



Total council financial statements

Prospective funding impact statement

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
OPERATING REVENUE			
General rates	21,803	23,692	24,319
Targeted rates ⁽¹⁾	48,186	52,508	53,480
Regional rates	69,989	76,200	77,799
Water supply levy	23,460	23,460	25,635
Government subsidies	81,670	108,359	119,177
Interest and dividends	4,136	4,210	4,978
Unrealised revaluation gains	3,809	4,745	5,087
Other operating revenue	17,621	16,415	18,227
Total external operating revenue	200,685	233,389	250,903

Notes:

- (1) 2008/09 LTCCP numbers have been updated to reflect the *Amended Ten-Year Plan (LTCCP) 2006-16*, which includes funding for the regional economic development agency, GrowWellington, in relation to the Wellington Regional Strategy
- (2) The operating deficit in the 2008/09 plan is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. These grants are now treated as operating expenditure, but in the *Amended Ten-Year Plan (LTCCP) 2006-16* they were treated as capital expenditure
- (3) Non-cash items include depreciation, investment impairment, forestry cost of goods sold and unrealised revaluation gains.

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
OPERATING EXPENDITURE			
Personnel costs	30,593	31,601	30,557
Grants and subsidies ^{(1) (2)}	65,019	69,906	69,554
Finance costs	4,975	5,929	7,757
Investment impairment	-	-	5,495
Depreciation	10,466	10,722	11,429
Other operating expenses	46,389	44,012	53,954
Total external operating expenditure	157,442	162,170	178,746
Operating surplus/(deficit) before transport improvement grants ⁽²⁾	43,243	71,219	72,157
Transport improvement grants ⁽²⁾	58,108	82,933	-
Operating surplus/(deficit) ⁽²⁾	(14,865)	(11,714)	72,157
Less:			
Capital expenditure and transport investments	25,495	20,334	99,945
Proceeds from asset sales	(346)	(392)	(362)
Loan funding of capital expenditure	(15,340)	(15,156)	(23,150)
Rate, levy and subsidy-funded capital expenditure	9,809	4,786	76,433
Loan-funded improvement grants ⁽²⁾	(23,225)	(17,677)	-
Other loan funding	(4,612)	(4,983)	(3,797)
Debt repayment	9,234	10,299	11,046
Other investment movements	2,062	4,362	1,903
Operational reserve movements	(263)	(791)	1,000
Non-cash items ⁽³⁾	(7,870)	(7,710)	(14,428)
Net funding required	-	-	-

Total council financial statements

Prospective income statement



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	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
OPERATING REVENUE			
Environment	10,383	11,099	11,218
Transport	118,540	151,626	160,973
Water supply	24,955	24,400	27,171
Parks	6,548	6,466	6,808
Safety and flood protection	15,952	16,369	16,015
Land	10,979	7,276	11,047
Community ⁽¹⁾	13,059	12,157	13,080
Investments	7,923	6,545	11,745
Other	2,217	2,623	2,423
Total operating revenue	210,556	238,561	260,480
Less:			
Internal operating revenue	9,871	5,172	9,577
Total external operating revenue	200,685	233,389	250,903

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
OPERATING EXPENDITURE			
Environment	10,552	11,292	11,059
Transport ⁽²⁾	78,901	83,673	95,078
Water supply	26,887	25,864	26,736
Parks	6,869	7,119	6,941
Safety and flood protection	12,931	13,430	13,311
Land	10,953	7,333	11,110
Community ⁽¹⁾	11,389	11,125	11,014
Investments	6,796	5,076	10,689
Other	2,035	2,429	2,385
Total operating expenditure	167,313	167,341	188,323
Less:			
Internal operating expenditure	9,871	5,172	9,577
Total external operating expenditure	157,442	162,169	178,746
Operating surplus/(deficit) before transport improvement grants ⁽²⁾	43,243	71,220	72,157
Transport improvement grants ⁽²⁾	58,108	82,933	-
Operating surplus/(deficit) ⁽²⁾	(14,865)	(11,713)	72,157

Notes:

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- (2) The operating deficit in the 2008/09 plan is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. These grants are now treated as operating expenditure, but in the *Amended Ten-Year Plan (LTCCP) 2006-16* they were treated as capital expenditure

A further breakdown of operating revenue and expenditure is contained in the Prospective Funding Impact Statements at the end of each outcome area section (eg, Environment is on page 20).

Please note that all figures on pages 80-88 exclude GST.



Total council financial statements

Prospective balance sheet

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s		2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
ASSETS				RATEPAYERS' FUNDS			
Cash and cash equivalents ⁽¹⁾	48,224	52,790	63,380	Retained earnings	345,854	357,531	550,025
Other current assets	14,153	34,732	16,880	Reserves	205,745	301,491	257,351
Current assets	62,377	87,522	80,260	Total ratepayers' funds	551,599	659,022	807,376
Investments (non-current) ⁽²⁾	23,089	41,347	223,791	LIABILITIES			
Forestry investments	18,194	15,841	23,265	Debt (current)	2,767	61,244	2,143
Property, plant and equipment	561,209	641,378	621,730	Other current liabilities	19,154	31,834	19,230
Other non-current assets	-	-	-	Debt (non-current)	91,349	33,988	120,297
Non-current assets	602,492	698,566	868,786	Total liabilities	113,270	127,066	141,670
Total assets	664,869	786,088	949,046	Total equity and liabilities	664,869	786,088	949,046

Notes:

- (1) A change in international financial reporting standards has meant some current assets have been reclassified into cash and cash equivalents, and some figures have been adjusted to aid comparability
- (2) The large variance in investments in 2007/08 and 2008/09 is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. Previously it was funded only by share capital

Total council financial statements

Prospective statement of changes in equity



	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
Opening ratepayers' fund	566,464	606,967	685,506
Operating surplus/(deficit)	(14,865)	(11,713)	72,157
Movements in revaluation reserve ⁽¹⁾	-	63,768	49,713
Revenue and expense recognised in equity	(14,865)	52,055	121,870
Closing ratepayers' fund	551,599	659,022	807,376

Note:

⁽¹⁾ Movements in revaluation reserves are the projected revaluation of property, plant and equipment for water supply, flood protection and parks



Total council financial statements

Prospective statement of cash flows

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash is provided from:			
Regional rates ⁽¹⁾	69,989	76,200	77,799
Water supply levy	23,460	23,460	25,635
Government subsidies	81,670	108,359	119,177
Interest and dividends	3,023	2,981	4,025
Fees, charges and other revenue	17,621	16,415	18,227
	195,763	227,415	244,863
Cash is disbursed to:			
Interest	4,703	5,647	7,547
Payment to suppliers and employees	198,893	228,905	151,474
	203,596	234,552	159,021
Net cash flows from operating activities	(7,833)	(7,137)	85,842
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash is provided from:			
Sale of property, plant and equipment	346	392	362
	346	392	362
Cash is applied to:			
Purchase of property, plant and equipment	24,518	20,334	20,824
Investment additions ⁽²⁾	1,928	950	80,071
	26,446	21,284	100,895
Net cash flows from investing activities	(26,100)	(20,892)	(100,533)

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash is provided from:			
Loan funding	42,904	37,537	26,736
Cash is applied to:			
Debt repayment	8,971	9,508	12,045
Net cash flows from financing activities	33,933	28,029	14,690
Net increase/(decrease) in cash and cash equivalents	-	-	-
Opening cash and cash equivalents ⁽³⁾	48,224	52,790	63,380
Closing cash and cash equivalents	48,224	52,790	63,380

Notes:

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- (2) The large variance in investments in 2007/08 and 2008/09 is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. Previously it was funded only by share capital
- (3) A change in international financial reporting standards has meant some current assets have been reclassified into cash and cash equivalents, and some figures have been adjusted to aid comparability

Total council financial statements

Prospective regional rates and capital expenditure



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	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
REGIONAL RATES			
Environment	8,904	9,333	9,830
Transport	36,761	40,772	41,183
Parks	5,472	5,595	6,032
Safety and flood protection	12,940	13,678	13,716
Land	4,550	4,823	4,260
Community ⁽¹⁾	9,399	9,607	10,067
Investments	(8,742)	(8,308)	(8,044)
Other	705	700	755
Total regional rates	69,989	76,200	77,799

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
CAPITAL EXPENDITURE AND TRANSPORT INVESTMENT			
Environment	401	590	627
Transport ⁽²⁾	7,086	2,192	85,042
Water supply	5,016	5,207	7,694
Parks	425	545	272
Safety and flood protection	8,499	7,865	5,115
Land	187	164	73
Community	65	5	5
Investments	1,919	889	590
Other	1,897	2,877	527
Total capital expenditure	25,495	20,334	99,945

Notes:

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- (2) The large variance in investments in 2007/08 and 2008/09 is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. Previously it was funded only by share capital



Total council financial statements

Prospective investments

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
EQUITY INVESTMENTS			
New Zealand Local Government Insurance Corporation Ltd shares	80	80	80
WRC Holdings Ltd shares ⁽¹⁾	12,477	37,313	212,337
Total equity investments	12,557	37,393	212,417
OTHER INVESTMENTS			
Stadium advance	10,532	3,954	11,374
Total other investments ⁽²⁾	10,532	3,954	11,374
Total investments	23,089	41,347	223,791
Investments (current) ⁽²⁾	-	-	-
Investments (non-current)	23,089	41,347	223,791
Total investments	23,089	41,347	223,791

Notes:

- (1) The large variance in investments in 2007/08 and 2008/09 is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets, previously it was funded only by share capital
- (2) A change in international financial reporting standards has meant some current investments have been reclassified into cash and cash equivalents, and some figures have been adjusted to aid comparability

Total council financial statements

Prospective reserves



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	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
Area of benefit reserves			
River rate reserves	1,220	1,704	1,158
Wairarapa scheme reserves	2,627	2,586	3,110
Transport reserves	(104)	435	1,640
Bovine Tb rate reserve	760	448	630
BioWorks reserve	171	-	173
Akura nursery reserve	(18)	10	42
Contingency reserves			
Rural fire contingency reserve	52	53	51
Flood contingency reserve	1,336	1,046	1,566
Environment legal contingency reserve	329	252	347
Special reserves			
Election reserve	9	103	117
Corporate systems reserve	1,035	1,595	759
Total operational reserves	7,417	8,232	9,593
Revaluation of property, plant and equipment	198,328	293,259	247,758
Total revaluation reserves	198,328	293,259	247,758
Total reserves	205,745	301,491	257,351



Total council financial statements

Prospective debt

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
Environment	404	645	568
Transport	35,343	26,770	46,413
Water supply	45,602	46,140	52,044
Parks	3,329	3,224	3,059
Flood protection	32,016	34,904	35,213
Harbour management	864	955	461
Stadium	17,498	16,755	16,336
WRCH Group	1,906	1,583	1,573
Forestry	25,675	27,154	27,255
Property	2,302	1,223	3,680
Corporate systems	1,870	3,121	1,473
Total activities debt	166,809	162,474	188,075
Treasury internal funding	72,693	67,242	65,635
Total external debt	94,116	95,232	122,440
External debt (current) ⁽¹⁾	2,767	61,244	2,143
External debt (non-current)	91,349	33,988	120,297
Total external debt	94,116	95,232	122,440

Note:

(1) A change in international financial reporting standards has meant some external debt has been reclassified current debt from non-current debt