Report	15.238
Date	20 July 2015
File	CFO/20/01/01-v1
Committee	Council
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Preliminary Summary Performance Report for the year ended 30 June 2015

1. Purpose

For Council to receive the preliminary summary performance report for the year ended 30 June 2015.

2. Background

This report provides a preliminary review of performance of Council activities. The attached year-end report is currently progressing through the annual audit stage.

3. Group overview

3.1 Catchment Management Group Overview

The Group made excellent progress against most 2014/15 Annual Plan objectives. In Biosecurity, Biodiversity and Land Management, annual work programmes were completed on time and either close to or under budget. Flood Protection also made excellent progress, but advancement of some Flood Management Plans were intentionally delayed to allow deeper community engagement and due to related concerns about flood modelling and hazard maps. A number of additional reviews were requested by stakeholders. These reviews are largely complete and our original information in each model has been proven to be accurate. However, how we present the flood hazard maps to the general public will be reconsidered to reduce the potential risk of misinterpretation.

The overall operating surplus at year end was $97K better than budget. This is an excellent result considering the overall budget incorporates expenditure of approximately $30M for the Group.

Flood Protection addressed planning, implementation and operational challenges over the past year. Extended consultation, investigation and review has been required to progress floodplain management plans for Te Kāuru (Upper Ruamahanga Catchment), Waiohine and Pinehaven. Although capital improvements in Kapiti were delayed by design and land access issues, land acquisition for the City Centre, Pinehaven and Waiohine stopbank projects was brought forward. Hutt and Wairarapa river maintenance programmes were able to be completed in the last quarter with the arrival of significant rock supplies from the Linton quarry.

A major achievement for Flood Protection was the lodgement of resource consent applications for renewal of all maintenance activities in the region's rivers. A Code of Practice and Environmental Monitoring Plan were also developed as part of the renewal process to highlight the actions that Flood Protection staff would take to minimise environmental effects.

In the final quarter, Flood Protection made significant progress on securing agreement between Hutt City Council (HCC) and GWRC concerning options for public consultation on the City Centre Reach upgrade. Commencement of the consultation process in the first quarter of 2015/16 is likely to cause significant interest, and apply pressure to staff resources.

Land Management commenced the 2015 winter planting programme in early June. Surprisingly, parts of the eastern hill country are still suffering from drought conditions, necessitating changes to our normal practices and/or delaying planting. The Akura Nursery expansion is now complete with poles from the new area already being available. Demand for native plants remains strong. Demand for Farm Environment Plans was strong in 2014/15, with expansion likely in the Wairarapa Moana and Otaki areas in 2015/16. There was a 100% uptake by dairy farmers in the Mangatarere catchment for plans. With additional LTP funding in 2015/16, we anticipate significant plan demand in the Porirua Harbour catchment.

Riparian and wetland initiatives for the Wairarapa Moana Clean Up Project are being finalised with all works due for completion in October 2015. The Project has been a major catalyst for farm environment planning and works initiatives with regular field days covering production, nutrient and water management raising awareness about the impacts of farming on the local environment.

The Regional Pest Management Strategy works programmes were successfully implemented. Weather caused delays to pest plant control work through much of the year but staff worked particularly hard to complete these before year end. The review of the Strategy continues to be delayed due to late release of the National Policy Direction (NPD) from MPI. We anticipate the NPD will be published in the first quarter of 2015/16. We then have 18 months to ensure that our new Strategy is not inconsistent with the NPD. This review will be a significant component of work for Biosecurity staff in 2015/16. However, there is a collective national group of regional council staff working collaboratively on this project to ensure consistency.

The Regional Possum Predator Control Programme was completed by BioWorks staff well within budget. BioWorks also successfully completed all of its TBfree NZ contracts. This team has had a very successful year. Biosecurity staff provided services under the National Biosecurity Capability Network to the fruit fly operation in Auckland in late March; staff were involved for up to four weeks.

The Key Native Ecosystem programme was successfully completed across 70 regional sites. Detailed management plans for each site are nearing completion. Biodiversity staff worked successfully with numerous community and interest groups in the two major collaborative projects - Porirua Harbour and Catchment, and Wairarapa Moana. Working with volunteer groups continues to be a major opportunity to advance our collective objectives. A key project in 2015/16 will be developing a GWRC strategy for volunteers, considering opportunities for how we can consistently harness the energy and knowledge of volunteers across all GWRC activities. This may well lead to the development of a regional strategy involving all organisations working with volunteers.

Biodiversity policy staff worked closely with Environmental Policy staff throughout the year to ensure the new Natural Resources Plan adequately recognises and protects regional biodiversity.

3.2 Environment Management

Environmental Policy
The highlight in the last quarter in the Policy area was the adoption of the proposed Natural Resources Plan (the Plan) by Council in June, following Te Upoko Taiao – Natural Resource Management Committee's earlier endorsement of the Plan. This milestone followed extensive work in the last quarter with stakeholders around area of contention that remained in the Plan following feedback received in the draft Plan, which was released in September last year. The Plan was formally proposed on 31 July and we now move into the formal RMA schedule 1 process for submissions, further submissions and ultimately hearings. There is an extensive process of internal consultation now about to get underway to ensure the provision of the plan are well understood and applied both in our regulatory and operational areas.

The two existing Whaitua Committees in the Ruamahanga and Porirua continued their good work during the quarter, and by all accounts the Te Awarua-o-Porirua Committee has very quickly got into its work. The huge background of research and collaboration that has already existed in the Porirua Catchment for many years is a clear advantage in this process. With the Plan now proposed, we will be increasing the already strong engagement with Wellington Water and the shareholder Councils around issues such as storm water and wastewater which will be key for the Wellington/Hutt Whaitua, which is the next Committee scheduled to begin.

We remain highly involved in the Land and Water Forum which is currently developing advice to Government via a number of working groups, and is widely expected that a RMA reform package will be announced by Government sometime in the next 6 or so months.

Environmental Regulation
The quarter was dominated by the ever increasing emphasis on the Transmission Gully motorway project (TGM project) with a significant amount of time being put into leading discussion with NZTA, Wellington Gateway Partnership and Leighton Heb Joint Venture. A new steering group and associated consenting and compliance group has been established as a result of

this work, and additional support has been engaged to assist with the work and of these Groups. The TGM project, and Roads of National Significance projects in general, will remain a key focus of our work and partnership management in the year ahead.

The review of the Resource Management Act Charging Policy was approved by Council as a part of the Long-term Plan process, amongst other things this Policy established a new and more flexible approach to charging around compliance, which will support the ongoing development and implementation of the strategic compliance framework which the Regulation Department has been working on for some time now.

Environmental Science
The Environmental Science department continues to direct a huge amount of its work to supporting the Whaitua process, with the collaborative modelling project the next major milestone which needs to be delivered on; this is important not only for the Whaitua discussion and decision making, but also the Wairarapa Water Use Project. We also published the 2013/14 version of *Our Environment at a Glance*, and we are going through an internal and external ‘launch’ of this document in the coming weeks. The Department has put a huge amount of work into the Land Air Water Aotearoa (LAWA) project as well both in the last quarter, and also during the year. The technical and site management resource required to keep LAWA live and up-to-date is not insignificant, but it is a valuable sector project that we are highly committed to supporting; most recently with the hydrological elements of this site. Similarly, we are very much part of the sector response to the Environmental Monitoring and Reporting (EMaR) initiative which is focused on providing consistent and aligned science information across all regional councils.

Harbours department
Seacare, the Harbours department workboat, resumed operational service in July after a few months off the water while it was lengthened to increase its operational efficiency. We have continued to work with Porirua City Council around the Mana boat ramp and bridge area, including Fisherman’s Wharf, to try and ensure that conflict of use matters are worked through prior t next summer; as best as possible.

Parks department
The major flood in May caused significant damage in Belmont, Battle Hill and Queen Elizabeth Parks. It will take many months of work to repair this damage, and in some cases we will need to look at new solutions to ensuring track and infrastructure damage can be limited in the future through realignment of tracks and ongoing assessment of bridge locations. The completion earlier in the year of the asset management planning exercise has proved hugely valuable for the parks team in assessing the impacts of the flood events, and our subsequent insurance claims and reconstruction process. Farm licence discussion at both Queen Elizabeth and Belmont parks are drawing close to a successful conclusion, and work in fully underway on the new cycleway through Queen Elizabeth Park.

Wairarapa Water Use Project

The 18 month prefeasibility work programme is now compete, with the result of this work being that the Black Creek and Tividale sites selected to be taken through to full feasibility. This is a significant milestone for the project, and leads into a detailed series of work programmes around areas such as farmer demand, environmental opportunities and effects, commercial and financing structures, and community engagement. Importantly, the selection of Black Creek and Tividale allows for these projects to be increasingly couched around the approach to catchment management that the Council is taking through its plan and especially Whaitua process. Masterton and Carterton District Councils will become increasingly important in this discussion. A strong relationship with MPI continues to exists and we are confident that with funding being approved in the Long-term Plan the associated 1:1 funding will continue from MPI.

3.3 Public Transport

Particular highlights for the Public Transport group for the 2014/15 year are discussed below.

Annual rail patronage exceeded 12 million trips for the first time in recent history, reaching 12.1 million trips. This would have been even higher were it not for severe floods in May which cancelled services for nearly two days.

The current fleet of Matangi 1 trains achieved the highest monthly mean distance between failures (MDBF) of 70,000 km in early 2015. Five new Matangi 2 trains were shipped from South Korea and five of the six stages of the Matangi 1 upgrade were completed.

Additional Park & Ride carparks were provided at Tawa, Takapu Rd, Raroa and Plimmerton. Land was secured for future development at Paraparaumu and Waikanae, which will address two of the more critical Park & Ride capacity shortages in the region.

At Upper Hutt Station, the platform has been resurfaced, new shelters installed at the south end of the platform, and demolition and replacement of the main station building commenced. Work has been completed on the renewal of Station Road in Porirua.

The Public Transport Transformation Programme (PTTP) was established to coordinate and integrate public transport network projects in order to leverage their benefits and manage transition to a new service delivery model for customers.

Work on the Public Transport Operating Model (PTOM) for contracting services continued. Following the Expressions of Interest process, three parties have been selected to respond to the PTOM Rail Request for Tender (RFT). Good progress is being made on future bus fleet requirements and the PTOM bus contracting process.

Ongoing progress has been made on the investigation phase of the Integrated Fares and Ticketing (IFT) project. Work to date on the investigation phase and the business case confirms that there is a strong strategic and economic basis for proceeding with integrated fares and ticketing, and that a modern integrated ticketing system is an important enabler for the wider public transport programme. A key feature of integrated ticketing systems is that the integration of fares across modes is more feasible. The project also needs to be considered with, and informed by, the national ticketing approach being put forward by NZTA. The next stage of IFT will focus on development of technical specifications, and planning for procurement of an integrated ticketing solution, along with fares policy development.

PTOM and IFT are fundamental contributors to achieving the direction for public transport in the region set out in the Regional Public Transport Plan.

3.4 Strategy & Community Engagement

- The Annual Report for 2013/14 was completed and Audit NZ issued an unqualified audit opinion.
- The Long-term Plan 2015-2025 was approved by Council. The Revenue and Financing Policy and the Rates Remission and Postponement Policies were also approved. Audit NZ issued an unqualified audit opinion. The LTP includes a new 30 year Infrastructure Strategy and a new Significance and Engagement Policy.
- The first meeting of Te Awarua-o-Porirua Whaitua Committee was held which included a pōwhiri for committee and project team members at Takapūwāhia marae.
- There are currently two iwi projects in the pipeline and we anticipate these getting off the ground in the next 2 months.
- We have facilitated regional conversations aimed at developing a region wide co-ordinated approach to population forecasting. GWRC, WCC, HCC and PCC are now aligned, and support has been obtained from NZTA.
- The 2014 Regional Economic Profile was produced by Infometrics. This showed a continuing pattern of flat growth relative to the national economy. We have also subscribed to the Infometric's data and tools which allows a high degree of customised economic related analysis.
- Berl produced a 2014 Economic Situational Analysis which provides economic analysis at a territorial authority level for the Wellington Region.
- The growth scenario forecasts produced by Berl were reviewed and a scenario modelling tools was provided to the councils.
- The Genuine Progress Index (GPI) was updated and a review of indicators undertaken.
- Planning for the development of a migrant attraction and settlement Partnership Agreement with Government was progressed with several workshops and research on migrant related factors. The WRS Office is facilitating the content of this agreement in partnership with the relevant agencies.

- Year 2 of a business survey programme with Victoria University students provided valuable insights into HR practices, employment of skilled migrants and training opportunities.
- A partnership with Callaghan Innovation and a London based company, Knowledge Matrix, was established to develop a new system of defining and evaluating business sectors. This will provide much improved market intelligence for the high value manufacturing and creative digital industries that allows better targeting for WREDA sector activities and investment attraction opportunities.
- The establishment of WREDA and new WRS governance arrangements were finalised. The WREDA Board provided its first SOI in response to the shareholder's Letter of Expectation.
- The draft Climate Change Strategy was approved by Council and released for public consultation. Over 60 submissions were received, and informal hearings have been completed.
- Regular meetings were held with Wellington City Council and MBIE as part of work on affordable housing for the region.
- Work on a high level project plan for the regional spatial planning shared service project continued. Meetings were held with staff of each the region's territorial authorities to discuss the high level project plan, and meetings/interviews were also held with all of the region's mayors.

3.5 People and Capability Group Overview

Key highlights for the Group for the last year were:

- Working on the project to integrate Greater Wellington Regional Council's bulk water supply function with Capacity including the transfer of staff to Capacity (renamed Wellington Water), the transfer of the payroll function to Wellington City Council, arranging and servicing the inaugural meeting of the Wellington Water Committee and advice to Council on financial and statutory delegations to Wellington Water Limited
- Managing the organisation's performance management review and salary review processes
- Reviewing the performance management system
- Developing the scope of the management and leadership development project
- Undertaking a review of the organisation's administrative function
- Managing the 2015 Gallup engagement survey
- Undertaking the organisational change project to centralise the corporate functions
- Developing the organisational health and safety strategy and action plan
- Undertaking an organisational internal health and safety management systems audit
- Undertaking an investigation into the use of Crush Protection Devices on quad bikes

- Examining options in relation to Light Utility Vehicles
- Running impairment workshops
- Implementing the project for the Health and Safety Management Information System (HaSMIS)
- Running training programmes on incident management investigation training, risk identification and hazard management training
- Providing administrative support and services for Council meetings, Committee meetings and Advisory Group meetings
- Reviewing and amending Standing Orders
- Drafting the Significance and Engagement Policy in conjunction with staff in the Strategy & Community Engagement Group
- Updating Greater Wellington Regional Council's privacy policies and organising privacy training for staff
- Updating councillors on the proposed electronic voting trial for the 2016 triennial elections
- Providing advice and assistance to Council in relation to the Chair's resignation and election of new Chair.

3.6 WREMO

Overview

A busy year characterised by solid progress against our KPIs, the Group's response to the widespread floods of May and June 2015, and with the middle of the year dominated by the Ministry of Civil Defence & Emergency Management monitoring and evaluation assessment (February and March 2015).

- MCDEM Monitoring and Evaluation Assessment. The Group's target score set by the Director MCDEM of 56%, was comfortably exceeded with a score of 68.6% versus 44.2% (2011 assessment). This represented a significant increase in the Group's capacity and capability arising from the rationalisation of the region's CDEM assets to form WREMO. Areas of strength identified in the report include Governance and Management arrangements assessed as 86.1% versus 35.8% (in 2011) and Community Awareness and Participation 85.5% versus 63.4 (in 2011). Areas identified for further development include enhancing the capability to recover from emergencies, reducing risks from hazards, and enhancing capability to manage emergencies. Each of these feature in future group work plans.

- Social Media. Support for WREMO and our approach to social connectivity continues to grow with over 48,000 followers at year end. During the period, our top performing post reached 188,416 people, with 7496 likes, 940 shares, and 151 comments (while at the other end of the spectrum, one person un-liked our page as a result of the same posting)

- National and International Recognition for WREMO's Innovative Approaches. Increasingly, WREMO is being recognised for its progressive approach to enhancing community resilience. In the course of the year, several external entities across New Zealand have directly or indirectly adopted our methodologies and tools. In MCDEM's Monitoring and Evaluation report, it was stated that WREMO has developed a model that is, "innovative, community-driven and sets a standard for New Zealand to follow". Over the past year, WREMO has been approached by several central government and NGOs to provide insights on how to work with communities to enhance resilience.

- This recognition extends internationally as well, with cities in Australia, USA and UK actively using WREMO's resilience approach. Our programmes (Blue Lines, Public Private Partnerships, Community Response and Resilience Planning) featured in the official NZ Inc video that accompanied the NZ delegation to the UNISDR Framework for Action conference in Japan. Link attached: https://www.youtube.com/watch?v=mMDvdQ5sKd4&feature=youtube

- Further, we are now regularly approached to discuss our model at conferences around the world, from the Asian Community Mental Health Leadership Forum in Bangkok to keynote speaker roles in Australia on enhancing disaster resilience. More than a dozen opportunities over the past year have presented themselves. Naturally, not all invitations are accepted. It is however, great recognition for the Wellington region's reputation as a leader in Disaster Resilience.

3.7 Investment Management Overview

During the financial year short, medium and long term rates declined to historical lows. Investment Management took this opportunity to significantly lengthen the swap profile by entering into $200 million of forward starting swaps. The length of the swaps, most starting at future dates ranged from 7 to 11 years with the longest swap maturing early 2030. The rates achieved ranged between 3.8920% and 5.125% with the average swap rate of around 4.55%. These swaps provide a base level of certainty for the Council against rising interest rates in the years to come.

We rolled over existing debt with a longer maturity term and at a much reduced credit margin due to both market impacts and presence of the Local Government Funding Agency influencing pricing.

3.8 Finance and Support Group Overview

Finance, Treasury and Support

- Finalised the 2015-25 Long-term Plan (LTP) with SCEG
- Managed the Asset Management Steering & development groups, including the update of the Asset Management plans to ensure they were all up to a consistent standard to support the LTP
- Managed the WRCH Group, and Treasury portfolios, including dealing with Regional Council Centre sale

- Managed the Warm Wellington programme including the initiative to bring Clean Heat back to Masterton and Wainuiomata
- Manage the Wellington Water customer relationship and bulk water budget integration with the 4 metropolitan councils

ICT

- Progressed many ICT projects including, Business Continuity Services; Land Mobile Radio; Virtual desktop project; Office 365 for email and the document management upgrade
- The shared services review for combined network and IT infrastructure progressed with decisions being sort shortly whether to join this initiative.
- Follow-me printing is being actively deployed which will result in lower printing cost and wastage.
- Legacy Systems – We have retired/migrated all but one legacy business application system (SafeTsmart), off our Oracle/ old operating systems onto the latest supported Microsoft systems (MS). This has reduced considerable risk to our business.

3.9 Warm Wellington Programme overview

This year we have funded 864 new installs at a cost of $2m, which is lower than the previous year's activity. Progress continues to reduce as the EECA general grant funding ended. The scheme still remains a popular choice but without the previous government incentive, the numbers have not recovered to previous levels.

Since GWRC's programme started 9,480 applications have been completed at $19.2 million (including GST) of funds paid to local suppliers. We currently have a further 463 approved properties waiting to go ahead, many for heating in Masterton and Wainuiomata.

3.10 Bulk Water overview

This year saw the transition of the bulk water staff and activity into the newly formed Council Controlled Organisation, Wellington Water Limited. Overall this has gone smoothly with most activity and performance measure maintained over this time.

Water supply volumes ended the quarter slightly up on the corresponding period last year. The total consumption for the year was also slightly up on 2013/14, which is the first increase since 2005/6. There are signs that the long term trend of declining total consumption have flattened over the last few years.

A comprehensive review of the current regime of water supply conservation levels, triggers and responses is in progress. It is generally accepted that the effectiveness of the current system could be improved. We are looking to implement any identified improvements before the coming summer.

4. Council Financial Summary

Overall, the operating surplus before transport improvements and non-operational movements is favourable by $3,213k relative to budget.

The main reason for this variance is highlighted below:

- Public Transport is $2.374m favourable to budget reflecting increased patronage reported by KiwiRail and lower rail expenditure.
- Regional Park is $283k favourable to budget, largely reflecting additional external revenue received.
- Environment is $866k unfavourable to budget, reflecting additional Environmental Science staffing requirements and consultants to support the Whaitua programmes.
- Investment Management was $451k favourable to budget through higher interest income and lower external interest costs.
- Emergency Management is $374k favourable to budget, reflecting delays in some community projects that will now occur in 2015/16.
- Forestry is $293k favourable to budget, largely reflecting the gain on sale from the forestry cutting rights.
- Corporate is $319k favourable to budget, largely reflecting the additional rates collected from other territorial authorities than budgeted.

Councils overall operating surplus after transport improvements and non-operational movements is $13.042m unfavourable to budget. This driven by:

- Investment Management revaluation of Council swaps at year end resulted in an $18.498m unfavourable movement. This unfavourable movement is due to our contract swap rates being higher than the equivalent actual market rates, and reflects the downward trend in interest rates with rates at close to historical lows. Councils average swap rate at June is 4.80%.
- Parks is $1.969m favourable to budget, reflecting the additional funding from NZTA for a new woolshed and QEP cycleway.
- Forestry is $665k favourable to budget, reflecting the revaluation of Emission Trading Scheme carbon credits and any new allocations during the year.

Details by Group follow in section 5.

4.1 Financial Summary

Summary Income Statement $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Regional Rates	98,091	96,538	1,553	92,454
Regional Water Supply Levies	26,276	26,276	-	25,635
Other Operating Revenue	84,327	81,111	3,216	99,567
Total Operating Revenue	**208,694**	**203,925**	**4,769**	**217,656**
Operational Costs	217,041	215,485	(1,556)	218,714
Operating Surplus / (Deficit) before Transport Improvements	**(8,347)**	**(11,560)**	**3,213**	**(1,058)**
Operating Surplus / (Deficit) from Transport Improvements	8,825	9,053	(228)	3,587
Operating Surplus before other movements	**478**	**(2,507)**	**2,985**	**2,529**
Non-operational movements	(15,870)	157	(16,027)	20,521
Operating Surplus / (Deficit)	**(15,392)**	**(2,350)**	**(13,042)**	**23,050**
Net fixed asset revaluations	**-**	**-**	**-**	**27,600**
Total council comprehensive income	**(15,392)**	**(2,350)**	**(13,042)**	**50,650**

4.2 Financial Summary by Group

Total operating surplus / (deficit) $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Catchment Management	3,531	3,434	97	3,058
Forestry	171	(122)	293	330
Environmental Management	(837)	29	(866)	(563)
Regional Parks	(1,059)	(1,342)	283	(1,989)
Wairarapa Water Use project	(13)	(12)	(1)	(78)
Public Transport	(2,308)	(4,682)	2,374	2,669
Strategy & Community Engagement	(236)	(362)	126	391
WRS	98	17	81	(39)
Corporate	(1,020)	(1,339)	319	(1,034)
Emergency Management	37	(337)	374	177
Total operational surplus / (deficit)	**(1,636)**	**(4,716)**	**3,080**	**2,922**
Investment Management	11,829	11,378	451	12,524
Business unit rates contribution	(10,003)	(10,001)	(2)	(10,406)
Total rates funded operating surplus / (deficit)	**190**	**(3,339)**	**3,529**	**5,040**
Water Supply	(8,537)	(8,221)	(316)	(6,098)
Total rates & levy funded operating surplus / (deficit)	**(8,347)**	**(11,560)**	**3,213**	**(1,058)**
Non-operational movements				
Revaluation of interest rate swaps	(18,498)	159	(18,657)	3,868
Revaluation of forestry (ETS)	665	-	665	17,335
Forestry cost of goods sold	(6)	-	(6)	(682)
Parks Grant Revenue from NZTA	1,969	-	1,969	-
Warm Greater Wellington	-	(2)	2	-
Public Transport net surplus / (deficit) on capital, improvement and investment projects	8,825	9,053	(228)	3,587
Total non-operational surplus / (deficit)	**(7,045)**	**9,210**	**(16,255)**	**24,108**
Total council surplus / (deficit)	**(15,392)**	**(2,350)**	**(13,042)**	**23,050**
Net fixed asset revaluations	**-**	**-**	**-**	**-**
Total council comprehensive income / (deficit)	**(15,392)**	**(2,350)**	**(13,042)**	**23,050**

4.3 Capital & transport improvements expenditure

Total capital and transport investment and improvement expenditure $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Catchment Management	4,180	5,008	828	5,956
Forestry	-	-	-	240
Environmental Management	371	450	79	143
Regional Parks	2,490	1,168	(1,322)	212
Wairarapa Water Use project	929	825	(104)	627
Public Transport capital projects	5,322	5,299	(23)	1,091
Strategy & Community Engagement	172	197	25	228
Corporate	1,033	1,575	542	2,451
Emergency Management	67	70	3	(14)
Total capital expenditure	**14,564**	**14,592**	**28**	**10,934**
Investment and property management	11	-	(11)	2,328
Total rates funded capital expenditure	**14,575**	**14,592**	**17**	**13,262**
Water Supply	6,138	8,125	1,987	10,069
Total rates & levy funded capital expenditure	**20,713**	**22,717**	**2,004**	**23,331**
Public Transport investment projects - GWRL	24,405	47,433	23,028	28,041
Total council capital and transport investment expenditure	**45,118**	**70,150**	**25,032**	**51,372**

4.3.1
Capital expenditure by Group

Capital expenditure is $25.032m below budget, for the year.

The main reasons for theses variance are:

- Public Transport is $23.028m favourable to budget, as a result of the timing of the payments for the Matangi trains changing to 2015/16.
- Water Supply is $1.987m favourable to budget, as $1.1m of operational assets were transferred to Wellington Water. The balance remaining represents savings in project costs lower reactive capital replacements.
- Regional Parks is $1.322m unfavourable to budget, reflecting the unbudgeted expenditure for the new woolshed and QEP cycleway funded by Grant Revenue from NZTA.
- Catchment Management is $828k favourable to budget, reflecting lower than planned expenditure levels.

5. Council Financial Performance by Group

5.1 Catchment Management

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Operating revenue	34,809	33,250	1,559	32,873
Operating expenditure	31,278	29,816	(1,462)	29,815
Operating surplus / (deficit)	**3,531**	**3,434**	**97**	**3,058**
Net capital expenditure	4,180	5,008	828	5,956

Year to date

A favourable operating variance of $97k, comprising higher revenue of $1,559k and higher operating costs of $1,462k.

Operating revenue is higher than budget due mainly to:

- Increased revenue of $647k from Ministry for the Environment (MfE) and landowners for the Wairarapa Moana Clean Up Project which is offset by additional costs.
- Increased revenue of $567k for pest control from TBfree, District Councils and Asure Quality.
- Increased revenue of $175k for Wellington Erosion Control Initiatives from Ministry for Primary Industries.

Operating expenditure was lower than budget due to:

- Additional expenditure of $644k for Wairarapa Moana Clean Up for riparian planting, fencing and wetland improvements.
- Additional expenditure of $353k for flood investigations & damage repairs and clean up from the May and June weather events.
- Additional contractor costs of $157k for aerial pest operations and Ngaumutawa Rd depot maintenance.
- Additional residential rates and repair & maintenance costs of $109k from recent property purchases.
- Reduced personnel costs of $203k due to lower Biodiversity staffing levels.

Capital expenditure is $828k lower than budget, primarily due to:

- Reduced expenditure of $1.354m for Kapiti Flood protection stopbanks improvements due to design, resource consent and land access delays.
- Reduced expenditure of $200k for resource consents, as these will now take place in 2015/16.
- Additional expenditure of $1.154m for City Centre, Pinehaven & Waiohine property purchases.
- Reduced asset disposal costs of $419k were incurred, as only 2 properties were sold.

5.2 Environmental Management

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Operating revenue	16,085	15,422	663	15,467
Operating expenditure	16,922	15,393	(1,529)	16,030
Operating surplus / (deficit)	**(837)**	**29**	**(866)**	**(563)**
Net capital expenditure	371	450	79	143

Overall, there is an unfavourable operating variance of $866k, comprising higher revenue of $663k and higher expenditure of $1,529k.

Operating revenue is ahead of budget primarily due to:

- Increased revenue of $741k due to Environmental Regulation Group (EREG) consent processing including additional on charging of consultants costs for the Roads of National Significance (RONS) projects. There is $168k unbudgeted funding from MfE towards science work.

Operating expenditure was higher than budget due mainly to:

- Personnel costs are $517k greater than budget, largely due to additional staffing levels in Environmental Science (EScience) to support the science requirements of the Whaitua Committees.

- Additional consultants, materials and travel costs of $776k, is due largely to Road of National Significance (RONS) project costs of $536k which are on charged, and additional Whaitua Committee costs $195k from the establishment of the second committee.

- Depreciation cost of $88k greater than budget, due to higher depreciation from harbours the infrastructure asset revaluation.

Capital expenditure is $79k less than budget, primarily due to:

- E-Science are replacing old monitoring equipment in line with their asset management plan. This replacement programme has occurred slower than budget.

5.3 Forestry

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Operating revenue	414	313	101	11,199
Operating expenditure	243	435	192	10,869
Cash Operating surplus / (deficit)	**171**	**(122)**	**293**	**330**
Revaluation of forestry (ETS)	665	-	665	17,335
Forestry cost of goods sold	(6)	-	(6)	(682)
Operating surplus / (deficit)	**830**	**(122)**	**952**	**16,983**
Net capital expenditure	-	-	-	240

Overall, a favourable operating variance of $952k.

Operating surplus is below budget primarily due to:

- Additional revenue and contractor costs were for residual harvesting activities.
- Gain on sale of $408k from the final assessment of the sale of forestry cutting rights offsetting forestry expenditure incurred.
- Additional consultant expenditure of $57k were incurred for the sale of the forestry cutting rights.
- Gains of $665k from the revaluation of Emission Trading Scheme carbon credits and new allocations during the year.

5.4 Regional Parks

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Operating revenue	7,167	6,247	920	6,501
Operating expenditure	8,226	7,589	(637)	8,490
Operational Surplus / (deficit) before other items	**(1,059)**	**(1,342)**	**283**	**(1,989)**
Parks Grant Revenue from NZTA	1,969	-	1,969	-
Operational Surplus / (deficit)	**910**	**(1,342)**	**2,252**	**(1,989)**
Net capital expenditure	2,490	1,168	(1,322)	212

Overall, there is a favourable operating variance of $2,252k, comprising higher revenue of $920k and offset by higher expenditure of $637k.

Operating Revenue was $920k higher than budget due to:

- Parks external income is higher than budget, mainly due to the surplus on logging in Belmont ($150k), insurance proceeds of $500k after flooding in Belmont Park and other fees of $174k.

- Parks Grant revenue is $2m greater than budget, reflecting the capital grants received from NZTA in relation to the new Woolshed and QEP Cycleway.

Operating expenditure was $637k higher than budget due to:

- Additional depreciation costs of $336k, arising from the infrastructure asset revaluation.
- Additional reactive maintenance costs of $250k funded from reserves.
- Additional consultant costs of $70k for asset revaluations and legal cost.

Capital expenditure was $1,322k ahead of budget due primarily to:

- Woolshed cost of $1.8m were transferred from operating spend to capital expenditure. Funded by NZTA capital contribution.
- Cycleway costs of $189k were transferred from operating spend to capital expenditure. Funded by NZTA capital contribution.
- Unspent budget of $573k for QEP Heritage project will be carried forward to 2015/16.

5.5 Public Transport

Financial Summary	Year ended 30 June 2015			
$(000)'s	Actual	Budget	Variance	Last Year
Operating revenue	98,286	100,908	(2,622)	103,160
Operating expenditure	100,594	105,590	4,996	100,491
Operating surplus / (deficit)	**(2,308)**	**(4,682)**	**2,374**	**2,669**

A favourable operating variance of $2.4 million, comprising lower expenditure of $5.0 million and reduced revenue of $2.6 million.

Operating revenue was below budget due to:

- Grants and subsidies revenue was $2.9 million below budget which reflects the reduction in operational expenditure for the year.
- SuperGold card Grants and subsidies revenue was $0.4 million above budget which reflects the increase in operational expenditure for the year
- External revenue was $0.2 million below budget. Rail studies and investigation expenditure of $0.4m is no longer reimbursed by Greater Wellington Rail Limited (GWRL), but is directly charged to GWRL. This is partly offset by increased external revenue from WCC for the Bus Rapid Transit (BRT) project.

Operating expenditure is below budget primarily due to:

- Rail contract costs were $3.5 million below budget. The results reported by TranzMetro show that fare revenue was above budget by $1.0 million and expenditure was below budget by $2.5 million.
- Network operations and maintenance costs were $1 million below budget because of reduced network management services, track maintenance and traction maintenance costs, partly offset by national signal boxes and vegetation control costs.
- Network renewals costs were $0.6 million above budget because of increased track maintenance costs, partly offset by reduced signals and interlocking renewals costs.
- Train maintenance expenditure was $0.6 million below budget. A robust planned maintenance programme has meant lower unplanned maintenance costs on the Matangi and Ganz Mavag trains.
- Rail insurance expenditure was $0.1 million below budget. The insurance premium is lower than anticipated when the budgets were set.
- Carpark and station security expenditure were $0.7 million above budget. Security related rail improvements of $0.6 million that had been budgeted as capital expenditure have been reclassified as operating expenditure because we will not own the resulting asset e.g. fibre optic connections to stations. There is also an increase in security costs of $0.1 million.
- Diesel bus operations expenditure was $1.4 million below budget primarily because bus inflation costs were lower than budgeted and cost reductions related to services not run.
- Trolley bus operations expenditure was $0.4 million below budget. Cost of maintaining the trolley overhead network were $0.2 million less than budget. There were cost reductions from services not run as well as savings in the cost of operating trolley bus services.
- SuperGold card expenditure was $0.4 million above budget which reflects the increased usage of SuperGold Card.
- Public Transport Operating Model (PTOM) expenditure was $1.4 million above budget. The extent and resources required to progress PTOM Bus and Rail projects was greater than anticipated when the budget was set.
- Metlink network, services, systems and management expenditure was $0.5 million below budget. There were lower staff costs and GWRL administration charges ($0.4 million of rail studies and investigation expenditure is now directly charged to GWRL and excluded from administration costs).

5.6 Public Transport capital expenditure, improvement projects and investment additions

Revenue and expenditure associated with capex

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Operating revenue	**22,195**	**22,517**	**(322)**	**11,843**
Improvement Projects (Opex)	5,177	5,492	315	1,213
Operating expenditure - Other	8,193	7,972	(221)	7,043
Total operating expenditure	**13,370**	**13,464**	**94**	**8,256**
Operating surplus / (deficit)	**8,825**	**9,053**	**(228)**	**3,587**

Overall, an unfavourable operating surplus of $228k due to reduced revenue of $322k and reduced operating expenditure of $94k.

Operating revenue was lower than budget due to:

- Operating revenue includes grant and subsidies revenue which was $1.4 million below budget because of reductions in improvement projects and investments. External revenue was $1.0 million which is $1.0 million above budget. A contribution was made by Upper Hutt City Council towards the building of the new Upper Hutt station.

Improvement projects

Improvement projects relate to capital works where the underlying asset will not be directly owned by GWRC. They include:

- Trolley bus infrastructure renewals were $1.2 million below budget. Savings were made on the trolley bus overhead wire replacement work of $0.5 million, and $0.7 million on the network wide fault protection safety system.
- Station Road work at Porirua Station was $0.9 million. This was funded from the original capex budget of $0.3 million and $0.3 million out of the rail station renewals and upgrades budget. The project costs came in $0.3 million higher than originally provided.

Other operating expenditure

Other operating expenditure includes:

- Finance costs which were $1.1 million less than budget because expenditure on improvement projects and investments has happened later in the financial year compared to budget. This has reduced the financial costs on the associated debt.
- A revaluation of the Crown loan of $1.7 million was made at 30 June 2015. This loan is re-valued each year as the loan gets closer to its contractual repayment date in 2016.

Capital and investment additions

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Public Transport capital projects	5,322	5,299	(23)	1,091
Public Transport investment projects - GWRL	24,405	47,433	23,028	28,041
Capital and investment expenditure	**29,727**	**52,732**	**23,005**	**29,132**

Capital projects are projects that improve (or create) assets owned by GWRC.

Investment additions relate to capital works where the underlying asset will be owned by our subsidiary, GWRL**.**

Capital and investment expenditure is $23.0 million below budget due to:

This reduction in expenditure primarily relates to changes to the timing of projects expenditure including:

- New Matangi trains - $23.5 million below budget because of changes to the timing of payments.
- Station renewals and upgrades - $0.3 million above budget.
  - The original budget did not take into account the $1.0 million contribution by Upper Hutt City Council towards the rebuild of Upper Hutt Station which is shown as revenue.
- Security related rail improvements - $0.6 million below budget. Security related rail improvements of $0.6 million was reclassified as operating expenditure because we will not own the resulting asset e.g. fibre optic connections to stations.
- Wellington depot and stabling - $0.7 million above budget. Additional required expenditure above the overall project budget has been funded from a reduction in the Matangi 1 capital spares budget.
- Park and Ride land - $1.0 million above budget. The price paid for the Tawa land was $0.1 million more than budgeted (additional land was purchased which will provide extra car parks). Approval was also given to purchase additional land in Paraparaumu for Park & Ride which cost $0.9 million.
- Integrated fares and ticketing - $0.5 million below budget because the capital project is now expected to commence in 2015/16.

5.7 Strategy & Community Engagement

Financial Summary $(000)'s	Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year
Operating revenue	4,735	4,952	(217)	4,698
Operating expenditure	4,971	5,314	343	4,307
Operating surplus / (deficit)	**(236)**	**(362)**	**126**	**391**
Net capital expenditure	172	197	25	228

Overall, a favourable operating variance of $126k, comprising lower revenue of $217k and reduced expenses of $343k.

Operating revenue is above budget due to:

- Revenue is below budget by $217k, largely due to lower New Zealand Transport Agency (NZTA) funding as sustainable transport and transport planning project costs were lower than budgeted levels.

Operating expenditure was lower than budget due to:

- Reduced expenditure on consultants, materials and supplies to deliver the Regional Land Transport Plan (RLTP).
- Reduced expenditure on consultants, materials and supplies to deliver the Long Term Plan and the Annual Plan.

5.8 Wellington Regional Strategy

Financial Summary $(000)'s	Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year
Operating revenue	4,644	4,650	(6)	4,631
Operating expenditure	4,546	4,633	87	4,670
Operating surplus / (deficit)	**98**	**17**	**81**	**(39)**

Overall, a favourable operating variance of $81k, comprising lower expenditure of $87k.

Operating expenditure was higher than budget due to:

- Grow Wellington funding is in-line with budgeted levels.
- WRS Office projects expenditure is favourable to budget due to lower material and consultant expenditure. Any underspend will be transferred to reserves as at year end.

5.9 Corporate

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Operating revenue	11,268	9,494	1,774	10,362
Operating expenditure	12,288	10,833	(1,455)	11,396
Operating surplus / (deficit)	**(1,020)**	**(1,339)**	**319**	**(1,034)**
Net capital expenditure	1,033	1,575	542	2,451

Overall, a favourable operating variance of $319k comprising higher revenue of $1,774k and greater expenditure of $1,455k.

Operating revenue is more than expected as result of additional rates collected above budget of $1.5m from the local territorial authorities and addition internal revenue from ICT for supporting more pcs than was expected at the beginning of the year.

Operating expenditure is more than budget reflecting accrued reorganisation and change management cost and the additional rental costs for holding on to the regional council centre until sale.

Capital expenditure for the year is $542k less than budget primarily due to:

- The Hummingbird document management system replacement is underway, but shared service reviews have meant that the project will be delivered during 2015/16.

5.10 Emergency Management

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Operating revenue	2,879	2,869	10	2,932
Operating expenditure	2,842	3,206	364	2,755
Operating surplus / (deficit)	**37**	**(337)**	**374**	**177**
Net capital expenditure	67	70	3	(14)

Overall, a favourable operating variance of $374k comprising higher revenue of $10k and lower expenditure of $364k.

Operating revenue is lower than budget due to:

- Invoicing of the TA's was delayed. Revenue will be inline with budget by year end

Operating expenditure is lower than budget due to:

- Timing of community projects now expected in the next financial year. The only abnormal expenditure will be to upgrade the Emergency Operating Centres

5.11 Warm Greater Wellington

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Operating revenue	2,921	2,742	179	2,732
Operating expenditure	2,921	2,744	(177)	2,732
Operating surplus / (deficit)	**-**	**(2)**	**2**	**-**

Overall, a surplus break-even position, comprising lower revenue of $179k and lower expenditure of $177k.

Operating revenue is lower than budget due to:

- Rates revenue is below budget as the rates are calculated on the actual outstanding advances at 30 June 2014 which were lower than budgeted. This was due to a lower cash level of advances provided in 2013/14 and a much larger than expected number of full repayments as houses sold and rates being set after the budgets were adopted.

Operating expenditure is lower than budget due to:

- The accounting treatment for this programme is that expenditure will match revenue as the programme progresses, resulting in a nil surplus / deficit. The costs of the programme are amortised back in line with the rates revenue.
- Only the ratepayers participating in the scheme fund this programme.

5.12 Investment Management

Financial Summary $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Revenue	10,317	8,579	1,738	9,342
Internal Interest Recovery	13,796	15,545	(1,749)	14,141
Operating revenue	**24,113**	**24,124**	**(11)**	**23,483**
Expenditure	11,018	11,594	576	10,015
Internal Reserve Costs	999	886	(113)	943
Operating expenditure	**12,017**	**12,480**	**463**	**10,958**
Operating surplus / (deficit)	**12,096**	**11,644**	**452**	**12,525**
Net capital expenditure	11	-	(11)	2,328

Overall, a favourable variance of $452k compared with budget.

Revenue is $11k above budget and is mainly due to:

- Additional interest on prefunded debt and receiving higher than budgeted rates on our investments S1.74m.
- Interest Recovery from internal loans is $1.75 million unfavourable. Capex, in particular in Public Transport, has been significantly below budget, leading to lower internal loans and consequential lower interest recovery from the business units.
- Total direct expenditure (interest costs, consultants and materials) is $576k favourable, mainly due to lower than budgeted interest cost for capital expenditure.
- Internal Reserve Investment costs where Investment Management pays the business units interest on their reserve funds is $113k unfavourable to budget mainly due to higher reserve opening balance than budgeted.

Capital expenditure is $11k over budget, with all the cost relating to the occupancy of Shed 39.

5.13 Water Supply

Financial Summary $(000)'s	Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year
Operating revenue	28,199	27,365	834	27,154
Operating expenditure	36,736	35,586	(1,150)	33,252
Operational Surplus / (deficit) before other items	**(8,537)**	**(8,221)**	**(316)**	**(6,098)**
Net capital expenditure	6,138	8,125	1,987	10,069

Overall an unfavourable operating variance of $316k compared to budget.

Operating revenue was $834k higher than budget due to:

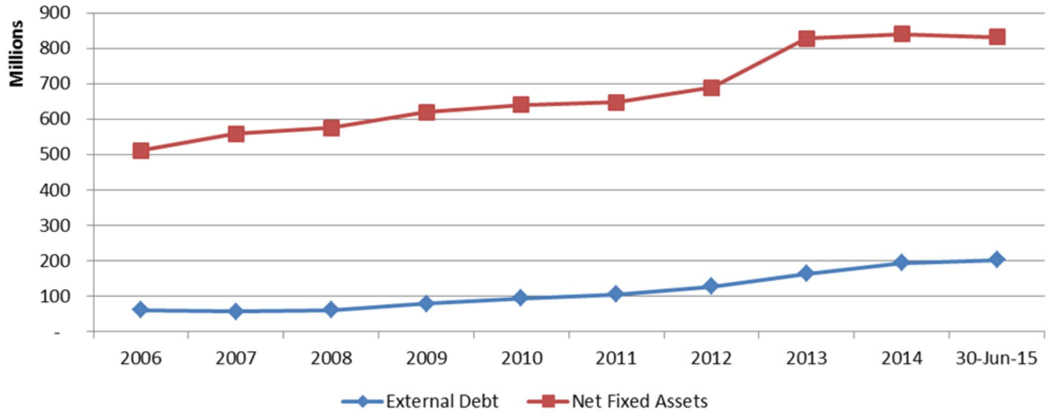
- Investment revenue is $213k higher than budget. Higher than budgeted interest was earned on the Asset Rehabilitation Fund.
- Other external revenue was $626k above budget due to a large cost recovery project for Upper Hutt City Council and additional unbudgeted revenue from the AgResearch farm.

Operating expenditure was $1,150k higher than budget due to:

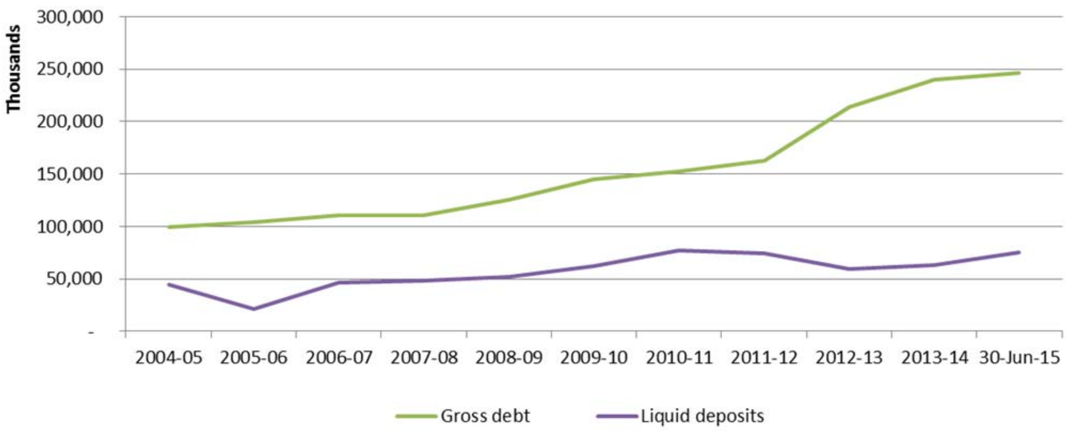
- Resource costing recoveries are $482k unfavourable due to less than budgeted staff time being spent on capital projects.
- Materials and supplies spend is $500k below budget due to savings on chemicals and electricity.
- Unbudgeted capital grant of $1,093k to Wellington Water to purchase the bulk water motor vehicles and IBM office fit out.
- Contractors and consultants are under budget by $420k, due to a number of management system improvements being put delayed.
- Depreciation is $506k under budget due to the 30 June 2014 year end valuation adjustments made to asset values.
- Loss on replaced assets of $228k.
- Unbudgeted contribution to Wellington Water of $457k to cover increased overheads due to GWRC staff transferring in Sept 2014.

Capital expenditure is $1.9m under budget, of which $1.1m of this relates to the assets transfer to Wellington Water. The balance remaining represents savings in project costs lower reactive capital replacements.

6. External Debt and Assets



External Debt and Cash investments



- External Debt including WRC Holdings has decreased by $4.4 million to $250.0 million, mainly due to using the majority of the proceeds from the forestry sale to repay debt.

6.1 Funding Impact Statement

Funding Impact Statement $(000)'s	Year ended 30 June 2015 Actual	Budget	Variance	Last Year
Targeted Rates	65,368	65,368	-	62,828
General Rate	32,723	31,170	1,553	29,626
Regional Rates	**98,091**	**96,538**	**1,553**	**92,454**
Regional Water Supply Levies	26,276	26,276	-	25,635
Warm Greater Wellington Rates	1,953	2,742	(789)	1,713
Grants and Subsidies Revenue	47,951	49,601	(1,650)	52,174
Other Operating Revenue	34,423	28,768	5,655	45,680
Total Operating Revenue	**208,694**	**203,925**	**4,769**	**217,656**
Direct Personnel Costs	42,452	45,398	2,946	43,028
Resource Costing - Labour	(1,751)	(1,482)	269	(2,200)
Personnel Costs	**40,701**	**43,916**	**3,215**	**40,828**
Personnel and Wellington Water	**39,714**	**42,880**	**3,166**	**38,848**
Materials,Supplies & Services	25,858	24,151	(1,707)	25,815
Contractor & Consultants	31,135	24,018	(7,117)	28,774
Travel & Transport Costs	1,382	1,462	80	1,403
Depreciation	18,422	18,950	528	18,183
Other Operating Costs	11,521	9,306	(2,215)	13,527
Operational Costs	128,032	120,767	(7,265)	126,550
Grants and Subsidies Expenditure	78,761	83,958	5,197	82,740
Finance Costs	10,248	10,760	512	9,424
Total Operating Expenditure	**217,041**	**215,485**	**(1,556)**	**218,714**
Operating Surplus / (Deficit) before Transport Improvements	**(8,347)**	**(11,560)**	**3,213**	**(1,058)**
Transport Improvement revenue	22,195	22,517	(322)	11,843
Transport Improvement expenditure	(13,370)	(13,464)	94	(8,256)
Operating Surplus / (Deficit) fromTransport Improvements	**8,825**	**9,053**	**(228)**	**3,587**
Operating Surplus before other movements	**478**	**(2,507)**	**2,985**	**2,529**
Revaluation of interest rate swaps and stadium advance	(18,498)	159	(18,657)	3,868
Revaluation of Transport Interest free debt	-	-	-	-
Revaluation of forestry (ETS)	665	-	665	17,335
Forestry cost of goods sold	(6)	-	(6)	(682)
Revaluation PPE	-	-	-	-
Parks Grant Revenue from NZTA	1,969	-	1,969	-
Warm Greater Wellington	-	(2)	2	-
Total other movements	**(15,870)**	**157**	**(16,027)**	**20,521**
Operating Surplus / (Deficit)	**(15,392)**	**(2,350)**	**(13,042)**	**23,050**
Add Back Non Cash Items	37,382	18,479	18,903	(1,578)
Cash operating surplus/(deficit)	**21,990**	**16,129**	**5,861**	**21,472**
Less:				
Net capital expenditure	20,621	22,703	(2,082)	23,331
Debt movements	(6,491)	(59,412)	52,921	(28,928)
Investment movements	1,190	50,602	(49,412)	31,517
Working capital movements	(37,310)	(30,022)	(7,288)	(47,392)
Net Funding Surplus / (Deficit)	**-**	**-**	**-**	**-**

This statement shows how GWRC's funded, from operating revenue and expenditure, to debt funding of the capital programme.

6.2 Balance Sheet

Balance Sheet $(000)'s	June 2015 Actual	June 2015 Budget	June 2014 Actual
Bank	(669)	27,695	19,516
Receivables	18,736	18,620	16,052
Accrued Revenue and Prepayments	28,187	14,542	13,055
Inventory	3,120	2,733	3,113
Total Current Assets	49,374	63,590	51,736
Other Investments	83,417	49,028	56,856
Forestry Investments	-	-	38,778
Derivative Financial Instruments	(18,843)	-	2,884
Investment in Subsidiaries	120,285	146,130	96,845
Total Investments	184,859	195,158	195,363
Fixed Asset at cost or valuation	901,254	897,800	901,048
less Accumulated Depreciation	(59,041)	(68,813)	(45,967)
Net Fixed Assets	842,213	828,987	855,081
Capital Works In Progess	24,798	9,500	10,400
Non Current Assets	1,051,870	1,033,645	1,060,844
Total Assets	**1,101,244**	**1,097,235**	**1,112,580**
less:			
Current Liabilities	35,396	23,663	109,736
Non Current Liabilities	202,025	214,000	124,626
Total Liabilities	**237,421**	**237,663**	**234,362**
Net Assets	**863,823**	**859,572**	**878,218**
Total Retained Earnings	360,422	372,806	375,365
Asset Revaluation Reserves	477,256	466,375	476,263
Other Reserves	26,145	20,391	26,590
Total Ratepayer Funds	**863,823**	**859,572**	**878,218**

Fixed Assets excludes the Rail Assets held by Greater Wellington Rail Limited

7. Compliance with Treasury Risk Management Policy

GWRC is fully compliant with its treasury management policy

As at 30 June 2015

Total Council Limit Compliance Analysis		Compliant Yes	No	actual %
Debt Interest Rate Policy Parameters				
Current	50% - 95%	✓		85%
year 1	45% - 95%	✓		70%
year 2	40% - 90%	✓		77%
year 3	35% - 85%	✓		83%
year 4	30% - 80%	✓		67%
year 5	25% - 75%	✓		62%
year 6	15% - 70%	✓		52%
year 7	5% - 65%	✓		46%
year 8	0% - 60%	✓		43%
year 9	0% - 55%	✓		39%
year 10	0% - 50%	✓		33%
year 11	0% - 45%	✓		19%
year 12	0% - 40%	✓		12%
year 13	0% - 35%	✓		8%
year 14	0% - 30%	✓		3%
year 15	0% - 25%	✓		0%
The maturity of total external debt less liquid financial investments to fall within the following timebands				
0 - 3 years	15% - 60%	✓		31%
3 - 5 years	15% - 60%	✓		34%
> 5 years	10% - 60%	✓		36%

		Compliant Yes	No	actual %
Countreparty credit exposure with New Zealand registerd banks which have a credit rating of at least A-, long term, and A2 short term		✓		
Other counterparty exposure within policy limits		✓		
Maximum counterparty exposure with a NZ registered bank is within $80 million limit		✓		
The repricing of liquid financial investments are to occur within the following timebands				
0 -1 year	40% - 100%	✓		100%
1 - 3 years	0% - 60%	✓		0%
3 - 5 years	0% - 40%	✓		0%
5 -10 years	0% - 20%	✓		0%
Core Council External Borrowing Limits - Ratios				
Net interest / Total Revenue < 20%		✓		0.0%
Net Debt / Total Revenue < 250%		✓		0.0%
Net interest / Annual rates and levies < 30%		✓		0.0%
Liquidity > 110%		✓		136%

8. The decision making process and significance

No decision is being sought in this report.

8.1 Engagement

Engagement on this matter is not necessary.

9. Recommendations

That the Committee:

1. ***Receives** the report.*
2. ***Notes** the content of the report.*

Report prepared by:	Report approved by	Report approved by:
Chris Gray Manager, Finance and Support	Dave Humm GM Corporate Services / CFO	Greg Campbell Chief Executive

Attachment 1 – Under separate cover: Preliminary Summary Performance Report for the year ended 30 June 2015