



Total council financial statements

Prospective funding impact statement

OPERATING REVENUE

	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP ⁽¹⁾ \$000s
General rates	21,890	21,803	23,528
Targeted rates	40,060	48,186	49,064
Regional rates	61,950	69,989	72,592
Water supply levy	22,776	23,460	24,187
Government subsidies	102,777	81,670	92,012
Interest and dividends	4,779	4,136	4,495
Unrealised revaluation gains	4,405	3,809	5,403
Other operating revenue	16,913	17,621	17,378
Total external operating revenue	213,600	200,685	216,067

Note:

- (1) 2007/08 LTCCP numbers have been updated to reflect the *Amended 2006-16 Ten-Year Plan or LTCCP* (approved by the Council on 12 June 2007), which includes funding for the new regional economic development agency in relation to the Wellington Regional Strategy.
- (2) The operating deficit in the 2007/08 Plan is due to Greater Wellington funding the purchase of rail rolling stock through one of its Council Controlled Organisations (Greater Wellington Rail Ltd) by way of capital grants. These grants are now treated as operating expenditure, but in the *Proposed 2007/08 Annual Plan* and *2006-16 Ten-Year Plan (LTCCP)* they were treated as capital expenditure.
- (3) Non-cash items include depreciation, investment impairment, forestry cost of goods sold and unrealised revaluation gains.

OPERATING EXPENDITURE

	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP ⁽¹⁾ \$000s
Personnel cost	29,037	30,593	29,943
Grants and subsidies	55,461	123,127	62,012
Finance costs	5,674	4,975	6,685
Investment impairment	-	-	1,693
Depreciation	9,569	10,466	10,574
Other operating expenses	51,581	46,389	55,554
Total external operating expenditure	151,322	215,550	166,461
Operating surplus/(deficit) ⁽²⁾	62,278	(14,865)	49,606
Less:			
Capital expenditure and transport investments	100,529	25,495	71,486
Proceeds from asset sales	(390)	(346)	(309)
Loan funding of capital expenditure	(34,476)	(38,565)	(21,009)
Rate, levy and subsidy-funded capital expenditure	65,663	(13,416)	50,168
Other loan funding	(3,902)	(4,612)	(4,897)
Debt repayment	6,542	9,234	10,731
Other investment movements	1,806	2,062	1,791
Operational reserve movements	(472)	(263)	1,078
Non-cash items ⁽³⁾	(7,359)	(7,870)	(9,265)
Net funding required	-	-	-

Total council financial statements

Prospective income statement by outcome area



	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP ⁽¹⁾ \$000s
OPERATING REVENUE			
Environment	10,094	10,383	10,626
Transport	136,476	118,540	130,327
Water supply	24,198	24,955	25,623
Parks	6,306	6,548	7,088
Safety and flood protection	14,919	15,952	15,446
Land	10,805	10,979	11,029
Community	7,887	13,059	12,349
Investments	9,974	7,923	11,164
Other	2,078	2,217	2,292
Total operating revenue	222,737	210,556	225,944
Less:			
Internal operating revenue	9,137	9,871	9,877
Total external operating revenue	213,600	200,685	216,067

	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP ⁽¹⁾ \$000s
OPERATING EXPENDITURE			
Environment	10,329	10,552	10,709
Transport	77,295	137,009	86,213
Water supply	26,217	26,887	26,255
Parks	6,590	6,869	7,014
Safety and flood protection	12,106	12,931	12,854
Land	10,726	10,953	10,976
Community	6,062	11,389	10,647
Investments	9,057	6,796	9,689
Other	2,077	2,035	1,981
Total operating expenditure	160,459	225,421	176,338
Less:			
Internal operating expenditure	9,137	9,871	9,877
Total external operating expenditure	151,322	215,550	166,461
Operating surplus/(deficit) ⁽²⁾	62,278	(14,865)	49,606

Note:

- (1) 2007/08 LTCCP numbers have been updated to reflect the *Amended 2006-16 Ten-Year Plan or LTCCP* (approved by the Council on 12 June 2007), which includes funding for the new regional economic development agency in relation to the Wellington Regional Strategy.
- (2) The operating deficit in the 2007/08 Plan is due to Greater Wellington funding the purchase of rail rolling stock through one of its Council Controlled Organisations (Greater Wellington Rail Ltd) by way of capital grants. These grants are now treated as operating expenditure, but in the *Proposed 2007/08 Annual Plan* and *2006-16 Ten-Year Plan (LTCCP)* they were treated as capital expenditure.

A further breakdown of operating revenue and expenditure is contained in the Prospective Funding Impact Statements at the end of each outcome area section, eg. Environment is at page 22.

Please note that all figures on pages 84-91 exclude GST.



Total council financial statements

Prospective balance sheet

ASSETS

	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP \$000s
Cash and cash equivalents ⁽¹⁾	59,686	48,224	61,477
Other current assets	16,880	14,153	16,880
Current assets	76,566	62,377	78,357
Investments (non-current) ⁽²⁾	99,197	23,089	149,322
Forestry investments	19,389	18,194	21,611
Property, plant and equipment	553,419	561,209	562,984
Other non-current assets	-	-	-
Non-current assets	672,005	602,492	733,917
Total assets	748,571	664,869	812,274

RATEPAYERS' FUNDS

	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP \$000s
Retained earnings	430,339	345,854	478,867
Reserves	205,561	205,745	206,639
Total ratepayers' funds	635,900	551,599	685,506
LIABILITIES			
Debt (current)	2,482	2,767	3,397
Other current liabilities	19,230	19,154	19,230
Current liabilities	21,712	21,921	22,627
Debt (non-current)	90,959	91,349	104,141
Non-current liabilities	90,959	91,349	104,141
Total liabilities	112,671	113,270	126,768
Total equity and liabilities	748,571	664,869	812,274

Note:

- (1) A change in international financial reporting standards has meant some current assets have been reclassified into cash and cash equivalents, and some figures adjusted to aid comparability.
- (2) The large variance in investments in the 2007/08 Plan is due to the change in accounting treatment for the rail infrastructure improvements. Greater Wellington will provide capital grants to one of its Council Controlled Organisations (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets.

Total council financial statements

Prospective statement of cash flows



CASH FLOWS FROM OPERATING ACTIVITIES

Cash is provided from:

	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP ⁽¹⁾ \$000s
Regional rates	61,950	69,989	72,592
Water supply levy	22,776	23,460	24,187
Government subsidies	102,777	81,670	92,012
Interest and dividends	3,923	3,023	3,654
Fees, charges and other revenue	16,913	17,621	17,378
	208,339	195,763	209,823

Cash is disbursed to:

Interest	5,348	4,703	6,430
Payment to suppliers and employees ⁽²⁾	133,885	198,893	143,318
	139,233	203,596	149,748

Net cash flows from operating activities **69,106** **(7,833)** **60,075**

CASH FLOWS FROM INVESTING ACTIVITIES

Cash is provided from:

Sale of property, plant and equipment	390	346	309
	390	346	309

Cash is applied to:

Purchase of property, plant and equipment	20,237	24,518	20,447
Investment additions ⁽²⁾	81,242	1,928	51,988
	101,479	26,446	72,435

Net cash flows from investing activities **(101,089)** **(26,100)** **(72,126)**

CASH FLOWS FROM FINANCING ACTIVITIES

Cash is provided from:

Loan funding	38,053	42,904	25,651
	38,053	42,904	25,651

Cash is applied to:

Debt repayment	6,070	8,971	11,809
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Net cash flows from financing activities **31,983** **33,933** **13,842**

Net increase/(decrease) in cash and cash equivalents **-** **-** **1,791**

Opening cash and cash equivalents ⁽³⁾ **59,686** **48,224** **59,686**

Closing cash and cash equivalents **59,686** **48,224** **61,477**

Note:

- (1) 2007/08 LTCCP numbers have been updated to reflect the *Amended 2006-16 Ten-Year Plan or LTCCP* (approved by the Council on 12 June 2007), which includes funding for the new regional economic development agency in relation to the Wellington Regional Strategy.
- (2) The large variance in payments to suppliers and investments in the 2007/08 Plan is due to the change in accounting treatment for the rail infrastructure improvements. Greater Wellington will provide capital grants to one of its Council Controlled Organisations (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets.
- (3) A change in international financial reporting standards has meant some current assets have been reclassified into cash and cash equivalents, and some figures adjusted to aid comparability.



Total council financial statements

Prospective regional rates and capital expenditure

REGIONAL RATES

	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP ⁽¹⁾ \$000s
Environment	8,800	8,904	9,275
Transport	32,819	36,761	37,437
Water supply	-	-	-
Parks	5,522	5,472	6,115
Safety and flood protection	12,275	12,940	13,144
Land	4,133	4,550	4,261
Community	5,395	9,399	9,467
Investments	(7,698)	(8,742)	(7,841)
Other	704	705	734
Total regional rates	61,950	69,989	72,592

CAPITAL EXPENDITURE AND TRANSPORT INVESTMENT

	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP ⁽¹⁾ \$000s
Environment	481	401	275
Transport ⁽²⁾	82,897	7,086	55,153
Water supply	6,759	5,016	6,548
Parks	757	425	452
Safety and flood protection	6,827	8,499	4,973
Land	108	187	158
Community	45	65	67
Investments	1,536	1,919	2,220
Other	1,119	1,897	1,640
Total capital expenditure	100,529	25,495	71,486

Note:

- (1) 2007/08 LTCCP numbers have been updated to reflect the *Amended 2006-16 Ten-Year Plan or LTCCP* (approved by the Council on 12 June 2007), which includes funding for the new regional economic development agency in relation to the Wellington Regional Strategy.
- (2) The large movement in transport capital expenditure is due to the change in accounting treatment for the rail infrastructure improvements. Greater Wellington will provide capital grants to one of its Council Controlled Organisations (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets.

Total council financial statements

Prospective investments



EQUITY INVESTMENTS

New Zealand Local Government
Insurance Corporation Ltd shares
WRC Holdings Ltd shares ⁽¹⁾
Total equity investments

2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP \$000s
80	80	80
89,365	12,477	138,710
89,445	12,557	138,790

OTHER INVESTMENTS ⁽²⁾

Stadium advance
Total other investments

9,752	10,532	10,532
9,752	10,532	10,532

Total investments

99,197	23,089	149,322
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Investments (non-current)

99,197	23,089	149,322
99,197	23,089	149,322

Total investments

Note:

- (1) The change in the value of WRC Holdings Ltd shares in the 2007/08 Plan is due to a different method used to fund the purchase of rolling stock by the WRC Holdings Group. Previously this was to be done by increased share capital in WRC Holdings Ltd. This will now be funded by way of capital grants to one of Greater Wellington's Council Controlled Organisations (Greater Wellington Rail Ltd).
- (2) A change in international financial reporting standards has meant some current assets have been reclassified into cash and cash equivalents, and some figures adjusted to aid comparability.



Total council financial statements

Prospective reserves

	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP \$000s
Area of benefit reserves			
River rate reserves	702	1,220	949
Wairarapa scheme reserves	2,201	2,627	2,673
Transport reserves	1,466	(104)	1,551
Bovine tuberculosis rate reserve	759	760	702
Bioworks reserve	169	171	173
Akura nursery reserve	(7)	(18)	17
Contingency reserves			
Rural fire contingency reserve	51	52	51
Flood contingency reserve	975	1,336	1,237
Environment legal contingency reserve	310	329	328
Special reserves			
Election reserve	205	9	31
Corporate systems reserve	685	1,035	882
Total operational reserves	7,516	7,417	8,594
Revaluation of property, plant and equipment	198,045	198,328	198,045
Total revaluation reserves	198,045	198,328	198,045
Total reserves	205,561	205,745	206,639

Total council financial statements

Prospective debt



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	2006/07 Budget \$000s	2007/08 Plan \$000s	2007/08 LTCCP \$000s
Environment	296	404	386
Transport	25,480	35,343	34,144
Water supply	48,853	45,602	50,422
Parks	3,402	3,329	3,216
Flood protection	30,166	32,016	32,650
Harbour management	562	864	513
Stadium	18,566	17,498	17,498
WRC Holdings Group	2,206	1,906	1,901
Forestry	24,688	25,675	25,993
Property	1,910	2,302	3,656
Corporate systems	1,115	1,870	2,040
Total activities debt	157,244	166,809	172,419
Treasury internal funding	63,803	72,693	64,881
Total external debt	93,441	94,116	107,538
External debt (current)	2,482	2,767	3,397
External debt (non-current)	90,959	91,349	104,141
Total external debt	93,441	94,116	107,538