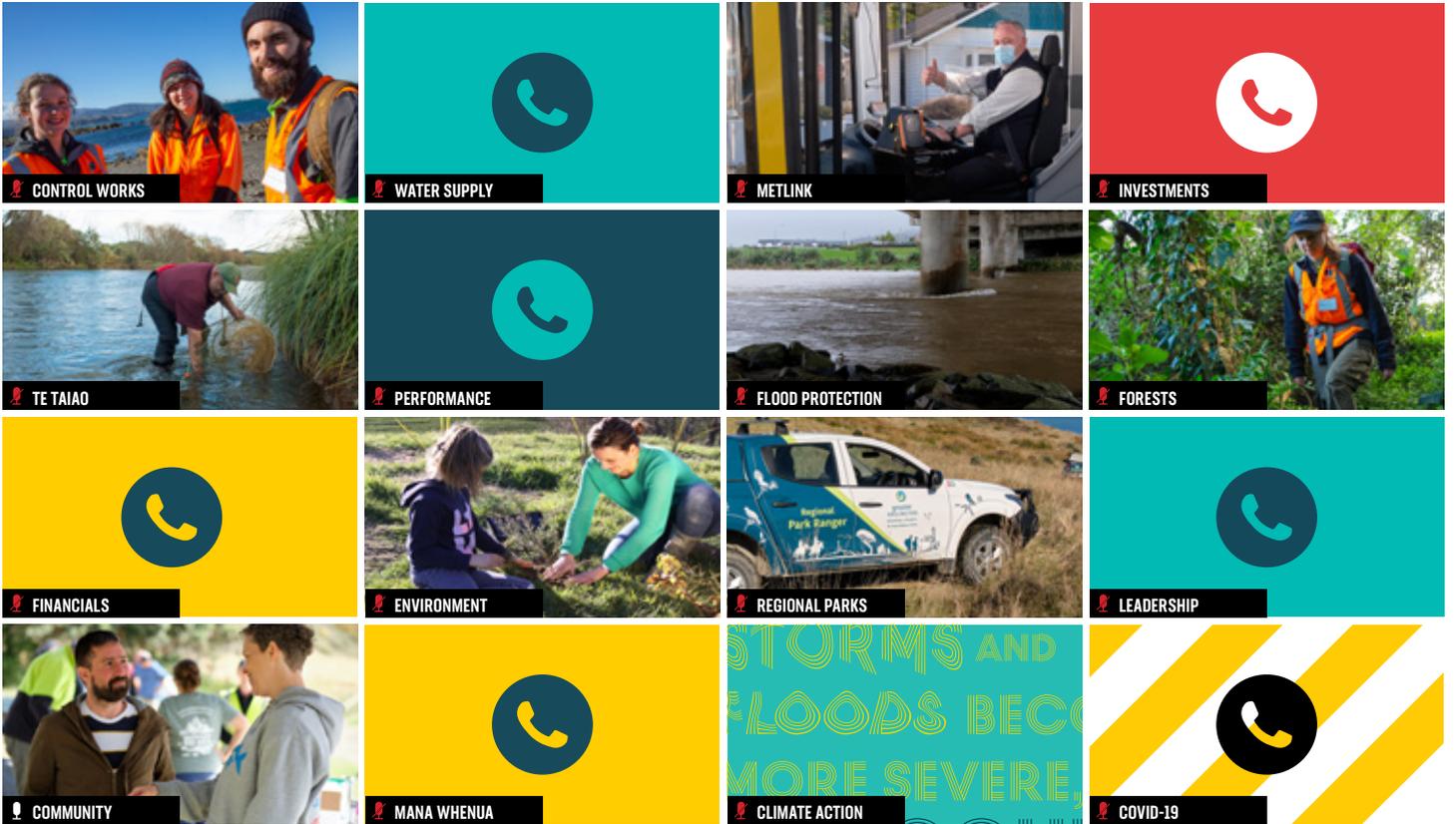




TE PANE MATUA TAIAO
GREATER WELLINGTON REGIONAL COUNCIL

He Whakarāpopoto i te Pūrongo ā-Tau 2019/20

Summary of the Annual Report 2019/20



CONTENTS

3

He Whakatakinga
Introduction

4

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

6

He āta titiro ki ētahi o ā mātou mahi
Putting a spotlight on some of the things we do

8

Ko Ngā Hua Mō Te Hapori
Community Outcomes

9

Māiatanga, Manawaroatanga me Urutaunga
Strength, Resilience and Adaptability

11

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

24

He tiro whānui i te pūtea
Financial performance

31

He Pūrongo arotake pūtea
Audit report

WORKING TOGETHER FOR THE GREATER ENVIRONMENTAL GOOD

IS A SLOGAN USED BY
GREATER WELLINGTON
TO EXPRESS ITS
CORE PURPOSE.

WHAT HAS GREATER WELLINGTON
DONE TO WORK TOWARD
MAKING THAT VISION
A REALITY?

HE WHAKATAKINGA INTRODUCTION

Every year we produce an Annual Report of our actual performance against our intended activities and levels of service. The 2019/20 Annual Report reports against year two of our 2018-28 Long Term Plan.

This Summary Report provides an overview of our full financial and non-financial performance measures contained in the full 2019/20 Annual Report. The disclosures and detailed financial information are in the full 2019/20 Annual Report.

The work we do is broken into six Groups of Activities (GOA), and we have targeted levels of service for each GOA.

We track and report against service level performance measures to help us understand how we are performing. There is a total of 63 service level performance measures we report on.

This year we achieved 59 percent (37) of the non-financial (service level) performance measures and did not achieve 41 percent (26). The results are broken down by GOA within this document.

Please refer to the full 2019/20 Annual Report at gw.govt.nz/annual-report/ to view all non-financial performance measures and results as well as the full financial report.

HE KARERE NA TE HEAMANA ME TE TUMU WHAKARAE

MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

Kia ora koutou,

The second year of the Greater Wellington Regional Council 2018-28 Long Term Plan was unprecedented and a year like no other.

We reflect with a sense of pride on the way we have persevered through the challenges and realities of the COVID-19 pandemic and Alert Level restrictions faced across our region. As well as maintaining our core business functions, we redeployed staff to resource our emergency management functions in the Emergency Coordination Centre. Our communities faced uncertainty at times this year and we acknowledge these challenges. Our achievements would not be possible without our partnerships and collaboration with communities.

While the COVID-19 pandemic played a significant role in the later part of the year, there are plenty of achievements not to be overshadowed that have made a difference to our region.

In October 2019 the triennial local government elections took place and we welcomed in a new Council – including six new Councillors – and elected a new Chair.

The new Council has shown commitment to ensuring regional resilience in the future – refocussing as an environmental agency, committing to climate change mitigation and adaption, and prioritising the partnership with mana whenua.

Council declared a climate emergency and set a goal of becoming carbon-neutral by 2030 and in doing so cemented ourselves as a regional leader in addressing the climate crisis. In June 2020 we signed contracts with NZ Bus and Tranzurban to expand the electric bus fleet to add a further 98 electric buses between 2021 and 2023. This will see the total share of electric buses run by Metlink rise to 22 per cent of its 450-strong fleet.

Improving our regional public transport network remained a focus, and we continued to work hard to improve the performance of the bus and rail network across the region, ensuring it is fit-for-purpose. The Bus Network Review was completed and network improvements delivered with further improvements planned for 2020/21.

We publicly notified decisions on the proposed Natural Resources Plan, which provides a comprehensive blueprint for the positive management of the region's natural resources. We responded to incidents and followed them through with appropriate enforcement actions.

We continued our partnership mahi to improve the health of our land and waterways through the Whaitua te Whanganui-a-Tara committee.

The last financial year has been very challenging, particularly as a result of COVID-19 Alert Level restrictions. We've achieved an operating deficit of \$0.98 million for the year, compared to the forecast surplus of \$12.7 million set in the 2019/20 Annual Plan. This is mainly due to lower transport improvement grants from Waka Kotahi/NZ Transport Agency relating to delayed capital projects. Other delays were deliberately planned to reduce the borrowings until the impacts of the COVID-19 Alert Level restrictions were known.

Please take the time to read our 2019/20 Summary Report. We're proud of the work we've done under what were, at times, trying circumstances. Thank you for your support.

Nāku noa, nā



Daran Ponter,
Council Chair



Greg Campbell,
Chief Executive

HE ATA TITIRO KI ÉTAHI O Ā MĀTOU MAHI

PUTTING A SPOTLIGHT ON SOME OF THE THINGS WE DO

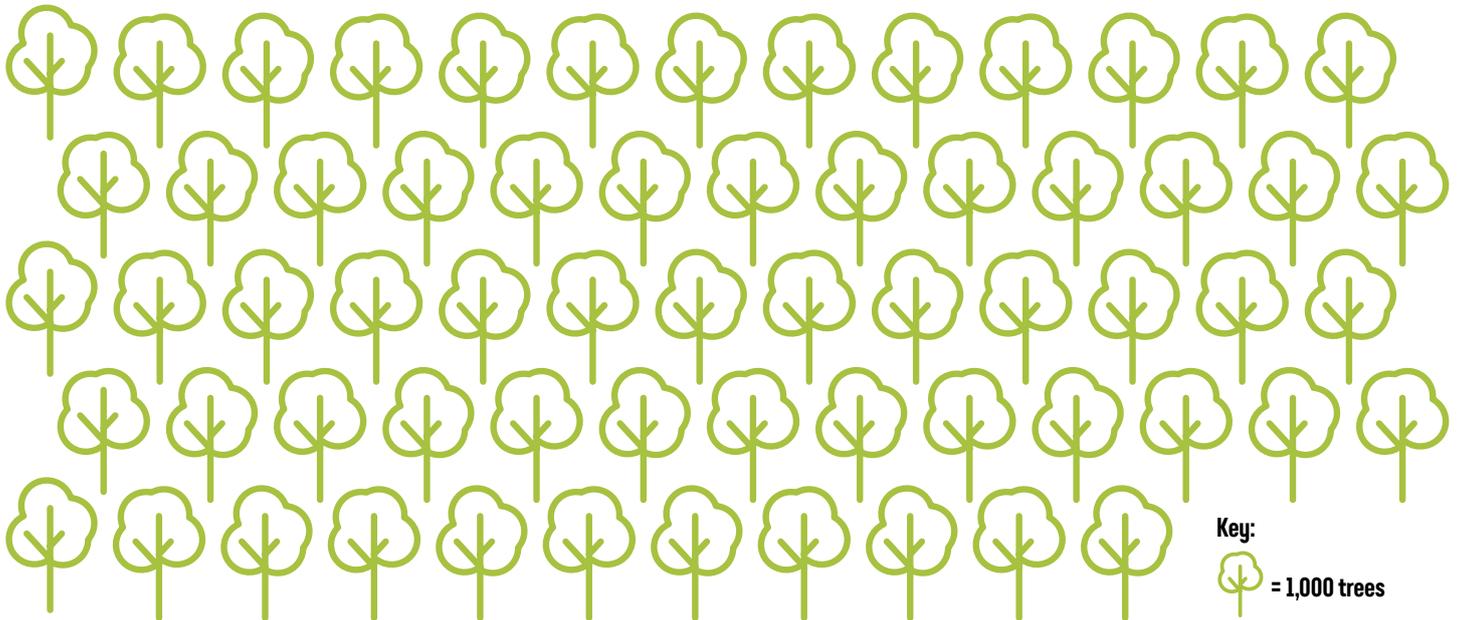


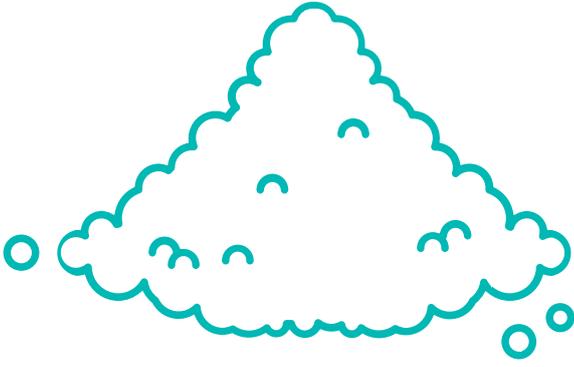
74,000 ha of possum and 4,300 ha of mustelid control was delivered



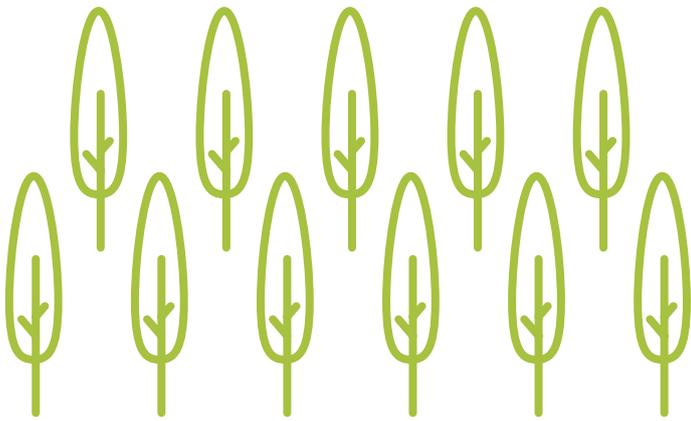
4,418 adults participated in sustainable transport initiatives and promotions

63,367 native trees were planted across our regional parks and forests

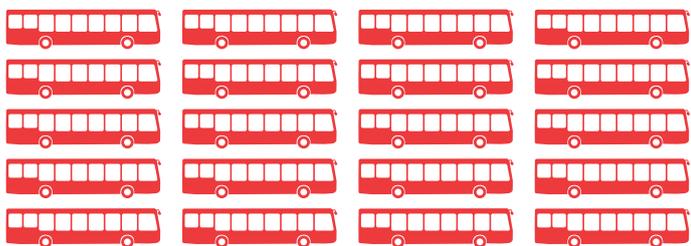




218,000m³ of gravel was extracted to reduce the risk of flooding and erosion



11,500 willow poles and 23,500 native units were planted within river corridors around the region



Over 2,000 people engaged in the Wellington City Bus Network Review



Most of the Miramar Peninsula is now free of Norway rats and mustelids as a result of Predator Free Wellington - Miramar project.



1.76 million visits to our regional parks and forests

76 Greater Wellington staff were redeployed to support the region's Emergency Coordination Centre and Wairarapa Emergency Operations Centre in response to the COVID-19 pandemic



511 non-notifiable resource consents were processed within statutory timeframes



Over 755 hectares of erosion prone land was planted, with support from the One Billion Trees project



1,399 notifications to the Environment Hotline about 1,259 incidents, of which 220 were determined to be non-compliant

KO NGĀ HUA MŌ TE HAPORI

COMMUNITY OUTCOMES

Greater Wellington aims to improve the quality of life of the people who live in the Wellington Region. We aspire to improve the overall wellbeing of the region and we do this by aligning the work we do through five Community Outcomes. These outcomes underpin the activities we do, and flow through to our vision.

Our Vision:

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

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

MAIATANGA, MANAWAROATANGA ME URUTAUNGA

STRENGTH, RESILIENCE AND ADAPTABILITY

Greater Wellington delivers a diverse range of activities around the region including managing natural resources and playing a core role in protection of the environment. We also provide regional public transport services, support emergency management and develop regional plans to create a resilient future to benefit the whole region.

During 2019/20 we continued to lead and deliver a comprehensive collaborative work programme as described in our 2018-28 Long Term Plan. Our role in regional leadership continued to be crucial to develop a clear and collective approach to address some of the opportunities and challenges our communities are facing. To strengthen this mahi, we work collaboratively with eight territorial authorities¹ (city and district councils) across the region.

This year, Greater Wellington welcomed in a new Council. Our strategic work continued with progression on major strategic plans – the Regional Transport Plan, Let's Get Wellington Moving and the Multi-User Ferry Terminal. We also supported the development of a strategy for the region's Māori economy.

Delivering through adversity

We protected the highest value biodiversity areas through delivery of our Key Native Ecosystems programme including operational support and advice to site partners. We publically notified decisions on the proposed Natural Resources Plan and the Predator Free Wellington Miramar project achieved a significant milestone with most of Miramar Peninsula now free of Norway rats and mustelids. A new record was set for the number of native trees planted in our regional parks and forests and we exceeded the annual target for hectares planted of erosion prone land.

For the majority of the year our Public Transport activity was focussed on increasing stability of the Wellington bus network following the coordinated rollout of public transport network changes to the region in 2018/19. We completed the Wellington City Bus Network Review and began implementing the action plan. Prior to the COVID-19 Level Alert lockdowns we were on track for steady upwards patronage growth for both bus and rail. We also continued to focus on sustainable transport initiatives and attracted an increased number of adults participating in events such as the Aotearoa Bike Challenge – Wellington, national cycle skills courses, Smart Travel Challenge and bus/bike workshops this year.

However, we did not achieve some targets due to the COVID-19 Alert Level restrictions: we were unable to deliver the full planned coverage for our Regional Possum Predator Control Programme. The target for volunteer hours for regional parks and forests was unable to be met and development of the Waiohine River Plan was delayed. Our Public Transport annual bus, rail and ferry customer satisfaction surveys were also not able to be carried out this year, and we have looked to our mid-year Public Transport Customer Satisfaction survey for an indication of our performance.

Some targets not achieved were not as a result of the COVID-19 Alert Level restrictions: bus punctuality at both origin and destination did not meet target as the network continues to be refined. Wellington Water's target to ensure sufficient water is available to meet normal demand except in a drought with a severity greater than or equal to 1 in 50 years was not achieved as capacity limitations at the Te Marua Water Treatment Plant remain a challenge. The survival rate of poles planted as part of the Wellington Regional Erosion Control Initiative was less than target due to a significant summer drought causing greater tree mortality than typical years. We also saw an increased number of infringements issued by our Harbour Management team due to an increased focus on enforcement.

1

Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council, Kāpiti Coast District Council, South Wairarapa District Council, Carterton District Council, and Masterton District Council.

Responding to the COVID-19 pandemic

As the COVID-19 pandemic spread around the world and eventually onto New Zealand shores we updated our Pandemic Plan to prepare for the inevitability of adjusting the way we delivered our services. We activated our Crisis Management Team in early March 2020 to manage business continuity across the organisation and we enabled staff to work from home.

Deployment of staff

As part of Greater Wellington's regional leadership role, we are responsible for providing the region's Emergency Coordination Centre (ECC) and staff to operate it. A total of 76 Greater Wellington employees were deployed to fill critical roles within the Emergency Coordination Centre.

The role of the ECC was to coordinate the response to the COVID-19 pandemic with local authorities, government agencies and non-government organisations. Greater Wellington staff undertook roles in intelligence gathering, logistics, distribution of information, and provision of situational reports.

The activation of the ECC was for an extended period of time as the COVID-19 pandemic developed within New Zealand.

As the numbers of community transmission lessened and as New Zealand and Greater Wellington moved to lower Alert Levels, the majority of deployed staff returned to normal work duties.

Essential services

Public transport was deemed an essential service during all Alert Levels and we worked quickly in a short amount of time to adjust our services to support essential workers during the Alert Level 4 lockdown. Greater Wellington prioritised the safety of staff and public and focussed public communications on how to stay safe on public transport.

Across all Alert Levels we also continued to operate the management of our harbour, and our eight regional parks and forests remained open for local residents to safely enjoy.

Some of our field work such as pest control was suspended during the Alert Level 4 lockdown and community activities were put on hold. As we migrated back through the Alert Levels, we commenced field work in a limited capacity, resumed normal public transport service levels within government guidelines and gradually opened up our site offices to staff.

Taking Climate Action

Our communities, infrastructure, economy and natural environment are all affected by the changing climate. In August 2019 Greater Wellington joined the global movement with Council declaring a climate emergency. This declaration signalled a step change in how Greater Wellington addresses its response to the climate crisis. Our leadership is crucial, with the closing window of opportunity to prevent the worst effects of climate change demanding an extraordinary response.

We have two key roles in mitigating and adapting to climate change. Firstly, we believe it is important to ensure that we are minimising our impact on climate change by reducing our corporate carbon emissions, as this is something that is largely within our control. Measuring our carbon footprint each year is essential to ensure we meet our ambitious carbon neutral and climate positive goals. We need to see our carbon footprint decreasing year on year, rather than increasing. To support this approach we have adopted the ambitious goal of being carbon neutral by 2030, with the ultimate goal of the organisation of being climate positive by 2035. This means we are aiming to remove more carbon emissions from the atmosphere than we emit.

Greater Wellington also has a role to work with territorial authorities, mana whenua and the regional sector on regional climate change mitigation and adaptation approaches.

One key way we do this is by convening the Wellington Regional Climate Change Working Group which provides a forum to advance regional climate action.

We also provide technical advice, climate science and evidence to understand what it means for our region and communities. This information informs our policies and actions on climate change to create a more resilient future.

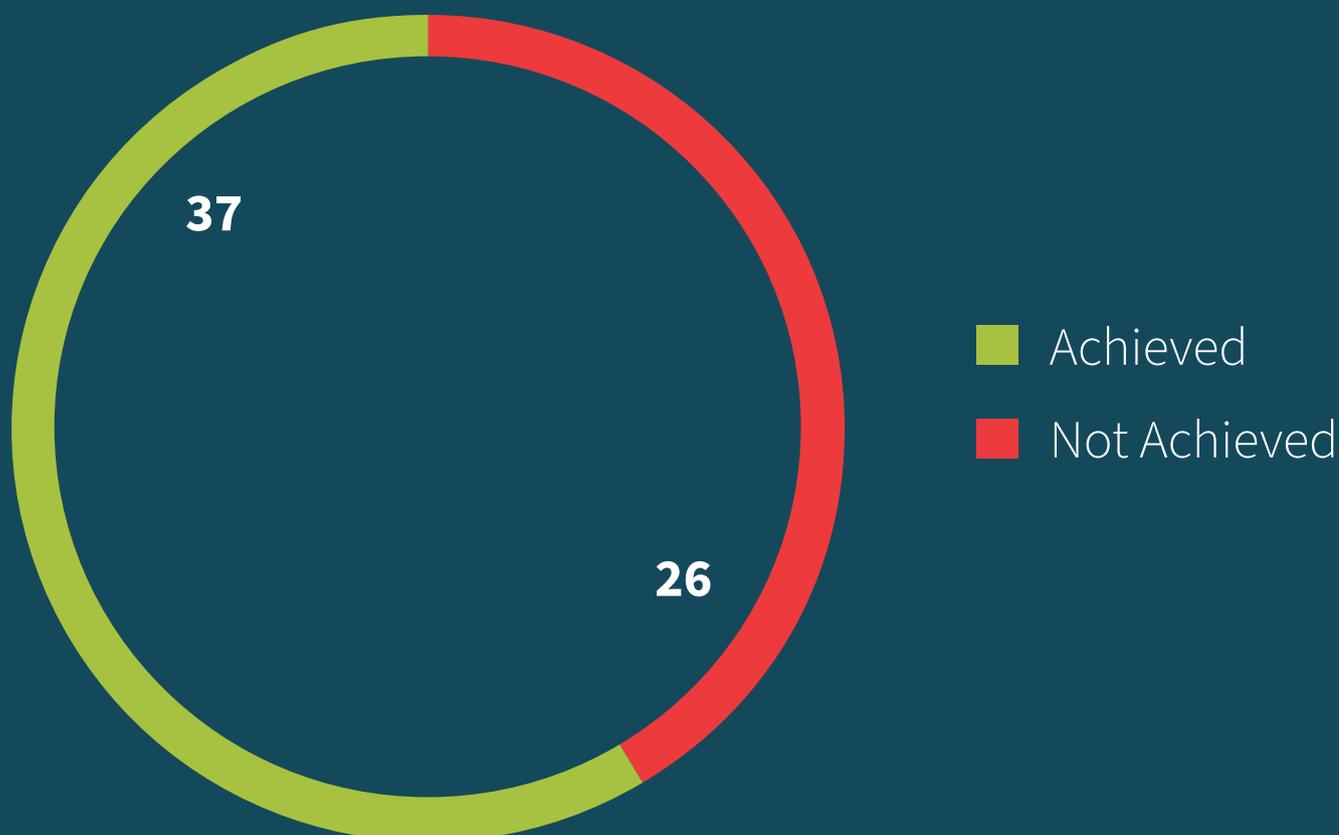
Some of the key new initiatives Council signed up for and have been actioned during this financial year include:

- Establishment of a Climate Committee to place climate action front and centre of Greater Wellington's governance and activities
- Setting ambitious carbon neutral and climate positive goals, alongside two ten point action plans for corporate and regional climate action
- Committing to increase the number of electric buses in the Metlink public transport fleet from the current 10 vehicles to 108 vehicles by December 2023
- Advocating to central government to ensure legislation enables Greater Wellington to expedite climate action, including Resource Management Act reform and the Climate Change Response (Zero Carbon) Amendment Act.
- we published our first ever fully dedicated report on potentially dangerous extreme weather events

NGĀ MAHI A TE PANE MATUA TAIAO

ACTIVITIES OF THE GREATER WELLINGTON REGIONAL COUNCIL

2019/20 Status of performance measures



Greater Wellington is
a standard-bearer
and protector of the
region's environment.

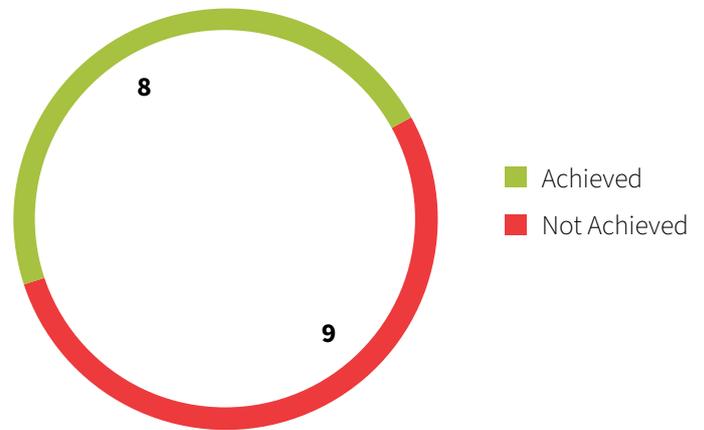


How is this reflected in
the efforts it has made
to enhance our
environmental **taonga?**



Te Taiao Environment

2019/20 Status of performance measures



Greater Wellington has an important role in the regulation, protection and enhancement of the region's natural resources and environment. We also look after the region's harbours and manage environmental threats such as plant and animal pests. We do this through regulation, development of regional policies, and investment in significant science monitoring. We also help communities manage land sustainably and restore ecosystems.

This year we delivered our biodiversity work through the Key Native Ecosystems programme, to protect the highest valued biodiversity areas in the region. The Predator Free Wellington Miramar project reached another milestone with most of the Miramar Peninsula now free of Norway rats and mustelids. We delivered 74,000 ha of possum and 4,300ha of mustelid control across the rest of the region throughout the year, although this only represents 76 percent of the planned area due to COVID-19 Alert Level restrictions.

The Wellington Regional Erosion Control Initiative (WRECI) was aided with a boost from the One Billion Trees fund and we exceeded our performance target by 37 percent by planting on 755 hectares of erosion prone land.

Despite the COVID-19 Alert Level restrictions we still achieved our targets for customer satisfaction with our consent processing services and processed 511 non-notified resource consents within the required timeframes. We also responded to 220 non-compliant environmental activities and took appropriate enforcement action.

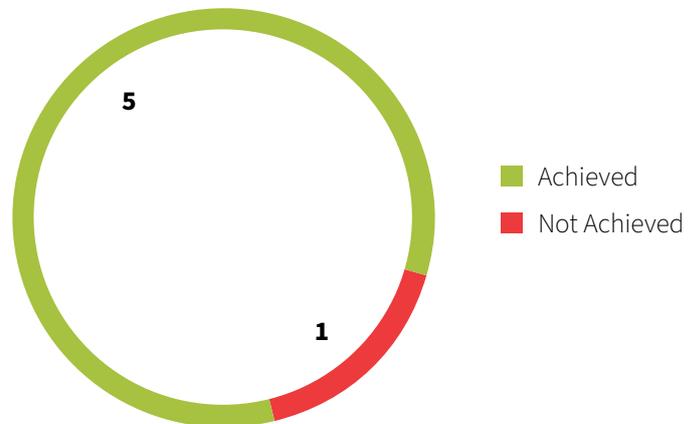
We did not meet the target of 85 percent for survival rate of poles to be planted under the WRECI due to significant summer drought causing greater tree mortality than in typical years. We also narrowly missed our target of 62 percent by 1.6 percent for erosion prone hill-country covered by an active farm plan.



*HOW HAS
GREATER WELLINGTON
ATTEMPTED TO
INTEGRATE ITS
CARE FOR
THE ENVIRONMENT
INTO ONE
OVERARCHING POLICY?*

Ngā Papa Whenua Regional Parks and Forests

2019/20 Status of performance measures



We manage eight regional parks and forests for the community's use and enjoyment. A milestone for the year was completion of the draft Parks Network Plan (PNP). The PNP is a combined plan to provide direction and management of these parks and forests.

Visitation to our regional parks continued its upward trend with 1.76 million visits during the year, and our annual visitor survey revealed that 74 percent of the regional population had visited a regional park over the past 12 months.

The target for planting 35,000 native trees across our regional parks was exceeded with 63,357 native trees being planted. Parks improvement works focussed on finalising plans and completing construction of the Top Terrace camping facility building at Kaitoke Regional Park. The revegetation programme was completed for Queen Elizabeth Park and we progressed with planning for a planned retreat of road, track and visitor facilities.

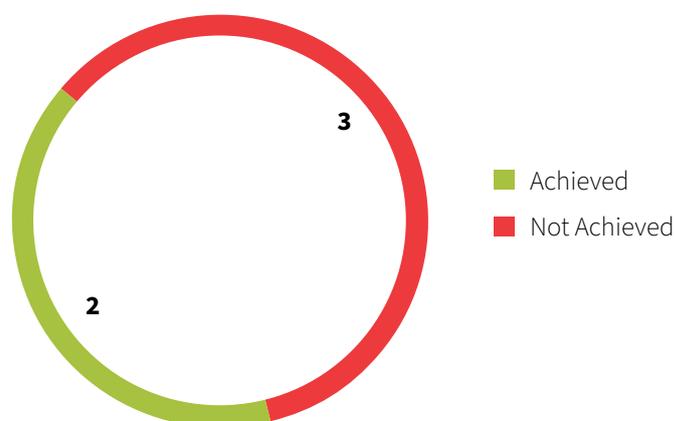
On-park volunteer hours were affected by restrictions imposed by the COVID-19 Alert Level restrictions and we missed the 15,000 hours target with 10,720 of volunteer hours being achieved. Regional parks remained open for local recreational use during all Alert Levels and we increased commercial cleaning and sanitising services of facilities.

WITH WEATHER
EVENTS SUCH AS
STORMS AND
FLOODS BECOMING
MORE SEVERE, WHAT
IS THE COUNCIL
DOING TO PREVENT
FLOODING?



Te Tiaki Me Te Arahi Waipuke Flood Protection and Control Works

2019/20 Status of performance measures



Greater Wellington manages flood risk across the region. We do this by identifying the likelihood and location of river flooding, developing plans to manage risk, providing free advice to landowners and managing flood protection infrastructure.

Our programme of upgrade work progressed well during the year with approximately 11,500 willow poles and 23,500 native units being planted within river corridors around the region. Rock riprap¹ structures were maintained with 2,300 tonnes of additional rock being placed to strengthen the work.

The RiverLink project to improve transport connections and flood protection in Lower Hutt's central city advanced during the year by making progress with developing consent-level design. More than 75 percent of the properties required for the project are now purchased.

The remaining on-site work to be carried out at Pukio East to remove the stop bank and carry out plantings as part of the Lower Wairarapa Valley Development Scheme was unable to be achieved due to the COVID-19 Alert Level restrictions. Likewise, engagement with the community for the Waiohine River Plan was also delayed and we were unable to meet our target for this activity.

¹ Riprap is a permanent layer of large, angular stone, cobbles, or boulders typically used to armour, stabilize, and protect the soil surface against erosion and scour in areas of concentrated flow or wave energy.

“

A FREQUENT COMPLAINT
FROM THE PUBLIC IS THAT

**local body
politics
is, boring**

AND NOT RELEVANT TO THEM.

WHAT INITIATIVES HAVE BEEN
INTRODUCED TO

**attract
new blood**

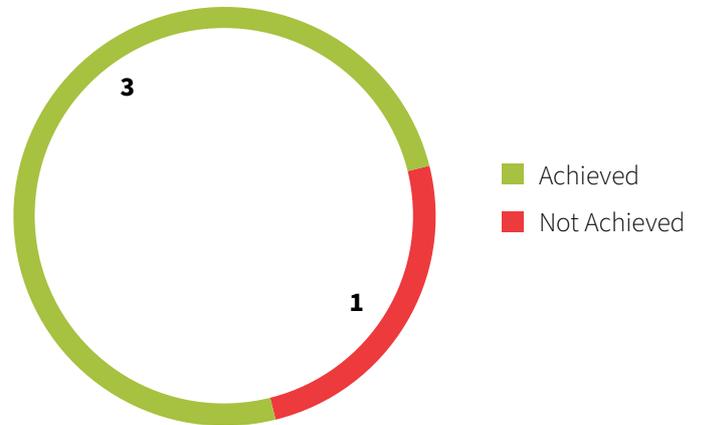
ONTO GREATER
WELLINGTON REGIONAL COUNCIL?

”

Ngā Kaihautū o te Rohe

Regional Leadership

2019/20 Status of performance measures



We coordinate a range of activities in partnership with local authorities, mana whenua and other partners across the region. This allows us to build on our collective strengths and to collaborate on developing successful solutions to complex issues.

A significant outcome for the year was the successful management of the Greater Wellington local government elections and induction process for the new Council, resulting in six new Councillors and the election of a new Council Chair. We stood up the Crisis Management Team to manage business continuity in response to the COVID-19 pandemic and 76 Greater Wellington staff were redeployed to assist in the emergency response.

We made progress with our major strategic plans – Regional Land Transport Plan, Let’s Get Wellington Moving and the Multi-User Ferry Terminal Project. We led the development of Te Matarau a Maui, a Strategy for the region’s Māori economy and commenced development of the Wellington Regional Growth Framework.

We supported community preparedness in an emergency through the delivery of published Community Response Plans, completing 16 during 2019/20. The total percentage of completed plans is at 91percent against a target of 95 percent due to the identification of additional Community Response Plan areas at the request of local communities.

Greater Wellington continued to work with Ara Tahi on positioning the collective partnership with mana whenua for the future. The proposed new model for the Ara Tahi Council Committee arrangement has paused, with mana whenua partners agreeing to re-think options for the partnership’s future with Council. Council continues to work with each mana whenua entity through this time.

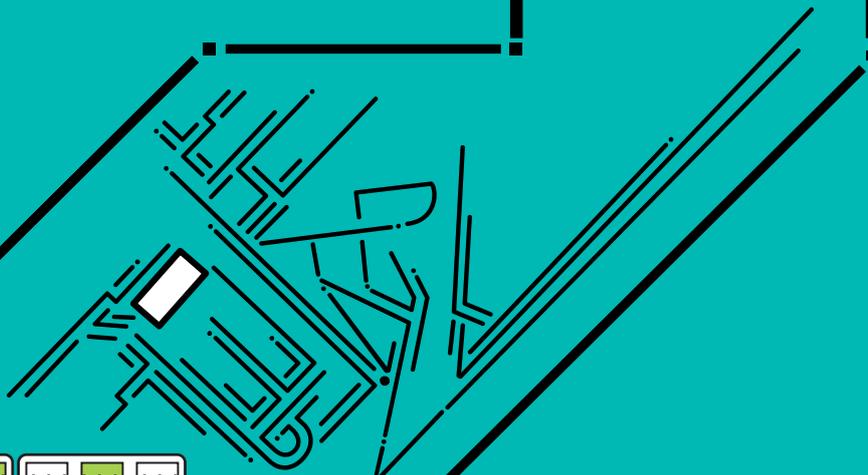
For many residents



what runs both above and below ground,
including buses and pipes,
is what matters most to the efficient
operation of the region.

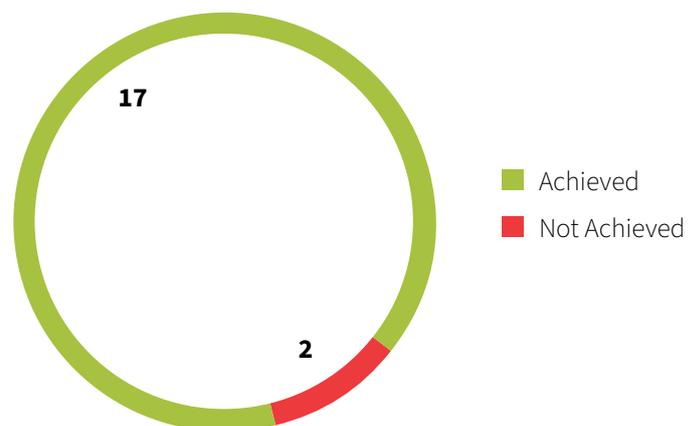
What has

Greater Wellington done to improve
Wellington's infrastructure?



Ngā Puna Wai Water Supply

2019/20 Status of performance measures



Greater Wellington is responsible for providing safe drinking water and future proofing bulk water supply for Wellington, Lower Hutt, Upper Hutt and Porirua cities. These services are delivered by Wellington Water Limited, a jointly-owned council controlled organisation. Wellington Water collects, treats and distributes drinking water, and ensures the water supply is able to meet changing demands and emergencies. Wellington Water achieved all but two targets – one relating to capacity limitations of the Te Marua Water Treatment Plan, and the other relating to validation of a compliance certificate due to a change in regulation.

A POINT OF CONTENTION IN RECENT YEARS CONCERNS GREATER WELLINGTON'S OVERHAUL OF THE CITY'S BUS SYSTEM.

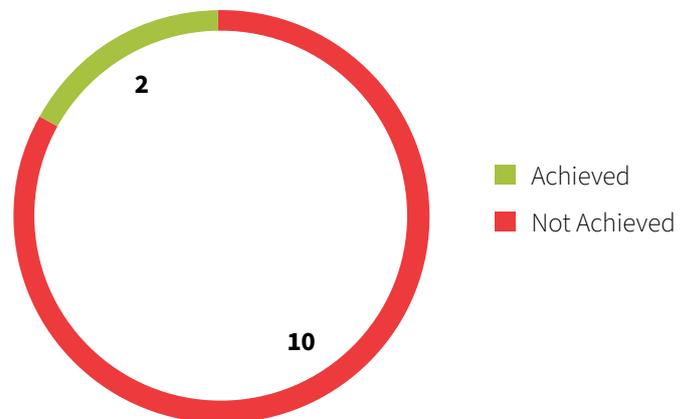
WHAT HAS BEEN DONE TO IMPROVE THE CUSTOMER EXPERIENCE

— oh —
WELLINGTON'S BUSES?

Ngā Waka Tūmatanui

Metlink Public Transport

2019/20 Status of performance measures



We manage the Metlink public transport network and deliver public transport services to the region across bus and rail, and the harbour ferry service. We also maintain public transport infrastructure including railway stations, the train maintenance depot, bus and ferry shelters, signs, and Park & Ride facilities.

A priority for Metlink during the year was to continue to increase stability of the Wellington bus network following the coordinated rollout of changes to the region's public transport network in 2018/19. We instigated a Wellington City Bus Network Review to address operational and performance challenges arising from these changes. We engaged with over 1,400 customers and bus drivers with an intensive programme of focus groups, community drop-in sessions and online surveys. An action plan was developed following the review to implement key themes from this engagement.

Prior to the emergence of the COVID-19 pandemic, we were tracking towards record passenger boardings growth on the network. By the end of March 2020 New Zealand had entered Alert Level 4 lockdown and passenger boardings dramatically decreased. Public transport was deemed an essential service and we continued to operate a customer-centric service with the safety of passengers and Metlink staff a top priority throughout all Alert Levels.

Our annual bus, rail and ferry customer satisfaction surveys were unable to be carried out in May 2020 because of the COVID-19 Alert Level restrictions. This resulted in us reporting our mid-year Public Transport Customer Satisfaction survey results to provide an indication of how we were tracking in November 2019 against our customer satisfaction performance measures. Our end of year targets for bus punctuality and reliability were also not met, but we continue to make refinements to the bus network.

As we have moved down the COVID-19 Alert Levels bus and rail patronage steadily bounced back. By the end of June 2020 bus passenger numbers were at approximately 84 percent and rail passenger numbers 70 percent of June 2019 boardings.

HE TIRO WHĀNUI I TE PŪTEA

FINANCIAL PERFORMANCE

The financial overview provides a summary of the major aspects of our financial management and results for the 2019/20 year (1 July 2019 – 30 June 2020).

This overview gives Wellington Region residents a snapshot of our finances. Full details are provided in the full 2019/20 Annual Report document, including financial statements and the costs of providing services for each activity, comparing what was spent with what was budgeted.

Our last financial year had many challenges, particularly those resulting from COVID-19 Alert Level restrictions. Greater Wellington continued to focus on enhancing its financial management and sound financial position, performing strongly in managing operating costs.

We achieved an operating deficit of \$0.98 million for the year. The differences within revenue and costs are primarily due to additional externally funded costs which offset each other.

Notable items are the revenue and expenses relating to the National Land Transport Fund “transitional rail” funding for improvements to the Wellington rail network from Waka Kotahi/ NZ Transport Agency.

Our net capital expenditure was \$43.3 million less than budget. This is mainly a result of delays in project completion, particularly as COVID-19 Alert Level restrictions impacted our ability to meet planned delivery schedules. The largest impacts relate to:

- Lower than budgeted RiverLink project expenditure for the purchase of land and the planned demolition and removal of unused buildings to make way for the Te Awa Kairangi/ Hutt River project
- Delays in the planned investments on the Project NEXT public transport payment system
- Delays in the bus shelter and station renewals, upgrades, and signage.

Finances at a glance

Annual revenue

2018/19
Actual
\$388.6 million

2019/20
Annual Plan
\$408.5 million

2019/20
Actual
\$439.7 million

**\$173.6
million**
from rates
and levies

**\$264.2
million**
from grants
and other
sources

Annual expenditure

2018/19
Actual
\$388.7 million

2019/20
Annual Plan
\$395.8 million

2019/20
Actual
\$438.0 million

Capital expenditure

2018/19
Actual
\$81.9 million

2019/20
Annual Plan
\$98.8 million

2019/20
Actual
\$45.8 million

Debt

2018/19
Actual
\$467.5 million

2019/20
Annual Plan
\$568.1 million

2019/20
Actual
\$519.7 million

Financial overview for the year ended 30 June 2020

\$18.7 million
net deficit after
tax for 2019/20

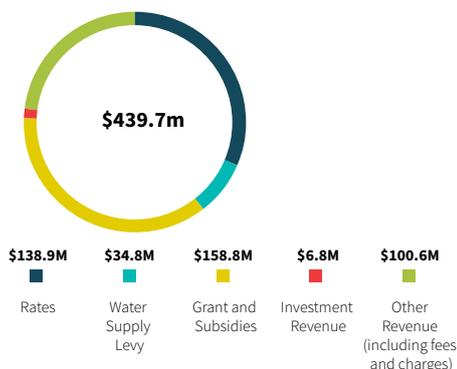
\$5.90
cost of delivering all
Greater Wellington
services per rating
unit per day

\$1.7 billion
of total assets man-
aged by
Greater Wellington

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

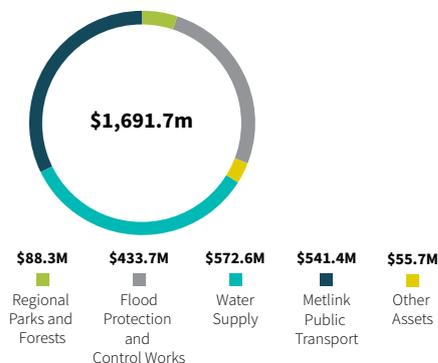
Revenue

Greater Wellington's revenue is sourced primarily through rates, and grants from central government. Other revenue sources include the water supply levy (paid by metropolitan city councils in the region), and fees, charges and investment income.



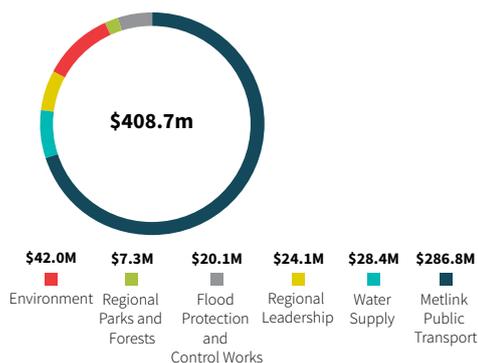
Asset base

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



Operational expenditure

The pie chart below illustrates Greater Wellington's operational expenditure by Activity Group.



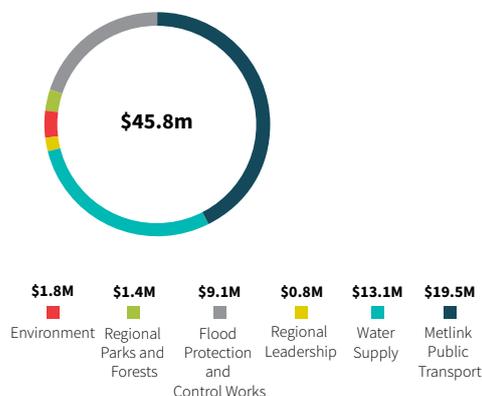
Total expenditure

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



Capital expenditure

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



Financial Statements

Summary Statement of Comprehensive Revenue and Expense For the year ended 30 June 2020	Greater Wellington			Greater Wellington Group	
	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Operating revenue and gains	428,441	386,146	374,303	519,787	457,137
Finance expenses	(22,369)	(24,382)	(23,341)	(22,388)	(23,391)
Total operating expenditure	(413,539)	(371,420)	(363,549)	(527,982)	(466,218)
Transport Improvement grants and subsidies	8,586	22,371	11,423	8,586	11,423
Transport improvement expenditure	(2,098)	-	(1,826)	(2,098)	(1,826)
Net revenue / (expenditure) for transport improvements	6,488	22,371	9,597	6,488	9,597
Operating surplus/(deficit) before other items and tax	(979)	12,715	(2,990)	(24,095)	(22,875)
Share of associate's surplus/(deficit)	-	-	-	14	10,311
Stadium advance	-	36	(423)	-	(423)
Interest rate swaps	(17,711)	8,764	(25,302)	(17,711)	(25,302)
Investment properties	-	-	-	747	1,021
Fair value gains / (losses) in profit and loss	(17,711)	8,800	(25,725)	(16,964)	(24,704)
Earthquake related items	-	-	-	167,251	60,717
Tax on continuing operations	-	-	-	(2,185)	1,818
Operating surplus / (deficit) after tax	(18,690)	21,515	(28,715)	124,021	25,267
Other comprehensive revenue and expenses					
Increases / (decreases) in revaluations	30,949	-	12,182	29,750	55,570
Total comprehensive revenue and expense	12,259	21,515	(16,533)	153,771	80,837
Attributable to:					
Equity holders of the Parent	12,259	21,515	(16,533)	117,483	63,989
Non controlling interest	-	-	-	36,288	16,848
	12,259	21,515	(16,533)	153,771	80,837

Summary Statement of changes in equity For the year ended 30 June 2020	Greater Wellington			Greater Wellington Group	
	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Opening equity	1,090,879	1,139,993	1,107,412	1,467,146	1,387,241
Operating surplus /(deficit) after tax	(18,690)	21,515	(28,715)	124,021	25,267
Dividend to non controlling interest	-	-	-	(1,154)	(924)
Asset revaluation movements	27,229	-	8,056	26,033	51,444
Revaluation movement of other financial assets	3,720	-	4,126	3,720	4,126
Total closing equity at 30 June	1,103,138	1,161,508	1,090,879	1,619,766	1,467,146
Attributable to:					
Equity holders of the Parent	1,103,138	1,161,508	1,090,879	1,514,597	1,397,112
Non controlling interest	-	-	-	105,169	70,034
	1,103,138	1,161,508	1,090,879	1,619,766	1,467,146

Summary Statement of Financial Position For the year ended 30 June 2020	Greater Wellington			Greater Wellington Group	
	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Current assets	185,297	85,393	137,749	454,435	292,363
Non current assets	1,621,490	1,687,539	1,568,118	1,992,824	1,933,816
Total assets	1,806,787	1,772,932	1,705,867	2,447,259	2,226,179
Current liabilities	191,108	170,081	116,455	185,543	134,869
Non current liabilities	512,541	441,343	498,535	641,950	624,164
Total liabilities	703,649	611,424	614,990	827,493	759,033
Net assets	1,103,138	1,161,508	1,090,877	1,619,766	1,467,146
Equity attributed to:					
Other reserves	1,103,138	1,161,508	1,090,879	1,514,597	1,397,112
Minority interest	-	-	-	105,169	70,034
Total equity	1,103,138	1,161,508	1,090,879	1,619,766	1,467,146

Summary Statement of Cash-Flow For the year ended 30 June 2020	Greater Wellington			Greater Wellington Group	
	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Cashflows from operating activities	(1,237)	41,290	30,109	6,013	43,959
Cashflows from investing activities	(58,424)	(101,171)	(106,451)	113,531	36,153
Cashflows from financing activities	52,142	64,097	87,891	31,263	24,888
Net increase / (decrease) in cash and cash equivalents	(7,519)	4,216	11,549	150,807	105,000
Opening cash equivalents	16,857	22,038	5,308	108,585	3,585
Closing cash equivalents	9,338	26,254	16,857	259,392	108,585

The full financial statements presented in the 2019/20 Annual Report have been audited and have an unqualified audit opinion.

Greater Wellington's full financial statements have been prepared in accordance with Public Benefit Entity (PBE) Accounting Standards.

Specific disclosures included in the summary financial statements have been extracted from the full financial statements. These financial statements contain no information that has been restated or reclassified.

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

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

The full financial statements are denominated in NZ\$.

The summary financial statements comply with PBE FRS 43 Summary Financial statements.

Major variances between actual and budget

1. Operational revenue

The operational revenue is higher mainly due to National Land Transport Fund (NLTF) transitional rail funding for improvements to the Wellington rail network both received from Waka Kotahi/NZ Transport Agency.

2. Operational expenditure

Operational expenditure is higher mainly due to National Land Transport Fund (NLTF) transitional rail funding for improvement payments to KiwiRail and increased costs within public transport due to Snapper renegotiated contract extension.

3. Transport improvement grants and subsidies

Transport improvement grants were lower due to delayed CAPEX mainly on Project NEXT which is still in procurement phase.

4. Fair value

Fair value adjustments is unfavourable to budget reflecting the decrease of the fair value of the interest rate swaps held by Greater Wellington due to the continuing decrease in market interest rates.

5. Total assets

The total assets have increased mainly due to the revaluation of flood protection assets and higher outstanding balances from Waka Kotahi/NZ Transport Agency which is mainly a timing issue.

6. Total liabilities

The key drivers of the higher level of liabilities compared to budget relate to the derivatives and non-interest bearing liabilities not being included in the budget position.

7. Cash flow

The overall cash position is lower than budget mainly as a result of a lower operating cash inflows due to timing issues on receipt of grant and subsidy revenues from Waka Kotahi/NZ Transport Agency and reduced debt funding raised compared to budget offset by lower capex expenditure than budget.

Events occurring after the balance date

No dividend was declared post balance date by WRC Holdings (2019: Nil).

Subsequent to balance date the Reserve Bank reduced the Official Cash rate (OCR) on 7 August 2020 to 1.0 percent 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.

Financials statements will be authorised for issue by Council on 17 December 2020.

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.

COVID-19 Pandemic Impact

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19. On 21 March 2020, Prime Minister Jacinda Ardern introduced a country wide Alert Level system to deal with the coronavirus outbreak. There are four Alert Levels, with Level 1 being the least risk of infection and 4 the highest. On Wednesday 25 March 2020 the New Zealand Government raised its Alert Level to 4 which is a full lockdown of non-essential services. The country moved down to Alert Level 3 on 28 April 2020.

The impact on Greater Wellington and the Group activities was as follows:

- Public Transport patronage decreased significantly, with reduced passenger boarding compared to what was expected pre COVID-19. Metlink bus and train services continued to run based on reduced weekend timetables across the region and as part of the national response to COVID-19 Alert Level 4, these were free until 31 May 2020. However Greater Wellington secured funding from Waka Kotahi/NZ Transport Agency to cover lost revenue during lockdown and the decreased in patronage levels.
- Consents revenue was reduced as clients were subject to lockdown restrictions.
- CentrePort experienced lower overall ship calls during the lockdown, container volumes were slightly lower, a few cruise visits were cancelled, log export volumes were significantly impacted and petroleum imports were significantly reduced.
- Greater Wellington Rail continued to operate during this period. As the entity's operations are not customer facing the impact of the lockdown was limited. There were also no variations to leasing agreements with third parties.

CentrePort Material Valuation Uncertainty

The Group's accounting policy is to revalue CentrePort's operational port land every three to five years. The land was last revalued at 30 June 2017. Colliers International has valued operational port land as at 30 June 2020. Investment Property is revalued each year, and Colliers International has valued all investment properties as at 30 June 2020.

Market activity is being impacted in almost every sector and there has been a reduction in liquidity across many investment markets. In terms of the property markets it is difficult at the current time to determine if this is a short term liquidity issue or a longer term concern. The illiquidity in some property markets means there will be a time delay in establishing a sufficient body of transactional evidence to demonstrate actual pricing, of some property types and locations, and therefore what the adjustment from pre-pandemic values is with certainty.

Valuations are therefore based on material uncertainty. Consequently, a higher degree of caution should be attached to the valuations than would normally be the case. This does not reduce the accuracy or suitability of the valuations at balance date.

This valuation uncertainty is in addition to the material valuation uncertainty as to the final operational port land resilience costs

Kaikoura earthquake

14 November 2016

A 7.8 magnitude earthquake struck Kaikoura on 14 November 2016. The earthquake significantly damaged CentrePort (Port) infrastructure and Port properties including the land on which the Port operates. The major Port operations impacted were the container services and the investment property portfolio held by the Port. Other Port services including logs, ferries, fuel, cruise and break bulk activities substantially recovered immediately following the earthquake.

The impact of the earthquake has been reflected in these financial statements with the information available to the date these financial statements are signed.

During the period ended 30 June 2020, CentrePort Limited and CentrePort Properties reached a full and final settlement on the respective insurance claims. All insurance proceeds have been received by the entities.

Key assumptions

A number of assumptions have been applied in the tax calculation as a result of the different tax rules that apply to insurance proceeds and asset repairs or reinstatement. The most material assumption is an allocation of \$268.2m of the insurance proceeds to assets that are likely to be deemed to be disposed for tax purposes. All insurance proceeds have now been received and allocated.

The allocation is based on the indemnity value of the key assets considered to be irreparable as a result of the earthquake.

This assumption results in non-taxable capital gains in the current year of \$108.3m with a tax effect of \$30.3m (in the prior year non-taxable capital gains were \$59.5m with a tax effect of \$16.7m), being the proceeds over and above original cost.

The recovery of historic tax depreciation claimed on the assets deemed to be destroyed has been included in the current tax liability charge. However, amounts in relation to earthquake damaged wharves eligible for roll over relief have been included as a deferred tax liability (which will reduce the tax base on replacement wharves once completed). The remainder of the proceeds are deemed to be taxable in future years as the related expenditure on repairs will be deductible. A ruling and a factual review are being sought from Inland Revenue on these assumptions.

Impairment of Assets

CentrePort's key infrastructural assets, such as wharves and pavements, are held at cost less accumulated depreciation and impairments. These assets were subject to technical and engineering assessments following the earthquake to assess whether they were partly damaged or completely destroyed and need to be derecognised. Those assets considered to be destroyed have been completely impaired. CentrePort continues to assess the carrying value of the partially damaged assets for impairment. However, as engineering estimates are not yet finalised the estimates for impairment may be subject to change in future periods.

HE PŪRONGO AROTAKE PŪTEA AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of the Greater Wellington Regional Council's summary of the annual report for the year ended 30 June 2020

The summary of the annual report was derived from the annual report of the Greater Wellington Regional Council (the Regional Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements of the Regional Council and Group on pages 13 to 23 and pages 27 to 30

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include other explanatory information; and
- the summary non-financial information.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2020 in our auditor's report dated 17 December 2020.

Our auditor's report on the full annual report also includes two emphasis of matter paragraphs drawing attention to the following matters:

- **Uncertainties arising from the impact of the Kaikoura earthquake**

Note 2.3, on page 100 and Note 8 on page 110 of the full financial statements, explains the material impact of the Kaikoura earthquake on the Group. These notes link to disclosures in the full financial statements about the significant uncertainties and judgements involved in the allocation of insurance proceeds for tax purposes and the fair value adjustment to operational port land for resilience work. The valuation of the operational port land has also been impacted by Covid-19 as outlined below.

- **Impact of Covid-19**

Note 2.2, on pages 98 to 99 of the full financial statements, describes the impact of Covid-19 on the Regional Council and Group. We draw specific attention to page 99 that describes the material uncertainties highlighted by the valuer, related to estimating the fair values of the Group's investment property and operational port land.

An extract of some of the information on the uncertainties arising from the impact of the Kaikoura earthquake and the impact of Covid-19 is included in the summary of the annual report on page 30.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

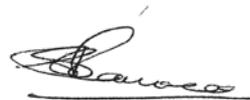
Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS-43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary and full annual reports, we have performed agreed upon procedures in respect of Greater Wellington Regional Council – Wellington Metropolitan Rail special purpose financial statements, performed a limited assurance engagement related to the Regional Council's debenture trust deed, and performed assurance services related to the procurement of the ITS financial services and the procurement of an integrated fares and ticketing system, which are compatible with independence requirements.

Other than this reporting and these engagements, we have no relationship with, or interests in, the Regional Council or its subsidiaries and controlled entities.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
11 January 2021

Disclaimer

The specific disclosures included in this Summary of the 2019/20 Annual Report have been extracted from the full 2019/20 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. An unmodified audit opinion was issued on 17 December 2020. This Annual Report summary was adopted by the Council on 17 December 2020.

For more information, please contact Greater Wellington:

Wellington office

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

Masterton office

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

www.gw.govt.nz

info@gw.govt.nz

 Facebook

 Twitter

December 2020

