



# **SECTION 7**

## Financial Information

## He Pūrongo Pūtea

# FINANCIAL INFORMATION

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## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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### 1. REPORTING ENTITY

GWRC is a regional local authority governed by the Local Government Act 2002. It has not presented group prospective financial statements because it believes that the parent prospective financial statements are more relevant to users.

The main purpose of prospective financial statements in the Long-Term Plan is to provide users with information about the core services that GWRC intends to provide ratepayers, the expected cost of those services and, as a consequence, how much GWRC requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent that GWRC obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements presented.

For the purposes of financial reporting, GWRC and its subsidiaries are designated as public benefit entities.

The subsidiary companies comprise WRC Holdings, Pringle House Ltd, Port Investments Ltd, which owns 76.9% of CentrePort Ltd, Greater Wellington Rail Ltd.

GWRC also owns 20% of WREDA and Wellington Water Limited.

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### 2. STATEMENT OF COMPLIANCE

The prospective financial statements of GWRC have been prepared in accordance with the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The statements comply with FRS 42 Prospective Financial Statements as appropriate for public benefit entities. These prospective financial statements use forecast opening balances from the year ended 30 June 2015.

The preparation of financial statements in compliance with NZ GAAP and Tier 1 PBE accounting standards, which requires management to make judgements, estimates and assumptions that affect the application of policies and projected amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These results form the basis of judgements on carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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### 3. ACCOUNTING POLICIES

#### Basis of preparation

The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand, and have been prepared on an historical cost basis, except for investment properties, forestry assets, derivative financial instruments and certain infrastructural assets, which have been measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

## Revenue recognition

Revenue is recognised when billed or earned on an accrual basis.

## Rates and levies

Rates and levies are a statutory annual charge and are recognised in the year the assessments are issued.

## Government grants and subsidies

GWRC receives government grants from NZ Transport Agency, which subsidises part of GWRC's costs in the provision of public transport subsidies to external transport operators and for capital purchases of rail rolling stock, rail stations and associated rail infrastructure within GWRC's subsidiary Greater Wellington Rail Ltd and transport network upgrades owned by the central government owned KiwiRail.

Grants and subsidies for operational activities are recognised as revenue when eligibility has been established by the grantor. Other grants and contributions from territorial local authorities are recognised in the Statement of Comprehensive Revenue and Expenses when eligibility has been established by the grantor.

Grants and subsidies for finance costs and debt repayments for capital purchases are recognised as revenue in the year they are received.

Note: Revenue and expenditure associated with these capital purchases for other government entities are treated as operational revenue and expenditure in GWRC's accounts. To aid clarity these items are separately detailed in these financial statements as transport improvement revenue and transport improvement expenditure.

## Sale of goods

Revenue on the sale of goods is recognised when all risks are transferred to the buyer and there is no longer control or managerial involvement with the goods.

## Rendering of services

Revenue from services rendered is recognised by reference to stage of completion of the service.

## Dividends

Revenue from dividends is recognised on an accrual basis (net of imputation credits) once the shareholders' right to receive payment is established.

## Interest

Interest is accrued using the effective interest rate method. The effective interest rate method discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

## Other revenue

Other income is also recognised on an accrual basis. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in GWRC are recognised as revenue when control over the asset is obtained.

## Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred on an accrual basis.

## Property, plant and equipment

Property, plant and equipment consists of operational and infrastructure assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet the criteria for capitalisation are expensed. The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose.

Property, plant and equipment are categorised into the following classes:

- Operational land and buildings
- Operational plant and equipment
- Operational vehicles
- Flood protection infrastructural assets
- Transport infrastructural assets
- Navigational aids infrastructural assets
- Parks and forests infrastructural assets
- Water supply infrastructural assets
- Capital work in progress

All property, plant and equipment are initially recorded at cost.

## Valuations

Valuations for water supply, parks and forests, flood protection and transport infrastructural assets are carried out or reviewed by independent qualified valuers at regular intervals. Any increase in the value of a class of assets on revaluation is recognised in other comprehensive revenue and expense and accumulated in equity under the heading of revaluation surplus. However, if it offsets a previous decrease in value for the same asset recognised in the Statement of Comprehensive Revenue and Expense, then it is recognised in the Statement of Comprehensive Revenue and Expense. A decrease in the value of a class of assets on revaluation is recognised in the Statement of Comprehensive Revenue and expenses where it exceeds the increase of that class of asset previously recognised in equity under the heading of revaluation surplus.

The remaining property, plant and equipment are recorded at cost, less accumulated depreciation and impairment. Cost represents the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service. All property plant and equipment, except land, are depreciated.

## Depreciation

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

The useful life of major classes of assets has been estimated as follows:

- Operational land and buildings - 10 years to indefinite
- Operational plant and equipment - 2 to 20 years
- Operational vehicles - 3 to 10 years
- Flood protection infrastructural assets - 15 years to indefinite
- Transport infrastructural assets - 5 to 50 years
- Navigational aids infrastructural assets - 5 to 50 years
- Parks and forests infrastructural assets - 10 to 100 years
- Water supply infrastructural assets - 3 to 150 years
- Capital work in progress is not depreciated.

Stopbanks included in the flood protection infrastructure asset class are maintained in perpetuity. Annual inspections are undertaken to ensure design standards are being maintained and to check for impairment. As such, stopbanks are considered to have an indefinite life and are not depreciated.

Rail rolling stock and stations are owned by Greater Wellington Rail Ltd

## Intangible assets

Software is carried at cost, less any accumulated amortisation and impairment losses. It is amortised over the useful life of the asset (1-5 years).

## Impairment

All assets are reviewed annually to determine if there is any indication of impairment. An impairment loss is recognised when its carrying amount exceeds its recoverable amount. Losses resulting from impairment are accounted for in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount, in which case any impairment loss is treated as a revaluation decrease.

## Recoverable amount

The recoverable amount of an asset is the greater of the net selling price and value in use.

## Value in use

Value in use for GWRC assets is calculated as being the depreciated replacement cost of the asset.

## Financial instruments

GWRC classifies its financial assets and liabilities according to the purpose for which they were acquired. Financial assets and liabilities are only offset when there is a legally enforceable right to offset them and there is an intention to settle on a net basis.

## Financial assets

GWRC's financial assets are categorised as follows:

- Financial assets at fair value accounted through the Statement of Comprehensive Revenue and Expense. Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains or losses on re-measurement are recognised in the Statement of Comprehensive Revenue and Expense.
- Financial assets at fair value accounted through equity. Financial assets are classified in this category if they were not acquired principally for selling in the short term. After initial recognition these assets are measured at their fair value. Any gains and losses are recognised directly in equity, except for impairment losses which are recognised in the Statement of Comprehensive Revenue and Expense.
- Available-for-sale financial assets are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are initially recorded at fair value plus transaction costs when that can be reliably estimated. Subsequent to initial recognition, they are measured at fair value, and changes therein, other than impairment losses, are recognised directly through equity. If there is no active market, no intention to sell the asset and fair value cannot be reliably measured, the item is measured at cost.

Fair value is equal to GWRC's share of the net assets of the entity. Upon sale, the cumulative fair value gain or loss previously recognised directly in equity, is recognised in the Statement of Comprehensive Revenue and Expense.

- Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method.

Gains and losses when the asset is impaired or sold are accounted for in the Statement of Comprehensive Revenue and Expense.

- Held to maturity investments

These are assets with fixed or determinable payments with fixed maturities that GWRC has the intention and ability to hold to maturity. After initial recognition they are recorded at amortised cost using the effective interest method. Gains and losses when the asset is impaired or settled are recognised in the Statement of Comprehensive Revenue and Expense.

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

## Financial liabilities

Financial liabilities comprise trade, other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value, less transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method. Amortisation is recognised in the Statement of Comprehensive Revenue and Expense, as is any gain or loss when the liability is settled.

Financial liabilities entered into with duration of less than 12 months are recognised at their nominal value.

## Derivative financial instruments

GWRC uses derivative financial instruments to manage exposure to interest rate and foreign exchange risks arising from our operational, financing and investment activities.

In accordance with its treasury policies, GWRC does not hold or issue derivative financial instruments for trading purposes. Derivatives are accounted for as trading instruments. Derivative financial instruments are initially recognised at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. For those instruments that do not qualify for hedge accounting, the gain or loss on remeasurement to fair value is recognised immediately in the Statement of Comprehensive Revenue and Expense.

The fair value of an interest rate swap is the estimated amount that GWRC would receive or pay to terminate the swap at balance date, based on current interest rates. The fair value of forward exchange contracts is their quoted market price at the balance date.

## Financial guarantee contracts

A financial guarantee contract is a contract that requires GWRC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to meet a payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract is issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability that GWRC will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if GWRC assesses that it is probable that expenditure will be required to settle a guarantee, then a provision for the guarantee is measured at the present value of the future expenditure.

## Non-current assets held for sale

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of carrying amount and fair value, less costs to sell.

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The sale of the asset (or disposal group) is expected to be completed within one year from the date of classification.

## Inventories

Inventories are valued at the lower of cost or net realisable value on a first-in first-out basis. The value of harvested timber is its fair value, less estimated point-of-sale costs at the date of harvest. Any change in value at the date of harvest is recognised in the Statement of Comprehensive Revenue and Expense.

## Income tax

Income tax in the Statement of Comprehensive Revenue and Expense for the year comprises current and deferred tax. Income tax is usually recognised in the Statement of Comprehensive Revenue and Expense, except to the extent that it relates to items recognised directly in equity. In this case, that amount is recognised in equity.

Deferred tax is provided using the balance sheet liability method. This provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

## Foreign currency

In the event that GWRC has any material foreign currency risk, it will be managed by derivative instruments to hedge the currency risk. Transactions in foreign currencies are translated at the foreign exchange rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange gains and losses arising on their translation are recognised in the Statement of Comprehensive Revenue and Expense.

## Employee entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date.

## Employee benefits include salaries, annual leave and long-service leave.

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Revenue and Expense as incurred. GWRC belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

## Provisions

A provision is recognised in the balance sheet when GWRC has a present legal or constructive obligation as a result of a past event and it is probable that an amount will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

## Goods and services tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.



## Leases

GWRC leases office space, office equipment, vehicles, land and buildings. Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the period in which they are incurred.

## Overhead allocation and internal transactions

GWRC allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation of GWRC is treated as an internal banking activity. Any surplus generated is credited directly to the Statement of Comprehensive Revenue and Expense. Individual significant activity operating revenue and operating expenditure is stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in GWRC's prospective financial statements.

Democratic services costs have not been allocated to significant activities, except where there is a major, separate community of benefit other than the whole region, ie, water supply and transport.

## Equity

Equity is the community's interest in GWRC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within GWRC.

The components of equity are accumulated funds and retained earnings, revaluation reserves and restricted funds.

## Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which GWRC invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of GWRC and the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise change in equity and debt capital structure.

## Changes in accounting policies

The accounting policies used to prepare financial statements are consistent with those used at 30 June 2014 except for those instances where the transition to PBE Accounting Standards has required a change in accounting policy. The PBE Accounting Standard took effect on 1 July 2014. The material changes are outlined below:

## Revenue

The PBE Accounting Standard requires revenue to be identified / classified as exchange or non-exchange. Non-exchange revenue arise from transactions without an apparent exchange of equal value. Non-exchange revenue includes rates, grants and subsidies, and user charges partially funded by rates.

Exchange revenue arise when one party receives goods / services and directly gives approximate value in exchange.

## **New Zealand Emission Trading Scheme**

New Zealand units (NZU's) received for pre 1990 forests are recognised at fair value on the date received. They are recognised as an asset in the Statement of Financial Position and income in the Statement of Comprehensive Revenue and Expense. The deforestation contingency is not recognised as a liability as there is no current intention of changing the land use. The estimated liability that would arise should deforestation occur has been estimated in the notes to the accounts.

NZU's in respect of post 1989 forest is recognised at fair value on the date received. As trees are harvested or carbon stocks decrease a liability and expense will be recognised for the NZUs to be surrendered to Government.

## **Local Government Funding Authority**

The Council along with other shareholders guarantees the obligations of the NZLGFA. The guarantee will be initially recognised as a financial liability at fair value in the Statement of Financial Position and expense in the Statement of Comprehensive Revenue and Expense. The guarantee will be revalued using the expected default loss method.

The Council also has unpaid subscribed capital which can only be called if there is an imminent risk of default by the NZLGFA. A contingent liability is disclosed in the notes to the financial statement per PBE IPSAS19.

## **Borrower Notes**

When the Council borrows funds from the NZLGFA it is required to invest a small percentage back as borrower notes. Borrower notes are repaid when debts to the NZLGFA are due to be repaid. The borrower notes also have a conversion feature that NZLGFA can trigger if it remains at imminent risk of default after it has called all of its unpaid capital and has exercised its options for commitment shares. Borrower notes without the conversion feature are classified as loans and receivables as the notes will have fixed and determinable payments and will be quoted on an active market. The borrower notes will be initially recognised at fair value. Subsequent to initial recognition borrower notes will be measured with a fixed interest rate.

Borrower notes with the equity conversion option will be recognised at fair value as a derivative under PBE IPSAS30, with changes in fair value recognised in profit or loss.

# TOTAL COUNCIL FINANCIAL STATEMENTS

## PROSPECTIVE COMPREHENSIVE REVENUE AND EXPENSE STATEMENT FOR THE YEAR ENDING 30 JUNE

|   | 2014/15<br>Plan<br>\$000s | 2015/16<br>Plan<br>\$000s | 2016/17<br>Plan<br>\$000s | 2017/18<br>Plan<br>\$000s | 2018/19<br>Plan<br>\$000s | 2019/20<br>Plan<br>\$000s | 2020/21<br>Plan<br>\$000s | 2021/22<br>Plan<br>\$000s | 2022/23<br>Plan<br>\$000s | 2023/24<br>Plan<br>\$000s | 2024/25<br>Plan<br>\$000s |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>OPERATING REVENUE</b>  |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| General rates   | 31,170                    | 36,522                    | 41,000                    | 45,864                    | 47,168                    | 48,100                    | 46,991                    | 48,334                    | 49,883                    | 50,971                    | 53,163                    |
| Targeted rates  | 68,110                    | 72,830                    | 80,419                    | 86,294                    | 92,397                    | 99,392                    | 103,214                   | 106,857                   | 108,831                   | 113,659                   | 119,019                   |
| <b>Regional rates</b>   | <b>99,280</b>             | <b>109,352</b>            | <b>121,419</b>            | <b>132,158</b>            | <b>139,565</b>            | <b>147,492</b>            | <b>150,205</b>            | <b>155,191</b>            | <b>158,714</b>            | <b>164,630</b>            | <b>172,182</b>            |
| Water supply levy   | 26,276                    | 27,600                    | 29,468                    | 31,215                    | 34,554                    | 38,252                    | 42,849                    | 45,969                    | 47,134                    | 48,921                    | 50,589                    |
| Government subsidies  | 72,118                    | 82,056                    | 85,823                    | 92,278                    | 83,269                    | 77,362                    | 85,172                    | 87,481                    | 88,915                    | 94,071                    | 94,828                    |
| Interest and dividends  | 6,401                     | 6,283                     | 6,649                     | 7,089                     | 7,590                     | 8,013                     | 8,711                     | 9,477                     | 9,970                     | 10,488                    | 11,033                    |
| Other operating revenue   | 12,743                    | 14,904                    | 64,974                    | 119,117                   | 124,414                   | 130,626                   | 138,025                   | 143,903                   | 150,546                   | 157,575                   | 165,121                   |
| <b>Total external operating revenue</b>                                   | <b>216,818</b>            | <b>240,195</b>            | <b>308,333</b>            | <b>381,857</b>            | <b>389,392</b>            | <b>401,745</b>            | <b>424,962</b>            | <b>442,021</b>            | <b>455,279</b>            | <b>475,685</b>            | <b>493,753</b>            |
| <b>OPERATING EXPENDITURE</b>  |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Personnel costs   | 42,880                    | 40,892                    | 41,756                    | 42,410                    | 44,009                    | 45,193                    | 46,450                    | 47,847                    | 49,330                    | 50,958                    | 52,690                    |
| Grants and subsidies  | 91,930                    | 94,577                    | 144,296                   | 200,216                   | 209,338                   | 225,929                   | 236,332                   | 246,411                   | 256,992                   | 269,538                   | 282,204                   |
| Finance costs   | 10,760                    | 15,427                    | 22,456                    | 26,903                    | 29,259                    | 30,887                    | 32,417                    | 33,963                    | 34,094                    | 34,196                    | 34,100                    |
| Depreciation  | 18,638                    | 18,519                    | 19,384                    | 21,469                    | 23,099                    | 26,378                    | 27,078                    | 28,823                    | 29,482                    | 28,837                    | 28,836                    |
| Other operating expenses  | 49,630                    | 61,270                    | 62,173                    | 60,389                    | 59,369                    | 61,075                    | 62,792                    | 63,626                    | 64,342                    | 64,940                    | 68,417                    |
| <b>Total external operating expenditure</b>                               | <b>213,838</b>            | <b>230,685</b>            | <b>290,065</b>            | <b>351,387</b>            | <b>365,074</b>            | <b>389,462</b>            | <b>405,069</b>            | <b>420,670</b>            | <b>434,240</b>            | <b>448,469</b>            | <b>466,247</b>            |
| <b>Operating surplus before transport improvement grants <sup>1</sup></b> | <b>2,980</b>              | <b>9,510</b>              | <b>18,268</b>             | <b>30,470</b>             | <b>24,318</b>             | <b>12,283</b>             | <b>19,893</b>             | <b>21,351</b>             | <b>21,039</b>             | <b>27,216</b>             | <b>27,506</b>             |
| <b>Transport improvement grants <sup>1</sup></b>                          | <b>5,492</b>              | <b>1,963</b>              | <b>888</b>                | <b>8,389</b>              | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  |
| <b>Operating surplus / (deficit) before other items</b>                   | <b>(2,512)</b>            | <b>7,547</b>              | <b>17,380</b>             | <b>22,081</b>             | <b>24,318</b>             | <b>12,283</b>             | <b>19,893</b>             | <b>21,351</b>             | <b>21,039</b>             | <b>27,216</b>             | <b>27,506</b>             |
| Other fair value changes  | 159                       | 782                       | 1,981                     | 4,015                     | 2,903                     | 1,836                     | 1,170                     | 1,035                     | 764                       | 605                       | 482                       |
| <b>Operating surplus / (deficit) for the year</b>                         | <b>(2,353)</b>            | <b>8,329</b>              | <b>19,361</b>             | <b>26,096</b>             | <b>27,221</b>             | <b>14,119</b>             | <b>21,063</b>             | <b>22,386</b>             | <b>21,803</b>             | <b>27,821</b>             | <b>27,988</b>             |

**PROSPECTIVE COMPREHENSIVE REVENUE AND EXPENSE STATEMENT  
FOR THE YEAR ENDING 30 JUNE**

|  | 2014/15        | 2015/16      | 2016/17       | 2017/18       | 2018/19       | 2019/20       | 2020/21       | 2021/22       | 2022/23       | 2023/24        | 2024/25       |
|--|----------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
|  | Plan           | Plan         | Plan          | Plan          | Plan          | Plan          | Plan          | Plan          | Plan          | Plan           | Plan          |
|  | \$000s         | \$000s       | \$000s        | \$000s        | \$000s        | \$000s        | \$000s        | \$000s        | \$000s        | \$000s         | \$000s        |
| <b>Other comprehensive income</b>                      |                |              |               |               |               |               |               |               |               |                |               |
| Increases / (decreases) in revaluations <sup>2</sup>   | -              | -            | -             | 29,869        | 71,996        | 1,000         | -             | -             | 41,147        | 77,549         | 1,415         |
| <b>Total comprehensive income / (deficit) for year</b> | <b>(2,353)</b> | <b>8,329</b> | <b>19,361</b> | <b>55,965</b> | <b>99,217</b> | <b>15,119</b> | <b>21,063</b> | <b>22,386</b> | <b>62,950</b> | <b>105,370</b> | <b>29,403</b> |

<sup>1</sup> Greater Wellington now fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the New Zealand Transport Agency.

Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Limited it is treated as an investment in this subsidiary.

Where this expenditure is for assets owned by other entities, this expenditure is treated as operational expenditure.

<sup>2</sup> The revaluations are primarily for property plant and equipment.

All figures on this page exclude GST.

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE

|   | 2014/15<br>Plan<br>\$000s | 2015/16<br>Plan<br>\$000s | 2016/17<br>Plan<br>\$000s | 2017/18<br>Plan<br>\$000s | 2018/19<br>Plan<br>\$000s | 2019/20<br>Plan<br>\$000s | 2020/21<br>Plan<br>\$000s | 2021/22<br>Plan<br>\$000s | 2022/23<br>Plan<br>\$000s | 2023/24<br>Plan<br>\$000s | 2024/25<br>Plan<br>\$000s |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Total opening ratepayers' funds</b>          | <b>861,926</b>            | <b>970,712</b>            | <b>979,039</b>            | <b>998,400</b>            | <b>1,054,365</b>          | <b>1,153,582</b>          | <b>1,168,701</b>          | <b>1,189,764</b>          | <b>1,212,150</b>          | <b>1,275,100</b>          | <b>1,380,470</b>          |
| Total comprehensive income / (deficit) for year | (2,353)                   | 8,329                     | 19,361                    | 55,965                    | 99,217                    | 15,119                    | 21,063                    | 22,386                    | 62,950                    | 105,370                   | 29,403                    |
| <b>Movement in ratepayers funds for year</b>    | <b>(2,353)</b>            | <b>8,329</b>              | <b>19,361</b>             | <b>55,965</b>             | <b>99,217</b>             | <b>15,119</b>             | <b>21,063</b>             | <b>22,386</b>             | <b>62,950</b>             | <b>105,370</b>            | <b>29,403</b>             |
| <b>Closing ratepayers' funds</b>                | <b>859,573</b>            | <b>979,041</b>            | <b>998,400</b>            | <b>1,054,365</b>          | <b>1,153,582</b>          | <b>1,168,701</b>          | <b>1,189,764</b>          | <b>1,212,150</b>          | <b>1,275,100</b>          | <b>1,380,470</b>          | <b>1,409,873</b>          |
| <b>Components of ratepayers funds</b>           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| <b>Opening accumulated funds</b>                | <b>369,341</b>            | <b>468,415</b>            | <b>482,561</b>            | <b>504,873</b>            | <b>532,371</b>            | <b>559,267</b>            | <b>572,948</b>            | <b>593,450</b>            | <b>614,781</b>            | <b>634,972</b>            | <b>661,496</b>            |
| Total comprehensive income / (deficit) for year | (2,353)                   | 8,329                     | 19,361                    | 55,965                    | 99,217                    | 15,119                    | 21,063                    | 22,386                    | 62,950                    | 105,370                   | 29,403                    |
| Movements in other reserves                     | 5,819                     | 5,819                     | 2,951                     | (28,467)                  | (72,321)                  | (1,438)                   | (561)                     | (1,055)                   | (42,759)                  | (78,846)                  | (3,461)                   |
| <b>Movement in accumulated funds for year</b>   | <b>3,466</b>              | <b>14,148</b>             | <b>22,312</b>             | <b>27,498</b>             | <b>26,896</b>             | <b>13,681</b>             | <b>20,502</b>             | <b>21,331</b>             | <b>20,191</b>             | <b>26,524</b>             | <b>25,942</b>             |
| <b>Closing accumulated funds</b>                | <b>372,807</b>            | <b>482,563</b>            | <b>504,873</b>            | <b>532,371</b>            | <b>559,267</b>            | <b>572,948</b>            | <b>593,450</b>            | <b>614,781</b>            | <b>634,972</b>            | <b>661,496</b>            | <b>687,438</b>            |
| <b>Opening other reserves</b>                   | <b>26,210</b>             | <b>25,958</b>             | <b>20,139</b>             | <b>17,188</b>             | <b>15,786</b>             | <b>16,111</b>             | <b>16,549</b>             | <b>17,110</b>             | <b>18,165</b>             | <b>19,777</b>             | <b>21,074</b>             |
| Movements in other reserves                     | (5,819)                   | (5,819)                   | (2,951)                   | (1,402)                   | 325                       | 438                       | 561                       | 1,055                     | 1,612                     | 1,297                     | 2,046                     |
| <b>Movement in ratepayers funds for year</b>    | <b>(5,819)</b>            | <b>(5,819)</b>            | <b>(2,951)</b>            | <b>(1,402)</b>            | <b>325</b>                | <b>438</b>                | <b>561</b>                | <b>1,055</b>              | <b>1,612</b>              | <b>1,297</b>              | <b>2,046</b>              |
| <b>Closing other reserves</b>                   | <b>20,391</b>             | <b>20,139</b>             | <b>17,188</b>             | <b>15,786</b>             | <b>16,111</b>             | <b>16,549</b>             | <b>17,110</b>             | <b>18,165</b>             | <b>19,777</b>             | <b>21,074</b>             | <b>23,120</b>             |

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE

|   | 2014/15        | 2015/16        | 2016/17        | 2017/18          | 2018/19          | 2019/20          | 2020/21          | 2021/22          | 2022/23          | 2023/24          | 2024/25          |
|---|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | Plan           | Plan           | Plan           | Plan             | Plan             | Plan             | Plan             | Plan             | Plan             | Plan             | Plan             |
|   | \$000s         | \$000s         | \$000s         | \$000s           | \$000s           | \$000s           | \$000s           | \$000s           | \$000s           | \$000s           | \$000s           |
| <b>Opening asset revaluation reserves</b>             | <b>466,375</b> | <b>476,339</b> | <b>476,339</b> | <b>476,339</b>   | <b>506,208</b>   | <b>578,204</b>   | <b>579,204</b>   | <b>579,204</b>   | <b>579,204</b>   | <b>620,351</b>   | <b>697,900</b>   |
| Movements in revaluation reserve <sup>1</sup>         |                | -              | -              | 29,869           | 71,996           | 1,000            | -                | -                | 41,147           | 77,549           | 1,415            |
| <b>Movement in asset revaluation reserve for year</b> | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>29,869</b>    | <b>71,996</b>    | <b>1,000</b>     | <b>-</b>         | <b>-</b>         | <b>41,147</b>    | <b>77,549</b>    | <b>1,415</b>     |
| <b>Closing asset revaluation reserve</b>              | <b>466,375</b> | <b>476,339</b> | <b>476,339</b> | <b>506,208</b>   | <b>578,204</b>   | <b>579,204</b>   | <b>579,204</b>   | <b>579,204</b>   | <b>620,351</b>   | <b>697,900</b>   | <b>699,315</b>   |
| <b>Closing ratepayers' funds<sup>2</sup></b>          | <b>859,573</b> | <b>979,041</b> | <b>998,400</b> | <b>1,054,365</b> | <b>1,153,582</b> | <b>1,168,701</b> | <b>1,189,764</b> | <b>1,212,150</b> | <b>1,275,100</b> | <b>1,380,470</b> | <b>1,409,873</b> |

<sup>1</sup> Movements in revaluation reserves are the projected revaluation of property, plant and equipment over the life of the plan.

<sup>2</sup> Closing Ratepayer's funds in the 2014/15 year differ from the opening balance 2015/16 as the later allows for forecast movements in the current financial year compared with budgeted movements.

All figures on this page exclude GST.

## PROSPECTIVE STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDING 30 JUNE

|                                     | 2014/15<br>Plan<br>\$000s | 2015/16<br>Plan<br>\$000s | 2016/17<br>Plan<br>\$000s | 2017/18<br>Plan<br>\$000s | 2018/19<br>Plan<br>\$000s | 2019/20<br>Plan<br>\$000s | 2020/21<br>Plan<br>\$000s | 2021/22<br>Plan<br>\$000s | 2022/23<br>Plan<br>\$000s | 2023/24<br>Plan<br>\$000s | 2024/25<br>Plan<br>\$000s |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>ASSETS</b>                       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Cash and other equivalents          | 27,695                    | 29,145                    | 32,599                    | 36,507                    | 40,917                    | 45,862                    | 51,302                    | 57,094                    | 63,258                    | 69,815                    | 76,790                    |
| Investments (current)               | -                         | -                         | -                         | -                         | -                         | -                         | -                         | -                         | -                         | -                         | -                         |
| Other current assets                | 35,895                    | 32,598                    | 33,477                    | 34,407                    | 34,203                    | 32,910                    | 30,926                    | 29,133                    | 28,213                    | 28,163                    | 28,193                    |
| <b>Current assets</b>               | <b>63,590</b>             | <b>61,743</b>             | <b>66,076</b>             | <b>70,914</b>             | <b>75,120</b>             | <b>78,772</b>             | <b>82,228</b>             | <b>86,227</b>             | <b>91,471</b>             | <b>97,978</b>             | <b>104,983</b>            |
| Investments (non-current)           | 49,028                    | 59,107                    | 60,520                    | 61,217                    | 62,148                    | 63,126                    | 63,767                    | 64,875                    | 66,053                    | 67,309                    | 68,644                    |
| Investment in subsidiary            | 146,130                   | 361,961                   | 371,963                   | 394,119                   | 412,661                   | 420,030                   | 430,604                   | 447,537                   | 464,548                   | 484,790                   | 500,936                   |
| Property, plant and equipment       | 838,488                   | 879,737                   | 905,959                   | 988,426                   | 1,113,606                 | 1,147,243                 | 1,200,081                 | 1,213,441                 | 1,256,392                 | 1,342,022                 | 1,344,185                 |
| <b>Non-current assets</b>           | <b>1,033,646</b>          | <b>1,300,805</b>          | <b>1,338,442</b>          | <b>1,443,762</b>          | <b>1,588,415</b>          | <b>1,630,399</b>          | <b>1,694,452</b>          | <b>1,725,853</b>          | <b>1,786,993</b>          | <b>1,894,121</b>          | <b>1,913,765</b>          |
| <b>Total assets</b>                 | <b>1,097,236</b>          | <b>1,362,548</b>          | <b>1,404,518</b>          | <b>1,514,676</b>          | <b>1,663,535</b>          | <b>1,709,171</b>          | <b>1,776,680</b>          | <b>1,812,080</b>          | <b>1,878,464</b>          | <b>1,992,099</b>          | <b>2,018,748</b>          |
| <b>RATEPAYERS' FUNDS</b>            |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Retained earnings                   | 372,807                   | 482,563                   | 504,873                   | 532,371                   | 559,267                   | 572,948                   | 593,450                   | 614,781                   | 634,972                   | 661,496                   | 687,438                   |
| Reserves                            | 486,766                   | 496,478                   | 493,527                   | 521,994                   | 594,315                   | 595,753                   | 596,314                   | 597,369                   | 640,128                   | 718,974                   | 722,435                   |
| <b>Total ratepayers' funds</b>      | <b>859,573</b>            | <b>979,041</b>            | <b>998,400</b>            | <b>1,054,365</b>          | <b>1,153,582</b>          | <b>1,168,701</b>          | <b>1,189,764</b>          | <b>1,212,150</b>          | <b>1,275,100</b>          | <b>1,380,470</b>          | <b>1,409,873</b>          |
| <b>LIABILITIES</b>                  |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Debt (current)                      | 19,494                    | 21,253                    | 21,254                    | 21,254                    | 21,254                    | 21,253                    | 21,253                    | 21,253                    | 21,253                    | 21,254                    | 21,254                    |
| Other current liabilities           | 4,169                     | 33,195                    | 33,195                    | 33,195                    | 33,195                    | 33,195                    | 33,195                    | 33,195                    | 33,195                    | 33,195                    | 33,195                    |
| <b>Current liabilities</b>          | <b>23,663</b>             | <b>54,448</b>             | <b>54,449</b>             | <b>54,449</b>             | <b>54,449</b>             | <b>54,448</b>             | <b>54,448</b>             | <b>54,448</b>             | <b>54,448</b>             | <b>54,449</b>             | <b>54,449</b>             |
| Debt (non-current)                  | 214,000                   | 329,059                   | 351,669                   | 405,862                   | 455,504                   | 486,022                   | 532,468                   | 545,482                   | 548,916                   | 557,180                   | 554,426                   |
| <b>Non-current liabilities</b>      | <b>214,000</b>            | <b>329,059</b>            | <b>351,669</b>            | <b>405,862</b>            | <b>455,504</b>            | <b>486,022</b>            | <b>532,468</b>            | <b>545,482</b>            | <b>548,916</b>            | <b>557,180</b>            | <b>554,426</b>            |
| <b>Total liabilities</b>            | <b>237,663</b>            | <b>383,507</b>            | <b>406,118</b>            | <b>460,311</b>            | <b>509,953</b>            | <b>540,470</b>            | <b>586,916</b>            | <b>599,930</b>            | <b>603,364</b>            | <b>611,629</b>            | <b>608,875</b>            |
| <b>Total equity and liabilities</b> | <b>1,097,236</b>          | <b>1,362,548</b>          | <b>1,404,518</b>          | <b>1,514,676</b>          | <b>1,663,535</b>          | <b>1,709,171</b>          | <b>1,776,680</b>          | <b>1,812,080</b>          | <b>1,878,464</b>          | <b>1,992,099</b>          | <b>2,018,748</b>          |

All figures on this page exclude GST

## PROSPECTIVE STATEMENT OF CASHFLOWS FOR THE YEAR ENDING 30 JUNE

|  | 2014/15<br>Plan<br>\$000s | 2015/16<br>Plan<br>\$000s | 2016/17<br>Plan<br>\$000s | 2017/18<br>Plan<br>\$000s | 2018/19<br>Plan<br>\$000s | 2019/20<br>Plan<br>\$000s | 2020/21<br>Plan<br>\$000s | 2021/22<br>Plan<br>\$000s | 2022/23<br>Plan<br>\$000s | 2023/24<br>Plan<br>\$000s | 2024/25<br>Plan<br>\$000s |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Cash is provided from:                                       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Regional rates   | 99,280                    | 109,352                   | 121,419                   | 132,158                   | 139,565                   | 147,492                   | 150,205                   | 155,191                   | 158,714                   | 164,630                   | 172,182                   |
| Water supply levy  | 26,276                    | 27,600                    | 29,468                    | 31,215                    | 34,554                    | 38,252                    | 42,849                    | 45,969                    | 47,134                    | 48,921                    | 50,589                    |
| Government subsidies   | 72,118                    | 82,056                    | 85,823                    | 92,278                    | 83,269                    | 77,362                    | 85,172                    | 87,481                    | 88,915                    | 94,071                    | 94,828                    |
| Interest and dividends                                       | 6,401                     | 6,283                     | 6,649                     | 7,089                     | 7,590                     | 8,013                     | 8,711                     | 9,477                     | 9,970                     | 10,488                    | 11,033                    |
| Fees, charges and other revenue                              | 12,743                    | 14,904                    | 64,974                    | 119,117                   | 124,414                   | 130,626                   | 138,025                   | 143,903                   | 150,546                   | 157,575                   | 165,121                   |
| <b>Total operating revenue</b>                               | <b>216,818</b>            | <b>240,195</b>            | <b>308,333</b>            | <b>381,857</b>            | <b>389,392</b>            | <b>401,745</b>            | <b>424,962</b>            | <b>442,021</b>            | <b>455,279</b>            | <b>475,685</b>            | <b>493,753</b>            |
| Cash is disbursed to:  |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Interest   | 10,760                    | 15,427                    | 22,456                    | 26,903                    | 29,259                    | 30,887                    | 32,417                    | 33,963                    | 34,094                    | 34,196                    | 34,100                    |
| Payment to suppliers and employees                           | 189,932                   | 198,703                   | 247,459                   | 308,332                   | 310,943                   | 330,046                   | 343,068                   | 356,173                   | 370,176                   | 386,059                   | 404,223                   |
| <b>Total operating expenditure</b>                           | <b>200,692</b>            | <b>214,130</b>            | <b>269,915</b>            | <b>335,235</b>            | <b>340,202</b>            | <b>360,933</b>            | <b>375,485</b>            | <b>390,136</b>            | <b>404,270</b>            | <b>420,255</b>            | <b>438,323</b>            |
| <b>Net cash flows from operating activities</b>              | <b>16,126</b>             | <b>26,065</b>             | <b>38,418</b>             | <b>46,622</b>             | <b>49,190</b>             | <b>40,812</b>             | <b>49,477</b>             | <b>51,885</b>             | <b>51,009</b>             | <b>55,430</b>             | <b>55,430</b>             |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                   |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Cash is provided from:                                       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Sale of property, plant and equipment                        | 337                       | 523                       | 366                       | 1,093                     | 805                       | 401                       | 392                       | 418                       | 464                       | 419                       | 384                       |
| Cash is applied to:  |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Purchase of property, plant and equipment                    | 23,041                    | 31,535                    | 45,974                    | 74,360                    | 76,687                    | 59,414                    | 80,301                    | 42,591                    | 31,731                    | 37,314                    | 29,941                    |
| Investment additions   | 47,433                    | 139,623                   | 10,002                    | 22,157                    | 18,541                    | 7,370                     | 10,573                    | 16,933                    | 17,011                    | 20,242                    | 16,146                    |
| <b>Total additions</b>                                       | <b>70,474</b>             | <b>171,158</b>            | <b>55,976</b>             | <b>96,517</b>             | <b>95,228</b>             | <b>66,784</b>             | <b>90,874</b>             | <b>59,524</b>             | <b>48,742</b>             | <b>57,556</b>             | <b>46,087</b>             |
| <b>Net cashflows from investing activities</b>               | <b>(70,137)</b>           | <b>(170,635)</b>          | <b>(55,610)</b>           | <b>(95,424)</b>           | <b>(94,423)</b>           | <b>(66,383)</b>           | <b>(90,482)</b>           | <b>(59,106)</b>           | <b>(48,278)</b>           | <b>(57,137)</b>           | <b>(45,703)</b>           |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                   |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Cash is provided from:                                       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Loan funding <sup>1</sup>                                    | 69,731                    | 165,544                   | 40,036                    | 77,401                    | 76,863                    | 59,627                    | 77,121                    | 45,661                    | 36,834                    | 42,790                    | 34,954                    |
| Cash is applied to:  |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Debt repayment   | 10,312                    | 13,788                    | 19,390                    | 23,208                    | 27,221                    | 29,110                    | 30,675                    | 32,647                    | 33,400                    | 34,526                    | 37,708                    |
| <b>Net cashflows from financing activities</b>               | <b>59,419</b>             | <b>151,756</b>            | <b>20,646</b>             | <b>54,193</b>             | <b>49,642</b>             | <b>30,517</b>             | <b>46,446</b>             | <b>13,014</b>             | <b>3,434</b>              | <b>8,264</b>              | <b>(2,754)</b>            |
| <b>Net increase/ (decrease) in cash and cash equivalents</b> | <b>5,408</b>              | <b>7,186</b>              | <b>3,454</b>              | <b>5,391</b>              | <b>4,409</b>              | <b>4,946</b>              | <b>5,441</b>              | <b>5,793</b>              | <b>6,165</b>              | <b>6,557</b>              | <b>6,973</b>              |



## PROSPECTIVE STATEMENT OF CASHFLOWS FOR THE YEAR ENDING 30 JUNE

|  | 2014/15<br>Plan<br>\$000s | 2015/16<br>Plan<br>\$000s | 2016/17<br>Plan<br>\$000s | 2017/18<br>Plan<br>\$000s | 2018/19<br>Plan<br>\$000s | 2019/20<br>Plan<br>\$000s | 2020/21<br>Plan<br>\$000s | 2021/22<br>Plan<br>\$000s | 2022/23<br>Plan<br>\$000s | 2023/24<br>Plan<br>\$000s | 2024/25<br>Plan<br>\$000s |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Opening cash and cash equivalents <sup>2</sup>       | 22,287                    | 21,959                    | 29,145                    | 31,115                    | 36,506                    | 40,915                    | 45,861                    | 51,302                    | 57,095                    | 63,260                    | 69,817                    |
| <b>Closing cash and cash equivalents<sup>2</sup></b> | <b>27,695</b>             | <b>29,145</b>             | <b>32,599</b>             | <b>36,506</b>             | <b>40,915</b>             | <b>45,861</b>             | <b>51,302</b>             | <b>57,095</b>             | <b>63,260</b>             | <b>69,817</b>             | <b>76,790</b>             |

<sup>1</sup> Greater Wellington now fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the New Zealand Transport Agency. This increases the debt carried by Greater Wellington compared to the previous regime of Crown grants at time of expenditure for capital projects.

<sup>2</sup> Closing cash and cash equivalent balances in the 2014/15 year differ from the opening balance 2015/16 as the later allows for forecast movements in the current financial year compared with budgeted movements.

All figures on this page exclude GST.

## PROSPECTIVE REGIONAL RATES AND CAPITAL EXPENDITURE FOR THE YEAR ENDING 30 JUNE

|   | 2014/15<br>Plan<br>\$000s | 2015/16<br>Plan<br>\$000s | 2016/17<br>Plan<br>\$000s | 2017/18<br>Plan<br>\$000s | 2018/19<br>Plan<br>\$000s | 2019/20<br>Plan<br>\$000s | 2020/21<br>Plan<br>\$000s | 2021/22<br>Plan<br>\$000s | 2022/23<br>Plan<br>\$000s | 2023/24<br>Plan<br>\$000s | 2024/25<br>Plan<br>\$000s |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>REGIONAL RATES</b>   |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Regional Leadership<br>- excluding Warm<br>Greater Wellington<br>targeted rate  | 10,267                    | 11,685                    | 12,729                    | 13,036                    | 13,814                    | 14,561                    | 14,849                    | 15,005                    | 15,434                    | 15,730                    | 16,534                    |
| Public transport  | 50,864                    | 54,940                    | 61,050                    | 67,874                    | 74,189                    | 80,819                    | 84,093                    | 87,612                    | 89,538                    | 93,714                    | 98,267                    |
| Environment   | 22,236                    | 25,365                    | 26,956                    | 28,516                    | 29,471                    | 29,882                    | 30,457                    | 31,114                    | 31,871                    | 32,934                    | 33,710                    |
| Flood Protection and<br>Control Works   | 14,863                    | 15,729                    | 17,503                    | 18,881                    | 20,480                    | 21,432                    | 22,646                    | 23,924                    | 26,233                    | 27,358                    | 28,979                    |
| Parks   | 5,632                     | 5,920                     | 6,096                     | 6,270                     | 6,627                     | 6,935                     | 6,916                     | 7,264                     | 7,443                     | 7,771                     | 8,094                     |
| Investments <sup>1</sup>  | (7,324)                   | (7,640)                   | (6,910)                   | (6,280)                   | (8,731)                   | (9,692)                   | (12,140)                  | (12,508)                  | (13,058)                  | (14,058)                  | (14,496)                  |
| Total Rates excluding<br>Warm Greater<br>Wellington targeted<br>rate  | 96,538                    | 105,999                   | 117,424                   | 128,297                   | 135,850                   | 143,937                   | 146,821                   | 152,411                   | 157,461                   | 163,449                   | 171,088                   |
| Regional Leadership<br>- Warm Greater<br>Wellington targeted<br>rate  | 2,742                     | 3,353                     | 3,995                     | 3,861                     | 3,715                     | 3,555                     | 3,384                     | 2,780                     | 1,253                     | 1,181                     | 1,094                     |
| <b>Total regional rates</b>   | <b>99,280</b>             | <b>109,352</b>            | <b>121,419</b>            | <b>132,158</b>            | <b>139,565</b>            | <b>147,492</b>            | <b>150,205</b>            | <b>155,191</b>            | <b>158,714</b>            | <b>164,630</b>            | <b>172,182</b>            |
| <b>CAPITAL EXPENDITURE</b>  |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Environment   | 672                       | 1,127                     | 1,104                     | 987                       | 1,049                     | 1,028                     | 1,021                     | 821                       | 659                       | 897                       | 759                       |
| Public transport <sup>2</sup>   | 5,259                     | 6,710                     | 20,477                    | 21,999                    | 11,954                    | 1,856                     | 11,005                    | 4,402                     | 2,028                     | 2,095                     | 1,883                     |
| Water supply  | 8,201                     | 5,405                     | 6,128                     | 25,937                    | 42,861                    | 41,196                    | 54,726                    | 21,645                    | 9,164                     | 18,236                    | 3,313                     |
| Parks   | 1,214                     | 3,495                     | 1,741                     | 1,760                     | 2,937                     | 1,154                     | 684                       | 1,832                     | 1,358                     | 817                       | 3,817                     |
| Flood Protection and<br>Control Works   | 4,839                     | 10,705                    | 12,737                    | 14,814                    | 14,565                    | 12,143                    | 12,124                    | 12,958                    | 16,166                    | 13,760                    | 19,237                    |
| Regional Leadership   | 1,095                     | 1,015                     | 2,321                     | 1,641                     | 855                       | 533                       | 243                       | 322                       | 344                       | 543                       | 303                       |
| Investments   | 118                       | 118                       | 121                       | 6,520                     | 1,310                     | 130                       | 134                       | 138                       | 142                       | 147                       | 152                       |
| Other   | 1,643                     | 2,960                     | 1,345                     | 702                       | 1,156                     | 1,374                     | 364                       | 473                       | 1,870                     | 819                       | 477                       |
| <b>Total capital<br/>expenditure</b>  | <b>23,041</b>             | <b>31,535</b>             | <b>45,974</b>             | <b>74,360</b>             | <b>76,687</b>             | <b>59,414</b>             | <b>80,301</b>             | <b>42,591</b>             | <b>31,731</b>             | <b>37,314</b>             | <b>29,941</b>             |
| Public Transport<br>Improvements  | 5,492                     | 1,963                     | 888                       | 8,389                     | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         |
| Public Transport<br>Investment in Rail  | 47,433                    | 139,623                   | 10,002                    | 22,157                    | 18,541                    | 7,370                     | 10,573                    | 16,933                    | 17,011                    | 20,242                    | 16,146                    |
| <b>Total Capex and<br/>improvements</b>   | <b>75,966</b>             | <b>173,121</b>            | <b>56,864</b>             | <b>104,906</b>            | <b>95,228</b>             | <b>66,784</b>             | <b>90,874</b>             | <b>59,524</b>             | <b>48,742</b>             | <b>57,556</b>             | <b>46,087</b>             |
| <sup>1</sup> Investment returns reduce the requirement for rates.   |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| <sup>2</sup> Transport capital expenditure excludes investment in Greater Wellington Rail Limited for the purchase of rail rolling stock and infrastructure. This is disclosed separately as Public Transport Investment in Rail. |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |

All figures on this page exclude GST.

## FINANCIAL RESERVES

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

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

Other reserves are split into four categories:

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

| Council Created Reserves        | Purpose of the Fund  | Opening Balance<br>Jul-15<br>\$000s | Deposits<br>\$000s | Withdrawals<br>\$000s | Closing Balance<br>Jun-25<br>\$000s |
|---------------------------------|--|-------------------------------------|--------------------|-----------------------|-------------------------------------|
| <b>Area of benefit reserves</b> |  |                                     |                    |                       |                                     |
| Public transport reserve        | Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure  | 7,472                               | 380                | (7,757)               | 95                                  |
| Transport planning reserve      | Any funding surplus or deficit relating to the provision of public transport planning services is used only on subsequent public transport planning expenditure                                | 1,827                               | 517                | (1,088)               | 1,256                               |
| WREMO reserve                   | Contributions by other Local Authorities to run the WREMO  | 515                                 | -                  | (379)                 | 136                                 |
| WRS reserve                     | Any funding surplus or deficit relating to the Wellington Regional Strategy implementation is used only on subsequent Wellington Regional Strategy expenditure                                 | 593                                 | 166                | -                     | 759                                 |
| Catchment scheme reserves       | Any funding surplus or deficit relating to the provision of flood protection and catchment management schemes is used only on subsequent flood protection and catchment management expenditure | 6,780                               | 8,649              | (3,250)               | 12,179                              |

| Council Created Reserves    | Purpose of the Fund   | Opening Balance<br>Jul-15<br>\$000s | Deposits<br>\$000s | Withdrawals<br>\$000s | Closing Balance<br>Jun-25<br>\$000s |
|-----------------------------|---|-------------------------------------|--------------------|-----------------------|-------------------------------------|
| Land management reserves    | Any funding surplus or deficit relating to the provision of targeted land management schemes is used only on subsequent land management expenditure | 1,013                               | 484                | (301)                 | 1,196                               |
| <b>Contingency reserves</b> |   |                                     |                    |                       |                                     |
| Environmental legal reserve | To manage the variation in legal costs associated with resource consents and enforcement  | 199                                 | -                  | -                     | 199                                 |
| Flood contingency reserves  | To help manage the costs for the repair of storm damage throughout the region.  | 1,648                               | 3,172              | -                     | 4,820                               |
| Rural fire reserve          | To help manage the costs of rural fire equipment.   | 66                                  | 3                  | -                     | 69                                  |
| <b>Special Reserves</b>     |   |                                     |                    |                       |                                     |
| Election reserve            | To manage the variation in costs associated with the election cycle   | 406                                 | 745                | (581)                 | 570                                 |
| Corporate systems reserve   | To manage the variation in costs associated with key IT infrastructure and software.  | 2,357                               | 160                | (2,896)               | (379)                               |
| Other reserves              | Expenditure that has been rated for in one year when the project will not be completed until a later year.  | 3,082                               | 4,006              | (4,868)               | 2,220                               |
| <b>Total Reserves</b>       |   | <b>25,958</b>                       | <b>18,282</b>      | <b>(21,120)</b>       | <b>23,120</b>                       |

All figures on this page exclude GST.

## PROSPECTIVE DEBT as at 30 JUNE

|   | 2014/15<br>Plan<br>\$000s | 2015/16<br>Plan<br>\$000s | 2016/17<br>Plan<br>\$000s | 2017/18<br>Plan<br>\$000s | 2018/19<br>Plan<br>\$000s | 2019/20<br>Plan<br>\$000s | 2020/21<br>Plan<br>\$000s | 2021/22<br>Plan<br>\$000s | 2022/23<br>Plan<br>\$000s | 2023/24<br>Plan<br>\$000s | 2024/25<br>Plan<br>\$000s |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Environment                               | 1,295                     | 1,316                     | 2,423                     | 2,178                     | 1,818                     | 1,625                     | 1,527                     | 1,316                     | 1,131                     | 981                       | 886                       |
| Public transport                          | 147,939                   | 257,828                   | 264,067                   | 280,323                   | 281,556                   | 271,417                   | 266,245                   | 259,458                   | 251,688                   | 244,019                   | 231,915                   |
| Water supply                              | 65,849                    | 68,420                    | 71,542                    | 94,052                    | 132,976                   | 169,752                   | 219,202                   | 235,219                   | 238,879                   | 251,236                   | 248,292                   |
| Parks                                     | 4,959                     | 6,916                     | 7,995                     | 9,116                     | 11,293                    | 11,605                    | 11,806                    | 12,978                    | 13,783                    | 13,982                    | 17,098                    |
| Flood Protection and<br>Control Works     | 53,800                    | 60,451                    | 69,262                    | 79,554                    | 89,112                    | 96,023                    | 102,273                   | 108,868                   | 117,574                   | 123,648                   | 134,540                   |
| Stadium                                   | 5,580                     | 3,310                     | 878                       | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         |
| Forestry                                  |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Regional leadership                       | 19,777                    | 19,297                    | 17,932                    | 15,642                    | 12,725                    | 9,648                     | 6,541                     | 4,208                     | 3,168                     | 1,711                     | 2,095                     |
| Property and<br>investments               | 4,073                     | 5,426                     | 5,789                     | 11,831                    | 12,547                    | 12,033                    | 11,485                    | 10,918                    | 10,314                    | 9,991                     | 9,647                     |
| Corporate systems                         | 4,082                     | 4,443                     | 4,469                     | 3,733                     | 3,615                     | 3,626                     | 2,783                     | 2,058                     | 2,671                     | 2,250                     | 1,656                     |
| <b>Total activities debt</b>              | <b>307,354</b>            | <b>427,407</b>            | <b>444,357</b>            | <b>496,429</b>            | <b>545,642</b>            | <b>575,729</b>            | <b>621,862</b>            | <b>635,023</b>            | <b>639,208</b>            | <b>647,818</b>            | <b>646,129</b>            |
| Treasury internal<br>funding <sup>1</sup> | (73,860)                  | (77,095)                  | (71,434)                  | (69,313)                  | (68,884)                  | (68,454)                  | (68,141)                  | (68,288)                  | (69,039)                  | (69,384)                  | (70,449)                  |
| <b>Total external debt</b>                | <b>233,494</b>            | <b>350,312</b>            | <b>372,923</b>            | <b>427,116</b>            | <b>476,758</b>            | <b>507,275</b>            | <b>553,721</b>            | <b>566,735</b>            | <b>570,169</b>            | <b>578,434</b>            | <b>575,680</b>            |
| External debt (current)                   | 19,494                    | 21,253                    | 21,254                    | 21,254                    | 21,254                    | 21,253                    | 21,253                    | 21,253                    | 21,253                    | 21,254                    | 21,254                    |
| External debt (non-<br>current)           | 214,000                   | 329,059                   | 351,669                   | 405,862                   | 455,504                   | 486,022                   | 532,468                   | 545,482                   | 548,916                   | 557,180                   | 554,426                   |
| <b>Total external debt</b>                | <b>233,494</b>            | <b>350,312</b>            | <b>372,923</b>            | <b>427,116</b>            | <b>476,758</b>            | <b>507,275</b>            | <b>553,721</b>            | <b>566,735</b>            | <b>570,169</b>            | <b>578,434</b>            | <b>575,680</b>            |

<sup>1</sup> Greater Wellington manages community outcome debt via an internal debt function. External investments and debt are managed through a central treasury management function in accordance with the Treasury Management Policy.

All figures on this page exclude GST.

## PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

| Greater Wellington operations                                   | 2014/15<br>Plan<br>\$000s | 2015/16<br>Plan<br>\$000s | 2016/17<br>Plan<br>\$000s | 2017/18<br>Plan<br>\$000s | 2018/19<br>Plan<br>\$000s | 2019/20<br>Plan<br>\$000s | 2020/21<br>Plan<br>\$000s | 2021/22<br>Plan<br>\$000s | 2022/23<br>Plan<br>\$000s | 2023/24<br>Plan<br>\$000s | 2024/25<br>Plan<br>\$000s |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding</b>                             |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| General rates   | 31,170                    | 36,522                    | 41,000                    | 45,864                    | 47,168                    | 48,100                    | 46,991                    | 48,334                    | 49,883                    | 50,971                    | 53,163                    |
| Targeted rates  | 68,110                    | 72,830                    | 80,419                    | 86,294                    | 92,397                    | 99,392                    | 103,214                   | 106,857                   | 108,831                   | 113,659                   | 119,019                   |
| Subsidies and grants for operating purposes                     | 62,839                    | 77,118                    | 75,197                    | 82,039                    | 76,837                    | 76,274                    | 79,559                    | 85,246                    | 87,850                    | 92,843                    | 93,829                    |
| Interest and dividends from investments                         | 6,401                     | 6,283                     | 6,649                     | 7,089                     | 7,590                     | 8,013                     | 8,711                     | 9,477                     | 9,970                     | 10,488                    | 11,033                    |
| Fees, charges, and targeted rates for water supply <sup>1</sup> | 4,091                     | 4,582                     | 54,059                    | 107,857                   | 113,329                   | 119,206                   | 125,711                   | 131,433                   | 137,492                   | 144,139                   | 151,254                   |
| Fines, infringement fees, and other receipts <sup>2</sup>       | 34,928                    | 37,922                    | 40,383                    | 42,475                    | 45,639                    | 49,672                    | 55,163                    | 58,439                    | 60,188                    | 62,357                    | 64,456                    |
| <b>Total operating funding</b>                                  | <b>207,539</b>            | <b>235,257</b>            | <b>297,707</b>            | <b>371,618</b>            | <b>382,960</b>            | <b>400,657</b>            | <b>419,349</b>            | <b>439,786</b>            | <b>454,214</b>            | <b>474,457</b>            | <b>492,754</b>            |
| <b>Applications of operating funding</b>                        |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Payments to staff and suppliers                                 | 189,932                   | 198,704                   | 249,113                   | 311,404                   | 312,717                   | 332,196                   | 345,575                   | 357,884                   | 370,665                   | 385,433                   | 403,309                   |
| Finance costs   | 10,760                    | 15,427                    | 22,456                    | 26,903                    | 29,259                    | 30,887                    | 32,417                    | 33,963                    | 34,094                    | 34,196                    | 34,100                    |
| Other operating funding applications                            | -                         | -                         | -                         | -                         | -                         | -                         | -                         | -                         | -                         | -                         | -                         |
| <b>Total applications of operating funding<sup>2</sup></b>      | <b>200,692</b>            | <b>214,131</b>            | <b>271,569</b>            | <b>338,307</b>            | <b>341,976</b>            | <b>363,083</b>            | <b>377,992</b>            | <b>391,847</b>            | <b>404,759</b>            | <b>419,629</b>            | <b>437,409</b>            |
| <b>Operating surplus/ (deficit)</b>                             | <b>6,847</b>              | <b>21,126</b>             | <b>26,138</b>             | <b>33,311</b>             | <b>40,984</b>             | <b>37,574</b>             | <b>41,357</b>             | <b>47,939</b>             | <b>49,455</b>             | <b>54,828</b>             | <b>55,345</b>             |
| <b>Sources of Capital Funding</b>                               |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |
| Subsidies and grants for capital expenditure                    | 9,279                     | 4,938                     | 10,626                    | 10,239                    | 6,432                     | 1,088                     | 5,613                     | 2,235                     | 1,065                     | 1,228                     | 999                       |
| Increase / (decrease) in debt                                   | 53,601                    | 145,937                   | 17,695                    | 52,792                    | 49,966                    | 30,955                    | 47,007                    | 14,070                    | 5,047                     | 9,560                     | (707)                     |
| Gross proceeds from asset sales                                 | 337                       | 523                       | 366                       | 293                       | 405                       | 401                       | 392                       | 418                       | 464                       | 419                       | 384                       |
| <b>Total Sources of Capital Funding</b>                         | <b>63,217</b>             | <b>151,398</b>            | <b>28,687</b>             | <b>63,324</b>             | <b>56,803</b>             | <b>32,444</b>             | <b>53,012</b>             | <b>16,723</b>             | <b>6,576</b>              | <b>11,207</b>             | <b>676</b>                |

## PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

| Greater Wellington operations                | 2014/15 Plan \$000s | 2015/16 Plan \$000s | 2016/17 Plan \$000s | 2017/18 Plan \$000s | 2018/19 Plan \$000s | 2019/20 Plan \$000s | 2020/21 Plan \$000s | 2021/22 Plan \$000s | 2022/23 Plan \$000s | 2023/24 Plan \$000s | 2024/25 Plan \$000s |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Applications of Capital Funding</b>       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Capital expenditure</b>                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| - to meet additional demand                  | 1,445               | 2,720               | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| - to improve the level of service            | 14,160              | 15,589              | 35,443              | 56,750              | 65,961              | 50,744              | 62,736              | 29,952              | 22,442              | 20,691              | 19,802              |
| - to replace existing assets                 | 9,139               | 13,226              | 10,531              | 17,610              | 10,726              | 8,670               | 17,565              | 12,639              | 9,289               | 16,623              | 10,139              |
| Increase / (decrease) in investments         | 51,138              | 146,808             | 11,802              | 23,676              | 20,776              | 10,166              | 13,507              | 21,016              | 22,688              | 27,424              | 24,033              |
| Increase / (decrease) in reserves            | (5,818)             | (5,819)             | (2,951)             | (1,401)             | 324                 | 438                 | 561                 | 1,055               | 1,612               | 1,297               | 2,047               |
| <b>Total Applications of Capital Funding</b> | <b>70,064</b>       | <b>172,524</b>      | <b>54,825</b>       | <b>96,635</b>       | <b>97,787</b>       | <b>70,018</b>       | <b>94,369</b>       | <b>64,662</b>       | <b>56,031</b>       | <b>66,035</b>       | <b>56,021</b>       |
| <b>Surplus/(Deficit) of Funding</b>          | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| Depreciation on council assets               | 18,638              | 18,519              | 19,384              | 21,469              | 23,099              | 26,378              | 27,078              | 28,823              | 29,482              | 28,837              | 28,836              |
| Water Supply Levy <sup>1</sup>               | 26,276              | 27,600              | 29,468              | 31,215              | 34,554              | 38,252              | 42,849              | 45,969              | 47,134              | 48,921              | 50,589              |

<sup>1</sup> This includes estimated transport fare revenue.

<sup>2</sup> This includes the Water supply levy charged to Wellington, Lower Hutt, Upper Hutt and Porirua city councils.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

All figures on this page exclude GST.

# FUNDING IMPACT STATEMENT

## RATING MECHANISMS

| Funding mechanisms                 | Groups of activities funded   | Valuation system   | Matters for differentiation/ categories of land   | Calculation factor  | Years Used |
|------------------------------------|---|--|---|---|------------|
| General rate                       | All except water supply, public transport, Wellington Regional Strategy, Warm Greater Wellington and regional stadium | Capital value  | Where the land is situated  | Cents per dollar of rateable capital value  | 2015-2025  |
| <b>Targeted rates</b>              |   |  |   |   |            |
| Public transport                   | Public transport  | Capital value  | Where the land is situated and the use to which the land is put   | Cents per dollar of rateable capital value  | 2015-2025  |
| River management                   | Flood protection  | Capital value/ land value  | Where the land is situated  | Cents per dollar of rateable capital value/ land value  | 2015-2025  |
| Stadium purposes                   | Investments   | Capital value  | Where the land is situated and the use to which the land is put   | Cents per dollar of rateable capital value  | 2015-2017  |
| Wellington Regional Strategy       | Regional leadership   | Capital value for business<br>n/a for residential<br>n/a for rural | Where the land is situated and the use to which the land is put   | Cents per dollar of rateable capital value<br>Fixed dollar amount per rating unit<br>Fixed dollar amount per rating unit  | 2015-2025  |
| Warm Greater Wellington            | Regional leadership   | Extent of service provided   | Provision of service to the land  | Extent of service provided calculated as a percentage of the service  | 2015-2025  |
| Possum/predator                    | Managing our environment  | Land area  | Where the land is situated and the area of land within each rating unit   | Dollars per hectare   | 2015-2025  |
| Wairarapa river management schemes | Flood protection  | Land area/ inhabited parts/services provided                       | Where the land is situated (in some cases set under s146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and/or the benefits accruing through the provision of services and in some cases use | Dollars per hectare in the area protected or dollars per point attributed to each rating unit and in some cases a fixed charge per separately used or inhabited part (dwelling) | 2015-2025  |



| Funding mechanisms          | Groups of activities funded | Valuation system                         | Matters for differentiation/ categories of land   | Calculation factor  | Years Used |
|-----------------------------|-----------------------------|--|---|---|------------|
| Wairarapa catchment schemes | Flood protection            | Land area/ land value/ inhabited part(s) | Where the land is situated (in some cases set under s146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and in some cases use and land value | Dollars per hectare or cents per metre of river frontage in the area protected and in some cases a fixed charge per separately used or inhabited part (dwelling) and cents per dollar of rateable land value <sup>1</sup> | 2015-2025  |
| Wairarapa drainage schemes  | Flood protection            | Land area                                | Where the land is situated (set under s146 of the Local Government (Rating) Act 2002 using approved classification and differential registers)  | Dollars per hectare in the area protected   | 2015-2025  |

### Differential on the general rate

There are no differentials on GWRC's general rate. GWRC uses an estimate of projected valuation under section 131 of the Local Government (Rating) Act 2002 to recognise that valuation dates vary across the region.

### Uniform Annual General Charge

GWRC does not set a Uniform Annual General Charge.

## RATES CATEGORIES

Each rating unit is allocated to a differential rating category based upon location and/or land use for the purpose of calculating general rates or targeted rates based upon capital or land value. As GWRC rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities. Set out below are the definitions used to allocate rating units into rating categories.

<sup>1</sup> "Separately used or inhabited part (dwelling)" includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use. To avoid doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling).

## Category 1 – rates based on capital or land value

| Location                     | Use  | Description   |
|------------------------------|--|---|
| <b>Wellington city</b>       | Wellington city Downtown city centre business <sup>2</sup> | All rating units classified as commercial, industrial and business properties within the downtown area boundary, currently shown on the Downtown Levy Area map of Wellington city, as may be amended from time to time by Wellington city |
|                              | Wellington city business                                   | All rating units classified as commercial, industrial and business properties in the rating information database for Wellington city outside the Downtown Levy Area map boundary  |
|                              | Wellington city residential                                | All rating units classified as base (excluding rural and farm) in the rating information database for Wellington city   |
|                              | Wellington city urban                                      | All rating units classified as commercial, industrial and business properties in the rating information database for Wellington city outside the Downtown Levy Area map boundary and all Wellington city residential rating units         |
|                              | Wellington city rural                                      | All rating units sub-classified as rural or farm within the base category in the rating information database for Wellington city  |
| <b>Hutt city</b>             | Lower Hutt city business                                   | All rating units not classified as residential, rural or community facilities in the rating information database for Lower Hutt city  |
|                              | Lower Hutt city residential                                | All rating units classified as residential or community facilities in the rating information database for Lower Hutt city   |
|                              | Lower Hutt city urban                                      | All Lower Hutt city business and Lower Hutt city residential rating units   |
|                              | Lower Hutt city rural                                      | All rating units classified as rural in the rating information database for Lower Hutt city   |
| <b>Porirua city</b>          | Porirua city business                                      | All rating units classified as business in the rating information database for Porirua city   |
|                              | Porirua city residential                                   | All rating units classified as residential in the rating information database for Porirua city  |
|                              | Porirua city urban   | All Porirua city residential and Porirua city business rating units   |
|                              | Porirua city rural   | All rating units classified as rural in the rating information database for Porirua city  |
| <b>Upper Hutt city</b>       | Upper Hutt city business                                   | All rating units classified as business or utilities in the rating information database for Upper Hutt city   |
|                              | Upper Hutt city residential                                | All rating units not classified as rural, business or utilities in the rating information database for Upper Hutt city  |
|                              | Upper Hutt city urban                                      | All Upper Hutt city business and Upper Hutt city residential rating units   |
|                              | Upper Hutt city rural                                      | All rating units classified as rural in the rating information database for Upper Hutt city   |
| <b>Kapiti Coast district</b> | Kapiti Coast district urban                                | All rating units not classified in the rural rating areas for the Kapiti Coast district   |
|                              | Kapiti Coast district rural                                | All rating units classified in the rural rating areas for the Kapiti Coast district   |
| <b>Masterton district</b>    | Masterton district urban                                   | All rating units not classified as rural in the rating information database for the Masterton district  |
|                              | Masterton district rural                                   | All rating units classified as rural in the rating information database for the Masterton district  |
| <b>Carterton district</b>    | Carterton district urban                                   | All rating units not classified as rural in the rating information database for the Carterton district  |
|                              | Carterton district rural                                   | All rating units classified as rural in the rating information database for the Carterton district  |

<sup>2</sup> See map on page 256 for the Wellington city downtown city centre business area.

| Location                        | Use                            | Description  |
|---------------------------------|--------------------------------|--|
| <b>South Wairarapa district</b> | South Wairarapa district urban | All rating units not classified as rural in the rating information database for the South Wairarapa district   |
|                                 | South Wairarapa district rural | All rating units classified as rural in the rating information database for the South Wairarapa district   |
|                                 | Greytown ward                  | All rating units classified in the rating area of the Greytown ward in the rating information database for the South Wairarapa district                          |
|                                 | Greytown urban                 | All rating units classified in the urban area of Greytown in the rating information database for the South Wairarapa district. (Prefaced Nos 18400 and 18420)    |
|                                 | Featherston urban              | All rating units classified in the urban area of Featherston in the rating information database for the South Wairarapa district. (Prefaced Nos 18440 and 18450) |
| <b>Tararua district</b>         |                                | All rating units within the Tararua district area are classified as being within the boundaries of the Wellington region   |

## Category 2 – rates based on land area

Some rates (either in whole or part) are allocated to additional differential rating categories (based on the area of land, provision of service or location) for the purpose of calculating the bovine Tb, possum/predator and Wairarapa schemes targeted rates.

Some schemes have an additional fixed charge per separate use or inhabited part.

Rating units subject to these rates are shown within an approved classification register for each scheme. For more information on whether your rating unit is allocated to one or more of these categories, please contact GWRC's Masterton office (see back cover).

All rural rating units of four or more hectares are subject to the possum/predator rate.

## Category 3 – Lower Wairarapa Valley Development Scheme rate

The Lower Wairarapa Valley Development scheme rate is a targeted rate allocated according to extent of services received (as measured in a points system) and in some cases an additional fixed charge per separately used or inhabited part.

Rating units subject to this rate are shown within an approved classification register for each scheme. For more information on whether your rating unit is located in this area and for the points allocated to your property, please contact GWRC's Masterton office (see back cover).

## Category 4 – Warm Greater Wellington rate

The Warm Greater Wellington rate is a targeted rate set on properties that have benefited from the installation of insulation or clean heating appliance provided by GWRC in respect of the property. The rate is calculated as a percentage of the service amount until the service amount and the costs of servicing the service amount are recovered.

## Category 5 – Wellington Regional Strategy (WRS) rate

The WRS rate is a targeted rate allocated on a fixed-amount basis for residential and rural ratepayers, and capital value for businesses. For residential properties the fixed amount is \$14 plus GST and rural properties \$28 plus GST. This rate will fund the Wellington Regional Strategy activities and include funding of WREDA, the region's economic development agency. See table below.

| Location                     | Use   | Description   |
|------------------------------|---|---|
| <b>Wellington city</b>       | Wellington city downtown city centre business | As per differential category 1  |
|                              | Wellington city business                      | As per differential category 1  |
|                              | Wellington city residential                   | As per differential category 1  |
|                              | Wellington city rural                         | As per differential category 1  |
| <b>Lower Hutt city</b>       | Lower Hutt city business                      | As per differential category 1  |
|                              | Lower Hutt city residential                   | As per differential category 1  |
|                              | Lower Hutt city rural                         | As per differential category 1  |
| <b>Porirua city</b>          | Porirua city business                         | As per differential category 1  |
|                              | Porirua city residential                      | As per differential category 1  |
|                              | Porirua city rural                            | As per differential category 1  |
| <b>Upper Hutt city</b>       | Upper Hutt city business                      | As per differential category 1  |
|                              | Upper Hutt city residential                   | As per differential category 1  |
|                              | Upper Hutt city rural                         | As per differential category 1  |
| <b>Kapiti Coast district</b> | Kapiti Coast district business                | All rating units used for a commercial, business, industrial purpose or utility network activity in the Kapiti Coast district rating information database   |
|                              | Kapiti Coast district residential             | All rating units located in the urban rating areas except those properties which meet the classification of rural, commercial, business, industrial purpose or utility network activity and all community activities in the Kapiti Coast district rating information database |
|                              | Kapiti Coast district rural                   | All rating units located in rural rating areas except those properties that meet the classification of commercial, business, industrial purpose, utility network or community activity in the Kapiti Coast district rating information database                               |
| <b>Masterton district</b>    | Masterton district business                   | All rating units classified as non-residential urban in the Masterton district rating information database  |
|                              | Masterton district residential                | All rating units classified as urban residential in the Masterton district rating information database  |
|                              | Masterton district rural                      | As per differential category 1  |
| <b>Carterton district</b>    | Carterton district business                   | All rating units classified as urban commercial, urban industrial or urban smallholding – greater than one hectare in the Carterton district rating information database  |
|                              | Carterton district residential                | All rating units classified as urban residential in the Carterton district rating information database  |
|                              | Carterton district rural                      | As per differential category 1  |

| Location                        | Use                                  | Description   |
|---------------------------------|--------------------------------------|---|
| <b>South Wairarapa district</b> | South Wairarapa district business    | All rating units classified as commercial in the South Wairarapa district rating information database |
|                                 | South Wairarapa district residential | All rating units classified as urban in the South Wairarapa district rating information database      |
|                                 | South Wairarapa district rural       | As per differential category 1  |
| <b>Tararua district</b>         |                                      | As per differential category 1  |

## Rates funding impact statement

| General rate                  | 2015/16<br>Cents per \$<br>of rateable<br>capital value | 2015/16<br>Revenue<br>sought<br>\$ |
|-------------------------------|---|------------------------------------|
| Wellington city               | 0.03676   | 17,524,559                         |
| Lower Hutt city               | 0.03616   | 6,203,012                          |
| Upper Hutt city               | 0.03623   | 2,419,925                          |
| Porirua city                  | 0.03571   | 2,877,754                          |
| Kapiti Coast district         | 0.03545   | 3,811,597                          |
| Masterton district            | 0.03597   | 1,668,686                          |
| Carterton district            | 0.03742   | 769,605                            |
| South Wairarapa district      | 0.03542   | 1,244,180                          |
| Tararua district <sup>1</sup> | 0.03953   | 2,481                              |
| <b>Total general rate</b>     |   | <b>36,521,799</b>                  |

| Targeted rate:<br>River management<br>based on capital value         | 2015/16<br>Cents per \$<br>of rateable<br>capital value | 2015/16<br>Revenue<br>sought<br>\$ |
|--|---|------------------------------------|
| Wellington city  | 0.00009   | 45,268                             |
| Lower Hutt city  | 0.01854   | 3,180,662                          |
| Upper Hutt city  | 0.00874   | 584,024                            |
| Porirua city   | 0.00037   | 30,179                             |
| Kapiti Coast district  | 0.01262   | 1,356,463                          |
| Carterton district   | 0.00109   | 22,337                             |
| <b>Total district-wide river<br/>management rate</b>                 |   | <b>5,218,933</b>                   |
| Greytown ward  | 0.01779   | 88,955                             |
| <b>Total river management<br/>rates based upon<br/>capital value</b> |   | <b>5,307,888</b>                   |

| Targeted rate:<br>River management<br>based on land value | 2015/16<br>Cents<br>per \$ of<br>rateable<br>land value | 2015/16<br>Revenue<br>sought<br>\$ |
|---|---|------------------------------------|
| Featherston urban: Donalds<br>Creek Stopbank              | 0.00315   | 2,464                              |
| Total river management rates<br>based upon land value     |   | 2,464                              |
| <b>Total river management<br/>rates</b>                   |   | <b>5,310,352</b>                   |

| Targeted rate:<br>Public transport     | 2015/16<br>Cents per \$<br>of rateable<br>capital value | 2015/16<br>Revenue<br>sought<br>\$ |
|--|---|------------------------------------|
| <b>Wellington city</b>                 |   |                                    |
| Downtown city centre<br>business       | 0.28704   | 21,249,409                         |
| Urban                                  | 0.03078   | 12,219,108                         |
| Rural                                  | 0.00791   | 45,453                             |
| <b>Lower Hutt city</b>                 |   |                                    |
| Urban                                  | 0.05589   | 9,433,277                          |
| Rural                                  | 0.01429   | 39,249                             |
| <b>Upper Hutt city</b>                 |   |                                    |
| Urban                                  | 0.06084   | 3,639,420                          |
| Rural                                  | 0.01551   | 108,050                            |
| <b>Porirua city</b>                    |   |                                    |
| Urban                                  | 0.06398   | 4,818,466                          |
| Rural                                  | 0.01636   | 86,427                             |
| <b>Kapiti Coast district</b>           |   |                                    |
| Urban                                  | 0.02661   | 2,426,044                          |
| Rural                                  | 0.00692   | 113,281                            |
| <b>Masterton district</b>              |   |                                    |
| Urban                                  | 0.00876   | 202,773                            |
| Rural                                  | 0.00255   | 59,343                             |
| <b>Carterton district</b>              |   |                                    |
| Urban                                  | 0.01561   | 106,565                            |
| Rural                                  | 0.00423   | 58,126                             |
| <b>South Wairarapa district</b>        |   |                                    |
| Urban                                  | 0.01995   | 205,266                            |
| Rural                                  | 0.00522   | 129,510                            |
| <b>Total public transport<br/>rate</b> |   | <b>54,939,767</b>                  |

| Targeted rate:<br>Warm Greater<br>Wellington<br>Based on extent of<br>service provided | 2015/16<br>Percentage<br>of service<br>provided | 2015/16<br>Revenue<br>sought<br>\$ |
|--|---|------------------------------------|
| For any ratepayer that<br>utilises the service   | 15.000%   | 3,353,000                          |
| <b>Total Warm Greater<br/>Wellington rate</b>  |   | <b>3,353,000</b>                   |

Note:

<sup>1</sup> 11 Rural properties in the Tararua District are within the boundaries of the Wellington region.

Note that all figures on this page exclude GST.

## Rates funding impact statement

| Targeted rate:<br>Stadium purposes | 2015/16<br>Cents per \$<br>of rateable<br>capital value | 2015/16<br>Revenue<br>sought<br>\$ |
|------------------------------------|---|------------------------------------|
| <b>Wellington city</b>             |   |                                    |
| Business                           | 0.00507   | 549,874                            |
| Residential                        | 0.00285   | 1,031,783                          |
| Rural                              | 0.00135   | 7,760                              |
| <b>Lower Hutt city</b>             |   |                                    |
| Business                           | 0.00410   | 136,198                            |
| Residential                        | 0.00280   | 379,962                            |
| Rural                              | 0.00224   | 6,154                              |
| <b>Upper Hutt city</b>             |   |                                    |
| Business                           | 0.00200   | 21,139                             |
| Residential                        | 0.00238   | 114,255                            |
| Rural                              | 0.00079   | 5,352                              |
| <b>Porirua city</b>                |   |                                    |
| Business                           | 0.00349   | 33,180                             |
| Residential                        | 0.00236   | 155,196                            |
| Rural                              | 0.00071   | 3,746                              |
| <b>Kapiti Coast district</b>       |   |                                    |
| Urban                              | 0.00129   | 118,002                            |
| Rural                              | 0.00070   | 11,506                             |
| <b>Masterton district</b>          |   |                                    |
| Urban                              | 0.00170   | 39,334                             |
| Rural                              | 0.00061   | 14,182                             |
| <b>Carterton district</b>          |   |                                    |
| Urban                              | 0.00153   | 10,436                             |
| Rural                              | 0.00060   | 8,295                              |
| <b>South Wairarapa district</b>    |   |                                    |
| Urban                              | 0.00187   | 19,266                             |
| Rural                              | 0.00041   | 10,168                             |
| <b>Total stadium purposes rate</b> |   | <b>2,675,788</b>                   |

| Targeted rate:<br>Wellington Regional<br>Strategy         | 2015/16<br>\$ per<br>rating<br>unit | 2015/16<br>Cents per \$<br>of rateable<br>capital value | 2015/16<br>Revenue<br>sought<br>\$ |
|---|-------------------------------------|---|------------------------------------|
| <b>Wellington city</b>                                    |                                     |   |                                    |
| Downtown city centre<br>business                          |                                     | 0.01100   | 814,619                            |
| Business  |                                     | 0.01100   | 379,855                            |
| Residential – per rating unit                             | \$14.00                             |   | 968,898                            |
| Rural – per rating unit                                   | \$28.00                             |   | 20,216                             |
| <b>Lower Hutt city</b>                                    |                                     |   |                                    |
| Business  |                                     | 0.01083   | 359,433                            |
| Residential – per rating unit                             | \$14.00                             |   | 502,264                            |
| Rural – per rating unit                                   | \$28.00                             |   | 13,580                             |
| <b>Upper Hutt city</b>                                    |                                     |   |                                    |
| Business  |                                     | 0.01082   | 115,127                            |
| Residential – per rating unit                             | \$14.00                             |   | 198,282                            |
| Rural – per rating unit                                   | \$28.00                             |   | 31,528                             |
| <b>Porirua city</b>                                       |                                     |   |                                    |
| Business  |                                     | 0.01069   | 101,535                            |
| Residential – per rating unit                             | \$14.00                             |   | 235,382                            |
| Rural – per rating unit                                   | \$28.00                             |   | 16,828                             |
| <b>Kapiti Coast district</b>                              |                                     |   |                                    |
| Business  |                                     | 0.01061   | 133,817                            |
| Residential – per rating unit                             | \$14.00                             |   | 284,200                            |
| Rural – per rating unit                                   | \$28.00                             |   | 68,656                             |
| <b>Masterton district</b>                                 |                                     |   |                                    |
| Business  |                                     | 0.01077   | 40,598                             |
| Residential – per rating unit                             | \$14.00                             |   | 108,612                            |
| Rural – per rating unit                                   | \$28.00                             |   | 95,060                             |
| <b>Carterton district</b>                                 |                                     |   |                                    |
| Business  |                                     | 0.01120   | 11,950                             |
| Residential – per rating unit                             | \$14.00                             |   | 27,986                             |
| Rural – per rating unit                                   | \$28.00                             |   | 43,176                             |
| <b>South Wairarapa district</b>                           |                                     |   |                                    |
| Business  |                                     | 0.01060   | 19,660                             |
| Residential – per rating unit                             | \$14.00                             |   | 41,902                             |
| Rural – per rating unit                                   | \$28.00                             |   | 77,812                             |
| <b>Tararua district<sup>1</sup> – per<br/>rating unit</b> | \$28.00                             |   | 252                                |
| <b>Total Wellington regional strategy rate</b>            |                                     |   | <b>4,711,228</b>                   |

Note:

<sup>1</sup> 11 Rural properties in the Tararua District are within the boundaries of the Wellington region.

Note that all figures on this page exclude GST.

## Rates funding impact statement

| Targeted rate:<br>River management<br>schemes 1 |           | 2015/16<br>\$ per hectare | 2015/16<br>Revenue<br>sought<br>\$ | Targeted rate:<br>River management<br>schemes 1 |               | 2015/16<br>\$ per<br>hectare | 2015/16<br>Revenue<br>sought<br>\$ |
|---|-----------|---------------------------|------------------------------------|---|---------------|------------------------------|------------------------------------|
| Waingawa  | A         | 138.19280                 | 4,688                              | Waiohine – rural                                | A             | 44.14080                     | 4,965                              |
|   | B         | 89.82530                  | 11,725                             |   | B             | 36.60170                     | 14,021                             |
|   | C         | 69.09640                  | 7,900                              |   | C             | 29.33050                     | 37,449                             |
|   | D         | 62.18680                  | 145                                |   | D             | 22.07300                     | 8,201                              |
|   | E         | 55.27710                  | 9,276                              |   | E             | 14.71030                     | 11,806                             |
|   | F         | 48.36750                  | 1,255                              |   | S             | 736.01300                    | 12,512                             |
|   | G         | 20.72890                  | 970                                |   |               |                              | <b>88,954</b>                      |
|   | H         | 13.81930                  | 2,333                              |   |               |                              |                                    |
|   |           |                           | <b>38,292</b>                      | Mangatarere                                     | A             | 33.26280                     | 714                                |
| Upper Ruamahanga                                | A         | 127.63360                 | 11,011                             |   | B             | 31.81700                     | 6,667                              |
|   | B         | 106.36140                 | 701                                |   | C             | 26.96320                     | 425                                |
|   | C         | 85.08910                  | 10,194                             |   | D             | 23.86520                     | 1,714                              |
|   | D         | 63.81680                  | 1,124                              |   |               | <b>9,520</b>                 |                                    |
|   | E         | 42.54450                  | 12,600                             | Waipoua   | A             | 105.04910                    | 9,192                              |
|   | F         | 21.27230                  | 839                                |   | B             | 84.03930                     | 25,239                             |
|   | S         | 1,198.49030.              | 3116                               |   | C             | 63.02950                     | 1,415                              |
|   |           | <b>39,585</b>             | D                                  |   | 42.01960      | 12,490                       |                                    |
|   |           |                           | SA                                 |   | 3,550.66010   | 355                          |                                    |
|   |           |                           | SC                                 |   | 2,121.99210   | 212                          |                                    |
|   |           |                           |                                    |   | <b>48,903</b> |                              |                                    |
| Middle Ruamahanga                               |           | 125.83330                 | 5,082                              |   |               |                              |                                    |
|   |           | 104.86110                 | 5,723                              |   |               |                              |                                    |
|   |           | 83.88890                  | 429                                |   |               |                              |                                    |
|   |           | 62.91670                  | 7,125                              |   |               |                              |                                    |
|   |           | 41.94440                  | 1,267                              |   |               |                              |                                    |
|   |           | 20.97220                  | 6,200                              |   |               |                              |                                    |
|   |           | 1,269.00540               | 2,665                              |   |               |                              |                                    |
|   |           | <b>28,491</b>             |                                    |   |               |                              |                                    |
| Lower Ruamahanga                                |           | 59.38640                  | 7,456                              |   |               |                              |                                    |
|   |           | 50.90260                  | 2,740                              |   |               |                              |                                    |
|   |           | 42.41880                  | 9,490                              |   |               |                              |                                    |
|   |           | 33.93510                  | 10,808                             |   |               |                              |                                    |
|   |           | 25.45130                  | 8,232                              |   |               |                              |                                    |
|   |           | 16.96750                  | 20,770                             |   |               |                              |                                    |
|   |           | 1,489.09510               | 3,872                              |   |               |                              |                                    |
|   | 744.54760 | 1,266                     |                                    |   |               |                              |                                    |
|   |           | <b>64,634</b>             |                                    |   |               |                              |                                    |

Note that all figures on this page exclude GST.



## Rates funding impact statement

| Targeted rate:<br>River<br>management<br>schemes 1   |              | 2015/16<br>\$ per<br>hectare | 2015/16<br>Revenue<br>sought<br>\$ |
|--|--------------|------------------------------|------------------------------------|
| Kopuaranga   | A2           | 122.71450                    | 3,197                              |
|  | A3           | 110.44310                    | 7,615                              |
|  | A4           | 61.35730                     | 692                                |
|  | A5           | 42.95010                     | 2,479                              |
|  | A6           | 24.54290                     | 1,991                              |
|  | B2           | 24.54290                     | 1,504                              |
|  | B3           | 22.08860                     | 1,626                              |
|  | B4           | 12.27150                     | 114                                |
|  | B5           | 8.59000                      | 267                                |
|  | B6           | 4.90860                      | 590                                |
|  | SA           | 153.57000                    | 768                                |
|  | SB           | 76.79000                     | 1,075                              |
|  |              |                              | <b>21,918</b>                      |
|  | Lower Taueru | A                            | 3.79130                            |
| B  |              | 0.75830                      | 214                                |
| C  |              | 0.37910                      | 68                                 |
| S  |              | 189.56530                    | 288                                |
|  |              | <b>2,133</b>                 |                                    |
| Lower Whangaehu                                      | A            | 17.91760                     | 598                                |
|  | B            | 14.33410                     | 933                                |
|  | C            | 10.75060                     | 585                                |
|  | D            | 7.16700                      | 549                                |
|  | E            | 3.58350                      | 624                                |
|  | S            | 89.58800                     | 120                                |
|  |              | <b>3,409</b>                 |                                    |
| <b>Total river<br/>management<br/>scheme rates 1</b> |              |                              | <b>345,839</b>                     |

| Targeted rate:<br>River<br>management<br>schemes 2   |                       | 2015/16<br>\$ per<br>dwelling <sup>1</sup> | 2015/16<br>\$ per<br>point | 2015/16<br>Revenue<br>sought<br>\$ |
|--|-----------------------|--|----------------------------|------------------------------------|
| Lower Wairarapa<br>valley                            | A                     |  | 0.22068                    | 637,504                            |
|  | Development<br>scheme | Sa   | 17.71800                   | 7,388                              |
|  | Sb                    | 35.45000                                   |                            | 80,188                             |
| <b>Total river<br/>management<br/>scheme rates 2</b> |                       |  |                            | <b>725,080</b>                     |
| <b>Total river<br/>management<br/>scheme rates</b>   |                       |  |                            | <b>1,070,919</b>                   |

<sup>1</sup> "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. To avoid doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling).

Note that all figures on this page exclude GST.

| Targeted rate: Catchment schemes 1         |   | 2015/16<br>\$ per hectare | 2015/16<br>Revenue sought<br>\$ |
|--|---|---------------------------|---------------------------------|
| Whareama                                   | A | 4.25730                   | 2,815                           |
|  | B | 1.63770                   | 1,185                           |
|  | C | 0.28670                   | 12,542                          |
|  | D | 0.24550                   | 5                               |
|  | E | 0.20540                   | 1                               |
|  | F | 0.16730                   | 468                             |
|  |   |                           | <b>17,016</b>                   |
| Homewood                                   | A | 1.45100                   | 3,413                           |
|  | B | 1.38410                   | 628                             |
|  | C | 1.20960                   | 4,032                           |
|  | D | 0.17280                   | 303                             |
|  |   |                           | <b>8,376</b>                    |
| Maungaraki                                 | A | 0.86665                   | 2,962                           |
|  | B | 0.40784                   | 1,212                           |
|  |   |                           | <b>4,174</b>                    |
| Upper Kaiwhata                             | A | 8.41550                   | 353                             |
|  | B | 3.69380                   | 290                             |
|  | C | 0.52560                   | 481                             |
|  | D | 0.31550                   | 561                             |
|  | E | 0.21010                   | 393                             |
|  | F | 0.10510                   | 47                              |
|  |   |                           | <b>2,125</b>                    |
| Lower Kaiwhata                             | A | 14.04540                  | 923                             |
|  | B | 6.14230                   | 285                             |
|  | C | 0.87740                   | 1,002                           |
|  | D | 0.52650                   | 1,384                           |
|  | E | 0.35100                   | 12                              |
|  | F | 0.17550                   | 49                              |
|  |   |                           | <b>3,655</b>                    |
| <b>Catchment management scheme 1 rates</b> |   |                           | <b>35,346</b>                   |

| Targeted rate: Catchment schemes 2             |                               | 2015/16<br>Cents per \$ of rateable land value | 2015/16<br>Revenue sought<br>\$ |
|--|-------------------------------|--|---------------------------------|
| Awhea-Opouawe                                  | Land value                    | 0.00016  | 9,800                           |
| Mataikona-Whakataki                            | Land value within scheme area | 0.00348  | 2,664                           |
| <b>Catchment management scheme 2 rates</b>     |                               |  | <b>12,464</b>                   |
| Targeted rate: Catchment schemes 3             |                               | 2015/16<br>\$ per dwelling <sup>1</sup>        | 2015/16<br>Revenue sought<br>\$ |
| Awhea-Opouawe                                  | Charge per dwelling           | \$114.54 / \$57.27                             | 8,820                           |
| Maungaraki                                     | Charge per dwelling           | \$30.86  | 586                             |
| Mataikona-Whakataki                            | Charge per dwelling           | \$15.00  | 1,830                           |
| <b>Catchment management scheme 3 rates</b>     |                               |  | <b>11,236</b>                   |
| Targeted rate: Catchment schemes 4             |                               | 2015/16<br>Cents per metre of river frontage   | 2015/16<br>Revenue sought<br>\$ |
| Maungaraki                                     | River frontage                | 0.04080  | 1,116                           |
| <b>Catchment management scheme 4 rates</b>     |                               |  | <b>1,116</b>                    |
| <b>Total catchment management scheme rates</b> |                               |  | <b>60,162</b>                   |

<sup>1</sup> "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. To avoid of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling).

| Targeted rate:<br>Pump drainage<br>schemes      |   | 2015/16<br>\$ per<br>hectare | 2015/16<br>Revenue sought<br>\$ |
|---|---|------------------------------|---------------------------------|
| Te Hopai  | A | 74.77870                     | 92,000                          |
| Moonmoot pump                                   | A | 116.44035                    | 27,000                          |
| Onoke pump                                      | A | 140.26310                    | 95,800                          |
| Pouawha pump                                    | A | 115.04416                    | 103,426                         |
| <b>Total pump<br/>drainage<br/>scheme rates</b> |   |                              | <b>318,226</b>                  |

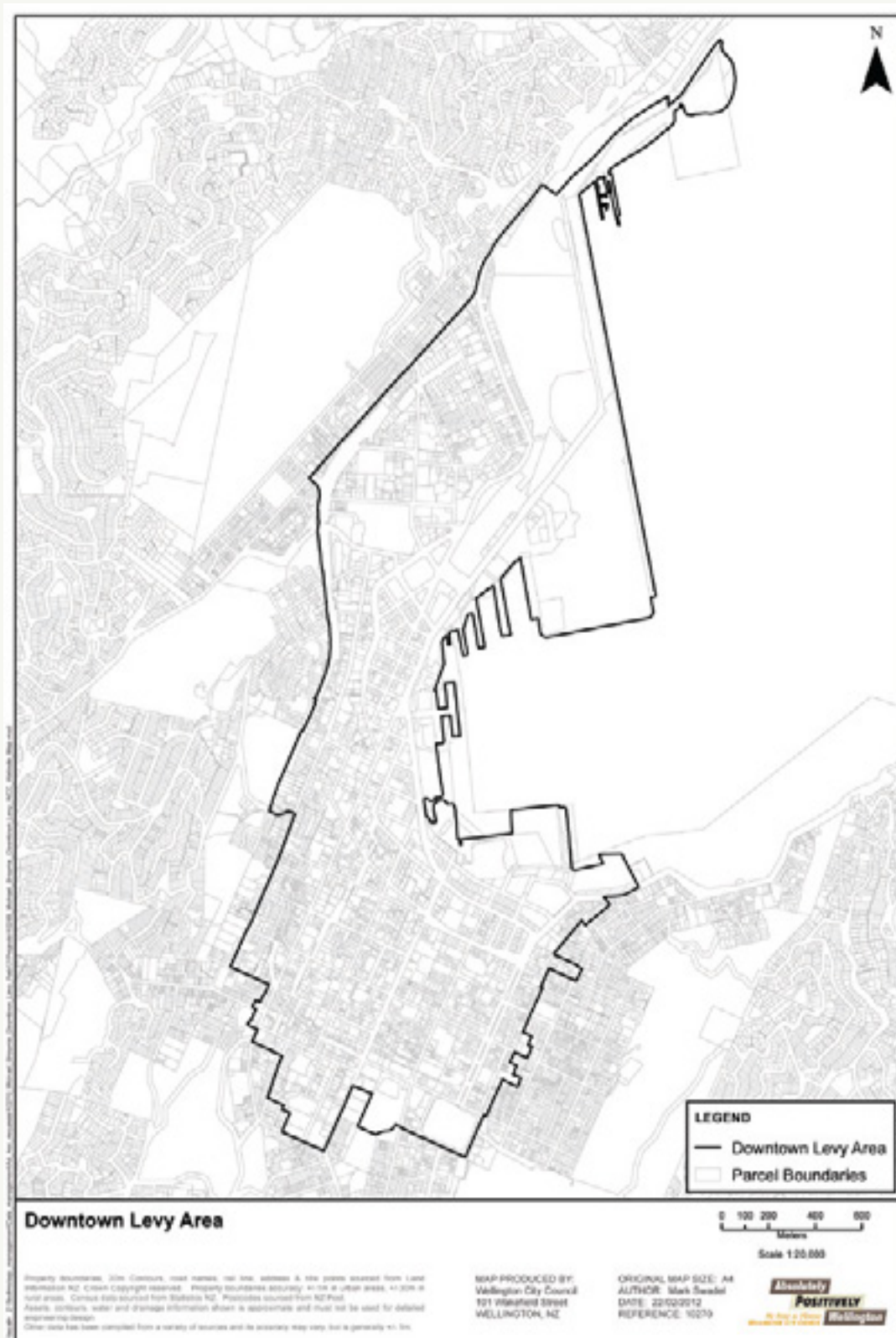
| Targeted rate:<br>Possum / predator                                 |  | 2015/16<br>\$ per<br>hectare | 2015/16<br>Revenue sought<br>\$ |
|---|--|------------------------------|---------------------------------|
| Rural land area   |  |                              |                                 |
| Land area of 4 or more<br>hectares in all rural<br>classified areas |  | 0.60621                      | 347,600                         |
| <b>Total Possum /<br/>predator rate</b>                             |  |                              | <b>347,600</b>                  |

| Targeted rate:<br>Pump drainage<br>schemes         |   | 2015/16<br>\$ per<br>hectare | 2015/16<br>Revenue sought<br>\$ |
|--|---|------------------------------|---------------------------------|
| Okawa  | A | 6.83280                      | 1,976                           |
| Taumata  | A | 6.34310                      | 1,834                           |
| East Pukio   | A | 27.31310                     | 3,150                           |
| Longbush   | A | 15.65700                     | 3,415                           |
|  | B | 7.82840                      | 1,012                           |
| Otahoua  | A | 33.14550                     | 3,000                           |
| Te Whiti   | A | 9.58000                      | 1,348                           |
| Ahikouka   | A | 27.16690                     | 3,048                           |
| Battersea  | A | 15.32370                     | 2,573                           |
|  | B | 12.68730                     | 2,354                           |
|  | C | 9.88630                      | 3,081                           |
|  | D | 5.93170                      | 912                             |
|  | E | 5.10780                      | 1,041                           |
|  | F | 4.94310                      | 371                             |
| Manaia   | A | 28.41470                     | 4,900                           |
| Whakawiriwiri                                      | A | 11.47640                     | 8,273                           |
| <b>Total gravity<br/>drainage<br/>scheme rates</b> |   |                              | <b>42,288</b>                   |

Note that all figures on this page exclude GST.

## Wellington City Downtown Levy Area Map

For the purposes of the Wellington City Downtown City Centre Business targeted transport rate, the downtown area refers to the area described by the following Wellington City Downtown Levy Area Map as amended by Wellington City Council from time to time.



# LONG-TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY 2015

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

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

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations).

The following graphs need to be read collectively and in conjunction with the attached financial statements. Individually these graphs show a particular view on one aspect of the financial health and management of the Council. So it is important to keep in mind the overall strategy and policies the council has also adopted when reading these graphs.

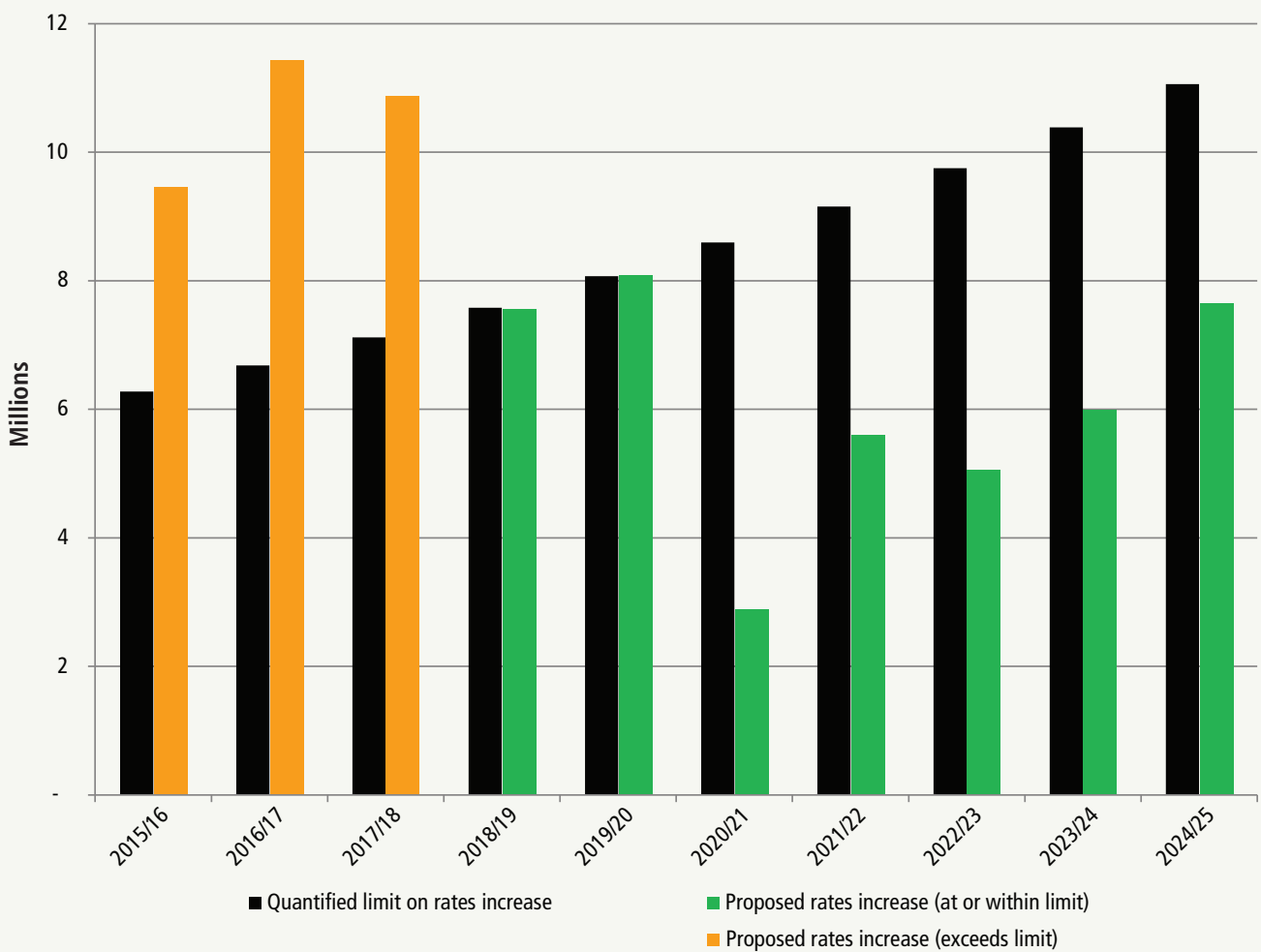
## RATES (INCREASES) AFFORDABILITY

The Council adopted an average increase of 6.5% per annum (around \$31 per year for the average residential ratepayer) over the term of the LTP as it continues to significantly invest in improving the public transport network and the on-going flood protection programme. In the next 3 years the increases are ahead of the average as the major capital projects are undertaken. After this period the increases are expected to be less as the capital programme is not as extensive.

Putting the increase in 2015/16 in context of the average, the average increase in 2015/16 is \$38 per annum compared to \$31 per year average increase over the life of the plan.

Over the life the LTP the council is well within this benchmark.

Rates (increases) affordability

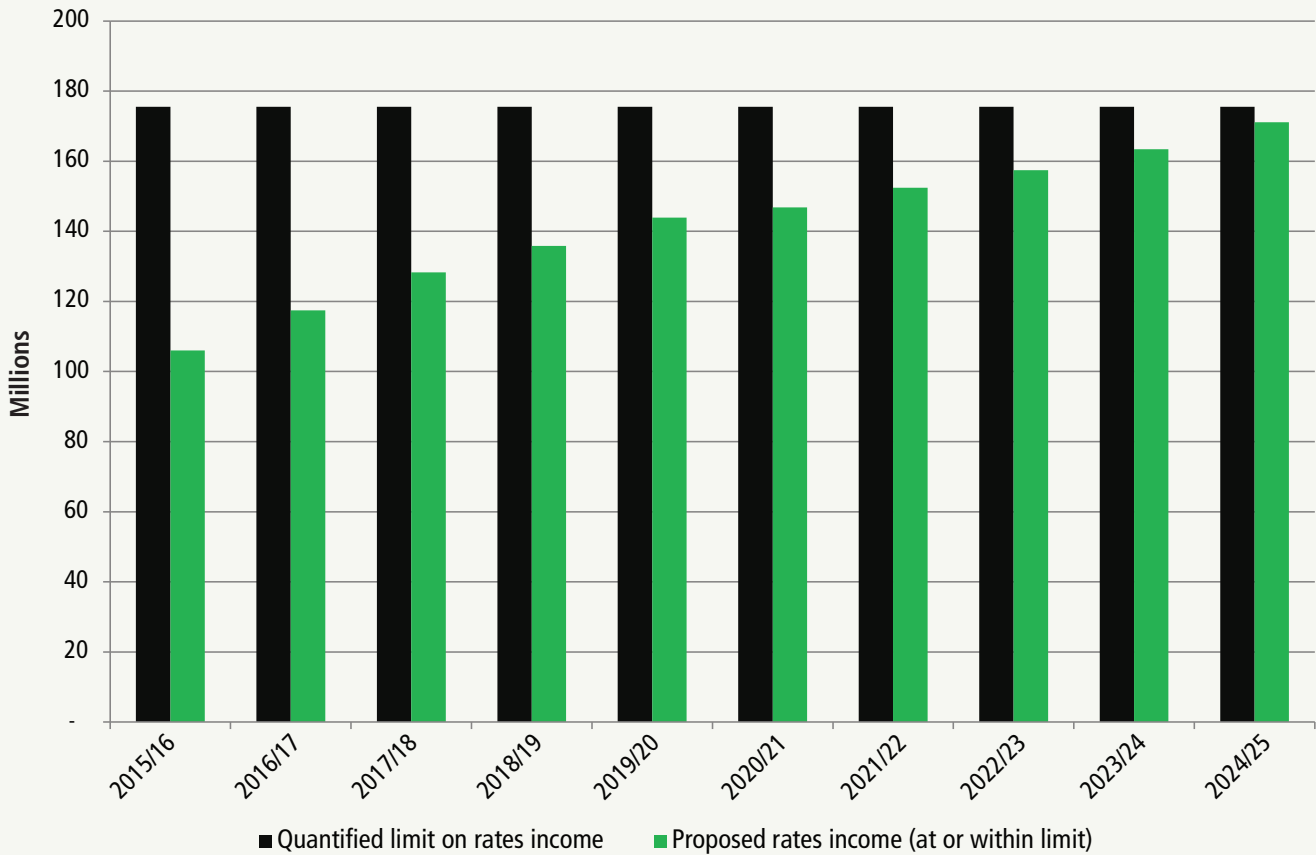


## RATES INCOME AFFORDABILITY

This graph shows the total rates planned for the LTP compared to the overall rates limit adopted by council. The limit adopted is the estimated rates requirement in year 2025 of the long term plan.

Over the life the LTP the council is well within this benchmark.

Rates (income) affordability

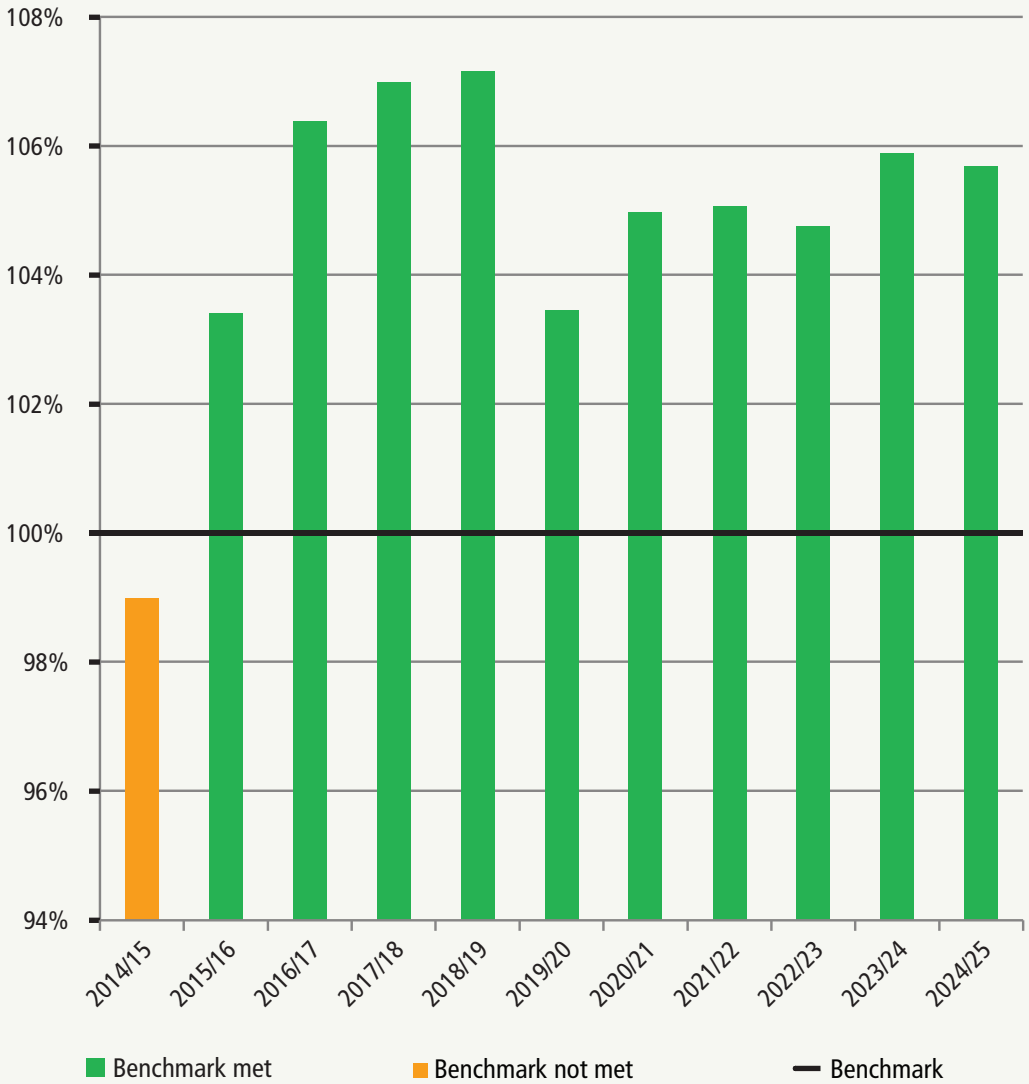


## BALANCED BUDGET

This graph shows whether the Council is planning to receiving revenue greater or less than its operational expenditure, i.e. whether the Council will be raising adequate revenue to meet its on-going operational costs including depreciation and other non-cash adjustments.

Over the life the LTP the council is well within this benchmark.

Balanced budget benchmark



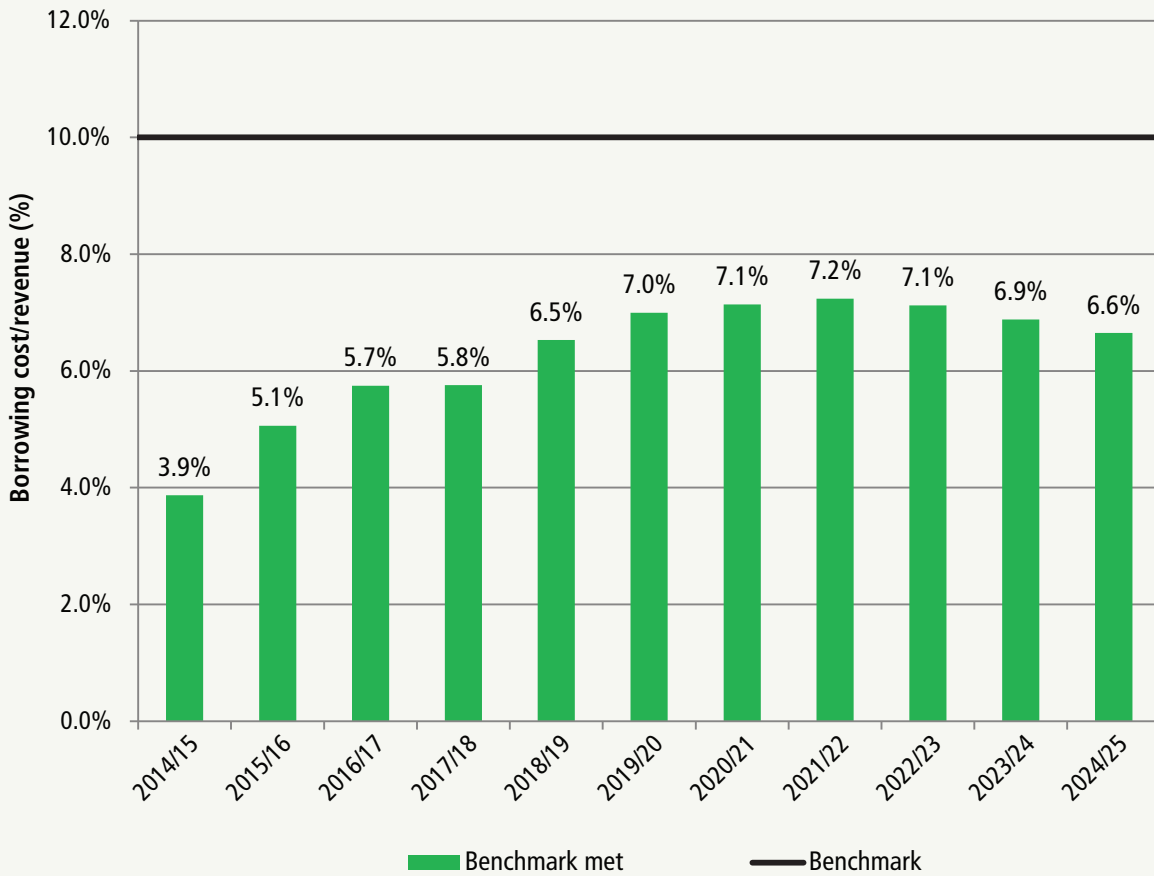


## DEBT SERVICING BENCHMARK

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

Over the life the LTP the council is well within this benchmark and the local government funding agency sets the benchmark of net interest at 20% of total revenue, which is still considered prudent by this institution.

Debt servicing benchmark

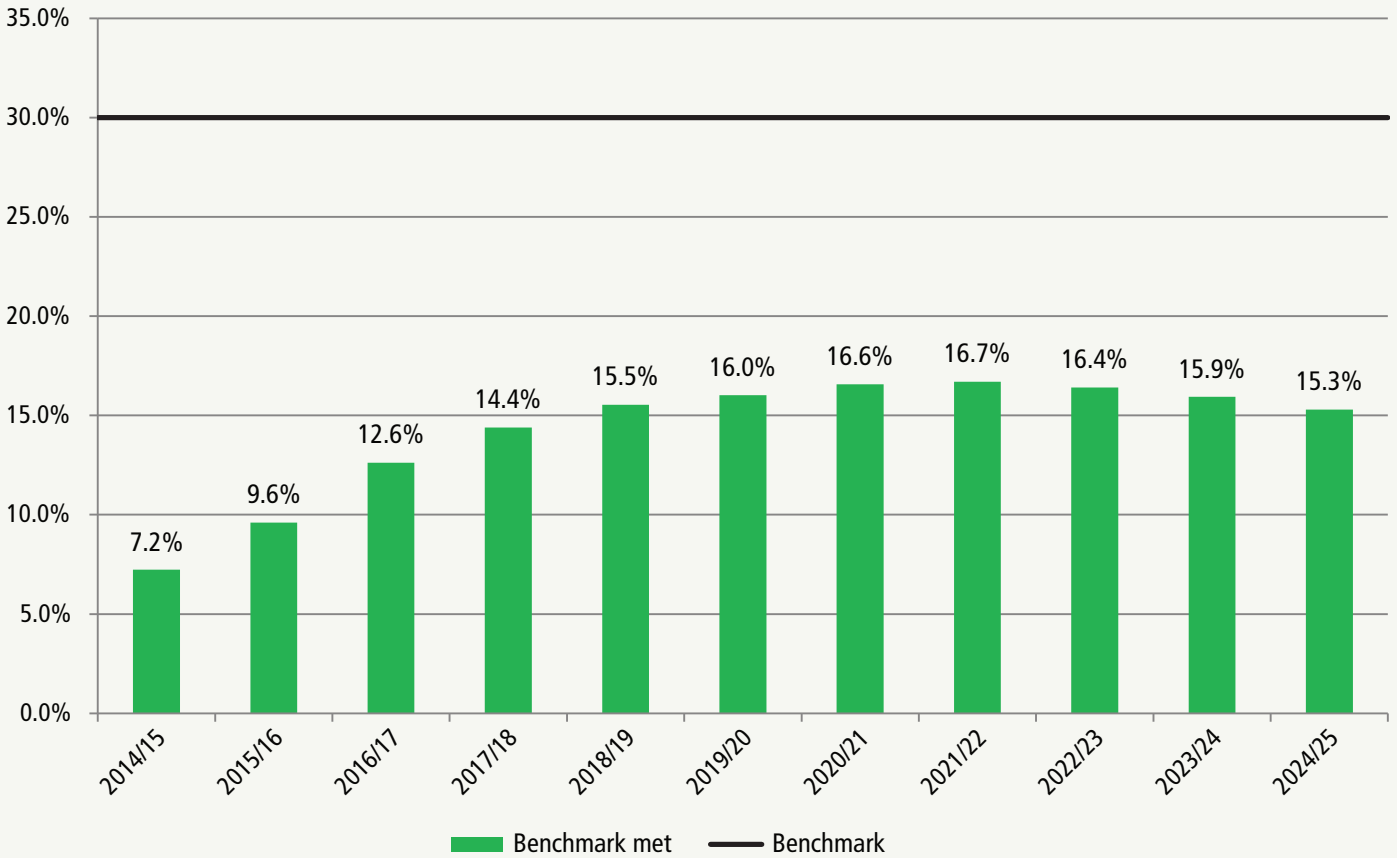


The council also adopts four measures of debt affordability in line with the LGFA limits on prudential lending to councils.

## DEBT AFFORDABILITY – DEBT SERVICING

Percentage of borrowing costs to rates and levies. A higher percentage indicates that there is more exposure to shifts in interest rates. Over the life the LTP the council is well within this benchmark.

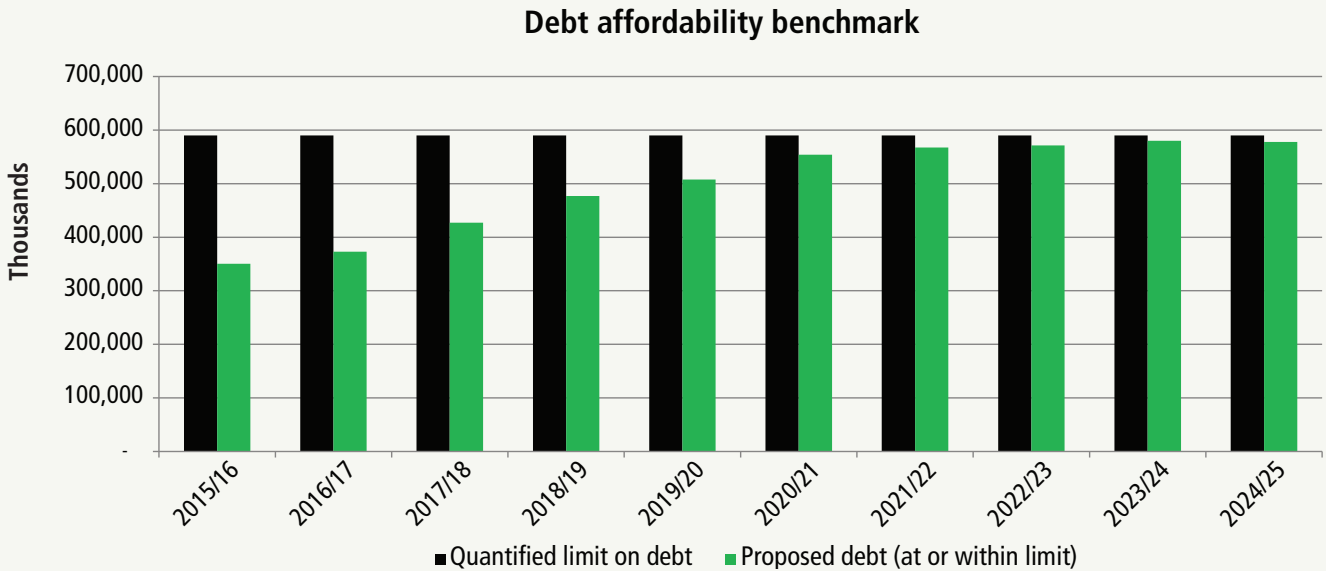
Debt affordability - Net Interest / Rates and Levies



## DEBT AFFORDABILITY – DEBT BALANCE

This graph shows the planned debt compared to the debt limit adopted in this LTP. The debt is projected to peak at \$580 million in 2023/24 as the full impact of the investment in upgrading the public transport network, the substantial flood protection work in the Hutt valley and the significant bulk water resilience projects are completed.

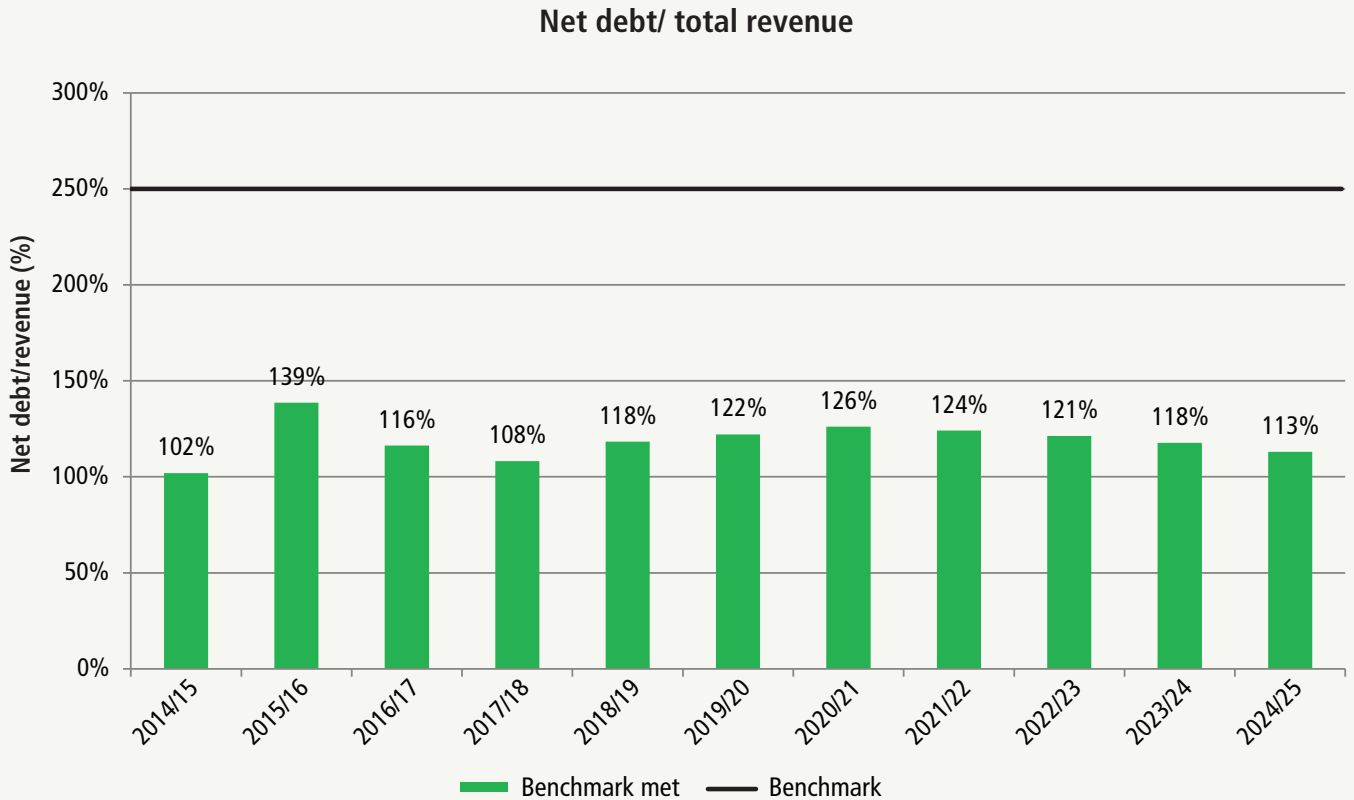
Over the life the LTP the council is within this benchmark.



## DEBT AFFORDABILITY – NET DEBT TO TOTAL REVENUE

This graph shows the proposed net debt as a percentage of total revenue. The net debt position provides a more accurate picture of the councils overall proposed debt position. Further offsetting net debt is our equity investments which return dividends to council.

Over the life the LTP the council is within this benchmark.



## ESSENTIAL SERVICES BENCHMARK – FLOOD PROTECTION AND WATER

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

Over the LTP period we are not meeting this benchmark. With very long life assets such as pipelines this is not unexpected due to the extremely long replacement cycles. Assets like stop banks for flood protection are not expected to be renewed unless damaged by floods so do not have a renewal expectation. Over the long term there will be periods of significant replacement that counters the short term outlook of this particular benchmark.

