



If calling, please ask for Democratic Services

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## Council

Thursday 1 December 2022, 09.30am

Taumata Kōrero, Council Chamber, Greater Wellington Regional Council,  
100 Cuba St, Te Aro, Wellington

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## Members

Cr Ponter (Chair)

Cr Staples (Deputy Chair)

Cr Bassett

Cr Connelly

Cr Duthie

Cr Gaylor

Cr Kirk-Burnnand

Cr Laban

Cr Lee

Cr Nash

Cr Ropata

Cr Saw

Cr Woolf

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

# Council

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Thursday 1 December 2022, 9.30am

Taumata Kōrero, Council Chamber, Greater Wellington Regional Council,  
100 Cuba St, Te Aro, Wellington

## Public Business

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**Council**  
**1 December 2022**  
**Report 22.494**



**For Decision**

## **GREATER WELLINGTON REGIONAL COUNCIL'S 2021-22 ANNUAL REPORT**

### **Te take mō te pūrongo**

#### **Purpose**

1. For Council to adopt Greater Wellington Regional Council's Annual Report for the year ended 30 June 2022.

### **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 2022.
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 2022.

### **Te tāhū kōrero**

#### **Background**

2. 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.
3. 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 2022, the annual report must be completed and adopted by Council no later than 31 December 2022.
4. The 2021/22 Pūrongo ā Tau | 2021/22 Annual Report for Te Pane Matua Taiao | Greater Wellington Regional Council (Greater Wellington) (**Attachment 1**) reports against Year One of the 2021-31 Long Term 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.
5. The Te Pane Matua Taiao he whakarāpopoto i te pūrongo ā-tau 2021/22 | Greater Wellington Regional Council Summary of the Annual Report 2021/22 (**Attachment 2**) provides a summary of the key information contained in the 2021/22 Pūrongo ā Tau | 2021/22 Annual Report.

## **Te tātaritanga Analysis**

### ***Non-financial performance***

6. For the year ended 30 June 2022, Greater Wellington achieved 63 percent (32) of its 51 non-financial performance measures that were set in our 2021-31 Long Term Plan. Delivery of some work programmes and associated performance measures did not meet our expected standard of success.
7. Non-financial performance measures by Activity Group:
  - a Environment and Flood Protection achieved 70 percent (12 of 17 measures)
  - b Metlink Public Transport achieved 46 percent (6 of 13 measures)
  - c Regional Strategy and Partnerships achieved 44 percent (4 of 9 measures)
  - d Water Supply achieved 83 percent (10 of 12 measures).
8. Greater Wellington did not achieve 37 percent (19) of its non-financial performance measures. Resourcing issues, staff absenteeism due to COVID-19, high workloads and competing work priorities were amongst the main reasons for not achieving some measures. Further reasons include:
  - a COVID-19 related impacts on driver absenteeism and underlying driver shortages resulted in an increased number of public transport service cancellations which in turn negatively impacted on six of our public transport measures related to passenger satisfaction and service punctuality.
  - b Adverse weather conditions and COVID-19 restrictions impacted our ability to fully deliver the planned planting programme in our Regional Parks and Regional Pest Management Plan operations across the region.
  - c A record number of leaks across the Territorial Authority pipe network, and high per capita demand and growth resulted in not achieving two of our Water Supply measures.
9. For more detail on Activity Group performance measures and progression of 2021-31 Long Term Plan initiatives, refer to the *Ngā Mahi a Te Pane Matua Taiao | Activities of the Greater Wellington Regional Council* section of the 2021/22 Annual Report (**Attachment 1**).
10. For detail on progression against our four 2021-31 Long Term Plan Overarching Strategic priorities (Responding to the Climate Emergency, improving outcomes for mana whenua and Māori, aligning with Government direction, and adapting and responding to the impacts of COVID-19) refer to the *Ko ā mātou whakaarotau rautaki matua | Overarching Strategic Priorities* section of the 2021/22 Annual Report (**Attachment 1**).

### ***Financial Performance***

11. The 2021/22 financial year has had many challenges with COVID-19 restrictions, lockdowns and Alert Level and traffic light system changes, and changing behaviours in public transport use with the rise of working from home practices.

12. The operating deficit for the year was \$29.45 million compared to the forecast surplus of \$5.49 million set in the 2021-31 Long Term Plan.
13. The total operating revenue was lower than budget mainly due to lower farebox revenue and reduced grants and subsidies from external parties due to reduced expenditure on capital projects. The total operating expenses were higher than budget mainly due to water and ICT asset write-offs and the Omaroro reservoir grant which was initially capital budgeted but reclassified as operational expenditure and funded by debt.
14. Capital expenditure was \$43.3 million below budget mainly due to work schedule delays as a result of COVID-19 and alert level changes.
15. Refer to note 32 in *He whakamārama mō ngā Tauākī Pūtea | Notes to the Financial Statements* of the 2021/22 Annual Report (**Attachment 1**) for explanations to major variances between actual and budget numbers.
16. The actual reserve balance as compared to the 2021-31 Long Term Plan is set out in the Reserve Balance as at 30 June 2022 (**Attachment 3**). Differences in reserve balances arise for a number of reasons including targeted rate surpluses and deficits and delayed project expenditure delaying drawings on reserves.

#### **Audit Opinion**

17. Under the timeline agreed with Audit NZ for the extended statutory reporting timeframe (see paragraph 3 above), Council are asked to adopt Greater Wellington's 2021/22 Annual Report at Council's 1 December 2022 meeting.
18. At the time of writing this report, Audit NZ has completed its audit, and they have indicated that they will issue a qualified 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).
19. The qualification relates to Greater Wellington's two Carbon Emission measures; *Tonnes of CO2 emitted per year on Metlink Public Transport Services*<sup>1</sup> and *Reduction in tonnes of CO2 equivalent (tCO2e) emissions*<sup>2</sup>. This was due to Audit NZ being unable to verify the full set of Scope 3<sup>3</sup> data that is included in Greater Wellington's CO2 calculations (which includes data provided by our public transport operators and grazing licence holders)<sup>4</sup>. This is a technical issue facing all of local government in the carbon reporting space.
20. The Audit Director, Clint Ramoo, will attend the meeting and is expected to provide the Audit opinion.

<sup>1</sup> The measure was Not Achieved, with 23,442 tCO2e emitted in 2021/22 against a target of 22,761 tCO2e.

<sup>2</sup> The measure was Not Achieved, with 50,342 tCO2e emitted in 2021/22 against a target of 43,880 tCO2e.

<sup>3</sup> Scope 3 covers: Indirect emissions from products used by the organisation (Category 4); Indirect emissions associated with the use of products from the organisation (Category 5); and Indirect emissions from other sources (Category 6).

<sup>4</sup> Obtaining assurance over scope 3 data was limited to a large extent by the extensive sources of the information used to calculate this result.

## **Ngā hua ahumoni**

### **Financial implications**

21. The 2021/22 Pūrongo ā Tau | 2021/22 Annual Report includes the financial statements for Greater Wellington, as at 30 June 2022 (**Attachment 1**). A summary of financial performance from the 2021/22 Annual Report is outlined in paragraphs 11-16 above.

## **Ngā Take e hāngai ana te iwi Māori**

### **Implications for Māori**

22. Improving outcomes for mana whenua and Māori is one of the overarching strategic priorities in the Greater Wellington's 2021-31 Long Term Plan, and therefore reported against in our 2021/22 Pūrongo ā Tau | 2021/22 Annual Report. Feedback from mana whenua was incorporated into the 2021/22 Pūrongo ā Tau | 2021/22 Annual Report in the section titled *Ko te whakarahi ake i ngā hua mō te mana whenua me te Māori / Improving Outcomes for Mana Whenua and Māori (Attachment 1)*.

## **Ngā tikanga whakatau**

### **Decision-making process**

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

## **Te hiranga**

### **Significance**

24. 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**

25. 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**

26. 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**

<b>Number</b>	<b>Title</b>
1	Greater Wellington Regional Council's 2021/22 Annual Report
2	Greater Wellington Regional Council's 2021/22 Summary of the Annual Report
3	Reserve balance as at 30 June 2022

**Ngā kaiwaitohu  
Signatories**

Writers	George Grover – Advisor Planning and Reporting Ashwin Pai – Financial Controller
Approvers	Zofia Miliszewska – Team Leader, Corporate Planning and Reporting Tracy Plane – Manager, Strategic and Corporate Planning Ali Trustrum-Rainey – Chief Financial Officer Luke Troy – General Manager, Strategy

<b>He whakarāpopoto i ngā huritaonga Summary of considerations</b>
<b><i>Fit with Council's roles or with Committee's terms of reference</i></b> 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 2021/22 Pūrongo ā Tau   2021/22 Annual Report to be adopted by 31 December 2022.
<b><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></b> The 2021/22 Pūrongo ā Tau   2021/22 Annual Report outlines Greater Wellington's performance against Year One of the 2021-31 Long Term Plan.
<b><i>Internal consultation</i></b> There was consultation with the Strategic and Corporate Planning, Finance, and Communications and Engagement departments. The 2021/22 Pūrongo ā Tau   2021/22 Annual Report (Attachment 1) was prepared in consultation with the Executive Leadership Team and departmental managers.
<b><i>Risks and impacts - legal / health and safety etc.</i></b> There are no identified risks arising from the matters for decision.



**Attachment 1 to Report 22.494**

**Greater Wellington Regional Council's 2021/22 Annual Report**



**Te Pane Matua Taiao 2021/22 Pūrongo ā Tau**

**Greater Wellington Regional Council 2021/22 Annual Report**

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

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**Greater Wellington Regional Council's 2021/22 Annual Report**

**He karere nā te Heamana me Te Tumu Whakarae | Message from the Chair and Chief Executive**

Kia ora koutou,

When we developed the 2021-31 Long Term Plan (LTP) we invited the community to help us tell the Great Wellington Regional Story, and this Annual Report, reflects how in 2021/22 (the first year of our 2021-31 LTP) we listened to our community, land and water in our rohe, and acted upon what we heard. We achieved a lot of what we set out to do this year in progressing key partnerships, reshaping the way we work, and improving a range of core services. However, our success did not come without a few challenges – the COVID-19 pandemic, inflation and labour shortages continued to impact the delivery of some of our services and projects.

After setting a strategic priority to improve outcomes for mana whenua and Māori in our 2021-31 LTP, Greater Wellington made great strides through 2021/22 in strengthening our partnership with mana whenua, collaborating on various projects throughout the Region, and embracing our commitment to Te Tiriti o Waitangi. This year we signed Tūāpapa (foundational) funding agreements with all six of our mana whenua partners to increase their capacity and resources, and we also commenced the development of Kaupapa funding agreements to create an ongoing joint work programme based on shared priorities and outcomes. Supporting the shift internally in how we partner with mana whenua is Te Whāriki, our Māori Outcomes Framework. Through Te Whāriki we will be focusing on effective partnering with mana whenua; engagement for equitable outcomes for Māori; strong, prosperous, and resilient Māori communities; and a capable workforce.

In response to the climate emergency, progress was made against our 2021-31 LTP, which set a clear corporate carbon emissions reduction pathway for our organisation and public transport network, and environmental restoration across our region. This year we introduced 73 new electric busses and welcomed Ika Rere – the Southern Hemisphere's first electric passenger ferry – to our public transport network. We also ended grazing licenses in Queen Elizabeth Park and West Belmont Regional Park, with preparation to restore native ecosystems of those areas well underway. Safeguarding our communities against the threat of climate change is crucial for Greater Wellington. As part of the government's Jobs for Nature programme, we completed significant flood protection work through our Climate Resilience programme along our waterways, that not only protects our communities but promotes improved water quality and biodiversity outcomes. Greater Wellington successfully embraced this partnership opportunity working with mana whenua, Department of Conservation, and Conservation Volunteers NZ, to create jobs and achieve broader social and cultural outcomes.

Disruptions to bus services were an ongoing challenge this year, with an underlying nationwide driver shortage exacerbated by driver absenteeism due to COVID-19 and winter illnesses. Improving the reliability of our public transport services remains a top priority, and we led the way in increasing the living wage for bus drivers during 2021/22. Our commitment to providing a reliable, affordable and increasingly electric bus service for our community is unwavering.

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**Greater Wellington Regional Council's 2021/22 Annual Report**

Significant mahi has gone into reshaping the way we work for our environment via implementation of a new catchment-based approach. This new approach includes internal structure changes which will enable us to better deliver our services within each catchment, working closely with our partners and communities to achieve better outcomes for our catchments.

Greater Wellington has also been working extensively with central government, contributing to the various reform programmes which have an impact on local government such as the Three Waters Reform, Resource Management Act Reform and Future for Local Government Review.

Against a challenging operating environment, delivery of some work programmes and associated performance measures did not meet our expected standard of success. COVID-19 continued to reduce deliverability, alongside pressures of staff resourcing, inflation, central government reform, and complex multiparty projects coming to fruition pushed some targets out of reach. However, amongst these delivery pressures, Greater Wellington prioritised the wellbeing and safety of both our staff, and our communities, allowing us to continue providing core services to the best of our ability.

Overall, we are proud of what we have delivered this year, and the partnerships we have continued to strengthen. Thank you to our staff, Mana whenua, and the multiple agencies and community groups we rely on for our collective success, for all playing a part in this journey.

Daran Ponter Heamana Kaunihera   Council Chair	Nigel Corry Tumu Whakarae   Chief Executive
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**Attachment 1 to Report 22.494**

**Greater Wellington Regional Council's 2021/22 Annual Report**

**Wāhanga tuatahi: He tiro whānui i ngā mahi i tutuki i a mātou | Section one:  
Overview of our performance**

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report****Ko te tau kua pahure | A year in review**

We are proud of the mahi we achieved this year. Highlights include:

*Progressed partnerships:*

- Worked with the Territorial Authorities and other agencies across our region to progress joint initiatives on Climate Change action and Regional Transport.
- Partnered with mana whenua on a range of projects across the region and responses to government direction, working towards achieving our mutual aspirations and uphold the principles of Te Tiriti o Waitangi.
- Formed the Wellington Regional Leadership Committee (WRLC) as the lead governance body for the Regional Growth Framework and regional economic development, including partnership with central government, councils, and mana whenua across the region.
- Collaborated on the Transit Orientated Development programme with Territorial Authorities and Kāinga Ora to promote transport mode-shift and increase access to public transport with 'outcomes for all' as the partnership principle.

*Reshaped the way we work with innovation and boldness:*

- Implemented programmes through a catchment-based approach to deliver better outcomes for our environment, in partnership with mana whenua and key communities.
- Launched Ika Rere – the Southern Hemisphere's first electric passenger ferry.
- Explored public transport solutions with our Public Transport on Demand Trial in Tawa, and Snapper on Rail on the Johnsonville line to increase the accessibility of our public transport network.
- Launched our *Listen to the Land* awareness campaign – promoting an environment-first approach to our region's natural resources while highlighting the importance of our role as a regional council to the public.
- Began developing a new flood forecasting programme to build our capability in proactive emergency management to safeguard our communities from major flooding.
- Continued research to understand climate change projections and environmental impacts in New Zealand, providing the best possible information to the public.
- Produced new online guidance for resource consent applicants on how best to manage the effects of development on the region's indigenous biodiversity.

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

- Signed Tūāpapa (foundational) funding agreements with all six of our mana whenua partners to increase their capacity and resources and commenced the development of Kaupapa funding agreements to create a joint work programme on shared priorities.
- Began implementing Te Whāriki – Greater Wellington's Māori Outcomes Framework starting with a focus on building organisational capability.

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**Greater Wellington Regional Council's 2021/22 Annual Report**

- Progressed our Climate Resilience Programme with each of the programme's four iwi partners (Ngāti Toa, Ngāti Kahungunu ki Wairarapa, Taranaki Whānui, and Rangitāne o Wairarapa) who brought their involvement to new heights.
- Partnered with Wairarapa Iwi on the One Billion Trees Programme to share knowledge and reflect Mātauranga Māori in land management services.
- Adopted our new Rates Remissions on Māori Land Policy, to prevent further loss of Māori land and to support the long term aspirations of whānau, hapū and iwi for whenua Māori.
- Increased funding to the regional economic Māori development Board, Te Matarau a Māui, to design and deliver on their strategy and work programme with a focus on initiatives within the Māori economy as articulated by Māori.

*Responded to the threat of Climate Change:*

- Continued our path to a zero emissions public transport fleet, with 73 electric buses now in service on our network, replacing existing diesel ones.
- Accelerated the retirement of grazing and the restoration of native ecosystems in our Regional Parks through the use of our Low Carbon Acceleration Fund, completing 11 hectares of winter planting at Kaitoke Regional Park and 17 hectares Queen Elizabeth Park.
- Contributed to the initial stages of a Regional Emissions Reduction Plan and a Regional Climate Change Adaptation Plan.
- Commissioned a climate projections report specifically for the Wairarapa, in recognition of the eastern part of our Region being a hotspot for climatic changes.
- Completed the Regional Flood Risk Vulnerability Assessment to better predict and plan for flooding, showing climate change is increasing the frequency, severity, and unpredictability of flood events.
- Progressed our Climate Resilience Programme projects to construct and upgrade flood protection works, better equipping our region to handle the impacts climate change will have on river communities.
- Planted 24,000 seedlings along our rivers with our riparian planting programme to protect our waterways and promote biodiversity.
- Completed wetland operations activities such as fencing, weed control work assessments, and planting, and approved 12 restoration plans covering 14 wetland sites.

*Aligned with Government direction:*

- Responded to the replacement of the Resource Management Act, with our submissions to the exposure draft of the Natural and Built Environment Act (NBA), the Climate Adaptation Act (CAA), National Adaptation Plan, and the Emissions Reduction Plan.
- Engaged with the Future for Local Government Review Panel to express our Council's views on the long-term issues our sector is facing and provide input on the review panel's key focus areas.

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**Greater Wellington Regional Council's 2021/22 Annual Report**

- Progressed the Three Waters reform, working closely with the National Transition Unit and councils across the Region, ensuring our Region benefits from the reform and the process doesn't negatively impact our communities.
- Contributed to the Essential Freshwater Package, and National Policy Statement on Urban Development, working closely with our mana whenua partners to incorporate their views.

*Adapted to the impacts of COVID-19:*

- Completed essential business continuity work so our staff could work from home during all COVID-19 Alert Levels, ultimately enabling continuity of core services to our community while ensuring staff wellbeing was maintained.
- Activated and engaged the internal Crisis Management Team (CMT) and the regional response Emergency Coordination Centre (ECC) during the COVID-19 lockdown to provide information and support to staff and the region respectively.
- Metlink and its operators responded to the government's 'traffic light' system in an agile and coordinated fashion, with plans prepared in advance for each alert level, so that passengers had a seamless and safe public transport experience during the disruptions of COVID-19.
- Provided free Metlink services to and from vaccination centres throughout 2021/22, making it easier for people across the Region to get vaccinated against COVID-19. In the Hutt Valley we worked with Kokiri Marae, Keriana Olsen Trust, Capital & Coast and Hutt Valley District Health Boards, and Te Awakairangi Health Network to provide the "Delta Buster" mobile vaccination bus to ensure some of the harder-to-reach communities were able to get vaccinated.



## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

## Ko ngā hua mō te hapori | Community outcomes

We promote the social, economic, environmental, and cultural well-being of our communities through our three community outcomes:

- **Thriving Environment** - healthy fresh and coastal water, clean and safe drinking water, unique landscapes and indigenous biodiversity, sustainable land use, a prosperous low carbon economy.
- **Connected Communities** - vibrant and liveable region in which people can move around, active and public transport, sustainable rural and urban centres that are connected to each other, including mana whenua and mātāwaka Māori communities.
- **Resilient Future** – safe and healthy communities, a strong and thriving regional economy, inclusive and equitable participation, adapting to the effects of climate change and natural hazards, community preparedness, modern and robust infrastructure.

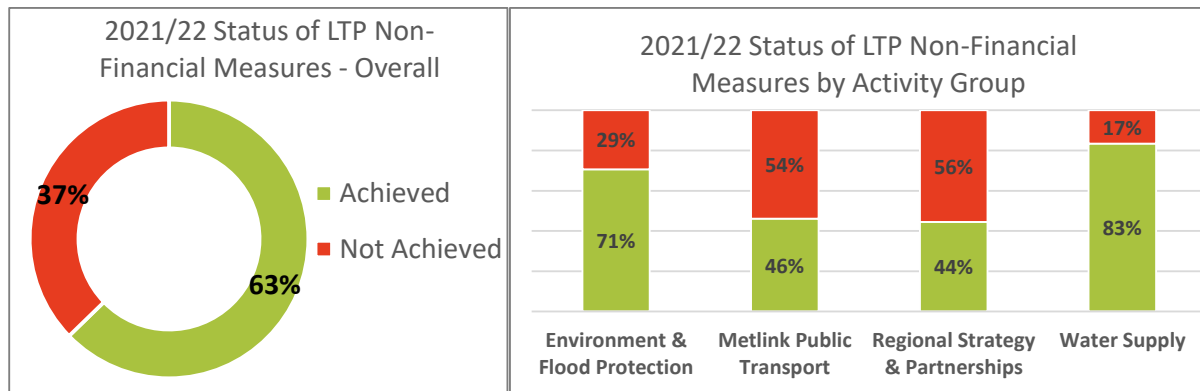
The table below shows Community Outcomes through the lens of each of our Activity Groups.

		Community Outcomes		
		Thriving Environment	Connect Communities	Resilient Future
Activity Group	<b>Environment and Flood Protection</b> (page 28)	We look after the region's special places to ensure they thrive and prosper	Our work with the community connects people with the environment they live in	We manage and protect the region's resources so they can be enjoyed for generations to come
	<b>Metlink Public Transport</b> (page 38)	With electrification of our network we are creating a more sustainable and low carbon region	People can get to the places they want to go to by using an accessible and efficient network	People can move around the region on a public transport network that is future proofed
	<b>Regional Strategy and Partnerships</b> (page 46)	We lead from the front to ensure our environment is front and centre	People are engaged in the decisions that affect them	We plan for the big issues by connecting the dots, ensuring the future is resilient
	<b>Water Supply</b> (page 52)	Water supply is respectful to the environment that we live in	The region has sufficient water supply that is of high quality and safe	Bulk water supply is sustainable to the community as our environment changes

Greater Wellington Regional Council's 2021/22 Annual Report

**He whakarāpopototanga o te tiro whānui i te rawa | Summary of non-financial performance**

Greater Wellington reports against 51 non-financial performance measures in the Annual Report. These measures were set during the preparation of the 2021-31 Long Term Plan. Overall Greater Wellington achieved 63 percent (32) of the non-financial performance measures and did not achieve 37 percent (19) of the measures.



*Challenges in our operating environment this year resulted in not achieving 37 percent (19) of our performance measures.*

- COVID-19 related impacts on driver absenteeism and the underlying national bus driver shortage resulted in an increased number of public transport service cancellations – this negatively impacted on six of our public transport measures related to customer satisfaction and service punctuality surveys.
- Adverse weather conditions and COVID-19 restrictions lead to not achieving two of our Environment and Flood Protection measures: *number of Indigenous species planted* (result of 46,600 against a target of 55,000), and delivery of all 2021/22 objectives of the *Regional Pest Management Plan* operational plans.
- A record number of leaks across the Territorial Authority pipe network, and high per capita demand and growth lead us not achieving two of our Water Supply measures: *consumption of drinking water per day per resident* (result of 382 litres per day against a target of below 375 litres per day) and *sufficient water is available to meet normal demand*. Capacity improvements at Te Marua Water Treatment Plant are underway to address the latter.
- Resourcing issues, staff absenteeism due to COVID-19, high workloads and competing work priorities were other reasons across Activity Groups for not achieving the nine other measures.

*Several of the not-achieved measures were very close to their target:*

- We carried out the majority of our pest animal and plant management tasks, as per the *Regional Pest Management Plan* Operational Plans, however we only delivered our

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report**

Regional Possum Predator Control Programme across 44 percent of the planned control area.

- *Passenger's overall satisfaction with our Ferry Service* was 96.1 percent against a target of 98 percent. The Survey was carried out at a time when poor weather and critical safety work being done on Ika Rere contributed to higher than usual service cancellations.
- *Tonnes of CO<sub>2</sub> emitted per year on Metlink Public Transport Services* – we emitted 23,442 tonnes of CO<sub>2</sub>e against our target of 20,626 tonnes. There were more buses on the road during the reporting year.

*We still achieved a lot this year:*

- Customer satisfaction for our resource consent service achieved a 4.41 satisfaction result against a target of >4 (with 1 being *very dissatisfied* and 5 being *very satisfied*). This year we produced new online guidance for resource consenting, which may have been a factor in largely exceeding this target.
- We welcomed 1.89 million visitors to our Regional Parks exceeding our target of 1.76 million.
- 850 hectares of erosion-prone hill country was treated, achieving our target of 800 hectares.
- We retired 102 hectares of grazed Regional Park land and restored it to its native state, achieving our target of 100 hectares.
- The percentage of identified vulnerable floodplains with a flood management plan in place is 63 percent, exceeding our target of 35 percent.
- Major flood protection and control works were maintained, repaired, and renewed to the key standards defined in relevant planning documents.
- Passenger's overall satisfaction with Metlink Bus and Rail services was 93.2 percent and 95.8 percent respectively, achieving targets of 92 and 93 percent.
- –The percentage of scheduled bus trips that departed their timetabled starting location on time (to 5 minutes) was 95.5 percent achieving our target of 95 percent.
- A team of Coordinated Incident Management System trained Greater Wellington staff were ready to respond to an activation of the Emergency Coordination Centre.
- Increased incorporation and use of mātauranga Māori across services were delivered.
- The Wellington Regional Land Transport Plan was prepared and updated in accordance with the Land Transport Management Act and central government guidance.
- There were no events in the bulk water supply preventing the continuous supply of drinking water to consumers.

You can read more about our non-financial performance in Section two: He tiro whānui i te rawa | Non-financial performance on pages [15-69](#).

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

## He pūrongo pūtea | Finances at a glance

	2020/21 Actual	2021/22 Long Term Plan	2021/22 Actual
Annual revenue	\$432.5m	\$460.9m	\$444.6m
Annual expenditure	\$435.2m	\$455.5m	\$473.4m
Capital expenditure	\$42.5m	\$108.8m	\$87.9m
Debt	\$531.9m	\$636.1m	\$638.1m

- Annual revenue from rates: \$160.9 million
- Annual revenue from grants and other sources: \$283.7 million

**Financial overview for the year ended 30 June 2022:**

- \$35.1 million net deficit after tax for 2021/22
- \$6.29 cost of delivering all Greater Wellington services pre rating unit per day
- \$2.1 billion total assets for 2021/22
- 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.

Rates	\$160.9m
Water Supply Levy	\$39.3m
Grants and Subsidies	\$153.2m
Investment Revenue	\$7.2m
Other Revenue (includes fees and charges)	\$84.0m

**Operational expenditure**

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

Environment and Flood Protection	\$80.4m
Metlink Public Transport	\$280.1m
Regional Strategy and Partnerships	\$28.9m
Water Supply	\$36.7m

**Capital expenditure**

Greater Wellington's capital expenditure highlights infrastructure investment in Environment & Flood Protection, Metlink Public Transport, and Water Supply.

Environment and Flood Protection	\$36.4m
Metlink Public Transport	\$23.1m
Regional Strategy and Partnerships	\$1.1m
Water Supply	\$24.0m

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report****Property, plant, and equipment**

*The below pie chart illustrates Greater Wellington's asset base comprising public transport, flood protection, water supply and regional parks.*

Environment and Flood Protection	\$602.1m
Metlink Public Transport	\$595.5m
Water Supply	\$662.8m
Other Assets	\$70.0m

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

Environment and Flood Protection	\$116.8m
Metlink Public Transport	\$303.2m
Regional Strategy and Partnerships	\$30.0m
Water Supply	\$60.7m

**Attachment 1 to Report 22.494**

**Greater Wellington Regional Council's 2021/22 Annual Report**

**Wāhanga tuarua: He tiro whānui i te rawa | Section two: non-financial performance**

**Attachment 1 to Report 22.494**

**Greater Wellington Regional Council's 2021/22 Annual Report**

**Ko ā mātou whakaarotau rautaki matua | Overarching strategic priorities**

Greater Wellington identified four key overarching strategic priorities for the next 10 years. These overarching priorities impact on each Activity Group, regardless of core functions:

- **Improving outcomes for mana whenua and Māori** – proactively engage mana whenua and mātāwaka Māori in decision making, and incorporate Te Ao Māori and mātauranga Māori perspectives, so we can achieve the best outcomes for Māori across all aspects of our region.
- **Responding to the climate emergency** – meeting the challenge of climate change by demonstrating leadership in regional climate action and advocacy, and ensuring our operations are carbon neutral by 2030.
- **Adapting and responding to the impacts of COVID-19** – take a leadership role in responding to the economic consequences of COVID-19 and support the region's transition to a sustainable and low carbon economy.
- **Aligning with Government direction** – rise to the challenges set by Central Government to ramp up environmental protection and continue to provide high quality public transport services.

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report****Ko te whakarahi ake i ngā hua mō te mana whenua me te Māori | Improving outcomes for mana whenua and Māori**

Improving outcomes for mana whenua and Māori is one of four strategic priorities in the Long Term Plan, and along with Te Whāriki, the Māori Outcomes Framework signals clear change across the business.

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 (Ngāti Toa)
- Taranaki Whānui o te Ūpoko ki te Ika
- Rangitāne ō Wairarapa Inc
- Ngāti Kahungunu ki Wairarapa Charitable Trust

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

*Greater Wellington's reflections on 2021/22*

This year we maintained momentum on the foundational plans and projects outlined in our 2020/21 Annual Report, including delivery of our 2021-31 Long Term Plan, Te Whāriki, Tūāpapa and Kaupapa funding models, and the approval of Te Matarau a Māui – the Māori economic development strategy. We focused on growing stronger connections with our iwi partners across the Region in several areas of focus – maintaining commitments ranging from business-as-usual, day-to-day interactions with partners, to our larger joint projects such as ensuring our Region is sustainably resilient, and protection of Te Taiao.

We invested internally in resourcing Te Hunga Whiriwhiri, our Māori outcomes department. This ensures we can better align our systems, processes, strategy, planning and delivery of services with a by Māori for Māori approach. We adopted Te Whāriki and developed the supporting Māori Capability Framework and Implementation Plan, and divested funds directly to our partners through both Tūāpapa (foundational) and Kaupapa (project-specific) funding and to Te Matarau a Māui.

Greater Wellington worked with mana whenua on a range of joint initiatives and work programmes this year. For example, as part of our efforts to restore indigenous biodiversity, the Wairarapa Moana project was supported by an iwi and hapū specific Engagement and Experience Plan. This was to better understand Māori values relating to the Moana, where strong attendance at the events and valuable kōrero helped shape the plans. In our Climate Resilience Programme, Ngāti Toa Rangatira, Ngāti Kahungunu ki Wairarapa, Taranaki Whānui o te Ūpoko ki te Ika, and Rangitāne ō Wairarapa, brought their involvement to new heights through direct, paid involvement with Iwi Engagement Programme Service contracts, involved in co-design of tree planting, signage, and mahi toi, amongst other works. Our Metlink and Regional Transport teams began developing an iwi engagement strategy in collaboration with mana whenua – co-designing



**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report**

this relationship will be critical for successful ongoing engagement of Māori on public transport policy and initiatives.

We acknowledge the feedback from our Iwi partners. We will continue to strengthen our delivery on outcomes that support them and uphold our responsibilities under Te Tiriti o Waitangi by working to build mana whenua resources and instilling mātauranga Māori into our day-to-day work.

*Mana whenua reflections on 2021/22*

Below is some of the feedback we have heard from our mana whenua partners:

- The ability of iwi to develop and prioritise their own strategic direction has been hampered by ad-hoc requests and support for Greater Wellington's priorities.
- Complex issues with continued demands and new reforms will require more support to enable participation.
- Improved relationship building by delivery and attendance at Ūpane – a specific training programme designed by Ngāti Toa Rangatira to help central government and local government entities deliver with them.
- Regular communications and targeted activity to deliver on Ngāti Toa Rangatira priorities i.e. Management of Whitireia, internships/secondments, nursery support, biodiversity support and Kāpiti Whaitua.
- Both Ngāti Kahungunu ki Wairarapa and Rangitāne ō Wairarapa remain committed to working alongside Greater Wellington. They presented to Council on mana whenua inspired methods of collaboration to improve our partnership and deliver on our shared priorities. Both iwi expressed their desire to realise rangatiratanga through our work together.
  - Many projects were completed this year alongside the Wairarapa iwi. These projects strengthened our relationship and provided us some useful insights which will help us be better prepared to work with both iwi. The projects were supported by Kaupapa and Tūāpapa funding which helped to generate more capacity and enable increased participation for both iwi. A significant piece of work both Ngāti Kahungunu ki Wairarapa and Rangitāne ō Wairarapa largely contributed to was the Regional Policy Statement (RPS). Both iwi worked tirelessly with the Environmental Policy department to provide their expression of Te Mana o Te Wai. If maintained within the RPS following the hearings process, those expressions will have a significant impact on the way in which water is managed throughout the region.
  - There has been significant change over the past year but both iwi have been pleased with the introduction of iwi relationship liaisons through Te Hunga Whiriwhiri. However, both partners recognise that there is much to do with some iwi priorities still needing to be realised. We are tremendously grateful for the tireless efforts of our Wairarapa iwi partners and look forward to developing our capability within Greater Wellington to help them realise their roles as kaitiaki for the Taiao.

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report****He urupare ki te huringa āhuarangi | Responding to climate change***Governance*

Responding to the climate emergency is a strategic priority for Greater Wellington. This year we progressed our Climate Emergency Response Programme, which includes two ten-point action plans.

- Our *Corporate Carbon Neutrality Action Plan* outlines how the organisation works to reduce or offset our greenhouse gas emissions.
- The *Regional Climate Emergency Action Plan* outlines how Greater Wellington works with others across the Region on climate mitigation and adaptation activities.

The Council's Climate Committee provided governance for the Climate Emergency Response Programme. This was supported by a Corporate Carbon Neutral Steering Group, reporting to a Programme Board of senior staff, in turn reporting to the Climate Committee.

Greater Wellington is partnering with iwi, central government agencies and local government, as part of the Wellington Regional Leadership Committee, to deliver two climate change projects. Both regionally-focussed projects began in 2021/22 with governance provided by the Wellington Regional Leadership Committee. Discussions were also held at the Wellington Regional Climate Change Forum with representatives from each of the Region's Territorial Authorities.

*Strategy for climate action*

Greater Wellington continues to work towards its goal of a 40 percent reduction in net emissions by 2025, and to be carbon neutral by 2030. Our 2021-31 Long Term Plan sets a clear corporate emissions reduction pathway, focused on reducing carbon emissions from activities such as public transport, and environmental restoration across our Regional Parks.

Environmental restoration is a major focus for Greater Wellington, which supports carbon sequestration and resilience in the face of climate change. This year, in line with Toitū te Whenua Parks Network Plan, we used our Low Carbon Acceleration Fund (LCAF) to accelerate the retirement of grazing and restoration of native ecosystems in our Regional Parks. We also progressed pre-planting activities for the Crown-funded One Billion Trees project.

With a strategic focus on decarbonising public transport, this year we introduced 73 electric busses onto the network and Ika Rere, the new electric passenger ferry. Replacing the diesel ferry with an electric ferry will avoid an estimated 275,000kg of CO<sub>2</sub> per year from diesel use.

Supporting this was implementation of the 2021-31 Regional Land Transport Plan with our regional partners, with targets to reduce transport related emissions by 35 percent and increase public and active transport 40 percent by 2030.

Promoting shifts to active transport is Greater Wellington's travel choice programmes. This year we ran programmes such as Movin' March which encourages biking in primary schools, and Active

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report**

Travel Action which includes learning to ride bikes in the school curriculum. We also worked with communities that have new active transport infrastructure to improve the effectiveness of the programme.

Greater Wellington drafted changes to our Regional Policy Statement (RPS), which presents another opportunity to tackle climate change through our work. The RPS takes an integrated approach to manage urban development, freshwater, indigenous biodiversity and climate change (a new chapter). It focuses on issues that local government can influence: working to reduce greenhouse gas emissions from transport, agriculture, energy, waste, and industry (mitigation); increasing urban and rural resilience to climate change (adaptation); the use of nature-based solutions and acknowledging the role of iwi. It includes emissions reduction targets. This year we prepared a draft of RPS Change 1, and Council approved its release in May 2022 for statutory consultation with our mana whenua partners, Territorial Authorities, and certain government Ministers.

This year we began working with Wellington Regional Leadership Committee partners on two new and significant climate change projects:

- The Regional Emissions Reduction Strategy project will develop a collectively-owned emissions reduction strategy which directs the transition to a low-no carbon region.
- The Regional Climate Change Impacts Assessment project is the first collaborative effort across territorial authorities to assess the risks of climate change for our region and will inform the development of a Regional Adaptation Plan.

*Managing climate risk*

Safeguarding our communities against the impacts of climate change is a priority for Greater Wellington. Our Environmental Science department achieved a number of significant milestones for climate science research and communication over the last year. For the first time, we commissioned a dedicated climate projections report specifically for the Wairarapa, in recognition of the eastern part of our region being a hotspot for climatic changes. This report evoked a state-of-the-art modelling from NIWA. More information can be found on our website:

<https://www.gw.govt.nz/environment/climate-change/impacts-on-our-region/>

On the seasonal monitoring and prediction front, our scientists published five reports highlighting the seasonal anomalies of a La Niña year, helping the farming community navigate a period of greater uncertainty and weather extremes. Greater Wellington has a dedicated seasonal climate-monitoring hub to support our businesses and rural communities which can be found on our website:

<https://www.gw.govt.nz/environment/environmental-data-and-information/climate-monitoring>

This year we completed a Flood Risk Vulnerability Assessment to better predict and plan for flooding, showing climate change is increasing the frequency, severity and unpredictability of flood events. Supporting this was implementation of our new Flood Risk Management Programme, and the commencement of a new flood warning forecasting platform.

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## Greater Wellington Regional Council's 2021/22 Annual Report

Our Climate Resilience Programme progressed projects to construct and upgrade flood protection works, with completion of four erosion control projects and good progress made on the remaining eleven. Approximately 24,000 seedlings were planted along our waterways as part of our Riparian Programme, to act as a buffer between land and water, while also promoting improved water quality and biodiversity outcomes.

### Metrics

We have a number of indicators that demonstrate the work we are undertaking towards our goal of being carbon neutral by 2030. Many of these indicators were set through our 2021-31 Long Term Plan as non-financial performance measures. The table below illustrates some of the indicators which help tell the story of how we are actively adapting to and mitigating climate change.

Measure	2021/22 Target	2021/22 Result	Comments
<b>Carbon Emissions Reduction</b>			
Reduction in tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e) emissions	Reduction compared with 2018/19 baseline (43,879.9 tCO <sub>2</sub> e)	50,342 tCO <sub>2</sub> e <sup>1</sup>	LTP non-financial performance measure, see page 49 for more detail
Tonnes of CO <sub>2</sub> emitted per year on Metlink Public Transport Services	20,626 tCO <sub>2</sub> e	23,442 tCO <sub>2</sub> e <sup>1</sup>	LTP non-financial performance measure, see page 43 for more detail
Increase the number of electric buses.	111 by 2022/23	72 (16% of total bus fleet)	See page 39 for more detail
<b>Environmental Restoration and Regional Resilience</b>			
Erosion-prone hill country treated	800 hectares	850 hectares	LTP non-financial performance measure, see page 33 for more detail
Grazed Regional Park land retired and restored to its native state	100 hectares	102 hectares	LTP non-financial performance measure, see page 34 for more detail
Indigenous species planted in our Regional Parks	55,000	46,500	LTP non-financial performance measure, see page 34 for more detail

<sup>1</sup> Refer to our Greenhouse Gas Emissions Performance Measures Disclosures on page 22

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## Greater Wellington Regional Council's 2021/22 Annual Report

Measure	2021/22 Target	2021/22 Result	Comments
Percentage of identified vulnerable floodplains with a flood management plan in place	35%	63%	<i>LTP non-financial performance measure, see page 35 for more detail</i>
<b>Mode Shift</b>			
Annual Public Transport boardings per capita	64 per capita	48.4 per capita	<i>LTP non-financial performance measure, see page 43 for more detail</i>
Percentage of Year 0-8 schools in the Wellington region registered for Movin' March in 2022	60%	62%	Potentially more than 37,000 students participated and around 150,000 active trips to school were logged. <i>See page 47 for more detail</i>

**Greenhouse Gas Emissions Performance Measures Disclosures**

Greater Wellington has committed to measuring its carbon emissions since 2015. From 2019 onwards, Greater Wellington's carbon footprint was verified and validated by [Toitū Envirocare](#) in accordance with their Carbon Reduce programme. The programme includes the international standard ISO 14064-1:2018 on emission measurement and verification.

**Organisational and operating boundaries**

Greater Wellington's organisational boundaries were set with reference to the methodology described in the Greenhouse Gas Protocol and international standards ISO 14064-1:2018.

Greater Wellington has applied an equity share consolidation approach. Under this approach, Greater Wellington accounts for Greenhouse Gas (GHG) emissions from operations according to its share of equity in the operation. For example, Greater Wellington owns 19 percent of Wellington Water Limited (WWL), therefore is accountable for 19 percent of WWL's GHG's.

Greater Wellington's share of emissions from equity in Wellington NZ and Creative HQ are not recognised as the other shareholder Wellington City Council (WCC) has included 100 percent of the emissions in its own emissions calculation. This is not considered significant to the total footprint.

**Measurement of greenhouses gases**

The carbon emissions reported in this year's annual report are for the year ending 30 June 2021. This is a result of the time needed to collect information on emissions across the Greater Wellington Council group and its suppliers. To quantify Greater Wellington's emissions inventory, the following calculation has been used: *Emissions = activity data x emissions factor*.

**Significant assumptions and judgements**

Where available, Greater Wellington has used published emissions factors issued by the Ministry for the Environment (MfE) or other providers of emissions factors and obtained appropriate quantity data directly from suppliers and invoice management systems.

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However, we have needed to rely on modelling and assumptions to measure emissions for some activities. To measure the emissions associated with diesel and electricity use on Metlink bus services, we have developed a bespoke model which estimates fuel consumption. This collates data for each specific trip, including distance travelled, average speed, some passenger loading information and whether journeys were completed. Additional assumptions are then applied such as average passenger weights, passenger loading for remaining passengers (where 'tag-on/tag-off' data is not available) and re-positioning distance travelled. This is matched to the specific bus that ran the service.

To convert this data into estimated litres of fuel and kWh of electricity, consumption factors developed for use in the European Union by the European Environment Agency are used. Consumption data is then converted to emissions using MfE's published diesel and electricity emission factors.

For enteric fermentation emissions generated from our grazing licences, we have estimated emissions based on an estimated maximum number of livestock for each piece of land, as actual stock numbers are not available.

We are working to further refine these models in the future.

**Reporting boundary**

A full carbon footprint accounts for emissions from Greater Wellington's value chain. This means emissions from upstream goods and services received as well as downstream use of the goods and services provided are considered. It is currently not practicable to measure all these emissions with the data and systems currently available. Below we have disclosed the sources that we are currently including and those that are currently excluded from the reported result.

Greater Wellington's emissions included:

- Greater Wellington's Corporate footprint activities included air travel, electricity, natural gas, vehicle travel, fleet management, and waste disposal.
- Our Metlink Public Transport service activity sources included diesel use on our services (bus, rail, ferry, and total Mobility Taxi), electricity (ferry, rail, busses, bus and rail infrastructure), and public waste collection from our railway stations.
- Our Environment and Catchment services included infrastructure electricity, grazing (sheep, cattle, and horses), heavy machinery (e.g., helicopters, tractors), fertiliser, and waste disposal.

Greater Wellington's emissions excluded:

- Fertiliser use in plant nurseries and all lease holdings (with the exception Queen Elizabeth Park), due to no data being available. We have also excluded manure management and agriculture soils related to livestock grazing on Greater Wellington Land.
- Waste to landfill from the following CCOs and COs: CentrePort Limited, Wellington Water Limited (corporate), and the Wellington Regional Stadium Trust.
- Certain travel emissions such as rental vehicles for Greater Wellington's CO's, certain travel reimbursements and employee commute.
- Whole of life emissions from purchased goods and services and capital goods, other outsourced services/contractors and remote ICT services; and
- Some other GHG sources which were determined as de minimis<sup>2</sup> and therefore excluded from our GHG inventory.

<sup>2</sup> De minimis is defined as an issue that is insignificant to a GHG inventory, usually <1% of an organisation's total inventory for an individual emissions source. Often there is a limit to the number of emission sources that can be excluded as de minimis

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**Inherent uncertainty**

There is a level of inherent uncertainty in reporting GHGs, due to the inherent scientific uncertainty in measuring emissions factors, as well as estimation uncertainty in the measurement of activity quantity data. Including in the significant assumptions and judgements disclosed above.

Greater Wellington is working to improve data quality and controls over the measurement of GHG emissions which may lead to lower estimation uncertainty in future.

**2018/19 baseline change**

In the subsequent 2021/22 emission report, Greater Wellington will revise its 2018/19 baseline. The new baseline will include new measurement of rail replacement buses, an improved measurement of sludge, electricity on-charged to Greater Wellington by KiwiRail Limited, a new measurement of flood protection grazing, and updating the average electricity emissions factors for 2018 and 2019 as published by Ministry for the Environment (MfE) in August 2022. The base line restatement would not have impacted our status of 'not achieved', Greater Wellington would have gone from a 15 percent increase to a 3 percent increase.

We have not updated our 2021 emissions for the updated MfE emissions factors as the impact was not considered material to the reported result.

In summary, Greater Wellington did not achieve its target due to a combination of additional emission sources being discovered, COVID year effects, and expansion of Metlink bus services.

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**Ko tā Te Pane Matua Taiao whakahoki ki te mate urutā KOWHEORI-19 | How Greater Wellington is responding to the COVID-19 pandemic**

*The impacts of COVID-19*

The COVID-19 pandemic continued to present challenges in delivering services and projects in 2021/22. General issues such as uncertainty, lockdowns, and sickness disrupted work across the organisation. Notable setbacks also included a loss of quality engagement with our communities and partners, with the number of community events during the red and orange traffic light phases significantly reduced. The serious nature of COVID-19 meant mitigating and responding to its impacts was prioritised over any other work for many of our mana whenua partners, as they ensured the safety and wellbeing of their communities.

*Our response to the impacts of COVID-19*

Greater Wellington's Health, Safety and Wellbeing team completed essential work supporting the organisation to work from home during all Alert Levels and traffic light system changes, with the provision of wellbeing resources. Looking after our workforce enabled continuity of our core services.

The Wellington Regional Emergency Management Office (WREMO) worked closely with partner agencies to establish a Regional COVID-19 Coordination Centre. WREMO is the agency that coordinates Civil Defence Emergency Management (CDEM) services on behalf of Greater Wellington (as the administering authority) and the eight other councils in the Region. The Greater Wellington's Crisis Management Team (CMT) and the Emergency Coordination Centre (ECC) were activated and engaged during the COVID-19 lockdown to provide information and support to Council staff and the Wellington Region respectively.

COVID-19 continued to dominate the focus of public transport service delivery, requiring effective planning and responsiveness. Metlink responded to the government's 'traffic light' system in an agile and coordinated fashion, where our operators had prepared plans for any changes to service delivery in advance of each alert level. The safety of passengers and frontline staff remained Metlink's most important consideration as we responded to COVID-19.

Metlink supported efforts to increase vaccination rates within our communities through the provision of free public transport to and from vaccination centres. This great initiative was promoted to hundreds of thousands of people across the region through social media using videos for deaf people as well as posts in multiple languages. Of note was our "Delta Buster" – we provided a Metlink branded bus and a driver as part of a coordinated effort to boost vaccination rates in the Hutt Valley.



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### Greater Wellington Regional Council's 2021/22 Annual Report

#### Te urupare ki ngā whakahaau a te Kāwanatanga | Aligning with Government direction

Central Government is heading multiple reforms that will impact our Council over the course of our 2021-31 Long Term Plan. The scope of reform ranges from the roles of regional councils, funding structures, environmental regulation, and how we might operate our public transport.

In 2021/22, Greater Wellington contributed to a number of reforms that may shape how we work in the future. As knowledge leaders in the likes of the environment, and resource management space, it is important to ensure our voice is heard. Completed work includes:

#### Replacement of the Resource Management Act (RMA)

The RMA is the main piece of legislation that sets out how we should manage our environment. It is being replaced with three new acts; the Natural and Built Environment Act (NBA), the Strategic Planning Act (SPA), and the Climate Adaption Act (CAA).

We submitted our response to the exposure draft of the NBA in November 2021, with work to ensure our response reflected the views of our mana whenua partners and provide a Māori policy perspective. Greater Wellington's Climate Change team led the response to the CAA, National Adaptation Plan, and the Emissions Reduction Plan in the first half of 2022.

#### Three Waters Reform

Greater Wellington have taken a proactive approach to participating in the Three Waters reform since it began, working closely with councils across the Region, ensuring that our Region benefits from the reform and the process doesn't negatively impact our communities. Greater Wellington only deals with bulk drinking water supply, not with wastewater or stormwater.

As the National Transition Unit (NTU) progressed with their information gathering, Greater Wellington worked closely with Wellington Water Limited (WWL) and other shareholding councils to provide information as requested. This included data and digital information, legal and commerce information, RMA compliance information, and workforce information. This will help the NTU establish the new Water Service Entities and provide them the tools they will need to operate when they go live on 1 July 2024.

Related to the Three Waters Reform, Greater Wellington provided submissions, on the 'Economic Regulation and Consumer Protection Bill' and the 'Water Services Bill'. We will continue to provide feedback to the NTU and Department of Internal Affairs as we progress through this water reform to ensure the best for our communities.

#### Responding to reform that shapes how we care for our environment

Responding to government direction was substantial work for our Environment and Flood Protection Activity Group this year, with implementation of:

- The Proposed Natural Resource Plan (PNRP) replaces five operative plans for soil; fresh water and air; discharges to land; and managing the coast. All PNRP consent orders have now been issued. The next step is for Greater Wellington to adopt and recommend to the Conservation Minister to approve the regional coastal plan provisions of the PNRP, which is scheduled for the 25 August 2022 Council meeting. Once approved by the Minister, Council can then approve the full PNRP to be made operative.

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- The National Policy Statement (NPS), issued under the RMA, provides national direction for matters of national significance relevant to sustainable management. As part of our response to the NPS we worked closely with the Ministry for the Environment to develop and understand guidance on protecting wetlands.
- Our Regional Policy Statement (RPS) sets out the framework and priorities for resource management in the Wellington Region. In 2021/22 we prepared a draft of RPS Change 1, and Council approved its release in May 2022 for statutory consultation with our mana whenua partners, Territorial Authorities, and certain government ministries. We drafted an accompanying evaluation report (RMA s.32) and worked closely with our mana whenua partners to prepare provisions on Te Mana o te Wai and freshwater visions, and to get their input to other provisions. Work continues toward notification of RPS Change 1 on 19 August 2022.
- Our Biodiversity and Biosecurity departments developed a new process to comply with the National Environmental Standards for Freshwater.

**Other Submissions included:**

- Maritime Transport Act – our Harbour Management team provided feedback on the Ministry of Transport's proposed change to this Act.
- Future for Local Government Review – *an opportunity to create a new system of local governance and democracy*. Greater Wellington submitted our feedback to the review panel in March 2022.
- Urban Development Act 2020 and the National Policy Statement on Urban Development – Metlink worked with Kāinga Ora, Waka Kotahi and Territorial Authorities to give effect to the public transport-related provisions of this.

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report****Ngā mahi a Te Pane Matua Taiao | Activities of the Greater Wellington Regional Council**

Activity groups provide an important link between the 2021-31 LTP's strategic priorities and implementation. Greater Wellington has four key Activity Groups:

<b>Environment and flood protection</b>	<ul style="list-style-type: none"> <li>• Resource management (Environmental regulation, environmental policy and environmental science)</li> <li>• Biodiversity management</li> <li>• Land management</li> <li>• Pest management</li> <li>• Regional parks</li> <li>• Harbour management</li> <li>• Flood protection and control works</li> </ul>
<b>Metlink public transport</b>	<ul style="list-style-type: none"> <li>• Strategy and customer</li> <li>• Operations and commercial partnerships</li> <li>• Assets and infrastructure</li> </ul>
<b>Regional strategy and partnerships</b>	<ul style="list-style-type: none"> <li>• Regional partnerships with mana whenua and Māori</li> <li>• Climate change</li> <li>• Regional transport planning and programmes</li> <li>• Regional spatial planning</li> <li>• Regional economic development</li> <li>• Emergency management</li> <li>• Democratic services</li> </ul>
<b>Water supply</b>	<ul style="list-style-type: none"> <li>• Bulk water supply</li> </ul>

For each Activity Group we report:

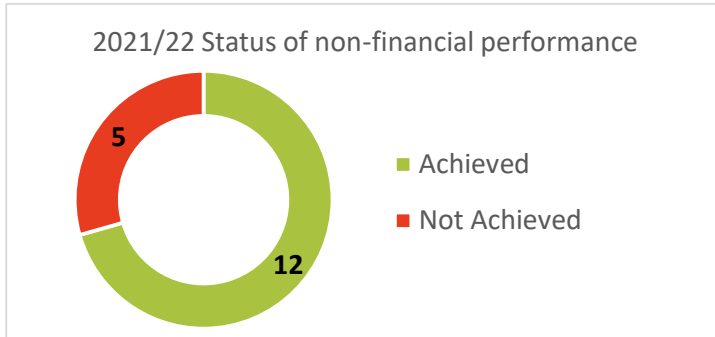
- An overall summary of the year's performance
- Results of the non-financial performance measures, with narrative on the results
- Funding Impact Statement (refer to Section Three: Financial Performance)

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**Greater Wellington Regional Council's 2021/22 Annual Report**

**Ko te haumarua taiao me te waipuke | Environment and flood protection**

Overall Summary of the year's performance



**Greater Wellington's Environment and Flood Protection activities achieved 71 percent 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 the regulation, protection, and enhancement of the Region's natural resources. We are responsible for regulating the use of these natural resources, protecting the highest value biodiversity areas, managing flood risk across the Region, and managing public land on behalf of the community including eight Regional Parks. We also look after the Region's harbours and manage environmental threats such as pest plants and animals. We do this work through regional policies, plans, resource consents and working collectively alongside our community and partners.

*Overview of the year*

2021/22 saw the Environment and Flood Protection Activity Group deliver against one of its largest operational programmes of work to date, with significant progress made to a number of 2021-31 LTP key projects, Crown-funded projects, and core work.

Key to our accomplishments this year were the partnerships forged. We made major shifts in how we partnered with mana whenua, engaged our communities, and worked with various other councils and external groups to deliver on joint initiatives. On top of delivering operational programmes, significant work was done aligning to government direction, which we responded to as knowledge leaders, expanding our influence across regional and national levels. Important to this was incorporating iwi views in our submissions and educating our communities on any changes in legislation.

We worked to strengthen our partnership and joint decision-making with mana whenua through a range of projects such as the drafting of our Mauri Tūhono framework. Mātauranga Māori underpins Mauri Tūhono, aiming to create a pathway for improved biodiversity and mana whenua outcomes across the Region.

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report**

In 2021/22 we progressed further towards implementing our programmes under a catchment-based delivery approach for how we work for our environment. The setting of a new operating model to support a catchment-based approach allows us to better engage with and respond to mana whenua, Central Government, and our communities against their expectations for clean water, sustainable biodiversity, and resilient infrastructure. Key to this is how we integrate mana whenua into our decision making with a rich mix of science and mātauranga Māori.

Our achievements this year reflect this new way of working both across our departments and with mana whenua. Our achievements in 2021/22 didn't come without challenges. The year was one of prolonged periods of pressure on staff associated with COVID-19, large work programmes, and the *Fit For Future* programme working towards changing our internal work structure towards a Catchment-based approach. The impacts of COVID-19 continued to present delivery challenges, with supply chain and resourcing issues, lockdowns preventing work being undertaken, staff absences, and face-to-face engagement with our partners and key stakeholders more difficult. In our work to align with government direction we faced difficult timeframes, and at times uncertainty around implementation requirements. Adverse weather and numerous flooding incidents in 2021/22 also delayed a range of work, with erosion and damage across the Region taking up significant resource for operational teams. In response to all these challenges, staff showed great resourcefulness and resilience, supported by Greater Wellington's very strong focus on wellbeing, empowering people leaders to promote and protect wellbeing within teams.

*Protected and restored indigenous biodiversity and ecosystem health*

Greater Wellington progressed a number of objectives in our Biodiversity Strategy. This is a new level of service this year to characterise activities more accurately with our 2021-31 Long Term Plan outcomes, where our focus is to be bold in our nature-based solutions to climate change through policy and operations.

We progressed three major Crown-funded projects: **Wairarapa Moana Wetlands**, **One Billion Trees**, and **Improving Fish Passage**. The Wairarapa Moana project got underway with strong support from iwi and hapū, successfully setting up predator control, and undertaking aerial spraying of willow. Pre-planting activities progressed for the One Billion Trees project, with site preparation and maintenance for planting underway. The Improving Fish Passage Project team worked closely with our Project partner Te Rūnanga o Toa Rangatira to develop an Annual Work Plan for Year 2 of the project.

Through the delivery of the **Predator Free Wellington** programme, Miramar Peninsula has remained almost entirely free of possums, stoats, weasels, and Norway rats in the last 18 months<sup>3</sup>. We made a large investment in innovative techniques and methods including new uses of toxins, a rat detector dog, and working with an eradication specialist from Zero Invasive Predators to assist with planning and decision making as we move toward eradication.

Our **Key Native Ecosystem (KNE) operational programme** is how we protect and restore indigenous biodiversity and ecosystem health. This year we completed 8,555 hectares of the **Aerial 1080 operations** in the Kaitoke-Hutt Water Collection Area possum control operation. However due to

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<sup>3</sup> With the exception of minor incursions of 2 Norway rats, 1 weasel, 1 stoat.

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major weather disruption 2,400 hectares of pest plant control was not completed and will be completed in September 2022 instead.

Progression was made across our **Whaitua implementation programmes** working with communities and councils in the Region. Te Whanganui a Tara Whaitua process produced two complementary reports, developed with Taranaki Whānui and Ngāti Toa to detail the steps and actions required to restore Te Mana o te Wai; and Te Awarua o Porirua's progressed with Te Rūnanga o Toa Rangatira Inc involvement. The development of the Kāpiti Coast Whaitua Committee was delayed; however preparation is underway so work can start immediately upon agreement to the Terms of Reference and Treaty House model with mana whenua. The delays for the Kāpiti Coast Whaitua Committee will flow on to the development of the Wairarapa Coast, and we will need to establish Wairarapa Coast Whaitua Committee at the same time with resources stretched.

We made great progress on **Recloaking Papatūānuku**, with 11 hectares of winter planting at Kaitoke and 17 hectares Queen Elizabeth Park (QEP) completed. QEP's peatland rewetting project also got underway with planning and hydrology monitoring. The **Regional Wetlands** programme produced a number of deliverables relating to the Government's Essential Freshwater package. Various wetland operational activities were undertaken such as fencing, weed control work assessments, and planting. Twelve restoration plans covering 14 wetland sites were approved, and funding commenced for 2022/23 activities.

As part of our **Toitū Te Whenua Parks Network Plan**, we successfully ended commercial stock grazing at Queen Elizabeth Park and West Belmont Regional Park. Review of these areas began with a focus of sustainability and restorative planting, while incorporating community and mana whenua support. At Baring Head Regional Park, a new grazing licence was approved with reduced stock numbers as an interim solution before restoration work commences. In our East Harbour Regional Park, we successfully completed the Mackenzie Step Entrance, which was a very challenging project in terms of engineering and logistics.

### *Improved regional resilience and Flood Protection services*

Our **Climate Resilience Programme** progressed with this year with many projects transitioning into the approved design and construction phases, along with significant involvement from iwi. This programme primarily consists of projects to construct and upgrade flood protection works, and better equip our communities to handle the impacts climate change will have on river communities. Four erosion control projects have been completed, with good progress made on the remaining eleven programme sites. COVID-19 has significantly affected the delivery of required materials and speed of construction progress. As part of our **Riparian Programme**, approximately 24,000 seedlings were planted along our waterways to act as a buffer between land and water, promoting improved water quality and biodiversity outcomes. Works began for 2022 with a total estimate of 79,000 seedlings planned for winter.

Our Flood Protection and Environmental Science departments managed a large number of flood incidents<sup>4</sup> this year, including the region wide Ex Tropical Cyclone Dovi event in February 2022. Responding to these incidents disrupted progression of other flood protection programmes of work

<sup>4</sup> In total we have classified 18 incidents in 2021/22. Our longest has been over 5 consecutive days. This has equated to 108 workdays responding to flood events across our Environment and Flood Protection Activity Group.

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during the year. Critical to improving community resilience is how we prepare and respond to flood incidents. This year work commenced developing a new flood warning forecasting platform as part of the wider **Flood Incident Management programme**. The network improvements for flood warning is a five-year programme, with the current focus on installing cameras to provide data. On top of this was vital work adopting Greater Wellington's **new Flood Response procedures**, where seven separate procedures were brought together as one comprehensive document for the management of flood incidents. We worked with our civil defence and Territorial Authority colleagues across the Region to simplify this messaging and increase understanding of the roles and responsibilities for each organisation in a flood response.

We continued to work on safeguarding our communities against flooding by progressing the development and implementation of our Flood Management Plans:

- The Waiohine River Plan was adopted by Council. This was a significant community led process with almost 200 submissions received
- Implementation of Floodplain Management Plans for Waikanae, Ōtaki, Hutt, Pinehaven, Te Kauru were progressed
- New flood hazard models in the Wairarapa and Hutt Valley have been developed, with models due for completion in quarter two of 2022/23
- Reviews of the Lower Wairarapa Valley Development Scheme, Waiwhetu Flood Management Plan, Ōtaki Flood Management Plan commenced and are at various stages.
- Greater Wellington and Ngā Hapū o Ōtaki have jointly drafted the project scope for the Ōtaki Lake Management Plan
- Options analysis for the Waitohu Flood Management Plan continued, reviewing the desired channel widths and modelling flood risk management options. Work was done with Ngā Hapū o Ōtaki to understand and develop a flood risk management strategy for the Waitohu stream.

*Knowledge leaders in our environment*

Our Environmental Science department achieved a number of significant milestones for climate science research and communication over the last year. For the first time, we commissioned a dedicated climate projections report specifically for the Wairarapa, in recognition of the eastern part of our region being a hotspot for climatic changes, evoking state-of-the-art modelling from NIWA. On the seasonal monitoring and prediction front, our scientists published five reports highlighting the seasonal anomalies of a La Niña year, helping the farming community navigate a period of greater uncertainty and weather extremes. Many of our staff convene, or are involved with, Te Uru Kahika groups – a newly established identity for the regional sector's (Regional and Unitary Councils Aotearoa) collective work programmes across the sector's Environment, Climate, Transport Corporate, Emergency Management and Hazards functions. The *Water That Counts* project morphed into the Environmental Outcomes Platform project with a wider remit than just water data, with our Environmental Science and IT teams leading this work in partnership with Environment Canterbury.

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*Environmental Regulation and Compliance*

Resource consenting is critical core work for Greater Wellington, and all consents this year were dealt with within the statutory timeframes. We dealt with a large volume of complex notified consenting processes and infrastructure projects (including fast track consenting), such as the Porirua Wastewater Treatment Plant, RiverLink, East Porirua development, and Te Ara Tupua. Along with the consents, we were involved with a significant number of ongoing investigations into non-compliance prosecution cases. This volume of work placed a strain on our regulatory system, particularly in the pro-active compliance monitoring space, with resources being pulled from this area to deal with the more reactive consenting and enforcement work. This resulted in not all the scheduled compliance monitoring being achieved this year.

Part of our response to challenging workloads in the consenting space was engagement and education. This year we produced new online guidance for resource consent applicants, on how best to manage the effects of development on the region's indigenous biodiversity and achieve objectives under the Resource Management Act, National Policy Statement for Freshwater Management, and Natural Resources Plan.

In the Harbour Management space, despite weather and staffing disruptions, we carried out a new summer boating education programme with our community to promote safe and good practice before heading out on the water.



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## Greater Wellington Regional Council's 2021/22 Annual Report

## Environment and Flood Protection – Measuring our Performance

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
Protect and restore our freshwater quality and blue belt	Delivery of the Ruamāhanga, Te Awarua-o-Porirua and Te Whanganui-a-Tara Whaitua implementation programmes	Water quality in the region is maintained or improved	Macroinvertebrate Community Index (MCI) score is maintained or improved <sup>5</sup>	New Measure	Achieved	Achieved <sup>6</sup>	<b>Achieved</b>	
		Support landowners through incentive funding and advice to develop and implement Farm Environment Plan actions, which reduce nutrient and sediment discharges or enhance biodiversity	Percentage of Greater Wellington incentive funding <sup>7</sup> used to advance Whaitua Implementation Programme priorities or to enhance or protect threatened biodiversity, through completion of high impact actions on private land	New Measure	75%	98.3%	<b>Achieved</b>	A
		Deliver treatment programme on identified erosion-prone land	Erosion-prone hill country treated	755 ha	800 ha	850 ha	<b>Achieved</b>	
		Provide environmental information to the community and our stakeholders	Timely Information from core environmental monitoring programmes is made available to the public via the Greater Wellington website	New Measure	Achieved <sup>8</sup>	3 of 14 (21%) of 2020/21 annual reports published on time	<b>Not Achieved</b>	B

<sup>5</sup> Aquatic macroinvertebrates (i.e., animals without backbones that can be seen with the naked eye, e.g., shrimps, worms, crayfish, aquatic snails, mussels, aquatic stage of some insect larvae, such as dragonfly larvae, mayflies, caddisflies, etc.) are commonly used biological indicators for freshwater ecosystem health throughout New Zealand and around the world. Macroinvertebrates are widely used because they are abundant, easy to collect and identify, have relatively long lifecycles, and are sensitive to multiple pressures (e.g., pollution, habitat removal, floods, and droughts). This makes macroinvertebrate communities useful to identify where we need to improve our management of these pressures and to show when these pressures are sufficiently addressed.

<sup>6</sup> For 2021/22 97.5% of monitoring sites have maintained or improved their MCI score – only one monitoring site has recorded a decrease, and this is within the variability observed at the site over recent years. Weather conditions and river flows before sampling are a possible cause of this variability with the site assessment around the band A/B threshold.

<sup>7</sup> Greater Wellington incentive funding used to complete high impact actions will be assessed in respect to the three substantive incentive funds aimed at assisting landowners to undertake beneficial freshwater or biodiversity action on their land – these three programmes being: the Riparian Programme, the Farm Planning services fund, and the Wetland Programme.

<sup>8</sup> This target requires 85% of annual monitoring reports to be published within 3 months of completion of the yearly monitoring cycle. For most monitoring programmes the cycle finishes end of June, meaning 12 reports (out of a total of 14 reports for the year) should have been published on Greater Wellington's website by the end of September 2021.

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Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
		Monitor compliance with resource consents	Where rates of compliance for high-risk activities are less than 80 percent, develop and implement a strategy to improve the rate of compliance	> 80%	Improved <sup>9</sup>	Water Takes: Improved from 60.1% to 67.6%	<b>Achieved</b>	C
		Customer satisfaction for the resource consent service	Level of overall satisfaction with consent processing services <sup>10</sup>	4.33	> 4	4.41	<b>Achieved</b>	
Protect and restore indigenous biodiversity and ecosystem health	Re-afforestation and protection and restoration of wetlands across our regional parks network	Protect and care for the environment, landscape and heritage	Grazed land retired and restored to its native state	New Measure	100 ha	102 ha	<b>Achieved</b>	
			Indigenous species planted	63,000	55,000	46,500	<b>Not Achieved</b>	D
Implementing nature based solutions to climate change	Improve recreational enjoyment and environmental value of regional parks	Customer satisfaction and improved public access	Percentage of regional park visitors that are satisfied with their experience	98% <sup>11</sup>	95%	86.4%	<b>Not Achieved</b>	E
			Annual number of visits to a regional park	1.76 million	Increase from baseline	1.89 million	<b>Achieved</b>	
	Implement the Regional Pest Management Plan (RPMP) and support Predator Free Wellington Initiatives	Provide pest species control services across the region	Provide pest animal and plant management as per RPMP Operational Plans <sup>12</sup>	Not Achieved	Achieved	Not Achieved	<b>Not Achieved</b>	F
			Provide pest species control services as agreed under Predator Free Wellington	New Measure	Achieved	Achieved	<b>Achieved</b>	G

<sup>9</sup> Where the rate of compliance for 2021/22 is better than it was in 2020/21.

<sup>10</sup> On a scale of 1 (very dissatisfied) to 5 (very satisfied)

<sup>11</sup> The 2019/20 result was arrived at via a survey of a randomly selected sample of 500 residents 16+yr in the Wellington Region, telephone interviewing and face to face interviews with questionnaire, 90 percent confidence interval.

<sup>12</sup> Operational Plans can be accessed via Greater Wellington's website: <http://www.gw.govt.nz/biosecurity/>

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## Greater Wellington Regional Council's 2021/22 Annual Report

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
		Implement the objectives of the Greater Wellington Biodiversity Strategy	Biodiversity Strategy objectives are being actively progressed by Greater Wellington	New Measure	Achieved	Achieved <sup>13</sup>	<b>Achieved</b>	
Communities safeguarded from major flooding	RiverLink flood control works completed	Progress towards completion of the RiverLink flood control works	Implement RiverLink in accordance with the approved Preliminary Design	New Measure	Statutory approvals issued	Achieved	<b>Achieved</b>	
		Provide the standard of flood protection agreed with communities	Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents <sup>14 15</sup>	Yes	Yes	Yes	<b>Achieved</b>	
		Provide information and understanding of flood risk in the community	Percentage of identified vulnerable floodplains with a flood management plan in place	30%	35%	63%	<b>Achieved</b>	H
		Manage the safety of marine activities in the region's waters	Percentage of identified risks within the Harbour Risk Assessment that have been reviewed	New Measure	50%	25%	<b>Not Achieved</b>	I

<sup>13</sup> There are 15 Biodiversity Strategy objectives. Information was gathered at the end of the financial year on the activities that support each objective, and it was determined that all objectives were actively progressed during 2021/22.

<sup>14</sup> DIA Mandatory Measure

<sup>15</sup> Detailed reporting of maintenance, repair and renewal or upgrade works is included in annual asset management and implementation reports to Greater Wellington Environment Committee.

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### Greater Wellington Regional Council's 2021/22 Annual Report

#### *Narrative on Results*

- A. The target for this measure was developed based on past experience with the Riparian programme and integrates the riparian programme with the Wetland programme and the Farm Planning Contestable fund into one measure. With increasing customer awareness of the Riparian programme, increased staff resources, and a wave of regulatory requirements increasing demand, the 2021/22 year far exceeded the 75 percent target. The Wetland programme and the Farm Planning Contestable fund also had very high demand for works, thus enabling us to approve nearly 100 percent of the projects meeting priority criteria
- B. A lack of resourcing and competing priorities means completing these reports is often deprioritised and therefore not completed in a timely manner. Ensuring these reports are completed and current (i.e., published on our website soon after the monitoring cycle is completed) is essential to building a trustworthy reputation with our communities, therefore consideration of how this activity can be resourced more effectively will be addressed during 2022/23.
- C. There are four high-risk activities with a current rate of compliance that is below 80 percent – water takes (>20 litres per second); large earthworks; municipal wastewater; and municipal water supplies and water races. The rates of compliance relate to external parties with resource consents issued by Greater Wellington. Greater Wellington's role is to encourage compliance and enforce non-compliance where necessary. Water takes is the only activity that had a strategy to address non-compliance developed, and a compliance rate reported in 2021/22. Rates of compliance for large earthworks; municipal wastewater; and municipal water supplies and water races were reported as 78.5 percent, 58.3 percent and 81.6 percent respectively in 2020/21. The 2021/22 rates of compliance are 70.6 percent for large earthworks, 58.2 percent for municipal wastewater and 62.9 percent for municipal water supplies and water races. The 2021/22 rates were only obtained at the end of the financial year and strategies to address non-compliance will be developed in 2022/23.
- D. Planting in Quarter Two was impacted by COVID-19 lockdowns, and the work programme stopped for the remainder of 2021/22 as planting only takes place in winter.
- E. In 2021/22, a new supplier was contracted to deliver the annual Regional Parks Visitor Satisfaction Survey. As a result of this the survey methodology was changed. The new survey method is online instead of telephone, so survey results with previous years are not directly comparable, although the overall question about satisfaction with their parks experience remains the same. The 2021/22 Target was based on the previous data trends and survey methodology and it is possible that the lower than target satisfaction result reported for 2021/22 reported could be partly attributed

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to the fact that the previous telephone-based survey allowed prompting/clarification of respondents to ensure feedback actually related to Greater Wellington's Regional Parks and not parks and recreation grounds more generally. The inclusion of maps is being considered for the 2022/23 survey to minimise this possible misunderstanding of survey respondents.

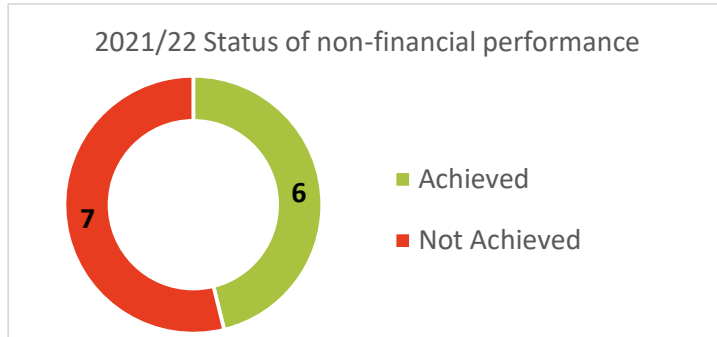
- F. While the majority of the Regional Pest Management Plan Operational Plans were successfully carried out this year the Regional Possum Predator Control programme only achieved 44 percent of the planned control area (35,700 hectares compared to a planned 81,200 hectares). The main reason for this work not being completed was due to reduced staffing levels, COVID-19 restrictions and extra staffing requirements on aerial 1080 operations across the year.
- G. Pest species control services were successfully provided as agreed under Predator Free Wellington resulting in this measure being Achieved. However, the services provided did not fully result in the desired outcomes for the Miramar Peninsula as we have so far only been successful with the eradication of mustelids, possums and Norway rats, but have only reduced ship rats to extremely low numbers, rather than eradicated them.
- H. There were 19 Vulnerable floodplains identified as 'Catchments of Interest' in the '2022 Regional Flood Exposure Assessment' considering flood history, community at risk, and infrastructure at risk. A floodplain is an area of land adjacent to a watercourse which experiences flooding during periods of high discharge. Additional floodplains may become vulnerable as new development occurs in areas which flood. We develop floodplain management plans (FMPs) for these areas. We currently have FMPs in place for 12 of these 19 vulnerable floodplains.
- I. Resourcing and conflicting priorities has meant this work has not been achieved. The Hazard Register is a shared resource with CentrePort Limited and an additional person at CentrePort Limited, once familiar with the system, may assist in completing this work.

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## Greater Wellington Regional Council's 2021/22 Annual Report

## Ngā waka tūmatanui | Metlink public transport

## Overall Summary of the year's performance



**Greater Wellington's Metlink Public Transport activities achieved 46 percent out of their 13 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 manages the Metlink Public Transport network and delivers public transport services to the regional population. We deliver services across an integrated network of bus routes, five passenger rail lines, the harbour ferry service, and Total Mobility service. Passengers, ratepayers, and road users all help fund these services through fares, rates, and a subsidy from Waka Kotahi NZ Transport Agency. We are also responsible for developing and maintaining public transport infrastructure including railway stations, train maintenance depot, bus and ferry shelters, signs, and Park & Ride facilities.

*Overview of the year*

Metlink celebrated a number of achievements in 2021/22 against a challenging operating environment, including continual improvement to public transport services, action on climate change, and our engagement approach with mana whenua. The lingering implications of COVID-19 continued to impact public transport services. Rail service delivery was also impacted by rail network issues due to adverse weather events, slips, and track maintenance.

The safety of passengers and frontline staff remained the most important consideration in our response to COVID-19. We responded to the changing COVID-19 environment in an agile and coordinated fashion, with successful collaboration between the wider Metlink team (Metlink officers, operators, drivers and Unions) to support the Government's mandates and safety requirements for public transport. We prepared in advance for each Alert Level, with plans ready to implement with each level change. We provided free public transport services across the Region enabling our communities to reach vaccination centres and rolled out the new "Delta Buster" bus in collaboration with Kōkiri Marae, Keriana Olsen Trust, Capital & Coast and Hutt Valley District Health Boards, and Te Awakairangi Health Network.

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COVID-19 outbreaks continued to impact on patronage and revenue<sup>16</sup>, and was a dominating factor in the results of our passenger satisfaction surveys. Our bus operators had challenges in recruiting and retaining drivers, and driver shortages have been compounded by increased absenteeism caused by illness, and the border closure restricting international movement of labour. Driver availability contributed to increased cancellations on our bus network, predominantly in Wellington City. As part of our commitment to retain and attract drivers across the Region, we worked with operators to increase bus driver wages to an average of \$27 an hour. We are currently working with the fullest range of stakeholders on this front, including the Ministry of Transport, operators, unions, drivers and others.

*Working towards a low carbon public transport network*

In line with our carbon emissions reduction pathway – for all core public transport services to be electric by 2030 – as at 30 June 2022 we have **73 electric buses** operating on the network, and ***Ika Rere***, the first operating electric passenger ferry in the Southern Hemisphere, completed its first public sailing on 1 March 2022 operated by East by West Ferries. The ground-breaking electric harbour ferry picked up the Green Gold award at The Wellington Gold Awards this year. Metlink continued developing (in conjunction with Emissions Impossible) bespoke software that calculates fuel emissions for every bus trip, to enable us to better inform pathways to carbon emissions reduction.

*An accessible public transport network*

In November 2021, the Transport Committee agreed on a principles-based approach to initiating a **Transit Oriented Development (TOD) programme** focussing on developments on and around existing, and potential new, train stations in the region. The programme will be a workstream under the Wellington Regional Growth Framework and will see Greater Wellington initially working with Territorial Authorities and agencies like Kāinga Ora to develop partnership approaches to TOD in a manner that increases access to public transport, contributes to Greater Wellington's mode shift objectives, and contributes to urban development and intensification.

The **Metlink Accessibility Charter** was officially launched on 25 November 2021, with New Zealand's Disability Rights Commissioner Paula Tesoriero and representatives from Greater Wellington's Public Transport Advisory Group. This marked the beginning of an important journey for Metlink and Greater Wellington to achieve a more accessible public transport network. A Te Reo Māori version of the Metlink Accessibility Charter was developed for the Charter's formal launch.

The **Public Transport On Demand (ODPT)** trial in Tawa commenced in May 2022. The ODPT Trial allows Metlink to explore the potential application for ODPT services in the Wellington region. This Trial provides a great social service (all vehicles wheelchair accessible) and is likely to encourage more non-public transport users to use the service. Over 1,000 accounts were created in the first four weeks of this Trial, with a growing base of patrons repeating journeys.

<sup>16</sup> Waka Kotahi agreed to fund 51 percent of the \$36 million shortfall for 2021/22. The remainder of the shortfall is to be loan funded (as stated in the 2021-31 Long Term Plan).

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report***Continuous improvement to our services*

Significant work was done to ensure the newly established **Airport Express Service** goes live on 1 July 2022. The new electric airport bus service is a targeted express service that provides direct access between Wellington Railway Station and Wellington Airport from 4.50am to 10.30pm, 7 days a week.

Given the potential delays in the implementation of the **National Ticketing Solution (NTS)**, we received Council and Waka Kotahi support to provide an interim solution – to expand the successful Johnsonville line **Snapper on Rail** pilot across the remainder of the rail network until NTS is available. The Johnsonville rail line opened in 1885, and after 137 years of paper tickets being sold on the line, we reached an important milestone in our ticketing journey with the removal of off board paper tickets for this line.

In 2021/22 the **Bus on-board stop announcements** project vendor was selected, contract negotiations completed, and the contract signed for the implementation of the system on up to 250 buses servicing Wellington City operational units. **The Real Time Information (RTI) 2.0 project** was delayed by 6 months due to a delay with Waka Kotahi's release of funding.

The Lower North Island Rail Integrated Mobility Detailed Business Case was prepared to progress the project to replace the near end-of-life **rail rolling stock operating on the Wairarapa and Manawatū Lines**, to improve capacity and accessibility for the communities on these two corridors, and ultimately reduce our transport emissions through mode shift and low carbon mass transit options. The business case and 51 percent of the funding has been endorsed by the Waka Kotahi Board, but we are still to secure additional funding support from the Crown. Without the Crown funding the initiative it will remain an unaffordable project to deliver.

Council endorsed the Draft Wellington Rail Programme Business Case – **Wellington Strategic Rail Plan**. The Draft Wellington Strategic Rail Plan was developed to explore and determine how the rail network needs to evolve in order to deliver strategic outcomes being sought both regionally and nationally; it responds to significant mode shift requirements over the coming decades, reflecting regional and national targets.

To improve our rail services, we invested a significant amount of work to strengthen the partnership arrangement with Transdev and KiwiRail, crucial to the day-to-day operation of our Rail Network. Improvements to our rail assets and KiwiRail Network Infrastructure continued throughout the year, with notable achievements including:

- Completion of the double tracking on the Upper Hutt Line. This included the redeveloped Trentham and Wallaceville stations, platforms and underpass (at Trentham).
- Completion of the seismic strengthening of all Greater Wellington owned rail station pedestrian bridges so that they are all now more than 67 percent of the New Building Standard
- Completion of the Paremata Northern Station Building Strengthening and Refurbishment Project



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- Installation of LED digital signs across the rail network to provide information on bus replacement services
- 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.

*Engagement with mana whenua*

Metlink and the Regional Transport team are in the process of developing an iwi engagement strategy with our mana whenua partners. Co-designing this relationship will be critical for successful ongoing engagement of Māori on public transport policy and initiatives, and to help ensure Māori values are considered in the built environment through our design principles. Successes this year included engagement with Te Ātiawa ki Whakarongotai on developing a cultural narrative for train stations on the Hutt Valley line including for the Waterloo TOD Complex Development Opportunity. Metlink also extended its concessions policy to enable on-duty Māori Wardens to travel for free on our network, as they are an intrinsic part of our communities.

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## Greater Wellington Regional Council's 2021/22 Annual Report

## Metlink Public Transport – Measuring our Performance

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
An efficient, accessible, and low carbon public transport network	Improving the customer experience across all areas of the public transport network	Provide a consistent and high quality customer experience across the public transport network	Passengers' overall satisfaction with the Metlink public transport <sup>17</sup>	New Measure	Bus: 92.0%	Bus: 93.2%	Achieved	
					Rail: 93.0%	Rail: 95.8%	Achieved	
					Ferry: 98.0%	Ferry: 96.1%	Not Achieved	A
			Passenger satisfaction with convenience of paying for Metlink public transport <sup>18</sup>	New Measure	76.0%	83.1%	Achieved	
			Passenger satisfaction with Metlink information currently available <sup>19</sup>	New Measure	87.0%	77.7%	Not Achieved	B
			Passenger satisfaction with Metlink public transport being on time <sup>20</sup>	New Measure	80.0%	73.3%	Not Achieved	C
			Percentage of scheduled bus trips that depart their timetabled starting location on time (punctuality) – to 5 minutes <sup>21</sup>	94.2% <sup>22</sup>	95.0%	95.5%	Achieved	
Percentage of scheduled rail services on-time (punctuality) – to 5 minutes <sup>23</sup>	89.4%	95.0%	89.9%	Not Achieved	D			

<sup>17</sup> The Metlink Public Transport Passenger Satisfaction Survey, which is run twice yearly, is used to determine Customer Satisfaction. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *Thinking about the vehicle you are on now, how satisfied or dissatisfied are you with this trip overall?*

<sup>18</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *Thinking about your experience of public transport (including trains, buses, and harbour ferries) in the Wellington region over the last three months, how satisfied or dissatisfied are you with how convenient it is to pay for public transport?*

<sup>19</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *Overall, how satisfied, or dissatisfied are you with the information about public transport services that is currently available?*

<sup>20</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *Thinking about the vehicle you are on now, how satisfied, or dissatisfied are you with the service being on time (keeping to the timetable)?*

<sup>21</sup> This measure is based on services that depart from origin, departing between one minute early and five minutes late.

<sup>22</sup> 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

<sup>23</sup> The rail punctuality measure is based on rail services arriving at key interchange stations and final destination, within five minutes of the scheduled time.

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
An efficient, accessible, and low carbon public transport network <i>(Continued)</i>	40 percent increase in regional mode share for public transport and active modes by 2030	Promote and encourage people to move from private vehicles to public transport	Annual Public Transport boardings per capita	63 per capita	64 per capita	48.4 per capita	<b>Not Achieved</b>	E
		Provide fit-for-purpose vehicles, infrastructure, and services to continually deliver a high quality core network that meets ongoing demand	Percentage of passengers who are satisfied with the condition of the station/stop/wharf <sup>24</sup>	New measure (88% Nov 2020)	90.0%	87.6%	<b>Not Achieved</b>	F
			Percentage of passengers who are satisfied with the condition of the vehicle fleet <sup>25</sup>	New measure (94% Nov 2020)	92.0%	94.9%	<b>Achieved</b>	
	Reducing public transport emissions by accelerating decarbonisation of the vehicle fleet (bus, rail, ferry)	Gross emissions for Metlink's public transport fleet will be minimised, reducing the offsets required to reach net carbon neutrality	Tonnes of CO <sub>2</sub> emitted per year on Metlink Public Transport Services	New Measure (22,761 <sup>26</sup> )	20,626 tonnes	23,442 tCO <sub>2</sub> e (2020/21) <sup>27</sup>	<b>Not Achieved</b>	G

<sup>24</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *How satisfied or dissatisfied are you with the condition of the stop/station/wharf?*

<sup>25</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *How satisfied or dissatisfied are you with the condition of this vehicle?*

<sup>26</sup> The baseline was amended, from what was published in the 2021-31 Long Term Plan, to include emissions for rail replacement bus services that were not initially included, resulting an additional 719.6 tonnes of CO<sub>2</sub>e. A correction was also made due to an error in the financial period reported as June-May to the correct July- resulted in a 0.1% change in the baseline figure (~25 additional tonnes of CO<sub>2</sub>e).

<sup>27</sup> 2020/2021 financial year results have been used in place of the 2021/2022 target figure as data from all the operational sources was not available on-time.

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## Greater Wellington Regional Council's 2021/22 Annual Report

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
		Reduction of accidental death and serious injury on the public transport network and prioritisation of safety and maintenance on the Public Transport network to encourage safe behaviours	Accidental deaths and serious injuries sustained on the Public Transport network as a result of Metlink or operator activity <sup>28</sup>	New Measure	Establish a baseline	Completed	Achieved	

*Narrative on Results*

- A. During the time that the Metlink Public Transport Passenger Satisfaction Survey was undertaken, the new electric passenger ferry Ika Rere had to be taken out of service for safety critical work. At the same time, poor weather contributed to higher than usual service cancellations.
- B. The score for information about delays and disruptions still remains one of Metlink's lowest scoring areas. The provision of information about delays and disruptions requires continual improvement, particularly the upgrade of the Real Time Information System.
- C. The delivery of public transport services has been negatively impacted by the Omicron outbreak and other seasonal sicknesses affecting our transport operators. We are also managing a significant shortage of drivers – as at 30 June 2022 we are approximately 120 bus drivers short across network. We have worked with operators to increase driver wages to \$27 an hour as part of our commitment to retain and attract drivers across the region, and we are currently working with the fullest range of stakeholders to support driver attraction and retention, including the Ministry of Transport, public transport operators, unions, drivers and others.
- D. Ongoing issues related to the slips/slope stability and associated speed restrictions on the Johnsonville line as well as the work on the Wairarapa Line are continuing to affect performance on the rail network. We are working closely with KiwiRail and Transdev to minimise the impact to customers. There were also a number of weather and flood events that affected services at the beginning of June 2022, as well as an ongoing signal fault near Wellington Junction that affected services for two days in June 2022.

<sup>28</sup> This measures events on the Metlink Public Transport network that have resulted in an accidental death or serious injury to a member of the public or Metlink staff member.

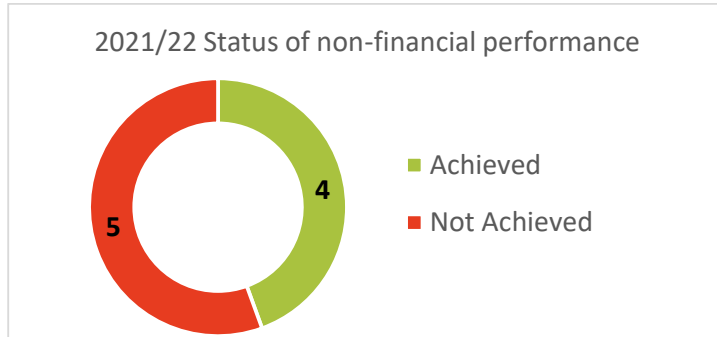
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**Greater Wellington Regional Council's 2021/22 Annual Report**

- E. As a result of continued impacts of COVID-19, such as changes to travel patterns and outbreaks of new variants leading to further lockdowns and the rules enforced under the Government's COVID Protection Framework (traffic light system) our 2021/22, per capita patronage levels are well below target. This compares with 2020/21 when patronage levels were still lower than projected, at 61.8 boardings per capita, however not as low as we are reporting for 2021/22 as the Government restrictions and number of lockdowns affecting the region were at their peak in 2021/22.
- F. This result may have been impacted by ongoing programme of work to put new and improved bus and train station shelters across the network. Works at Linden and Pomare Stations have suffered delays which may have impacted customer experience. Surveying during mid-winter weather may have had some influence as well.
- G. Overall Public Transport tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) emissions in 2020/21 increased by 637 tonnes or 2.8 percent against the (2019/20) baseline. This can be attributed to the baseline year being when COVID-19 restrictions reduced public transport service timetables and delivery across the whole network, and the reporting year being a return to our regular services. The result includes an 8.9 percent increase in bus diesel usage, a 13.6 percent increase in ferry diesel usage, and a 4.1 percent increase in rail diesel usage. Rail-replacement bus diesel usage decreased by 8.9 percent. Electric bus kWh increased 1.8 percent. For our Greenhouse Gas Emissions Performance Measures Disclosures please refer to page 22.

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report****Ko te mahere ā-rohe me ngā rangapū | Regional strategy and partnerships**

## Overall Summary of the year's performance



**Greater Wellington's Regional Strategy and Partnerships activities achieved 44 percent out of their 9 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 coordinates Regional Strategy and Partnership activities on a range of issues and priorities across the Region. Our long-term approach is to build, develop and maintain strong relationships at all levels so we can achieve integrated decision making at a regional level and to ensure successful delivery of key regional projects. This includes building sustainable partnerships and relationships with mana whenua and regional planning with other local governments and central government. As the only regional local government organisation in the Wellington Region with a regional mandate, we coordinate regional spatial and transport planning, planning for action on climate change, regional economic development plans and regional emergency management.

*Overview of the year*

2021/22 was the important first year of our Long Term Plan. It set the foundations to how we will work with mana whenua and our regional partners in the future, with particular emphasis on how we approach climate change and regional transport as a collective.

We worked amongst a challenging backdrop of COVID-19 and government reform. Challenges included dealing with the disruption of working habits from COVID-19, particularly impacting the partnering space with lost productivity, creativity, and personal relationships from remote working. Achievement of our performance measures were impacted by a variety of factors including this being only the first year of the long-term approach towards effective partnerships with mana whenua, and an evolving understanding of our carbon footprint.

*Lead regional spatial planning and Regional economic development*

**Let's Get Wellington Moving (LGWM)** reached the implementation stage of the three-year programme, with approval of a preferred option for Mass Rapid Transport and State Highway Improvements, and the Travel Demand Management programme. Supporting this was development of the Travel Behaviour Change programme with Wellington City Council, to support

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report**

people to use active and public transport during the disruptions caused by the implementation of LGWM infrastructure over the three-year programme.

The **Regional Land Transport Plan (RLTP)** progressed with options developed on transport planning-urban form integration, with focus on the Wellington Regional Growth Framework. Planning started on a joint workshop between the Wellington Regional Leadership Committee and Regional Transport Committee on the integration of urban and transport planning. This will feed into the Future Development Strategy, due for completion in mid-2023 ahead of the development of the 2024-34 Long Term Plan.

Greater Wellington has also been working to get out into the community to promote active transport this year. Uptake in our **travel choice programmes** were very successful this year, despite disruptions with the COVID-19 Omicron variant outbreak. The annual Movin' March programme had 62 percent of Year 0-8 schools registered, and the Active Travel Action programme to include riding bikes in the curriculum was piloted in three schools across the Region. We also launched a Getting to School website where people can access information and resources for all our travel choice programmes.

Implementation of the **Wellington Regional Growth Framework** kicked off in 2021/22. As the Administrating Authority, Greater Wellington provided the Wellington Regional Leadership Committee with an agreed 2021/22 work programme. The Framework outlines how the region will adapt to key challenges and opportunities to get the best outcomes and benefits for the region. Its main priorities include housing supply, affordability and choice, transport choice and access, iwi and Māori housing, capacity and taonga, climate change, and regional resilience.

*Regional climate action through regional strategy, collaboration, and advocacy*

Greater Wellington's Climate Change team continued to shape the Council and the Regional approach towards mitigating the effects of climate change through development of regional policy and council advocacy. This year we progressed our Climate Emergency Response Programme, which includes two ten-point actions plans:

- Our Corporate Carbon Neutrality Action Plan outlines how the organisation works to reduce or offset our greenhouse gas emissions.
- The Regional Climate Emergency Action Plan outlines how Greater Wellington works with others across the Region on climate mitigation and adaptation activities.

Greater Wellington is partnering with iwi, central government agencies and local government, as part of the Wellington Regional Leadership Committee, to deliver two climate change projects. Both regionally-focussed projects began in 2021/22 with governance provided by the Wellington Regional Leadership Committee. Discussions were also held at the Wellington Regional Climate Change Forum with representatives from each of the Region's Territorial Authorities.

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**Greater Wellington Regional Council's 2021/22 Annual Report**

*Effective partnerships and codesigned agreements with mana whenua*

Greater Wellington continued to grow its focus on strong connections with our Iwi partners across the Region in several different focus areas. The business-as-usual day-to-day interactions with these partners maintain our commitments to our joint projects, protection of Te Taiao and ensuring our Region is sustainably resilient. This year we signed Tūāpapa (foundational) funding agreements with all six of our mana whenua partners, to increase capacity and resources, and progressed the development of Kaupapa funding agreements for joint initiatives.

We supported the implementation of Te Matarau a Māui (the Māori Economic Development Strategy), working to align Greater Wellington's outcomes for Māori with Te Matarau a Māui's outcomes. We provided regional support and leadership to Territorial Authorities, *Wellington NZ* to support the strategy. A formal structure for Te Matarau a Māui was established, and we investigated opportunities for further funding of operations.

Te Whāriki – Greater Wellington's Māori Outcomes Framework – also kicked off this year with various initiatives across the organisation. The Māori Capability Framework is one of the many strands of Te Whāriki, created to support our staff to increase their competency and confidence within te ao Māori – a Māori worldview. This is so that we are able to be a good Treaty partner and deliver better outcomes for mana whenua and Māori. Internally this means developing ourselves to grow our Māori cultural capability, knowledge of tikanga, te ao Māori and te reo Māori. Outwardly, we need to be able to grow our relationships and partnerships with mana whenua and Māori.



## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

## Regional Strategy and Partnerships – Measuring our Performance

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
Taking regional climate action through regional strategy, collaboration, and advocacy	Working collectively with partners to take regional climate action	Reduction of Greater Wellington's corporate carbon emissions	Reduction in tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e) emissions <sup>29</sup>	New measure (2018/19: 43,879.9 tCO <sub>2</sub> e)	Reduction compared with baseline	50,342.3 tCO <sub>2</sub> e <sup>30</sup>	<b>Not Achieved</b>	A
Regional economic development and recovery in a COVID-19 era	Regional economic recovery including low carbon economic transition	Alignment of Greater Wellington's activities and investment with the priorities of the Wellington Regional Leadership Committee <sup>31</sup>	As the Administering Authority, Greater Wellington will ensure the Committee has an agreed annual work programme and regular progress reporting	New measure	Achieved	Achieved <sup>32</sup>	<b>Achieved</b>	
Leading regional spatial planning	Implement the Wellington Regional Growth Framework	Maintain a state of readiness of the Emergency Coordination Centre that is appropriately staffed and equipped to respond to an emergency	A team of CIMS <sup>33</sup> trained Greater Wellington staff is ready to respond to an activation of the Emergency Coordination Centre	New measure	Achieved	Achieved <sup>34</sup>	<b>Achieved</b>	

<sup>29</sup> This measure is for all of Greater Wellington's corporate greenhouse gas emissions. This includes all business units, and the share for the jointly owned Council Controlled Organisations based on ownership share.

<sup>30</sup> The 2021/22 reported result relates to the 2020/21 financial year. Greater Wellington's Corporate carbon emissions are reported one year in arrears due to the data collection and Toitū Envirocare independent audit process.

<sup>31</sup> As the Administering Authority Greater Wellington supports and enables the operations and success of the Wellington Regional Leadership Committee.

<sup>32</sup> An agreed work programme for 2021/22 was provided by Greater Wellington to the Wellington Regional Leadership Committee (WRLC), which is monitored through regular reporting at WRLC meetings and through the WRLC Annual Report, published in July 2022.

<sup>33</sup> CIMS = Coordinated Incident Management System

<sup>34</sup> This is measured through annual reporting by the Wellington Regional Emergency Management Office (WREMO) stating the number of trained staff for the Emergency Coordination Centre based on the training requirements by the National Emergency Management Agency.

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**Greater Wellington Regional Council's 2021/22 Annual Report**

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
An efficient, accessible, and low carbon public transport network	40 percent increase in regional mode share for Public Transport and active modes by 2030	Regional transport, planning, leadership, advice, and coordination to guide development and delivery of an integrated, multi-modal regional transport network	Wellington Regional Land Transport Plan is prepared and updated in accordance with the LTMA <sup>35</sup> and central government guidance	New measure	Annual Monitoring report is presented to RTC <sup>36</sup>	Achieved	<b>Achieved</b>	
			Coordinate and deliver new workplace travel programmes with major regional employers	New measure	2	0	<b>Not Achieved</b>	B
Effective partnerships and co-designed agreements with mana whenua	Collaborative decision making with mana whenua partners	Effective decision making achieved through active involvement with mana whenua through strong partnership arrangements	Mana whenua report evidence of strong partnership arrangements and progress towards positive outcomes <sup>37</sup>	New measure	Achieved	Not Achieved	<b>Not Achieved</b>	C
			Increased incorporation and use of mātauranga Māori across services delivered by Greater Wellington	New measure	Achieved	Achieved <sup>38</sup>	<b>Achieved</b>	
			Deliver Te Matarau a Māui annual work programme as agreed to by independent Board	New measure	Achieved	Not Achieved	<b>Not Achieved</b>	D

<sup>35</sup> LTMA = Land Transport Management Act

<sup>36</sup> RTC = Regional Transport Committee

<sup>37</sup> Annual Qualitative Survey of our six mana whenua partners.

<sup>38</sup> The implementation of Te Whariki – Greater Wellington's Māori Outcomes Framework has been a focus for 2021/22 and has resulted in increased focus on lifting organisational capability with regards to mātauranga Māori.

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report**

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
		prosperous, and resilient outcomes	Mana whenua and Māori report they are prepared for managing effective responses to civil defence and other emergencies	New measure	Achieved	Not Achieved	<b>Not Achieved</b>	E

*Narrative on Results*

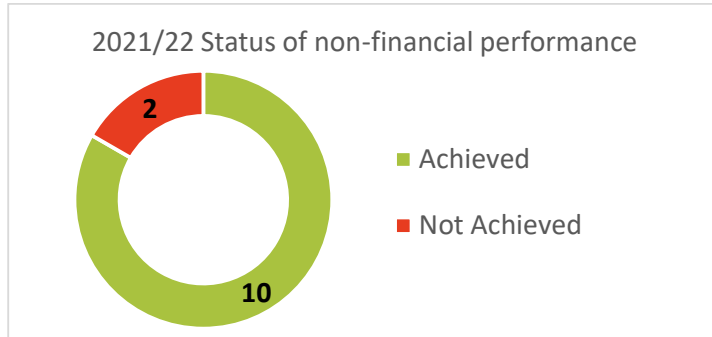
- A. Our corporate carbon emissions are measured annually and compared to the 2018/19 base year. The 2020/21 result shows that Greater Wellington's carbon emissions increased compared to the baseline due to a number of factors, such as the identification of previously unmeasured areas. For our Greenhouse Gas Emissions Performance Measures Disclosures please refer to page 22.
- B. While well facilitated, attended and with high levels of engagement from existing and new member organisations, the Workplace Travel Forum is not resulting in formal workplace travel programmes being established. However, evidence of initiatives that led to reduced carbon emissions and mode shift at workplaces were shared. Enduring relationships such as with Te Herenga Waka – Victoria University of Wellington, results in ongoing delivery of workplace travel initiatives, with potentially better mode shift outcomes than from formal plans.
- C. The main factor impacting our ability to achieve this measure was that we had not completed the development of a formal method for measuring this. However, we have had positive verbal feedback from Iwi partners that the relationship is strong, and they are seeing change with Greater Wellington's partnership approach.
- D. An annual work programme was not agreed to within 2021/22, although the draft work programme was presented in April 2022 with no formal approval noted. There is a draft plan currently in place which will be brought forward for approval early in 2023.
- E. Conversations were not completed with all partners in this space. A hui between National Emergency Management Agency and Iwi leaders across NZ is occurring in September 2022 which will help position the conversations and action for this measure within the Wellington Region.

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

## Ngā puna wai | Water supply

## Overall Summary of the year's performance



**Greater Wellington's Water Supply activities achieved 83 percent out of their 12 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 collecting, treating and distributing safe and healthy drinking water to Wellington, Hutt, Upper Hutt and Porirua City councils. This work is carried out for Greater Wellington by Wellington Water Limited (WWL), a joint council-owned water management company. City and district councils are responsible for the distribution of water to households and businesses through their own networks. Providing the bulk water supply to the city councils involves managing an extensive network of infrastructure, ensuring safe, high-quality, secure and reliable water sources, and that our freshwater is sustainable.

*Overview of the year*

The impacts of COVID-19 and external economic pressures on WWL's workforce severely impacted delivery of core services, planned maintenance and projects. The construction sector as a whole continued to experience ongoing labour and supply chain shortages, with increased costs providing ongoing challenges through the year and into next. WWL continue to seek the best available options with value engineering projects to reduce costs and establish back up arrangements with multiple suppliers.

Water consumption due to extensive leakage, affecting the Territorial Authority Network for drinking water, remained one of WWL's major issues this year, and a dedicated committee was established to address this. Inconsistent fluoridation of the water supply was identified during the year – operational issues experienced during the past few years affected reliable fluoride dosing (which remained safe at all times) but resulted in an operational decision to stop fluoridation until better product could be sourced. The public's lack of awareness of no fluoridation resulted in an independent review and apology to consumers. Council approved emergency funding to rectify the situation, and a project was put in place with completion due in November 2022.

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report**

Greater Wellington and WWL significantly ramped up activity in preparation for central Government's Three Waters Reform, with specific regards to what this means for our existing role in providing drinking water for the Region – refer to page 25 for more detail.

*Progressed capital projects to improve regional resilience*

This year WWL progressed a significant number of major projects either in the planning phase or delivery, all designed to reduce the risk to Greater Wellington's bulk water supply. Overall, there are 55 projects underway comprising of four major projects, 13 other capital projects and the remainder being minor and reactive works. Below are the key major projects:

- The \$95 million Silverstream Pipe Bridge project progressed from planning stages into construction, and is 20 percent complete, due for completion in December 2024. The project was prioritised as a crucial step in increasing the resilience of our bulk water supply in the event of an emergency.
- Te Mārua Water Treatment Plant currently supplies over 40 percent of the region's total water supply volume capacity and is being upgraded to enhance existing water supply capacity. The \$45 million dollar project is due for completion in early 2025. The project is experiencing budget pressure due to the escalation of imported equipment and construction costs.
- The \$5.6 million Regional Fluoride Dosing System improvements project includes two new dosing facilities at Te Mārua and Gear Island, plus an upgrade at Waterloo Water Treatment Plants. The project is on track to be fully operational by November 2022.
- The Kaitoke Flume Seismic Upgrade is a \$42 million replacement of bulk water supply to Porirua City and north Wellington to improve resilience of the water supply network. The project will move from planning and procurement into construction from July 2022, due for completion early 2025.

WWL completed Seismic strengthening at the Wainuiomata Water Treatment Plant, to increase the resilience of the water supply network in the event of a natural disaster.

WWL understanding the condition of most critical water assets (roughly 10 percent of all the three waters assets) and knowing when to prioritise future maintenance or renew them, aims to minimise failures that would have a significant impact on our communities and environment. A review of the Very High Criticality Assets (VHCA) condition assessment programme was completed<sup>39</sup> in June, and a revised action plan will be completed in August 2022, with progressive implementation basis on those assets requiring the most urgent attention.

*Responded to Water Wastage*

Leak detection and repair are a big part of tackling water wastage, with 150 water meters around the region specifically checking on water usage and leaks. This year WWL purchased additional trucks and equipment to help tackle the problem. WWL ran three workshops to assess our current management of leaks, detection and repair. That information will now feed into a strategic plan to reduce water leakage losses.

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<sup>39</sup> Included physical inspections of above ground assets – 85 pump stations, 470 of the very highly critical water treatment plant assets and 39 reservoir assets.

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**Greater Wellington Regional Council's 2021/22 Annual Report**

WWL ran several campaigns to help manage water demand during 2021/22:

- A summer demand campaign around the single call to action of 'Shower for as long as a four-minute song' was launched. The intent of the campaign was to extend the reach of the message, start a conversation about water conservation, and gain some positive brand association.
- A water restrictions campaign kicked off in December 2021 with clearer messaging about what each of the four water restriction levels mean, and advice on saving water.

Looking ahead WWL has a comprehensive work plan for 2022/23, continuing with construction of the key major projects, ongoing planned maintenance on critical assets, and the further investigations for remaining critical assets.

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

## Water Supply – Measuring our Performance

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
A clean, safe, and sustainable future drinking water supply		Provide water that is safe, and pleasant to drink	Compliance with part 4 of the drinking-water standards (bacteria compliance criteria) <sup>40</sup>	100%	Compliant	100%	Achieved	
			Compliance with part 5 of the drinking-water standards (protozoal compliance criteria) <sup>40</sup>	100%	Compliant	100%	Achieved	
			Customer satisfaction: number of complaints regarding water clarity, taste, odour, pressure/flow, and supply <sup>40</sup>	0	<20 complaints per 1,000 connections	0	Achieved	
			Number of waterborne disease outbreaks	0	0	0	Achieved	
Reduce water demand to support a sustainable water supply to avoid unnecessary investment in significant new water supply infrastructure	Support the reduction of the overall bulk water supply to the four metropolitan cities by 25 percent by 2030	Provide a continuous and secure bulk water supply	Average consumption of drinking water per day per resident within the TA districts <sup>40</sup>	369.8 L/d/p	<375 L/d/p	382 L/p/d	Not Achieved	A
			Maintenance of the reticulation network: Percentage of real water loss from the networked reticulation system <sup>40 41</sup>	0.07% <sup>42</sup>	+/- 0.25%	0%	Achieved	

<sup>40</sup> Non-Financial Performance Measures Rules 2013, Water Supply (DIA Mandatory Measure).

<sup>41</sup> All connections are metered, production flows are subtracted from supply flows and weekly mass balance checks carried out to identify losses. Differences in metering accuracy account for the loss or gain of water supplied rather than leakage or unauthorised use.

<sup>42</sup> This is the non-revenue bulk water as a percentage of the annual production volume. Non-revenue bulk water is the total amount of bulk supplied water that has been used for scouring plus the amount of main leakage from the bulk mass balance.

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**Greater Wellington Regional Council's 2021/22 Annual Report**

Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2021/22 Result	2021/22 Status of Result	Narrative on Results
		Provide a continuous and secure bulk water supply <i>(continued)</i>	Response times to attend urgent call-outs in response to a fault or unplanned interruption to the network reticulation system <sup>43</sup>	Time to reach site: 0 min <sup>44</sup>	Time to reach site <90min	0 minutes (no urgent call-outs)	<b>Achieved</b>	
				Time to confirm resolution: 0 hours <sup>44</sup>	Time to confirm resolution <8 hours	0 hours (no urgent call-outs)	<b>Achieved</b>	
			Response times to attend non-urgent call-outs in response to a fault or unplanned interruption to the network reticulation system <sup>43</sup>	Time to reach site: 0.9 hours	Time to reach site <72 hours	0 hours (no non-urgent call-outs)	<b>Achieved</b>	
				Time to confirm resolution: 1.25 days	Time to confirm resolution <20 days	0 days (no non-urgent call-outs)	<b>Achieved</b>	
			Number of events in the bulk water supply preventing the continuous supply of drinking water to consumers	0	0	0	<b>Achieved</b>	
			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	6.9%	<2%	20%	<b>Not Achieved</b>	

<sup>43</sup> Non-Financial Performance Measures Rules 2013, Water Supply (DIA Mandatory Measure).

<sup>44</sup> Zero minutes/hours means there were no urgent call-outs during the 2019/20 year.



**Attachment 1 to Report 22.494**

**Greater Wellington Regional Council's 2021/22 Annual Report**

*Narrative on Results*

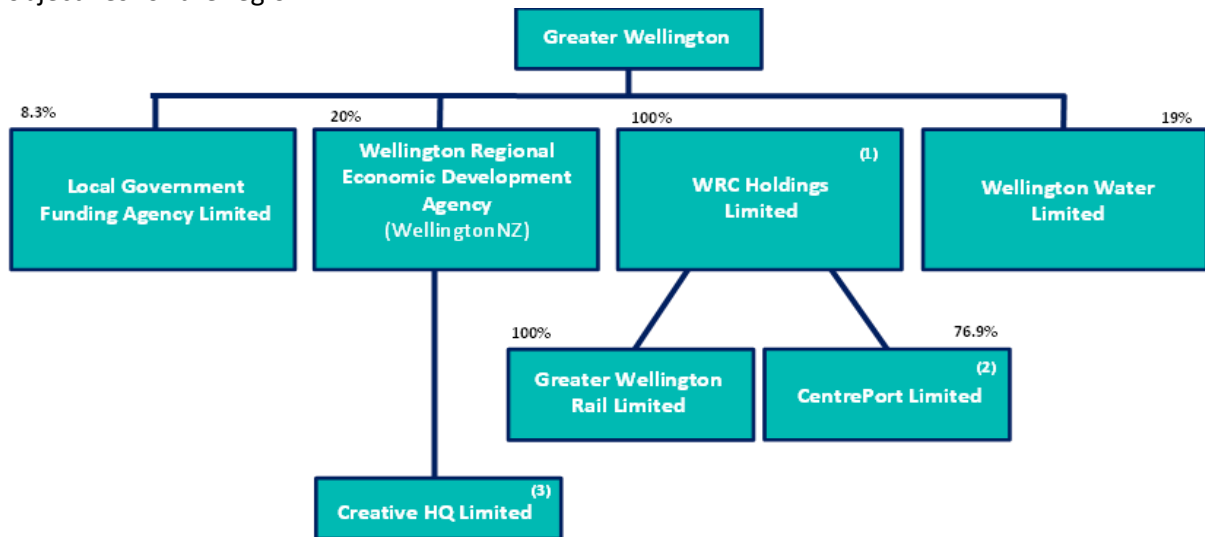
- A. Leak detection and repairs remain an ongoing focus for Wellington Water Limited going forward. We have seen a record number of active leaks across the Territorial Authority network this year resulting in higher water loss, although the backlog has started to reduce in the past few months. Per capita consumption continues to rise across the region, putting increased pressure on our water sources and treatment capacity. This in turn increases the likelihood of more severe and extensive water restrictions in summer.
- B. Completion of the Te Mārua capacity upgrade project is required to return the region to within the target level of service for drought resilience. However high per capita demand and growth continue to put pressure on supply capacity, and we have a sustainable water.

Greater Wellington Regional Council's 2021/22 Annual Report

**Tā te kaunihera rōpū me ngā mahi haumi | Council controlled organisations and investments**

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). For further descriptions of Greater Wellington’s Council Controlled Organisations (CCOs), Council Controlled Trading Organisations (CCTOs), Council Organisations (COs) and Investments, please see pages 99-111 of the 2021-31 Long Term Plan.

Greater Wellington has established the following CCTOs and CCTOs which assist in promoting our objectives for the region.



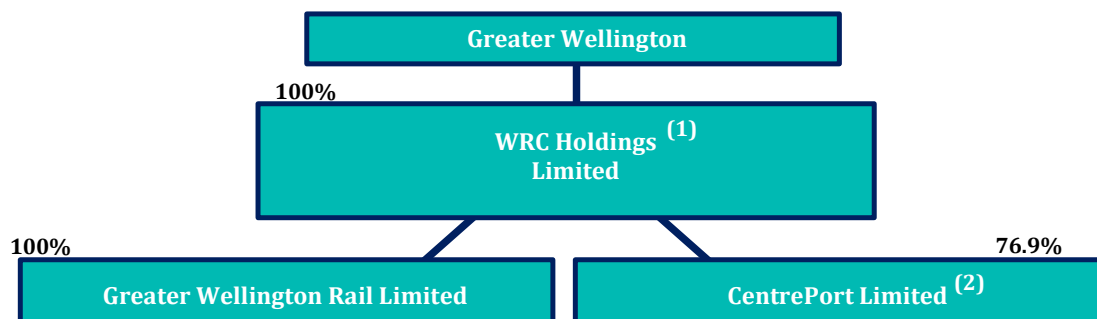
(1) Council Controlled Trading Organisation in accordance with the Local Government Act 2002  
 (2) Commercial Port Company pursuant to the Port Companies Act 1988 and not a Council Controlled Organisation in accordance with the Local Governance Act 2002  
 (3) Council Controlled Organisation in accordance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

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

**WRC Holdings Group**

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



- 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 Governance Act 2002

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

**WRC Holdings group financial performance targets are:**

Financial WRC Holdings group results compared with Statement of Intent (SOI) Targets			
	Actual 2022 \$'000	Target 2022 \$'000	Actual 2021 \$'000
Net (deficit) / surplus before tax	-31,340	-8,031	-13,734
Net (deficit) / surplus after tax	1,266	-6,403	-37,413
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,313	20,031	11,295
Return on Shareholder's equity	0.20%	-0.80%	-5.50%
Return on total assets	-3.10%	-1.00%	-1.70%
Shareholders equity to total assets	68.60%	73.60%	68.50%
Dividends	3,800	4,100	14,600

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report**

Directors of WRC Holdings and its subsidiaries as at 31 June 2022 (excluding CentrePort Limited) are:

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

\*independent Directors

**Greater Wellington Rail Limited (GWRL)**

GWRL is owned by WRC Holdings Limited. All capital purchases are funded via issuance of shares from WRC Holdings. The board of GWRL has external directorships providing advice and expertise, common with WRC Holdings Limited. GWRL is asset holding (rolling stock and rail infrastructure) and contracts out the maintenance of these assets. GWRL is wholly owned by WRC Holdings Limited who in turn is wholly owned by Greater Wellington.

GWRL owns Greater Wellington's investments in metro rail assets, which include:

- 18 – SW carriages
- 6 – SE Carriages
- 1 – AG luggage van
- 2 – remote controlled electric shunt crabs
- 83 – two Matangi two car units
- Thorndon electrical multiple unit depot and train wash, metro wheel lathe and building
- 48 – rail stations (excluding Wellington Central Station)
- 14 – pedestrian over-bridges
- 11 – pedestrian underpasses
- Various carparks, other station improvements and ancillary rail related assets

**GWRL Financial Performance Targets**

	<b>Actual 2022</b>	<b>Target 2022</b>	<b>Actual 2021</b>
Operating expenditure (\$ million)	46.3	40.6	41.0
Capital expenditure (\$ million)	13.9	17.7	16.4
Shareholder funds to total assets	81.1%	82.8%	81.0%

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

**CentrePort Limited (CPL)**

CPL is a Port Company under the Port Companies Act 1988. WRC Holdings holds the shares of CPL. CPL is a commercial organisation and is run by an independent board of directors, unrelated to the Council. CPL provides a commercial return to WRC Holdings Limited by way of dividends.

	Actual 2022 \$'000	Target 2022 \$'000	Actual 2021 \$'000
Net profit before tax	8,200	13,600	10,800
Net profit after tax (1)	8,000	9,800	8,600
Return on total assets (2)	1.60%	2.40%	1.40%
Return on equity (3)	1.80%	2.20%	1.90%
Dividend as a % of underlying net profit after tax before earthquake impacts and changes in fair value	74.60%	61.10%	58.30%
Dividend	6000	6000	20,000

**CPL Performance Targets****Our People Targets**

Objective	Performance Measure	FY21 Result	FY22 Target	FY22 Q4 Actual
A zero-harm workplace	Lost Time Injury Frequency (per 200,000 hours worked)	2.18	≤ 2.6	3.03
	Lost Time Injury Severity (per 200,000 hours worked)	17.75	≤ 8	8.66 <sup>1</sup>
	bSafe reports (incidents and Standard operating procedures (SOPs) reviewed and updated)	875	1,080	914 (YTD) <sup>2</sup>
Improve health and safety, staff wellbeing and engagement at work	Health & Safety and employee engagement culture surveys – score improving every survey (18 months)	70%	Improvement on FY21 result	N/A
Increase gender diversity	Overall gender balance (F/M); ELT gender balance (F/M); Board gender balance (F/M)	17%/83% All; 0%/100% ELT; 50%/50% Board	Improve on 2021	18%/82% All; 13%/87% ELT; 33%/67% Board.

**Our Customers Targets**

Objective	Performance Measure	FY21 Result	FY22 Target	FY22 Q4 Actual
Improved productivity across port	Gross crane rate (as measured by Ministry of Transport)	24.3	28.0	28.2
Manage the safety of marine activities	Marine activities conducted in accordance with the current Port and Harbour Marine Safety Code (PHSC)	100% compliance	100% compliance	100% compliance
	100% of new tasks or newly identified hazards risk assessed in collaboration with the Wellington Harbourmaster team	100% compliance	100% compliance	100% compliance

<sup>1</sup> CentrePort's LTIS reflects the impact of two incidents: One LTI was sustained from an employee injury (notifiable) after a slip trip fall incident outside Shed 39 in early November. The second LTI was sustained by an employee in May 2021 while working on Charlie Crane resulting in a snapped ligament in the foot while climbing the crane ladder with the worker being declared unfit for work late in 2021 due to the injury

<sup>2</sup> CentrePort's COVID response restricted staff numbers on Port, and therefore reduced bSafe reporting

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

## Our Environment Targets

Objective	Performance Measure	FY21 Result	FY22 Target	FY22 Q4 Actual
Operate in a sustainable manner <sup>4</sup>	Net zero emissions by 2040. 30% emission reduction by 2030 relative to 2019 (excluding growth)	3.3% reduction (preliminary calculation)	7% reduction on base year, excluding growth	32.7% reduction <sup>5</sup>

## Investments

Objective	Performance Measure	FY21 Result	FY22 Target	FY22 Q4 Actual
Financial performance <sup>6</sup>	Group EBITDA	\$13.7m	\$22.3m	\$18.4m
	Underlying Net Profit After Tax	\$7.2m	\$9.8m	\$8.0
	Underlying NPAT Return on Group Equity	1.6%	2.2%	1.8%
	Dividend	\$5.0m (excl. \$15.0m special dividend)	\$6.0m	\$6.0m
Major Regeneration Investments	Investment Execution Performance	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.	Operations commenced on Container Berth reinstatement Agreement with Fuel industry on Seaview Wharf renewal, and works commenced Business case approved for Ground Resilience programme, Log yard redevelopment Interislander Ferry Terminal Development business case approved, and consents obtained.	Focus on close out works for Container Berth following operationalisation of reinstated berth in previous quarter. Seaview Wharf Renewal mobilisation complete and physical works related to Phase 1A commencing out on Main Wharf head. Progress made with fuel industry on Phase 1B and 2 though slower than expected due to changes in the industry. Ground Resilience of Main Thorndon Reclamation progression in line with expectations. Area 5 completed and remainder progressing in line with expectations. Works completed by Future Ports on master plan for Multi User Ferry Precinct: Master Plan requested by Future Ports Finalising Key Terms with KiwiRail on Interislander SUT (iReX) which is progressing slower than expected. Draft

<sup>4</sup> The emission reduction target including cargo growth but excluding scope three emission activities which have shifted to scope one or two is 24% by 2030

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				Business case to be updated when finalised. CPL continue to support KiwiRail with design development and construction procurement. CPL has engaged support for Inner Harbour Precinct and will proceed with brief development and stakeholder engagement in FY23.
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**Attachment 1 to Report 22.494**

**Greater Wellington Regional Council's 2021/22 Annual Report**

***Wellington Regional Economic Development Agency (WellingtonNZ)***

WellingtonNZ was established in late 2014. It is owned jointly by Wellington City Council and Greater Wellington. The ownership reflects the proportion of funding by the two shareholding councils. It is run by an independent board of directors.

Grow Wellington and Creative HQ which were 100 percent owned by Greater Wellington have been absorbed into WellingtonNZ.

WellingtonNZ is the key provider for economic development in the region, combined with tourism, venues and major events management for Wellington city.

***Performance targets***

The performance targets for WellingtonNZ are set through their 2021/22 Statement of Intent. Results against the 2021/22 year will be published in their Annual Report by the end of **December 2022**.

***Wellington Water Limited (WWL)***

WWL was established in September 2014. 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 and mana whenua representatives. WWL manages water supply activities, delivers capital works programmes, and provides councils with asset management and planning advice. WWL manages Greater Wellington's bulk water supply function. They manage local supply, storm-water, and waste-water service delivery for five of the territorial authorities in the Wellington Region.

***WWL Performance targets***

WWL's performance measures are set out in the Water Supply section of the 2021-31 Long Term Plan<sup>45</sup> and performance targets for the 2021/22 year are set through Wellington Water Limited's 2021/22 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 2021/22 Annual Report, available on their website.

**Tā te Kaunihera rōpū | Council Organisations**

**Predator Free Wellington Limited (PFW)**

PFW is a charitable company established in 2018 to implement the Predator Free Wellington Project. Greater Wellington, together with Wellington City Council, holds 49 percent of the total shares (24.5 percent each). NEXT Foundation holds the remaining shares in the PFW (51 percent).

**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 appoints one of its Councillors to the Wellington Regional

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<sup>45</sup> Pages 95-96 of the 2021-31 Long Term Plan sets out the Water Supply non-financial performance measures, as included in the Wellington Water Annual Report.



**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report**

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.

**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.

**Local Government Funding Agency (LGFA)**

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.

**Ko ngā mahi Haumi | 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.

**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.

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**Greater Wellington Regional Council's 2021/22 Annual Report**

**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.

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**Greater Wellington Regional Council's 2021/22 Annual Report**

**Wāhanga tuatoru: He pūrongo pūtea | Section three: Financial performance**

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**Greater Wellington Regional Council's 2021/22 Annual Report**

**He tauākī pūtea a Te Pane Matua Taiao mō ngā hua | Activity group funding impact statements**

	<b>Page</b>
Ko te Haumarua Taiao me te Waipuke   Environment and Flood Protection	68
Ngā Waka Tūmatanui   Metlink Public Transport	70
Ko te Mahere ā-Rohe me Ngā Rangapū   Regional Strategy and Partnerships	72
Ngā Puna Wai   Water Supply	74

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## Greater Wellington Regional Council's 2021/22 Annual Report

## Ko te haumarua taiao me te waipuke | Environment and Flood Protection

Environment and Flood Protection Funding Impact Statement For the year ended 30 June 2022	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Budget 2021 \$'000
<b>Sources of operating funding</b>				
General rate	56,333	57,222	47,178	51,456
Targeted rates	8,504	9,172	8,533	9,908
Subsidies and grants for operating purposes	8,160	10,944	2,359	-
Interest and dividends from investments	111	-	-	-
Fees and charges	1,586	8,270	6,574	7,042
Fines, infringement fees, and other receipts	17,079	15,383	14,519	10,010
<b>Total operating funding</b>	<b>91,773</b>	<b>100,991</b>	<b>79,163</b>	<b>78,416</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(56,876)	(65,312)	(53,479)	(48,527)
Finance costs	(5,073)	(5,578)	(5,788)	(7,428)
Internal charges and overheads applied	(18,400)	(17,406)	(15,321)	(13,640)
<b>Total applications of operating funding</b>	<b>(80,349)</b>	<b>(88,296)</b>	<b>(74,588)</b>	<b>(69,595)</b>
<b>Applications of operating funding</b>				
<b>Surplus/(deficit) of operating funding</b>	<b>11,424</b>	<b>12,695</b>	<b>4,575</b>	<b>8,821</b>
<b>Sources of capital funding</b>				
Increase (decrease) in debt	28,511	20,529	9,648	15,667
Gross proceeds from sale of assets	73	261	193	246
<b>Total sources of capital funding</b>	<b>28,584</b>	<b>20,790</b>	<b>9,841</b>	<b>15,913</b>
<b>Sources of capital funding</b>				
<b>Applications of capital funding</b>				
to meet additional demand	-	-	(1,129)	-
to improve the level of service	(34,352)	(29,481)	(12,482)	(18,945)
to replace existing assets	(1,972)	(3,966)	(914)	(4,801)
Increase (decrease) in reserves	(3,388)	203	391	(565)
Increase (decrease) of investments	(296)	(241)	(282)	(423)
<b>Total applications of capital funding</b>	<b>(40,008)</b>	<b>(33,485)</b>	<b>(14,416)</b>	<b>(24,734)</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(11,423)</b>	<b>(12,695)</b>	<b>(4,575)</b>	<b>(8,821)</b>
Surplus/(deficit) of funding	-	-	-	-
Depreciation on assets	5,048	5,314	5,262	5,370

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## Greater Wellington Regional Council's 2021/22 Annual Report

Environment and Flood Protection Funding Impact Statement For the year ended 30 June 2022	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Budget 2021 \$'000
<b>Sources of operating funding</b>				
Flood protection and control works	30,452	33,454	25,143	27,248
Regional parks	8,359	8,033	6,261	7,533
Resource management	26,097	27,794	24,054	23,225
Land management	8,872	11,856	8,551	6,073
Biodiversity management	6,921	6,291	4,957	4,954
Pest management	8,445	10,967	6,678	7,026
Harbour management	2,627	2,597	2,438	2,357
<b>Total operating funding</b>	<b>91,773</b>	<b>100,992</b>	<b>78,082</b>	<b>78,416</b>
<b>Applications of operating funding</b>				
Flood protection and control works	(23,342)	(22,478)	(21,636)	(20,479)
Regional parks	(7,032)	(6,998)	(7,035)	(6,617)
Resource management	(24,964)	(27,139)	(22,954)	(22,473)
Land management	(7,943)	(11,679)	(8,169)	(5,947)
Biodiversity management	(6,392)	(6,282)	(5,614)	(4,901)
Pest management	(7,911)	(11,154)	(6,649)	(6,872)
Harbour management	(2,766)	(2,567)	(2,530)	(2,306)
<b>Total applications of operating funding</b>	<b>(80,350)</b>	<b>(88,297)</b>	<b>(74,587)</b>	<b>(69,595)</b>
<b>Capital expenditure</b>				
Capital Projects	11,001	32,345	13,467	22,942
Land and Buildings	24,791	-	-	-
Plant and Equipment	597	165	477	25
Vehicles	-	937	580	779
<b>Total capital expenditure</b>	<b>36,389</b>	<b>33,447</b>	<b>14,524</b>	<b>23,746</b>

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## Greater Wellington Regional Council's 2021/22 Annual Report

## Ngā Waka Tūmatanui | Metlink Public Transport

Metlink Public Transport Funding Impact Statement For the year ended 30 June 2022	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Budget 2021 \$'000
<b>Sources of operating funding</b>				
General rate	-	-	-	-
Targeted rates	81,810	81,810	77,037	78,511
Subsidies and grants for operating purposes	129,664	97,488	118,614	76,830
Interest and dividends from investments	-	-	-	-
Fees and charges	52,290	97,348	79,778	99,738
Fines, infringement fees, and other receipts	4,221	5,016	8,912	2,759
<b>Total operating funding</b>	<b>267,985</b>	<b>281,662</b>	<b>284,341</b>	<b>257,838</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(254,033)	(251,991)	(249,330)	(215,856)
Finance costs	(9,814)	(10,259)	(11,927)	(14,731)
Internal charges and overheads applied	(16,259)	(14,764)	-	(10,477)
<b>Total applications of operating funding</b>	<b>(280,106)</b>	<b>(277,014)</b>	<b>(261,257)</b>	<b>(241,064)</b>
<b>Surplus/(deficit) of operating funding</b>	<b>(12,121)</b>	<b>4,648</b>	<b>23,084</b>	<b>16,774</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	12,520	18,285	-	30,947
Increase (decrease) in debt	14,826	9,262	(3,221)	11,443
Gross proceeds from sale of assets	-	10	-	-
<b>Total sources of capital funding</b>	<b>27,346</b>	<b>27,557</b>	<b>(3,221)</b>	<b>42,390</b>
<b>Applications of capital funding</b>				
to meet additional demand	-	-	(187)	-
to improve the level of service	(3,659)	(3,328)	310	(28,708)
to replace existing assets	(5,722)	(13,468)	(1,086)	(3,648)
Increase (decrease) in reserves	7,841	(2,246)	2,190	157
Increase (decrease) of investments	(13,685)	(17,655)	(16,710)	(26,651)
<b>Total applications of capital funding</b>	<b>(15,225)</b>	<b>(32,205)</b>	<b>(19,863)</b>	<b>(59,164)</b>
<b>Surplus / (deficit) of capital funding</b>	<b>12,121</b>	<b>(4,648)</b>	<b>(23,084)</b>	<b>(16,774)</b>
Surplus/(deficit) of funding	-	-	-	-
Depreciation on assets	5,392	6,296	5,337	9,389

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## Greater Wellington Regional Council's 2021/22 Annual Report

Metlink Public Transport Funding Impact Statement For the year ended 30 June 2022	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Budget 2021 \$'000
<b>Sources of operating funding</b>				
Metlink network planning and operations	-	-	18,185	24,019
Rail operations and asset management	-	-	146,299	132,399
Bus and ferry operations and asset management	-	-	119,857	101,420
Strategy and Customer	20,777	2,406	-	-
Operations and Commercial Relationships	189,342	225,231	-	-
Assets and Infrastructure	57,867	54,025	-	-
<b>Total operating funding</b>	<b>267,986</b>	<b>281,662</b>	<b>284,341</b>	<b>257,838</b>
<b>Applications of operating funding</b>				
Metlink network planning and operations	-	-	(19,421)	(21,710)
Rail operations and asset management	-	-	(128,712)	(121,251)
Bus and ferry operations and asset management	-	-	(113,123)	(98,103)
Strategy and Customer	(2,458)	(2,099)	-	-
Operations and Commercial Relationships	(197,948)	(233,682)	-	-
Assets and Infrastructure	(79,700)	(41,233)	-	-
<b>Total applications of operating funding</b>	<b>(280,106)</b>	<b>(277,014)</b>	<b>(261,256)</b>	<b>(241,064)</b>
<b>Investment in Greater Wellington Rail Limited</b>				
Rail operations and asset management	13,685	17,655	16,709	26,651
<b>Total sources of capital funding</b>	<b>13,685</b>	<b>17,655</b>	<b>16,709</b>	<b>26,651</b>
Public transport network and infrastructure	6,259	16,756	931	32,356
Land and Buildings	74	-	-	-
Plant and Equipment	3,048	-	33	-
Vehicles	-	-	-	-
<b>Total capital project expenditure</b>	<b>9,381</b>	<b>16,756</b>	<b>964</b>	<b>32,356</b>
Total Investment in Public Transport Infrastructure	23,066	34,411	17,673	59,007



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## Greater Wellington Regional Council's 2021/22 Annual Report

## Ko te mahere ā-rohe me ngā rangapū | Regional Strategy and Partnerships

Regional Strategy and Partnerships Funding Impact Statement For the year ended 30 June 2022	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Budget 2021 \$'000
<b>Sources of operating funding</b>				
General rate	12,572	12,572	9,745	10,002
Targeted rates	7,569	7,559	7,610	9,034
Subsidies and grants for operating purposes	1,739	1,531	2,637	1,402
Internal charges and overheads recovered	722	-	-	-
Fees and charges	18	18	-	19
Fines, infringement fees, and other receipts	6,174	3,744	4,268	2,864
<b>Total operating funding</b>	<b>28,794</b>	<b>25,424</b>	<b>24,260</b>	<b>23,321</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(24,403)	(36,776)	(28,067)	(21,425)
Finance costs	(622)	(1,184)	(686)	(1,028)
Internal charges and overheads applied	(3,852)	(77)	(184)	(649)
<b>Total applications of operating funding</b>	<b>(28,877)</b>	<b>(38,037)</b>	<b>(28,937)</b>	<b>(23,102)</b>
<b>Applications of operating funding</b>				
<b>Surplus / (deficit) of operating funding</b>	<b>(83)</b>	<b>(12,613)</b>	<b>(4,677)</b>	<b>219</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	650	510	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(7,394)	14,425	3,930	(191)
Gross proceeds from sale of assets	-	30	20	31
<b>Total sources of capital funding</b>	<b>(6,744)</b>	<b>14,965</b>	<b>3,950</b>	<b>(160)</b>
<b>Sources of capital funding</b>				
<b>Applications of capital funding</b>				
to meet additional demand	-	-	-	-
to improve the level of service	(63)	-	-	-
to replace existing assets	(1,007)	1,145	581	(108)
Increase (decrease) in reserves	7,897	1,379	749	47
Increase (decrease) of investments	-	(172)	(2,057)	2
<b>Total applications of capital funding</b>	<b>(6,827)</b>	<b>(2,352)</b>	<b>(727)</b>	<b>(59)</b>
<b>Surplus / (deficit) of capital funding</b>	<b>83</b>	<b>12,613</b>	<b>4,677</b>	<b>(219)</b>
Surplus/(deficit) of funding	-	-	-	-
Depreciation on assets	88	395	201	504

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

Regional Strategy and Partnerships Funding Impact Statement For the year ended 30 June 2022	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Budget 2021 \$'000
<b>Sources of operating funding</b>				
Regional economic development	5,347	4,693	5,008	5,219
Emergency management	3,999	4,805	4,281	4,135
Democratic Services	2,636	2,642	2,891	2,387
Relationships with mana whenua and Māori	2,741	2,743	1,037	1,312
Regional transport and planning programmes	8,160	5,309	6,014	4,908
Regional integrated planning	4,641	4,105	5,029	5,360
Climate change	1,272	1,128	-	-
<b>Total operating funding</b>	<b>28,796</b>	<b>25,425</b>	<b>24,260</b>	<b>23,321</b>
<b>Applications of operating funding</b>				
Regional economic development	(3,944)	(4,691)	(4,826)	(5,332)
Emergency management	(4,513)	(4,735)	(3,795)	(4,062)
Democratic Services	(2,287)	(2,521)	(2,723)	(2,308)
Relationships with mana whenua and Māori	(2,947)	(2,741)	(1,230)	(1,305)
Regional transport and planning programmes	(9,626)	(15,818)	(12,738)	(4,711)
Regional integrated planning	(4,499)	(4,685)	(3,625)	(5,384)
Climate change	(1,062)	(2,845)	-	-
<b>Total applications of operating funding</b>	<b>(28,878)</b>	<b>(38,036)</b>	<b>(28,937)</b>	<b>(23,102)</b>
<b>Capital expenditure</b>				
Capital Projects	865	1,000	538	-
Land and Buildings	-	-	-	-
Plant and Equipment	-	45	-	5
Vehicles	205	100	43	103
<b>Total capital expenditure</b>	<b>1,070</b>	<b>1,145</b>	<b>581</b>	<b>108</b>

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

## Ngā Puna Wai | Water Supply

Water Supply	Actual	Budget	Actual	Budget
Funding Impact Statement	2022	2022	2021	2021
For the year ended 30 June 2022	\$'000	\$'000	\$'000	\$'000
<b>Sources of operating funding</b>				
General rate	-	-	-	-
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Interest and dividends from investments	746	-	-	-
Fees and charges	-	-	-	-
Fines, infringement fees, and other receipts	39,511	39,881	36,842	37,451
<b>Total operating funding</b>	<b>40,257</b>	<b>39,881</b>	<b>36,842</b>	<b>37,451</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(29,639)	(23,863)	(28,433)	(20,467)
Finance costs	(4,173)	(5,001)	(4,745)	(5,782)
Internal charges and overheads applied	(2,831)	(2,831)	(2,469)	(2,198)
<b>Total applications of operating funding</b>	<b>(36,643)</b>	<b>(31,695)</b>	<b>(35,647)</b>	<b>(28,447)</b>
<b>Applications of operating funding</b>				
<b>Surplus / (deficit) of operating funding</b>	<b>3,614</b>	<b>8,186</b>	<b>1,195</b>	<b>9,004</b>
<b>Sources of capital funding</b>				
Increase (decrease) in debt	26,542	29,931	11,974	17,994
Other dedicated capital funding	-	5,000	-	-
Gross proceeds from sale of assets	-	-	8	-
<b>Total sources of capital funding</b>	<b>26,542</b>	<b>34,931</b>	<b>11,982</b>	<b>17,994</b>
<b>Sources of capital funding</b>				
<b>Applications of capital funding</b>				
to meet additional demand	-	-	(72)	-
to improve the level of service	(11,499)	(12,976)	(830)	(3,666)
to replace existing assets	(14,265)	(22,271)	(8,793)	(19,349)
Increase (decrease) in reserves	(1,236)	(7,870)	(3,435)	(3,983)
Increase (decrease) of investments	(3,156)	-	(47)	-
<b>Total applications of capital funding</b>	<b>(30,156)</b>	<b>(43,117)</b>	<b>(13,177)</b>	<b>(26,998)</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(3,614)</b>	<b>(8,186)</b>	<b>(1,195)</b>	<b>(9,004)</b>
Surplus/(deficit) of funding	-	-	-	-
Depreciation on assets	16,439	16,369	15,789	16,200
Water supply levy	39,319	39,319	35,860	35,892

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

Water Supply Funding Impact Statement For the year ended 30 June 2022	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Budget 2021 \$'000
<b>Sources of operating funding</b>				
Water Supply	40,257	39,881	36,842	37,451
<b>Total operating funding</b>	<b>40,257</b>	<b>39,881</b>	<b>36,842</b>	<b>37,451</b>
<b>Applications of operating funding</b>				
Water Supply	(36,643)	(31,695)	(35,647)	(28,447)
<b>Total applications of operating funding</b>	<b>(36,643)</b>	<b>(31,695)</b>	<b>(35,647)</b>	<b>(28,447)</b>
<b>Capital expenditure</b>				
Water Sources	-	-	625	21
Water treatment plants	5,865	10,579	1,422	1,650
Pipelines	18,743	14,326	3,167	17,088
Pump Stations	1,623	440	829	251
Reservoirs	32	470	-	-
Monitoring and Control	494	1,129	62	188
Seismic protection	-	-	-	-
Other	126	8,246	3,539	3,760
<b>Total capital expenditure</b>	<b>26,883</b>	<b>35,190</b>	<b>9,644</b>	<b>22,958</b>
<b>Capital expenditure</b>				
Land and Buildings	-	-	-	-
Plant and Equipment	24,029	57	51	57
Vehicles	-	-	-	-
<b>Total capital expenditure</b>	<b>24,029</b>	<b>35,247</b>	<b>9,695</b>	<b>23,015</b>



## He tauākī Pūtea | Financial Statements

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## He tauākī whakamahuki Whiwhinga me Utu | Statement of comprehensive revenue and expense

For the year ended 30 June 2022

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Restated Actual
		20221	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating revenue</b>						
Rates and levies	3	200,265	200,973	179,231	200,265	179,231
Transport operational grants and subsidies	3	139,991	109,964	114,788	139,991	114,788
Transport Improvement grants and subsidies	3	13,170	18,795	10,243	13,170	10,243
Other revenue	3	91,164	131,164	128,194	179,404	202,603
	3	444,590	460,896	432,456	532,830	506,865
Other gains / (losses) - net		(657)	61	116	(569)	1,183
<b>Total operating revenue and gains</b>		<b>443,933</b>	<b>460,957</b>	<b>432,572</b>	<b>532,261</b>	<b>508,048</b>
<b>Operating expenditure</b>						
Employee benefits	4	(67,660)	(64,260)	(61,868)	(93,622)	(86,499)
Grants and subsidies		(232,776)	(224,956)	(129,038)	(217,814)	(115,547)
Depreciation and amortisation	5	(31,857)	(30,546)	(29,196)	(66,332)	(57,461)
Finance expenses		(23,099)	(19,942)	(21,314)	(23,099)	(21,199)
Other operating expenses	6	(117,989)	(115,762)	(193,763)	(181,083)	(256,284)
<b>Total operating expenditure</b>		<b>(473,381)</b>	<b>(455,466)</b>	<b>(435,179)</b>	<b>(581,950)</b>	<b>(536,990)</b>
<b>Operating surplus/(deficit) before other items and tax</b>		<b>(29,448)</b>	<b>5,491</b>	<b>(2,607)</b>	<b>(49,689)</b>	<b>(28,942)</b>
Share of associate's surplus/(deficit)		-	-	-	1,537	135
<b>Other fair value changes</b>						
Fair value - Other assets	7	-	-	-	(21,000)	-
Gain / (loss) on financial instruments	7	64,561	14,110	32,775	64,561	32,775
Fair value gain/(loss) on investment property	7,18	-	-	-	4,842	(1,998)
<b>Total fair value movements</b>		<b>64,561</b>	<b>14,110</b>	<b>32,775</b>	<b>48,403</b>	<b>30,777</b>
Surplus/(deficit) before tax		35,113	19,601	30,168	251	1,970
Tax (expense)/benefit	8	-	-	-	10,548	1,095
Surplus from continuing operations		35,113	19,601	30,168	10,799	3,065
<b>Operating surplus / (deficit) after tax</b>		<b>35,113</b>	<b>19,601</b>	<b>30,168</b>	<b>10,799</b>	<b>3,065</b>
<b>Other comprehensive revenue and expenses</b>						
Share of associates' other comprehensive income		-	-	-	-	-
Revaluation gain/(loss) on infrastructure assets after tax	15	120,177	-	-	204,437	14,991
Deferred Tax recognised in Reserves		-	-	-	(19,852)	-
Increases/ (Decreases in valuations of other financial assets		11,717	-	4,689	11,717	4,689
		<b>131,894</b>	<b>-</b>	<b>4,689</b>	<b>196,302</b>	<b>19,680</b>
<b>Total other comprehensive income</b>		<b>131,894</b>	<b>-</b>	<b>4,689</b>	<b>196,302</b>	<b>19,680</b>
<b>Total comprehensive income</b>		<b>167,007</b>	<b>19,601</b>	<b>34,857</b>	<b>207,101</b>	<b>22,745</b>
<b>Surplus is attributable to:</b>						
<b>Attributed to:</b>						
Equity holders of the Parent		167,007	19,601	34,857	215,217	22,100
Non-controlling interest		-	-	-	(8,116)	645
		<b>167,007</b>	<b>19,601</b>	<b>34,857</b>	<b>207,101</b>	<b>22,745</b>

## He tauākī Ahumoni | Statement of Financial Position

As at 30 June 2022		Council			Group		
		Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Restated Actual 2021 \$'000	
Note							
<b>ASSETS</b>							
<b>Current assets</b>							
	Cash and cash equivalents	10	16,517	21,012	4,675	158,141	196,792
	Trade and other receivables	11	79,942	96,942	53,637	92,142	63,937
	Other financial assets	13	117,167	30,313	157,452	117,167	113,452
	Inventories	12	4,272	3,138	3,476	7,586	6,391
	Derivatives	20	-	-	604	-	604
	Current tax receivables		-	-	-	475	-
	<b>Total current assets</b>		<b>217,898</b>	<b>151,405</b>	<b>219,844</b>	<b>375,511</b>	<b>381,176</b>
<b>Non-current assets</b>							
	Other financial assets	13	67,210	116,973	19,934	30,880	27,687
	Property, plant and equipment	15	1,417,828	1,372,139	1,261,082	2,185,254	1,932,816
	Intangible assets	16	28,608	-	16,351	28,965	19,542
	Investment in subsidiaries	19	317,095	321,489	302,695	-	-
	Investment properties	18	-	-	-	62,617	55,493
	Derivatives	20	18,811	-	531	18,811	531
	Investments accounted for under the equity method		-	-	-	13,821	727
	Deferred tax assets	9	-	-	-	35,007	31,106
	<b>Total non-current assets</b>		<b>1,849,552</b>	<b>1,810,601</b>	<b>1,600,593</b>	<b>2,375,355</b>	<b>2,067,903</b>
	<b>Total assets</b>		<b>2,067,450</b>	<b>1,962,006</b>	<b>1,820,437</b>	<b>2,750,866</b>	<b>2,449,079</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
	Derivatives	20	96	-	1,120	96	1,120
	Trade and other payables	21	87,163	69,092	63,335	95,960	71,716
	Interest bearing liabilities	22	124,064	111,606	151,850	115,603	139,448
	Employee benefits liabilities and provisions	23	6,912	-	8,373	10,571	11,549
	Income tax payable		-	-	-	-	2,198
	<b>Total current liabilities</b>		<b>218,235</b>	<b>180,698</b>	<b>224,678</b>	<b>222,230</b>	<b>226,031</b>
<b>Non-current liabilities</b>							
	Interest bearing liabilities	22	514,000	524,457	380,000	514,000	380,000
	Derivatives	20	5,451	55,663	51,312	5,451	51,312
	Deferred tax liabilities	9	-	-	-	140,650	127,223
	Employee benefits liabilities and provisions	23	139	-	160	302	327
	Service concession liability	15	24,615	-	26,291	24,615	26,291
	<b>Total non-current liabilities</b>		<b>544,205</b>	<b>580,120</b>	<b>457,763</b>	<b>685,018</b>	<b>585,153</b>
	<b>Total liabilities</b>		<b>762,440</b>	<b>760,818</b>	<b>682,441</b>	<b>907,248</b>	<b>811,184</b>
	<b>Net assets</b>		<b>1,305,010</b>	<b>1,201,188</b>	<b>1,137,996</b>	<b>1,843,618</b>	<b>1,637,895</b>
<b>EQUITY</b>							
	Retained earnings		331,247	383,425	326,995	647,696	672,501
	Other reserves		973,763	817,763	811,001	1,089,282	865,486
	Minority interest		-	-	-	106,640	99,908
	<b>Total equity</b>		<b>1,305,010</b>	<b>1,201,188</b>	<b>1,137,996</b>	<b>1,843,618</b>	<b>1,637,895</b>

**Attachment 1 to Report 22.494**

**Greater Wellington Regional Council's 2021/22 Annual Report**

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Daran Ponter  
Heamana Kaunihera | Chair

1 December 2022

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Nigel Corry  
Tumu Whakarae | Chief Executive

1 December 2022

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Alison Trustrum-Rainey  
Āpiha Mātāmua Pūtea | Chief Financial  
Officer

1 December 2022



## He tauākī whakamārama Moni Taurite | Statements of changes in equity

For the year ended 30 June 2022	Council			Group	
	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Restated 2021 \$'000
Note					
<b>Opening equity</b>	<b>1,137,997</b>	<b>1,180,576</b>	<b>1,103,138</b>	<b>1,637,897</b>	<b>1,619,766</b>
Operating surplus /(deficit) after tax	35,112	19,601	30,169	10,799	3,067
Dividend to non-controlling interest	-	-	-	(1,385)	(4,615)
Asset revaluation movements	120,177	-	-	184,585	14,992
Revaluation movement of other financial assets	11,717	-	4,689	11,717	4,689
<b>Total closing equity at 30 June</b>	<b>1,305,010</b>	<b>1,201,188</b>	<b>1,137,996</b>	<b>1,843,618</b>	<b>1,637,897</b>
<b>Non-controlling interest</b>					
Opening non-controlling interest	-	-	-	99,908	105,168
Share of operating surplus/(deficit)	-	-	-	5,005	(4,108)
Share of reserves movements	-	-	-	3,111	3,463
Dividends paid	-	-	-	(1,385)	(4,615)
<b>Non-controlling interest at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,639</b>	<b>99,908</b>
<b>Asset revaluation reserves</b>					
Opening asset revaluation reserves	<b>776,066</b>	<b>783,917</b>	<b>776,066</b>	<b>811,233</b>	<b>801,721</b>
<b>Subs opening equity adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,017)</b>
Increase (Decrease) in Asset Revaluation Reserves	120,177	-	-	184,692	14,992
Share of non controlling interest	-	-	-	(3,111)	(3,463)
Transfers from/(to) accumulated funds	-	-	-	-	-
<b>Closing asset revaluation reserve</b>	<b>896,243</b>	<b>783,917</b>	<b>776,066</b>	<b>992,814</b>	<b>811,233</b>
<b>Fair Value Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening fair value reserve	13,675	-	8,987	13,675	8,987
Current year movement	11,717	-	4,689	11,717	4,689
<b>Closing fair value reserve</b>	<b>25,392</b>	<b>-</b>	<b>13,675</b>	<b>25,392</b>	<b>13,675</b>
<b>Other reserves</b>					
Opening other reserves	47,336	38,943	34,538	25,847	34,491
Transfers from accumulated funds	11,930	(5,097)	20,785	-	-
Transfers to accumulated funds	(18,525)	-	(8,644)	(18,525)	(8,644)
Interest earned	667	-	656	667	-
<b>Closing other reserves</b>	<b>41,408</b>	<b>33,846</b>	<b>47,335</b>	<b>7,989</b>	<b>25,847</b>
<b>Retained earnings</b>					
Opening accumulated funds	300,918	262,287	283,546	687,235	669,399
Subs opening equity adjustments	-	-	-	-	2,017
Operating surplus / (deficit) after tax	35,112	-	30,169	10,799	3,067
Interest allocated to reserves	(667)	-	(656)	(667)	-
Other transfers to reserves	(11,930)	-	(20,785)	-	-
Transfers from reserves	18,525	-	8,644	18,525	8,644
Share on non-controlling interest	-	-	-	(5,005)	4,108
<b>Closing accumulated funds</b>	<b>341,958</b>	<b>262,287</b>	<b>300,918</b>	<b>710,887</b>	<b>687,235</b>
<b>Total closing equity at 30 June</b>	<b>1,305,010</b>	<b>1,201,188</b>	<b>1,137,996</b>	<b>1,843,618</b>	<b>1,637,895</b>
Non-controlling interest	-	-	-	(8,116)	645

## Attachment 1 to Report 22.494

**Greater Wellington Regional Council's 2021/22 Annual Report**  
**He tauākī Kapewhiti | Statement of Cash flow**

For the year ended 30 June 2022		Council			Group	
		Note	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000
<b>Cash flows from operating activities</b>						
		-	-	-	83,648	80,959
		158,566	161,654	141,692	158,566	141,692
		39,319	39,319	35,860	39,319	35,860
		183,854	128,759	158,437	183,853	158,437
		2,630	1,066	2,782	4,859	7,676
		3,864	3,864	14,666	64	66
		-	-	-	6,665	6,642
		34,018	126,234	112,526	33,232	111,751
		(161,525)	(404,613)	(250,772)	(250,556)	(340,830)
		(232,776)	-	(129,056)	(217,815)	(115,525)
		(21,300)	(19,942)	(21,339)	(21,813)	(21,173)
		-	-	-	(2,450)	(2,509)
	<b>24</b>	<b>6,650</b>	<b>36,341</b>	<b>64,794</b>	<b>17,572</b>	<b>63,045</b>
<b>Cash flows from investing activities</b>						
		-	321	197	113	5,096
		-	6,120	-	-	-
		-	-	-	-	-
		-	-	-	19,902	(176)
		-	-	-	100	-
		-	<b>6,441</b>	<b>197</b>	<b>20,115</b>	<b>4,920</b>
		(74,041)	(91,185)	(38,097)	(139,441)	(107,817)
		(3,261)	-	(576)	(3,261)	(576)
		-	-	-	(2,340)	(2,797)
		(23,253)	(31,154)	(43,176)	(28,314)	(26,776)
		(466)	-	-	(466)	-
		-	-	-	(10,845)	(7,680)
		<b>(101,022)</b>	<b>(115,898)</b>	<b>(81,651)</b>	<b>(164,552)</b>	<b>(140,725)</b>
<b>Cash flows from financing activities</b>						
		131,214	114,489	12,195	134,714	19,695
		(25,000)	(34,569)	-	(25,000)	-
		-	-	-	(1,385)	(4,615)
		<b>106,214</b>	<b>79,920</b>	<b>12,195</b>	<b>108,329</b>	<b>15,080</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>						
		<b>11,843</b>	<b>363</b>	<b>(4,662)</b>	<b>(38,651)</b>	<b>(62,600)</b>
		4,675	20,649	9,338	196,792	259,393
	<b>10</b>	<b>16,517</b>	<b>21,012</b>	<b>4,675</b>	<b>158,141</b>	<b>196,792</b>

## He tauākī Kapewhiti | Funding Impact Statement

	Council			
	Actual	Budget	Actual	Budget
	2022	2022	2021	2021
	\$'000	\$'000	\$'000	\$'000
<b>Sources of operating funding</b>				
General rate	63,126	63,115	49,835	49,632
Targeted rates	98,885	98,541	93,521	94,326
Subsidies and grants for operating purposes	139,990	109,964	125,049	180,853
Interest and dividends from investments	7,154	4,930	17,140	4,725
Fees and charges	54,105	100,714	82,134	112,415
Fines, infringement fees, and other receipts <sup>1</sup>	67,855	64,839	64,801	54,882
<b>Total operating funding</b>	<b>431,115</b>	<b>442,103</b>	<b>432,480</b>	<b>496,833</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(411,187)	(404,976)	(384,689)	(475,563)
Finance costs	(23,099)	(19,942)	(21,314)	(21,664)
<b>Total applications of operating funding</b>	<b>(434,286)</b>	<b>(424,918)</b>	<b>(406,003)</b>	<b>(497,227)</b>
<b>Surplus / (deficit) of operating funding</b>	<b>(3,171)</b>	<b>17,185</b>	<b>26,477</b>	<b>(394)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	13,170	18,795	-	14,811
Increase / (decrease) in debt	104,539	74,822	54,255	76,475
Gross proceeds from asset sales	112	321	315	1,054
<b>Total sources of capital funding</b>	<b>117,821</b>	<b>93,938</b>	<b>54,570</b>	<b>92,340</b>
<b>Applications of capital funding</b>				
- to meet additional demand	-	-	(1,345)	-
- to improve the level of service	(49,573)	(45,785)	(13,950)	(49,877)
- to replace existing assets	(26,298)	(45,037)	(23,375)	(28,372)
Increase / (decrease) in investments	(33,488)	(25,398)	(41,119)	11,032
Increase / (decrease) in reserves	(5,290)	5,097	(1,259)	(24,729)
<b>Total applications of capital funding</b>	<b>(114,649)</b>	<b>(111,123)</b>	<b>(81,048)</b>	<b>(91,946)</b>
<b>Surplus / (deficit) of capital funding</b>	<b>3,172</b>	<b>(17,185)</b>	<b>(26,478)</b>	<b>394</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation on council assets	31,857	28,374	29,196	29,891
Water supply levy	39,319	39,319	35,860	35,860

<sup>1</sup> 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.

## Attachment 1 to Report 22.494

## Greater Wellington Regional Council's 2021/22 Annual Report

### He Pūtea Penapena | Financial Reserves

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

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

Other reserves are split into four categories:

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

Council created reserves	Purpose of the fund	Opening balance Jul-21 \$'000	Deposits \$'000	Withdrawals \$'000	Closing balance Jun-22 \$'000
<b>Area of benefit reserves</b>					
Regional parks reserve	Any funding surplus or deficit relating to the provision of regional parks is used only on subsequent regional parks expenditure	57	1	-	58
Public transport reserve	Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure	11,982	192	(6,739)	5,435
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	539	9	(287)	261
WRS reserve	Any funding surplus or deficit relating to the Wellington Regional Strategy implementation is used only on subsequent Wellington Regional Strategy expenditure	673	-	-	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	81	1	-	82
WREMO reserve	Contributions by other local authorities to run the WREMO	353	6	(125)	234
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	8,873	3,698	(2,942)	9,629
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	2,032	1,472	(866)	2,638
<b>Contingency reserves</b>					
Environmental legal reserve	To manage the variation in legal costs associated with resource consents and enforcement	10	-	-	10
Flood contingency reserves	To help manage the costs for the repair of storm damage throughout the region.	3,079	329	-	3,408
Rural fire reserve	To help manage the costs of rural fire equipment.	80	1	-	81

Council created reserves		Opening balance Jul-21 \$'000	Deposits \$'000	Withdrawals \$'000	Closing balance Jun-22 \$'000
<b>Special reserves</b>					
Election reserve	To manage the variation in costs associated with the election cycle	351	6	-	357
Corporate systems reserve	To manage the variation in costs associated with key IT infrastructure and software.	1,000	16	-	1,016
Long Term Plan reserve	To manage variation in costs associated with Long term plan process	380	6	-	386
Masterton Building Reserve	To manage variation in costs associated with the Masterton Building	303	5	-	308
Wellington Analytics Reserve	Contribution by other local authorities for set up costs	120	802	-	922
Environmental Restitution Reserve	To manage variation in costs associated with environmental restoration projects	525	8	(144)	389
Low Carbon Acceleration Fund Reserve	To manage costs associated with reducing Council's carbon footprint	(78)	(3)	-	(81)
General Reserve	To manage variation in costs associated with new initiative projects	11,538	587	(2,571)	9,554
<b>Re-budget reserve</b>					
Rebudgeted reserve	Expenditure that has been rated for in 2021/22 when the project will not be completed until 2022/23	4,851	5,454	(4,851)	5,454
Earthquake proceeds reserve	to manage future repair and maintenance due to the Kaikoura earthquake	586	9	-	595
		<b>47,335</b>	<b>12,599</b>	<b>(18,525)</b>	<b>41,409</b>

All figures on this page exclude GST.

## Attachment 1 to Report 22.494

Greater Wellington Regional Council's 2021/22 Annual Report  
Ko te Moni Tārewa | Debt

As at 30 June 2022	Opening balance 2021 \$'000	Additions \$'000	Repayments \$'000	Closing balance 2022 \$'000	Finance costs \$'000
<b>Regional leadership</b>					
Strategic planning	10,327	(3,934)	(813)	5,580	514
Warm Wellington	4,596	(1,632)	(1,374)	1,590	121
<b>Public transport</b>					
Public transport	236,719	30,343	(14,363)	252,699	8,612
<b>Water supply</b>					
Water supply	111,736	31,502	(4,960)	138,278	4,173
<b>Environment</b>					
Environment	6,733	870	(611)	6,992	249
<b>Flood protection and control works</b>					
Flood protection and control works	115,709	33,139	(5,118)	143,730	4,468
<b>Parks</b>					
Parks	9,880	924	(693)	10,111	356
<b>Investments</b>					
Property and other	54,926	3,996	(7,259)	51,663	1,971
	<b>550,626</b>	<b>95,208</b>	<b>(35,191)</b>	<b>610,643</b>	<b>20,464</b>
					<b>Council Actual 2022 \$'000</b>
Total activities debt					610,643
Treasury internal funding <sup>(1)</sup>					27,421
					<b>638,064</b>
External debt (current)					124,064
External debt (non-current)					514,000
					<b>638,064</b>

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

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

### 1 Reporting entity

#### 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. Greater Wellington Group consists of Greater Wellington and its subsidiaries as disclosed below. The Group consists of Greater Wellington and its 100% subsidiary WRC Holdings Limited.

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 are for the year ended 30 June 2022. The financial statements were authorised for issue by the council on **1 December 2022**.

#### 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 2022.

Greater Wellington 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 proceeding 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)

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Note 14 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 Limited.

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 25 (e).

See note 14 for details

**(iv) Income tax calculations**

See note 8 for details

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

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

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

The consolidated financial statements are presented in New Zealand dollars, rounded to the nearest thousand. The functional currency of Greater Wellington & 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 the Group. 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 19.

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

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.

The Group has the following classes of Investment Property:

1. Developed investment properties
2. Land available for development

### **2.5. New Zealand Local Government Funding Agency**

Greater Wellington 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 domestic credit rating from Standard & Poor's of AAA.

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

- Greater Wellington is not aware of any local authority debt default events in New Zealand; and

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- 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.

**2.6. 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.

**2.7. 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 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.

**2.8. Provisions**

A provision is recognised in the 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.

**2.9. 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.

**2.10. 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.

## **2.11. 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.

## **2.12. 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.

## **2.13. 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.

## **2.14. 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.

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- (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.

**2.15. Budget figures**

The budget figures are those approved by the Council at the beginning of the year in the Long Term 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.

**2.16. 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 2022.

*PBE IPSAS 41 Financial Instruments*

PBE IPSAS 41 supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement. It is effective for the year ending 30 June 2023, with early adoption permitted. The main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.

A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.

Revised hedge accounting requirements to better reflect the management of risks.

GWRL has not yet determined how the application of PBE IPSAS 41 will affect the carrying value of its financial instruments. Additional financial instrument disclosures may be required.

**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	Budget	Actual	Actual	Actual
	2022	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue from exchange transactions:</b>					
Water supply	39,319	39,319	35,860	39,319	35,860
Subsidiaries revenue	-	-	-	66,003	61,949
Dividends	3,864	4,065	14,666	139	82
Interest received	3,290	865	2,466	5,304	5,831
Rental income	5,237	4,955	5,298	30,084	29,828
<b>Total exchange</b>	<b>51,710</b>	<b>49,204</b>	<b>58,290</b>	<b>140,849</b>	<b>133,550</b>
<b>Revenue from non-exchange transactions:</b>					
General rates	62,395	63,113	49,835	62,395	49,835
Targeted rates	98,551	98,541	93,536	98,551	93,536
Rates, penalties, remissions & rebates	1,001	-	741	1,001	741
Grants & subsidises	139,991	109,964	114,788	139,991	114,788
Transport improvement grants	13,170	18,795	10,243	13,170	10,222
Provision of goods & services	77,772	121,279	105,023	76,874	104,194
<b>Total non-exchange</b>	<b>392,880</b>	<b>411,692</b>	<b>374,166</b>	<b>391,982</b>	<b>373,316</b>
<b>Total exchange and non-exchange</b>	<b>444,590</b>	<b>460,896</b>	<b>432,456</b>	<b>532,830</b>	<b>506,865</b>

**4 Employee benefits**

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2022	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Other employee benefits expense	64,021	61,620	56,431	88,756	81,062
Defined contribution plan employer contributions	3,639	2,640	5,437	4,866	5,437
<b>Total personnel costs</b>	<b>67,660</b>	<b>64,260</b>	<b>61,868</b>	<b>93,622</b>	<b>86,499</b>

Many public and private sector entities, including Greater Wellington Regional Council, 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 a provision balance of \$1.31m for the Holiday Act remediation payment.

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## Greater Wellington Regional Council's 2021/22 Annual Report

## 5 Depreciation and amortisation

	Council		Group	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Port wharves and paving	-	-	3,730	2,036
Land and buildings	990	615	2,101	1,488
Plant and equipment	3,591	2,618	8,600	7,116
Rail rolling stock	-	-	19,800	16,645
Motor vehicles	944	1,054	944	1,054
Flood protection	1,171	1,267	1,171	1,268
Water infrastructure	16,361	15,784	16,361	15,784
Transport infrastructure	2,912	3,289	7,734	7,495
Navigational aids	97	114	97	115
Parks and forests	1,900	2,118	1,900	2,119
Right to use	1,536	1,544	1,536	1,544
Amortisation-Computer software	2,360	793	2,360	797
	<b>31,857</b>	<b>29,196</b>	<b>66,332</b>	<b>57,461</b>

## 6 Other operating expenditure

	Council		Group		
	Actual	Budget	Actual	Actual	Actual
	2022	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Other operating expenses</b>					
Fees to principal auditor for financial statements audit	271	283	417	622	167
Fees to principal auditor for Long Term Plan and other services	-	-	151	-	151
Impairment of trade receivables	(65)	-	342	(65)	242
Rates and insurance	4,229	3,033	2,848	11,207	10,430
Directors' fees	-	-	-	616	599
Subscriptions LGNZ	393	463	622	393	622
Operating lease rentals	5,053	5,912	5,041	5,053	7,270
Energy and utilities	3,296	3,726	3,850	3,296	3,850
Councillor fees and costs	1,268	1,256	1,421	1,268	1,421
Repairs and maintenance expenses	3,752	7,359	8,755	24,424	26,864
Materials and supplies	23,463	22,401	93,599	23,463	93,599
Contractors and consultants	74,771	69,781	66,978	95,121	88,377
Other operating expenses	1,558	1,548	9,738	15,686	22,692
<b>Total other expenditure</b>	<b>117,989</b>	<b>115,762</b>	<b>193,763</b>	<b>181,803</b>	<b>256,284</b>

## 7 Fair value movements

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2022	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fair value movements in financial instruments</b>					
Interest rate swaps	64,561	14,110	32,775	64,561	32,775
<b>Fair value change in other assets</b>					
Impairment on other assets	-	-	-	(21,000)	-
<b>Fair value movements of investment properties</b>					
Investment properties	-	-	-	4,842	(1,998)
	<b>64,561</b>	<b>14,110</b>	<b>32,775</b>	<b>48,403</b>	<b>30,777</b>

## 8 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.

#### **CentrePort Binding Ruling Tax Treatment Insurance Proceeds**

The financial statements for the year ended 30 June 2021, included a \$23.5 million tax expense for the expected tax treatment of insurance proceeds. On 15 December 2021, CentrePort finalised the binding ruling with Inland Revenue to confirm the key assumptions underpinning the tax treatment of insurance proceeds. The binding ruling was released just before Greater Wellington finalised the 30 June 2021 annual report and a post balance date note was included in the 30 June 2021 financial statements. A decision was made by management not to change the financial statements and to make an adjustment in the 30 June 2022 financial statements. The following note includes restatements for the year ended 30 June 2021 to correct the error and the adjustments are explained in detail in Note 34.

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	Council		Group	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Income tax recognised in profit or loss</b>				
<b>Tax expense/(benefit) comprises:</b>				
Current tax expense/(benefit)	-	-	(222)	4,179
Adjustments recognised in the current period in relation to the deferred tax of prior periods	-	-	961	(3,457)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-	(11,287)	(1,818)
<b>Tax expense</b>	-	-	<b>(10,548)</b>	<b>(1,096)</b>
Surplus/(deficit) from operations	35,113	30,168	251	1,970
Income tax expense/(benefit) calculated at 28%	9,832	8,444	70	552
Surplus/(deficit) not subject to taxation				
Non-deductible expenses	125,368	115,710	130,739	120,128
Non-assessable income	(133,995)	(119,703)	(141,093)	(124,293)
Land and buildings reclassification	-	-	(1,326)	633
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	273	1,232	-	-
Tax effect of imputation credits	(1,477)	(5,678)	-	(1,590)
Temporary differences	-	-	-	-
Recognition of deferred tax on buildings / Change in use of assets	-	-	460	(565)
Insurance Proceeds on non-depreciable assets	-	-	(1,478)	-
Permanent differences	-	-	2,140	1,723
(Under)/over provision of income tax in previous year	-	(6)	16	723
<b>Tax expense</b>	-	-	<b>(10,548)</b>	<b>(1,096)</b>

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Tax expense/(benefit) is attributable to:</b>				
Continuing operations	-	-	(10,548)	(1,095)
			<b>(10,548)</b>	<b>(1,095)</b>

### b) Tax loss sharing

On 22 September 1998 WRC Holdings Limited, its wholly owned subsidiary Greater Wellington Rail Limited 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 2022 year, no subvention payments were made (2021: Nil) and no loss offsets occurred (2021: Nil).

The 2022 financial statements for the parent do not include any subvention payments to be received (2021: Nil) for utilisation of the Greater Wellington's net losses.



## 9 Deferred Tax

	Council		Group	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>The balance comprises temporary differences attributable to:</b>				
Tax losses	-	-	34,018	30,522
Temporary differences	-	-	989	584
	-	-	35,007	31,106
<i>Other</i>				
Temporary differences	-	-	(140,650)	(127,223)
Sub-total other	-	-	(140,650)	(127,223)
Total deferred tax liabilities	-	-	(105,643)	(96,117)

Movements-Group	Property, plant and equipment	Trade and other payables	Tax losses	Insurance Recoverable	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	(92,577)	809	26,852	(36,475)	(101,391)
Charged to income	(8,254)	(225)	3,670	10,083	5,274
Balance at 30 June 2021	(100,831)	584	30,522	(26,392)	(96,117)

Movements-Group	Other Financial Liabilities	Property, plant and equipment	Trade and other payables	Tax losses	Insurance Recoverable	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	-	(100,831)	584	30,522	(26,392)	(96,117)
Charged to income	(393)	676	405	3,496	6,142	10,326
Charged to equity	-	(19,852)	-	-	-	(19,852)
Balance at 30 June 2022	(393)	(100,831)	989	34,018	(20,250)	(105,643)

	Council		Group	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Tax losses	13,758	12,006	-	-
Temporary differences	-	-	-	-
	13,758	12,006	-	-

### Tax losses not recognised

Greater Wellington has \$49.134 million of unrecognised tax losses at Parent level (2021: \$42.880 million) available to be carried forward and to be offset against taxable income in the future. The tax effect of losses at 28% was \$13.758 million (2021: \$12.006 million).

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

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## 10 Cash and cash equivalents

	Council		Group	
	Actual 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Cash at bank and in hand	16,517	4,675	158,141	196,792
<b>Total cash and cash equivalents</b>	<b>16,517</b>	<b>4,675</b>	<b>158,141</b>	<b>196,792</b>

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 2022 there are \$10,000,000 at 2.42% invested in a money market term deposit (2021: \$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.

## 11 Trade and other receivables

## Accounting policy

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

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

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

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

Debtors are amounts due from trade 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 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
<b>Receivable from non-exchange transactions</b>				
Rates and water levies receivable*	21,613	19,457	21,613	19,457
Accrual revenue	41,806	25,674	41,806	25,674
Other receivable**	1,282	2,537	1,282	2,537
<b>Total Receivable from non-exchange transactions</b>	<b>64,701</b>	<b>47,668</b>	<b>64,701</b>	<b>47,668</b>
<b>Receivable from exchange transactions</b>				

Trade Customer	11,737	3,573	19,517	13,441
Prepayment & other receivable	4,641	3,598	9,061	4,030
<b>Total Receivable from exchange transactions</b>	<b>16,378</b>	<b>7,171</b>	<b>28,578</b>	<b>17,471</b>
Less provision for impairment of receivables	(1,137)	(1,202)	(1,137)	(1,202)
<b>Total Receivable</b>	<b>79,942</b>	<b>53,637</b>	<b>92,142</b>	<b>63,937</b>

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

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

### Provision for impairment of receivables

	Council		Group	
	Actual 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Opening balance	(1,202)	(859)	(1,202)	(859)
Movement	65	(343)	65	(343)
Closing balance	(1,137)	(1,202)	(1,137)	(1,202)

The impairment provision has been determined based on a review of outstanding balances as at 30 June 2022.

	Council		Group	
	Actual 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Not past due	4,765	4,944	11,617	12,823
Past due 31-60 days	165	28	655	273
Past due 61-90 days*	8,006	648	8,320	638
Past due > 90 days	84	491	204	774
<b>Total gross trade receivables</b>	<b>13,020</b>	<b>6,111</b>	<b>20,796</b>	<b>14,508</b>

\*A receivable balance of \$7.9 million is in relation to Climate Resilience Program and the funds have been received in August 2022.

## 12 Inventories

### 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 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Harbours	-	-	1,117	1,506
Water supply	3,268	2,791	3,268	2,793

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Wairarapa	1,004	685	1,000	685
Emergency management	-	-	-	-
<i>Other inventories</i>				
CentrePort spare stock	-	-	1,869	1,299
CentrePort fuel and stock	-	-	332	108
<b>Total inventory</b>	<b>4,272</b>	<b>3,476</b>	<b>7,586</b>	<b>6,391</b>

No inventories are pledged as securities for liabilities (2021: Nil)

### 13 Other financial assets

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

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

- Financial assets at fair value accounted through operating surplus or deficit

Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains or losses on re measurement are recognised in operating surplus or deficit. Financial assets acquired principally for the purpose of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset. The current / non-current classification of derivatives is explained in the derivatives accounting policy below.

- Financial assets at fair value accounted through other comprehensive revenue and expenses

Financial assets are classified in this category if they were not acquired principally for selling in the short term. After initial recognition, these assets are measured at their fair value. Any gains and losses are recognised directly to equity, except for impairment losses which are recognised in other comprehensive revenue and expenses.

- Financial assets available for sale

Financial assets are either designated in this category or not classified in any of the other categories. Available for sale financial assets are initially recorded at fair value plus transaction costs when it can be reliably estimated. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised directly through equity. If there is no active market, no intention to sell the asset and fair value cannot be reliably measured, the item is measured at cost. Where the investment is determined to be impaired, the cumulative loss is reclassified from reserves to the surplus or deficit.

- Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised costs using the effective interest method. Gains and losses when the asset is impaired or sold are accounted for in the surplus or deficit.

- Held to maturity investments

These are assets with fixed or determinable payments with fixed maturities that Greater Wellington and the Group has the intention and ability to hold to maturity.

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

### Impairment of financial assets

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

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

#### (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	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Loan/Advances</b>				
Loan to WRC Holdings Limited	44,000	44,000	-	-
Loans and Advances to Joint Venture	-	-	7,670	7,753
Stadium advance	2,100	900	2,100	900
Warm Wellington funding	3,516	6,111	3,516	6,111
<b>Equity/shares</b>				
Civic Financial Services Limited shares	80	80	80	80
New Zealand Local Government Funding Agency Limited shares	7,804	7,072	7,804	7,072
<b>Deposits</b>				

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Bank deposits with maturity terms more than three months	54,000	53,000	64,000	53,000
New Zealand Local Government Funding Agency Limited borrower notes	10,630	7,650	10,630	7,650
<b>Contingency fund</b>				
Bulk water supply contingency fund	43,390	40,499	43,390	40,499
Material damage property insurance contingency fund	11,165	10,678	11,165	10,678
Major flood contingency fund	7,692	7,396	7,692	7,396
	<b>184,377</b>	<b>177,386</b>	<b>158,047</b>	<b>141,139</b>
Current financial assets	117,167	157,452	117,167	113,452
Non-current financial assets	67,210	19,934	30,880	27,687
<b>Total financial assets</b>	<b>184,377</b>	<b>177,386</b>	<b>148,047</b>	<b>141,139</b>

## Advance to Wellington Regional Stadium Trust

Greater Wellington advanced \$25 million to the Wellington Regional Stadium Trust in August 1998. The advance was 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 expected that the Stadium would not repay the advance and consequently the asset is fully impaired.

Greater Wellington advanced \$2.1million (2021: \$0.9 million) to the Wellington Regional Stadium Trust. The advance is for 10 years with the first two years being interest free. Afterwards an interest rate of 3% applies.

## Civic Financial Services Limited

Greater Wellington holds 80,127 shares (2021: 80,127 shares) in the New Zealand Local Government Insurance Corporation, trading as Civic Financial Services Limited.

## 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 (2021: 1,866,000). It has also invested \$10.6 million (2021: \$7.7 million) in LGFA borrower notes, which return on average 2.56% as at 30 June 2022 (2021: 1.01%). 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.

## 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 2020/21 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.

## Bank deposits with maturity terms more than three months

Greater Wellington has invested \$54.0 million (2021: \$53.0 million) of its funds in short term deposits with an average rate of 2.85% (2021: 1.01%). They are recorded at fair value.

### Bulk water supply contingency fund

Greater Wellington is holding \$43.4 million (2021: \$40.5 million) in bulk water supply contingency funds. The funds are invested in term deposits (2021: \$35.5 million in term deposits and \$5 million in bank bonds). The weighted average rate is 2.48% (2021: 1.26%). The investments are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

### Material damage property insurance contingency fund

Greater Wellington has invested \$11.2 million (2021: \$10.7 million) of its material damage property insurance contingency fund in short term deposits with an average rate of 2.83% (2021: 0.96%). The investments are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

### Major flood contingency fund

Greater Wellington has invested \$7.692 million (2021: \$7.396 million) of its major flood contingency fund in a short-term deposit with a rate of 1.96% (2021: 0.80%). The deposit is recorded at fair value.

### Loan to WRC Holdings Limited

Greater Wellington loaned \$44.0 million (2021: \$44.0 million) to its wholly owned subsidiary WRC Holdings Limited. The rate per 30 June 2022 is 2.3775% (2021: 0.9225%) and is reset quarterly.

### Loans and Advances to Joint Venture

CentrePort Limited has provided a secured and interest bearing long term shareholder advance to Direct Connect Container Services of \$7 million. Interest is payable on the principal of 7.0% per annum, income from the loan for the year ended 30 June 2022 was \$490k (2021: \$325k). The loan is repayable on 29 November 2029.

At 30 June 2022, CentrePort Limited has \$1.1 million of unsecured advances to Direct Connect Container Services there were no new advances made during the year (2021: \$680k). There is no interest charged on these advances and they are repayable on demand. This cash advance is shown on the balance sheet net of CentrePort Limited's share of losses, \$670k.

## 14 Aggregated joint venture information

Name of joint venture	Principal activity	2022	2021
		Percentage ownership %	Percentage ownership %
Direct Connect Container Services Limited*	Transport hubbing and logistics	38.5%	38.5%
Marlborough Inland Hub Limited*	Development	38.5%	-%
Dixon & Dunlop Limited**	Construction & development	38.5%	-%

\* The Marlborough Inland Hub joint venture between Port Marlborough and CentrePort Limited will see the development of the Riverlands site. A total of 7 hectares of the 32-hectare site is expected to be utilised for the hub with the remainder available to prospective parties.

\*\* CentrePort Limited completed a 50% acquisition of civil contracting company Dixon & Dunlop in September 2021.

All companies are incorporated and operate in New Zealand.

### Summarised balance sheet

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	Actual 2022 \$'000	Actual 2021 \$'000
<b>Current</b>		
Cash and cash equivalents	1,744	354
Other current assets (excluding cash)	2,002	304
<b>Total current assets</b>	<b>3,746</b>	<b>658</b>
Other current liabilities (including trade payables)	(1,831)	(251)
<b>Total current liabilities</b>	<b>(1,831)</b>	<b>(251)</b>
<b>Non-current</b>		
Assets	35,322	15,043
<b>Total non-current assets</b>	<b>35,322</b>	<b>15,043</b>
Financial liabilities	(16,160)	(16,160)
Other liabilities	-	-
<b>Total non-current liabilities</b>	<b>(16,160)</b>	<b>(16,160)</b>
<b>Net assets</b>	<b>21,077</b>	<b>(710)</b>

## Summarised statement of comprehensive income

	Actual 2022 \$'000	Actual 2021 \$'000
Revenue	16,564	2,757
Operating expenses	(14,192)	(2,822)
Net finance cost	-	-
	<b>2,372</b>	<b>(65)</b>

## Reconciliation of summarised financial information

	Actual 2022 \$'000	Actual 2021 \$'000
Opening net assets 30 June	(710)	(653)
Profit/(loss) for the year	3,088	(65)
Gain on sale of asset	18,699	-
<b>Closing net assets</b>	<b>-</b>	<b>8</b>
Interest in joint venture	21,077	(710)
Applied against loan advances	(74)	(355)
<b>Carrying value</b>	<b>74</b>	<b>355</b>



## 15 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
- Rail rolling stock
- 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 & 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.

Property, plant, and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

### 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 & 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:

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report*****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.

Management performed a desktop assessment to assess if there are any indications that the carrying value of these revalued assets is materially different to the estimated fair value. The flood protection desktop assessment indicated that no adjustment to carrying values was required. The outcome of the assessment is supported by separate review performed by Damwatch.

***Parks and forests***

The parks and forests land and buildings were valued at 30 June 2022. 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 2022 and have been valued using ODRC methodology. Peter Ollivier, Senior Project Director of Calibre Consulting Limited reviewed the unit rate methodology.

***Public transport***

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

Greater Wellington Rail Limited 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 ODRC methodology.

For public transport assets, management performed a desktop assessment to assess if there are any indications that the carrying value of these revalued assets is materially different to the estimated fair value. This assessment indicated that the movement in the estimated fair values of Rolling Stock and Transport Infrastructure is material. This has resulted in a \$70.9 million estimated increase in the value of the Rolling Stock and Transport Infrastructure asset classes and the revaluation reserve. The increase in the revaluation reserve is partially offset by a \$19.852 million deferred tax liability, resulting from the adjustment. This adjustment is a book entry only and a full revaluation of these asset classes will be performed by June 2023.

In estimating the replacement cost of Rolling Stock, the same methodology was applied as the most recent valuation in 2019. The manufacturer of the Rolling Stock units was able to provide the increase in the cost of similar rolling stock units over this period. The estimated increase in the ODRC of Rolling Stock is \$34.9 million.

Similarly, in estimating the replacement cost of Transport Infrastructure assets, cost information was obtained from recent projects. The estimated increase in the ODRC of Transport Infrastructure is \$36.0 million.

The assessment has not been independently reviewed.

### ***Regional water supply***

Regional water supply infrastructure assets were valued by John Freeman as at 30 June 2022 using ODRC methodology. Water supply buildings were revalued by Paul Butcher, BBS, FPINZ, Registered Valuer, a Director of Bayleys Valuations Limited as at 30 June 2022 using ODRC methodology.

Water urban based land assets were valued by Telfer Young (Martin J Veale, Registered Valuer, ANZIV, SPINZ) as at 30 June 2022 using current market value methodology in compliance with PINZ professional Practice (Edition 5) Valuation for Financial Reporting and NZ PBE IPSAS 17 Property Plant and Equipment.

Water catchment and rural based assets were valued by Baker & Associates (Fergus T Rutherford, Registered Valuer, BBS (VPM), ANZIV) as at 30 June 2022 using current market value methodology in compliance with PINZ Professional Practice (Edition 5) Valuation for Financial Reporting and NZ PBE IPSAS 17 Property Plant and Equipment.

### ***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 the firm Colliers International, a registered valuer, on 30 June 2022.

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. 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.

**Attachment 1 to Report 22.494****Greater Wellington Regional Council's 2021/22 Annual Report****Additions**

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

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

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

**Disposals**

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

**Depreciation**

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

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

Port, wharves and paving	2 to 100 years
Operational port freehold land	Indefinite
Operational land	Indefinite
Operational buildings	5 to 50 years
Operational plant and equipment	2 to 50 years
Operational vehicles	2 to 34 years
Flood protection infrastructural assets	10 years to indefinite
Transport infrastructural assets	1 to 150 years
Rail rolling stock	5 to 30 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.

<b>Council 2022</b>	<b>Land &amp; Buildings \$'000</b>	<b>Plant &amp; Equipment \$'000</b>	<b>Motor Vehicle \$'000</b>	<b>Flood Protection \$'000</b>	<b>Navigational aids \$'000</b>	<b>Parks &amp; Forests \$'000</b>	<b>Transport Infrastructure \$'000</b>	<b>Water infrastructure \$'000</b>	<b>Right to use \$'000</b>	<b>Total \$'000</b>
<b>Operating assets</b>										
Opening net book value	29,345	30,881	3,039	447,569	2,046	88,606	41,044	592,295	26,256	1,261,082
Disposals/written off net	-	(22)	(49)	-	-	-	(139)	-	-	(210)
Reclassification	-	-	-	-	-	(58)	-	(656)	-	(598)
Revaluation gain/(loss)	(120)	-	-	-	-	41,892	11,600	66,207	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Additions	7,072	1,807	705	3,450	-	-	-	6,743	-	19,777
Depreciation charge	(689)	(3,591)	(944)	(1,171)	(97)	(1,901)	(3,137)	(16,434)	(1,536)	(29,501)
Work in progress movement	-	553	142	22,754	-	917	8,587	14,148	-	47,101
<b>Total</b>	<b>35,608</b>	<b>29,628</b>	<b>2,893</b>	<b>472,602</b>	<b>1,949</b>	<b>129,514</b>	<b>58,094</b>	<b>662,821</b>	<b>24,720</b>	<b>1,417,828</b>
Cost	39,609	29,187	9,044	444,498	2,292	126,487	54,262	617,851	30,889	1,354,119
Work in progress	-	11,598	150	32,801	-	3,027	13,284	44,970	-	105,831
Accumulated depreciation	(4,002)	(11,157)	(6,301)	(4,697)	(343)	-	(9,452)	-	(6,169)	(42,121)
<b>Total</b>	<b>35,608</b>	<b>29,628</b>	<b>2,893</b>	<b>472,602</b>	<b>1,949</b>	<b>129,514</b>	<b>58,094</b>	<b>662,821</b>	<b>24,720</b>	<b>1,417,828</b>
<b>Council 2021</b>										
	<b>Land &amp; Buildings \$'000</b>	<b>Plant &amp; Equipment \$'000</b>	<b>Motor Vehicle \$'000</b>	<b>Flood Protection \$'000</b>	<b>Navigational aids \$'000</b>	<b>Parks &amp; Forests \$'000</b>	<b>Transport Infrastructure \$'000</b>	<b>Water infrastructure \$'000</b>	<b>Right to use \$'000</b>	<b>Total \$'000</b>
<b>Operating assets</b>										
Opening net book value	27,415	20,384	3,327	439,034	2,123	89,592	43,440	598,356	27,800	1,251,469
Disposals/written off net	-	(419)	(660)	-	-	-	(53)	-	-	(1,132)
Revaluation gain/(loss)	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Additions	2,541	16,638	788	5,100	38	300	2,913	4,669	-	32,988
Depreciation charge	(611)	(2,221)	(415)	(1,268)	(115)	(2,119)	(3,274)	(15,784)	(1,544)	(27,351)
Work in progress movement	-	(3,500)	-	4,703	-	834	(1,982)	5,055	-	5,109
<b>Total</b>	<b>29,345</b>	<b>30,881</b>	<b>3,039</b>	<b>447,569</b>	<b>2,046</b>	<b>88,606</b>	<b>41,044</b>	<b>592,295</b>	<b>26,256</b>	<b>1,261,082</b>
Cost	32,658	29,509	8,891	441,048	2,292	92,817	42,662	608,524	30,889	1,289,290
Work in progress	-	11,045	-	10,046	-	2,111	4,697	30,822	-	58,720
Accumulated depreciation	(3,313)	(9,673)	(5,851)	(3,525)	(246)	(6,321)	(6,315)	(47,051)	(4,633)	(86,929)
<b>Total</b>	<b>29,345</b>	<b>30,881</b>	<b>3,039</b>	<b>447,569</b>	<b>2,046</b>	<b>88,606</b>	<b>41,044</b>	<b>592,295</b>	<b>26,256</b>	<b>1,261,082</b>

Group 2022	Land & Buildings	Plant & Equipment	Motor Vehicle	Flood Protection	Navigational aids	Parks & Forests	Transport Infrastructure	Water infrastructure	Wharves & paving	Cranes & floating equipment	Rolling stock	Right to use	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating assets</b>													
Opening net book value	130,505	56,427	3,039	447,569	2,046	88,606	149,684	592,295	65,724	26,620	343,826	26,256	1,932,598
Disposals/written off net	(2)	(40)	(49)	-	-	-	-	(139)	-	-	-	-	(230)
Reclassification	621	(2,902)	-	-	-	-	-	-	1,377	902	1	-	-
Revaluation gain/(loss)	10,047	-	-	-	-	41,892	47,600	66,207	-	-	34,900	-	200,646
Impairment	(1,433)	(2,965)	-	-	-	-	-	-	(10,414)	(3,476)	-	-	(18,288)
Additions	21,503	5,808	705	3,450	-	-	1,054	6,743	43,100	507	5,800	-	88,670
Depreciation charge	(1,800)	(5,862)	(944)	(1,171)	(97)	(1,901)	(7,958)	(16,434)	(3,730)	(2,738)	(19,799)	(1,536)	(63,971)
Decrease in Fair Value	(107)	-	-	-	-	-	-	-	-	-	-	-	(107)
Provision for Resilience	2,487	-	-	-	-	-	-	-	-	-	-	-	2,487
Work in progress movement	(337)	943	142	22,754	-	917	14,392	14,148	(10,265)	(487)	1,246	-	43,453
<b>Total</b>	<b>161,484</b>	<b>51,409</b>	<b>2,893</b>	<b>472,602</b>	<b>1,949</b>	<b>129,514</b>	<b>204,772</b>	<b>662,821</b>	<b>85,792</b>	<b>21,328</b>	<b>365,975</b>	<b>24,720</b>	<b>2,185,258</b>
<b>Cost</b>	<b>203,690</b>	<b>65,416</b>	<b>9,044</b>	<b>444,498</b>	<b>2,292</b>	<b>126,487</b>	<b>199,034</b>	<b>617,851</b>	<b>119,705</b>	<b>60,394</b>	<b>416,495</b>	<b>30,889</b>	<b>2,295,795</b>
Work in progress	721	13,784	150	32,801	-	3,027	28,197	44,970	22,248	-	2,585	-	148,463
Accumulated depreciation	(42,928)	(27,791)	(6,301)	(4,697)	(343)	-	(22,459)	-	(56,161)	(39,066)	(53,089)	(6,169)	(259,004)
<b>Total</b>	<b>161,484</b>	<b>51,409</b>	<b>2,893</b>	<b>472,602</b>	<b>1,949</b>	<b>129,514</b>	<b>204,772</b>	<b>662,821</b>	<b>85,792</b>	<b>21,328</b>	<b>365,975</b>	<b>24,720</b>	<b>2,185,254</b>

Group 2021	Land & Buildings	Plant & Equipment	Motor Vehicle	Flood Protection	Navigational aids	Parks & Forests	Transport Infrastructure	Water infrastructure	Wharves & paving	Cranes & floating equipment	Rolling stock	Right to use	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating assets</b>													
Opening net book value	105,445	31,545	3,327	439,034	2,123	89,592	146,134	598,356	31,218	32,723	354,179	27,800	1,861,691
Disposals/written off net	(2,216)	(677)	(660)	-	-	-	(106)	-	(42)	(1,470)	-	-	(5,171)
Reclassification	3,102	-	-	-	-	-	-	-	-	-	-	-	3,102
Revaluation gain/(loss)	6,747	-	-	-	-	-	-	-	-	-	-	-	6,747
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	(18,288)
Additions	14,982	31,818	788	5,100	38	300	15,322	4,669	20,174	2,323	10,686	-	104,479
Depreciation charge	(1,488)	(3,853)	(415)	(1,268)	(115)	(2,119)	(7,479)	(15,784)	(2,036)	(2,864)	(16,645)	(1,544)	(55,610)
Decrease in Fair Value	-	-	-	-	-	-	-	-	-	-	-	-	-
Temp work depreciation	7,899	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress movement	(3,966)	(2,406)	-	4,703	-	834	(4,188)	5,055	16,410	(4,101)	(4,177)	-	9,678
<b>Total</b>	<b>130,505</b>	<b>56,427</b>	<b>3,039</b>	<b>447,569</b>	<b>2,046</b>	<b>88,606</b>	<b>149,683</b>	<b>592,295</b>	<b>65,724</b>	<b>26,620</b>	<b>344,043</b>	<b>26,256</b>	<b>1,932,814</b>
<b>Cost</b>	<b>151,280</b>	<b>64,576</b>	<b>8,891</b>	<b>441,048</b>	<b>2,292</b>	<b>92,817</b>	<b>150,381</b>	<b>608,524</b>	<b>89,079</b>	<b>60,013</b>	<b>375,792</b>	<b>30,889</b>	<b>2,075,583</b>
Work in progress	436	15,735	-	10,046	-	2,111	13,284	30,822	31,140	(415)	1,540	-	105,219
Accumulated depreciation	(21,211)	(23,884)	(5,851)	(3,525)	(246)	(6,321)	(14,501)	(47,051)	(54,495)	(32,978)	(33,290)	(4,633)	(247,988)
<b>Total</b>	<b>130,505</b>	<b>56,427</b>	<b>3,039</b>	<b>447,569</b>	<b>2,046</b>	<b>88,606</b>	<b>149,683</b>	<b>592,295</b>	<b>65,724</b>	<b>26,620</b>	<b>344,043</b>	<b>26,256</b>	<b>1,932,814</b>

**Infrastructural assets – further disclosures**

Council 2022	Closing book value \$'000	Additions		Estimated replacement cost \$'000
		Constructed by Council \$'000	Assets transferred to Council \$'000	
Infrastructural assets				
Water treatment plants and facilities	275,133	6,743	-	275,133
Other water assets	342,718	-	-	342,718
Flood protection and control works	439,802	-	3,450	462,888
<b>Total infrastructural assets</b>	<b>1,057,653</b>	<b>6,743</b>	<b>3,450</b>	<b>1,080,739</b>
Council 2021	Closing book value \$'000	Constructed by Council \$'000	Assets transferred to Council \$'000	Estimated replacement cost \$'000
Infrastructural assets				
Water treatment plants and facilities	250,028	3,790	-	338,794
Other water assets	311,447	880	-	281,790
Flood protection and control works	437,524	5,100	-	461,527
<b>Total infrastructural assets</b>	<b>998,999</b>	<b>9,770</b>	<b>-</b>	<b>1,082,111</b>

**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.

2021			2022	
Group (\$000)	Parent (\$000)		Group (\$000)	Parent (\$000)
1,058	-	Land & Buildings	721	-
12,841	11,045	Plant & Equipment	13,784	11,598
-	-	Motor Vehicle	150	150
10,046	10,046	Flood Protection	32,801	32,801
-	-	Navigational aids	-	-
2,111	2,111	Parks and Forests	3,027	3,027
13,804	4,697	Transport infrastructure	28,197	13,284
30,822	30,822	Water infrastructure	44,970	44,970
32,513	-	Wharves and paving	22,248	-
487	-	Cranes and floating equipment	-	-
1,542	-	Rolling stock	2,565	-
<b>105,224</b>	<b>58,721</b>	<b>Total Work in Progress</b>	<b>148,462</b>	<b>105,830</b>

**Service Concession Arrangement***Background:*

Greater Wellington (as grantor) has entered into an arrangement with Transit, 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.

### **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 2022. The assessed value at that time was \$85.7m which was adjusted by \$27.8m for estimated Operational Port Land resilience costs, to arrive at fair value for financial reporting purposes.

	Council		Group	
	Actual 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Industrial Zoned Land	-	-	113,511	105,396
Commercial Zoned	-	-	-	-
Other Port Land	-	-	29,566	27,359
	-	-	143,077	132,754
Less Provision for Land Resilience	-	-	(27,763)	(43,588)
Additions, Transfers, and Disposals of Port Land since valuation	-	-	-	-
<b>Total Operational Port Land</b>	-	-	<b>115,313</b>	<b>89,166</b>
<b>Industrial Zoned Land</b>				
Industrial Zoned Land as at 1 July	-	-	105,396	94,725
Additions*	-	-	262	915
Transfers/Reclassifications	-	-	-	4,871
Increase / (decrease) in fair value*	-	-	7,853	4,885
	-	-	113,511	105,396
<b>Commercial Zoned Land</b>				
Commercial Zoned Land as at 1 July	-	-	-	2,200
Additions	-	-	-	-
Transfers/Reclassifications	-	-	-	-
Increase / (decrease) in fair value	-	-	-	(2,200)
	-	-	-	-
<b>Other Port Land</b>				
Other Port Land as at 1 July	-	-	27,359	25,495
Additions	-	-	-	-
Transfers/Reclassifications	-	-	-	-
Increase / (decrease) in fair value*	-	-	2,207	1,863
	-	-	29,566	27,359
<b>Provision for Land Resilience</b>				

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Provision for Land Resilience as at 1 July	-	-	(43,588)	(60,000)
Additions	-	-	13,338	10,282
Transfers/Reclassifications	-	-	-	(1,769)
Change in Provision for Land Resilience charged to Revaluation Reserve	-	-	2,487	7,899
	-	-	(27,763)	(43,588)

\*There has been a reclassification of \$650k from Other Port Land Freehold to Industrial Zoned Land Freehold at 30 June 2021. This is for the Norfolk Road property which was incorrectly classified on acquisition in 2021.

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

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

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

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

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

Key assumptions underlying the valuation are set out below:

- It is assumed that CentrePort Limited 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 Limited 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.
- Parts of the port incurred significant settlement resulting in undulations and sharp height variations to some sealed areas. The valuation was completed on the basis that all remediation work was complete, including re levelling and laying new seal.

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

Industrial Zoned Land	Assessed Value	Valuation approach	Key valuation assumptions	Valuation impact
Freehold Land	\$102.0m (2021: \$98.0)*	Direct Sales Comparison approach	Weighted average land value - the rate per sqm applied to the subject property. This ranges from \$50psqm to \$1,650psqm (2021: \$50psqm to \$1,600psqm)	+5% \$5.1m (2021: +5% \$4.9m)
		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	+0.25% \$0.1m (2021: +0.25% \$0.1m*)

			derive the value. The rate selected was 6.25% (2021: 6.5%)	
		Discounted Cash Flow	Discount rate – the rate of return used to determine the present value of future cash flows. The rate used was 7.5% (2021: 7.75%)	+0.25% \$0.1m (2021: +0.25% \$0.03m*)
Leasehold Land	\$11.5m (2021: \$7.4m)	Capitalised Net Rental approach	Weighted average land value - the rate per sqm applied to the subject property. This ranges from \$1,500psqm to \$1,750psqm (2021: \$1,100psqm to \$1,350psqm)	+5% \$0.4m (2021: -0.5% \$0.4m +0.5% \$0.3m)
<b>Assessed Value</b>	<b>\$113.5m</b> <b>(2021: \$104.7m)</b>			
Provision for Land Resilience	\$27.8m (2021: (\$43.6m))	Cost estimates	Estimated cost of completing land resilience work.	+15% \$4.2m (2021: +15% \$6.5m)
<b>Total Fair Value</b>	<b>\$85.7m</b> <b>(2021: \$61.8m)</b>			

### Operational Port Land resilience

An adjustment of \$27.8m has been made to the fair value of Operational Port Land at 30 June 2022 (2021: \$43.6m) to recognise the resilience work that 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. \$13.3m of remediation works were completed during the year. The land resilience provision was decreased by \$2.5m 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.

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

Other Port Land	Assessed Value	Valuation approach	Key valuation assumptions	Valuation impact
Leasehold Land	\$26.5m (2021: \$24.4m)	Capitalised Net Market Ren	Weighted average land value – the rate per sqm applied to the subject property. This ranges from \$150psqm to \$750psqm (2021: \$150psqm to \$700psqm)	+5% \$1.3m (2021: +5% \$1.2m)
Leasehold Land	\$3.1m (2021: \$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 the value. This is set at 8.25% (2021: 8.5%)	+0.25% \$0.3m (2021: +0.25% \$0.3m*)
		Discounted Cashflow	Discount rate – the rate of return used to determine the present value of future cash flows. The rate used was 8.75% (2021: 9.0%)	+0.25% \$0.2m (2021: +0.25% \$0.2m*)
<b>Total Fair Value</b>	<b>\$29.6m</b> <b>(2021: \$27.4m)</b>			

### Greater Wellington Rail Limited (GWRL)

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

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## 16 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.

<b>Council</b>	<b>Software \$'000</b>	<b>*Emission units \$'000</b>	<b>Total \$'000</b>
<b>Year ended 30 June 2021</b>			
Opening net book amount	1,911	10,799	12,710
Additions	576	-	576
Revaluation	-	3,858	3,858
Amortisation charge **	(793)	-	(793)
	-	-	-
Closing net book amount	1,694	14,657	16,351
<b>At 30 June 2021</b>			
Cost and valuation	11,289	14,658	25,947
Accumulated amortisation and impairment	(9,596)	-	(9,596)
Net book amount	1,693	14,658	16,351
<b>Year ended 30 June 2022</b>			
Opening net book amount	1,693	14,657	16,350
Additions	3,261	-	3,261
Revaluation	-	11,353	11,353
Net amortisation charge	(2,356)	-	(2,356)
Closing net book amount	2,598	26,010	28,608
<b>At 30 June 2022</b>			
Cost and valuation	14,551	26,010	40,561
Accumulated amortisation and impairment	(11,953)	-	(11,953)
Net book amount	2,598	26,010	28,608

<b>Group</b>	<b>Goodwill \$'000</b>	<b>Software \$'000</b>	<b>*Emission units \$'000</b>	<b>Total \$'000</b>
<b>Year ended 30 June 2021</b>				
Opening net book amount	2,674	2,700	10,799	16,173
Additions	-	640	-	640
Revaluation	-	-	3,858	3,858
Disposal	-	(72)	-	(72)
Amortisation charge **	-	(1,056)	-	(1,056)
Closing net book amount	2,674	2,212	14,657	19,542
<b>At 30 June 2021</b>				
Cost	2,674	11,812	14,658	29,144
Accumulated amortisation and impairment	-	(9,602)	-	(9,602)
Net book amount	2,674	2,210	14,658	19,542
<b>Group</b>	<b>Goodwill \$'000</b>	<b>Software \$'000</b>	<b>Emission Units \$'000</b>	<b>Total \$'000</b>
<b>Year ended 30 June 2022</b>				
Opening net book amount	2,674	2,210	14,658	19,542
Additions	-	3,345	-	3,345
Revaluation	-	-	11,353	11,353
Impairment	(2,674)	-	-	(2,674)
Disposal	-	(51)	-	(51)
Amortisation charge	-	(2,549)	-	(2,549)
Closing net book amount	-	2,955	26,010	28,965
<b>At 30 June 2022</b>				
Cost and valuation	2,674	17,877	26,010	48,172
Accumulated amortisation and impairment	(2,674)	(14,922)	-	(19,208)
Net book amount	-	2,955	26,010	28,965

No intangible assets are pledged as security for liabilities.

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

## 17 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.

	<b>Value of assets covered by insurance \$'000</b>	<b>Maximum level of insurance coverage \$'000</b>
Council assets	1,767,995	661,102
Rolling stock	528,566	175,000
Total	2,296,562	836,102

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

	<b>Value of fund maintained \$'000</b>	<b>Total value of assets self-insured \$'000</b>
Council assets	108,283	1,376,610
Rolling stock	-	353,566
Total	108,283	1,730,176

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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, Kapiti 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 \$749 million and sharing group assets of \$1.881 billion.

**18 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**

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.

The fair value of investment properties is based on the highest and best use for commercial property.

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 site of the former BNZ Building (2021: Harbour Quays Development Land, former BNZ Building, and the former Statistics House).

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 Limited 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 Limited 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 Limited 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.

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

	Assessed value	Valuation approach	Key valuation assumptions	Valuation impact
Developed Investment Property	\$31.8m (2021: \$26.0m)	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 7.0% (2021:8.5%)	+/-0.25% \$1.5m (2021: -0.25% \$0.75m + 0.25% \$1.0m)
		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 6.25% (2021: 7.75%)	+0.25% \$1.5m -0.25% \$2.0m (2021: +/- 0.25% \$1.0m)

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	Discounted Cashflow	Discount rate - the rate of return used to determine the present value of future cashflows. The rate selected was 7.5% (2021: 8.0%)	+0.25% \$0.72m-0.25% \$0.74m (2021: +- 0.25%\$0.54m)
Land Available for Development	\$39.7m (2021: \$37.6m)	Direct Sales comparison	Weighted average land value - the rate per sqm applied to the subject property. The rates applied ranged from \$125- \$2,625 per sqm (2021: \$120- \$2,500 per sqm)
<b>Assessed Value</b>	<b>\$71.4m (2021: \$63.9m)</b>		<b>Estimated cost of completing works on Land Available for Development.</b>
Cost to repair services to undeveloped sites, rebuild a seawall and complete ground improvement works	(\$8.8m) (2021: (\$8.4m))	Cost estimates	Estimated cost of completing works on Land Available for Development
<b>Total Fair Value</b>	<b>\$62.6m (2021: \$55.5m)</b>		<b>+ -10% \$0.9m (2021: +- 10%\$0.8m)</b>

	Council		Group	
	Actual 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Developed investment properties brought forward	-	-	26,000	29,900
Additions / (disposals)	-	-	124	-
Increase / (decrease) in fair value	-	-	5,643	(3,900)
<b>Developed investment properties carried forward</b>	-	-	<b>31,767</b>	26,000
Land available for development brought forward	-	-	29,493	30,003
Additions / (disposals)	-	-	2,157	2,457
Consolidated from SPV's	-	-	-	-
Impairment on Earthquake damage	-	-	-	(4,871)
Increase / (decrease) in fair value	-	-	(800)	1,904
<b>Land available for development carried forward</b>	-	-	<b>30,850</b>	29,493
<b>Total investment properties</b>	-	-	<b>62,617</b>	55,493

## 19 Investments in subsidiaries and associates

### Accounting policy

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

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

Breakdown of investments in subsidiaries and associates:

		Equity holding	
		2022 %	2021 %
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.

	Actual 2022 \$'000	Actual 2021 \$'000
WRC Holdings Limited shares	316,945	302,545
Wellington Water Limited	150	150
<b>Total investment in subsidiaries</b>	<b>317,095</b>	<b>302,695</b>

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

## 20 Derivative financial instruments

	Council		Group	
	Actual 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
<b>Current asset portion</b>				
Interest rate swaps	-	604	-	604
<b>Total current asset portion</b>	-	604	-	604
<b>Non-current asset portion</b>				
Interest rate swaps	18,811	531	18,811	531
<b>Total non-current asset portion</b>	18,811	531	18,811	531
<b>Total derivative financial instruments – assets</b>	18,811	1,135	18,811	1,135
<b>Current liability portion</b>				
Interest rate swaps	96	1,120	96	1,120
<b>Total current liability portion</b>	96	1,120	96	1,120
<b>Non-current liability portion</b>				
Interest rate swaps	5,451	51,312	5,451	51,312
<b>Total non-current liability portion</b>	5,451	51,312	5,451	51,312
<b>Total derivative financial instruments – liabilities</b>	5,547	52,432	5,547	52,432
<b>Total net fair value movement</b>	13,264	(51,297)	13,264	(51,297)

For more information on interest rate swaps and foreign exchange contracts, please refer to note 25 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.

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## 21 Trade and other payables

	Council		Group	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade payables	70,301	52,415	85,843	67,483
Deposits and bonds	-	-	88	28
Revenue in advance	5,957	1,907	5,957	1,907
Accrued interest on borrowings	4,072	2,273	4,072	2,298
Amounts due to related parties	6,833	6,740	-	-
<b>Total current creditors and other payables</b>	<b>87,163</b>	<b>63,335</b>	<b>95,960</b>	<b>71,716</b>

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

## 22 Debt

	Note	Council		Group	
		Actual	Actual	Actual	Actual
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
<b>Current debt liabilities</b>					
<b>Secured</b>					
Commercial paper	(ii)	94,064	81,850	74,603	61,948
Floating rate notes	(iii)	30,000	70,000	30,000	70,000
NZ Green Investment Finance	(vi)	-	-	11,000	7,500
<b>Total current debt liabilities</b>		<b>124,064</b>	<b>151,850</b>	<b>115,603</b>	<b>139,448</b>
Fixed rate bond	(iv)	25,000	25,000	25,000	25,000
Floating rate notes	(iii)	489,000	355,000	489,000	355,000
<b>Total non-current debt liabilities</b>		<b>514,000</b>	<b>380,000</b>	<b>514,000</b>	<b>380,000</b>
<b>Total debt liabilities</b>		<b>638,064</b>	<b>531,850</b>	<b>629,603</b>	<b>519,448</b>

## 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 2022 Greater Wellington has \$120.0 million (2021: \$120.0 million) credit lines of which \$120.0 million (2021: \$120.0 million) is undrawn. Two credit lines are for \$35.0 million each and both mature in 2026. 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 \$50.0 million 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 2022 the Group had no bank overdraft balance (2021: \$0).

- (ii) Greater Wellington has issued four (2021: four) commercial paper as at 30 June 2022. Three mature within three months from balance date and one matures between 3 month and 1 year. Their weighted average interest rate is 2.2579% (2021: 0.3775%).
- (iii) As at 30 June 2022 GWRC has issued 20 (2021: 16) Floating Rate Notes (FRN) as per the below table. The interest rates are ranging between 2.1275% and 3.6175% (2021: 0.6725% and 1.1920%) and are reset quarterly based on the 90-day bank bill rate plus a margin.

<b>Maturity</b>	<b>per 30 June 2022</b>	<b>per 30 June 2021</b>
Oct 21	-	45,000,000
Apr-22	-	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
Oct-24	46,000,000	-
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	25,000,000
Apr-29	25,000,000	25,000,000
Jul-29	13,000,000	-
Oct-29	25,000,000	-
Apr-30	25,000,000	25,000,000
May-31	25,000,000	-
Nov-31	30,000,000	-
Apr-32	25,000,000	25,000,000
Apr-33	25,000,000	25,000,000
Apr-34	25,000,000	-
	<b>519,000,000</b>	<b>425,000,000</b>

(iv) The \$25.0 million fixed rate bond has a 4.31% coupon and is due for repayment in April 2031.

(v) WRC Holdings Limited has received a \$44.0 million loan from Greater Wellington which matures on 15 October 2024 and is repriced quarterly. The loan has an interest rate of 2.3775%. (2021: 0.9225%)

(vi) NZ Green Investment Finance

CentrePort Limited entered has a \$15.0m debt facility with New Zealand Green Investment Finance (NZGIF) to accelerate investment into low carbon projects.

The Group has drawn down \$11.0 million of this facility at balance date (2021: \$7.5 million). 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 facility was renewed on 7 June 2022 for a term of 13 months. The Lender has first ranking security over all current and future assets held by the Group.

## 23 Employee entitlements and provisions

	Council		Group	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Current liability</b>				
Employee benefits	6,846	8,177	10,505	11,353
Provision	66	196	66	196
	<b>6,912</b>	<b>8,373</b>	<b>10,571</b>	<b>11,549</b>
<b>Non-current portion</b>				
Employee benefits	139	160	302	327
<b>Total employee benefit liabilities</b>	<b>7,051</b>	<b>8,533</b>	<b>10,873</b>	<b>11,876</b>

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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 3.6% (2021: 1.8%).

	Annual leave	Long service leave	Earthquake repair works	ESCT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Council</b>					
<b>2022</b>					
Opening carrying value	8,177	160	96	100	8,533
Amounts used	(1,331)	(21)	(30)	(100)	(1,482)
<b>Carrying amount at end of year</b>	<b>6,846</b>	<b>139</b>	<b>66</b>	<b>-</b>	<b>7,051</b>

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Surplus/(deficit) after tax</b>	<b>35,113</b>	30,168	<b>10,799</b>	3,065
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation	31,857	29,196	66,522	57,723
Non-cash asset	7,051	-	7,051	-
Net (loss) gain on sale of fixed assets	657	(116)	569	(1,184)
Impairment of Property, Plant and Equipment, Goodwill and Software	-	-	21,000	-
Gain on fair value of financial instruments	(64,561)	(32,775)	(64,561)	(32,775)
Loan write-off	-	1,000	-	1,000
Equity accounted earnings from associate companies	-	-	(1,461)	(138)
Change in value of future tax benefit	-	-	(10,320)	(5,277)
Increase/decrease of emission units allocations	368	-	368	-
Decrease (Increase) in Value of Investment property	-	-	(4,842)	2,261
Movement in provision for impairment of doubtful debts	-	342	-	342
<b>Add/(less) movements in working capital</b>				
Accounts receivable	(26,288)	35,731	(24,407)	56,339
Warm Wellington receivable	2,595	2,057	2,595	2,057
Inventory	(784)	(347)	(1,603)	(534)
Decrease (increase) in provisions & retentions	-	(118)	-	(118)
Accounts payable	22,127	(4,141)	19,402	(18,515)
Employee provisions	(1,483)	3,799	(1,004)	1,277
Tax	-	-	(2,673)	1,673
<b>Add / (less) items classified as investing or financing</b>				
Accounts payable related to fixed assets	-	-	(666)	(907)
Accounts receivable related to investment property	-	-	58	339
Prepayments related to property plant and equipment	-	-	749	(3,583)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>6,650</b>	64,796	<b>17,574</b>	63,185

## 25 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 2022 Greater Wellington does not have any foreign exchange contracts (2021: Nil). In the Group there is no FX contract as per 30 June 2022 (2021: no 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 2022 Greater Wellington and the Group had entered into the following interest rate swap agreements:

Movement in interest rate:	Council		Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Less than one year	20,000	55,000	20,000	55,000
One to two years	20,000	20,000	20,000	20,000
Two to five years	190,000	130,000	190,000	130,000
Greater than five years	300,000	265,000	300,000	265,000
Total fair value interest rate risk	530,000	470,000	530,000	470,000

At 30 June 2022, the fixed interest rates of swaps of the Council and Group vary from 1.20% to 5.40% (2021: 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,

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the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

## Sensitivity analysis

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

30 June 2022	Council +1%	Council +1%	Council -1%	Council -1%	Group +1%	Group +1%	Group -1%	Group -1%
Interest rate risk	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Cash at bank and term deposits	165	-	(165)	-	1,581	-	(1,581)	-
New Zealand Local Government Funding Agency Limited borrower notes	102	-	(102)	-	102	-	(102)	-
Bank deposits with maturity terms more than 3 months	540	-	(540)	-	540	-	(540)	-
Bulk water supply contingency fund	434	-	(434)	-	434	-	(434)	-
Material damage property insurance contingency fund	112	-	(112)	-	112	-	(112)	-
Major flood contingency fund	77	-	(77)	-	77	-	(77)	-
Loan to WRC Holdings Limited	440	-	(440)	-	-	-	-	-
Derivatives	15,097	-	(16,777)	-	15,097	-	(16,777)	-
<b>Financial liabilities</b>								
NZ Green Investment Fund	-	-	-	-	(110)	-	110	-
Commercial paper	(941)	-	(746)	-	(941)	-	(746)	-
Floating rate notes	(5,190)	-	5,190	-	(5,190)	-	5,190	-
Derivatives	6,764	-	(7,183)	-	6,764	-	(7,183)	-
<b>Total sensitivity to interest rate risk</b>	<b>17,600</b>	<b>-</b>	<b>(21,386)</b>	<b>-</b>	<b>18,466</b>	<b>-</b>	<b>(22,252)</b>	<b>-</b>
<b>30 June 2021</b>								
Interest rate risk	Council +1%	Council +1%	Council -1%	Council -1%	Group +1%	Group +1%	Group -1%	Group -1%
	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
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)	-
<b>Financial liabilities</b>								
NZ Green Investment Ltd	-	-	-	-	(75)	-	75	-
Commercial paper	(819)	-	819	-	(620)	-	(620)	-
Floating rate notes	(4,250)	-	4,250	-	(4,250)	-	4,250	-
Derivatives	21,019	-	(22,748)	-	21,019	-	(22,748)	-
<b>Total sensitivity to interest rate risk</b>	<b>18,316</b>	<b>-</b>	<b>(20,141)</b>	<b>-</b>	<b>19,921</b>	<b>-</b>	<b>(22,986)</b>	<b>-</b>

**(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 Limited.

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 Wellington Regional 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 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 Kātahi (New Zealand Transport Agency) and the Te Manatū Waka (Ministry of Transport).

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

	Council		Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and term deposits	70,517	57,675	212,141	249,792
Trade and other receivables	89,711	53,638	92,142	63,939
New Zealand Local Government Funding Agency Limited borrower notes	10,630	7,650	10,630	7,650
Stadium advance	2,100	900	2,100	900
Derivative financial instrument assets	18,811	1,135	18,811	1,135
Bulk water supply contingency fund	43,390	40,499	43,390	40,499
Material damage property insurance contingency fund	11,165	10,678	11,165	10,678
Major flood contingency fund	7,692	7,396	7,692	7,396
Loan to WRC Holdings Limited	44,000	44,000	-	-
Loans and Advances to Joint Ventures	-	-	7,670	7,753
<b>Total credit risk</b>	<b>298,016</b>	<b>223,571</b>	<b>405,741</b>	<b>389,742</b>

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### Credit quality of financial assets

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

Counterparties with credit ratings	Council		Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>New Zealand Local Government Funding Agency Limited borrower notes</b>				
AAA	10,630	7,650	10,630	7,650
<b>Total LGFA borrower notes</b>	<b>10,630</b>	7,650	<b>10,630</b>	7,650
<b>Cash at bank and term deposit</b>				
AA-	71,402	103,126	185,022	244,243
Moody's A1 = A+ S&P	40,080	8,122	40,080	38,122
A	21,282	-	49,282	21,000
<b>Bank bonds/Floating rate note</b>	-	-	-	-
AA-	-	5,000	-	5,000
Total cash at bank, term deposits, bank bonds and floating rate notes	<b>132,764</b>	116,248	<b>274,384</b>	308,365
<b>Derivative financial instruments</b>				
AA-	14,319	1,135	14,319	1,135
Moody's A1 = A+ S&P	4,492	-	4,492	-
<b>Total derivative financial instruments</b>	<b>18,811</b>	1,135	<b>18,811</b>	1,135

### (c) Liquidity risk

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

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



### Contractual maturity analysis of financial liabilities

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

30 June 2022	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000	Contractual cashflows \$'000	Carrying amount \$'000
<b>Council 2022</b>						
<b>Financial liabilities</b>						
Trade and other payables	65,882	-	-	-	65,882	65,882
Commercial paper	95,000	-	-	-	95,000	94,064
Derivatives	1,871	(1,517)	(5,551)	(12,400)	(17,597)	(13,264)
Floating rate notes	43,703	62,667	197,843	291,946	596,159	519,000
Fixed rate bond	1,078	1,078	3,233	29,086	34,475	25,000
<b>Total financial liabilities</b>	<b>207,534</b>	<b>62,228</b>	<b>195,525</b>	<b>308,632</b>	<b>773,919</b>	<b>690,682</b>
<b>Council 2021</b>						
<b>Financial liabilities</b>						
Trade and other payables	63,335	-	-	-	63,335	63,335
Commercial paper	82,000	-	-	-	82,000	81,850
Derivatives	13,190	11,027	21,605	7,117	52,939	52,432
Floating rate notes	29,056	73,630	138,294	181,738	422,718	425,000
Fixed rate bonds	1,078	1,078	3,234	30,388	35,778	25,000
<b>Total financial liabilities</b>	<b>188,659</b>	<b>85,735</b>	<b>163,133</b>	<b>219,243</b>	<b>656,770</b>	<b>647,617</b>
<b>Group 2022</b>						
<b>Financial liabilities</b>						
Trade and other payables	95,960	-	-	-	95,960	95,960
Commercial paper	75,000	-	-	-	75,000	74,603
Derivatives	1,871	(1,517)	(5,551)	(12,400)	(17,597)	(13,264)
Floating rate notes	43,703	62,667	197,843	291,946	596,159	519,000
Fixed rate bond	1,078	1,078	3,233	29,086	34,475	25,000
NZ Green Investment Finance	11,443	-	-	-	11,443	11,000
<b>Total financial liabilities</b>	<b>229,055</b>	<b>62,228</b>	<b>195,525</b>	<b>308,632</b>	<b>795,440</b>	<b>712,299</b>
<b>Group 2021</b>						
<b>Financial liabilities</b>						
Trade and other payables	71,716	-	-	-	71,716	71,716
Commercial paper	62,000	-	-	-	62,000	74,930
Derivatives	13,190	11,027	21,605	7,117	52,939	52,432
Floating rate notes	29,056	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
NZ Green Investment Finance	<b>7,592</b>	-	-	-	<b>7,592</b>	<b>7,500</b>
<b>Total financial liabilities</b>	<b>184,632</b>	<b>85,735</b>	<b>163,133</b>	<b>219,243</b>	<b>652,743</b>	<b>631,578</b>

#### (d) Fair value hierarchy disclosures

For those instruments recognised at fair value in the balance sheets, 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.

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

Council	Significant non observable inputs \$'000	Observable inputs \$'000	Quoted market price \$'000	Total \$'000
<b>30 June 2022</b>				
<b>Financial assets</b>				
New Zealand Local Government Funding Agency Limited borrower notes	-	10,630	-	10,630
Stadium advance	2,100	-	-	2,100
Civic Financial Services Limited shares	80	-	-	80
New Zealand Local Government Funding Agency Limited shares	7,804	-	-	7,804
Derivative financial instrument assets	-	18,811	-	18,811
<b>Total assets</b>	<b>9,984</b>	<b>29,441</b>	<b>-</b>	<b>39,425</b>
<b>Financial liabilities</b>				
Derivative financial instrument liabilities	-	5,547	-	5,547
Fixed rate bonds	-	25,000	-	25,000
Floating rate notes	-	519,000	-	519,000
<b>Total liabilities</b>	<b>-</b>	<b>549,547</b>	<b>-</b>	<b>549,547</b>
Council	Significant non observable inputs \$'000	Observable inputs \$'000	Quoted market price \$'000	Total \$'000
<b>30 June 2021</b>				
<b>Financial assets</b>				
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
<b>Total assets</b>	<b>8,052</b>	<b>13,585</b>	<b>-</b>	<b>21,637</b>
<b>Financial liabilities</b>				
Derivative financial instrument liabilities	-	52,432	-	52,432
Fixed rate bonds	-	25,000	-	25,000
Floating rate notes	-	425,000	-	425,000
<b>Total liabilities</b>	<b>-</b>	<b>502,432</b>	<b>-</b>	<b>502,432</b>

Group	Significant non observable inputs \$'000	Observable inputs \$'000	Quoted market value \$'000	Total \$'000
<b>30 June 2022</b>				
<b>Financial assets</b>				
New Zealand Local Government Funding Agency Limited borrower notes	-	10,630	-	10,630
Stadium advance	2,100	-	-	2,100
Civic Financial Services Limited shares	80	-	-	80
New Zealand Local Government Funding Agency Limited shares	7,804	-	-	7,804
Loans and Advances to Joint Venture	7,670	-	-	7,670
Derivative financial instrument assets	-	18,811	-	18,811
<b>Total assets</b>	<b>17,654</b>	<b>29,441</b>	<b>-</b>	<b>47,095</b>
<b>Liabilities</b>				
Derivative financial instrument liabilities	-	5,547	-	5,547
Fixed rate bonds	-	25,000	-	25,000
Floating rate notes	-	519,000	-	519,000
NZ Green Investment Finance	-	11,000	-	11,000
<b>Total liabilities</b>	<b>-</b>	<b>549,547</b>	<b>-</b>	<b>549,547</b>
<b>30 June 2021</b>				
<b>Financial assets</b>				
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
<b>Total assets</b>	<b>15,805</b>	<b>13,585</b>	<b>-</b>	<b>29,390</b>
<b>Financial liabilities</b>				
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
<b>Total liabilities</b>	<b>-</b>	<b>509,932</b>	<b>-</b>	<b>509,932</b>

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

### 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

	<b>Level 3 \$'000</b>
Balance at 1 July 2021	8,052
Gain and losses recognised in the operating surplus or deficit	-
Gain and losses recognised in other comprehensive revenue and expense	732
New debt / Transfer in	1,200
Maturing debt / Transfer out	-
<b>Balance at 30 June 2022</b>	<b>9,984</b>

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<b>Balance at 1 July 2020</b>	6,321
Gain and losses recognised in the operating surplus or deficit	-
Gain and losses recognised in other comprehensive revenue and expenses	831
Maturing debt / Transfer out	900
<b>Balance at 30 June 2021</b>	<u>8,052</u>

<b>Group</b>	<b>Level 3</b>
	<b>\$'000</b>
<b>Balance at 1 July 2021</b>	15,805
Gain and losses recognised in the operating surplus or deficit	-
Gain and losses recognised in other comprehensive revenue and expense	732
New debt / Transfer In	1,200
Maturing debt / Transfer out	(83)
<b>Balance at 30 June 2022</b>	<u>17,654</u>
<b>Balance at 1 July 2020</b>	6,321
Gain and losses recognised in other comprehensive revenue and expense	831
Maturing debt / Transfer out	8,653
<b>Balance at 30 June 2021</b>	<u>15,805</u>

## (e) Financial instrument categories

<b>Council</b>	<b>Assets at fair value through surplus or deficit</b>	<b>Assets at fair value through other comprehensive revenue and expense</b>	<b>Shares, loans and receivables</b>	<b>Held to maturity investments</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>					
<b>30 June 2022</b>					
Cash and cash equivalents	-	-	16,517	-	16,517
Receivables and pre-payments	-	-	38,452	-	38,452
NZ Local Government Funding Agency shares	-	7,804	-	-	7,804
Civic Financial Services Limited shares	-	80	-	-	80
Wellington Water Limited shares	-	-	150	-	150
NZ Local Government Funding Agency borrower notes	-	-	-	10,630	10,630
Warm Wellington Funding	-	-	3,516	-	3,516
Bank Deposits with maturity terms more than 3 months	-	-	-	54,000	54,000
Stadium advance	-	-	-	2,100	2,100
Bulk Water Supply Contingency Fund	-	-	-	43,390	43,390
Material Damage Property Insurance Contingency Fund	-	-	-	11,165	11,165
Major Flood Contingency Fund	-	-	-	7,692	7,692
Derivative financial instruments	18,811	-	-	-	18,811
Loan to WRC Holdings Limited	-	-	-	44,000	44,000
<b>Total assets</b>	<u>18,811</u>	<u>7,884</u>	<u>58,635</u>	<u>172,977</u>	<u>258,307</u>
<b>30 June 2021</b>					
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

Borrowers Notes	-	-	6,111	-	6,111
Warm Wellington Funding	-	-	-	-	-
Bank Deposits with maturity terms more than 3 months	-	-	-	53,000	53,000
Stadium	-	-	-	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
<b>Total assets</b>	<b>1,135</b>	<b>7,152</b>	<b>64,574</b>	<b>164,123</b>	<b>236,984</b>

Assets	Assets at fair value through surplus or deficit		Assets at fair value through other comprehensive revenue and expense		Shares, Loans and receivables	Held to maturity investments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>							
<b>30 June 2022</b>							
Cash and cash equivalents	-	-	-	158,141	-	-	158,141
Receivables and pre-payments	-	-	-	92,142	-	-	92,142
NZ Local Government Funding Agency shares	-	7,804	-	-	-	-	7,804
Civic Financial Services Limited shares	-	80	-	-	-	-	80
Wellington Water Limited shares	-	-	150	-	-	-	150
NZ Local Government Funding Agency borrower notes	-	-	-	-	10,630	-	10,630
Warm Wellington Funding	-	-	-	3,516	-	-	3,516
Bank Deposits with maturity terms more than 3 months	-	-	-	-	-	54,000	54,000
Stadium advance	-	-	-	-	-	2,100	2,100
Bulk Water Supply Contingency Fund	-	-	-	-	-	43,390	43,390
Material Damage Property Insurance Contingency Fund	-	-	-	-	-	11,165	11,165
Major Flood Contingency Fund	-	-	-	-	-	7,692	7,692
Loans and Advances to Joint Venture	-	-	-	7,670	-	-	7,670
Derivative financial instruments	18,811	-	-	-	-	-	18,811
<b>Total assets</b>	<b>18,811</b>	<b>7,884</b>	<b>261,619</b>	<b>128,977</b>	<b>417,291</b>	<b>417,291</b>	<b>417,291</b>
<b>30 June 2021</b>							
Cash and cash equivalent	-	-	196,792	-	-	-	196,792
Receivables and prepayments	-	-	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 borrowers 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
Water Supply Contingency Investment	-	-	-	-	-	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 Ventures	-	-	7,753	-	-	-	7,753
Derivative financial instruments	1,135	-	-	-	-	-	1,135
<b>Total assets</b>	<b>1,135</b>	<b>7,152</b>	<b>274,745</b>	<b>120,123</b>	<b>403,155</b>	<b>403,155</b>	<b>403,155</b>

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## Greater Wellington Regional Council's 2021/22 Annual Report

Liabilities	Liabilities at fair value through surplus or deficit		Total \$'000
	\$'000	Measured at amortised cost \$'000	
<b>Council</b>			
<b>30 June 2022</b>			
Trade and other payables	-	87,163	87,163
Commercial paper	-	94,064	94,064
Floating rate notes	-	519,000	519,000
Fixed rate bond	-	25,000	25,000
Derivative financial instruments	5,547	-	5,547
<b>Total liabilities</b>	<b>5,547</b>	<b>725,227</b>	<b>730,774</b>
<b>30 June 2021</b>			
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
<b>Total liabilities</b>	<b>52,432</b>	<b>595,185</b>	<b>647,617</b>

Liabilities	Liabilities at fair value through surplus or deficit		Total \$'000
	\$'000	Measured at amortised cost \$'000	
<b>Group</b>			
<b>30 June 2022</b>			
Trade and other payables	-	95,960	95,960
Commercial paper	-	74,603	74,603
Floating rate notes	-	519,000	519,000
Fixed rate bond	-	25,000	25,000
NZ Green Investment Finance	-	11,000	11,000
Derivative financial instruments	5,547	-	5,547
<b>Total liabilities</b>	<b>5,547</b>	<b>725,563</b>	<b>731,110</b>
<b>30 June 2021</b>			
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
NZ Green Investment Finance	-	7,500	7,500
Derivative financial instruments	52,432	-	52,432
<b>Total liabilities</b>	<b>52,432</b>	<b>591,267</b>	<b>643,699</b>

## 26 Contingencies

	Council		Group	
	Actual 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Legal proceedings and obligations	-	159	-	159
<b>Uncalled capital - WRC Holdings Limited</b>				
50,000,000 \$1 shares uncalled and unpaid	50,000	50,000	-	-
19,000,000 \$1 shares, called and fully paid	-	326	-	-
17,300,000 \$1 shares, called and partly paid	3,226	-	-	-
<b>New Zealand Local Government Funding Agency Limited</b>				
1,866,000 \$1 shares uncalled and unpaid	1,886	1,866	-	1,866
<b>Total contingencies</b>	<b>55,112</b>	<b>52,351</b>	<b>-</b>	<b>2,025</b>

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 \$16.770 million (2021: \$14.420 million).

Potential civil claim against the Council in relation to a legal dispute which is currently under investigation. Since the amount cannot be quantified an unquantified contingent liability has been disclosed.

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

## 27 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 \$5.0m during the year (2021: \$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 WREDA rate from all ratepayers.

During the year Greater Wellington issued commercial paper of \$19.5 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.

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## Greater Wellington Regional Council's 2021/22 Annual Report

## Key management personnel

	Parent Actual	Parent Actual
	2022 \$'000	2021 \$'000
<b>Council</b>		
Remuneration	1,147	1,146
Full-time equivalent members	13	13
<b>Executive Leadership Team including the Chief Executive</b>		
Remuneration	2,871	2,673
Full-time equivalent members	12	10
<b>Total key management personnel remuneration</b>	<b>4,018</b>	<b>3,820</b>
<b>Total full-time equivalent personnel</b>	<b>25</b>	<b>24</b>

Due to the difficulty in determining the full time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

## 28 Remuneration

## Chief Executive remuneration

For the year ending 30 June 2022, Greater Wellington's Chief Executives, Nigel Corry and Gregory Campbell, appointed under section 42(1) of the Local Government Act 2002, received a total remuneration from Greater Wellington of \$476,094 (Nigel Corry \$304,968 and Gregory Campbell \$171,126), (2021: \$424,965).

	Actual 2022 \$	Actual 2021 \$
<b>Councillor remuneration</b>		
Councillor R Blakeley	83,714	82,791
Councillor J Brash	84,106	92,553
Councillor A Staples	104,382	96,694
Councillor P Gaylor	90,924	95,971
Councillor K Laban	67,543	66,620
Councillor P Lamason	87,202	85,698
Councillor and Chair D Ponter	170,855	165,418
Councillor C Kirk-Burnnand	70,043	71,721
Councillor D Lee	80,628	79,705
Councillor G Hughes	83,683	82,760
Councillor J van Lier	69,350	68,546
Councillor R Connelly	67,543	66,620
Councillor T Nash	86,874	82,760
<b>Total Councillors remuneration</b>	<b>1,146,847</b>	<b>1,137,857</b>

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 2022.

	Number of employees	
	2022	2021
\$60,000 and below	47	61
\$60,001 - \$79,999	183	157
\$80,000 - \$99,999	170	169
\$100,000 - \$119,999	109	87
\$120,000 - \$139,999	73	62
\$140,000 - \$159,999	23	20
\$160,000 - \$179,999	26	18
\$180,000 - \$199,999	13	11



\$200,000 - \$239,999	10	8
\$240,000 - \$440,000	8	6
<b>Total employees</b>	<b>662</b>	<b>599</b>
The number of full-time employees as at 30 June 2022	600	558
The full-time equivalent number of all other non-full time employees	46	51
The number of employees receiving total remuneration of less than \$60,000	47	61

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.

## 29 Capital commitments and operating leases

	Council		Group	
	Actual 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
<b>Capital commitments</b>				
Property, plant and equipment	987	-	69,166	80,266
<b>Total capital commitments</b>	<b>987</b>	<b>-</b>	<b>69,166</b>	<b>80,266</b>

WRC Holdings Limited has no capital or operating commitments as at 30 June 2022 (2021: Nil).

At balance date CentrePort Limited had entered into commitments for the acquisition of property, plant, and equipment amounting to of \$15.8m for the Group (2021: \$21.5m).

Greater Wellington Rail Limited at balance date had commitments in respect of contracts for capital expenditure of \$52.4 million (2021: \$58.8 million). This relates to the heavy maintenance the rolling stock.

### Operating leases as lessee

Future minimum lease payments under non-cancellable operating leases as at 30 June are as follows:

	Council		Group	
	Actual 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Within one year	18,258	17,528	18,599	17,750
After one year but no more than five years	75,535	72,364	76,765	72,772
More than five years	55,951	66,836	58,496	67,134
<b>Total non-cancellable operating leases</b>	<b>149,744</b>	<b>156,728</b>	<b>153,860</b>	<b>157,656</b>

These leases have an average life of between 1 and 13 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 \$5.052 million was recognised as an expense in the statement of comprehensive income (2021: \$5.041 million).

### Operating leases as lessor

Greater Wellington and 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:

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	Council		Group	
	Actual 2022	Actual 2021	Actual 2022	Actual 2021
	\$'000	\$'000	\$'000	\$'000
Within one year	3,280	3,029	21,847	20,943
After one year but no more than five years	8,727	6,860	64,351	54,327
More than five years	167,106	24,214	194,025	52,185
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases not recognised in the financial statements	179,113	34,103	280,223	127,455

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. 62 of 98 new electric buses have been added into the fleet by financial year 2022, including additional one has been converted from the diesel fleet to electric. However, the amounts payable are still commercially sensitive and have not been disclosed.

### 30 Severance payments

There were two employees (2021: three) who received severance payments of \$52,201 and \$10,054 (2021: Total of \$304,013). This disclosure has been made in accordance with section 33 of Schedule 10 of the Local Government Act 2002.

### 31 Rating base information

	Total 2022	Total 2021
(a) the number of rating units within the district or region of the local authority at the end of the preceding financial year:	206,440	205,665
(b) the total capital value of rating units within the district or region of the local authority at the end of the preceding financial year:	\$167.211bn	\$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.	87.1bn	\$83.3bn

Profit attributable to the ordinary equity holders of the Council

### 32 Major variances between actual and budget

Statement of comprehensive revenue and expenses	Council Actual 2022 \$'000	Council Budget 2022 \$'000
Revenue		
Rates and levies	200,265	200,973
Grants and subsidies	139,991	109,964
Other revenue	90,507	131,225
Total operational revenue	430,763	442,162
Operational Revenue	-	-
<b>Expenditure</b>		
Finance costs	(23,099)	(19,942)
Employee benefits	(67,660)	(64,260)
Grants and subsidies	(232,776)	(224,956)
Other operating expenses including depreciation	(149,848)	(146,308)
<b>Operational surplus/(deficit) for the year before transport improvements</b>	<b>(42,620)</b>	<b>(13,304)</b>
Grants and subsidies	13,170	18,795
<b>Net revenue/(expenditure) for transport improvements</b>	<b>13,170</b>	<b>10,243</b>
<b>Surplus/(deficit) for the year before tax and fair value gains / losses</b>	<b>(29,448)</b>	<b>(5,491)</b>
Asset revaluation	-	-
Fair value gains/(losses) in revenue and expenditure statement	64,561	14,110
<b>Total comprehensive income/(deficit) for the year</b>	<b>35,113</b>	<b>19,601</b>
<b>Balance sheet</b>		
<b>Assets</b>	-	-
- Current	217,896	151,405
- Non-current	1,849,552	1,810,601
<b>Total assets</b>	<b>2,067,448</b>	<b>1,962,006</b>
<b>Liabilities</b>		
- Ratepayers equity	1,305,010	1,201,188
- Current liabilities	218,235	180,698
- Non-current liabilities	544,205	580,120
<b>Total equity and liabilities</b>	<b>2,067,450</b>	<b>1,962,006</b>
<b>Statement of cash flow</b>		
Cashflows from operating activities	6,650	36,341
Cashflows from investing activities	(101,021)	(115,898)
Cashflows from financing activities	106,214	79,920
	-	-
<b>Net increase / (decrease) in cash, cash equivalents and bank overdraft</b>	<b>11,843</b>	<b>363</b>
Cash and cash equivalents at the beginning of the year	4,675	20,649
<b>Cash and cash equivalents at the end of the year</b>	<b>16,518</b>	<b>21,012</b>

Greater Wellington's 2021/22 net operating deficit before fair value gains and losses is \$42.6 million, compared to a budgeted surplus of \$13.3million. Total comprehensive income is \$35.1 million including asset revaluation (\$ nil), fair value movements (\$64.6 million) which is \$50.1 million over budget.

#### Significant components of this variance are:

##### 1. Transport operational grants and subsidies

Grants and subsidies are higher than budget due to additional funding support from Waka Kotahi for half price fares and lower patronage. The offset of this is in other revenue.

##### 2. Other revenue

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Other revenue is lower than budget mainly due to half price fares and lower patronage offset by increased funding from Waka Kotahi reflected in grants and subsidies

**3. Grants and subsidies**

Grants and subsidies are higher than budget mainly due to the Omāroro reservoir project grant made to Wellington City Council. The grant was initially capital budgeted but now moved to operating budget and funded by debt.

**4. Fair value movements**

Fair value movements are favourable to budget reflecting the increase in the fair value of the interest rate swaps held by Greater Wellington due to the continuing increase in market interest rates

**5. Total assets**

The non-current assets are higher than budget mainly due to a revaluation increase in the value of property, plant and equipment.

The current assets are higher than budget mainly due to surplus and other contingency funds being invested in maturities not exceeding twelve months.

**6. Ratepayers equity**

The ratepayer's equity is higher than budget mainly due to asset revaluations and fair value movement of financial instruments.

**33 Reconciliation of movement in financial liabilities to net cash flows from financing activities**

Changes to the PBE IPSAS 2 – Cash Flows accounting standard introduced the reconciliation of movement in financial liabilities to net cash flows from financing activities from 2021. The prior year information (2020) is also included in line with the requirements for the adoption of the standard.

	Council		Group	
	Actual 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Loan Funding	131,214	12,195	134,714	19,695
Debt repayment	(25,000)	-	(25,000)	-
Dividends paid to non-controlling interests	-	-	(1,385)	(4,615)
	<b>106,214</b>	<b>12,195</b>	<b>108,329</b>	<b>15,080</b>

Cashflows from financing activities	Note	Council			Total \$'000
		Commercial paper \$'000	Bonds \$'000	LGFA Bonds \$'000	
Opening balance 1 July 2021		81,850	425,000	25,000	531,850
Additions		403,295	164,000	-	567,295
Repayments		(391,081)	(45,000)	(25,000)	(461,081)
Closing balance 30 June 2022		<b>94,064</b>	<b>544,000</b>	<b>-</b>	<b>638,064</b>

Cashflows from financing activities	Note	Group				Total \$'000
		Commercial paper \$'000	Bonds \$'000	LGFA Bonds \$'000	NZ Green Investment \$'000	
Opening balance 1 July 2021		62,389	425,000	25,000	7,500	519,889
Additions		403,295	164,000	-	3,500	570,795
Repayments		(391,081)	(45,000)	(25,000)	-	(461,081)
Closing balance 30 June 2022		<b>74,603</b>	<b>544,000</b>	<b>-</b>	<b>11,000</b>	<b>629,603</b>

### 34 Prior Period Error Correction

The financial statements for the year ended 30 June 2021, included a \$23.5 million tax expense for the expected tax treatment of insurance proceeds. Before 15 December 2021, Inland Revenue had disagreed with the treatment of proceeds and deemed the damage to Seaview Wharf and Aotea 1-3 Wharves to be repairable. Where insurance proceeds are received in relation to repairable assets, those proceeds are treated as taxable income. Tax deductions can then be made when expenditure is incurred to repair the assets.

On 15 December 2021, Inland Revenue accepted that the insurance proceeds for Seaview Wharf and Aotea 1-3 Wharves are non-taxable. The finalised binding ruling acknowledges that the repair work required is so significant that it would be “uneconomic to repair” and “irreparable” and therefore capital expenditure in nature. With this treatment, no tax deduction would be claimed for the repairs.

The finalised binding ruling was released just before Greater Wellington finalised the 30 June 2021 annual report and a post balance date note was included in the 30 June 2021 financial statements. A decision was made by management not to change the financial statements and to make an adjustment in the 30 June 2022 financial statements.

Correction of the error in the 30 June 2022 financial statements has resulted in the following restatements to comparative numbers for the year ended 30 June 2021:

#### GWRC Group

Statement of Comprehensive Revenue and Expense	Before Adjustment \$'000	Correction of Error \$'000	Restated \$'000
Surplus/(deficit) before tax	1,972	0	1,972
Tax (expense)/benefit	(22,458)	23,553	1,095
Operating surplus/(deficit) after tax	(20,486)	23,553	3,067

Statement of Changes in Net Assets/Equity	Retained Earnings before adjustment \$'000	Correction of Error \$'000	Retained Earnings Restated \$'000	Total Equity before adjustment \$'000	Correction of Error \$'000	Total Equity Restated \$'000
Balance at 30 June 2021 before correction	663,682	0	663,682	1,614,346		1,614,346
Operating surplus/(deficit) after tax restated	0	23,553	23,553	0	23,553	23,553
Balance at 30 June 2021 after correction	<b>663,682</b>	<b>23,553</b>	<b>687,235</b>	<b>1,614,346</b>	<b>23,553</b>	<b>1,637,899</b>

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Statement of Financial Position – Deferred Tax Liability	Before Adjustment \$'000	Correction of Error \$'000	Restated \$'000
Property, Plant and Equipment	100,831	-	100,831
Insurance recoverable	49,945	23,553	26,392
<b>Total Deferred Tax Liability</b>	<b>150,776</b>	<b>23,553</b>	<b>127,223</b>

**35 Events occurring after the balance date**

Subsequent to balance date the Reserve Bank increased the Official Cash rate (OCR) on 5 October to 3.50% 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.

The Reserve Bank of New Zealand issued a license to CentrePort Captive Insurance Limited in October 2022 to carry on insurance business in New Zealand.

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.

No dividend was declared post balance date by WRC Holdings (2021: Nil).

**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 3 waters reform, there is increased certainty with the proposal to transfer the three waters 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 legalisation be enacted, Council will not provide water services from 1 July 2024.

## He tauākī whākinga a te Pūrongo ā-Tau mō te tau ka oti i te 30 o Hune 2022 | Annual Report disclosure statement for the year ended 30 June 2022

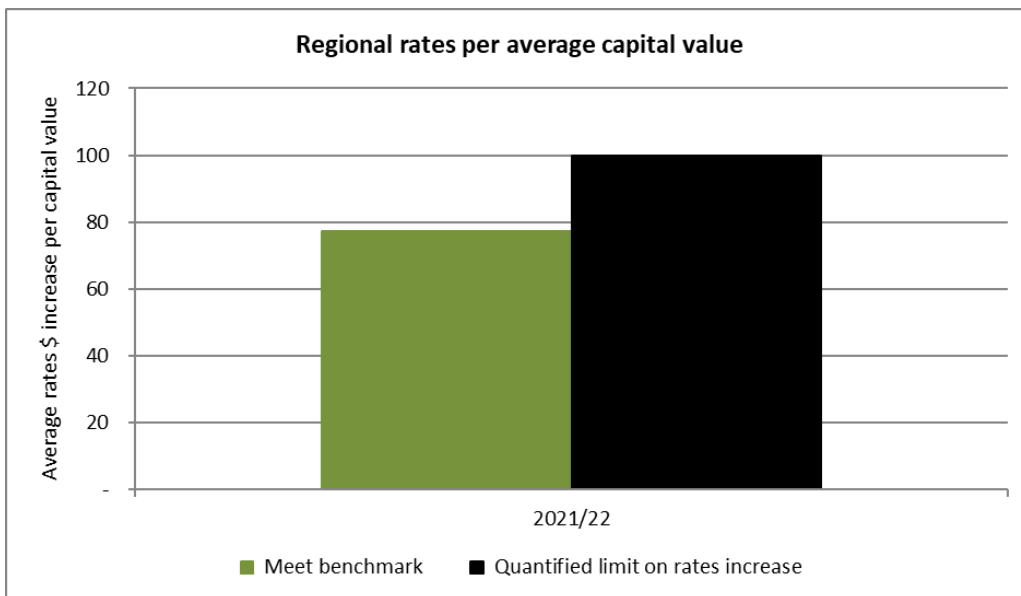
### *What is the purpose of this statement?*

The purpose of this statement is to disclose the Council'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.

The Council 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 the Council.

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 Long-Term Plan 2021-31.



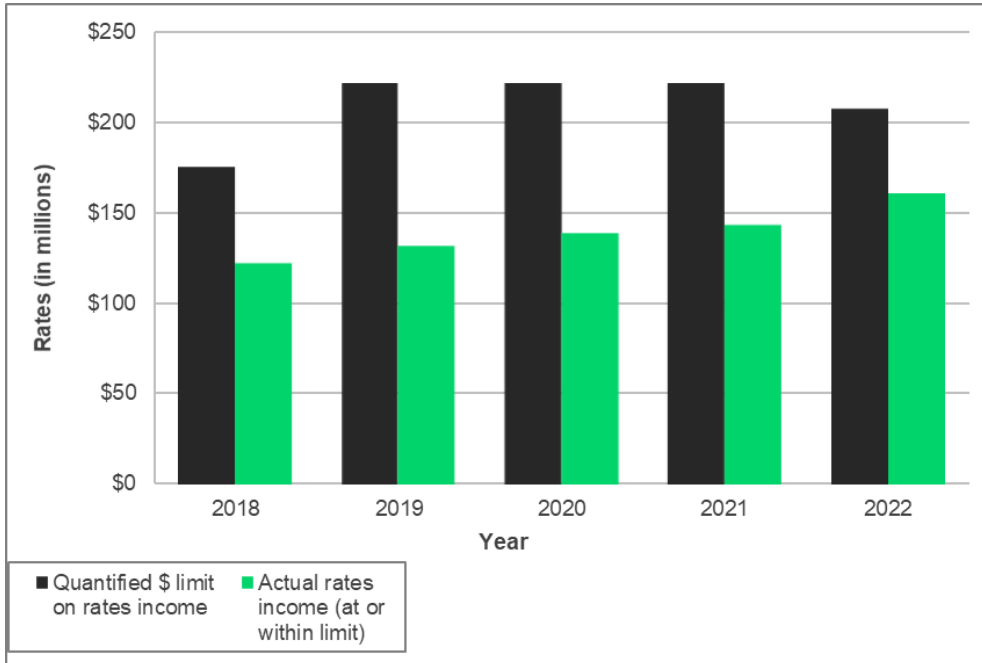
The council meets the rates affordability benchmark if:

- Its actual rates income equal or is less than each quantified limit on rates; and
- Its actual rates increase equal or are less than each quantified limit on rates increases.

**Attachment 1 to Report 22.494**

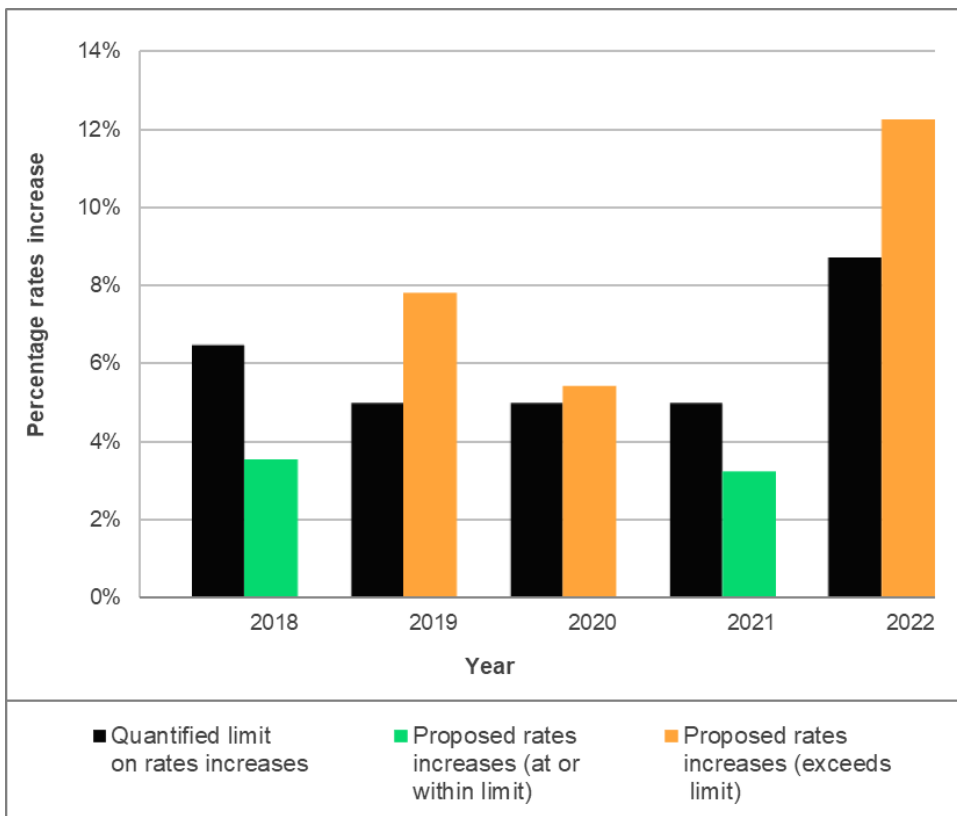
**Greater Wellington Regional Council's 2021/22 Annual Report**

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's Long-Term Plan. The quantified limit is the estimated rates requirement at 45 percent of total that years' operating revenue.



*Rates (increase) affordability*

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's Long-Term Plan. The quantified limit is the estimated rates requirement at 45 percent of total that years' operating revenue.

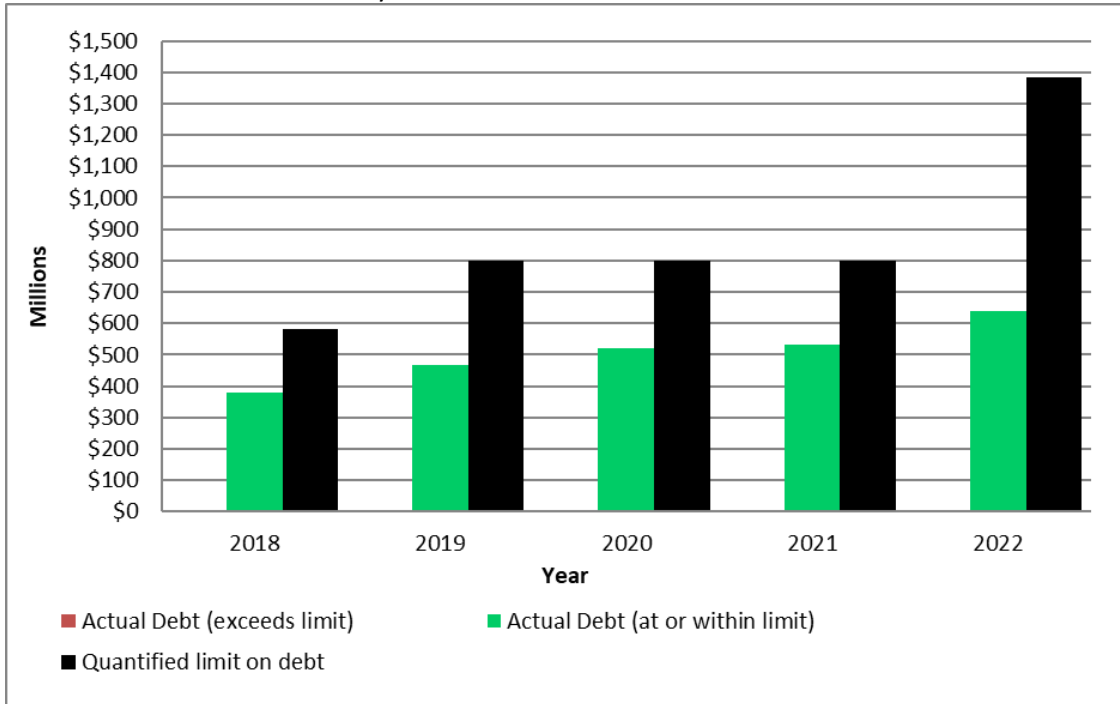




**Debt affordability benchmark**

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in council’s Long-Term Plan. The quantified limit is that net debt/total revenue is lower than the allowable maximum as indicated in the Financial Strategy.

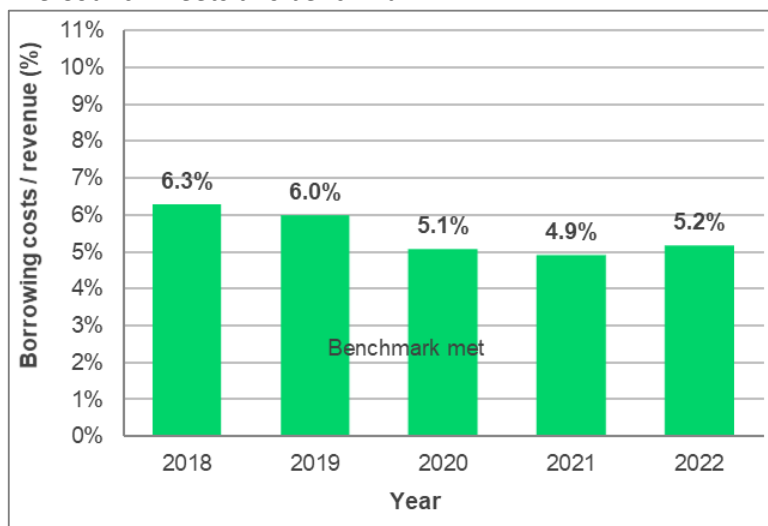
The Council continues to satisfy this benchmark test.



**Debt servicing benchmark**

The following graph displays the council’s borrowing costs as a proportion of planned revenue. The benchmark prudential limit is set by Central Government at 10% for non-high population growth regions.

The Council meets this benchmark.



**Attachment 1 to Report 22.494**

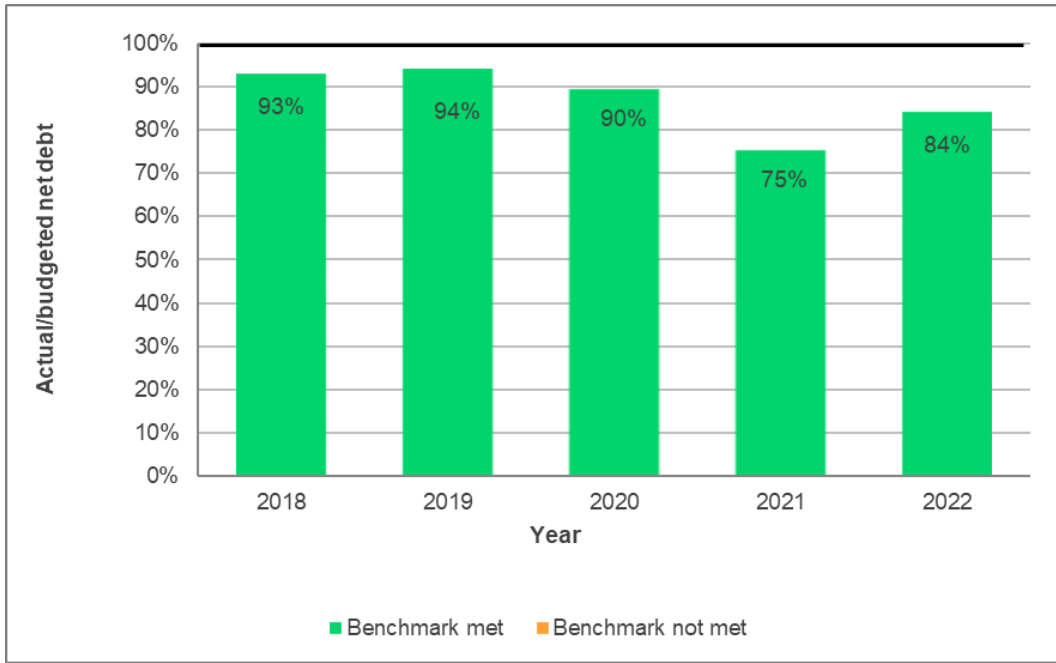
**Greater Wellington Regional Council's 2021/22 Annual Report**

*Debt control benchmark*

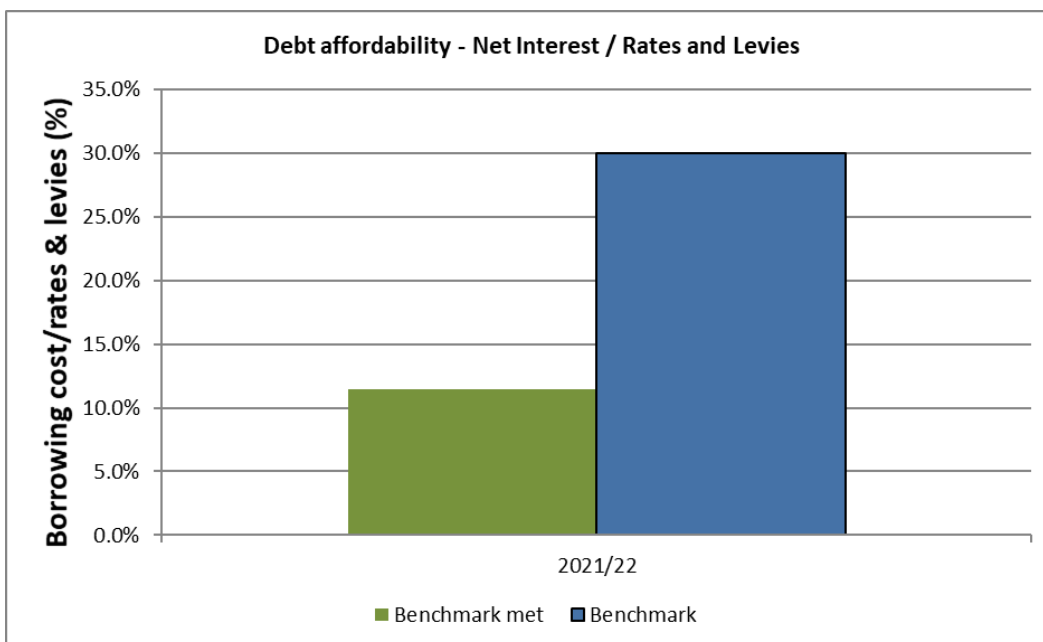
The following graph displays the council's actual net debt as a proportion of planned net debt. Percentages close to 100% indicate that our actual result is close to what we planned.

In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark.

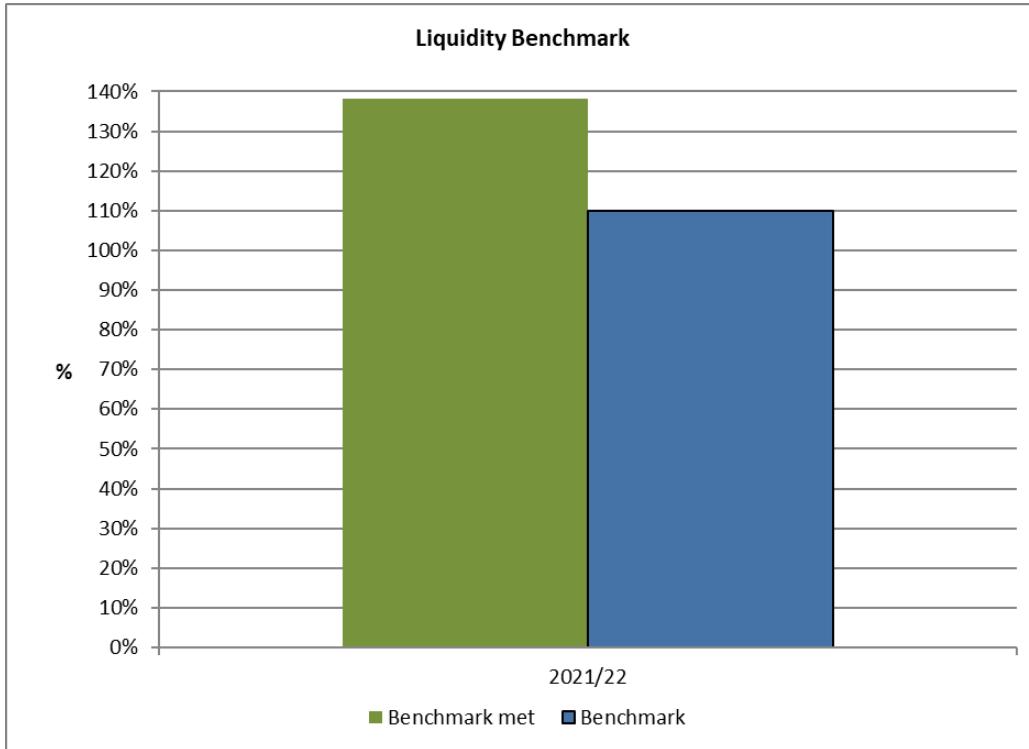


The graph below compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in Long-Term Plan. The quantified limit is that net interest/total rates & levies is less than 30 percent.



The graph below compares the council’s borrowing with a quantified limit on borrowing contained in the financial strategy included in the Long-Term Plan. The quantified limit is that liquidity is more than 110 percent.

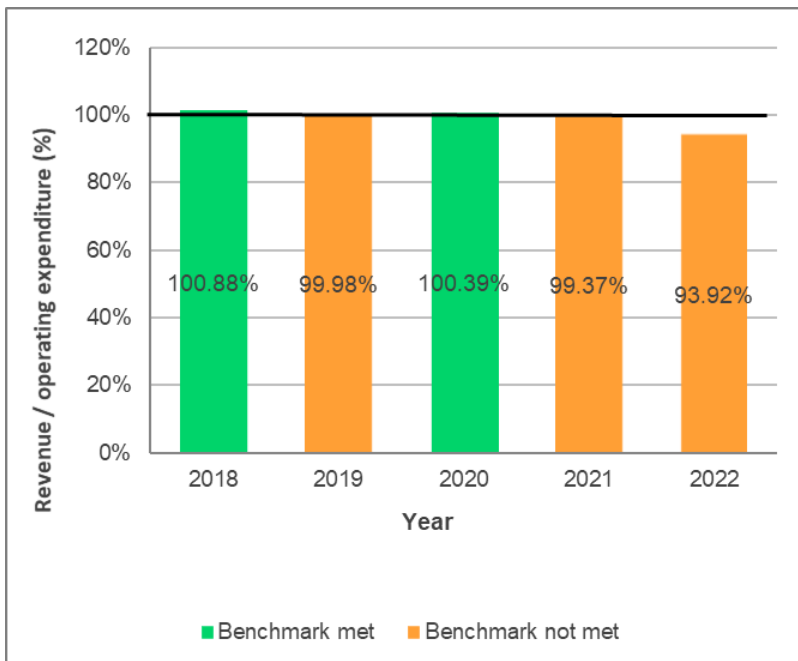
Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.



**Balanced budget benchmark**

The following graph displays the Council’s revenue (excluding gains on derivative financial instruments) as a proportion of operating expenses (excluding losses on derivative financial instruments).

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.



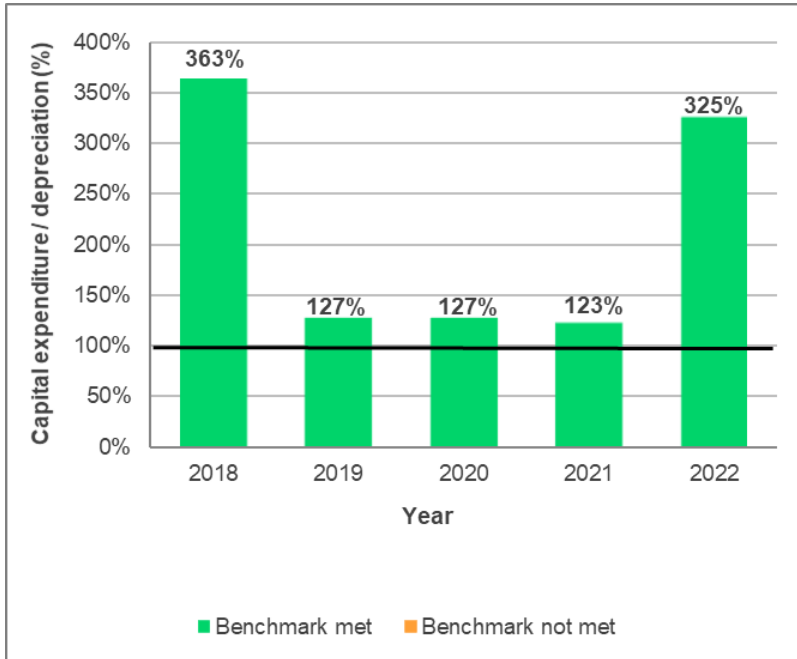
**Attachment 1 to Report 22.494**

**Greater Wellington Regional Council's 2021/22 Annual Report**

*Essential Services*

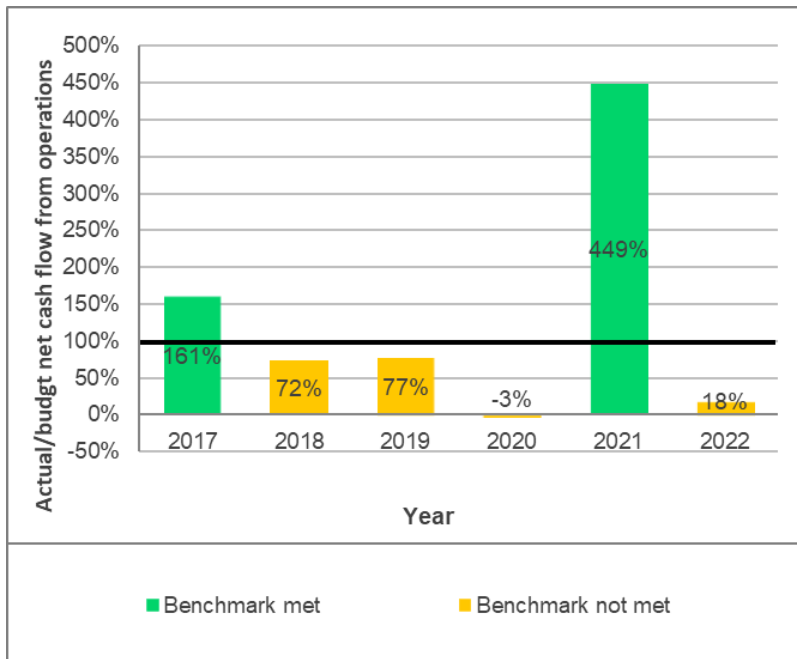
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

The council meets this benchmark as its capital expenditure on network services is greater than depreciation on network services.



*Operational control benchmark*

This graph displays the council's actual net cashflow from operations as a proportion of its planned net cash flow from operations. 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 2022 fairly reflect the financial position and operations of the Greater Wellington Regional Council.

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**Daran Ponter**  
Heamana Kaunihera | Chair

1 December 2022

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**Nigel Corry**  
Tumu Whakarae | Chief  
Executive

1 December 2022

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**Alison Trustrum-Rainey**  
Āpiha Mātāmua Pūtea | Chief  
Financial Officer

1 December 2022

**Greater Wellington Regional Council's 2021/22 Annual Report**  
**He Pūrongo Arotake Pūtea | Independent Audit Report**

*To be provided by Audit NZ following Council Meeting*

**Greater Wellington Regional Council's 2021/22 Summary of the Annual Report**



**Te Pane Matua Taiao he whakarāpopoto i te pūrongo ā-tau 2021/22**

**Greater Wellington Regional Council Summary of the Annual Report 2021/22**

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

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## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

### He whakatakinga | Introduction

This summary document is an overview of the financial and non-financial service performance for Year One of Greater Wellington's 2021-31 Long Term Plan. The full 2021/22 Annual Report is available at:

<https://www.gw.govt.nz/your-region/plans-policies-and-bylaws/plans-and-reports/annual-reports/>.

This summary document does not include the full financial disclosures and detailed financial information that are in the full Annual Report.

### He karere nā te Heamana me Te Tumu Whakarae | Message from the Chair and Chief Executive

When we developed the 2021-31 Long Term Plan (LTP) we invited the community to help us tell the Great Wellington Regional Story. This Annual Report reflects how in 2021/22 (the first year of our 2021-31 LTP) we listened to the community, land, and water in our rohe, and acted upon what we heard. We achieved a lot of what we set out to do this year in progressing key partnerships, reshaping the way we work, and improving a range of core services.

Our success did not come without a few challenges. Against a difficult operating environment, delivery of some work programmes and associated performance measures did not meet our expected standard of success. COVID-19 continued to reduce our ability to deliver, as did increasing pressures of a tight labour market, rising inflation, and central government reform. However, amongst these delivery pressures, Greater Wellington prioritised the wellbeing and safety of both our staff, and our communities, allowing us to continue providing core services to the best of our ability.

Overall, we are proud of what we have delivered this year, and the partnerships we have continued to strengthen. Thank you to our staff, our mana whenua partners, and the multiple agencies and community groups that we work with, for your part in this mahi.

Daran Ponter – Chair  
Nigel Corry – Chief Executive

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

### Ko te wāhi ki a mātou | Our place in your world

- 1.89 million visitors welcomed to our Regional Parks
- 850 hectares of erosion-prone hill country treated.
- 102 hectares of grazed Regional Park land retired and restored to its native state.
- Completed 8,555 hectares of Aerial 1080 operations
- 100% of resource consents dealt within statutory timeframes
- 62% of Wellington Region's primary schools participated in Movin'March cycling campaign
- 73 electric buses now in service on our network.
- Overall customer satisfaction with our public transport network:
  - Bus: 93.2%
  - Rail: 95.8%
  - Ferry: 96.1%
- 100% of resource consents dealt within statutory timeframes
- Zero events preventing the continuous supply of drinking water to consumers.

Some of the great mahi this year includes...

#### *Progressed partnerships across a range of work:*

- Worked with the Territorial Authorities and other agencies across our Region to progress joint initiatives on Climate Change action and Regional Transport initiatives.
- Partnered with mana whenua on a range of projects across the Region, working towards achieving our mutual aspirations and upholding the principles of Te Tiriti o Waitangi.
- Formed the Wellington Regional Leadership Committee (WRLC), in partnership with central government, local councils, and mana whenua across the Region, to be the lead governance body for the Regional Growth Framework and regional economic development.
- Collaborated on the Transit Orientated Development programme with Territorial Authorities and Kāinga Ora to promote transport mode-shift and increase access to public transport with 'outcomes for all' as the partnership principle.

**Greater Wellington Regional Council's 2021/22 Summary of the Annual Report***Reshaped the way we work with innovation and boldness:*

- Implemented programmes through a catchment-based approach to deliver better outcomes for our environment, in partnership with mana whenua and key communities.
- Launched Ika Rere – the Southern Hemisphere's first electric passenger ferry.
- Explored public transport solutions with our Public Transport on Demand Trial in Tawa, and Snapper on Rail on the Johnsonville line to increase the accessibility of our public transport network.
- Launched our Listen to the Land awareness campaign – promoting an environment-first approach to our Region's natural resources while highlighting the importance of our role as a regional council to the public.
- Began developing a new flood forecasting programme to build our capability in proactive emergency management to safeguard our communities from major flooding.
- Continued research to understand climate change projections and environmental impacts in New Zealand, providing the best possible information to the public.
- Produced new online guidance for resource consent applicants on how best to manage the effects of development on the Region's indigenous biodiversity.

**Our overarching strategic priorities**

Greater Wellington identified four key overarching strategic priorities in our 2021-31 Long Term Plan. Each Activity Group works to incorporate these priorities throughout their work<sup>1</sup>:

- I. Improving outcomes for mana whenua and Māori*
- II. Responding to the climate emergency*
- III. Aligning with Government direction*
- IV. Adapting and responding to the impacts of COVID-19*

See below for some achievements in responding to each of these priorities.

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<sup>1</sup> Refer to pages 16-26 of the 2021/22 Annual Report for more detail

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

### *I. Improving outcomes for mana whenua and Māori*

- Signed Tūāpapa (foundational) funding agreements with all six of our mana whenua partners to increase their capacity and resources. We also commenced the development of Kaupapa (project/activity-specific) funding agreements to create a joint work programme with mana whenua on shared priorities.
- Began implementing Te Whāriki – Greater Wellington's Māori Outcomes Framework, with the initial focus on building organisational capability.
- Progressed our Climate Resilience Programme, with involvement of the programme's four iwi partners (Ngāti Toa, Ngāti Kahungunu ki Wairarapa, Taranaki Whānui, and Rangitāne o Wairarapa) reaching new heights.
- Partnered with Wairarapa Iwi on the One Billion Trees Programme to share knowledge and reflect Mātauranga Māori in land management services.
- Adopted our new Rates Remissions on Māori Land Policy, to prevent further loss of Māori land and to support the long-term aspirations of whānau, hapū and iwi for whenua Māori.
- Increased funding to the Regional Māori Economic Development Board, Te Matarau a Māui, to design and deliver on their strategy and work programme with a focus on initiatives within the Māori economy as articulated by Māori.

### *II. Responding to the climate emergency*

- Continued our path to a zero emissions public transport fleet, with 73 electric buses now in service on our network, replacing existing diesel ones.
- Accelerated the retirement of grazing and the restoration of native ecosystems in our Regional Parks through the use of our Low Carbon Acceleration Fund, completing 11 hectares of winter planting at Kaitoke Regional Park and 17 hectares Queen Elizabeth Park.
- Contributed to the initial stages of a Regional Emissions Reduction Plan and a Regional Climate Change Adaptation Plan.
- Commissioned a 'climate projections' report specifically for the Wairarapa, in recognition of the eastern part of our Region being a hotspot for climatic changes.
- Completed the Regional Flood Risk Vulnerability Assessment to better predict and plan for flooding, showing climate change is increasing the frequency, severity, and unpredictability of flood events.
- Progressed our Climate Resilience Programme projects to construct and upgrade flood protection works, better equipping our region to handle the impacts climate change will have on river communities.
- Planted 24,000 seedlings along our rivers with our riparian planting programme to protect our waterways and promote biodiversity.
- Completed wetland operations activities such as fencing, weed control work assessments, and planting, and approved 12 restoration plans covering 14 wetland sites.

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

### III. *Aligning with Government direction*

- Responded to the replacement of the Resource Management Act, with our submissions to the exposure draft of the Natural and Built Environment Act (NBA), the Climate Adaptation Act (CAA), National Adaptation Plan, and the Emissions Reduction Plan.
- Engaged with the Future for Local Government Review Panel to express our Council's views on the long-term issues our sector is facing and provide input on the review panel's key focus areas.
- Progressed the Three Waters reform, working closely with the National Transition Unit and councils across the Region, ensuring our Region benefits from the reform and the process doesn't negatively impact our communities.
- Contributed to the Essential Freshwater Package, and National Policy Statement on Urban Development, working closely with our mana whenua partners to incorporate their views.

### IV. *Adapting and responding to the impacts of COVID-19*

- Ensured business continuity so our staff could work from home during all COVID-19 Alert Levels, maintaining core services to our community while supporting staff wellbeing.
- Activated and engaged the internal Crisis Management Team (CMT) and the regional response Emergency Coordination Centre (ECC) during the COVID-19 lockdown to provide information and support to staff and the region respectively.
- Metlink and its operators responded to the government's 'traffic light' system with plans prepared in advance for each alert level, so that passengers had a seamless and safe public transport experience during the disruptions of COVID-19.
- Provided free Metlink services to and from vaccination centres throughout 2021/22, making it easier for people across the Region to get vaccinated against COVID-19. In the Hutt Valley we worked with Kokiri Marae, Keriana Olsen Trust, Capital & Coast and Hutt Valley District Health Boards, and Te Awakairangi Health Network to provide the "Delta Buster" mobile vaccination bus to ensure some of the harder-to-reach communities were able to get vaccinated.

Greater Wellington Regional Council’s 2021/22 Summary of the Annual Report

**Ko ngā hua mō te hapor | Community outcomes**

We promote the social, economic, environmental, and cultural well-being of our communities through our three community outcomes:

- **Thriving Environment** – healthy fresh and coastal water, clean and safe drinking water, unique landscapes and indigenous biodiversity, sustainable land use, a prosperous low carbon economy.
- **Connected Communities** – vibrant and liveable region in which people can move around, active and public transport, sustainable rural and urban centres that are connected to each other, including mana whenua and mātāwaka Māori communities.
- **Resilient Future** – safe and healthy communities, a strong and thriving regional economy, inclusive and equitable participation, adapting to the effects of climate change and natural hazards, community preparedness, modern and robust infrastructure.

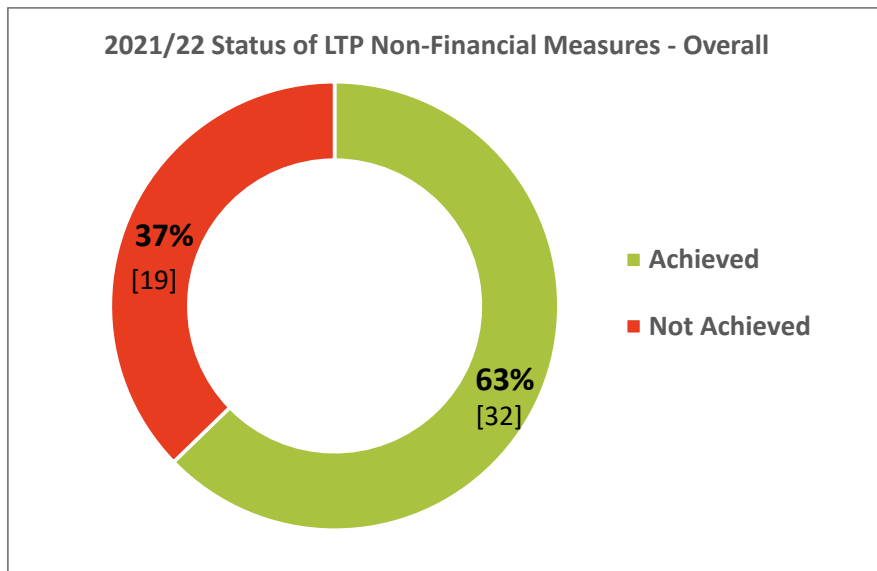
The table shows Community Outcomes through the lens of each of our Activity Groups:

Community Outcomes				
		Thriving Environment	Connect Communities	Resilient Future
Activity Group	<b>Environment and Flood Protection</b> (page X)	We look after the region’s special places to ensure they thrive and prosper	Our work with the community connects people with the environment they live in	We manage and protect the region’s resources so they can be enjoyed for generations to come
	<b>Metlink Public Transport</b> (page X)	With electrification of our network we are creating a more sustainable and low carbon region	People can get to the places they want to go to by using an accessible and efficient network	People can move around the region on a public transport network that is future proofed
	<b>Regional Strategy and Partnerships</b> (page X)	We lead from the front to ensure our environment is front and centre	People are engaged in the decisions that affect them	We plan for the big issues by connecting the dots, ensuring the future is resilient
	<b>Water Supply</b> (page X)	Water supply is respectful to the environment that we live in	The region has sufficient water supply that is of high quality and safe	Bulk water supply is sustainable to the community as our environment changes

Greater Wellington Regional Council’s 2021/22 Summary of the Annual Report

**He whakarāpopototanga o te tiro whānui i te rawa | Summary of non-financial performance**

Greater Wellington reports against 51 non-financial performance measures in the Annual Report. These measures were set during the preparation of the 2021-31 Long Term Plan.



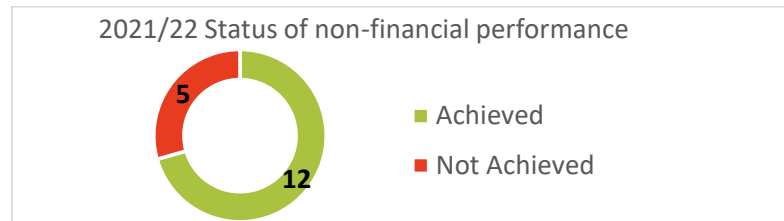
- Overall Greater Wellington achieved 63 percent (32) of our non-financial performance measures and did not achieve 37 percent (19).
- We faced several challenges in our operating environment which impacted our ability to achieve our performance measures, including:
  - COVID-19 related impacts on driver absenteeism and underlying driver shortages impacted our Metlink Public Transport measures.
  - Adverse weather conditions and COVID-19 restrictions impacted our Environment and Flood Protection measures.
  - A record number of leaks across the Territorial Authority pipe network, and high per capita demand and growth impacted our Water Supply measures.
  - Resourcing issues, staff absenteeism due to COVID-19, high workloads and competing work priorities affected measures across all Activity Groups.
- We did not achieve two of our non-financial performance measures relating to carbon emission reduction<sup>2</sup>. For more detail refer to pages X and Y of the 2021/22 Annual Report, and our Greenhouse Gas Emissions Performance Measures Disclosure Statements on page Z of the 2021/22 Annual Report.

<sup>2</sup> The two measures being: “Reduction in tonnes of CO2 equivalent (tCO2e) emissions” and “Tonnes of CO2 emitted per year on Metlink Public Transport Services”

Greater Wellington Regional Council’s 2021/22 Summary of the Annual Report

**Ko te haumarua taiao me te waipuke | Environment and flood protection**

Overall Summary of the year’s performance



**Greater Wellington’s Environment and Flood Protection activities achieved 71 percent of their 17 performance measures this year – refer to [page X](#) of the 2021/22 Annual Report for more detail.**

2021/22 saw the Environment and Flood Protection Activity Group deliver against one of their largest operational programmes of work to date, with significant progress made to several 2021-31 Long Term Plan projects, Crown-funded projects, and core work. Key to this delivery were the major shifts in how we partnered with mana whenua, engaged our communities, and worked with local councils, central government agencies and other external groups on joint initiatives.

The impacts of COVID-19 continued to present challenges to delivery and community engagement in relation to a tight labour market, supply constraints, and lockdowns. Other challenges such as adverse weather events and numerous flooding incidents required reprioritisation of resources and led to delays in some work. Significant work was also done responding to central government direction and reform – such as responding to the proposed changes to the Resource Management Act – all of which was done on top of delivering our usual work.

Safeguarding our communities, we made great progress on our major flood protection projects such as RiverLink and our Climate Resilience programme, in spite of resourcing and construction delays relating to

COVID-19. Essential core work continued with implementation of various Flood Management Plans across the Region.

We progressed a range of mahi to protect and restore indigenous biodiversity, including the progression of three major Crown-funded projects: Wairarapa Moana Wetlands, One Billion Trees, and Improving Fish Passage. The delivery of the Predator Free Wellington programme saw Miramar Peninsula remain almost entirely free of possums, stoats, weasels, and Norway rats in the last 18 months. Protecting our fresh water we made progress across our Whaitua implementation programmes, working closely with mana whenua, communities, and local councils in the Region.

Across our Regional Parks, we progressed our Recloaking Papatūānuku project with 28 hectares of winter planting. We ended commercial and recreational stock grazing at Queen Elizabeth Park and West Belmont Regional Park, decreasing our greenhouse gas emissions, with an added focus on sustainability and restorative planting.

We shared our environmental expertise through various outlets, with substantial input into the Proposed Natural Resource Plan and National Policy Statement. Our Environmental Science department achieved several significant milestones for climate science research and communication over the last year.

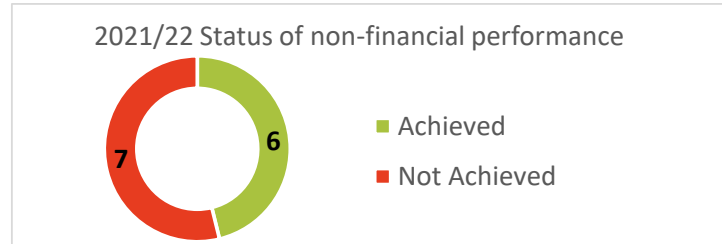
We received a large volume of resource consents, all of which were dealt within statutory timeframes. Supporting this was newly produced online guidance for resource consent applicants.



## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

### Ngā waka tūmatanui | Metlink public transport

#### Overall Summary of the year's performance



**Greater Wellington's Metlink Public Transport activities achieved 46 percent out of their 13 performance measures this year – refer to [page X](#) of the 2021/22 Annual Report for more detail.**

Metlink achieved a lot in 2021/22 against a challenging operating environment, with our continual improvements to public transport services, action on climate change, and how we approach engagement with mana whenua. In response to COVID-19, the safety of passengers and frontline staff remained the most important consideration.

COVID-19 outbreaks continued to impact public transport patronage and revenue. It was a dominating factor in our passenger surveys, leading to lower satisfaction results and us not achieving some performance measures. Rail service delivery was impacted by rail network issues and weather events.

Our bus operations had challenges in recruiting and retaining drivers, where driver shortages contributed to increased cancellations on our bus network, along with increased absenteeism caused by COVID-19 illness. As part of our commitment to retain and attract drivers across the Region, we worked with operators to increase bus driver wages to an average of \$27 an hour. Going forward, we will continue to work with the

fullest range of stakeholders on this front, including the Ministry of Transport, operators, unions, drivers, and others.

Working towards a low carbon public transport network, 73 electric busses are now on our network, along with the introduction of Ike Rere, the first operating electric passenger ferry in the Southern Hemisphere.

Keeping our communities connected with an accessible public transport network was a key focus for Metlink. We launched the Metlink Accessibility Charter to improve accessibility to our network for disabled people and agreed a principles-based approach to the *Transit Oriented Development* programme with our regional partners, which focusses on developments promoting accessibility around train stations in the Region.

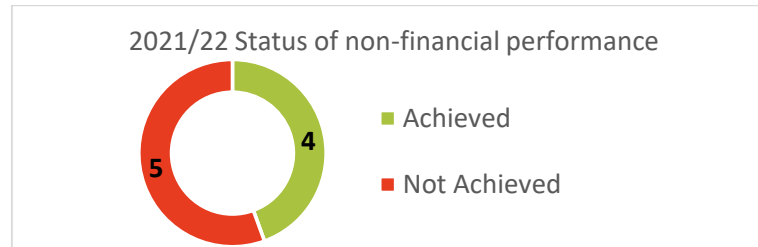
Exploring new transport solutions, we trialled our *Public Transport on Demand* service in Tawa, which saw a growing base of patrons use the service. We rolled out the Snapper on Rail pilot project in Johnsonville with support from Waka Kotahi, to make rail more accessible, as part of an interim solution for the delayed National Ticketing Solution.

Across our rail network, infrastructure improvements continued throughout the year, including the double tracking on the Upper Hutt Line and redevelopment of various stations. We progressed plans to improve capacity and accessibility on the Wairarapa and Manawatū lines.

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

### Ko te mahere ā-rohe me ngā rangapū | Regional strategy and partnerships

#### Overall Summary of the year's performance



**Greater Wellington's Regional Strategy and Partnerships activities achieved 44 percent out of their 9 performance measures this year – refer to [page X](#) of the 2021/22 Annual Report for more detail.**

2021/22 was the important first year of our 2021-31 Long Term Plan for our Regional Strategy and Partnerships activities. It set the foundations to how we will work with mana whenua and our regional partners in the future, with particular emphasis on how we approach climate change and regional transport as a collective.

Achievement of our performance measures were impacted by a variety of factors including this being only the first year of the long-term approach towards effective partnerships with mana whenua, and an evolving understanding of our carbon footprint.

Significant work was done this year on regional spatial planning through key transport projects. Let's Get Wellington Moving (LGWM) reached the implementation stage of the three-year programme, with approval of a preferred option for Mass Rapid Transport and State Highway Improvements, and the Travel Demand Management programme. The

Regional Land Transport Plan (RLTP) progressed with a focus on the integration of urban and transport planning.

Implementation of the Wellington Regional Growth Framework got underway, with Greater Wellington as the Adminstrating Authority. The framework outlines priority areas for the region across housing, transport, climate change, and regional resilience. We also established a formal structure for implementation of Te Matarau a Māui (the Māori Economic Development Strategy), providing leadership to Territorial Authorities and *Wellington NZ* to support the strategy.

Our Climate Change team continued to shape the organisational and regional approach towards mitigating the effects of climate change through development of regional policy and council advocacy. We progressed our Climate Emergency Response Programme, which includes our own Corporate Carbon Neutrality Action Plan, and the Regional Climate Emergency Action Plan for how we work as a Region.

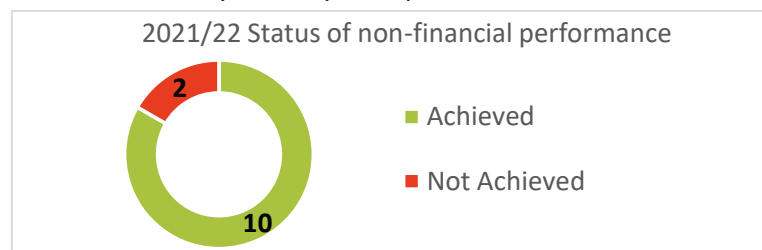
Uptake in our travel choice programmes such as *Movin' March* for schools, which promote active transport to lower carbon alternatives, were very successful this year, despite disruptions from the COVID-19 Omicron variant outbreak.

Supporting effective partnership with mana whenua, we signed Tūāpapa (foundational) funding agreements with all six of our mana whenua partners, to increase capacity and resources, and progressed the development of Kaupapa (project/activity-specific) funding agreements for joint initiatives.

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

### Ngā puna wai | Water supply

#### Overall Summary of the year's performance



Greater Wellington's Water Supply activities (via Wellington Water Limited<sup>3</sup>) achieved 83 percent out of their 12 performance measures this year – refer to **page X** of the 2021/22 Annual Report for more detail.

The impacts of COVID-19 and external economic pressures on Wellington Water Limited's (WWL) workforce, severely impacted delivery of core services, planned maintenance, and projects. The construction sector as a whole continued to experience ongoing labour and supply chain shortages, with increased costs providing ongoing challenges for WWL through the year and into next. In response, WWL continues to seek the best available options with value engineering projects to reduce costs and establish back up arrangements with multiple suppliers.

Water consumption due to extensive leakage remained one of WWL's major issues this year. In response WWL purchased additional trucks and equipment and established a dedicated committee to front the issue. WWL also ran several campaigns to help manage increased water demand,

including the summer demand campaign around the single call to action of 'Shower for as long as a four-minute song'.

Inconsistent fluoridation of the water supply was identified during the year. Council approved emergency funding to rectify the situation, with fluoridation projects due for completion in November 2022.

WWL progressed numerous capital projects to improve regional resilience, all designed to reduce the risk to Greater Wellington's bulk water supply. Including:

- The Silverstream Pipe Bridge project – progressed into the construction phase and is due for completion in December 2024.
- Te Mārua Water Treatment Plant project – capacity upgrades underway (currently supplies over 40 percent of the region's total water supply) and is due for completion early 2025. The project is experiencing budget pressure from the escalation of imported equipment and construction costs.
- The Kaitoke Flume Seismic Upgrade project – to progress into construction from July 2022 and is due for completion early 2025.

<sup>3</sup> Wellington Water Limited (WWL) carries out the collecting, treating, and distributing safe and healthy drinking water to Wellington, Hutt, Upper Hutt, and Porirua City councils for Greater Wellington. WWL is a joint council-owned water management company.

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

## He pūrongo pūtea | Finances at a glance

	2020/21 Actual	2021/22 Long Term Plan	2021/22 Actual
Annual revenue	\$432.5m	\$460.9m	\$444.6m
Annual expenditure	\$435.2m	\$455.5m	\$473.4m
Capital expenditure	\$42.5m	\$108.8m	\$87.9m
Debt	\$531.9m	\$636.1m	\$638.1m

- Annual revenue from rates: \$160.9 million
- Annual revenue from grants and other sources: \$283.7 million

## Financial overview for the year ended 30 June 2022:

- \$35.1 million net deficit after tax for 2021/22
- \$6.29 cost of delivering all Greater Wellington services pre rating unit per day
- \$2.1 billion total assets for 2021/22
- 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.

Rates	\$160.9m
Water Supply Levy	\$39.3m
Grants and Subsidies	\$153.2m
Investment Revenue	\$7.2m
Other Revenue (includes fees and charges)	\$84.0m

## Operational expenditure

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

Environment and Flood Protection	\$80.4m
Metlink Public Transport	\$280.1m
Regional Strategy and Partnerships	\$28.9m
Water Supply	\$36.7m

## Capital expenditure

Greater Wellington's capital expenditure highlights infrastructure investment in Environment & Flood Protection, Metlink Public Transport, and Water Supply.

Environment and Flood Protection	\$36.4m
Metlink Public Transport	\$23.1m
Regional Strategy and Partnerships	\$1.1m
Water Supply	\$24.0m

**Greater Wellington Regional Council's 2021/22 Summary of the Annual Report****Property, plant, and equipment**

*The below pie chart illustrates Greater Wellington's asset base comprising public transport, flood protection, water supply and regional parks.*

Environment and Flood Protection	\$602.1m
Metlink Public Transport	\$595.5m
Water Supply	\$662.8m
Other Assets	\$70.0m

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

Environment and Flood Protection	\$116.8m
Metlink Public Transport	\$303.2m
Regional Strategy and Partnerships	\$30.0m
Water Supply	\$60.7m

**Disclaimer**

The specific disclosures included in this Summary of the 2021/22 Annual Report have been extracted from the full 2021/22 Annual Report. The Summary cannot be expected to provide as complete an understanding as provided by the full annual report of the financial and service performance, financial position and cash flows of the Greater Wellington Regional Council. The Summary has been examined by the auditor for consistency with the full annual report audited by Audit New Zealand on behalf of the Auditor-General. A qualified audit opinion was issued on 1 December 2022. This Annual Report summary was adopted by the Council on 1 December 2022.

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

## Financial summary including key disclosure statements

## Summary statement of comprehensive revenue and expense, for the year ended 30 June 2022

	Greater Wellington		Greater Wellington Group		
	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Restated	
				Actual 2022 \$'000	Actual 2021 \$'000
<b>Operating revenue and gains</b>	<b>443,933</b>	<b>460,957</b>	<b>432,572</b>	<b>532,261</b>	<b>508,048</b>
Finance expenses	(23,099)	(19,942)	(21,314)	(23,099)	(21,199)
Total operating expenditure	(450,282)	(435,524)	(413,865)	(558,851)	(515,791)
<b>Operating surplus/(deficit) before other items and tax</b>	<b>(29,448)</b>	<b>5,491</b>	<b>(2,607)</b>	<b>(49,689)</b>	<b>(28,942)</b>
Share of associate's surplus/(deficit)	-	-	-	1,537	135
Fair value - Other assets	-	-	-	(21,000)	-
Fair value gains / (losses) in profit and loss	64,561	14,110	32,775	64,561	32,775
Investment properties	-	-	-	4,842	(1,998)
Tax on continuing operations	-	-	-	10,548	1,095
<b>Operating surplus / (deficit) after tax</b>	<b>35,113</b>	<b>19,601</b>	<b>30,168</b>	<b>10,799</b>	<b>3,065</b>
<b>Other comprehensive revenue and expenses</b>					
Increases / (decreases) in revaluations	131,894	-	4,689	196,302	19,680
<b>Total comprehensive revenue and expense</b>	<b>167,007</b>	<b>19,601</b>	<b>34,857</b>	<b>207,101</b>	<b>22,745</b>
<b>Attributable to:</b>					
Equity holders of the Parent	167,007	19,601	34,857	<b>215,217</b>	22,100
Non-controlling interest	-	-	-	<b>(8,116)</b>	645
	<b>167,007</b>	<b>19,601</b>	<b>34,857</b>	<b>207,101</b>	<b>22,745</b>

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

## Summary statement of changes in equity, for the year ended 30 June 2022

	Greater Wellington			Greater Wellington Group	
	Actual	Budget	Actual	Restated	
	2022	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening equity</b>	<b>1,137,997</b>	<b>1,180,576</b>	<b>1,103,138</b>	<b>1,637,897</b>	<b>1,619,766</b>
Operating surplus /(deficit) after tax	35,112	19,601	30,169	10,799	3,067
Dividend to non-controlling interest	-	-	-	(1,385)	(4,615)
Asset revaluation movements	120,177	-	-	184,585	14,992
Revaluation movement of other financial assets	11,717	-	4,689	11,717	4,689
<b>Total closing equity at 30 June</b>	<b>1,305,010</b>	<b>1,201,188</b>	<b>1,137,996</b>	<b>1,843,618</b>	<b>1,637,897</b>
<b>Attributable to:</b>					
<b>Equity holders of the Parent</b>	1,305,010	1,201,188	1,137,996	1,736,979	1,537,989
<b>Non-controlling interest</b>	-	-	-	106,639	99,908
	<b>1,305,010</b>	<b>1,201,188</b>	<b>1,137,996</b>	<b>1,843,618</b>	<b>1,637,897</b>

## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

## Summary statement of financial position, for the year ended 30 June 2022

	Greater Wellington			Greater Wellington Group	
	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Current assets	217,898	151,405	219,844	375,511	381,176
Non-current assets	1,849,552	1,810,601	1,600,593	2,375,355	2,067,903
<b>Total assets</b>	<b>2,067,450</b>	<b>1,962,006</b>	<b>1,820,437</b>	<b>2,750,866</b>	<b>2,449,079</b>
Current liabilities	218,235	180,698	224,678	222,230	226,031
Non-current liabilities	544,205	580,120	457,763	685,018	585,153
<b>Total liabilities</b>	<b>762,440</b>	<b>760,818</b>	<b>682,441</b>	<b>907,248</b>	<b>811,184</b>
<b>Net assets</b>	<b>1,305,010</b>	<b>1,201,188</b>	<b>1,137,996</b>	<b>1,843,618</b>	<b>1,637,895</b>
Equity attributed to:					
Other reserves	1,305,010	1,201,188	1,137,996	1,736,978	1,537,987
Minority interest	-	-	-	106,640	99,908
<b>Total equity</b>	<b>1,305,010</b>	<b>1,201,188</b>	<b>1,137,996</b>	<b>1,843,618</b>	<b>1,637,895</b>



## Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

## Summary statement of cash-flow, for the year ended 30 June 2022

	Greater Wellington		Greater Wellington Group		
	Actual	Budget	Actual	Actual	Restated
	2022	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from operating activities	6,650	36,341	64,794	17,572	63,045
Cashflows from investing activities	(101,022)	(115,898)	(81,651)	(164,552)	(140,725)
Cashflows from financing activities	106,214	79,920	12,195	108,329	15,080
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>11,842</b>	<b>363</b>	<b>(4,662)</b>	<b>(38,651)</b>	<b>(62,600)</b>
<b>Opening cash equivalents</b>	<b>4,675</b>	<b>20,649</b>	<b>9,338</b>	<b>196,792</b>	<b>259,393</b>
<b>Closing cash equivalents</b>	<b>16,517</b>	<b>21,012</b>	<b>4,675</b>	<b>158,141</b>	<b>196,792</b>

**Greater Wellington Regional Council's 2021/22 Summary of the Annual Report***Major variances between actual and budget:***1. Operating revenue and gains**

Operating revenue and gains are lower than budget mainly due to half price fares and lower patronage offset by increased funding from Waka Kotahi reflected in grants and subsidies.

**2. Operating expenditure**

Operating expenditure is higher than budget mainly due to the Omāroro reservoir project grant made to Wellington City Council. The grant was initially capital budgeted but now moved to operating budget and funded by debt.

**3. Fair value movements**

Fair value movements are favourable to budget reflecting the increase in the fair value of the interest rate swaps held by Greater Wellington due to the continuing increase in market interest rates

**4. Total assets**

The non-current assets are higher than budget mainly due to a revaluation increase in the value of property, plant and equipment.

The current assets are higher than budget mainly due to surplus and other contingency funds being invested in maturities not exceeding twelve months.

**5. Ratepayers equity**

The ratepayer's equity is higher than budget mainly due to asset revaluations and fair value movement of financial instruments.

*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 3 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 legalisation be enacted, Council will not provide water services from 1 July 2024.

**Official cash rate**

Subsequent to balance date the Reserve Bank increased the Official Cash rate (OCR) on 5 October to 3.50% 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.

## **Greater Wellington Regional Council's 2021/22 Summary of the Annual Report**

### **CentrePort Captive Insurance**

The Reserve Bank of New Zealand issued a license to CentrePort Captive Insurance Limited in October 2022 to carry on insurance business in New Zealand.

### **Dividend**

No dividend was declared post balance date by WRC Holdings (2021: 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.

### ***Disclaimer***

The full financial statements presented in the 2021/22 Annual report have been audited.

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 FRS 43 – Summary financial statements.

Greater Wellington Regional Council's 2021/22 Summary of the Annual Report

He pūrongo arotake pūtea | Independent audit report

## Attachment 3 to Report 22.494

## Reserve balance as at 30 June 2022 as compared to the Long Term Plan

Council created reserves	Purpose of the fund	Long Term Plan balance at 30 June 2022 \$000s	Actual reserve balance at 30 June 2022 \$000s
<b>Area of benefit reserves</b>			
Public transport reserve	Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure	8,160	5,435
Transport planning reserve	Any funding surplus or deficit relating to the provision of transport planning services is used only on subsequent transport planning expenditure.	867	261
WRS reserve	Any funding surplus or deficit relating to the Wellington Regional Strategy implementation is used only on subsequent Wellington Regional Strategy expenditure.	134	673
WREMO reserve	Contributions by other local authorities to run the WREMO	445	234
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	7,848	12,407
<b>Contingency reserves</b>			
Environmental legal reserve	To manage the variation in legal costs associated with resource consents and enforcement	4	10
Flood contingency reserves	To help manage the costs for the repair of storm damage throughout the region.	6,371	3,408
Rural fire reserve	To help manage the costs of rural fire equipment.	82	81
<b>Special reserves</b>			
Election reserve	To manage the variation in costs associated with the election cycle	427	357
Corporate systems reserve	To manage the variation in costs associated with key IT infrastructure and software.	1,203	1,016
General reserve	To manage variation in costs associated with new initiative projects	8,718	9,554
Other reserve balances	Re-budgets and other reserve funds	-413	7,973
<b>Total reserves (GST exclusive)</b>		<b>33,846</b>	<b>41,409</b>

**Council**  
**1 December 2022**  
**Report 22.491**



**For Decision**

## **SHAREHOLDER RESOLUTIONS IN LIEU OF ANNUAL GENERAL MEETING – WRC HOLDINGS LIMITED**

**Te take mō te pūrongo**

**Purpose**

1. For the Council, as sole shareholder, to consider whether to hold an Annual General Meeting (AGM) for WRC Holdings Limited relating to the financial year ending 30 June 2022.

**He tūtohu**

**Recommendations**

That Council

1. **Agrees**, as sole shareholder of WRC Holdings Limited, that the company not be required to hold an Annual General Meeting relating to the financial year ending 30 June 2022.
2. **Resolves** the written resolutions contained in Attachment 1 - Shareholder resolutions for WRC Holdings Limited.
3. **Authorises** the Council Chair to sign the resolutions of the sole shareholder contained in Attachment 1.

**Te horopaki**

**Context**

2. The Companies Act 1993 requires the board of a company to hold an AGM of shareholders within six months of the balance date of the company. The balance date of WRC Holdings Limited is 30 June.
3. The purpose of the AGM is to approve and adopt the Annual Report (**Attachment 2**), appoint an auditor, and agree the process for resolving the auditor's fees and expenses.
4. The Companies Act 1993 and WRC Holdings Limited's constitution allow for the meeting to not be held if a resolution in lieu is passed.

## **Te tātaritanga Analysis**

5. The sole shareholder of WRC Holdings Limited is the Council. It is not necessary to formally hold a separate AGM if everything that is required to be done at that meeting is done by written resolution of the shareholders, passed in accordance with section 122 of the Companies Act 1993.
6. Related resolutions are included as **Attachment 1** (Shareholder resolutions for WRC Holdings Limited).
7. An authorised person is required to sign the resolutions on behalf of the shareholder, and it is recommended that this be Council Chair.

## **Nga kōwhiringa Options**

### ***Option One – Pass resolutions in lieu of the AGM***

8. Pass the resolutions contained in **Attachment 1** in line with section 122 of the Companies Act 1993.
9. The procedural matters of the company's AGM are dealt with swiftly and without the need to hold another meeting of Councillors. It does not preclude holding an AGM in future years if requested. WRC Holdings Limited's accountability remains intact through quarterly reporting and the Annual Report.

### ***Option Two– Do not pass these resolutions and hold an AGM***

10. If held, the AGM needs to take place no later than six months after balance date, so would need to be held by 31 December 2022.
11. This option would provide a formal opportunity to meet as shareholder, separately to a meeting as Council. However, this process has a time cost and some mileage involved for Councillors in attending a further meeting for a largely procedural matter.

## **Ngā hua ahumoni Financial implications**

12. The financial implications are discussed in the Options section above.

## **Ngā Take e hāngai ana te iwi Māori Implications for Māori**

13. There are no known impacts for Māori.

## **Ngā tikanga whakatau Decision-making process**

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

15. The process for deciding these matters is explicitly prescribed by the Companies Act 1993, and is outlined in paragraph 5 above.

**Te hiranga  
Significance**

16. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matters dealt with in this report, taking into account Council's *Significance and Engagement Policy* and *Decision-making Guidelines*. Officers recommend that the matters are of low significance.

**Te whakatūtakitaki  
Engagement**

2. Given the procedural nature of this matter, no external engagement was undertaken.

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

17. If Council agrees to pass resolutions in lieu of holding the AGM, then we will notify WRC Holdings Limited, and they will ensure the annual return of the company is filed with the Companies Office.

**Ngā āpitihanga  
Attachments**

Number	Title
1	Shareholder resolutions for WRC Holdings Limited
2	Annual Report for WRC Holdings Limited for the year ended 30 June 2022 (to come)

**Ngā kaiwaitohu  
Signatories**

Writer	Sarah Allen – Principal Advisor, Company Portfolio and Economic Development
Approver	Luke Troy – General Manager, Strategy



<b>He whakarāpopoto i ngā huritaonga Summary of considerations</b>
<b><i>Fit with Council's roles or with Committee's terms of reference</i></b> Council, as the sole shareholder of WRC Holdings Limited, has the statutory power to pass the resolutions (section 122 of the Companies Act 1993).
<b><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></b> No implications for Council plans or other key strategies and policies.
<b><i>Internal consultation</i></b> Strategy and Finance were consulted
<b><i>Risks and impacts - legal / health and safety etc.</i></b> No risks were identified.

**Attachment 1 to Report 22.491**

**Shareholder resolutions for WRC Holdings Limited**

**WELLINGTON REGIONAL COUNCIL**  
*(the Shareholder)*

**WRC HOLDINGS LIMITED**  
*(the Company)*

**Written resolution of the sole shareholder of the Company dated 1 December 2022**

**Introduction**

Under the Companies Act 1993 (the Act), the Board of the Company must call an annual meeting of shareholders to be held within a time specified by the Act. However, it is not necessary for the Company to hold a meeting of shareholders if everything required to be done at that meeting is done by written resolution passed under section 122 of the Act.

**Resolutions**

Wellington Regional Council, being the sole shareholder and entitled person of the Company, resolves and agrees:

1. That the audited financial statements of the Company for the accounting period ended 30 June 2022 and the Annual Report be approved and adopted.
2. To appoint Audit New Zealand (as required by section 70 of the Local Government Act 2002) as the auditor of the Company to:
  - (a) Hold office from the date of this resolution until the conclusion of the Company's next annual meeting; and
  - (b) Audit the Company's financial statements and the group financial statements for the accounting period after the date of this resolution.
3. That the auditor's fees and expenses are to be determined by the directors of the company (or their appointed officers) in consultation with the auditor.
4. Not to hold an Annual General Meeting.

**Signed** by the sole shareholder  
WELLINGTON REGIONAL COUNCIL

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Authorised Person