

Report 15.476  
Date 24 September 2015  
File CFO/02/01/16

Committee Council  
Author Mark Ford, Strategic Finance Manager

## Annual Report for the year ended 30 June 2015

### 1. Purpose

To request that Council adopt Greater Wellington Regional Council's (GWRC) Annual Report and Summary Annual Report for the year ended 30 June 2015.

### 2. Background

Under the Local Government Act 2002 the Council is formally required to adopt its Annual Report by 31 October each year. The Annual Report and Summary Annual Report will be sent under separate cover (**Attachments 1 and 2**).

The Annual Report 2015 reports against the Annual Plan 2014/15 and the Long Term Plan 2012-22.

At its meeting on 24 September 2015, the Finance, Risk and Assurance Committee reviewed the draft accounts and recommended that they be adopted by the Council at its meeting on 30 September 2015, subject to final audit clearance (Report 15.459 refers).

The Council received full year end reviews for all groups for review in report 15.238. These financial statements are consistent with those reports.

We are continuing to work with Audit NZ to finalise the annual report, but at this stage it is not expected that there will be any major changes required. We expect they will issue their clear audit opinion once the Council approves the Annual Report on 30 September 2015.

Andy Burns, Director and Gregory McDonald from Audit New Zealand will be in attendance at the Council meeting on the 30 September 2015 to summarise the results of the annual audit and to answer any questions that the Council may have.

### 3. Reserves

A detailed analysis of reserve movements during the 2014/15 year is provided, along with explanations of variances between budgeted and actual reserve movements (**Attachment 3**). All variances between budgeted and actual reserve movements will need to be approved by the Council at its meeting on 30 September 2015 as part of its adoption of the Annual Report 2015.

The Council has four types of reserves which are categorised as follows:

- *Reserves for each different area of benefit*

These reserves are used where there is a discrete set of rate or levy payers as distinct from the general rate, e.g., Regional Water Supply, Public Transport, River Rates, and Wairarapa Schemes.

Any funding surplus or deficit relating to these areas of benefit is applied to the specific reserves, in proportion to their respective revenue and financing policy ratios.

- *Contingency reserves*

The Council has traditionally set aside reserves that can be made available when a specific unforeseen event occurs, for example, the flood contingency reserve.

The release of these funds generally can only be approved by a Committee and/or the Council. There is some delegation to the Chief Executive and General Managers. These reserves are long-term in nature.

- *Special reserves*

The special reserves of the Council are the Election Reserve and Corporate Systems Reserve. The reserves smooth the costs of elections and system upgrades.

- *Reserves where there has been rebudgeting of expenditure*

If a specific project has not been completed during the financial year, and if it is appropriate, it is rebudgeted for the following year.

Funds are then made available in the following year for these projects. The main mechanism for this is the use of a reserve, so that the Council does not rate the community twice for the same project.

Councillors review the reserves each year during the annual plan process to determine how the reserves will be utilised in the following years

## **4. Non-financial results**

The Council is required to compare its actual performance with the intended level of performance set out in the Long Term Plan 2012-22 and the Annual Plan 2014/15.

The Long Term Plan 2012-22 introduced a new performance management framework for GWRC. 2014/15 has been a very successful year for GWRC, as detailed in the “Key Achievements” section of the Annual Report. GWRC has achieved its intended level of performance, with nearly all performance targets met.

## **5. Communications**

A press release will be prepared for the Council meeting on 30 September. The Council is required, one month after adoption of its Annual Report, to make the report and a summary document available to the public.

## **6. The decision-making process and significance**

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

### **6.1 Significance of the decision**

Part 6 requires GWRC to consider the significance of the decision. The term ‘significance’ has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

The Council is required to formally adopt the Annual Report.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

## **7. Engagement**

No engagement is required.

## **8. Recommendations**

*That the Council:*

- 1. Receives the report.*

2. *Notes its contents.*
3. *Approves the following net amounts, in addition to those budgeted, being added to or (deducted) from the respective reserves:*

Reserve	Balance	Ref.
<i>Public Transport Rate Reserve</i>	2,351,290	B1
<i>Sustainable Transport Department Reserve</i>	57,854	B2
<i>Transport Planning Reserve</i>	43,978	A1
<i>Transport Data &amp; Analysis Reserve</i>	-54,690	B3
<i>Wai Bovine TB Rate - Bov TB</i>	-32,754	B4
<i>Possum Predator Rate Reserve</i>	59,192	A2
<i>Wai Rating Schemes-Catchment Awhea</i>	-7,989	B5
<i>Wai Rating Schemes-Catchment Whareama</i>	-1,737	A3
<i>Wai Rating Schemes-Catchment Homewood</i>	268	A4
<i>Wai Rating Schemes-Catchment Mataikona</i>	2,524	A5
<i>Wai Rating Schemes-Catchment Maungaraki</i>	-5,021	B6
<i>Wai Rating Schemes-Catchment Kaiwhata</i>	82	A6
<i>Wai Rating Schemes-Drainage</i>	111,962	A7
<i>Wai Shingle Royalty</i>	3,542	A8
<i>Wai Rating Schemes-River LWVD-Opex</i>	-252,566	A9
<i>Wai Rating Schemes-River Waiohine-Opex</i>	-7,467	A10
<i>Wai Rating Schemes - Gladstone</i>	9,314	A11
<i>Wai Rating Schemes-River Waipoua</i>	5,381	A12
<i>Wai Rating Schemes-River Waingawa</i>	4,332	A13
<i>Wai Rating Schemes-River Lower Taueru</i>	-451	B7
<i>Wai Rating Schemes-River Lower Whangaehu</i>	11	B8
<i>Wai Rating Schemes- Te Ore Ore</i>	30,434	A14
<i>Wai Rating Schemes - Mt Bruce</i>	4,952	A15
<i>Wai Rating Schemes - Kopuaranga</i>	-3,001	B9
<i>Wai Rating Schemes-River LWVD - Capex</i>	257,360	B10
<i>Wai Rating Schemes-River Waiohine - Capex</i>	19,730	B11
<i>Wairarapa Workshop</i>	6,746	A16
<i>WREMO Reserve (TA contributions)</i>	309,812	B12
<i>Biodiversity Key Native Eco System Reserve</i>	55,849	A17
<i>Wairarapa Moana Ministry for the Environment Reserve</i>	-50,935	B13
<i>Forestry Infrastructure Reserve</i>	500,000	A18
<i>Regional Parks Reserve</i>	760,000	A19
<i>Akura Nursery Reserve</i>	-31,023	B14
<i>Bioworks</i>	120,000	A20
<i>River Rate Reserve-Hutt City</i>	-152,324	A21
<i>River Rate Reserve-Kapiti Coast</i>	-65,406	A22
<i>River Rate Reserve-Porirua City</i>	1,126	A23
<i>River Rate Reserve-Upper Hutt City</i>	2,598	A24
<i>River Rate Reserve-Wellington City</i>	8,826	A25
<i>Wellington</i>	-141,527	A26
<i>Election Reserve</i>	174,224	A27
<i>IT Operations Capex Reserve</i>	1,500,000	B15
<i>Wgtn Regional Strategy - Office</i>	87,220	A28
<i>Rebudget 15/16:Bus Rapid Transit Implementation</i>	240,000	A29
<i>Rebudget 15/16:KNE Other Activities</i>	100,000	A30
<i>Rebudget 15/16:Strategy and Advice</i>	100,000	A31

Rebudget 15/16:Annual Plan & LTCCP Costs	80,000	A32
Rebudget 15/16:Aro Reservoir overflow pipe recoating	35,000	A33
Rebudget 15/16:Waterloo Wellfield Seismic Damage Investigate	35,000	A34
Rebudget 15/16:Iron Bacteria Studies	28,000	A35
Rebudget 15/16:Waterloo Well Field Risk Planning	38,000	A36
Rebudget 15/16:Water Supply Risk Management Framework	40,000	A37

Reserve	Balance	Ref.
Rebudget 15/16:Information system improvement plan	28,000	A38
Rebudget 15/16:Pipeline Resilience Planning	40,000	A39
Rebudget 15/16:Integrated Ticketing Investigation	40,000	A40
Rebudget 15/16: Bio Plants Admin	50,000	A41
Rebudget 15/16:Waiwhetu FMP	4,951	A42
Rebudget 15/16:Upper Wairarapa FMP Phase 1	5,211	A43
Rebudget 15/16:Resource consent project	13,029	A44
Rebudget 15/16:River Works Chrystalls to Gorge	13,592	A45
Rebudget 15/16:Lower Waitohu Improvements	15,784	A46
Rebudget 15/16:Jim Cook Park Stopbank	28,937	A47
Rebudget 15/16:Transport Model Capex	1,208	A48
Rebudget 15/16:Minor Works budgets	3,636	A49
Rebudget 15/16:Structural assessment of WS buildings 14-15	5,068	A50
Rebudget 15/16:Riverstone Terraces direct supply pipeline	1,200	A51
Rebudget 15/16:Install Sar St Pump Starters and standby pump	1,545	A52
Rebudget 15/16:UH Depot Capex	3,508	A53
Rebudget 15/16:EH Muritai-Butterfly realignment	1,585	A54
Rebudget 15/16:QEP LTP Heritage precinct	14,043	A55
Rebudget 15/16:CAPEX - Hummingbird replacement (EDRMS)	111,995	A56
	<u>6,761,008</u>	

4. ***Adopts the Annual Report and Summary Annual Report for the year ended 30 June 2015, subject to receiving final audit clearance.***
5. ***Authorises the Council Chair and Chief Executive to make minor changes that may arise as part of finalising the audited Annual and Summary Annual Reports for the year ended 30 June 2015.***

Report prepared by:

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Report approved by:

**Dave Humm**  
General Manager, Corporate  
Services / CFO

Report approved by:

**Luke Troy**  
General Manager, Strategy

**Attachment 1:** Annual Report for the year ended 30 June 2015

**Attachment 2:** Summary Annual Report for the year ended 30 June 2015

**Attachment 3:** Explanations of Unbudgeted Reserve Movements for the year ended 30 June 2015