed and a viewing area, loop track and information kiosk were constructed, creating a new experience for travellers en route to the Wairarapa.

Further work on the Rimutaka Rail Trail included retaining and surface work at the Summit tunnel entrance to address erosion issues and hydro-mowing to cut back encroaching vegetation. Approximately 30 historic culverts were discovered along the rail formation, with repairs necessary on most.

A new information kiosk at the Maungakotukutuku entrance to the Akatarawa forest was constructed as part of a plan to enhance this major entranceway and provide users with better information, particularly with regard to safety in the forest.

The 2014 Queen Elizabeth and Battle Hill Arbor Day / Matariki events were well attended by nearly 300 school children as well as mana whenua. Altogether just over 2,000 plants were planted at the two parks, and all enjoyed these events which took place in fine winter weather.

## Financial overview for the year ended 30 June 2014

### Council – Statement of comprehensive income

	2014 Actual \$000s	2014 Budget \$000s	2013 Actual \$000s
Operational revenue	215,101	214,425	202,299
Finance costs	(9,424)	(8,751)	(7,925)
Operational expenditure	(203,604)	(200,737)	(184,761)
<b>Operational surplus / (deficit) for the year before transport improvements</b>	<b>2,073</b>	<b>4,937</b>	<b>9,613</b>
Transport improvement grants and subsidies revenue	4,152	1,260	14,007
Transport improvement expenditure	(2,882)	(6,218)	(26,590)
<b>Net revenue / (expenditure) for transport improvements</b>	<b>1,270</b>	<b>(4,958)</b>	<b>(12,583)</b>
<b>Surplus / (deficit) for the year before tax and fair value gains / (losses)</b>	<b>3,343</b>	<b>(21)</b>	<b>(2,970)</b>
Fair value gains / (losses) in profit and loss	19,642	3,468	3,501
Tax	-	-	-
<b>Surplus / (deficit) after tax</b>	<b>22,985</b>	<b>3,447</b>	<b>531</b>
<b>Other comprehensive income</b>			
Increases / (decreases) in revaluations	27,681	-	111,102
Fair value movements in other comprehensive income	-	-	-
<b>Total comprehensive income / (deficit) for the year</b>	<b>50,666</b>	<b>3,447</b>	<b>111,633</b>

Greater Wellington Regional Council (GWRC)'s net operating surplus for the 2013/14 year before fair value gains and losses was \$3.343 million, compared with a budgeted deficit of \$0.021 million. Including fair value movements of \$19.642 million and tax the net surplus was \$22.985 million, which is \$19.538 million ahead of budget.

In other comprehensive income, the five yearly revaluations of the transport and parks assets increased their value by \$27.681 million.

Significant components of this variance are:

### Grants and subsidies – Revenue and expenditure

GWRC receives grant revenue to fund various transport programmes and projects. Revenue is only received when expenditure is incurred and grant revenue is \$6.3 million lower due to the lower transport expenditure including:

- Lower expenditure on Matangi trains during 2013/2014 of \$2.1 million.
- Lower trolley bus infrastructure renewals expenditure of \$3.3 million. This work is currently being reviewed.
- Lower rail contract expenditure of \$3.6million because of higher than budgeted fare revenue and savings in rail operating costs.
- Lower diesel bus operations expenditure of \$0.7million as contractual inflation payments have been lower than expected.

### Other revenue

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

### Finance costs

Finance costs were higher than budget due to prefunding of debt during the year.

### Fair value adjustments

The main adjustment is the rise in the value of the forestry assets. The improving market for forestry assets has resulted in a large increase in the value of the trees held at balance date. GWRC entered into an agreement to sell the forestry cutting rights in July 2014.

### Asset revaluations

Asset revaluations are typically done every five years and the revaluation of transport and parks and forests assets resulted in a \$27.6 million increase in the value of these assets. This emphasises the on-going financial challenge of building and replacing key infrastructure for the region.

## Financial overview (continued)

### Council – Statement of financial position

	2014 Actual \$000s	2014 Budget \$000s	2013 Actual \$000s
Current assets	121,164	79,865	78,705
Non-current assets	990,531	936,099	948,552
<b>Total assets</b>	<b>1,111,695</b>	<b>1,015,964</b>	<b>1,027,257</b>
Ratepayers' equity	878,293	775,763	827,627
Current liabilities	108,775	57,876	99,153
Non-current liabilities	124,627	182,325	100,477
<b>Net equity and liabilities</b>	<b>1,111,695</b>	<b>1,015,964</b>	<b>1,027,257</b>

### Current assets

The increase in current assets compared to budget is the impact of transferring the forestry assets from non-current as GWRC entered into a contract to sell the cutting rights in July 2014.

### Property, plant and equipment – capital expenditure

- The primary balance sheet variance has occurred due to the revaluations of fixed assets. In 2013 the Water assets increased by \$111 million and 2014 the transport and park assets by \$27 million, this is reflected in the ratepayers' equity variance.

### Debt

- Overall debt is close to budget, there has been a shift between current and non-current when compared to budget.

### Council – Statement of cash flows

	2014 Actual \$000s	2014 Budget \$000s	2013 Actual \$000s
Cashflows from operating activities	30,072	14,091	(30,954)
Cashflows from investing activities	(45,379)	(54,600)	(50,251)
Cashflows from financing activities	26,488	46,243	41,871
<b>Net increase (decrease) in cash, cash equivalents and bank overdraft</b>	<b>11,181</b>	<b>5,734</b>	<b>(39,334)</b>
Opening cash equivalents	8,335	28,587	47,669
<b>Closing cash equivalents</b>	<b>19,516</b>	<b>34,321</b>	<b>8,335</b>

Actual cashflow from operations is higher than budget due to increased forestry and investment revenue and lower grant expenditure during 2013/14.

**Fran Wilde**  
Chair  
30 September 2014

**Greg Campbell**  
Chief Executive  
30 September 2014

**Mike Timmer**  
Acting Chief Financial Officer  
30 September 2014

## Financial overview (continued)

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

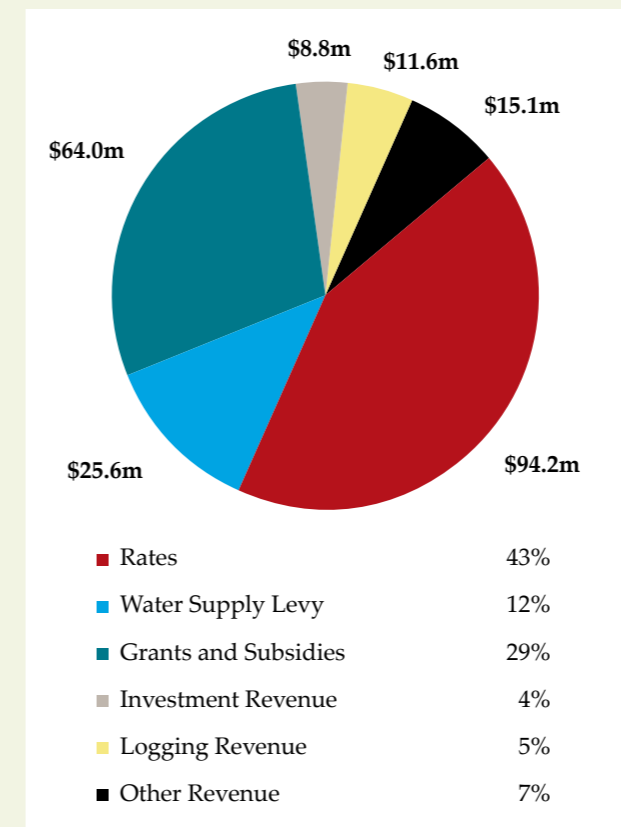
The following graphs need to be read collectively and in conjunction with the attached financial statements. Individually these graphs show a particular view on one aspect of the financial health and management of GWRC.

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

### Rates

This pie chart illustrates GWRC sources of revenue. Rates made up 43% of revenue in 2014. Grants and subsidies, predominately from central government for public transport, makes up the next largest share at 29%.

### Council Revenue



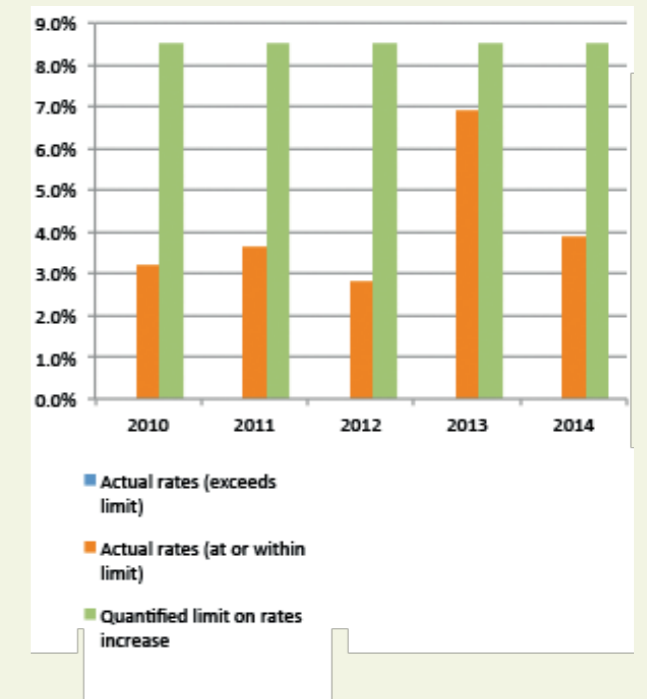
These next graphs indicate whether GWRC has kept within the rates limit is adopted in the LTP.

### Rates (increases) affordability

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

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

### Rates (increases) affordability



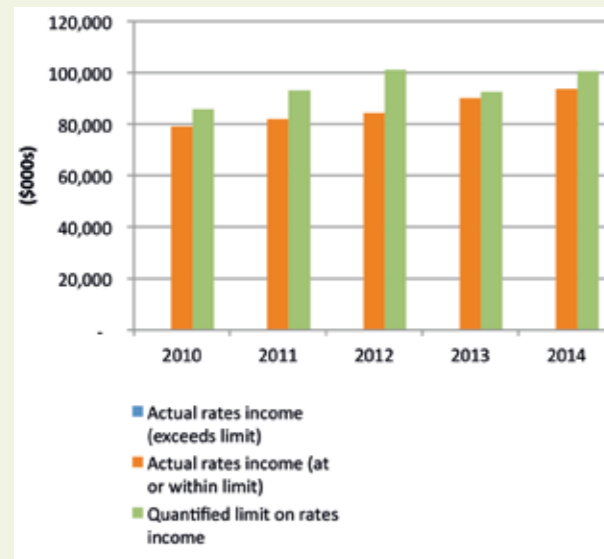
## Financial overview

(continued)

### Rates income affordability

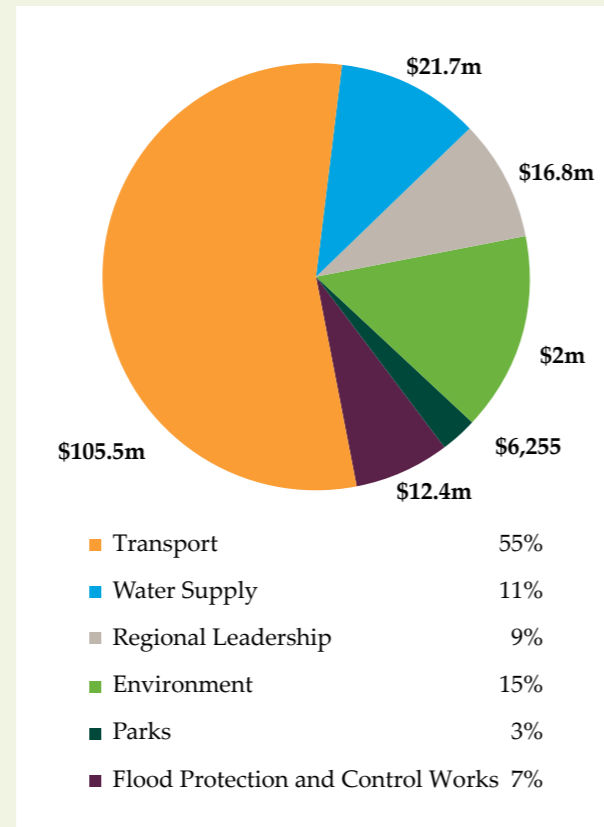
This graph shows the total rates actually received compared to the LTP rates limits.\*

Rates (income) affordability



This pie chart illustrates GWRC's operational expenditure by group of activities. The largest portion is for public transport, at \$105 million which equates to 55% of operational expenditure in 2014.

GWRC Groups of Activities Operational Expenditure



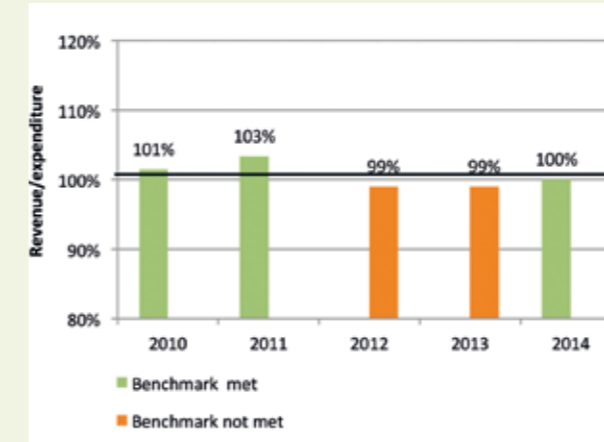
## Financial overview (continued)

### Balanced budget

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

Over time GWRC is meeting this benchmark test.

Balanced Budget Benchmark



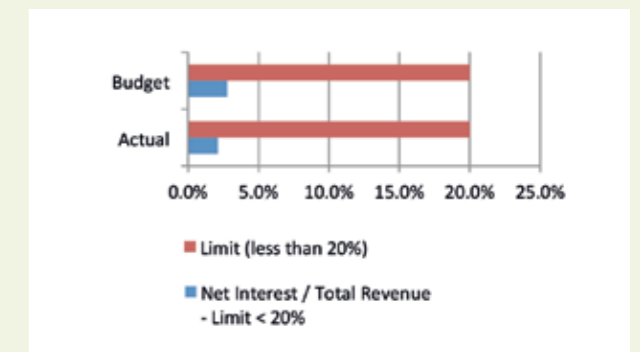
### Financial strategy financial limits

The goal of GWRC's financial strategy is to ensure it delivers good value for ratepayers' investment

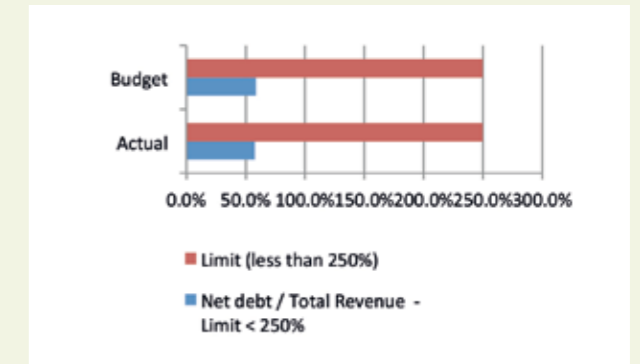
by delivering the right services at the best cost. The financial strategy encompasses three key financial limits that GWRC adopted in its 2012-22 Long Term Plan.

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

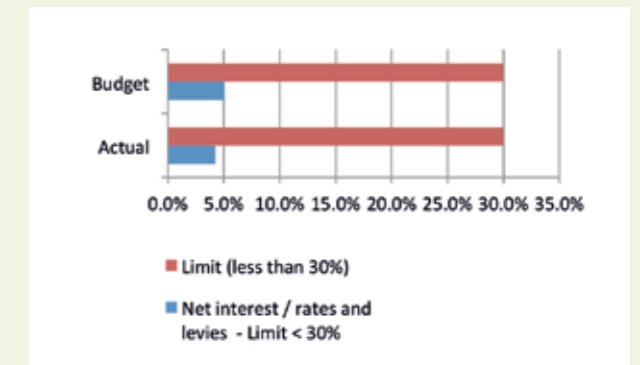
### Net interest / Total revenue - Limit < 20%



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



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

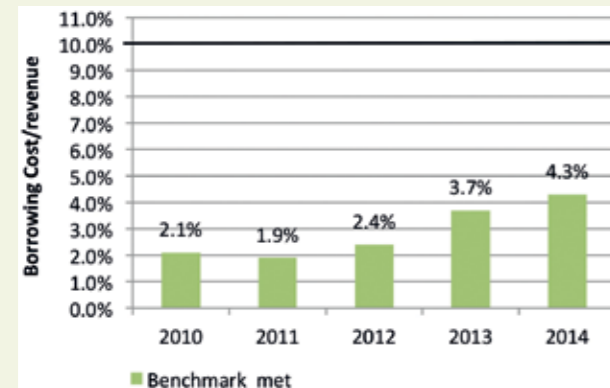


\* As per the previous graph, rates set were below the rates limit.

## Financial overview (continued)

### Debt affordability graphs – Debt servicing

Debt Servicing Benchmark

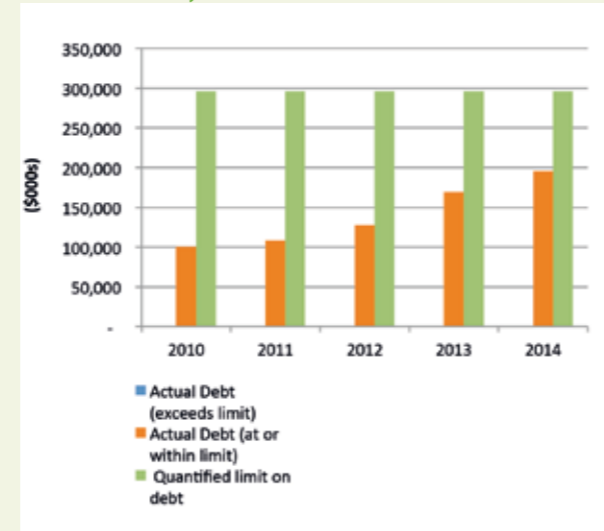


This graph shows the percentage of borrowing costs to revenue. A higher percentage indicates that there is more exposure to shifts in interest rates. The benchmark prudential limit is set by central government at 10% for non-high population growth regions.

Over time GWRC is meeting this benchmark test.

### Debt affordability graphs – Debt balance

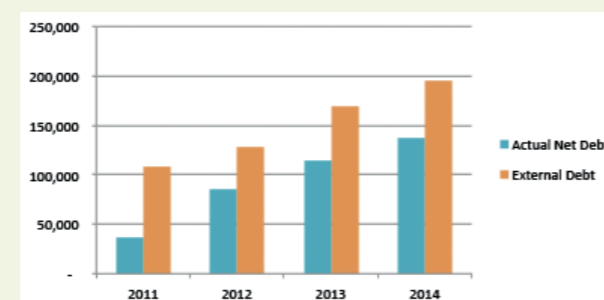
Debt Affordability Benchmark



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

Over time GWRC is meeting this benchmark test.

Debt Vs Net Debt



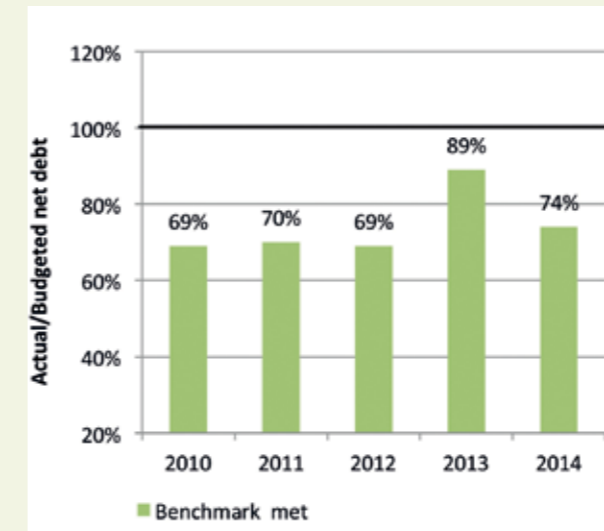
This graph shows the actual net debt compared to the actual external debt. The net debt position provides a more accurate picture of GWRC overall debt position. Further offsetting net debt is our equity investments which return dividends to GWRC.

Net debt is external debt less cash investments.

## Financial overview (continued)

### Debt affordability graphs – Debt benchmark

Debt Control Benchmark

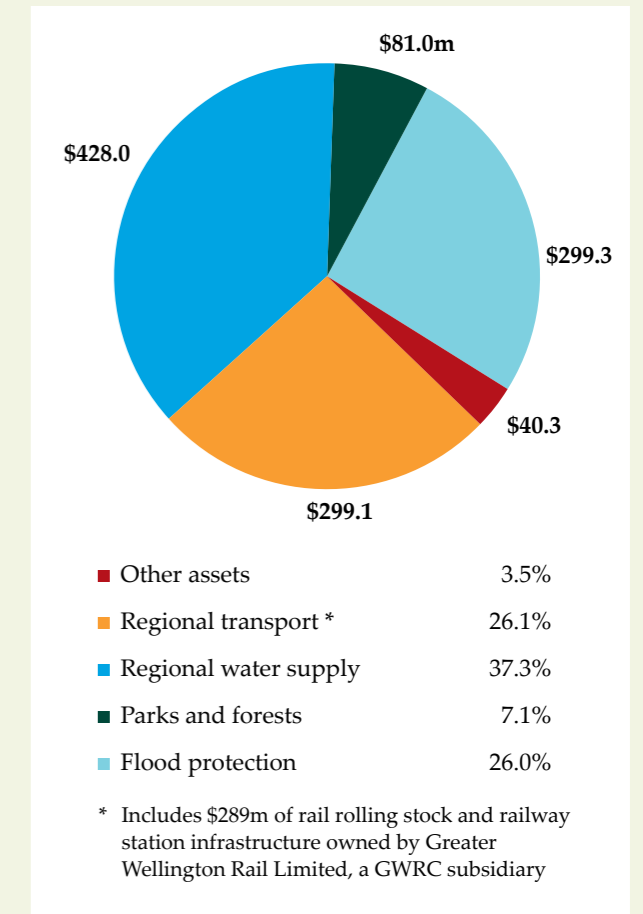


This graph indicates whether actual net debt is less than the budgeted net debt position.

Over time GWRC is meeting this benchmark test.

### Assets and capital expenditure

GWRC property, plant & equipment (\$ millions)



\* Includes \$289m of rail rolling stock and railway station infrastructure owned by Greater Wellington Rail Limited, a GWRC subsidiary

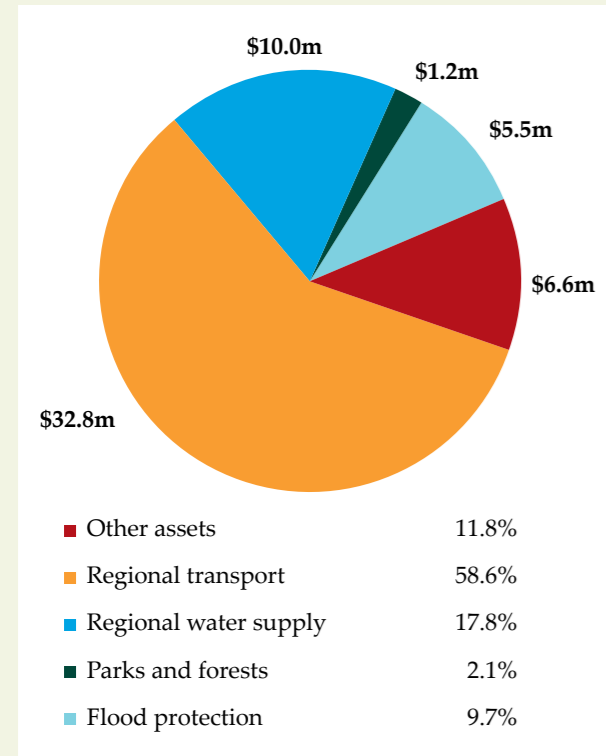
This pie chart shows the breakdown of our assets at the year end.

GWRC looks after many important community assets. Our asset base consists of regional water supply, regional parks and forests, flood protection and, increasingly, public transport. The new Matangi trains, the Ganz Mavag trains and all stations excluding Wellington station are owned by GWRC subsidiary, Greater Wellington Rail Limited (GW Rail).

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

## Financial overview (continued)

GWRC capital expenditure (\$ millions)



This pie chart shows the breakdown of the \$56 million in capital and improvement expenditure for the year ended 30 June 2014. The transport number includes \$28 million invested in GW Rail for rail rolling stock and infrastructure improvements. It is included in the above graph to illustrate the extent of the continued investment in public transport.

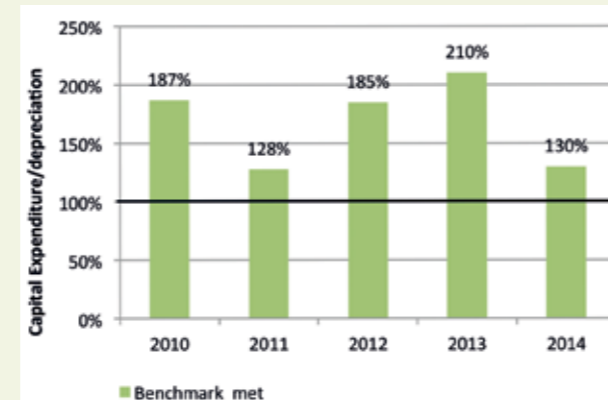
## Essential services

This graph compares actual capital expenditure with depreciation. The general concept is that over time capital expenditure should be similar to depreciation indicating that assets are being replaced in an appropriate and timely manner.

Over the current period this benchmark is met due to the significant upgrade to the rail network and the ongoing new flood protection assets being built.

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

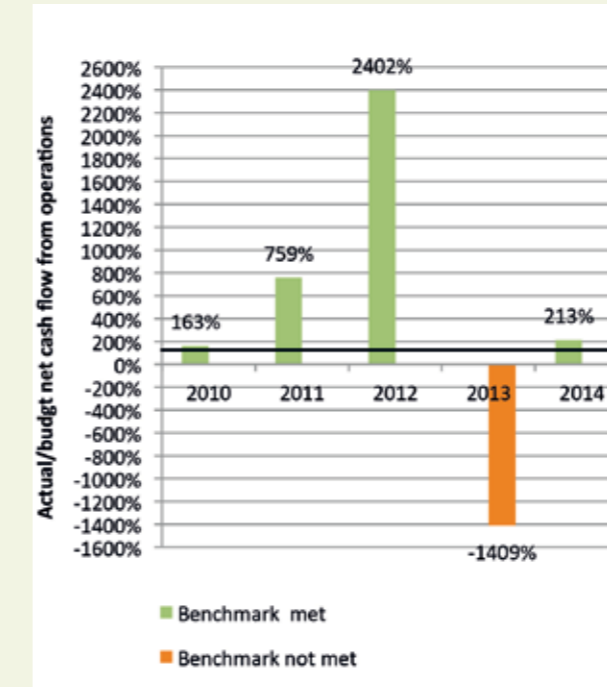
Essential Services Benchmark



## Financial overview (continued)

### Operational cash control

Operations Control Benchmark



This graph shows how actual cash from operations compares with budget. The large variance between 2012 and 2013 shows the impact of the timing of grant receipts and payments for the investment in rail infrastructure.

## Financial overview (continued)

### Group - Statement of comprehensive income

The Group results include CentrePort Limited, Grow Wellington Limited, WRC Holdings Limited, Pringle House Limited, Port Investments Limited and Greater Wellington Rail Limited.

	2014 Actual \$000s	2013 Actual \$000s
Operational revenue	298,737	268,715
Finance costs	(19,135)	(17,089)
Operational expenditure	(297,331)	(257,716)
<b>Operational surplus / (deficit) for the year before transport improvements</b>	<b>(17,729)</b>	<b>(6,090)</b>
Transport improvement grants and subsidies revenue	4,152	14,007
Transport improvement expenditure	(2,882)	(1,386)
<b>Net revenue / (expenditure) for transport improvements</b>	<b>1,270</b>	<b>12,621</b>
<b>Surplus / (deficit) for the year before tax and fair value gains / (losses)</b>	<b>(16,459)</b>	<b>6,531</b>
Fair value gains / (losses) in profit and loss	7,961	10,341
Tax	3,560	(3,219)
<b>Surplus / (deficit) after tax</b>	<b>4,938</b>	<b>13,653</b>
<b>Other comprehensive income</b>		
Increases / (decreases) in revaluations	29,505	105,137
Fair value movements in other comprehensive income	425	309
<b>Total comprehensive income / (deficit) for the year</b>	<b>24,992</b>	<b>119,099</b>

The Net deficit before tax is lower than budget due to higher depreciation in Greater Wellington Rail Ltd than target, and a reported deficit from CentrePort Ltd due to costs and revaluations associated with the Seddon earthquakes.

### Group - Statement of financial position

	2014 Actual \$000s	2013 Actual \$000s
Current assets	147,229	99,103
Non-current assets	1,522,543	1,514,675
<b>Total assets</b>	<b>1,699,772</b>	<b>1,613,778</b>
Equity	1,181,395	1,159,314
Current liabilities	119,028	106,949
<b>Non-current liabilities</b>	<b>369,349</b>	<b>347,515</b>
<b>Net equity and liabilities</b>	<b>1,669,772</b>	<b>1,613,778</b>

### Group - Statement of cash flows

	2014 Actual \$000s	2013 Actual \$000s
Cashflows from operating activities	41,620	(11,552)
Cashflows from investing activities	(58,274)	(72,367)
Cashflows from financing activities	29,751	44,654
<b>Net increase (decrease) in cash, cash equivalents and bank overdraft</b>	<b>13,097</b>	<b>(39,265)</b>
Opening cash equivalents	9,120	48,385
<b>Closing cash equivalents</b>	<b>22,217</b>	<b>9,120</b>

## Events occurring after the balance date

CentrePort has declared a final dividend post balance date of \$1.25 million (2013: Nil).

No dividend was declared post balance date by WRC Holdings (2013: \$2,302,000).

The Council at its meeting on 27th August 2014 approved pursuing the sale of Pringle House.

On 27th August 2014 WRC Holdings issued \$6,700,000 shares uncalled to Greater Wellington Regional Council.

On 27th August 2014 Greater Wellington Rail issued \$6,700,000 shares uncalled to WRC Holdings Limited to cover capital expenditure in Greater Wellington Rail Limited.

GWRC has entered into an agreement for the sale of its forestry cutting rights on 1 July 2014.

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.



AWAITING COPY

This is a summary of Greater Wellington Regional Council's (GWRC) activities for the year 1 July 2013 to 30 June 2014. The information has been extracted from our Annual Report 2013/14, which was authorised for issue by the Chair, Chief Executive and Chief Financial Officer on the 30th September 2014. It has been prepared in accordance with FRS-43: Summary Financial Statements. The annual report contains detailed information about our finances and service performance. Audit NZ has audited the full financial statements and issued an unqualified report. This summary has been examined by Audit NZ for consistency with the full annual report. These summary financial statements are presented in New Zealand dollars rounded to the nearest thousand.

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

A summary report cannot be expected to provide as complete an understanding of GWRC's activities as provided by the full annual report. For the full Annual Report 2013/14, please see [www.gw.govt.nz](http://www.gw.govt.nz) or phone 0800 496 734.

For more information contact the Greater Wellington Regional Council:

Wellington office  
PO Box 11646  
Manners Street  
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



[info@gw.govt.nz](mailto:info@gw.govt.nz)  
[www.gw.govt.nz](http://www.gw.govt.nz)

October 2014  
GW/CP-G-14/89



Please recycle  
Produced sustainably