

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Ordinary meeting of Te Kaunihera o Pōneke

Council agenda

Thursday, 15 December 2022,
9:30am
Ngake (16.09)
Level 16 Tahiwī, 113 The Terrace
Wellington



MEMBERSHIP

Mayor Whanau (Chair)
Deputy Mayor Foon (Deputy Chair)
Councillor Abdurahman
Councillor Apanowicz
Councillor Brown
Councillor Calvert
Councillor Chung
Councillor Free
Councillor Matthews
Councillor McNulty
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Randle
Councillor Wi Neera
Councillor Young

Have your say!

You can make a short presentation to the Councillors, Committee members, Subcommittee members or Community Board members at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8337, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru,	Cease oh winds of the west
Whakataka te hau ki te tonga.	and of the south
Kia mākinakina ki uta,	Let the bracing breezes flow,
Kia mātaratara ki tai.	over the land and the sea.
E hī ake ana te atākura.	Let the red-tipped dawn come
He tio, he huka, he hauhū.	with a sharpened edge, a touch of frost,
Tihei Mauri Ora!	a promise of a glorious day

At the appropriate time, the following karakia will be read to close the meeting.

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana,	Draw on the supreme sacredness
te wairua	To clear, to free the heart, the body
I te ara takatū	and the spirit of mankind
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

1.2 Apologies

The Chairperson invites notice from members of:

1. Leave of absence for future meetings of the Wellington City Council; or
2. Apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.3 Announcements by the Mayor

1.4 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.5 Confirmation of Minutes

The minutes of the meeting held on 16 November 2022 will be put to the Te Kaunihera o Pōneke | Council for confirmation.

1.6 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of the Wellington City Council

The Chairperson shall state to the meeting.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Wellington City Council.

Minor Matters relating to the General Business of the Wellington City Council

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Wellington City Council for further discussion.

1. 7 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 31.2 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

2. General Business

TE MATAPIHI DESIGN SCOPE AND FUNDING

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Te Kaunihera o Pōneke | Council seeks agreement to amend the current scope and funding provision of the Te Matapihi ki te Ao Nui project ('Te Matapihi').

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- | | |
|--|---|
| Strategic alignment with priority objective areas from Long-term Plan 2021–2031 | <input checked="" type="checkbox"/> Sustainable, natural eco city
<input checked="" type="checkbox"/> People friendly, compact, safe and accessible capital city
<input checked="" type="checkbox"/> Innovative, inclusive and creative city
<input type="checkbox"/> Dynamic and sustainable economy

<input type="checkbox"/> Functioning, resilient and reliable three waters infrastructure
<input type="checkbox"/> Affordable, resilient and safe place to live
<input type="checkbox"/> Safe, resilient and reliable core transport infrastructure network
<input checked="" type="checkbox"/> Fit-for-purpose community, creative and cultural spaces
<input checked="" type="checkbox"/> Accelerating zero-carbon and waste-free transition
<input checked="" type="checkbox"/> Strong partnerships with Mana Whenua |
|--|---|

Relevant Previous decisions

- 28 October 2020: Strategy and Policy Committee resolution to recommend inclusion of inclusion of \$178.7 million in the LTP
- 15 April 2021: Strategy and Policy Committee resolution for additional \$8.5 million to extend levels three and four
- 15 April 2021: Strategy and Policy Committee resolution for additional funding to obtain 5 Green Star rating
- 15 April 2021: Strategy and Policy Committee resolution to adopt service design guiding principles (refer to paragraph 33 for detailed resolutions)
- 30 June 2021: Council resolution to adopt the 2021-31 LTP
- 31 March 2022: Council resolution agreeing to use levels three and four of Te Matapihi for Democracy Services functions, Council Committee Rooms, Councillor space.

Significance

The decision is **rated medium significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

Financial considerations

- | | | | |
|------------------------------|--|--|--------------|
| <input type="checkbox"/> Nil | <input type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input checked="" type="checkbox"/> Unbudgeted | \$12 million |
|------------------------------|--|--|--------------|

2. This report seeks agreement to increase the Te Matapihi budget by \$12 million to address the implementation of Council Committee resolutions from 2021 as well as unexpected new legislative requirements.

Risk

| Low | Medium | High | Extreme

- 3. This report provides several options for Council’s consideration. Each option is accompanied by impact and consequences commentary (refer paragraph 90).
- 4. Of the options provided for in this report, Council is asked to note that descoping the project will incur cost to redesign the current design baseline. The extent of these redesign costs will depend on the extent of scope change.

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Taunakitanga | Officers' Recommendations

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Note that, for the Council meeting on 21 July 2020, a Statement of Proposal for the Future of the Central Library was prepared. The preferred option for consultation was Option C 'High Level Remediation i.e. a highly resilient and strengthened central library. The cost estimate range for the preferred option "Option C – High Level Remediation" was between \$174.4 million and \$199.8 million.
- 3) Note that in April 2021 it was agreed to extend the design scope and provide additional funding of \$10.4 million in the 2021-31 LTP to extend the floor plate of each of levels three and four, and to progress sustainability initiatives to achieve a 5 Green Star design rating.
- 4) Note that \$178.7 million for "Option C – High Level Remediation" and the additional \$10.4 million noted in Recommendation 3 were agreed to in June 2021 with the adoption of the 2021-31 Long Term Plan.
- 5) Note that new guiding design principles were established in April 2021, directing the Te Matapihi project to design a future focused visitor experience that represents Pōneke's unique cultural identity and integrates specific services including City Archive, Customer Service and Experience Wellington's Capital E.
- 6) Note that no budgetary adjustments have been made to enable the implementation of the April 2021 guiding design principles (Recommendation 5).
- 7) Note that the budget requests articulated in this report are informed by the 100% Developed Design Estimate which is a combination of design and real construction costs.
- 8) Note that the Te Matapihi project is on plan for practical completion in August 2025 and opening in quarter one calendar year 2026.
- 9) Note that while the building is undergoing significant construction activity, the project will address renewal requirements including roof and façade remediation, compliance and futureproofing works. Scheduling of these works will be addressed via the 2023/24 Annual Plan process.
- 10) Note that the Te Matapihi project is required to comply with new building code legislation introduced in November 2022 and that there is a need for additional budget as a result.
- 11) Agree to increase the Te Matapihi budget by \$505,000 to ensure the building is compliant with new legislative building code requirements.
- 12) Agree to increase the Te Matapihi project budget by \$6.5 million to design, build and install a range of cultural elements and enhancements that reflect Pōneke's diverse cultural identity (Strategy and Policy Committee 15 April 2021 meeting resolution applies).
- 13) Agree to increase the Te Matapihi project budget by \$5 million to deliver specialist creative spaces and facilities required to deliver the integrated service model, including Capital E (Strategy and Policy Committee 15 April 2021 meeting resolution applies).
- 14) Note that the above increases will be required in the following years:
 - FY 2023/24 \$9,005,000
 - FY 2024/25 \$3,000,000
- 15) Note that the above budget increases will be debt funded, the corresponding depreciation and interest costs will be updated via the annual plan process.

Whakarāpopoto | Executive Summary

5. Te Matapihi ki te Ao Nui is anticipated to be one of Wellington's most recognised and accessible cultural and creative spaces. Te Matapihi, located in Te Ngākau Civic Precinct, with the Te Ao Māori cultural identity at the heart of the design, will offer a place for all visitors, to explore, learn, play, perform and connect.
6. Te Matapihi will actively contribute to Council's long term strategic vision of Wellington 2040 – an inclusive, sustainable and creative capital for people to live, work and play.
7. Council has previously expressed a desire for the Te Matapihi project team to “consider the opportunities for and feasibility of optimising the building's footprint, including potential uses, costs and risks” (Strategy and Policy Committee meeting, 28 October 2020)
8. This directive coupled with the 2021 guiding service and design principles have guided the building and services design activity over the last 18 months.
9. The resulting design, as shared with Councillors in the 30 November briefing on Te Matapihi, is a cultural destination that will offer a suite of unified services across four resident teams (Library, City Archive, Customer Services, and Experience Wellington's Capital E) from self -service (e.g. borrowing collections, reading and study spaces) through to fully supported activities and events such as exhibitions, performances and school programmes.
10. The briefing workshop to Council (30 November 2022) identified several Council resolutions that have been progressed with robust cost estimates available to support the design thinking. The estimated costs cannot currently be funded from the existing project budget.
11. As of 3rd November 2022, building consent submissions are required to adhere to the 5th edition H1/AS1 and H1/VM1 documents. This legislative change will require the project to carry out additional work to ensure compliance.
12. This report seeks Council agreement to increase the Te Matapihi budget by \$12.05 million to enable the development and delivery of appropriate cultural elements that celebrate Wellington's cultural identity, deliver on Council requirements for integrated services within Te Matapihi and to ensure compliance with new legislative requirements.
13. In March 2019 structural vulnerabilities were identified with the central library building. The vulnerabilities were in relation to the hollowcore concrete flooring. Other notable Wellington buildings with hollowcore concrete flooring have also reported structural issues.
14. The Central Library was closed in March 2019 due to the risks to public safety in the event of an earthquake. Council has since established an interim CBD network to house the Library Collection and to deliver library services.
15. Public consultation on seismic structural remediation options was undertaken through a Special Consultative Procedure between July and September 2020. In total, 1,456 submissions were received.
16. A number of other non-structural remediation feedback themes were identified from the public consultation exercise. These were addressed at a later date separate to the

seismic structural remediation considerations. A summary of the additional themes is provided below.

- Putting knowledge at the centre
 - Future-proofing
 - The importance of Te Ngākau
 - The library as a multi-use, multi-purpose community space
 - Incorporating heritage elements
 - In addition, engagement with Mana Whenua resulted in Council's consideration of:
 - Te Ao Māori
 - The importance of place
 - The use of Te Reo Māori
 - Māori collections
 - Bicultural governance
 - Cultural competencies
17. The Strategy and Policy Committee, at its 28 October 2020 meeting discussed and agreed to recommend to Council to remediate the existing Central Library building to a high level of resilience and incorporate into the draft 2021-31 Long-Term Plan at a cost of \$178.7m.
18. The vision for the design and build of Te Matapihi as resolved by Council outlines:
19. An existing building of 17,000 sqm across the basement to Level Four with library and partners occupying 11,500 sqm across Basement to Level Two.
20. The redevelopment option adopted in the Council's 2021-2031 Long-term Plan (30 June 2021), was a highly resilient structural remediation and refurbishment of the existing central library building through base isolation with additional key elements of the option including:
- Significant Refurbishment: large scale upgrade and/or replacement of building services;
 - significant Interior refresh, incorporating opportunity for;
 - major layout reconfiguration of collections, facilities and activity spaces;
 - opportunity to deliver new and enhanced services and visitor experience;
 - optimal revenue generation where appropriate;
 - new shared spaces for community and civic activities;
 - stronger connection to Te Ngākau Civic Precinct and surrounding areas;
 - improved accessibility, and
 - Structural Remediation is to achieve a high level of building resilience through base isolation and an NBS in excess of 100%.
21. Strengthening and modernising Te Matapihi is one of Wellington City Council's (WCC) largest investments and will help return vibrancy to our inner city. This will be achieved through a reinterpretation of the design and use of space that allows for an integration of Library, City Archive, Customer Services and Experience Wellington's Capital E.

22. Capital E was displaced from Te Ngākau in 2012 when the building it occupied in the square was declared earthquake prone. It has occupied smaller commercial premises on Queens Wharf since 2014.
23. In addition, the redevelopment of Levels Three and Four of the building will bring Council's democratic functions back into the Te Ngākau Civic Precinct.
24. When Te Matapihi reopens Wellingtonians will regain not only the central library service, it will also be a centre for unique experiences, services and knowledge, within a fully seismically resilient heritage building for the next 50-75 years.
25. Te Matapihi will, among other aspects, reflect Wellington's cultural identity balanced with the essence of the original building and surrounds. Its spaces and collections will celebrate learning, creativity, art with the local identity and culture by carefully curating the Libraries' and City Archives' physical and digital collections.
26. Young people will be able to grow their creativity using Te Matapihi located Capital E services thereby complementing the library programmes.
27. To further support Te Matapihi as a place to gather and connect, it will also feature a large ground floor café, active spaces for meeting and making connections and quiet spaces to study and read.
28. Overall, Te Matapihi will provide significantly more space than that previously provided by the central library. A 13% increase in public open spaces (seating, circulation, collections etc) is enabled by the planned 62% decrease in back of house space. Other public spaces such as community rooms and makerspace will also benefit from a noticeable increase in space allocation.
29. The project has progressed through several design phases, Concept, Preliminary, and most recently Developed Design phase.
30. The completion of the 100% Developed Design is a major milestone in the design development for Te Matapihi as this delivers a high level of definition to design and accordingly clarifies and firms up the design and resultant estimated cost.
31. This cost estimate coupled with the award of construction contracts for separable portions A and B in September 2022 is expected to result in a cost profile that does not exceed the initial building remediation budget.
32. Te Matapihi is expected to open to the community in the first quarter of calendar year 2026.

Resolution Timeline

33. A number of resolutions have been made over the 2020 – 2022 period in relation to Te Matapihi. The history of resolutions is provided here for completeness.
 - i. **21 July 2020** Council meeting resolution to approve and adopt the Statement of Proposal for consultation (with the inclusion of three content amendments)
 - ii. **28 October 2020** Strategy and Policy Committee resolution to recommend to Council to incorporate Option C - High level Resilience as the preferred option into the draft Long-Term Plan at a cost of \$178.7m, noting the range for the project is \$161.71m to \$178.7m.
 - iii. **15 April 2021** Strategy and Policy Committee resolutions requiring the project to:

- a. Engage fully with Mana Whenua (including commencing use, from now, of the te reo name Te Matapihi ki te Ao Nui)
- b. Design for the visitor:
 - i. "whole of population" inclusion: traditional, new and future users;
 - ii. facilitating access to knowledge and knowledge services;
 - iii. anchoring social infrastructure in the city.
- c. Harness the power of partnership:
 - i. through an integrated (not just co-located) service from Libraries, City Archive and Council Service Centre;
 - ii. as the home of Capital E.
- d. Design a visitor experience that is modern, fit for the future, and Wellington:
 - i. a spatially flexible, accessible, modern environment speaking strongly of Wellington;
 - ii. a hub of creative, civic, and humanities activities and a visitor attraction in its own right;
 - iii. designed to evolve in response to ongoing digital and population change.
- iv. **30 June 2021** Council meeting resolved \$189 million (uninflated) being included in the 2021-31 Long-term Plan (LTP), comprising:
 - a. 28 October 2020 the Strategy and Policy Committee meeting resolved to recommend to Council inclusion of \$178.7 million in the LTP
 - b. 15 April 2021 the Strategy and Policy Committee meeting resolved to note that additional funding of \$8.5 million would be required through the LTP for the extension of level 3 and 4
 - c. 15 April 2021 the Strategy and Policy Committee meeting resolved to note that additional funding of \$1.9 million would be required through the LTP to satisfy the objective of obtaining a 5 Green Star rating for the building.
- v. **31 March 2022** Council meeting resolutions:
 - a) Agree that levels 3 and 4 of Te Matapihi are occupied by Wellington City Council on the basis that:
 - i. level 3 houses Council's Democracy Services functions, including Council Committee Rooms and Councillor space; and
 - ii. the balance of the space available on level 3 and all of level 4 is used as Council office workspace.
 - b. Instruct officers to undertake design and costing work for the internal fit out of levels 3 and 4 of Te Matapihi to identify the budget requirement for inclusion in the 2023/24 Annual Plan.

Kōrerorero | Discussion

34. The Council Strategy and Policy Committee resolution (28 October 202) agreed to:
 - Note that officers will report back to Councillors on the results of the design and service level brief inclusive of engaging with Mana Whenua and stakeholders for approval by March 2021, and this brief will ensure the principles of universal design are applied across the project.
35. The Council Strategy and Policy Committee resolution (15 April 2021) agreed to:
 - The extension of Levels Three and Four floor plate by circa 880m² to enable council officers to better utilise the building (to a base build design)
 - Obtain and fund a Green Star rating, and

- The associated estimated funding for the above approvals.
36. Council also as part of its resolutions of 15 April 2021 and 30 June 2021 (approving the LTP) confirmed the guiding service and design principles to be used on the project. Specifically, these are:
- Engage fully with Mana Whenua (including commencing use, from now, of the te reo name Te Matapihi ki te Ao Nui;
 - Design for the Visitor:
 - “whole of population” inclusion: traditional, new and future users;
 - facilitating access to knowledge and knowledge services; and
 - anchoring social infrastructure in the city.
 - Harness the power of partnership:
 - through an integrated (not just co-located) service from Libraries, City Archive and Council Services Centre; and
 - as the Home of Capital E.
 - Design a visitor experience that is modern, fit for the future:
 - A spatially flexible, accessible, modern environment speaking strongly of Wellington;
 - A hub of creative, civic, and humanities activities and a visitor attraction in its own right; and
 - Designed to evolve in response to ongoing digital and population change.
37. Further Council resolutions of 31 March 2022 noted:
- Agree that levels 3 and 4 of Te Matapihi are occupied by Wellington City Council on the basis that:
 - level 3 houses Council’s Democracy Services functions, including Council Committee Rooms and Councillor space; and
 - the balance of the space available on level 3 and all of level 4 is used as Council office workspace.
 - Instruct officers to undertake design and costing work for the internal fit out of levels 3 and 4 of Te Matapihi to identify the budget requirement for inclusion in the 2023/24 Annual Plan.

Te Matapihi | Wellington’s Cultural Identity

38. The 2020 public engagement and consultation on the future of the central library provided Council with a set of priority recommendations from the community. Included within these recommendations were the recommendation for inclusion of te ao Māori, cultural competencies and Māori collections.
39. Tihei Ltd, with the endorsement of Mana Whenua joined Te Matapihi’s project design team in 2021. Their perspective and experience enriches the design processes internally as well as with external partners.
40. The co-design process adopted by the project design team has sought to identify a number of cultural aspects that represent Wellington’s cultural identity, and in doing so establishing Te Matapihi as a uniquely Pōneke icon.
41. Particular emphasis has been placed on three key areas: entranceways, visitor reception desks and the Civic Room, thus ensuring visitors are welcomed through appropriate use of tikanga Māori and te reo Māori.

-
42. The retention, reuse and rearticulation of existing cultural elements from the old central library building is being guided by the co-design process, including the nikau plinths.
 43. Thirteen cultural elements of varying sizes and scale have been prioritised through the project design team's co-design process as those that best represent and embed Wellingtons cultural identity.
 44. The priority cultural elements have been grouped into three categories:
 - development of existing architectural elements to reset the design, including:
 - a. Nikau plinths – a redesign which reframes all Nikau Palms columns that are attached to the building to ground level framed by a bulb root, and redesign of the existing three nikau plinths, top of ramp on Harris street and 2 Nikau Palms that frame the Victoria street entrance
 - b. Landscaping works – that is responsive to Te Ngākau and New Zealand flora and fauna
 - enhancing essential core services through use of tikanga Māori and te reo Māori, including:
 - a. Civic Room
 - b. Greater enhancement of multiple entrances
 - c. Reception desks
 - new preferred cultural artworks and considerations, including:
 - a. Artworks and visitor experience elements including works from a prominent Māori poet on the on exterior of the building
 - b. Vertical discovery element.
 45. Co-design activities have progressed through the relevant design phases with cost estimates included within the recently received 100% Developed Design Estimate.
 46. Developed Design delivers a high level of definition to design and accordingly clarifies and firms up the design and resultant estimated cost.
 47. The full list of preferred cultural aspects prioritised by the project team is provided below:
 - Nikau Plinths (four): Harris Street columns to extend to the ground. Victoria Street to be co-designed.
 - The five remaining nikau columns will be considered within future Te Ngākau Civic Precinct projects.
 - Mezzanine level entry concept. Explore the cultural connection expanded via the updated principles for landscape, via the Gully
 - Further co-design with Wraights on the furniture/play elements within the Gully landscape
 - Te Ngākau Tomo, external paving and transition into the entry with the potential to play with the transition of material and design work.
 - Facade element extended to the footpath with, work to commemorate the life and contribution of Te Kare Papuni, Sturm (a poem)

- Victoria Street Tomo: co-design of paving design work, plinth re-design, lobby, transition into the internal lobby.
 - Victoria Street lobby sculpture / artwork
 - Harris Street Tomo: co-design of paving design and internal flooring transition, signage, and internal lobby space
 - Vertical discovery and play space
 - Enhanced front desk / reception areas incorporating te ao Māori elements
 - Enhanced Civic Reading Room entrance and interior design incorporating te ao Māori elements
 - Māori collection design (Library); and
 - The Interior strategy (including children's area)
48. The current project budget does not currently have any provision for delivering and embedding the cultural elements as described above. The estimated cost to deliver these is \$6.5 million.
49. It is recommended that Council increases the Te Matapihi budget by \$6.5 million.

Integrated services and spaces

50. Te Matapihi project scope was amended through the 15 April and 30 June 2021 Committee and Council resolutions, noting that the project will:
- Harness the power of partnership:
 - i. through an integrated (not just co-located) service from Libraries, City Archive and Council Service Centre; and
 - ii. as the home of Capital E.
51. There are a number of benefits to be achieved from the synergies and complementarity, most notably:
- the reinvigoration of Te Ngākau Civic Precinct and the surrounding area for the city,
 - shared use of same or similar spaces across Library and Capital E programmes e.g. makerspaces and digital activity areas, and
 - financial economies through co-location and shared services usage of the likes of office space, as well as essential services e.g. bathrooms.
52. Design activities have progressed significantly over the last 12 months, moving from preliminary design to 100% Developed Design. This has enabled the project team to have greater certainty as to the functional requirements and respective funding needs.
53. Included within the Developed Design is confirmation for specialist and intensified treatments required to manage sound and other requirements across Library and Capital E, including for example:
- Subdivision of open plan spaces including additional walls, plus new lighting, acoustic and thermal treatments

- Acoustic upgrade for the whole building (recognising the need for greater integration of spaces and services within the building)
 - Separate to the above, specialist acoustic standards and HVAC for the digital labs and maker space (library)
 - Upgrade of more hard wearing wall and flooring options to support longer life and therefore reduce maintenance needs
54. Without these more intensified and specialist treatments there is a very real risk of 'sound spill' into the quiet designed spaces. To mitigate this risk and protect the visitor experience, the project team have been working with specialist contractors to ensure the recommended solutions protect the experience of all Te Matapihi users as well as ensuring economic responsibility.
55. It is recommended that Council's request for the integration of services from Libraries, City Archives, Council Services Centre and Capital E within Te Matapihi continue to the preferred specification and that the Te Matapihi project budget is increased by \$5 million for these works.

Unanticipated Legislative Requirements

In the interest of improving the energy efficiency of New Zealand's building stock, the New Zealand Government (MBIE) has elected to revise the New Zealand Building Code regulations for energy efficiency (H1). As of 3rd November 2022, building consent submissions are required to adhere to the 5th edition H1/AS1 and H1/VM1 documents.

56. The Te Matapihi façade building consent is to be submitted in May 2023 so is therefore required to comply with the change in regulations outlined above.
57. Impact assessment activities undertaken by the project have determined that the building façade will need to be upgraded along with insulation improvements to achieve compliance with the consenting authority.
58. The change in regulation does however mean that the increased insulation will have a positive effect on energy consumption for the heating and ventilation system and improve sustainability outcomes.
59. It is recommended that the Te Matapihi project budget is increased by \$505,000 to address these legislative changes.

Roof and Façade remedial and futureproofing works

60. Council is asked to note that the project team will take the opportunity to address required roof and façade renewal works whilst the building has the relevant construction infrastructure in place such as scaffolding and scaffold shrink wrap.
61. The central library has been fully depreciated. Rates have funded the depreciation which has resulted in the ability to fund renewal activity such as this.
62. The anticipated cost of these works is \$2.9 million and the rescheduling of renewals will occur through the 2023/24 Annual Plan process.

General Comments - Market Conditions

63. The construction market continues to experience strong demand and forward pipeline along with the well-publicised supply chain disruptions. The continued government

- focus on infrastructure, healthcare and education spend continues to increase demand on the market.
64. Construction demand in Wellington is outstripping supply with capacity issues driving up construction costs.
 65. COVID-related supply chain disruptions are affecting the ability for main contractors, subcontractors, and suppliers to source building materials. This, together with high shipping costs and fluctuating commodity prices, is causing uncertainty and therefore an inability for the market to provide fixed pricing for large projects.
 66. The subcontractors remain at capacity with a strong pipeline of forward workload. The consultants are now experiencing the current wave of Covid, which is causing delays in meeting design deliverables.
 67. The slow pace of easing international border restrictions is still causing labour shortages. The consequential labour demand is seeing an adverse effect in the productivity and quality of work on site as lower skilled/competent labour is having to be utilised. This in turn is putting greater stress on the construction programmes and meeting milestones.
 68. Prices for the following key raw materials remain under upward pressure which has been driven in part by a reduction in capacity, freight costs, wage increases, demand, and inflation. Please note, this list is not exhaustive:
 - Reinforcing steel;
 - Structural steel;
 - Façade aluminium extrusion;
 - Façade glazing;
 - Structural timber; and
 - Plasterboard linings.
 69. In addition to the specific trades noted above, the overall increase in costs that the construction industry is dealing with over the last 12 months has been in excess of 8 to 14%.
 70. To date the project has been attempting to absorb the unanticipated construction price increases primarily steel (200% circa) within the escalation contingency.

Kōwhiringa | Options

71. The table below outlines the options available to Council when considering the budget increases requested in this report. The options are presented for consideration in the following table:

Budget Request Option		Benefits	Impacts
Cultural identity	Proceed with developing the Pōneke cultural elements outlined in this report	<p>A visitor experience that reflects Pōneke's unique cultural identity;</p> <p>Te Matapihi is established as a Poneke destination</p> <p>Maximise the opportunity for visitors to connect with Te Ngākau Civic Precinct</p>	<p>Financial: additional \$6.5 million is required across FY 23/24 and 24/25</p>
	Do not proceed with all or some of the cultural identity elements outlined in this report.	<p>Reduced demand for additional funding to represent Pōneke's cultural identity within Te Matapihi as outlined in this report</p>	<p>Visitor destination vision: unable to meet the expectation for Te Matapihi to be readily identified as a cultural icon and destination for Wellingtonians and tourists alike</p> <p>Financial: scope reductions will incur cost to redesign the current design baseline. The extent of these redesign costs will depend on the</p>

			<p>extent of scope change</p> <p>Timeframe: the project timeline will need to be modified to reflect scope recalibration putting the early 2026 planned opening date at risk</p>
<p>Integrated services and spaces</p>	<p>Proceed with developing the integrated service and space design outlined in this report</p>	<p>A central library and associated integrated services that anticipate community current and future needs;</p> <p>Cost efficiencies of co-locating and integrating City Archive, Customer Service and Capital E;</p> <p>Maximise the opportunity for visitors to connect with Te Ngākau Civic Precinct</p> <p>No impact on overall project timeline through redesign activity</p>	<p>Financial: additional \$6.5 million is required across FY 23/24 and 24/25</p>
	<p>Do not proceed with developing all or some of the integrated service and space design outlined in this report</p>	<p>Reduced demand for additional funding to establish the integrated model outlined in this report</p>	<p>Visitor destination vision: unable to meet the expectation for Te Matapihi to be readily identified as a icon and destination for Wellingtonians and tourists alike</p> <p>Financial: a need to identify accommodation options and</p>

			<p>associated costs for the proposed services e.g. separate building leases</p> <p>Financial: scope reductions will incur cost to redesign the current design baseline. The extent of these redesign costs will depend on the extent of scope change</p> <p>Timeframe: the project timeline will need to be modified to reflect scope recalibration putting the early 2026 planned opening date at risk</p>
New legislation	Proceed with building code compliance activities	Compliant with building code legislation	Financial: additional \$505,000 required in FY23/24
	Do not proceed with building code compliance activities	No additional funding requirement	Legislation: not compliant with building code legislation

72. Should Council elect to explore one, or a combination of the options outlined above, the project team will need a period of time to quantify the actual impacts to time and cost, along with any further relevant impacts such as visitor experience and critical relationships including with Mana Whenua.
73. Officers will provide a project impact assessment report back to Council to secure final agreement on the agreed approach, cognisant of time, cost and risk profiles.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

74. Alignment with Council's strategies and policies
75. Te Matapihi project contributes to two of the six priority objectives identified in the Long Term Plan (2021-31): resilient and fit for purpose community, cultural and creative spaces and *strong partnerships with Mana Whenua*.

Engagement and Consultation

76. Significant engagement and consultation was conducted as part of Council's Long Term Plan (2021-31). As part of this consultation, a clear majority of respondents supported the preferred option on three of the seven decisions – Wastewater laterals, Te Atakura, and Central Library funding
77. Public consultation on the preference for redevelopment of the central library was conducted between 27 July and 7 September 2020 with a summary of findings presented to the Strategy and Policy Committee 28 October 2020 meeting.

Implications for Māori

78. There was a strong response from Māori during public consultation on the future of the central library, and on that basis, Council agreed to form a genuine partnership with Mana Whenua.
79. The intention to form such a partnership and willingness to engage has attracted a significant response and involvement from Māori securing the involvement of Tihei and Mapuna Consultants from 2021.
80. A cultural values assessment report was completed by Mana Whenua in February 2022. This has further informed design discussion and activity.
81. Providing further advice and guidance is a prestigious Mana Whenua advisory group comprising of representatives from:
 - Wellington Tenth Trust;
 - Port Nicholson Block Settlement Trust;
 - Te Ati Awa
 - Ngati Toa
 - Te Runanga o Te Ati Awa
82. The project team anticipates that the co-design works celebrating Pōneke's cultural identity will ensure that all visitors find Te Matapihi ki te Ao Nui an inclusive and welcoming environment that appropriately acknowledges, and respects tikanga Māori and broader te ao Māori culture.
83. In mid-2021 Te Matapihi's Principal Advisor Māori initiated engagement with Mana Whenua, Iwi leaders (Ngāti Toa, Te Ati Awa Taranaki Whānui), Rūnanga chairs and Trustees. Through the hui and kōrero, all have signalled support of the project goals and co-design approach and are very interested and invested in the success of Te Matapihi ki te Ao Nui.

Financial implications

84. In summary this paper is requesting additional capital budget for various aspects of and additions to the project totalling \$12.005 million with the following phasing.

- 2023/24 - \$9.005 million
- 2024/25 - \$3 million

85. Note this paper does not address the capital budget required to:

- fit out levels three and four. Work is still being undertaken on future fit out requirements for levels three and four to address council accommodation requirements. These works are not within scope of this Te Matapihi project. Budget requirements for levels three and four will be discussed as part of the 2023/24 Annual Plan and 2024-34 LTP discussions, and
- renew some existing service-related capital assets (e.g. shelving, library soft furnishings). This will be discussed as part of the 2024-34 LTP discussions.

Legal considerations

86. There are no known legal considerations in relation to this report.

Risks and mitigations

87.

Risk	Mitigation / Action
Ongoing construction global supply chain and cost pressures continue to be a result in schedule delays and additional funding. Rating: medium - high	ECl main contractor who is working with us in relation to supply chain issues; Continue to work proactively with suppliers to identify best possible options for both time and budget.
Engagement with Mana Whenua identifies additional requirements to meet tikanga Māori and other te ao Māori requirements. Rating: low	Explore the most time and cost effective means of delivering cultural requirements.
Scope and funding decisions requested in this report are not agreed to at December meetings resulting in project delays and cost impacts. Rating: high	Ensure risks and opportunities are provided in this report for Committee consideration.

Disability and accessibility impact

88. The library has been one of Wellington's only free, democratic, indoor public spaces, vital for the well-being of the many who live, work and study in the central city, including our most vulnerable residents.

89. Central to the design principles of Te Matapihi is to ensure that all services, facilities and programmes are equitable and inclusive.

90. The Te Matapihi project has worked closely with Council's Accessibility Advisors and consultants Barrie Free to ensure the design and resultant functionality do not include barriers to accessibility.

-
91. There has been and will continue to be ongoing engagement and discussion with Council's Accessibility Advisory Group (AAG).

Climate Change impact and considerations

92. The Te Matapihi project scope has been developed to ensure sustainability initiatives for WCC are delivered through the project, aligning with the "Te Atakura – First to Zero" blueprint towards making Wellington City a zero carbon capital by 2050.
93. In summary this includes:
- Certification to 5-star green star rating
 - No natural gas
 - Photo-voltaic solar electricity generator
 - Environmental resiliency

Communications Plan

94. The project communications plan will be updated to reflect resolutions taken as a result of this paper. This will include the preparation of key messages for all stakeholders.

Health and Safety Impact considered

95. Not applicable.

Ngā mahinga e whai ake nei | Next actions

96. Subject to Te Kaunihera o Pōneke | Council passing resolutions in agreement of the scope and funding items requested in this report:
- Include approved changes to budgets in the 2023/24 Annual Plan and 2024-34 Long-term Plan
 - the Te Matapihi project will progress with finalising design and construction in relation to:
 - embedding Wellington's cultural identity within the building and it's surrounds
 - Delivering an integrated service model across each of Library, City Archive, Capital E and Council Customer Services.

Or

97. Should Council agree to the reduction of project scope, the Te Matapihi project team will complete an impact assessment and report back to Council on the time, cost, quality and visitor experience impacts

Attachments

Nil

CHP TRANSITION: TRUST DEED APPROVAL

Kōrero taunaki | Summary of considerations

Purpose

1. This report asks Te Kaunihera o Pōneke | Council to approve the final Trust Deed for the Community Housing Provider (CHP) and to agree to settle the Trust jointly with the CHP's six Initial Trustees, when these appointments are completed.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Relevant Previous decisions

The Council has made the following previous relevant decisions:

- June 2022 – following community consultation, the Council adopted an LTP amendment to establish a CHP to resolve City Housing's financial sustainability.
- August and September 2022 – the Social, Cultural and Economic Committee agreed to all the components of the CHP's governance arrangements to enable the drafting of the Trust Deed and recruitment of Initial Trustees, and agreed a transition plan to establish the CHP by the beginning of the 2023/24 year.
- November 2022 – the Council appointed its four Trustees to the CHP Board (with the appointments beginning on the date on which the Trust is settled), noting these four Trustees form part of the six Initial Trustees (the other two being Trustees appointed by mana whenua) who will settle (i.e., establish) the Trust with the Council.

Significance

The decision is **rated high significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy. The proposal meets the following criteria: Importance to Wellington City, Community Interest, and Impact on Council's Capacity and Capability.

Financial considerations

Nil

Budgetary provision in Annual Plan /
Long-term Plan

Unbudgeted \$X

Risk

Low

Medium

High

Extreme

Author	Katherine Meerman, Chief Advisor
Authoriser	Kym Fell, Chief Customer and Community Officer

Taunakitanga | Officers' Recommendations

Officers recommend that Te Kaunihera o Pōneke | Council:

- 1) Receive the information
- 2) Approve the attached Trust Deed, noting the names of the final mana whenua appointed Trustees will be included when these appointments are confirmed
- 3) Delegate to the Mayor and the Deputy Mayor the authority to sign the Trust Deed on behalf of the Council (as the Settlor) and settle the Trust jointly with the six Initial Trustees (once the final mana whenua appointed Trustees have been confirmed)
- 4) Note all six Initial Trustees are expected to be appointed by mid-December (with such appointments beginning on the date on which the Trust is settled) and the Trust will be settled as soon as practicable after that (i.e., before Christmas) to enable the transition to continue to progress on agreed timeframes
- 5) Note the Trust will be settled with a temporary working name and officers will report back to Council with a recommendation for a permanent name
- 6) Agree that \$0.5m of establishment funds will be gifted to the Trust following settlement to meet early transition costs (with further settlement funds to be gifted when the full Board is in place)
- 7) Note the next update on the CHP transition will be reported to the Social, Cultural and Economic Committee on 2 March 2023 and will include:
 - a. Further advice on the lease and funding agreements between the CHP and Council, including recommendations of City Housing sites for the property component of the capitalisation
 - b. Further advice on the relationship and oversight framework between the CHP and Council
 - c. Further advice requested in relation to the August 2022 resolutions on rent setting, the Mayor's Taskforce recommendation 6d, and allocation of places to tenants not on the public housing register, following advice from the regulatory authority
 - d. Any other updates or issues relevant to the progression of the transition plan.

Whakarāpopoto | Executive Summary

1. In the previous triennium the Council adopted an amendment to the Long-Term Plan (LTP) to establish a CHP to resolve City Housing's long-term financial sustainability issues. Following the adoption of the amendment, in August and September 2022, the Council took all decisions relating to the CHP's governance framework and agreed to a transition plan to establish the CHP by the beginning of 2023/24.
2. Officers have been working to the transition plan and this paper now seeks the Council's agreement to sign off the Trust Deed and settle the Trust. The attached Trust Deed has been drafted based on the Council's previous decisions – a summary of these decisions and references to relevant sections of the Trust Deed is set out in the body of the paper.

3. The paper also seeks the Council's agreement to delegate the authority to settle the Trust to the Mayor and the Deputy Mayor along with the six Initial Trustees (four Council-appointed and two mana whenua-appointed Trustees). This settlement will occur as soon as practicable (i.e., before Christmas), once the mana whenua appointments are confirmed in mid-December, so that the transition can continue according to the agreed timeframes. The Trust will be considered settled and legally established once the final signatory has signed the Trust Deed.
4. Once the Trust is settled, the Initial Trustees will be able to begin to make essential decisions required to support the transition. These decisions will be limited to things that are administrative in nature and necessary or desirable to establish the operations of the Trust, including applying for relevant registrations as set out in the Trust Deed, until the full Board is in place. The Council has previously agreed to provide funding to support the Trust to meet transitional costs and this paper seeks the Council's agreement to release the first allocation of funding, following settlement of the Trust.
5. The next update on the CHP transition will be provided to the Social, Cultural and Economic Committee in March 2023.

Takenga mai | Background

6. In the previous triennium, following a Special Consultative Procedure, the Council adopted an amendment to the Long-Term Plan (LTP) to establish a CHP to resolve City Housing's long-term financial sustainability issues. The proposal to establish a CHP was strongly supported by the community and central government has also supported the Council in this course of action through an allocation of IRRS funding.
7. Following the adoption of the LTP amendment, in August and September, the Council took all decisions relating to the CHP's governance framework, including the details of the Trust Deed, core provisions of the lease agreement (including the structure of the lease payment from the CHP to Council), and the components of the relationship and monitoring framework that will apply between the CHP and Council. The Council has also agreed to a transition plan that will see the CHP established by the first quarter of the 2023/24 year.
8. The attached Trust Deed has been based on the decisions taken by the Council in August and September, which covered:
 - Charitable Purposes for which the CHP is being established
 - Registrations the CHP is required to gain and maintain
 - Size and composition of the Board of Trustees
 - Appointments mechanisms for Trustees, including the Chair
 - Skills and experience required of Trustees
 - Mandatory, Default and Excluded Duties of Trustees (pursuant to the Trusts Act 2019)
 - Agreement to enable Trustees to be remunerated
 - Appointment and reappointment terms of Trustees
 - Voting and decision making thresholds

- Quorum and weighted voting requirements
 - Incorporation of Tākai Here principles
 - Requirements to include provisions to prevent the Trust from becoming a Council-Controlled Organisation
 - In the event the Trust is wound up, provisions to require the assets to be applied to further the Trust's Charitable Purposes, with the Trustees being required to offer the Council the the first right to accept the Trust's assets.
9. In making these decisions, the Council also noted that the Trust Deed would include other administrative provisions (e.g, meeting administration, Trustee indemnity, management of conflicts, etc), all of which are standard provisions for Trust Deeds of this kind. These other provisions are included in the attached Trust Deed.
10. The Trust needs to be jointly settled by the Council (as Settlor) and the Initial Trustees (which include the four Council-appointed Trustees and the two mana whenua-appointed Trustees). Mana whenua appointments processes are nearing completion and, when finalised, officers will arrange for the Trust to be settled. The Trust will be considered legally established once the final signatory has signed the Trust Deed. This will occur before Christmas to enable the transition to continue on agreed timeframes.
11. Further advice on other aspects of the CHP's establishment and transition, including the lease and funding agreements, and the monitoring framework will be provided to the Social, Cultural and Economic Committee in March 2023.

Kōwhiringa | Options

Summary of Trust Deed provisions

12. Table 1 below provides a summary of the Council's previous decisions and the references to relevant sections in the attached Trust Deed. More detailed information is available in the Social, Cultural and Economic Committee papers and minutes from August and September 2022.
13. The attached Trust Deed has been drafted to give effect to the Council's decisions and the Council's agreement of the Trust Deed is sought to enable the Trust to be settled.
14. A general principle that guided the advice and decisions on the Trust Deed was to ensure that it was a long-term and enduring document that will govern the Trust's activities as it grows and develops as an entity. A Trust Deed should be drafted to be broad, enabling and flexible so it remains fit-for-purpose over time, while also providing assurance on matters that are important to the Council.
15. The Trust Deed also includes a section (Schedule 2, clause 2.5) that governs how decisions are made during the period where there are only six Initial Trustees, before the appointment of the three remaining Independent Trustees has been completed. This is expected to be a short period (two to three months) as the appointment of the remaining Trustees and composition of the full Board will be the first priority for the Initial Trustees.
16. During this period, because the Council effectively controls decision making (through its four Council-appointed Trustees), decisions must be limited to those that are administrative in nature and necessary or desirable to establish the operations of the Trust until the full Board is in place. Officers have tested the scope of this decision

making with CHRA and have included those decisions in the Deed that CHRA has agreed are appropriate for the Initial Trustees to make in the prescribed circumstances.

Table 1: Trust Deed components

Deed component	Decision and key rationale	Trust Deed reference
Charitable purposes	<ul style="list-style-type: none"> Charitable Purposes set out the purpose for which the Trust is being established, which means they set the scope for the Trust's operations. All operations must be consistent with the purposes of the Trust. The purposes are relatively broad, providing the Trust with the ability to determine its priorities within the overall scope. Purposes include providing, developing, leasing or acquiring community, social, public and/or affordable housing (or other similar housing), delivering associated housing activities, and operating in New Zealand (with a focus on Wellington City, including areas of unmet demand), and according to Te Tiriti o Waitangi and Tā kai Here principles. 	<ul style="list-style-type: none"> Section 3
Required registrations	<ul style="list-style-type: none"> Provisions require the Trust to register as a CHP with CHRA under the Public and Community Housing Management Act 1992, as a charity under the Charities Act 2005, as a charitable trust board under the Charitable Trusts Act 1957 and as a donee organisation with Inland Revenue. These registrations will enable the Trust to be most effective in delivering on its objectives and to maximise available financial benefits (e.g., tax exemptions, receive bequests). 	<ul style="list-style-type: none"> Section 4
Board size and composition	<ul style="list-style-type: none"> Provisions provide for a Board of nine Trustees, with four Council-appointed and five Independents (including two mana whenua-appointed Trustees). 	<ul style="list-style-type: none"> Section 5 Schedule 2
Appointments mechanisms	<ul style="list-style-type: none"> Provisions set out that each type of Trustee is appointed by an appointing party (i.e., Council, mana whenua and a Board Appointments Panel), according to the relevant appointments processes. The provisions also set out the composition of the Board Appointments Panel and the process by which Initial Trustees (including an interim Chair) are appointed. 	
Appointment terms	<ul style="list-style-type: none"> Appointment/reappointment term provisions balance the need for stability on the Board and the ability to bring on new thinking or skills at relevant points in time. Standard appointment terms are three years, with ability to reappoint for two further terms. Some staggering of terms of Initial Trustees has been included to manage the situation where several terms end on the same date. Appointment terms of the initial Council-appointed Trustees reflect decisions made by Council on 16 November. 	
Required skills	<ul style="list-style-type: none"> Provisions included to ensure the Board maintains the core skills required to deliver on the Charitable Purposes. Skills list is based on areas of expertise required on the Board to achieve registration and other factors considered important to ensure the Trust's effectiveness overtime. 	
Duties of trustees	<ul style="list-style-type: none"> Trust Deeds are required by the Trusts Act 2019 to include a standard list of mandatory and default duties. Trust Deeds can specify any default duties that should be excluded (i.e., excluded duties) meaning they do not apply to Trustees. Council has excluded the duty to not take a reward for acting as a Trustee and the duty to act unanimously. This enables Trustees to be paid for their 	<ul style="list-style-type: none"> Section 6

	<p>roles and also better encourages debate and diversity of views in decision making and that a single Trustee cannot exercise negative control over decisions.</p> <ul style="list-style-type: none"> • Unanimous decisions will be required on specified material issues (see below). 	
Trustee remuneration	<ul style="list-style-type: none"> • Provisions included to enable Trustees to be remunerated for their role to attract suitably skilled candidates. • Provisions require rates to be set in line with an appropriate framework for not-for-profit boards (e.g., Cabinet Fees Framework or Institute of Directors Fees Framework for not-for-profit Boards), which will be reviewed as part of the registration process with CHRA. 	<ul style="list-style-type: none"> • Section 13.5-13.8
Voting/decision-making thresholds	<ul style="list-style-type: none"> • Because Trustees are not required to act unanimously, the Trust Deed must specify decision making thresholds for different decisions. • Most decisions will be taken by simple majority. Unanimous and Special Majority decisions will apply for decisions that are the most significant and foundational for the Trust. • Unanimous decisions are required for amending the Charitable Purposes, amending the Board composition, removing a Trustee for failing to fulfil their duties, winding up the Trust, enabling the Council to exercise its right of refusal over Trust assets, resettling the Trust's income or capital to another Trust with purposes similar to the Charitable Purposes, and shortening or waiving the notice period for a meeting. Special Majority decisions are required for amendments to the Trust Deed which do not require unanimous decision and enabling a Trustee to serve more than three consecutive terms. 	<ul style="list-style-type: none"> • Section 3.4, 5.3, 8.3, 15.1, 16.1 • Schedule 3, section 2.1 • Schedule 3, section 7.1
Quorum and weighted voting	<ul style="list-style-type: none"> • Provisions included to ensure, at all times, Council-appointed Trustees do not exercise control over decision making (a registration requirement). • Quorum requires majority (five out of nine) of Trustees to be present and at least two of these to be Independent Trustees. For unanimous and special majority decisions, 75% of Trustees (seven out of nine) must be present. The only combination of five Trustees not permitted as quorum is one Independent and four Council Trustees to prevent a single Independent Trustee controlling decision making through the application of weighted voting. • Weighted voting applies in situations where there are the same number or more Council Trustees present than Independent Trustees and enable Independent Trustees' votes to be weighted so, in total, Independent Trustees cast one more vote than the number of Council Trustees. Weights are included in the Trust Deed. • The combination of quorum requirements and weighted voting enable the Trust to make decisions with the largest number of combinations of attendance at a meeting (although the expectation is that in the ordinary course, most or all Trustees will be present at Board meetings). 	<ul style="list-style-type: none"> • Schedule 3, section 3 and 7
Tākai Here principles	<ul style="list-style-type: none"> • Set of operating principles similar to those in Tākai Here included that the Trustees must have regard to when operating and delivering on the Charitable Purposes, in particular its commitment to Te Tiriti o Waitangi, tikanga Māori and te ao Māori. 	<ul style="list-style-type: none"> • Schedule 4
Requirement to prevent CCO	<ul style="list-style-type: none"> • Included to ensure the Trust remains independent from Council – this is required to maintain CHP registration. 	<ul style="list-style-type: none"> • Section 4.5

Asset assignment on wind up	<ul style="list-style-type: none"> Provisions included to ensure it is clear what happens to remaining assets if the Trust is wound up. The provisions ensure that Trustees must offer the Council the first right to accept a transfer of assets, provided Trustees are satisfied that the transfer of assets to Council would further the Charitable Purposes (or similar charitable purposes). If remaining assets are transferred to the Council, the Council will be obliged to use the asset for similar charitable purposes. 	<ul style="list-style-type: none"> Section 16
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Trust settlement

17. Under the Trust Deed, the Trust is settled by the Council (as the Settlor) and the Initial Trustees. The six Initial Trustees are:
 - Council-appointed Trustees – Andrew Turner (interim Chair), Matthew Harker, Councillor Tim Brown and Councillor Rebecca Matthews
 - Mana whenua Trustees – two Trustees to be confirmed by mid-December.
18. Officers are seeking the Council’s approval to settle the Trust as soon as practicable after the mana whenua Trustee appointments are confirmed. This will enable the transition to continue on agreed timeframes. Officers recommend the Council delegate the authority to sign the Trust Deed to the Mayor and the Deputy Mayor. Once the final signatory has signed the Trust Deed, the Trust will be settled and legally established.
19. The Trust will be settled with a temporary working name in order to enable the transition to progress and officers will come back to the Council with advice on a permanent name, likely in March 2023. Once the Council has agreed to a permanent name, the Trust Deed can be amended by the Trustees to reflect this permanent name.

Establishment funding

20. The Council has previously agreed \$2m of funding for the CHP’s establishment and transition costs (costs that will be incurred by both the Trust and the Council). This is included in the LTP as \$1.5m in 2022/23 and \$0.5m in 2023/24.
21. Officers recommend that the Council agrees to transfer \$0.5m as an initial allocation of the 2022/23 funding to the Trust on settlement to enable the Initial Trustees to begin making critical operational decisions. The funding recommended aligns with the scope of the decisions that Initial Trustees can make and are provided for the Trust Deed.
22. The initial costs that are likely to be incurred by the Initial Trustees include:
 - Costs to recruit remaining Board members (i.e., the three remaining Independent Trustees) – these include recruitment costs and costs to pay external governance experts on the Board Appointments Panel
 - Remuneration of the six Initial Trustees
 - Costs to secure a recruiter to run the Chief Executive search process
 - Short-term lease on appropriate office space, while the full Board considers long-term requirements
 - Any essential purchases of equipment related to the short-term lease (e.g., IT equipment)

- Any costs associated with advisory support needed by the Initial Trustees (e.g., legal and/or accounting advice).
23. This \$0.5m is referenced in the Trust Deed at paragraph B and section 2.3 as a gift from the Council (as Settlor) to the Trustees to settle the Trust. The Council will be able to request from Trustees details about how the \$0.5m has been used. The Council's agreement to release further funding will be sought when the full Board is in place and the Trust has confirmed a budget for the remainder of the transition period.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

24. The recommendations in this paper are consistent with the priorities in the LTP – particularly the 'affordable, resilient and safe place to live' and 'fit-for-purpose community spaces'. The proposals are also consistent with the Council's 'people friendly, compact, safe and accessible capital city' strategic priority.
25. Through the LTP process, the Council signalled City Housing's financial challenges and notes that the Council would consult the public on options to address these issues, which was completed in June 2022.

Engagement and Consultation

26. The proposal is rated high significance in accordance with Schedule 1 of the Council's Significance and Engagement Policy. The proposal meets the following criteria – Importance to Wellington City, Community Interest, and Impact on Council's Capacity and Capability.
27. As part of the transition, officers have developed a communications and engagement strategy which has a strong focus on tenants and ensuring they understand that they will be well supported through the establishment process, and on other critical housing stakeholders (e.g., other CHPs, and central government) to ensure they are kept up to date with progress.

Implications for Māori

28. The development of the CHP has been designed to facilitate the opportunity for partnership with iwi in improving housing outcomes in Wellington, consistent with the Tākai Here partnership agreement.
29. These opportunities will include shared governance through the appointment of mana whenua Trustees to the Board and could also include partnering in service delivery for tenancy and housing support services, and/or partnering in the redevelopment of housing stock.
30. A CHP can contribute strongly to improving housing and social outcomes for individuals and communities across Wellington, including for Māori who are disproportionately represented in housing figures. A CHP will contribute to managing the government's public housing waitlist, by taking tenants off the public housing register as it has houses available. These tenants will have access to the IRRS meaning their rent will be capped at 25% of income. The public housing waitlist is growing significantly over time, with Māori currently making up more than 50% (and

growing) of those on the register. Through access to other government funding, the CHP will also be able to add much needed housing social and affordable housing supply in Wellington and, through the opportunities for partnership, the CHP will be well placed to ensure it can deliver housing and related services that are well-targeted to meet the needs of individuals, whanau and communities that most need its support.

Financial implications

31. The financial implications of the advice in this paper are all included in the LTP amendment the Council adopted on 30 June 2022.

Legal considerations

32. All aspects of the design of the CHP have been supported by external legal advice.

Risks and mitigations

33. The key risk to achievement of the proposals in this paper are the timeframes for transition and establishment, which are tight but achievable – we are continuing to draw on the experience of the transition planning and delivery in Christchurch which is helping to mitigate the timing risks.

Disability and accessibility impact

34. Not applicable.

Climate Change impact and considerations

35. Not applicable.

Communications Plan

36. Refer Engagement and Consultation.

Health and Safety Impact considered

37. Not applicable.

Ngā mahinga e whai ake nei | Next actions

38. Subject to the Council's agreement to the recommendations in this paper, the next steps are to continue to work in line with the transition plan agreed in August 2022 (see table 2 below).
39. As previously advised, this is a tight, but achievable transition timeframe. Concluding each stage as planned relies on all remaining council decisions being taken as scheduled below, appointment of Initial Trustees being successfully completed by end of 2022 (in order to enable recruitment of the Chief Executive and senior management to begin) and proceeding through the registration process smoothly first time in the first half of 2023.

Table 2: CHP transition and establishment plan

Transition stage	Timeframes	Handover milestones
Stage 1: Council led	July 2022 to December 2022	<ul style="list-style-type: none">• Complete all Council decisions on design and establishment (complete)• Settle the Trust and complete Trust Deed

		<ul style="list-style-type: none">• Appoint Initial Trustees (Council and mana whenua)• Begin change process for staff and systems
Stage 2: Jointly managed	January to June 2023	<ul style="list-style-type: none">• Complete Trustee appointments• Recruit CEO (and senior staff)• Complete registration with regulator• Complete lease and property capitalisation agreement• Complete oversight arrangements i.e., relationship agreement and reporting requirements• Complete change process for staff and systems
Stage 3: CHP managed (new BAU)	July 2023 onwards	<ul style="list-style-type: none">• Complete any remaining aspects of transition• Begin new relationship management and reporting arrangements.

Attachments

Attachment 1. CHP Trust Deed

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Trust Deed

relating to

the [Name]

Wellington City Council

the Settlor

and

Andrew Turner

Matthew Harker

Rebecca Matthews

Tim Brown

[Mana-Whenua Appointed Trustee]

[Mana-Whenua Appointed Trustee]

the Original Trustees

Date

BELL GULLY

AUCKLAND VERO CENTRE, 48 SHORTLAND STREET
PO BOX 4199, AUCKLAND 1140, DX CP20509, NEW ZEALAND
TEL 64 9 916 8800

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This **Trust Deed** is made on 2022

between (1) Wellington City Council (**the Settlor**)

and (2) **Andrew Turner**, Director, of Christchurch, **Matthew Harker**, Director, of Auckland, **Rebecca Matthews**, Councillor, of Wellington, **Tim Brown**, Councillor, of Wellington, **[Mana-Whenua Appointed Trustee]**, **XX**, of **YY**, **[Mana-Whenua Appointed Trustee]**, **XX**, of **YY** (**the Original Trustees**)

Introduction

- A. Wellington City Council, as the Settlor, wishes to establish a charitable trust to be known as the **[name]** for the Charitable Purposes set out in this Trust Deed.
- B. The Settlor gifts \$500,000 to the Trustees to settle the Trust.
- C. The Original Trustees have agreed to act as the first Trustees of the Trust.
- D. The Settlor and Original Trustees have agreed to enter into this Trust Deed specifying the terms of the Trust.

It is declared

1. Interpretation

- 1.1 In this Trust Deed, unless the context otherwise requires:

Act means the Trusts Act 2019;

Associated Person means a person who is an associated person of any Trustee for the purposes of the exemptions from income tax for a tax charity as set out in the Income Tax Act 2007;

Board means the board of Trustees of the Trust;

Board Appointments Panel means the panel of persons formed under clause 4 of Schedule 2;

Charitable Purposes means the purposes of the Trust as set out in clause 3;

Community Housing Provider means a “Community Housing Provider” as defined in section 2 of the Public and Community Housing Management Act 1992;

Conflict Transaction has the meaning given in clause 14.1;

Council-Appointed Trustee means a Trustee that is appointed by the Settlor in accordance with clause 2.2(a) or clause 5.1(a) of Schedule 2 (as applicable), and who may (subject to the requirements of clause 3.1(a) of Schedule 2) be an Elected Council Member, Council Officer or other suitably qualified external appointee at the Settlor’s discretion;

Council-Controlled Organisation means an entity that is a “council-controlled organisation” pursuant to section 6 of the Local Government Act 2002;

Council Officer means an employee of, or contractor to, the Settlor;

Elected Council Member means a person elected by the wards of Wellington City as a councillor of the Settlor;

Financial Year means each 12-month period ending on 30 June;

Income Related Rent Subsidy or **IRRS** means the subsidy paid by the Ministry of Housing and Urban Development to Registered Community Housing Providers pursuant to a reimbursement agreement or tailored agreement under the Public and Community Housing Management Act 1992 to cover the difference between rent paid by public housing tenants and the market rent for the property;

Independent Trustee means a Trustee that is not associated with the Settlor (including as an Elected Council Member or Council Officer) and is appointed by the Board Appointments Panel or the Mana Whenua Appointing Parties in accordance with clause 2.2(b) or clause 5.1(b)(ii) of Schedule 2 (as applicable);

Local Authority means “Local Authority” as defined in section 5 of the Local Government Act 2002;

Mana Whenua Appointing Parties mean Te Rūnanga o Toa Rangatira, Taranaki Whānui ki Te Upoko o Te Ika and Te Rūnanganui o Te Āti Awa.

Mana Whenua-Appointed Trustee means an Independent Trustee that is appointed by the Mana Whenua Appointing Parties acting collectively and in accordance with clause 2.2(b) or clause 5.1(b)(ii) of Schedule 2 (as applicable);

Original Trustees means the Trustees as at the date of execution of this Trust Deed appointed in accordance with clause 2.2 of Schedule 2;

Registered Community Housing Provider means a “Registered Community Housing Provider” as defined in section 2 of the Public and Community Housing Management Act 1992;

Special Majority means a majority of 75% of the votes of Trustees entitled to vote and voting on a decision of the Trust;

Subsidies means any subsidies, payments or financial accommodation provided by the Crown to Registered Community Housing Providers or community housing providers to assist such providers with the provision of public, social or community housing, including the payment of IRRS;

Trust means the trust evidenced by this Trust Deed;

Trust Deed means this Trust Deed and any deed of variation or replacement;

Trust Fund has the meaning given in clause 2.2;

Trustee Skills and Experience means the following:

- (a) experience in community, social or affordable housing;
- (b) an empathy with the communities in the locations where the Trust intends to provide community, social and/or affordable housing;
- (c) an understanding of the Charitable Purposes;

- (d) financial management experience;
- (e) management or governance in any or all of tenancy management, property development, asset management and social services;
- (f) governance experience in either not-for-profit or business organisations;
- (g) legal experience in either not-for-profit or business organisations;
- (h) experience in strategy development, policy development, risk management or organisational change;
- (i) experience in operations or service delivery;
- (j) knowledge and understanding of Te Tiriti o Waitangi, Te ao Māori and tikanga Māori;
- (k) financial literacy relevant to the financial and economic issues related to the Trust; and
- (l) any other attributes deemed necessary or desirable; and

Trustees means the trustees for the time being of the Trust.

1.2 In this Trust Deed, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a reference to parties is a reference to the parties to this Trust Deed, including their successors, permitted assignees and permitted transferees;
- (c) a reference to persons includes a reference to human beings and any form of legal personality, incorporated or unincorporated;
- (d) whenever the words includes or including (or any similar expression) are used, they are deemed to be followed by the words “without limitation”;
- (e) headings are included for the purpose of ease of reference only and are not to have any effect on construction and interpretation;
- (f) a clause is a reference to the clauses of this Trust Deed;
- (g) a schedule is a reference to a schedule of this Trust Deed;
- (h) a reference to documentation includes:
 - (i) a reference to that document as varied, supplemented, novated or substituted from time to time; and
 - (ii) a reference to that documentation in any form, whether paper based or in electronic form encoded on or as part of any form of media; and
- (i) legislation includes amendments to and re-enactments of that legislation.

1.3 The provisions of this Trust Deed shall be read as if the Act is in force even though the Act may not be fully in force at the relevant time.

2. Name and declaration of Trust

- 2.1 The name of the Trust is the [name].
- 2.2 The Trustees may by deed, and only with the consent of the Settlor (such consent not to be unreasonably withheld), change the name of the Trust at any time.
- 2.3 The Settlor directs and the Trustees acknowledge and declare that they hold the sum of \$500,000 (the **Initial Gift**) together with all other money, investments and property received by them for the purposes of the Trust and on the trusts of this Trust Deed, and all income derived therefrom and all money and other property for the time being representing the same (all in this Trust Deed referred to as the **Trust Fund**) upon trust for the purpose and with trusts the powers and discretions set forth in this Trust Deed. The Initial Gift:
- (a) may be held by the Settlor on behalf of the Trustees until the Trustees nominate a bank account for the Initial Gift to be paid into; and
 - (b) may be used for establishment and working capital costs and expenses of the Trust at the discretion of the Trustees.

Upon request from the Settlor, the Trustees will provide reasonable details to the Settlor of how the Initial Gift has been used.

3. Charitable Purposes

- 3.1 The activities of the Trust shall be to advance the charitable purposes of relieving poverty and providing benefits to the community by way of providing community housing, social housing, public housing, affordable housing or any other similar housing, including the following activities:
- (a) acquiring, developing and leasing community housing, social housing, public housing, affordable housing or any other similar housing;
 - (b) providing associated housing services;
 - (c) carrying out any other activities that may assist or support community housing, social housing, public housing, affordable housing or any other similar housing schemes;
 - (d) engaging with local and central government authorities in relation to potential housing acquisitions or projects; and
 - (e) becoming a Registered Community Housing Provider.
- 3.2 The activities of the Trust shall be carried out:
- (a) for the benefit of the wider community with a focus on those who qualify for community housing, social housing, public housing, affordable housing or any other similar housing due to their financial position and income;
 - (b) with regard to the principles set out in Schedule 4;
 - (c) by working collaboratively with other Community Housing Providers and other housing providers; and
 - (d) to seek to enhance the rights of renters, including adopting the Residential Tenancies Act 1986 provisions around eviction (as at the date of this Trust Deed).

- 3.3 The Charitable Purposes shall be limited to activities in New Zealand with a primary focus on Wellington City and seeking to ensure housing is provided throughout areas of Wellington that have unmet demand.
- 3.4 Subject to the terms of this Trust Deed, the Trustees may, by unanimous decision only and at any time, amend the Charitable Purposes.

4. Registration and status

- 4.1 The Trustees shall obtain registration of the Trust as:
- (a) a charitable entity in accordance with the Charities Act 2005;
 - (b) a charitable trust board pursuant to the Charitable Trusts Act 1957;
 - (c) a donee organisation recorded on the Inland Revenue register of donee organisations; and
 - (d) a Registered Community Housing Provider in accordance with the Public and Community Housing Management Act 1992 to be eligible for Subsidies,

as soon as reasonably practicable, and as a matter of priority, following the date of execution of this Trust Deed.

- 4.2 The Trustees shall do all things necessary or desirable and expedient to maintain those registrations, including by complying with all requirements of the relevant legislation, regulations, eligibility criteria and performance standards and shall not carry out any activity that would result in those registrations being revoked or suspended. Without limiting the foregoing, the Trustees shall ensure the Trust establishes and maintains the capacity to meet the performance standards set out in the Public and Community Housing Management (Community Housing Provider) Regulations 2014.
- 4.3 The Trustees shall as soon as reasonably practicable following the date of execution of this Trust Deed enter into an agreement with the Ministry of Housing and Urban Development for access to the Income Related Rent Subsidy and any other relevant Subsidies that the Trust may be entitled to as a Registered Community Housing Provider.
- 4.4 The Trust will carry out its activities independently of the Settlor, its subsidiaries and any other third party.
- 4.5 As at the date of this Trust Deed, the Trust is not a Council-Controlled Organisation or subsidiary of the Settlor or any other Local Authority. The Trustees shall ensure that no action is carried out that would result in the Trust becoming a Council-Controlled Organisation or subsidiary of the Settlor or any other Local Authority.

5. Board of Trustees

- 5.1 The Board shall conduct the business and activities of the Trust so as to achieve the Charitable Purposes.
- 5.2 Schedule 2 sets out provisions in relation to the following:
- (a) the number of Trustees;
 - (b) the appointment of Original Trustees and initial chairperson, and the decisions the Original Trustees are permitted to make;

- (c) the subsequent appointment and removal of Trustees;
- (d) the composition of the Board;
- (e) the role of the Board Appointments Panel;
- (f) the terms of appointment for Trustees; and
- (g) the appointment of the chairperson.

5.3 Subject to the terms of this Trust Deed, the Trustees may by unanimous resolution at any time by deed amend Schedule 2.

6. Trustee duties

6.1 The mandatory duties as set out in subpart 1 of part 3 of the Act shall apply to the Trustees in the performance of their duties, specifically, the duty to:

- (a) know the terms of the Trust: section 23;
- (b) act in accordance with the terms of the Trust: section 24;
- (c) act honestly and in good faith: section 25;
- (d) act to further the Charitable Purposes: section 26; and
- (e) exercise Trustee powers for a proper purpose: section 27.

6.2 The default duties as set out in subpart 1 of part 3 of the Act shall apply to the Trustees in the performance of their duties, specifically, the duty:

- (a) to exercise reasonable care and skill in the circumstances: section 29;
- (b) to invest prudently: section 30;
- (c) not to exercise powers for the Trustees' own benefit: section 31 (see clause 13);
- (d) to give active and regular consideration to the exercise of Trustee powers: section 32;
- (e) not to bind future discretions: section 33;
- (f) to avoid a conflict of interest: section 34 (see clause 14); and
- (g) not to profit from trusteeship of the Trust: section 36.

6.3 The remaining default duties as set out in subpart 1 of part 3 of the Act are excluded from applying to the Trustees in the performance of their duties, specifically, the duty:

- (a) not to take a reward for acting as Trustee: section 37 (see clauses 13.5 and 13.6); and
- (b) to act unanimously: section 38 (see clause 7.1 of Schedule 3).

7. Trustee powers and discretions

- 7.1 In addition to all the powers, authorities and discretions vested in the Trustees by law, the Trustees shall have all the powers of an absolute owner of property and shall have the widest possible powers and discretions to achieve the Charitable Purposes, subject to the terms of this Trust Deed.
- 7.2 The Trustees shall also have the powers set out in Schedule 1.
- 7.3 Subject to the provisions of this Trust Deed, including clause 7.4, all powers and discretions of the Trustees may be exercised by the Trustees in their absolute discretion on such terms as the Trustees think fit.
- 7.4 In the exercise of the Trustees' powers and discretions the Trustees shall:
- (a) observe the mandatory and default duties set out in clause 6; and
 - (b) not breach, and shall further, the Charitable Purposes.
- 7.5 Subject to the terms of this Trust Deed, the Trustees may at any time by deed amend Schedule 1.

8. Application of income and capital

- 8.1 The Trustees may at any time pay or apply all or any of the income or capital of the Trust Fund to promote the Charitable Purposes.
- 8.2 Any payment or application pursuant to clause 8.1:
- (a) shall be after the payment or provision for costs or expenses arising or expected to arise out of the Trust's activities; and
 - (b) take account of any trust or obligation that may be impressed upon a part of the Trust Fund.
- 8.3 The Trustees may by unanimous decision at any time resettle any of the income or capital of the Trust Fund for similar charitable purposes within New Zealand (as defined in section 5(1) of the Charities Act 2005).

9. Investment of the Trust Fund

- 9.1 The Trustees may invest all or any of the Trust Fund in investments that are permitted by the laws of New Zealand for the investment of trust funds.
- 9.2 The Trustees may have regard to the factors set out in section 59 of the Act when exercising the power to invest.

10. Execution of documents

- 10.1 To execute a deed it will be sufficient for the deed to be signed by two Trustees who are acting under the express or implied authority of the majority of the Trustees.
- 10.2 To make a contract it will be sufficient for the contract to be made by a Trustee who is acting under the express or implied authority of the Trustees.

11. Keeping records

- 11.1 The Trustees shall maintain records of the activities of the Trust. The records may be in hard copy or electronic format.
- 11.2 The Trustees shall ensure that adequate arrangements are in place for the continuous retention of documents and records relating to the Trust such as:
- (a) the Trust Deed and deeds effecting Trustee changes;
 - (a) correspondence and records on implementation of the Charitable Purposes;
 - (b) minutes of Trustee meetings; and
 - (c) records of title, accounting, payroll and investment records, contracts in writing and other records created in the course of conduct of the activities of the Trust.
- 11.3 The Trustees may arrange for retention of the records in electronic format.
- 11.4 Each Trustee:
- (a) shall retain a copy of the Trust Deed; and
 - (b) in the event of ceasing to be a Trustee, hand over to a continuing Trustee all documents and records relating to the Trust.

12. Limitation of liability and indemnity

- 12.1 The Trustees are fully indemnified by and out of the Trust Fund for any loss or liability incurred in the course of the activities of the Trust to the extent the Trust has sufficient funds. The indemnity includes in particular any liability to satisfy all costs and expenses arising out of conduct of the activities of the Trust.
- 12.2 The Board may effect insurance for a Trustee or employees of the Trust in respect of any liability referred to in clause 12.1 and will meet all costs associated with such insurance.
- 12.3 The indemnity conferred by clause 12.1 may extend to any loss or liability arising after a person has ceased to be a Trustee.
- 12.4 The indemnity conferred by clause 12.1 does not extend to a loss or liability that is attributable to a Trustee's dishonesty, wilful misconduct or gross negligence.
- 12.5 The Trustees are not liable to account to the Trust in its own right for:
- (a) the consequence of any act or omission or for any loss; and
 - (b) any loss or cost caused by a special trust adviser or an attorney, delegate, manager, agent or employee engaged by the Trustees, despite any rule of law or equity to the contrary.
- 12.6 The exclusion from liability set out in clause 12.5 does not apply where the consequence or loss is attributable to a Trustee's dishonesty, wilful misconduct or gross negligence.
- 12.7 If there is more than one Trustee, no Trustee is bound to take any proceeding against a co-Trustee for any alleged breach of trust by the co-Trustee.

13. No private pecuniary profit

- 13.1 Despite any other provision in this Trust Deed but subject to clauses 13.5 and 13.6, neither the Trustees nor an Associated Person shall receive any form of private pecuniary profit from the Trust.
- 13.2 In the conduct of the activities of the Trust:
- (a) any income, benefit or advantage shall be applied to promote the Charitable Purposes;
 - (b) the Trustees and an Associated Person shall not receive any form of private income, benefit or advantage from the activities of the Trust nor influence receipt of the same; and
 - (c) any payment to a Trustee or an Associated Person for goods or services that help promote the Charitable Purposes must be reasonable and commensurate with payments that would be made between unrelated parties.
- 13.3 The provisions of clause 14 support the application of this clause.
- 13.4 The effects of this clause 13 must be retained in any other Trust Deed evidencing or continuing the Trust.
- 13.5 Notwithstanding this clause 13, the Trustees may allow a Trustee to be paid:
- (a) for services actually provided to the Trust as a member of the Board; and
 - (b) for out of pocket expenses incurred in carrying out the duties and responsibilities of a Trustee.
- 13.6 Any such payment made under clause 13.5 shall:
- (a) be reasonable having regard to the nature and extent of the services provided or expenses incurred; and
 - (b) be an amount that is at a market rate (consistent with an appropriate fee framework(s) for not-for-profit boards) and not more than the Trust would have paid a third party for a similar service or expense.
- 13.7 The amount of any payment referred to in clause 13.5 shall initially be decided by the Original Trustees pursuant to clause 2.5 of Schedule 2 and in accordance with clause 13.6 above, with such decision to be reviewed and confirmed by the Trustees as soon as reasonably practicable once a full Board is appointed and the composition of such Board is consistent with clause 3.1 of Schedule 2.
- 13.8 Subject to clause 13.7, the Trustees shall not fix any Trustee remuneration for time spent as Trustee more than once annually.

14. Conflict Transaction

- 14.1 A **Conflict Transaction** exists for a Trustee where:
- (a) a Trustee is associated with any company, partnership, organisation, group or trust with which that Trustee is dealing in his/her capacity as Trustee;

- (b) the interests or duty of the Trustee in any particular matter may conflict with his/her duty to the Trust; or
- (c) a Trustee is dealing with themselves as a trustee in another capacity.

14.2 Association for the purposes of clause 14.1(a) may arise through a Trustee being a director of a company, trustee of another trust or otherwise in a private capacity.

14.3 The procedure for dealing with a Conflict Transaction is set out in clause 6 of Schedule 3.

15. Amendments of the Trust Deed

15.1 Subject to any relevant legislation, clause 15.2 and other provisions of this Trust Deed in relation to amendments to specific terms of this Trust Deed, the Trustees may by Special Majority decision only, by deed, vary the terms of the Trust by way of amendments, deletions or additions to the Trust Deed.

15.2 The Trustees shall not vary the terms of the Trust if such variations would result in:

- (a) the Trust being permitted to operate in a manner other than to advance the Charitable Purposes or permit the Trust to operate for the private pecuniary profit of any individual; or
- (b) the registrations referred to in clause 4.1 being revoked, suspended, altered or being unable to be renewed.

16. Winding up

16.1 The Trustees may by unanimous decision only and at any time, wind up the Trust.

16.2 In the event the Trustees unanimously vote to wind up the Trust and after all liabilities of the Trust have been discharged, the Trustees shall apply the total remaining value of the Trust Fund for similar charitable purposes in New Zealand (as defined in section 5(1) of the Charities Act 2005).

16.3 In complying with their obligations under clause 16.2, subject to the Trustees being unanimously satisfied (acting reasonably) that a transfer of the total remaining value of the Trust Fund to the Settlor would further the Charitable Purposes (or similar charitable purposes as defined in section 5(1) of the Charities Act 2005) in New Zealand, the Trustees must offer the Settlor the first right to accept the transfer of the total remaining value of the Trust Fund (or part thereof, at the Settlor's discretion). Where any part of the Trust Fund is to be so transferred to the Settlor, that transfer will be subject to the Trustees and the Settlor formalising the terms of the transfer in writing, with such terms to include an obligation on the Settlor to continue to utilise that part of the Trust Fund for similar Charitable Purposes.

16.4 If the Trustees cannot determine the application of the Trust Fund in accordance with the requirements of this clause 16, the Trust Fund will be applied to such charitable purposes within New Zealand as directed by a Judge of the High Court of New Zealand.

17. Governing law

17.1 This Trust Deed will be governed by and construed in accordance with the laws of New Zealand.

Execution

Executed and delivered as a deed.

SIGNED on behalf of **Wellington)**
City County as Settlor)
by its authorised officers in the)
presence of:)

Authorised Officer

Authorised Officer

Print Name

Print Name

Witness to both Signatures

Print Name

Occupation

Address

SIGNED by **Andrew Turner** as a)
Trustee in the presence of:)

Witness signature

Occupation

Town of residence

SIGNED by **Matthew Harker** as a)
Trustee in the presence of:)

Witness signature

Occupation

Town of residence

D
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A
F
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SIGNED by **Rebecca Matthews** as a)
Trustee in the presence of:)

Witness signature

Occupation

Town of residence

SIGNED by **Tim Brown** as a)
Trustee in the presence of:)

Witness signature

Occupation

Town of residence

SIGNED by [**Mana-Whenua Appointed**
Trustee] as a)
Trustee in the presence of:)

Witness signature

Occupation

Town of residence

D
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SIGNED by [Mana-Whenua Appointed
Trustee] as a)
Trustee in the presence of:)

Witness signature

Occupation

Town of residence

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Schedule 1: Trustee powers

1. Powers

Subject to the provisions of this Deed, the Trustees have the power to undertake the following activities:

- (a) undertake fundraising activities to help with promotion of the Charitable Purposes;
- (b) adopt procedures for inviting and processing applications for assistance from the Trust in ways which would promote the Charitable Purposes;
- (c) seek and receive any conveyance, transfer, gift, devise, donation or bequest to help the Trustees promote the Charitable Purposes;
- (d) maintain a bank account and set authorisations on operating the account and the payment of creditors;
- (e) pay all costs and expenses incurred in the course of the Trustees carrying out or exercising any of the Trustees' powers and discretions;
- (f) create a provision for possible liabilities;
- (g) for any part of the Trust Fund, the Trustees may:
 - (i) apply it to make an investment in a debt security, an equity security or property;
 - (ii) retain it even if it is of a wasting, speculative or reversionary nature, may not produce income, or might be decreasing or not increasing in value;
 - (iii) pay all insurance premiums, rates, taxes, rents, repairs and other outgoings;
 - (iv) improve, develop or subdivide it;
 - (v) do anything that may increase value including, for example, adding to any buildings or structures, and entering into leases, tenancy agreements, party wall agreements, easements or profits à prendre;
 - (vi) grant a lease or licence;
 - (vii) waive breaches, accept surrenders and terminate tenancies and licences;
 - (viii) convert it into money;
 - (ix) grant security over it; and
 - (x) deal generally and manage the Trust Fund as if the Trustees were the absolute owners of it;
- (h) carry on any business or venture and establish any company, partnership or joint venture to conduct the same;
- (i) enter into and perform swap, hedging or other financial transactions;

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- (j) enter into and perform a contract of indemnity and act as surety with any guarantee and security in support;
- (k) in relation to any company or other legal body:
 - (i) exercise any voting, decision-making rights or other powers;
 - (ii) appoint directors, officers or employees or trustees of it; and
 - (iii) provide further share or loan capital;
- (l) engage any person including volunteers as:
 - (i) a special trust adviser;
 - (ii) an expert to assist the Trustees;
 - (iii) an attorney or delegate for the Trustees;
 - (iv) a manager or agent for the Trustees;
 - (v) a secretary of the Trustees;
 - (vi) an employee of the Trustees in any matter relating to the Trust; or
 - (vii) a nominee or custodian pursuant to section 67 of the Act (and in accordance with section 68 of the Act, keep the arrangements under review and consider whether to exercise any power to intervene);
- (m) engage a chartered accountant to prepare annual accounts or to perform an audit of accounts;
- (n) insure personnel, including the Trustees, who undertake the Trust's activities;
- (o) act upon any expert or professional opinion or advice;
- (p) accumulate the income of the Trust Fund;
- (q) treat as capital of the Trust Fund the income of a Financial Year not determined by the end of the Financial Year to be applied for the Charitable Purposes;
- (r) set apart any part of the Trust Fund under a distinguishing name:
 - (i) as a sub-trust;
 - (ii) as a special endowment; or
 - (iii) for a special purpose;
- (s) adopt procedures for the execution of documents;
- (t) decide all questions arising in the course of the management, administration, investment, realisation, distribution, liquidation, partition, resettlement or winding up of the Trust; and
- (u) generally do all other lawful acts and things that may promote the Charitable Purposes.

Schedule 2: Board of Trustees

1. Number of Trustees

1.1 Subject to the provisions of this Schedule 2, the number of Trustees shall be nine Trustees.

2. Appointment of Original Trustees and initial Independent Trustees

2.1 The Original Trustees shall be the signatories to this Trust Deed.

2.2 The process for appointment of Original Trustees shall be as follows:

- (a) the Settlor will appoint four Council-Appointed Trustees, with two Council-Appointed Trustees being Elected Council Members; and
- (b) the Mana Whenua Appointing Parties will appoint two Independent Trustees, as Mana Whenua-Appointed Trustees.

2.3 The Board Appointments Panel will be constituted in accordance with clause 4.4 of this Schedule 2, and appointment of the initial Independent Trustees (but excluding the Mana Whenua-Appointed Trustees) made by the Board Appointments Panel in accordance with clause 4.1 of this Schedule 2, in each case as soon as practicable following establishment of the Trust.

2.4 Subject to clause 2.5 of this Schedule 2, the Original Trustees shall not make any decision until the Board Appointments Panel has appointed a sufficient number of initial Independent Trustees to form a majority of the Board in accordance with clause 2.3 of this Schedule 2.

2.5 Notwithstanding clause 2.4 of this Schedule 2 and prior to the Board Appointments Panel having appointed a sufficient number of initial Independent Trustees to form a majority of the Board in accordance with clause 2.3 of this Schedule 2, the Original Trustees may make any administrative decisions that the Original Trustees consider are necessary or desirable to establish the operations of the Trust and further the Charitable Purposes, including supporting clause 4.1 of this Trust Deed, but subject always to clause 4.5 of this Trust Deed. Such decisions include, but are not limited to:

- (a) appointing a Trustee to the Board Appointments Panel for the purposes of clause 4.4(b)(i) of this Schedule 2;
- (b) appointing the Chief Executive;
- (c) deciding the initial payment of Trustees in accordance with clause 13 of this Trust Deed;
- (d) appointing a legal advisor and accountant or any other relevant consultants or advisers;
- (e) opening a bank account for the purposes of:
 - (i) receiving any initial funds;
 - (ii) making payment of essential establishment costs (e.g., recruitment fees for the Chief Executive and remuneration of the Chief Executive); and

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- (iii) paying Trustee remuneration in accordance with clause 13 of this Trust Deed;
- (f) preparing and submitting applications for the registrations referred to in clause 4.1 of this Trust Deed;
- (g) obtaining suitable directors and officers liability insurance for the Trustees;
- (h) for the purposes of consultation with staff of the Settlor, determining how leadership and staff roles within the Trust are intended to be recruited and the process for such recruitment;
- (i) entering into a short-term (of approximately 12 months or less) lease for an office space and purchasing and/or leasing initial office equipment, including IT equipment;
- (j) deciding whether the Trust will enter into a commercial arrangement with the Settlor for the Settlor to provide transitional IT services prior to the Trust developing a long-term solution; and
- (k) any other administrative decisions, provided always that:
 - (i) the Original Trustees consider such decisions are necessary or desirable to establish the operations of the Trust and further the Charitable Purposes, including supporting clause 4.1 of this Trust Deed, but subject always to clause 4.5 of this Trust Deed; and
 - (ii) any related commercial arrangements entered into by the Trust in respect of a decision made under this clause 2.5(m) are of a short-term or transitional nature (of approximately 12 months or less).

2.6 Notwithstanding the quorum requirements in clause 3 of Schedule 3 and the decision rules in clause 7 of Schedule 3:

- (a) the quorum for meetings of Original Trustees (prior to the Board Appointments Panel having appointed a sufficient number of initial Independent Trustees to form a majority of the Board in accordance with clause 2.3 of this Schedule 2) shall be five Original Trustees, with at least one of those Trustees present at any given meeting being a Mana Whenua-Appointed Trustee; and
- (b) the Original Trustees present at a meeting referred to under clause 2.7(a) must reach agreement by a majority vote (with each Original Trustee being entitled to one vote) to pass an effective resolution or decide a matter referred to in clause 2.5 of this Schedule 2,

and clauses 1, 2, 4, 5, 6, 7.4 to 7.7 and 8 of Schedule 3 will apply to the Original Trustees for the purposes of clauses 2.5 and this 2.7 of this Schedule 2 until the Board Appointments Panel has appointed a sufficient number of initial Independent Trustees to form a majority of the Board in accordance with clause 2.3 of this Schedule 2.

3. Composition of the Board

3.1 Following the date on which the Board Appointments Panel has appointed a sufficient number of initial Independent Trustees to form a majority of the Board as required by clause 2.3 of this Schedule 2, the composition of the Board shall at all times be as follows:

- (a) four Council-Appointed Trustees, with two Council-Appointed Trustees being Elected Council Members; and

- (b) five Independent Trustees, including two Mana Whenua-Appointed Trustees.
- 3.2 Following the date on which the Board Appointments Panel has appointed a sufficient number of initial Independent Trustees to form a majority of the Board as required by clause 2.3 of this Schedule 2, in the event that the number of Council-Appointed Trustees forms a majority of the Board, then no decision making is permitted by the Trustees other than what is required to change the Board composition so the Council-Appointed Trustees form a minority of the Board and other than for necessary decisions limited to essential administrative matters only.
- 3.3 In the event that a Council-Appointed Trustee:
- (a) was appointed as an Elected Council Member; and
 - (b) is no longer an Elected Council Member,
- such Trustee shall continue to be an Elected Council Member, for the purposes of this Trust Deed only, until such time that the Council-Appointed Trustee referred to in this clause 3.3 is replaced by a Elected Council Member to be appointed by the Settlor.

4. **Board Appointments Panel**

- 4.1 As soon as practicable following the signing of this Trust Deed, a Board Appointments Panel shall be formed in accordance with the requirements of clause 4.4 of this Schedule 2, whose role shall be to identify and appoint suitable candidates to fill:
- (a) the Board vacancies for initial Independent Trustees (but excluding Independent Trustees who are Mana Whenua-Appointed Trustees) as at the date of signing the Trust Deed so that there a sufficient number of initial Independent Trustees to form a majority of the Board (with such number being five Independent Trustees (including two Mana Whenua-Appointed Trustees)); and
 - (b) any Board vacancy that arises for an Independent Trustee (but excluding Independent Trustees who are Mana Whenua-Appointed Trustees) from time to time.
- 4.2 In the event any vacancy arises for the position of Independent Trustee (but excluding Independent Trustees who are Mana Whenua-Appointed Trustees) having regard to the requirements of clause 3.1 of this Schedule 2, the Board Appointments Panel shall appoint a replacement Independent Trustee as soon as practicable following the vacancy arising, but in any event within 60 calendar days of the vacancy arising.
- 4.3 The Board Appointments Panel shall notify the Trust in writing of any appointment of an Independent Trustee made by the Board Appointments Panel as soon as such appointment has been made.
- 4.4 The Board Appointments Panel will at all times comprise the following panel members:
- (a) the chairperson;
 - (b) one other Trustee panel member appointed by:
 - (i) the Original Trustees prior to the Board Appointments Panel having appointed a sufficient number of initial Independent Trustees to form a majority of the Board as required by clause 2.3 of this Schedule 2; and
 - (ii) the Board following the date on which the Board Appointments Panel has appointed a sufficient number of initial Independent Trustees to form a majority

of the Board in accordance with clause 2.3 of this Schedule 2, and who must be an Independent Trustee;

- (c) one Mana Whenua--Appointed Trustee panel member, appointed by the Mana Whenua Appointing Parties; and
- (d) two independent panel members (not being Trustees or associated with the Settlor (including as a Council Officer or Elected Council Member)) appointed by the members of the Board Appointments Panel referred in in clauses 4.4(a) to 4.4(c) of this Schedule 2, with an expertise in the governance of organisations that is relevant to the operation of the Trust.

4.5 At any time the:

- (a) Original Trustees or the Board (as applicable) may remove or appoint the Trustee panel member referred to in clause 4.4(b) of this Schedule 2 at any time during that Trustee's term;
- (b) the Mana Whenua Appointing Parties may appoint or remove the Mana Whenua-Appointed Trustee panel member from the Board Appointments Panel; and
- (c) members of the Board Appointments Panel referred in in clauses 4.4(a) to 4.4(c) of this Schedule 2 may appoint or remove the independent panel members referred to in clause 4.4(d) of this Schedule 2, at any time during that person's term.

4.6 Unless a person is removed from the Board Appointments Panel in accordance with clause 4.5 of this Schedule 2, each person appointed to the Board Appointments Panel (except for the then-current chairperson, who is always a member of the Board Appointments Panel and except for the panel member appointed pursuant to clause 4.4(b)(i), who is only a member until the date of appointment of the panel member pursuant to clause 4.4(b)(ii)) shall be appointed for a term of up to three years and may be re-appointed for subsequent periods of up to two years, with the term of such appointment and re-appointment being determined by:

- (a) a majority decision of the Board in respect of the panel member referred to in clause 4.4(b)(ii);
- (b) the Mana Whenua Appointing Parties in respect of the Mana Whenua-Appointed Trustee panel member referred to in clause 4.4(c); and
- (c) a majority decision of the members of the Board Appointments Panel referred in in clauses 4.4(a) to 4.4(c) of this Schedule 2 in respect of the two independent panel members referred to in clause 4.4(d) of this Schedule 2,

in each case, at its sole discretion at the time of such appointment or re-appointment.

4.7 In performing its duties and undertaking its functions under this Trust Deed, the Board Appointments Panel shall not be liable to the Trust or any Trustee for any losses for damages incurred as a result of any act or omission of the Board Appointments Panel, provided that the Board Appointments Panel has acted honestly and has not wilfully committed any act known to be in breach of this Trust Deed.

4.8 The Board Appointments Panel shall not delegate its powers under this Trust Deed.

5. Appointment

5.1 The power of appointing new trustees of the Trust shall be as follows:

- (a) Council-Appointed Trustees will be made by the Settlor; and
- (b) Independent Trustees:
 - (i) subject to clause 5.1(b)(ii), will be made by the Board Appointments Panel; and
 - (ii) will be made by Mana Whenua Appointing Parties in relation to two Independent Trustees.

5.2 In making the appointments of Trustees pursuant to clause 5.1 of this Schedule 2, the relevant appointing party must:

- (a) have regard to the Trustee Skills and Experience;
- (b) be reasonably satisfied that the relevant candidate possesses skills and experience that align with the Trustee Skills and Experience; and
- (c) must ensure that the following essential skills and experience are represented by at least one Trustee on the Board at all times:
 - (i) social tenancy management;
 - (ii) property development;
 - (iii) strategy development and business planning;
 - (iv) financial management and literacy;
 - (v) asset management;
 - (vi) legal and risk management; and
 - (vii) Mātauranga Māori,

before any appointment of such candidate as a Trustee can be made.

5.3 A Trustee who has ceased to be a Trustee must carry out all acts and deeds and sign all documents necessary or desirable for the proper vesting of the Trust Fund in the continuing and new Trustees or otherwise as the case may require, which acts and deeds and signings shall be done and executed at the expense of the Trust Fund.

6. Eligibility

A person disqualified by the Charities Act 2005 from being an officer of a charitable entity may not be a Trustee.

7. Chairperson

7.1 The appointment of a Trustee as the chairperson of the Board will be made:

- (a) initially, by the Settlor pursuant to clause 7.2 of this Schedule 2; and
- (b) as soon as practicable following the date on which the Trust has obtained registration as a Community Housing Provider pursuant to clause 4.1(d), by the Board (provided

that the Board may, at its discretion, decide that the chairperson referred to in clause 7.2 of this Schedule 2 be re-appointed as the chairperson).

- 7.2 From the date of execution of this Trust Deed until the date on which the Board appoints a chairperson pursuant to clause 7.1(b) of this Schedule 2, the chairperson shall be Andrew Turner.
- 7.3 Following the date on which the Board appoints a chairperson pursuant to clause 7.1(b) of this Schedule 2, the Trustees may from time to time (but subject to clause 7.6 of this Schedule 2) by a majority resolution appoint one of their number as chairperson of the Board and decide on the period for which the chairperson will hold office.
- 7.4 In the absence of the chairperson at a meeting, another Trustee may be elected by Trustees present to be the chairperson for the meeting.
- 7.5 The chairperson shall take the chair at all meetings of the Trustees but shall not have a casting vote.
- 7.6 The chairperson shall not be a Trustee that is an Elected Council Member.
- 7.7 The chairperson may be removed from that position by a majority resolution passed by the other Trustees.

8. Term of Appointment

- 8.1 The Original Trustees shall have the following terms of appointment:
- (a) Andrew Turner shall be appointed for a term that ends on three-and-a-half years from the date of execution of this Trust Deed;
 - (b) Matthew Harker shall be appointed for a term that ends on three-and-a-half years from the date of execution of this Trust Deed ;
 - (c) Rebecca Matthews shall be appointed for a term that ends on three years from the date of execution of this Trust Deed, subject to clause 3.3 of this Schedule 2;
 - (d) Tim Brown shall be appointed for a term that ends on three years from the date of execution of this Trust Deed, subject to clause 3.3 of this Schedule 2;
 - (e) [Mana-Whenua Appointed Trustee] shall be appointed for a term that ends on three years from the date of execution of this Trust Deed; and
 - (f) [Mana-Whenua Appointed Trustee] shall be appointed for a term that ends on three years from the date of execution of this Trust Deed.
- 8.2 Any Trustee that is subsequently appointed to the Board shall have a term of appointment of three years (unless they cease to be a Trustee under clause 9 of this Schedule 2).
- 8.3 Any Trustee may be reappointed for a maximum of two subsequent terms of three years each. The maximum consecutive term to be served by any Trustee shall be nine years, unless the Trustees by Special Majority decision resolve otherwise that a Trustee may serve for a longer period in order to further the Charitable Purposes. The power of reappointment shall be vested in the parties referred to in clause 5.1 of this Schedule 2.

9. Cessation and Removal

9.1 A person shall cease to be a Trustee if:

- (a) the Trustee's term of appointment as provided for in clause 8 of Schedule 2 comes to an end;
- (b) the Trustee resigns by notice in writing to the chairperson of the Board;
- (c) the Trustee becomes a person whom clause 6 of this Schedule 2 does not permit to be a Trustee;
- (d) the Trustee can no longer adequately fulfil the office of Trustee due to ill health;
- (e) the Trustee dies;
- (f) the Trustee refuses to act as a Trustee;
- (g) the Trustee fails to attend three consecutive Trustee meetings in the absence of reasons acceptable to the chairperson of the Board;
- (h) the relevant appointing party in clause 5.1 of this Schedule 2 removes its appointed Trustee; or
- (i) the Trustee has been deemed by unanimous resolution of the other Trustees that the first Trustee has failed to fulfil their duties as a Trustee.

9.2 The Trustees able to continue to act as Trustees shall resolve any question of whether a Trustee has ceased to be a Trustee pursuant to clause 9.1 of this Schedule 2. The decision of the continuing Trustees shall be final.

10. Minute book

Details of new and retiring Trustees shall be recorded in the minute book of the Trust.

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Schedule 3: Trustee meetings

1. Meetings

- 1.1 The Trustees have the discretion to decide when and where meetings of the Board shall be held.
- 1.2 A Trustee may at any time summon a meeting, subject to clause 2 of this Schedule 3.

2. Notice of meeting

- 2.1 Seven days' notice of any Board meeting shall be communicated by the chairperson to each of the other Trustees. However, all of the Trustees may unanimously agree to shorten or waive the period of notice.
- 2.2 No notice is necessary for the resumption of an adjourned meeting. However, a Trustee who was not present at the meeting adjourned must be notified of the time and place of the reconvened meeting.

3. Quorum

- 3.1 Subject to clause 3.2 of this Schedule 3, a quorum for meetings of Trustees shall be:
- (a) one more than half the current number of Trustees if there is an even number of Trustees; and
 - (b) a majority of the current number of Trustees if there is an odd number of Trustees (so that, by way of example only, if the current number of Trustees is nine, a majority of Trustees will be five),

and in each case, at least two of those Trustees present at any given meeting shall be Independent Trustees.

- 3.2 Where this Trust Deed requires a unanimous or Special Majority decision, a quorum will not be present unless the meeting of Trustees present comprises:
- (a) at least 75% of the total number of Trustees; and
 - (b) at least two Independent Trustees of those Trustees present.

- 3.3 A Trustee suffering from any temporary physical incapacity, or who is mentally incapable, shall not be treated as a Trustee for the purposes of clause 3.1 of this Schedule 3.

4. Adjournment

- 4.1 If a quorum is not present within thirty minutes after the time appointed for a Board meeting, the Board meeting may be adjourned.
- 4.2 A Board meeting in session may be adjourned if the Trustees present so resolve.

5. Holding a meeting

- 5.1 A Board meeting may be held:
- (a) in person by the number of Trustees who constitute a quorum, being assembled together at the place, date and time of the meeting; or
 - (b) by means of audio or electronic communication by which all Trustees participating and constituting a quorum can simultaneously hear or communicate with each other throughout the meeting (with electronic messages treated as the equivalent of views expressed in person).

6. Conflict Transaction

- 6.1 A Trustee for whom a Conflict Transaction may exist:
- (a) shall disclose to the Board meeting all relevant details concerning the Conflict Transaction;
 - (b) must not be involved in deliberations or vote on any matter relating to the Conflict Transaction;
 - (c) may attend any Board meeting at which any matter relating to that Conflict Transaction arises (but may be excluded from that part of the meeting relating to the transaction, if the Board so determines) and may participate in the meeting, and in the case of a Trustee vote, in relation to all other items of business at that meeting;
 - (d) is counted towards the quorum required for a Board meeting; and
 - (e) may sign any written resolution or any other document relating to the Conflict Transaction on behalf of the Trust, and do anything else as a Trustee in relation to the Conflict Transaction, as if he or she were not interested in the Conflict Transaction, unless the Board determines otherwise.

7. Decisions and voting rules

- 7.1 Unless this Trust Deed requires a unanimous decision or Special Majority decision for a matter, the Trustees present at a meeting must reach agreement by a majority vote to pass an effective resolution or decide a matter.
- 7.2 Subject to clause 7.3 of this Schedule 3, each Trustee shall be entitled to one vote.
- 7.3 At all Board meetings, provided that a quorum is present in accordance with clause 3.1 of this Schedule 3:
- (a) Independent Trustees present at any given Board meeting must collectively exercise at least one vote more than the total number of Council-Appointed Trustees present to ensure that at all times, Council-Appointed Trustees do not obtain majority control over decision-making; and
 - (b) where the total number of Independent Trustees present at any given Board meeting is equal to or less than the total number of Council-Appointed Trustees, each vote that an Independent Trustee is entitled to under clause 7.1 of this Schedule 3 shall be weighted up accordingly:

- (i) where there are three Council-Appointed Trustees and two Independent Trustees present, each Independent Trustee's vote shall equal two votes;
- (ii) where there are three Council-Appointed Trustees and three Independent Trustees present, each Independent Trustee's vote shall equal 1.34 votes;
- (iii) where there are four Council-Appointed Trustees and two Independent Trustees present, each Independent Trustee's vote shall equal 2.5 votes;
- (iv) where there are four Council-Appointed Trustees and three Independent Trustees present, each Independent Trustee's vote shall equal 1.67 votes; and
- (v) where there are four Council-Appointed Trustees and four Independent Trustees present, each Independent Trustee's vote shall equal 1.25 votes,

in each case, as summarised in the table below:

Number of Council-Appointed Trustees present	Number of Independent Trustees present	Weight of vote allocated to each Trustee present	
		Council-Appointed	Independent
3	2	1	2
	3	1	1.34
4	2	1	2.5
	3	1	1.67
	4	1	1.25

- 7.4 The method of voting on motions and Trustee resolutions shall be decided by the Trustees. Different methods may be adopted for different motions.
- 7.5 A resolution may be prepared and signed in counterparts including signature in electronic format.
- 7.6 A resolution of the Trustees may be rescinded or varied by the Trustees in the same manner as it was passed.
- 7.7 A written resolution signed by at least a majority of the Trustees for the time being, excluding any Trustee for whom any matter dealt with by the resolution is a Conflict Transaction, will be as effective as a resolution compliant with clause 7.1 in a duly convened meeting of the Trustees.

8. Minutes

- 8.1 The Trustees shall maintain a minute book recording minutes of their Board meetings and their decisions.
- 8.2 The minute book may be in hard copy or electronic format.
- 8.3 Unless there is evidence to the contrary, matters referred to in a meeting minute shall be treated as approved where the chairperson of the meeting, or the chairperson of the next meeting:

- (a) records the minute in an electronic message; or
- (b) signs the minute.

8.4 Decisions recorded in the minutes shall be read in conjunction with this Deed and are binding on all persons interested in the Trust.

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Schedule 4: Principles

1. Principles

- 1.1 In carrying out the activities of the Trust to advance the Charitable Purposes, the Trustees shall have regard to:
- (a) te Tiriti o Waitangi;
 - (b) Tikanga Māori;
 - (c) Te Ao Māori; and
 - (d) the following principles, including but not limited to:
 - (i) manaakitanga, inclusivity and collaboration with mana whenua;
 - (ii) recognition and respect for sacred kinship networks that extend to our natural environment;
 - (iii) balance during processes, engagements and interactions;
 - (iv) honesty and transparency;
 - (v) solutions that bring success through aroha and kotahitanga; and
 - (vi) humility and service to promote care and safety to others.

DRAFT

STATEMENTS OF EXPECTATION TO COUNCIL-CONTROLLED ORGANISATIONS

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Te Kaunihera o Pōneke | Council seeks Council's consideration and input into the Statements of Expectation addressed to the following Council Controlled Organisations (CCOs)
 - Basin Reserve Trust
 - Karori Sanctuary Trust (trading as Zealandia)
 - Wellington Cable Car Limited
 - Wellington Museums Trust (trading as Experience Wellington)
 - Wellington Regional Economic Development Agency Ltd (trading as WellingtonNZ)
 - Wellington Regional Stadium Trust (trading as Sky Stadium)
 - Wellington Zoo Trust

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Relevant Previous decisions

None.

Significance

The decision is **rated low significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

Financial considerations

- Nil
- Budgetary provision in Annual Plan / Long-term Plan
- Unbudgeted \$X

Risk

- Low
- Medium
- High
- Extreme

2. Overall, this is rated as low risk on the Council's risk framework

Author	Jamie Crump, Manager CCO Partnerships & Planning
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

- 1) **Receive** the information
- 2) **Agree** that the Statement of Expectations in terms of section 64B of the Local Government Act 2002 will outline Council's strategic direction and its enduring expectations of Council-controlled Organisations.
- 3) **Agree** the individual messages in the Statements of Expectation to the following organisations:
 - a. Basin Reserve Trust
 - b. Karori Sanctuary Trust
 - c. Wellington Cable Car Limited
 - d. Wellington Museums Trust
 - e. Wellington Regional Economic Development Agency Ltd
 - f. Wellington Regional Stadium Trust
 - g. Wellington Zoo Trust
- 4) **Agree** that officers will prepare Statements of Expectation incorporating the directions of Te Kaunihera o Pōneke | Council for signing by the Chair of the Kōrau Tōtōpū | Long-Term Plan, Finance & Performance Committee.

Whakarāpopoto | Executive Summary

3. The Council sets out its expectations of CCOs in a Statement of Expectation (SOE) per Section 64B of the Local Government Act 2002. The SOE serves to reiterate or emphasise some of the Council's enduring expectations while also alerting the entities to new Council initiatives or programmes or expected outcomes from the entities.
4. This report outlines the key messages to be presented to each CCO and is designed to assist the entity with business planning and with the preparation of its Statement of Intent.
5. Attached to this report is a sample SOE which is a representative example of the SOEs that this report will initiate.

Takenga mai | Background

6. Council-controlled Organisations are required under Section 64 of the Local Government Act 2002 to prepare a draft Statement of Intent for the Council by 1 March of the preceding financial year. The Council sets out its expectations of its CCOs in a Statement of Expectation (SOE) per Section 64B of the Local Government Act 2002
7. This report outlines the key messages to be presented to each CCO in a SOE. The SOE is designed to assist the entity with business planning and with the preparation of its Statement of Intent.

8. The SOE serves to reiterate or emphasise some of the Council's enduring expectations while also alerting the entities to new Council initiatives or programmes or expected outcomes from the entities.
9. Officers will incorporate any feedback from the Council into the SOE that will be signed by the Chair of Kōrau Tōtōpū | Long-Term Plan, Finance & Performance Committee.
10. In terms of a Court Of Appeal Judgement (CA164/04) on 6 September 2005 between the Commissioner of Inland Revenue and the Wellington Regional Stadium Trust, it was established that Sections 5 and 6, Schedules 8 and 9 and Part 5 of the Local Government Act 2002 do not apply to the Wellington Regional Stadium Trust and accordingly the Trust is not a CCO.
11. In recognition of the Council's original investment in the Wellington Regional Stadium Trust and the non-recourse loan from Council to the Trust that was fundamental in the establishment of the Trust and the building of the stadium, the relationship operates as if the Trust was a CCO. This approach is consistent with the Greater Wellington Regional Council's relationship with the Trust.

Kōrerorero | Discussion

12. The overarching context for both Council and Council-controlled Organisations is the requirement for a focus on robust financial management and delivering services in a financially sustainable and affordable manner.
13. To a large degree, the Council's expectations are enduring, including that CCOs are expected to maintain an ongoing alignment to the Council's strategic direction and its annual and long-term plans.
14. The Council's 2021-31 Long-term Plan (LTP) focuses on four wellbeing outcomes that will influence Wellington over the next ten years. The long-term strategic vision: "Wellington 2040 – an inclusive, sustainable and creative capital for people to live, work and play" is supported by four community outcomes that reflect each of the four dimensions of wellbeing and are at the centre of our long-term plan. The outcomes are the basis for all of Council's activities, with the rationale for delivering each of its services connecting back to achieving of one or more of them.

Environmental: A sustainable, climate friendly eco capital

- *A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations.*

Social: A people friendly, compact, safe and accessible capital city

- *An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe and healthy.*

Cultural: An innovative, inclusive and creative city

- *Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve and enjoy arts, culture and heritage.*

Economic: A dynamic and sustainable economy

- *The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future.*

15. Wellington city is facing significant challenges from the effects of earthquakes and an aging three-waters network to the current and future impacts of climate change. The LTP is Council's response. Through it, Council will build the strong foundations that Wellington needs to meet the challenges of today and prepare it for the challenges of the future. Whether it be: building a more resilient three-waters network; earthquake strengthening Council's buildings; mitigating and preparing for climate change; or investing in the partnership with Māori and mana whenua; the LTP lays the foundations for a dynamic, attractive city fit for the future.
16. Council's Priority Objectives under the current LTP are:
- A functioning, resilient and reliable three waters infrastructure – with improving harbour and waterway quality and reducing water usage and waste.
 - Wellington has affordable, resilient and safe housing – within an inclusive, accessible, connected, and compact city.
 - The city's core transport infrastructure is a safe, resilient, reliable network – that supports active and public transport choices, and an efficient, productive and an environmentally sustainable economy.
 - The city has resilient and fit-for-purpose community, creative and cultural spaces – including libraries, marae, museums and community halls, where people connect, develop and express their arts, culture and heritage.
 - An accelerating zero-carbon and wastefree transition – with communities and the city economy adapting to climate change, development of low carbon infrastructure and buildings, and increased waste minimisation.
 - Strong partnerships with mana whenua – upholding Te Tiriti o Waitangi, weaving Te Reo Māori and Te Ao Māori into the social, environmental and economic development of our city and, restore the city's connection with Papatūānuku (nature).
17. The implementation of **Tūpiki Ora** and **Takai Here** is underway.
- The Council is committed to ensuring mana whenua and Māori meaningfully participate in, contribute to, and inform Council decisions. Improved partnerships and capacity building are the cornerstones of this strategic direction.
18. Council's SOE to CCOs will request that Tūpiki Ora and Takai Here form a section in each SOI, with a description of:
- Te whakatairanga i te ao Māori / Enhancing and promoting Te Ao Māori
Council would like to see a dedication to elevating the status of te reo Māori across the city. For example, how are CCOs ensuring that access to, resourcing of and investment in Te Ao Māori is a priority?
 - Tiakina te Taiao / Caring for our environment

Council would like to know what efforts are being made to work alongside mana whenua and other community groups to address environmental challenges in the city?

- Te whakapakari pūmanawa / Building capability

Council would like to know how CCOs are developing trusted relationships and partnerships that are mutually beneficial and collaborative and ensures the direction is co-designed with our mana whenua partners

- He whānau toiora / Thriving communities

In what ways are CCOs increasing opportunities to grow Māori business, leaders and entrepreneurs and invest in greater representations and presence of mana whenua and Māori culture, language, and identity within and across our city?

19. The implementation of **Te Atakura: First to Zero** is well under way.
 - Council has reset the 2030 city emissions reduction target to a science-based target of a 57% reduction compared to 2020.
 - Council's 2050 net zero commitment remains unchanged.
 - Over the next 2 years Council is also planning for how it can adapt to the unavoidable impacts of climate change. This will include examining how Wellington grows and how it protects the land and infrastructure from extreme weather events.
20. These goals cannot be achieved by Council or its CCOs alone. Both Council and CCOs will need to provide leadership and develop relationships with many other organisations across the city to achieve this transformational change. The next year will be critical in bringing the city on a journey as Council seeks to gather support from Wellingtonians for the changes needed.
21. In addition to reporting on carbon emissions, Council would like to see in each CCO's Statement of Intent, a description of how it intends to:
 - Support the strategic goal of a more than halving in city carbon emissions in the next seven years
 - Support the zero-carbon and zero-waste aspirations of the City and Council
 - Incorporate climate change impacts and risks into its strategic planning
22. The **Aho Tini 2030 – Arts, Culture and Creativity Strategy** focuses on access and inclusion, higher visibility of Ngā Toi Māori, and the success of the city's artists and arts organisations, and includes a key theme of activating the city's places and spaces.
23. Council would like to see in each CCO's Statement of Intent:
 - how it might explore making spaces within their facility outside of regular programming more accessible for artists (for workshop or teaching, writing, crafting, making or performance) through liaison with our creative spaces team at Creative Capital (*Aho Whenua*)
 - identified opportunities to collaborate with artists, including Māori artists and those from diverse backgrounds, through liaison with our team at Creative Capital (*Aho Mahi*)

24. The **Economic Wellbeing Strategy** was adopted by Council in June 2022 and provides direction for Council activities, and for businesses and communities of Wellington City, outlining what the Council and CCO's can do: partnering with mana whenua and Māori, inspiring and empowering businesses for the future, and supporting businesses and organisations to partner with the Council to deliver economic wellbeing outcomes.
25. The strategy takes a holistic economic wellbeing perspective, incorporating and centring the four wellbeing's (social, cultural, economic and environmental) into strategy development and action planning.
26. The overall objective of the Economic Wellbeing Strategy is Wellington is a dynamic city with a resilient, innovative, low waste, low carbon circular economy that provides opportunities for all and protects and regenerates our environment
27. CCO's are expected to be aware of implications of the Economic Wellbeing Strategy outcomes and address these in the Statement of Intent.
28. The **Strategy for Children and Young People** is focused on making Wellington a great place for children and young people to play, live, study and work. It gives context and direction to the work of the Council about the wellbeing of children and young people in Wellington.
29. CCO's are expected to be aware of implications of the Strategy for Children and Young People outcomes and address these in the Statement of Intent.
30. The **Accessible Wellington Action Plan** is focused on improving accessibility to Council's activities and services. It is expected that CCOs will continue support this by planning to improve accessibility where possible. In particular, Council would like CCOs to consider Rainbow inclusivity initiatives in their businesses and in doing so note that Council has a Rainbow Advisory Group who can provide support and guidance on opportunities in this focus area.
31. CCOs that are facing challenges to third party revenue or managing cost pressures over and above the Council operating grant are expected to have robust plans to manage these pressures.
32. Given the challenges facing Council, new investment that does not align closely with the Council's priorities is unlikely to be supported. Council and CCOs will continue to work together on how best to maximise limited resources.
33. As an enduring expectation, Council expects that CCOs will maintain their commitment to paying the Living Wage.
34. In addition to the foregoing, the following specific points will be addressed to individual CCOs in the SOE.

BASIN RESERVE TRUST

35. Council will continue to work actively with the Trust to develop Asset Management Maturity which will clearly define clear roles and responsibilities between the entities. One of the principal objectives is to create a common understanding with regards to the funding of operational and infrastructure assets, and will outline a practical approach to the ongoing management and maintenance for the development of the 23/24 Annual

Plan, and the development of a comprehensive Asset Management Plan that will feed into the 2024-34 Long Term Plan.

36. The Trust will work closely with Council in support of its zero-carbon and zero-waste aspirations.
37. Let's Get Wellington Moving will have a significant influence on the city and it is acknowledged that the Basin Reserve represents an important part of the LGWM programme. The Trust should engage constructively with the programme to ensure that the interests of the Basin Reserve are well understood as options are developed for this part of the route.

KARORI SANCTUARY TRUST

38. Council expects that the Trust will provide an update on the development of Tanglewood House, acknowledging Council's contribution toward this project.
39. Council will continue to work actively with the Trust to develop Asset Management Maturity which will clearly define clear roles and responsibilities between the entities. One of the principal objectives is to create a common understanding with regards to the funding of operational and infrastructure assets, and will outline a practical approach to the ongoing management and maintenance for the development of the 23/24 Annual Plan, and the development of a comprehensive Asset Management Plan that will feed into the 2024-34 Long Term Plan.

WELLINGTON CABLE CAR LTD

40. Council expects the company to outline its continued plans and priorities for improving the seismic resilience of its network.
41. The company has demonstrated its adaptability in supporting cultural activities in the city using the Cable Car as a stage. Council would like to see the company continue to commit to developing new opportunities to strengthen the alignment with this important Council strategy, both for the benefit of the city and the Cable Car service.
42. The Council expects the company to continue to work together with Council and other stakeholders to improve the Kelburn terminus precinct vibrancy and appeal to locals and visitors now and into the future. Together with Experience Wellington and WellingtonNZ, the company should lead the planning for early interventions to add value to the cable car journey and celebrate the historic area, and to develop longer term plans for its future that create an integrated experience which leads to more frequent visitation.
43. After a challenging COVID period Council expects the company to return to financial autonomy and outline its plans to achieve this.
44. Let's Get Wellington Moving will have a significant influence on the city. The company should engage proactively with the programme to ensure that the interests of the Cable Car are well understood, including the plan for development on Lambton Quay and the need for improved way finding to the Cable Car.

WELLINGTON MUSEUMS TRUST

45. After a challenging COVID period Council expects the Trust to return to financial viability and outline its plans to achieve this.
46. Council will work with the Trust to review its operating and funding model to ensure that it is fit for purpose and enable the Trust to deliver on Council expectations and provide the best possible outcome for Wellington.
47. Council will continue to work actively with the Trust to develop Asset Management Maturity which will clearly define clear roles and responsibilities between the entities. One of the principal objectives is to create a common understanding with regards to the funding of operational and infrastructure assets, and will outline a practical approach to the ongoing management and maintenance for the development of the 23/24 Annual Plan, and the development of a comprehensive Asset Management Plan that will feed into the 2024-34 Long Term Plan.
48. Council will continue to work with the Trust to develop a plan for the seismic strengthening and upgrade of the Bond Store (home to the Wellington Museum).
49. Council sees a role for the Trust, Council, Wellington NZ, and the Cable Car to work together in planning opportunities to leverage the Cable Car journey. Council expects the Cable Car to lead the planning for early interventions to celebrate the historic area at the top of the Cable Car, and to develop longer term plans for its future.
50. The Trust will further develop its plans for Capital E and its co-location within Te Matapihi ki te Ao Nui. An integrated service delivery model will be developed jointly by the Trust and Council. The parties will work together to secure operational and asset funding requirements associated with delivery of Capital E's agreed services in Te Matapihi via the 2024 Long Term Plan.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD

51. The Council expects WellingtonNZ to work in partnership with the Council on the achievement of the Economic Wellbeing Strategy, with particular focus on the following goals: Goal 1 (Sustainable business and career pathways), Goal 4 (Centre of Creativity & Digital Innovation) and Goal 6 (Dynamic City).
52. WellingtonNZ is expected to continue to increase its support for businesses to grow and innovate in Wellington and to attract events to the city in support of Council's economic wellbeing outcomes. This includes providing specialist services to support businesses as part of the City In Transition project, as well a focus on attracting locals to the central city while a prolonged period of significant works to improve the city takes place."
53. Council continues to expect WellingtonNZ to market Wellington strongly as a destination for visitors, migrants, investors and students.
54. Following the reopening of borders Council expects to see WellingtonNZ's strategy for attracting back its key visitor markets (e.g. Australia, Team Wellington target markets and the domestic New Zealand market)
55. Council expects to see initiatives that relate to the Destination Pōneke plan for developing Wellington as a destination for both locals and visitors.
56. The Council expects WellingtonNZ to work with developers and the hotel sector to grow the stock of hotel rooms in Wellington

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57. Council expects WellingtonNZ to work with Council, Te Papa and other partners to ensure Tākina is set up for success and we optimise the economic outcomes for Wellington. Including championing Tākina, Tākina Events and Exhibitions in Destination Marketing, continuing to drive the sales and marketing for conference and business event activity to secure a strong business events pipeline, and helping optimise the sourcing and delivery of exhibitions through strategic marketing planning and delivery and providing other agreed services.
 58. The Council is committed to supporting the FIFA Women's World Cup Australia & New Zealand 2023 when it comes to the Southern Hemisphere for the first time. In collaboration with the Wellington Regional Stadium Trust and the Council, WellingtonNZ is expected to ensure that the city is well prepared to deliver a world class experience for fans and teams for this event.
 59. Council will continue to work actively with WellingtonNZ to develop Asset Management Maturity for Wellington Venues which will clearly define clear roles and responsibilities between the entities. One of the principal objectives is to create a common understanding with regards to the funding of operational and infrastructure assets, and will outline a practical approach to the ongoing management and maintenance for the development of the 23/24 Annual Plan, and the development of a comprehensive Asset Management Plan that will feed into the 2024-34 Long Term Plan.

WELLINGTON REGIONAL STADIUM TRUST

60. The Council is committed to supporting the FIFA Women's World Cup Australia & New Zealand 2023 when it comes to the Southern Hemisphere for the first time. In collaboration with WellingtonNZ and the Council, the Trust is expected to ensure that the stadium and the city is well prepared to deliver a world class experience for fans and teams for this event.
61. The Trust will finalise the design, budget and programme for the asset renewal and seismic strengthening works planned for the stadium with the expectation that it will be partially funded by both settlor councils through the 2024-34 LTP.
62. With open borders and the removal of pandemic restrictions the Council expects the stadium will continue to deliver a strong programme of stadium-filling events that return economic benefit to the city and region.
63. Council is mindful of the financial burden that insurance places on the stadium's viability. The Trust should continue to work collaboratively with its settlor councils to determine an optimal insurance structure for the stadium.
64. After a challenging COVID period Councils expect the stadium to return to financial sustainability and outline its plans to achieve this.

WELLINGTON ZOO TRUST

65. Council expects the Trust to leverage the new Snow Leopards opportunity to increase visitation to the Zoo.

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66. The Trust will provide a forward programme of the planned asset renewals which are funded by Council and supported by third-party fund raising. The renewals programme will be underpinned by an Asset Management Plan.
67. Council will work with the Trust on capital budget planning to inform the 2024 LTP following the Trust's master planning, species planning and strategy review in late 2022.

Kōwhiringa | Options

68. Council can choose from the following options:
- Endorse and approve the recommended expectations for each CCO
 - Edit or remove a recommended expectation for an individual CCO
 - Add a new expectation for an individual CCO or all CCOs

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

69. This report has explicit alignment with Council's strategies and policies and requires that this alignment is adopted by CCOs.

Engagement and Consultation

70. Not applicable

Implications for Māori

71. This report aligns with Tūpiki Ora and Takai Here and requires that this alignment is adopted by CCOs. There are no known implications for Iwi.

Financial implications

72. This report does not create financial implications for the Council, except as already agreed in the 2021-31 Long-Term Plan.

Legal considerations

73. Not applicable

Risks and mitigations

74. Overall this is rated as low risk on the Council's risk framework.

Disability and accessibility impact

75. Not applicable.

Climate Change impact and considerations

76. This report responds positively to Wellington's zero carbon goals by extending expectations to CCOs to support Council in this challenge.

Communications Plan

77. Not applicable

Health and Safety Impact considered

78. Not applicable

Ngā mahinga e whai ake nei | Next actions

79. Council officers will prepare Statements of Expectation and covering letters to be signed by the Chair of the Kōrau Tōtōpū | LTP, Finance and Performance Committee.

Attachments

Attachment 1. Example Draft SOE 2023-24_KST

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STATEMENT OF EXPECTATIONS

Section 64B, Local Government Act 2002

KARORI SANCTUARY TRUST

For the Statement of Intent for the period 2023-24 to 2025-26

ENDURING EXPECTATIONS

No Surprises

Wellington City Council (WCC) has a No Surprises policy that operates both ways between Council and its Council-controlled Organisations in relation to items of public interest or matters of significance.

The policy is forward looking and requires judgement as to significance. It relies on the open, honest, and thoughtful sharing of information, as legally permitted, between the parties so that each party is aware of significant decisions or matters of interest, at the earliest practicable opportunity and/or before public dissemination.

Relationship

WCC will continue to work with Council-controlled Organisations in a collaborative manner to ensure their mahi helps WCC deliver its strategic priorities to enhance Wellington as a destination whilst enabling each organisation to succeed. This includes continued close involvement of Council-controlled Organisations in the Annual Plan and Long-Term Plan processes and working collectively as a Council-controlled Organisation group on strategic initiatives.

Legislation & Compliance

The Council expects its Council-controlled Organisations to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.

Governance

The Council-controlled Organisation is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the board chair.

On completion of this review, the Council's Chief Executive should receive a report that describes the form the review took and the outcomes of the review in relation to the Council appointed Trustees. The review is to be completed and reported to Council by 30 September each year.

It is good governance for an entity to maintain a skills matrix in relation to its board of directors or trustees. Council would like to receive a copy of the Trust's skills matrix, reviewed annually, by 31 March each year. Council would also like to see Te Ao Māori included on the Trust's skills matrix.

Risk Management

The Council-controlled Organisation is expected to have robust processes at a governance level to identify and manage risks. This should be documented and regularly maintained.

Council will seek assurance about CCO's risk management processes. In accordance with the No Surprises principle, the CCO will notify the Council of significant risks that may impact on the Council or the wider group. The Council's Audit and Risk Subcommittee will ensure that all affected entities are aware of and appropriately managing risks of this nature.

Living Wage

Council expects that CCOs will maintain their commitment to paying the Living Wage.

ALIGNMENT WITH COUNCIL'S STRATEGIC DIRECTION

Council-controlled Organisations are expected to maintain an ongoing alignment to the Council's strategic direction and its annual and long-term plans.

The Council's 2021-31 Long-term Plan (LTP) focuses on four wellbeing outcomes that will influence Wellington over the next ten years. The long-term strategic vision: "Wellington 2040 – an inclusive, sustainable and creative capital for people to live, work and play" is supported by four community outcomes that reflect each of the four dimensions of wellbeing and are at the centre of our long-term plan. The outcomes are the basis for all of Council's activities, with the rationale for delivering each of its services connecting back to achieving of one or more of them.

- **Environmental:** A sustainable, climate friendly eco capital

A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations.

- **Social:** A people friendly, compact, safe and accessible capital city

An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe and healthy.

- **Cultural:** An innovative, inclusive and creative city

Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve and enjoy arts, culture and heritage.

- **Economic:** A dynamic and sustainable economy

The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future.

Wellington city is facing significant challenges from the effects of earthquakes and an aging three-waters network to the current and future impacts of climate change. The LTP is Council's response. Through it, Council will build the strong foundations that Wellington needs to meet the challenges of today and prepare it for the challenges of the future. Whether it be: building a more resilient three-waters network; earthquake strengthening Council's buildings; mitigating and preparing for climate change; or investing in the partnership with Māori and mana whenua; the LTP lays the foundations for a dynamic, attractive city fit for the future.

Council's Priority Objectives under the current LTP are:

- A functioning, resilient and reliable three waters infrastructure – with improving harbour and waterway quality and reducing water usage and waste.
- Wellington has affordable, resilient and safe housing – within an inclusive, accessible, connected, and compact city.
- The city's core transport infrastructure is a safe, resilient, reliable network – that supports active and public transport choices, and an efficient, productive and an environmentally sustainable economy.
- The city has resilient and fit-for-purpose community, creative and cultural spaces – including libraries, marae, museums and community halls, where people connect, develop and express their arts, culture and heritage.
- An accelerating zero-carbon and wastefree transition – with communities and the city economy adapting to climate change, development of low carbon infrastructure and buildings, and increased waste minimisation.
- Strong partnerships with mana whenua – upholding Te Tiriti o Waitangi, weaving Te Reo Māori and Te Ao Māori into the social, environmental and economic development of our city and, restore the city's connection with Papatūānuku (nature).

Council documents **Tupiki Ora** and **Takai Here** should form a section in each Sol, with a description of:

- Te whakatairanga i te ao Māori / Enhancing and promoting Te Ao Māori

Council would like to see a dedication to elevating the status of te reo Māori across the city. For example, how are CCOs ensuring that access to, resourcing of and investment in Te Ao Māori is a priority?

- Tiakina te Taiao / Caring for our environment

Council would like to know what efforts are being made to work alongside mana whenua and other community groups to address environmental challenges in the city?

- Te whakapakari pūmanawa / Building capability

Council would like to know how CCOs are developing trusted relationships and partnerships that are mutually beneficial and collaborative and ensures the direction is co-designed with our mana whenua partners

- He whānau toiora / Thriving communities

In what ways are CCOs increasing opportunities to grow Māori business, leaders and entrepreneurs and invest in greater representations and presence of mana whenua and Māori culture, language, and identity within and across our city?

The implementation of Te Atakura: First to Zero is well under way.

- Council has reset the 2030 city emissions reduction target to a science-based target of a 57% reduction compared to 2020.
- Council's 2050 net zero commitment remains unchanged.
- Over the next 2 years Council is also planning for how it can adapt to the unavoidable impacts of climate change. This will include examining how Wellington grows and how it protects the land and infrastructure from extreme weather events.

These goals cannot be achieved by Council or its CCOs alone. Both Council and CCOs will need to provide leadership and develop relationships with many other organisations across the city to achieve this transformational change. The next year will be critical in bringing the city on a journey as Council seeks to gather support from Wellingtonians for the changes needed.

In addition to reporting on carbon emissions, Council would like to see in each CCO's Statement of Intent, a description of how it intends to:

1. Support the strategic goal of a more than halving in city carbon emissions in the next eight years
2. Support the zero-carbon and zero-waste aspirations of the City and Council
3. Incorporate climate change impacts and risks into your strategic planning

Ā mātau mahi mō te huringa āhuarangi What we're doing about climate change

Learn about Council's climate change action plan, Te Atakura - First to zero, the key actions areas, and how we measure the city's emissions. <https://wellington.govt.nz/climate-change-sustainability-environment/climate-change/what-were-doing-about-climate-change>

Aho Tini 2030 – Arts, Culture and Creativity Strategy

The strategy focuses on access and inclusion, higher visibility of Ngā Toi Māori, and the success of the city's artists and arts organisations, and includes a key theme of activating the city's places and spaces.

Four focus areas will direct the work of the Council to bring the vision to life.

- Aho Tangata Our people – connected, engaged, inclusive communities
Our communities are connected by diverse arts and cultural expression
- Aho Hononga Partnership with mana whenua and Māori
We honour te Tiriti o Waitangi and the Council's partnership with mana whenua in the outcomes we deliver
- Aho Whenua Our places and spaces – our city is alive
The entire city is alive with the possibility of art around every corner

- Aho Mahi – Pathways – successful arts and creative sector, and careers

Wellington is an incredible place to create, live, learn and work

Council would like to see in each CCO's Statement of Intent:

- how it might explore making spaces within their facility outside of regular programming more accessible for artists (for workshop or teaching, writing, crafting, making or performance) through liaison with our creative spaces team at Creative Capital (*Aho Whenua*)
- identified opportunities to collaborate with artists, including Māori artists and those from diverse backgrounds, through liaison with our team at Creative Capital (*Aho Mahi*)

Strategy for Children and Young People

Making Wellington a great place for children and young people to play, live, study and work.

<https://wellington.govt.nz/your-council/plans-policies-and-bylaws/policies/strategy-for-children-and-young-people>

This strategy gives context and direction to the work of the Council about the wellbeing of children and young people in Wellington. The plan will tackle these areas in particular.

- Our Central City
You feel safe in the city at any time of day.
- Hauora (wellbeing across the city)
Spaces, places and programmes support your hauora throughout the city.
- The basics
You can access food, safe and healthy housing, and support if you become homeless.
- You belong
Wellington celebrates and includes the diversity of all children and young people.
- Pathways
Our libraries and places can help you be a life-long learner and provide pathways to opportunities.
- Participating in change
We want you to have a say on the decisions that impact you.

Economic Wellbeing Strategy

This strategy was adopted by Council in June 2022 and provides direction for Council activities, and for businesses and communities of Wellington City, outlining what the Council and CCO's can do: partnering with mana whenua and Māori, inspiring and empowering businesses for the future, and supporting businesses and organisations to partner with the Council to deliver economic wellbeing outcomes.

The strategy takes a holistic economic wellbeing perspective, incorporating and centring the four wellbeing's (social, cultural, economic and environmental) into strategy development and action planning. CCO's are expected to be aware of implications of the outcomes and address these in the Statement of Intent.

The overall objective of the Economic Wellbeing Strategy is Wellington is a dynamic city with a resilient, innovative, low waste, low carbon circular economy that provides opportunities for all and protects and regenerates our environment. We will do this via six key outcomes:

Outcomes

1. Sustainable business and career pathways

Wellingtonians have equal opportunities to find meaningful, fairly paid and inclusive work

2. Transitioning to a zero carbon circular economy

We aim to be regenerative by design

3. A business-friendly city

Wellington is the city partner of choice for business, investors and developers

4. Centre of creativity and design

Wellington is the centre for Aotearoa New Zealand for creativity and innovation

5. Celebrate our Capital City status

Raising the profile of our Capital City

6. Dynamic city heart and thriving suburban centres

We aim to be a compact city with a dynamic CBD and thriving suburban centres which are economically productive

Accessible Wellington

The Accessible Journey Action Plan June 2019

<https://wellington.govt.nz/your-council/plans-policies-and-bylaws/policies/accessible-wellington-action-plan>

Improving accessibility to Council's activities and services remains focus for the Council and it is expected that CCOs will continue support this by planning to improve accessibility where possible.

In particular, Council would like CCOs to consider Rainbow inclusivity initiatives in their businesses and in doing so note that Council has a Rainbow Advisory Group who can provide support and guidance on opportunities in this focus area.

Our Strategic Relationship

In the drafting of the Statement of Intent, CCOs are invited to articulate to Council what is expected of a strategic relationship between the parties. Council will respond with feedback to reach a common understanding.

SPECIFIC EXPECTATIONS

Council's explicit expectations of a Council-controlled Organisation in relation to its Statement of Intent.

1. Council expects that the Trust will provide an update on the development of Tanglewood House, acknowledging Council's contribution toward this project.
2. Council will continue to work actively with the Trust to develop Asset Management Maturity which will clearly define clear roles and responsibilities between the entities. One of the principal objectives is to create a common understanding with regards to the funding of operational and infrastructure assets, and

will outline a practical approach to the ongoing management and maintenance for the development of the 23/24 Annual Plan, and the development of a comprehensive Asset Management Plan that will feed into the 2024-34 Long Term Plan.

DRAFT

WELLINGTON REGIONAL TRIENNIAL AGREEMENT 2022-2025

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Te Kaunihera o Pōneke | Council asks that the Triennial Agreement for the Wellington Region be considered and agreed.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
 - People friendly, compact, safe and accessible capital city
 - Innovative, inclusive and creative city
 - Dynamic and sustainable economy
-
- Functioning, resilient and reliable three waters infrastructure
 - Affordable, resilient and safe place to live
 - Safe, resilient and reliable core transport infrastructure network
 - Fit-for-purpose community, creative and cultural spaces
 - Accelerating zero-carbon and waste-free transition
 - Strong partnerships with mana whenua

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

Relevant Previous decisions

Significance

The decision is **rated low significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

2. There are no direct financial impacts on the Council from the Agreement.

Risk

- Low Medium High Extreme

3. There are no identifiable risks associated with the draft Agreement.

Author	Hedi Mueller, Senior Democracy Advisor
Authoriser	Jennifer Parker, Democracy Services Manager Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Agree to the draft Triennial Agreement 2022-2025 in Attachment 1.
- 3) Delegate to the Mayor the authority to make any minor amendments required as a result of minor changes requested by other local authorities in the region as part of the adoption process.
- 4) Authorise the Mayor to sign the Agreement on behalf of the Council.

Whakarāpopoto | Executive Summary

1. The Local Government Act requires that the newly elected Wellington City Council enter a regional triennial agreement and sign it prior to 1 March 2023.

Takenga mai | Background

2. Section 15 of the Local Government Act requires all local authorities within a region to enter into an agreement every triennium providing:
 - protocols for communication and co-ordination among the local authorities;
 - a statement of the process by which the local authorities will deal with proposals for new regional council activities; and
 - processes and protocols through which all local authorities can participate in identifying, delivering, and funding facilities and services of significance to more than one district.
3. In essence, the Triennial Agreement is a set of protocols to assist region-wide cooperation for the duration of the triennium.
4. The Triennial Agreement is required to be agreed by 1 March after each local authority election. If the agreement has not been signed by that date, there are no consequences for Councils.
5. The role of administering authority for the Agreement is shared across the nine councils in the Wellington region. The role is passed from one local authority to the next at the start of each triennium and includes providing secretarial services and acting as the contact for media and other communications. Carterton District Council will service this agreement for the 2022-2025 triennium.

Kōrerorero | Discussion

6. The draft Triennial Agreement 2022-2025 is in Attachment 1.
7. The 2022-2025 draft Agreement builds on the 2019-2022 Agreement. The changes are:
 - Modernising the language of the Agreement.
 - Adding the Wellington Regional Leadership Committee to the list of regional and sub-regional forums in clause 5.1(b) .

- Removing the old Wellington Regional Strategy Committee which was disestablished on 27 May 2021. Its duties and responsibilities have been taken over by the Wellington Regional Leadership Committee.

Kōwhiringa | Options

8. Wellington City Council can request a change to the draft Agreement. If any changes are agreed by resolution of WCC, the amended draft agreement must be brought before each local authority for agreement.
9. The previous triennium's Agreement remains in force until it is replaced by another Agreement.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

10. The Agreement is not inconsistent with any policies, plans or strategies adopted by Wellington City Council.

Engagement and Consultation

11. There would be little value engaging the community on the Agreement.

Implications for Māori

12. Tāngata whenua are not party to the agreement under the Act. There are no implications for tāngata whenua.

Financial implications

13. There are no financial impacts on the Council from the Agreement.

Legal considerations

14. Section 15 of the Local Government Act requires all local authorities within a region to enter into an agreement every triennium.

Risks and mitigations

15. There are no identifiable risks associated with the draft Agreement.

Disability and accessibility impact

16. There are no disability or accessibility issues associated with the draft Agreement.

Climate Change impact and considerations

17. The draft Agreement identifies climate change as an area the region will work on together.

Communications Plan

18. The Agreement will be publicly available on the WCC website.

Health and Safety Impact considered

19. There are no health and safety issues associated with the draft Agreement.

Ngā mahinga e whai ake nei | Next actions

20. Once all Councils have considered the draft, Mayors will sign the Agreement, unless one or more of the councils request a change. If any of the region's Councils request a change to the draft Agreement these changes will be presented to the other Councils for consideration.

Attachments

Attachment 1. Wellington Triennial Agreement 2022-2025

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Wellington Regional Triennial Agreement

2022-2025

1. Scope

- 1.1 This agreement is drafted in order to meet the requirements of section 15 of the Local Government Act 2002 (the Act).
- 1.2 The Local Government Act 2002 is intended to provide the necessary flexibility for councils to work co-operatively and collaboratively together and with other public bodies to advance community goals and to improve community wellbeing. The scope of this agreement includes the current co-operative and collaborative projects already in place in the Wellington Region and work being undertaken to establish structures and protocols associated with specific issues, and aims to build on these.

2. Purpose

- 2.1 The parties to this agreement commit to working for the good governance of their city, district or region by acting co-operatively and collaboratively. It is intended that this agreement will ensure that appropriate levels of consultation and co-ordination are maintained between the councils of the Wellington Region. It is intended that the process of arriving at this agreement, as well as its ongoing operations, should continue to strengthen regional relationships.

3. Parties to Agreement

- 3.1 The parties to this agreement are:
 - Carterton District Council
 - Greater Wellington Regional Council
 - Hutt City Council
 - Kāpiti Coast District Council
 - Masterton District Council
 - Porirua City Council
 - South Wairarapa District Council
 - Upper Hutt City Council
 - Wellington City Council
- 3.2 In accordance with the requirements of the Act, and in the spirit of collaboration that they wish to foster within the region, the parties agree to work in accordance with the protocols outlined in this agreement.

4. Protocols

- 4.1 The councils of the Wellington Region will work together on issues where it is agreed that the Region and the communities within it will benefit from a regionally collaborative approach.
- 4.2 The councils of the Wellington region will work together in line with the protocols and principles outlined in the Wellington Region Strategy Multilateral Agreement in regard to the Wellington Regional Strategy.
- 4.3 When a council has a significant disagreement with the position of others, the group will make every effort to accommodate, acknowledge or at least fairly represent the dissenting view.
- 4.4 The councils of the Wellington Region will proactively present their case to the Government and other councils from other regions to ensure that the Wellington region's interests are protected and enhanced.
- 4.5 When a significant decision or issue affects a particular council, or its population, then that council should have the lead role in formulating the Region's response.
- 4.6 Where facilities and services of significance benefit more than one district, and are intended to be funded by more than one district, those districts that intend to participate shall be involved in identifying, delivering, and funding the facility or service. One council shall take the lead for the project, appointed by the participating councils.
- 4.7 The agreement acknowledges each council's unique accountability.
- 7.8 The councils agree to act in good faith on issues of information and disclosure.
- 4.9 The councils agree to work collaboratively in an open and transparent manner.
- 4.10 The councils agree to build on work currently being undertaken within the region and to continue to address issues of co-ordination, roles and responsibilities.
- 4.11 As signatories to this agreement all councils will ensure the provision of the following:
 - a) Early notification to affected councils, through the distribution of draft documentation, of major policy discussions which may have implications beyond the boundaries of the decision-making council. This specifically includes the development of consultation policies and policies on significance.
 - b) Opportunities for all councils in the region to be involved in early consultation on the development of each other's draft Annual Plan and draft Long Term Plan and other significant policy consultation processes.
 - c) The application of a 'no surprises' policy, whereby early notice will be given over disagreements between councils concerning policy or programmes, before critical public announcements are made.

5. Consultation

5.1 Consultation in relation to this agreement will be undertaken within the following groups:

- a) A meeting of the Mayors, Regional Council Chair and the Chief Executives will occur at least once every six months to discuss general policy business and to review the performance of the agreement.
- b) Existing regional and sub-regional forums such as:
 - The Wellington Regional Mayoral Forum
 - The Joint Wairarapa Councils' Meeting
 - The Wellington Regional Transport Committee
 - LGNZ Zone Four
 - Regional Civil Defence Emergency Management
 - Wellington Regional Leadership Committee
- c) Meetings between staff as necessary to achieve communication and co-ordination on issues identified in the agreement.

5.2 Section 15(2) of the Act requires a statement of the consultation process that will apply to proposals for new Regional Council activities. The following process applies:

- a) Where a proposed new Regional Council activity is significant in terms of the Wellington Regional Council's policy on significance, the process will be as set out in s.16 of the Act.
- b) Where a proposed new Regional Council activity is not significant in terms of the Wellington Regional Council's policy on significance, the Regional Council undertakes to notify all other councils in the region prior to commencing any public consultation, in line with the principles of 'no surprises', transparency and good faith.
- c) Where the parties to this agreement are unable to agree, dispute procedures set out in s. 16 (4)-(7) of the Act will apply.

5.3 The following consultation process will apply to any change, variation, or review of the Regional Policy Statement for the Wellington region, and the preparation of any future Regional Policy statement:

- The Regional Council will seek the input of territorial authorities into the review of the Regional Policy Statement for the Wellington region.
- The Regional Council will make available to all local authorities, for discussion and development, draft copies of:

- a) any change or variation of to the Regional Policy Statement;
- b) any proposed Regional Policy Statement;
- c) Territorial Authorities will be given a reasonable period of time, but not less than 30 working days, to respond to any such proposal. The Regional Council agrees to consider fully any submission and representations on the proposal made by territorial authorities within the region.

6. Other issues

6.1 The parties agree that, in addition to the general consultation obligations of this agreement, the councils of the Wellington region will continue to meet together in various forums to develop common and collaborative approaches on issues identified as priorities for the region.

The region faces a number of challenges over the next few years, and the councils within the Wellington region will work collaboratively in the areas of:

- Regional spatial planning including housing
- Transport
- Climate change
- Resilience
- Regional economic development
- Waste
- Reforms;
 - Three Waters
 - Resource Management Reforms
 - Future For Local Government
 - Civil Defence Emergency Management

Collaboration within the region

The Mayoral Forum will:

- Be the vehicle for oversight of projects, such as collaboration projects. Noting projects may have their own governance arrangements.
- Review existing collaboration and shared services arrangements as necessary to ensure that current arrangements remain relevant and optimal.
- Identify new opportunities for collaboration and shared services for consideration by the councils.

7. Servicing

7.1 The parties agree that responsibility for servicing this agreement shall be shared, with responsibility passing from local authority to local authority at the start of each triennium. Servicing involves:

- Providing those secretarial services required

- Within the limits outlined in the protocols and principles above, acting as a media and communications contact (including the provision of information to the public on request) in relation to matters covered in the agreement.
- 7.2 The parties agree that Carterton District Council will be the council responsible for servicing this agreement for the 2022-2025 triennium, after which it shall pass to the remaining local authorities as listed in appendix one, unless otherwise agreed.
- 7.3 The parties also agree that responsibility for servicing, and making media comment on behalf of, existing specific regional and sub-regional forums, will lie within those specific forums.

8. Review of the agreement

- 8.1 The parties agree to review the terms of this agreement in accordance with s.15(4) of the Act within four weeks of a request by one of the councils make in writing to the council delegated responsibility to service the agreement.

9. Dispute resolution

- 9.1 In event of a disagreement over the terms of this agreement, the parties agree to refer the issue of disagreement to arbitration for non-binding resolution. If no agreement on an arbitrator will be appointed by the President of the Wellington Branch of the New Zealand Law Society.

Appendix One: Servicing Responsibility

Party Responsible	Triennium
Masterton District Council	2007-10
Porirua City Council	2010-13
South Wairarapa District Council	2013-16
Upper Hutt City Council	2016-19
Wellington City Council	2019-22
Carterton District Council	2022-25
Greater Wellington Regional Council	
Hutt City Council	
Kāpiti Coast District Council	

Servicing involves:

- Providing those secretarial services required
- Within the limits outlined in the protocols and principles above, acting as a media and communications contact (including the provision of information to the public on request) in relation to matters covered in the agreement.

The responsible party should also ensure that a process is in place for the drafting, and subsequent signing, of the triennium's agreement.

This agreement is signed on this _____ day of _____ 2023, by the following on behalf of their respective councils:

Carterton District Council

Ron Mark - Mayor

Greater Wellington District Council

Daran Ponter - Chair

Hutt City Council

Campbell Barry - Mayor

Kāpiti Coast District Council

Janet Holborow - Mayor

Masterton District Council

Gary Caffell - Mayor

Porirua City Council

Anita Baker - Mayor

South Wairarapa District Council

Martin Connelly - Mayor

Upper Hutt City Council

Wayne Guppy - Mayor

Wellington City Council

Tory Whanau - Mayor

REQUEST TO SEEK EXPRESSIONS OF INTEREST FOR ADDITIONAL DISTRICT LICENSING COMMITTEE MEMBERS AND TO REAPPOINT AN EXISTING MEMBER

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Te Kaunihera o Pōneke | Council sets out the reasons for requesting approval to seek expressions of interest for additional members of the District Licensing Committee and to reappoint an existing DLC list member.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Relevant Previous decisions

Outline relevant previous decisions that pertain to the decision being considered in this paper.

Significance

The decision is assessed to be of medium significance in accordance with schedule 1 of the Council's Significance and Engagement Policy. When requests for expressions of interest are advertised, there will be targeted engagement with particular audiences – including Māori and young people

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

2. The decisions made in respect of this paper will have no financial implications.

Risk

- Low Medium High Extreme

3. By appointing additional DLC list members and an additional Chair the risk of hearing times being unacceptably delayed will be reduced.

Author	Helen Jones, Manager Public Health Group
Authoriser	Liam Hodgetts, Chief Planning Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Agree to give permission to seek expressions of interest for additional members of the District Licensing Committee (DLC).
- 3) Agree to re-appoint Sandra Kirby as a list member.

Whakarāpopoto | Executive Summary

4. Membership of the Wellington District Licensing Committee (DLC) has reduced over recent years both in terms of the number of Committee chairs and list members.
5. This report requests Council's approval to:
 - (a) reappoint a previous DLC list member whose membership has lapsed and
 - (b) undertake an expressions of interest exercise for an additional DLC Chair and 3 additional list members.

Takenga mai | Background

6. DLCs were established in 2013 under the Sale and Supply of Alcohol Act 2012 (the Act).
7. DLCs are a committee of Council and are an independent decision making body that adjudicates on alcohol licence applications. Each DLC panel comprises a Chairperson and two other members appointed from a Council approved list. DLC Chairs can also be appointed as list members.
8. All alcohol licence applications that are opposed by any of the reporting parties (the Council's inspectors, the police or the Medical Officer of Health) must be set down for a hearing in front of the DLC.
9. Any applications that attract public objections are also usually set down for a hearing (unless the applicant and the objectors can agree on the operating conditions of the premises in question).
10. All uncontested applications can be determined on the papers by a DLC Chair.

Kōrero | Discussion

11. In November 2013 Council approved the establishment of three DLCs. Council also appointed three DLC Chairs and a list of Committee members. All these appointments were for a period of 5 years.
12. In August 2018 Council approved the establishment of a 4th DLC to cope with the rising workload. One existing Chair stepped down, so two of the existing Chairs were reappointed and two new Chairs were also appointed. An additional list member was also appointed and a number of existing list members were reappointed.
13. Subsequent appointment exercises were undertaken in 2019 and 2020 – most notably the recruitment of a further Chair, Rachel Palu, to replace a retired Chair.

14. Due to an oversight, the membership of Sandra Kirby (a list member since 2013) expired in March 2021 and her appointment was not renewed. If her appointment had been renewed, it would be due to expire on 31 March 2026.

Sandra has confirmed that she would like to continue to sit as a DLC list member and if re-appointed is happy for her appointment to expire on 31 March 2026. She has not indicated whether she intends to apply for re-appointment after that date.

15. The current DLC membership is as follows:

Chairs:

Kate Thomson
Bill Acton
Rachel Palu
Rex Woodhouse

List members:

Kate Thomson
Bill Acton
Rachel Palu
Rex Woodhouse
Brad Olsen
Simon Tendeter
Saar Cohen-Ronen
Juliet Philpott
Zoe Doole
Kiri Rikihana

16. Rex Woodhouse has stepped back from active DLC duties. He is still available in an advisory capacity to the other three Chairs. When his DLC tenure expires in September 2023 he has indicated that he will not apply for it to be renewed.
17. Rachel Palu has declared a conflict of interest which limits the number of applications that can be allocated to her.
18. Kiri Rikihana is no longer available to sit as a DLC list member, so when her tenure expires in September 2023 it will not be renewed.
19. The number of available list members is further reduced – unfortunately one member has recently passed away. A further list member has moved to overseas.
20. It should be noted that the majority of the current Chairs and list members include DLC work as part of a portfolio of work they undertake. This means that they cannot always be available when hearing dates are being set. Increasing the cadre of available Chairs and list members will help spread the workload and facilitate the setting down of timely hearing dates.
21. Additionally, one of the existing Chairs adjudicates on the majority of uncontested applications – this creates a point of weakness in the process. If this Chair were to become unavailable to carry out this work (through sickness, or for other reasons), then the processing of uncontested applications would be delayed to an unacceptable level.
22. In 2018 a decision was made only to appoint DLC Chairs who are qualified lawyers. This negates the need to employ additional legal resource to advise on the Act and other points of law. Officers will therefore be seeking candidates who are qualified lawyers for the role of additional DLC Chair.
23. It should also be noted the the Alcohol Reform Bill advocates for making it easier for members of the public to object to alcohol licence applications. When this comes into effect the number of hearings is expected to rise.

Kōwhiringa | Options

24. To remain with the existing number of DLC Chairs and list members or:

- To agree to reappoint Sandra Kirby as a list member until March 2026 and:
- Give approval to officers to undertake an expression of interest exercise for an additional DLC Chair and 3 additional list members

NB: Council can recommend a timeframe for these appointments but in the interests of continuity, officers recommend that the appointments are for a period of 5 years which is the maximum tenure set down by the Act.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

25. This request aligns with the Chief Executive's KPI:

"A business-friendly city: demonstrate progress on customer centric regulatory processes, including a focus on hospitality..."

Engagement and Consultation

26. It is expected that any District Licensing Committee is a reflection of the society it serves, so EOIs from a broad spectrum of the community will be sought. Requests for expressions of interest to become a member of the Wellington District Licensing Committee will be advertised in a range of media, including publications aimed at the legal profession, university newsletters and other publications as advised by WCC's Comms team. Officers will also work with Council's Māori Partnerships team to encourage expressions of interest from Māori.
27. In terms of WCC's Significance and Engagement Policy this matter is rated as 'Low' on the spectrum.

Implications for Māori

28. Council will support Māori voices around the DLC decision making table by reserving one or more DLC positions for Māori/Mana Whenua representation. This highlights our continued support to Takai Here by ensuring that we continue to partner with Māori, as well as supporting Tupiki Ora Pae Hekenga:
- 3 – Te whakapakari pumanawa - building capability;
 - 3.1 Council decision-making is underpinned by Te Tiriti o Waitangi and actively addresses and considers Mana Whenua perspectives and values, and
 - 3.3 Growing iwi and Māori leadership and capability in the community.
29. We will work with Mataaho Aronui to actively and appropriately work with Mana Whenua to ensure these opportunities are known and that they are supported through the process.

Financial implications

30. There is no budgetary impact related to widening the pool of DLC chairs and list members

Legal considerations

31. There are no legal decisions to be made in respect of this paper.

Risks and mitigations

32. The appointment of additional DLC list members and an additional chair will reduce the risk of hearing dates being delayed to an unacceptable level. Additionally, by appointing a further Chair who can deal with uncontested papers, this reduces the risk of uncontested matters going into backlog should one of the Chairs become unavailable.

Disability and accessibility impact

33. There are no disability and accessibility considerations in relation to this matter.

Climate Change impact and considerations

34. Climate change impact is not relevant to this matter.

Communications Plan

35. Once appointed, the names of the additional list members and Chair will be publicised on Council's website.

Health and Safety Impact considered

36. There are no health and safety impacts relevant to this matter.

Ngā mahinga e whai ake nei | Next actions

37. Once an approval to undertake an expression of interest has been granted, officers will run an exercise to identify interested parties via an interview process.

38. Preferred candidates will then be presented to Council at a subsequent Council meeting with a view to gaining approval to appoint.

Attachments

Nil

NEW GROUND LEASE - WELLINGTON TENNIS CLUB INCORPORATED

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Te Kaunihera o Pōneke | Council requests approval for two new ground leases, both for the Wellington Tennis Club Incorporated. One lease on Wellington Town Belt land at 182a Alexandra Road, and the other on Reserve land at 21 Wesley Road, Kelburn.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe, and accessible capital city
- Innovative, inclusive, and creative city
- Dynamic and sustainable economy

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient, and safe place to live
- Safe, resilient, and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Relevant Previous decisions

- Social, Cultural and Economic Committee approved officers to commence public consultation for both new leases per the resolutions from the committee meeting August 4th, 2022.
- Pursuant the Wellington Town Belt Act officers will report back to Council with the outcome of the public consultation.

Significance

The decision is **rated low significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

Financial considerations

Nil

Budgetary provision in Annual Plan / Long-term Plan

Unbudgeted \$X

Risk

Low

Medium

High

Extreme

Authors	Parrish Evans, Community Recreation Leases Advisor Sanjay Patel, Sports and Clubs Partnership Lead
Authoriser	Paul Andrews, Manager Parks, Sports & Rec Kym Fell, Chief Customer and Community Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Approve, pursuant to the Wellington Town Belt Act 2016 and the Leases Policy for Community and Recreation Groups, a new ten-year lease with one right of renewal for an additional ten years for the courts located at 182a Alexandra Road, Newtown, to Wellington Tennis Club Incorporated.
- 3) Approve, pursuant to the Reserves Act 1977 and the Leases Policy for Community and Recreation Groups, a new ten-year lease with one right of renewal for an additional ten years for the courts located at 21 Wesley Road, Kelburn, to Wellington Tennis Club Incorporated.
- 4) Agree that legal and advertising costs are met by the lessee (where applicable).

Whakarāpopoto | Executive Summary

2. This report recommends two new ground leases are granted to the Wellington Tennis Club ("WTC"). The two leases are located at 182a Alexandra Road, Newtown (Mount Victoria) and 21 Wesley Road, Kelburn (Wellington Botanic Gardens).
3. Council officers attended Pūroro Rangaranga | Social, Cultural and Economic Committee on August 4th, 2022, where the committee approved officers to pursue public consultations for the two new ground leases for WTC.
4. Public consultation consisted of:
 - Presentation and a letter to Mana Whenua (Taranaki Whānui)
 - Letters to relevant Residents' Associations (Newtown Residents' Association, Friends of the Town Belt, Friends of Wellington Botanic Garden)
 - Notice in the Dominion Post
 - Notice on WCC website "Have Your Say"
5. The public consultation period ran for 30 days and ended on the 9th of September 2022. There were no objections submitted during the public consultation period.
6. The proposed leased area at 182a Alexandra Road, Newtown, measures approximately 3557m² on land legally described as Part Lot 1 DP 8519 WN48B/341. Rent will be charged at \$2194.83 + GST per annum as per Council's Lease Policy for Community and Recreation Groups.
7. The proposed leased area at 21 Wesley Road, Kelburn measures approximately 1267m² on land legally described as Part Lot 1 DP 8530 CFR WN48a/126. Rent will be charged at \$1221.51 + GST per annum as per Council's Lease Policy for Community and Recreation Groups.

Takenga mai | Background

8. In 2012 WTC was granted a lease for 10 years on Wellington Town Belt land at 182a Alexandra Road, Newtown. In December 2022 the lease will expire, and the Club has requested a new lease.

9. WTC has increasingly grown their membership over several years and are running at max capacity. The club has determined that the criteria for successful future growth would be based on a location that is closer to the city and have hard surfaced courts for their junior and senior competitive players to practice at. Currently the club is at 200+ active memberships.
10. Salamanca Tennis Club ("STC") Currently hold a 10 year lease at courts located at 21 Wesley Road, Kelburn which ends in June 2026. The lease area includes two hard surface courts and the club owns the clubhouse on site.
11. Lack of members and funding for STC over recent years had instigated the club to look for partners to share the leased facilities with no success.
12. STC had a change of governance in 2021 which led to an independent arbitrator review of the committee. An interim committee was established to decide the future of the facility and club.
13. In October 2021, the STC Committee made an informal proposal to WTC about taking over their facilities and members. This was initiated by STC as they believed WTC to be one of the strongest tennis clubs in Wellington and a good culture fit for their current members.
14. On the 3rd of November 2021 at the Salamanca Tennis Club AGM members agreed; to endorse the committee to pursue a merger with WTC; that STC dissolve its incorporated society, and the assets would go to WTC.
15. WTC unanimously voted to proceed with the acquisition of STC's assets and membership.
16. Officers have been working with both club since the end of last year to help transition the two clubs as they progress to a merger.
17. Tennis Central, the Regional Sporting Organisation (RSO) for Tennis also have provided support for the recommendations.

Kōrerorero | Discussion

18. Officers assess applications for a new lease on Wellington Town Belt following the Wellington Town Belt Act 2016 ("the Act"), the Wellington Town Belt Management Plan ("the Management Plan"), and the Leases Policy.
19. Officers assess applications for a new lease at the Botanic Gardens following the Reserve Act 1977 ("the Reserve Act"), the Botanic Gardens of Wellington Management Plan, and the Leases Policy.
20. The Club's use of the land for recreation aligns with the purpose of Wellington Town Belt and reserve land.
21. Leases Policy Compliance
The Leases Policy sets out the criteria to consider when assessing a new lease application:
 - **Strategic Fit: The group's purpose and activities must be consistent with the Council's strategic direction to promote healthy lifestyles and build strong communities.**

The Club offers a recreational activity. They promote active lifestyle and provide a facility for members of the community to play tennis. They achieve this by providing tennis to the community year-round including evenings and winter.

- **Organisational structure: The group must be an incorporated society or trust.**

The Club is an incorporated society.

- **Membership: The group must be sustainable in terms of membership and/or users of the service for the term of the lease.**

The Club has 223 active members (This total includes the previous Salamanca Tennis Club members) led by a committee of nine including a former member of the Salamanca Tennis Club and at least four members covering the following portfolio: Juniors, Memberships, Member Engagement, Property, Grant Applications. In addition, the number of members has been consistently high, and are pushing the capacity of their current four courts at Newtown. This is due in part to the strong culture of the club, interclub and competitive opportunities, and support from the dedicated coaches.

- **Financial and maintenance obligations: The group must be in a financial position to fulfil its lease obligations for the term of the lease, including but not exclusive to rent, insurance, building and grounds maintenance**

Officers have been working closely with the Club to ensure that they are in a financial position to maintain the buildings and leased area to a suitable standard. The club has healthy cash reserves and an achievable maintenance plan for the next 10 years.

- **Utilisation: The land and/or buildings must be utilised to the fullest extent practicable.**

The club has strong utilization of the courts and clubhouses. Wellington Tennis Club, Newtown has two clubhouses, one is used for the main activities associated with the club and the other is used for coaching and training sessions. The courts are played on seven days a week and are well utilized. Salamanca Tennis Courts has two hard courts that WTC has been using for their junior and senior competitive players as well as their casual lunch time players. Salamanca Tennis Courts also has a small club house that is used by the players and coaching staff.

- **Environmental Impact: The activity cannot have the potential to adversely affect open space values or other legitimate activities**

Tennis is a recreation activity and therefore a legitimate fit for Wellington Town Belt land. The courts and outdoor seating area are well maintained by their volunteers and have sought to regenerate native plants in the area. The courts are also open for public to walk through and view the outdoor areas.

- **Community demand: There must be demonstrated support and need within the community for the activity**

The Club's strong community membership and engagement support Wellington Tennis Clubs application for a new lease. Wellington Tennis Club incorporates Tennis NZ vision of tennis to be accessible to all and to build community through tennis.

Kōwhiringa | Options

22. Te Kaunihera o Pōneke | Council has the following options:

- Approve Wellington Tennis Clubs Incorporated application for a new lease on Town Belt land.
- Approve Wellington Tennis Clubs Incorporated application for a new lease on Reserve land.
- Decline Wellington Tennis Clubs Incorporated application for a new lease on Town Belt land (not recommended).
- Decline Wellington Tennis Clubs Incorporated application for a new lease on Reserve Land (not recommended).

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

23. The proposed new leases for the Club are consistent with the Management Plans and Leases Policy.

Engagement and Consultation

24. The approval of a new lease for an existing lessee is assessed as low significance per the Significance and Engagement Policy.
25. At the Pūroro Rangaranga | Social, Cultural and Economic Committee on August 4th 2022, the committee approved officers to pursue public consultation for 30 days per the Lease Policy, Wellington Town Belt Act and the Reserves Act.
26. Public consultation consisted of:
- Letters to Mana Whenua (Taranaki Whānui)
 - Letters to relevant Residents' Associations (Newtown Residents' Association, Friends of the Town Belt, Friends of Wellington Botanic Garden)
 - Notice in the Dominion Post
 - Notice on WCC website "Have Your Say"
27. The public consultation period ran for 30 days and ended on the 9th of September 2022. There were no objections submitted during the public consultation period.

Implications for Māori

28. Matairangi Mt Victoria is an area of cultural significance to mana whenua and includes several specific sites of significance to Māori identified in the Draft District Plan. There are no specified sites of significance in the immediate vicinity of the leased area. Mana whenua were formally consulted on the new lease pursuant to the Leases Policy.
29. Paekākā Wellington Botanic Garden is an area of cultural significance to mana whenua and includes several specific sites of significance to Māori identified in the Draft District Plan. There are no specified sites of significance in the immediate vicinity of the leased area. Mana whenua were formally consulted on the new lease pursuant to the Leases Policy.

Financial implications

30. This application is for ground leases and there are no significant financial implications for Council.

Legal considerations

31. The application is consistent with the Wellington Town Belt Act 2016 and Reserve Act 1977.

Risks and mitigations

32. This proposal is rated as low risk on the Council's risk framework.

Disability and accessibility impact

33. Salamanca Tennis Courts and clubhouse have accessible access. Both Wellington Tennis Clubs clubhouses do not have accessible access, however the courts are. Any future works to WTC clubhouses that trigger the building code will require accessibility improvements to be made.

Climate Change impact and considerations

34. This application is for the continuation of an existing activity. There are no specific climate change impacts or considerations.

Communications Plan

35. As per above, this application was publicly notified as per Council's Leases Policy, the Wellington Town Belt Act, and the Reserves Act.

Health and Safety Impact considered

36. The Club has an updated Health and Safety plan

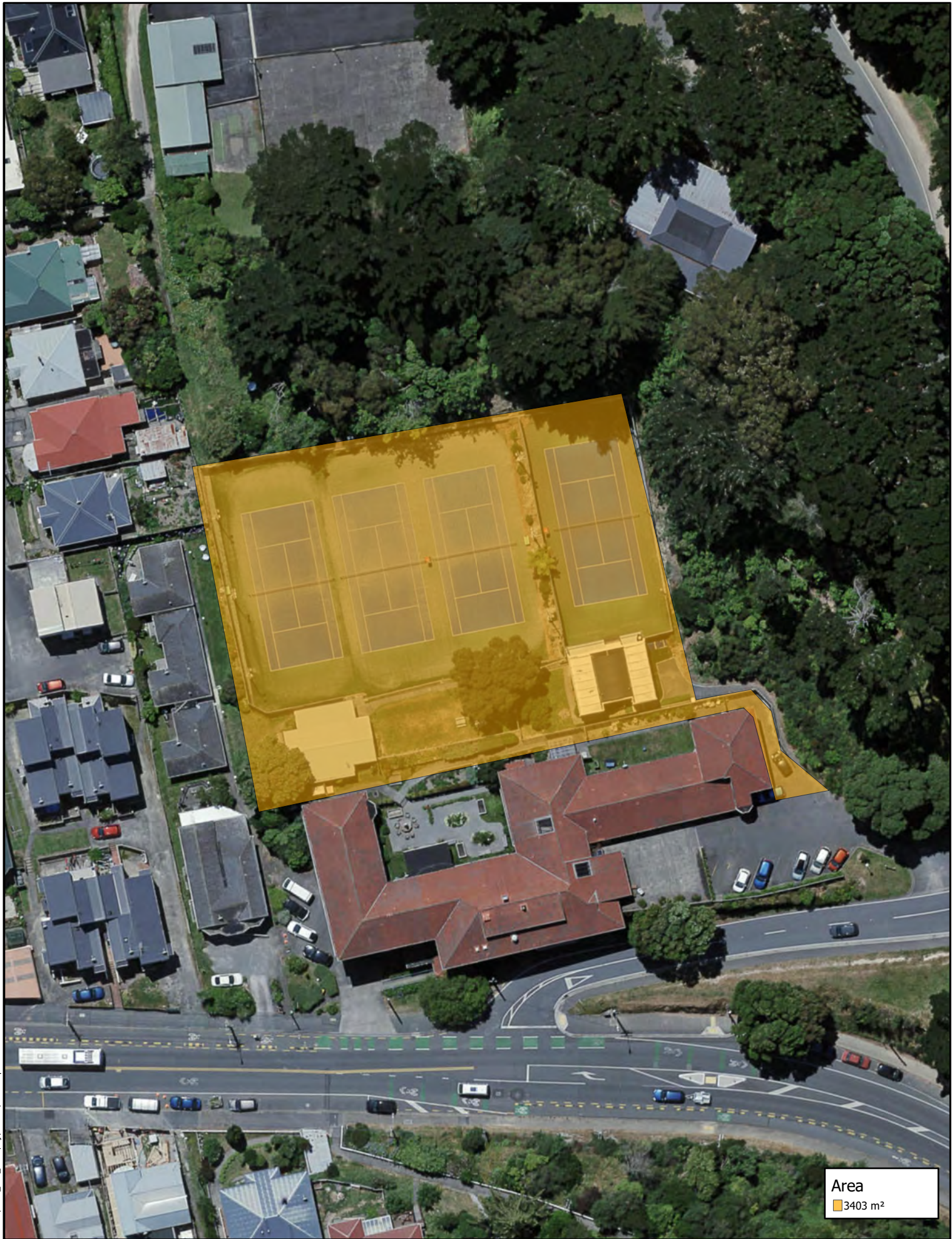
Ngā mahinga e whai ake nei | Next actions

37. Following committee's approval, officers will undertake the following next steps:

- The lease terms will be negotiated
- Council officers will draft the new lease
- Wellington City Council and Wellington Tennis Club Incorporated will sign the deed

Attachments

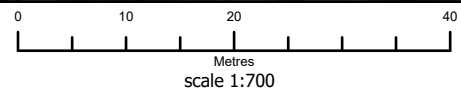
Attachment 1.	Wellington Tennis Club Newtown Map	Page 109
Attachment 2.	Salamanca Tennis Courts Kelburn Map	Page 110



Area
3403 m²

Wellington Tennis Courts, Newtown

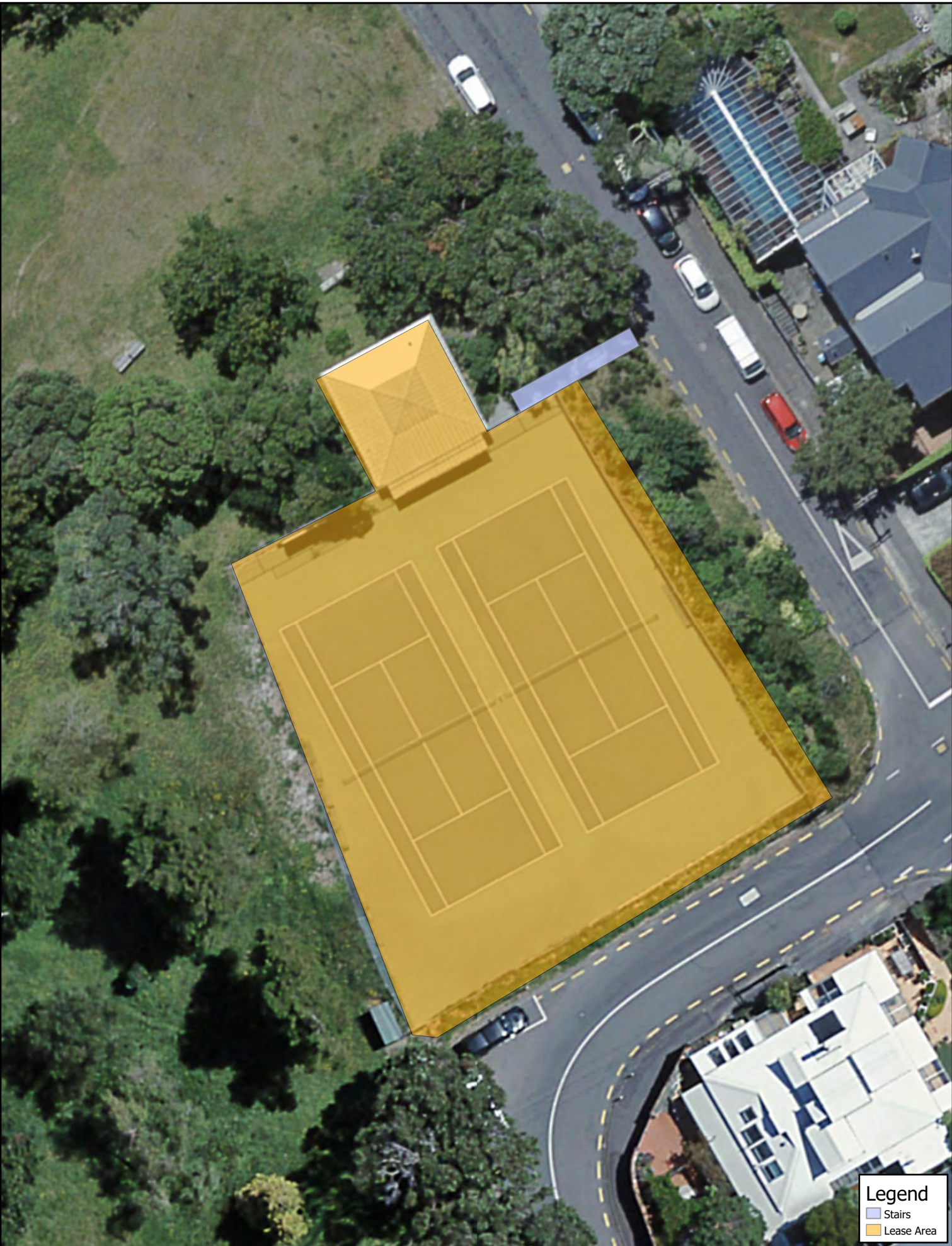
Property boundaries, 20m Contours, road names, rail line, address & title points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy: +/-1m in urban areas, +/-30m in rural areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown is approximate and must not be used for detailed engineering design. Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/- 1m.



MAP PRODUCED BY:
Wellington City Council
101 Wakefield Street
WELLINGTON, NZ

ORIGINAL MAP SIZE: A4
AUTHOR: Joya1S
DATE: 12/09/2022

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

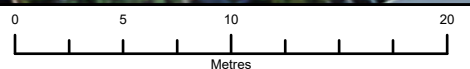


Legend

- Stairs
- Lease Area

Salamanca Tennis Courts, Kelburn

Property boundaries, 20m Contours, road names, rail line, address & title points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy: +/-1m in urban areas, +/-30m in rural areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown is approximate and must not be used for detailed engineering design. Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/- 1m.



scale 1:350

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ORIGINAL MAP SIZE: A4
AUTHOR: Joya1S
DATE: 12/09/2022

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

ACTIONS TRACKING

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides an update on the past actions agreed by Te Kaunihera o Pōneke | Council at its previous meetings.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
 - People friendly, compact, safe and accessible capital city
 - Innovative, inclusive and creative city
 - Dynamic and sustainable economy
- Strategic alignment with priority objective areas from Long-term Plan 2021–2031**
- Functioning, resilient and reliable three waters infrastructure
 - Affordable, resilient and safe place to live
 - Safe, resilient and reliable core transport infrastructure network
 - Fit-for-purpose community, creative and cultural spaces
 - Accelerating zero-carbon and waste-free transition
 - Strong partnerships with mana whenua

Relevant Previous decisions

Not applicable.

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

Risk

- Low Medium High Extreme

Author	Hedi Mueller, Senior Democracy Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

1. Receive the information.

Whakarāpopoto | Executive Summary

2. This report lists the dates of previous Council meetings and the items discussed at those meetings.
3. Each clause within the resolution has been considered separately and the following statuses have been assigned:
 - In progress: Resolutions with this status are currently being implemented.
 - Completed: Clauses which have been completed, either by officers subsequent to the meeting, or by the meeting itself (i.e. by receiving or noting information).
4. All in progress actions will be included in the subsequent monthly updates but completed actions will only appear once.

Takenga mai | Background

5. At the 13 May 2021 Council meeting, the recommendations of the Wellington City Council Governance Review were endorsed and agreed to be implemented.
6. The purpose of this report is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. The committee could resolve to receive a full update report on an item if it wishes.

Kōrerorero | Discussion

7. Of the 79 resolutions of Te Kaunihera o Pōneke | Council in September, October and November 2022:
 - 70 are complete
 - 9 are in progress
8. 39 in progress actions have been carried forward from the previous action tracking report. 38 are still in progress.
9. Further detail is provided in Attachment One.

Attachments

Attachment 1. Actions Tracking - Council

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Meeting Date	ID	Title	Clause number	Clause	Status	Comment
Wednesday, 30 June 2021	2	2.5 Implementation of Parking Charges	7	Request officers to investigate off-street parking opportunities with both council and privately run public parking buildings for evening and weekend parking throughout the year.	In progress	Under investigation
Thursday, 26 August 2021	3	2.1 Aho Tini 2030 Arts, Culture & Creativity Strategy and Action Plan	6	Agree that officers report back to Council with an update on the timeline and programme for major Council controlled venues reopening including any future planned maintenance and upgrade proposals.	In progress	The St James Theatre has now reopened. The Wellington Town Hall is still under construction and expected to reopen in early 2025. Preliminary work is underway on possible upgrades to both the Opera House and the TSB Arena including Shed 6, but the work is not sufficiently advanced to make plans for either venue yet.
Thursday, 26 August 2021	4	2.1 Aho Tini 2030 Arts, Culture & Creativity Strategy and Action Plan	7	Agree officers to report back to Committee by March 2022 on how better access to Council venues and community facilities can be achieved for the local arts and creative community groups and audiences. The review should include whether the venues and community facilities subsidies are equitable across the city and are the most appropriate mechanism of support and whether other models could better support the local community, arts and creative sectors; and local audiences.	In progress	As updated in previous meetings, initial date proved unworkable due to Covid/internal resource issues. Work is now underway and brief/scope has been finalised. Project between Creative Capital, WellingtonNZ and Economic & Commercial.
Thursday, 26 August 2021	6	2.2. Annual Dog Control Report 2020-21	4	Agree that officers report back through the Animal Bylaw/Dog Policy process later this year on metrics for the objectives set out in the Annual Dog Report.	In progress	Review underway
Thursday, 26 August 2021	7	2.2. Annual Dog Control Report 2020-21	5	Request officers working on Dog Policy meet with Capital Kiwi to better understand the release of Kiwi this year in Wellington, in order to strategically utilise Animal Control resource.	In progress	Review Underway
Thursday, 26 August 2021	8	2.2. Annual Dog Control Report 2020-21	6	Request officers bring back options for better resourcing of Animal Control in order to help protect our wildlife. Resourcing could include partnership opportunities, shared resourcing and fee reallocation and/or increase, as well as investigating the provision of off-leash dog facilities.	In progress	Review Underway
Thursday, 26 August 2021	9	2.6 Strategy and Policy Work Programme	3	Note that once agreed, the programme will be included in the relevant Committee Forward Programmes.	In progress	Will be reviewed with the incoming Council
Thursday, 30 September 2021	13	2.6 Michael Fowler Centre Carpark Long Term Ground Lease	3	Agree to delegate to the Chief Executive to conclude negotiations and agree terms which, when viewed as a whole, are no less favourable to Council than those detailed in Attachment 1a.	In progress	Negotiations continuing.
Thursday, 30 September 2021	14	3.1.1 Report of the Pūrora Hātepe Regulatory Processes Committee Meeting of 8 September 2021 PROPOSED ROAD STOPPING - KNIGGES AVENUE, TE ARO	2	Agree to dispose of the Land.	In progress	
Thursday, 30 September 2021	15	3.1.2 Report of the Pūrora Hātepe Regulatory Processes Committee Meeting of 8 September 2021 PROPOSED ROAD STOPPING – LAND ADJOINING 20 AMRITSAR STREET, KHANDALLAH	2	Agree to dispose of the Land.	Completed	Settlement occurred 8 November 2022
Thursday, 28 October 2021	21	2.1 Tākina Operating Arrangements	5	Agree for officers to work with Te Papa Tongarewa on the implementation of Living Wage for staff working within Tākina Events, and to bring this plan and related costs back to Council prior to the opening of Tākina.	In progress	Currently on the forward programme for the 2022-2025 triennium.
Thursday, 28 October 2021	22	2.3 Representation Review Final Proposal	6	Agree to recommend to the incoming Council elected in 2022 that another representation review be conducted in 2024.	In progress	We plan to bring a paper seeking Council direction on this in 2023.
Thursday, 25 November 2021	25	3.1 Report of the Pūrora Hātepe Regulatory Processes Committee Meeting of 10 November 2021 PROPOSED ROAD STOPPING - LAND ADJOINING 3 SHORT STREET, VOGELTOWN	2	Agree to dispose of the Land by sale or partial exchange for approximately 3m2 of the owners adjoining land currently part of 3 Short Street (Section 47 Owhiro District held on ROT WN22D/110, the Applicant's Land).	In progress	No exchange, road stopping only.
Wednesday, 15 December 2021	27	3.1 The Gifting of the name Te Aro Mahana	2	Agree to formally recognise the gift of the name Te Aro Mahana for the new play area within Frank Kitts Park and accordingly name the newly developed play area Te Aro Mahana.	In progress	The name will be formally gifted when the play area is ready to be opened.
Thursday, 24 February 2022	31	3.1 Report of the Pūrora Rangaranga Social, Cultural and Economic Committee Meeting of 3 February 2022	2	Agree to dispose of the Land, in order to give effect to the exchange.	In progress	Subdivision resource consent application now being processed. The subdivision required relates to one isolation strip needing to be divided, before part of it can be sold to 25 Hanson St.
Thursday, 31 March 2022	35	2.1 WCC should promote a local bill to repeal the Wellington City Milk-supply Act 1919	2	Ask that the Mayor write to Parliament requesting that repealing the Wellington City Milk Supply Act 1919 be included in an appropriate future omnibus Bill.	In progress	
Thursday, 31 March 2022	38	4.2 Report of the Pūrora Waihanga Infrastructure Committee Meeting of 23 March 2022: PROPOSED DISPOSAL - PART OF 39 CHAPMAN STREET, JOHNSONVILLE	2	Agree to dispose of the Land to the adjoining owner at 15 Chesterton Street, Johnsonville.	In progress	
Thursday, 28 April 2022	39	3.1 Report of the Pūrora Tahua Finance and Performance Committee Meeting of 17 February 2022: WATER ACTIVITIES RATES SETTING	1	Approve debt funding the revenue loss, if necessary, resulting from the errors in the Water rates settings.	In progress	The Finance team is prepared to action this following the adoption of the 22/23 Annual Report
Thursday, 28 April 2022	40	3.1 Report of the Pūrora Tahua Finance and Performance Committee Meeting of 17 February 2022: WATER ACTIVITIES RATES SETTING	2	Agree that, should debt funding be required, any underlying surplus at the end of the 2022/23 Financial Year be used to pay down that debt as the first priority, and include further options for repayment term and funding source.	In progress	

Thursday, 28 April 2022	3.1 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 17 February 2022: WATER 41 ACTIVITIES RATES SETTING	3	Agree that, should any debt funding be required, that debt funding should be over 10 years.	In progress	The Finance team is prepared to action this following the adoption of the 22/23 Annual Report
Thursday, 28 April 2022	3.1 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 17 February 2022: WATER 42 ACTIVITIES RATES SETTING	4	Note that, any repayment of the shortfall will be included from the 2023/24 rating year.	In progress	
Thursday, 28 April 2022	3.2 Report of the Pūroro Waihanga Infrastructure Committee Meeting of 27 April 2022 LAND DISPOSAL (ISOLATION STRIPS) - HANSON STREET SERVICE LANE, 43 MOUNT COOK	2	Agree to dispose of the Land to the adjoining owner of 25 Hanson Street (Lot 1 DP 358660, ROT 238839), for amalgamation with that property.	In progress	Surveyor now lodged subdivision resource consent.
Thursday, 31 March 2022	4.1 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 17 March 2022: DEVELOPMENT CONTRIBUTIONS POLICY REPORT BACK ON CONSULTATION AND FINAL VERSION FOR APPROVAL	3	Note that the Policy will be reviewed in time for the 2024 Long-Term Plan and at that time reserves acquisition will be fully included.	In progress	In Progress - draft due Q3 2023/24.
Thursday, 30 June 2022	3.2 Report of the Pūroro Maherehere Annual Plan/Long-Term Plan Committee Meeting of 1 June 2022: Town Hall 54 Development Update	1.a	1) Agree to increase the capex budget for the Town Hall project to \$182.4m through the following detailed budget adjustments: a. Move existing contingency balance of \$10.3m (Activity 2117) in 2022/23 to the Town Hall Project (Activity 2076) in 2023/24,	In progress	
Thursday, 30 June 2022	3.2 Report of the Pūroro Maherehere Annual Plan/Long-Term Plan Committee Meeting of 1 June 2022: Town Hall 55 Development Update	1.b	1) Agree to increase the capex budget for the Town Hall project to \$182.4m through the following detailed budget adjustments: b. Increase the above by \$1.7m to represent the full balance of the agreed contingency in the budget,	In progress	
Thursday, 30 June 2022	3.2 Report of the Pūroro Maherehere Annual Plan/Long-Term Plan Committee Meeting of 1 June 2022: Town Hall 56 Development Update	1.c	1) Agree to increase the capex budget for the Town Hall project to \$182.4m through the following detailed budget adjustments: c. Increase the Town Hall project budget by the addition project budget requirement of \$37.1m, \$24m in 2023/24 and \$13.1m in 2024/25.	In progress	
Thursday, 30 June 2022	2.1 Reserves Act 1977 : Easements over Duncan Park and 67 Play Area (Tawa)	2	Agree to grant stormwater and wastewater easements, pursuant to Section 48 of the Reserves Act 1977, to the owners of 324 and 326 Main Road, Tawa, over Council recreation reserve land at Duncan Park and Play Area, being part of Lot 26 Deposited Plan 15397 and held on ROT WN790/45.	In progress	The Applicant will implement the pipes as part of the building project. The builder will contact Reserves Planner prior to this work to arrange a Temporary Vehicle Access Permit from the Park Ranger team. The easement areas will be surveyed and legalised after the pipes have been laid and the reserve reinstated.
Thursday, 30 June 2022	2.1 Reserves Act 1977 : Easements over Duncan Park and 68 Play Area (Tawa)	3	Delegate to the Chief Executive the power to carry out all steps to effect the easements.	In progress	
Thursday, 30 June 2022	2.1 Reserves Act 1977 : Easements over Duncan Park and 69 Play Area (Tawa)	4	Note that the works within the easement areas will be subject to the relevant bylaw, building and/or resource consent requirements.	In progress	
Thursday, 30 June 2022	2.1 Reserves Act 1977 : Easements over Duncan Park and 70 Play Area (Tawa)	5	Note that the works to install the stormwater and wastewater lateral pipes will proceed in accordance with final Parks, Sport and Recreation agreement to all reserve management, work access and reinstatement plans.	In progress	
Thursday, 30 June 2022	2.1 Reserves Act 1977 : Easements over Duncan Park and 71 Play Area (Tawa)	6	Note that under the Instrument of Delegations for Territorial Authorities dated 12 July 2013, the Minister of Conservation has delegated the authority to grant easements over reserve land under Section 48 of the Reserves Act 1977 to Council.	In progress	
Thursday, 30 June 2022	2.1 Reserves Act 1977 : Easements over Duncan Park and 72 Play Area (Tawa)	7	Note that approval to grant these easements will be conditional on: a. The applicant being responsible for all costs associated with the creation of the easements, including any of Council's fair and reasonable costs. b. The requirement for public notice under Section 48(2) of the Reserves Act 1977 being waived as the reserve is not likely to be materially altered or permanently damaged and the rights of the public are not likely to be permanently affected by the granting of these easements.	In progress	
Thursday, 30 June 2022	3.4.1 Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 8 June 2022: Background to Oral Submissions and Decision on Objections to Proposed Road Stopping – 24 Cave Road, Houghton Bay.	2	Delegate to the Chief Executive Officer the power to approve and conclude any action relating to Environment Court proceedings, if required.	In progress	Now only one remaining objector. Officers meet with them again on 24 November 2022 to see if road stopping proposal able to be amended to address their concerns. Now working on couple of potential options that may avoid referral to the Environment Court.
Thursday, 30 June 2022	78 2.2 Sludge Minimisation Facility Business Case	2	Note status of the project a. Land Acquisition – negotiations are continuing and will revert to Council for approval. b. Early Contractor Involvement is progressing. c. Applications for a Notice of Requirement, and resource consents are required to be lodged in July 2022 in order to meet the timeframe for operation of the plant by 2026. d. Progression of the IFF solution including timing, structure and beneficiary analysis and allocation. e. We will come back in December 2022 for approval of the funding arrangement under the Infrastructure Funding and Financing Act 2020 and approval to proceed with the project.	In progress	

Thursday, 30 June 2022	79	2.2 Sludge Minimisation Facility Business Case	3	Delegate to Chief Executive Officer all powers and functions under the Resource Management Act 1991 necessary to: a. Issue a notice of requirement (NOR) to alter Designation 58 in order to provide for the construction, operation and maintenance of the proposed new Sludge Minimisation Facility at Moa Point; and	In progress
Thursday, 30 June 2022	80	2.2 Sludge Minimisation Facility Business Case	4	Request officers bring back to Council options for sludge disposal, in the event that the Sludge Minimisation Facility cannot be built in time to meet the 2026 deadline.	In progress
Wednesday, 6 July 2022	105	2.2 Let's Get Wellington Moving: MRT/SHI Preferred Programme Option	20	Endorse LGWM on behalf of partners, including mana whenua, preparing a proposal for a Specified Development Project with Kāinga Ora, noting that LGWM will report back to partners with final recommendations on a Specified Development Project proposal.	In progress Work with Kainga Ora on an Specified Development Project is underway.
Wednesday, 6 July 2022	113	2.2 Let's Get Wellington Moving: MRT/SHI Preferred Programme Option	28	Note that the LGWM will regularly report back to partner shareholding governing bodies against progress milestones in the preparation of the Detailed Business Case	In progress LGWM will regularly report back to partners.
Thursday, 25 August 2022	641	2.2 Decision on Shelly Bay Road upgrade options following community engagement	1	Receive the information	In progress
Thursday, 25 August 2022	642	2.2 Decision on Shelly Bay Road upgrade options following community engagement	2	Note that the Developer has been granted a resource consent for the development which includes a requirement to upgrade Shelly Bay Road in accordance with a particular design (the "consented design"). This is the design that will be implemented unless Council determines to do further upgrade works.	In progress
Thursday, 25 August 2022	643	2.2 Decision on Shelly Bay Road upgrade options following community engagement	3	Note that officers have investigated the upgrade of Shelly Bay Road, including undertaking key stakeholder engagement, in accordance with the resolution of Council at the meeting of 27 September 2017 (Resolution 'X').	In progress
Thursday, 25 August 2022	644	2.2 Decision on Shelly Bay Road upgrade options following community engagement	4	Note that the public engagement shows strong community support for a Shelly Bay Road upgrade which provides a higher level of service for walkers and cyclists than is provided for under the consented design.	In progress
Thursday, 25 August 2022	645	2.2 Decision on Shelly Bay Road upgrade options following community engagement	5	Note that upgrade options are impacted by the physical constraints of Shelly Bay Road, and that Council has contractual requirements under the Development Agreement (DA) which require any roading upgrade works to be completed in accordance with an agreed programme.	In progress
Thursday, 25 August 2022	646	2.2 Decision on Shelly Bay Road upgrade options following community engagement	6	Note that any upgrade options which meet Waka Kotahi design guidance will require significant planning and lead in times. Due to WCC's contractual obligations under the DA, options that meet this requirement will likely only be able to be physically implemented after the consented design has been completed.	In progress
Thursday, 25 August 2022	647	2.2 Decision on Shelly Bay Road upgrade options following community engagement	7	Note the high level initial cost estimates for a design that meets both the Waka Kotahi guidelines and the aspirations of the Great Harbour Way range from \$13.6m up to \$30.4m.	In progress
Thursday, 25 August 2022	648	2.2 Decision on Shelly Bay Road upgrade options following community engagement	8a	Agree that: The Shelly Bay Road upgrade will be comprised of the work undertaken by the Developer to deliver the consented design, followed by any localised upgrades which will be delivered by WCC within the existing road corridor and the current \$2.4m LTP budget. The WCC work will prioritise active transport modes and aim to enhance the recreational value of Shelly Bay Road as part of Te Motu Kairangi.	In progress
Thursday, 25 August 2022	649	2.2 Decision on Shelly Bay Road upgrade options following community engagement	8b	Agree that: Officers will further explore the long-term opportunities to upgrade Shelly Bay Road in such a way that will enable the road to meet Waka Kotahi design guidance (as a minimum) and the Great Harbour Way plan (as an aspiration), noting that: (i) No opex costs have been set aside for this work; (ii) Given lead in times, these opportunities will not be able to be implemented until after their consented design has been delivered; and (iii) As no budget (other than the initial \$2.4m capex) is included for any of these options in the long term plan, all options would be subject to future Council decision making processes. (iv) Request an initial report be undertaken in time for the 2023/4 Draft Annual Plan to request any necessary feasibility funding, noting that, until any funding is provided, there would be no resources to progress this part of the work.	In progress
Thursday, 25 August 2022	650	2.2 Decision on Shelly Bay Road upgrade options following community engagement	8c	Agree that: Officers to start the process to investigate a 30km/hr speed limit on Shelly Bay Rd between the Miramar cutting and the Shelly Bay development, either through the Speed Management Review process or the standard speed review process, whichever is faster.	In progress
Thursday, 25 August 2022	651	2.2 Decision on Shelly Bay Road upgrade options following community engagement	9	Note that, given the constraints identified and the levels of community interest in achieving a higher level of service, officers have also investigated how to improve the level of service for active mode users (beyond that provided by the consented design), without delivering a shared path that meets Waka Kotahi design guidance. This has included consideration of the process by which any such change could be delivered. .	In progress
Thursday, 25 August 2022	653	2.2 Decision on Shelly Bay Road upgrade options following community engagement	10	Agree that officers will progress localised upgrades to the consented design in accordance with the discussion contained below.	In progress
Thursday, 25 August 2022	670	3.1 Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 10 August 2022: Proposed Road Stopping - Land Adjoining 28 Hapua Street, Hataitai	2	Agree to dispose of the Land.	In progress

3.2 Report of the Pūrora Waihanga Infrastructure Committee Meeting of 24 August 2022: Public Places Bylaw 672 2022						
Thursday, 25 August 2022	672	2022	1	Adopt the new Public Places Bylaw 2022 and, in doing so, revoke Part 5 (Public Places) and Part 10 (Structures in Public Places – Verandahs) of the Wellington City Consolidated Bylaw 2008.	Completed	
Thursday, 25 August 2022	673	4.1 Sludge Minimisation Facility Project Funding	All Clauses	All clauses - public	In progress	
Thursday, 30 September 2021	692	4.1 Mākara Cemetery - potential land acquisition	All clauses	All clauses - public	In progress	
Thursday, 29 September 2022	698	2.1 District Licensing Committee Annual Report 2021-2022	1	Receive the information.	Completed	
Thursday, 29 September 2022	699	2.1 District Licensing Committee Annual Report 2021-2022	2	Agree that this annual report may be submitted to the Alcohol Regulatory Licensing Authority (ARLA).	Completed	
Thursday, 29 September 2022	700	2.1 Annual Dog Control Report 2021-2022	1	Receive the information.	Completed	
				Agree the content of the Annual Dog Control Report 2021-22 with the following addition to section 6: This increase is proportionally higher than the increase in dog ownership . (An increase in dog registration of 15% but a 150% rise in dangerous dog classifications and a 800% in menacing dog classifications) Menacing and dangerous dog classifications are placed on a dog after an attack – either on animals or people. Officers attribute the rise in attacks to a number of reasons: More people are out walking their dogs than in pre-covid times. It has also been acknowledged internationally that dogs pick up on the anxiety of their owners and New Zealanders have generally experienced higher levels of stress than pre-pandemic times. Dogs have also been seen to exhibit signs of separation anxiety now their owners are returning to work. Due to the rise in attacks, this year officers implemented a more robust procedure for identifying and classifying dangerous and menacing dogs, using an attack rating assessment tool. Previously not all dogs were classified using the same strict criteria. This is the main reason for the increase in recorded attacks and subsequent classifications.		
Thursday, 29 September 2022	701	2.1 Annual Dog Control Report 2021-2022	2	Adopt the Annual Dog Control Report 2021-22.	Completed	
Thursday, 29 September 2022	702	2.1 Annual Dog Control Report 2021-2022	3	Adopt the Annual Dog Control Report 2021-22.	Completed	
Thursday, 29 September 2022	703	2.3 Annual Report on Income received from and costs incurred in alcohol licensing	1	Receive the information.	Completed	
Thursday, 29 September 2022	704	2.3 Annual Report on Income received from and costs incurred in alcohol licensing	2	Adopt the Annual Report of Alcohol licensing income and costs for the year 2021-2022	In progress	
Thursday, 29 September 2022	705	2.3 Annual Report on Income received from and costs incurred in alcohol licensing	2	Adopt the Annual Report of Alcohol licensing income and costs for the year 2021-2022	Completed	
Thursday, 29 September 2022	706	2.4 Development Contributions Remission Request for 4 Oxford Terrace	1	Receive the information.	Completed	
Thursday, 29 September 2022	707	2.4 Development Contributions Remission Request for 4 Oxford Terrace	2	Note the provisions at clause 2.6 of the Development Contributions Policy 2015-16 allowing the Council to agree to remit development contributions.	Completed	
Thursday, 29 September 2022	708	2.4 Development Contributions Remission Request for 4 Oxford Terrace	3	Review the remission request and consider using their discretion to remit development contributions.	Completed	
Thursday, 29 September 2022	709	2.4 Development Contributions Remission Request for 4 Oxford Terrace	4	Agree to grant the Wellington City Mission the value of the development contribution.	Completed	
Thursday, 29 September 2022	710	2.4 Development Contributions Remission Request for 4 Oxford Terrace	5	Agree to increase the budget for Social and Recreational Grant Pool (1124) in the year which Development Contribution relating to this development falls due and debt fund this grant at the time.	In progress	
Thursday, 29 September 2022	711	2.4 Development Contributions Remission Request for 4 Oxford Terrace	6	Agree to reduce the budget for the Environmental and Accessibility Fund (1220) by \$383k in order to fund the above grant.	In progress	
Thursday, 29 September 2022	712	2.5 Report back on elected member travel	1	Receive the information.	Completed	
Thursday, 29 September 2022	713	2.6 End of Triennium Report	1	Receive the information.	Completed	The information in the report was formally received by the meeting.
Thursday, 29 September 2022	714	2.6 End of Triennium Report	2	Note that the last scheduled Council meeting of the current triennium will be held on 29 September 2022 and that all formal meetings will cease until the new Council is sworn in on 26 October 2022.	Completed	The information was noted by the meeting.
Thursday, 29 September 2022	718	2.6 End of Triennium Report	5	Note that the 2021/22 capital programme budget was underspent by \$65m.	Completed	The information was noted by the meeting.
Thursday, 29 September 2022	719	2.6 End of Triennium Report	7	Note that the District Licensing Committee will continue to meet in October as provided for in the Sale and Supply Alcohol Act 2012.	Completed	The information was noted by the meeting.
Thursday, 29 September 2022	720	2.6 End of Triennium Report	6	Delegate authority to the Chief Executive to continue to spend the 2021/22 capital programme in order to progress projects previously adopted as part of the 2021-31 Long-term Plan and subsequent revisions to that budget.	Completed	A report on this was considered at the Kōrau Tūāpapa Environment and Infrastructure Committee on 8 December 2022.
Thursday, 29 September 2022	721	2.6 End of Triennium Report	8	Delegate to the Chief Executive, in consultation with the Chief Planning Officer, the authority to appoint hearings panels if required to consider any notified resource consent applications during the period between the existing Council going out of office and the new Council establishing its committee arrangements and delegations.	Completed	No decisions were made under this delegation.
Thursday, 29 September 2022	722	2.6 End of Triennium Report	9	Agree that all items lying on the table at the end of the triennium will expire.	Completed	The items expired at the end of the triennium.
Thursday, 29 September 2022	723	2.6 End of Triennium Report	10	Agree to disestablish Te Awarua o Porirua Harbour and Catchment Joint Committee	Completed	The joint committee has been disestablished.
Thursday, 29 September 2022	724	2.6 End of Triennium Report	11	Delegate to the Chief Executive Officer the authority to make minor editorial changes that may arise as part of the finalising of the draft 2021/22 Annual Report before presentation Council following the 2022 election.	Completed	An update on the Annual Report will be provided at a briefing in early December 2022.

Thursday, 29 September 2022	725	2.6 End of Triennium Report	12	Note that Officers have reviewed the options available to assist those rate payers who have experienced a year-on-year rates increase of greater than 15 percent.	Completed	The information was noted by the meeting.
Thursday, 29 September 2022	726	2.6 End of Triennium Report	13	Note that 85% of rate payers who received a year-on-year increase of over 15 percent have already paid the first quarterly instalment in full.	Completed	The information was noted by the meeting.
Thursday, 29 September 2022	727	2.6 End of Triennium Report	14	Note that existing options under the Rates Postponement Policy and payment plan options will continue to be made available to rate payers who request assistance with payment of rates.	Completed	The information was noted by the meeting.
Thursday, 29 September 2022	728	2.7 Actions Tracking	1	Receive the information	Completed	
Thursday, 29 September 2022	729	3.1 Report of the Pūroro Rangaranga Social, Cultural and Economic Committee meeting of 1 September 2022: Circa Funding Request	1	Agree to allocate \$200,000 in the 2022/2023 financial year for Circa Theatre's building upgrade.	In progress	
Thursday, 29 September 2022	730	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 28 September 2022: Draft Annual Report and Audit Process	1	1. Approve the Accounting Policies contained in the draft financial statements (Attachment 2, Public Excluded) for adoption for the financial statements for the year ended 30 June 2022.	Completed	
Thursday, 29 September 2022	731	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 28 September 2022: Draft Annual Report and Audit Process	1	Approve the Accounting Policies contained in the draft financial statements (Attachment 2, Public Excluded) for adoption for the financial statements for the year ended 30 June 2022.	Completed	
Thursday, 29 September 2022	732	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 28 September 2022: Draft Annual Report and Audit Process	2	Approve the draft Financial Statements and Statements of Service Provision for Wellington City Council and Group within the draft Annual Report for the year ended 30 June 2022, subject to the resolution of any matters identified during the meeting and those arising from year-end and annual audit from Audit New Zealand.	Completed	
Thursday, 29 September 2022	733	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 28 September 2022: Draft Annual Report and Audit Process	3	Approve the draft Annual Report for Wellington City Council and Group for the year ended 30 June 2022 (Attachment 1 and 2, Public Excluded).	Completed	
Thursday, 29 September 2022	734	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 28 September 2022: Draft Annual Report and Audit Process	4	Approve the request for the elected Council formed after the 2022 election, to adopt the Annual Report for Wellington City Council and Group for the year ended 30 June 2022 (Attachment 1 and 2, Public Excluded) subject to changes under recommendations e) and f).	Completed	
Thursday, 29 September 2022	735	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 28 September 2022: Draft Annual Report and Audit Process	5	Delegate to the Chair and Deputy Chair of the Audit and Risk Subcommittee up to the end of the triennium the authority to deal with any significant issues arising after this meeting that are under the delegations of the Subcommittee, ensuring they are appropriately addressed through discussions with Officers and liaison with other Subcommittee members if necessary	Completed	
Thursday, 29 September 2022	736	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 28 September 2022: Draft Annual Report and Audit Process	6	Delegate to the Chief Executive Officer the authority to make minor editorial changes that may arise as part of the finalising of the draft 2021/22 Annual Report before presentation to the 2022 elected Council following the 2022 election.	Completed	
Thursday, 29 September 2022	737	2.8 Valedictory Speeches and Reflections	1	Receive the information.	Completed	
Thursday, 29 September 2022	738	2.8 Valedictory Speeches and Reflections	2	Receive the valedictory speeches of elected members.	Completed	
Thursday, 29 September 2022	754	4.2 Public Excluded Report of the Pūroro Waihanganga Infrastructure Committee Meeting of 24 August 2022: Land Acquisition – Glenside Road, Glenside	All clauses	All clauses	In progress	Waiting on vendors lawyer to provide mortgagee consent
Thursday, 29 September 2022	755	4.1 Land Acquisition Taranaki Street	All clauses	All clauses	In progress	
Wednesday, 26 October 2022	756	2.1 Fixing of the Date and Time of the First Ordinary Meeting of Te Kaunihera o Pōneke Council for the 2022-2025 Triennium	1	Receive the information	Completed	
Wednesday, 26 October 2022	757	2.1 Fixing of the Date and Time of the First Ordinary Meeting of Te Kaunihera o Pōneke Council for the 2022-2025 Triennium	2	Agree that the first two ordinary meetings of Te Kaunihera o Pōneke Council be held at 9:30am, 16 November 2022 and 15 December 2022.	Completed	
Wednesday, 26 October 2022	758	2.2 Appointment of Mana Whenua Representatives to Council Committees	1	Receive the information	Completed	
Wednesday, 26 October 2022	759	2.2 Appointment of Mana Whenua Representatives to Council Committees	2	Agree to appoint Liz Kelly and Holden Hohaia, representing Te Rangapū Ahikāroa, our Takai Here partners, as mana whenua representatives nominated by Taranaki Whānui and Ngāti Toa Rangatira to Council committees and subcommittees for the 2022-2025 triennium.	Completed	
Wednesday, 26 October 2022	760	2.2 Appointment of Mana Whenua Representatives to Council Committees	3	Agree to pay each nominating mana whenua entity an annual fee equivalent to the remuneration of a Councillor with similar responsibilities.	Completed	
Wednesday, 26 October 2022	761	2.2 Appointment of Mana Whenua Representatives to Council Committees	4	Note that specific committee membership will be confirmed when Council agrees the Terms of Reference and Delegations at the next Te Kaunihera o Pōneke Council meeting.	Completed	
Wednesday, 16 November 2022	881	2.1 Maiden Speeches for First-Term Councillors	1	Receive the information.	Completed	
Wednesday, 16 November 2022	882	2.1 Maiden Speeches for First-Term Councillors	2	Thank the first-term councillors for their maiden speeches.	Completed	
Wednesday, 16 November 2022	883	2.2 Governance Arrangements for the 2022/2025 Triennium	1	Receive the information.	Completed	The information was formally received by Council.
Wednesday, 16 November 2022	884	2.2 Governance Arrangements for the 2022/2025 Triennium	2	Authorise the Terms of Reference and Delegations of Wellington City Council 2022-2025.	Completed	The Terms of Reference and Delegations has been published to the WCC website and the delegations are in force.
Wednesday, 16 November 2022	885	2.2 Governance Arrangements for the 2022/2025 Triennium	3	Note that the existing delegations to the Chief Executive remain in force.	Completed	The information was noted by the committee.

Wednesday, 16 November 2022	2.2 Governance Arrangements for the 2022/2025 886 Triennium	4	Authorise the mayor and deputy mayor to grant a power of attorney to the chief executive, to enable her to execute deeds, provided the document falls within the chief executive's delegation.	In progress	
Wednesday, 16 November 2022	2.2 Governance Arrangements for the 2022/2025 887 Triennium	5	Delegate to the mayor, deputy mayor, and chief executive the authority to approve any editorial changes or changes arising from decisions at this meeting to the Terms of Reference and Delegations document, prior to publication.	Completed	
Wednesday, 16 November 2022	2.3 2022-2025 Triennium Meeting Schedule 888	1	Receive the information.	Completed	
Wednesday, 16 November 2022	2.3 2022-2025 Triennium Meeting Schedule 889	2	Adopt the schedule of meetings for the Council and committees for the period of November 2022 to September 2025	Completed	
Wednesday, 16 November 2022	2.3 2022-2025 Triennium Meeting Schedule 890	3	Note the following timing guidelines: a. Council and committee meetings will operate on a six-weekly cycle. b. Committees of the whole, Koata Hātepe Regulatory Processes Committee, and Council will be held on Thursdays at 9:30am. c. Unanahi Māhirahira Audit and Risk Committee and Pītau Pūmanawa Grants Subcommittee will be held on Wednesdays at 9:30am.	Completed	
Wednesday, 16 November 2022	2.3 2022-2025 Triennium Meeting Schedule 891	4	Note that ordinary, extraordinary and multi-day meetings may be scheduled, rescheduled or cancelled from time and time in consultation with the mayor, chair and deputy chair of the relevant committee, and chief executive.	Completed	
Wednesday, 16 November 2022	2.3 2022-2025 Triennium Meeting Schedule 892	5	Note that Unanahi Ngaio CE Performance Review Committee meetings will be scheduled in consultation with the mayor, deputy mayor and chief executive.	Completed	
Wednesday, 16 November 2022	2.3 2022-2025 Triennium Meeting Schedule 893	6	Note that meeting times will be formally notified by Democracy Services.	Completed	
Wednesday, 16 November 2022	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations 894	1	Receive the information	Completed	The information was formally received by the Council.
Wednesday, 16 November 2022	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations 895	2	Appoint Wellington City councillors to vacancies on the Boards of the following Council Controlled Organisations: Council Controlled Organisation Representation Appointee Basin Reserve Trust One councillor Cr John Apanowicz Joe Aspell Trust Mayor* Three councillors Mayor Tory Whanau Cr Tim Brown Cr Ray Chung Cr Nicola Young Wellington Museums Trust One councillor Cr Ben McNulty Wellington Zoo Trust One councillor Cr Nureddin Abdurahman Wellington Regional Stadium Trust One councillor Cr Diane Calvert	Completed	The appointments are in force and the relevant organisations have been communicated with.
Wednesday, 16 November 2022	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations 896	3	Appoint Wellington City councillors to the following Council Organisations: Council Organisation Representation Appointee Wellington International Airport Ltd One councillor Mayor Tory Whanau Creative Communities Local Funding Scheme Two councillors (under the terms of the contract with Creative NZ) Cr Nikau Wi Neera Cr Teri O'Neill NZ International Arts Festival Trust Mayor* Mayor Tory Whanau Porirua Harbour and Catchment Trust One councillor Cr Ben McNulty Thomas George Macarthy Trust Mayor* Mayor Tory Whanau Guardians of the Karori Sanctuary One councillor Cr Ray Chung Wellington Community Housing Provider Trust Two councillors Cr Rebecca Matthews Cr Tim Brown Sheilah Maureen Winn Charitable Trust One councillor Cr Nicola Young	Completed	The appointments are in force and the relevant organisations have been communicated with.
Wednesday, 16 November 2022	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations 897	4	Appoint a Wellington City councillor, and an alternate, to the following Council Advisory and Reference Groups: Council Advisory and Reference Group Representation Appointee Accessibility Advisory Group One councillor (and one alternate) Cr Rebecca Matthews (Cr Iona Pannett) Environmental Reference Group One councillor (and one alternate) Cr Nikau Wi Neera (Cr John Apanowicz) Pacific Advisory Group One councillor (and one alternate) Cr Sarah Free (Cr Rebecca Matthews) Safe and Sustainable Transport Forum One councillor (and one alternate) Cr Sarah Free (Cr John Apanowicz) Takatāpui Rainbow Advisory Council One councillor (and one alternate) Cr Iona Pannett (Cr Teri O'Neill) Youth Council One councillor (and one alternate) Cr Ben McNulty (Cr Nikau Wi Neera)	Completed	The appointments are in force.

Wednesday, 16 November 2022	898	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations	5	Appoint a Wellington City councillor and an alternate to the following groups and organisations: Other Organisations Representation Appointee Tākaia Here Leadership Forum Mayor* One councillor Mayor Tory Whanau Deputy Mayor Laurie Foon Art Collection Group One councillor (and one alternate) Cr Nicola Young (Cr Nikau Wi Neera) Liaison with the Wellington Multi-Cultural Council One councillor (and one alternate) Cr Ray Chung (Cr Nureddin Abdurahman) Waste Forum – Wellington Region One councillor (and one alternate) Cr Laurie Foon (Cr Iona Pannett)	Completed	The appointments are in force and the relevant organisations have been communicated with.
Wednesday, 16 November 2022	899	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations	6	Appoint or nominate (as appropriate) a Wellington City councillor and an alternate, if need be, to the following joint external committees: Joint External Committees Representation Appointee Regional Transport Committee One councillor (and one alternate) Cr Iona Pannett (Cr Tony Randle) Wellington Regional Leadership Committee Mayor* (and one alternate) Mayor Tory Whanau (Deputy Mayor Laurie Foon) Wastewater Treatment Plant and Landfill Joint Committee One councillor (and one alternate) Houiwi Liz Kelly (Rachel Allan) Wellington Water Committee One councillor (and one alternate) Mayor Tory Whanau (Cr Tim Brown) Wellington Region Waste Management and Minimisation Plan Joint Committee One councillor (and one alternate) Cr Iona Pannett (Deputy Mayor Laurie Foon)	Completed	The appointments are in force and the relevant organisations have been communicated with.
Wednesday, 16 November 2022	900	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations	7	Appoint two Takapū/Northern Ward councillors, Cr Ben McNulty and Cr Tony Randle, to the Tawa Community Board for the 2022/2025 triennium.	Completed	The appointments are in force.
Wednesday, 16 November 2022	901	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations	8	Delegate to the Tawa Community Board the authority to appoint a board member as a representative on Camp Elsdon.	Completed	The Board considered this appointment at it's meeting on 5 December.
Wednesday, 16 November 2022	902	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations	9	Appoint Mayor Tory Whanau (as presiding delegate), Deputy Mayor Laurie Foon, Cr Ray Chung and Cr Sarah Free as its representatives to Local Government New Zealand Zone 4.	Completed	The appointments are in force and the relevant organisations have been communicated with.
Wednesday, 16 November 2022	903	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations	10	Agree that the councillors appointed to these organisations and advisory groups will report back to an appropriate forum on an annual basis.	Completed	
Wednesday, 16 November 2022	904	2.4 Elected Members' Appointments to Council Controlled Organisations, Council Organisations and External or Joint Committees and Organisations	11	Agree that the term of appointments to each of the above positions will commence immediately. Unless otherwise specified the appointment will terminate at the earlier of the time the position is refilled following the 2025-2028 triennial election or 31 December 2025.	Completed	
Wednesday, 16 November 2022	905	2.5 Exemption of Council Controlled Organisations from the Statutory Reporting Regime	1	Receive the information.	Completed	
Wednesday, 16 November 2022	906	2.5 Exemption of Council Controlled Organisations from the Statutory Reporting Regime	2	Continue to treat Joe Aspell Trust, Wellington Waterfront Limited and the Wellington Rural Fire Authority as exempted organisations, in accordance with the provisions of section 7 of the Local Government Act 2002, and as such not council-controlled organisations.	Completed	
Wednesday, 16 November 2022	907	2.6 2022-2025 Triennium Councillors' Remuneration	1	Receive the information.	Completed	
Wednesday, 16 November 2022	908	2.6 2022-2025 Triennium Councillors' Remuneration	2	Recommend the below remuneration proposal to the Remuneration Authority: Position Proposed new base salary (per annum) Total (per annum) Mayor \$183,027 \$183,027 Deputy mayor \$126,650 \$126,650 3 x chair of committee of the whole \$116,361 \$349,083 1 x chair of Koata Hātepe Regulatory Processes Committee \$111,070 \$111,070 10 x councillors \$105,283 \$1,057,830 Total (pool) \$1,639,633	Completed	

Agree to the following short role descriptions for the deputy mayor, chair of committee of the whole, and chair of the Koata Hātepe | Regulatory Processes Committee:

Deputy Mayor: The deputy mayor will:

- a) Assist the mayor in carrying out the statutory and leadership role of the mayor.
- b) If the mayor is absent or incapacitated, perform all the responsibilities and duties, and exercise any powers of the mayor (other than the powers under section 41A LGA 2002 and the role of Justice of the Peace).
- c) Lead and take responsibility for liaison with Councillors on matters of support for carrying out their governance role.
- d) Assist the mayor in day-to-day administration.
- e) Ensure that the mayor's view is conveyed to committee and other meetings when they are absent on Council business.

The Deputy Mayor is authorised to approve elected member attendance at conferences or training and associated travel and accommodation within New Zealand.
[refer to Terms of Reference and Delegations, page 29]

Chair of committee of the whole: The chair of a committee of the whole will be responsible for presiding over one of the committees of the whole, which have specific responsibilities in line with their area of focus.

The chair of a committee of the whole will be (in association with the deputy chair, and the agreement of the mayor) the Council spokesperson with respect to matters within the committee's area of focus.

Chair of Koata Hātepe | Regulatory Processes Committee: The chair of the Koata Hātepe | Regulatory Processes Committee will be responsible for presiding over that committee of the part which has responsibilities in line with its area of focus.

The chair of a committee of the Koata Hātepe | Regulatory Processes Committee will be (in association with the deputy chair, and the agreement of the mayor) the Council spokesperson with respect to matters within the committee's area of focus.

Wednesday, 16 November 2022	909 2.6 2022-2025 Triennium Councillors' Remuneration	3		Completed
Wednesday, 16 November 2022	910 2.7 Elected Member Allowances and Entitlements Policy	1	Receive the information.	Completed
Wednesday, 16 November 2022	911 2.7 Elected Member Allowances and Entitlements Policy	2	Adopt the Elected Member Allowances and Entitlements Policy.	Completed
Wednesday, 16 November 2022	925 3.1 CHP transition: Trustee appointments	All clauses	All clauses	In progress
Wednesday, 16 November 2022	3.2 Local Government Funding Agency Annual General	All clauses	All clauses	In progress
Wednesday, 16 November 2022	926 Meeting Voting	All clauses	All clauses	In progress

FORWARD PROGRAMME

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides the Forward Programme for Te Kaunihera o Pōneke | Council for the next two meetings.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
 - People friendly, compact, safe and accessible capital city
 - Innovative, inclusive and creative city
 - Dynamic and sustainable economy
- Strategic alignment with priority objective areas from Long-term Plan 2021–2031**
- Functioning, resilient and reliable three waters infrastructure
 - Affordable, resilient and safe place to live
 - Safe, resilient and reliable core transport infrastructure network
 - Fit-for-purpose community, creative and cultural spaces
 - Accelerating zero-carbon and waste-free transition
 - Strong partnerships with mana whenua

Relevant Previous decisions

Not applicable.

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

Risk

- Low Medium High Extreme

Author	Hedi Mueller, Senior Democracy Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

1. Receive the information.

Whakarāpopoto | Executive Summary

2. The Forward Programme sets out the reports planned for Te Kaunihera o Pōneke meetings that require consideration.
3. The Forward Programme is a working document and is subject to change on a regular basis.

Kōrerorero | Discussion

4. Thursday 9 March 2023:
 - Adoption of revised Standing Orders (Chief Strategy and Governance Officer)
 - Adoption of New Code of Conduct (Chief Strategy and Governance Officer)
 - Remuneration of Directors and Trustees for CCOs and Unaunahi Māhirahira | Audit and Risk Committee (Chief Strategy and Governance Officer)
 - Ghuznee Street Land Acquisition (Chief Planning Officer)
 - Outer Green Belt Strategic Land Acquisition (Chief Planning Officer)
5. Thursday 20 April 2023:
 - Local Governance Statement (Chief Strategy and Governance Officer)
 - Election Matters (Chief Strategy and Governance Officer)

Attachments

Nil

3. Committee Reports

REPORT OF TE KAUNIHERA O PŌNEKE | COUNCIL MEETING OF 29 SEPTEMBER 2022

Members: Mayor Foster, Deputy Mayor Free, Councillor Calvert, Councillor Condie, Councillor Day, Councillor Fitzsimons, Councillor Foon, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Rush, Councillor Woolf, Councillor Young.

The Council recommends:

2021/22 ANNUAL REPORT AND AUDIT PROCESS

Recommendation/s

That Te Kaunihera o Pōneke | Council:

1. Adopt the Annual Report for Wellington City Council and Group for the year ended 30 June 2022 (Attachment 1 and 2).

Attachments

Attachment 1.	Annual Report Volume One	Page 124
Attachment 2.	Annual Report Volume Two	Page 285

Huinga 1 | Volume 1

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

2021/2022

Te Pūrongo ā-Tau Annual Report



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Wellington City Council is a public benefit entity for financial reporting purposes. The financial statements within the Annual Report were prepared in accordance with and comply with New Zealand Generally Accepted Accounting Principles (GAAP) and comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity. The financial statements are denominated in New Zealand dollars.

Nau mai, haere mai – Welcome

Nau mai ki tā mātou tirohanga rāpopoto o te tau 2021/22. Welcome to our report of the 2021/22 year.

This Annual Report describes how the Wellington City Council and the Council-controlled organisations (CCOs) performed in the 2021/22 financial year. Included in this report are the key projects, programmes and services we delivered that are contributing to Wellington being the capital we want it to be.

The period covered is from 1 July 2021 to 30 June 2022. It reports against our 2021-31 Long-term Plan and fulfils our obligations under the Local Government Act 2002 - to report our past year's highlights, performance results and budget to our residents, stakeholders and community.

The theme for this year's report is "He tāone e whakaumu ana - a city in transition". This year, we have focused strongly on responding to the COVID-19 pandemic as well as planning the necessary changes to build on our city's strengths and become an environmentally-conscious, socially-connected, innovative and vibrant capital city.

This Annual Report 2021/22 was adopted by the Council on 15 December 2022, and received an unmodified opinion on the audited information, except for the statement of service provision.

A qualified opinion was received for two performance measures relating to the total number of complaints received for our three waters network (page 63, 65, 66, and 68) and the measurement of our greenhouse gas emissions (page 62-63).

Copies of the full Annual Report 2021/22 and the summary are available to view at Council offices, libraries, or at wellington.govt.nz.

We acknowledge mana whenua

Through the signing of Tākai Here, we as a council have forged stronger partnerships with our Mana Whenua here in Te Whanganui ā Tara. This partnerships agreement allows for a stronger governance relationship and sets out the principals, values, and priorities for the way in which we work together. The signing of the document took place 182 years to the day that Te Tiriti was signed here in Te Whanganui a Tara, acknowledging the creation of a new partnership.

Through Tākai Here, we work in partnership with:

- Taranaki Whānui Ki Te Upoko o Te Ika (Port Nicholson Block Settlement Trust)
- Te Rūnanga o Toa Rangatira
- Te Rūnanganui o Te Āti Awa Ki Te Upoko o Te Ika a Māui

We also have relationships with the Te Aro Pā Trust and the Wellington Tenths Trust.

We acknowledge Te Tiriti o Waitangi

We recognise that Te Tiriti o Waitangi forms the underlying foundation of the Council and mana whenua relationship, and that the Council acts in accordance with Te Tiriti o Waitangi.

Message from our Mayor

It is a pleasure to watch our city's vibrancy returning now COVID-19 restrictions have lifted.

However, we must remember that we've missed so much over the past two and a half years. Our hospitality, event and retail sectors have been hard hit by COVID-19, the impact of the prolonged protest at Parliament, and concerns about safety in the central city.

He tāone e whakaumu ana – a city in transition, which is the theme for this year's report, encompasses how we face these challenges and move through the change, especially around buses, cycleways and other transport, climate action and resilience, and growth of the city.

The year that was

While developing the 2021-31 Long-term Plan, you said you wanted us to focus on pipes, urban development, getting around, safety in the central city, and re-activating the vibrancy of our public places.

In line with this, we've reopened the St James Theatre in June, started the strengthening and modernisation of Te Matapihi Central Library, and continued the Town Hall upgrade.

This year we also:

- improved city safety through the first year of the Pōneke Promise initiative
- approved a new Green Network Plan, through which we will create two new urban parks and double the number of trees in the central city
- created an Economic Wellbeing Strategy, which focuses on building our economic strengths while considering wider environmental issues and maintaining and enhancing our city's world leading quality of life
- consulted on our draft District Plan – your submissions will inform a final proposed plan for consultation in late 2022; and
- confirmed a new approach to City Housing to ensure it has a sustainable future.

Celebrating our city

Ultimately, everything is about our people.

In adversity, such as during the protest at Parliament, many of us can and are showing the best of ourselves. We were heartened by the attitudes of many to our staff who continued to work in parking enforcement or community outreach during that time.

Overall, despite another challenging year, we continue to focus on our vision for the future – a inclusive, sustainable and creative capital in which our people live, work and play.

Andy Foster

Mayor of Wellington

Message from our Chief Executive

The last financial year (2021/22) was my second full financial year as Chief Executive and the second in which we all faced significant disruptions to everyday life.

I am proud of how our organisation has responded and adapted to the COVID-impacted environment and the challenges presented by the Parliament protest. Despite the challenges we have faced, we have delivered a lot in this time but there is more to do.

We must plan for the effects of a growing population, respond to climate change, address aging infrastructure, increase the seismic resilience of our built environment, grow the supply of affordable housing, keep building Wellington's creative vibe, and work with businesses to ensure our economy thrives.

I remain focused on shaping our city for a successful future by continuing to build our organisation and I am confident Te Kaunihera o Pōneke (Wellington City Council) is well positioned to deliver what the city needs in the years ahead.

Performance

This is the first year of reporting against our 2021-31 Long-term Plan performance framework. With this new framework, we have increased transparency and focused our reporting on what really matters.

We continue to perform consistently high in areas of utilisation and the quality of our services. This shows that the services we offer are valued by our communities – from our libraries, tracks and parks to graffiti removal, footpath repairs and slip clean ups.

We recognise we need to continue to work to improve Wellingtonians' satisfaction and perception measures and we will work closely with the new Council on this. These measures have scored low for several years and are often linked to involvement in decision making and engagement, fee setting, or areas of our services where there was disruption during the year.

Finances

The 2021-31 Long-Term Plan budget was set when the long-term impacts of the COVID-19 pandemic and the impact on the city's recovery was still unclear.

This year we continued to experience challenges to our revenue forecasts, as many other businesses did. Providing financial support to hospitality, retail and other business sectors facing hardship because of COVID-19 and the Parliament protest also impacted our financial position.

A city in transition

We are a city in transition – we have worked hard this year to put plans in place to ensure Pōneke (Wellington) is a capital city fit for the future. Over the coming years, Wellingtonians will see these plans come to fruition.

The theme for this year's report is *he tāone e whakaumu ana - a city in transition*. City-level change is a marathon, not a sprint. We will need determination and perseverance to get to the 2040 finish line – an inclusive, sustainable and creative capital for people to live, work and play

Barbara McKerrow

Chief Executive

Section 1: Our city

[Te reo heading]

In this section

This section includes an overview of the city's history, our population, economy, location, and our environment.

City profile

Located at the heart of New Zealand, Wellington is the southern-most capital city in the world, and the centre of the country's government, coffee culture and film industries.

Its unique landscape is the pride and taonga of many Wellingtonians and is actively protected, nurtured and restored. It features bush covered hills, rivers and streams, a large natural harbour, rocky and sandy coastlines and a growing population of native wildlife.

Through centuries of settlement by Māori and Pākehā, the area has quickly developed into a creative and vibrant city.

Wellington at a glance

Our people ¹	Our city
217,000¹ Wellington City population	2,145 Sunshine hours in 2021 ²
51.4%¹ Population is under 35	98.9km Length of coastline
15.7%¹ Population over 60	381km Walking and biking tracks
228,392³ Population forecast for 2028	108 Play areas in Wellington ⁴
276,472 Population forecast for 2051	\$157,692 Average household income ⁵

Our history

According to Māori tradition, Whatonga, a chief of the Kurahaupō waka was the first person to settle the lands at the southern tip of the North Island which was known as Te Upoko-o-te-Ika, the head of the fish. Whatonga's son, Tara, was said to be enamoured with the deep and beautiful harbour at the nostrils of the fish, and so Whatonga named the harbour, Whanganui-a-Tara after his son.

The region was slowly populated with peoples of Kurahaupō descent including Ngāi Tara, Mua-upoko, Ngāti Apa, Ngāti Rangitāne and Ngāti Tu-mata-kokiri who established hilltop pa (fortresses) on strategic and sheltered sites around the Wellington harbour. In the 1820s, tribes from the Taranaki region also moved south to Te Upoko-o-te-Ika.

In the 1840s, European settlers began to arrive and settle in the region. Wellington became New Zealand's capital in 1865, with Parliament officially sitting in the city for the first time on 26 July 1865.

On 28 September 1870, the Wellington City Council met for the first time. Since then, it has had 36 Mayors and hundreds of Councillors.

¹ Figures in this section from Infometrics Wellington City - Regional Economic Profile 2021

² NIWA Annual Climate Summary 2021

³ Population forecasts – SensePartners 2022

⁴ WCC figures for Coastline, Tracks and Playgrounds

⁵ Infometrics Wellington City Economic Profile – Living Standard – [Household Income 2022](#)

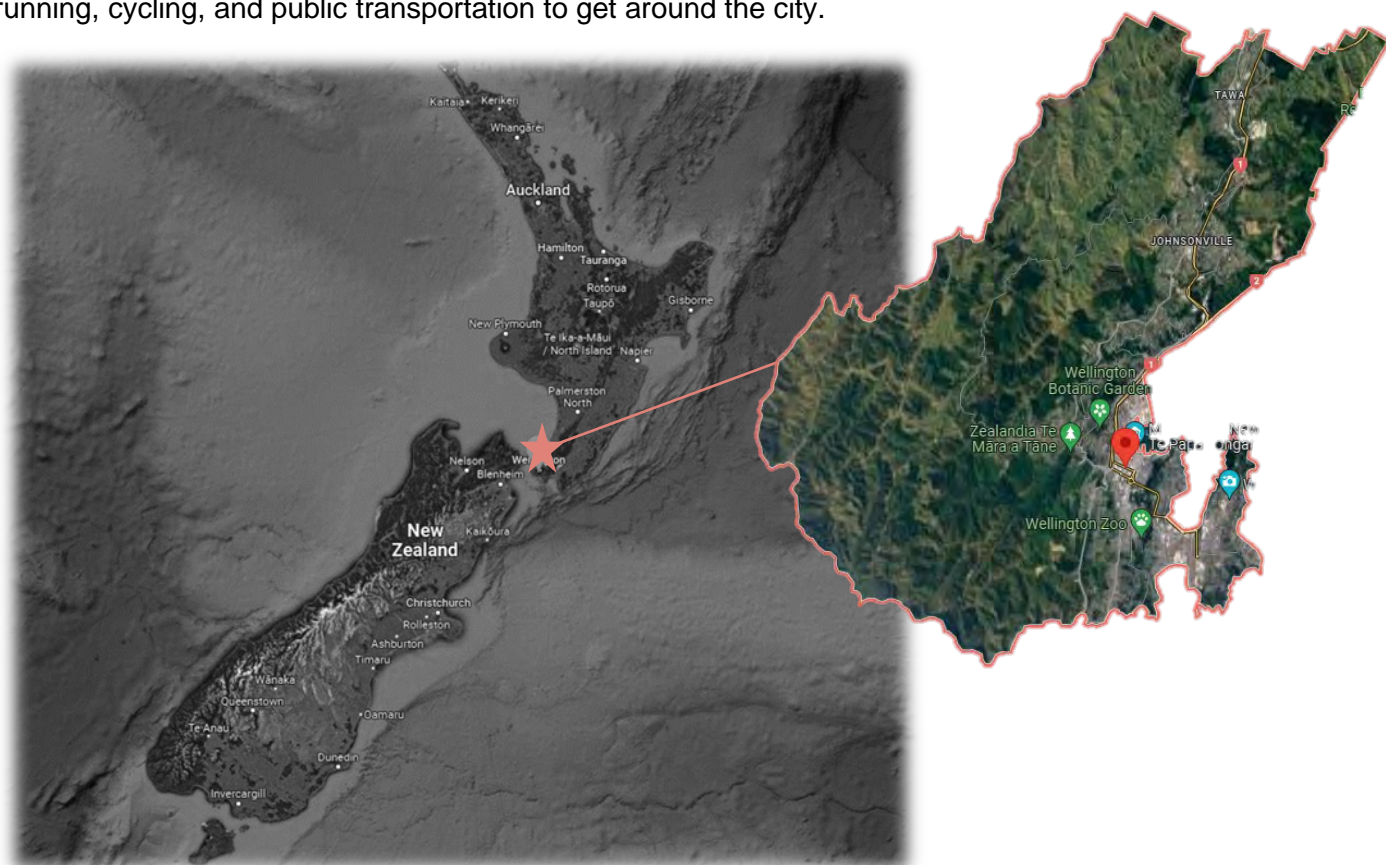
As the city grew so did its responsibility for the introduction of fresh drinking water, the sewerage system, social housing, libraries, swimming pools and a host of amenities. Today the Council manages more than 400 different services and facilities.

The city is home to many cultures, with approximately 34 percent of residents being born overseas. Common ethnic groups in the city include European, Māori, Pacific peoples and Asian peoples.

Our location

Wellington City spreads across 289.91 square kilometres⁶ at the south-western tip of the North Island and is made up of 56 suburbs.

The city lies on the shore and hills surrounding the Wellington harbour. This enables our community to discover walks and walkways, beaches and rock pools, parks and gardens, playgrounds and mountain bike tracks all within a short trip from the central city. The compact size of the city provides many options for transportation. Although many drive private vehicles, many also enjoy walking, running, cycling, and public transportation to get around the city.



Our economy

Wellington is at the heart of the Greater Wellington region. Our economy is vital to the economic wellbeing of the region and, as the capital city, to New Zealand as a whole.

Our local economy sustains 174,340 jobs and our city is home to 28,689 businesses. Our local economy produced over \$27.3 billion this year in gross regional product. Our export trade is estimated more than \$1b.

The 2021/22 year has been a challenging one for the city, its businesses, and our people. For example, we have had the ongoing uncertainty from changing pandemic restrictions causing disruptions to the goods and service supply chains, a highly visible and sustained protest at

⁶ StatsNZ Geographic Boundary View

Parliament, and businesses - particularly hospitality, retail, arts and cultural sectors – impacted by workers and customers self-isolating and choosing to work from home.

Despite the challenges, employment of Wellington residents grew 2.1 percent in June 2022. Professional, scientific and technical services led the way in terms of job growth, with health care, retail, construction, and financial services also having notable gains. Employment growth has brought the city's unemployment rate down to a low of 3.2 percent.⁷

Our environment

Like many other regions in New Zealand, the city is already affected by climate change. For example, we are experiencing more frequent and intense weather events that are causing more flooding and disruption to services. We declared a climate and ecological emergency, which means our commitment to conserving, restoring and enhancing our environment becomes even more important to the wellbeing of the city. We aim to ensure ecologically sustainable development, that balances social, economic and environmental values.

We actively work with the local community to address climate change and other environmental challenges. We provide waste education and protect our natural bushland areas, local biodiversity and the health of our waterways.

You can read more about our environmental initiatives in “Our response to climate change” on page 25.

⁷ Infometrics Wellington City Economic Profile - [Overview](#)

Community events 2021/2022

The community outbreak of the Delta and Omicron COVID-19 variants during the year meant that person-to-person contact was restricted. Wellington was under Level 4 or 3 lockdown rules from 18 August 2021 to 7 September 2021. The Government also brought in the Traffic Light system in December 2021, meaning stronger restrictions on the number of people at events under Red and Orange settings and the necessary use of vaccine passes (see page 27 for more).

As a result, the Council needed to cancel and/or postpone many events. In response, we actively looked for opportunities for events to be delivered differently. For example, by quickly moving them online. The following is snapshot of the Calendar of Community Events held during the year including those cancelled or postponed.

46 occurred as planned	36 cancelled
8 postponed	14 Alternate, modified, or online events

2021

July

- Ahi Kā
- Matariki Sky Show
- Beyond the Page – Children’s Literacy Festival
- NZ Underwater Hockey Central Schools Tournament
- NZ Futsal Youth Tournament
- Festival for the Future

- At Yours (WOAP alternate festival)
- Ōtari Open Day (cancelled)
- Art Splash
- Bee Aware Month
- Spring into Tawa (cancelled)
- Spring Festival (cancelled)
- Tulip Sunday: Whānau Day Out (cancelled)
- NZ Chinese Language Week (online)
- World of WearableArt (cancelled)
- NZ Handball Club Championships (cancelled)

August

Note: Level 4 lockdown from 18 to 31

August

- College Sport Wellington Junior Netball Tournament
- Eastern Suburbs Kapa Haka Festival
- Wellington Zoo Winter Wednesdays (two held, two cancelled)
- Beervana
- Visa Wellington on a Plate (WOAP), postponed until mid-September
- BurgerWellington (WOAP alternate festival)
- K-Culture Festival (postponed until May 2022)

October

- Diwali (online)
- Lumino City lantern festival (postponed)
- Truby King Park Open Day (cancelled)
- Wellington Marathon 2021 (cancelled)
- Home & Garden Show (cancelled)
- Oktoberfest
- Seniors’ Week
- Wellington Heritage Week
- NZ Water Polo 14 & Under Championships

September

Note: Level 3 lockdown from 1 to 7

September

- Te Wiki o te reo Māori (online)

November

- Pink Star Walk (cancelled)
- Corporate Challenge (cancelled)
- Walking stars (cancelled)
- Africa Day (postponed)

- A Very Welly Christmas (AVWC, cancelled)
- NZ International Film Festival
- Japan Festival of Wellington (postponed until June 2022)

December

- Tawa Christmas Parade (cancelled)
- Johnsonville Lions Christmas parade (cancelled)
- Thorndon Fair (cancelled)
- Kilbirnie Christmas Parade (cancelled)
- Victoria University of Wellington Graduation & Parade 2020 (cancelled)
- Carols in the Park (cancelled)
- Khandallah Village Street Fair (cancelled)
- Our Climate Future exhibition
- Christmas Street Performances (AVWC alternate festival)
- The Extravaganza Fair
- Window Wonderland (AVWC alternate festival)
- New Year's Eve (modified)
- Hilma af Klint: The Secret Paintings

2022

Note: Red restrictions from 23 January to 13 April.

January

- Gardens Magic (cancelled)
- Gardens Trail (alternate festival)
- Kids Magic (cancelled)
- Pasifika Festival (postponed)
- Youthtown 3x3 quest basketball
- Swim the Lighthouse Ocean Swim

February

- Lunar New Year (online)
- Lunar New Year fireworks (cancelled)
- Island Bay Festival (cancelled)
- Pipes in the Park (cancelled)
- Whānau film night (online)
- Te Rā o Waitangi (online)
- Ghost Diving NZ - annual clean up
- Aotearoa NZ Festival of the Arts
- Dragon Boat Fun Day (cancelled)
- Wellington Fried Chicken Fest (postponed)

- Performance Arcade
- Local Food Week
- NZ Fringe Festival
- Wellington Pickleball Cup

March

- Capital Enduro (cancelled)
- Newtown Festival (cancelled)
- Wellington International Pride Parade (cancelled)
- Capital E's Children's Day (cancelled)
- St Patrick's Day Parade (cancelled)
- CubaDupa (cancelled)
- ICC Women's Cricket World Cup
- Park(ing) Day
- BOWLZILLA Wellington (postponed)
- Dragon Boat festival
- Homegrown (cancelled)

April

- ANZAC Day Services
- Wellington Phoenix vs Central Coast Mariners
- Swimming NZ National Age Group Championships
- Water Polo NZ Secondary School Championships

May

- UFBA National Combat Challenge (cancelled)
- The Food Show
- College Sport Wellington Premier Netball Tournament

June

- Loemis (modified)
- Queens Jubilee Beacon (also offered online)
- Wellington Marathon 2022
- Japan Festival
- Matariki /Ahi Kā
- Mana Moana
- ANZ Premiership netball grand final, Central Pulse vs Northern Stars
- National League Canoe Polo C/D Finals
- Swimming NZ North Island Secondary School Championships
- Interprovincial Championship Volleyball Tournament

Section 2: Our leaders and strategic direction

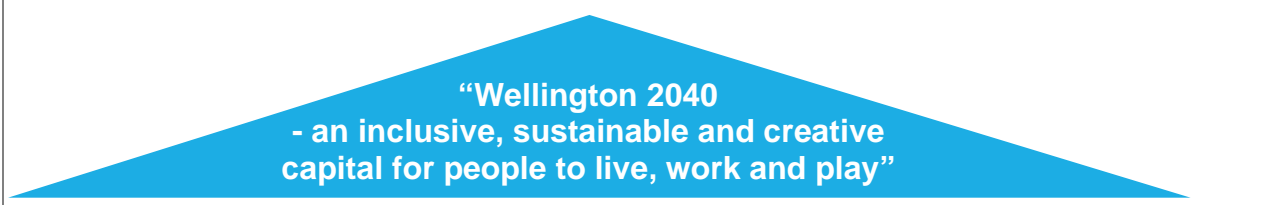
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In this section

This section outlines our Strategic Direction - our vision, our strategic outcomes, and the role Council plays, along with a summary of our Mayor, Councillors, and our Executive Team.

Our strategic direction

The Local Government Act recognises that the key focus for local authorities is promoting the social, economic, environmental, and cultural wellbeing of their communities in a sustainable way. In developing the 2021-31 Long-term Plan, the Council placed community wellbeing as the foundation for the vision, community outcomes and strategic priorities. Together they form the core of our strategic direction guiding the Council’s role in the development of the city and the delivery of services to the community. The table below provides an overview of the strategic direction in the 2021-31 Long-term Plan.

Vision	 <p>“Wellington 2040 - an inclusive, sustainable and creative capital for people to live, work and play”</p>			
Community Outcomes	<p><i>Environmental: A sustainable, climate friendly eco capital</i></p>	<p><i>Social: A people friendly, compact, safe and accessible capital city</i></p>	<p><i>Cultural: An innovative, inclusive and creative city</i></p>	<p><i>Economic: A dynamic and sustainable economy</i></p>
What these outcomes mean - Wellington has / is...	<p>A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations</p>	<p>An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe and healthy</p>	<p>Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve and enjoy arts, culture and heritage</p>	<p>The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future</p>
Strategic Investment Priorities - Wellington has...	<p>A functioning, resilient and reliable three waters infrastructure</p>	<p>Wellington has affordable, resilient and safe housing</p>	<p>Resilient and fit for purpose community, creative and cultural spaces</p>	<p>The city's core transport infrastructure is a safe, resilient and reliable network</p>
Council / CCO services to the community	<ul style="list-style-type: none"> • Gardens, beaches, green open spaces waste operations • fund the City’s three waters network • Energy conservation, climate adaptation change response • Environment conservation attractions e.g. Zoo, Zealandia 	<ul style="list-style-type: none"> • Gardens, beaches, green open spaces libraries, pools and recreation facilities and programmes, • Community centres and halls, community services • Provide public toilets/facilities public health and safety • housing and community support • Urban planning and design 	<ul style="list-style-type: none"> • Support to cultural organisations • City archives, galleries, museums • On-going support for cultural, creative spaces, community arts & partnerships • Mataaho Aronui, Iwi Partnerships & Tūpiki Ora Māori Strategy Archives & heritage • Grants to fund community initiatives 	<ul style="list-style-type: none"> • Spatial district planning • Transport infrastructure, roading, parking • City development & insights • Mataaho Aronui, Iwi Partnerships • Council-Controlled Organisations (CCO) • Business development • Licences and consenting
Our organisations values	<ul style="list-style-type: none"> • He tangata, he tangata, he tangata: We put people at the heart of what we do • Whakapai ake: We're always improving • Mahi ngātahi: We collaborate • Mana tiaki: We care for our places 			

Our strategic direction is reviewed every three years. The last review resulted in the 2021-31 Long-term Plan which was adopted on 30 June 2021 which is available at wellington.govt.nz/long-term-plan-2021

Monitoring city and Council trends

Outcomes

We actively monitor our progress towards the community outcomes. In this report, we include the outcome indicator trends that provide us with information on the city’s wellbeing. This information helps us understand how the city is changing and informs future investment in developing the city and the Council’s services to the community. The outcome indicator trends that we monitor, and report include:

Community Outcomes	<i>Environmental: A sustainable, climate friendly eco capital</i>	<i>Social: A people friendly, compact, safe and accessible capital city</i>	<i>Cultural: An innovative, inclusive and creative city</i>	<i>Economic: A dynamic and sustainable economy</i>
Outcome trends that we monitor include...	<ul style="list-style-type: none"> • Energy consumption, city greenhouse emissions • Eco-system health • Waste management & reduction • Sustainable living • Climate change impacts, adaptation • Three Waters quality, supply, customer satisfaction 	<ul style="list-style-type: none"> • Quality of life • Community sense of purpose and place • Community connection & participation • Community Safety • Community engagement • Satisfaction with partnerships 	<ul style="list-style-type: none"> • Capital of culture: • City vibrancy • Cultural diversity • Artistic talent and expression • City heritage • Cultural infrastructure 	<ul style="list-style-type: none"> • Growth • Labour force participation • Household income • Public transport utilisation, reliability • City Economic activity • Changes in business activity by sector • Consenting activity, • Housing affordability

Service performance

To view our performance as a whole, we use KPIs to track satisfaction and perception, cost to deliver, quality, timeliness and utilisation of the services that we deliver. Some KPIs are required by statute. In general, we report service performance against the target set in the Long-term Plan. Section 4 – Our performance in detail provides detailed Statements of Service Provision in our seven strategic activity areas that cover the projects, programmes and services to the community.

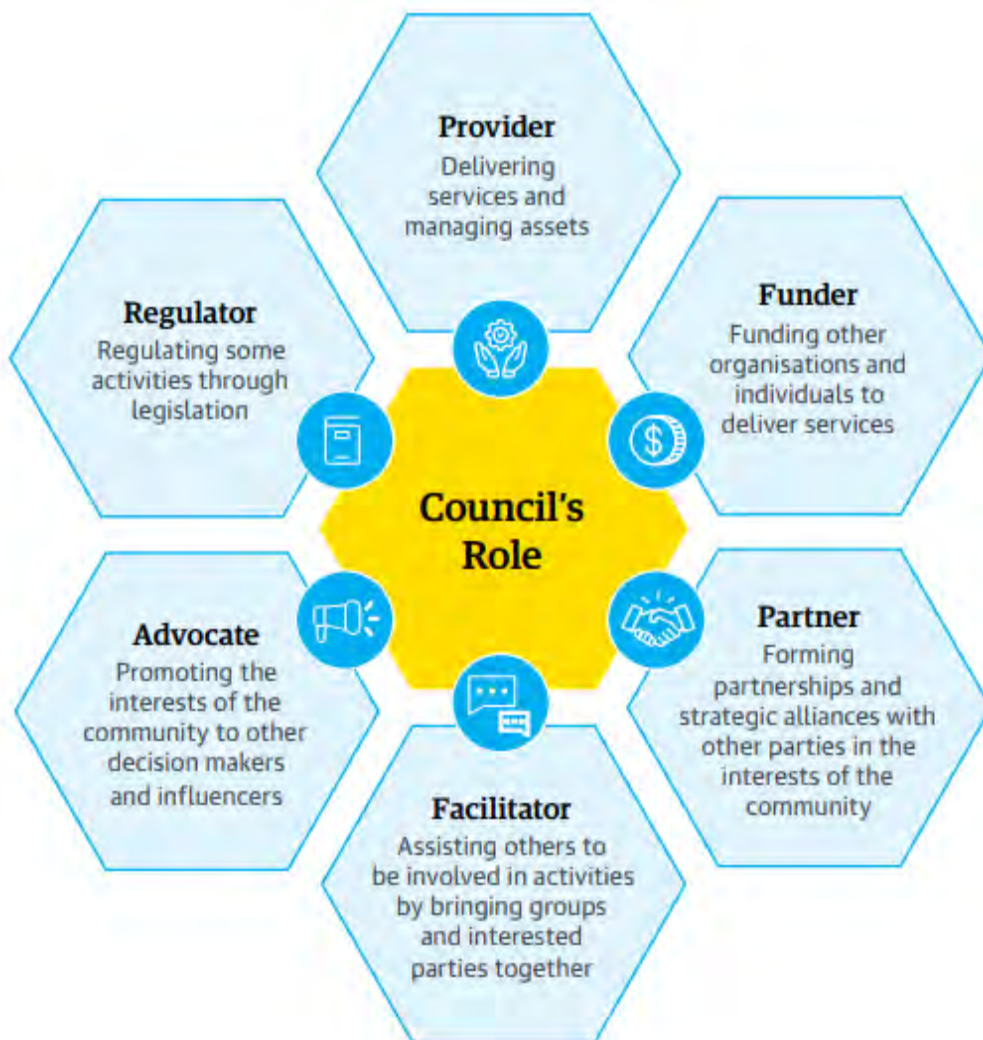
Our role

The Local Government Act 2002 sets our statutory role as being to:

- tenable democratic local decision-making and action by, and on behalf of, the people of Wellington; and
- promote the social, economic, environmental, and cultural wellbeing of the people of Wellington, in the present and for the future.

While the Council is involved in many aspects of the ongoing running of the city, it cannot do this alone. The development of City's Environmental, Social, Economic, and Cultural wellbeing is a partnership involving the whole Wellington Community - including Central Government. The graphic below outlines some of the more significant roles for Council in the operation and development of the city. Through our Long-term Plan, we provide funding for the services and development projects that reflects these roles.

Council roles in the city



Our Mayor and Councillors

The Mayor is the leader of the Council and has the statutory role to lead the Councillors and people in the city.

The Mayor leads the development of the Council's plans, policies and budgets for consideration by the Council. The Mayor is the primary Council spokesperson and leads central government liaison, supported by relevant councillors.

Alongside making city-wide decisions, Councillors are responsible for representing those from the geographical area (ward) that elected them. This involves meeting people and organisations and advocating on their behalf or addressing any issues they may face. However, Councillors make decisions based on what is good for all Wellingtonians.

For details of Mayor, Deputy Mayor and Councillors' remuneration, see Note 37 in Volume 2: Financial statements on page 107.

Councillor Malcolm Sparrow (Takapū Northern Ward) resigned as a Councillor in October 2021.

All Councillors are appointed to the following committees of the whole. Each have a chair and deputy chair as detailed in the Councillor profiles, along with any additional committee appointments.

- Pūroro Tahua Finance and Performance Committee
- Pūroro Āmua Planning and Environment Committee
- Pūroro Waihanga Infrastructure Committee
- Pūroro Rangaranga Social, Cultural and Economic Committee
- Pūroro Maherehere Annual Plan/Long-Term Plan Committee

On 30 June 2021 Liz was appointed as Ngāti Toa Rangatira representative to all committees and subcommittees, except the CEO Performance Review Committee, Community Boards, the Appointment Group, and the District Licencing Committee, effective 1 July 2021.

Mayor Andy Foster

Citywide

Contact: mayor@wcc.govt.nz

Andy was elected Mayor in 2019. He was first elected as a Wharangi Onslow-Western Ward Councillor in 1992.

As Mayor, Andy is Chair of Council meetings, Deputy Chair to the Pūroro Maherehere Annual Plan/Long-term Plan Committee, and member of all committees and subcommittees.

His external appointments include being member of Wellington Regional Leadership Committee; Joe Aspell Trust; Wellington International Airport Ltd; NZ International Arts Festival Trust; Thomas George Macarthy Trust; Guardians of the Sanctuary; Regional Transport Committee; Wellington Regional Amenities Fund Joint Committee and Wellington Water Committee. He is the Presiding Delegate over Local Government New Zealand Zone 4.

Deputy Mayor Sarah Free

Motukairangi Eastern Ward

Contact: sarah.free@wcc.govt.nz

Sarah was first elected to Council in 2013 as one of three Motukairangi Eastern Ward Councillors and appointed Deputy Mayor in 2019.

She is the Deputy Chair of Council meetings and Ngutu Taki CEO Performance Review Committee. She was also appointed by Council to the Pūroro Hātepe Regulatory Process Committee.

She is a member of Local Government New Zealand Zone 4, Regional Transport Committee and Wellington Regional Leadership Committee.

Councillor Diane Calvert

Wharangi Onslow-Western Ward

Contact: diane.calvert@wcc.govt.nz

Diane was first elected to Council in 2016 as one of three Wharangi Onslow-Western Ward Councillors.

She is the Chair of Pūroro Tahua Finance and Performance Committee, and was appointed by Council to the Ngutu Taki CEO Performance Review Committee.

She is also a Council-appointed member of the Wellington Regional Leadership Committee, and liaison with the Wellington Multi-Cultural Council.

Councillor Jenny Condie

Takapū Northern Ward

Contact: jenny.condie@wcc.govt.nz

Jenny was first elected to Council in 2019 as one of three Takapū Northern Ward Councillors.

She is the Deputy Chair of the Pūroro Waihangā Infrastructure Committee and the Audit and Risk Subcommittee. She was appointed by Council to the Pūroro Hātepe Regulatory Process Committee.

She is also a Council-appointed member of the Safe and Sustainable Transport Forum, Wellington Regional Leadership Committee, Te Awarua-o-Porirua Harbour and Catchment Joint Committee, Local Government New Zealand Zone 4 and alternate member of Wastewater Treatment Plant and Landfill Joint Committee.

Councillor Jill Day

Takapū Northern Ward

Contact: jill.day@wcc.govt.nz

Jill Day was first elected to Council in 2016 and is one of three Takapū Northern Ward Councillors. Jill descends from Ngāti Tūwharetoa.

She is Chair of the Pūroro Rangaranga Social, Cultural and Economic Committee, and was appointed by Council to the Ngutu Taki CEO Performance Review Committee and Grants Subcommittee

She is also a Council-appointed member on Te Wharewaka o Pōneke, Local Government New Zealand Zone 4, and Tawa Community Board.

She is an alternate Councillor liaison for Youth Council, and liaison with the Wellington Multi-Cultural Council.

Councillor Fleur Fitzsimons

Paekawakawa Southern Ward

Contact: fleur.fitzsimons@wcc.govt.nz

Fleur was first elected to Council in a by-election in 2017 and is one of two Paekawakawa Southern Ward Councillors.

She is the Chair of the Grant Subcommittee.

She is also a Council-appointed member on the Wellington Zoo Trust and Basin Reserve Trust.

She is an alternate member in the Art Collection Group.

Councillor Laurie Foon

Paekawakawa Southern Ward

Contact: laurie.foon@wcc.govt.nz

Laurie was first elected to Council in 2019 and is one of two Paekawakawa Southern Ward Councillors.

She is the Deputy Chair of the Pūroro Tahua Finance and Performance Committee, and was appointed by Council to the Grants Subcommittee.

She is also the Chair of Wellington Region Waste Management and Minimisation Plan Joint Committee and is a Council-appointed member of Waste Forum - Wellington Region and the Wastewater Treatment Plant and Landfill Joint Committee.

Laurie is a Council-appointed member of the Wellington Museums Trust, and an alternate councillor liaison for the Environmental Reference Group and the Wellington Region Climate Change Working Group.

Councillor Rebecca Matthews

Wharangi Onslow-Western Ward

Contact: rebecca.matthews@wcc.govt.nz

Rebecca was first elected to Council in 2019 and is one of three Wharangi Onslow-Western Ward Councillors.

She is the Chair of the Pūroro Maherehere Annual Plan/Long-term Plan Committee, and was appointed by Council to the Pūroro Hātepe Regulatory Process Committee and Grants Subcommittee.

She is a Council-appointed member of Joe Aspell Trust and councillor liaison for the Accessibility Advisory Group.

Rebecca is an alternate councillor liaison of the Pacific Advisory Group and Safe and Sustainable Transport Forum.

Councillor Teri O'Neill

Motukairangi Eastern Ward

Contact: teri.oneill@wcc.govt.nz

Teri was first elected to Council in 2019 and is one of three Motukairangi Eastern Ward Councillors.

Teri is Deputy Chair of the Pūroro Hātepe Regulatory Processes Committee and Grants Subcommittee. She was appointed by Council to the Pūroro Hātepe Regulatory Process Committee.

Teri is also Council-appointed liaison for the Pacific Advisory Group and Takatāpui and Rainbow Advisory Council, and an alternate member for Guardians of the Sanctuary.

Councillor Iona Pannett

Pukehīnau Lambton Ward

Contact: iona.pannett@wcc.govt.nz

Iona was first elected to Council in 2007 and is one of three Pukehīnau Lambton Ward Councillors.

She is the Chair of the Pūroro Āmua Planning and Environment Committee, and was appointed by Council to the Ngutu Taki CEO Performance Review Committee and the Audit and Risk Subcommittee.

She is the alternate representative on the Waste Forum-Wellington Region, and Wellington Region Waste Management and Minimisation Plan Joint Committee.

Councillor Tamatha Paul

Pukehīnau Lambton Ward

Contact: tamatha.paul@wcc.govt.nz

Tamatha was first elected to Council in 2019 and is one of three Pukehīnau Lambton Ward Councillors. She descends from Ngāti Awa and Waikato Tainui.

She is the Deputy Chair of the Pūroro Āmua Planning and Environment Committee, and was appointed by Council to the Audit and Risk Subcommittee.

She is also a Council-appointed member of Creative Communities Local Funding Scheme, Te Wharewaka o Pōneke, and Wellington Region Climate Change Working Group; and councillor liaison to the Environmental Reference Group and Youth Council,

Tamatha is also an alternate councillor liaison for the Accessibility Advisory Group.

Councillor Sean Rush

Matairangi Eastern Ward

Contact: sean.rush@wcc.govt.nz

Sean was first elected to Council in 2019 and is one of three Motukairangi Eastern Ward Councillors.

He is the Chair of the Pūroro Waihanga Infrastructure Committee, and was appointed by Council to the Ngutu Taki CEO Performance Review Committee and the Audit and Risk Subcommittee.

He is also a Council-appointed member for Basin Reserve Trust, Wellington Regional Stadium Trust, Wastewater Treatment Plant and Landfill Joint Committee, and Local Government New Zealand Zone 4. He is also an alternate member of the Wellington Water Committee.

Councillor Malcolm Sparrow

Takapū Northern Ward

Contact: malcolm.sparrow@wcc.govt.nz

Malcolm resigned from Council in October 2021. He was first elected in 2013 and was one of three Takapū Northern Ward from 2019-21.

He was the former Chair of the Pūroro Hātepe Regulatory Processes Committee.

He was one of Council's board members on the Joe Aspell Trust and an alternate member on the Wastewater Treatment Plant and Landfill Joint Committee.

Councillor Simon Woolf

Wharangi Onslow-Western Ward

Contact: simon.woolf@wcc.govt.nz

Simon was first elected to Council in 2013 and is one of three Wharangi Onslow-Western Ward Councillors.

He is the current Chair of the Pūroro Hātepe Regulatory Process Committee.

He is also Council-appointed member of the Wellington Regional Stadium Trust.

Councillor Nicola Young

Pukehīnau Lambton Ward

Contact: nicola.young@wcc.govt.nz

Nicola was first elected to Council in 2013 and is one of three Pukehīnau Lambton Ward Councillors.

Nicola is the Deputy Chair of Pūroro Rangaranga Social, Cultural and Economic Committee and was appointed by Council to the Grants Subcommittee.

She is also a Council-appointed member of Joe Aspell Trust, Creative Communities Local Funding Scheme and Art Collection Group.

She is an alternate member for Wellington Regional Amenities Fund Joint Committee.

Our Executive Leadership Team

The Chief Executive manages Wellington City Council under elected member approved annual and long-term plans, and relevant legislation, policies and guidelines. The Chief Executive is responsible for the efficient and effective implementation of the Council's decisions within agreed parameters. The Chief Executive employs the Council's 1,967 staff to help with these responsibilities.

The Chief Executive ensures the Council has effective systems to monitor financial and service level performance and recommend changes where appropriate. The Chief Executive's performance is regularly monitored by the Council's Performance Review Committee.

Barbara McKerrow

Tumu Whakarae | Chief Executive Officer

Barbara commenced her role as Chief Executive in March 2020, following three years as the Council's Chief Operating Officer. Prior to that she served nine years as the New Plymouth District Council Chief Executive.

Barbara has approximately 30 years' experience as a senior and executive leader in local government. She has also served in several senior governance roles including a three-year term as the national President of the Society of Local Government Managers (SOLGM), where she is now recognised as a life member.

Her aim is to ensure the Council continues to develop as a high performing organisation and employer of choice, driving visible progress on the strategic priorities of the Council and delivering excellent service to the communities of Wellington.

Stephen McArthur

Tātai Heke Rautaki | Chief Strategy & Governance Officer

Stephen was appointed to this role in July 2019, from his position as the Council's Manager Community Networks. Stephen has more than 30 years of experience in senior leadership and management roles in the public, private and not-for-profit sectors, including extensive local authority experience.

His current role has responsibility for risk, strategy, policy and reporting, research, communications and engagement, assurance, governance, economic wellbeing and Council-controlled organisations. This includes responsibility for the Council's Annual and Long-term Plans.

Meredith Blackler

Tātai Heke Tāngata | Chief People & Culture Officer

Meredith was appointed to her role in July 2019. Meredith has more than 17 years of experience in human resource management in both local government and the education sector.

In her role, she is responsible for human resources, payroll, safety, security and staff wellbeing, organisational culture, staff engagement and building capability including leadership development.

James Roberts

Tātai Heke Auaha | Chief Digital Officer

James joined the Council in December 2017 as the Smart Council Transformation Lead and was appointed to the Chief Digital Officer role in March 2020. James has more than 30 years of experience introducing and leveraging technology across several industries, including banking, telecommunications, education and distribution.

In his role, he is responsible for customer experience across customer channels, IT services for staff, IT innovation to support city strategies and policies, developing an information and data-driven organisation and an internal change programme “Working Better Together”.

Kym Fell

Tātai Heke Hapori | Chief Customer and Community Officer

Kym was appointed as Chief Customer and Community Officer in November 2021. He joined Council from his role as the Chief Executive Officer of the Whanganui District Council which he held from 2016 and, prior to that was the Director Corporate of Regional Facilities Auckland, a council-controlled organisation.

In his role he is responsible for creative capital, city housing, city parking, parks sports and recreation, community services, libraries and community spaces.

Sara Hay

Tātai Heke Tahua | Chief Financial Officer

Sara was appointed as Chief Financial Officer in July 2020. She was previously in senior leadership roles at Auckland Council and, prior to that, at the Ministry of Business, Innovation and Employment and Accident Compensation Corporation.

In her role, she is responsible for financial strategy and planning, financial accounting, transactional services, funding and treasury, commercial partnerships and procurement. A strategic focus area is identifying new financing and funding arrangements to meet the city's infrastructure investment requirements.

Liam Hodgetts

Tātai Heke Maherehere | Chief Planning Officer

Liam joined the Council on 5 October 2020 from New Plymouth District Council, where he was the Group Manager Strategy, overseeing district planning, consenting, strategic projects, governance, policy, iwi relationships and community partnerships. He has more than 16 years' experience as a senior executive in local government.

In his role, he is responsible for city planning and environment (including the Spatial Plan and District Plan), city design and place planning, housing development, climate change response and city consenting and compliance.

Siobhan Procter

Tātai Heke Waihanga | Chief Infrastructure Officer

Siobhan was appointed Chief Infrastructure Officer in October 2021. She joined Council in 2018 as the Transport and Infrastructure Manager and has also undertaken secondment roles as Asset Management Transformation Manager and Three-Year Programme Director at Let's Get Wellington Moving.

Siobhan has a background in large scale infrastructure having spent over 20 years working in the electricity sector in consultancy roles as well as 13 years at Transpower.

In her role she is responsible for city transport and infrastructure, property, waste management, resilience, the Te Ngākau programme of works, the project management office and the asset planning function for infrastructure assets. She also manages the relationship with Wellington Water who manage the Council's water assets on its behalf.

Karepa Wall,

Tātai Heke Māori | Chief Māori Officer

Karepa Wall, of Manukorihi, Taranaki, Ngāti Ruanui, Ngāti Tūwharetoa and Te Ati Awa descent, joined Council in September 2020 from the Ministry of Education for this inaugural position on the Executive Leadership Team. His position was created to reflect the wider focus on prioritising relationships, partnerships and engagements for Māori success.

In his role, he is responsible for championing te ao Māori throughout the organisation to strengthen our relationships, presence and intelligence so that Māori are engaged in Wellington's future. This is achieved through leading the Māori Partnerships team, the Māori Strategic Team and the Māori Success Team.

Section 3: Summary of our year

[Te reo heading]

In this section

This section includes our response to our declared climate and ecological emergency, summaries of our performance, including some challenges and highlights of the 2021/22 performance year, an overview of our core business.

Climate change response

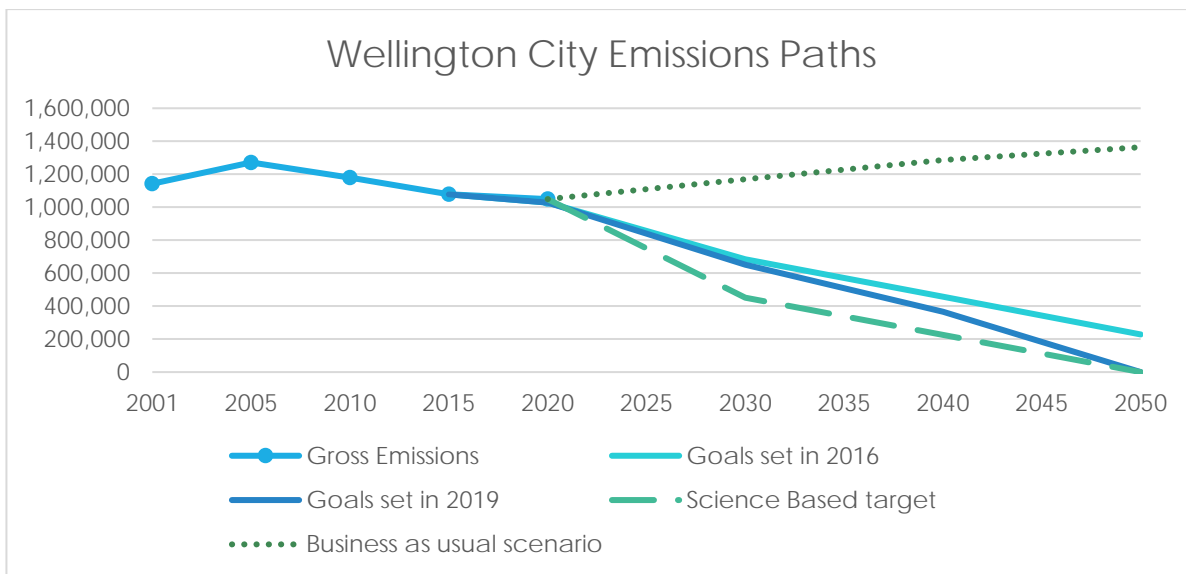
We're working towards a sustainable, climate-positive capital. A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is rapidly reducing emissions and adapting to climate change.

Climate change affects all of us and exacerbates all other problems — equity, biodiversity, housing, the economy, immigration, and social justice. In Wellington, we're already seeing the impacts, from extreme weather and rising seas to increased food prices and travel costs. These impacts disproportionately affect the most vulnerable.

When it comes to climate change in the capital, urgent collective action is needed to reduce emissions, slow global warming and prepare for the impacts that can't be avoided.

Wellingtonians have consistently told us they want to see more climate action city-wide. In 2019, we declared a Climate and Ecological Emergency and adopted our climate action plan Te Atakura - First to Zero. It states that the years leading up to 2030 are crucial for us if we are to have a chance of staying below 1.5°C of global warming. It sets a target of reducing city emissions by 57 percent by 2030, being a net zero carbon capital by 2050, and supporting Wellington to adapt to the impacts of climate change.

The biggest opportunity to reduce emissions in Wellington is through transport changes and urban development. Infrastructure changes that favour housing densification, a reduction in private vehicle use in the city centre and improved transport options are underway and will help us advance towards our net-zero target. Good urban planning is good climate policy.



For more detailed information on our Greenhouse Gas emissions, see our KPI measure on page 62-63 and the Appendix on page 146. This area received a modified Audit opinion this year.

Responding to the impacts of climate change

Wellington City Council's climate response cannot be delivered by one team or business unit alone – it is a whole of council mission. This year was the first under the new 2021-31 Long-term Plan, with the work fully funded and the response team recruited.

In the past year we have made good progress on planning how we will adapt as a city to climate impacts, despite not yet knowing what funding, financing, and regulatory mechanisms will be

created through the government’s Climate Change Adaptation Act, which has been delayed to at least 2023.

Climate action by the numbers

<p>5.5% proportion of vehicles in Wellington that are electric. Up from 1.7% in 2021 12% of Council vehicle fleet now electric</p>	<p>Delayed installation of the 2021/22 EV charge points due to COVID-19 supply issues. Programme on track for 2022/23</p>	<p>\$20m Environmental and Accessibility Performance fund launched for the improvement of new and existing buildings</p>
<p>\$250,000 awarded to community led climate action via the Climate and Sustainability fund</p>	<p>\$226m investment committed for Paneke Pōneke (walking, biking, skating and bus priority lanes)</p>	<p>15% reduction in natural gas usage across Council facilities</p>
<p>689 homes audited for home energy saver</p>	<p>2400 trees planted</p>	<p>674 tonnes carbon removed from the atmosphere through Council-owned forestry</p>

Progress this year

- We consulted with the public on the draft district plan, the bike network plan, and options for Let’s Get Wellington Moving.
- We discussed climate action with mana whenua, as part of the broader Tākai Here and Tūpiki Ora work. This included receiving input on our upcoming climate action campaign, and design advice on our approach to community engagement.
- We created the City Activation team to support Wellingtonians to deliver their own contributions to climate action. This team works with businesses, diverse communities, and in partnership with mana whenua.
- We established the \$20m Environmental and Accessibility Fund to support the improvement of new and existing buildings over the next seven years. This year we dispersed \$250,000 for community-led climate action initiatives through the Climate and Sustainability fund.
- We continued planting trees across the city and protecting our biodiversity through targeted pest campaigns.
- We developed our understanding of how climate change is impacting and will impact Wellington. The updated city hazard maps were included in the proposed District Plan. We’re working across the region to understand what those hazards mean for our communities and our neighbourhoods.

As central government develops the national response, we’re advocating strongly on behalf of Wellingtonians to ensure funding and regulatory mechanisms are developed to support residents to adapt and to make sure that they understand the needs of communities across the city.

Our next steps are to develop specific plans for the most at-risk communities and to create the Wellington City Council Adaptation Framework and the Wellington Regional Council Adaptation Plan. We will continue listening to communities, ensuring they have a strong voice in charting our pathway forward.

Our performance

Introduction

During the year, we continued to deliver our services under a challenging operating environment, resulting in more than half of our performance measures tracking to target, with timeliness and satisfaction the greatest performance challenges. Our underlying budget result was close to balanced for the year.

Challenges

To perform effectively and efficiently as a Council, we need to understand Wellington. This means not just our infrastructure, services and facilities, but also the changes the city and communities experience and how these and the associated challenges will shape the future.

The two challenges outlined below had significant impacts on the Council's performance during the 2021-22 year – the ongoing COVID-19 pandemic and the Three Waters Network.

COVID-19 Pandemic

In New Zealand, swift action initially meant that we were largely protected from many of the negative effects of the pandemic seen in other countries. However, with the onset of Delta and Omicron variants, New Zealand began to experience higher community case numbers and restrictions.

In December, the Government changed from the COVID-19 Alert Level system to the COVID-19 Protection Framework (traffic light) system. The new system aimed to allow some form of normal life to continue while keeping hospitalisations of those with the virus to a minimum. It had strict settings for gatherings, mandates for vaccine passes and higher face mask use.

Wellington was in the Orange setting from 2 December 2021 until 22 January 2022, when we moved to the Red setting until 13 April 2022.

Under Orange there were no limits on gatherings, but vaccine passes were encouraged and large outdoor gatherings needed to have 1-metre social distancing and required face masks. This meant the Council decided to require Wellingtonians to show their vaccine passes at most of our public facilities and that staff needed to be double vaccinated. The Council also decided to cancel or postpone many summer events as the restrictions meant they could not operate. Many of these moved to an online or smaller format.

Under the Red setting there were strict gathering limits of 200 people indoors, or less depending on the requirement to also maintain 1-metre social distance. This impacted the use of many of our facilities, even with the use of vaccine passes. For example, we required bookings for using lanes at swimming pools and had limits on how many people could be in our facilities such as ASB Sport Centre and libraries.

Continuing impact

Overall, community cases increased sharply, with the new variants of COVID-19. However, since restrictions eased, our GDP has bounced back, and unemployment is low. A significant pandemic impact on the city is the supply chain constraints and issues for organisations that are more reliant on international visitors or workers.

A snapshot of the COVID-19 impacts on the city this year shows:

- \$26.6m revenue lost
- \$4.26m increase in grants funding
- World of Wearable Art financial support
- 39 cancelled or postponed events
- Reduced utilisation to our facilities and therefore lost revenue
- Working from home around 20%, impacting hospitality and retailers
- Ongoing work occurred with community organisations to house and support the city's homeless
- Financial support was provided for the Wellington Regional Stadium Trust, Cable Car Ltd and Experience Wellington
- Delivered the Pandemic Response Plan to support hospitality, retail and other business sectors facing financial hardship because of COVID-19. This includes rent relief for commercial businesses; free outdoor dining permits; refunding all pavement licence fees
- New events were held to support the events, hospitality and tourism industries and the vibrancy of the city.

More information on how COVID-19 affected different areas of Council is detailed in Section 4: Our performance in detail, from page 40. The impact on our financial performance is in Volume 2 of the Annual Report, page 11.

Three Waters network

No city can function effectively without a reliable and fully functioning three waters network, which is made up of drinking water, stormwater and wastewater. Our water infrastructure and services are managed by Wellington Water Limited, a Council-controlled organisation co-owned by councils in the Greater Wellington region. Wellington Water Ltd has its own board of directors.

In 2019/20, the city's aging water network had some significant network failures. The burst water and wastewater pipes created disruption for communities and businesses, and raised questions from the public, the media and Councillors about the condition of our network and how it is being managed.

Through the 2021-31 Long-term Plan, we significantly increased the level of investment in our network to begin to address the issues. This mainly focused on looking after existing infrastructure (for example operations, maintenance, and renewals) and completing targeted growth investments.

This year, Wellington Water has delivered \$61.9m of capital expenditure programmes to strengthen our three waters infrastructure. It's the biggest ever single year capital programme. While investment has increased and work is progressing to improve the condition of the network, it will take some time to complete. During the 2021/22 year, rising costs of materials and labour, interruption in the supply chain, and general capacity and capability limitations in the sector contributed to a challenging, operating environment.

The failures in the three waters network have impacted the performance in our Environment and Infrastructure activity area, with one water measures receiving a qualified Audit Opinion from our external auditors. The measure that was qualified by the Auditors is detailed in Section 4: Our performance in detail. The result and variance explanation for the qualified measure is on page 63, 65, 66 and 68.

External awards and nominations

The Council received several significant awards and nominations in 2021/22. They acknowledge innovative work in key areas and further demonstrated our leadership in local government.

- Council's One Tag initiative won Customer Experience Project of the Year at the 2021 Association of Local Government Information Management Awards
- Most Beautiful Large City at the Keep New Zealand Beautiful Awards 2021
- The Council's *Annual Report 2021/22* received a Gold Award at the Australasian Reporting Awards (ARA). This is the seventh year the Council has participated in the awards, with four Silver and one Bronze
- Named one of 15 winning cities of the Bloomberg Global Mayors Challenge for Innovation with US\$1m prize money

Overview of our performance

Most of the work we do, our budgets and the services we provide are in seven activity areas that represent how we work.

In Section 4: Our performance in detail of this report we outline each activity area, including an overview of the highlights, challenges, performance information and what the activities cost. This 2021/22 Annual Report is a report against year one of the 2021-2031 Long-term Plan.

Community outcomes

We track 39 community outcome indicators to measure how the Council and city is going on meeting our vision and wellbeing goals. We look for meaningful changes over time. As this is the first year we are monitoring our community outcome indicators for community wellbeing, we expect that some indicators may have insufficient data to establish a clear trend. A full listing of outcome indicator results can be found in Appendix 3, from page 152.

	Summary of outcome performance	Some city emerging trends
Environmental wellbeing	Our environmental community outcomes were somewhat successful with three out of seven indicators showing trends in the desired direction. Two indicators had a negative trend and two were neutral.	<ul style="list-style-type: none"> ↗ steady increase in capacity of solar as a renewable energy source ↘ perception of air pollution “is a problem” ↗ improvement in waste to landfill per person ↘ perception of water pollution “is a problem” ↗ increase in access to green space
Social wellbeing	While there have been some unfavourable trends emerging in the Social wellbeing area, of the eight outcomes monitored, four trends are neutral or steady with the overall quality of life perception consistently high at average of 89%.	<ul style="list-style-type: none"> ↘ housing becoming more unaffordable ↘ lower confidence in Council’s decision making ↘ dropping sense of community (pre covid) ↗ quality of life measure remains high
Cultural wellbeing	The long tail of COVID-19 had an ongoing impact on our Cultural wellbeing, driven by uncertainty about how and when our community would engage with events. Although most indicators in this area have not shown progress in desired direction, a new indicator show Wellington’s acceptance of diversity is the highest of all the cities monitored.	<ul style="list-style-type: none"> ↘ slow decline in perception of our rich and diverse arts scene ↗ acceptance and value of identity highest monitored ↘ slump in resident’s sense of pride in the area and perception of city ↘ drop in perception of contribution of heritage items to city and community’s unique character

Economic wellbeing

This is the largest wellbeing area with sixteen outcomes. Although there are some positive trends, most indicators in this area showed a level of uncertainty. We will continue to monitor the trends closely as the city goes through this period of transition out of pandemic restriction and impacts.

- ↳ drop in the city's economic diversity
- ↗ long term growth in GDP per capita
- ↗ increase in household incomes
- ↗ uplift in number of houses constructed
- ↳ less feel it's easy to access the city
- ↳ drop in perception of public transport: ease of access, affordability (prior to 50% fare reduction) and reliability
- ↗ gradual lift in active modes and public transport
- ↗ improvement in number of road crashes

Performance measures (KPIs)

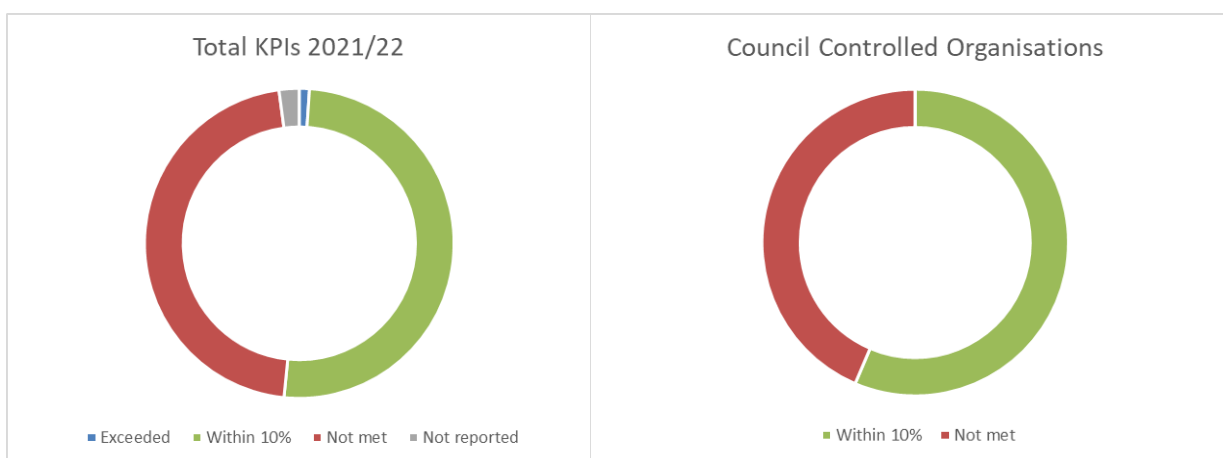
This year is the first year of performance reporting against the 2021-31 Long-term Plan. In developing the plan we updated our performance measures and reduced the number of KPIs from 217 to 95. The objective was to improve the monitoring and reporting of performance by reducing complexity and increasing transparency.

Fewer and updated measures has meant increased visibility of performance – particularly those measures required by statute, including those related to our aging three waters network (managed by Wellington Water Ltd) where there has been consistent under performance in the past three years. Details on the three waters performance measures are in Chapter 2 of Section 4: Our performance in detail.

In reporting performance, we indicate whether the measure was in one of the following result categories:

- **Not met** (>10% below target)
- **Within 10%** (on or within 10% +/- of target)
- **Exceeded** (>10% over target);
- **Not reported** (for example where performance result was not available at the time of publication).

The following graphs indicate the KPIs in each of the categories.



The Council provides about 400 services to the city. To view our overall performance, we group our KPIs in five areas of focus: customer satisfaction and perceptions; cost to deliver; quality; timeliness; and utilisation. These groupings help us assess how efficient and effective Council is at delivering its services as part of our ongoing monitoring and reporting activity.

11 out of 20 satisfied – residents monitoring survey results were below target with many trending downward	23 out of 34 quality measures met their target, showing our commitment to delivery of our core services
13 out of 25 measures relating to our delivery of three waters were not met	14 out of 23 timeliness measures were not met, a direct impact of COVID-19

In summary our KPI results show that the Council:

- while continuing to adjust and work with the ongoing challenges from the COVID-19 pandemic, is struggling to meet its customer expectations – see Resident’s monitoring survey measures across our seven activity areas
- has maintained most of its core service facilities (quality measures) under a difficult and pandemic disrupted operating environment within 10 percent of targets
- has services that are more susceptible to external impacts, particularly the pandemic, and these have had less favourable timeliness performance
- continues to underperform in its water-related services relating to water loss and water consumption, flooding events and overflows, compliance and monitoring and response times for resolution of faults.

The following table provides a summary of KPI results by Strategic Activity area.

Strategic activity	Exceeded	Within 10%	Not met	Not reported	Total
Governance		3	4		7
Environment and infrastructure*		5	6		11
Economic development		5	4		9
Cultural wellbeing		3			3
Social and recreation	1	9	5	2	17
Urban development		5	6		11
Transport		6	6		12
Wellington Water		12	13		25
Total	1	48	44	2	95

*includes Zoo and ZEALANDIA, excludes Wellington Water

More information on our 2021/22 performance measure results for each activity area see Section 4: Our performance in detail from page 40. That section includes commentary for not met and exceeded variance results.

Overview of our finances

The 2021-31 Long-term Plan and budget, which set the Council’s direction for the next ten years, was developed and adopted in a time of high uncertainty. The ongoing impacts of the COVID-19 pandemic were unknown and there was a focus on city recovery. We have also had to deal with ongoing supply chain blockages and the rising cost of inflation.

Despite this uncertainty our financial position remains healthy, and we achieved a \$87.4m surplus. However, it should be noted that the majority of this surplus is \$82.5m of vested asset revenue. Due to accounting standard requirements, this non-cash revenue is recognised due to Council taking over the ownership of assets. \$72.4m of this relates to the wastewater lateral connections, previously owned by property owners.

\$26.6m Revenue lost due to COVID-19 impacts	\$10.3m Organisational savings target achieved
82% Capital programme completed	AA+ Credit rating issued

Summary of our operating budget

Financial strategy

This is the first year of our 2021-31 Long-term Plan, which set out our financial strategy for the period. The purpose of the strategy is to enable prudent and sustainable financial management:

Key aim	Achieved	Comments
Balanced budget	Yes	See Balanced Budget section below.
Prudent financial management	Yes	See Balanced Budget section below.
Affordable rates (as described and set out in the 2021-31 Long-term Plan ⁸)	Yes	During the past three years total rates revenue and rates increases have been below our limits as reported in the Financial Prudence section in Volume 2, pg 123.
Net debt within borrowing limits	Yes	During the past three years net debt has been below our borrowing limits as reported in the Financial Prudence section in Volume 2, pg 123.
Fund depreciation where borrowings are incurred to build or replace assets	Yes	In 2021/22 we continued to fund depreciation on assets that we are responsible for renewing when they reach the end of their useful life.
Funding of new infrastructure assets to support city development	Yes	This is measured by the level of capital expenditure on network services as a proportion of depreciation on network services. This is as reported in the Financial Prudence section for “Essential services” benchmark in Volume 2 pg 131. Over the past three years we have invested \$174.5m in our three waters network and \$156.8m in our transport network.
Sufficient insurance cover for natural disaster risks	Yes	See information on insurance within the Financial Statements in Volume 2, pg 57.

⁸ Financial and Infrastructure Strategy, 2021 Long-term Plan, Volume 2, pg 18

Key aim	Achieved	Comments
Maintain financial capacity to fund priority programmes and natural disaster recover	Yes	We have maintained capacity within our debt-to-income ratio. At the end of 2021/22 this was 151% compared to a budgeted ratio of 169% and a limit of 225%. This equates to approximately \$459m of borrowing capacity in 2022. This borrowing capacity is the result of careful financial planning and an underspend of capital projects as explained in the Summary of capital expenditure section, from pg 36. This underspend of capital expenditure increased funding capacity by 10% against the expected capacity limit.

Our financial strategy is set every three years to address the challenges we are facing and how we plan to address them. However, these are constantly evolving, with one of the biggest challenges in the past two years managing the significant financial impact that COVID-19 continues to have on the Council and the city.

Balanced budget

The Council operates a balanced budget. This means rates and other revenue fund only what is required to pay for the services delivered each year.

A balanced budget also helps ensure that we are not passing the costs of running the city today onto future generations, and guards against imposing costs now for projects that may not deliver benefits to Wellingtonians until the future. This means each generation pays its fair share.

Therefore, our goal is to achieve an end-of-year result where rates and other revenue equals operating expenditure. This is called the underlying result (surplus or deficit) and is best measured as a percentage of total operating expenditure.

(0.3)% Underlying result variance for 2021/22	\$622.4.m Cost of running the city
\$7.85 Operational cost of Council services per resident per day	\$54.1m More operational spend than previous year

Operating expenditure has increased by \$54.1m or 9.5 percent this year. This partially relates to an increase in depreciation expense following the revaluation of our operational land and buildings last year. The Council also increased the budget for our three waters network and Let's Get Wellington Moving. Compared to the 2022 budget, expenditure is \$15.4m over budget.

Underlying position

The underlying operating result provides a comparison with the 2021/22 Long-term Plan budgeted rates requirement we said was needed to achieve a balanced budget against actual operating performance.

To get from the reported net surplus/(deficit) to the underlying result, the following are excluded:

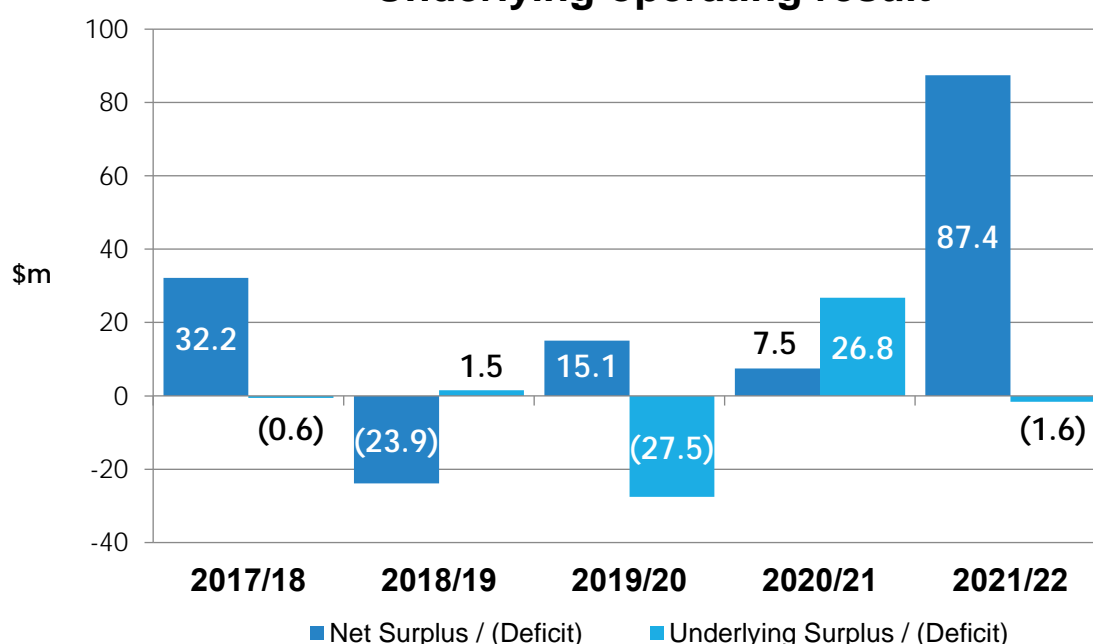
- revenue received for capital items (for example, funding received from NZTA for roading projects)
- non-funded or debt-funded transactions, where, through the Annual Plan, it was deemed appropriate that the costs were shared across future ratepayers, or where another organisation is liable for the funding

- separately funded items where funding was through other mechanisms
- ring-fenced activities for housing and waste minimisation.

The underlying result for 2021/22 is a deficit of \$1.6m or (0.3) percent of total operating expenditure. This means that we collected \$1.6m less rates revenue than required to fund our operating expenditure. This deficit is funded through prior years surpluses.

As part of the 2020/21 Annual Plan and 2021-31 Long-term Plan several items related to the impact COVID-19 were funded through debt, such as the loss of our airport dividend revenue. The rates repayments for this debt are spread over 10 to 15 years to minimise the impact on rates in the short term. In line with the principles of robust and prudent financial management and intergenerational equity in our Financial Strategy, any surpluses will be spread over a similar timeframe and used to offset the rates requirement in future Annual Plans.

Underlying operating result



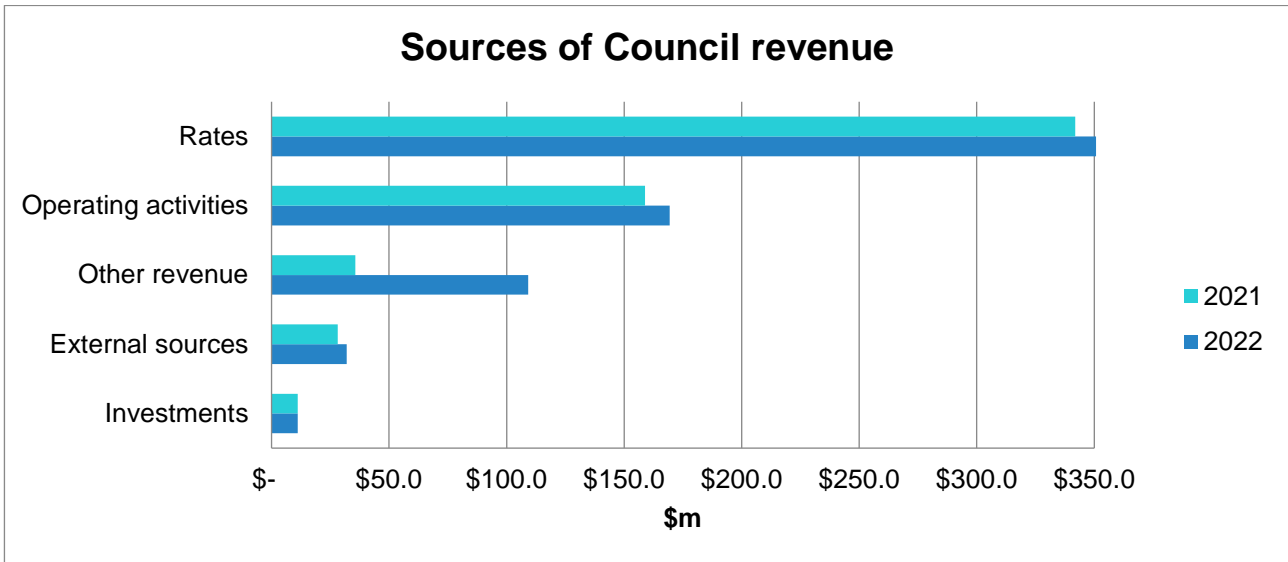
Underlying result as a percentage of total expenditure

Financial year	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage	(0.1%)	0.3%	(5.0%)	4.7%	(0.3%)

Revenue

Our main source of funding is from rates – 55 percent of the total revenue of \$710m – with the next largest source being revenue from operating activities including user fees at 24 percent. We also received revenue from other external sources, mainly central government, to fund capital expenditure, investment revenue and other revenue.

Our revenue for the year was higher than budgeted due to non-cash items such as the recognition of vested asset revenue of \$82.5m and additional fair value gains for investment property which totalled \$20.6m.

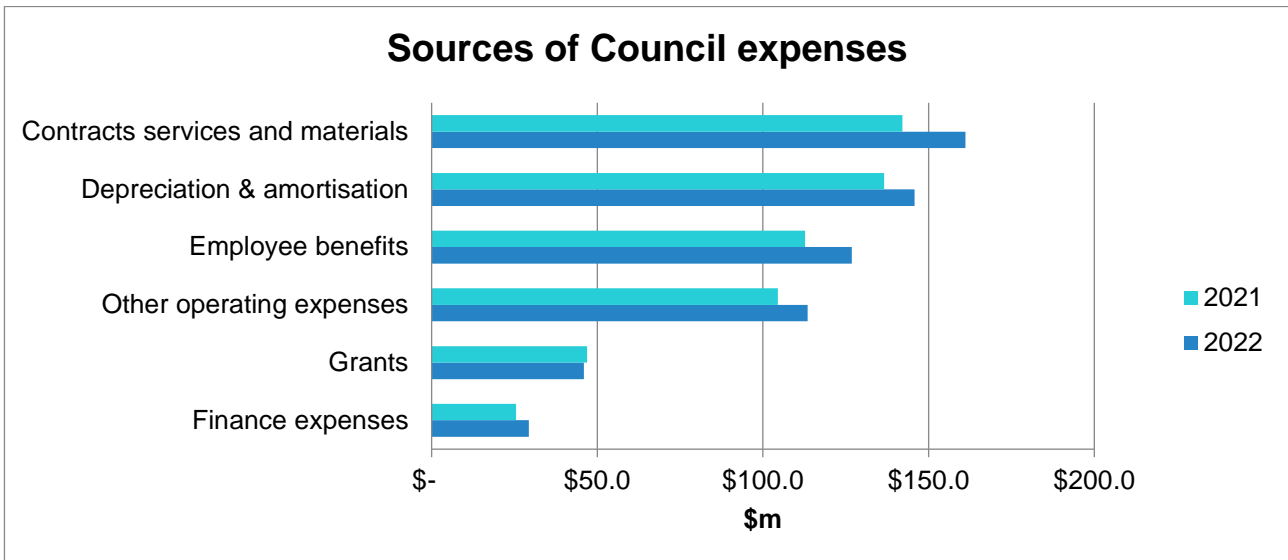


Our Other Comprehensive Revenue includes: fair value movements for Cash flow hedges and Revaluations of property, plant and equipment.

Our revaluations of property, plant and equipment totals a \$1.8b increase for 2021/22. This is due to the revaluation of infrastructure assets which were scheduled for revaluation on 30 June 2023 and therefore not budgeted for in 2021/22. Significant increases in costs for infrastructure asset replacement resulted in a significant variance between estimated fair value and the carrying value on the balance sheet triggering an off-cycle revaluation. This is non-cash revenue and excluded from the underlying surplus.

Expenditure

The main expenses this year were contracts, services and materials, personnel costs and depreciation. We also have a high level of asset ownership costs such as utilities, insurance and maintenance.



Your rates at work

Our rates revenue comes from targeted rates and general rates. Targeted rates are paid by a specific group of ratepayers who receive a specific service. General rates are paid by all ratepayers and applied to services which benefit the whole community. If you rent, own a home or a business in Wellington you contribute to Council rates either directly or indirectly.

We collected \$388.2m (GST exclusive) of rates during 2021/22. An error was identified during the year where rates set for metered water volumetric charges were the same as the 2019/20 Annual Plan rather than updated based on the funding required for the 2021/22 Water Activities. This resulted in the Metered Water Revenue being \$3m less than budget due to this error.

We use rates to maintain and operate many of the services and facilities we need every day. The impact and benefits are greater than just the numbers. Some of the services and facilities Wellingtonians received this year through their rates were:

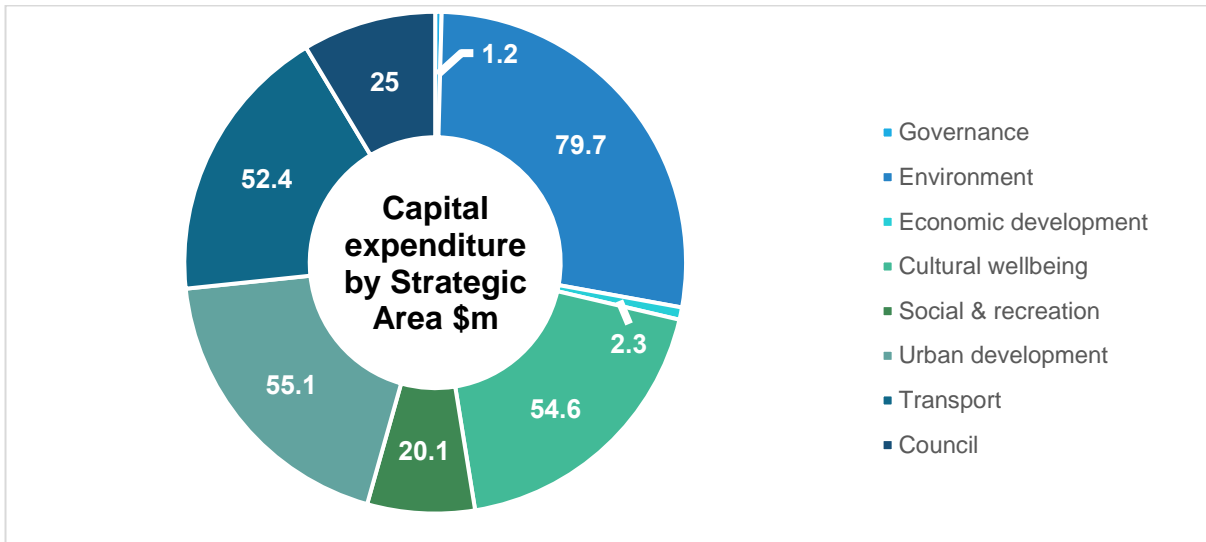
389 litres of drinkable water supplied per resident per day ⁹	101,999 native plants planted with the community	181,216 calls answered by our Contact Centre staff
820km stormwater pipes	767,257 items available at our 14 libraries	198 sqm open space per Wellingtonian
1,080km wastewater pipes	407km walking and biking tracks	\$4.9m funding to community projects and organisations
968.5km footpaths	760,017 resources in City Archives	18,659 streetlights operated
108 play areas	25 free public events	7 new public murals

Summary of our capital budget

During 2021/22 we delivered capital projects totalling \$290.5m, this is the highest capital expenditure Wellington City Council has achieved. This equates to 82 percent of what we budgeted. The reasons for the significant variances are explained in this section.

\$290.5m Capital budget spent this year	\$174m Spent upgrading existing or building new assets
\$181m Increase in net debt over 2020/21	\$1:\$0.4 Debt servicing costs to investment returns

⁹ Not all is used in a resident's home. Other users include industry, businesses, schools, hospitals, the fire service and councils.



Spending on infrastructure and resilience

The 2021/22 capital programme included significant investment in the three waters network, totalling \$68.8m or 24 percent of our total capital expenditure. More detail on this can be found on page 38.

We also invested considerably in our transport network, continued the multi-year projects to earthquake strengthen the Town Hall and St James Theatre, and continued to build the city's new Tākina Convention and Exhibition Centre. Spend in these major areas was \$150.6m, which represents 52 percent of our total capital expenditure.

Compared to the budget there was an underspend of \$65.1m, with some of this to be carried forward into the next financial year. Once approved, underspends of \$52m will be carried forward to future years.

Borrowing for the year

For 2021/22 total net borrowings increased by \$180.8m to fund the capital expenditure programme for the year. Net borrowing is comprised of gross borrowing minus cash and term deposits. Net borrowing was \$943.6m at the end of the year. This compares to \$1,049m forecast in our 2021/22 Long-term Plan. At the end of the year, the average borrowing per resident is \$4,348.

During the year a green bond facility was negotiated with the Local Government Funding Agency to fund the construction of Tākina Convention and Exhibition Centre. The \$180m facility is linked to the UN's sustainable development goals (SDGs). The Council will report on the agreed environmental outcomes to the funding agency on an annual basis once the building is completed.

During the year, \$50m was drawn down against the facility and forms part of this year's borrowings increase. The ratio of debt servicing costs to investment returns is \$1:\$0.4. This means that every \$1 paid in interest costs is offset by 42c of investment income received. In recent years, this ratio had previously \$1:\$1 or higher, but it dropped in 2020/21 and 2021/22 because we received no dividend from Wellington International Airport Ltd due to the impact of the pandemic.

Capital programme variance summary

The following table explains the reasons for main project spending variances in our Capital programme.

Project	\$m	Comments
Transport projects	11.3	There is a timing difference on several projects due to delays from COVID-19 impacts. This has resulted in lower expenditure in some key programmes such as Cycleways, LGWM, and Footpath upgrades.
Organisational Projects	11.2	Delays due to COVID-19 in the Te Ngākau Civic Precinct programme and Commercial Properties renewals.
Housing - renewals, upgrades and housing investment programme	13.9	There have been delays in expenditure with the housing investment programme and housing renewals and upgrades due to the establishment of the Community Housing Provider (CHP).
Sludge Minimisation	6.7	The variance relates to the delay in the land purchase and the associated shift in the airport ground servicing building. These costs have been delayed into 2022/23.
Wellington Waterfront Development & Renewals	6.7	This underspend primarily relates to the redevelopment of Frank Kitts Parks playground which has been delayed due to the liquidation of the original contractor. Completion is scheduled for 2022/23.
LGWM	5.8	The LGWM programme of work is continuing to be developed and has given rise to a timing delay in when this expenditure will occur. This timing difference will be reprioritised with projects coming up in future years.
Community Halls - upgrades & renewals	3.5	This variance has resulted from the rephasing of the Community Centres upgrades, which will now be done over the next two financial years.
Wastewater - upgrades and renewals	3.3	This is due to a timing difference
Gardens, beaches and green open spaces	2.7	Under budget due to underspends in the upgrades at Hawkins hill and coastal renewals.
Central City Framework	2.0	Part of the North Lambton Quay project and Laneways project is being reprioritised and aligned with the LGWM Golden Mile work stream.
Tākina Wellington Convention & Exhibition Centre (WCEC)	-4.1	This is due to being ahead of schedule with the project. Due for completion in mid-2023.
Other	2.1	Miscellaneous delays in several projects.
Total 2021/22 variance	65.1	Underspend

Key projects and programmes

In our 2021-2031 Long-term Plan, we outlined the major projects intended to be completed during the year. These are highlighted in the relevant chapters of Section 4: Our performance in detail, from page 40.

Key programmes

Many of our key projects are city-wide, multi-year programmes. They will contribute to significant change in much of the City's infrastructure for example transport, climate change mitigation and adaptation, mana whenua relationships, planning, and three waters (waste, drinking and storm water). Where to find details on each project in this document is:

- Mana whenua partnerships: pg 45
- Te Atakura – First to Zero: pg 55
- Three Waters Work programme: pg 56
- Planning for Growth: pg 100
- Council's Housing Action Plan: pg 101
- Let's Get Wellington Moving: pg 110

Key Long-term Plan projects

We also have key projects that were outlined in the Long-term Plan. Some of these were one-year projects that were completed during the year or are soon to be completed, others are multi-year projects.

- City Archives – Digitisation: pg 44
- Southern Landfill extension: pg 55
- Huetepara Park creation: pg 54
- Te Matapihi ki te Ao Nui Central Library: pg 88
- Te Ngākau Civic Precinct: pg 102
- Tākina Convention and Exhibition Centre: pg 72
- St James Theatre strengthening: pg 71
- Pōneke Promise: pg 96
- Wellington Museum strengthening: pg 82

Section 4: Our performance in detail

In this section

This section describes in detail how we performed in each of our seven strategic activity areas and our Council-controlled organisations. Each activity area includes an overview of the activities from the year, and a summary of financials and performance measures.

How to read this section

What's being reported?

This section of the report includes:

- a) **Overview of the year:** includes the summary of our financial and non-financial information.
- b) **Activity areas:** what we did and key projects from our work programme for the year. The majority of these items are non-COVID-19 related.
- c) **Financial information:** capital expenditure and operational expenditure for each activity area.
- d) **Performance information:** detailed key performance measures and targets. Performance measures cover quality, timeliness, affordability and utilisation. Of the 95 KPIs this year, 93 have a reported result, which is either not met, met within 10 percent or exceeded against target, and two have no result (NR). The explanations for these are reported in the relevant chapters.

Where applicable we have included details on the impact of the pandemic. In timeline order, the national COVID-19 Alert Levels or Protection Framework measures that impacted the city in 2021/22 were:

- **48 days at Level 1:** no restrictions on movement or gatherings, encouraged to keep records of movement, face coverings on public transport, border still closed.
 - We were in Level 1 from 1 July to 17 August 2021
- **14 days at Level 4:** highest level of restrictions, required to work and learn from home, no gatherings allowed, no travel allowed except for necessities or to undertake safe recreational activities, all public and education facilities closed, face coverings whenever outside of residence.
 - We were in Level 4 from 18 August to 31 August 2021.
- **6 days at Level 3:** included limited restrictions, gatherings of up to 10, recommended to stay travel local, specific businesses, schools and offices open with strict operating guidelines, face coverings whenever outside of residence.
 - We were in Level 3 from 1 September to 7 September 2021
- **85 days at Level 2:** included limited restrictions, gatherings of up to 100, nationwide travel allowed, public venues and places, businesses, schools and offices open with strict operating guidelines, face coverings on public transport.

- We were in Level 2 from 8 September to 2 December 2021

All of New Zealand moved to the COVID-19 Protection Framework, also known as the traffic light system, at 11:59pm on 2 December 2021.

- **52 days at Orange:** required face coverings in many indoor locations, no capacity limits or distancing requirements, workplaces and schools open. Many places had vaccine pass requirements for the first period in Orange.
 - We were at Orange from 2 December to 23 January 2022, and 13 April to 30 June 2022
- **80 days at Red:** included limited restrictions, indoor gatherings up to 200, required face coverings in most indoor locations, encouraged to keep physically distanced when possible.
 - We were at Red from 23 January to 13 April 2022.

1 Pārongo ā-tāone – Governance

This chapter explains what we did and how we performed in our Pārongo ā-tāone – Governance portfolio of activities.

Overview of the year

Our services in this section include governance support, strategy and policy work, information collection and archiving, community engagement, and Māori and mana whenua partnerships.

This year we developed and successfully adopted the 2022-23 Annual Plan (year two of the Long-term Plan) and two Long-term Plan Amendments - how we should operate City Housing and the future of the Southern Landfill. We also adopted a new Procurement Strategy, developed new engagement tools and successfully co-designed Tūpiki Ora Māori Strategy with mana whenua and Māori across Te Whanganui-a-Tara.

We are currently preparing for the upcoming 2022 Local Body Election, with the voting period beginning on Friday 16 September 2022. Ahead of the election we are required to produce a Pre-election Report, which is provided to candidates as background information and to help promote public discussion about the issues facing the Council.

Continuing impact of COVID-19

The continuing pandemic has impacted this area of the Council.

In 2021/22 there has been a substantial rise in the number of hybrid online/in-person Council and committee meetings as we adjust to the continuing reality of COVID-19 in the community. We have also put in place procedures that enable elected members and the public greater flexibility in how they attend meetings and contribute to decision-making.

Community engagements were able to continue as planned, but some needed to have an increased emphasis on online engagement to ensure the appropriate health, safety and hygiene measures for the restrictions were observed. This included two public engagement webinars on the City Housing and Southern Landfill amendments to the Long-term Plan.

The pandemic has affected the delivery of our public services by City Archives, by reducing the number of face-to-face visits, on-site tours, and research appointments held in our public reading room. However, we have been able to maintain online services, and our digitisation capacity has allowed us to transition many of our face-to-face customers to online services.

Performance Summary

This strategy area is responsible for delivering just over eight percent of Council's performance measures. COVID-19 did not have a material impact on the KPIs in this area. Only three of the seven measures in this area were met, with challenges with our measures based on the Residents Monitoring Survey. This year we are reporting for the first time on Māori and mana whenua partnerships.

Key performance indicator results



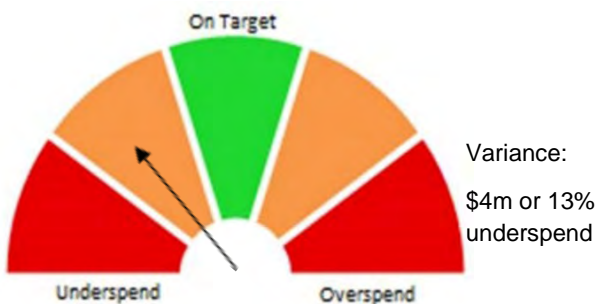
Highlights	Challenges
<p>100%</p> <p>Our two measures for ensuring meeting and committee agendas being publicly available and official information requests under the Local Government Official Information and Meetings Act both met their targets.</p>	<p>4 out of 4</p> <p>Our measures that record residents' satisfaction with decision making, community engagement, information accessibility and Council contact centre were not met this year. We are working to identify how we can improve in this area to lift results in future years.</p>

Financial summary

The financial result for Governance was favourable for the year due to lower than planned COVID-19 response support costs for Council-controlled organisations, as well as lower personnel costs through vacancies. Capital expenditure was \$1.1m.

For more details on the Governance budget and variance explanations, see page 48-49.

Net operating expenditure



Capital expenditure



Pārongo ā-tāone – Governance activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

1.1 Kāwanatanga, Pārongo me ngā mahi whai wāhi | Governance, information and engagement

In this area, we seek to be transparent as possible to build public confidence in the way the Council operates. This means, clearly communicating the reasons for the things we do and encouraging public participation in the decision-making process. We also prepare and run local body elections.

1.2 Rangapū Māori/mana whenua – Māori and mana whenua partnerships

In this area, we partner with mana whenua and recognise their special place in the city's history and their relationship with the land, waterways and other parts of the environment. We have also shifted our focus from operational to a strategic direction, looking at providing Council with a strong Māori voice and raising its importance, along with championing mana whenua and Māori aspirations for the city.

Key projects or programmes

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2021-31 Long-Term Plan (Year 1) as being areas of focus.

City Archives - Digitisation

A key focus for City Archives is to digitise all our holdings, which date back to 1842. We started a three-year project in October 2020 to digitise key property records critical to supporting the LIM¹⁰ process and the public Building Consent Search Service. In 2021/22, 5.5 million pages were digitised. The total digitised to date is 7.5 million pages or 37 percent of the planned work.

Considering the work completed and data from the work so far, our vendor is now better able to understand the volume and effort required to digitise remaining material in a COVID-19 environment. The project has therefore been rescoped.

Advisory Groups

We currently have five Advisory groups which support Council by providing advice from different perspectives. These are: Accessibility, Environmental, Pacific, Rainbow, and Youth.

This year was the first year for the newly established Takatāpui | Rainbow Advisory Council (previously known as Rainbow Communities Advisory Group from July 2021 to December 2021).

We implemented changes to how these groups work in line with our recent review of advisory groups. This included increased support for the groups to deliver better proactive advice, improved means for Council to consider and incorporate advice from the groups and an increase to Youth

¹⁰ Land Information Memorandum

Council remuneration to be more equitable with other groups. Additionally, we have improved the way that we recruit and induct Advisory Group members.

More information on these groups including membership and highlights of their work programmes is on page 123.

Procurement Strategy

Council adopted a new procurement strategy in February 2021 with the goal of evolving the Commercial Partnerships function so that Council can partner for greater impact. This has included the refreshing of the Procurement Policy and Procedures, establishing a Contract Management Framework and activating the Broader Outcomes Strategy for Council to ensure broader outcomes are embedded in our commercial decision making. Highlights in the 2021/22 financial year have been establishing a partnership with Amotai to support supplier diversity in the implementation of Tūpiki Ora and the delivery of EV and hybrid transition to support Te Atakura.

Award-winning engagement tool

We are building an interactive web-based engagement tool that will allow us to co-create how the city adapts to climate change with mana whenua, scientists, and residents. It will be rolled out over the next three years. The open-source code will be available for other coastal cities to access and utilise for their own purposes.

It combines Climate Change Adaptation Planning with our Digital City Model and will use gaming technology to provide hyper-realistic visualisations of Wellington's past, present and future, climate impacts and adaptation options. The tool will allow residents to share information and ideas with Council, which will permit critical and coordinated adaptation decisions to be made in line with community priorities.

In January 2022, this project won the prestigious Bloomberg Mayors Challenge. A global competition recognising the boldest and most ambitious urban innovations that address current issues. Wellington City Council was named one of 15 winners to receive USD\$1m for our project, out of more than 600 applicants from 99 countries.

Mana whenua and Māori

Over the past 12 months we have seen a significant shift in the way the Council serves mana whenua and Māori. We embarked on a new partnership journey with Te Rangapū Ahikāroa, a new body of mana whenua partners representing Te Rūnanganui o Āti Awa ki te Upoko o te Ika a Māui, Taranaki Whānui ki te Upoko o te Ika and Te Rūnanga o Toa Rangatira. The signing of this agreement sets a new direction for our partnership with mana whenua.

This agreement speaks to the accountability of each partner ensuring that they meet their responsibilities, uphold the shared values, and keep the partnership strong and moving forward, together.

We have successfully co-designed Tūpiki Ora Māori Strategy with mana whenua and Māori across Te Whanganui-a-Tara. This strategy paves a way for Council and Council-controlled organisations (CCOs) to support thriving and vibrant whānau Māori across the city. The strategy has four key focus areas:

- a) Te whakatairanga i te ao Māori – Enhancing and promoting te ao Māori
- b) Tiakina te taiao – Caring for our environment
- c) Te whakapakari pūmanawa – Building capability
- d) He whānau toiora – Thriving and vibrant communities

An action plan for Tūpiki Ora is being created and through the implementation of that we will begin to see these priorities implemented across all the services that Council and Council-controlled organisations provide to our communities.

Governance finances

How it was funded

Services in this activity area are mostly funded through general rates, with a small portion funded through fees and user charges for Civic Information and City Archives.

Detailed information on funding is on page 137-138 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2020/21 Actual	2021/22 Budget	2021/22 Actual	Revised budget	Variance to revised budget	Variance commentary
1.1 Governance, information and engagement						
Expenditure	21,663	25,698	23,747	26,598	(2,851)	Favourable due to underspending in Archives operations and CCO Climate Change Response programme. An additional \$0.9m was added to the budget for CCO COVID Response but was under spent by \$0.6m.
Revenue	(500)	(528)	(540)	(528)	(12)	
Net Expenditure	21,163	25,170	23,207	26,070	(2,863)	
1.2 Māori and mana whenua partnerships						
Expenditure	314	3,717	2,619	3,717	(1,098)	Favourable due to delays in the Mataaho Aronui Māori Outcomes programme.
Revenue	(10)	0	0	0	0	
Net Expenditure	304	3,717	2,619	3,717	(1,098)	
1 Pārongo ā-tāone – Governance Total						
Expenditure	21,977	29,414	26,366	30,315	(3,949)	
Revenue	(510)	(528)	(540)	(528)	(12)	
Net Expenditure	21,467	28,886	25,826	29,787	(3,961)	

What it cost (capital expenditure \$000)

	2020/21 Actual	2021/22 Budget	2021/22 Actual	Revised budget	Variance to revised budget	Variance commentary
1.1 Governance, information and engagement expenditure						
Governance Total	0	1,187	1,188	1,187	1	

Governance performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the 10-year and Annual plans. The following tables include KPI results and explanations where targets have been exceeded or not met. Commentary is also provided for those key performance indicators which report a narrative rather than a numbers focused result.

Key for results: Exceeded - >10% over target; Within 10% +/-10% of target; Not met - >10% below target

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
1. Mana Whakahaere Governance						
1.1 Mana Whakahaere, Pārongo me ngā mahi whai wāhi Governance, information, and engagement						
Facilitating democratic decision-making						
Meeting and committee agendas (%) made available to the public within statutory timeframes	98%	100%	100%	100%	Within 10%	
Percentage of residents who have adequate opportunities to have their say in Council activities	42%	37%	34%	45%	Not met	This year continues a decline from 2020 and suggests residents feel Council consultation methods can improve. We are working to identify how we can lift results in future years. Minor wording changes in the survey question occurred. For more detail visit the full Residents' Monitoring survey at: wellington.govt.nz/rms-survey-and-results .
Percentage of residents satisfied with the process by which Council makes decisions	29.7%	16%	12%	45%	Not met	There has been a sharp decline in satisfaction from 2020. Reasons provided include: not listening to the public; political issues or infighting, transparency of decision making. We are working to identify how we can lift results in future years. Minor wording changes in the survey question occurred. For more detail visit the full Residents' Monitoring survey at: wellington.govt.nz/rms-survey-and-results .
Providing information and a point of contact						
Percentage of residents that can easily access Council information (via website, libraries, social media, newspapers etc)	68%	52%	48%	55%	Not met	This measure now encompasses more channels than previously reported. However, the result has remained steady over the long term. For more detail visit the full Residents' Monitoring survey at: wellington.govt.nz/rms-survey-and-results

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
Contact Centre – Contacts responded to within target timeframes (all)		new measure	75%	90%	Not met	This KPI was impacted by increased call volumes related to COVID-19 alert level changes and city-wide occurrences such the occupation of Parliament and severe weather events, as well as staff illness and higher than normal turnover. Recruitment and altered planning for surge control means it is likely to meet target next year.
Official information requests (%) handled within Local Government Official Information and Meetings Act legislative timeframe	94%	89%	92%	95%	Within 10%	
1.2 Rangapū Māori/Mana Whenua Māori and mana whenua partnerships						
Customer focus						
Number of annual initiatives delivered that strengthen WCC relationships, presence, and intelligence so that Māori are engaged in Wellington's future		new measure	Achieved	Achieved	Achieved	This is the first year, we are reporting against this KPI. Mataaho Aronui, the Strategic Māori Outcomes Group has achieved three significant initiatives: <ul style="list-style-type: none"> • Tākai Here Mana Whenua Partnership Agreement • Tūpiki Ora Māori Strategy • review of Te Tauihu Māori Language Policy More information in Key Projects and Programmes, pg 45 and 50.

Spotlight on: Tākai Here partnership agreement

“The Tākai Here partnership agreement reflects all partners as equals and that mana whenua and the Council are committing to one agreement for all of us. It opens the door for collaborative and open discussion between us about what really matters in Wellington.”

-Kara Puketapu-Dentice, Chairman of Taranaki Whānui

On Friday 29, April 2022 – the 182nd anniversary of the signing of Tiriti o Waitangi in Te Whanganui-a-Tara – the Tākai Here was signed. Leaders from Te Rūnanga o Toa Rangatira, Taranaki Whānui ki Te Upoko o Te Ika and Te Rūnanganui o Te Āti Awa, along with Mayor Foster and City Councillors gathered at Pipitea Marae to sign this new partnership agreement.

Background

The Council signed the two existing Memoranda of Understanding agreements with mana whenua in 2017, and the documents were to be reviewed every three years.

In June 2021, the Council adopted its new 2021-31 Long-term Plan. One of the key priorities within the plan was strengthening mana whenua and Māori partnerships. The Council has committed to making space for mana whenua and Māori to meaningfully participate in, contribute to and inform Council decisions. Improved partnerships and capacity building are the cornerstones of this priority.

Therefore, the Council and our mana whenua partners embarked on a journey to create a new partnership agreement to reflect our refreshed responsibilities and ways of working together.

Purpose

The signing of the Tākai Here agreement sets a new direction for our partnership. It highlights the accountability of each partner, therefore ensuring that they meet their responsibilities, uphold the shared values, and keep the partnership strong and moving forward together.

Tākai Here's core values guide our ways of being and doing and therefore are the vital pillars that inform how we conduct ourselves as partners in Wellington City.

- **Matua te mana** - the absolute care, reverence and respect
- **Matua te tapū** - the absolute potential, spirituality and sacredness
- **Matua te kōhine** - the absolute femininity, equilibrium, grounding and regard
- **Matua te toa** - the absolute warrior, success, attainment and gain
- **Matua te pononga** - the absolute humility of service and contribution

What happens next?

The Council is focusing on lifting its internal capability to uphold the agreement. There is work to be done across the Council to ensure that the right tools for success are implemented. Over the next year, Tākai Here will be woven across all levels of the Council, continuing to build on the momentum created this year and keeping mana whenua at the forefront of decision-making.

Each year, mana whenua leaders and the Mayor agree on a set of key priorities to deliver on across our city. This year's priorities were focused on:

- **Kāinga me te Whenua** - Wellbeing of Housing & Land
- **Mauri Ora o te Tāngata** - Wellbeing of People
- **Te Ao Māori** - Wellbeing of Culture, Arts and Language
- **Taiao** - Wellbeing of our Environment Partnership

These priorities helped the strategic direction and programmes Council delivered this year. This includes investing in the capability of mana whenua and Māori so that they can lead these priorities across the Council and our city.

2 Te Taiao me te hanganga – Environment & infrastructure

This chapter explains what we did and how we performed in our Te Taiao me te hanganga - Environment and infrastructure portfolio of activities.

Overview of the year

This area covers an extensive range of Council services, and includes everything from open spaces, waste reduction and energy conservation to water, wastewater and stormwater. Also part of this portfolio are our conservation attractions Wellington Zoo and ZEALANDIA - Te Māra a Tāne.

This year, Predator Free Wellington successfully removed Norway Rats and weasels from the Miramar Peninsula. This, and other measures, has meant the count of native birds and tree wētā increased.

Based on feedback from the Annual Plan consultation, the Council decided that a new landfill will be constructed on top of the existing landfill at the Southern Landfill.

Supporting business, community groups and residents to act is an important part of our climate change initiatives which include advocacy for supportive central government policies. We are also using our understanding of the climate change to shape policies and programmes focused on a zero-carbon city, increased housing density and a low-carbon transport system.

In addition, there were upgrades at ZEALANDIA and the Botanic Gardens.

Continuing impact of COVID-19

The following section outlines the continuing impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the restrictions this year.

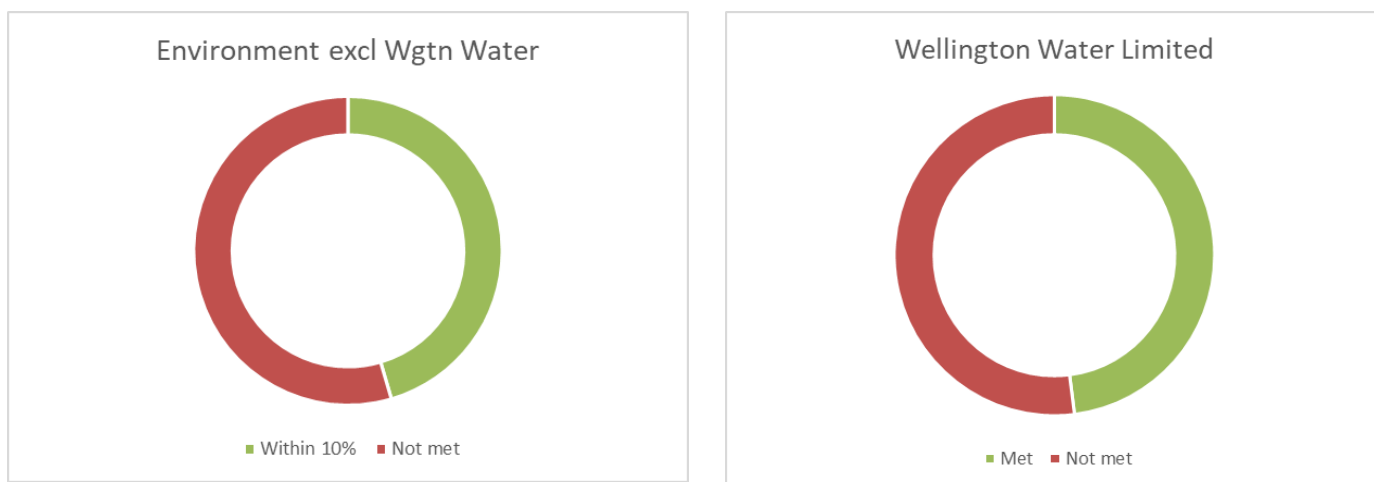
- Use of parks and open spaces including Botanic Gardens, were impacted by lockdowns, vaccination mandates and staffing and resourcing. However, we continued to deliver most service levels with minimal impact to the public.
- Rubbish and recycling collections, and the processing of recycling services were disrupted in August 2021 due to the lockdown, and again from February 2022 due to staff shortages because of COVID-19 isolation rules.
- Glass collection was put on hold for several weeks in August 2021 and again in April and June 2022 so that rubbish and recycling collections could be prioritised. This reduced annual glass recycling tonnages by approximately 700 tonnes compared with the previous year.
- The Tip Shop was closed for three weeks in August 2021 due to the lockdown, which resulted in a reduction of approximately \$30,000 in for the year.
- The inability to clear all streets of rubbish and recycling on the intended day generated a larger number of logged missed collections through our customer service centre. We worked with our communications team and our collections contractor to inform people of intended delayed collections through social media and the call centre.
- COVID-19 resulted in less traffic on the roading network that provided an opportunity to substantially reduce the number of back-log water leaks. While this increased cost pressures to the budget, council had approved an additional \$5m per annum for Wellington Water's operating budgets.

- Omāroro Reservoir construction was slowed due to the COVID-19 working restrictions and while most smaller capital projects were able to be dialled back, Omāroro was subject to an extension of time claim of approximately \$1.9m.
- The COVID-19 pandemic has had both positive and negative impacts on our climate change initiatives. For example, our work to increase flexible and hybrid working arrangements as a lever for decreasing work-related travel emissions was no longer needed as this transition has been made organically throughout the pandemic. However, our work on convening community, business and other organisations needed to be reimaged in a pandemic environment and is being relaunched in the coming year. In addition, supply chain issues meant that the start of our EV charger roll out for the city was delayed by several months, but the first 11 chargers will be installed across five sites by the end of 2022.

Performance summary

This strategy area is responsible for delivering about 37 percent of Council’s performance measures, including all of Wellington Water Ltd (WWL) measures, with 47 percent met for the year.

Key performance indicator (KPI) results



WWL is responsible for the delivery of water services that are represented by 25 KPIs in this activity area. Of these, 12 were met and 13 not met. WWL continues to struggle with the service demands of aging infrastructure.

Our Council-controlled organisations that support our natural environment (Wellington Zoo and ZEALANDIA) are responsible for delivering against their Statement of Intent KPIs. ZEALANDIA met seven of their nine KPIs. However, COVID-19 severely impacted the Wellington Zoo, with significantly lower than predicted visitor numbers.

Highlights	Challenges
<p>4 out of 4</p> <p>measures relating to enhancing and managing our natural environment and cost to ratepayer for visits to the Botanic Gardens and Ōtari-Wilton’s Bush were met.</p>	<p>0 out of 3</p> <p>measures for recycling and waste collection and waste diverted from landfill were met due to COVID-19 interruptions to services.</p>

For the full set of outcome and key performance indicators and variance explanations, please see page 61-68.

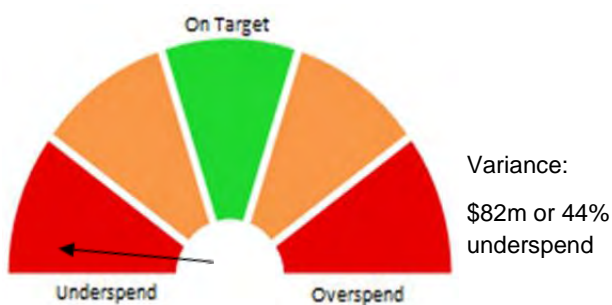
Financial summary

There were additional costs incurred for three waters due to increases in reactive maintenance costs over and above what has been budgeted. This was partially offset by use of stimulus funding, predominantly in street cleaning and suburban refuse collection, combined with lower bulk water costs and resulted in an unfavourable variance of one percent for budgeted expenditure. However, when combined with additional revenue from waste operations and vested asset income the overall Environment and infrastructure operating expenditure has net variance of eight percent under budget.

In capital expenditure, there was a total \$7.8m overspend for the three waters network due to work on completing the Mt Albert tunnel project as well as reactive/emergency renewals being higher than planned. This was partially offset by underspends in Parks infrastructure and Coastal renewal projects as well Wellington Zoo and ZEALANDIA projects being under budget due to rephasing of spend.

For more details on the Environment and infrastructure budget and variance explanations, see page 59-61.

Net operating expenditure



Capital expenditure



Te Taiao me te hanganga – Environment & infrastructure activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

2.1 Gardens, beaches and green open spaces

In this area we seek to manage and restore our natural areas. This includes providing quality accessible green open spaces, maintaining and managing walking and biking tracks, ensuring our Wellington Gardens are cared for, and enhancing Wellington's biodiversity, including supporting extensive trapping through Predator Free Wellington.

2.2 Waste reduction and energy conservation

In this area we aim to reduce our impact on the environment by minimising and managing the disposal of waste, by making more efficient use of existing resources, measuring and reducing our carbon footprint, and by shifting toward renewable energy resources.

Note: Our performance measure on greenhouse gas emissions received a modified audit opinion. For detailed information on our Greenhouse Gas emissions, see our KPI measure on page 62-63 and the Appendix on page 146.

2.3 Water, 2.4 Wastewater & 2.5 Stormwater

In these three areas the regionally owned Council-controlled organisation Wellington Water Limited (WWL) is responsible for the provision, management and quality of clean, safe drinking water and efficient wastewater and stormwater services. This organisation is profiled on page 131 in the Council-controlled organisations section, including details of its board and governance structure.

Note: Three performance measure in the waters activity area received a modified audit opinion. They all relate to customer complaints. See page 63, 65, 66 and 68 for details.

2.6 Conservation attractions

The activities in this area are managed by two Council-controlled organisations, Wellington Zoo Trust and Karori Sanctuary Trust, which trades as ZEALANDIA. These organisations are profiled on page 129 and 132 in the Council-controlled organisations section, including details of their board and governance structures.

Key projects or programmes

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2021-31 Long-term Plan (Year 1) as being areas of focus.

Predator Free Wellington

Predator Free Wellington has successfully eradicated Norway rats and Weasels from the Miramar Peninsula. There are still pockets of ship rats remaining and they are partnering with Zero Invasive Predators (ZIP) to help deploy new automated technologies to remove these final rats. There are 220 monitoring cameras paired with automatic mayonnaise dispensers to detect rats in hot spot operational areas.

Since the eradication started, the latest bird count results show a 51 percent increase in native birds and 200 percent increase for tree wētā. We are now recording more kororā (little blue penguins) than remaining ship rats. Kākāriki, previously not found on the peninsula, have also turned up on our monitoring cameras. The community is a key part of the biosecurity response. Volunteers manage the Northern Bush project area, and Maupuia and Seatoun residents have been involved with chew card monitoring to help give assurance that areas are remaining rat free. There is also a dedicated rat detection dog working to assist operational staff in confirming the absence of target species.

This second phase of the project involves 19 suburbs - from Kilbirnie around to Ōwhiro Bay and up through to the CBD. It is an area that is home to approximately 60,000 people. Focus has been on securing permissions from residents to have a trap/bait station on their property. Over 7,000 permissions have been secured to date, and 1,000 devices have been installed, including priority stakeholders such as the Government House property in Mt Victoria. Awareness about the project is high, when knocking on doors to get permissions, 60 percent of residents already know about the project.

Huetepara Park

We worked with the community to complete a draft design, which was reviewed by the Council design panel. Some changes were made to the design to account for improved accessibility and safety. We received a cost estimate for the design, which was over budget and worked with the community to propose a staged approach and agree priorities. Agreement has been reached for Stage 1 which will include accessible toilets, outdoor showers, and a raised deck. We are now completing the engineering and design plans for consenting and procurement. This will be completed next financial year, and construction work will begin following this.

Adapting to the impacts of changing climate

As climate change impacts all Council's operations, it is a key consideration for the ongoing governance of Council. This includes the physical impacts of increasing warming, as well as the changes in the policy, investment and insurance landscape that will come as the country and the world transition to a net-zero carbon context.

This year, we established an adaptation team, which is developing an agreed approach to climate change adaptation that builds on national policy direction, including how to engage with impacted communities.

Embedding our climate response

We have worked to further embed climate action into how Council makes decisions and increase the capability and capacity of Council officers to deliver on the goals outlined in Te Atakura – First to Zero.

The Council's Climate Action Champions Network has grown to more than 200 members and is made up of staff from across the Council. It is responsible for providing climate leadership in their teams, encouraging behaviour change, and providing insight into the development of climate action in their operations. Our internal climate survey shows an increase in the number of staff who understand how climate action relates to their work, and the contribution they can make.

We have increased reporting requirements in Council papers to ensure decision-making factors in climate change response efforts. Next year, we are launching new internal learning resources, developing a Council Emissions Reduction Plan, and working with our suppliers on both reporting their emissions to us, and setting science-based targets of their own.

Council carbon reduction programme

Emission reductions need to come from everywhere. This includes the Council delivering on its climate action plan, Te Atakura – First to Zero, as well as our work reshaping the city, and providing the catalyst for others to take action.

Emissions are classified under three scopes.

- Scope 1 and 2 emissions include direct combustion of fuels (petrol and diesel purchases), natural gas use, refrigerants, purchased electricity and the emissions from the city wastewater and landfill managed by the Council.
- Scope 3 emissions encompass our broader value chain (purchased goods and services, external waste services, travel, and our investments) and includes emissions caused by others in undertaking services for us.

In the 2020/21 reporting year, the Council significantly changed our approach to reporting our greenhouse gas emissions. We made the decision to change how we define our organisational boundary and report the full Scope 3 value chain of our Council activities – the full progress of any product or service from creation to completion. Therefore, we have re-set our KPI baseline year to 2020/21 and the measure is not comparable with previous years.

The result for this financial year is reported in the KPI tables at the end of this chapter, page 62-63. The emissions result for Scope 3 has received a qualified audit opinion this year. This is because quantifying Scope 3 emissions involves higher levels of estimation. For more detailed information on our Greenhouse Gas emissions, the Appendix on page 146.

Southern Landfill extension

The consent for the current Southern Landfill runs out in 2026, and despite waste minimisation initiatives, the landfill is likely to be full by that time. Therefore, a proposal went out to the community for consultation in April and May 2022.

It was decided that a new landfill will be constructed on top of the existing landfill, providing space for about 15-20 years of residual waste disposal based on the current volumes.

In the coming year we will be focused on the resource consenting for the extension for construction to occur between 2024 and 2026.

This decision was made in the context of a broader programme of work that has laid the foundations for a zero-waste city. In the past three years the Council has worked towards delivering several waste minimisation initiatives:

- Commissioned Sludge Minimisation Plant at Moa Point, operating by 2025.
- The decision to extend the Southern Landfill will see residual waste disposed of in an engineered space with a modern liner system, which will prevent contaminants escaping into the environment. There will also be an effective gas capture system to collect and destruct methane generated from the degradation of waste.
- The new Solid Waste Bylaw includes changes to waste management responsibilities of property owners, waste collectors and waste operators; licensing of waste collectors and operators; enhanced waste management requirements for multi-unit developments; and compulsory waste management planning for large public events.
- The Para Kai Miramar Peninsula kerbside food waste trial has been carried out to improve our understanding of how much food waste could be diverted from the landfill through kerbside collections and home composting.

Three Waters work programme

WWL capital and maintenance programmes this year included:

- **Infrastructure investment:** Wellington Water has delivered \$61.9m of capital expenditure programmes for Council in the 2021/22 year to strengthen our three waters infrastructure. It's the biggest ever single year capital programme. The figure doesn't take account of the increasing volume of pipe breaks and faults due to the aging infrastructure that require Wellington Water to implement immediate fixes.
- **CBD wastewater upgrades:** We have developed a five project Wellington CBD Wastewater Renewals and Upgrade Programme to enable the city's growth plans over the next 30 years. This work will make the city's infrastructure more resilient, allowing it to keep up with projected housing densification and projected population increases while also providing increased protection for the natural environment. Wellington Water has begun work on the first of the projects; building a new pump station and installing new rising main pipes on the corner of Taranaki and Dixon Streets.
- **Omāroro reservoir:** Construction of the reservoir roof is now complete, and the reservoir is expected to be commissioned by late in 2022. The 35 million litre reservoir will more than double the city's water storage and make our water supply more resilient. Next steps will be to bury the reservoir using material stored on the playing fields, remediating the fields and landscaping the site.
- **Drinking Water Fluoridation:** Wellington Water has committed to restoring appropriate levels of fluoride to the city's drinking water by September 2022. It was turned off at the Te Marua and Gear Island water treatment plants in 2021 due to health and safety issues. Wellington Water has continued to provide safe drinking and plans are in place to ensure no repetition of the incidents.
- **Notifying incidents and overflows:** Wellington Water has revised its notification process to be more transparent and community focused. They've created new automated processes for their website and social media channels that provide residents with more up-to-date and relevant information about issues affecting the three waters networks.

- **Moa Point wastewater clarifier:** Wellington Water is replacing one of three wastewater clarifiers at the Moa Point wastewater treatment plant after a bearing in the drive assembly failed. It will reduce full treatment peak flow capacity by approximately one third although that material will still be screened and then significantly diluted by mixing with fully treated wastewater before discharge 1.8km out to sea through the long ocean outfall. The clarifier's return to service is scheduled for late 2022.

Wellington Zoo – snow leopards

Construction started on site in late 2021 with the demolition of large areas of an old habitat that had sat vacant for nearly ten years. Construction remains on schedule for a summer 2022/23 completion – this is despite material supply challenges experienced due to COVID-19 supply chain issues. The project remains on budget. The Council are the principal funder for this project – providing \$3.7m through the current LTP (approximately 65% of the total budget). Wellington Zoo Trust have so far raised \$1.8m for this project through a significant fundraising drive.

To date, construction has primarily been demolition and in-ground structural work. July/August 2022 sees the installation of key structural and architectural features designed to support the habitat mesh. The final phase will include visitor interpretive overlays and landscaping of the habitat to provide a stimulating environment that meets the distinct social and physical needs of the two young Snow Leopards, Asha and Manju.

ZEALANDIA - Te Māra a Tāne

The Council supports ZEALANDIA through provision of funding which has contributed to the construction of Tanglewood House. This will be a purpose-built hub for staff, with researcher and volunteer accommodation. Despite the impacts of COVID-19 on the building industry construction, the final designs have been completed and the build is expected to be completed by the end of the 2022/23 financial year.

Sanctuary to Sea Kia Mouriora te Kaiwharawhara is ZEALANDIA's collaborative community partnership project with a 100-year goal to restore the mouri, or life-force, of the catchment. Key leaders of this project include mana whenua, the Council, Greater Wellington Regional Council, CentrePort, Department of Conservation, among many other outstanding groups and people.

One of the key outcomes in this project so far has been the complete eradication of introduced perch from ZEALANDIA's lower reservoir, the largest project of its kind attempted in the world. This effort creates space for conservation efforts targeted at Aotearoa New Zealand's rare and endangered freshwater fish and other fauna. In coming years ZEALANDIA is seeking to partner with businesses throughout the catchment to scale up and out for impact.

Botanic Garden upgrades

We completed the upgrade to the Ōtari-Wilton's Bush visitor centre Tane Whakapiripiri, and the forming of a new easier grade track to Moko the rimu on the Blue Trail. The replacement of the botanic garden nursery's heating system was completed which includes a shift from gas to an electric energy source. A new access ramp to the Treehouse was built, and we replaced two bridges crossing the streams. Along with the Friends of the Bolton Street Cemetery, the designs for new museum interpretation were completed. A summer garden walk with light and sound, was organised along with the events team replacing the usual Gardens Magic music season. Guided walks were held at Ōtari for Matariki and again the Matariki star cluster was highlighted on the Soundshell lawn. We maintained our Carbon Zero accreditation and began fish passage remediation work on Pukatea Stream.

Other Environment highlights

- Completion of the Te Kopahau Track Network Plan, which sets out how the reserve will be developed overtime including the development of new tracks, improvements to existing tracks,

amenity improvements (entrances redevelopment, shelter, water, signs, interpretation and seats), as well as monitoring and management of weeds.

- Started the renewal of the historic Seatoun Wharf, replacing 80 percent of the timbers. This included replacing and strengthening piles on the outer wharf, which has improved the ability for vessels to berth. The work will be completed in the first quarter of next financial year and will enable the East by West Ferry to resume ferry services to the eastern Suburbs.

Environment & infrastructure finances

How it was funded

Services in this activity area are funded through a mixture of general rates, targeted rates, user charges and other revenue.

Detailed information on funding is on page 139-144 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2020/21 Actual	2021/22 Budget	2021/22 Actual	Revised budget	Variance to revised budget	Variance commentary
2.1 Gardens, Beaches and Open Spaces						
Expenditure	43,754	49,222	47,070	49,222	(2,152)	Favourable due to \$1.9m underspend in contract savings for Street Cleaning, and \$0.3m underspend in CBD and Suburban Gardens
Revenue	(3,229)	(3,165)	(7,184)	(3,162)	(4,022)	Favourable due to \$4.5m vested asset revenue, offset by \$0.4m adverse variance in NZTA subsidies as a result of reduced Capex delivery.
Net Expenditure	40,525	46,057	39,886	46,060	(6,174)	
2.2 Waste reduction and energy conservation						
Expenditure	23,666	22,980	29,649	22,980	6,669	Unfavourable \$4.0m WIP charges for Landfill stage 4 written off against depreciation and amortisation
Revenue	(24,665)	(22,337)	(30,906)	(22,337)	(8,569)	Favourable Landfill revenue \$4.6m due to ~60,000 tonnes more contaminated soil than anticipated in budget
Net Expenditure	(999)	643	(1,257)	643	(1,900)	
2.3 Water network						
Expenditure	53,818	55,439	59,812	56,777	3,035	Unfavourable \$2.7m overspend contracts WWL offset by Stimulus Funding grant in revenue
Revenue	(5,040)	(45)	(4,863)	(1,383)	(3,480)	Favourable Government Stimulus Funding - Opex not budgeted \$3.3m
Net Expenditure	48,778	55,394	54,949	55,394	(445)	
2.4 Wastewater						
Expenditure	53,970	49,962	62,289	52,877	9,412	Unfavourable \$1.8m overspend contracts WWL offset by Stimulus Funding grant in revenue, rates overspend \$3.9m mitigated by underspend Stormwater \$4.8m, electricity overspend \$0.8m, depreciation \$1.6m more than budget
Revenue	(3,694)	(835)	(80,877)	(3,751)	(77,126)	Favourable Vested Assets revenue \$73.2m due to transfer of Lateral assets from private landowners to Council

	2020/21 Actual	2021/22 Budget	2021/22 Actual	Revised budget	Variance to revised budget	Variance commentary
Net Expenditure	50,276	49,127	(18,588)	49,126	(67,714)	
2.5 Stormwater						
Expenditure	23,614	28,458	26,963	29,105	(2,142)	Favourable Rates expense \$4.7m underspent mitigating overspend Water activity, \$2.2m overspend contracts WWL offset by Stimulus Funding grant in revenue
Revenue	(2,157)	(162)	(4,835)	(809)	(4,026)	Favourable Government Stimulus Funding - Opex not budgeted \$2.4m
Net Expenditure	21,457	28,296	22,128	28,296	(6,168)	
2.6 Conservation attractions						
Expenditure	7,553	7,756	7,830	7,756	74	
Revenue	0	0	0	0	0	
Net Expenditure	7,553	7,756	7,830	7,756	74	
Environment Total						
Expenditure	206,375	213,817	233,613	218,717	14,896	
Revenue	(38,785)	(26,544)	(128,665)	(31,442)	(97,223)	
Net Expenditure	167,590	187,273	104,948	187,275	(82,327)	

What it cost (capital expenditure \$000)

	2020/21 Actual	2021 /22 Budget	2021 /22 Actual	Revised budget	Variance to revised budget	Variance commentary
2.1 Gardens, beaches, green open spaces	5,845	4,197	6,822	9,549	(2,727)	Under budget due to underspends in upgrades at Hawkins hill (\$1.1m), coastal renewals (\$0.6m) and other projects.
2.2 Waste reduction, energy conservation	8,979	1,387	1,019	752	267	Landfill stage 4 overspend \$0.3m - bring forward budget 2023. Underspent Landfill Infrastructure renewals
2.3 Water Network	27,995	33,970	35,531	33,970	1,561	WWL network renewals overspend \$3.5m, largely offset by WWL underspends in Wastewater and Omāroro reservoir \$2.1m
2.4 Wastewater	17,765	24,705	28,156	38,191	(10,035)	Sludge minimisation plant underspend \$6.9m carry forward to 2023. WWL underspend \$3.3m
2.5 Stormwater management	9,981	5,099	5,122	5,099	23	

	2020/21 Actual	2021 /22 Budget	2021 /22 Actual	Revised budget	Variance to revised budget	Variance commentary
2.6 Conservation visitor attractions	2,010	2,877	3,058	3,449	(391)	Underspend of \$0.4m in Zoo upgrades.
Environment Total	72,575	72,235	79,708	91,010	(11,302)	

Environment & infrastructure performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the 10-year and Annual plans. The following tables include KPI results and explanations where targets have been exceeded or not met. Commentary is also provided for those key performance indicators which report a narrative rather than a numbers focused result.

Key for results: Exceeded - >10% over target; Within 10% +/-10% of target; Not met - >10% below target

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
2. Taiao Environment						
2.1 Ngā māra, tātahi, whenua pārae, ngahere Gardens, beaches and green open spaces						
Utilisation						
Residents (%) satisfied with the quality and maintenance of green open spaces (local parks and reserves, playgrounds, botanic gardens, beaches and coastal areas, walkways and trails, waterfront, forested areas and green belts)	82%	78%	76%	90%	Not met	Satisfaction was between 70% and 90% for beaches and coastal areas; local parks and reserves; forested areas; botanic gardens including Ōtari-Wilton's Bush; walkways and trails; and the waterfront. For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
Affordability						
Cost (\$) to the ratepayer per visitor to the Wellington Botanic Gardens and Ōtari-Wilton's Bush	\$3.98	\$4.33	\$6.73	\$7.00	Within 10%	
Protect and enhance our biodiversity						

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
Plant 3 million native plants by December 2030	1,890,068	1,994,549	2,096,548	2,107,000	Within 10%	
Hectares of high-value biodiversity sites covered by coordinated pest management	311	399	339	371	Within 10%	The total number of hectares are down this year because the Te Kopahou Reserve has been excluded. The Greater Wellington Regional Council amended its funding formula which changed the basis of pest management for the reserve, this change resulted in the reserve being removed from the underpinning data for this KPI.
2.2 Tiaki pūngao, whakahere para Waste reduction and energy conservation						
Waste minimisation activities						
Volume of waste diverted from landfill	17,655	18,024	17,179	20,000	Not met	COVID-19 impacts including driver shortages affected the volume of glass received for recycling.
Residents (%) satisfied with kerbside recycling service	74%	76%	72%	85%	Not met	This year's result is in line with those from 2020 onwards indicating satisfaction, while below target, is steady and high despite COVID-19 interruptions. For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
Users (%) satisfied with waste collection service	80%	79%	76%	90%	Not met	This year's result is in line with those from 2020 onwards indicating satisfaction, while below target, is steady and high despite COVID-19 interruptions. For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
Energy conservation						
WCC Group GHG greenhouse gas emissions (tCo2-e)	Scope 1	New	85,198	87,747	Achieve 2050 target of net zero	Not met: as our emissions have increased from the previous year A review of Council emissions as part of our Te Atakura work plan has resulted in setting a new baseline from 2020/21. The methodology is sufficiently different that earlier results are no longer comparable. We are also now reporting this result as per Emission Scopes for greater clarity. In measuring our Scope 3 greenhouse gas emissions we have needed to rely on modelling and assumptions for some activities. Some of these models and assumptions have certain limitations. As a result, there could be significant differences between actual emissions and those measured. For more detailed information on our Greenhouse Gas emissions measure see the Appendix on page 146 which includes details of the limitations of this area.
	Scope 2	New	3,421	3,060		
	Scope 3	New	83,710	89,083		
	Total	New	172,329	179,891		
Qualified measure: A full carbon footprint accounts for emissions from Wellington City Council's complete value chain – the emissions caused by the full progress of any product or service from creation to completion. It is currently not practicable to measure all these emissions with the data and systems currently available in New Zealand and indeed						

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
<p>globally. Therefore, there is a level of inherent uncertainty in reporting greenhouse gas emissions, due to the inherent scientific uncertainty in measuring emissions factors, as well as estimation uncertainty in the measurement of activity quantity data. For more detailed information on our Greenhouse Gas emissions measure see the Appendix on page 146.</p> <p>Proposed remedial action: The Council will continue to work to further refine our models and assumptions as the industry allows. As the science evolves in this area the ability to measure greenhouse gas emissions more accurately will become available.</p>						
Climate insights and engagement						
Progress on achievement of Te Atakura implementation plan	-	New measure	Achieved	Achieved	Achieved	The progress update on the Te Atakura implementation plan is based on the status of activities identified in the 2021 Te Atakura update document. A total of 32* activities were listed, and over the 2021-22 year 26 of these were either underway, ongoing or completed, an increase from 22 in the previous year. *5 activities were absorbed into other aligned activities.
2.3 Waimāori Water supply						
Clean and Safe						
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 4 bacterial compliance criteria)*	100%	100%	100%	Compliant	Within 10%	
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 5 protozoal compliance criteria)*	100%	100%	100%	Compliant	Within 10%	
Meeting customer expectations						
Number of complaints about the drinking water's clarity, taste, odour, pressure or flow, continuity of supply, and supplier responsiveness, expressed per 1000 connections* ¹	12.79	14.2	16.8	<20 per 1000	Within 10%	
<p>1. Qualified measure: The number of customer complaints for each of the three-water services were unable to be accurately reported. A complete record of all complaints was not available. Some complaints were made directly to WWL. WWL's auditor performed a reconciliation of the number of complaints received by WWL (via the Council's system and via emails directly to WWL) and complaints received by the Council. WWL's auditor found variances between the number of complaints received by WWL and the Council. WWL's complaint numbers were higher. Completeness of WWL's emails on complaints may have also been an issue. Consequently, WWL's auditor were unable to gain sufficient comfort over the completeness of complaints for the year. This measure was also qualified last year.</p> <p>Proposed remedial action: The Council manages its customer complaints system (both in business hours and after hours). WWL will ask the complainant to complain directly to the Council so the complaint is recorded in the Council's system. This ensures there is one source of truth. Since 2019/20, the Council and WWL have participated in a DIA-led review to update the reporting rules for all DIA mandate measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. As a result, some measures will in the future be able to be reported as a range rather than absolute values. WWL and the Council await the release of the new guidance notes by DIA.</p>						
Continuity of water supply and resolution of faults						

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
Water supply interruptions (measured as customer hours)	0.35 hours	0.85 hours	0.7 hours	<2 hours	Within 10%	At the time of publication, the Long-Term Plan identified the target for this measure as 'Monitor Trend'. Subsequently a target has been set as <2.
Median response time for attendance for urgent call outs* (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	117.58 minutes	128 minutes	66 minutes	≤60 minutes	Not met	Commentary to come
Median response time for resolution for urgent call outs* (b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	16.08 hours	12 hours	1.8 hours	≤4 hours	Within 10%	
Median response time for attendance for non-urgent call outs* (c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	139.79 hours	93 hours	66.8 hours	≤36 hours	Not met	Although Wellington Water continues to fix leaks at a very high rate, we are battling ageing pipes that are prone to bursts and in need of repairs. As the number of leaks are reaching levels greater than our capacity, coupled with a backlog of works carried over from previous service delivery arrangements, the end of year result exceeds the target. Note that there has been an increase in non-urgent response and resolution times across the region as our backlog of jobs has reached record levels, coupled with front line shortages during the peak of COVID-19 waves.
Median response time for resolution for non-urgent call outs* (d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	14.42 days	6 days	3.1 days	≤5 days	Within 10%	
Efficiency and sustainability						
The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). Calculated as a regional mean value ²	19%	16%	26%	<17%	Not met	Leak detection and repairs remain an ongoing focus for Wellington Water going forward. There have been a record number of active leaks this year resulting in higher water losses, although the backlog has started to reduce in the last part of quarter 4

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
Average drinking water consumption resident/day* The average consumption of drinking water per day per resident within the territorial authority district	364.8	380 litres	389.5 litres	<365 litres	Not met	Leak detection and repairs remain an ongoing focus for Wellington Water going forward. Per capita consumption continues to rise across the region, putting increased pressure on our water sources and treatment capacity.
* Department of Internal Affairs mandatory measure						
2.4 Waipara Wastewater						
Compliance and sustainability						
Dry weather wastewater overflows, expressed per 1000 connections* The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system.	4.95	11.70	6.16	0	Not met	A target of zero overflows remains unattainable, especially given the poor condition of network assets. The full year result is well within the regional standard target of 20 overflows per 1000 connections each year and the network performance appears to be relatively stable.
Compliance with the resource consents for discharge from the sewerage system, measured by the number of: a) abatement notices, b) infringement notices, c) enforcement orders and d) convictions received by the territorial authority in relation to those resource consents*	Nil	1 infringement	3 notices: 1 infringement, 2 abatements	Nil	Not met	These are part of several notices received for wastewater treatment plant breaches relating to the previous financial year. -an Infringement Notice discharge of non-compliant effluent water quality from the Moa Point -an abatement notice for the unauthorised discharge of partially treated wastewater to the Coastal Marine Area - an abatement notice for the unauthorised discharge of wastewater The review of the operations of our Wastewater Treatment Plants in the Wellington Metropolitan area was completed in December 2021. We are now working with stakeholders for feedback on the recommendations of the review.
Meeting customer expectations						
The total number of complaints received by the territorial authority about any of the following: sewage odour, sewerage system faults, sewerage system blockages, and the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system * 1	17.19	21.2	24.3	<30 per 1000	Within 10%	

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
<p>1. Qualified measure: The number of customer complaints for each of the three-water services were unable to be accurately reported. A complete record of all complaints was not available. Some complaints were made directly to WWL. WWL's auditor performed a reconciliation of the number of complaints received by WWL (via the Council's system and via emails directly to WWL) and complaints received by the Council. WWL's auditor found variances between the number of complaints received by WWL and the Council. WWL's complaint numbers were higher. Completeness of WWL's emails on complaints may have also been an issue. Consequently, WWL's auditor were unable to gain sufficient comfort over the completeness of complaints for the year. This measure was also qualified last year.</p> <p>Proposed remedial action: The Council manages its customer complaints system (both in business hours and after hours). WWL will ask the complainant to complain directly to the Council so the complaint is recorded in the Council's system. This ensures there is one source of truth. Since 2019/20, the Council and WWL have participated in a DIA-led review to update the reporting rules for all DIA mandate measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. As a result, some measures will in the future be able to be reported as a range rather than absolute values. WWL and the Council await the release of the new guidance notes by DIA.</p>						
Continuity of service and resolution of faults						
Median response time for wastewater overflows* (attendance time) Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site	94.03 minutes	117 minutes	162 minutes	≤60 minutes	Not met	End of year results are unfavourable due to the increasing work volume and ongoing resource constraints. Wellington Water continues to manage this by prioritising resources accordingly which has impacted response times.
Median response time for wastewater overflows* (resolution time) (b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	8.88 hours	21 hours	20.5 hours	≤6 hours	Not met	End of year results are unfavourable due to the increasing work volume and ongoing resource constraints. Wellington Water continues to manage this by prioritizing resources accordingly which has impacted response times.
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	0.65	0.56	0.39	≤0.8	Within 10%	
2.5 Waiawhā Stormwater						
Continuity of service and resolution of faults						
Number of flooding events*	0	2	4	≤2	Not met	The Wellington region experienced a series of heavy rainfall events in July and December 2021, as well as February and June 2022. Across four flooding events, these events flooded a total of 79 residential properties. Wellington Water continues to work closely with affected customers to close out this work.

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
Number of stormwater pipeline blockages per km of pipeline	0.06	0.11	0.03	≤0.5	Within 10%	
Number of habitable floors per 1000 connected homes per flooding event* For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.) * The regional consistency for habitable floors affected in a flooding event is 10 per event, however as the DIA measure is per 1000 properties connected, we have calculated this based on connections in 20/21.	0	0.03	1	<0.13	Not met	The Wellington region experienced a series of heavy rainfall events in early December 2021, disturbing various parts of the network. In Wellington City, a total of nine residential properties were confirmed to have flooded on two occasions.
Median response time to attend a flooding event* The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	0 minutes	1620 minutes	3732 minutes	≤60 minutes	Not met	During these events, a high number of calls were received during peak times as well as after hours, with over 600 calls recorded during the July event. A Post Event Recovery Team (PERT) was activated to work through many customer requests after each event.
Compliance with the resource consents for discharge from the stormwater system, measured by the number of: a) abatement notices, b) infringement notices, c) enforcement orders and d) convictions*	Nil	1 abatement	Nil	Nil	Within 10%	
Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	86.2%	94%	100%	90%	Within 10%	
Monitored sites (%) that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	72%	86%	79%	90%	Not met	The Human Health Mitigation project is underway and targeting environmental health improvements at catchments across Wellington City Council. Ōwhiro Bay has seen some improvement.
Meeting customer expectations						
Number of complaints about stormwater system performance per 1000 connections*	11.42	11.07	8.9	≤20 per 1000	Within 10%	

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.						
<p>1. Qualified measure: The number of customer complaints for each of the three-water services were unable to be accurately reported. A complete record of all complaints was not available. Some complaints were made directly to WWL. WWL's auditor performed a reconciliation of the number of complaints received by WWL (via the Council's system and via emails directly to WWL) and complaints received by the Council. WWL's auditor found variances between the number of complaints received by WWL and the Council. WWL's complaint numbers were higher. Completeness of WWL's emails on complaints may have also been an issue. Consequently, WWL's auditor were unable to gain sufficient comfort over the completeness of complaints for the year. This measure was also qualified last year.</p> <p>Proposed remedial action: The Council manages its customer complaints system (both in business hours and after hours). WWL will ask the complainant to complain directly to the Council so the complaint is recorded in the Council's system. This ensures there is one source of truth. Since 2019/20, the Council and WWL have participated in a DIA-led review to update the reporting rules for all DIA mandate measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. As a result, some measures will in the future be able to be reported as a range rather than absolute values. WWL and the Council await the release of the new guidance notes by DIA.</p>						
Residents (%) satisfied with the stormwater system	43%	36%	39%	75%	Not met	Residents continue to indicate significant dissatisfaction with stormwater services. This is likely to continue until infrastructure renewals and 3Waters legislative changes are embedded. For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
<p>* Denotes Department of Internal Affairs mandatory measure For more information on performance results, refer to published Annual Reports via https://www.wellingtonwater.co.nz/resources/documents/document-library/</p>						
2.6 Ngā painga kukume papa atawha Conservation attractions						
Wellington Zoo						
Achievement of measures within Wellington Zoo's Statement of Intent		New in 2021/22	Not achieved	Not achieved	Not met	Audited result: 2 out of 7 KPIs were achieved. Covid lockdowns and restrictions severely impacted visitor numbers as well as student and education visits. Funding streams were impacted also. For more information on performance results, refer to published Annual Reports via https://wellingtonzoo.com/about-us/about-our-zoo/
Zealandia – Te Māra a Tāne						
Achievement of measures within Karori Sanctuary Trust's (Zealandia - Te Māra a Tāne) Statement of Intent		New in 2021/22	Achieved	Achieved	Within 10%	Unaudited result: 7 out of 9 KPIs achieved. Encouragingly visitor numbers were up 34% on target at 94,000 vs target of 70,000. For more information on performance results, refer to published Annual Reports via https://www.visitzealandia.com/About/Reports-and-Awards

Spotlight on – Supporting our environment through minimising waste

The continuation of global and country specific population growth and the demand for products and services will place increasing pressure on rawa taiao – environmental resources and the climate. To limit this, countries will require the implementation of policies that support climate change initiatives, improve whakahaere rauemi – resource management, and ensure sustainable materials management building on the principles of the pūnaha whakarōpū para – the waste hierarchy of reduce, reuse and recycle.

While countries around the globe, including us, will continue to make improvements in resource productivity, these changes will likely not be sufficient to offset the global increase in material use and resultant carbon emissions. To support a bigger step change, further efforts will be needed to increase resource efficiency, including:

- supporting a circular economy, which is an alternative to the traditional linear economy. In it we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life
- support and make improvements in the sustainable management of materials

What has been done this year?

Accelerating Zero Waste is a Council priority in our 2021-31 Long-term Plan. This year, we have developed the Zero Waste Programme including further development of the landfill extension project, initiation and drafting of the next Regional Waste Management and Minimisation Plan - Wellington Waste Action Plan.

We have also brought the Sludge Minimisation Facility (SMF) project in house – this project seeks to build a facility at Moa Point that will process the city's sludge into a grade A biosolid. This means we will stop piping our sludge to the landfill and needing enough waste to mix four parts of waste to every one part of sludge to meet our strict resource consent conditions. The SMF will be operational by June 2026 at which point we intend to deploy more waste minimisation initiatives.

Next steps

We are writing a Zero Waste Strategy and embarking on a Zero Waste Programme to deliver on this priority. We've already signalled intentions and have begun community conversations and actions through other strategies: Te Atakura – First to Zero, Tūpiki Ora, Economic Wellbeing and Resilience. The Council declared an Ecological and climate emergency in 2019, and this is a key strategic driver for accelerating zero waste.

The SMF project is currently in design and we are looking to start construction in 2023.

Acknowledging that as a Council we need to manage our waste and find solutions for our city, we are continuing to focus on minimising the use of resources and maximising whakamahi anō – reuse and recovery.

3 Whanaketanga ōhanga – Economic development

This chapter explains what we did and how we performed in our Whanaketanga ōhanga – Economic development portfolio of activities.

Overview of the year

Our services in this section include city promotions and business support. Most of our performance measures under Economic development are related to the work that the Council-controlled organisation Wellington Regional Economic Development Agency (WellingtonNZ) delivers on behalf of the city. This strategy area is also key to delivering several of the metrics for other performance indicators – for example economic growth, tourism, and international students.

This year, we have continued the construction of Tākina, the Wellington Convention and Exhibition Centre, and completed the work to strengthen the St James Theatre.

Continuing impact of COVID-19

The following section outlines the impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the brief periods of COVID-19 restrictions this year:

Due to closed borders and government restrictions, Wellington's Council-controlled organisations (CCOs) saw a decline in audience, visitors, and/or passenger numbers, which led to several CCOs experiencing an end of year deficit.

Wellington's tourism, hospitality and retail sectors were also impacted, with reduced tourism and more people working from home leading to reduced footfall and spend. To help CCOs meet financial deficits, the Council provided additional grant funding.

Footfall reliant businesses, particularly in the city centre, were supported with a \$2.3m Pandemic Response Package.

To support businesses impacted by the Parliamentary Protests a \$1.2m fund was set up by the Council, with support from Central Government.

Other challenges included the materials shortage, which had an impact on several Build Wellington projects, including both those in the planning and delivery stages. This was further exacerbated by the labour shortages due to sickness and COVID-19 isolation requirements.

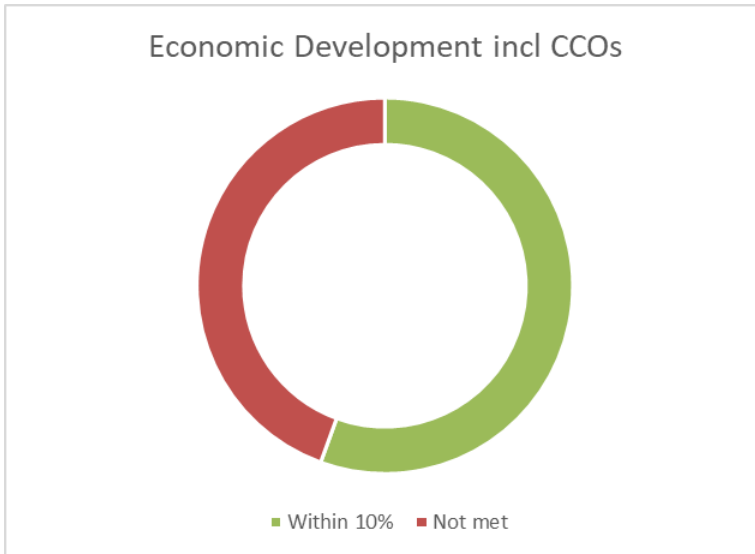
Throughout 2021/22, Build Wellington sourced feedback from the development and business communities about the new normal, and passed this on to the Council to bring their voices and experiences into decision making. We also led and collaborated on several projects to provide support to the business community through a tough year, including the Business Improvement Districts and the Creative Hoarding programme.

The Council and our partners continued to deliver our events programme where COVID-19 alert levels/traffic light settings permitted, including Matariki fireworks and an adapted Very Welly Christmas.

Performance Summary

This strategy area is responsible for delivering about nine percent of Council's performance measures

Key performance indicator results



Wellington Region Economic Development Agency, trading as WellingtonNZ, and Wellington Regional Stadium Trust both support economic development and are responsible for delivering against seven of these KPIs.

WellingtonNZ achieved five of their eight KPIs, with three KPIs impacted by COVID-19 with fewer events, along with capacity limits on events between August 2021 to April 2022. In addition, closed borders meant no international visitors.

Highlights	Challenges
<p>\$4.6m</p> <p>Wellington Regional Stadium Trust exceeded its event revenue and total revenue for the year. Both were well above the target revised due to COVID-19, but below 2018/19 levels.</p>	<p>156,561</p> <p>Wellington regional residents that attend events was not met this year (target of 500,000), because of the COVID-19 impacts on the events calendar and on regional travel.</p>

For the full set of outcome and key performance indicators and variance explanations, please see page 76-77.

Financial summary

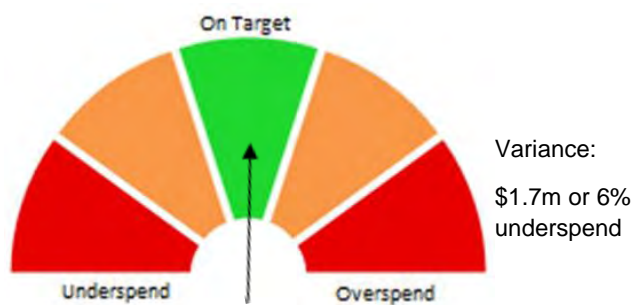
The overall variance was minimal. However, operating expenditure and revenue were significantly under budget, with revenue under by 23 percent and expenditure by 47 percent, largely due to the continued impact of COVID-19 on our venues.

Capital expenditure for this activity continued to track behind schedule with a 79 percent underspend, which was largely due to delays with the St James Theatre project.

This delay was due to lost time on site owing to COVID-19 and increased difficulty procuring materials from overseas suppliers.

For more details on the Economic Development budget and variance explanations, see page 75.

Net operating expenditure



Capital expenditure



Whanaketanga ōhanga – Economic development activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for this group of activities.

What we do:

3.1 Whakatairanga tāone – City promotions and business support

In this area we support Wellington’s economic growth by encouraging high-quality events and promoting tourism, attracting and supporting business activity, and delivering major economic development initiatives. Economic growth means Wellingtonians can continue to enjoy a high quality of life.

Some of the activities in this area are managed or supported by WellingtonNZ. This organisation is profiled on page 129 in the Council-controlled organisations section, including details of its board and governance structure.

Key projects or programmes

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2021-31 Long-term Plan (Year 1) as being areas of focus.

Tākina Wellington Convention & Exhibition Centre progress

Construction of Tākina has progressed well despite COVID-19 disruptions to global supply chains, with the schedule and budget on track for completion in mid-2023. Highlights include completion of building exterior, including roof and facade. Partnerships have been signed off with Te Papa Tongarewa and NZ Game Developers Association. The first event was announced as the Festival for the Future in June 2023.

For more detailed information on the centre, read our feature on page 78.

St James Theatre

The work to strengthen the St James Theatre to a minimum 67 percent of the New Building Standard started in April 2019 and was completed in June 2022. Other improvements to the building were made at the same time, including upgrades to staging, lighting, sound and rigging systems, as well as the fire protection, mechanical and electrical systems.

The St James Theatre opened with its first show on 23 June 2022, with Teeks performing with the New Zealand Symphony Orchestra. The Theatre is home to the Royal New Zealand Ballet who will return to the building later in the year following upgrade works to its tenancy space and dance studios.

Economic Wellbeing Strategy

A new Economic Wellbeing Strategy was developed and adopted by the Council in June 2022. This articulates a direction for a dynamic city with a resilient and innovative and low waste, low carbon circular economy that provides opportunities for all and protects and regenerates our environment.

The economic wellbeing strategy identifies the importance of transitioning out of the pandemic while also seeking to transition our economy over time to a circular economy, with sustainable businesses and career pathways. It acknowledges the need to create a dynamic central city while supporting the suburban centres to also thrive.

This is a 10-year strategy. Delivery of the action plan will begin in the 2022/23 year.

Pandemic Response Plan

The past three years have been challenging for the city, its businesses and Wellingtonians. While the city has broadly dealt well with the impacts of COVID-19, it is important to quickly adapt to enable businesses and residents to thrive.

We delivered a Pandemic Response Plan in 2020 and in 2022 to support hospitality, retail and other business sectors facing financial hardship because of COVID-19 and the Parliament protest in early 2022. Key actions included:

- rent relief for commercial businesses located in Council-owned buildings;
- free outdoor dining permits, the development of “parklets” guidelines, and a fast-tracked process to enable hospitality and retail businesses to extend out onto, and revitalise, streets;
- refunding all pavement licence fees for the current year to support businesses.
- deferral of rates payments without penalty for six months for those facing hardship
- no charge for reissuing of a special license for an event if an event is cancelled due to the pandemic; and
- \$1 per hour weekend parking and extension on parking hours to encourage people to travel to the CBD and support the hospitality and retail industries with more people visiting the city.
- \$1.2m fund for the businesses impacted by the Parliamentary protest.

Other Economic development highlights

Destination Pōneke

We worked with WellingtonNZ to develop Destination Pōneke, a new destination management plan that provides a roadmap for how Wellington develops as a visitor destination. Destination Pōneke aims to enhance aspects of our city, so Wellington continues to be a great place to live, work, study and visit – and is ready for future change.

Created by canvassing the aspirations of local businesses, mana whenua, the Wellington community, potential visitors and government, the plan takes a wellbeing approach to support jobs and add value socially, culturally, and environmentally.

Our ambition is to transform Wellington in a zero-carbon destination, famous for experiences that ignite curiosity and make you think. We also want to leverage our competitive advantage as a destination, being the capital of Aotearoa; a place where change happens and decisions are made. There needs to be better access to, and awareness of, the nation's stories that are housed in Wellington. Every New Zealander has the right to connect with those stories, and every international visitor should engage in our history, culture and ideas as much as they do with our landscapes.

The plan is now being actioned, facilitated by WellingtonNZ.

Creative HQ

A wholly owned subsidiary of WellingtonNZ have three focus areas – Growing startups for Wellington, making Wellington Famous for Government Innovation, and building capability in individuals and organisations through our School of Innovation. Key highlights from the year include:

- Working with over 6,000 leaders and changemakers across 75 individual projects
- \$13.1m investment raised by startups that went through Creative HQ accelerator programmes
- 49 founders supported through 3 startup programmes (2 Climate Response Accelerators, 1 Incubator)
- 27 events were held, including the Mindset of Design Festival, GovTech Demo Day at the Beehive and the Government Innovation Exchange.

Economic development finances

How it was funded

Most of the Economic development activities are paid for by commercial ratepayers, as this covers the cost of tourism promotion, economic grants, and other activities that directly benefit the sector.

Detailed information on funding on page 145 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2020/21 Actual	2021/22 Budget	2021/22 Actual	Revised budget	Variance to revised budget	Variance commentary
3.1 Economic Development						
Expenditure	31,250	35,315	34,485	38,015	(3,530)	Lower level of COVID relief payments and reduced activity in Venues due to omicron outbreak.
Revenue	(8,063)	(8,326)	(6,718)	(8,526)	1,808	Lower level of activity in Venues due to omicron outbreak, significantly better than forecast due to relaxation of settings after the Q3 forecast was prepared.
Net Expenditure	23,187	26,989	27,767	29,489	(1,722)	

What it cost (capital expenditure \$000)

	2020/21 Actual	2021 /22 Budget	2021 /22 Actual	Revised budget	Variance to revised budget	Variance commentary
3.1 City promotions and business support	3,388	3,832	2,324	13,163	(10,839)	Under budget on the St James project. Note that the budget for St James is over two strategies, the other being 6.2 where the project budget is overspent by \$9.1m. Overall the St James project is \$0.5m over the current year. Other Venues renewal budgets are also underspent.
Total	3,388	3,832	2,324	13,163	(10,839)	

Economic development performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the 10-year and Annual plans. The following tables include KPI results and explanations where targets have been exceeded or not met. Commentary is also provided for those key performance indicators which report a narrative rather than a numbers focused result.

Key for results: Exceeded - >10% over target; Within 10% +/-10% of target; Not met - >10% below target

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
3. Whanaketanga ōhanga Economic development						
3.1 Whakatairanga tāone tautoko ā pākihi City promotions and business support						
WREDA – Wellington NZ						
WellingtonNZ is delivering direct value/ROI on our shareholders investment – direct economic impact of Wellington NZ’s activities and interventions (\$m)	New measure	\$214m	\$105m	\$150m	Not met	Unaudited result: The volume of events was limited due to COVID-19, as were capacity limits on events between August 2021 to April 2022. Closed borders meant no international visitors. All of which impacted the value of expenditure from events and ultimately financial impact from activities
WellingtonNZ is shaping and amplifying the regional destination/brand story						
Equivalent Advertising Value (EAV) from media activity (\$m)	New measure	\$50.6m	\$28m	\$25m	Within 10%	Unaudited result
Value of expenditure generated from events (including business, performance and major events (\$m)	New measure	\$52m	\$47m	\$75m	Not met	Unaudited result: The volume of expenditure from events was significantly impacted by COVID-19 restrictions including capacity limits from August 2021 to April 2022
The number of Wellington region residents that attend events	New measure	442,595	156,561	500,000	Not met	Unaudited result: The attendee numbers at events was significantly impacted by COVID-19 restrictions including capacity limits from August 2021 to April 2022.
WellingtonNZ is supporting businesses to upskill and grow						
Number of different business engagements in WellingtonNZ programmes	New measure	3,863	2,926	2,000	Within 10%	Unaudited result
Financial health						
% of Revenue from commercial/non council funding and commercial activity (combined WellingtonNZ and CreativeHQ)		New in 2021/22	32%	30%	Within 10%	Unaudited result
Budget on track – income, expenditure and surplus		New in 2021/22	To budget	To budget	Within 10%	Unaudited result

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
Stakeholder relations health						
Stakeholder satisfaction		New in 2021/22	96%	>80%	Within 10%	Unaudited result For more information on performance results, refer to published Annual Reports via https://resources.wellingtonnz.com/pages/assets?tags=Document,Report
Wellington Sky Stadium						
Achievement of measures within Wellington Regional Stadium Trust Statement of Intent		New in 2021/22	Not achieved	Achieved	Not met	Unaudited result: COVID-19 impacted the operations of the Stadium with only 15 event days (3 of which had crowd restrictions in place) able to proceed in contrast to 45-50 days in a typical year. For more information on performance results, refer to published Annual Reports via https://www.skystadium.co.nz/contact-us/about-us/stadium-trust

Spotlight on – Supporting our economic growth through Tākina, our new meeting place

It's a place of welcoming, learning, and sharing.

Tākina, The Wellington Convention and Exhibition Centre (WCEC) will be Wellington's meeting place – a modern fit-for-purpose, sustainable 5-Green Star building fitting for our capital city. It will be the capital's premium conference and exhibition space with two levels dedicated to hosting conferences, meetings, trade exhibitions and business events (for up to 1,600 attendees).

The Exhibition Gallery, located on the ground floor of Tākina, has been specifically designed to enable Wellington to secure and host leading international touring exhibitions and to support the development and showcasing of home-grown exhibitions.

What has happened this year?

Tākina, meaning to encounter and invoke, is on track to open on time in June 2023, with the Festival for the Future being the first conference event.

The architectural character of the building is revealing itself and promises to be transformational in the regeneration of this important area of the city. The building exterior is now complete with the unique bronze facade featuring about 1300 glass panels installed across the building's curved profile that are constantly changing. These panels limit the heat entering the building from the sun, reducing the peak cooling requirements and associated energy while providing crystal clear outlooks.

Tākina will be managed on behalf of Council by Te Papa Tongarewa in an exciting new partnership that will see the Te Papa venues and Tākina being marketed and operated jointly through the "Tākina Events" brand and identity, which was launched on 1 April 2022.

During this year it was announced that New Zealand will be hosting the 22nd International Sedimentological Congress (ISC) in 2026 at Tākina, which is expected to attract up to 1,000 participants and deliver an estimated \$3.4m to the economy. ISC is one of the largest international conferences dedicated to the study of sedimentary rocks and the processes by which they are formed. The ISC is rarely held in the Southern Hemisphere but in 2026 it will be hosted by Geoscience Society of New Zealand's Sedimentology Special Interest Group (SSIG) at Tākina.

This is the first major international event secured for Tākina. Currently, conference bookings continue to flow and demonstrate strong interest in Tākina. With a year to go before opening, more than 70 bookings have already been made with 50 of these being for the first 12 months.

Tākina is the largest built economic infrastructure investment by the City since Sky Stadium and will deliver significant economic benefits to Wellington. Tākina will showcase the breadth and depth of expertise and thought leadership the Capital has to offer and strengthen the cultural precinct around Te Papa, complementing of this NZ's top-ranking tourism attractions.

4 Oranga ahurea – Cultural wellbeing

This chapter explains what we did and how we performed in our Cultural wellbeing portfolio of activities. This includes arts and cultural activities.

Overview of the Year

Our services in this section are centred on people and places – delivering events and activities, city events and festivals, attractions, and galleries and museums.

The Council managed to organise or support several planned events and festivals, although some of the annual events had to be adjusted or postponed to meet with the COVID-19 Orange traffic light setting.

We had to postpone the summer Gardens Magic in January 2022 and replaced it with the Gardens Trail event – a self-guided daytime tour – featuring an enchanted Gardens Gallery of art and sonic installations. CubaDupa had to be postponed in March 2022 (after returning in 2021) as the country was at Red on the traffic light setting.

However, the Matariki festival in June 2022 was able to be held. It was a significant event because it marked the first national public holiday for Matariki. Several performances, arts and sculptures were displayed around Wellington, with a fireworks display on the evening of 24 June.

Continuing impact of COVID-19

COVID-19 and the Traffic Light settings impacted events and our service delivery.

Many projects and programme deliveries were delayed due to staff shortages.

The World of Wearable Art show was cancelled for a second year in a row after the country went into lockdown in August 2021 due to the Delta outbreak placing restrictions on gathering sizes. Some other major events (CubaDupa and Gardens Magic) had to be postponed and/or modified to meet the Government's restriction guidelines. This includes shifting some of the events to online platforms.

We were supportive and flexible to arts and event organisers who had been supported through grant funding, in relation to cancellations and the impact of Covid 19. For many this flexibility led to works to be presented digitally and online.

Please refer to our Calendar of Community Events on page 10, which displays the details of the events that took place in person or online, and cancelled or postponed.

Performance Summary

This strategy area is responsible for delivering about three percent of Council's performance measures.

Key performance indicator (KPI) results



Wellington Museums Trust, trading under Experience Wellington, is one of our Council-controlled organisations that support cultural wellbeing. While the number of physical visits were impacted by COVID-19, virtual visits exceeded targets for KPIs.

Highlights	Challenges
<p>More than 81% of attendees at Council-delivered arts and cultural festivals and visitors to Pōneke were satisfied with their experience</p>	<p>297,511 Total physical visits to Museum Trust sites were down due to COVID-19 impacts however virtual visitation targets were exceeded with 404,024 unique visits to Experience Wellington institutional web or mobile sites.</p>

For the full set of outcome and key performance indicators and variance explanations, please see page 84.

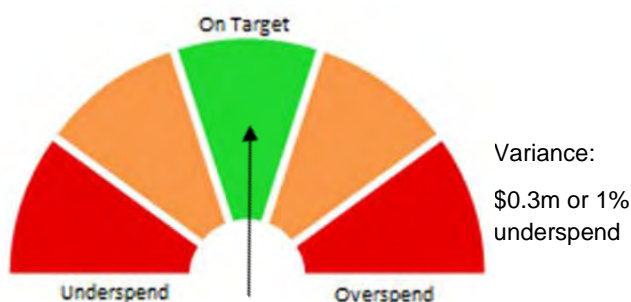
Financial summary

Overall operating expenditure was slightly over budget due to the under writing of Space Place.

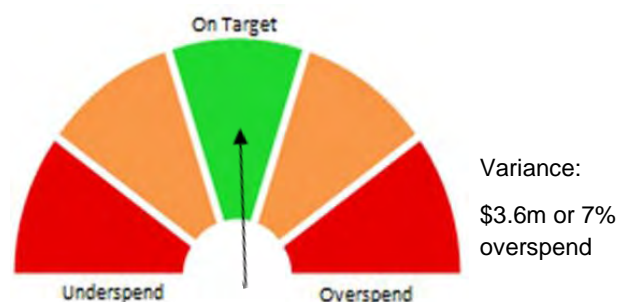
Capital expenditure for this activity was under budget due to delays with the Bond Store upgrade with the plans for the Bond Store yet to be finalised.

For more details on the Cultural Wellbeing budget and variance explanations, see page 83.

Net operating expenditure



Capital expenditure



Oranga ahurea – Cultural wellbeing activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

4.1 Ngohe toi, ahurea hoki - Arts and cultural activities

In this area we provide opportunities to develop the city's cultural scene to build engaged and curious communities, as well as support for galleries and museums, community arts and cultural events, and arts partnerships. We develop and deliver a range of city events, and support community events.

Some of the activities in this area are managed by a Council-controlled organisation - the Wellington Museums Trust which, trades as Experience Wellington. This organisation is profiled on page 130, including details of its board and governance structure.

Key projects

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2021-31 Long-term Plan (Year 1) as being areas of focus.

Living Wage

Alongside our status as a Living Wage accredited employer, we launched a \$300,000 pa grants fund available for the first three years of the Long-term Plan for non-Council events in Wellington City.

The fund provides support to pay artists, producers and performers at living wage rates, 18 events and organisations were supported through this fund.

We were also able to provide ongoing support for festivals including the Newtown Festival, NZ Fringe Festival, Performance Arcade and Verb who all provide important platforms and opportunities for our creative sectors (see also Activity 3.1 – City Promotions and Business Support).

See additional information on living wage events in Activity 4.1 – Arts and Cultural Activities.

Fund cultural and art projects and performances

We committed ongoing support for 20 organisations for the next three years. As our key partners these organisations deliver a range of activity in the theatre, visual and performing arts. This includes support national and regional arts organisations such as the Royal New Zealand Ballet, Footnote New Zealand Dance, the New Zealand Symphony Orchestra and Orchestra Wellington.

Through our grant funding programmes we supported a wide range of arts projects, programmes and events with grants and subsidies for access to venues. Our Arts and Culture Fund alongside the implementation of Aho Tini 2030 pivoted to provide funding support to the independent arts sector as our professional performing arts area. Through our partnership with Creative New Zealand our panel of local arts and community practitioners allocate Creative Communities grants which were topped up with additional funding through the government COVID-19 recovery fund.

Aho Tini

Adopted in 2021, Aho Tini is our Arts, Culture and Creativity Strategy. The strategy was developed in collaboration with the Wellington creative sector and provides direction for Council and CCOs in supporting cultural wellbeing. It will guide the shape of all our arts, culture and creative activities over the next ten years. See the spotlight on Aho Tini on page 86.

Strengthening Council buildings

Council has continued the earthquake strengthening of our facilities to support the civic and cultural activities of the city as well as revitalise the buildings of Te Ngākau Civic Square. The strengthened St James Theatre was reopened in June 2022. Planning is underway for the relocation the Royal New Zealand Ballet back to their historic home within the St James Theatre along with deconstruction of Ballet occupied temporary building on the grounds of the Michael Fowler Centre. The Town Hall strengthening has continued amid significant construction market issues with supply chains, worker shortage, and COVID-19 waves. Council is working with Tāwhiri NZ (NZ Festival), to plan and refit an area of the Te Whaea building complex to create a purpose build small performance venue for the city.

The budget for St James and Town Hall upgrades are included in activity 6.2 Building and Development control. Both are included here given the buildings collective contribution to Arts and Culture.

Wellington Museum

We are reviewing the planned \$20m project to earthquake strengthen the building that houses the Wellington Museum. Further engineering investigations and knowledge gained from other projects like the St James Theatre is being applied to this project. The original scope would enable a life safety outcome but not necessarily an ongoing building resiliency. The review will allow Council to make an informed decision on a strengthening level to better ensure that this category one heritage building continues to have a landmark status on the city's world-renowned waterfront.

Other Cultural wellbeing highlights

- **Food waste reduction events** – This year, our Council supported a number of exciting projects and events designed to reduce food waste, promote sustainability, encourage local food access and connect our communities. Council funded food groups hosted events and workshops around Pōneke, where the community had the opportunity to learn food skills like composting, seed swaps, and growing edible mushrooms.
- **World of Wearable Art (WOW)** - After being rescheduled due to COVID-19 related lockdowns, the 2021 World of Wearable Art event was cancelled as on-going uncertainty made risks too high to proceed. WOW is significant in Wellington's cultural event calendar bringing an estimated \$27.9million to the region's economy. In March 2022 Council agreed to provide an additional \$3.62m to provide support and continuity for WOW in Wellington.
- **Inaugural Matariki** - Matariki was officially celebrated as a new public holiday on 24 June 2022 and our city joined in the celebrations with a rich range of Matariki ki Pōneke activities. Activities included the harbour fireworks display, Ahi Kā, the Courtney Place light boxes by artist Tanya Te Miringa Te Roraranga Ruka and the Waituhi flags by Tane Morris. Matariki ki Pōneke will be shaped going forward with mana whenua to ensure we mark the Māori new year in the right way.

Cultural wellbeing finances

How it was funded

Services in this activity area are funded through a mixture of general and targeted rates and external grants and subsidies from non-Council sources.

Detailed information on funding on page 146 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2020/21 Actual	2021/22 Budget	2021/22 Actual	Revised budget	Variance to revised budget	Variance commentary
4.1 Arts and cultural activities						
Expenditure	22,028	24,587	24,085	24,629	(544)	Favourable due to \$0.3m underspend in the City arts and events Programmes due to COVID restrictions, in addition to underspends at the Wellington Museums Trust and the Carter Observatory of \$0.1m and \$0.1m respectively.
Revenue	(532)	(967)	(705)	(967)	262	Unfavourable due to difficulties delivering the arts & events programmes leading to reduced revenue of \$0.2m, combined with reduced lease revenue from Toi Poneke arts centre of \$0.1m.
Net Expenditure	21,496	23,620	23,380	23,662	(282)	

What it cost (capital expenditure \$000)

	2020/21 Actual	2021 /22 Budget	2021 /22 Actual	Revised budget	Variance to revised budget	Variance commentary
4.1 Arts and cultural activities expenditure	55,958	50,515	54,622	51,017	3,605	\$4.1m overspend at Tākina, offset by underspends across City arts and events spaces of \$0.5m. The Tākina project remains on track to complete within budget.
Total	55,958	50,515	54,622	51,017	3,605	

Cultural wellbeing performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the 10-year and Annual plans. The following tables include KPI results and explanations where targets have been exceeded or not met. Commentary is also provided for those key performance indicators which report a narrative rather than a numbers focused result.

Key for results: Exceeded - >10% over target; Within 10% +/-10% of target; Not met - >10% below target

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
4. Oranga ahurea Cultural wellbeing						
4.1 Ngohe toi, ahurea hoki Arts and cultural activities						
High quality experience						
Attendees (%) satisfied with Council-delivered arts and cultural festivals	86%	86%	81%	90%	Within 10%	For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
Wellington Museums Trust						
Achievement of measures within Wellington Museums Trust Statement of Intent		New measure 2021/22	Achieved	Achieved	Within 10%	Unaudited result: 6 out of 9 KPIs were achieved. <ul style="list-style-type: none"> • Virtual visitation - exceeded; • Social media - met; • Quality of visit - met; • Physical visitation - not met (COVID impact); • Children and young people - not met (COVID impact); • Financial performance (revenue trading) - exceeded; • Financial performance (Fundraising) - exceeded; • Spend per visitor - exceeded; • Subsidy per visit - not met (COVID impact) For more information on performance results, refer to published Annual Reports via https://experiencewellington.org.nz/corporate-information/
Experience Wellington						
Percentage of visitors who rate the quality of their experience (good or very good)	89.5%	89%	92%	90%	Within 10%	

Spotlight on: Supporting cultural wellbeing through Aho Tini 2030

Over 80 percent of Wellingtonians attend or participate in arts and cultural activities in our city, and the leading reason is that it enhances individual and community wellbeing.

Aho Tini 2030 is our Arts, Culture and Creativity Strategy, developed in collaboration with the Wellington creative sector. It's one of a number of plans and strategies which will help us to deliver our 2040 vision for Wellington – an inclusive, sustainable, and creative capital for people to live, work, and play.

Aho Tini 2030 was adopted in August 2021, and provides direction for the Council and Council-controlled organisations (CCOs) in supporting cultural wellbeing. It will guide the shape of all our arts, cultural and creative activities over the next ten years.

This includes working together with many artists, creative industries, local organisations, national institutions and training organisations, cultural groups, friends, and whānau that all play a part in bringing our strategy to life.

Mana whenua gifted the name Aho Tini to encompass this work. Aho Tini means the many threads that bind us to ahurea/culture and te ngao/energy. Aho Tini draws together the many strands of Wellington's creative and cultural genius, and weaves them into something that is stronger, more powerful, and more sustaining than they are in isolation.

The creative sector has contributed willingly and generously to shaping and sharpening Aho Tini 2030 in 2021. In addition to the strategy being adopted, we have developed the Aho Tini 2030 Action Plan which shows the actions that will be taken to deliver this strategy for years 1-3.

Within the strategy are four focus areas, which are integral to the mahi of our new Creative Capital management team:

- Aho Tangata | Our people, connected, engaged, inclusive, accessible communities - we are focusing on broadening opportunities for diverse communities in the arts.
- Aho Hononga | Partnership with mana whenua and Māori – we will promote the profile of our mana whenua artists and te reo Māori.
- Aho Whenua | Our places, spaces, and venues – our city is alive! We are focused on finding more sites in the CBD and wider suburbs for our artists and creatives.
- Aho Mahi | Pathways, successful arts and creative sector and careers – we are working on strengthening the career pathways of the creative sector.

Building on this, 2022/23 will see continued collaboration with the sector and mana whenua and a focus on accessibility for the sector to spaces, places, and venues across the city and suburbs.

Everything is changing – venue strengthening and infrastructure upgrades, Wellington's increasingly diverse communities, new technology, and experiences of COVID-19. All these will continue to affect the central city, and the arts, culture, and creativity will play an important part in our future city. We will have the opportunity to embrace new trends while we continue to treasure and nurture what we value.

Collaboration, connection, inclusion, and accessibility are integral to Aho Tini 2030. The Creative Capital Management team continues to work closely with the creative sector, and with Council teams, to bring the arts to the table early, to draw together the many strands of Wellington's creative and cultural genius; to make for a more inclusive and sustainable creative capital.

5 Kaupapa pāpori me ngā mahi a rēhia – Social and recreation

This chapter explains what we did and how we performed in our Kaupapa pāpori me ngā mahi a rēhia – Social and recreation portfolio of activities.

Overview of the year

Our services in this area include everything from libraries and sportsfields to social housing, community centres, and our regulatory public health functions such as alcohol and food licensing, and dog registrations.

We progressed several key projects during the year, including progressing plans for the Central Library strengthening and building a new sports and community hub in Johnsonville.

Continuing impact of COVID-19

As we continue to live with COVID-19 in the community, it continues to impact and affect our social and recreation services.

In the last 12 months, we have seen some of the services either reduced or temporary closed due to staff shortage cause by sickness, particularly for swimming pools, recreation centres, libraries, cemeteries, and community centres. We have also seen supply chain delays and contractors' availability impact on some of our key projects.

We have focused on moving some of our services online, including the booking system for the recreation and community centres, membership purchases for the swimming pools and gym, to allow funeral directors to book services directly online.

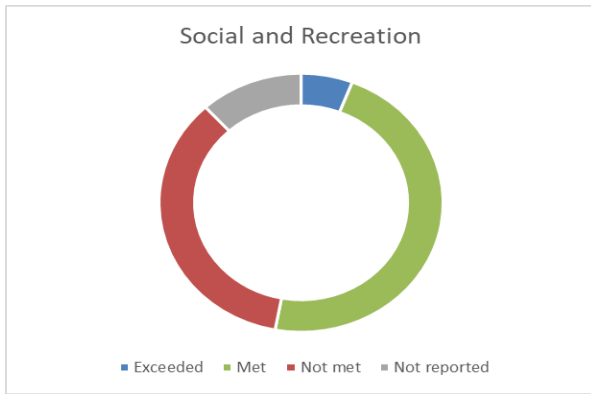
During the Red traffic light setting, we had to shut all community rooms which meant 40 plus activities across our housing complexes had to stop. A lot of the tenants with mental health challenges and/or experiencing isolation and loneliness, found it difficult to cope with these spaces being closed. We kept in regular contact with these tenants through this time. We have worked closely with Tu Ora and Regional Public Health for our COVID-19 response and have a large supply of Rapid Antigen Test kits for our tenants if they need them.

The hospitality industry has been severely affected by the restrictions placed on it during the pandemic. We introduced a package that includes \$1 licensing fees for food and alcohol licensing and free outdoor dining. In addition, we fast tracked all outdoor dining applications and were involved in the introduction of our Parklets initiative which re-purposes parking spaces across the city into outdoor dining areas.

Performance Summary

This strategy area is responsible for delivering about 18 percent of Council's performance measures.

Key performance indicator (KPI) results



Satisfaction with services provided and utilisation are common performance indicators for the facilities and services in this area. All were impacted by COVID-19 restrictions as discussed above. Inspection services for food registrations and alcohol licenses were temporarily suspended to reduce stress on already stressed businesses. These services are now resumed with strategies in place to ensure public safety.

Highlights	Challenges
<p style="text-align: center;">Satisfaction is up</p> <p>Satisfaction with library services and sportsfields were up, as were toilet cleanliness performance standards, graffiti removal timeframes (exceeded) and dog control response timeframes.</p>	<p style="text-align: center;">0 out of 2</p> <p>measures for cost to ratepayer – subsidy to swim and cost per library transaction were met due to reduced visitation because of COVID-19.</p>

For the full set of outcome and key performance indicators and variance explanations, please see page 93-95.

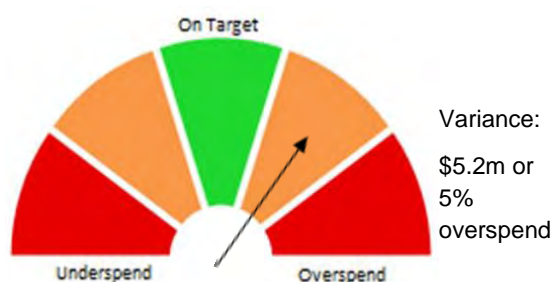
Financial summary

Lower facilities maintenance and depreciation costs have resulted in a favourable variance of three percent for budgeted expenditure. Revenues are also ahead of budget by \$3.5m, noting that budgets were reduced to recognise the likely impact of -19. As a result, this activity had a net variance of nine percent under budget.

The capital expenditure programme experienced delays in the completion of some significant projects. This includes Basin Reserve upgrades, which is delayed due to the availability of contracted services, and the City Housing programme, which is on hold while the financial sustainability is addressed. These resulted in a 58 percent under spend.

For more details on the Social and recreation budget and variance explanations, see page 91-92.

Net operating expenditure



Capital expenditure



Kaupapa pāpori me ngā mahi a rēhia – Social and recreation activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the three key groups of activities.

What we do:

5.1 Whakatairanga mahi ā rēhia – Recreation promotion and support

In this area we encourage active and healthy lifestyles and enable participation in play, active recreation and sporting activities. We support this by providing swimming pools, recreation centres, sportsfields, playgrounds and marinas, and delivering recreation programmes and events in our facilities and in the community.

Some services for this activity are delivered by the Basin Reserve Trust and the Wellington Regional Stadium Trust. These organisations are profiled on page 129 in the Council-controlled organisations chapter, including details of their boards and governance structures.

5.2 Tautoko hāpori – Community support

In this area we aim to develop highly liveable, safe and inclusive communities by providing community support initiatives, access to housing for those in need, and operate community facilities such as community centres and libraries to support overall quality of life.

5.3 Hauora/haumaru tūmatanui – Public health and safety

In this area we seek to address the city's public health and safety needs. This activity covers our public health regulatory functions, such as dog and animal control, and food premises and alcohol licensing. The activity also covers the city's public conveniences, and our funding support for agencies in the city that work towards improving the health, safety and wellbeing of our communities.

Key projects

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2021/22 Long-term Plan (Year 1) as being areas of focus.

Te Matapihi ki te Ao Nui Central Library

In late 2021, we began the first stage of the four-year project - refurbishing and strengthening Te Matapihi, moving historic fittings into storage and removing library furniture and equipment. We are currently in the second stage of removing all services equipment and interior walls from the roof down the five floors and to the basement. Depending on disruption and staff availability, we expect this stage of work to be completed in August 2022 before strengthening work can begin.

Frank Kitts Park playground upgrade

Construction of the Frank Kitts Park playground upgrade began in January 2022. The \$6m new design which folds in mana whenua values, will be bigger than the original playground, and includes a large-scale play area with bespoke equipment, a nautical/coastal theme fitting for the waterfront site, and an accessible space for kids of all ages and abilities. New features include a waka, five new swings and dual flying fox, and a new lighthouse. While the recent change in the

construction contractor has presented a challenge, the new playground is expected to be open in 2023.

Community facilities planning

The Council is developing a Community Facilities Plan to guide our efforts into ensuring that the city has the right facilities in the right place at the right time. The plan, which is due to be completed in 2023, will first examine the current network and assess future needs as the city grows and changes. This analysis will underpin the development of the Community Facilities Plan that sets out the Council's vision and outcomes, and a prioritised action plan. The action plan will inform the next review of the Long-term Plan.

The plan is focused on a range of community facilities including libraries, community centres, pools, recreation centres, community leases, city housing community spaces, public toilets and spaces for community arts, crafts and cultural activities. Parallel to development of the Community Facilities Network Plan, we are working with Nuku Ora and other councils across the Wellington Region to develop a Regional Sports field Plan and a Regional Indoor Courts Plan. This work will look at sports field/court supply and future demand across the region and will make recommendations on future provision requirements.

Sports fields renewals

This year, we completed the renewal of the Hataitai netball courts, including resurfacing of the courts, new fencing and lighting. We also installed a new sand court where the old number two netball court was located. This will primarily be used for handball and volleyball and is the first sand court within our sportsfields network. Other sportsfields had major upgrades. The David Farrington sports field top surface of the field was replaced, and we installed drainage and irrigation on the top field of Alex Moore Park.

Play area upgrades

We completed the renewal of the Shorland Park and Cummings Park community play areas, as well as Pirie Street, Elizabeth Street, Nuku Street, Pembroke Road, and Wadestown neighbourhood play areas. We decommissioned the Kenmore Street play area in Newlands following the completion of the upgraded play area at Pukehuia Park (funds by Plimmer Bequest where utilised for the upgrade). We also completed Stage Two of the Matairangi Nature Trail, extending the current trail further into the bush with six new activities.

Swimming pool renewals and upgrades

We completed the five-yearly closure of the main pool at the Wellington Regional Aquatic Centre, and work started on the gallery windows, which will be completed next year. We have also completed the work at Keith Spry Pool on the northern end of the pool. We upgraded the changing rooms, installed a new space for activities like birthday parties, and installed two fully accessible external public toilets for park users.

Another highlight is Khandallah Pool's upgrade being approved in February 2022. The upgrade is currently being scoped.

Sustainable Food

We have developed the scope for six community composting hubs to trial a variety of composting methods and models over a 12-month period. We are also working with the community to progress the use of road reserve and open space land for community composting and gardening.

In October 2021, we joined the Milan Urban Food Policy Pact, which involves over 200 cities globally. This is an international framework for urban food systems based on the principles of

sustainability and social justice. Wellington is the first city in New Zealand to join the international food pact.

We have partnered with mana whenua and an action plan has adopted the Hua Parakore framework to amplify mana motuhake and whanaungatanga regarding Māori soil and kai sovereignty.

Community facilities upgrades

The Aro Valley, Newtown and Strathmore Park community centre upgrades are well underway and all three are expected to be completed in late 2022. We are working with the Karori Event Centre Trust and Footnote Dance Company to progress the fit out for the Karori Event Centre.

An additional \$1.7m for an upgrade of Tawa/Linden community facilities was provisioned through the Long-term Plan. This work is underway and is due to be completed in 2023.

Climate and Sustainability Fund

In October 2021, we launched the new Climate and Sustainability Fund, the first of a five-year investment programme, supporting projects that deliver measurable change by local community organisations. We supported six projects with a total of \$250,000, these include a Sustainability Bootcamp for local businesses, seed funding for a city centre Climate Action Centre, an e-cargo bike library and a low-cost lease-to-buy scheme for converted e-bikes.

City Housing

City Housing has a long-standing financial sustainability issue that is now critical. City Housing's only source of income is tenant rent which is set at 70 percent of market rent – it does not receive any other funding, including any rates funding or funding from government subsidies. This limited income and growing cost pressures means City Housing cannot cover its costs, is running an operating deficit (\$10m and growing) and has a shortfall in funding for necessary housing upgrades.

In late 2021, we looked at options to address the City Housing financial challenges and came up with two options to consult with the public, particularly with the existing tenants.

Public consultation took place in April and May 2022 on preferred options with majority in favour of the preferred option – Council to establish a Community Housing Provider (CHP). This will see ownership of the housing assets remain with Council via a lease agreement with the new entity. The options and the next steps were adopted for the 2022/23 Annual Plan by Council on 30 June.

Supporting this decision, the Government's Budget May 2022 saw funding that will enable the new entity access to 380 Income Related Rent Subsidy (IRRS) places in the first two years of operating. This means that the Council has some of certainty as it progresses options to establish the governance structure for the CHP. This work will continue in the 2022/23 year, with a view to having the CHP operational by July 2023.

Social and recreation finances

How it was funded

Services in this activity area are funded through a mixture of general rates and user charges.

Detailed information on funding on page 147-149 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2020/21 Actual	2021/22 Budget	2021/22 Actual	Revised budget	Variance to revised budget	Variance commentary
5.1 Recreation promotion and support						
Expenditure	44,706	46,626	47,065	46,626	439	Unfavourable due to higher than anticipated pool depreciation.
Revenue	(12,112)	(12,252)	(10,101)	(12,247)	2,146	Unfavourable variance due to reduced revenue in pools and ASB sports centre.
Net Expenditure	32,594	34,374	36,964	34,379	2,585	
5.2 Community support						
Expenditure	66,962	75,810	76,531	75,001	1,530	Unfavourable due to depreciation charges \$1.9m over budget in City Housing.
Revenue	(26,734)	(28,244)	(28,156)	(28,244)	88	Lower than expected revenue due to write-off of Library fines of \$0.4m, offset by increased rental income.
Net Expenditure	40,228	47,567	48,375	46,757	1,618	
5.3 Public health and safety						
Expenditure	18,152	18,413	19,330	18,413	917	Unfavourable due to higher than expected costs in Civil Defence of \$0.5m, and Public Health of \$0.2m
Revenue	(4,406)	(4,858)	(4,360)	(4,426)	66	
Net Expenditure	13,746	13,554	14,970	13,987	983	
Social and Recreation Total						
Expenditure	129,820	140,849	142,926	140,040	2,886	
Revenue	(43,252)	(45,354)	(42,617)	(44,917)	2,300	
Net Expenditure	86,568	95,494	100,309	95,123	5,186	

What it cost (capital expenditure \$000)

	2020/21 Actual	2021 /22 Budget	2021 /22 Actual	Revised budget	Variance to revised budget	Variance commentary
5.1 Recreation promotion and support	5,915	8,966	11,594	12,445	(851)	Under budget due to low spend across aquatic and recreation facilities of \$2.3m offset by overspends in Basin Reserve by \$1.1m and Synthetic sports fields of \$0.6m
5.2 Community support	6,206	21,046	7,293	21,705	(14,412)	Under budget primarily due to City Housing of \$10.3m combined with underspends in Community Centres of \$3.5m
5.3 Public health and safety	4,696	2,839	1,250	2,321	(1,071)	Under budget mainly due to underspend on renewals in Parks, Sport and Recreation combined with \$0.2m of underspend for Te Aro Park safety
Social and Recreation Total	16,817	32,850	20,137	36,471	(16,334)	

Social and recreation performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the 10-year and Annual plans. The following tables include KPI results and explanations where targets have been exceeded or not met. Commentary is also provided for those key performance indicators which report a narrative rather than a numbers focused result.

Key for results: Exceeded - >10% over target; Within +/-10% of target; Not met - >10% below target

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
5. Pāpori me te hākinakina Social and recreation						
5.1 Whakatairanga Mahi ā Rēhia Recreation promotion and support						
High quality experience						
User satisfaction (%) - pools	88%	90%	83%	90%	Met	The Long-Term Plan 2021-31 identifies this as a new measure with a baseline target. However, plans for establishing a point of contact user satisfaction system did not proceed due to COVID-19 impacts. The existing measure was maintained. For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
User satisfaction (%) - recreation centres including ASB Sports Centre	88%	89%	88%	90%	Met	The Long-Term Plan 2021-31 identifies this as a new measure with a baseline target. However, plans for establishing a point of contact user satisfaction system did not proceed due to COVID-19 impacts. The existing measure was maintained. For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
User satisfaction (%) - sportsfields		New measure	84%	85%	Met	This is the first year this KPI has been reported. Previously satisfaction was reported across grouped KPIs for grass and artificial surface sportsfields. For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
Affordability						
Ratepayer subsidy per swim	\$19.63	\$14.25	\$24.27	<\$15.00	Not met	Attendance was significantly down this year due to COVID which has increased the cost per person. The numbers were 300,000-400,000 less than over the three previous years.
Basin Reserve Trust						
Achievement of measures within Basin Reserve Trust's Statement of Intent		New measure	Achieved	Achieved	Met	Unaudited result: 4 out of 7 KPIs achieved. While community and other sports event days and practice facility usage exceeded their targets, cricket events days and attendees were adversely impacted

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
		in 2021/22				by COVID-19. For more information on performance results, refer to published Annual Reports via https://basinreserve.nz/about/basin-publications/
5.2 Tautoko Hāpori Community support						
Affordability						
Cost to the ratepayer per library transaction	\$3.78	\$2.79	\$3.96	<\$2.79	Not met	Transactions have been constrained due to lower event and in-library activities.
Utilisation						
Utilisation of Leisure card (increase in number of active users)		New measure	24%	Increase	Met	Leisure use activity has been constrained due to COVID-19
Customer focus						
User satisfaction (%) of community centres and halls		New measure	81%	Baseline	No result	This is the first year this measure has been reported, the result helps to establish the baseline going forward For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
User satisfaction (%) with library services	89.7%	86%	85%	90%	Met	
Occupancy rate of available housing facilities	98.6%	97%	97%	95%	Met	
Tenant satisfaction (%) with services and facilities (includes neutrals)	91%	93%	-	90%	No result	This question was not asked in the 2022 Tenants Satisfaction Monitoring Survey due to a Long-term Plan variation concerning city housing. It is planned that this question be surveyed later in 2022.
5.3 Hauora/haumarū tūmatatanui Public health and safety						
Timeliness						
Alcohol Licences - premises inspected within target timeframes (%)		New measure 2021/22	29% Preliminary result	100%	Not met	Council were unable to carry out peak time inspections until quarter 4. As the hospitality industry has been severely impacted by COVID-19, a decision was made to delay inspections until businesses had re-established themselves and their environment was less stressful.
Food registrations - premises (%) inspected within Food Act regulation required timeframes (new business and existing businesses)	5%	32%	39% Preliminary result	100%	Not met	The combined impact from COVID lockdowns, staff illness both within Council and businesses resulted in very low inspection rates. In order to minimise food safety issues we are currently prioritising verifications for businesses that produce high risk food and also those that have attracted low scores during previous verification visits.
Graffiti removal – response time frames (%) met	84%	92%	93% Preliminary result	80%	Exceeded	Graffiti removal continues to be managed successfully due to ongoing positive relationships with partners who manage graffiti on their own assets and support murals in public places which help to

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
						prevent graffiti, Pōneke Promise, work with community groups, schools and resident associations for organised removal of graffiti on their sites, and graffiti removal by Council contractors.
Dog control - response timeframes (%) met	New measure	New measure	99%	100	Met	
Public toilets - response timeframes (%) met	New measure	New measure	71%	95%	Not met	Contractor challenges associated with resourcing availability and illness due to COVID-19 meant responses times were not met
Hygiene standard						
Toilets (%) that meet required cleanliness performance standards	95%	96%	97%	95%	Met	

Spotlight on – supporting our city through Pōneke Promise

The Pōneke Promise is our community driven partnership, committed to addressing safety concerns in the central city.

In early 2021, the community came together to tell us they didn't feel safe in the central city anymore. Our data backed up these concerns. Te Aro Park, Courtenay Place and the surrounding areas were looking and feeling unsafe, and we could see there were things we could change to improve the look and feel of the central city.

We recognised that these issues could not be solved alone, and we formed a partnership committed to working closely together to develop and deliver solutions to make our city safer, more vibrant, and welcoming. The shared ownership of the programme and commitment to delivery is the key to the continued success of the Pōneke Promise.

A harm reduction approach

We want a city that is free of anti-social behaviour and violence and supports thriving and vibrant communities. The Pōneke Promise ensures that harm reduction and crime prevention is always a priority for Wellington City Council and our partners across the city. Our harm reduction programmes focus on reducing alcohol harm and preventing sexual violence.

We are developing a Sexual Violence Prevention Action Plan, which has a focus on culture change around the attitudes and behaviours that enable sexual violence. We are working with key community groups to develop this programme.

Our expanded City Safety CCTV Control Base and the Hāpai Ake team are a core part of our network of capable guardians across the city. These teams work closely with Police and other partners to bring a harm reduction approach to supporting businesses and street outreach, ensuring positive outcomes for our communities.

Raising the awareness of the central city alcohol ban through the Know Your City Limit campaign has been supported by an increase in the active enforcement of the alcohol ban from NZ Police. Take 10 continues to be a safe space for partygoers to get support and take a break on Friday and Saturday nights.

Safe and inviting public spaces

Improvements in the programme are focused on creating a safe and inviting public space in Te Aro Park. This is the former site of Te Aro Pā, making it a place of significance for mana whenua and Wellington. It is the only remaining green space in this part of the city and forms the heart of the Pōneke Promise area.

In the first phase, we are installing transitional decking and planter boxes along the northern side of Dixon Street, to improve pedestrian access and visibility into Te Aro Park. 'Parklets' will support businesses to utilise outdoor spaces and bring more natural surveillance into the area.

Further upgrades to the area will be focused on the western side and edges of Te Aro Park. This includes the removal of the Te Aro Park toilets and upgrades to the area left behind. These changes will be determined through a co-design process with mana whenua and will uplift the history and story of Te Aro Pā.

These upgrades are underpinned by 'Crime Prevention Through Environmental Design (CPTED)' principles. This methodology is set to change the urban landscape of Te Aro, with our city planners using it to make informed urban design changes, build more secure, welcoming spaces and help create an environmentally and socially sustainable capital.

Lighting upgrades to Courtenay Place and Opera House Lane, and the design of the new precinct public toilets to be built in Inglewood Place are also in accordance with CPTED principles.

A connected and supported community

We've opened the doors to two new community spaces as part of the Pōneke Promise, to help foster a sense of community wellbeing and support in the central city across the range of diverse communities that call the area home.

Te Pokapū Hapori, our new community centre, is a place for residents and community to gather, connect, and enjoy activities, enhancing the sense of the neighbourhood in the central city

Te Wāhi Āwhina is a community support base which works closely with organisations across the city to help people and communities access the welfare support they need. Te Wāhi Āwhina has supported hundreds of service seekers over the last year and continues to build relationships and streamline processes to improve access to support.

We're not finished yet

While the Pōneke Promise has introduced some great changes and initiatives, we are committed to continuing to address the issues being experienced in the central city, bringing on board new partners and working better together.

6 Tāone tupu ora – Urban development

This chapter explains what we did and how we performed in our Tāone tupu ora – Urban development portfolio of activities.

Overview of the year

Our services include urban planning, heritage and public spaces development, and building and development control.

This year, we adopted the Regional Housing Action Plan and the Te Ngākau Civic Precinct Framework, which outlines how and where the city will grow, continued with strengthening of the Town Hall, and carried out our regulatory building and development control functions. We also adopted the Spatial Plan and started the District Plan for consultation.

Continuing impact of COVID-19

With staff absences due to COVID-19 some disruption to service levels and timeliness was unavoidable. Rostering and use of overtime in some service delivery areas was required to manage staff shortfalls.

City Consenting and Compliance managed COVID-19 impact by initiating business continuity plans where staff operated from home or avoided any group gatherings (for example, building inspectors left directly from their residences and performed inspections with little use of the office). These actions did not fully mitigate COVID-19 impacts and we had an increase in the number of working days to process building and resource consents. This increase in processing times is multi-factor so was not solely due to COVID-19 related issues.

Supply chain shortages (for example, plasterboard) slowed down building work, but didn't impact on our timeliness in consenting. Product substitution due to shortages of some products and systems can slow down both consent processing and inspections but this is difficult to quantify outside of anecdotal evidence that there are more substitutions occurring.

We also experienced some delays to delivery of our public space projects. For example, the Swan Lane and Garrett St project was affected by supply chain delays for delivery of materials such as paving.

Performance Summary

This strategy area is responsible for delivering about 12 percent of Council's performance measures.

Key performance indicator results



It continued to be challenging to achieve the timeliness targets in our consenting and compliance service delivery area. We have also experienced a further decline in customers who rate building control services as good or very good. The number of heritage buildings that are earthquake prone have increased due to matching our list with that of Heritage NZ, with the result that buildings that were already earthquake prone have now been included. Heritage listing includes four categories: Historic Place categories 1 and 2; Heritage under the District Plan; and listed under a Heritage Area.

Highlights	Challenges
<p>93%</p> <p>customers involved in the resource consent service rated it as good or very good despite timeliness issues, and 92% of noise complaints were investigated within the service level agreement. We retained our Building Consent Authority accreditation.</p>	<p>3 out of 6</p> <p>measures relating to timeliness of building and resource consents, issuance of code of compliance and subdivision certificates and Land Information Memorandums did not meet their targets. This is mostly due to the impacts of COVID-19 on service capacity and building industry resource constraints.</p>

For the full set of outcome and key performance indicators and variance explanations, please see page 105-106.

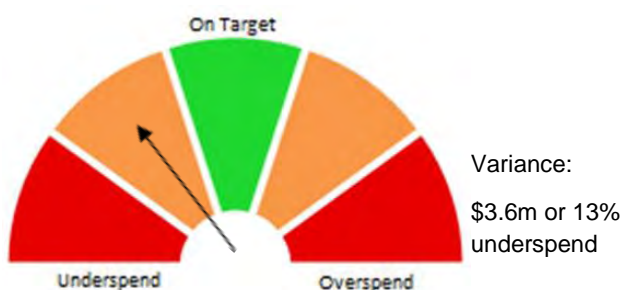
Financial summary

Operating expenditure was over budget, largely due to increased cost of the District Plan programme. However, revenue was ahead of budget, noting that budgets were reduced to recognise the likely impact of COVID-19. As a result, the overall variance in net expenditure was minimal.

Capital expenditure for this activity was under budget largely due to underspends on the Housing Investment programme, Laneways and North Lambton Quay project (part of the Central City Framework), which will be aligned with the LGWM Golden Mile workstream. This was partially offset by overspends in the St James Theatre and Town Hall earthquake strengthening projects. Note: the budget for St James Theatre is over two areas, with the other being 3.1 in Economic development. Overall, the project is under spent for the year.

For more details on the Urban Development budget and variance explanations, see page 103-104.

Net operating expenditure



Capital expenditure



Tāone tupu ora – Urban development activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

6.1 Whakamahere tāone, whakawhanake wāhi tuku – Urban planning, heritage and public spaces development

In this area, we deliver on the vision for Wellington as a net zero carbon city with streets made for people, high-quality affordable homes, and thriving businesses. As the population grows and challenges around seismic risk and climate change increase, we are planning for the city we need. We also want to build on the city's unique character and increase density, protect heritage, and improve its resilience. We carry out strategic planning and public space improvements to contribute to achieving these goals.

6.2 Whakahaere hanga whare – Building and development control

In this area, we undertake regulatory functions for the built environment, including issuing building and resource consents.

Key projects

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2021-2031 Long-term Plan as being areas of focus.

Planning for Growth

The Planning for Growth programme involves the development of a 30-year Spatial Plan for the city and a full review of the District Plan, for managing development in the city,

The spatial plan was adopted in June 2021 and directs where and how growth will occur taking into account transport, infrastructure, the impacts of climate change, heritage and our natural environment.

A non-statutory Draft District Plan was released for community input in November 2021 with over 1000 submissions received. The District Plan is one of the key regulatory tools that will give effect to the Spatial Plan.

The consultation for the Proposed new District Plan will begin in July 2022.

Wellington Regional Growth Framework

The Framework, adopted in June 2021, contains a number of region-wide and location-specific initiatives which deliver on the Government's Urban Growth Agenda – this requires an integrated approach to urban development and infrastructure planning.

A Regional Housing Action Plan has been developed and adopted in 2022 with Wellington City Council input and support, which seeks to better align housing actions across the region.

Waterfront

We have funded the \$1.5m upgrade of the playground at Frank Kits Park in 2021/22. This will update and improve the play facilities available in the park. Redevelopment of the playground was disrupted following the liquidation of the original contractor. Appointment of a replacement contractor will see completion on schedule within 2022/23.

We also have budgeted \$6.5m for wider park development including the Garden of Beneficence. Redevelopment planning and costing continues with mana whenua, the Chinese Garden Society and the Fale Malae Trust for the first year of this plan, with a decision on future plans expected in 2022/23.

We are replacing the shade sails on Queens Wharf. The old ones have been removed, and new sails are due to be reinstalled in 2022/23, subject to no further supply chain delays.

Let's Get Wellington Moving

This programme is covered in detail in 7.1 Transport. It will deliver a significant level of urban development and transport changes to the central city and along key routes.

Council's Housing Action Plan

2022 is the final year of the current Housing Action Plan, with work underway to refresh the plan for the next three years. The plan identifies five priority areas to deliver solutions across the housing continuum. Specific updates on these five areas are discussed throughout this Annual Report. Priority areas are: taking a partnership approach to addressing homelessness; stabilising Council's City Housing service; proactive development of affordable housing supply; and enabling the market to deliver through improved efficiency of consenting and planning for growth through District Plan provisions.

Affordable housing supply

As a key priority of the Housing Action Plan, Council is increasing its delivery of affordable housing solutions in the city through three key programmes of work which are to be delivered at net neutral cost to Council.

- Affordable rentals: the second building, called Te Aka, of the Te Kāinga programme was completed in June, adding 48 high quality one- and two-bedroom units to the programme. Work is underway on 8 more units in this building that will offer accessibility features, including units that will be fully wheelchair accessible. More than 300 units will be delivered in the city within the next two years, through existing agreements. The programme will be grown to 1,000 units committed within five years.
- Proactive development: Council has continued to investigate opportunities to make better use of underutilised Council sites. One of these sites is in the negotiation stage of the Government's Infrastructure Acceleration Fund, if successful this proposal will see co-investment into essential Three Waters infrastructure to support the project in Johnsonville. Both programmes are supported by a collaborative relationship with Kāinga Ora, HUD¹¹ and Iwi. Where Kāinga Ora is focused on delivery of state housing, Council is seen as a partner for delivery of affordable housing.

One-Stop Shop Programme

Over the last year the One-Stop Shop programme of work was incorporated into customer service Improvement initiatives run by Smart Council. The aim of these initiatives is to give our customers and the Council staff the right information, advice and tools and service they need to flow from one process or service to another. Ultimately, it's about helping facilitate people's dreams and aspirations about:

- starting and running a business
- developing land

¹¹ HUD - Ministry of Housing and Urban Development

- constructing a home, commercial building or making alterations to one

Te Ngākau Civic Precinct

In October 2021, the Te Ngākau Civic Precinct Framework was adopted. This framework provides a comprehensive vision, objectives and policies for the precinct which align with the spatial plan goals of a Wellington that is resilient, greener, compact, vibrant and prosperous, inclusive and connected.

The vision, objectives and policies were developed with key stakeholders, including mana whenua, Councillors, Council staff and advisors, existing users of the precinct and local community. These have been tested with the wider community to ensure they represent Wellingtonians' aspirations for this important place.

Other Urban Development highlights

- The road carriageway on Farmers Lane was completed in August 2021, in preparation for the next stage of delivery. The new road design has lifted the road level to become one surface from Lambton Quay to the beginning of the steps leading to The Terrace, and improved lighting for the thoroughfare between Lambton Quay and The Terrace, and concrete planters are now in place. The final stage will begin in the second half of 2022.
- The final round of the Built Heritage Incentive Fund (BHIF) was approved by the Social, Cultural and Economic Committee on 2 June 2022. The BHIF generated significant interest from heritage building owners and was oversubscribed by more than 350 percent. The peak in EPB notice expiry dates from 2025 to 2027 will place significant additional financial pressure on heritage building owners. To help meet this demand, as of July 1 2022 the Heritage Resilience and Regeneration Fund (HRRF) will replace the BHIF. This fund will better target heritage funding to strengthen, restore and sustainably reuse heritage buildings.
- Year-long engagement with owners of 600 earthquake-prone buildings. The purpose to understand the owners' intentions and the barriers to progress seismic building work. 57 out of the 600 have been determined not earthquake-prone this year.
- As a result from a workshop held with the Accessibility Advisory Group, members of the Disabled Persons Assembly and Council's housing development team, construction is underway on 6 units of accessible homes within the existing Te Kāinga buildings.
- Council won the award from the Association of Local Government Information Management for Customer Experience Project of the Year. This was awarded for our One Tag initiative. We were the first Council in New Zealand to replace annual plastic dog registration tags with a metal, recyclable tag which is issued to the dog for the duration of its life.

Urban development finances

How it was funded

Services in this activity area are funded through a mixture of general rates, fees and charges, and grants and subsidies.

Detailed information on funding on page 150-151 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2020/21 Actual	2021/22 Budget	2021/22 Actual	Revised budget	Variance to revised budget	Variance commentary
6.1 Urban planning, heritage and public spaces development						
Expenditure	13,320	17,517	15,828	17,517	(1,689)	Favourable due to underspending in the District Plan and Te Ngākau programmes of work and delay in incurring rent expenses due to Te Kainga delays.
Revenue	(564)	(2,594)	(1,768)	(2,594)	826	Unfavourable due to delays in the occupancy of the Te Kainga housing programme properties.
Net Expenditure	12,756	14,924	14,060	14,923	(863)	
6.2 Building and development control						
Expenditure	27,188	31,984	29,440	31,984	(2,544)	Favourable due to planned earthquake risk building related costs not occurring this year.
Revenue	(14,229)	(17,820)	(18,062)	(17,820)	(242)	Favourable owing to higher than planned building consent and LIM revenues, offset to some extent by lower resource consent income streams.
Net Expenditure	12,959	14,164	11,378	14,164	(2,786)	
Urban Development Total						
Expenditure	40,508	49,501	45,268	49,501	(4,233)	
Revenue	(14,793)	(20,413)	(19,830)	(20,414)	584	
Net Expenditure	25,715	29,088	25,438	29,088	(3,649)	

What it cost (capital expenditure \$000)

	2020/21 Actual	2021 /22 Budget	2021 /22 Actual	Revised budget	Variance to revised budget	Variance commentary
6.1 Urban planning, heritage and public spaces development	2,632	23,267	9,229	23,350	(14,121)	Under budget on the Housing Investment programme, Waterfront Development due to delays on the Frank Kitts Park playground, Laneways, Poneke Promise and Suburban Centre upgrades.

	2020/21 Actual	2021 /22 Budget	2021 /22 Actual	Revised budget	Variance to revised budget	Variance commentary
6.2 Building and development control	41,410	37,957	45,917	33,788	12,129	Over budget due to work on the St James project. Note that the budget for St James is over two strategies, the other being 3.1 where the project budget is under spent by \$9.6m, overspend Property BU \$10.1m. Overall the St James project is \$0.5m over the current year budget.
Urban development total	44,042	61,224	55,146	57,138	(1,992)	

Urban development performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the 10-year and Annual plans. The following tables include KPI results and explanations where targets have been exceeded or not met. Commentary is also provided for those key performance indicators which report a narrative rather than a numbers focused result.

Key for results: Exceeded - >10% over target; Within 10% +/-10% of target; Not met - >10% below target

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
6. Tāone tupu ora Urban development						
6.1 Whakamahere tāone whakawhanake wāhi tuku iho tūmatanui Urban planning, heritage and public spaces development (including waterfront development)						
Protecting heritage						
Number of heritage-listed buildings that are earthquake prone	132	128	132	-10% reduction in overall number of EQP heritage buildings	Not Met	The number of heritage buildings has grown rather than reduced due to matching between Council heritage listed buildings and Heritage NZ listings. The outcome is that some buildings that were already earthquake-prone may now be included. There are four categories, under which a heritage building may be listed: Historic Place Category 1 or 2; Heritage under the District Plan; and listed under a Heritage Area
6.2 Whakahere hanga whare Building and development control						
Timeliness						
Building consents (%) issued within 20 workings days	79%	90%	75%	100%	Not met	Capacity issues with structural engineering firms to review building consents continues to affect timeliness. Reduced staff capacity due to illness and turnover have also contributed to slower consent processing times. Recruitment and efforts to secure further structural engineering capacity are planned to come on stream in 22/23 financial year.
Code of compliance certificates (%) issued within 20 working days	94%	96%	75%	100%	Not met	A change in the policy on stopping the statutory clock was put in place following the IANZ assessment in May. This change means the statutory clock is no longer stopped while waiting for customers to book a Code of Compliance Certificate inspection. This is now a true reflection of processing times and action can be taken to close performance gap.
Land Information Memorandums (LIMs) (%) issued within 10 working days	81%	71%	58%	100%	Not met	Staffing issues meant we were unable to meet processing timeframes. New recruitment has seen processing times return to 100% within 10 days from the end of quarter 3 to years end. We expect this measure to meet its target in the next financial year.

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
Resource consents (non-notified) (%) issued within statutory time frames	79.4%	90%	75%	100%	Not met	A large range of complex applications, coupled with delays in accessing advisory services and vacancies impacted this measure.
Resource consents (%) that are monitored within 3 months of project commencement	93.02%	93%	91%	100%	Within 10%	
Subdivision certificates – Section 223 certificates (%) issued within statutory timeframes	96%	97%	92%	100%	Within 10%	
Noise control (excessive noise) complaints (%) investigated within 1 hour	98%	96%	92%	90%	Within 10%	
Customer focus						
Customers (%) who rate building control service as good or very good	63.8%	64%	61%	70%	Not met	COVID-19 impacts, recruitment challenges, structural engineering delays in the consenting process and supply chain issues in the building industry contributed to delays in building control services. The result is for those respondents who replied satisfied and somewhat satisfied (311 responses in the period)
Customers (%) who rate resource consent service as good or very good	93%	92%	93%	90%	Within 10%	
Building Consent Authority (BCA) accreditation retention	Retained	Retained	Retained	Retain	Within 10%	Accreditation is confirmed biennially and was retained in the 2022 financial year.

Spotlight on – supporting our city’s infrastructure through Planning for Growth

We are committed to upgrading our aging infrastructure so it can handle our city’s growth.

The Council owns more than \$6 billion worth of assets, including tunnels, bridges, reservoirs, and retaining walls.

During the current triennium, the Council committed to upgrading much of the city’s aging infrastructure so it can handle the city’s growth, particularly the water network. Aging infrastructure is a problem being experienced by many Councils across New Zealand.

During the 2021–31 Long-term Plan process, the Council committed to spending more than \$2 billion over the next 10 years on the city’s three waters network (the pipes that move freshwater, wastewater and stormwater around the city) to fix the water network’s capacity and quality issues.

Planning for Growth

The Planning for Growth programme involves the development of a 30-year spatial plan for the city and a full review of the District Plan, our ‘rule book’ for managing development in the city.

Spatial Plan

The Spatial Plan, adopted by the Council in June 2021, lays out where and how the city’s shape will change over time. The focus is to ensure that Wellington grows in a way that supports the ongoing wellbeing of people in the city, and makes sure the city is shaped to be resilient, sustainable and liveable into the future. This means investing and growing the city centre, around public transports nodes, and major suburban centres. It builds on the Our City Tomorrow consultation where Wellingtonians told the Council they wanted a compact, resilient, greener, vibrant and prosperous, inclusive and connected city where we work in partnership with Mana Whenua.

District Plan

The District Plan is the rulebook for what types of housing and activities are permitted where. Wellington’s Proposed District Plan is the city’s first completely revised planning and environmental rulebook in more than 20 years and is the final piece of the Planning for Growth programme. The Proposed District Plan:

addresses the major planning and environmental issues facing Wellington, including sustainable housing supply, protecting biodiversity, integrating growth and infrastructure, responding to climate change, and managing the risk of natural hazards; and

aims to embed Te Tiriti o Waitangi, giving greater weight to partnership and the aspirations of local iwi.

A non-statutory Draft District Plan was released for community input in October 2021 with over 1000 submissions received. The Council considered these submissions and publicly notified the Proposed District Plan in July 2022. The District Plan is one of the key regulatory tools that will give effect to the Spatial Plan.

What happens next?

Further submissions can be lodged by members of the public prior to the hearings by Commissioners which will commence in early 2023, with decisions expected to be released by the end of 2023/early 2024.

7 Waka – Transport

This chapter explains what we did and how we performed in our Waka – Transport portfolio of activities.

Overview of the year

Our transport services include everything from looking after traffic signals, road and footpath resurfacing, retaining walls through to building new bike lanes and footpath connections to improve safety on our streets for everyone. We also operate and enforce on-street parking across the city and the suburbs and operate the Clifton Car Park on behalf of Waka Kotahi NZ Transport Agency.

During the year we began the stabilisation and repairs at the Ngaio Gorge slip sites, completed the resilience work from Wadestown to the city, continued to work on Let's Get Wellington Moving with our partner agencies, completed key cycleways around the coast including Cobham Drive, and maintained our extensive transport network, cycleways and footpaths.

Continuing impact of COVID-19

Transport planning work was generally not impacted by COVID-19 as consultations and engagements were done online when necessary. We found that this has developed our approach and, in many ways, enabled us to reach more people. The webinars we introduced in the second lockdown while consulting on Paneke Pōneke – our bike network – were very successful and these are now a key part of our consultation process for transitional projects.

However, COVID-19 continues to affect construction on transport projects. Outbreaks and restrictions have affected supply chains and contractors' availability. This affected the enabling work, essentially traffic signal equipment changes, on the Newtown to City transitional cycleway, where construction crews were not able to operate without key personnel such as site foreman or traffic management resources.

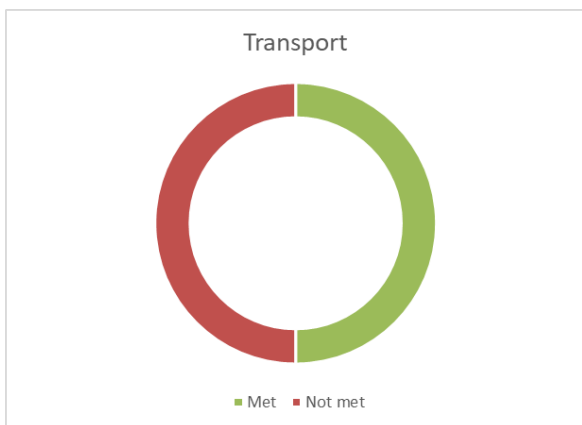
Further delays were caused by the occupation of Parliament grounds by protestors and street closures in the vicinity as resources were diverted to help manage this. On some projects the resulting delays were a couple of weeks, but in the instance of the Bowen/The Terrace intersection upgrade for the Botanic Gardens to Waterfront Transitional cycleway project, the delay was six months while we recruited additional contractor resource.

Despite those issues, we were still mostly able to deliver our planned of work programme for 2021/22.

Performance Summary

This strategy area is responsible for delivering about 13 percent of Council's performance measures.

Key performance indicator results



COVID-19 did not have a material impact on the performance indicators for the transport network as most are technical in nature, for example condition of roads, walls, bridges and tunnels. City parking peak occupancy was impacted by COVID-19 and the allied measure relating to parking enforcement fairness was down, in part due to the changes being undertaken in the CBD with Parklets, Pōneke Promise and Let’s Get Wellington Moving initiatives which have reduced the number of parking spaces. The Cable Car experienced lower visitation rates due to the impacts of different COVID-19 response settings.

Highlights	Challenges
<p>91%</p> <p>of Wellington’s footpaths are in average or better condition (measured against the Council condition standards) which is supported by 75% of residents being satisfied with walking on Wellington’s footpaths</p>	<p>4 out of 6</p> <p>measures relating to condition of local roads, customer service requests for roads and footpaths, satisfaction with street lighting and city parking peak occupancy were not met.</p>

For the full set of outcome and key performance indicators and variance explanations, please see page 115-116.

Financial summary

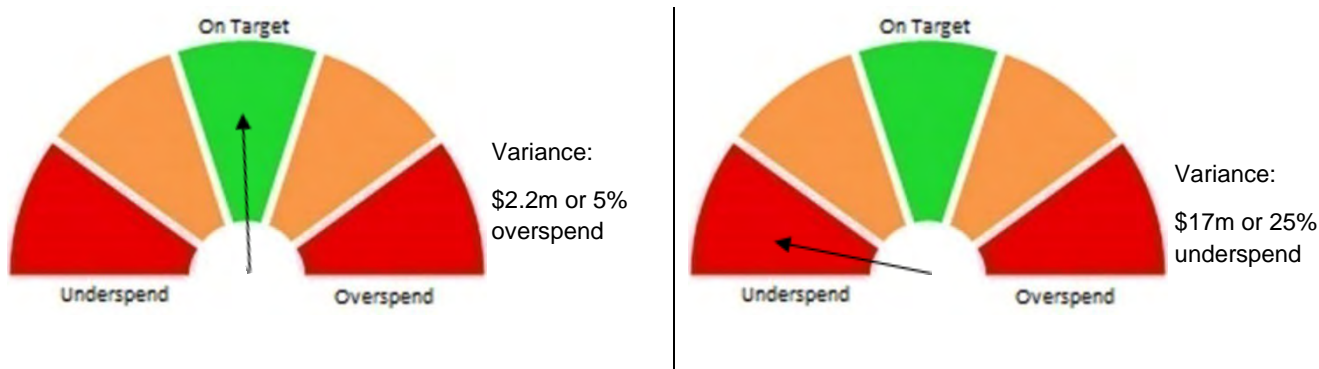
Operating expenditure for the Transport activity area was underspent by 7 percent largely due to delays in contract costs associated with LGWM, lower depreciation and road maintenance costs, lower than budgeted personnel, professional and general expenses. Revenue was ahead of budget by 19 percent due to vested asset income and higher than planned pedestrian, bus shelter and bollard advertising revenue. Budgets in this area were reduced to recognise the likely effect of COVID-19, which was less than anticipated. This means that this activity had a net variance of \$13.6m or 24 percent under budget.

Capital expenditure for this activity was under budget on several projects. There has been minimal spend on LGWM projects and lower expenditure on the LED Streetlights and Wall, Bridge and Tunnels programmes.

For more details on the Transport budget and variance explanations, see page 113-114.

Net operating expenditure

Capital expenditure



Waka – Transport activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

7.1 Waka – Transport

In this area, we manage, maintain and improve the city’s transport network so that people can get to places easily and safely. We look after hundreds of kilometres of city accessways, footpaths and pedestrian crossings, bike paths and bike lanes, and roads, including bus lanes and bus stops, parking areas, traffic signs and signals, and street lighting.

Some of the activities in this area, including the cable car and associated bridges and buildings, are managed by Council-controlled organisation Wellington Cable Car Limited. This organisation is profiled on page 130, including details of its board and governance structure.

7.2 Tūnga waka – Parking

In this area, we operate about 3,200 on-street parking spaces in the central city, and around 890 parking spaces in off-street locations. Most of the off-street parks are in the Clifton Car Park, which is managed by the Council on behalf of Waka Kotahi. In addition, the Council manages several resident and coupon parking zones across the central city and enforces parking restrictions and parking-related bylaws in surrounding suburbs.

Key projects or programmes

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2021-31 Long-term Plan (Year 1) as being areas of focus.

Let’s Get Wellington Moving

We have continued to make improvements and changes to our transport network as projects progress.

Changes at central city intersection have made or are in progress on the ‘Central city walking improvements’ project and two intersections on Whitmore Street which began in November 2021 are now completed. Further work is underway to make central city intersections safer, more accessible, and more efficient. Work began on five intersections along Vivian Street in April 2022, with waterfront intersection improvements scheduled from July 2022, and Bowen Street/The Terrace intersection improvements scheduled from October 2022.

Construction of a new crossing on State Highway 1 Cobham Drive began in late April 2022 with completion later in the year. Speed limits on State Highway 1 east of Mt Victoria were reduced to improve safety for all road users.

We are still drafting and designing the 'Golden Mile' project which aims to improve bus reliability and provide opportunities for walking, cycling, and more open spaces. This means better lighting, wider footpaths, more public seating, outdoor dining opportunities and more.

We will seek public feedback on the detailed design in July and August 2022.

Transport network resilience

Over the course of this year, we have continued to invest in strengthening essential transport infrastructure and make the transport system more resilient. **The largest of these projects is the slope stabilisation work we have undertaken at Ngaio Gorge.**

Improvements to areas affected by slips provide space for the slope hazard mitigation work, the existing traffic lane widths, a new uphill bike lane and a wider footpath.

By end of June 2022, we have:

- completed three anchored retaining walls;
- completed the temporary widening of the road at retaining walls; and
- started the slope stabilisation work.

Paneke Pōneke - Cycleways

Following Council decisions on the 2021-31 Long-term Plan, we have been resourcing up this year to deliver a \$231 million programme over the next 10-15 years. Paneke Pōneke –our plan for a city-wide bike network– was consulted on in late 2021 and approved by Councillors in March 2022. The plan has been updated from the Cycling Master Plan and includes the streets that will make up the 166km network for people riding bikes, scooters and skateboards.

The bike and scooter network will help to reduce the city's emissions from road transport by making it safer and easier for more people to get around in zero or low carbon ways. It will connect suburbs to the city centre and destinations like Wellington Hospital and the waterfront, helping to get people of all ages and abilities from where they live to where they work, study, shop and spend time.

Projects will include walking and bus improvements where possible. The plan includes finishing what we have started in the east around Evans Bay, and the safety upgrade to The Parade in Island Bay which is underway and due to be completed in 2023. Many of the bike, bus and pedestrian projects connect with work happening as part of Let's Get Wellington Moving.

This year, we completed the section of Evans Bay Parade from Weka Bay to Greta Point along with the upgrade to Cobham Drive. In Miramar, we installed a new path between Shelly Bay Road and Tauhinu Road on Miramar Avenue. In addition, a range of minor supporting infrastructure changes were made including new bike parking, repair stands and cycle friendly sump grates.

In result of the Annual Plan Consultation 2022/23, the Committee approved construction of Evans Bay Stage 2 (Greta Point to Cobham Drive) and an interim upgrade to The Parade in Island Bay.

Brooklyn Road is one of the city's busy commuter routes and a connection to the south coast. In mid-2021, with funding from Waka Kotahi we installed a temporary uphill bike/scooter lane, from Nairn Street to Ohiro Road, to trial a safer way for people to get from the central city to Brooklyn.

Parking

The parking activity was significantly impacted by COVID-19 as the city dealt with the impact of a lockdowns and associated restrictions which saw the occupancy of on-street carparking reduce

significantly. The Council also continued with the roll-out of cashless parking meters across the city, while maintaining access to cash accepting machines.

As part of initiatives (Pandemic Response Plan) the parking charges were reduced at \$1 per hour for a period and parking time limits were extended after 5pm weekdays and through the weekends. This was to attract people back to the city and visit the shops and restaurants. This initiative ended at the end of this year.

Other Transport highlights

This year, we have completed minor works including..

- Hataitai Roundabout
- Rangiora Footpath
- Improvements on the Moorefield Road Pedestrian crossing
- Cashmere Ave raised Pedestrian crossing
- Makara School carpark

Transport finances

How it was funded

Services in this activity area are funded through a mixture of general rates, fees and charges and grants and subsidies received from Waka Kotahi NZTA for transport related activities.

Detailed information on funding on pg 152-153 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2020/21 Actual	2021/22 Budget	2021/22 Actual	Revised budget	Variance to revised budget	Variance commentary
7.1 Waka – Transport						
Expenditure	72,852	77,222	71,664	77,222	(5,558)	Favourable Roding depreciation \$2.3m, underspend of \$2.5m relating to Ngauranga to Petone cycleway contribution expensed in previous financial year.
Revenue	(13,857)	(9,880)	(13,973)	(9,880)	(4,093)	Favourable \$3.8m vested assets income not budgeted for, slightly better than budget NZTA roading subsidy income
Net Expenditure	58,995	67,342	57,691	67,342	(9,651)	
7.2 Tūnga waka – Parking						
Expenditure	16,316	17,835	14,749	17,910	(3,161)	Favourable due to lower enforcement activity and reduced amount of parking officers.
Revenue	(31,851)	(42,257)	(26,924)	(41,917)	14,993	Unfavourable due to the impacts of COVID-19 on parking in the City. Following the end of lockdown, the Pandemic Response Plan reduced the prices of parking in the city centre, further impacting revenue.
Net Expenditure	(15,535)	(24,423)	(12,175)	(24,007)	11,832	
Transport Total						
Expenditure	89,168	95,056	86,413	95,132	(8,719)	
Revenue	(45,708)	(52,137)	(40,897)	(51,797)	10,900	
Net Expenditure	43,460	42,919	45,516	43,335	2,181	

What it cost (capital expenditure \$000)

	2020/21 Actual	2021 /22 Budget	2021 /22 Actual	Revised budget	Variance to revised budget	Variance commentary
7.1 Transport	55,848	85,573	52,031	67,489	(15,458)	Under budget in Transport by \$11m and Cycleway Planning by \$4m due in part to COVID-19 and other unplanned impacts.
7.2 Parking	408	1,191	384	2,051	(1,667)	Under budget due to difficulty in progressing static camera and metering projects
Transport Total	56,256	86,764	52,415	69,540	(17,125)	

Transport performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the 10-year and Annual plans. The following tables include KPI results and explanations where targets have been exceeded or not met. Commentary is also provided for those key performance indicators which report a narrative rather than a numbers focused result.

Key for results: Exceeded - >10% over target; Within 10% +/-10% of target; Not met - >10% below target

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
7. Waka Transport						
7.1 Waka Transport						
Network condition and maintenance						
Roads (%) which meet smooth roads standards*	72%	72%	72%	70%	Within 10%	
Residents (%) satisfaction with the condition of local roads in their neighbourhood	69.2%	63%	61%	75%	Not met	Total 'Good' ratings have been trending down marginally over the past four surveys, with 73% rating the condition of the roads good in 2018. Note survey question wording changed from "how would you rate the condition of the city's roads" For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
Structures (%) in serviceable (average) condition or better		New measure	91%	97%	Within 10%	
Customer service requests (%) relating to roads and footpaths that are responded to within timeframe (urgent within 2 hours and non-urgent within 15 days)		New measure	88%	98%	Not met	The resolution of customer service requests has been prioritised and it is expected that this indicator will meet its target in the next financial year
Footpaths (%) in average condition or better (measured against WCC condition standards)*	97%	97%	91%	96%	Within 10%	
Residents (%) satisfied with street lighting		New measure	61%	75%	Not met	This is a new measure. The result is the average of contributing data: central city - 65% and local suburbs - 56% For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results
Sealed local road network (%) that is resurfaced*	5.9%	6.7%	7.10%	9.4%	Not met	The overall work programme was impacted by -19 related staff and resource availability
Active modes promotion						

Performance measures	2019/20 result	2020/21 result	2021/22 result	2021/22 target	Result	Variance commentary
Kilometres of cyclepaths and lanes in the city (increasing)		New measure	39.5km	>38.3km (baseline as at 30 June 2021)	Within 10%	Baseline was the total kilometre value of cyclepaths and lanes as at 30 June 2021. Target going forward will be increase on last posted annual result.
Residents (%) who are satisfied with the transport network -walking	77.5%	70%	75%	75%	Within 10%	
Wellington Cable Car Company Limited						
Achievement of measures within Wellington Cable Car Limited's Statement of Intent		New measure 2021/22	Achieved	Achieved	Within 10%	<p>Unaudited result: 4 out of 5 KPIs Achieved.</p> <ul style="list-style-type: none"> Quality Trip advisor/Google: met; Quality Qualmark Gold: met; Reliability/timeliness: met; Visitation Passenger trips: Not met mostly due to impacts of COVID and lockdowns; Fare revenue: met <p>For more information on performance results, refer to published Annual Reports via https://www.wellingtoncablecar.co.nz/corporate-information</p>
7.2 Tūnga Waka Parking						
Availability						
City parking peak occupancy (utilisation)		New measure	53%	70-80%	Not met	Peak Parking occupancy rates have remained low over the year. However, the reduction in hourly parking fees, from 21 March until 30 June (from \$3 to \$1) as part of the city's pandemic response plan, may have contributed to a 4% increase in weekend occupancy during the 4th quarter.
Residents (%) who perceive that parking enforcement is fair	38.2%	41%	36%	>50%	Not met	<p>This year's result is a continuation of a declining trend in perceived fairness beginning in 2018. The nature of paid parking within the central business district is changing over time due to initiatives such as Parklets, Pōneke Promise and Let's Get Wellington Moving which affect availability of parking with a flow on impact to perceptions of enforcement fairness.</p> <p>For more detail visit the full Residents' Monitoring survey at: https://wellington.govt.nz/rms-survey-and-results</p>

Spotlight on – supporting parking services during the parliament occupation

The Situation

In February 2022 prior to the parliament occupation, Parking Services were facing existing challenges which included being in the COVID-19 red light setting in preparation for Omicron, staff needing to work in bubbles, and staff illness from COVID-19.

The occupation, which was an anti-vaccine and anti-mandate protest, began at Parliament grounds on 7 February. The occupation, which was intended to be peaceful, became increasingly violent with protestors immediately blocking the streets around Parliament, causing traffic chaos.

Protestors blockaded areas around parliamentary grounds with vehicles as well as occupying the parliamentary lawn and adjacent areas in tents. The protestors and their occupation spilled over to the Victoria University Law School grounds, and private property, such as the driveways and gardens of nearby homes.

In the early days of the protest, Parking Services continued business as usual, and were aware that the protestors were not paying for parking.

The Action Plan

An action plan was developed with Parking Services working together with the Police to consider and confirm available options to allow parking enforcement to proceed safely.

In addition to police assistance, Council volunteers which included back-office staff supported parking officers with their patrolling activity. Back-office staff provided support such as communications and driving vehicles, while parking officers completed enforcement actions. Community support was overwhelmingly positive with high-visibility social media content.

To ensure personal safety when ticketing protest vehicles, parking officers were escorted by the Police, Council vehicles were strategically located in case staff needed to be evacuated, a non-ticketing safety manager accompanied all teams, a dedicated communications channel was established and body-cams were worn which live-streamed back to the central communications room.

The occupation was ended with Police action and protestors dispersed across the city to Lyall Bay, Shelly Bay, Mahanga Bay, and up to the Kapiti Coast after eventually leaving entirely.

Moving forward

On-going enforcement action continues to resolve overdue fines.

We are maintaining relationships and strategies with the Police and other agencies to ensure appropriate preparedness for any future events.

Section 5: Our Council and organisation

[Te reo heading]

In this section

This section describes the Council's democratic and corporate governance arrangements and presents information relating to our elected members, committees, groups and business units, organisational structure and staff.

Te Kaunihera o Pōneke | Our Council

Made up of elected members, the essence of the Council's role is to set strategic directions and priorities, and to provide governance oversight of the organisation.

Te Kaunihera o Pōneke | Wellington City Council is made up of the Mayor and 14 Councillors, one of whom serves as Deputy Mayor.

Along with all local authorities in New Zealand, the Council is elected every three years. The Mayor is elected 'at large', meaning by all the city's residents who are eligible to vote. The Councillors are elected by voters from their respective geographical areas (wards). The Deputy Mayor is appointed by the Mayor.

The next election will be held on 8 October 2022 under the single transferable vote system (STV) and will include the introduction of a Māori ward – Te Whanganui-a-Tara Māori Ward.

Setting the direction

Te Kaunihera o Pōneke | Wellington City Council as the governing body for Wellington is responsible for setting the strategic direction and priorities for the city through policy decisions and the Long-term and Annual Plan processes.

The Council appoints the Chief Executive, who is responsible for delivering the services needed to fulfil its direction.

Under the Local Government Act 2002, certain powers are reserved for the elected Council.

These powers include setting bylaws and rates, setting the city's budget and direction through long-term and annual plans, making decisions about borrowing money and buying or selling assets. Also setting up and giving powers to Council committees and subcommittees and determining how Council meetings will be run. In addition, setting a code of conduct for elected representatives, and adopting annual reports.

Subject to these powers, day-to-day management of Council services and operations is delegated to the Chief Executive, with councillors monitoring progress as a governance function.

Councillors also engage with the community on most decisions being made, ensuring people can have their say, and contribute to and influence how their city is shaped.

Altogether, the Council strives to ensure our decision-making processes are fair, transparent and robust.

Code of Conduct and Conflicts of interest

The Code of Conduct for Elected Members provides guidance on the standards of behaviour that are expected from the Mayor and other Elected Members.

Both the Code of Conduct and Councillor's responsibilities to declare conflicts of interest are covered extensively as part of the induction programme after an election.

Code of Conduct Complaints

The Code of Conduct Complaints applies to all Elected Members in their dealings with each other, the Chief Executive, all staff, the media, and the general public.

Any alleged breach by a member of the provisions of the code for which there is not a process and penalty provided elsewhere shall be reported in a timely manner to the appropriate person.

Any allegation is considered in a manner that is fair to all parties involved, including ensuring that due process is respected. This includes ensuring that the Elected Member is given an opportunity to consider and respond to the allegation.

There were no Code of Conduct Complaints considered during the 2021/22 financial year.

Conflict of Interest Declarations

At the start of the triennium, all councillors are asked to declare their interests. Follow-ups occur to ensure that Councillors comply with the provisions of the Local Authorities (Members' Interest) Act 1968, which covers financial interest, and other requirements relating to non-pecuniary conflicts of interest.

At Committee meetings, members are asked to declare any interest in relation to any items/reports on the agenda, whether pecuniary or non-pecuniary. If a Councillor declares an interest, he/she will not vote or speak to the item.

There were **X** conflicts of interests during the 2021/22 financial year.

How decisions are made

The elected members of Wellington City Council conduct their business and make decisions at open and publicly advertised council, committee and subcommittee meetings.

The Council also has elected Community Boards that make decisions for set areas in the city, and Advisory Groups that provide advice to elected members from the perspective of their specialist areas.

Committees and subcommittees

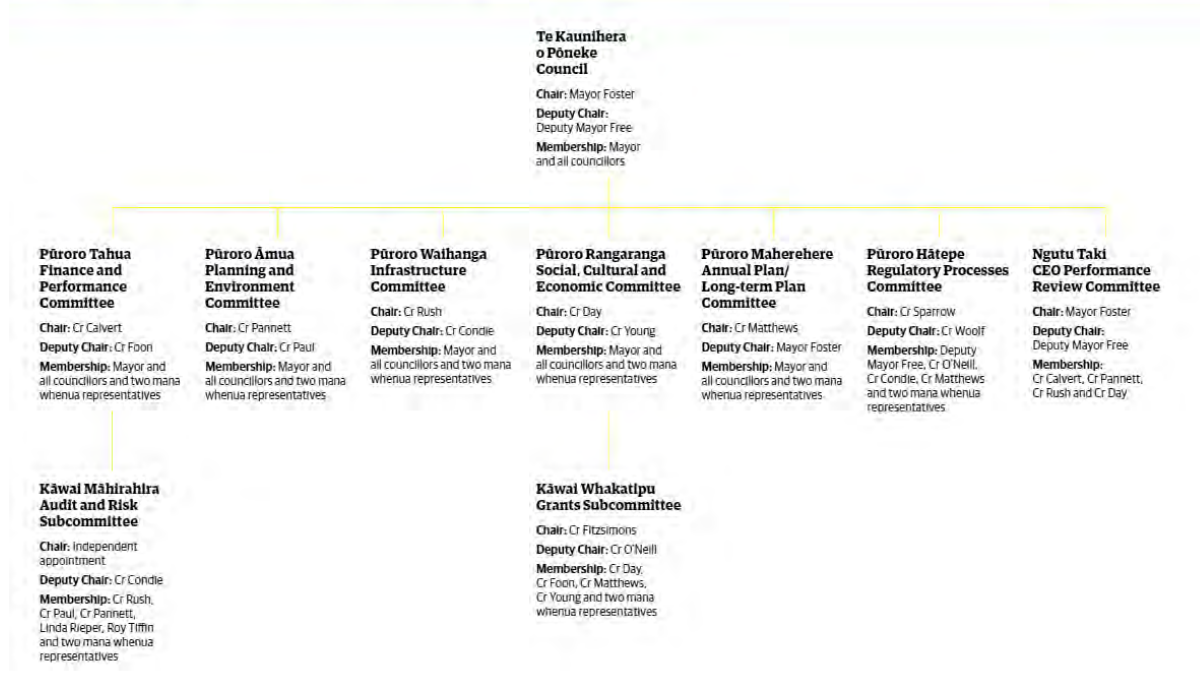
The Mayor put in place the current structure of committee and subcommittees following the Independent Wellington City Council Governance Review in March 2021.

The current structure came into effect on 1 June 2021.

Council also agreed that representatives from each of our two Wellington iwi, Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira, could be members of most committees and subcommittees. In the 2021/22 financial year Liz Kelly was appointed by Ngāti Toa Rangatira to be their representative.

Council committees structure

Absolutely Positively
Wellington City Council
Ko Heke Ki, Kōwhiri



Councillor meeting attendance

The meeting attendance figures shown in the table below relate to Council, committees, and subcommittee meetings of which the councillor is a member.

The meeting attendance figures do not include Councillors' attendance at external meetings, including for boards of Council-controlled organisations, community boards, working parties, advisory groups and other external bodies.

Excluded from this list are committees administered by other councils: Porirua Harbour and Catchment (joint committee), Wastewater Treatment Plant and Landfill (joint committee), Regional Transport Committee, Regional Leadership Forum, and Let's Get Wellington Moving Governance Group. For more information, see Council and Committee meetings at www.porirua.govt.nz.

Elected members	Meetings held	Meetings Attended	
Mayor Andy Foster	89*	69	78%
Deputy Mayor Sarah Free	68	67	99%
Councillor Diane Calvert	79	78	99%
Councillor Jenny Condie	72	72	100%
Councillor Jill Day	66	66	100%
Councillor Fleur Fitzsimons	68	68	100%
Councillor Laurie Foon	79	77	97%
Councillor Rebecca Matthews	78	78	100%
Councillor Teri O'Neill	79	78	99%
Councillor Iona Pannett	80	80	100%
Councillor Tamatha Paul	68	66	97%

Elected members	Meetings held	Meetings Attended	
Councillor Sean Rush	59	59	100%
Councillor Malcolm Sparrow	16	16	100%
Councillor Simon Woolf	74	72	97%
Councillor Nicola Young	67	64	96%
Liz Kelly (Ngāti Toa Rangatira)	67	51	76%
Total meetings held:	93		

* Mayor is ex-officio on all Council committees and subcommittees; therefore, attendance percentage is not comparable with other elected members.

Community boards

Wellington City Council has two community boards constituted under section 49 of the Local Government Act 2002 – Tawa Community Board and Makara/Ōhāriu Community Board. Both community boards have six members elected triennially by the electors in the respective communities.

Tawa Community Board

Chair: Robyn Parkinson

Deputy Chair: Jackson Lacy

Members: Malcolm Alexander (until October 2021), Janryll Fernandez (from November 2021), Graeme Hansen, Richard Herbert, and Anna Scott

Council Appointed Members: Cr Jenny Condie (from November 2021), Cr Jill Day, and Cr Malcolm Sparrow (until October 2021)

The Tawa Community Board met 10 times in 2021-22. It discussed matters affecting the community, including: an update on the proposed Three Waters Reform, the Draft District Plan, waste minimisation, roading and Tawa-specific projects such as the Linden Community Development Restoration Programme, the Kids Enhancing Tawa Ecosystems Programme and the Metlink Tawa Transport Trial.

The Board was also regularly updated on allocations of the Tawa Community Board Discretionary Fund, resource consent applications and approvals, as well as current or upcoming Council consultations and surveys affecting Tawa.

Tawa Community Grants: Nine grants were made totalling \$15,000.

Makara/Ōhāriu Community Board

Chair: John Apanowicz

Deputy Chair: Christine Grace

Members: Darren Hoskins, Chris Renner, Wayne Rudd, and Hamish Todd.

The Makara/Ōhāriu Community Board met seven times in 2021-22. It discussed matters affecting the community, including: ongoing challenges with roading repairs and general maintenance in Makara and Ōhāriu, representation review, and the draft district plan.

Advisory Groups

Forums and advisory groups help specific sectors of the community to have their say and guide us in our work.

We have six advisory groups - Accessibility Advisory Group; Environmental Reference Group; Pacific Advisory Group; Rainbow Communities Advisory Group; Safe & Sustainable Transport Forum; and Youth Council.

Advisory groups consist of members of the community with specialist knowledge in a specific area of Council responsibility. Their role is to help their communities understand Council processes, participate in the Council decision-making processes, and help the Council understand the needs of their communities and how those may be addressed. They are not seen as representing all views on their specialist areas or communities in Wellington.

Review of advisory groups

Council adopted several changes to the way in which the advisory groups operate following an independent review in December 2020.

From this Council decided to establish a new advisory group – the Rainbow Communities Advisory Group, which commenced in July 2021.

The following outlines each advisory group, their membership and a brief overview of their meeting schedule and actions taken

Accessibility Advisory Group (AAG)

Co-Chairs: Rachel Noble (August 2020 – April 2022), Susan Williams (from April 2022) - and Nick Ruane

Members: Amy Evanson (until November 2021), Erikka Helliwell, Rosie MacLeod, Stuart Mills (until May 2022) , Solmaz Nazari Orakani, Alan Royal.

AAG met 11 times and provided feedback and advice to Council on: Diversity and Inclusion Strategy, Build Wellington, Frank Kitts Park design, Lambton Quay Bus Interchange design, Representation Review, Accessibility Charter, Let's Get Wellington Moving, Tūpiki Ora 10 Year Māori Strategy, Pōneke Promise, Te Kainga affordable housing, Te Matapihi Central Library, Economic Wellbeing Strategy, 2022 local elections, Open Spaces and Recreation review, and City Arts and Events.

Environmental Reference Group (ERG)

Co-Chairs: Lynn Cadenhead, Michelle Rush (from March 2022)

Members: Steven Almond, David Batchelor, Mike Britton, Arron Cox (until September 2021), Isla Day (until March 2022), Sally Faisandier, George Hobson, Clare Stringer, Chris Watson, Eleanor West (until August 2021) and Arran Whiteford.

ERG met 11 times and provided feedback and advice to Council on: the Draft District Plan, Annual Plan (specifically city housing and the Southern Landfill), Draft Economic Wellbeing Strategy, Green Network Plan, Let's Get Wellington Moving, Tūpiki Ora 10 Year Māori Strategy, Pōneke Promise and Three Waters Reform.

Pacific Advisory Group (PAG)

Co-Chairs: Anthony Carter and Natalia Fareti

Members: Gerron Ale, Jope Berwick Anthony, Maria Clark, Mino Cleverly, Sunia Foliaki, Kira Hundleby, Maikali Kilione, Jocelyn Kua, Lisa Pouvalu, Sandra Tisam, Tino Vaireka and Senia Bartley (joined June 2022).

PAG has specific membership requirements to ensure it represents a broad range of the Pasifika communities in Wellington: Cook Islands, Fiji, Melanesia, Micronesia, Niue, Samoa, Tokelau, Tuvalu and Tonga, with up to 17 members.

PAG met 11 times and provided feedback and advice to Council on: the Annual Plan: proposed City Housing, Tūpiki Ora, 10-year Māori Strategy and the Open Spaces and Recreational Review.

Takatāpui and Rainbow Advisory Council (TRAC)

Co-Chairs: Anthony Carter and Natalia Fareti

Members: Rākau Buchannan, Ashley Edge, Brodie Fraser, Connor McLeod, Mani Mitchell, Maggie Shippam, Sam Low, Stan Thomas, Broden Packer (until April 2022) and Yobanny Laurean (until April 2022).

TRAC met 11 times and provided feedback on: the Youth Hub, Pōneke Promise, Draft Economic Wellbeing Strategy, Tūpiki Ora 10 Year Māori Strategy, Wellington Zoo: Rainbow Journey as a CCO, Inclusion Strategy (internal), Te Matapihi Central Library and the Annual Plan.

Safe & Sustainable Transport Forum (SASTF)

Members: Representatives from 12 organisations and agencies interested in road safety and/or sustainable transport are invited to participate in the quarterly SASTF meetings.

These organisations include Greater Wellington Regional Council, Living Streets Wellington, Cycle Wellington, Waka Kotahi New Zealand Transport Agency, New Zealand Police, Automobile Association, Equestrian Safety, Accessibility Advisory Group, Accident Compensation Corporation, Regional Public Health, Bikers' Rights Organisation of New Zealand (BRONZ) and Wellington City Councillors.

This forum met four times during 2021-22, either online or in person.

Youth Council

Chair: Laura Jackson

Deputy Chair: Ella Flavell until March 2022, then Anastasia Reid

Members: Leandra Broughton, Saiah Clayton-Wade, Artemis Crawford, Raihaan Dalwai (resigned February 2022), Nīkau Edmond-Smail, Ella Flavell, Ali Haidari, Tony Huang (resigned February 2022), Laura Jackson, Jackson Lacy, Shelly Liang (resigned February 2022), Henry Lockhart, Akira McTavish-Huriwai, Kelly Ngan (resigned February 2022), Pūlupaki Pouvalu, Ekta Raturi (resigned May 2022), Anastasia Reid, John Sibanda, Joshua Taefu, and Waimarama Taiti-Bright.

Youth Council met 20 times and provided feedback and advice to Council on: Representation Review 2021, Trading and Events in Public Places Policy, Annual Plan 2022, Draft Economic Wellbeing Strategy Submission, Tūpiki Ora, Let's Get Wellington Moving, Paneke Pōneke, Drivers Licensing and the District Plan.

Youth Council also gave feedback to New Zealand Parliament on the Conversion Practices Prohibition Legislation Bill 2021.

Youth Council was particularly involved in the development of the new Youth Hub with a nominated member attending regular meetings with the working group.

Furthermore, Youth Councillors have been providing support and input on the communications and engagement plan with young people for the upcoming local election.

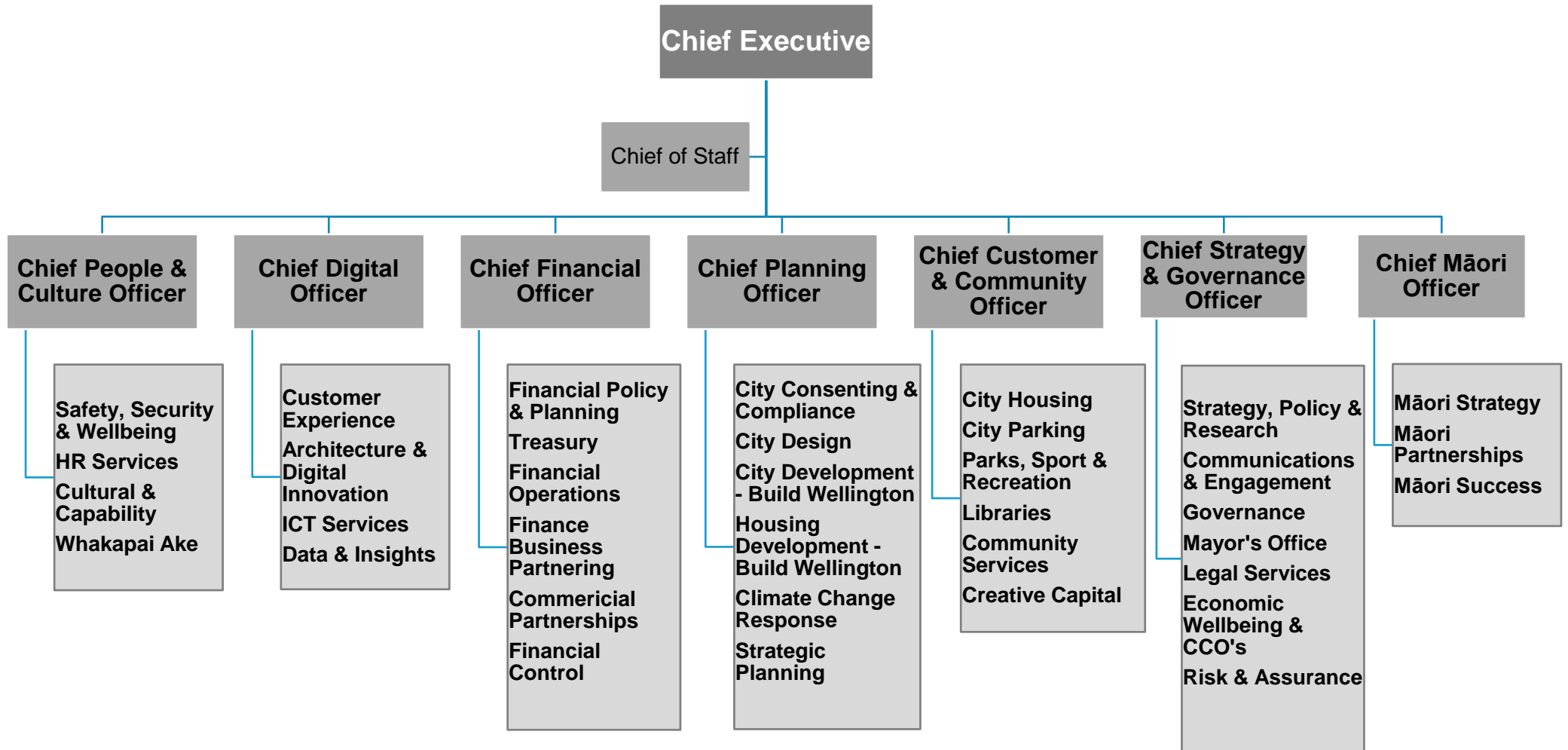
Our organisation

The Mayor and Councillors employ and delegate the management and delivery of Council services to the Chief Executive. The Chief Executive is the sole employee of the elected Council and is the employer of all other staff.

The Executive Leadership Team supports the Chief Executive to provide advice to the Council, manage the Council organisation and implement Council decisions. The team is made up of eight members, who lead functional Groups based on key areas of focus.

Alongside the Council organisation, the Council has established several Council-controlled organisations to help it achieve its goals for Wellington. The governance structures and purposes of those organisations are profiled here. Any related performance information is detailed in Section 4: Our performance in detail.

Organisation chart – Groups and business units



Our organisation's unifying purpose

Our Council unifying purpose is: Kia mahi ngātahi mō Pōneke mō tōna ā āpōpō: Working together for Wellington's future.

Our Council values are:

- He tangata, he tangata, he tangata: We put people at the heart of what we do
 - We anticipate our customers' needs
 - We support our colleagues
 - We listen to our customers and each other
 - We act with integrity and respect
- Whakapai ake: We're always improving
 - We are open to new ideas and innovation
 - We encourage creativity
 - We learn from our mistakes
 - We give constructive feedback, compliment good work and reward success
- Mahi ngātahi: We collaborate
 - We share our skills and knowledge
 - We have confidence in our colleagues
 - We work together to get the best results
 - We are accountable for our actions and decisions
- Mana tiaki: We care for our places
 - We protect our environment for future generations
 - We are guardians of our city's assets
 - We nurture our communities
 - We consider the impact of what we do

Council-controlled organisations

Alongside our seven groups and business units, Wellington City Council has seven Council-controlled organisations that undertake activities on behalf of the Council and are each governed by an independent board. Council-controlled organisations (CCOs) enable the Council to use specialist expertise to manage Council assets or deliver Council services.

The Wellington Regional Stadium Trust is not a Council-controlled organisation, however its relationship with Council is conducted in a similar manner so it is reported here in a similar fashion.

The organisations are:

- **Basin Reserve Trust** manages and promotes the Basin Reserve for recreation, leisure, and games of domestic and international cricket.
- **Karori Sanctuary Trust** trades as ZEALANDIA - TE MĀRA A TĀNE and manages ongoing conservation and restoration work at its sanctuary in Karori.
- **Wellington Cable Car Ltd** maintains and operates Wellington's iconic Cable Car.
- **Wellington Museums Trust** trades as Experience Wellington and manages educational and cultural facilities and experiences.
- **Wellington Regional Economic Development Agency Ltd (WREDA)** trades as WellingtonNZ and is the city and region's economic development organisation.
- **Wellington Regional Stadium Trust** owns, operates and maintains the Sky Stadium as a high-quality multi-purpose sporting and events venue
- **Wellington Water** manages all three water services for Hutt, Porirua, Upper Hutt and Wellington city councils, and South Wairarapa District Council.
- **Wellington Zoo Trust** manages the Wellington Zoo, provides experiences and education and supports conservation initiatives.

FURTHER READING: For details on the performance of each entity, please refer to Section 4: Our performance in detail or their respective annual reports.

The governance arrangements for each of the organisations are outlined below.

Basin Reserve Trust

The Basin Reserve Trust is responsible for the operation and management of Wellington's Basin Reserve. It is the home of Cricket Wellington and the home ground for the Wellington Blaze (women) and Wellington Firebirds (men) cricket teams. It is also a busy route for commuters on cycles, riding scooters and walking to and from the city.

The day-to-day operational activities are carried out by Cricket Wellington under a management agreement with the Trust. The Trust is comprised of four members, two elected by Wellington City Council including the chairperson and two members elected by Cricket Wellington.

The board of trustees is: Alan Isaac (Chair and Council appointee), Councillor Sean Rush (Council appointee), Mike Horsley (Cricket Wellington appointee), and John Greenwood (Cricket Wellington appointee).

Karori Sanctuary Trust

The Karori Sanctuary Trust is a not-for-profit community-led organisation and trades as ZEALANDIA - Te Māra a Tāne. It is the world's first fully fenced urban ecosanctuary, with a 500-year vision to restore Wellington's forest and freshwater ecosystems as close as possible to their pre-human state. The 225-hectare, renowned and popular conservation project has reintroduced

more than 20 species of native wildlife back into the area, and as a result of 'spill-over' beyond the fence, has significantly changed the birdlife of Wellington. The organisation also has a significant engagement, education and empowerment programme.

The governance structure for the Trust has a governing board of trustees and a separate board for the guardians of the sanctuary. The trustees are appointed by Wellington City Council with guidance from the Guardians of the Sanctuary.

The board of trustees is: Phillip Meyer (Chair), Professor David Bibby, Jo Breese, Dr Libby Harrison, Pete Monk, and Russell Spratt. The Chief Executive is Dr. Danielle Shanahan.

The Guardians provide a long-term strategic perspective on the sanctuary's evolution and have an active interest in the long-term future of the Trust. The Guardians are: Roy Sharp (Chair), Julia Bracegirdle, Latu Clark, Mayor Andy Foster, Jim Lynch QSM, Ellen Carylton, and Dr Nicola Nelson.

Wellington Cable Car Company Limited

Wellington Cable Car Company Ltd owns and operates the city's iconic funicular railway that runs between Lambton Quay and Kelburn, a hill suburb overlooking the city and harbour. The first journey was taken on 22 February 1902. The Cable Car is one of Wellington's most well visited attractions and records more than 1 million passenger journeys a year comprising of commuters, students and residents as well as the many visitors to Wellington.

Wellington Cable Car Ltd is wholly owned by the Council and directors appointed to the board are Council officers. The Chief Executive is Cesar Piotto, who joined the Cable Car Company in May 2020.

The board of directors is David Perks (Chair) and Danny McComb.

Wellington Museums Trust

The Wellington Museums Trust, which trades as Experience Wellington, operates six institutions on behalf of the Council. These are Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, the Cable Car Museum, and Wellington Museum.

In addition to operating these diverse facilities, the Trust manages the Plimmer's Ark display in Old Bank Arcade, the recovered Plimmer's Ark timbers in storage and, Wellington city's heritage collections, and provides support to the New Zealand Cricket Museum.

The board of trustees is: Jane Wrightson (Chair), Heather Galbraith, Suzanne Snively, Peter Jackson, Martin Matthews, Peter Johnson, and Councillor Laurie Foon

The Chief Executive is Sarah Rusholme.

Wellington Regional Economic Development Agency Ltd

The Wellington Regional Development Agency Ltd (trading as WellingtonNZ) supports economic performance across the region to enhance prosperity, vibrancy and liveability for the people who live and work in the region.

WellingtonNZ markets the Wellington region as a destination for visitors, migrants and investors; it helps businesses grow and innovate; it advocates for the region's economy and attracts and promotes major events and runs the Wellington City civic venues.

The board of directors is: Tracey Bridges (Chair), Matt Clarke, Jill Hatchwell, Wayne Mulligan, Jo Healey, and Kylie Archer

The Chief Executive is John Allen.

Underpinning WellingtonNZ is the Wellington Regional Strategy (WRS) and the Wellington Regional Leadership Committee which comprises of 10 members appointed by the Greater Wellington Regional Council.

These members are, one regional councillor, four members nominated by Wellington City Council, one member nominated by each of Kāpiti Coast District Council, Hutt City Council, Porirua City Council and Upper Hutt City Council, and one member nominated by the three Wairarapa district councils.

The Wellington Regional Leadership Committee implements and develops the Wellington Regional Strategy, including overseeing WellingtonNZ.

Wellington Regional Stadium Trust

The Trust owns, operates and maintains the Sky Stadium as a high-quality multi-purpose sporting venue. The stadium, opened in 2000, also hosts musical and cultural sponsored events, a variety of trade shows, plus community events. The Stadium is home to the Hurricanes and Wellington Lions rugby teams, the Wellington Phoenix men's and women's football teams, and regularly hosts the New Zealand national men's and women's teams in rugby, football and cricket.

The board of trustees is jointly appointed by the Council and Greater Wellington Regional Council. The board of trustees is: Rachel Taulelei (Chair), Tracey Bridges, Steve Tew, Phillippa Harford, Owen Gibson, Nicola Crauford, Councillor Sean Rush from Wellington City Council, and Councillor Glenda Hughes from Greater Wellington Regional Council. The Chief Executive is Shane Harmon.

The Trust is not a Council-controlled organisation, however its relationship with Council is conducted in a similar manner so it is included here in a similar fashion for this reason.

Wellington Water

Wellington Water Limited is a council-controlled organisation owned by the Hutt, Porirua, Upper Hutt and Wellington city councils, South Wairarapa District Council and Greater Wellington Regional Council. The councils are all equal shareholders.

The role of Wellington Water is to manage the drinking water, wastewater and stormwater services of its shareholder council owners. Wellington Water's main activities include:

- managing water treatment and supply
- managing stormwater and wastewater service delivery in the Wellington region
- promoting water conservation and sustainability.

Wellington Water does not own any drinking water, stormwater, wastewater or bulk water assets. Nor does it set policies or control rates or user charges. These functions remain with the local councils and Greater Wellington Regional Council.

The board of directors is: Lynda Carroll (Chair), Kim Skelton, Mike Underhill, Leanne Southey, Nick Leggett, and Alexandra Hare.

A representative from each territorial authority sits on the Wellington Water Committee that provides overall leadership and direction for the company.

The Wellington Water Committee is: Mayor Campbell Barry (Chair) – Hutt City Council, Wayne Guppy (Deputy Chair) – Upper Hutt City Council, Alex Beijen – South Wairarapa District Council, Mayor Andy Foster – Wellington City Council, Anita Baker – Porirua City Council, Josh van Lier –

Greater Wellington Regional Council, Miria Pomare – Te Rūnanga O Toa Rangatira, and Lee Rauhina-August – Taranaki Whānui ki te Upoko o te Ika. The Chief Executive is Colin Crampton.

Wellington Zoo Trust

Wellington Zoo was New Zealand's first Wellington Zoo, opening in 1906.

The Wellington Zoo Trust manages the popular and award-winning 13-hectare Wellington Zoo, home to native and exotic animals, and is recognised for expertise in animal welfare, conservation, visitor experience and sustainability.

The Zoo delivers learning sessions to thousands of children a year to grow their understanding of animals and the natural world. It also partners with conservation organisations for at-risk species from New Zealand and around the world and to advocate for animals and save wildlife and wild places. Wellington Zoo treats hundreds of native animals a year at The Nest Te Kōhanga, the Wellington Zoo's animal hospital and centre for wildlife health services and is the world's first carbon zero-certified Wellington Zoo.

The board of trustees is: Craig Ellison (Chair), Jane Diplock, Michael Potts, Benjamin Bateman, Nina Welanyk Brown, and Councillor Fleur Fitzsimons. The Chief Executive is Karen Fifield MNZM.

Making ourselves accountable

We make ourselves accountable in many ways. This Annual Report is one. It explains what we did during 2021/22, how our work contributed to the city, what it cost, and whether our performance met the expectations we set ourselves. Its contents have been independently scrutinised to ensure they fairly reflect our financial performance and position, and the services we've provided.

Transparency

The Local Government Official Information and Meetings Act 1987 ensures our community can access official information, participate in meetings and influence local decision making.

All meeting agendas and reports are made public at least two days before meetings. The minutes of our meetings are made available on our website and we also live stream all of our committee and Council meetings. We also publish responses to official information requests of note on our website.

We also ensure any decisions are communicated effectively to the community – through media releases, social media, web alerts, and our website. We also produce quarterly reports which are available to members of the public and media.

Assurance Framework

The Council's Assurance Framework is based on the Institute of Internal Auditors 'Three Lines Model' working together to provide confidence to our ratepayers, communities and other stakeholders that the Council is well positioned to deliver its business objectives and outcomes.

Internal control systems at the Council define clear responsibilities and accountabilities across the organisation. Regular assurance is provided that these systems and processes are working as intended. The Council's internal audit programme of work is designed to provide an overview of the effectiveness of the Council's internal control environment. The Audit and Risk Subcommittee (A&Rs) approves and oversees this work programme.

Managing risks

The Council conducts strategic risk assessments to identify the big external challenges that could prevent us from functioning and delivering well. We follow the Joint Australian/New Zealand International Standard for Risk Management, and use an evidence-based approach to determine the likelihood and severity of our risks. We assess a range of threats from resource supply shortages, of COVID-19 climate change, cyberattacks, malicious attacks and others to understand the impacts these could have. We do this so we can make informed decisions about how we manage risks and reduce potential harm to our organisation, our city, and its people.

Kāwai Māhirahira | Audit and Risk Subcommittee

Kāwai Māhirahira| Audit and Risk Subcommittee has governance oversight of risk management systems, processes, and organisational risk management capability. The subcommittee receives quarterly reports related the efficacy of risk management practices, as well as an overview of the Council's Strategic risk profile.

The subcommittee also oversees the work of the Council in discharging its responsibilities in the areas of assurance, statutory reporting, internal and external audit, monitoring of compliance with

laws and regulations (including health and safety), and significant projects and programmes of work focusing on the management of risk.

The subcommittee met five times in the 2021-2022 year.

Membership of the subcommittee was: Bruce Robertson (Chair external), Councillor Jenny Condie (Deputy Chair), Mayor Andy Foster, Councillor Iona Pannett, Councillor Tamatha Paul, Councillor Sean Rush, Roy Tiffin (External), and Linda Rieper (External).

The external appointments to subcommittee are recruited based on relevant skills and experience that brings value to the subcommittee, including financial knowledge, experience in risk management and governance, and local government experience.

Our staff

Our people are our strength. We have many talented, hard-working staff across Council, and much to celebrate and be proud of. Through their efforts we are able to deliver on our promises to the community.

He tangata – People

Our people continue to enjoy working for an organisation that is delivering tangible difference to the communities it serves. Even in a challenging labour market, we know this aspect of working for the Council is what keeps people engaged and motivated to stay.

We know this to be true, as our staff continue to articulate it in our annual Kōrero Mai engagement survey which has increased by 3% on last year's result, a hard-won increase in what has been a challenging year for many. In this survey, our people told us that they feel most proud of the Council's response to COVID-19, and the increasing delivery of our organisational priorities, as well as the strategic focus on engagement and partnership with mana whenua.

Staff by group and employee class

Group	Permanent		Fixed Term		Casual	Head count	FTE
	Full-Time	Part-Time	Full-Time	Part-Time			
Chief Executive's Office	10	0	1	0	0	11	11.0
Customer and Community	453	540	34	24	44	1,095	709.3
Finance and Business	64	4	1	1	0	70	67.5
Infrastructure and Delivery	140	19	8	1	9	177	165.8
Mataaho Aronui	8	0	1	0	0	9	9.0
People and Culture	43	4	2	0	0	49	48.0
Planning and Environment	236	21	20	13	1	291	278.7
Smart Council	114	15	14	9	0	152	141.8
Strategy and Governance	97	10	5	1	0	113	108.5
Total	1,165	613	86	49	54	1,967	1,539.7

*excludes contractors

Staff by employee class

	# Staff	Ratio
Permanent	1,778	90%
Fixed Term	135	7%
Casual	54	3%
Total	1,967	100%

*excludes contractors

Staff by employee type

	# Staff	Ratio
Full-Time	662	34%
Part-Time	1,251	63%
Casual	54	3%
Total	1,967	100%

*excludes contractors

Staff by employee class, gender and age

Employee class	Age Brackets	Female	Male	Gender Diverse	Grand Total
Permanent	< 25yrs	268	155	1	424
	25 - 40yrs	320	311	1	632
	41 - 55yrs	254	188	0	442
	56 - 60yrs	56	72	1	129
	61yrs+	76	74	0	150
Permanent Total		974	800	3	1,777

Employee class	Age Brackets	Female	Male	Gender Diverse	Grand Total
Fixed Term	< 25yrs	31	11	1	43
	25 - 40yrs	28	23	1	52
	41 - 55yrs	14	8	1	23
	56 - 60yrs	8	1	0	9
	61yrs+	6	2	0	8
Fixed Term Total		87	45	3	135
Casual	< 25yrs	19	12	0	31
	25 - 40yrs	6	3	0	9
	41 - 55yrs	5	2	0	7
	56 - 60yrs	0	1	0	1
	61yrs+	4	2	0	6
Casual Total		34	20	0	54
Grand Total		1095	865	6	1,966

*excludes contractors and unknown gender

Staff by length of service, gender and age

Gender	Length of Service	< 25yrs	25 - 40yrs	41 - 55yrs	56 - 60yrs	61yrs+	Grand Total
Female	0 - 1 yr	176	111	68	13	9	377
	1 - 2 yrs	68	57	24	3	5	157
	2 - 5 yrs	63	112	62	5	8	250
	5 - 10yrs	11	49	56	9	16	141
	10 - 15yrs	0	15	24	12	13	64
	15 - 20yrs	0	9	17	9	15	50
	20 - 25yrs	0	1	18	11	9	39
	25 - 30yrs	0	0	3	2	3	8
	30 - 35yrs	0	0	1	0	3	4
	35 - 40yrs	0	0	0	0	3	3
	40 - 45yrs	0	0	0	0	2	2
Female Total		318	354	273	64	86	1,095
Male	0 - 1 yr	89	104	41	12	4	250
	1 - 2 yrs	40	45	19	1	1	106
	2 - 5 yrs	37	96	42	14	9	198
	5 - 10yrs	12	72	30	17	10	141
	10 - 15yrs	0	13	25	8	12	58
	15 - 20yrs	0	4	20	8	7	39
	20 - 25yrs	0	3	11	3	12	29
	25 - 30yrs	0	0	4	4	3	11
	30 - 35yrs	0	0	3	4	9	16
	35 - 40 yrs	0	0	3	2	5	10
	40 - 45yrs	0	0	0	1	2	3
	45 - 50yrs	0	0	0	0	2	2
	50 - 55yrs	0	0	0	0	1	1
	Over 55 yrs	0	0	0	0	1	1
Male Total		178	337	198	74	78	865
Gender Diverse	0 - 1 yr	2	2	1	1	0	6
Gender Diverse Total		2	2	1	1	0	6
Grand Total		498	693	472	139	164	1,966

*excludes contractors and unknown gender

Staff attrition

Reporting Period	Voluntary Attrition	Involuntary Attrition	Turnover (%)
1 July 2018 - 30 June 2019	20.9%	1.7%	22.6%
1 July 2019 - 30 June 2020	17.7%	1.4%	19.1%
1 July 2020 - 30 June 2021	19.0%	1.2%	20.2%
1 July 2021 - 30 June 2022	27.3%	0.9%	28.2%

Staff awards

We celebrated the achievements of our staff in November 2021 at our third annual staff awards ceremony. These awards have been a way we can, as an organisation, celebrate the achievements of our people and to formally acknowledge the high performers who are living our values, demonstrating strong leadership, and helping deliver real progress for our city.

The awards are peer and leader nominated under the following categories:

- **He tangata:** Recognises exceptional achievement in customer service, working with the community, or in demonstrating care and respect for others.
- **Mahi ngātahi:** Recognises excellence in collaborating with others inside and outside Council to achieve exceptional results.
- **Whakapai ake:** Recognises innovative thinking that challenges the way we do things or improves our business processes.
- **Mana tiaki:** Recognises an exceptional contribution towards making Wellington a great place to live, work and play.
- **Emerging leader:** Recognises individuals who positively influence others by demonstrating good leadership.
- **Accountable Leader:** Recognises people leaders who demonstrate exceptional leadership skills and demonstrate Working Better Together.
- **Ngā Kaha:** Recognises teams who live 'Our Values – Ngā kaha' every day.

This year we included two new categories to support the building of a Health and Safety culture:

- **H&S Rep of the Year:** Recognises Health and Safety Reps who demonstrate a positive approach to Health and Safety and representing other works.
- **Best Health and Safety Initiative:** Recognises initiatives which have resulted in an improvement in Health, Safety or Security systems or behaviours and/or addressed or managed a specific hazard or risk or has created a design solution to address a problem.

In 2021 we received 223 nominations, which is 96 more than in 2020. The following themes featured strongly in the citations for the winning staff at the November 2021 awards ceremony.

- Advocating, listening, challenging and respecting the varied views of the community through engagement on countless projects to improve the life for the Pōneke public.
- Establishing and nurturing our relationship with mana whenua to ensure their perspective was incorporated into city plans.
- Demonstrating selfless leadership by putting staff at the heart, displaying compassion, and empowering the team.
- Highlighting H&S issues to ELT and the H&S rep group in order to create change in an authentic and positively disruptive way.
- Recognising and supporting mental health and wellbeing in the workplace through programmes and practices that positively empower the team and create a wellbeing culture.

Mahi Ngātahi – We Collaborate

Diversity, Inclusion and Wellbeing

The Council is committed to building and nurturing an inclusive culture where everyone feels they belong. This year we launched our new Inclusion Strategy: Kia oke tapatahi tātou, Together we thrive. This strategy documents our aspirations to build a diverse organisation, inclusive culture and to extend aroha by caring for and nurturing our people.

The strategy goals are focused on:

- Growing the capability of our people
- Creating an inclusive workplace
- Ensuring equity in our policies, processes, services and systems
- Providing care for our internal Council community (expanded on in the Wellbeing section)

In the short time since the strategy has been launched, we have started and delivered a number of key initiatives including:

- Completing an inclusion survey to prioritise our inclusion work programme and to develop an inclusion baseline for internal reporting.
- Supporting neurodivergent staff through ADHD coaching and running a Harnessing Neurodiversity webinar.
- Continued investment and support for employee led networks.
- Piloting an unconscious bias learning programme, to be rolled out to staff in 2022/23.
- Reviewing employee information obtained through our recruitment and available in our payroll system to ensure better collection of diversity data.
- Procuring of two development programmes to lift cultural capability: Mana Āki to support capability building in intercultural awareness and Courageous Conversations to support capability of staff to have effective and intentional conversations about race.
- Developing a calendar of cultural events and significant days to acknowledge and celebrate diversity.
- Developing a Talent Acquisition strategy that contains provision for maturing our talent attraction and selection process to ensure greater levels of diversity in our talent pipeline.

Initiatives already started and planned to be completed in 2022/23 include:

- Development and roll out of an inclusion policy.
- Establishment of an inclusion advisory group.
- Development of Rainbow inclusivity eLearning to increase understanding of the Rainbow community and to highlight the important of ensuring rainbow staff feel included.
- Redesign of our bullying and harassment policies and procedures to ensure zero tolerance for discriminatory behaviour is upheld.
- Evolving our Council wide wellbeing framework – Being Well at WCC.
- Continued work on understanding and mitigating gender and ethnic pay inequity.

Diversity

In 2021/22, there were seven more females to males in Tiers 1 to 3 of the organisation and 15 more females than males in Tier 4 (two less than the previous period). Tier 1 is the Chief Executive, Tier 2 is Chief Officers, Tier 3 is Business Unit Managers and Tier 4 in general covers team leader roles.

When all 1,967 employees are considered, there are 230 or 12 percent more females than males, with females making up 56 percent of our workforce.

In relation to ethnicity, approximately half of our workforce identifies as European, however since the previous period we have increased our Asian workforce by 1.2 percent and our Pacific Peoples workforce by 0.8 percent.

Staff diversity profiles

Staff composition – gender

Gender	Permanent	Fixed Term	Casual	Grand Total
Female	55%	64%	63%	56%
Male	45%	33%	37%	44%
Gender Diverse	0.2%	2.2%	0.0%	0.3%
Unknown	0.1%	0.0%	0.0%	0.1%
Total	100%	100%	100%	100%

Staff by organisation level, age and gender

Gender	Age Brackets	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7	Tier 8	Grand Total
Female	< 25yrs	0	2	3	15	52	241	5	318
	25 - 40yrs	2	9	36	115	136	48	8	354
	41 - 55yrs	2	16	46	86	77	40	6	273
	56 - 60yrs	0	2	10	21	17	14	0	64
	61yrs+	0	2	7	19	40	17	0	85
Female total		4	31	102	256	322	360	19	1,094
Male	< 25yrs	0	0	4	10	21	141	2	178
	25 - 40yrs	1	4	27	90	104	103	8	337
	41 - 55yrs	2	11	34	58	55	33	5	198
	56 - 60yrs	1	9	16	11	14	22	1	74
	61yrs+	1	0	6	26	22	22	1	78
Male total		5	24	87	195	216	321	17	865
Gender Diverse	< 25yrs	0	0	0	0	1	1	0	2
	25 - 40yrs	0	0	0	0	2	0	0	2
	41 - 55yrs	0	0	0	0	1	0	0	1
	56 - 60yrs	0	0	1	0	0	0	0	1
Gender Diverse Total		0	0	1	0	4	1	0	6
Total		9	55	190	451	542	682	36	1,965

* excludes CEO and unknown gender

Staff ethnicity

Ethnicity	Female	Male	Gender Diverse	Unknown	Grand Total
Asian	95	87	1	0	183
European	615	448	5	0	1,068
Māori	61	54	0	1	116
Middle Eastern/Latin American/African	21	15	0	0	36
Pacific Peoples	41	30	0	0	71
Other Ethnicity	119	83	0	0	202
Not Recorded	143	148	0	0	291
Total	1,095	865	6	1	1,967

Wellbeing

Our inclusion strategy puts wellbeing at the core of a diverse and inclusive organisation. It prioritises the building of an integrated approach to wellbeing, focusing on support, protection and promotion to ensure our people are looked after.

To support this and in response to the wellbeing challenges of living and working with COVID-19, a new holistic wellbeing framework, Being Well at WCC, was created and rolled out to staff. This framework focuses on a range of wellbeings reflected in well-established models e.g. Te Whare Tapa Wha and Te Wheke. Our Being Well at WCC framework and respective programme roll out was entered into the recent Taituarā Local Government Excellence Awards where it was highly commended.

A key part of the model has been the delivery of wellbeing interventions timed to align with COVID-19 changes and other annual processes or milestones including:

- A two-week wellbeing programme to support staff in the September 2021 lockdown.
- Webinars from a range of industry experts including psychologists, mental health experts, infectious disease specialists, and motivational speakers who have overcome personal and professional obstacles etc
- Learning resources for teams and managers to support wellbeing on a dedicated wellbeing hub.

In our annual engagement survey, we surveyed staff to understand levels of mental wellbeing, and provided a range of resources to support teams and managers to have safe and informed conversations about wellbeing alongside more formal interventions such as our Employee Assistance programme and Mirimiri and Romiromi (traditional Māori bodywork and healing).

Further work has also been undertaken to ensure that wellbeing is top of mind for leaders as they set up their annual performance, career and development plans with staff to ensure wellbeing is a key consideration in setting up the individual for success.

Employee Assistance programme

	2019/2020	2020/2021	2021/22	Difference
Total hours used	632.20	807.75	722	-85.7
EAP # New Referrals	166	243	183	-60
EAP # Active Clients	359	542	462	-80

Kia eke panuku Māori Strategic direction within our city

The Long-term Plan 2021-31 sets a new Māori strategic direction within our city and articulates Council's commitment to ensuring mana whenua and Māori meaningfully participate in, contribute to, and inform Council decisions. Improved partnerships and capacity building are the cornerstones of this new strategic direction.

As part of this commitment, the role of Tātai Heke Māori, Chief Māori Officer, was established, alongside the creation of Mataaho Aronui – the Strategic Māori Outcomes Group, to enable the new Māori strategic direction, which focuses on three key priorities.

- Māori Partnerships
- Māori Strategy
- Māori Success

Within less than a year, Mataaho Aronui, has delivered on two significant initiatives – the Takei Here Mana Whenua Partnership Agreement and Tūpiki Ora Māori Strategy - co-developed with mana whenua and Māori.

Māori capability building for Council staff

Council is committed to increasing organisational capability in Mātauranga Māori and cultural capability in order to deliver on our new strategy and support the achievement of our LTP goals. Despite the restrictions on face-to-face learning due to COVID-19 we have continued to deliver a range of learning to support this capability uplift. In the past year we have:

- Commenced work to develop a Māori capability framework to provide capability expectations for all Council staff in Mātauranga Māori and cultural capability (due to be completed September 2022).
- Continued to offer learning and development offerings in te reo Māori and cultural capability in which:
 - 257 staff completed at least one module in Te rito – an online, self-paced learning programme on history, iwi relationships, te reo Māori and knowledge of te Ao Māori. This is 75 more than the previous year.
 - 161 staff completed at least one class in the beginner, intermediate or advanced classes in Te reo Māori
 - 104 staff have completed at least one workshop designed to build capability in pronunciation, basic phrases and to construct and confidently deliver a mihimihi and pepeha.

Mana tiaki – caring for our environment

Volunteers

One of the greatest assets of our city is our people. We are privileged to have hundreds of people willing to donate their time to ensuring the city is a better place for all. Without all the help from these wonderful people, Wellington would not look or feel the same. Our network of volunteers is essential and many of them have worked for the city in their own time for decades.

An example of the great work volunteers contribute to Wellington is from those in the Environmental sector.

Environmental volunteers

We continue to expand our network of volunteers throughout the city. This year they contributed a total of 58,161 hours across our parks and open space network.

Our volunteers undertake various activities including planting, weeding, guiding people, beach and litter clean ups, pest animal control and track building.

- Wellington Gardens: 4,337 hours
- Berhampore Nursery: 72 hours
- Community trapping: 11,261 hours
- Other community volunteering: 42,491 hours

Our volunteers make a massive contribution through the work they do, both in environmental restoration and in helping us towards our goal of being a net zero carbon capital by 2050. Our commitment to them ensures we make conservation easy and meaningful by connecting people, knowledge and landscapes.

Whakapai ake - Improving

Development and training

We have continued to invest in core learning and development (L&D) initiatives for our staff.

121 different courses offered to staff across the Council	\$1.5m spent on training opportunities (Business Units: \$1.04m; Culture and Capability: \$477k)	\$762 per staff member spent on development and training
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Over the past 12 months, Culture and Capability have invested in:

- Reviewing and developing onboarding material for staff new to the Council.
- Developing an operational/customer facing leadership programme.
- Offering a core suite of Learning and Development programmes.
- Alongside current Te Reo and Tikanga learning programmes, developing a Māori capability framework and learning principles.
- Supporting business units to develop role and functional specific learning and learning pathways.
- Redesigning the delivery of learning to embrace a hybrid environment e.g., our orientation programme is now fully delivered online.

We continue to receive a good score in our Kōrero Mai staff engagement survey related to the statement 'Wellington City Council provides opportunities for me to develop my skills and competencies and actively encourages career development', which was 71 percent, up 3 percent on last year's score and 5 percent above the Local Government benchmark.

Health and Safety

Following the external health, safety, and security culture review in 2021 – the Council has progressed the four key recommendations made.

Invest in a new, fit for purpose health and safety information management system

A thorough procurement process was initiated in late 2021 to find a new system which would better fit the needs of the Council. Through this process a new application has been selected and is now being implemented, with an expected launch of early 2023.

Grow the health and safety function by centralising and implementing a business partner model

A new health, safety and security operating model was launched in early 2022 which saw additional headcount and refocused priorities for the function to better meet resource gaps identified in the audit.

Lift capability of Business Unit managers, especially those with significant overlapping duties

With additional resources, the Health, Safety and Security unit is now able to work closer with managers across the organisation to identify and close knowledge gaps – creating more efficient and better ways of working with other PCBUs (Person Conducting a Business or Undertaking) with an emphasis on where the Council has overlapping duties.

Retain a centralised corporate health and safety resource with a broader strategic focus

Along with the introduction of Business Partners to the Health, Safety and Security unit – the Council has created a Health and Safety Services team which focuses on the strategic health and safety goals of the organisation. This includes responsibilities for training, reporting and insights, strategic advice, planning and initiatives tied to maturity uplift.

With the resource phase of the Health, Safety and Security transformation now complete; the focus has shifted to developing the 2023 – 2028 Health, Safety and Security Strategy.

Security

In February 2021, the Council adopted the Protective Security Requirements framework, a national Public Sector framework mandated across Central Government agencies. Wellington City Council is the first territorial/local authority to formally adopt this security framework.

This framework enables greater levels of assurance on security performance and enhanced maturity and consistency of security practices. A maturity review self-assessment against the four levels of framework indicates we are between informal (level 1) and basic (level 2). This means we have foundation policies, capabilities and practices in place, but our success relies on individuals, rather than prescribed and routinely followed processes.

To support an uplift to level 3 in the framework (Managed), the Council has convened a cross-functional Security Reference Group to coordinate security controls and appointed a Chief Security Officer, Deputy Chief Security Officer, and a Chief Information Officer (these are additional responsibilities for existing roles within the Executive Leadership Team). This group has committed to completing the following:

- A Council-wide threat and risk assessment
- Develop a prioritised programme of work designed to mitigate identified risks and uplift protective security maturity.
- Commence and facilitate functional based workshops for functional owners and delivery leads to prioritise their projects based on identified risks, and to assess timelines and resource requirements.
- Complete an annual report on the Protective Security Requirements (due March 2023).

Over time this will set the foundation of best practice for Council security and will set out a prescribed set of protocols that will provide the baseline of any future projects and further maturity uplifts.

Reporting

We continue to report quarterly on Health, Safety and Security with the following a summary of the lead and lag indicators we report on:

Workplace injury and incidents:

	2019/2020	2020/2021	2021/2022	Difference
Work near miss incidents	1,008	900	939	+ 39
Medical treatment incidents	240	290	263	- 27
Work related injury claims	92	97	78	- 19
Early interventions	55	58	38	- 20

Physical Security:

	2019/2020	2020/2021	2021/2022	Difference
Trespass notices*	2	12	13	+1
Bans Issued	-	24	24	0
Unlawful incidents reported to Police	85	125	121	-4

*Trespass notices are served on members of the public that have a history of bad behaviour while attending a Council facility.

Capability Building

Council remains committed to upskilling our employees to suit the building of a healthy and safe workplace and culture. Over the last 12 months we have invested in:

- 81 staff have had training to manage actual or potential aggression so they can keep themselves safe when personal confrontation is experienced (the Council's highest rated critical hazard)
- 51 new health and safety representatives were trained, double that of last year
- 33 leaders took the opportunity to increase their health, safety and security knowledge through a tailored leadership health and safety course

Independent Auditor's Report

Appendices

Appendix 1: Greenhouse gas emissions performance measure disclosures

The following disclosures relate to our greenhouse gas emissions (GHG) KPI reported on page 62-63 of Section 4: Our performance in detail.

Organisational and operating boundaries

The Council's organisational boundaries were set with reference to the methodology described in the Greenhouse Gas Protocol.

The Council has applied an operational control consolidation approach. Under this approach, we measure GHG from sources over which it has operational control – Scope 1 and 2. Emissions from the Council's interests in other entities and assets are accounted for as Scope 3 (indirect) emissions. These are sources where the Council does not have any operational control of the entity or asset.

Significant assumptions, judgements, and methodological choices

The key sources of emission factors are:

- Romanos, Carl, Suzi Kerr and Campbell Will. 2014. "[Greenhouse Gas Emissions in New Zealand: A Preliminary Consumption-Based Analysis](#)," Motu Working Paper 14-05, Motu Economic and Public Policy Research. Wellington. Inflation adjustments are applied to these spend based emission factors given that the study was published several years ago.
- Unique Emission Factors (UEF) approved by EPA for landfill emissions. These are calculated by waste operations teams in line with the regulations and verified by an independent verifier.
- Emissions for wastewater are calculated in a 'Domestic Wastewater Treatment Emissions Model' for each treatment plant. The model is based on the 2019 IPCC refinements to the 2006 guidelines for the National Greenhouse Gas Inventories and Water New Zealand's Carbon accounting guidelines for wastewater treatment: CH₄ and N₂O, August 2021.
- Ministry for the Environment (MfE) Guidance for Greenhouse Gas Reporting.

The Council selects factors that have the minimum number of assumptions associated with them whenever possible, having regard to our ability to collect relevant activity level data directly from suppliers or other third parties for many activities. The Council uses New Zealand emission factors for New Zealand based activity whenever possible.

Inherent uncertainty

There is a level of inherent uncertainty in reporting GHGs, due to the inherent scientific uncertainty in measuring emissions factors, as well as estimation uncertainty in the measurement of activity quantity data. We have described significant sources of uncertainty within significant assumptions and judgements disclosed here.

Motu spend-based emission factors

We have needed to rely on modelling and assumptions to measure emissions for some activities. To measure the emissions associated with purchased goods and services, and capital goods, we

have developed a model which applies the Motu spend-based emission factors to the Council's spend activity based on the category of spending. This model has certain limitations:

- The Motu factors were developed through research which used measured emissions and spend data from 2007. Although adjusted for inflation, the factors used do not reflect any changes in the underlying drivers of emissions, which may have occurred in the production of goods and services.
- The factors do not reflect any subsequent methodological changes that may have occurred in how greenhouse gas emissions or national expenditure data sets are measured since that date.
- Motu's analysis assumes the carbon intensities of imports are the same as their domestic counterparts and does not consider the international transport emissions associated with importing goods to New Zealand.
- The model assumes that the output from each industry is homogeneous and hence has the same emissions content per dollar of output. This means any procurement decisions which take into consideration emissions are not reflected in this model.
- Emissions associated with the purchased goods and services and capital goods of subsidiaries, joint ventures, and other investments are excluded.

As a result, there could be significant differences between actual emissions and those measured using this model. We are working to further refine this model by increasing the information we can obtain directly from suppliers about the emissions associated with their products and services, and by using more updated spend-based emissions factors when these become available.

Landfill emissions

The method used to calculate emissions from landfill accounts for the lifetime emissions potential in the year waste is deposited. Therefore, emissions from closed landfills and decomposition of landfill waste received in prior years are not reflected in subsequent emission inventories. Our methodology is consistent with ETS regulations, which only require measurement of methane emissions from facilities, not any other greenhouse gas emissions associated with landfills or other methods of waste disposal. There is a high degree of uncertainty in relation to the quantification of emissions from landfill waste. In measuring these emissions, we use landfill tonnage data collected from weighbridge systems, default waste compositions specified in the Climate Change (Unique Emissions Factors) Regulations 2009 and carry out regular testing to ensure our approved UEF remains appropriate.

Emissions from wastewater treatment are calculated in a 'Domestic Wastewater Treatment Emissions Model' for each treatment plant. The model is based on the 2019 IPCC refinements to the 2006 guidelines for the National Greenhouse Gas Inventories and Water New Zealand's Carbon accounting guidelines for wastewater treatment: CH₄ and N₂O, August 2021.

Reporting boundary

A full carbon footprint accounts for emissions from Wellington City Council's value chain. This means emissions from upstream goods and services received as well as downstream use of the goods and services provided are considered. It is currently not practicable to measure all these emissions with the data and systems currently available. Below we have disclosed the material sources that we are currently including and those that are currently excluded from the reported result.

Wellington City Council's emissions included

For full details of the data source, methodology, data quality and uncertainty relating to our emissions sources please refer to our GHG inventory reports on our website:

The sources included are:

Category	GHG emissions source	Group Coverage
Scope 1 Emissions		
Stationary Combustion	LPG used as fuel	CCOs
	Natural Gas consumption (used mainly to heat buildings and pools)	WCC and CCOs
Mobile Combustion	Fuel (Petrol and Diesel) used in WCC and CCO owned vehicles and equipment	WCC and CCOs
Waste to landfill	Landfill emissions from waste at the Southern Landfill owned and operated by WCC	WCC
Water & Wastewater treatment	Emissions from the treatment of wastewater and sewage at the Moa Point and Western (Karori) plants	WCC
Enteric fermentation	Methane emissions from the enteric fermentation process in Beef Cattle, Deer, and Sheep	WCC - Zoo
Refrigerant emissions	The emission of gases from pressurised equipment due to leaks or unintended releases of gases. Most commonly from refrigerant leakage/top-ups across WCC and CCO operations	WCC and CCOs
Scope 2 Emissions		
Electricity Consumption	Electricity consumed across all of WCC and CCO operations and facilities	WCC and CCOs
Scope 3 Emissions		
Purchased goods and services (Category 1)	Goods and services purchased not otherwise included in the categories below	WCC
Capital goods (Category 2)	Extraction, production/construction, and transportation of capital goods purchased during the reporting year.	WCC
Fuel and energy related services (Category 3)	Transmission and Distribution (T&D) losses for Natural Gas and Electricity; Third-party electricity usage for water supply from Greater Wellington, and electricity used in WWTPs	WCC
Upstream transportation & distribution (Category 4)	WCC: transport of waste by third parties to the landfill. Zoo: Air, Land and Sea freight of purchases including animals to the Zoo.	WCC CCO: Zoo
Waste generated in operations (Category 5)	Glass recycling, landfilled LFGR, paper recycling	CCO: Zoo, Zealandia
Business travel (Category 6)	Employee air travel	
	Employee car travel by taxis, rental cars, and ride share providers	
Downstream transportation & distribution (Category 9)	Postage and Couriers services used in the post / parcels that WCC send out e.g. rates notices, dog licence letters, parking permits etc	WCC
Downstream leased assets (Category 13)	Tenant electricity in community housing properties owned by WCC and leased to the public.	WCC
Investments (Category 15)	WCC's investment in: Basin Reserve Trust (100%) Spicer Landfill (21.5%) Porirua WWTP (27.6%) Wellington Water Corporate (40%) Wellington Regional Stadium Trust (50%) Wellington International Airport (34% share)	WCC

Wellington City Council's emissions exclusions

For full details of the data source, methodology, data quality and uncertainty relating to our emissions sources please refer to our GHG inventory reports on our website:

The sources excluded are:

Category	Activities/GHG Emission source	Reason for exclusion
Scope 2 Emissions		
Electricity Consumption	Partial electricity usage for 113 The Terrace and 79 Boulcott Street	Unable to obtain specific usage data of WCC's portion of electricity consumption in communal areas of the building (such as lobby and lifts) as this is managed by landlord for the whole building. This is expected to be de-minimis.
Scope 3 Emissions		
Category 5	Waste generated in operations	This is relevant for WCC and CCOs however given that most if not all office waste goes to the Southern Landfill owned by WCC, the office waste across the group's boundary is already being captured within scope 1 and to also have the waste in scope 3 would be double counting of emissions.
Category 7	Employee commuting	This is relevant for WCC and its CCOs however there is lack of available data on employee commuting habits. For FY21, WCC have estimated these emissions using 2018 Census data on commuting habits in Wellington and apportioning this to staff numbers within the organisation along with assumptions on travel distance. This method is highly estimated and so has not been included in current year reporting. The estimation resulted in a figure less than 1% of total scope 3 emissions and so we do not consider the exclusion to be material. We have identified this area as an opportunity to improve our emissions reporting and will consider engaging with our employees through a survey in future reporting periods to determine a better way to calculate these emissions that is more robust.
Category 8	Upstream leased assets	WCC group lease office space in various properties, however the emissions from electricity consumption in these locations is included in Scope 2, emissions from natural gas where relevant are also included in scope 1, T&D losses are captured under category 3, and waste to landfill from these premises is technically captured by landfill emissions in scope 1.
Category 10	Processing of sold products	Not considered a relevant emission source for the group
Category 11	Use of sold products	Not considered a relevant emission source for the group
Category 12	End of life treatment of sold products	Not considered a relevant emission source for the group
Category 13	Downstream leased assets	WCC group leases a large number of properties to third parties but does not maintain or have oversight for energy usage at all facilities, nor can this information be easily obtained. Where this can be estimated (city housing), or if WCC directly pays for electricity or natural gas this is included in Scope 3, Scope 2 and Scope 1, respectively.
Category 14	Franchises	Not considered a relevant emission source for the group

Some other GHG sources were determined as *de minimis*¹² and therefore excluded from our GHG inventory.

¹² De minimis is defined as an issue that is insignificant to a GHG inventory, usually <1% of an organisation's total inventory for an individual emissions source. Often there is a limit to the number of emission sources that can be excluded as de minimis

Appendix 2: Principals for non-financial reporting

Notes to non-financial reporting

These notes explain how we measure our non-financial performance for our portfolio of activities. They provide guidance for the principles used to assess our performance; the background to our Resident's monitoring survey; use of result icons and introduction to our community wellbeing outcome trends. The detailed results and variance explanations for our Key Performance Indicators can be found in Section 4: Our performance in details from page 40.

A: Principles for reporting results

The following principles should be noted when considering published results.

1. Previous years' published results are updated with latest information available. For example, if data is updated by Statistics New Zealand, or other external data sources, we will overwrite the previous years' results with the most accurate results available at the time of publication.
2. As per above any "per capita" results will be updated to reflect revised population estimates.
3. If there has been a change to the methodology of the measure, previously reported results will be updated to reflect that new methodology, where possible.
4. Baselines are established when we are confident that the reported data is stable enough to set a target (e.g. not influenced by extraordinary events).
5. Trends are only evident over multiple years (e.g. up-down-up is reported as no trend).
6. If data is not available at the time of publication the result is shown as no result/not reported (NR). Missing data is revisited in the next year's Annual Report, if possible.
7. Measures and targets for Council-controlled organisations are set in their annual Statement of Intent. Results published are subject to final audit and may change. Previous years' results will be updated in the next Annual Report
8. Some key performance results are reported in Section 4, with no comparison to target when no target has been set or where data is not available to be reported.
9. Variance commentaries are only included for performance exceptions: **Not Met and Exceeded**.

C: Performance Indicators result icons

Icons are used to provide a visual indication of the performance measure and outcome indicator results. For Key Performance Indicators they show whether the reported result is in one of four categories:

- [X] **Not met**: greater than 10 percent below target; or
- [✓] **Within 10 percent**: between zero percent and 10 percent above or below target; or
- [!] **Exceeded**: greater than 10 percent above target; or
- [–] **NR**: Not Reported/No result: used where result against target is not reported because data is not available or not comparable to previous results/target.

We use a range of +/- 10 percent from target as this allows for fluctuations in performance across the year (e.g. seasonal changes). This is consistent with the reporting of other performance information during the year e.g. in Quarterly Reports.

B: Residents Monitoring Survey (RMS)

Some of the reported non-financial results (Key Performance indicators and Community Wellbeing outcome indicators) are sourced from the Resident's Monitoring Survey.

This survey is undertaken annually by Council and was conducted in February 2022. It asks a representative sample of Wellington City residents about their engagement and satisfaction with the Council's and Council-controlled organisations' provision and delivery of services and facilities. The survey also asks residents about their behaviours and overall perceptions of Wellington.

The survey is conducted in two parts. This year, the surveys were sent to around 2,700 residents (with approximately a 30% response rate for each part). The final sample size for 2022 was 809 for part one and 862 for part two, which were post-weighted to be representative by age, gender and ward. The maximum margin of error at 95% confidence level was 3.4% for part one and 3.3% for part two. This indicates that we can conclude with 95% confidence that the sample results reflect that of the population give or take 3.4% / 3.3%.

More detail on the Residents' Monitoring survey is available online at wellington.govt.nz/rms-survey-and-results.

D: Community wellbeing outcome indicators

We monitor community wellbeing outcome indicators over a minimum time (3–5 years) to identify trend directions.



Where indicator results display a positive trend, these will be shown with an up arrow; a negative trend with a downward arrow, and “no trend” and “not reported” as a dash.

For community wellbeing outcomes we also use colours to indicate trend status: favourable ↗ (green) or unfavourable ↘ (red). Where a trend is not evident, we use a no trend (grey) status box.

No trend and No result/not reported (NR) is used for several reasons, where:

- there are not enough data points for a trend to be derived;
- data points are non-comparable (e.g. a change in methodology, low sample size, data integrity limitations, impact of an extraordinary event like survey during COVID-19);
- or recent data points are not available (e.g. for measures that rely on Census data, last conducted in 2018).




Outcome indicators that reference residents' perceptions are sourced from the annual Resident's Monitoring Survey (RMS). For supplementary survey information refer to our website at <https://wellington.govt.nz/rms-survey-and-results>.

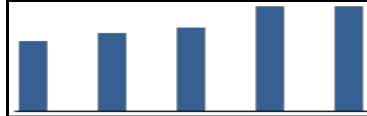


Outcome results that are sourced from the Quality of Life Survey are released every two years. The Annual Report results will be updated each year to include that latest available data for audited prior to adoption.





Appendix 3: Detailed community wellbeing outcome indicators



The following results are as at June 2022





Key Trend status:	Positive: ■	Negative: ■	No trend or steady: ■
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Indicator	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend	2021/22	Comments
Environmental – mix of positive and unfavourable trends										
Renewable energy total capacity installed MW (Wind, Solar, Fresh water, Biomass, Liquid fuel, other) Source: Electricity Authority- Te Mana Hiko www.emi.ea.govt.nz	79.2	79.8	80.3	81.3	82.3	82.6	83.7		86.4	Growth is largely due to increase in solar capacity from 1.3 to 8.7 MW over the last 7 years. The big increase in 21/22 is consistent with increased retail spend on housing and heat-pumps. 
Total city greenhouse emissions Goal: Achieve 57% reduction by 2030. Source: WCC Climate Change Desired trend: 43% reduction by 2030	The Council has set a new science-based target for the City, of a 57% reduction by 2030 from 2020 emissions. Starting position for 2019/20 1,049,016 tonnes CO2e								NR	2021 Emissions report will be released late 2022
Kilograms of waste to landfill per person Source: WCC waste operations Desired trend: Decreasing to 400kg by 2026	406	411	466	500	452	461	418		387	Positive trend over last 5 years indicates previous increase may have reversed. 
Residents' perceptions that "Wellington's air pollution is a problem" Source: Quality of Life Survey Survey is biennial Desired trend: decreasing	2014: 15%		2016: 22%		2018: 19%		2020: 26%		2022: 24%	Level of concern has increased since 15% low 8 years ago. 



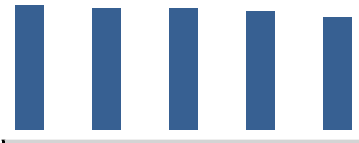
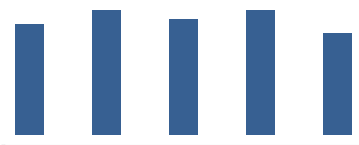


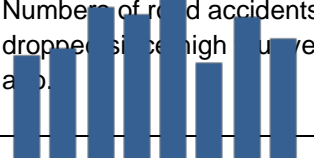
Indicator	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend	2021/22	Comments
Residents' perceptions that "Wellington's water pollution (including pollution in streams, rivers, lakes and in the sea) is a problem" Source: Quality of Life Survey Survey is biennial Desired trend: decreasing	2014: 45%		2016: 50%		2018: 53%		2020: 67%		2022: 67%	Level of concern that water pollution is a problem, has been getting worse with significant increase between 2018 and 2020. There were also several media stories about stream contamination at this time. 
Open space land owned or maintained by the Council – square metres per capita Source: WCC Parks, Sport and Recreation	198	189	196	195	200	200	197		198	Growth in open space is largely keeping place with population growth over recent years. 
Access to park or green space Source: WCC Residents Monitoring Survey	53%	56%	55%	58%	63%	75%	81%		79%	Levels of those residents accessing parks and reserves has remained high and is likely to be a positive effect of the pandemic lock down recommendations, encouraging NZ to "stretch their legs". 
Social – some unfavourable trends										
Youth participation in sport and recreation. 5–17-year-olds (surveyed on activity within last 7 days) Source: ActiveNZ survey https://sportnz.org.nz/resources/active-nz-changes-in-participation/	NR	NR	96%	96%	95%	NR	91%		NR	The continuous data collection during 2020 was disrupted due to the COVID-19 pandemic, creating a gap in time series data. Participation during 2021 was also affected by restrictions imposed in response to the COVID-19 pandemic.

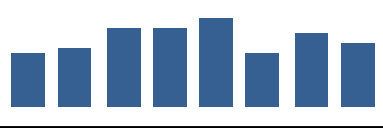

Indicator	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend	2021/22	Comments
Housing Affordability Index Source: Infometrics Regional Economic Profile Desired trend: improving-a lower index indicates improved affordability	4.4	5	5.7	5.7	5.6	5.8	7.5		8.0	See comment below 
<p>Affordable housing is important for people's well-being. For lower-income households, high housing costs relative to income are often associated with severe financial difficulty, and can leave households with insufficient income to meet other basic needs such as food, clothing, transport, medical care and education. High outgoings-to-income ratios are not as critical for higher-income earners, as there is sufficient income left for their basic needs. We track affordability of housing in Wellington City as an index which is the ratio of the average current house value to average household income.</p> <p>Results show that affordability deteriorated significantly in 2020/21. Even though the 21/22 year indicates a slight flattening, when we look at the "mortgage to income" rates the news is also unfavourable with an increase from 35.7% to 45.1% *mortgage as a proportion of average household income that would be needed to service a 20 year mortgage on the average house value, with a 20% deposit at average 2-year fixed interest rates. Another important factor is the impact of changes to interest rates – cost to service the debt is a major consideration for households.</p>										
Healthy Housing stock - House is damp (never or rarely) Source: WCC Residents Monitoring Survey	70%	70%	58%	62%	70%	56%	71%		68%	
Percent of residents who have confidence in Council's decision-making Source: Quality of Life Survey Survey is biennial	2014: 42%		2016: 40%		2018: 46%		2020: 30%		2022: 20%	Another large drop in confidence, with Wellington now sitting 6 th out of the 7 cities monitored in this survey. 
Local government elections voter turnout	2013: 41.1%		2016: 45.6%			2019: 40.1%			2022: 43.3%	
NZ Deprivation Index Source: ehinz Environmental Health Intelligence NZ 5-yearly	2013: 4.09 average				2018: 3.8 average				NR	More data is required to evidence a trend. The lower the index result, the less deprivation
<p>This information on socioeconomic deprivation, uses the New Zealand Index of Deprivation (NZDep). Higher levels of socioeconomic deprivation are associated with worse health. There are also connections between socioeconomic deprivation and environmental risk. NZDep measures the level of deprivation for people in each small area. It is based on nine Census variables and is displayed as deciles. Decile 1 represents areas with the least deprived scores and decile 10 represents areas with the most deprived scores.</p>										
Perception of overall quality of life Source: Quality of Life Survey Survey is biennial	2014: 89%		2016: 87%		2018: 88%		2020: 91%		2022: 89%	Quality of life result remains high. 

Indicator	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend	2021/22	Comments
People's sense of community with others in their neighbourhood Source: Quality of Life Survey Survey is biennial	2014: 53%		2016: 58%		2018: 53%		2020: 45%		2022: 48%	 <p>This indicator is showing a decrease in people's sense of community with others in their neighbourhood. The larger decrease in 2020 coincides with the pandemic lockdowns.</p>
Cultural – largely unfavourable trends										
Residents' perception that Wellington has a rich and diverse arts scene Source: WCC Residents Monitoring Survey	91%	92%	90%	93%	90%	88%	86%		82%	 <p>There have been consistent falls in this measure since 2018, potentially signalling a change in outlook by the community, however overall, the levels of agreement remain reasonably high.</p>
Acceptance of ethnic diversity Source: WCC Residents Monitoring Survey	67%	78%	80%	81%	83%	84%	82%		NR	Note: this question has been removed from both the Residents Monitoring Survey and Quality of Life so this measure will not be reported in future, due to complaint around inappropriate question
Acceptance of ethnic diversity – People accept and value me and others of my identity (e.g., sexual, gender, ethnic, cultural, faith) Source: Quality of Life Survey Survey is biennial							New		2022: 71%	This is a new measure to replace Residents Monitoring Survey – as per comment above. Wellington rates well above the other 7 cities monitored.
Quality of neighbourhood Source: Statistics NZ	2014: 89%		2016: 89%		2018: 90%		2020: 89%		NR	
People's sense of pride in the area (way Wellington looks and feels) Source: WCC Residents Monitoring Survey	85%	85%	85%	85%	84%	82%	60%		59%	Agreement fell significantly between 2020 and 2021 and the relatively low levels of

Indicator	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend	2021/22	Comments
										agreement have persisted in the 2022 survey 
People's perception of city (great place to live work and play) Source: WCC Residents Monitoring Survey		New	95%	92%	95%	91%	76%		76%	Result mirrors indicator above with significant drop between 2020 and 2021. 
Residents' perceptions that heritage items contribute to the city's unique character Source: WCC Residents Monitoring Survey	92%	92%	91%	93%	92%	88%	81%		77%	 See comment below
Residents' perceptions that heritage items contribute to the community's unique character Source: WCC Residents Monitoring Survey	71%	72%	71%	75%	76%	66%	59%		57%	 See comment below
<p>While the majority of residents surveyed do still agree with both of these statements, we have seen a steady decline in the level of agreement since 2019. This mirrors the drop also seen in interest in the Arts. We also asked respondents how they viewed the level of value and protection given to heritage items in Wellington and in their local communities, opinion was split for both indicators with about a third saying heritage items are given too much value and protection, about a third saying they are not given enough value and protection and a third saying they are given the right amount and value and protection.</p>										
An indicator on progress on te ao Māori outcomes is to be developed.	<p>This is the first year we are reporting against this outcome, so measure is under development. Mataaho Aronui, the Strategic Māori Outcomes Group has achieved three significant initiatives this financial year: Tākai Here Mana Whenua Partnership Agreement, Tūpiki Ora Māori Strategy - co-developed with Mana Whenua and Māori, and review of Te Tauihu Māori Language Policy. In the next financial year, the Tūpiki Ora Action Plan will be developed, and as part of this we will be drawing together from Council and Council Controlled Organisations, contribution to Māori Wellbeing and achieving the vision and outcomes of the Tūpiki Ora Māori Strategy.</p>									
Economic – trends inconclusive										
Projected net migration Source: Sense Partners	Population growth in the Wellington region is expected to be slower than population growth for New Zealand. 0.2% is Wellington's projected net migration 2021-31. The total projected population increase from 216,705 to 235,008 also includes 0.6% increase from natural change (births & deaths).								0.2%	Includes 0.6% from net international and -0.4% domestic migration.
Economic diversity (HHI industry diversity)	62	62	62	64	65	65	67		75	No material changes to evidence a change in trend.

Indicator	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend	2021/22	Comments
Source: Infometrics Wellington City Economic Profile Desired trend: improving – lower value is better										
The more concentrated a region or district's economic activity is within a few industries, the more vulnerable it is to adverse effects, such as those arising from climatic conditions or commodity price fluctuations. This result (75) presents the normalised Herfindahl–Hirschman Index (HHI) which measures the level of diversification of the Wellington economy. An index of 0 represents a diversified economy with economic activity evenly spread across all industries. The higher the index, the more concentrated economic activity is on a few industries. The decline in diversity could be linked to closed borders, and impacts of pandemic lockdowns on the business sector.										
Gross Domestic Product (GDP) per capita Source: Infometrics Wellington City Economic Profile	118,487	121,626	123,810	125,374	127,506	128,666	126,166		NR	 GDP was increasing but slowed in 2021, provisional result for 2022 indicated return to positive trend.
Unemployment rate Source: Infometrics Wellington City Economic Profile Desired trend: decreasing	4.9%	5.3%	4.9%	4.3%	4.1%	3.6%	5.1%	No trend	NR	 Was showing steady drop until spike in 2021.
Youth NEET (not in education, employment or training) – as a proportion of 15 to 24-year-olds Source: Infometrics Wellington City Economic Profile Desired trend: decreasing	7.1%	8.0%	9.1%	7.3%	6.9%	6.6%	8.2%	No trend	NR	 Was showing steady drop until spike in 2021.
Average annual household income Source: Infometrics Wellington City Economic Profile	116,769	117,263	120,601	129,929	141,136	146,672	149,639		157,692	 Increasing year on year with a 5.4% lift for 2022.
Number of houses constructed – increase in housing stock - 'units of use' for 'residential' use extracted from the District Valuation Roll Source: WCC internal report	717	785	607	480	801	691	668		1112	 This is a new indicator to track the rate of increase in housing supply over time.

Indicator	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend	2021/22	Comments
Number of building consents issued – measured as number of new dwellings consented Source: StatsNZ Tatautanga Aotearoa	548	614	869	1,136	978	1,428	1,005	No trend	937	 This is a new measure introduced in the 2021-31 LTP
Residents' perceptions that the transport system allows easy access to the city Source: WCC Residents Monitoring Survey	66%	63%	62%	64%	37%	53%	50%		50%	 Agreement with this statement was unchanged compared to last year, however it remains at lower levels than previously seen (2018 and prior). Dip in 2019 was due to regional bus network changes.
Residents' perceptions of public transport services (ease of access) Source: Quality of Life Survey Survey is biennial	2014: 86%	2016: 85%	2018: 85%	2020: 82%	2022: 79%					
Residents' perceptions of public transport services (affordability) Source: Quality of Life Survey Survey is biennial	2014: 46%	2016: 52%	2018: 49%	2020: 52%	2022: 42%					
Residents' perceptions of public transport services (reliability) Source: Quality of Life Survey Survey is biennial	2014: 56%	2016: 62%	2018: 57%	2020: 45%	2022: 38%					
Means of travel to work (active modes and public transport) Source: WCC Residents Monitoring Survey	64%	65%	71%	71%	66%	74%	70%		73%	
Number and type of road accidents Source: Territorial Authority: Wellington City, Measure: Fatal and injury crashes	57	61	82	78	90	53	77		65	 Numbers of road accidents have dropped since high four years ago.

Indicator	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend	2021/22	Comments
Desired trend: decreasing										
Change from previous year in the number of road crashes resulting in fatalities and serious injury* Desired trend: improving		+4	+21	-4	+12	-37	+24	No trend	-12	
Māori economic growth (TBC contribution to GDP for Wellington City)										New indicator under development.

*Department of Internal Affairs mandatory measure

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Huinga 2 | Volume 2

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

2021/2022

Te Pūrongo ā-Tau Annual Report

Financial Statements for Council and Group



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Statement of Compliance and Responsibility

Reporting entity

Wellington City Council is a territorial local authority governed by the Local Government Act 2002.

The primary purpose of the Council and Group is to provide goods or services for community or social benefits rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity for financial reporting purposes.

The reported Council figures include the results and operations of Wellington City Council and the Council's interests as disclosed in Note 36: Joint operations (pg X).

The reported Group figures include the Council (as defined above), its controlled entities as disclosed in Note 20 (pg X) and the Council's equity accounted interest in the associates and joint venture as disclosed in Note 21 (pg X). A diagram of the Council and Group is included on page X.

Compliance

The Council and management of Wellington City Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, including the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) have been complied with.

The financial statements have been prepared to comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity¹ and were authorised for issue by the Council on 15 December 2022

Responsibility

The Council and management accept responsibility for the preparation of the annual financial statements and judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management, the Annual Report for the year ended 30 June 2022 fairly reflects the financial position, results of operations and service performance achievements of Wellington City Council and Group.

Tory Whanau
Mayor

15 December 2022



Barbara McKerron
Chief Executive

15 December 2022



Sara Hay
Chief Financial Officer

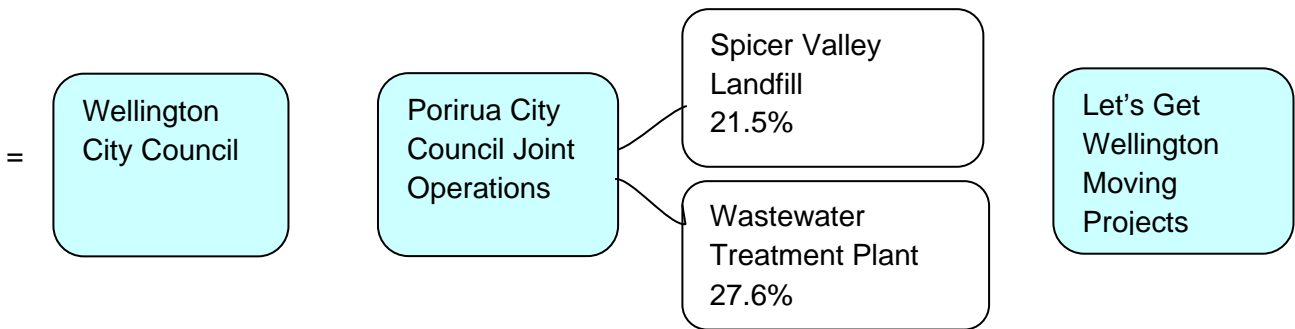
15 December 2022

¹ A Tier 1 entity is defined as being either, publicly accountable or large (ie. expenses over \$30m). The Council exceeds the expenses threshold.

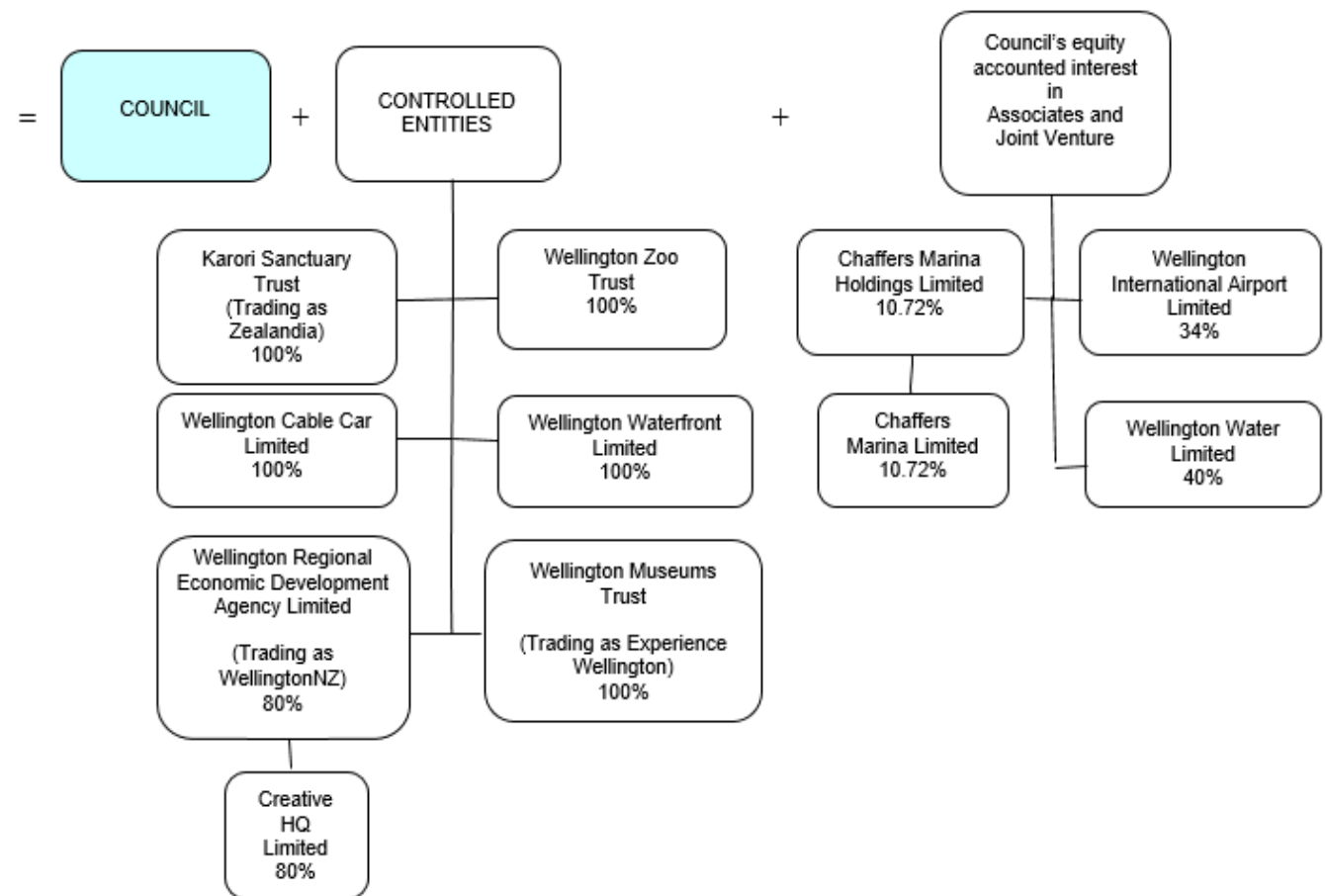
Council and Group structure

Figure 1: Reporting entity structures

Wellington City Council reporting entity (Council)



Wellington City Council Group reporting entity (Group)



All entities included within the Group are domiciled and operate in the Wellington region, New Zealand.

The percentages in the figures above, represent the Council's interest and/or ownership (for accounting purposes) in each of the entities in the Group. Refer to Notes 20, 21 and 36 (pg XX and xx) for more information.

Basis of Consolidation

Joint arrangements

Joint arrangements are arrangements where two or more parties have joint control. The accounting treatment can vary according to the structure of the arrangement. There are two types of joint arrangements, either a joint operation or a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In the Council financial statements, the investments in joint ventures are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of joint ventures is included on an equity accounting basis as a single line.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. For a joint operation the Council has a liability in respect of its share of joint ventures' operational deficits and liabilities and shares in any operational surpluses and assets.

The Council's proportionate interest in the assets, liabilities, revenue and expenditure of joint operations is included in the financial statements of the Council and Group on a line-by-line basis.

Controlled entities

Controlled entities are entities that are controlled by the Council. Control exists where the Council is exposed, or has rights, to variable benefits (either financial or non-financial) and can affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council.

In the Council financial statements, the investment in controlled entities is carried at cost. In the Group financial statements, controlled entities are accounted for using the purchase method where assets, liabilities, revenue and expenditure are added on a line-by-line basis. Where a non-controlling interest is held by another party in a Council-controlled entity, the controlled entity is consolidated as if it was fully controlled and the share of any surplus or deficit attributable to the non-controlling interest is disclosed within the Statement of Comprehensive Revenue and Expense.

All significant transactions between Group entities, other than rates, are eliminated on consolidation. Rates are charged on an arm's length basis and are not eliminated to ensure that reported costs and revenues are consistent with the Council's Annual Plan.

Associates

Associates are entities where the Council has significant influence over their operating and financial policies, but they are not controlled entities or joint ventures. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

Council-controlled organisations

The Council has established several Council-controlled organisations (CCO) and Council-controlled trading organisations (CCTO) to help it achieve its goals for Wellington. These organisations were set up to independently manage Council facilities or deliver specific services and developments on behalf of Wellington residents. The performance of each CCO is reported on in Volume 1 of the report in Section 4: Our performance in detail on pg XX to pg XX. The Council has made appointments to other organisations, which make them Council organisations (as defined in the Local Government Act 2002), but they are not Council controlled or part of the Group.

Other significant accounting policies

The following accounting policies are additional to the disclosures and accounting policies included within the relevant specific Notes that form part of the financial statements.

Basis of preparation

Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in the accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate.

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

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

Exchange and non-exchange transactions

Revenue from exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's length transaction (primarily in the form of cash in exchange).

Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally considered as an arm's length commercial transaction between a willing buyer and willing seller. Some goods or services that the Council provides (for example, the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by the Council operate on a full user pays (for example, parking services), cost recovery or breakeven basis and these are exchange transactions unless they are provided at less than active and open market prices.

Most of the services that the Council provides, for a fee, are subsidised by rates (for example, the cost to swim in a Council pool) and therefore do not constitute an approximately equal exchange. Accordingly, most of Council's revenue is categorised as non-exchange.

Change of accounting policies

During the year the accounting policy in relation to the recognition of Zoo animals was changed from holding them at an estimated replacement cost, to not being recognised at all. This reflects customary practice that Zoo animals are generally not recorded due to the difficulty of assigning a value.

Changes to PBE accounting standards

The following new accounting standards have been issued with mandatory effect for the accounting period.

- *PBE IPSAS 39 Employee benefits*, primarily relates to changes in Defined Benefit plans, which are not relevant to the Council. There is no financial impact to these financial statements.
- *PBE IPSAS 40 PBE Combinations*, primarily relates to amalgamations or acquisitions, which may be relevant in the future, but have no impact on these financial statements.

Significant standards, amendments and interpretations issued but not yet effective and not early adopted

Significant standards, amendments and interpretations issued but not yet effective and not early adopted which are relevant to the Group are:

- In January 2017, the XRB also issued *PBE IFRS 9 Financial Instruments* to replace *PBE IPSAS 29 Financial Instruments: Recognition and Measurement*. With an effective date for annual periods beginning on or after 1 January 2021, but with early adoption permitted, the intention is not to adopt at this stage while the effects on the Council and the Group are more thoroughly assessed. The main changes under *PBE IFRS 9* are:
 - New financial asset classifications requirements for determining whether an asset is measured at fair value or amortised cost.
 - A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
 - Revised hedge accounting requirements to better reflect the management of risks.

- In March 2019, the XRB issued *PBE IPSAS 41 Financial Instruments*, with an effective date for reporting periods after 1 January 2022. This new standard supersedes most of *PBE IPSAS 29 Financial Instruments: Recognition and Measurement*. PBE IPSAS 41 also supersedes PBE IFRS 9 *Financial Instruments* above.

The Council and Group has assessed the effects of the new PBE IPSAS 41 as follows:

- **Transition to PBE IPSAS 41 – *Financial Instruments*:** A new accounting standard, PBE IPSAS 41 *Financial Instruments*, is applicable for this LTP amendment 2022-32 and supersedes the former PBE IPSAS 29 *Financial instruments: Recognition and Measurement*.

The main differences between PBE IPSAS 29 and PBE IPSAS 41 relate to the classification of financial assets and liabilities, impairment and hedge accounting. The Council does not consider that the financial information will be materially different under this new standard.

- **Classification of financial assets and liabilities:** The Council has completed a detailed assessment of its financial assets and financial liabilities as at 1 July 2022, the date of transition to this new standard. The following table shows the original classification under PBE IPSAS 29 and the new classification under PBE IPSAS 41:

Financial asset / liability	Measurement category		Value at 1 July 2022	
	Current treatment under PBE IPSAS 29	New treatment under PBE IPSAS 41	Original measurement under PBE IPSAS 29	New measurement under PBE IPSAS 41
Financial assets				
Cash and cash equivalents	Amortised cost	Amortised cost	84,349	84,349
Bank deposits < 3 months	Amortised cost	Amortised cost	61,500	61,500
Bank deposits > 3 months	Amortised cost	Amortised cost	0	0
LGFA borrower notes	Amortised cost	Amortised cost	14,902	14,902
Loans to related parties	Amortised cost	Amortised cost	892	892
Equity investment – civic financial services	FVTOCRE	FVTOCRE	507	507
Equity investment – LGFA	FVTOCRE	FVTOCRE	7,865	7,865
Trade receivables and recoverables	Amortised cost	Amortised cost	34,056	34,056
Accrued revenue	Amortised cost	Amortised cost	14,065	14,065
Sundry receivables	Amortised cost	Amortised cost	12,935	12,935
Other financial assets	Amortised cost	Amortised cost	7,821	7,821
Total financial assets			238,892	238,892
Financial liabilities				
Borrowings	Amortised cost	Amortised cost	908,652	908,652
Trade payables and accruals	Amortised cost	Amortised cost	72,108	72,108
Interest payable	Amortised cost	Amortised cost	0	0
Sundry payables	Amortised cost	Amortised cost	0	0
GWRC rates	Amortised cost	Amortised cost	6,693	6,693
Other	Amortised cost	Amortised cost	4,194	4,194
Interest rate swaps – cash flow hedges	FVTOCRE	FVTOCRE	54,843	54,843
Total financial liabilities			1,046,490	1,046,490

- **Impairment:** PBE IPSAS 41 prescribes an expected credit loss model instead of the previous incurred loss model meaning that it is no longer necessary to have an impairment trigger event before recognising impairment losses. The required change in impairment model is immaterial to the Council as impairments are not usually significant when considering prospective financial statements.
- **Hedge accounting:** PBE IPSAS 41 introduces a hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. There is no change for the Council when applying this new model as all of our swaps are currently hedged therefore hedging requirements under PBE IPSAS 41 can be continued as they were under PBE IPSAS 29.

- In November 2019, the XRB issued *PBE FRS 48 Service Performance Reporting*, for periods beginning on or after 1 January 2021. The objective of this Standard is to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general-purpose financial report. An amendment in 2020 has extended the effective date to periods beginning on or after 1 January 2022. There will be no financial impact from the eventual adoption of this standard.

Judgements and estimations

The preparation of financial statements using PBE accounting standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy or in the relevant note.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, except for receivables, recoverables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Budget figures

The Annual Plan budget figures included in these financial statements are for the Council as a separate entity. The Annual Plan figures do not include budget information relating to controlled entities or associates. These figures are those approved by the Council at the beginning of each financial year following a period of consultation with the public as part of the Annual Plan process. These figures do not include any additional expenditure subsequently approved by the Council outside the Annual Plan process. The Annual Plan figures have been prepared in accordance with GAAP and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

COVID-19 Financial impact

An assessment of the main impacts of COVID-19 on the Council's financial statements for the year ending 30 June 2022 is outlined in *Table 1* below with reference to the relevant Note to the financial statements where the impact is included.

Table 1: COVID-19 Financial impact Assessment

Item	Financial impact - 2022	2022 \$000	2021 \$000	2020 \$000	Total \$000	2022 Note
Revenue						
Revenue	Lost revenue for facilities being unable to operate, revenue forgone (eg. Parking, Rent) and general uncertainty (eg. Event planning), particularly operations of the Wellington Venues facilities.	12,527	5,592	13,577	31,696	2
Revenue	Wellington International Airport Limited - approximate dividend not declared for distribution, although already excluded from the Annual Plan for 2020/21 and LTP 2021-31	14,000	14,000	-	28,000	3
Rates postponement	Deferral of certain Quarter 4 commercial rates for 2021/22, Quarter 1 rates instalment payments for 2020/21 and Quarter 4 instalment for 2019/20.	154	1,908	2,182	4,244	1
Total Revenue Lost		26,681				
Expenditure						
Expenditure	Net increase / (reduction) in costs, particularly extra security costs - \$1.048m, but reduced costs of \$1.060m relating to events not held. (see separate grant costs)	513	(3,140)	(257)	(2,884)	7
Protest relief payments to affected businesses	Business recovery fund	804	-	-	804	7
CCO support grants	Budgeted additional grant funding to Council controlled entities (unbudgeted in 2020) Wellington Cable Car Limited (\$977), Wellington Museums Trust (\$469), Wellington Zoo Trust (\$509) for COVID-19 relief	1,955	2,318	504	4,777	34
CCO support	Budgeted additional grant funding to Wellington Regional Stadium Trust for COVID-19 relief	1,500	-	-	1,500	34
CCO support	Drawdown on the joint loan facility agreed between the Council and Greater Wellington Regional Council for the Wellington Regional Stadium Trust	1,200	900	-	2,100	34

Item	Financial impact - 2022	2022 \$000	2021 \$000	2020 \$000	Total \$000	2022 Note
Other entity support	Funding agreement with WOW to provide access to financial relief in the event of a Government announced COVID-19 lockdown up to a maximum of \$5.000m	3,622	-	-	3,622	34
City Recovery fund	Utilisation of the of City Recovery Fund (CRF)	-	2,940	-	2,940	30
Total extra Expenditure incurred		9,594				
Other						
CCO support	Provision of shareholder support to Wellington International Airport Limited if required, expired at 30 June 2022. No actual financial impact was incurred.	25,758	25,758	25,758	-	34
Revaluations	Valuation reports for investment property, operational or infrastructure assets contain statements around the heightened uncertainty relating to COVID-19	N/A	N/A	N/A	-	19 & 28
Payment terms	Reduction in payment timeframes from 20 to 5 working days maintained	N/A	N/A	N/A	-	-

Statement of Comprehensive Revenue and Expense

Table 2: Statement of Comprehensive Revenue and Expense For the year ended 30 June 2022		Council			Group	
		Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
	Note					
Revenue						
Rates	1	388,176	392,812	341,914	388,176	341,914
Revenue from operating activities						
Development contributions	2	3,743	3,500	3,689	3,743	3,689
Grants, subsidies and reimbursements	2	53,636	49,667	41,472	62,604	54,006
Other operating activities	2	143,958	154,615	141,916	159,291	156,461
Investments revenue	3	11,109	10,503	11,065	11,109	11,065
Vested assets and other revenue	4	85,530	1,100	13,053	85,768	13,470
Fair value movements - gains	5	20,645	10,386	20,501	20,645	20,501
Finance revenue	6	2,991	13	2,114	3,166	2,228
Total revenue		709,788	622,596	575,724	734,502	603,334
Expense						
Fair value movements - losses	5	(35)	-	(52)	(40)	(53)
Finance expense	6	(29,296)	(23,323)	(25,490)	(29,305)	(25,509)
Expenditure on operating activities	7	(446,534)	(436,870)	(406,090)	(471,190)	(430,787)
Depreciation and amortisation expense	8	(146,488)	(146,736)	(136,635)	(147,615)	(138,325)
Total expense		(622,353)	(606,929)	(568,267)	(648,150)	(594,674)
Operating surplus/ (deficit)		87,435	15,667	7,457	86,352	8,660
Share of equity accounted surplus/(deficit) from associates and joint venture	9	-	-	-	2,213	(3,891)
Net surplus/(deficit) before taxation		87,435	15,667	7,457	88,565	4,769
Income tax credit/(expense)	10	-	-	-	56	(482)
NET SURPLUS/(DEFICIT) for the year		87,435	15,667	7,457	88,621	4,287
Net surplus/(deficit) attributable to:						
Wellington City Council and Group		87,435	15,667	7,457	88,699	4,136
Non-controlling interest		-	-	-	(78)	151
		87,435	15,667	7,457	88,621	4,287

The notes on pg XX to XX form part of and should be read in conjunction with the financial statements

Table 2: Statement of Comprehensive Revenue and Expense - continued	Refer	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2022	2022	2021	2022	2021
		\$000	\$000	\$000	\$000	\$000
Net surplus/(deficit) for the year		87,435	15,667	7,457	88,621	4,287
Other comprehensive revenue and expense ¹						
<i>Items that will be reclassified to surplus/(deficit)</i>						
Cash flow hedges:						
Fair value movement - net	SCIE ²	104,646	-	60,019	104,646	60,019
Share of other comprehensive revenue and expense of associates and joint venture						
Fair value movement - net	SCIE	-	-	-	1,167	(573)
Fair value through other comprehensive revenue and expense:						
Fair value movement - net	SCIE	825	-	944	1,327	556
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Revaluations:						
Fair value movement - property, plant and equipment - net	SCIE	1,854,026	-	284,092	1,854,026	284,092
Share of other comprehensive revenue and expense of associates and joint venture						
Fair value movement - property, plant and equipment - net	SCIE	-	-	-	21,535	26,359
Total other comprehensive revenue and expense		1,959,497	-	345,055	1,982,701	370,453
TOTAL COMPREHENSIVE REVENUE and EXPENSE for the year		2,046,932	15,667	352,512	2,071,322	374,740
Total comprehensive revenue and expense attributable to:						
Wellington City Council and Group		2,046,932	15,667	352,512	2,071,400	374,589
Non-controlling interest		-	-	-	(78)	151
		2,046,932	15,667	352,512	2,071,322	374,740

1. Other comprehensive revenue or expense is non-cash in nature and only reflects changes in equity.
2. Statement of Changes in Equity – see pg XX

The notes on pg XX to XX form part of and should be read in conjunction with the financial statements

Statement of Comprehensive Revenue and Expense - Major budget variations

Significant variations from budgeted revenues and expenses are as follows:

Revenues were \$87.192m higher than budgeted with major variances included of:

- \$4.636m lower rates against a non-adjusted \$5.000m budget reduction in water rates.
- \$6.445m lower revenue from operating activities, with \$3.969m higher grants, offset by lower other operating activities revenue of \$10.657m. Grants, subsidies and reimbursements are higher than budget due to the Government stimulus funding recognised in relation to the Three Waters reform of \$15.472m. This is offset by lower than budgeted grants and reimbursements from Waka Kotahi due to the underspend in the Capital Programme. Other operating revenue is lower than budget due to less parking revenue due to the impact of Covid-19 and the resulting lockdown. See Note 2 for further information.
- \$84.4m higher Vested assets and other revenue due to recognition of \$72.396m of wastewater lateral connections as Council assets following a decision agreed through the 2021-31 Long-term Plan that the Council take ownership of, and be responsible for, maintaining and renewing wastewater laterals in public road in Wellington. Previously, these laterals were considered as being the responsibility of building owners. We also recognised Vested asset revenue for Land of \$3.610m and Roading of \$3.864m. We do not budget for Vested asset revenue. See Note 4 for further information.
- \$10.259 higher fair value movements due to higher-than-expected investment property revaluations.
- \$2.978m higher interest revenue.

Expenses were \$15.424m higher than budgeted with major variances included of:

- \$5.973 higher Finance expense due to higher-than-expected interest rates.
- \$9.664m higher expenditure on operating activities due to higher utility costs and the utilisation of the unbudgeted \$15.472m of the Government stimulus funding package for the Three Waters Reform.

Net finance expense was \$2.995m higher than budgeted reflecting higher interest rates.

Other comprehensive revenue and expense was \$1,959.497m higher than budgeted with major variances included of:

- \$1,854.026m increase in the revaluation of Infrastructure assets which were scheduled for revaluation on 30 June 2023 and therefore not budgeted for in 2021/22. Significant increases in costs related to infrastructure asset replacement resulting in a significant variance between estimated fair value and the carrying value on the balance sheet triggering an off-cycle revaluation.
- \$104.646m of unbudgeted positive fair value movements in cash flow hedges due to higher swap interest rates in comparison to swap rates held.
- \$0.825m of unbudgeted increase in the fair value of equity investments, primarily Council's shareholding in the Local Government Funding Agency (LGFA).

Note 1: Rates revenue

Table 3: Rates revenue	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
General rates	226,129	193,878	226,129	193,878
Targeted rates	146,622	128,783	146,622	128,783
Metered water supply	15,026	18,044	15,026	18,044
Penalties and adjustments	399	1,209	399	1,209
TOTAL RATES REVENUE	388,176	341,914	388,176	341,914

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$16.342m (2021: \$14.926m). For the Group, rates of \$16.424m (2021: \$15.009m) have not been eliminated.

The revenue from rates for Wellington City Council was billed on the following rating information held at the end of the year immediately prior to the new rating year.

Table 4: Rates revenue billing basis	As at 30 June 2021	As at 30 June 2020
Number of rating units	81,030	79,811
Total capital value of rating units	\$80,608.516m	\$79,212.775m
Total land value of rating units	\$41,041.846m	\$40,577.366m

The property revaluations that occurred in September 2021 will apply for the rates billed for the 2022/23 year.

Rates remissions

Revenue from rates is shown net of rates remissions. The Council's Rates Remission and Postponement Policies provide for general rates to be partially remitted for rural open space; land used principally for games or sport and in special circumstances (where the rating policy is deemed to unfairly disadvantage an individual ratepayer). A remission of the Downtown targeted rate may also be granted to provide rates relief for downtown commercial property temporarily not fit for the purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown targeted rate. The Council committed itself at the start of the year to certain remissions, which for the reporting period ended 30 June 2022 totalled \$1.320m (2021: \$1.246m).

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties are non-rateable. This includes schools, churches, public gardens and certain land vested in the Crown. This land is non-rateable in respect of general rates but, where applicable, is rateable in respect of sewerage and water. Non-rateable land does not constitute a remission under the Council's Rates Remission and Postponement Policies.

COVID-19

On 24 February 2022, the Council approved a \$2.300m Pandemic Response Plan including fourth quarter rates deferral for hospitality and retail businesses, who own their building, without penalty for six months. As at 30 June 2022, \$0.154m had been approved for deferral.

Relevant significant accounting policies

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and therefore meet the definition of non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate. However, as the rates charged are primarily based on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction. Revenue from water rates by meter is recognised on an accrual basis based on usage.

Note 2: Revenue from operating activities

Table 5: Revenue from operating activities	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Development contributions	3,743	3,689	3,743	3,689
Grants, subsidies and reimbursements				
Operating	21,667	13,234	29,602	25,254
Capital	31,969	28,238	33,002	28,752
Total grants, subsidies and reimbursements	53,636	41,472	62,604	54,006
Other operating activities				
Fines and penalties	4,962	6,961	4,962	6,961
Rendering of services	131,556	128,298	143,480	139,406
Sale of goods	7,440	6,657	10,849	10,094
Total other operating activities	143,958	141,916	159,291	156,461
TOTAL REVENUE FROM OPERATING ACTIVITIES	201,337	187,077	225,638	214,156

For the Council, the principal grants and reimbursements are from Waka Kotahi – New Zealand Transport Agency (NZTA), which reimburses part of the Council's costs for maintaining the local roading and cycling infrastructure. The capital reimbursements recognised from NZTA of \$23.032m (2021: \$28.173m) and operating reimbursements of \$7.951m (2021: \$8.111m) are for costs already incurred and there are no unfulfilled conditions or other contingencies relating to the reimbursements.

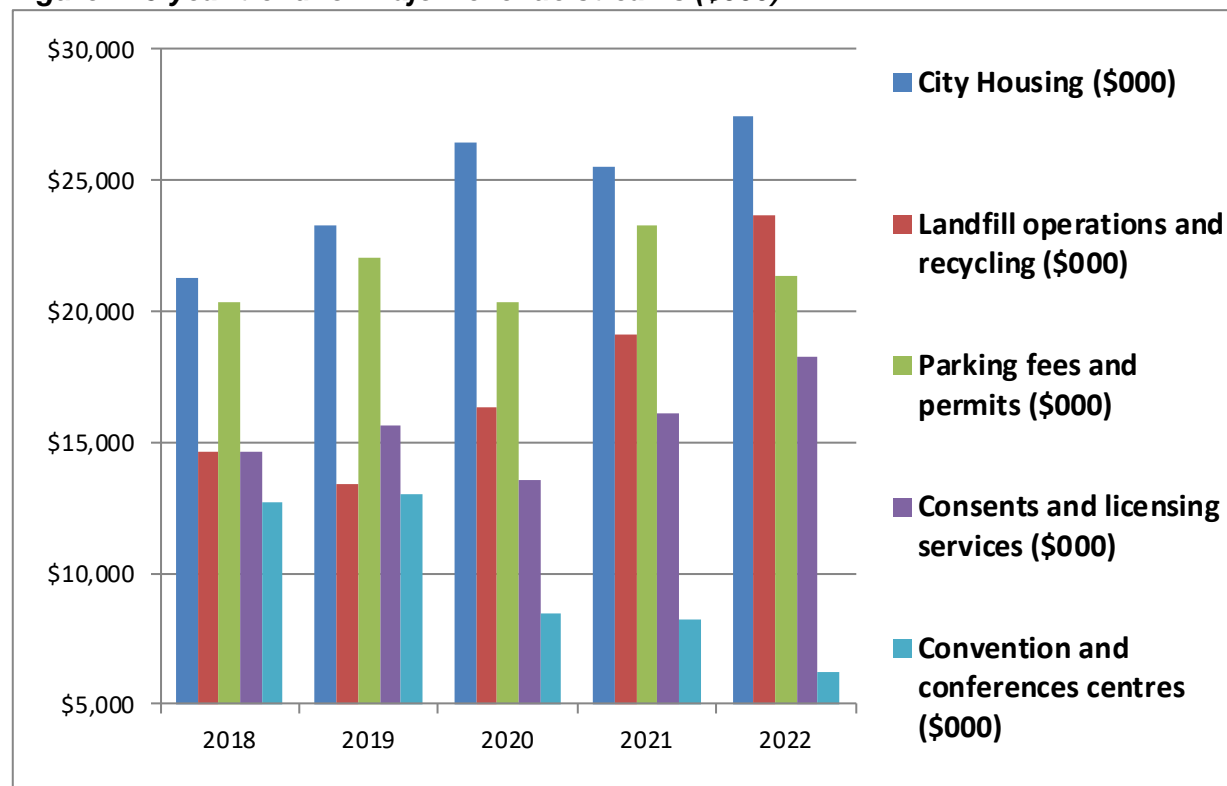
The Council applied for and received \$10.100m (2021: \$10.100m) of Government stimulus funding in relation to the Three Waters Reform package. \$15.472m (2021: \$4.730m) has been recognised above based on costs already incurred.

For revenue from other operating activities of the Council, the five major contributors were:

- City housing - \$27.416m (2021: \$25.553m)
- Parking fees and permits - \$21.360m (2021: \$23.293m)
- Landfill operations and recycling - \$23.654m (2021: \$19.089m) – including unbudgeted revenue from the joint operation with Porirua City Council \$2.395m (2021: \$1.758m).
- Consents and licensing services - \$18.284m (2021 \$16.116m)
- Convention and conferences centres – \$6.246m (2021: \$8.259m)

See *Figure 2* for a five-year trend analysis of these major revenue streams.

Figure 2: 5-year trend for major revenue streams (\$000)



Five-year trend analysis commentary

City Housing

Annual rent increases during the year in line with market movements led to higher revenue in 2021/2022. This was somewhat mitigated by several properties being sold privately or being held for sale to partners. For further information – refer to the Statement of service performance strategy area 5.2 – Community support (Volume 1, page xx).

Parking fees and permits

Parking revenue was down in 2021/22 from the previous year due to the impact of the COVID-19 Omicron variant and the resulting lockdown. Following the lifting of the lockdown, the Council approved a COVID Recovery Plan, which offered discounted parking to encourage residents to return to the city, further reducing revenue earned in the year. For further information – refer to the Statement of service performance strategy area 7.2 – Parking (Volume 1, page XX).

Landfill Operations

Revenue increase in 2021/22 due largely to ~60 000 tonnes more than anticipated in the budget for contaminated soil received at the landfill. The increase is largely driven by increased construction activity over the past year and a lower-than-expected impact of the COVID-19 lockdowns on activity. Around \$1m increase in rubbish bags sales driven by 73k more bags sold and a price increase of

18.5 percent from 1 July 2021. For further information – refer to the Statement of service performance strategy 2.2 – Waste reduction and energy conservation (page XX).

Consents and Licensing Services

Volumes have varied over the last five years, dropping in 2019/20 due to COVID-19 before picking up immediately following. They were in turn lower again in 2022, however fee increases applied in that year drove the revenue higher. For further information – refer to the Statement of service performance strategy area 6.2 – Building and development control (Volume 1, page XX).

Convention and Conference centres

COVID-19 has had significant impact on revenues in recent years as performances were reduced. That continued to be the case last year, as well as the unavailability of the St James Theatre owing to its redevelopment. For further information – refer to the Statement of service performance strategy 3.1 – City promotions and business support (page XX).

Relevant significant accounting policies

Revenue from operating activities is generally measured at the fair value of consideration received or receivable.

The Council undertakes various activities as part of its normal operations which generates revenue, but generally at below market prices or at fees and user charges subsidised by rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

See Note 13: Receivables and recoverables (pg XX), for an explanation of exchange and non-exchange transactions, transfers and taxes.

Development contributions

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Until such time as the Council provides, or is able to provide the service, development contributions are recognised as liabilities.

Grants, subsidies and reimbursements

Grants, subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the monies will be received and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (for example, NZTA roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Fines and penalties

Revenue from fines and penalties (for example, traffic and parking infringements and library overdue book fines) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. The fair value of parking related fines is determined based on the probability of collecting fines considering previous collection history and a discount for the time value of money.

Rendering of services

Revenue from the rendering of services (for example, building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Some services are provided at a market rate or on a full cost recovery basis (for example, parking fees) and these are classified as exchange.

Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Note 3: Investment revenue

Table 6: Investment revenue	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Dividend from associates	-	-	-	-
Dividend from equity investments	64	66	64	66
Investment property revenues	11,045	10,999	11,045	10,999
TOTAL INVESTMENT REVENUE	11,109	11,065	11,109	11,065

Dividends

The annual plan budget for 2021/22 did not include dividend revenue from the Council's 34 percent shareholding in Wellington International Airport Limited as the financial impact from COVID-19 was well forecasted. The Council continues to maintain its current level of investment as it considers the future dividend stream adds diversity to normal rates revenue. The investment portfolio is presently maintained as it is strategically, financially and economically prudent to do so.

For further information refer to Note 21: Investment in associates and joint venture (pg XX).

Investment properties

The revenues from investment properties are primarily from ground leases around the CBD central city and on the waterfront. The Council periodically reviews its continued ownership of investment properties by assessing the benefits against other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership and in terms of the most financially viable method of achieving the delivery of Council services.

For further information refer to Note 18: Investment properties (pg XX).

Relevant significant accounting policies

Dividends

Dividends from equity investments are recognised when the Council's right to receive payment has been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are recognised on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished

Note 4: Vested assets and other revenue

Table 7: Vested assets and other revenue	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Vested assets	82,488	9,411	82,488	9,411
Other revenue	3,042	3,642	3,280	4,059
TOTAL VESTED ASSETS AND OTHER REVENUE	85,530	13,053	85,768	13,470

Vested assets are principally infrastructural assets such as roading, drainage, waste and water assets that have been constructed by developers. As part of the consents process, ownership of these assets is transferred to the Council, and on completion they become part of the city's network. Although vested assets are non-cash in nature and represent a future obligation to the Council, as the Council will have the ongoing costs associated with maintaining the assets, they are recognised as revenue in accordance with the applicable accounting standard.

The breakdown of principal vested assets received is:

- Drainage, waste and water - \$74.116m (2021: \$4.891m). The significant increase in the 2021/22 year is due to recognition of \$72.396m of wastewater lateral connections as Council assets. Previously, these laterals were considered as being the responsibility of building owners.
- Land - \$3.610m (2021: Nil)
- Roading - \$3.864m (2021: \$4.430m)

Other revenue consisted mainly of:

- Gains on disposal of assets - \$0.322m (2021: \$0.959m)
- Restricted funds - \$0.509m (2021: \$0.992m)
- Fuel tax - \$1.024m (2021: \$1.116m)
- Release of unused provisions - \$0.913m (2021: Nil)

Relevant significant accounting policies

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

Gains

Gains include additional earnings (for example, sale proceeds in excess of the book value) on the disposal of property, plant and equipment.

Donated services

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (for example, beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Note 5: Fair value movements

Table 8: Fair value movements	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Investment property revaluation	20,614	20,496	20,614	20,496
Amortisation of loans to related parties	31	5	31	5
TOTAL FAIR VALUE MOVEMENTS - GAINS	20,645	20,501	20,645	20,501
<i>Less</i>				
Fair value adjustment to loan	35	52	40	52
Currency exchange loss	-	-	-	1
TOTAL FAIR VALUE MOVEMENTS - LOSSES	35	52	40	53
TOTAL NET FAIR VALUE MOVEMENTS	20,610	20,449	20,605	20,448

Investment properties, which are revalued annually, are held primarily to earn lease revenue and/or for capital growth. These properties include the Council's ground leases and certain land and buildings, including the Wellington Waterfront investment properties. For more information refer to Note 18: Investment properties (pg XX).

In May 2021, Wellington Regional Stadium Trust made an initial drawdown of a joint loan facility, between Wellington City Council and GWRC, which was made available as part of a COVID-19 response. Two further drawdowns were made during 2021/22 to fully utilise the facility. As the initial two-year period is interest free, a further adjustment to reflect fair value was required. The value of this adjustment was \$0.035m, which is non-cash in nature, has no effect on rates and will be amortised back up to full value over the next two years. The loan will become interest bearing in year 3, with annual principal repayments and the final repayment by the end of 2030/31. For more information refer to Note 15: Other financial assets (pg XX).

Relevant significant accounting policies

Gains

Gains include increases on the revaluation of investment property and in the fair value of financial assets and liabilities.

Investment properties

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Derivatives

Movements on derivatives at fair value through surplus or deficit represents the fair value movements on interest rate swaps that do not meet the criteria for hedge accounting. Movements in the Group's other derivatives that meet the criteria for hedge accounting, are taken to the cash flow hedge reserve and have no impact on the net surplus / (deficit) for the year.

Note 6: Finance revenue and expense

Table 9: Finance revenue, expense and net finance cost	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Interest on borrowings	28,798	25,140	28,802	25,153
Interest on finance leases	-	-	5	6
Re-discounting of interest on provisions	498	350	498	350
TOTAL FINANCE EXPENSE	29,296	25,490	29,305	25,509
<i>Less</i>				
Interest earned	2,991	2,114	3,166	2,228
TOTAL FINANCE REVENUE	2,991	2,114	3,166	2,228
NET FINANCE COST	26,305	23,376	26,139	23,281

An increase in interest rates during the year, as a result of increases in the Official Cash Rate (OCR) totalling 1.75 percent, has increased average borrowing costs. Coupled with a higher level of borrowings, the interest expense has increased compared to the previous year. The Council's policy is to have the majority of borrowings on fixed interest rates to avoid volatility in its interest expense as interest rates change. To achieve this, it uses interest rate swaps, which effectively changes floating rate debt to fixed rate debt.

Returns on investment deposits are also market related so have increased accordingly as interest rates have risen.

Relevant significant accounting policies

Interest on borrowings

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Re-discounting of interest

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date). For further information refer to Note 25: Employee benefit liabilities and provisions (pg XX) and Note 26: Provision for other liabilities (pg XX).

Interest earned

Interest earned is recognised using the effective interest rate method.

Note 7: Expenditure on operating activities

Table 10: Expenditure on operating activities	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Governance and employment				
Elected member remuneration	1,867	1,855	1,867	1,855
Independent directors/trustees fees for controlled entities	-	-	445	527
Employee benefits expense:				
- Remuneration	118,767	106,162	148,407	134,369
- Superannuation contributions (including KiwiSaver)	3,560	3,160	4,279	3,804
Other personnel costs	4,501	3,415	5,899	4,594
Impairments				
Bad debts written off not previously provided for	133	65	133	65
Increase in provision for impairment of receivables and recoverables	205	190	206	190
Impairment of property, plant and equipment	4,414	1,848	4,414	1,848
Insurance				
Insurance premiums	16,585	17,431	17,431	18,171
Insurance reserve costs - net	605	1,017	605	1,017
General				
Administration Costs	5,661	5,230	16,976	17,098
Auditor's remuneration:	536	570	838	795
Contractors	5,086	3,300	7,838	6,226
Contracts, services and materials	161,099	146,838	163,086	148,690
Grants	45,947	46,901	16,362	18,160
Information and communication technology	16,101	16,966	17,670	18,471
Loss on disposal of intangibles	518	-	518	-
Loss on disposal of property, plant and equipment	2,713	281	2,746	287
Loss on disposal of investment property	-	564	-	564
Loss on investments	-	-	-	2
Operating lease - minimum lease payments	10,380	8,141	11,612	9,905
Professional costs	11,360	9,060	12,374	10,326
Reassessment of weathertight provision	-	669	-	669
Utility costs	36,496	32,427	37,484	33,154
TOTAL EXPENDITURE ON OPERATING ACTIVITIES	446,534	406,090	471,190	430,787

Governance and employment

Governance costs relate to the remuneration made to all elected members, comprising the Mayor, Councillors and Community Board members and also to directors appointed to boards of controlled entities.

Employment costs relate to the remuneration paid directly to staff, other employee benefits such as KiwiSaver and other associated costs such as recruitment and training.

During the year \$0.394m (2021: \$0.462m) of termination benefits were incurred by the Council and \$0.610m (2021: \$0.753m) for the Group. Termination benefits include all payments relating to the end of employment other than unpaid salary and leave entitlements. Termination benefits include contractual (for example, redundancy, in lieu of notice) and non-contractual (for example, severance) payments, but exclude retirement payments already provided for.

For further information refer to Note 38: Remuneration and staffing levels (pg XX)

General

Table 11: Auditor's remuneration:	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Audit New Zealand - Financial Statements	352	362	554	507
Audit New Zealand - Long-tem Plan amendment	130	154	130	154
Audit New Zealand - Wgtn Waterfront Project	40	40	40	40
Audit New Zealand - other assurances	14	14	14	14
Audit services - other Auditors	-	-	100	80
	536	570	838	795

During the period Audit New Zealand provided other services to the Council, namely assurance services relating to the Clifton Terrace Carpark managed by the Council on behalf of NZTA and assurance services relating to the Council's debenture trust deed compliance (see *Table 11* above).

Direct costs are costs directly attributable to the rendering of Council services, including contracts, maintenance, management fees, materials and services.

Grants include the operating grants to the Council's controlled entities (refer to Note 37: Related Party disclosures, for a breakdown (pg XX)). Other major grants include the funding to the Museum of New Zealand Te Papa Tongarewa \$2.250m (2021: \$2.250m).

Operating lease minimum lease payments are for non-cancellable agreements for the use of office or other spaces in buildings.

Utility costs are those relating to the use of electricity, gas, and water. It also includes the payment of rates and water meter charges of \$16.342m (2021: \$14.926m) on Council-owned properties.

COVID-19: Expenditure impacts

The effect on expenditure related mainly to additional security measures around vaccine pass checking, health and safety costs in regard to Personal Protection Equipment (PPE), and grant support for Council-controlled entities namely, Wellington Cable Car Limited, Wellington Museums Trust and Wellington Regional Stadium Trust (refer to Note 37 – Related party disclosures (page xx)). In addition, the Council was required to meet its funding agreement with the World of WearableArt (WOW) when organisers were compelled to cancel the show in September 2021. This higher expenditure was offset by a significant reduction in costs relating to events not being held, due to continued alert level changes and then the introduction of traffic lights restrictions.

Relevant significant accounting policies

Grants and sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (for example, cash or physical assets) to another entity or individual in return for compliance with certain conditions

relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations, which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Cost allocation

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Performance). Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities

Research and Development

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

Note 8: Depreciation and amortisation

Table 12: Depreciation and amortisation	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Depreciation				
Buildings	31,461	20,542	31,646	21,008
Civic Precinct	1,254	1,252	1,254	1,252
Drainage, waste and water infrastructure	53,295	49,257	53,295	49,257
Landfill post closure	102	260	102	260
Library collections	2,057	1,862	2,057	1,862
Plant and equipment	16,854	23,322	17,751	24,497
Restricted buildings	1,854	1,881	1,854	1,881
Roading infrastructure	34,258	33,282	34,258	33,282
Total depreciation	141,135	131,658	142,217	133,299
Amortisation				
Computer software	5,353	4,977	5,398	5,026
TOTAL DEPRECIATION AND AMORTISATION	146,488	136,635	147,615	138,325

Depreciation (amortisation) is an expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to 'intangible' assets such as software (as distinct from physical assets, which are covered by the term depreciation).

Relevant significant accounting policies

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, and assets under construction (work in progress).

Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life. (See Table 13).

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Table 13: Estimated useful lives of tangible assets		2022
		Useful Life (years)
Asset Category		
Operational assets		
Land		unlimited
Buildings:		
Structure		7 - 87
Roof		6 - 50
Interior		5 - 50
Services		5 - 47
Civic Precinct		5 - 66
Plant and equipment		5 - 100
Library collection		6 - 10
Infrastructure assets:		
Land (including land under roads)		unlimited
Roading:		
Road pavement		10 - 40
Retaining / sea walls		50 - 100
Kerb and channel		10 - 60
Structures - other sea defences		100 - 250
Tunnels - structure and services		20 - 175
Bridges		90 - 110
Drainage, waste and water:		
Pipes		60 - 110
Reservoirs		25 - 90
Pump stations		32 - 105
Fittings		25 - 70
Restricted assets (excluding buildings)		unlimited

The variation in the lives for infrastructural assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Amortisation

The amortisation of intangible assets is charged on a straight-line basis over the estimated useful life of the associated assets. (See Table 14)

Table 14: Estimated useful lives of intangible assets		2022
		Useful Life (years)
Asset Category		
Computer software		2 - 11

Computer software has a finite economic life and amortisation is charged to surplus or deficit on a straight-line basis over the estimated useful life of the asset.

Note 9: Share of associates' and joint venture's surplus or deficit

The Council's share of the results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited (WIAL) and Wellington Water Limited is as shown in *Table 15*.

Table 15: Share of associates' and joint venture's surplus or deficit	Group	
	2022	2021
	\$000	\$000
Associates		
Chaffers Marina Holdings Limited	(44)	52
Wellington International Airport Limited	958	(4,183)
Joint venture		
Wellington Water Limited	1,299	240
TOTAL SHARE OF ASSOCIATES' AND JOINT VENTURE'S SURPLUS OR (DEFICIT)	2,213	(3,891)

Further information on the cost and value of the above investments is found in Note 21: Investments in Associates and Joint Venture (pg XX).

COVID-19: For 2021/22 the financial impacts for the Council were primarily that no WIAL dividend was declared for distribution to the Council and the 34 percent share of the return to surplus from the WIAL operations. The Council also agreed in 2020/21 to extend the term of the underwrite for its share of a potential equity raising. For more information refer to Note 35: Contingencies (pg XX).

Relevant significant accounting policies

Associates are entities where the Council has significant influence over their operating and financial policies, but they are not controlled entities or joint ventures. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In the Council financial statements, the investments in joint ventures are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of joint ventures is included on an equity accounting basis as a single line.

Note 10: Income tax

Table 16: Income Tax	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current tax expense/(credit)				
Current year	-	-	28	112
Prior period adjustment	-	-	2	346
Total current tax expense/(credit)	-	-	30	458
Deferred tax expense/(credit)				
Origination and reversal of temporary differences	3	37	(86)	24
Change in unrecognised temporary differences	-	-	-	-
Recognition of previously unrecognised tax losses	(3)	(37)	-	-
Total deferred tax expense/(credit)	-	-	(86)	24
TOTAL INCOME TAX EXPENSE/(CREDIT)	-	-	(56)	482

Table 17: Reconciliation of tax on the surplus/(deficit) and tax expense/(credit)	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Surplus/(deficit) for the period before taxation	87,435	7,457	88,565	4,769
Prima facie income tax based on domestic tax rate - 28%	24,482	2,088	24,798	1,335
Effect of non-deductible expenses and tax exempt income	(24,485)	(2,125)	(23,975)	(342)
Effect of tax losses utilised	-	-	(305)	-
Current years loss for which no deferred tax asset was recognised	3	37	3	37
Previously unrecognised tax losses now utilised	-	-	19	(49)
Change in unrecognised temporary differences	-	-	-	65
Prior period adjustment	-	-	(2)	346
Reintroduction of tax depreciation on buildings	-	-	-	-
Overseas withholding tax - non-reclaimable	-	-	26	20
Share of income tax of equity accounted associates	-	-	(620)	(930)
TOTAL INCOME TAX EXPENSE/(CREDIT)	-	-	(56)	482

Relevant significant accounting policies

The Council, as a local authority is only liable for income tax on the surplus or deficit for the year derived from any council-controlled trading organisations. Other members of the Group are subject to normal taxation unless they have tax exempt status as charitable trusts.

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Statement of Financial Position

Table 18: Statement of Financial Position		Council			Group	
As at 30 June 2022		Actual	Budget	Actual	Actual	Actual
	Note	2022	2022	2021	2022	2021
		\$000	\$000	\$000	\$000	\$000
ASSETS						
Current assets						
Cash and cash equivalents	11	26,575	21,419	84,349	40,727	103,542
Derivative financial assets	12	216	-	-	216	-
Receivables and recoverables	13	86,355	64,708	57,656	87,755	58,919
Prepayments	14	18,294	14,379	21,337	18,773	21,647
Other financial assets	15	102,856	209,000	62,684	109,556	63,786
Inventories		944	1,549	787	1,534	1,394
Non-current assets classified as held for sale	16	13,366	-	14,703	13,366	14,703
Total current assets		248,606	311,055	241,516	271,927	263,991
Non-current assets						
Derivative financial assets	12	58,191	-	7,821	58,191	7,821
Receivables and recoverables	13	-	-	3,400	-	3,400
Other financial assets	15	29,298	16,131	22,982	31,578	24,747
Intangibles	17	38,211	84,353	39,031	38,238	39,105
Investment properties	18	300,108	274,309	279,082	300,108	279,082
Property, plant and equipment	19	10,278,248	8,182,726	8,203,230	10,292,099	8,217,301
Investment in controlled entities	20	5,071	5,998	5,071	-	-
Investment in associates and joint venture	21	19,473	19,033	19,473	258,206	233,291
Total non-current assets		10,728,600	8,582,550	8,580,090	10,978,420	8,804,747
TOTAL ASSETS		10,977,206	8,893,605	8,821,606	11,250,347	9,068,738
LIABILITIES						
Current liabilities						
Derivative financial liabilities	12	260	709	1,798	260	1,798
Exchange transactions and transfers payable	22	84,963	64,761	71,877	84,503	74,211
Taxes payable	22	11,134	-	10,887	11,459	11,211
Deferred revenue	23	16,670	16,092	20,884	25,645	26,533
Borrowings	24	209,001	209,000	154,523	209,001	154,544
Employee benefit liabilities and provisions	25	7,840	12,262	7,044	10,033	8,973
Provision for other liabilities	26	5,481	4,058	2,279	5,481	2,279
Total current liabilities		335,349	306,882	269,292	346,382	279,549
Non-current liabilities						
Derivative financial liabilities	12	523	106,331	53,045	523	53,045
Exchange transactions and transfers payable	22	231	-	231	231	231
Borrowings	24	862,157	1,070,401	754,129	863,757	754,792
Employee benefit liabilities and provisions	25	624	1,174	724	662	767
Provision for other liabilities	26	37,696	34,995	50,490	37,696	50,490
Deferred tax	27	-	-	-	590	680
Total non-current liabilities		901,231	1,212,901	858,619	903,459	860,005
TOTAL LIABILITIES		1,236,580	1,519,783	1,127,911	1,249,841	1,139,554

Table 18: Statement of Financial Position - continued		Council			Group	
		Actual	Budget	Actual	Actual	Actual
As at 30 June 2022		2022	2022	2021	2022	2021
Note		\$000	\$000	\$000	\$000	\$000
EQUITY						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,903,366	3,775,023	3,815,363	3,911,964	3,822,663
Revaluation reserves	28	4,484,022	2,415,427	2,631,206	4,704,556	2,830,205
Hedging reserve	29	57,624	(107,041)	(47,022)	58,172	(47,641)
Fair value through other comprehensive revenue and expense reserve	30	6,854	5,085	6,029	7,983	6,656
Non-controlling interest		-		-	797	781
Restricted funds	31	19,626	16,194	18,985	23,872	23,358
TOTAL EQUITY		9,740,626	7,373,822	7,693,695	10,000,506	7,929,184
TOTAL EQUITY AND LIABILITIES		10,977,206	8,893,605	8,821,606	11,250,347	9,068,738

The notes on pg XX to XX form part of and should be read in conjunction with the financial statements

Statement of Financial Position - Major budget variations

Significant variations from budget are as follows:

Current assets are \$62.449m lower than budgeted with major variances included of:

- \$5.156m more cash held than budgeted.
- \$21.647m higher Receivables and recoverables due to late LGWM reimbursement billing, a movement from non-current debtors and higher unpaid rates due to COVID-19 financial pressures.
- \$106.144m less Other financial assets which is offset by lower borrowings than budgeted.
- \$13.366m land and buildings re-classified as held for sale.

Non-current assets are \$2,146.050m higher than budget with major variances included of:

- \$58.191m of unbudgeted Derivative financial assets due to increased swap interest rates.
- \$13.167m higher Other financial assets than budgeted.
- \$46.142m less Intangibles than budgeted due to the budget being overstated resulting from a classification error of \$51.743m, which should have been part of Property, plant and equipment.
- \$25.799m higher Investment properties than budgeted due to higher revaluation.
- \$2,095.521m higher Property, plant and equipment due to the revaluation of Infrastructure assets that was originally scheduled for 30 June 2023. (See Note 19 for further information)

Total liabilities are \$283.203m lower than budget, with major variances included of:

- \$20.201m higher current payables, partly due to timing of invoicing for work completed.
- \$105.808m lower Derivative financial liabilities due to increased swap interest rates.
- \$208.244m lower Non-current borrowings due to lower capital expenditure than budgeted and offset by reduced Other financial assets.

Note 11: Cash and cash equivalents

Table 19: Cash and cash equivalents	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Cash at bank	6,560	84,333	19,189	97,021
Cash on hand	15	16	29	33
Short-term bank deposits of up to 3 months at acquisition	20,000	-	21,509	6,488
TOTAL CASH AND CASH EQUIVALENTS	26,575	84,349	40,727	103,542

Bank balances that are interest bearing earn interest based on current floating bank deposit rates.

The Council holds short term deposits as part of its overall liquidity risk management programme. This programme enables the Council to maintain its regular commercial paper programme and to pre-fund upcoming debt maturities. The combination of the commercial paper programme and holding short term deposits reduces the Council's cost of funds.

Note 12: Derivative financial instruments

Table 20: Derivative financial instruments	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Assets				
Current assets				
Interest rate swaps - cash flow hedges	216	-	216	-
Total current liabilities	216	-	216	-
Non-current assets				
Interest rate swaps - cash flow hedges	58,191	7,821	58,191	7,821
Total non-current assets	58,191	7,821	58,191	7,821
TOTAL DERIVATIVE FINANCIAL INSTRUMENT ASSETS	58,407	7,821	58,407	7,821
Liabilities				
Current liabilities				
Interest rate swaps - cash flow hedges	260	1,798	260	1,798
Total current liabilities	260	1,798	260	1,798
Non-current liabilities				
Interest rate swaps - cash flow hedges	523	53,045	523	53,045
Total non-current liabilities	523	53,045	523	53,045
TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES	783	54,843	783	54,843

Derivative financial instruments are used by the Group in the normal course of business to hedge exposure to cash flow and fair value interest rate risk. The amounts shown above represent the fair values of these derivative financial instruments. Although these are managed as a portfolio, the Group has no rights to offset assets and liabilities and must present these figures separately.

Interest rate swaps (Cash flow hedges) are used to fix interest rates on floating rate debt (floating rate notes or commercial paper). The swaps are held until maturity and have no cash impact or effect on the rates requirements. The timing of the maturities of the active swaps, their nominal values and their weighted average fixed interest rates are shown in *Table 21* following.

Table 21: Nominal value and weighted average fixed rate of live interest rate swaps	Council				Group			
	2022		2021		2022		2021	
	\$000	%	\$000	%	\$000	%	\$000	%
<i>Interest rate swaps - hedge accounted</i>								
Not later than one year	109,000	3.61%	114,500	3.84%	109,000	3.61%	114,500	3.84%
Later than one year and not later than five years	148,000	4.06%	210,000	3.84%	148,000	4.06%	210,000	3.84%
Later than five years	196,000	3.03%	124,500	3.28%	196,000	3.03%	124,500	3.28%
Total interest rate swaps - hedge accounted	453,000	3.50%	449,000	3.69%	453,000	3.50%	449,000	3.69%

For further information on the Council's interest rate swaps please refer to Note 29: Hedging Reserve (pg XX) and Note 33: Financial instruments (pg XX).

Relevant significant accounting policies

Derivative financial instruments include interest rate swaps used to hedge exposure to interest rate risk on borrowings. Derivatives are initially recognised at fair value, based on quoted market prices, and subsequently remeasured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in active markets. Derivatives that do not qualify for hedge accounting are classified as non-hedged and fair value gains or losses are recognised within surplus or deficit.

Recognition of fair value gains or losses on derivatives that qualify for hedge accounting depends on the nature of the item being hedged. Where a derivative is used to hedge variability of cash flows (cash flow hedge), the effective part of any gain or loss is recognised within other comprehensive revenue and expense while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive revenue and expense transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

Note 13: Receivables and recoverables

Table 22: Receivables and recoverables	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current	86,355	57,656	87,755	58,919
Non-Current	-	3,400	-	3,400
TOTAL RECEIVABLES AND RECOVERABLES - NET	86,355	61,056	87,755	62,319
Trade receivables and recoverables - debtors - net	23,448	14,108	24,613	14,640
Trade recoverables - fines - net	3,657	3,808	3,657	3,808
Accrued revenue	19,715	14,065	19,738	14,740
Sundry receivables	8,239	7,884	8,659	8,050
GST recoverable	5,052	5,051	4,844	4,941
Rates recoverable	26,244	16,140	26,244	16,140
TOTAL RECEIVABLES AND RECOVERABLES - NET	86,355	61,056	87,755	62,319

Current trade, rates and sundry receivables and recoverables are non-interest bearing and receipt is generally on 30-day terms, therefore the carrying value approximates their fair value.

Table 23: Receivables and recoverables from related parties	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Receivables and recoverables from related parties				
- Controlled entities	217	794	-	-
- Associates and jointly controlled entity	168	26	168	26
Total receivables and recoverables from related parties	385	820	168	26

The movement in the provision for impairment of total receivables and recoverables is analysed as follows in *Table 24*.

Table 24: Provision for impairment of total receivables and recoverables	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	6,943	6,999	6,943	7,028
New provisions made	205	223	206	223
Release of unused provision	(312)	(229)	(312)	(256)
Amount of provision utilised	(105)	(50)	(105)	(52)
Provision for impairment of total receivables and recoverables - closing balance	6,731	6,943	6,732	6,943

Ageing of debt

The ageing profile of total net receivables and recoverables at the reporting date is as follows in *Table 25*

Table 25: Debt aging profile	2022			2021		
	Gross	Impaired	Net	Gross	Impaired	Net
Council	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other receivables and recoverables						
Not past due	49,338	(152)	49,186	35,924	(100)	35,824
Past due 0-3 months	17,460	(79)	17,381	11,481	(133)	11,348
Past due 3-6 months	8,193	(50)	8,143	5,048	(271)	4,777
Past due more than 6 months	18,095	(6,450)	11,645	15,546	(6,439)	9,107
TOTAL RECEIVABLES AND RECOVERABLES	93,086	(6,731)	86,355	67,999	(6,943)	61,056
Group	2022			2021		
	Gross	Impaired	Net	Gross	Impaired	Net
Group	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other receivables and recoverables						
Not past due	50,646	(153)	50,493	36,830	(100)	36,730
Past due 0-3 months	17,537	(79)	17,458	11,833	(133)	11,700
Past due 3-6 months	8,208	(50)	8,158	5,053	(271)	4,782
Past due more than 6 months	18,096	(6,450)	11,646	15,546	(6,439)	9,107
TOTAL RECEIVABLES AND RECOVERABLES	94,487	(6,732)	87,755	69,262	(6,943)	62,319

The net receivables and recoverables past due for more than six months primarily relate to fines, which after initial debt recovery attempts, are passed to the Courts to further pursue. Due to their nature, the collection pattern for such fines is longer than for trade debtors.

Relevant significant accounting policies

Receivables from exchange transactions

Receivables from exchange transactions arise when the Council is owed by another entity or individual for goods or services provided directly by the Council and will receive approximately equal value in a willing arm's length transaction (primarily in the form of cash in exchange). Examples of exchange transactions include parking services and metered water rates.

Recoverables from non-exchange transactions

Recoverables from non-exchange transactions arise when the Council is owed value from another party without giving approximately equal value directly in exchange for the value received. Most of the goods or services the Council provides are subsidised by rates revenue and therefore the exchange is unequal. Examples of non-exchange transactions include social housing rentals, parking fines and recreational centre activities. Non-exchange transactions are comprised of either taxes or transfers.

Transfers also include grants that do not have specific conditions attached which require return of the grant for non-performance.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Note 14: Prepayments

Table 26: Prepayments	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Insurance	12,982	10,922	13,021	10,951
3 Waters reform stimulus funding	1,010	5,370	1,010	5,370
Information and communications technology	1,876	1,505	1,876	1,505
Waterfront operations	995	1,041	995	1,041
Other	1,431	2,499	1,871	2,780
TOTAL PREPAYMENTS	18,294	21,337	18,773	21,647

Note 15: Other financial assets

Table 27: Other financial assets	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Represented by:				
Current	102,856	62,684	109,556	63,786
Non-current	29,298	22,982	31,578	24,747
TOTAL OTHER FINANCIAL ASSETS	132,154	85,666	141,134	88,533
Comprised of:				
Equity investments:				
- Civic Financial Services Ltd	524	507	524	507
- NZ Local Government Funding Agency (LGFA)	8,674	7,865	8,674	7,865
- Creative HQ shareholdings	-	-	1,879	1,490
- Legacy investment - Wellington Museums Trust	-	-	274	260
- Gifted investment - Karori Sanctuary Trust	-	-	126	-
Deposits and loans				
Bank Term deposits - greater than 3 months	101,000	61,500	107,700	62,602
LGFA - borrower notes	19,868	14,902	19,868	14,902
Loans to related parties	2,088	892	2,088	892
Loans to external organisations	-	-	1	15
TOTAL OTHER FINANCIAL ASSETS	132,154	85,666	141,134	88,533

Equity investments

Civic Financial Services Limited is the trading name for the New Zealand Local Government Insurance Corporation Limited. The Council holds a 4.78 percent (2021: 4.78 percent) shareholding in this entity and has no present intention to sell.

The New Zealand Local Government Funding Agency Limited (LGFA), is an alternative debt provider majority owned by and operated for local authorities. The Council holds an 8 percent shareholding of the paid-up capital and as a shareholder will benefit from a return on its investment and as a borrower from lower borrowing costs. Refer to Note 36: Related party disclosures, for more information (pg XX).

Creative HQ, a controlled entity of Wellington Regional Economic Development Agency Limited (WREDA), has small shareholdings in various incubator and accelerator programme companies. These shares are held until the companies mature or cease operations.

Deposits and loans

Bank deposits

Bank term deposits with maturities greater than 3 months are categorised as investments. These longer-term deposits are largely due to the early borrowing (pre-funding) for future debt repayments and generally mature in less than 12 months.

Borrower notes

As part of the borrowing arrangements through the LGFA, the Council is required to leave 2.5 percent of any debt drawdown with the LGFA, as an investment, in the form of a borrower note. Borrower notes are subordinated convertible debt instruments, which will be repaid with interest to the Council, once the related borrowing is repaid or no longer owed to the LGFA. The maturity profile of these notes matches the related debt maturity profile (31 December 2022 to 16 April 2033).

Loans to related parties

The loans to related parties are concessionary in nature since the loans have been granted on interest free terms for all or part of the life of the loan. The movements in the loans are shown in *Table 28*.

Table 28: Loans	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Loans to related parties				
<i>Wellington Regional Stadium Trust</i>				
<i>(Build and membership underwrite - \$15,394,893)</i>				
Opening balance	44	39	44	39
Amortisation of fair value adjustment	31	5	31	5
Closing balance at fair value	75	44	75	44
<i>Wellington Regional Stadium Trust</i>				
<i>(COVID-19 support up to \$2,100,000)</i>				
Opening balance	848	-	848	-
Drawn down	1,200	900	1,200	900
Fair value adjustment	(35)	(52)	(35)	(52)
Closing balance at fair value	2,013	848	2,013	848
Loans to other external organisations				
Opening balance	-	-	15	15
New loan	-	-	1	-
Loan repayments received	-	-	(15)	-
Closing balance at fair value	-	-	1	15
TOTAL LOANS	2,088	892	2,089	907

The fair value movement on loans reflects the timing of their expected repayments and the interest free or other nature of the loan. Over the remaining life of the loans their fair value will be amortised back up to their full nominal value.

Wellington Regional Stadium Trust

The Council holds a \$15.000m limited recourse loan to WRST, which is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished

The amortisation rate applicable to the WRST loan is 12.710 percent.

On maturity of the initial WRST membership underwrite, the unpaid interest was converted to a \$0.395m advance repayable after all other advances made by the Council and Greater Wellington

Regional Council. The current expected repayment of the loan and the advance back to the Council, as advised by WRST, is in 2070.

COVID-19: Agreed in 2019/20, the new joint loan facility between the Council and Greater Wellington Regional Council was further drawn down (\$1.200m) during 2021/22. The loan facility is to fund operating deficits resulting from the impact of COVID-19 and to provide funding for the capital works required to continue with the strengthening of the Fran Wilde walkway. The loan is an unsecured facility of up to \$4.200m divided equally between the lenders with a fixed interest rate of 3.0 percent and is interest free for the first two years commencing from the date of the first drawdown.

Note 16: Non-current assets classified as held for sale

Table 29: Non-current assets classified as held for sale	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Non-current assets held for sale are:				
- Buildings	5,889	5,688	5,889	5,688
- Land	7,477	9,015	7,477	9,015
TOTAL NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	13,366	14,703	13,366	14,703

Properties still unsold or expected to sell within the next 12 months are generally either as a result of road stopping, or housing stock that will be re-invested in better suited social housing developments.

Relevant significant accounting policies

Non-current assets held for sale are valued at the lower of the carrying amount and fair value less costs to sell at the time of reclassification.

Non-current assets held for sale are separately classified as their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.
- a plan to sell the asset is in place and an active programme to locate a buyer has been initiated.
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- the sale is expected to occur within one year or beyond one year where a delay has occurred which is caused by events beyond the Group's control and there is sufficient evidence the Group remains committed to sell the asset; and
- actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

A non-current asset classified as held for sale is recognised at the lower of its carrying amount or fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit.

Note 17: Intangibles

Table 30: Intangibles	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Computer software				
Cost - opening balance	72,823	64,079	73,419	64,826
Accumulated amortisation	(50,870)	(45,813)	(51,392)	(46,446)
Computer software opening balance	21,953	18,266	22,027	18,380
Acquired by direct purchase	1,517	8,664	1,517	8,707
Amortisation	(5,353)	(4,977)	(5,398)	(5,026)
Impairment	(3)		(3)	
Net disposals	(518)	-	(521)	(34)
Total computer software - closing balance	17,595	21,953	17,622	22,027
Cost	73,015	72,823	73,575	73,419
Accumulated amortisation and Impairment	(55,420)	(50,870)	(55,953)	(51,392)
Total computer software - closing balance	17,595	21,953	17,622	22,027
Work in progress				
Computer software	7,645	3,029	7,645	3,029
Total work in progress	7,645	3,029	7,645	3,029
Carbon credits				
Cost - opening Balance	14,049	5,299	14,049	5,299
Additions	898	8,756	898	8,756
Net disposals	(1,976)	(6)	(1,976)	(6)
Total Carbon credits - closing balance	12,971	14,049	12,971	14,049
TOTAL INTANGIBLES	38,211	39,031	38,238	39,105

Disposals and transfers are reported net of accumulated amortisation.

Carbon credits

As part of the Emissions Trading Scheme (ETS) the Council receives carbon credits from Central Government in recognition of the carbon absorbed by a portion of the Council's green belt. For the year ending 30 June 2022 the Council received 14,004 units (2021: No units).

The Council purchased no units (2021: 215,347 units) to cover the expected liabilities associated with landfill operations as it had acquired additional units in 2021. The Council surrendered 75,796 units (2021: No units) for the 2021 calendar year liability. For the 2020 calendar year liability, no units were surrendered as the fixed price payment option was utilised.

During the period ending 30 June 2022, no units (2021: 3,000 units) were sold.

At 30 June 2022 the total liability relating to landfill carbon emissions is \$1.171m (2021: \$1.053m).

More information on carbon credits can be found in the Statements of Service Provision under activity 2.2: Waste reduction and energy conservation (pg XX).

The movement in units held are shown in *Table 31*.

Table 31: Carbon credits	Council		Group	
	2022	2021	2022	2021
	Units	Units	Units	Units
Opening balance	601,177	388,830	601,177	388,830
Additions - Allocated from the Crown	14,004	-	14,004	-
Additions - Purchases	-	215,347	-	215,347
Disposals - Surrendered to the Crown	(75,796)	-	(75,796)	-
Disposals - Sales	-	(3,000)	-	(3,000)
TOTAL CARBON CREDITS	539,385	601,177	539,385	601,177

Relevant significant accounting policies

Computer software

Acquired computer software is measured on initial recognition at the costs to acquire and bring to use and subsequently less any amortisation and impairment losses.

Typically, the estimated useful life of these assets is between 2 to 11 years.

Carbon Credits

Carbon credits comprise either allocations of emission allowances granted by the Government related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits allocated as a non-exchange transaction are initially recognised at fair value, which then becomes the deemed cost. Carbon credits that are purchased are recognised at cost.

Gains and losses arising from disposal of intangible assets are recognised within surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within surplus or deficit.

Note 18: Investment properties

Table 32: Investment properties	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Ground leases, other land and buildings				
Opening balance	279,036	258,512	279,036	258,512
Additions by acquisition	-	28	-	28
Disposals	-	(4,100)	-	(4,100)
Fair value revaluation movements taken to surplus/(deficit)	20,614	20,496	20,614	20,496
Transfer (to)/from non-current assets classified as held for sale	-	4,100	-	4,100
Transfer between asset classes	62	-	62	-
Total ground leases, other land and buildings	299,712	279,036	299,712	279,036
Work in progress				
Other land and buildings	396	46	396	46
Total work in progress	396	46	396	46
TOTAL INVESTMENT PROPERTIES	300,108	279,082	300,108	279,082

Wellington City Council's investment properties including the waterfront investment properties were valued as at 30 June 2022 by an independent valuer, William Bunt (FNZIV, FPNZ), registered valuer and Director of Valuation Services for CBRE Limited.

Table 33: Investment property by type	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Ground leases	260,782	236,997	260,782	236,997
Other land and buildings (including WIP)	39,326	42,085	39,326	42,085
TOTAL INVESTMENT PROPERTIES	300,108	279,082	300,108	279,082

Investment properties are properties which are held primarily to earn lease revenue and/or for capital growth. These properties include the Council's ground leases and certain land and buildings.

Ground leases are parcels of land owned by the Council in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the leases are charged on a commercial market basis.

Investment properties exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the lease revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment.

The valuation reports for the revaluations performed as at 30 June 2022 for investment properties contain statements around the risks relating to COVID-19. While the immediate impact of COVID-19

on both the real estate market and construction costs appears to have been limited, the longer-term impact is unknown which has resulted in heightened uncertainty within the valuations.

The valuation report from CBRE highlight that the market is now in a transitional phase whereby many vendors' expectations are aligned to 2021 pricing levels, yet purchasers are now impacted by interest rates that are significantly higher than those applicable during the same period. Many large-scale purchasers who were active in recent times are now largely inactive. This expectation gap has resulted in a significant drop in the volume of commercial property transactions, and it may be some time (potentially late 2022) before expectations align and transaction volumes increase."

Relevant significant accounting policies

The basis of valuation varies depending on the nature of the lease. For sites that are subject to a terminating lease the approach is to assess the value of the lease revenue over the remaining term of the lease and add the residual value of the land at lease expiry.

For sites subject to perpetually renewable leases, values have been assessed utilising a discounted cash flow and arriving at a net present value of all future anticipated gross lease payments.

Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Certain ground leases on the waterfront and within the central city have, for accounting purposes, been treated as sold assets due to the very long-term nature of the lease and peppercorn rentals.

At a future point in time, prior to the asset being returned to the Council ownership, the Council will begin to incrementally re-recognise the value of the asset. The amortisation of the estimated future value will reflect the prevalent economic situation and will be more relevant in terms of both the estimated value and materiality.

Note 19: Property, plant and equipment

Table 34: Summary of property, plant and equipment	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Property, plant and equipment - opening balance	8,203,230	7,809,894	8,217,301	7,825,777
Additions	209,157	173,773	210,025	174,416
Disposals	(6,846)	(1,957)	(6,946)	(2,297)
Depreciation expense	(141,135)	(131,658)	(142,217)	(133,299)
Impairment losses	(10,615)	(2,024)	(10,615)	(2,024)
Revaluation movement	1,859,025	284,268	1,859,027	284,267
Transfer between asset classes	(69)	-	(69)	-
Movement of non-current assets held for sale	1,336	(12,387)	1,336	(12,387)
Movement of work in progress	164,164	83,321	164,257	82,848
TOTAL PROPERTY, PLANT AND EQUIPMENT	10,278,248	8,203,230	10,292,099	8,217,301

Relevant significant accounting policies

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, the landfill post-closure asset, buildings, the Civic Precinct, the library collection, and plant and equipment.

Restricted assets include art and cultural assets, restricted buildings, parks and reserves, Zoo animals and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions (for example, land declared as a reserve under the Reserves Act 1977). The use of the asset may also be restricted such as the donated Basin Reserve land which must be retained for the purposes of providing a cricket and recreation ground with no permitted thoroughfare.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks, service concession arrangement assets and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Vested assets are those assets where ownership and control is transferred to the Council from a third party (for example, infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council and Group recognises these assets within these financial statements to the extent their value can be reliably measured.

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (for example, vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight-line depreciation applied to bring the replacement cost to a fair value.

Specific measurement policies for categories of property, plant and equipment are shown below:

Library Collections

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in Valuation Guidance for Cultural and Heritage Assets, published by the Treasury Accounting Team, November 2002.

Operational Land & Buildings

Operational land and buildings are valued at fair value on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Where the information is available, land and buildings are valued based on market evidence. Most of the Council's land and buildings are of a 'non-tradeable' or specialist nature and the value is based on the fair value of the land plus the optimised depreciated replacement cost of the buildings.

For earthquake prone buildings that are expected to be strengthened, the estimated cost to strengthen the building has been deducted from the optimised depreciated replacement cost.

Buildings that comprise the City Housing portfolio have been valued on a market-based approach with the associated land value being established through analysis of sales and market evidence.

Restricted assets

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by an independent registered valuer. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

Infrastructure assets

Infrastructure assets (the roading network, water, waste and drainage reticulation networks including service concession arrangement assets (wastewater treatment plants)) are valued at optimised depreciated replacement cost on a regular basis or, whenever the carrying amount differs materially to fair value, by an independent registered valuer. Infrastructure valuations are based on the physical attributes of the assets, their condition and their remaining lives based on the Council's best information reflected in its asset management plans. The costs are based on current quotes from

actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued on a regular basis or, whenever the carrying amount differs materially to fair value, by an independent registered valuer.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50 percent to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

Other Assets

Plant and equipment and the Civic Precinct are measured at historical cost and not revalued.

Impairment

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets. Property, plant and equipment assets, measured at fair value, are not required to be reviewed and tested for impairment.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised.

The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are recognised within surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Work in progress

Work in progress represents the cost of capital expenditure projects that are not financially complete. The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and is then subject to depreciation.

The movements according to the individual classes of assets are as follows in *Table 35*

Table 35: Property, plant and equipment by category and class of asset	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Operational assets				
Land				
Land - at cost - opening balance	3,161	2,205	3,161	2,205
Land - at valuation - opening balance	365,343	284,601	365,343	284,601
Total land - opening balance	368,504	286,806	368,504	286,806
Additions	41	956	41	956
Disposals	(2,425)	(445)	(2,425)	(445)
Revaluation movement	-	85,524	-	85,524
Revaluation adjustment	605	-	605	-
Movements of non-current assets held for sale	(1,217)	(4,337)	(1,217)	(4,337)
Total land - closing balance	365,508	368,504	365,508	368,504
Land - at cost - closing balance	3,202	3,161	3,202	3,161
Land - at valuation - closing balance	362,306	365,343	362,306	365,343
Total land - closing balance	365,508	368,504	365,508	368,504
Buildings				
Buildings - at cost - opening balance	115,761	107,591	115,761	104,300
Buildings - at valuation - opening balance	1,009,833	606,587	1,019,356	618,430
Total cost/valuation	1,125,594	714,178	1,135,117	722,730
Accumulated depreciation and impairment	(327,406)	(91,301)	(332,782)	(95,617)
Total buildings - opening balance	798,188	622,877	802,335	627,113
Additions	19,816	12,329	19,868	12,706
Depreciation expense	(31,461)	(20,542)	(31,646)	(21,008)
Disposals	(2,211)	(265)	(2,543)	(265)
Impairment	(6,289)	(176)	(6,289)	(176)
Revaluation movement	-	198,744	-	198,744
Transfer between asset classes	1,277	(9,749)	1,277	(9,749)
Movements of non-current assets held for sale	(202)	(5,030)	(202)	(5,030)
Total buildings - closing balance	779,118	798,188	782,800	802,335
Buildings - at cost - closing balance	136,410	115,761	136,410	115,761
Buildings - at valuation - closing balance	1,006,704	1,009,833	1,015,328	1,019,356
Total cost/valuation	1,143,114	1,125,594	1,151,738	1,135,117
Accumulated depreciation and impairment	(363,996)	(327,406)	(368,938)	(332,782)
Total buildings - closing balance	779,118	798,188	782,800	802,335
Landfill post closure costs ¹				
Landfill post closure - at cost - opening balance	4,404	6,613	4,404	6,613
Accumulated depreciation	(3,541)	(3,280)	(3,541)	(3,280)
Total landfill post closure costs - opening balance	863	3,333	863	3,333
Depreciation expense	(102)	(260)	(102)	(260)
Movement in post closure costs	(553)	(2,210)	(553)	(2,210)
Total landfill post closure costs - closing balance	208	863	208	863
Landfill post closure - at cost - closing balance	3,851	4,404	3,851	4,404
Accumulated depreciation	(3,643)	(3,541)	(3,643)	(3,541)
Total landfill post closure costs - closing balance	208	863	208	863

1. The Council's share of the joint venture with Porirua City Council relating to the Spicer Valley landfill is included in this asset class.

Disposals and transfers are reported net of accumulated depreciation.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Civic Precinct				
Civic Precinct - at cost - opening balance	182,590	180,303	182,590	180,303
Accumulated depreciation and impairment	(132,317)	(129,217)	(132,317)	(129,217)
Total Civic Precinct - opening balance	50,273	51,086	50,273	51,086
Additions	1,425	2,287	1,425	2,287
Depreciation expense	(1,254)	(1,252)	(1,254)	(1,252)
Disposals	(187)	-	(187)	-
Impairment	-	(1,848)	-	(1,848)
Total Civic Precinct- closing balance	50,257	50,273	50,257	50,273
Civic Precinct - closing balance				
Civic Precinct - at cost - closing balance	183,635	182,590	183,635	182,590
Accumulated depreciation and impairment	(133,378)	(132,317)	(133,378)	(132,317)
Total Civic Precinct- closing balance	50,257	50,273	50,257	50,273
Plant and equipment				
Plant and equipment - at cost - opening balance	295,203	217,906	315,162	237,613
Accumulated depreciation and impairment	(169,216)	(115,274)	(182,319)	(126,876)
Total plant and equipment - opening balance	125,987	102,632	132,843	110,737
Additions	25,931	23,564	26,747	23,830
Depreciation expense	(16,854)	(23,322)	(17,751)	(24,497)
Disposals	(728)	(726)	(496)	(1,066)
Transfer between asset classes	(2,193)	23,839	(2,193)	23,839
Total plant and equipment - closing balance	132,144	125,987	139,151	132,843
Plant and equipment - closing balance				
Plant and equipment - at cost	311,883	295,203	332,129	315,162
Accumulated depreciation and impairment	(179,739)	(169,216)	(192,978)	(182,319)
Total plant and equipment - closing balance	132,144	125,987	139,151	132,843
Library collections				
Library collections - at cost - opening balance	1,569	-	1,569	-
Library collections - at valuation - opening balance	15,143	15,143	15,143	15,143
Total cost/valuation	16,712	15,143	16,712	15,143
Accumulated depreciation	(1,863)	-	(1,863)	-
Total library collections - opening balance	14,849	15,143	14,849	15,143
Additions	1,718	1,568	1,718	1,568
Depreciation expense	(2,057)	(1,862)	(2,057)	(1,862)
Total library collections - closing balance	14,510	14,849	14,510	14,849
Library collections - closing balance				
Library collections - at cost - closing balance	1,718	1,569	1,718	1,569
Library collections - at valuation - closing balance	16,711	15,143	16,711	15,143
Total cost/valuation	18,429	16,712	18,429	16,712
Accumulated depreciation	(3,919)	(1,863)	(3,919)	(1,863)
Total library collections - closing balance	14,510	14,849	14,510	14,849
Total operational assets	1,341,745	1,358,664	1,352,434	1,369,667

Disposals and transfers are reported net of accumulated depreciation.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Infrastructure assets				
Drainage, waste and water				
Drainage, waste and water - at cost - opening balance	79,225	-	79,225	-
Drainage, waste and water - at valuation - opening balance	3,944,936	3,947,514	3,944,936	3,947,514
Total cost/valuation	4,024,161	3,947,514	4,024,161	3,947,514
Accumulated depreciation	(2,132,975)	(2,083,716)	(2,132,975)	(2,083,716)
Total drainage, water and waste - opening balance	1,891,186	1,863,798	1,891,186	1,863,798
Additions	110,659	79,478	110,659	79,478
Depreciation expense	(53,295)	(49,257)	(53,295)	(49,257)
Revaluation movement	1,548,475	-	1,548,475	-
Transfer between asset classes	848	(2,833)	848	(2,833)
Total drainage, water and waste - closing balance	3,497,873	1,891,186	3,497,873	1,891,186
Drainage, waste and water - at cost - closing balance	109,934	79,225	109,934	79,225
Drainage, waste and water - at valuation - closing balance	7,531,028	3,944,936	7,531,028	3,944,936
Total cost/valuation	7,640,962	4,024,161	7,640,962	4,024,161
Accumulated depreciation	(4,143,089)	(2,132,975)	(4,143,089)	(2,132,975)
Total drainage, water and waste - closing balance	3,497,873	1,891,186	3,497,873	1,891,186
Roading				
Roading - at cost - opening balance	50,828	-	50,828	-
Roading - at valuation - opening balance	1,904,216	1,915,727	1,904,216	1,915,727
Total cost/valuation	1,955,044	1,915,727	1,955,044	1,915,727
Accumulated depreciation	(651,020)	(617,817)	(651,020)	(617,817)
Total roading - opening balance	1,304,024	1,297,910	1,304,024	1,297,910
Additions	38,203	50,829	38,203	50,829
Depreciation expense	(34,258)	(33,282)	(34,258)	(33,282)
Revaluation movement	292,910	-	292,910	-
Transfer between asset classes	-	(11,433)	-	(11,433)
Total roading - closing balance	1,600,879	1,304,024	1,600,879	1,304,024
Roading - at cost - closing balance	38,203	50,828	38,203	50,828
Roading - at valuation - closing balance	2,470,888	1,904,216	2,470,888	1,904,216
Total cost/valuation	2,509,091	1,955,044	2,509,091	1,955,044
Accumulated depreciation	(908,212)	(651,020)	(908,212)	(651,020)
Total roading - closing balance	1,600,879	1,304,024	1,600,879	1,304,024
Infrastructure land				
Infrastructure land - at cost - opening balance	-	-	-	-
Infrastructure land - at valuation - opening balance	44,177	44,323	44,177	44,323
Total infrastructure land - opening balance	44,177	44,323	44,177	44,323
Additions	4,365	-	4,365	-
Disposals	-	(234)	-	(234)
Impairment	(4,330)	-	(4,330)	-
Revaluation movement	17,038	-	17,038	-
Transfer between asset classes	12	88	12	88
Movements of non-current assets held for sale	(615)	-	(615)	-
Total infrastructure land - closing balance	60,647	44,177	60,647	44,177

Disposals and transfers are reported net of accumulated depreciation.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Infrastructure land - at cost - closing balance	4,635	-	4,635	-
Infrastructure land - at valuation - closing balance	56,012	44,177	56,012	44,177
Total infrastructure land - closing balance	60,647	44,177	60,647	44,177
Land under roads				
Land under roads - at cost - opening balance	2,955,234	2,955,495	2,955,234	2,955,495
Additions	207	3,143	207	3,143
Disposals	(772)	(286)	(772)	(286)
Transfer between asset classes	123	(83)	123	(83)
Movements of non-current assets held for sale	3,343	(3,035)	3,343	(3,035)
Land under roads - closing balance	2,958,135	2,955,234	2,958,135	2,955,234
Total infrastructure assets	8,117,534	6,194,621	8,117,534	6,194,621
Restricted assets ²				
Art and cultural assets				
Art and cultural assets - at cost - opening balance	8,872	8,872	11,211	11,211
Additions	34	-	34	-
Transfer between asset classes	(13)	-	(13)	-
Art and cultural assets - closing balance	8,893	8,872	11,232	11,211
Buildings on restricted land				
Buildings on restricted land - at cost - opening balance	47,381	45,465	47,381	45,465
Accumulated depreciation	(18,266)	(16,385)	(18,266)	(16,385)
Total buildings on restricted land - opening balance	29,115	29,080	29,115	29,080
Additions	3,729	1,739	3,729	1,739
Depreciation expense	(1,854)	(1,881)	(1,854)	(1,881)
Impairment	4	-	4	-
Transfer between asset classes	-	177	-	177
Total buildings on restricted land - closing balance	30,994	29,115	30,994	29,115
Buildings on restricted land - at cost - closing balance	51,164	47,381	51,164	47,381
Accumulated depreciation	(20,170)	(18,266)	(20,170)	(18,266)
Total buildings on restricted land - closing balance	30,994	29,115	30,994	29,115
Parks and reserves				
Parks and reserves - at cost - opening balance	213,309	213,210	213,309	213,210
Additions	3,579	91	3,579	91
Disposals	(10)	(1)	(10)	(1)
Transfer between asset classes	(7,257)	(6)	(7,257)	(6)
Movements of non-current assets held for sale	27	15	27	15
Parks and reserves - closing balance	209,648	213,309	209,648	213,309

2. For restricted assets, valuation at cost means they are not subject to revaluation. Please refer to the relevant significant accounting policies above for a more detailed explanation.

Disposals and transfers are reported net of accumulated depreciation

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Town Belt				
Town Belt - at cost - opening balance	89,232	89,232	89,232	89,232
Transfer between asset classes	7,121	-	7,121	-
Town Belt - at cost - closing balance	96,353	89,232	96,353	89,232
Zoo animals				
Zoo animals - opening balance	500	500	500	500
Disposals	(500)	-	(500)	-
Zoo animals - opening balance	-	500	-	500
Total restricted assets	345,888	341,028	348,227	343,367
Work in progress				
Land	1,625	5,015	1,625	5,015
Buildings	291,894	185,209	292,718	185,938
Civic Precinct	3,945	2,933	3,945	2,933
Plant and equipment	71,745	29,509	71,745	29,509
Drainage, waste and water	48,774	44,306	48,774	44,306
Roading	54,723	41,265	54,723	41,265
Other	374	680	374	680
Total work in progress	473,081	308,917	473,904	309,646
TOTAL PROPERTY, PLANT AND EQUIPMENT	10,278,248	8,203,230	10,292,099	8,217,301

Revaluation of property, plant and equipment

The Council's operational land and buildings were valued as at 30 June 2021 by William Bunt (FNZIV, FPINZI), registered valuer and Director of Valuation Services for CBRE Limited.

Library collections were valued as at 30 June 2020 by the Council's library staff. The revaluation was carried out in accordance with guidelines outlined in Valuation Guidance for Cultural and Heritage Assets published by the Treasury Accounting Team, November 2002.

Assets are valued at regular intervals by an independent registered valuer or whenever the carrying amount differs materially to fair value. In the years which an asset class is not revalued, the Group assesses whether there has been any material change in the value of that asset class.

The movement in asset values between 30 June 2021 and 30 June 2022 for operational land and building assets was assessed using appropriate indices. The increase in asset value of total property, plant and equipment assets was not considered material by management and accordingly these assets were not revalued for 30 June 2022.

Infrastructure assets

The drainage, waste and water infrastructure and roading networks and the service concession assets were valued with effect from 30 June 2022 by John Vessey (MIPENZ), Partner of WSP New Zealand Limited. This revaluation would normally be performed in 2022/23 in line with the 3-year cycle.

In late 2020 (during year one of the 3-year cycle) an initial assessment was performed and the predicted increase in fair values did not indicate the need to perform a full valuation for the 2020/21 year. In late 2021 (during year two) a similar exercise indicated a more material increase was expected and a full valuation was carried out in year two of the 3-year cycle. The results for roading network and the service concession assets were within expected levels.

However, there was a substantial uplift of the 3 Waters infrastructure assets, of approximately 93%. The reasons for this abnormally high increase were due to various factors such as:

- 1) significant increases in Earthwork costs (particularly material disposal costs and import fill material costs) which comprise 66% of pipe unit rates
- 2) up to 20% increases in Preliminary and General costs (P&G) (particularly due to Health and safety and traffic management costs). P&G costs constitute about 17% of the unit rate.
- 3) Covid-19 related cost increases. The combination of strong demand and capacity constraints is driving a sharp increase in costs in the construction sector. Border restrictions are exacerbating labour shortages, with firms unable to hire overseas skilled labour to keep up with the demand. Firms are also finding it hard to source building materials given the continued Covid related supply chain disruptions.

In hindsight, it would be fair to say that some of this uplift in valuations belonged to the 2020/21 year, but as it was not practical to correctly apportion the increase, no adjustment was made to the prior year valuation estimates.

Infrastructural land

The infrastructure land assets were valued as at 30 June 2022 by William Bunt (FNZIV, FPINZI), registered valuer and Director of Valuation Services for CBRE Limited. While not likely to differ greatly to fair value they were revalued to maintain alignment with the early revaluation of infrastructure networks.

The valuation report for the revaluations performed as at 30 June 2022 for infrastructural land assets contain statements around the risks relating to COVID-19. While the immediate impact of COVID-19 on both the real estate market and construction costs appears to have been limited, the longer-term impact is unknown which has resulted in heightened uncertainty within the valuations.

The valuation report from CBRE highlight that the market is now in a transitional phase whereby many vendors' expectations are aligned to 2021 pricing levels, yet purchasers are now impacted by interest rates that are significantly higher than those applicable during the same period. Many large-scale purchasers who were active in recent times are now largely inactive. This expectation gap has resulted in a significant drop in the volume of commercial property transactions, and it may be some time (potentially late 2022) before expectations align and transaction volumes increase.

Further information on revaluation reserves and movements is contained in Note 27: Revaluation reserves (pg XX).

Significant acquisitions and replacements of assets

In accordance with the provisions of Schedule 10 of the Local Government Act 2002, information in respect of significant acquisitions and replacements of assets is reported within the Statements of Service Provision.

Service concession arrangements

The Council's service concession assets consist of the Moa Point treatment plant, including the sludge dewatering plant at Carey's Gully, and Western (Karori) wastewater treatment plant. These facilities are owned by the Council, and included within infrastructure assets, but operated by Veolia Water under a contract with Wellington Water Limited. The contract also covers the Porirua wastewater treatment plant which is operating under a joint operation with Porirua City Council.

The Council incurs all associated operating expenses through the on-charged costs paid to Wellington Water Limited.

The Council has a contract with Veolia Water, which covers the wastewater treatment plants of Wellington, Porirua and Hutt City councils. The contract expires 30 June 2030 with two rights of renewal for further subsequent terms of three and two years respectively.

The carrying value of these service concession assets for the Council and Group is \$155.062m (2021: \$121.584m).

Core Assets

Included within the infrastructure assets above (*Table 35*) are the core Council assets shown as follows in *Table 36*.

Table 36: Council's core assets	2022			
	Closing book value	Constructed Additions	Vested Additions	Replacement Cost
	\$000	\$000	\$000	\$000
Water supply				
- treatment plants and facilities				
- other assets	876,576	9,765	503	1,943,886
Sewerage				
- treatment plants and facilities	177,583	2,674	-	296,070
- other assets	1,274,888	16,243	73,115	3,058,648
Stormwater drainage	1,168,826	7,701	661	2,317,584
Flood protection and control works	-	-	-	-
Roads and footpaths	1,600,879	37,369	834	2,509,091
TOTAL CORE ASSETS	5,098,752	73,752	75,112	10,125,278
	2021			
	Closing book value	Constructed Additions	Vested Additions	Replacement Cost
	\$000	\$000	\$000	\$000
Water supply				
- treatment plants and facilities	-	-	-	-
- other assets	500,285	36,360	2,735	1,136,474
Sewerage				
- treatment plants and facilities	143,877	253	-	231,502
- other assets	636,993	23,149	923	1,319,448
Stormwater drainage	610,032	14,825	1,233	1,189,585
Flood protection and control works	-	-	-	-
Roads and footpaths	1,304,024	46,399	4,430	2,015,702
TOTAL CORE ASSETS	3,195,211	120,986	9,321	5,892,711

Drainage, waste, water and roads assets were revalued for the year ending 30 June 2022 by WSP New Zealand Limited as part of a required revaluation due to estimated material movements.

Insurance of assets

Table 37: Insurance of assets	Council	
	2022	2021
	\$000	\$000
Total value of property, plant and equipment	10,278,248	8,203,230
less assets (primarily land) excluded from insurance contracts	(4,163,371)	(3,979,373)
Value of assets covered by insurance contracts	6,114,877	4,223,857
The maximum amount to which assets are insured under Council insurance policies	728,260	713,000

In addition to Council's insurance, in the event of natural disaster it is assumed that Central Government will contribute 60 percent towards the rebuild or repair of essential Council owned infrastructure (drainage, waste and water assets) subject to eligibility considerations. Also, the NZTA will contribute approximately 55 percent towards the restoration of qualifying roading assets.

The Council is not covered by any financial risk sharing arrangements in relation to its assets.

An insurance reserve of \$13.836m (2021: \$12.979m) exists to meet the cost of claims that fall below deductible limits under the Council insurance policies. The reserve is funded annually through rates. For the year ending 30 June 2022 an amount of \$1.461m (2021: \$1.505m) was added to the reserve. The net cost of claims applied to the reserve during the year amounted to \$0.605m (2021: \$1.017m).

For insurance purposes, Wellington City Council take a "Sum insured" approach to managing most risks, including for damage from a significant natural disaster. This approach recognises the wide-ranging location and type of assets in the portfolio.

We have policies in place for our three main asset classes:

- Below ground infrastructure (declared replacement value \$4.0b pending revaluation),
- Above ground infrastructure (declared replacement value of \$2.3b)
- Housing (declared replacement value \$0.8b).

The declared values are overlaid with the assessed GNS loss estimate for each asset subclasses for a 1–1000-year loss. The assessment is then used to assess the level of insurance required.

The required insurance values are met by cover in place from various sources, including purchased material damage insurance, an internal Insurance reserve, balance sheet headroom (approved via the 2021/31 Long term plan) and a conservative level of assumed promissory allocation of Government funded rebuild capacity.

Note 20: Investment in controlled entities

The cost of the Council's investment in controlled entities is reflected in the Council's financial statements as follows in *Table 38*.

Table 38: Cost of Investment in controlled entities	Council	
	2022	2021
	\$000	\$000
Wellington Cable Car Limited	3,809	3,809
Wellington Regional Economic Development Agency Limited (WREDA)	1,262	1,262
TOTAL COST OF INVESTMENT IN CONTROLLED ENTITIES	5,071	5,071

The equity investment represents the cost of the investment to the Council and includes all capital contributions made by the Council to controlled entities. The Council has only made equity investments as shareholders as noted in *Table 38* above. Nominal settlement amounts (i.e. \$100) made in respect of Trusts, for which Council is the settlor, have not been recognised due to their materiality and are not considered as equity investments.

Information on inter-company transactions is included in the Note 37: Related party disclosures (pg XX).

The controlled entities of the Council are listed as shown in *Table 39*.

Table 39: Controlled entities	Accounting Interest 2022	Accounting Interest 2021	Nature of business
Karori Sanctuary Trust (Trading as Zealandia)	100%	100%	Owns and manages the activities of the urban eco-sanctuary in Karori.
Wellington Cable Car Limited	100%	100%	Owns and operates the Cable Car.
Wellington Museums Trust (Trading as Experience Wellington)	100%	100%	Administers the Cable Car Museum, Capital E, the City Gallery, the Nairn Street Cottage, the Space Place (Carter Observatory), the Wellington Museum and the NZ Cricket Museum
Wellington Regional Economic Development Agency Limited (WREDA) (Trading as WellingtonNZ)	80%	80%	Manages the Wellington Venues Project and creates economic and social benefit by marketing the city with the private sector as a tourism destination.
- Creative HQ Limited	80%	80%	Business incubators
Wellington Waterfront Limited	100%	100%	Acts as bare trustee for the Waterfront project
Wellington Zoo Trust	100%	100%	Manages and guides the future direction of the Wellington Zoo.

The reporting period end date for all controlled entities is 30 June. Full copies of their financial statements can be obtained directly from their offices. Further information on the structure, objectives, the nature and scope of activities, and the performance measures and targets of the entities can be found in the relevant sections of the Statements of Service Provision.

Note 21: Investment in associates and joint venture

The cost of the Council's investment in associates and the joint venture is reflected in the Council financial statements as follows in *Table 40*.

Table 40: Cost of investment in associates and joint venture	Council	
	2022	2021
	\$000	\$000
Chaffers Marina Holdings Limited	1,298	1,298
Wellington International Airport Limited	17,775	17,775
Wellington Water Limited	400	400
TOTAL COST OF INVESTMENT IN ASSOCIATES AND JOINT VENTURE	19,473	19,473

The Council has significant influence over the following entities as listed in *Table 41*. All of these are domiciled and operate in New Zealand:

Table 41: Associates and Joint venture	Accounting Interest 2022	Accounting Interest 2021	Nature of business
Chaffers Marina Holdings Limited	10.72%	10.72%	Holding company for Chaffers Marina Limited.
- Chaffers Marina Limited	10.72%	10.72%	Owens and manages the marina.
Wellington International Airport Limited	34%	34%	Owens and manages Wellington International Airport facilities and services.
Wellington Water Limited	40%	40%	Manages all water services for Wellington, Lower Hutt, Upper Hutt and Porirua city councils, the South Wairarapa District Council and the Greater Wellington Regional Council.

Full copies of the separately prepared financial statements can be obtained directly from their respective offices.

Associates

Chaffers Marina

Chaffers Marina Holdings Limited and Chaffers Marina Limited have a reporting period end date of 30 June. The shares in Chaffers Marina Holdings Limited are held by Wellington Waterfront Limited in a fiduciary capacity. As at 30 June 2022 the Council held a 10.72 percent (2021: 10.72 percent) interest in Chaffers Marina Holdings Limited which has been recognised in the Group financial statements on an equity accounting basis, reflecting the special rights (as set out in Chaffers Marina Limited's Constitution), which attach to the golden share that it holds in Chaffers Marina Limited.

Wellington International Airport Limited

Wellington International Airport Limited has a reporting period end date of 31 March. The ultimate majority owner, Infratil Limited, has determined a different end of reporting period to the Council, which is legislatively required to use 30 June. The Council owns 34 percent of the company, with the remaining 66 percent owned by NZ Airports Limited (which is wholly owned by Infratil Limited). The Council agreed on 23 April 2020 to underwrite additional equity, if required. For more information refer to Note 35: Contingencies (pg XX).

Joint venture

Wellington Water Limited

Wellington Water Limited was jointly created with Hutt City Council on 9 July 2003 to manage the drinking water, wastewater and stormwater assets of the councils. Since its inception it has gradually expanded its operations and now covers six councils in the Wellington region.

The company has a reporting period ending 30 June and has a dual share structure as shown in *Table 42*.

Table 42: Shareholding Councils	Class A shares (voting rights)	Class B Shares (financial entitlements)	Ownership interest
Wellington City	150	200	40%
Hutt City	150	100	20%
Upper Hutt City (from 1/11/2013)	150	40	8%
Porirua City (from 1/11/2013)	150	60	12%
Greater Wellington Regional (from 16/9/2014)	150	75	15%
South Wairarapa District (from 26/9/2019)	150	25	5%
Total shares on issue	900	500	100%

The Council classifies this entity as a joint venture because of the equal sharing of voting rights conferred through the Class A shares and the shareholder's agreement, which constitutes a binding arrangement.

The Class B shares confer the level of contributions and ownership benefits of each council. The Council uses equity accounting to recognise its 40 percent (2021: 40 percent) ownership interest.

Value of the investments

The investment in associates and the joint venture in the Group financial statements represents the Council's share of the net assets of the associates and the joint venture. This is reflected in the Group financial statements as follows in *Table 43*:

Table 43: Value of investment in associates and joint venture	Council	
	2022	2021
	\$000	\$000
Chaffers Marina Holdings Limited		
Opening balance	856	363
Change in shares during the year	-	441
Change in equity due to changed shareholding	-	-
Equity accounted earnings of associate	(44)	52
Closing balance - investment in Chaffers Marina Holdings Limited	812	856
Wellington International Airport Limited		
Opening balance	231,589	209,986
Dividends	-	-
Equity accounted earnings of associate	958	(4,183)
Share of net revaluation of property, plant and equipment - movement	21,535	26,359
Share of hedging reserve - movement	1,166	(573)
Closing balance - investment in Wellington International Airport Limited	255,248	231,589
Wellington Water Limited		
Opening balance	847	607
Change in equity due to changed shareholding	-	-
Equity accounted earnings of joint venture	1,299	240
Closing balance - investment in Wellington Water Limited	2,146	847
TOTAL VALUE OF INVESTMENT IN ASSOCIATES AND JOINT VENTURE	258,206	233,293

The Council's share of the operating surplus or deficit results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited and Wellington Water Limited is outlined in Note 9: Share of Associates' and Joint Venture's surplus or deficit (pg XX).

Summary of Financial Position and Performance of associates

Financial information relating to the Council's associates is provided in *Tables 44* and *45* below:

Table 44: Chaffers Marina Holdings Limited	2022	2021
	\$000	\$000
Council		
Investment in Chaffers Marina Holdings Limited (at cost)	1,298	1,298
Group		
<i>Summarised financial information of associate</i>		
Current assets	963	1,393
Non-current assets	5,050	4,788
Current liabilities	(235)	(182)
Non-current liabilities	(2,317)	(2,125)
Net assets	3,461	3,874
Revenue	1,773	2,093
Tax expense	-	-
Surplus / (deficit) after tax	(403)	437
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	(403)	437
<i>Reconciliation to equity accounted carrying amount</i>		
Net assets	3,461	3,874
Group's share %	10.72%	10.72%
	-	-
Group's share \$000	371	415
Other consolidation adjustments	441	441
Equity accounted carrying amount	812	856
<i>Risks associated with the Council's investment in the associate</i>		
Share of contingent liabilities	-	-

Table 45: Wellington International Airport Limited	2022	2021
	\$000	\$000
Council		
Investment in Wellington International Airport Limited (at cost)	17,775	17,775
Group		
Dividends received	-	-
Summarised financial information of associate		
Current assets	55,975	96,806
Non-current assets	1,474,737	1,399,164
Current liabilities	(17,623)	(117,977)
Non-current liabilities	(762,496)	(705,266)
Net assets	750,593	672,727
Revenue	95,577	68,787
Tax credit /(expense)	(2,474)	12,404
		-
Surplus / (deficit) after tax	3,043	(48,120)
Other comprehensive revenue and expense	75,048	79,573
Total comprehensive revenue and expense	78,091	31,453
Reconciliation to equity accounted carrying amount		
Net assets	750,593	672,727
Group's share %	34%	34%
Group's share \$000	255,202	228,727
Dividends received not in WIAL annual report	-	-
Difference on adoption of IFRS 9	46	2,860
Other consolidation adjustments	-	2
Equity accounted carrying amount	255,248	231,589
Risks associated with the Council's investment in the associate		
Share of contingent liabilities	-	-

Summary of Financial Position and Performance of joint venture

Financial information relating to the Council's joint venture is provided in *Table 46* below:

Table 46: Wellington Water Limited	2022	2021
	\$000	\$000
Council		
Investment in Wellington Water Limited (at cost)	400	400
Group		
<i>Summarised financial information of joint venture</i>		
Current assets		
Cash and cash equivalents	21,241	29,959
Other current assets	34,309	22,754
Total current assets	55,550	52,713
Non-current assets	5,648	2,543
Current liabilities		
Financial liabilities (excluding accounts payable)	-	-
Other current liabilities	(55,724)	(53,019)
Total current liabilities	(55,724)	(53,019)
Non-current liabilities		
Financial liabilities (excluding accounts payable)	-	-
Other non-current liabilities	(111)	(119)
Total non-current liabilities	(111)	(119)
Net assets	5,363	2,118
Revenue, excluding interest	302,385	226,288
Interest revenue	214	60
Depreciation and amortisation	(1,252)	(1,217)
Interest expense	-	-
Tax expense	-	-
Surplus / (deficit) after tax	3,374	542
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	3,374	542
<i>Reconciliation to equity accounted carrying amount</i>		
Net assets	5,363	2,118
Group's share %	40%	40%
Group's share \$000	2,145	847
Other consolidation adjustments	1	-
Equity accounted carrying amount	2,146	847
<i>Risks associated with the Council's investment in the joint venture</i>		
Shareholder funding commitments for the next three years	-	-
Share of contingent liabilities	-	-

Note 22: Exchange transactions, transfers and taxes payable

Table 47: Exchange transactions, transfers and taxes payable	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current				
Exchange transactions and transfers payable	84,963	71,877	84,503	74,211
Taxes payable	11,134	10,887	11,459	11,211
Non-current				
Exchange transactions and transfers payable	231	231	231	231
TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE	96,328	82,995	96,193	85,653

Comprised of:

Table 48: Exchange transactions and transfers payable	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Trade payables and accruals	74,358	64,790	73,898	67,124
Interest payable	5,262	3,729	5,262	3,729
Sundry payables	5,574	3,589	5,574	3,589
Total exchange transactions and transfers payable	85,194	72,108	84,734	74,442

Table 49: Taxes payable	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
GWRC rates	8,063	6,693	8,063	6,693
Other	3,071	4,194	3,396	4,518
Total taxes payable	11,134	10,887	11,459	11,211
TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE	96,328	82,995	96,193	85,653

COVID-19: On 9 April 2020, the Council agreed to proactively support business cashflows by temporarily changing its terms of trade payment dates. This reduced the payment timeframes for payments to suppliers who provide goods and services to the Council down from 20 to 5 working days for valid authorised invoices. This practice is still in place as at 30 June 2022 to ensure that suppliers were able to maintain their own cashflows by receiving prompt payment.

Table 50: Exchange transactions, transfers and payable to related parties	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Controlled entities	3,539	1,769	-	-
Associates and jointly controlled entity	2,763	14,397	2,763	14,397
Total exchange transactions, transfers and payable to related parties	6,302	16,166	2,763	14,397

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date. Most of the Council's payables are exchange transactions as they are directly with another party on an arm's length basis and are of approximately equal value. Non-exchange payables are classified as either transfers payable (for example, Council grants) or taxes (for example, PAYE).

Note 23: Deferred revenue

Table 50: Deferred revenue	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Exchange transactions				
Lease rentals	2,051	2,088	2,051	2,088
Other	40	495	7,115	5,077
Transfers				
Wellington Venues operations	1,637	1,176	1,637	1,176
Inspection and licensing fees	5,983	4,791	5,983	4,791
Other	1,055	1,207	1,168	1,340
Taxes				
Rates	2,078	2,014	2,078	2,014
Liabilities recognised under conditional transfer agreements	3,826	9,113	5,613	10,047
TOTAL DEFERRED REVENUE	16,670	20,884	25,645	26,533

Relevant significant accounting policies

Liabilities recognised under conditional transfer agreements

The Council and the Group have received non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they were not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

These liabilities relate to:

- naming rights agreement that the Council has with third parties for buildings.

- various grants

Note 24: Borrowings

The Council maintains a prudent borrowings position in relation to our equity and annual revenue. Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets that are approved through the Annual Plan and Long-Term Plan processes.

Gross Borrowings

The gross borrowings, based on maturity, are comprised as follows in *Table 52* below:

Table 52: Gross borrowings	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current				
Bank loans - term	1	23	1	23
Commercial paper	68,000	68,000	68,000	68,000
Debt securities - floating rate notes	141,000	86,500	141,000	86,500
Finance leases	-	-	-	21
Total current	209,001	154,523	209,001	154,544
Non-current				
Bank loans - term	10,157	7,129	11,757	7,792
Debt securities - fixed rate bonds	105,000	105,000	105,000	105,000
Debt securities - floating rate notes	697,000	642,000	697,000	642,000
Debt securities - floating rate notes - Green	50,000	-	50,000	-
Total non-current	862,157	754,129	863,757	754,792
TOTAL GROSS BORROWINGS	1,071,158	908,652	1,072,758	909,336

Net Borrowings

When the cash position of the Council and the Group is considered, the net borrowings position is comprised as follows in *Table 53* below.

Table 53: Net borrowings	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Total gross borrowings	1,071,158	908,652	1,072,758	909,336
Less				
Cash and cash equivalents (see Note 11)	(26,575)	(84,349)	(40,727)	(103,542)
Term deposits > 3 months	(101,000)	(61,500)	(107,700)	(62,602)
TOTAL NET BORROWINGS	943,583	762,803	924,331	743,192

The Council's borrowing strategy is to minimise liquidity risk by avoiding concentration of debt maturity dates and to ensure there is long term access to funds. Further information on the liquidity and market risks associated with borrowings is contained in Note 33: Financial instruments (pg XX).

Table 54, as follows, shows the utilisation of the borrowing facilities available to the Group at the end of the reporting period. The table also indicates the current applicable maturity and interest rate ranges.

Table 54: Group borrowing facilities	Available	Utilised	Maturities	Interest
	2022	2022		Rate Range
	\$000	\$000		%
Bank overdraft - committed	1,900	-		
Bank facilities - short term - uncommitted	5,000	-		
Bank facilities - long term - committed	210,000	-		
Bank loans - term	11,758	11,758	2023 - 2057	3.000
Commercial paper	68,000	68,000	09/8/2022 - 16/9/2022	2.154 - 2.790
Debt securities - fixed rate bonds	105,000	105,000	31/7/2023 - 14/4/2033	1.050 - 5.365
Debt securities - floating rate notes	838,000	838,000	15/8/2022 - 16/4/2033	2.100 - 3.750
Debt securities - floating rate notes - Green	50,000	50,000	15/10/2030	2.330 - 2.502
Total	1,289,658	1,072,758		

The bank overdraft facilities are \$1.500m for the Council and \$0.400m for WREDA.

In addition to the above facilities, the Council operates purchase cards to efficiently facilitate the purchase of goods and services. The cards are paid in full on a monthly basis. An aggregate bank limit of \$2.000m for all cards applies across the Council.

Security

Borrowings are secured by way of a Debenture Trust Deed over the Council's rates revenue.

Internal Borrowings

The Council borrows on a consolidated level and as such does not use internal borrowing and therefore does not prepare internal borrowing statements.

Ring-fenced funds

The Council holds \$80.486m (2021: \$66.596m) of funds that may only be used for a specified purpose. These funds are not held in cash but are utilised against borrowings until required. The main specified uses for these funds are as follows:

City Housing

As part of the agreement with the Crown for the Housing Upgrade Project an amount of \$66.806m (2021: \$53.632m), representing the accumulated surpluses and deficits from the City Housing activity, has been ring-fenced for future investment in the Council's social housing assets.

Waste reduction and energy

An amount of \$13.679m (2021: \$12.964m) related to accumulated surpluses and deficits from the Waste Reduction and Energy Conservation activity which, under the Waste Minimisation Act 2008, must be ring-fenced for future investment in waste activities. The Council is committed to several waste minimisation projects that will utilise these funds.

Note 25: Employee benefit liabilities and provisions

Table 55: Employee benefit liabilities and provisions	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current				
Short-term benefits				
Payroll accruals	136	108	605	512
Holiday leave	7,704	6,936	9,428	8,461
Total short-term benefits	7,840	7,044	10,033	8,973
Non-current				
Long-term benefits				
Long service leave provision	-	-	38	43
Retirement gratuities provision	624	724	624	724
Total long-term benefits	624	724	662	767
TOTAL EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS	8,464	7,768	10,695	9,740

Relevant significant accounting policies - general

A provision for employee benefit liabilities (holiday leave, long service leave and retirement gratuities) is recognised as a liability when benefits are earned but not paid.

Holiday leave

Holiday leave includes annual leave, long service leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003. Please refer to Note 35 – Contingencies (page XX) for more information on an unquantified contingent liability relating to holiday pay.

Movements in specific employee benefit provisions above are analysed in *Tables 56 and 57* below.

Table 56: Other contractual provisions	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	-	104	-	127
New provision	-	-	-	-
Release of unused provision	-	-	-	-
Amount utilised	-	(104)	-	(127)
Other contractual provisions - closing balance	-	-	-	-

Background to Other contractual provisions

The above provision is to cover estimated redundancy costs, if any, as at 30 June 2022 resulting from current restructuring within the Council.

Relevant significant accounting policies – Other contractual provisions specific

Other contractual provisions include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Table 57: Retirement gratuities provision	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	724	764	724	764
Movement in required provision	12	8	12	8
Release of unused provision	(4)	-	(4)	-
Rediscounting of interest	2	1	2	1
Amount utilised	(110)	(49)	(110)	(49)
Retirement gratuities - closing balance	624	724	624	724

Background to the retirement gratuity provision

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years' service, will on retirement, be entitled to a payment based on years of service and current salary. This entitlement has not been offered to the Council employees since 1991. Based on the age of remaining participants the provision may not be extinguished until 2037, assuming retirement at age 65.

Relevant significant accounting policies – retirement gratuities provision specific

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

Estimation

The gross retirement gratuities provision (inflation adjusted at 1.90 percent) as at 30 June 2022, before discounting, is \$0.689m (2021: \$0.770m). The discount factor of 3.88 percent is based on the Treasury risk-free rate.

Note 26: Provisions for other liabilities

Table 58: Provisions for other liabilities	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current				
Landfill post closure costs	728	1,798	728	1,798
Weathertight homes	4,753	481	4,753	481
Total current	5,481	2,279	5,481	2,279
Non-current				
Landfill post closure costs	17,843	17,810	17,843	17,810
Weathertight homes	19,853	32,680	19,853	32,680
Total non-current	37,696	50,490	37,696	50,490
TOTAL PROVISIONS FOR OTHER LIABILITIES	43,177	52,769	43,177	52,769

Relevant significant accounting policies - general

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Movements in material provisions above are analysed in the *Tables 59 and 60* below.

Table 59: Landfill post closure costs	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	19,608	21,795	19,608	21,795
Movement in provision	(763)	(2,179)	(763)	(2,179)
Re-discounting of interest	495	327	495	327
Amount utilised	(769)	(335)	(769)	(335)
Landfill post closure costs - closing balance	18,571	19,608	18,571	19,608

Background to the Landfill post-closure provision

The Council operates the Southern Landfill (Stage 3) and has a 21.5 percent joint venture interest in the Spicer Valley Landfill. It also manages several closed landfill sites around Wellington. The Council has responsibility for the closure of its landfills and to provide ongoing maintenance and monitoring of the landfills after they are closed.

As part of the closure of landfills, or landfill stages, the Council's responsibilities include:

- final cover application and vegetation.
- incremental drainage control features; and
- completing facilities for post closure responsibilities.

Post closure responsibilities include:

- treatment and monitoring of leachate.
- ground water and surface monitoring.
- gas monitoring and recovery.
- implementation of remedial measures such as needed for cover and control systems; and
- on-going site maintenance for drainage systems, final cover and vegetation.

The management of the landfill will influence the timing of recognition of some liabilities – for example, the Southern Landfill operates in stages. A liability relating to any future stages will only be created when the stage is commissioned and when refuse begins to accumulate in this stage.

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure.

Relevant significant accounting policies – Landfill post-closure specific

A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned, and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

Estimations

The long-term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using known improvements in technology and known changes to legal requirements. Future cash flows are discounted using the Treasury risk free rate of 4.18 percent for open landfills and between 3.69 and 3.88 percent depending on how long landfills have been closed. The gross provision (inflation adjusted at 1.95 percent for open landfills and between 2.03 and 2.13 percent for closed landfills, before discounting, is \$23.009m (2021: \$22.905m). This represents the Council's projection of the amount required to settle the obligation at the estimated time of the cash outflow.

Stage 3 of the Southern Landfill has an estimated remaining capacity of 357,614m³ (2021: 435,094 m³) and is expected to close in 2026 when its resource consent expires. These estimates have been made by the Council's contracted engineers based on expected future and historical volume information.

The Council's provision includes a proportionate share of the Spicer Valley Landfill provision for post closure costs. The Spicer Valley Landfill has a remaining life out to 2053.

Table 60: Weathertight homes	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	33,161	39,361	33,161	39,361
Additional or increased provision made	-	669	-	669
Release of unused provision	(909)	-	(909)	-
Amount utilised	(7,646)	(6,869)	(7,646)	(6,869)
Weathertight homes - closing balance	24,606	33,161	24,606	33,161

Background to the Weathertight homes provision

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weathertightness.

A provision has been recognised for the potential net settlement of all known claims, including those claims that are being actively managed by the Council as well as claims lodged with WHRS but not yet being actively managed. The provision also includes a net amount of \$12.840m (2021: \$11.649m) as a provision for future claims relating to weathertightness issues not yet identified or not yet reported.

Movement in the provision

During the year \$7.646m (2021: \$6.869m) was paid as either part or full settlement of claims. \$0.909m was removed from the provision after an actuarial re-assessment of the likely future costs to be incurred as explained below. The current / non-current split above reflects the expected timing of payments but is reassessed each year to take account of delays in claim negotiations and any mediation outcomes.

Estimation

The Council has provided for the expected future costs of reported claims. The provision for active claims is based on the best estimate of the Council's expected future costs to settle these claims and is reviewed on a case-by-case basis. The estimate for claims which have been notified and are not yet actively managed and unreported claims is based on actuarial assessments and other information on these claims. The nature of the liability means there are significant inherent uncertainties in estimating the likely costs that will be incurred in the future. This represents the Council's best estimate of the amount required to settle the obligation at the estimated time of the cash outflow. Future cash flows are inflation adjusted and discounted using the Treasury's risk-free rate. The provision is net of any third-party contributions including insurance, where applicable.

The provision is based on best estimates and actuarial assessments and therefore actual costs incurred may vary significantly from those included in this provision, especially for future claims relating to weathertightness issues not yet identified or not yet reported.

The significant assumptions used in the calculation of the weathertight homes provision are as follows:

Amount claimed

Represents the expected amount claimed by the homeowner and is based on the actual amounts for claims already settled.

Settlement amount

Represents the expected amount of awarded settlement and is based on the actual amounts for claims already settled.

Amount expected to be paid by the Council

Represents the amount expected to be paid by the Council out of any awarded settlement amount and is based on the actual amounts for claims already settled. This figure has been increasing over the last few years as it is becoming more common for the other parties involved in a claim to be either in liquidation or bankrupt or have limited funds and be unable to contribute to settlement.

Percentage of homeowners who will make a successful claim

Historical data collected on the number of claims lodged has enabled assumptions to be made on the percentage of homes built in the last 10 years which may experience weathertightness problems and therefore the percentage of homeowner who may make a successful claim.

Sensitivity

Table 61 below illustrates the potential impact on surplus or deficit of changes in some of the assumptions listed above.

Table 61: Weathertight provision sensitivity		2022	
		\$000	
		+10%	-10%
Assumption		Surplus or Deficit	
Amount claimed		2,461	(2,461)
Settlement level award		2,461	(2,641)
Council contribution to settlement		2,461	(2,641)
Change in percentage of homeowners who will make a successful claim		1,284	(1,284)
		+2%	-2%
Assumption		Surplus or Deficit	
Discount rate		(1,847)	2,163

Funding of weathertight homes settlements

The Council uses borrowings in the first instance to meet the cost of settlements with the associated borrowings subsequently being repaid through rates funding. To ensure that the funding of weathertight homes is fully transparent the associated settlement costs, borrowings and rates funding is reported annually.

Table 62: Funding for weathertight homes liability	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	(37,475)	(32,928)	(37,475)	(32,928)
Rates funding for weathertight homes liability	4,686	3,950	4,686	3,950
Total amounts paid	(7,646)	(6,869)	(7,646)	(6,869)
Interest allocation	(1,058)	(1,628)	(1,058)	(1,628)
Closing balance funded through borrowings	(41,493)	(37,475)	(41,493)	(37,475)

Note 27: Deferred tax

Recognised temporary differences and tax losses

Table 63: Deferred tax assets and liabilities	Group	
	2022	2021
	\$000	\$000
Opening balance		
Property, plant and equipment	(893)	(709)
Intangible assets	(8)	6
Employee entitlements	169	179
Other provisions	9	12
Tax losses	43	204
Total opening balance	(680)	(308)
Charged to surplus or deficit		
Property, plant and equipment	(167)	(184)
Intangible assets	4	(14)
Employee entitlements	22	(10)
Other provisions	(3)	(3)
Tax losses	234	(161)
Total charged to surplus or deficit	90	(372)
Closing balance		
Property, plant and equipment	(1,060)	(893)
Intangible assets	(4)	(8)
Employee entitlements	191	169
Other provisions	6	9
Tax losses	277	43
TOTAL CLOSING BALANCE	(590)	(680)

Unrecognised tax losses

Under current income tax legislation, the unrecognised tax losses do not expire.

There is an unrecognised deferred tax asset in respect of the tax losses for the Council of \$0.108m (2021: \$0.184m).

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the benefit of the losses can be utilised.

Relevant significant accounting policies

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Statement of changes in equity

Table 64: Statement of Changes in Equity		Council			Group	
		Actual	Budget	Actual	Actual	Actual
For the year ended 30 June 2022		2022	2022	2021	2022	2021
		\$000	\$000	\$000	\$000	\$000
		Note				
EQUITY - Opening balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,815,363	3,759,368	3,809,762	3,822,663	3,821,257
Revaluation reserves		2,631,206	2,415,427	2,348,061	2,830,205	2,520,701
Hedging reserve		(47,022)	(107,041)	(107,041)	(47,641)	(107,087)
Fair value through other comprehensive revenue and expense reserve		6,029	5,085	5,085	6,656	6,100
Non-controlling interest		-	-	-	781	284
Restricted funds		18,985	16,182	16,182	23,358	20,027
TOTAL EQUITY - Opening balance		7,693,695	7,358,155	7,341,183	7,929,184	7,554,444
CHANGES IN EQUITY						
Retained earnings						
Net surplus / (deficit) for the year		87,435	15,667	7,457	88,621	4,287
Transfer to restricted funds		(3,359)	(3,346)	(6,760)	(3,462)	(7,990)
Transfer from restricted funds		2,718	3,358	3,957	2,948	4,659
Transfer from revaluation reserves		1,210	-	947	1,210	947
Transfer to non-controlling interest		-	-	-	(16)	(497)
Revaluation reserves						
	28					
Fair value movement - property, plant and equipment - net		1,854,026	-	284,092	1,875,561	310,451
Transfer to retained earnings		(1,210)	-	(947)	(1,210)	(947)
Hedging reserve						
	29					
Movement in hedging reserve		104,646	-	60,019	105,813	59,446
Fair value through other comprehensive revenue and expense reserve						
	30					
Movement in fair value - Equity investments		825	-	944	854	944
Movement in fair value - Available for sale equities		-	-	-	473	(388)
Non-controlling interest						
Transfer from retained earnings		-	-	-	16	497
Restricted funds						
	31					
Transfer to retained earnings		(2,718)	(3,358)	(3,957)	(2,948)	(4,659)
Transfer from retained earnings		3,359	3,346	6,760	3,462	7,990
Total comprehensive revenue and expense		2,046,932	15,667	352,512	2,071,322	374,740

Table 64: Statement of Changes in Equity For the year ended 30 June 2022	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2022	2022	2021	2022	2021
		\$000	\$000	\$000	\$000	\$000

EQUITY - Closing balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,903,366	3,775,023	3,815,363	3,911,964	3,822,663
Revaluation reserves		4,484,022	2,415,427	2,631,206	4,704,556	2,830,205
Hedging reserve		57,624	(107,041)	(47,022)	58,172	(47,641)
Fair value through other comprehensive revenue and expense reserve		6,854	5,085	6,029	7,983	6,656
Non-controlling interest		-	-	-	797	781
Restricted funds		19,626	16,194	18,985	23,872	23,358
TOTAL EQUITY - Closing balance		9,740,626	7,373,822	7,693,695	10,000,506	7,929,184

Total comprehensive revenue and expense attributable to:						
Wellington City Council and Group		2,046,932	15,667	352,512	2,071,400	374,589
Non-controlling interest				-	(78)	151
		2,046,932	15,667	352,512	2,071,322	374,740

The notes on pg XX to XX form part of and should be read in conjunction with the financial statements

Statement of changes in equity – Major budget variations

Significant variations from budgeted changes in equity are as follows:

Opening equity is \$355.540m over budget. This is largely due to:

- \$215.779m increase in Revaluation Reserve due to higher than budgeted revaluation of Property, plant and equipment in 2020/21.
- \$60.019m reduction in Hedging Reserve due to the fair value movement in Cash flow hedges in 2020/21.
- \$55.995m increase in Retained earnings due to a higher surplus than budgeted in 2020/21.

Changes in equity were \$2,031.265m higher than budget with major variances of:

- \$1,854.026m increase in Revaluation Reserve due to the revaluation of Infrastructure assets that were scheduled for revaluation on 30 June 2023.
- \$72.325m increase in Retained earnings due to higher net surplus than budgeted. Mainly due to unbudgeted Vested assets revenue of \$82.488m.
- \$104.646m increase in Hedging reserve due to favourable movement in swap interest rates.

Closing equity is \$2,366.804m higher than budget with major variances of:

- \$2,068.595m higher Revaluation reserve due to the \$1,854.026m high revaluation and the flow-on effect of the \$215.779m higher opening reserve balance.
- \$164.665m higher Hedging reserve following a \$104.646m favourable movement in swap interest rates.
- \$128.234m higher Retained earnings from the higher net surplus above and the flow on effect of the \$55.995m higher opening balance.

Equity

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is broken down and classified into several components:

- accumulated funds and retained earnings
- revaluation reserves
- hedging reserve
- fair value through other comprehensive revenue and expense reserve; and
- restricted funds.

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Equity management

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has asset management plans in place for major classes of assets, detailing renewal and programmed maintenance. These plans ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Note 28: Revaluation reserves

Table 64: Revaluation reserves	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Land - opening balance	288,200	203,103	288,200	203,103
Revaluation recognised in other comprehensive revenue and expense	-	85,524	-	85,524
Transfer to retained earnings due to disposal of assets	(579)	(427)	(579)	(427)
Revaluations adjustment	605	-	605	-
Land - closing balance	288,226	288,200	288,226	288,200
Buildings - opening balance	515,432	316,901	515,432	316,901
Revaluation recognised in other comprehensive revenue and expense	-	198,744	-	198,744
Revaluation adjustment	(4,955)	(176)	(4,955)	(176)
Transfer between assets classes	-	261	-	261
Transfer to retained earnings due to disposal of assets	(631)	(298)	(631)	(298)
Buildings - closing balance	509,846	515,432	509,846	515,432
Library collections - opening balance	8,592	8,592	8,592	8,592
Revaluation recognised in other comprehensive revenue and expense	-	-	-	-
Library collections - closing balance	8,592	8,592	8,592	8,592
Drainage, waste and water - opening balance	1,167,739	1,167,739	1,167,739	1,167,739
Revaluation recognised in other comprehensive revenue and expense	1,548,475	-	1,548,475	-
Drainage, waste and water - closing balance	2,716,214	1,167,739	2,716,214	1,167,739
Infrastructure land - opening balance	24,580	24,802	24,580	24,802
Revaluation recognised in other comprehensive revenue and expense	17,038	-	17,038	-
Transfer to retained earnings due to disposal of assets	-	(222)	-	(222)
Infrastructure land - closing balance	41,618	24,580	41,618	24,580
Roading - opening balance	626,663	626,924	626,663	626,924
Revaluation recognised in other comprehensive revenue and expense	292,863	-	292,863	-
Transfer between assets classes	-	(261)	-	(261)
Roading - closing balance	919,526	626,663	919,526	626,663
Associates' revaluation reserves - opening balance	-	-	198,999	172,640
Revaluation recognised in other comprehensive revenue and expense	-	-	21,535	26,359
Associates' revaluation reserves - closing balance	-	-	220,534	198,999
Total revaluation reserves - closing balance	4,484,022	2,631,206	4,704,556	2,830,205

These revaluation reserve movements are represented by:

Table 65: Summary of revaluation reserve movements	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	2,631,206	2,348,061	2,830,205	2,520,701
Revaluation recognised in other comprehensive revenue and expense	1,858,376	284,268	1,879,911	310,627
Revaluations adjustment	(4,350)	(176)	(4,350)	(176)
Transfer to retained earnings due to disposal of assets	(1,210)	(947)	(1,210)	(947)
TOTAL REVALUATION RESERVES	4,484,022	2,631,206	4,704,556	2,830,205

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes.

For the period ending 30 June 2022 the Council has revalued its investment properties, which are revalued annually – refer to Note 18 – Investment properties, for more information (pg XX).

Due to significant increases in the cost of materials and other construction components, the Council brought forward the revaluation of its infrastructure networks and land by one year. Not to do so would mean under-depreciating the assets in 2022/23 and a substantial compounded increase in depreciation charges through rates in 2023/24. Refer to Note 19 – Property, Plant and Equipment, for more information (pg XX).

Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after considering the condition and remaining lives of the assets.

Relevant significant accounting policies

The result of any revaluation of the Group's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, and with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Any impairment in a revalued class of asset is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example, where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of the assets is not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments

Note 29: Hedging reserve

Table 66: Hedging reserve	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	(47,022)	(107,041)	(47,641)	(107,087)
Cash flow hedge net movement recognised in other comprehensive revenue and expense	104,646	60,019	105,813	59,446
TOTAL HEDGING RESERVE	57,624	(47,022)	58,172	(47,641)

The hedging reserve shows accumulated fair value changes for interest rate swaps which satisfy the criteria for hedge accounting and have operated as effective hedges during the period.

The Council uses interest rate swaps to fix interest rates on floating rate debt (floating rate notes and commercial paper) to give it certainty over interest costs.

The Council uses hedge accounting to recognise any fair value fluctuations in these swaps through this reserve within equity. Using hedge accounting prevents any significant movement in interest rate exposure significantly affecting the Council's ability to meet its balanced budget requirements

The Group movement reflects the hedging related to Wellington International Airport Limited but adjusted to align with the Groups' accounting policies.

Note 30: Fair value through other comprehensive revenue and expense reserve

Table 67: Fair value through other comprehensive revenue and expense reserve	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	6,029	5,085	6,656	6,100
Movements:				
Civic Financial Services Limited	17	17	17	17
Local Government Funding Agency	808	927	808	927
Creative HQ shareholdings - available for sale	-	-	473	(388)
Legacy investment - Wellington Museum Trust	-	-	13	-
Gifted investment - Karori Sanctuary Trust	-	-	16	-
TOTAL FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE	6,854	6,029	7,983	6,656

This reserve reflects the accumulated fair value movement in the Council's investment in Civic Financial Services Limited (Civic) and the Local Government Funding Agency.

In the Group, Creative HQ, a controlled entity of WREDA, has small shareholdings in incubator and accelerator programme companies. These shareholdings are fair valued annually and any movement is held within this reserve until the disposal of the shares.

Note 31: Restricted funds

Restricted funds are comprised of special reserves and funds that the Council holds for specific purposes and trusts and bequests that have been bestowed upon the Council for the benefit of all Wellingtonians.

Table 68: Restricted funds	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Special reserves and funds	19,131	18,503	22,188	21,652
Trusts and bequests	495	482	1,684	1,706
TOTAL RESTRICTED FUNDS	19,626	18,985	23,872	23,358

Table 69: Special reserves and funds	Opening	Additional	Utilised	Closing
	Balance	Funds	Funds	Balance
	2022	2022	2022	2022
	\$000	\$000	\$000	\$000
Council				
City Growth Fund	4,742	1,885	(2,113)	4,514
Reserve purchase and development fund	782	-	-	782
Insurance reserve	12,979	1,461	(605)	13,835
Total Council	18,503	3,346	(2,718)	19,131
Controlled entities' reserve funds	3,149	96	(188)	3,057
TOTAL GROUP - SPECIAL RESERVES AND FUNDS	21,652	3,442	(2,906)	22,188

Nature and purpose, funding and utilisation

City Growth fund

This was previously the City Recovery fund during the initial response to COVID-19.

The City Growth fund has a closing balance of \$4.514m (2021: \$4.742m) with funding for the year of \$1.885m (2021: \$5.241m) provided from rates. During the year \$2.113m (2021: \$2.940m) was utilised.

Reserve purchase and development fund

This fund is used to purchase and develop reserve areas within the city. During the year no purchases were made.

Insurance reserve

This reserve came into effect in 2001 and allows the Council to meet the cost of claims that fall below deductible limits under the Council's insurance policies. Additions to the reserve of \$1.461m (2021: \$1.505m) were funded through rates as identified in the LTP. During the year \$0.605m (2021: \$1.017m) was used to meet under-excess insurance costs.

Controlled entities' reserve funds

The restricted funds of the controlled entities relate to the Wellington Museums Trust and the Wellington Zoo Trust:

- The Wellington Museums Trust has six reserves: a Capital reserve, a Capital E reserve, a Nairn Street Cottage collection reserve, a Wellington Museums collection reserve, a City Gallery reserve and a Wellington Museum Plimmer reserve. The two collection reserves are for the purpose of future museum acquisitions.
- The Wellington Zoo Trust has two reserves; an Animal Transfer Fund specifically for the transfer of animals and a Conservation Fund to specifically support field conservation.

Analysis of movements in trusts and bequests

Additional funds and utilisation

Trusts and bequests receiving additional funds during the year were only those where interest totalling \$0.013m (2021: \$0.014m) has been applied in accordance with the original terms and conditions.

Nature and purpose

The Council's bequests and trusts have been generally provided for library, educational or environmental purposes.

The Wellington Zoo Trust has several bequests, trusts and capital grants made to it for specific purposes, which are held as restricted funds until utilised. Further information on these can be found in the Wellington Zoo Trust annual report published on their website –

<https://wellingtonzoo.com/about-us/about-our-zoo/>

Charles Plimmer Bequest

This bequest is held and administered by the Public Trust and is primarily used for major beautification projects. As the sole beneficiary, Wellington City Council applies for distribution of available funds for particular projects after consultation with the Plimmer family. The receipt and use of these funds are disclosed separately to record the generous contribution the bequest makes to the benefit of the city.

As at 31 August 2021, the value of the estate held by the Public Trust was \$20.852m (31 August 2020: \$18.639m), but the distributions to the beneficiary are only available from an agreed percentage of revenue generated. The distributions are only drawn down as required.

During the year:

- Distributions recognised as revenue - \$0.495m
- Funds utilised towards the Pukehuia Park (Newlands) upgrade - \$0.495m.

Statement of cash flows

Table 70: Statement of Cash Flows For the ended 30 June 2022	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2022	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from rates - Council	378,439	391,452	342,909	378,439	342,909
Receipts from rates- Greater Wellington Reginal Council	77,127	82,205	72,795	77,127	72,795
Receipts from activities and other revenue	134,206	154,314	179,056	152,128	197,139
Receipts from grants and subsidies - Operating	20,657	8,616	18,604	31,621	31,413
Receipts from grants and subsidies - Capital	32,396	44,551	27,118	32,845	28,025
Receipts from investment property lease rentals	11,045	10,376	10,999	11,045	10,999
Cash paid to suppliers and employees	(388,785)	(380,985)	(362,803)	(446,294)	(420,323)
Rates paid to GWRC	(77,621)	(82,205)	(71,428)	(77,621)	(71,428)
Grants paid	(45,947)	(49,052)	(46,901)	(17,215)	(19,266)
Income tax paid	-	-	-	(126)	183
Net GST (paid) / received	(797)	-	5,128	(1,014)	5,742
NET CASH FLOWS FROM OPERATING ACTIVITIES	140,720	179,272	175,477	140,935	178,188
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received	64	127	66	64	66
Interest received	2,991	13	2,114	3,150	2,246
Decrease in bank investments	-	-	-	235	-
Proceeds from sale of property, plant and equipment	5,749	2,000	2,163	5,753	2,848
Proceeds from sale of Intangibles	-	-	109	-	109
Proceeds from sale of Investment property	-	-	500	-	500
Loan advances made	(1,200)	-	(900)	(1,200)	(900)
(Increase) / decrease in investments	(44,466)	-	(36,690)	(50,137)	(35,788)
Purchase of investment properties	(62)	-	(1,092)	(62)	(1,092)
Purchase of intangibles	(5,053)	(4,252)	(18,277)	(5,053)	(18,277)
Purchase of property, plant and equipment	(291,758)	(331,760)	(245,489)	(292,658)	(246,070)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(333,735)	(333,872)	(297,496)	(339,908)	(296,358)
CASH FLOWS FROM FINANCING ACTIVITIES					
New borrowings	249,343	325,565	250,721	250,281	251,385
Repayment of borrowings	(86,837)	(132,000)	(118,000)	(86,858)	(118,028)
Interest paid on borrowings	(27,265)	(23,323)	(24,930)	(27,265)	(24,930)
NET CASH FLOWS FROM FINANCING ACTIVITIES	135,241	170,242	107,791	136,158	108,427
Net increase/(decrease) in cash and cash equivalents	(57,774)	15,642	(14,228)	(62,815)	(9,743)
Cash and cash equivalents at beginning of year	84,349	5,777	98,577	103,542	113,285
CASH AND CASH EQUIVALENTS AT END OF YEAR	26,575	21,419	84,349	40,727	103,542

The notes on pg XX to XX form part of and should be read in conjunction with the financial statements.

The cash and cash equivalents balance above equates to the cash and cash equivalents balance in the Statement of Financial Position.

Wellington City Council acts as a collection agency for Greater Wellington Regional Council (GWRC) by including additional rates and levies in its own billing process. Once collected, the monies are passed to GWRC. The budget assumes that the inflows and outflows will offset each other and are shown accordingly.

The Council has ring-fenced funds of \$80.486m (2021: \$66.596) relating to the City Housing and Waste activities. For more information see Note 24: Borrowings (pg XX).

Cash and cash equivalents for the purposes of the cash flow statement comprises bank balances, cash on hand and short-term deposits with a maturity of three months or less. The statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial revenue sources of the Council and Group and record the cash payments made for the supply of goods and services.

Investing activities relate to the acquisition and disposal of assets and investment revenue.

Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

Statement of cash flows – Major budget variations

Cash flow budgeting is performed using various assumptions around the timing of events and any departure from these timings will affect the outcome against budget.

Significant variations from the cash flow budgets are as follows:

Net cash flows from operating activities were \$38.552m lower than budget, including main variances of:

- \$13.013m lower rates received. \$5.000m relates to water rates not invoiced. Total rates debtors are \$10.104m higher than 2021.
- \$20.108m less from activities and other revenue, particularly Parking \$7.364m, Parks, Sports and Recreation \$ 2.258m and Wellington Venues \$2.500m.
- \$12.041m higher operating grants mainly due to the \$12.839m of unbudgeted Government Stimulus funding
- \$12.155m lower capital grants and subsidies received largely due to lower Waka Kotahi (NZTA) reimbursements due to capital programme underspends.
- \$7.800m higher overall payments to suppliers as \$13.090m Government Stimulus funding passed to Wellington Water.

Net cash flows from investing activities were only \$0.137m lower than budget, including main variances of:

- \$2.978m higher than budgeted interest revenue as budgeted as net interest expense
- \$3.749m of additional proceeds from assets sales due to timing of sales
- \$1.200m of an unbudgeted loan advance to WRST
- \$44.466m of higher investments due to timing of maturities and prefunding decisions
- \$39.139m of lower spend on new assets due to lower than budgeted work undertaken

Net cash flows from financing activities were \$35.001m lower than budget, including main variances of:

- \$31.059m lesser increase in net borrowings due to lower than budgeted capital expenditure
- \$3.942m higher gross interest expense due to higher interest rates. However, this reduces when netted against the \$2.978m interest revenue to \$0.964m.

Note 32: Reconciliation of cash flows

Table 71: Reconciliation of net surplus / (deficit) to net cash flows from operating activities	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Net surplus / (deficit) for the period	87,435	7,457	88,621	4,287
Add/(deduct) non-cash items:				
Vested assets	(82,488)	(9,411)	(82,488)	(9,411)
Bad debts written off not previously provided for	133	76	133	79
Depreciation and amortisation	146,488	136,635	147,615	138,324
Impairment of property, plant and equipment	4,415	1,849	4,415	1,849
Fair value changes in investment properties	(20,614)	(20,496)	(20,614)	(20,496)
Other fair value changes	3	48	(375)	(23)
Movement in provision for impairments of doubtful debts	(317)	(95)	(317)	(122)
Tax expense/(credit)	-	-	(64)	30
Non-cash movement in provisions	(930)	830	(816)	977
Total non-cash items	46,690	109,436	47,489	111,207
Add/(deduct) movement in working capital: ¹				
Exchange receivables and non-exchange recoverables	(25,380)	34,229	(23,088)	34,767
Prepayments	3,043	(12,620)	2,874	(12,423)
Inventories	(157)	762	(141)	854
Exchange transactions, taxes and transfers payables	13,523	14,245	8,081	12,960
Revenue in advance	(4,214)	6,582	(486)	7,190
Employee benefit liabilities	668	(276)	1,110	(588)
Provision for other liabilities	(8,007)	(6,974)	(8,163)	(6,625)
Total working capital movement	(20,524)	35,948	(19,813)	36,135
Add/(deduct) investing and financing activities:				
Net (gain)/loss on disposal of property, plant and equipment	2,391	(552)	2,424	(548)
Net (gain)/loss on disposal of intangibles	518	(126)	518	(126)
Net (gain)/loss on disposal of investment property	-	564	-	564
Dividends received	(64)	(66)	(310)	(66)
Interest received	(2,991)	(2,114)	(3,165)	(2,186)
Tax paid and subvention receipts	-	-	110	94
Interest paid on borrowings	27,265	24,930	27,274	24,936
Share of equity accounted (surplus)/deficit in associates	-	-	(2,213)	3,891
Total investing and financing activities	27,119	22,636	24,638	26,559
NET CASH FLOWS FROM OPERATING ACTIVITIES	140,720	175,477	140,935	178,188

1. Excluding non-cash items

Table 72: Reconciliation of liabilities arising from financing activities	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance				
Current borrowings	154,523	186,000	154,544	186,028
Non-current borrowings	754,129	589,931	754,792	589,951
Hedges held against borrowings:				
- Interest rate swaps - cash flow hedges	47,022	107,041	47,641	107,087
Total opening balance	955,674	882,972	956,977	883,066
Cash flow movements - current				
Repayment of borrowings - current	(86,836)	(118,000)	(86,857)	(118,028)
New borrowings		-		-
Movement from non-current to current borrowings	141,313	86,523	141,313	86,544
Cash flow movements - non-current				
New borrowings	249,342	250,721	250,279	251,385
Movement from non-current to current borrowings	(141,313)	(86,523)	(141,313)	(86,544)
Total Cash movements	162,506	132,721	163,422	133,357
Non-cash flow movements				
- Interest rate swaps - cash flow hedges	(104,646)	(60,019)	(105,813)	(59,446)
Total movements	57,860	72,702	57,609	73,911
Closing balance				
Current borrowings	209,001	154,523	209,001	154,544
Non-current borrowings	862,157	754,129	863,757	754,792
Hedges held against borrowings:				
- Interest rate swaps - cash flow hedges	(57,624)	47,022	(58,172)	47,641
Total closing balance	1,013,534	955,674	1,014,586	956,977

Other disclosures

Note 33: Financial instruments

Financial instruments include financial assets (loans and receivables or recoverables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

Relevant significant accounting policies

Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Group.

Financial Assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive revenue and expense.

Loans and receivables comprise cash and cash equivalents, receivables or recoverables and loans and deposits.

- Cash and cash equivalents comprise cash balances and bank deposits with maturity dates of three months or less.
- Receivables and recoverables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor, and has no intention of trading the receivable or recoverable.
- Loans and deposits include loans to other entities (including controlled entities and associates), and bank deposits with maturity dates of more than three months.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Receivables or recoverables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, rates penalties and water meter charges, no provision has been made for impairment in respect of these receivables or recoverables.

Financial assets at fair value through other comprehensive revenue and expense primarily relate to equity investments that are held by the Group for long-term strategic purposes and therefore are not intended to be sold. Within the Group, small shareholdings are held in start-up companies, which are available for sale, until the companies mature or cease operations. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On

disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial Liabilities

Financial liabilities include payables under exchange transactions, taxes, transfers and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

Table 73 below, provides an analysis of the Group's financial assets and financial liabilities by reporting category as described in the accounting policies:

Table 73: Financial Instruments by category	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Financial assets				
Loans and receivables				
Cash and cash equivalents	26,575	84,349	40,727	103,542
Receivables and recoverables	86,355	61,056	87,755	62,319
Other financial assets	122,956	77,294	129,657	78,411
Total loans and receivables	235,886	222,699	258,139	244,272
Financial assets at fair value through other comprehensive revenue and expense				
Other financial assets	9,198	8,372	11,477	10,122
Total financial assets at fair value through other comprehensive revenue and expense	9,198	8,372	11,477	10,122
Hedged derivative financial instruments				
Derivatives designated as cash flow hedges	58,407	7,821	58,407	7,821
Total hedged derivative financial instruments	58,407	7,821	58,407	7,821
Total financial assets	303,491	238,892	328,023	262,215
Total non-financial assets	10,673,715	8,582,714	10,922,324	8,806,523
TOTAL ASSETS	10,977,206	8,821,606	11,250,347	9,068,738
Financial liabilities				
Financial liabilities at amortised cost				
Exchange transactions and transfers payable	85,194	72,108	84,734	74,442
Taxes payable	11,134	10,887	11,459	11,211
Borrowings	1,071,158	908,652	1,072,758	909,336
Total financial liabilities at amortised cost	1,167,486	991,647	1,168,951	994,989
Derivative financial instruments				
Derivatives designated as cash flow hedges	783	54,843	783	54,843
Total derivative financial instruments	783	54,843	783	54,843
Total financial liabilities	1,168,269	1,046,490	1,169,734	1,049,832
Total non-financial liabilities	68,311	81,421	80,107	89,722
TOTAL LIABILITIES	1,236,580	1,127,911	1,249,841	1,139,554

Fair value

The fair values of all financial instruments equate to or are approximate to the carrying amount recognised in the Statement of Financial Position.

Fair value hierarchy

For those financial instruments recognised at fair value in the Statement of Financial Position, the fair values are determined according to the following hierarchy:

- **Level 1:** Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- **Level 2:** Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- **Level 3:** Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

Table 74: Group hierarchy	2022			2021		
	Level	Level	Level	Level	Level	Level
	1	2	3	1	2	3
	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets						
Financial assets at fair value through other comprehensive revenue and expense	-	-	11,475	-	-	10,122
Derivative financial instruments						
- Cash flow hedges	-	58,407	-	-	7,821	-
Financial liabilities						
Derivative financial instruments						
- Cash flow hedges	-	783	-	-	54,843	-

Table 75: Reconciliation of fair value movements in Level 3			Council		Group	
			2022	2021	2022	2021
			\$000	\$000	\$000	\$000
Financial assets at fair value through other comprehensive revenue and expense						
- Equity investments						
Opening balance - 1 July			8,372	7,428	10,122	9,258
Purchases			-	-	156	-
Disposals			-	-	-	-
Impairment			-	-	-	-
Loss on investment			-	-	(53)	(2)
Gains or losses recognised in other comprehensive revenue and expense			825	944	1,250	866
Closing balance - 30 June			9,197	8,372	11,475	10,122

The Level 3 equity investments comprise the Group's shareholdings in the Local Government Funding Agency \$8.673m (2021: \$7.865m), Civic Assurance \$0.524m (2021: 0.507m), the Creative HQ shareholdings \$1.878m (2021: \$1.490m), a legacy investment for Wellington Museum's Trust of \$0.274m (2021: \$0.260m) and a new gifted investment for the Karori Sanctuary Trust of \$0.126m. Refer to Note 15: Other financial assets (pg XX) for more details.

Financial risk management

As part of its normal operations, the Group is exposed to several risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Group's exposure to these risks and the action that the Group has taken to minimise the impact of these risks is outlined below:

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, thereby causing a financial loss. The Group is not exposed to any material concentrations of credit risk other than its exposure within the Wellington region. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position and the face value of financial guarantees to related parties (refer Note 35: Contingencies (pg XX)). There is currently no liability recognised for these guarantees as the Group does not expect to be called upon for payment.

The Group's maximum exposure to credit risk at the end of the reporting period is detailed in *Table 76* below.

Table 76: Financial instruments with credit risk	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Cash and cash equivalents	26,560	84,349	40,698	103,542
Derivative financial instrument assets	58,407	7,821	58,407	7,821
Receivables and recoverables	86,355	61,056	87,755	62,319
Other financial assets				
- Bank deposits - term > 3 months	101,000	61,500	107,700	62,602
- LGFA borrower notes	19,868	14,902	19,868	14,902
- Loans to related parties - other organisations	2,088	892	2,088	892
- Loans to external organisations	-	-	1	15
Total financial instruments with credit risk	294,278	230,520	316,517	252,093

Receivables and recoverables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group is exposed to credit risk as a guarantor of the LGFA's borrowings. Further information about this exposure is explained in Note 35: Contingencies (pg XX).

Credit quality of financial assets

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to Standard and Poor's credit ratings (or otherwise as stated) in *Table 77* as follows.

Table 77: Counterparties with credit ratings	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Cash - registered banks				
AA-	6,560	84,333	19,189	97,021
Short-term deposits (less than 3 months) - registered banks				
AA (Fitch)	20,000	-	21,509	2,988
Term deposits (greater than 3 months) - registered banks				
AA-	65,000	39,000	71,700	43,602
AA (Fitch)	20,000	22,500	20,000	22,500
Term deposits - borrower notes - NZ LGFA				
AAA	19,868	14,902	19,868	14,902

Liquidity risk

Liquidity risk refers to the situation where the Group may encounter difficulty in meeting obligations associated with financial liabilities. The Group maintains sufficient funds to cover all

obligations as they fall due. Facilities are maintained in accordance with the Council's Liability Management Policy to ensure the Group can access required funds.

Contractual maturity

The following maturity analysis in *Table 78* sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities include the nominal amount and interest payable.

Table 78: Contractual cash flows of financial liabilities excluding derivatives	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Contractual cash flows of financial liabilities excluding derivatives				
0-12 months	330,254	247,233	329,794	250,195
1-2 years	155,960	153,422	155,960	153,422
2-5 years	320,180	291,207	321,924	291,930
More than 5 years	578,307	396,933	578,307	396,933
Total contractual cash flows of financial liabilities excluding derivatives	1,384,701	1,088,795	1,385,985	1,092,480
Represented by:				
Carrying amount as per the Statement of Financial Position	1,156,352	991,719	1,157,492	995,344
Future interest payable	228,349	97,076	228,493	97,136
Total contractual cash flows of financial liabilities excluding derivatives	1,384,701	1,088,795	1,385,985	1,092,480

The following maturity analysis in *Table 79*, sets out the contractual cash flows for all financial liabilities that are settled on a net cash flow basis. Contractual cash flows for derivative financial liabilities are the future interest payable.

Table 79: Contractual cash flows of derivative financial liabilities	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Contractual cash flows of derivative financial liabilities				
0-12 months	1,586	14,192	1,586	14,192
1-2 years	84	11,521	84	11,521
2-5 years	44	21,519	44	21,519
More than 5 years	6	12,464	6	12,464
Total contractual cashflow of derivative financial liabilities	1,720	59,696	1,720	59,696
Represented by:				
Future interest payable	1,720	59,696	1,720	59,696
Total contractual cash flows of derivative financial liabilities	1,720	59,696	1,720	59,696

In addition to cash to be received in 2022/23 the Group currently has \$210.000m (2021: \$130.000m) in unutilised committed bank facilities available to settle obligations as well as \$132.982m (2021: \$162.460m) of cash, cash equivalents and receivables and is expected to have sufficient cash to meet all contractual liabilities as they fall due.

The Group is exposed to liquidity risk as a guarantor of all LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its obligations when they fall due. Information about this exposure is explained in Note 35: Contingencies (pg XX).

The Group mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within the following maturity limits as shown in *Table 80*.

Table 80: Liquidity funding risk limits			
Period	Minimum	Maximum	Actual
0 - 3 years	15%	60%	25%
3 - 5 years	15%	60%	32%
More than 5 years	15%	60%	43%

Market risk

Market risk is the risk that the value of an investment will decrease, or a liability will increase due to changes in market conditions. The Group uses interest rate swaps in the ordinary course of business to manage interest rate risks. A Treasury Committee, headed by senior management personnel and the Council's treasury management advisors (presently PwC), provides oversight for financial risk management and derivative activities, and ensures any activities are in line with the Liability Management Policy which is formally approved by the Council as part of the Long-Term Plan (LTP).

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will decrease due to changes in market interest rates. The Group is exposed to interest rate risk from its interest-earning financial assets and interest-bearing financial liabilities. The Group is risk averse and seeks to minimise exposure arising from its borrowing activities primarily by entering into interest rate swap arrangements to fix interest rates on its borrowings.

The Group manages its cash flow interest rate risk by using interest rate swaps. These have the economic effect of converting borrowings from floating rates to fixed rates. The Group uses interest rate swaps to maintain a required proportion of borrowing between fixed and floating interest rates, using a corridor policy, as specified in the liability management policy.

The proportion of gross borrowing at a fixed interest rate for the period ending 30 June 2022 is 59 percent. (2021: 73 percent)

Table 81 below shows the effect of the interest rate swaps at reducing the Council's and Group's exposure to interest rate risk:

Table 81: Interest rate volatility	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Financial instruments subject to interest rate volatility - before effect of interest rate swaps				
Cash and cash equivalents	26,575	84,349	40,727	103,542
Bank deposits - term greater than 3 months	101,000	61,500	107,700	62,602
Commercial paper	(68,000)	(68,000)	(68,000)	(68,000)
Debt securities - floating rate notes	(888,000)	(728,500)	(888,000)	(728,500)
Total financial instruments subject to interest rate volatility - before effect of interest rate swaps	(828,425)	(650,651)	(807,573)	(630,356)
Effect of interest rate swaps in reducing interest rate volatility				
Effect of Cash flow interest rate swaps - hedged	453,000	549,000	453,000	549,000
Total effect of interest rate swaps in reducing interest rate volatility	453,000	549,000	453,000	549,000
Total financial instruments subject to interest rate volatility - after effect of interest rate swaps	(375,425)	(101,651)	(354,573)	(81,356)

These interest rate swaps have a nominal value which represents the value of the debt that they are covering (included above). This amount is not recorded in the financial statements. Instead, the fair value of these interest rate swaps is recognised. This represents the difference between the forecast current floating interest rate and the fixed swap interest rate discounted back to present value. As at 30 June 2022, the fair value of the interest rate swaps was \$57.624m (2021: -\$47.022m). The asset represents the forecast extra cash flows the Council is expected to receive from locking in fixed interest rates lower than current market rates.

Given that the interest rate swaps have terms that match with the borrowings (short term bank facilities, commercial paper and debt securities), it is appropriate to include the effect of the interest rate swaps on the borrowings interest rate and present the net effective interest rates for the underlying borrowings in Table 82 as follows.

Table 82: Weighted effective interest rates	Council		Group	
	2022	2021	2022	2021
	%	%	%	%
Investments				
Cash and cash equivalents	2.23	0.25	0.59	0.25
Bank deposits - term	1.99	0.93	1.98	0.93
LGFA - borrower notes	0.53	0.63	0.53	0.63
Loans to related parties	-	-	-	-
Borrowings				
Bank loans	3.00	3.65	3.00	3.65
Commercial paper	2.53	0.36	2.53	0.36
Debt securities - fixed	2.02	2.02	2.02	2.02
Debt securities - floating	2.60	0.97	2.60	0.97
Derivative financial instruments - hedged	3.50	3.69	3.50	3.69

The original related party loan to the Wellington Regional Stadium Trust (WRST) for the Stadium construction and membership underwrite is on interest free terms.

The loan facility to WRST for COVID-19 support and further upgrade of the Fran Wilde walkway will be at an interest rate of 3% p.a. but will only be applied two years after the initial drawdown in 2020/21.

Sensitivity analysis

While the Group has significantly reduced the impact of short-term fluctuations on the Group's earnings through interest rate swap arrangements, there is still some exposure to changes in interest rates.

Table 83 below illustrates the potential surplus or deficit impact of a 1 percent change in interest rates based on the Group's exposures at the end of the reporting period:

Table 83: Sensitivity to interest rate risk		Group			
		2022			
		\$000			
	Note	+1%	-1%	+1%	-1%
		Effect on Surplus or Deficit		Effect on Other Comprehensive Revenue and Expense	
Financial assets					
Cash and cash equivalents	a	407	(407)		
LGFA - borrower notes	b	199	(199)		
Term deposits > 3 months	c	1,077	(1,077)		
Derivatives - interest rate swaps - hedged	d			37,135	(41,264)
Financial liabilities					
Derivatives - interest rate swaps - hedged	d			2,722	(2,809)
Debt securities - floating rate notes	e	(4,860)	4,860		
Bank loans	f	(102)	102		
Commercial paper	g	(170)	170		
Total sensitivity to interest rate risk		(3,449)	3,449	39,857	(44,073)

a. Cash and cash equivalents

Group funds are in several different registered bank accounts with interest payable on the aggregation of all accounts. While most of the funds are held on short-term deposit, they are subject to interest rate movement on any subsequent reinvestment. A movement in interest rates of plus or minus 1 percent has an effect on interest revenue of \$0.407m accordingly.

b. LGFA borrower notes

The Group holds \$19.868m of borrower notes which are investments held by LGFA as part of their lending policy. They are subject to quarterly interest rate resetting. A movement in interest rates of plus or minus 1 percent has an effect on interest revenue of \$0.199m accordingly.

c. Bank term deposits > than 3 months

Bank deposits greater with bank maturities greater than 3 months are subject to interest rate movement on any subsequent reinvestment. A movement in interest rates of plus or minus 1 percent has an effect on interest revenue of \$1.077m accordingly.

d. Derivatives - hedged interest rate swaps

Derivatives include hedged interest rate swaps with a fair value totalling \$57.624m. A movement in interest rates of plus 1 percent has an effect on increasing the unrealised value of the hedged interest rate swaps by \$39.857m. A movement in interest rates of minus 1 percent has an effect on reducing the unrealised value of the hedged interest rate swaps by \$44.073m.

e. Debt securities – floating rate notes

Debt securities at floating rates total \$888.000m. The full exposure to changes in interest rates has been reduced because the Group has \$402.000m of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1 percent has an effect on the interest expense of \$4.860m accordingly.

f. Bank Loans

The Group, through the Council's joint operations with Porirua City Council has a bank term loans of \$10.158m. This loan consists of various loans provided to the joint operations through Porirua City Council borrowing. A movement in interest rates of plus or minus 1 percent has an effect on the interest expense of \$0.102m accordingly.

g. Commercial paper

The Group has a Commercial Paper programme which is subject to floating rates and totals \$100.000m of which only \$68.000m is presently utilised. The full exposure to changes in interest rates has been reduced because the Group has \$51.000m of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1 percent has an effect on the interest expense of \$0.170m accordingly.

Note 34: Commitments

Table 84: Capital commitments	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Approved and contracted - property, plant and equipment	156,815	259,227	158,215	259,232
Approved and contracted - investment properties	-	-	-	-
Approved and contracted - intangibles	-	-	-	-
Approved and contracted - share of associates	-	-	7,444	7,244
Approved and contracted - share of joint ventures	-	-	-	-
TOTAL CAPITAL COMMITMENTS	156,815	259,227	165,659	266,476

The capital commitments in Table 84 above, represent signed contracts in place at the end of the reporting period.

The contracts will often span more than one financial year and may include capital expenditure carried forward from 2021/22 to future years.

Lease commitments

Operating leases – Group as lessee

The Group leases certain items of plant, equipment, land and buildings under various non-cancellable operating lease agreements.

The lease terms are between two and 21 years and the majority of the lease agreements are generally renewable at the end of the lease period at market rates.

The value of minimum payments for non-cancellable operating leases is recognised as an expense in Note 7: Expenditure on operating activities (pg XX).

Relevant significant accounting policies

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within surplus or deficit on a straight-line basis over the term of the lease. Lease

incentives received are recognised within surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

The future expenditure committed by these leases is analysed as follows in *Table 85*.

Table 85: Non-cancellable operating lease commitments as lessee	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Plant and equipment				
Not later than one year	-	-	84	73
Later than one year and not later than five years	-	-	69	82
Later than five years	-	-	-	-
Land and buildings				
Not later than one year	10,815	10,129	13,170	10,714
Later than one year and not later than five years	30,054	19,314	30,722	19,791
Later than five years	47,487	25,120	47,487	25,120
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSEE	88,356	54,563	91,532	55,780

Operating leases – Group as lessor

The Group has also entered into commercial property leases of its investment property portfolio and other land and buildings.

The land and buildings held for investment purposes are properties which are not held for operational purposes and are leased to external parties.

Ground leases are parcels of land owned by the Group in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the leases are charged on a commercial market basis.

The land and buildings not held for investment purposes are either used to accommodate the Group's operational activities or are held for purposes such as road widening, heritage, or are being monitored for compliance reasons. In some cases, parts of these assets are leased to external parties on a commercial basis. The terms of these commercial leases generally range from 1 to 15 years.

Relevant significant accounting policies

Rental revenue is recognised on a straight-line basis over the lease term.

The committed revenues expected from these lease portfolios are analysed as follows in *Table 86*.

Table 86: Non-cancellable operating lease commitments as lessor	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Investment properties				
Not later than one year	10,971	8,655	10,971	8,655
Later than one year and not later than five years	38,322	29,404	38,322	29,404
Later than five years	73,020	52,720	73,020	52,720
Land and buildings				
Not later than one year	5,849	4,499	5,849	4,502
Later than one year and not later than five years	4,173	6,622	4,173	6,622
Later than five years	9,093	6,891	9,093	6,891
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSOR	141,428	108,791	141,428	108,794

Commitments to related parties

The Council and Group have no commitments to key management personnel beyond normal employment obligations.

Note 35: Contingencies

Table 87: Contingent liabilities	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Uncalled capital - LGFA	1,866	1,866	1,866	1,866
Other legal proceedings	399	585	399	585
WIAL equity underwrite	-	25,760	-	25,760
WRST loan facility	-	1,200	-	1,200
WOW funding agreement	-	5,000	-	5,000
Share of associates' and joint venture's contingent liabilities	-	-	-	-
Share of joint operations' contingent liabilities	-	-	-	-
TOTAL CONTINGENT LIABILITIES	2,265	34,411	2,265	34,411

NZ Local Government Funding Agency Limited (LGFA)

The Council is one of 30 local authority shareholder, borrower, and guarantor councils of the LGFA. Any non-shareholder council that borrows in aggregate NZ\$20m or more from LGFA must be a guarantor. There are now 69 guarantor Councils in total. In this regard the Council has uncalled capital of \$1.866m. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2022, LGFA had borrowings totalling \$15,789m (2021: \$13,609m).

Financial reporting standards require the Council to recognise the guaranteed liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis:

- that we are not aware of any local authority, which is a member of the LGFA, that has had debt default events in New Zealand.
- and local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

The Council considers that even if it was called upon to contribute the cost would not be material.

Other legal proceedings

Other legal proceedings are current claims against the Council and Group as a result of past events which are currently being contested. The amounts shown reflect potential liability for financial reporting purposes only and do not represent an admission that any claim is valid. The outcome of these remains uncertain at the end of the reporting period. The maximum exposure to the Group is anticipated to be less than \$0.400m.

Structural defect claim

A large and novel claim alleging a breach of duty to a tenant of a commercial building was filed in August 2019. The claim is at an early stage. The Council's current estimated financial exposure for this claim is \$0.050m being the insurance excess payable, which is included in the total above.

COVID-19 support for related parties and other entities

Wellington International Airport Limited (WIAL)

As part of its COVID-19 pandemic response, the Council agreed on 23 April 2020 that, if required, it would provide financial support to WIAL in proportion to its 34 percent equity holding. Along with Infratil Limited, who own the remaining 66 percent, the two shareholders will jointly provide an equity underwrite of up to nearly \$75.76m. The Council's share would be up to \$25.76m and Infratil's \$50m. The facility will be able to be drawn by WIAL, if required, through the issue of redeemable preference shares.

WIAL have notified the Council that this support is no longer required from 30 June 2022.

Wellington Regional Stadium Trust (WRST)

As a direct response to the COVID-19 pandemic, the Council agreed, on 21 July 2020, to a joint loan facility between the Council and Greater Wellington Regional Council to be made available to WRST. If required, the loan facility is to be used to fund operating deficits resulting from the impact of COVID-19 and to provide funding for the capital works required to continue with the strengthening of the Fran Wilde walkway. This loan is an unsecured facility of up to \$4.200m divided equally between the lenders with a fixed interest rate of 3.0 percent and is interest free for the first two years upon being drawn down. \$1.200m (2021: \$0.900m) was drawn down from the Council during the period ending 30 June 2022. This facility is now fully drawn down.

Unquantified contingent liabilities

Holiday Pay remediation

Several New Zealand's public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003 ("the Act"). During 2019/20, Council completed its own review of payroll processes which identified instances of non-compliance with the Act. This review resulted in the Council establishing a project team to further look at system configuration and business processes to better understand the areas of non-compliance with the Act, this work has continued into 2021/22.

This is a significant undertaking and due to this the Council has decided that the project will be split into two phases; phase one is the rectification of known system configuration and business process issues, while phase two will be the remediation. The Council is near to completing phase one of the project with a completion date estimated to be late 2022.

Council have completed an RFP to engage a third party to start work on Phase two of the Holiday Project in the New Year. Phase 2 has an expected completion date by end 2023.

Council has agreed to pay any remediation costs for Council Controlled entities where the Council was responsible for processing their payroll.

The Council acknowledges that the potential liability could be significant as the issue affects current and past employees and covers a period going back six years plus one from October 2020.

Other claims

There are various other claims that the Council and Group are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which the Council and Group have a responsibility to the claimant. The possibility of any outflow in settlement in these cases is assessed as remote.

Contingent assets

The Council and Group have no contingent assets as at 30 June 2022 (2021: \$Nil).

Relevant significant accounting policies

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

Note 36: Joint Operations

The Council has significant interests in the following joint operations. These are domiciled and operate in New Zealand. Porirua City Council operates two of the joint operations under an agreement which provides that all assets of the joint operation are owned by the two councils as tenants in common. The remaining joint operations are part of Let's Get Wellington Moving (LGWM) which is a joint initiative between Wellington City Council, Greater Wellington Regional Council, and Waka Kotahi NZ Transport Agency.

Table 88: Joint Operations	Interest 2022	Interest 2021	Nature of business
Wastewater treatment plant – Porirua City Council	27.60%	27.60%	Owns and operates a wastewater treatment plant and associated trunk sewers and pumping stations that provide services to Wellington City's northern suburbs. Ownership of the assets is in proportion to the capacity of the plant allocated to the two councils.
Spicer Valley Landfill – Porirua City Council	21.50%	21.50%	Owns and operates a sanitary landfill that provides services to Wellington City's northern suburbs. Ownership of the assets is in proportion to the ratio of the populations of Porirua City and the area of the former Tawa Borough.
LGWM Projects			
State Highway improvement	20.00%	20.00%	Joint initiative to develop a transport system that supports future aspirations for the look, feel, and function of Wellington City. These will support Wellington's growth while making it safer and easier to get around.
Mass Rapid Transport	20.00%	20.00%	
City Streets	20.00%	20.00%	
Early Delivery	0 - 49%	20.00%	
Travel Demand Management	20.00%	20.00%	
Integrated Delivery Vehicle	20.00%	20.00%	

The end of the reporting period for the joint operations is 30 June.

Relevant significant accounting policies

For joint operations the Council has a liability in respect of its share of joint operational deficits and liabilities, and shares in any operational surpluses and assets. The Council's proportionate interest (for example, 21.5 percent of the Spicer Valley landfill) in the assets, liabilities, revenue and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

The Council's and Group's share of the joint operations' capital commitments is \$Nil (2020: \$Nil) and contingent liabilities is \$Nil (2020: \$Nil).

Note 37: Related party disclosures

Relevant significant accounting policies

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (controlled entities, associates and joint ventures) and key management personnel.

Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive, and all members of the Executive Leadership Team, being key advisors to the Council and Chief Executive.

Key management personnel

In this section, the Council discloses the remuneration and related party transactions of key management personnel. The remuneration payable to key management personnel of the

Group's other entities is disclosed separately within their individual financial statements and is not included in *Table 89* below.

Table 89: Remuneration paid to key management personnel	Council	
	2022	2021
	\$	\$
Council Members		
Remuneration	1,854,224	1,846,046
Chief Executive and Executive Leadership Team		
Remuneration	3,034,461	2,601,008
Termination benefits	73,644	-
TOTAL REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL	4,962,329	4,447,054

As at 30 June 2022 key management personnel comprised of 24 individuals: 15 elected members or 15 fulltime equivalents (2021: 15) and 9 executive leaders or 9 fulltime equivalents (2021: 8). During the year, the Chief Māori Officer position was added to the Leadership team.

During the year period we continued the recruitment into vacant Executive Leadership roles which had carried over from the prior financial year and made appointments into these roles. During this period of recruitment, we had several senior managers acting in executive leadership roles to provide cover.

Material related party transactions

Material related party transactions – key management personnel

During the year key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services. These transactions were on normal commercial terms.

A related party of an Executive Leadership Team member provided training services, through a company, to the Council during the year. These services valued at \$9,550 were procured as arm's length transactions on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group.

The Mayor and Councillor's disclose their personal interests in a register available on the Council website.

There are no commitments from the Council to key management personnel.

Material related party transactions – structured entities

NZ Local Government Funding Agency Limited (LGFA)

The LGFA was incorporated on 1 December 2011 and was established to facilitate the efficient, and cost effective, raising of debt funding for local government authorities. There are currently 30 regional, district and city councils throughout New Zealand that own 80 percent of the issued

capital, with the Government holding the remaining 20 percent. The Council became an establishment shareholder in this Council Controlled Trading Organisation (CCTO) and currently has an investment of \$1.866m representing 8.3 percent of paid-up capital.

During the year ending 30 June 2022 the Council drew down new borrowings of \$246.000m and repaid \$86.500m. Interest expense is paid quarterly in arrears on all borrowings and interest revenue of \$0.070m was received on \$1.184m of maturing borrower notes. The Council borrowings from the LGFA are comprised of \$100.000m (2021:100.000m) of Fixed Rates Bonds and \$863.000m (2021: \$691.000m) of Floating Rate Notes, including a \$30.000m Green Bond.

The Council holds \$19.868m (2021: \$14.902m) of investment borrower notes and during the year Council received a shareholder dividend of \$0.064m (2021: \$0.066m)

Wellington International Airport Limited

COVID-19: Support for an underwrite of additional equity, originally provided in 2020/21 and extended in 2021/22 ceased at 30 June 2022 as it was no longer required. For more information refer to Note 34: Contingencies (pg XX).

Material related party transactions – unstructured entities

Financial information relating to the Council’s interests in unstructured entities is provided in Tables 90 and 91 below:

Table 90: Basin Reserve Trust	2022	2021
	\$000	\$000
<i>Summarised financial information of unstructured entity</i>		
Total assets	913	856
Total liabilities	(309)	(199)
Net assets	604	657
Revenue	1,280	1,212
Expenses	(1,332)	(1,138)
Surplus / (deficit)	(52)	74

Basin Reserve Trust (BRT)

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve. The Trust was jointly created with Cricket Wellington Incorporated (CWI). Wellington City Council and CWI each appoint two of the four trustees. Wellington City Council does not have an equity investment in the Trust but has influence over the Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust in alignment with the Council’s objectives.

During the year ending 30 June 2022 the Council contributed \$0.718m (2021: \$0.695m) to fund the core operations of the Trust.

Wellington Regional Stadium Trust (WRST)

Wellington Regional Stadium Trust was jointly created by Wellington City Council and Greater Wellington Regional Council. Wellington City Council does not have an equity investment in the Trust but has influence over the Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust in alignment with the Council’s objectives.

The Council holds a \$15m limited recourse loan to WRST which, is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished. On maturity of the initial WRST membership underwrite, the unpaid interest was converted to a \$0.395m advance repayable after all other advances made by the Council and Greater Wellington Regional Council.

During the year ending 30 June 2022 the Council transacted directly with WRST to the amount of \$1.500m (2021: \$2.954m). This payment was made to support the operations of the Trust due to COVID-19 disruptions.

In addition, WRST made further drawdowns on the joint loan facility (WCC and GWRC) for the amount of \$1.200m (2021: \$0.900m). This loan facility was made available for COVID-19 impact support and additional concourse works. This facility is now fully drawn. Refer to Note 15: Other Financial assets (page XX), for more information on this loan.

Table 91: Wellington Regional Stadium Trust	2022	2021
	\$000	\$000
Summarised financial information of unstructured entity		
Total assets	95,305	98,527
Total liabilities	(9,431)	(48,503)
Net assets	85,874	50,024
Revenue	7,654	14,485
Expenses	(12,354)	(13,224)
Surplus / (deficit)	(4,700)	1,261

Intra group transactions and balances

Intra group transactions and balances – Joint Operations

During the year the Council has entered into transactions with its joint operations partners Porirua City Council and Let's Get Wellington Moving. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows in *Table 92*.

Table 92: Intra group transactions and balances - Joint operations		2022	2021
		\$000	\$000
Share of jointly incurred expenditure			
	Porirua - waste water treatment plant	2,620	2,254
	Let's Get Wellington Moving	6,660	5,199
		9,280	7,453
Current receivables and recoverables owing to the Council from:			
	Let's Get Wellington Moving	5,762	897

Intra group transactions and balances – Controlled entities

During the year the Council has entered into transactions with its controlled entities. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows in *Table 93*.

Table 93: Intra group transactions and balances - Controlled entities		2022	2021
		\$000	\$000
Revenue received by Council for services provided to:			
	Karori Sanctuary Trust	37	31
	Wellington Cable Car Limited	103	53
	Wellington Museums Trust	1,457	1,444
	Wellington Regional Economic Development Agency	41	110
	Wellington Zoo Trust	151	611
		1,789	2,249
Grant funding paid by Council for the operations and management of:			
	Karori Sanctuary Trust	1,496	1,487
	Wellington Museums Trust	9,940	9,963
	Wellington Regional Economic Development Agency	12,515	11,463
	Wellington Zoo Trust	3,639	3,508
		27,590	26,421
Funding paid by Council for COVID-19 support of:			
	Karori Sanctuary Trust	-	-
	Wellington Cable Car Limited	977	1,587
	Wellington Museums Trust	469	731
	Wellington Zoo Trust	509	-
		1,955	2,318
Expenditure payments made by Council for services provided by:			
	Karori Sanctuary Trust	10	10
	Wellington Cable Car Limited	99	3
	Wellington Museums Trust	81	771
	Wellington Regional Economic Development Agency	3,883	3,942
	Wellington Zoo Trust	3,257	1,777
		7,330	6,503
Current receivables and recoverables owing to the Council from:			
	Karori Sanctuary Trust	6	4
	Wellington Cable Car Limited	-	-
	Wellington Museums Trust	165	175
	Wellington Regional Economic Development Agency	-	61
	Wellington Zoo Trust	46	554
		217	794
Current payables owed by the Council to:			
	Karori Sanctuary Trust	-	-
	Wellington Cable Car Limited	287	1,212
	Wellington Museums Trust	353	544
	Wellington Regional Economic Development Agency	1,381	12
	Wellington Zoo Trust	1,518	1
		3,539	1,769

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Payments to controlled entities

The total payments to controlled entities were \$36.875m (2021: \$35.242m) when the grant funding of \$27.590m (2021: \$26.421m), COVID-19 Support of \$1.955m (2021: \$2.318m) and expenditure for services provided to the Council of \$7.330m (2021: \$6.503m) are combined.

Intra group transactions and balances – Associates and Joint Venture

During the year the Council has entered into several transactions with its associates and joint venture. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows in Table 94.

Table 94: Intra group transactions and balances - Associates and joint venture		2022	2021
		\$000	\$000
Revenue received by Council for services provided to:			
Wellington International Airport Limited		102	56
Wellington Water Limited		571	702
		673	758
Expenditure payments made by Council for services provided by:			
Wellington International Airport Limited		87	64
Wellington Water Limited		107,628	97,774
		107,715	97,838
Current receivables and recoverables owing to the Council from:			
Wellington International Airport Limited		24	-
Wellington Water Limited		144	26
		168	26
Current payables owed by the Council to:			
Wellington Water Limited		2,763	14,397

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Note 38: Remuneration and staffing

Mayoral and Councillor remuneration

Remuneration

The following people held office as elected members of the Council's governing body, during the reporting period. The total remuneration was \$1,854,224 (2021: \$1,846,046) and is broken down and classified as follows in *Table 95*.

Table 95: Elected Council member remuneration	Monetary Remuneration				Non-monetary Remuneration	Total 2022	
	Remuneration Authority Determination effective from 1 July 2021	Remuneration ¹ Authority Determination effective from 29 October 2021	Total Salary Pro-rated	Allowances			
	\$	\$	\$	\$	\$	\$	
	Foster, Andy (Mayor)	180,500	180,500	180,500	250	6,139	186,889
	Free, Sarah (Deputy Mayor)	130,227	140,056	136,825	250	6,139	143,214
	Calvert, Diane	113,025	121,554	118,750	250	6,139	125,139
Condie, Jenny	113,025	121,554	118,750	250	6,139	125,139	
Day, Jill	113,025	121,554	118,750	250	6,139	125,139	
Fitzsimons, Fleur	111,225	119,618	116,859	250	6,139	123,248	
Foon, Laurie	111,225	119,618	116,859	250	6,139	123,248	
Matthews, Rebecca	113,025	121,554	118,750	250	6,139	125,139	
O'Neill, Teri	111,225	119,618	116,859	250	6,139	123,248	
Pannett, Iona	113,025	121,554	118,750	250	6,139	125,139	
Paul, Tamatha	111,225	119,618	116,859	710	6,139	123,708	
Rush, Sean	113,025	121,554	118,750	250	6,139	125,139	
Sparrow, Malcolm (resigned 8 October 2021)	111,225	-	31,387	250	1,705	33,342	
Woolf, Simon	111,225	119,618	116,859	250	6,139	123,248	
Young, Nicola	111,225	119,618	116,859	250	6,139	123,248	
TOTAL REMUNERATION PAID TO COUNCIL MEMBERS	1,767,452	1,767,588	1,762,363	4,210	87,651	1,854,224	
				Total monetary remuneration		1,766,573	
				Total non- monetary remuneration		87,651	

1. Due the resignation of Councillor Sparrow, with effect from 8 October 2021, his salary was required to be-redistributed equally to the other remaining Councillors, as no by-election was required to fill this vacancy. A new salary determination from the Remuneration Authority was required to formalise this process, and the total salaries applicable have been shown individually above and pro-rated accordingly.

Salary

The Remuneration Authority is responsible for setting the remuneration levels for elected members (Clause 6, Schedule 7 of the Local Government Act 2002). The Council's monetary remuneration (salary) detailed above was determined by the Remuneration Authority. As permitted under the Authority's guidelines the Council has chosen for its elected members to receive an annual salary for the 2021/22 financial year rather than the alternative option of a combination of meeting fee payments and annual salary.

Mayoral car

The Remuneration Authority does permit the Council to provide the Mayor with a vehicle for full private use, which is a taxable benefit and the current Mayor has taken up this option.

Non-monetary

In addition, the Mayor and Councillors receive non-monetary remuneration (benefit) in relation to on-site car parking spaces provided, regardless of whether they elect to use these or not.

The Councillors have shared office and working space available for use, and access to phones and computers. Professional indemnity and trustee liability insurance is also provided to Councillors against any potential legal litigation which may occur while undertaking Council business.

Relevant significant accounting policies

Remuneration of elected members comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, during the reporting period but does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cell phones and laptops.

Community Boards

The Council has two community boards – the Tawa Community Board and the Makara/Ohariu Community Board. Remuneration paid to the elected members of these boards is as follows in *Table 96*.

Table 96: Community Board Member remuneration	Salary	Allowances	Other	Total
				2022
	\$	\$	\$	\$
TAWA COMMUNITY BOARD				
Parkinson, Robyn (Chair)	19,092	135	-	19,227
Alexander, Malcolm (resigned from 13 October 2021)	2,746	-	-	2,746
Herbert, Richard (Deputy Chair)	9,546	-	-	9,546
Hansen, Graeme	9,546	-	-	9,546
Fernandez, Janryll (elected from 2 December 2021)	5,518	-	-	5,518
Lacy, Jackson (includes Youth Council attendance fees)	9,546	-	690	10,236
Scott, Anna	9,546	-	-	9,546
Day, Jill (see Councillor remuneration above)				-
MAKARA-OHARIU COMMUNITY BOARD				
Apanowicz, John (Chair)	9,570	180	-	9,750
Grace, Christine (Deputy Chair)	4,784	-	-	4,784
Hoskins, Darren	4,784	-	-	4,784
Renner, Chris	4,784	-	-	4,784
Rudd, Wayne	4,784	-	-	4,784
Todd, Hamish	4,784	-	-	4,784
TOTAL REMUNERATION TO COMMUNITY BOARD MEMBERS	99,030	315	690	100,035

A technology allowance of \$45 per month is available to the chair of both the Tawa and Makara/Ohariu Community Boards. This allowance can be taken as either an allowance or as an actual expense reimbursement.

Chief Executive's remuneration

The Chief Executive of the Council was appointed in accordance with section 42 of the Local Government Act 2002.

Table 97 below, shows the total remuneration of the Chief Executive paid or payable for the year ended 30 June 2022.

Under the terms of the agreement, the Chief Executive of the Council chooses how they wish to take their remuneration package (salary only or a combination of salary and benefits).

The total remuneration package for the Chief Executive is \$454,130 (2021: \$436,664).

Note that during the period of 1 July to 31 December 2020 the Chief Executive, along with the member of the Executive Leadership team took a 10 percent voluntary salary sacrifice, as a COVID-19 response, which meant her actual remuneration for the year ending 30 June 2021 was \$414,651

Table 97: Remuneration of the Chief Executive	Council	
	2022	2021
	\$	\$
Barbara McKerrow		
Salary	454,130	414,651
(2021 - amount reflects 10% salary sacrifice to 31 December 2020)		
TOTAL REMUNERATION OF THE CHIEF EXECUTIVE	454,130	414,651

Severances

In accordance with Schedule 10, section 33 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions or other contractual entitlement.

For the year ending 30 June 2022 the Council made severance payments to 8 employees totalling \$148,068 (2021: 11 employees, \$203,351).

The individual values of each of these Council severance payments are: \$840; \$40,000; \$2,311; \$3,872; \$11,821; \$30,020; \$29,204; \$30,000.

Employee numbers and remuneration bands

Table 98 below, identifies the number of full-time employees as at the of the reporting period and the full-time equivalent number of all other part-time, fixed term and casual employees.

Table 98: Employee numbers	Council	
	2022	2021
Full-time and full-time equivalent employee numbers		
Full-time employees (based on a 40 hour week) as at 30 June	1,251	1,156
Full-time equivalents for all other non full-time employees	295	278

Table 99 further identifies the breakdown of remuneration levels of those employees into various bands.

Table 99: Remuneration bands	Council
	2022
The number of employees receiving total annual remuneration of less than \$60,000 Of the 974 (2021: 965) employees in this band, 649 (2021: 629) are part-time or casual	974
The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000	
\$60,000 - \$79,999.99	294
\$80,000 - \$99,999.99	254
\$100,000 - \$119,999.99	178
\$120,000 - \$139,999.99	138
\$140,000 - \$159,999.99	52
\$160,000 - \$179,999.99	32
\$180,000 - \$199,999.99	19
\$200,000 - \$219,999.99	9
\$220,000 - \$259,999.99*	9
\$280,000 - \$359,999.99*	7
\$440,000 - \$459,999.99*	1
TOTAL EMPLOYEES	1,967

Of the 1967 (2021: 1,833) individual employees, 716 (2021: 677) work part-time or casually.

Table 100: Remuneration bands		Council 2021
The number of employees receiving total annual remuneration of less than \$60,000		965
Of the 965 (2020: 991) employees in this band, 629 (2020: 640) are part-time or casual		
The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000		
\$60,000 - \$79,999.99		283
\$80,000 - \$99,999.99		248
\$100,000 - \$119,999.99		160
\$120,000 - \$139,999.99		84
\$140,000 - \$159,999.99		30
\$160,000 - \$179,999.99		25
\$180,000 - \$199,999.99		15
\$200,000 - \$219,999.99		8
\$220,000 - \$259,999.99*		7
\$280,000 - \$339,999.99*		7
\$440,000 - \$459,999.99*		1
	TOTAL EMPLOYEES	1,833

* If the number of employees for any band was five or less then we are legally required to combine it with the next highest band. This means that some rows span different bands across the two years shown.

Total annual remuneration has been calculated to include any non-financial benefits and other payments in excess of normal remuneration such as the employer KiwiSaver contribution.

The Council has resolved that in addition to legislative requirements to disclose the above bandings it has also included the two lowest remuneration grades as shown in *Table 101*.

Table 101: Lowest remuneration grades	Salary Range (\$)	2022
Q (Living Wage)	47,450	299
9	47,450 - 59,925	452
		2021
Q (Living Wage)	46,094	311
9	46,905 - 59,160	442

The current living wage rate for the Council was \$22.75 per hour for the period to 30 June 2022. Each year the living wage rate for the Council will be reviewed in accordance with the latest Living Wage rate announced/published by Living Wage Aotearoa.

Note 39: Events after the end of the reporting period

There are no events after the end of the reporting period that require adjustment to the financial statements or notes to the financial statements.

The following updates have been included due to their significance.

Weather Impacts

During August 2022, prolonged and higher than usual rainfall has caused several substantial slips and hundreds of more minor one with many roads being temporarily closed. Many houses are also at risk and several are no longer safe for habitation.

The impacts of these incidents will be ongoing.

Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner.

During the financial year, further progress has been made towards transitioning three waters assets and delivery services from councils via the establishment of a National Transition Unit (NTU) and the establishment of the four new water entities. It has now been confirmed that Wellington City Council water delivery will be assumed by Entity C along with all eligible assets.

The requisite legislation to enable the new water entities includes the Water Services Entity (WSE) Bill, the Water Services Entities Amendment Bill, and the Water Services Economic and Consumer Protection Bill. The WSE Bill is scheduled for enactment by mid-December 2022. At around the same time, the two further reform Bills will be introduced. The WSE Amendment Bill covers how the entities will operate, regarding funding, pricing, customer relations between entities and local authorities. The Water Services Economic and Consumer Protection Bill provides the Commerce Commission with the powers it needs to act as the regulator for the entities' pricing and funding decisions.

There are several compensation packages being provided by the Crown to ensure Wellington City Council is not put in a worse off position post water reform and these are being worked on as more detail becomes available. Wellington City Council have been working alongside the NTU and other local councils to provide information to support establishment of the new three waters landscape and are providing staff, data and resources to enable the transition to occur on 1 July 2024.

Sludge Minimisation Project

To address the issues identified with Wellington wastewater treatment, and achieve the objectives identified, Wellington City Council intends to construct a Sludge Minimisation Facility using Lysis-Digestion and Thermal Drying Technology at the Moa Point site to facilitate the disposal of Wellington's sewage sludge. The Council has been working to deliver a reliable and

effective new facility to substantially reduce the wastewater treatment sludge volume discharged to the southern landfill. The SMF will play a key role in ensuring that the Council's waste management systems are effective and sustainable and is an important enabler of the Council achieving its emission reduction targets.

Traditional funding and financing of the SMF is not feasible given balance sheet constraints or would require significant reprioritisation of the Council's existing long-term capital expenditure programme to ensure that debt covenants were not exceeded. Furthermore, future headroom to fund strategically important initiatives such as Let's Get Wellington Moving would be unavailable. We have therefore looked to use an alternative funding option based on the new Infrastructure Funding and Financing Act 2020 (IFFA). Using an IFF Levy to fund the SMF will deliver a range of benefits to the Council, its ratepayers and the Crown.

Let's Get Wellington Moving (LGWM)

LGWM is a joint initiative between Wellington City Council, Greater Wellington Regional Council, and Waka Kotahi NZ Transport Agency, with support from Mana Whenua partners Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira.

On July 6th, 2022, Wellington City Council and Greater Wellington Regional Council approved the mass rapid transport option 1 for the LGWM programme, the same option endorsed by Government the week before.

Option 1 introduces mass rapid transit to the South Coast and continuous bus priority to the East and focuses on a new Mt Victoria tunnel with dedicated provision for public transport, walking and cycling, as well as upgrades at the Basin Reserve to improve flows and physically separate movements and extend the Arras tunnel.

The next stage will involve detailed investigations which will test assumptions. Bus rapid transit will also be investigated further as a reserve plan may be appropriate given technological developments.

COVID-19

The financial impact of COVID-19 to the Council in 2021/22 and earlier years is outlined in the separate disclosure on page XX.

From 31 July 2022, New Zealand fully opened its international borders with the world, assuming vaccination requirements are met. Migrant workers and international students are also slowly returning to New Zealand. However many New Zealanders and other non-New Zealand citizens are also leaving with a net migration loss.

The combined effect of this net migration loss and other factors including lingering effects of COVID-19 in the community, and other winter illnesses in particular, is contributing to the lack of staff in various employment sectors. The Council has not been immune to this situation and has been required to close the Tawa Pool to the general public since 25 July 2022 until 30 September 2022 due to a nationwide shortage of lifeguards. Generally, other operations of the Council have been able to continue as usual.

From 13 September 2022, the COVID-19 Protection Framework ended and most restrictions were removed apart from mask requirements in certain healthcare environments such as hospitals. The vaccine requirements previously required for international visitors were also removed.

Resource Management Act reform

In February 2021, the government announced that it would replace the Resource Management Act 1991 (RMA) with a new legislative framework, reflecting that the RMA has not delivered the desired environmental and development outcomes, and does not consistently give effect to Te Tiriti o Waitangi/ the Treaty of Waitangi.

On 23 November 2022, the Government introduced two of the three Bills to replace the Resource Management Act 1991, the Spatial Planning Bill and the Natural and Built Environment Bill. The NBA will act as the primary replacement of the RMA, focusing on protecting and restoring the environment while enabling development; the SPA will require spatial planning to be undertaken at a regional level rather than a local level, helping to coordinate and integrate decision making. The third yet to be introduced bill – the Climate Change Adaptation Act will address issues related to the managed retreat of communities from coastal environments.

Together, the purpose of this new framework is to support the protection and restoration of the environment, guide long-term regional spatial planning, and address issues associated with climate change adaptation.

It is expected that the NBA and SPA will pass early in 2023 with the transition period to the new arrangements extending to the end of the 2020's.

From 30 November 2022, it became a legal requirement for local government to 'have regard to' the national adaptation plan and the emissions reduction plan when preparing or changing Resource Management Act 1991 (RMA) regional policy statements, regional plans, and district plans.

Future for Local Government Review

In 2021, the government appointed a panel to identify how our system of local democracy and governance needs to evolve over the next 30 years to improve the wellbeing of New Zealand communities and the environment, and to actively embody the Treaty partnership.

The scope of this local government review covers all aspects of local government, including the functions, roles, and structures of local government; relationships between local government, central government, iwi, Māori, businesses, communities, and other organisations; the embodiment of Te Tiriti o Waitangi, and funding and financing arrangements.

As a result of the Review Panel's engagement process over the past 12 months, five key shifts for the local government system have been identified.

These shifts consider how to:

- strengthen local democracy
- have a stronger focus on wellbeing
- build and maintain authentic relationships with hapū/ iwi/ Māori
- have genuine partnership between local and central government
- establish a more equitable funding approach for local government's activities.

The Review into the Future for Local Government published its second draft report, He mata whāriki, he matawhānui. on 28 October 2022. The draft report poses recommendations and key questions to shape a more community-focused, citizen-centred local governance system. Submissions and feedback to shape the third and final report are open until 28 February 2023, with the final report to be delivered in June 2023.

Interest rates

Since 30 June 2022 there have been four subsequent increases in the Official Cash Rate, rising from 2.00% to 4.25% with potential for further increases as the Reserve Bank attempts to control economic issues such as high inflation and the cost of housing. The effect on Council is primarily increased interest expense on its borrowings, although this is mitigated by the use of cash flow hedging against some debt and increased interest revenue on investment deposits.

The increase in interest rates has also seen a positive movement in the unrealised value of the cash flow swaps used for hedging some of Council's debt portfolio.

Wellington Community Housing Provider Trust

Council made the decision to establish a Community Housing Provider (CHP) on 30 June 2022, following a statutory process of community consultation and a Long-Term Plan amendment.

On 4 August 2022, the Social, Cultural and Economic committee considered a paper on various provisions of the Trust Deed, including the purpose of the Trust, size and composition of the Board and required skills and processes for Trustee appointments. Decisions were also made in regard to the lease and loan agreements between the CHP and Council, support for transferring existing tenants and a transition plan to establish the Trust by July 2023.

On 1 September 2022, the committee considered a second paper on the provisions of the Trust, including Trustee duties and powers, remuneration, terms of office, voting and decision-making thresholds and incorporation of Takai Here principles. Decisions were also made on the components of a relationship management and monitoring framework.

On 16 November 2022, 4 Council-appointed Trustees were confirmed.

Council is expected to sign-off the Trust Deed on 15 December 2022, with settlement of the Trust anticipated to occur in early 2023.

Financial prudence

The government has introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 which has a series of measures and benchmarks, disclosed in the following pages.

Readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wellington City Council's results with other councils due to their size, location and provision of services.

During the 2018-28 Long-Term Plan process and with consultation with ratepayers, the Council revised the number of benchmarks and removed measures that were similar in nature and added no value in understanding of the measures to readers.

Annual report disclosure statement for year ended 30 June 2022

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's 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 annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Unless prescribed by the regulations the quantified limit for each benchmark is calculated using the financial information from the Council's 2021-31 LTP.

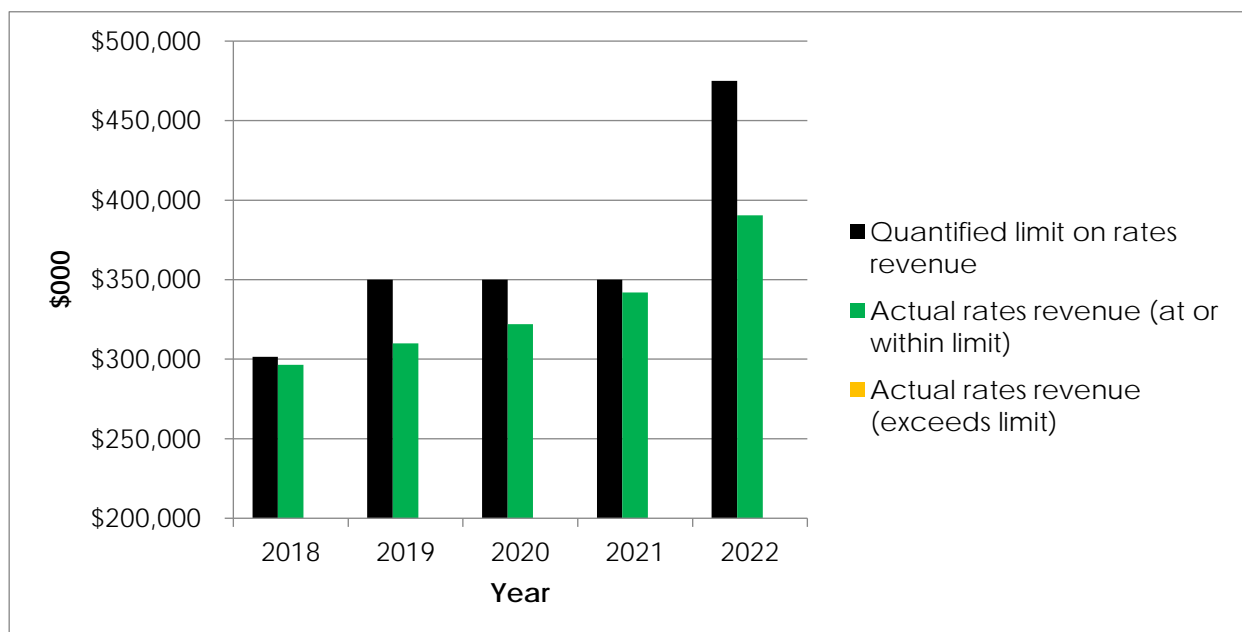
Rates affordability benchmark

The Council meets the rates affordability benchmark if —

- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (revenue) affordability

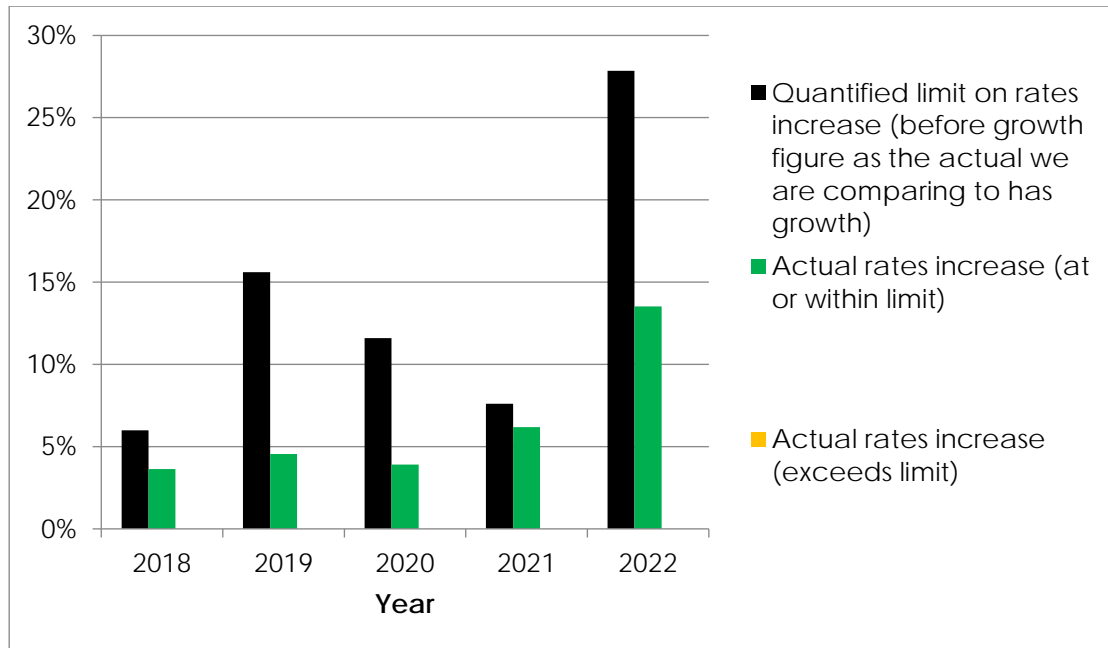
The following graph compares the Council's actual rates revenue with a quantified dollar limit on rates revenue included in the financial strategy included in the Council's long-term plan. The quantified limit for the first three years of the 2021-31 LTP, which encompasses the financial years 2021/22; 2022/23 and 2023/24 is \$475,000,000. This means rates revenue should remain below this limit for each of these years.



Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the Council's long-term plan.

The quantified limit for 2021/22 is 27.8 percent although the actual rates increase set for the 2021/22 year was lower than this limit. The rates increase proposed in the 2021-31 LTP is equivalent to an average rates increase of 10.5 percent over the first three years, which encompasses the financial years 2021/22; 2022/23 and 2023/24.

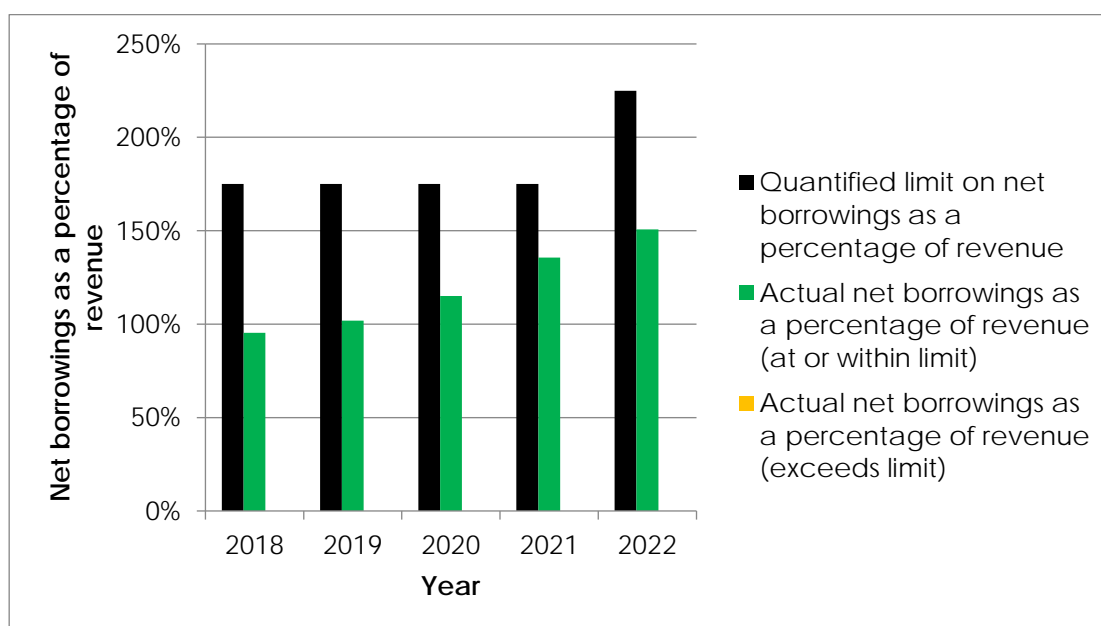


Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has seven measures for debt affordability and these are set out below. The suitability of these measures has been assessed by Council's professional advisers, PwC Wellington.

Net borrowing as a percentage of revenue²

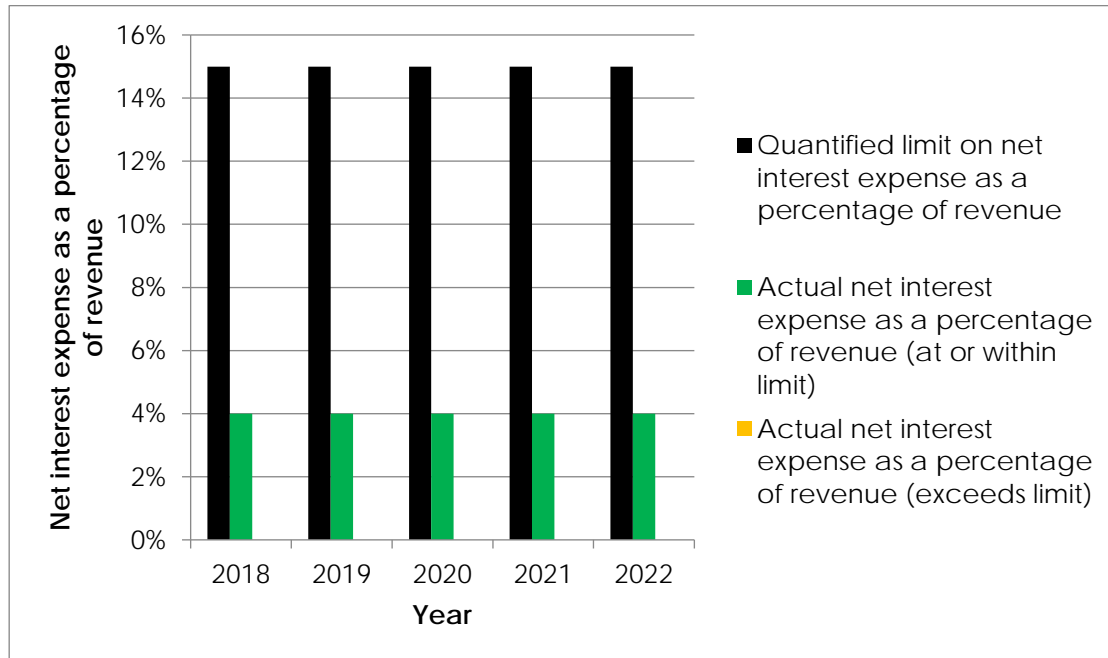
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 225 percent of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



² The revenue figure used for this calculation of Net Borrowing as percentage of Revenue and Net Interest as a percentage of Revenue is Total Revenue less Vested Assets and Development Contribution Revenue.

Net interest as a percentage of revenue³

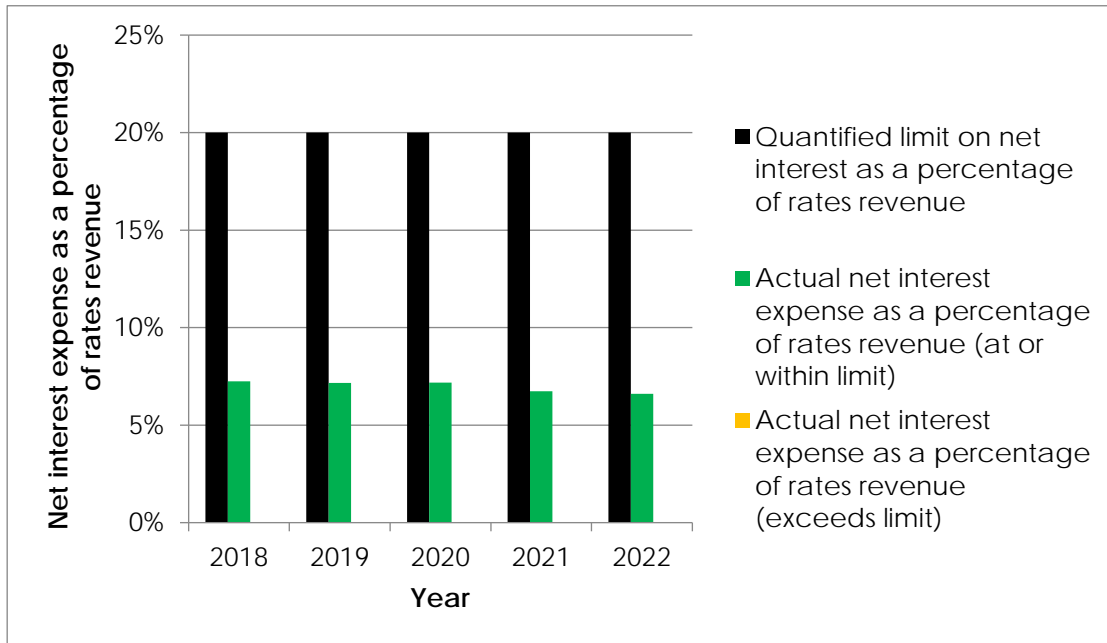
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 15 percent of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



³ The revenue figure used for this calculation of Net Borrowing as percentage of Revenue and Net Interest as a percentage of Revenue is Total Revenue less Vested Assets and Development Contribution Revenue.

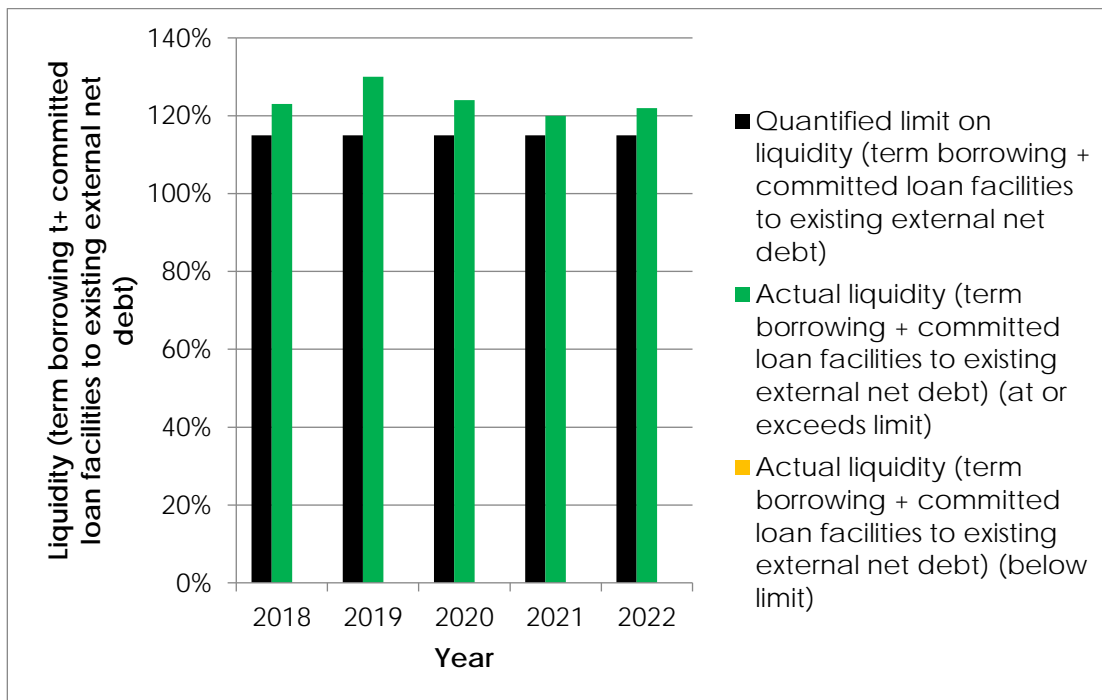
Net interest as a percentage of annual rates revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 20 percent of annual rates revenue.



Liquidity (term borrowing + committed loan facilities to existing external net debt)

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is liquidity being greater than or equal to 115 percent. For debt affordability, liquidity is the total of Councils existing external net debt. Net borrowings for debt affordability are defined as borrowings less cash and cash equivalents.

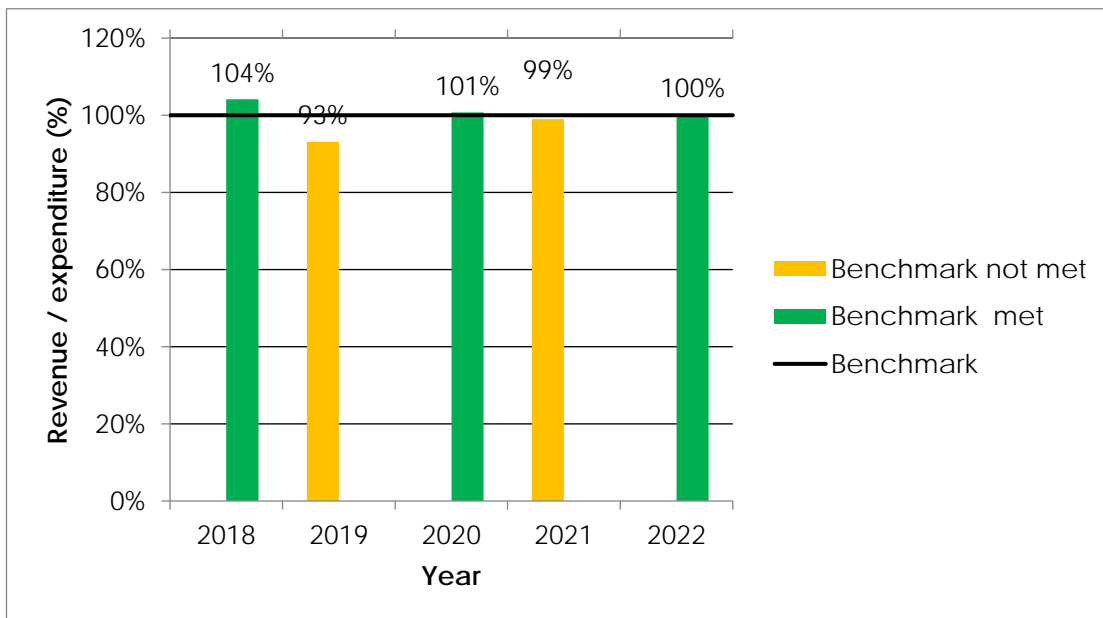


Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

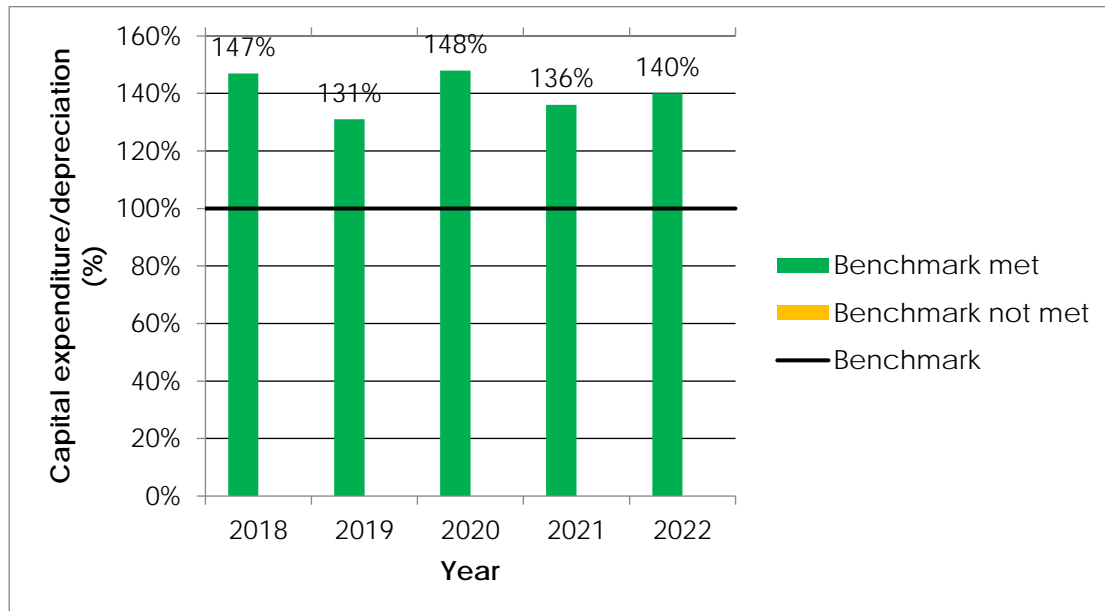
For the purposes of this benchmark, impairments, which represent a non-cash movement in the valuation of assets, were included in the calculation. These unbudgeted impairments represent asset valuation movements relating to Civic Precinct buildings as disclosed in the financial statements. For 2019, 2020, 2021 and 2022 impairments of \$50.603m, \$10.183m, \$1.848m and \$4.414m were included in the calculation. If these were excluded, the benchmarks for these four years would be 102 percent, 103 percent, 99 percent and 101 percent respectively.



Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

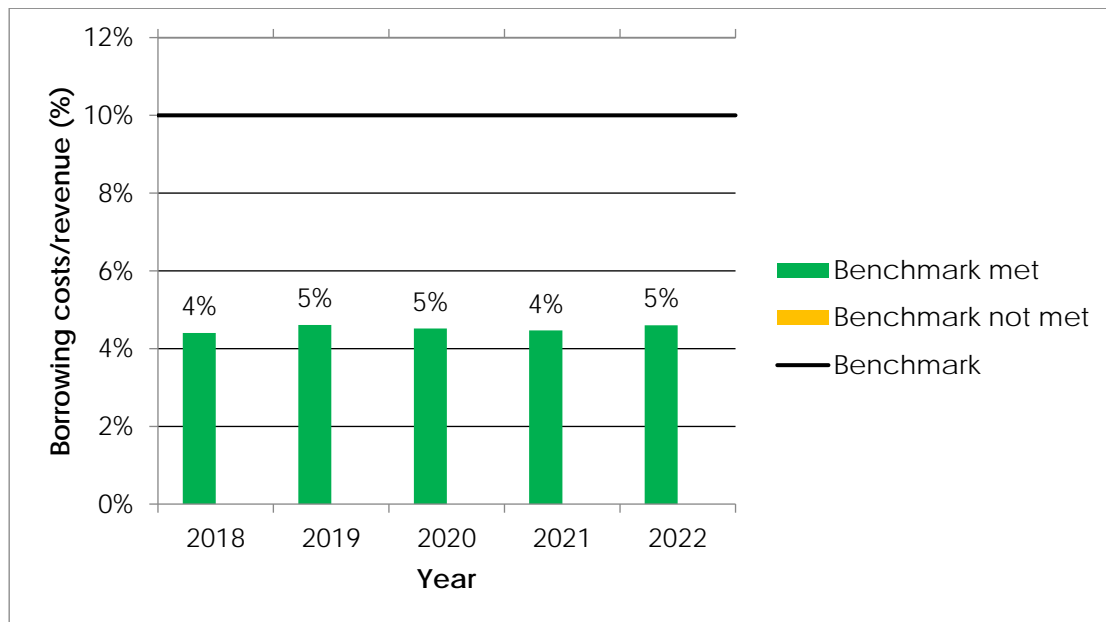
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10 percent of its revenue.

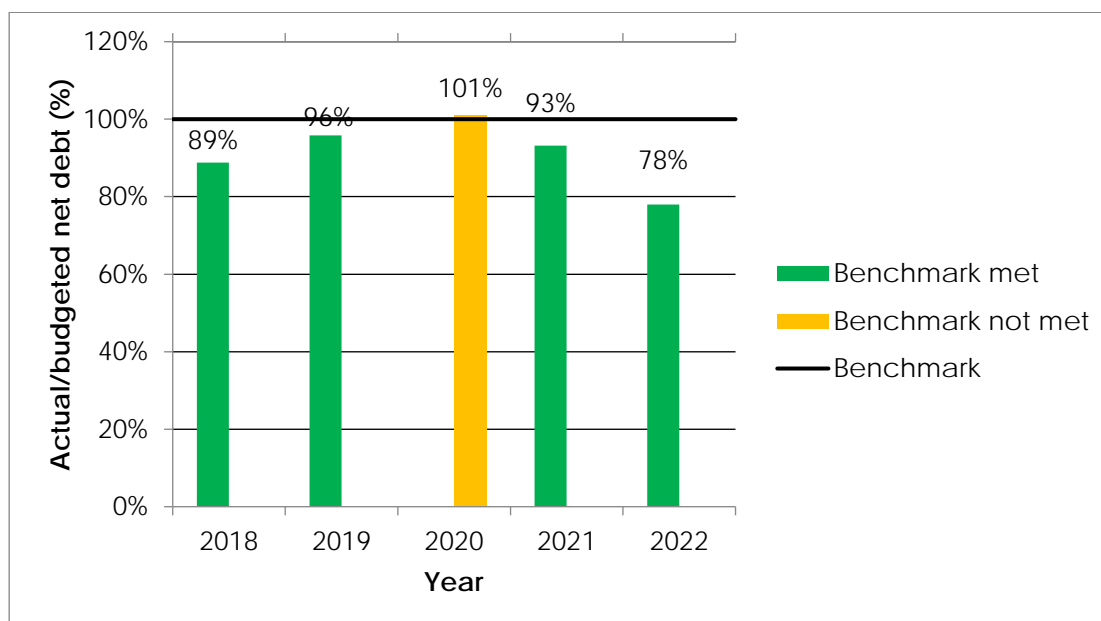


Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

The calculation of net debt in this benchmark includes derivative (non-cash) financial instruments, predominantly cash flow hedges. The 2019/20 net debt was impacted by the valuation of the Council's cash flow hedge liabilities being higher than planned as a result of interest rate volatility during the financial year.

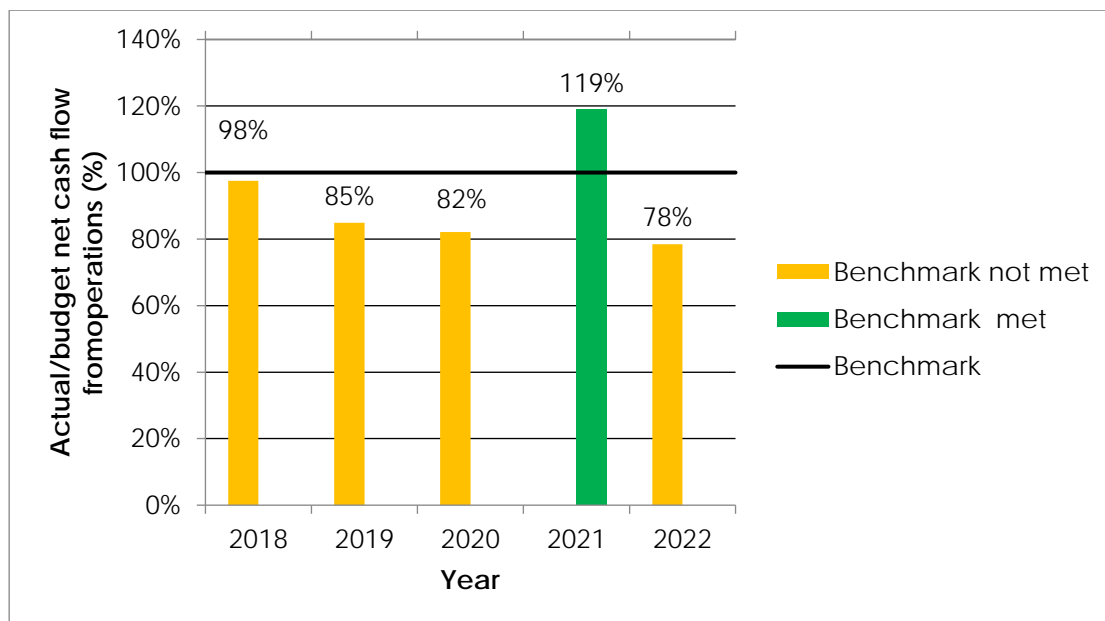


Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

Several assumptions are made around the timing of events. Any departure from these assumptions can affect the outcome of this measure. The Council is satisfied that it is prudently managing operational cash flow, with variances in the 2017/18, 2018/19, 2019/20 and 2021/22 years explained by the timing difference in the receipt of revenues compared to budget that led to the "not met" outcome for this measure. In 2019/20 and 2021/22 there were also significant revenue losses due to the COVID-19 lockdown which would have impacted this measure.



Funding impact statements

Annual report disclosure statement for year ended 30 June 2022

What is the purpose of these statements?

An annual report must include an audited funding impact statement for the financial year to which the report relates. The purpose of the Funding impact statements is to disclose the amount of funds produced from each source of funding, identify how the funds were applied and compare this information against the information included in the 2021/22 LTP.

One statement is prepared for the whole of the Council's activities and individual statements are prepared for each strategic activity.

The application of capital funding is summarised in an additional table on pg XX

Funding impact statement for 1 July 2021 to 30 June 2022 for Whole of Council					
	2020/21	2020/21	2020/21	2021/22	2021/22
	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	200,332	196,248	195,122	227,390	226,129
Targeted rates	147,291	147,738	146,792	165,415	162,047
Subsidies and grants for operating purposes	6,712	8,972	13,003	8,616	21,667
Fees and charges	151,822	147,779	134,467	155,430	140,472
Interest and Dividends from investments	14,921	921	2,156	140	3,017
Local authorities fuel tax, fines, infringement fees, and other receipts	8,748	8,347	8,973	10,662	6,674
Total operating funding (A)	529,826	510,004	500,513	567,653	560,006
Applications of operating funding					
Payments to staff and suppliers	341,516	376,461	346,809	387,684	384,963
Finance costs	38,175	25,718	25,164	23,323	29,000
Internal charges and overheads applied	42,099	48,490	32,832	37,952	36,719
Internal charges and overheads recovered	(42,099)	(48,490)	(32,832)	(37,952)	(36,719)
Other operating funding applications	45,692	53,671	48,307	49,187	46,217
Total applications of operating funding (B)	425,383	455,850	420,280	460,194	460,180
Surplus (deficit) of operating funding (A - B)	104,443	54,153	80,233	107,459	99,826
Sources of capital funding					
Subsidies and grants for capital expenditure	20,136	26,112	31,793	41,051	33,634
Development and financial contributions	2,000	2,000	3,689	3,500	3,742
Increase (decrease) in debt	133,196	233,417	122,133	188,802	166,711
Gross proceeds from sales of assets	9,500	2,000	2,772	2,000	(5,749)
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	164,832	263,529	160,387	235,353	198,338
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2,044	7,641	1,343	42,822	28,645
- to improve the level of service	150,473	161,666	153,998	173,973	146,163
- to replace existing assets	109,331	129,823	111,412	126,228	115,710
Increase (decrease) in reserves	7,427	18,551	(26,133)	(212)	7,646
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	269,275	317,682	240,620	342,812	298,164
Surplus (deficit) of capital funding (C - D)	(104,443)	(54,153)	(80,233)	(107,459)	(99,826)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following					
depreciation/amortisation charge	133,748	137,869	135,722	146,736	145,732

Funding impact statement for 1 July 2021 to 30 June 2022 for Governance, information and engagement

	2020/21	2020/21	2020/21	2021/22	2021/22
1.1	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	17,684	19,225	19,225	23,676	23,676
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	555	516	487	528	548
Internal charges and overheads recovered	-	-	14	-	239
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	18,239	19,741	19,726	24,204	24,463
Applications of operating funding					
Payments to staff and suppliers	10,842	11,820	10,303	15,131	13,377
Finance costs	24	15	15	11	16
Internal charges and overheads applied	7,348	7,961	8,893	8,475	8,073
Other operating funding applications	10	5,010	2,451	2,075	2,516
Total applications of operating funding (B)	18,224	24,806	21,662	25,692	23,982
Surplus (deficit) of operating funding (A - B)	15	(5,065)	(1,936)	(1,488)	481
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	13	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(15)	5,065	5,064	2,675	2,677
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(15)	5,065	5,077	2,675	2,677
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	1,187	1,188
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	3,141	-	1,970
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	-	-	3,141	1,187	3,158
Surplus (deficit) of capital funding (C - D)	(15)	5,065	1,936	1,488	(481)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	15	25	14	6	5

Funding impact statement for 1 July 2021 to 30 June 2022 for Maori and Mana Whenua partnerships					
1.2	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000	2021/22 LTP \$000	2021/22 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	320	317	317	3,717	3,717
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	10	-	-
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	320	317	327	3,717	3,717
Applications of operating funding					
Payments to staff and suppliers	288	296	304	3,067	1,981
Finance costs	1	1	1	-	1
Internal charges and overheads applied	16	16	7	625	636
Other operating funding applications	10	-	-	20	-
Total applications of operating funding (B)	315	313	312	3,713	2,618
Surplus (deficit) of operating funding (A - B)	5	4	15	4	1,099
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(5)	(4)	(3)	(4)	(1)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(5)	(4)	(3)	(4)	(1)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	12	-	1,098
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	-	-	12	-	1,098
Surplus (deficit) of capital funding (C - D)	(5)	(4)	(15)	(4)	(1,099)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	5	4	3	4	1

Funding impact statement for 1 July 2021 to 30 June 2022 for Gardens, beaches and green open spaces					
	2020/21	2020/21	2020/21	2021/22	2021/22
2.1	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	42,443	44,073	44,073	45,362	45,362
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	952	1,180	1,420	1,322	996
Fees and charges	2,030	1,427	1,715	1,844	1,701
Internal charges and overheads recovered	6,185	6,297	4,435	5,758	4,557
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	1	-	-
Total operating funding (A)	51,610	52,977	51,644	54,285	52,616
Applications of operating funding					
Payments to staff and suppliers	24,718	26,463	23,328	29,759	26,870
Finance costs	4,072	2,082	2,032	2,044	2,883
Internal charges and overheads applied	15,175	16,091	14,079	14,224	13,108
Other operating funding applications	166	147	167	167	194
Total applications of operating funding (B)	44,131	44,783	39,606	46,195	43,055
Surplus (deficit) of operating funding (A - B)	7,479	8,194	12,038	8,091	9,561
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	110	-	1,161
Development and financial contributions	183	183	635	320	353
Increase (decrease) in debt	(527)	(2,037)	13	(4,213)	(2,567)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(344)	(1,854)	758	(3,894)	(1,053)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2,029	-	-	177	16
- to improve the level of service	2,417	3,036	3,488	408	1,102
- to replace existing assets	2,689	3,302	2,357	3,612	5,704
Increase (decrease) in reserves	-	2	6,951	-	1,686
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	7,135	6,340	12,796	4,197	8,508
Surplus (deficit) of capital funding (C - D)	(7,479)	(8,194)	(12,038)	(8,091)	(9,561)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	7,479	8,913	8,583	8,787	8,572

Funding impact statement for 1 July 2021 to 30 June 2022 for Waste reduction and energy conservation

	2020/21	2020/21	2020/21	2021/22	2021/22
2.2	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	771	1,228	1,228	815	815
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	16,965	21,053	22,899	22,337	28,511
Internal charges and overheads recovered	-	501	315	618	479
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	17,736	22,782	24,442	23,770	29,805
Applications of operating funding					
Payments to staff and suppliers	14,936	18,011	18,399	18,449	19,324
Finance costs	808	765	405	995	611
Internal charges and overheads applied	1,052	3,235	2,840	3,448	3,629
Other operating funding applications	120	210	65	6	(181)
Total applications of operating funding (B)	16,916	22,221	21,709	22,899	23,383
Surplus (deficit) of operating funding (A - B)	820	561	2,733	871	6,422
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	8	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	5,097	6,203	6,257	516	(475)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	5,097	6,203	6,265	516	(475)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	5,917	6,764	8,979	1,387	1,019
Increase (decrease) in reserves	-	-	19	-	4,928
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	5,917	6,764	8,998	1,387	5,947
Surplus (deficit) of capital funding (C - D)	(820)	(561)	(2,733)	(871)	(6,422)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	820	501	932	699	784

Funding impact statement for 1 July 2021 to 30 June 2022 for Water					
2.3	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000	2021/22 LTP \$000	2021/22 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	51,090	53,247	53,247	55,579	55,579
Subsidies and grants for operating purposes	-	-	1,969	-	4,031
Fees and charges	39	39	173	45	78
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	51,129	53,286	55,389	55,624	59,688
Applications of operating funding					
Payments to staff and suppliers	29,167	29,475	30,592	32,658	37,082
Finance costs	3,617	2,383	2,300	2,065	2,476
Internal charges and overheads applied	2,030	2,510	2,262	786	1,192
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	34,814	34,368	35,154	35,510	40,750
Surplus (deficit) of operating funding (A - B)	16,315	18,918	20,235	20,114	18,938
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	5,200	6,014
Development and financial contributions	671	671	822	1,175	916
Increase (decrease) in debt	17,627	6,985	9,434	7,481	12,354
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	18,298	7,656	10,256	13,856	19,284
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	24,389	22,349
- to improve the level of service	27,645	19,649	19,221	2,097	1,891
- to replace existing assets	6,968	6,926	8,774	7,485	11,291
Increase (decrease) in reserves	-	(1)	2,496	-	2,691
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	34,613	26,574	30,491	33,970	38,222
Surplus (deficit) of capital funding (C - D)	(16,315)	(18,918)	(20,235)	(20,114)	(18,938)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	16,315	19,842	18,663	19,929	19,062

Funding impact statement for 1 July 2021 to 30 June 2022 for Wastewater					
	2020/21	2020/21	2020/21	2021/22	2021/22
2.4	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	47,081	47,481	47,481	50,551	50,551
Subsidies and grants for operating purposes	-	-	1,942	-	4,804
Fees and charges	1,296	694	902	835	706
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	48,377	48,175	50,325	51,386	56,061
Applications of operating funding					
Payments to staff and suppliers	24,435	21,767	25,123	23,444	33,843
Finance costs	5,565	3,981	3,894	3,667	4,071
Internal charges and overheads applied	5,348	5,788	5,232	1,751	2,431
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	35,348	31,536	34,249	28,861	40,345
Surplus (deficit) of operating funding (A - B)	13,029	16,639	16,076	22,525	15,716
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	2,217
Development and financial contributions	549	549	981	961	786
Increase (decrease) in debt	(54)	(3,648)	340	1,219	1,785
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	495	(3,099)	1,321	2,180	4,788
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	3,951	1,940
- to improve the level of service	2,498	2,501	2,037	2,430	7,933
- to replace existing assets	11,026	11,039	15,728	18,325	18,283
Increase (decrease) in reserves	-	-	(368)	-	(7,652)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	13,524	13,540	17,397	24,705	20,504
Surplus (deficit) of capital funding (C - D)	(13,029)	(16,639)	(16,076)	(22,525)	(15,716)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	14,933	20,140	19,722	21,101	21,944

Funding impact statement for 1 July 2021 to 30 June 2022 for Stormwater					
2.5	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000	2021/22 LTP \$000	2021/22 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	21,635	21,938	21,938	28,420	28,420
Subsidies and grants for operating purposes	154	193	979	159	4,172
Fees and charges	11	11	34	3	2
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	21,800	22,142	22,951	28,582	32,594
Applications of operating funding					
Payments to staff and suppliers	7,458	7,383	8,129	13,728	11,562
Finance costs	3,850	2,610	2,550	2,591	2,745
Internal charges and overheads applied	1,975	2,465	2,134	644	848
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	13,283	12,458	12,813	16,964	15,155
Surplus (deficit) of operating funding (A - B)	8,517	9,684	10,138	11,618	17,439
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	58	58	68	102	79
Increase (decrease) in debt	(4,327)	(1,940)	(269)	(6,621)	(6,889)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(4,269)	(1,882)	(201)	(6,519)	(6,810)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	162	-
- to improve the level of service	554	4,101	496	1,115	1,691
- to replace existing assets	3,694	3,701	9,485	3,822	3,431
Increase (decrease) in reserves	-	-	(44)	-	5,507
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	4,248	7,802	9,937	5,099	10,629
Surplus (deficit) of capital funding (C - D)	(8,517)	(9,684)	(10,138)	(11,618)	(17,439)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	8,517	10,303	10,801	11,494	11,808

Funding impact statement for 1 July 2021 to 30 June 2022 for Conservation attractions					
	2020/21	2020/21	2020/21	2021/22	2021/22
2.6	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,183	6,988	6,988	7,376	7,376
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	7,183	6,988	6,988	7,376	7,376
Applications of operating funding					
Payments to staff and suppliers	176	179	182	140	124
Finance costs	762	588	495	451	498
Internal charges and overheads applied	-	-	-	196	88
Other operating funding applications	4,550	4,550	4,943	5,112	5,126
Total applications of operating funding (B)	5,488	5,317	5,620	5,898	5,836
Surplus (deficit) of operating funding (A - B)	1,695	1,671	1,368	1,478	1,540
Sources of capital funding					
Subsidies and grants for capital expenditure	800	280	905	429	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	879	1,903	(828)	970	1,443
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	1,679	2,183	77	1,399	1,443
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	2,463	2,899	617	1,716	1,855
- to replace existing assets	911	955	1,393	1,161	1,203
Increase (decrease) in reserves	-	-	(565)	-	(75)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	3,374	3,854	1,445	2,877	2,983
Surplus (deficit) of capital funding (C - D)	(1,695)	(1,671)	(1,368)	(1,478)	(1,540)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,695	1,671	1,932	1,858	1,995

Funding impact statement for 1 July 2021 to 30 June 2022 for City promotions and business support					
3.1	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000	2021/22 LTP \$000	2021/22 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	6,146	8,808	8,808	7,800	7,800
Targeted rates	14,383	12,442	12,442	15,647	15,647
Subsidies and grants for operating purposes	-	-	-	-	200
Fees and charges	15,264	15,277	194	8,326	176
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	35,793	36,527	21,444	31,774	23,823
Applications of operating funding					
Payments to staff and suppliers	18,801	18,394	4,461	13,472	4,671
Finance costs	3,798	2,623	1,819	2,700	2,797
Internal charges and overheads applied	1,386	2,127	1,297	1,308	948
Other operating funding applications	14,843	15,980	12,581	15,461	15,945
Total applications of operating funding (B)	38,828	39,124	20,158	32,942	24,361
Surplus (deficit) of operating funding (A - B)	(3,035)	(2,597)	1,286	(1,168)	(538)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	3
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	5,005	15,406	5,626	5,000	5,060
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	5,005	15,406	5,626	5,000	5,063
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	521	-	-	1,000	100
- to replace existing assets	1,449	12,809	3,388	2,832	2,225
Increase (decrease) in reserves	-	-	3,524	-	2,200
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	1,970	12,809	6,912	3,832	4,525
Surplus (deficit) of capital funding (C - D)	3,035	2,597	(1,286)	1,168	538
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,981	1,609	1,977	2,373	2,303

Funding impact statement for 1 July 2021 to 30 June 2022 Arts and cultural activities					
	2020/21	2020/21	2020/21	2021/22	2021/22
4.1	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	15,918	14,522	14,522	17,543	17,543
Targeted rates	5,991	5,689	5,689	5,966	5,966
Subsidies and grants for operating purposes	424	224	-	324	190
Fees and charges	610	552	532	643	515
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	22,943	20,987	20,743	24,476	24,214
Applications of operating funding					
Payments to staff and suppliers	6,091	4,836	4,923	5,768	5,232
Finance costs	268	89	76	54	66
Internal charges and overheads applied	1,438	898	1,206	1,809	2,054
Other operating funding applications	14,426	14,911	15,112	16,228	16,094
Total applications of operating funding (B)	22,223	20,734	21,317	23,859	23,446
Surplus (deficit) of operating funding (A - B)	720	253	(574)	617	768
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	52,926	52,416	55,709	49,898	54,095
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	52,926	52,416	55,709	49,898	54,095
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	53,646	52,669	55,958	50,495	54,571
- to replace existing assets	-	-	-	20	51
Increase (decrease) in reserves	-	-	(823)	-	241
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	53,646	52,669	55,135	50,515	54,863
Surplus (deficit) of capital funding (C - D)	(720)	(253)	574	(617)	(768)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	720	715	711	729	639

Funding impact statement for 1 July 2021 to 30 June 2022 for Recreation promotion and support					
	2020/21	2020/21	2020/21	2021/22	2021/22
5.1	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	30,567	31,490	31,490	32,463	32,463
Targeted rates	1,453	1,524	1,524	2,283	2,283
Subsidies and grants for operating purposes	195	15	81	20	40
Fees and charges	11,840	9,333	12,025	12,232	10,060
Internal charges and overheads recovered	1,163	1,155	1,375	1,152	1,308
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	45,218	43,517	46,495	48,150	46,154
Applications of operating funding					
Payments to staff and suppliers	21,424	22,073	21,896	22,820	22,711
Finance costs	3,065	2,537	2,102	2,359	2,082
Internal charges and overheads applied	11,583	12,703	12,338	12,527	12,795
Other operating funding applications	742	892	892	915	953
Total applications of operating funding (B)	36,814	38,205	37,228	38,622	38,541
Surplus (deficit) of operating funding (A - B)	8,404	5,312	9,267	9,529	7,613
Sources of capital funding					
Subsidies and grants for capital expenditure	750	748	979	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	2,291	4,511	(643)	(563)	1,223
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	3,041	5,259	336	(563)	1,223
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	290	259	476	105	539
- to replace existing assets	11,155	10,312	5,439	8,861	11,055
Increase (decrease) in reserves	-	-	3,688	-	(2,758)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	11,445	10,571	9,603	8,966	8,836
Surplus (deficit) of capital funding (C - D)	(8,404)	(5,312)	(9,267)	(9,529)	(7,613)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	8,404	8,578	8,853	9,155	9,832

Funding impact statement for 1 July 2021 to 30 June 2022 for Community Support					
	2020/21	2020/21	2020/21	2021/22	2021/22
5.2	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	28,820	31,207	31,207	33,651	33,651
Targeted rates	5,658	5,382	5,382	6,969	6,969
Subsidies and grants for operating purposes	-	-	-	-	246
Fees and charges	25,349	26,838	26,284	27,836	28,071
Internal charges and overheads recovered	490	448	695	870	675
Local authorities fuel tax, fines, infringement fees, and other receipts	443	271	343	407	(167)
Total operating funding (A)	60,760	64,146	63,911	69,734	69,445
Applications of operating funding					
Payments to staff and suppliers	29,806	32,340	30,512	36,054	35,375
Finance costs	(738)	(1,218)	(1,057)	(612)	(1,355)
Internal charges and overheads applied	14,421	15,424	15,139	16,008	16,256
Other operating funding applications	4,685	5,277	4,995	4,720	4,275
Total applications of operating funding (B)	48,174	51,823	49,589	56,170	54,551
Surplus (deficit) of operating funding (A - B)	12,586	12,323	14,322	13,564	14,894
Sources of capital funding					
Subsidies and grants for capital expenditure	-	1,211	1,303	300	-
Development and financial contributions	-	-	14	-	-
Increase (decrease) in debt	(4,624)	5,641	(7,959)	7,183	(8,123)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(4,624)	6,852	(6,642)	7,483	(8,123)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	1,220	1,891	3,378	2,435
- to replace existing assets	7,962	17,955	4,315	17,668	4,858
Increase (decrease) in reserves	-	-	1,474	-	(522)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	7,962	19,175	7,680	21,046	6,771
Surplus (deficit) of capital funding (C - D)	(12,586)	(12,323)	(14,322)	(13,564)	(14,894)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	19,531	18,986	18,068	20,509	22,656

Funding impact statement for 1 July 2021 to 30 June 2022 for Public health and safety					
5.3	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000	2021/22 LTP \$000	2021/22 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	13,229	12,894	12,894	13,725	13,725
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	10	11	12	11
Fees and charges	4,611	3,256	4,373	4,824	4,321
Internal charges and overheads recovered	762	751	600	664	608
Local authorities fuel tax, fines, infringement fees, and other receipts	79	63	22	23	28
Total operating funding (A)	18,681	16,974	17,900	19,247	18,693
Applications of operating funding					
Payments to staff and suppliers	9,931	10,214	10,295	10,460	11,124
Finance costs	208	152	145	108	156
Internal charges and overheads applied	7,007	7,510	6,709	6,903	7,346
Other operating funding applications	54	55	186	56	15
Total applications of operating funding (B)	17,200	17,931	17,335	17,527	18,641
Surplus (deficit) of operating funding (A - B)	1,481	(957)	565	1,720	52
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	298	4,266	5,495	1,118	263
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	298	4,266	5,495	1,118	263
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	255	1,524	3,293	51	(60)
- to replace existing assets	1,524	1,785	1,403	2,788	1,310
Increase (decrease) in reserves	-	-	1,364	-	(935)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	1,779	3,309	6,060	2,838	315
Surplus (deficit) of capital funding (C - D)	(1,481)	957	(565)	(1,720)	(52)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,481	1,340	1,416	1,548	1,297

Funding impact statement for 1 July 2021 to 30 June 2022 for Urban planning, heritage and public spaces development					
	2020/21	2020/21	2020/21	2021/22	2021/22
6.1	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	9,994	9,953	9,953	14,173	14,173
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	22	1,031	564	2,594	1,768
Internal charges and overheads recovered	272	1,156	383	574	402
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	10,288	12,140	10,900	17,340	16,343
Applications of operating funding					
Payments to staff and suppliers	6,748	8,657	9,573	14,074	11,358
Finance costs	23	26	16	(30)	(11)
Internal charges and overheads applied	2,953	2,828	3,172	3,366	4,284
Other operating funding applications	450	503	869	503	489
Total applications of operating funding (B)	10,174	12,014	13,630	17,913	16,120
Surplus (deficit) of operating funding (A - B)	114	126	(2,730)	(573)	223
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	56	-	79
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	3,636	4,487	2,504	23,840	9,789
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	3,636	4,487	2,560	23,840	9,868
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	455	1,092	7,046	3,543
- to improve the level of service	2,602	2,872	392	9,521	4,425
- to replace existing assets	1,148	1,286	1,148	6,700	1,260
Increase (decrease) in reserves	-	-	(2,802)	-	863
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	3,750	4,613	(170)	23,267	10,091
Surplus (deficit) of capital funding (C - D)	(114)	(126)	2,730	573	(223)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	114	127	73	177	110

Funding impact statement for 1 July 2021 to 30 June 2022 for Building and development control					
6.2	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000	2021/22 LTP \$000	2021/22 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	8,637	11,378	11,378	11,568	11,568
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	22	-	4
Fees and charges	12,860	10,099	14,204	17,809	18,057
Internal charges and overheads recovered	206	-	-	-	11
Local authorities fuel tax, fines, infringement fees, and other receipts	24	19	3	11	1
Total operating funding (A)	21,727	21,496	25,607	29,388	29,641
Applications of operating funding					
Payments to staff and suppliers	13,202	16,322	16,893	20,712	17,943
Finance costs	4	1	-	1	-
Internal charges and overheads applied	8,474	10,393	10,295	11,229	11,257
Other operating funding applications	35	536	(24)	21	221
Total applications of operating funding (B)	21,715	27,252	27,164	31,963	29,421
Surplus (deficit) of operating funding (A - B)	12	(5,756)	(1,557)	(2,575)	220
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	28,823	47,727	47,170	40,533	48,484
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	28,823	47,727	47,170	40,533	48,484
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	28,349	37,881	27,901	33,657	29,324
- to replace existing assets	486	4,090	13,509	4,300	16,593
Increase (decrease) in reserves	-	-	4,203	-	2,787
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	28,835	41,971	45,613	37,957	48,704
Surplus (deficit) of capital funding (C - D)	(12)	5,756	1,557	2,575	(220)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	12	29	24	21	28

Funding impact statement for 1 July 2021 to 30 June 2022 for Transport					
	2020/21	2020/21	2020/21	2021/22	2021/22
7.1	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	53,899	42,133	42,133	51,961	51,961
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	4,987	7,070	6,514	6,350	6,907
Fees and charges	2,293	2,357	2,962	3,530	3,202
Internal charges and overheads recovered	-	-	191	-	120
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	61,179	51,560	51,800	61,841	62,190
Applications of operating funding					
Payments to staff and suppliers	16,822	25,262	18,789	24,375	19,579
Finance costs	10,150	7,101	6,426	5,325	6,908
Internal charges and overheads applied	7,925	8,733	10,129	9,092	11,327
Other operating funding applications	2,500	2,500	5,133	2,647	81
Total applications of operating funding (B)	37,397	43,596	40,477	41,440	37,895
Surplus (deficit) of operating funding (A - B)	23,782	7,964	11,323	20,401	24,295
Sources of capital funding					
Subsidies and grants for capital expenditure	16,291	25,362	28,406	35,851	23,718
Development and financial contributions	539	539	1,169	942	1,608
Increase (decrease) in debt	7,157	36,411	23,767	28,379	5,436
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	23,987	62,312	53,342	65,173	30,762
Applications of capital funding					
Capital expenditure					
- to meet additional demand	15	7,186	251	7,097	797
- to improve the level of service	14,941	25,763	25,274	48,198	25,403
- to replace existing assets	32,813	37,327	30,323	30,277	25,831
Increase (decrease) in reserves	-	-	8,817	-	3,026
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	47,769	70,276	64,665	85,574	55,057
Surplus (deficit) of capital funding (C - D)	(23,782)	(7,964)	(11,323)	(20,401)	(24,295)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	39,703	34,726	32,570	35,780	33,287

Funding impact statement for 1 July 2021 to 30 June 2022 for Parking					
7.2	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000	2021/22 LTP \$000	2021/22 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	(20,164)	(19,037)	(19,037)	(23,531)	(23,531)
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	28,788	22,225	24,419	33,136	21,824
Internal charges and overheads recovered	-	-	-	-	244
Local authorities fuel tax, fines, infringement fees, and other receipts	7,102	6,894	7,432	9,122	5,788
Total operating funding (A)	15,726	10,082	12,814	18,726	4,325
Applications of operating funding					
Payments to staff and suppliers	11,429	12,752	11,838	13,191	11,372
Finance costs	28	13	10	7	11
Internal charges and overheads applied	3,695	4,023	3,914	4,283	3,906
Other operating funding applications	1	1	(13)	2	20
Total applications of operating funding (B)	15,153	16,789	15,749	17,482	15,309
Surplus (deficit) of operating funding (A - B)	573	(6,707)	(2,935)	1,244	(10,984)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(452)	7,268	7,098	(53)	(369)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(452)	7,268	7,098	(53)	(369)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	121	123	145	181	88
- to replace existing assets	-	438	263	1,009	296
Increase (decrease) in reserves	-	-	3,755	-	(11,737)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	121	561	4,163	1,191	(11,353)
Surplus (deficit) of capital funding (C - D)	(573)	6,707	2,935	(1,244)	10,984
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	573	549	566	353	372

Capital expenditure by Strategy					
	2020/21	2020/21	2020/21	2021/22	2021/22
	LTP	AP	Actual	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Governance:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	1,187	1,188
- to replace existing assets	-	-	-	-	-
Governance Total	-	-	-	1,187	1,188
Environment:					
- to meet additional demand	2,029	-	-	28,679	24,305
- to improve the level of service	35,577	32,185	25,859	7,766	14,472
- to replace existing assets	31,205	32,687	46,716	35,792	40,931
Environment Total	68,811	64,872	72,575	72,237	79,708
Economic Development:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	521	-	-	1,000	100
- to replace existing assets	1,449	12,809	3,388	2,832	2,225
Economic Development Total	1,970	12,809	3,388	3,832	2,325
Cultural Well-being					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	53,646	52,669	55,958	50,495	54,571
- to replace existing assets	-	-	-	20	51
Cultural Wellbeing Total	53,646	52,669	55,958	50,515	54,622
Social and Recreation:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	545	3,003	5,660	3,534	2,914
- to replace existing assets	20,641	30,052	11,157	29,317	17,223
Social and Recreation Total	21,186	33,055	16,817	32,851	20,137
Urban Development:					
- to meet additional demand	-	455	1,092	7,046	3,543
- to improve the level of service	30,951	40,752	28,293	43,178	33,749
- to replace existing assets	1,634	5,375	14,657	11,000	17,854
Urban Development Total	32,585	46,582	44,042	61,224	55,146
Transport:					
- to meet additional demand	15	7,186	251	7,097	797
- to improve the level of service	15,062	25,887	25,419	48,379	25,490
- to replace existing assets	32,813	37,764	30,586	31,286	26,127
Transport Total	47,890	70,837	56,256	86,762	52,414
Council:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	14,171	7,170	12,809	18,434	13,679
- to replace existing assets	21,589	11,136	4,908	15,982	11,299
Council Total	35,760	18,306	17,717	34,416	24,978
Total Council:					
- to meet additional demand	2,044	7,641	1,343	42,822	28,645
- to improve the level of service	150,473	161,666	153,998	173,973	146,163
- to replace existing assets	109,331	129,823	111,412	126,228	115,710
TOTAL COUNCIL	261,848	299,130	266,753	343,023	290,518

REPORT OF THE KŌRAU TŪĀPAPA | ENVIRONMENT AND INFRASTRUCTURE COMMITTEE MEETING OF 8 DECEMBER 2022

Members: Mayor Whanau, Deputy Mayor Foon, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown (Deputy Chair), Councillor Calvert, Councillor Chung, Councillor Free, Holden Hohaia, Liz Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul (Chair), Councillor Randle, Councillor Wi Neera, Councillor Young.

The Committee recommends:

2021/22 CAPITAL CARRY-FORWARD AND CAPITAL PROGRAMME RESCHEDULING Recommendation/s

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

1. Agree budget changes as detailed in the "Budget Changes" ledger of appendix 1 – "Recommended Capital Plan".

Agenda and minutes of the Kōrau Tūāpapa | Environment and Infrastructure Committee are available here: <https://wellington.govt.nz/your-council/meetings/committees/environment-and-infrastructure-committee/2022/12/08>

Attachments

Nil

REPORT OF THE KOATA HĀTEPE | REGULATORY PROCESSES COMMITTEE MEETING OF 14 DECEMBER 2022

Members: Mayor Whanau, Councillor Abdurahman, Councillor Calvert, Councillor Free (Chair), Holden Hohaia, Liz Kelly, Councillor McNulty (Deputy Chair), Councillor Paul.

The Committee recommends:

The Koata Hātepe | Regulatory Processes Committee is expected to make decisions on the following items:

- Proposed Road Stopping – Land Adjoining 76 Adjoining 76 Orangi Kaupapa Road, Northland
- New Ground Lease for Victoria Bowling Club

As the Koata Hātepe | Regulatory Processes Committee meeting had not taken place when the agenda for Te Kaunihera o Pōneke | Council meeting was published, the recommendations from the Committee are not yet known. The Committee's recommendations will be tabled at the Council meeting.

The officers' recommendations to the Committee may be viewed online at the following address: <https://wellington.govt.nz/your-council/meetings/committees/regulatory-processes/2022/12/14>

Attachments

Nil

4. Public Excluded

Recommendation

That the Te Kaunihera o Pōneke | Council:

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
4.1 City Car Parking Capacity and Revenue	7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
4.2 Progressing the Sludge Minimisation Facility	7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
4.3 Frank Kitts Park Playground Update	7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	
	7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
	7(2)(h) The withholding of the information	

	is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	
4.4 Land Acquisition - Aotea Quay	7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
	7(2)(j) The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	
4.5 CCO Board Appointments	7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
