
Our 10-Year Plan

Wellington City Council, Draft Financial Statements

**PROSPECTIVE STATEMENT OF
COMPREHENSIVE REVENUE AND
EXPENSE**

	2017/18 AP	2018/19 LTP	Variance to AP	Notes	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000s	\$000s	\$000s		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME													
Revenue from rates	296,806	310,597	13,791		326,426	351,119	376,276	400,454	426,835	448,302	467,472	482,769	493,993
Revenue from development contributions	2,000	2,000	-		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Revenue from grants, subsidies and reimbursements	55,913	31,850	(24,063)		34,911	24,593	54,283	22,853	22,988	23,563	23,285	22,441	22,583
Revenue from operating activities	130,702	143,211	12,509		145,602	148,488	152,253	170,007	174,080	180,301	185,461	191,934	198,362
Investments	22,454	24,196	1,742		25,861	26,123	27,050	28,129	28,415	28,715	29,015	29,315	29,640
Fair value movement on investment property revaluation	3,058	4,262	1,204		4,820	5,408	5,527	5,649	6,036	6,443	6,598	7,037	7,502
Other revenue	1,050	1,100	50		1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Finance revenue	704	13	(691)		13	13	60	154	201	201	201	221	238
TOTAL INCOME	512,687	517,229	4,542		540,733	558,844	618,549	630,346	661,655	690,625	715,132	736,817	755,418
EXPENSE													
Finance expense	25,420	25,357	(63)		32,526	41,710	48,513	53,879	57,664	60,184	62,660	65,932	68,398
Expenditure on operating activities	348,489	363,605	15,116		376,471	385,179	395,869	418,610	424,415	437,766	448,219	459,963	470,199
Depreciation and amortisation	106,417	114,942	8,525		121,786	132,928	139,477	150,249	165,135	178,158	189,562	198,708	206,047
TOTAL EXPENSE	480,326	503,904	23,578		530,783	559,817	583,859	622,738	647,214	676,108	700,441	724,603	744,644
NET SURPLUS FOR THE YEAR	32,361	13,325	(19,036)		9,950	(973)	34,690	7,608	14,441	14,517	14,691	12,214	10,774
OTHER COMPREHENSIVE INCOME													
Fair value movement - property, plant and equipment - net	122,876	-	(122,876)		-	-	-	-	-	-	-	-	-
Share of equity accounted surplus from associates	-	-	-		-	-	-	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	122,876	-	(122,876)		-	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	155,237	13,325	(141,912)		9,950	(973)	34,690	7,608	14,441	14,517	14,691	12,214	10,774

**PROSPECTIVE STATEMENT OF
FINANCIAL POSITION**

	2017/18 AP	2018/19 LTP	Variance to AP	Notes	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000s	\$000s	\$000s		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS													
Current assets													
Cash and cash equivalents	1,144	440	(704)		279	298	481	336	475	193	425	496	390
Derivative financial assets	-	-	-		-	-	-	-	-	-	-	-	-
Receivables and recoverables	48,542	50,163	1,621		51,325	52,883	54,705	60,505	62,446	64,852	66,911	69,214	71,370
Prepayments	13,414	13,428	14		13,922	14,231	14,624	15,629	15,817	16,388	16,802	17,282	17,674
Inventories	932	974	42		996	1,012	1,041	1,065	1,093	1,118	1,142	1,178	1,211
Total current assets	64,032	65,005	973		66,522	68,424	70,851	77,535	79,831	82,551	85,280	88,170	90,645
Non-current assets													
Other financial assets	17,016	14,046	(2,970)		15,729	17,862	19,201	19,863	20,250	21,109	22,570	22,945	22,948
Intangibles	28,306	31,871	3,565		35,306	38,036	39,495	38,562	37,271	35,510	35,783	41,620	44,730
Investment properties	221,512	241,013	19,501		245,833	251,241	256,768	262,417	268,453	274,896	281,494	288,531	296,033
Property, plant & equipment	7,004,869	7,199,595	194,726		7,466,227	7,650,534	7,756,615	7,990,820	8,105,651	8,174,585	8,517,183	8,630,952	8,628,904
Investment in subsidiaries	5,071	5,071	-		5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071
Investment in associates	19,465	19,465	-		19,465	19,465	19,465	19,465	19,465	19,465	19,465	19,465	19,465
Total non-current assets	7,296,239	7,511,061	214,822		7,787,631	7,982,209	8,096,615	8,336,198	8,456,161	8,530,636	8,881,566	9,008,584	9,017,151
TOTAL ASSETS	7,360,271	7,576,066	215,795		7,854,153	8,050,633	8,167,466	8,413,733	8,535,992	8,613,187	8,966,846	9,096,754	9,107,796
LIABILITIES													
Current liabilities													
Derivative financial liabilities	-	-	-		-	-	-	-	-	-	-	-	-
Trade and other payables	62,060	68,535	6,476		70,576	76,746	76,102	70,713	71,751	79,436	87,618	80,252	78,866
Revenue in advance	13,132	14,412	1,280		14,653	14,943	15,322	17,109	17,519	18,145	18,664	19,316	19,963
Borrowings	269,984	125,000	(144,984)		153,000	126,500	181,000	105,000	115,000	115,000	105,000	100,000	100,000
Employee benefit liabilities and provisions	7,807	8,373	566		8,639	8,860	9,109	9,366	9,541	9,723	9,919	10,115	10,328
Provision for other liabilities	12,028	8,881	(3,147)		6,746	4,131	3,214	2,593	2,303	2,288	2,309	2,356	2,408
Total current liabilities	365,011	225,201	(139,809)		253,614	231,180	284,747	204,781	216,114	224,592	223,510	212,039	211,565
Non-current liabilities													
Derivative financial liabilities	-	-	-		-	-	-	-	-	-	-	-	-
Trade and other payables	630	630	-		630	630	630	630	630	630	630	630	630
Borrowings	258,167	489,494	231,327		566,708	726,519	755,727	873,107	887,298	941,007	1,042,325	1,070,775	1,070,934
Employee benefit liabilities	1,467	1,305	(162)		1,346	1,381	1,419	1,459	1,487	1,515	1,546	1,576	1,609
Provisions for other liabilities	28,110	23,384	(4,726)		19,044	17,388	16,718	16,739	17,118	17,581	18,092	18,626	19,176
Total non-current liabilities	288,374	514,813	226,439		587,728	745,918	774,494	891,935	906,533	960,733	1,062,593	1,091,607	1,092,349
TOTAL LIABILITIES	653,385	740,014	86,629		841,342	977,098	1,059,241	1,096,716	1,122,647	1,185,325	1,286,103	1,303,646	1,303,914
EQUITY													
Accumulated funds and retained earnings	5,077,829	5,106,785	28,956		5,115,966	5,114,204	5,148,093	5,154,881	5,168,483	5,182,140	5,195,953	5,207,266	5,217,119
Revaluation reserves	1,611,454	1,716,629	105,175		1,883,438	1,945,135	1,945,135	2,146,319	2,228,206	2,228,206	2,466,396	2,566,547	2,566,547
Hedging reserve	-	-	-		-	-	-	-	-	-	-	-	-
Fair value through other comprehensive income reserve	1,648	2,888	1,240		2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888
Restricted funds	15,955	9,750	(6,205)		10,519	11,308	12,109	12,929	13,768	14,628	15,506	16,407	17,328
TOTAL EQUITY	6,706,886	6,836,052	129,166		7,012,811	7,073,535	7,108,225	7,317,017	7,413,345	7,427,862	7,680,743	7,793,108	7,803,882
TOTAL EQUITY AND LIABILITIES	7,360,271	7,576,066	215,795		7,854,153	8,050,633	8,167,466	8,413,733	8,535,992	8,613,187	8,966,846	9,096,754	9,107,796

**PROSPECTIVE STATEMENT OF CHANGES
IN EQUITY**

	2017/18 AP	2018/19 LTP	Variance to AP	Notes	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000s	\$000s	\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
EQUITY - OPENING BALANCES													
Accumulated funds and retained earnings	5,046,221	5,094,214	47,993		5,106,785	5,115,966	5,114,204	5,148,093	5,154,881	5,168,483	5,182,140	5,195,953	5,207,266
Revaluation reserves	1,488,578	1,716,629	228,051		1,716,629	1,883,438	1,945,135	1,945,135	2,146,319	2,228,206	2,228,206	2,466,396	2,566,547
Hedging reserve	-	-	-		-	-	-	-	-	-	-	-	-
Fair value through other comprehensive income reserve	1,648	2,888	1,240		2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888
Restricted funds	15,202	8,996	(6,206)		9,750	10,519	11,308	12,109	12,929	13,768	14,628	15,506	16,407
TOTAL EQUITY - Opening balance	6,551,649	6,822,727	271,078		6,836,052	7,012,811	7,073,535	7,108,225	7,317,017	7,413,345	7,427,862	7,680,743	7,793,108
CHANGES IN EQUITY													
Retained earnings													
Net surplus for the year	32,361	13,325	(19,036)		9,950	(973)	34,690	7,608	14,441	14,517	14,691	12,214	10,774
Transfer to restricted funds	(4,518)	(3,269)	1,249		(3,337)	(3,410)	(3,478)	(3,555)	(3,636)	(3,722)	(3,808)	(3,901)	(3,995)
Transfer from restricted funds	3,765	2,515	(1,250)		2,568	2,621	2,677	2,735	2,797	2,862	2,930	3,000	3,074
Revaluation reserves													
Fair value movement - property, plant and equipment - net	122,876	-	(122,876)		-	-	-	-	-	-	-	-	-
Hedging reserve													
Share of other comprehensive income	-	-	-		166,809	61,697	-	201,184	81,887	-	238,190	100,151	-
Restricted Funds													
Transfer to retained earnings	(3,765)	(2,515)	1,250		(2,568)	(2,621)	(2,677)	(2,735)	(2,797)	(2,862)	(2,930)	(3,000)	(3,074)
Transfer from retained earnings	4,518	3,269	(1,249)		3,337	3,410	3,478	3,555	3,636	3,722	3,808	3,901	3,995
TOTAL COMPREHENSIVE INCOME	155,237	13,325	(141,912)		176,759	60,724	34,690	208,792	96,328	14,517	252,881	112,365	10,774
EQUITY - CLOSING BALANCES													
Accumulated funds and retained earnings	5,077,829	5,106,785	28,956		5,115,966	5,114,204	5,148,093	5,154,881	5,168,483	5,182,140	5,195,953	5,207,266	5,217,119
Revaluation reserves	1,611,454	1,716,629	105,175		1,883,438	1,945,135	1,945,135	2,146,319	2,228,206	2,228,206	2,466,396	2,566,547	2,566,547
Fair value through other comprehensive revenue and expense	0	0	-		-	-	-	-	-	-	-	-	-
Restricted funds	1,648	2,888	1,240		2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888
Hedging reserve	15,955	9,750	(6,205)		10,519	11,308	12,109	12,929	13,768	14,628	15,506	16,407	17,328
TOTAL EQUITY - Closing balance	6,706,886	6,836,052	129,166		7,012,811	7,073,535	7,108,225	7,317,017	7,413,345	7,427,862	7,680,743	7,793,108	7,803,882

PROSPECTIVE STATEMENT OF CASH FLOWS

	2017/18 AP	2018/19 LTP	Variance to AP	Notes	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000s	\$000s	\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES													
Receipts from rates - Council	278,112	320,944	42,832		325,080	349,223	374,171	395,397	424,609	445,878	465,351	480,595	492,065
Receipts from rates - Greater Wellington Regional Council	60,573	64,762	4,189		68,028	73,242	78,562	83,541	89,146	93,745	97,664	100,878	103,345
Receipts from activities and other income	140,506	132,595	(7,911)		149,127	152,216	156,015	174,151	177,875	184,045	189,142	195,557	201,881
Receipts from grants and subsidies - operating	9,600	6,646	(2,954)		6,655	6,686	6,674	6,664	6,691	6,688	6,673	6,665	6,668
Receipts from grants and subsidies - capital	46,313	25,204	(21,109)		28,256	17,907	47,609	16,189	16,297	16,875	16,612	15,776	15,915
Receipts from investment property lease rentals	11,214	11,215	1		11,215	11,215	11,215	11,215	11,215	11,215	11,215	11,215	11,215
Cash paid to suppliers and employees	(317,801)	(332,959)	(15,158)		(338,443)	(340,315)	(353,544)	(376,750)	(378,150)	(384,614)	(394,837)	(411,463)	(417,681)
Rates paid to Greater Wellington Regional Council	(60,573)	(64,762)	(4,189)		(68,028)	(73,242)	(78,562)	(83,541)	(89,146)	(93,745)	(97,664)	(100,878)	(103,345)
Grants paid	(45,651)	(38,972)	6,679		(42,996)	(45,622)	(43,846)	(44,597)	(45,402)	(48,375)	(48,305)	(51,339)	(52,275)
NET CASH FLOWS FROM OPERATING ACTIVITIES	122,293	124,673	2,380		138,894	151,310	198,294	182,269	213,135	231,712	245,851	247,006	257,788
CASH FLOWS FROM INVESTING ACTIVITIES													
Dividends received	11,240	12,981	1,741		14,646	14,908	15,835	16,914	17,200	17,500	17,800	18,100	18,425
Interest received	704	13	(691)		13	13	60	154	201	201	201	221	238
Proceeds from sale of property, plant and equipment	10,350	2,000	(8,350)		(2,000)	9,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Purchase of Intangibles	(8,162)	(7,717)	445		(7,822)	(7,641)	(6,485)	(4,259)	(4,293)	(4,324)	(5,081)	(7,472)	(4,818)
Purchase of property, plant and equipment	(187,584)	(213,080)	(25,496)		(214,897)	(257,539)	(243,377)	(184,062)	(194,244)	(240,037)	(287,736)	(216,927)	(205,497)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(173,452)	(205,803)	(32,351)		(210,060)	(240,759)	(231,967)	(169,253)	(179,136)	(224,660)	(272,816)	(204,078)	(189,652)
CASH FLOWS FROM FINANCING ACTIVITIES													
New borrowings	313,020	234,005	(79,015)		375,198	258,311	236,708	167,880	205,191	158,709	206,318	138,450	105,159
Repayment of borrowings	(224,977)	(126,000)	98,977		(269,984)	(125,000)	(153,000)	(126,500)	(181,000)	(105,000)	(115,000)	(115,000)	(105,000)
Interest paid on borrowings	(26,863)	(27,085)	(222)		(34,209)	(43,843)	(49,852)	(54,541)	(58,051)	(61,043)	(64,121)	(66,307)	(68,401)
NET CASH FLOWS FROM FINANCING ACTIVITIES	61,180	80,920	19,740		71,005	89,468	33,856	(13,161)	(33,860)	(7,334)	27,197	(42,857)	(68,242)
Net increase/(decrease) in cash and cash equivalents	10,021	(210)	(10,231)		(161)	19	183	(145)	139	(282)	232	71	(106)
Cash and cash equivalents at beginning of year	(8,877)	650	9,527		440	279	298	481	336	475	193	425	496
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,144	440	(704)		279	298	481	336	475	193	425	496	390

PROSPECTIVE STATEMENT OF CHANGES IN RESTRICTED FUNDS

	OPENING BALANCE 2018/19 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE 2027/28 \$000	Purpose
SPECIAL RESERVES AND FUNDS					
Reserve purchase and development fund	782	0	0	782	Used to purchase and develop reserve areas within the city.
Economic initiatives development fund	2,862	19,338	(19,338)	2,862	
Insurance reserve	4,906	16,577	(8,291)	13,192	Allows the Council to meet the uninsured portion of insurance claims
Total special reserves and funds	8,550	35,915	(27,629)	16,836	
TRUSTS AND BEQUESTS					
A Graham Trust	3	1	-	4	For the upkeep of a specific area of Karori Cemetery
A W Newton Bequest	334	172	(150)	356	For the benefit of art (Fine Arts Wellington), education (technical and other night schools) and athletics (rowing)
E A McMillan Estate	6	-	-	6	For the benefit of the public library
E Pengelly Bequest	16	5	-	21	For the purchase of children's books
F L Irvine Smith Memorial Greek NZ Memorial Association	7	2	-	9	For the purchase of books for the Khandallah Library For the maintenance and upgrade of the memorial
Kidsarus 2 Donation	5	2	-	7	
Kirkaldie and Stains Donation	4	1	-	5	For the purchase of children's books For the beautification of the BNZ site
QEII Memorial Book Fund	17	-	-	17	
Schola Cantorum Trust	22	10	-	32	For the purchase of books on the Commonwealth
Terawhiti Grant	8	3	-	11	For the purchase of musical scores
Wellington Beautifying	10	-	-	10	To be used on library book purchases
Wellington Beautifying	14	-	-	14	To be used on library book purchases
Total trusts and bequests	446	196	(150)	492	
Total restricted funds	8,996	36,111	(27,779)	17,328	

EXPLANATION OF SURPLUS

Items that are presented in the Prospective Statement of Comprehensive Revenue and Expense but do not offset rates.

	\$000's
Balanced Budget	0
Depreciation not funded by rates:	
<i>Depreciation collected for capital assets that will not be renewed</i>	
NZTA Transport funded projects	(9,569)
General	(70)
Moa Point sewerage treatment plant	(1,680)
Decommissioned Living Earth joint venture plant	(230)
Wellington Waterfront Limited Depreciation	(3,012)
Civic Campus	(701)
Total depreciation not funded by rates	(15,263)
Revenue received for capital purposes:	
<i>Funding received from external parties for major capital expenditure projects</i>	
NZTA capital funding	25,154
Housing ring-fenced surplus	(5,948)
Development contributions	2,000
Bequests, trust and other external funding	50
Total Revenue received for capital purposes	21,256
Items funded from prior year surpluses:	
City Growth Fund	(1,750)
Capital of Culture	(1,250)
Distric Plan Changes	(500)
Total items funded from prior year surplus	(3,500)
Additional operational expenditure items:	
<i>Operational expenditure items identified as equitable to be funded through other funding mechanisms</i>	
Alex Moore Park	55
Cable car	125
Odyssey - related	221
Roading	130
Toitu Poneke	80
Weathertight Homes funding	7,447
Westpac Stadium	400
Reserves purchases and development fund	(11)
Lets Get Wellington Moving	(1,037)
Convention Centre & Movie Museum Construction phase	(1,346)
Kilbirnie Bowling club demolition	28
Technology Infrastructure and Software	481
Unrealised fair value adjustment for loans and receivables	0
Fair value movement on investment property revaluation	4,262
Total additional items	6,572
Total Surplus	13,327

