Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Ordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Rārangi Take | Agenda

9:30 am Rāapa, 25 Pīpiri 2025
9:30 am Wednesday, 25 June 2025
Ngake (16.09), Level 16, Tahiwi
113 The Terrace
Pōneke | Wellington

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

MEMBERSHIP

Councillor Abdurahman
Councillor Apanowicz
Councillor Brown
Councillor Calvert
Councillor Chung
Deputy Mayor Foon
Councillor Free
Pouiwi Hohaia
Pouiwi Kelly
Councillor Matthews
Councillor McNulty
Councillor O'Neill
Councillor Pannett
Councillor Randle
Councillor Rogers
Mayor Whanau
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 04-499-4444, 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.

AREA OF FOCUS

The Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee has responsibility for:

1) Long-term planning and annual planning.
2) Financial and non-financial performance oversight in relation to the long-term plan and annual plan.
3) Financial oversight.
4) Procurement policy.
5) Non-strategic asset investment and divestment as provided for through the long-term plan (recommending to Council where matters are not provided for in the long-term plan).
6) Council-controlled Organisation oversight and performance.
7) Council-controlled Organisation director review and appointments.
8) WellingtonNZ oversight and performance.
9) Approve asset management plans.

To read the full delegations of this committee, please visit wellington.govt.nz/meetings.

Quorum: 9 members

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the hui 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 hui.

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

1.2 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the hui, where leave of absence has not previously been granted.

1.3 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.

1.4 Confirmation of Minutes

The minutes of the meeting held on 4 June 2025 will be put to the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for confirmation.

1.5 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 Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

The Chairperson shall state to the hui:

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 hui.

The item may be allowed onto the agenda by resolution of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

Minor Matters relating to the General Business of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

The Chairperson shall state to the hui 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 hui of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for further discussion.

1.6 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any hui 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 hui setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the hui concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 499 4444 and asking to speak to Democracy Services.

COUNCIL CONTROLLED ORGANISATIONS FINAL STATEMENTS OF INTENT 2025/26

Kōrero Taunaki | Summary of Considerations

Purpose

1. This report to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee is to note the final Statements of Intent for the 2025/26 financial year from the Basin Reserve Trust, Karori Sanctuary Trust, (Zealandia Te Māra a Tāne), Wellington Cable Car Limited, Wellington Museums Trust (Wheako Pōneke Experience Wellington), Wellington Regional Economic Development Agency (WellingtonNZ), Wellington Regional Stadium Trust (Sky Stadium) and the Wellington Zoo Trust (Te Nukuao Wellington Zoo).

Strategic Alignment

2. The most relevant community outcomes, strategic approaches, and priorities for this paper include Cultural Wellbeing – a welcoming, diverse and creative city; integrating te ao Māori, nurture and grow our arts sector; Social Wellbeing - a city of healthy and thriving whānau and communities; making our city accessible and inclusive for all, Economic Wellbeing - an innovative business friendly city.

Significance

3. 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

Author	Jamie Crump, Manager CCO Partnerships & Planning
Authoriser	Anna Calver, Chief Economic and Engagement Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1) **Receive** the information

Whakarāpopoto | Executive Summary

4. The Statement of Intent (SOI) process is the opportunity for Council to annually outline its expectations for each of its Council-controlled Organisations (CCOs), and ensure the service being received is aligned to Council's strategic priorities and is responding appropriately to the challenges and opportunities of the current environment. CCOs respond accordingly with their strategic focus areas, priority activities, financials and KPIs for the new financial year.
5. Draft SOIs for the 2025/26 financial year were considered by Council at the 16 April 2025 workshop with Councillors, with feedback provided in line with the Local Government deadline of 1 May.
6. Final SOIs have been received from our CCOs.

Takenga mai | Background

7. Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year, and final SOIs by 30 June.
8. SOIs are informed by Statements of Expectation (SOEs). This year Council invited each CCO to respond to how its mahi is helping Council activate relevant strategic priorities; the Long-Term Plan, Tūpiki Ora and Takai Here, Te Atakura: First to Zero, Aho Tini 2030 – Arts, Culture and Creativity Strategy, Strategy for Children and Young People, Economic Wellbeing Strategy and the Accesible Wellington Action Plan. Each CCO was also provided with specific expectations relating to their organisation.
9. The SOEs for each CCO were agreed by the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee on 11 December 2024.
10. Draft SOIs for the 2025/26 financial year were considered by Council at the 16 April 2025 workshop with Councillors. Formal feedback was provided to CCOs following the workshop.
11. The final SOI for Wellington Water Limited will be considered by the The Kōrau Tūāpapa | Environment and Infrastructure Committee.
12. All final SOIs have been reviewed and respond positively to the specific feedback provided, with each CCO making the requested amendments.
13. Wellington Zoo Trust (Nukuao Wellington Zoo) is forecasting a deficit that will potentially require Council support to cover the deficit. Council will carry this potential deficit as a risk in its 2025/26 budget. This was also the approach taken in 2024/25.

Ngā mahinga e whai ake nei | Next actions

14. Note the final Statements of Intent. The progress of these will be reported back on quarterly, as part of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Attachments

Statement of Intent 2025/26-2027/28
Karori Sanctuary Trust

Presented to the Long-Term Plan, Finance and Performance Committee pursuant to Section 64B of the Local Government Act (2002)

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Contents

Foreword

This Statement of Intent (SOI) outlines the intentions and Key Performance Indicators (KPIs) for the Karori Sanctuary Trust (trading as Zealandia) for the next three years. This SOI responds to the Wellington City Council (WCC) Statement of Expectations for 2025-2026.

The restoration of the sanctuary remains our core focus, with collaborative efforts beyond the fence in the Kaiwharawhara catchment extending Zealandia's impact. Science-based projects remain a priority, such as removal of pines in a way that enables them to also contribute to restoration goals. The sanctuary restoration continues to provide an exceptional means for Zealandia to support the revitalisation of mātauranga Māori and to give effect to our responsibilities under Te Tiriti o Waitangi.

Coupled with our environmental outcomes, Zealandia has a core role to play in engaging people with nature. This happens through our learning and membership programmes, and through our tour products. We continue to refine and improve these to meet demand.

This SOI further outlines the areas of focus for the coming year, and how this aligns to WCC priorities and Zealandia's core strategy, *Living with Nature Tiaki Taiao, Tiaki Tangata*.

The coming years present many challenges particularly as we start to experience more fully the effects of climate change. From a financial sustainability perspective, at the centre of our focus is the ever-increasing fixed costs. Zealandia operates on tight budgets while providing a core service for the city that will deliver to the WCC vision of *Poneke, a place where people and nature thrive*. We will continue to manage our financial resources responsibly, and are planning well ahead to consider the implications of a changing tourism market.

Over 2026-28 Zealandia will continue to deliver impact for people and nature across our fantastic city. We are thrilled to stand alongside the WCC to achieve this.

Ngā mihi

Russell Spratt
Chair, Karori Sanctuary Trust

Dr Danielle Shanahan
Chief Executive, Zealandia Te Māra a Tāne

1. Zealandia Te Māra a Tāne: Living with Nature Tiaki Taiao, Tiaki Taonga

This SOI is shaped around our 500-year vision of restoration, and our second-generation strategy *Living with Nature Tiaki Taiao, Tiaki Tangata 2016-2035*.

"A unique and treasured valley is the foundation of Zealandia's contribution to the future – locally, national and globally." – Living with Nature.

Our Purpose | Te Kuku Tauākī

We connect people with our unique natural heritage and inspire actions that transform how people live with nature in cities, towns and beyond.

Our place in transformation | He Wāhi Ahurei

Zealandia Te Māra a Tāne will be a place that transforms biodiversity, people and knowledge, and through this transforms our capacity for living with nature.

Living with Nature identifies four pillars for Zealandia's work, and the work programmes within this SOI are based on these themes.

A PLACE THAT TREASURES
HE WĀHI TAONGA

Restoring Te Māra a Tāne and its extending halo of biodiversity.

Building our organisation's capacity to drive transformation.

A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

Creating inspiring, accessible experiences.

Forming strong and enduring local, national and international partnerships based on shared goals.

A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA

Embracing Mātauranga Māori and other knowledge frameworks.

Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding.

A PLACE THAT EMPOWERS
HE WĀHI WHAKAMANA

Equipping people with experience and skills for a nature-rich future.

Inspiring change through example and shared passion for action.

The Sustainable Development Goals

Zealandia's work aligns with and delivers on the Sustainable Development Goals across multiple areas of work, identified below.

Target 4.7 – Education for sustainable development and global citizenship

Target 6.3 - Improve water quality by reducing pollution
Target 6.6 - Protect and restore water-related ecosystems

Target 8.9 – Promote beneficial and sustainable tourism

Target 11.4 – Protect the World's cultural and natural heritage

Target 12.8 - Promote universal understanding of sustainable lifestyles in harmony with nature

Target 15.5 – Protect biodiversity and natural habitats
Target 15.8 – Prevent invasive alien species on land and in water ecosystems

Our places, projects and partners

Zealandia Te Māra a Tāne: We actively restore the sanctuary to realise a 500-year vision of restoration. Our learning, engagement and research activities within the sanctuary inspire others to take action for nature.

Sanctuary to Sea, Kia Mouriora te Kaiwharawhara. Zealandia Te Māra a Tāne sits at the headwaters of the Kaiwharawhara catchment, a place that is particularly special to mana whenua, as well as many other Wellingtonians. Alongside mana whenua we lead this project that brings our community and partners together under a common 100-year vision, that the lifeforce of the Kaiwharawhara is healed—Kia Mouriora te Kaiwharawhara.

Outreach and research—Wellington, New Zealand and beyond. Our work in Zealandia Te Māra a Tāne and the Kaiwharawhara provide us with opportunities to learn and test new models and approaches for our environment and people. We share what we learn through our own channels and with our partners.

We work directly with communities and schools across Wellington to help them realise aspirations for nature at their place. We are supporting the revitalisation of mātauranga and contributing knowledge to western science through conservation management and research.

2. The Strategic Partnership between the Karori Sanctuary Trust and Wellington City Council

Wellington City Council (Council) is a key strategic partner, funder, and landlord of the Karori Sanctuary Trust.

Zealandia Te Māra a Tāne has a central role in delivering on the collective vision of '*Pōneke – the creative capital where people and nature thrive*' (Council 2024-34 Long Term Plan). The sanctuary has transformed the wildlife of Wellington, and as a result has positioned the capital as a global leader in innovative biodiversity initiatives.

This section directly addresses the specific expectations and the alignment with strategic direction laid out in Council's Statement of Expectations for 2025-26 to 2027-28.

2.1 The Karori Sanctuary Trust Deed

The Karori Sanctuary Trust (the Trust) is an incorporated society that is governed by a Trust Deed, first executed in 1995 and updated in 2023.

We operate as a not-for profit organisation, a social enterprise, seeking to do public good by operating in a way that follows sound commercial disciplines.

As set out in our Trust Deed, the objects of the Trust are as follows:

- To carry out education and research into all matters pertaining to the conservation and restoration of New Zealand's natural heritage and in particular to restore representative examples of New Zealand's natural heritage.
- To establish and maintain a secure native wildlife sanctuary in the Karori Reservoir in the City of Wellington.
- To restore the reservoir area ecosystem as closely as practicable to its presumed pre-human state but allowing for construction of specific habitats to enhance its diversity and conservation values.
- To provide facilities for recreation and tourism activities that align with maintaining a native wildlife sanctuary.
- To seek and foster community support and participation.
- To manage and manipulate such ecosystems as may be necessary to maintain requisite populations.

The Trust operates as Zealandia Te Māra a Tāne, under the guidance of a Trust Board.

2.2 The Trust's relationship with Wellington City Council

The Trust reports on the agreed performance measures quarterly to the Council through the Kōrau Tōtōpū Long-term Plan, Finance and Performance Committee. This includes a written quarterly report, Statement of Financial Performance, Statement of Financial Position and Cash Flow Statement.

The Trust's audited accounts for the year ending 30 June 2025 will be presented to the Council by the end of September 2025, provided audit timing allows. This date aligns with current WCC reporting requirements as communicated by the Council's Finance and Business Team. The Trust will continue to recognise Council as a principal funder and a strategic partner.

2.2.1 Enduring expectations

No Surprises

Zealandia Te Māra a Tāne is committed to the continuing No Surprises policy with Council in relation to items of public interest or matters of significance.

Relationships

Zealandia values the opportunity to collaborate with WCC, and will continue to enthusiastically engage particularly in Long-term Plan and Annual planning processes.

Legislation and Compliance

Zealandia maintains a high standard of compliance and awareness across all areas of legislation relevant to our operations.

The Trust has robust health, safety, and wellbeing systems in place, and has a culture of continuous improvement of systems and processes to keep visitors and all Workers (volunteers and employees) safe.

The Trust maintains awareness of requirements under the Health and Safety at Work Act 2015.

Key systems and processes include:

- Incidents and hazards are recorded online, and this reporting allows mitigations to be applied in a timely manner.
- Incident reports and key statistics and trends are reviewed regularly by the Strategic Leadership Team and Trust Board.
- The Chief Executive continues to be a member of the "Business Leaders Health and Safety Forum", and stays abreast of good practice models.
- We continue to ensure employees and volunteers have an inclusive role in the identification and management of health and safety matters.
- We maintain a training regime that ensures there is a good level of coverage of personnel who can confidently always deal with first responder medical and emergency situations throughout the site.
- We have a proactive hazards register.
- We continue to maintain an Employee Support Programme through Benestar and EAP which provides free and confidential support to all employees.
- We foster a collaborative and proactive approach to health, safety, and wellbeing within the organisation and with our partners.

Governance

The Karori Sanctuary Trust has demonstrated exceptional governance and has several areas of strength. The Board maintains a skills matrix which reflects the necessary skills required for Zealandia's governance as identified within the Trust Deed under section 5.4.

The Chair and the Board participate in annual reviews of their performance as follows:

- The Board as a whole by the Board.
- Individual Board members by the Board, through the Chair.
- The Chair by the Board.

The method/standards used to assess the performance are based on the standards issued by the Institute of Directors in New Zealand, adapted for the Trust. From these reviews, development needs and any other actions required to ensure best practice governance and performance standards are determined and implementation plans agreed.

An independent review of the governance structure of the Karori Sanctuary Trust was undertaken in 2022, and the outcome of this has ensured Zealandia continues to meet current best practice in line with Council's Statement of Expectations. This review included legal advice that the new version of the Trust Deed is fit for purpose, modern and in line with all current legislation.

It is planned in the 2025/26 year to engage external services for an independent review of the Board's performance, to corroborate the robustness of the current review process and make any recommendations for strengthening the review process in future years.

Risk Management

Organisational risks are reviewed by both management and the Trust Board. This process ensures they remain current, documented, and responsive to a changing environment. Zealandia will continue to inform Council of significant risks that affect the Council or the wider group. Section 4 covers risk in more detail.

Living Wage

Zealandia continues to pay at least Living Wage to all employees.

2.3 Response to specific expectations

Expectation	Response
Due to financial pressures Council is facing, Council expects the Trust to manage costs within its budget and explore opportunities to ensure revenue generation meets the level required for the Trust to deliver on its strategy and Council expectations. Council understands that this may lead the Trust to look at its service offering as well as new revenue opportunities.	Zealandia strives to maintain a healthy balance sheet and has achieved an operating surplus for nine consecutive years despite the impacts and pressures of Covid-19. This will continue to be a priority for the foreseeable future.
The Council recognises the halo effect of Zealandia in increasing biodiversity and birdlife for Wellington and encourages the Trust to continue to tell that story to locals, nationally and internationally.	Zealandia has many avenues for communication and engagement, including exciting tours, a captivating social media presence, engaging e-news for members, and a newsletter for those on a pathway towards further support. We will continue to focus on quality communications that tell the story of Wellington's biodiversity for the foreseeable future.
The Council recognises the importance of the Zealandia predator exclusion fence for biodiversity outcomes in Wellington, and encourages the Trust to begin preparations and planning in readiness for the WCC LTP funding for replacement work.	In 2024 Zealandia began working with engineering firm GHD on a pilot project to replace a section of fence, with the goal of creating a 'blueprint' for future efforts. This work will continue into 2025/26 as we plan in earnest to ensure we ae ready to utilise the WCC LTP Capital funding.

2.4 Zealandia's contribution to community outcomes and engagement with Strategic Approaches

Strategic Approaches	Zealandia *Living with Nature Tiaki Taiao Tiaki Tangata* strategy areas	Outcomes generated through Zealandia BAU	New actions
Environmental wellbeing – A city for restoring and protecting nature			
- Integrating te ao Māori. - Engaging our community. - Embedding climate action. - Value for money and effective delivery.	**A Place that Treasures** **A Place for Learning** **A Place that Empowers** - Restoring Te Māra a Tāne and its extending halo of biodiversity. - Inspiring change through example and shared passion for action. - Embracing Mātauranga Māori and other knowledge frameworks. - Forming strong and enduring local, national, and international partnerships based on shared goals.	Nature restoration and the easy accessibility of nature is at the core of our work. We deliver to **Our Natural Capital** through multiple avenues. This includes: - Active restoration of the sanctuary itself based on our restoration strategy (also delivers to **Tūpiki Ora**, **Tākai Here**). - Restoration of the Kaiwharawhara catchment through Kia Mouriora te Kaiwharawhara Sanctuary to Sea, in partnership with mana whenua (also delivers to **Tūpiki Ora**, **Tākai Here,** and **Urban Form** outcomes). - Engaging businesses in protecting and promoting nature through our partnerships, Te Ohu Kaiwharawhara, and the emerging Corporate Membership product (also delivers to **Economic Wellbeing**). - Actively collaborating with our restoration partners, especially WCC, GWRC, Captial Kiwi and Predator Free Wellington. In terms of embedding climate action in line with **Te Atakura: First to Zero**, Zealandia provides a significant carbon sink for Wellington. Zealandia has been awarded the Qualmark Gold and the Toitū Envirocare carboNZero accreditation for nine years running. The Karori Sanctuary Trust continues to build sustainability into our practices and governance approach. This includes identifying our specific alignment with the Sustainable Development Goals, incorporating climate	This coming year Zealandia is moving into a new phase of restoration—we have initiated several long-term projects (e.g. the work to remove the exotic canopy) and completed a series of fish translocations and releases of captive animals that had been prioritised 8 years ago. The priority actions for the coming year are: - Identify the next key priorities for restoration in partnership with mana whenua to guide the coming years of activity. - Plan for the replacement/renewal of the Zealandia fence. - Further develop techniques and approaches for the veteranisation of exotic canopy trees.

		related risks into our risk register and operations, and working towards full-carbon accounting for the organisation.	
Cultural wellbeing – a welcoming, diverse and creative city			
- Integrating te ao Māori. - Engaging our community.	**A Place that Treasures** **A Place for Learning** **A Place that Empowers** - Creating inspiring, accessible experiences. - Being a hub where people of all ages can learn, actively participate, create new knowledge, and share their insights and understanding. - Equipping people with experience and skills for a nature-rich future. - Inspiring change through leadership and shared passion for action.	Zealandia Te Māra a Tāne is committed to upholding the principles and strategies of **Tūpiki Ora** and **Tākai Here**, and will continue to play an important role in realising their outcomes. As an organisation that cares for te taiao and many taonga, Zealandia Te Māra a Tāne consciously, collaboratively, and continuously strives to honour expressions of te ao Māori that include tikanga, te reo and mātauranga throughout the sanctuary's governance, operations, projects, and programmes—these are guided by our relationships with mana whenua and tangata whenua. Zealandia is committed to upholding the mana and mouri of Te Tiriti o Waitangi. Through our BAU we engage with diverse audiences – whether that be through social media or our more exclusive e-news. Our storytelling highlights our partnerships with mana whenua. We contribute to **Aho Tini 2030** by hosting events, and by continuing to promote local artists' nature-based work through our exhibition Te Māra Toi.	Zealandia's partnerships with mana whenua Taranaki Whānui ki te Ūpoko o te Ika and Ngāti Toa Rangatira are most prominent through our conservation and restoration work inside the sanctuary, and through Kia Mouriora te Kaiwharawhara Sanctuary to Sea. Our organisation is increasingly shaping both our restoration priorities, and how we do restoration, based on guidance from our iwi partners to actively support their aspirations in a genuine, responsive way. Key actions looking forward are: - Further the environmental outcomes achieved at Zealandia through partnership with mana whenua. - Support and enable the publication of reports that share the pathway to rediscovery of mātauranga through translocations. We have a large community of staff and volunteers. Internally, we aim to upskill all of these people to a minimum level of Te Tiriti o Waitangi, Te Reo Māori, and who our mana whenua partners are. Over the coming year priority actions are: - Increase roll-out of Whare Kura training across staff. - Take the majority of visitor facing staff and volunteers through basic Te Reo Māori training, with the goal of enhancing pronunciation, and develop a plan to deliver this to all staff and volunteers over coming years.

Social wellbeing – a city of healthy and thriving whānau and communities			
- Engaging our community. - Value for money and effective delivery. - Making our city accessible and inclusive.	**A Place that Treasures** **A Place that Engages** **A Place that Empowers** **A Place for Learning** - Creating inspiring, accessible experiences. - Being a hub where people of all ages can learn, actively participate, create new knowledge, and share their insights and understanding. - Equipping people with experience and skills for a nature-rich future. - Inspiring change through leadership and shared passion for action.	Zealandia Te Māra a Tāne is a recreational resource for people of all ages. Locals love our memberships—it is a highly accessible price point and we have a relatively stable ~15,000 members. Our ~500 strong volunteer base is made up of all ages, but is particularly appealing to people at or reaching retirement age; we know the social connections people form while volunteering are highly valued and as such we contribute directly to the **Positive Aging Policy**. To support the **Children and Young People Strategy,** Zealandia's public programmes have a significant focus on families, benefitting the hauora and feelings of inclusion of Wellington youth. Our learning programmes directly support youth pathways to life-long learning, as well as hauora. This includes school and youth organisation visits, and our Nature at Your Place programme which is a specifically designed and funded programme for low decile schools. Our bespoke Rāngai Rangatahi programme is a special offer for early to late teens. In terms of the **Accessibility Action plan**, Zealandia is one of very few natural spaces in Aotearoa New Zealand that is accessible via wheelchair. We have also broadened our ability to deliver tours in German and Mandarin, and learning sessions in te reo Māori.	Looking forward, we will be carrying out an evaluation and audit of the visitor experience to inform our asset management and maintenance planning. This work will include a cultural lens (how can we make Zealandia more welcoming for people of diverse backgrounds), and a physical lens (how can we improve accessibility for people of different physical abilities). This approach will enable us to build continuous improvement into our programme of work.
Economic wellbeing – An innovative business friendly city	-		
- Engaging our community. - Value for money and effective delivery.	**A Place that Treasures** **A Place that Engages** **A Place that Empowers**	Zealandia is an international exemplar of a successful urban regeneration tourism offer recognised through the Air New Zealand Supreme Tourism Award in 2023, and sits alongside other globally leading environmental initiatives in Wellington.	Over the coming year we will be focusing on developing a longer-term financial strategy to ensure business resilience as the tourism market changes.

	- Build our organisation's capacity to drive transformation. - Forming strong and enduring local, national and international partnerships based on shared goals.	We are an example of a sustainable business with a positive environmental footprint, in line with the **WCC Economic Wellbeing Strategy**. We see a unique opportunity for Wellington to promote this element of its innovation and creativity, and become a place that people visit and live to be inspired by nature. We liaise regularly with Wellington NZ to promote this opportunity. Zealandia is a significant contributor to our city's GDP and continues to connect with partners across the city to promote our offer. Further, through our corporate offerings and business partnerships we are growing our impact on the sustainability of the for-profit sector in Wellington and beyond. Zealandia continues to be the leading non-government employer in the environmental sector in Wellington.	We are working alongside Predator Free Wellington, Capital Kiwi and WCC to further explore how we can promote the message of improving bird biodiversity internationally.
Urban form – A liveable and accessible compact city			
- Engaging our community. - Value for money and effective delivery. - Embedding climate action.	**A Place that Treasures** **A Place that Engages** **A Place that Empowers** - Build our organisation's capacity to drive transformation. - Forming strong and enduring local, national and international partnerships based on shared goals.	Zealandia's core focus is the sanctuary itself, yet our work and impact continues to extend beyond the sanctuary fence. Key work that intersects with the urban form outcome area include Kia Mouriora te Kaiwharawhara Sanctuary to Sea, where we work alongside our community to enhance the mouri, or lifeforce, of this catchment. This includes projects to promote healthy vegetation and freshwater ecosystems. Zealandia also actively participates in and leads work that contributes to knowledge on urban form. For example, the MBIE Endeavour funded Restoring Urban Nature project. Through this work we are collaborating to develop solutions for Aotearoa New Zealand that will promote biodiversity in urban landscapes.	No new actions in this area, but BAU continues.

Zealandia's specific expectations of WCC include:

- Continued inclusion of Zealandia leadership in strategic discussions for our city.
- Recognition and celebration of the point of difference that Zealandia Te Māra a Tāne provides for our capital city across Council business areas.
- Rapid response to facilities repairs and maintenance for Council owned assets.
- Sharing of People, Capability and Culture and other resources where possible for Zealandia staff and volunteers to assist us in meeting minimum standards.
- Ongoing acknowledgement of the role that Zealandia plays in the nature-rich vision for Wellington.

3. Performance Measurements

Below is a summary of the measures and indicators across the Living with Nature themes.

A place that treasures	A place that engages
Quantitative measures include (and are detailed in 4.1): • All incursions of mammals (excluding mice) are responded to • Average subsidy per visit (total Council operating grant/all visitors) • Average revenue per visit (excludes Council & Government grants) • Non-Council donations/funding • Net surplus/-deficit before depreciation and tax • Non WCC-grant revenues as a % of overall revenue	Quantitative measures include (and are detailed in 4.1): • Total number of visitations. • Visitor satisfaction rating. Qualitative measures will include: • Events delivered in line with Matariki and Te Wiki o te Reo Māori. • The Zealandia membership programme is active, and provides multiple add-value opportunities for individuals and families.
A place for learning	**A place that empowers**
Qualitative measures include: • Zealandia knowledge and expertise shared via multiple platforms, including e-news, social media and research papers. • The Zealandia education programme is active and engages a range of schools.	Qualitative measures include: • Nature at Your Place education programmes delivered.

3.1 Quantitative non-financial Performance Measures

		2025/26						
Measure	2024/25 forecast	Q1	Q2	Q3	Q4	2025/26 Year total	2026/27	2027/28
Visitation[1]	144,465	21,000	36,000	47,000	26,000	130,000	130,000	130,000
Percentage of Satisfied Visitors	>80%					>80%[2]	>80%	>80%
Top-up or introduction of a species, or translocation out of the sanctuary, carried out	At least 1 carried out					1 carried out	1 carried out	1 carried out
All incursions of mammals (excluding mice) are responded to	Achieved					Achieved	Achieved	Achieved

[1]Includes all visitation including education, member visits, general admissions.

[2] *A lower % satisfaction target is noted for 2024 onwards due to a change in how this measure will be generated from 2023/2024. This will now be measured using Zealandia's new CRM.*

3.2 Financial Performance Measures

Measure	2024/25 Forecast	2025/26	2026/27	2027/28
Average subsidy per visit (total Council operating grant/all visitors)	$11.70	$12.14	$12.48	$12.78
Average revenue per visit (excludes Council & Government grants)	$43.14	$44.43	$45.32	$46.23
Non-Council donations/funding	$1,044,736	>$250,000	>$250,000	>$250,000
Net surplus/-deficit before depreciation and tax	$541,008	$400,153	$265,869	$226,438
Non WCC-grant revenues as a % of overall revenue	82.14%	>75%	>75%	>75%

3.4 Board Membership

The Trustees of the Karori Sanctuary Trust are:

Trustee	Term Expires
Russell Spratt (Chair)	31/12/2026
Margaret Hyland	31/12/2026 (eligible for reappointment)
Paul Atkins	31/12/2027 (eligible for reappointment)
Jo Breese	31/12/2025
Dr Libby Harrison	31/12/2025 (plus 1 year extension Board continuity)
Councillor Teri O'Neill	11/10/2025

- The Deed of Variation of Trust signed in April 2023 outlines the role of the Trustees. All Trustees may receive an honorarium.
- The Trust Board shall meet no less frequently than quarterly.
- The Chief Executive attends all meetings accompanied by their management team as required.
- The Board has an Audit and Risk Committee to assist the Board in reviewing risk tolerance and control, the scope and outcome of the audit and checking appropriate internal controls are in place. Members of the Audit and Risk Committee for the 2025 calendar year are Paul Atkins (Chair), Libby Harrison (Trustee), Russell Spratt (ex-officio), and Matthew Valentine (independent member).
- The Board also has a People, Capability and Culture Committee who consider remuneration, policies, and people management. Members of the People, Capability and Culture Committee for the 2025 calendar year are, Jo Breese (Chair), Teri O'Neill (Trustee), Prof Margaret Hyland (Trustee), and Russell Spratt (ex-officio).
- The Board and committee charters are reviewed annually.
- The Board may choose to set-up any new committees or advisory groups as deemed necessary in order to maintain an appropriate level of oversight.
- Trustees will contribute knowledge and skills across a range of work areas during the 2025/26 year and may from time to time contribute to working groups established by the Chief Executive.

3.5 Board Skills Matrix

The Board skills matrix below outlines trustees' key skills that are considered essential in the delivery of our strategic objectives. Consideration is given to any skills gap when there is a vacancy on the Board. The matrix will be reviewed annually.

Key skill	Russell Spratt (Chair)	Margaret Hyland	Paul Atkins	Jo Breese	Dr Libby Harrison	Teri O'Neill
Research and conservation	✓	✓	✓	✓	✓	✓
Financial	✓		✓			
Information technology		✓				
Strategy development	✓	✓	✓	✓	✓	✓
Marketing	✓			✓		

Legal/regulatory				✓	✓	✓
Corporate governance	✓	✓	✓	✓	✓	✓
Ambassadorial	✓	✓	✓	✓	✓	✓
Risk management	✓	✓	✓		✓	✓
Fundraising	✓		✓	✓	✓	
Mātauranga Māori/te ao Māori	✓			✓		
Cultural alignment	✓	✓	✓	✓	✓	✓
Climate change	✓	✓	✓	✓	✓	✓

3.6 Annual General Meeting

The Trust holds an Annual General Meeting (AGM) each year for members to discuss the annual report and financial statements and hear from the team activities for the coming year. The AGM for 2025 will be held in November.

4. Risk Management

The Trust regularly reviews all known and potential risks. A robust risk management process, using standard risk methodology, is monitored by the Audit and Risk Committee and reported to the Board.

The Trust has robust fit-for-purpose systems and processes and financial delegations.

The Trust has insurance policies for Material Damage, Business Interruption, Motor Vehicle, Combined Liability (Public, Employer, Statutory, Crime, Employers Disputes, Cyber and Trustee) and Marine Hull.

For medium and high risks, control systems and management strategies are established, as appropriate. The objective is to reduce the residual risk to the point where all cost-effective mitigations have been put in place. The Audit and Risk Committee is responsible for reviewing these strategies, as required. The Trust’s management is responsible for their implementation.

The current framework employs a risk matrix indicated below, with likelihood and consequence tables providing a greater degree of clarity in line with current best practice.

Probability of Risk	**Impact of Risk**				
	Minor	Moderate	Significant	Major	Severe
Almost Certain	Low	Medium	High	Very High	Very High
Likely	Low	Medium	High	Very High	Very High
Possible	Low	Medium	Medium	High	Very High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

For the coming years key risks are identified in the table on the following pages.

Risk #	Date first noted [time horizon]	Risk (risk owner)	Potential consequence	Probability rating/Impact rating [Overall rating]	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
1	2022 [10+years]	Economic uncertainty and reduced revenue due to effects of national and global influences, e.g. climate change. (CE, CFO, SLT)	Adverse result in budget, risks to ongoing sustainability of the business and progress towards restoration and engagement objectives	Possible/ Significant [High]	Maintain 3-year planning cycles and long-term predictions of revenue streams/capital expenditure. CFO role adds high-level of financial strategy and planning. Develop a 10-year financial plan. Maintain networks in the tourism industry to predict impacts of economic uncertainty and climate change on revenue. Diversifying the business, including increasing the focus on memberships and membership-related products, engagement through digital activities, fundraising and corporate partnership. Keep a watch on climate protests associated with Cruise. Integrate accounting for sustainability into Zealandia BAU. Monitor working capital to maintain 3 months of operating funds.	If required, first action is to adjust annual business plan to meet a breakeven bottom line before depreciation.	Accounting for sustainability is being implemented. All other actions implemented and ongoing. 10-year financial plan being developed.	High	Stable.
2	2017 [near term]	Zealandia becomes impacted by a cyber-security breach. (Corporate Services)	Loss of data, access to operating material, loss of ability to operate.	Possible/ Major [High]	Use of two-factor authentication for access to IT systems (noting this is unavailable for Westpac). Maintenance of firewall on computers. Staff regularly reminded to be vigilant regarding risk of cyber-attack, phishing emails and harmful spam identification. Rapid action taken with IT support organisation when breach is detected. Secure platforms always used for payments. Maintain insurance cover for cyber-breach impacts. Work towards website replacement with more secure option.	Contact IT provider as soon as a breach is detected or suspected. Follow instructions. Identify how business can continue depending on the nature of the breach.	Website project will begin in 2024/25 FY. WCC cybersecurity audit completed. Need to implement key fixes. New IT provider is being explored to enhance support.	Medium	Stable.

Risk #	Date first noted [time horizon]	Risk (risk owner)	Potential consequence	Probability rating/Impact rating [Overall rating]	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
					Cybersecurity policy required. Staff training required. WCC audit of cyber risks.		Additional staff training option now may be available through Whare Kura, needs to be rolled out.		
3	2017 [near term]	Health and safety risks that could lead to a negative outcome. (Corporate Services & all teams)	Site incident causing minor to severe harm, or death.	Unlikely/ Severe [High]	A comprehensive health and safety policy is in place and regularly reviewed including a hazard register. Audit of sites in place. Three-year plan for H&S improvement beginning. Zealandia people have access to adequate PPE. Clear communication to visitors of safety rules. Good inductions, clear communication to Workers (staff and volunteers) of safety rules. Event management processes robust. Staff training programmes in place for tools such as quad bikes and chainsaws. Staff and volunteers encouraged to report all hazards and near misses. Planning for hazards introduced by new activities occurs. Respond appropriately and with necessary H&S risk assessments to severe weather events or natural disasters, such as storms or earthquakes. Maintain currency of knowledge of climate change influences on severe weather events and fire and remain responsive. SLT consider H&S at every meeting and look forward at potential issues in the future. H&S Advisor role established. H&S Strategy in place that includes a tactical plan.	Accidents can happen regardless of protections in place. Ensure first responder training is maintained for duty operations staff, and first aid certificates remain current for relevant staff.	Draft H&S strategy completed. Progress slower than expected on critical risk evaluation, but underway and rill gain pace now with new H&S&Facilities Manager appointment. Maintain currency of knowledge of climate change effects is critical.	Medium	Stable.

Risk #	Date first noted [time horizon]	Risk (risk owner)	Potential consequence	Probability rating/Impact rating [Overall rating]	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
4	2025 [Near and medium term]	WCC CCO review Zealandia Executive	Unplanned change in operating model	Possible/ Severe [High]	Work closely with Council and the review steering group to ensure that the review includes a clear picture of Zealandia's achievements, priorities, and operating needs.		In Progress	High	New Risk
5	2018 [10+ years]	Climate change (All business areas)	Impacts on restoration, revenue, people, and other unidentified areas	Likely/ Variable [Very High]	Eliminating contribution of Zealandia as an organisation to climate change by maintaining Carbon Zero or better and developing holistic supply chain calculation of carbon output so it can be accounted for in its entirety. Grow influence to support other businesses in reducing their impacts on climate change. Redeveloping business plans to orient towards low-carbon revenue streams. Planning for impacts across all areas of business. Implement Sustainability Plan.		Requires ongoing attention across all business areas.	High	Increasing.
6	2017 [Near & long term]	Major natural disaster such as earthquake, fire, storm (some of these could become more severe with climate change). (Conservation and Restoration, Corporate Services)	Unexpected costs, closure for long periods, significant loss of wildlife, significant loss of infrastructure (e.g. fence, buildings)	Possible /Severe [Very High]	Proactively maintain a wide network of experts and partners to assist with biosecurity, fire, or other necessary response. Fire plan in place. Maintain a plan to respond to a breach of the fence. Ensure all buildings are compliant with earthquake or other regulations. Maintain currency of knowledge regarding local effect of climate change on natural systems. Maintain an awareness of effects of weather patterns on the sanctuary, such as low rain and drooping plants. Drills are carried out regularly with trained fire wardens.	Business continuity plan developed to deal with specific situation.	One CIMs trained staff member has left, another is undergoing training now outside of their Zealandia role. Further people need to attend course to improve organisational resilience.	Medium	Stable

Risk #	Date first noted [time horizon]	Risk (risk owner)	Potential consequence	Probability rating/Impact rating [Overall rating]	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
					At least one CIMs trained General Manager and at least two CIMs trained staff in total (aim is to increase this).		Aspects of Civil Emergency Plan and Business continuity plan require further development. Investment in detailed risk assessment of climate change on sanctuary itself warranted in coming years.		
7	2024 [Near & long term]	Populations of bird species decline due to Highly Pathogenic Avian Influenza (Conservation and Restoration)	Loss/decline of key species Inability to realise 500-year vision of restoration Closure of valley to visitation	Possible /Major [High]	Maintain currency of knowledge regarding species likely to be affected – at present majority of Zealandia species are considered low risk due to distributed nature of their populations. Maintain currency of knowledge of status within NZ, and ensure the Sanctuary-based teams understand the risk and what they might observe if it hits. Maintain all current high-hygiene practices when handling or dealing with birds, including use of appropriate PPE. Maintain contact with MPI, DOC and Te Kōhanga vets re risk and contingent actions. Proactive scenario planning for possible closures and effective transmission reduction. MPI might instruct a closure under the Biosecurity Act as part of an outbreak response (unlikely at Zealandia as there are no nearby poultry facilities). An instruction may be issued under the Health Act if there is potential for severe human health outcomes from public having access to Zealandia	Operational management response informed by MPI and DOC implemented. Ongoing engagement with regional lead agency (GWRC).	Up to date. Good contact with DOC, GWRC and Te Kōhanga vets in place. PPE available. Staff attending upskilling courses and talks as available. Risk currently stable.	Medium	Stable

Risk #	Date first noted [time horizon]	Risk (risk owner)	Potential consequence	Probability rating/Impact rating [Overall rating]	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
					(unlikely). The most likely form of closure would be Zealandia-initiated to stop transmission of disease into Zealandia from visiting public, or because disturbance from the public would contribute to disturbance and lower rates of recovery from an outbreak.				
8	2023 [Near & medium term]	Slips above or below Lake Road, caused by rain, earthquake or other disturbance (Conservation and Restoration)	Closure of main access route to sanctuary valley and Karori Dam. Disruption to activity and business.	Possible/ Significant [Medium]	Progressive assessment of risk areas by engineers, retention solutions developed where needed. Closure of areas if higher risk identified. Prevent cars or heavier vehicles from driving on Lake Road. Progress alternative vehicle access routes from e.g. George Denton Gate. Support provided by experts at WCC for this issue. WCC now managing Karori Dam infrastructure. Monitoring plan now needed, WCC being approached for this.	Prompt response to slips by operational teams. Public access can be established from pre-fab by George Denton gate or via Valley View track if Lake Road was closed for longer periods.	Actions current and implemented, except monitoring plan signed off by engineers now needed. New advice that vehicles can traverse the area at low numbers, but approach won't be changed until we have a monitoring plan in place. Project to develop alternative access route in initial thinking stages.	Medium	Stable.
9	2017 [10+years]	Failure to establish self-sustaining populations of	Inability to realise 500-year vision of restoration	Possible/ Major [High]	Maintain and follow a comprehensive conservation and restoration strategy and associated plans, including monitoring plans. Modify plans as	Maintain an open and transparent communication	All actions implemented and current.	Medium	Stable.

Risk #	Date first noted [time horizon]	Risk (risk owner)	Potential consequence	Probability rating/Impact rating [Overall rating]	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
		species, lack of progress in restoration (could occur as a result of biosecurity breach, technical challenges, natural disaster, changing climate, new diseases, etc) (Conservation and Restoration)			necessary to reflect changing reality of climate change. Ensure competent oversight of projects, and conservation is prioritised. Maintain the highest standards of biosecurity. Proactively maintain a wide network of experts and partners to assist if needed, and to gain knowledge of new threats such as emerging wildlife diseases. Ensuring there are processes in place to act on internal controls and foresee possible external challenges. Predict future threats to the greatest extent possible, e.g. changing climate and the risks that brings, such as disease risk, range shifts, fire risk. Actively communicate with the community regarding challenges, risks and changes. Maintain financial controls to ensure sustainability of conservation programme. Build the resilience of the ecosystem by increasing biodiversity and targeting restoration efforts to species that increase resilience.	approach with the community and our mana whenua and tangata whenua partners when adverse outcomes are detected.	We are keeping a watching brief on wildlife diseases including Chytrid Fungus (frogs), H5N1 (avian influenza) and changes in invasive animal and plant issues (e.g. plague skink and Indian Myna).		
10	2017 [near term]	Staff fraud (Corporate Services)	Zealandia loses considerable funds or suffers a reputation damage.	Possible/ Major [High]	Policy and procedures in place that cover delegations, signatures, cash handling etc. Code of Conduct and Fraud Policy in place. Audit- review annually. All operating transactions are reviewed by budget managers. Monthly balance sheet reconciliations. Effective procedures and systems of control in place (including separation of duties in high-risk areas). Cash handling procedures regularly reviewed and ensured to be best practice. Train finance staff to manage risk.	As soon as indication of staff fraud detected an investigation should take place. Police involved where necessary. Train VC staff in best practice.	All actions implemented and current.	Medium	Stable.

Risk #	Date first noted [time horizon]	Risk (risk owner)	Potential consequence	Probability rating/Impact rating [Overall rating]	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
					Improved CCTV installed.				
11	2017 [near term]	A negative culture or bullying or harassment practices in Zealandia community. A high stress environment caused by external (e.g. climate change, war, pandemic) or internal (e.g. high workloads) (Corporate Services, all SLT)	Negative impacts on wellbeing of Zealandia people. Reduced productivity.	Possible/ Major [High]	Code of conduct and other relevant policies in place. A culture of respect in place, including for gender identity, cultural background, sexuality, etc. Staff and volunteer surveys used to identify areas of concern and develop plans for improvement. Open and transparent communication by management and Zealandia leadership. Zero tolerance for, and systems ensuring rapid resolution to poor behaviour are in place. EAP and Benestar available for all staff. Key individuals that staff and volunteers can connect with outside of their line management should they require it. Confidential Health, Safety and Wellbeing reporting processes in place. Social club established, recognition and rewards procedure in place, processes in place for recognising exceptional work. PDP process in place to support development, identify long-term goals, and to support staff. Regular team meetings in place to encourage effective communication. Good engagement with Mental Health Week forms part of annual planning. Staff and volunteer surveys carried out annually. Recent training provided for SLT and mid management on recognising incivility, wider seminars held with focus on wellbeing. Leadership Training for SLT and Lead Rangers.	Where negative wellbeing outcomes are experienced, Zealandia people will be supported in a way that suits them. Where bullying has been detected, a plan of intervention to improve culture of any specific area of concern will be developed following necessary disciplinary processes.	Staff survey for 2024/25 completed, volunteer survey underway. Leadership training underway. Anti-bullying and Harassment Policy reviewed and in place.	Low	Stable.
12	2017 [Near term]	Sanctuary security breach (e.g. wildlife	Adverse outcomes for	Possible/ Major	Biosecurity protocols maintained for visitors, volunteers and staff including entry checks at the gate.	Provide police and DOC with information and	All actions implemented and current.	Low	Stable.

Risk #	Date first noted [time horizon]	Risk (risk owner)	Potential consequence	Probability rating/Impact rating [Overall rating]	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
		poaching, eco-terrorism) (Conservation and Restoration)	species or individuals	[High]	Camera in place at entry/exit for investigative use, improved camera presence in VC. New reliable security access system in place with remote control options. Maintain connections with DOC to ensure we receive information about known poachers who may be visiting the area. Proactively maintain a wide network of experts and partners to assist when needed for an eradication or ecotourism threats. Annual pest and weed control programs are in place. Locations of rare plants are not shared widely to protect these vulnerable species.	support for investigations. Communicate with mana whenua partners and other stakeholders promptly. Maintain open and honest communication.			
13	2017 [Near term]	Negative media or community perspective regarding Zealandia (Learning & Engagement)	Reputational damage to the Trust	Unlikely Significant [Low]	Ongoing risks identified (as per this table) and monitored regularly. Communication plans in place for major projects. Communications plans developed for potential issues as required. Open and transparent communication with Governance bodies, mana whenua partners, financial partners, and stakeholders. All necessary policies and procedures in place. Quality hiring practices, selection of staff that uphold Zealandia values. A robust long-term strategy in place with wide community buy in. Develop an organisational crisis communication plan. Media delegations addressed in DA Policy, but specific policy is needed.	Respond to criticisms in an open manner. Refine each crisis communication plan to suit the situation.	Crisis communication plan draft in place, we are in communication with a crisis comms professional to further develop our response. All other actions implemented and current. Media Policy ready for finalisation.	Low	Stable.
14	2024	Assets unable to be	Declining visitor	Unlikely/ Variable	Maintain good asset and financial planning practices.	Close structures and assets if they	Requires further financial planning	Low	Stable.

Risk #	Date first noted [time horizon]	Risk (risk owner)	Potential consequence	Probability rating/Impact rating [Overall rating]	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
	[10+ years]	maintained due to reduced income (Corporate Services)	experience and health and safety risks	[Medium]	Continue to identify means to grow revenue in a way that also supports Zealandia's mission. Project asset replacement and maintenance costs to allow for good financial planning. Maintain revenue streams to allow for reinvestment.	become too deteriorated or unsafe. Stop capital work where possible if cash flow issues arise.	with projected asset replacements.		

5. Additional Information

Response to other specific letter of expectation matters (if applicable)

Addressed in section 2.2.

Ratio of Shareholders' Funds to Total Assets

Please refer to the Balance Sheet included in Appendix B.

Estimate of Amount Intended for Distribution

The Karori Sanctuary Trust is a not-for-profit organisation and registered charity and does not make a distribution to the Settler.

Acquisition Procedures

The Trustees have no intention of subscribing for, purchasing, or otherwise acquiring shares in any other company or any organisation.

Activities for which the Board seeks Compensation from a Local Authority

Total funding from Wellington City Council for 2025/26 is forecast to be $1,578,728. The development of the Trust's three-year rolling business plan has been adjusted to reflect the change in CPI allocation indicated in the Statement of Expectation.

Estimate of Commercial Value of Shareholders' Investment

Not applicable.

6. Appendices

Appendix A: Accounting Policies

i. Statement of compliance and basis of preparation

Statement of compliance

The financial statements presented here are for the reporting entity, Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005.

As the primary objective of the Trust is to develop a secure native wildlife sanctuary which benefits the community, rather than making a financial return, the Trust is a public benefit entity for the purpose of financial reporting.

Basis of preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entities Standards Reduced Disclosure Regime (PBE Standards RDR) and authoritative notices that are applicable to entities that apply PBE standards.

The Trust applies Tier 2 PBE Standards and disclosure concessions. The Trust is eligible to report in accordance with Tier 2 PBE Standards RDR because it does not have public accountability and it is not large.

Management has applied judgement in determining whether revenue streams have been appropriately classified as exchange or non-exchange in nature.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Measurement base

The financial statements have been prepared on a historical cost basis.

The financial report is measured in New Zealand dollars and all values are rounded to the nearest dollar ($) unless otherwise stated.

ii. Recognition of revenue

Grants are recognised as revenue when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled. Revenue received from membership subscriptions is allocated proportionally over the period to which they relate. The unearned portion of subscriptions is shown under current liabilities. Prepaid visits are also treated as current liabilities.

Sales of goods and admissions comprise the amounts received and receivable for goods and services supplied to customers in the ordinary course of business. This revenue is recognised when the goods or services are provided to the customer.

Exchange revenue is defined as transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Revenue streams defined as exchange are membership subscriptions, admissions, sales of goods, certain other Statement of accounting policies grants (where there is an exchange obligation) and certain items of other revenue.

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange. Revenue streams defined as non-exchange are the Wellington City Council grant as well as other grants and donations and items of other revenue that are not included under exchange transactions.

Interest income is accounted for as earned. In the financial statements, there is no financial recognition of support given in the form of donated labour and materials.

Financial Instruments

Financial instruments are comprised of trade and other receivables, cash and cash equivalents, financial assets at fair value through surplus or deficit, trade and other payables and borrowings at fair sale value. The Trust held no derivative financial instruments in the years reported. The subsequent measurement of financial assets depends on their classification at inception.

iii. Cost of goods sold

Cost of goods sold comprises the purchase of stock items and other directly attributable costs relating to the Café, Retail, Functions and Education services.

iv. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the entity.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of the fixed asset or intangible asset. Such cost includes the cost of replacing part of the asset if the recognition criteria are met. When significant parts of the asset are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed asset as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Measurement subsequent to initial recognition:

Subsequent to initial recognition, Property, plant and equipment and intangible assets are measured using the cost model.

v. Depreciation and amortisation

Depreciation of Property, plant and equipment and amortisation of intangible assets is calculated on a straight-line basis to allocate the cost of the assets over their useful lives as follows:

Building/Infrastructure	5-100 years
Exhibitions	2-20 years
Leasehold improvements	10-35 years
Predator fence	25-50 years
Fixtures, Plant and Equipment	2-25 years
Vehicles	5-14 years
Other Assets	3-25 years
Computer Software	3 years

vi. **Cash and Bank**

Cash and bank include bank balances, funds held at call with financial institutions and other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

vii. **Accounts and Sundry Receivables**

Accounts receivables are stated at anticipated realisable value after providing against debt where collection is doubtful.

viii. **Stock on Hand**

Stock on hand comprise of retail, food, and beverages. They are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis.

ix. **Leased Assets**

As Lessee:

Operating leases

Operating lease payments are recognised as an expense in the periods the amounts are payable.

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases where the Trust is the lessee are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

x. **Impairment**

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable service amount.

The recoverable service amount is the higher of an asset’s fair value less costs to sell and value in use. If an asset’s carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

xi. **Employee Entitlements**

Employee entitlements to salaries and wages, annual leave and other benefits are recognised when they accrue to employees.

The liability for employee entitlements is carried at the present value of the estimated future cash outflows.

xii. Goods and Services Tax (GST)

The financial statements have been prepared so that all components are stated exclusive of GST with the exception of receivables and payables that include GST invoiced.

xiii. Income Tax

The Trust being a charitable organisation is income tax exempt under the Income Tax Act 2007.

xiv. Statement of Cash Flows

The following are the definitions of the terms used in the statement of cash flows:

(a) Operating activities include all transactions and other events that are not investing or financing activities.

(b) Investing activities are those activities relating to acquisition, holding and disposal of property, plant and equipment and of investments.

(c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.

(d) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

xv. Changes in accounting policies

There have been no changes in accounting policies in the year.

Comparative figures have been reclassified where applicable to conform with current year classifications.

Appendix B: Zealandia Budget for 2025/26

Zealandia will continue to seek to complete the year with a breakeven position before depreciation and tax. We continue to rebuild our working capital as a priority. This budget reflects expected impacts on discretionary spend in the near term and now includes the full increase in depreciation costs on the completion of Tanglewood House. Zealandia currently holds a Strategic Tourism Asset Protection Loan that is due for repayment in 2026, but currently holds a modest cash buffer against operational downturn.

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-25	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-25	Qtr to 31-Dec-25	Qtr to 31-Mar-26	Qtr to 30-Jun-26	FYE 30-Jun-26	FYE 30-Jun-27	FYE 30-Jun-28
	Trading Revenue							
1,308,124	Admissions	207,185	403,516	512,546	270,808	1,394,055	1,435,877	1,478,953
503,168	Membership Subscriptions	136,996	136,283	134,875	135,410	543,564	559,871	576,667
0	Other Operating Revenue					-	-	-
2,224,114	Sales of Goods	389,972	731,992	782,143	438,913	2,343,020	2,413,311	2,485,710
1,589,749	Other trading revenue	200,711	489,584	755,504	267,272	1,713,071	1,764,463	1,817,397
0	**Other Operating Revenue**					-	-	-
1,570,246	WCC operating grants	394,683	394,682	394,682	394,682	1,578,728	1,622,933	1,661,883
15,749	WCC Funding for Projects (Shuttles)	-	107,389	-	-	107,389	-	-
767,736	Sponsorships, grants and donations	192,934	145,014	128,138	69,787	535,874	551,950	568,508
591,846	Other operating income	140,180	83,311	75,194	272,800	571,485	589,200	594,972
0	**Non-operating Revenue**					-	-	-
0	Sub-lease and other non-operating income					-	-	-
222,031	Interest income	39,231	31,019	33,852	29,032	133,133	119,820	57,919
8,792,764	**Total Revenue**	1,701,893	2,522,790	2,816,934	1,878,703	8,920,320	9,057,425	9,242,011
	Operating Expenses (overheads)							
5,427,256	Salaries and wages	1,262,261	1,449,501	1,426,182	1,374,065	5,512,010	5,732,490	5,904,465
965,995	Cost of goods sold	183,309	371,110	315,601	171,330	1,041,350	1,072,590	1,104,768
687,030	Other operating expenses	140,973	181,061	191,811	227,583	741,428	748,842	756,331
125,250	Trustee expenses	32,500	32,500	27,750	32,500	125,250	126,503	127,768
1,031,386	Administration costs	241,615	250,493	261,795	346,227	1,100,129	1,111,131	1,122,242
8,236,918	**Total Operating Expenditure**	1,860,658	2,284,664	2,223,139	2,151,705	8,520,167	8,791,556	9,015,573
555,846	**Net Surplus/(Deficit) before Depreciation and Tax**	(158,765)	238,125	593,795	(273,002)	400,153	265,869	226,438
47,934	Interest expense	12,000	12,000	12,000	8,000	44,000	0	0
0	Loss on Visitor Centre transfer to WCC					0	0	0
365,991	Depreciation	96,063	139,211	138,025	147,255	520,554	530,378	588,515
141,921	**Net Surplus/(Deficit)**	(266,828)	86,915	443,770	(428,257)	(164,401)	(264,509)	(362,078)

Forecast 30-Jun-25	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-25	As at 31-Dec-25	As at 31-Mar-26	As at 30-Jun-26	As at 30-Jun-26	As at 30-Jun-27	As at 30-Jun-28
	Equity							
6,742,631	Trust Funds	6,884,552	6,884,552	6,884,552	6,884,552	6,884,552	6,720,151	6,455,641
141,921	Current year earnings	(266,828)	(179,914)	263,856	(164,401)	(164,401)	(264,509)	(362,078)
6,884,552	**Total Shareholder/Trust Funds**	6,617,723	6,704,638	7,148,408	6,720,151	6,720,151	6,455,641	6,093,564
-	**Current Assets**	(89,383)	(321,249)	(224,131)	(131,856)	(131,856)		
4,157,098	Cash and cash equivalents	4,334,426	4,788,664	4,779,705	2,394,004	2,394,004	2,107,237	2,118,529
69,430	Accounts receivable	107,741	169,026	225,167	69,430	69,430	69,430	69,430
43,651	Prepayments	39,415	154,947	105,710	43,651	43,651	43,651	43,651
101,812	Inventory	116,991	141,972	91,133	101,812	101,812	104,866	108,012
13,413	Other current assets	7,246	12,898	23,992	13,413	13,413	13,413	13,413
4,385,404	**Total Current Assets**	4,605,819	5,267,507	5,225,707	2,622,310	2,622,310	2,338,597	2,353,035
	Investments							
0	Term deposits - *included with cash and cash equivalents above*					0	0	0
150,023	Other investments	153,023	156,023	159,023	162,023	162,023	174,023	186,023
150,023	**Total Investments**	153,023	156,023	159,023	162,023	162,023	174,023	186,023
	Non-current Assets				28,141	28,141		
4,951,155	Fixed assets	4,989,486	4,984,671	4,981,041	4,968,181	4,968,181	4,975,384	4,586,869
4,951,155	**Total Non-current Assets**	4,989,486	4,984,671	4,981,041	4,968,181	4,968,181	4,975,384	4,586,869
9,486,581	**Total Assets**	9,748,329	10,408,201	10,365,771	7,752,514	7,752,514	7,488,004	7,125,927
		(48,273)						
	Current Liabilities							
198,575	Accounts payable	186,801	398,666	236,604	198,575	198,575	198,575	198,575
315,279	Income in advance	766,890	1,158,455	763,844	315,279	315,279	315,279	315,279
196,554	Employee entitlements	214,357	240,462	225,712	196,554	196,554	196,554	196,554
321,955	Provisions and accruals	384,619	319,769	396,718	321,955	321,955	321,955	321,955
1,569,666	Other current liabilities	1,577,939	1,586,212	1,594,485	0	0	0	0
2,602,029	**Total Current Liabilities**	3,130,605	3,703,563	3,217,363	1,032,363	1,032,363	1,032,363	1,032,363
	Non-current Liabilities							
0	Other non-current liabilities	0	0	0	0	0	0	0
0	**Total Non-current Liabilities**	0	0	0	0	0	0	0
2,602,029	**Total Liabilities**	3,130,605	3,703,563	3,217,363	1,032,363	1,032,363	1,032,363	1,032,363
6,884,552	**Net Assets**	6,617,723	6,704,638	7,148,408	6,720,151	6,720,151	6,455,641	6,093,564

Forecast 30-Jun-25	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-25	Qtr to 31-Dec-25	Qtr to 31-Mar-26	Qtr to 30-Jun-26	Total YE 30-Jun-26	Total YE 30-Jun-27	Total YE 30-Jun-28
	Cash Flows From Operating Activities							
	Inflows							
5,625,155	Trading Receipts	953,483	2,486,337	1,339,635	1,214,256	5,993,711	6,173,522	6,358,728
1,570,246	Shareholder grants	789,365		789,364		1,578,728	1,622,933	1,661,883
15,749	WCC Funding for Centre for Tanglewood House	0	107,389	0	0	107,389	0	0
767,736	Sponsorships and donations	192,934	145,014	128,138	69,787	535,874	551,950	568,508
591,846	Other Income	140,180	83,311	75,194	272,800	571,485	589,200	594,972
	Outflows							
5,427,256	Payments to Employees	1,244,458	1,423,396	1,440,932	1,403,223	5,512,010	5,732,490	5,904,465
2,809,661	Payments to Suppliers	562,687	713,129	831,230	901,111	3,008,157	3,062,120	3,114,254
161,411	Other Operating Costs	(15,676)	115,912	(43,416)	(75,154)	(18,334)	12,000	12,000
172,404	**Net Cash Flows From (Used In) Operating Activities**	284,493	569,614	103,584	(672,338)	285,354	130,995	153,372
	Cash Flows From (Used In) Investing Activities							
	Inflows							
0	Exceptional Items	0	0	0	0	0		
	Outflows							
1,096,614	Purchase of fixed assets	134,395	134,395	134,395	134,395	537,581	537,581	200,000
	Purchase of investments					0		
(1,096,614)	**Total Investing Cash Flow**	(134,395)	(134,395)	(134,395)	(134,395)	(537,581)	(537,581)	(200,000)
	Cash Flows From (Used In) Financing Activities							
	Inflows							
222,031	Investment income	39,231	31,019	33,852	29,032	133,133	119,820	57,919
	Outflows							
	Repayment of loans				1,600,000	1,600,000	0	0
47,934	Interest paid	12,000	12,000	12,000	8,000	44,000	0	0
	Other					0		
174,097	**Total Financing Cash Flow**	27,231	19,019	21,852	(1,578,968)	(1,510,867)	119,820	57,919
(750,112)	**Net Increase/(Decrease) in Cash Held**	177,329	454,238	(8,959)	(2,385,701)	(1,763,094)	(286,767)	11,292
4,907,210	**Opening Cash Equivalents**	4,157,098	4,334,426	4,788,664	4,779,705	4,157,098	2,394,004	2,107,237
	Adjustments (rounding)							
4,157,098	**Closing Cash Equivalents**	4,334,426	4,788,664	4,779,705	2,394,004	2,394,004	2,107,237	2,118,529

Statement of Intent
2025/2026 - 2027/2028
Te Nukuao Tūroa o Te Whanganui a Tara
Wellington Zoo Trust

Pursuant to Section 64B of the Local Government Act ()

Me tiaki, kia ora!

Photo: New Gibbon Viewing Platform
(L Fyfe)

C O N T E N T S

1. CURRENT ENVIRONMENT

Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust is proud to be kaitiaki for the capital city Zoo and we embrace our kaupapa of "Me Tiaki, Kia Ora!' by protecting biodiversity, meaningful community engagement and climate action. Me tiaki, kia ora! drives us forward to shift community action to protect wildlife and wild places into the future.

We have built a globally celebrated and respected progressive zoo. The 119-year history of Te Nukuao Tūroa o Te Whanganui a Tara, Wellington Zoo reflects our city - a sheltered, enduring haven for the living world in the Wellington region - a place where animals and people thrive.

However, it is not all smooth sailing in this post COVID-19 world of economic riddles and challenging headwinds. Pre-COVID-19 we were showing surpluses, post COVID-19 we have carried deficits - costs are increasing beyond inflation for example, water by 118% since 2022 and energy by 30% (in 2024 alone). **We have grown our trading revenue by approximately $1.8m or 40% since 2022** and still it's not enough.

Last financial year saw the Zoo's highest visitation year ever, clearly due to the Snow Leopard arrival, and revenue growth was substantial. However, costs are ever increasing beyond inflation, particularly with utilities and food expenses. So, while we are prudent with expenditure we are still seeing costs out stripping any revenue gains. Our business model, as a CCO with no capital assets of its own and a non-profit organisation, is such that we are reliant on annual income as we cannot borrow, and we do not have substantial reserves at hand.

We are budgeting a draft operational shortfall of $311k for 2025/26. This was originally much higher, so we have gone line by line for revenue and expenses to bring the deficit down for 2025-26 by introducing more revenue generating experiences and other expenses control. This will be the lowest deficit we have forecast in the last five years. Our current funding structure forces us into short-term financial fixes rather than a sustainable, long-term funding strategy.

However, even with our best efforts we will not be able to meet the balanced budget requirement in the Statement of Expectation.

As has been indicated in our SOI over the last few years the current cost of living pressure and based on recent price elasticity research, Te Nukuao Wellington Zoo continues to be faced with a widening funding shortfall year-on-year. This was clear from the December 2022 Stolt Report commissioned by WCC which clearly recommended a 50:50 funding model between the Zoo and WCC. The Board is concerned about the long-term funding model for, and viability of, the Zoo and the Trustees urge a long-term view developed through the CCO review process taking place in 2025. The Board would like the Council to consider more shared services for costs, such as water, which would make significant change to the Zoo's operational costs. Other council-owned zoos in Aotearoa New Zealand have more sustainable funding models to **Te Nukuao Wellington Zoo and that difference has been clearly showing in the past five years. The social good component of the zoos in Auckland and Hamilton is recognised and funded appropriately.**

The Zoo is different in its operation to other CCOs as we cannot change anymore in the high fixed cost operation without compromising Health and Safety and Animal Welfare. We do not have flexibility nor quick levers to change the financial situation beyond the hard thinking we have already done.

The WCC Operational Funding Grant in **2024/25 is 42% of our budgeted expenditure.** We still hold that a different funding model between Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust and WCC is the best way forward to reduce financial risk for the Trust.

We have been indicating this financial position to Council over the last four years. The WCC Operational Funding Grant was substantially flat lined during the ten years of the Zoo Capital Programme (2006-2016) so in real terms that has now meant that, even with revenue growth, we are facing deficit budgets going forward for at least the next three years. **It should also be noted that the Trust has vested capital funding (for both Renewals and Upgrades) to WCC which was raised through third party funders since 2003 of $11.49m - which is not expected of all CCOs.**

It is worth noting, again, **the Council owns all core assets of Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust – including the animals, which are accounted for on WCC's balance sheet.** As these are not discretionary assets, they require adequate operational funding to uphold best-practice animal welfare, health and safety, and staffing levels. Without sufficient funding, these essential responsibilities are put at risk.

We always face challenges as a fixed cost organisation, especially in areas such as annual salary increases, cost increases from suppliers and other operational costs increases. We support the **Living Wage** ethos and all Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust employees are paid at, or above, the Living Wage. However, we are no longer given additional funding if the Living Wage increases go beyond WCC expectations, which puts more pressure on the Zoo's financials.

We propose that WCC progresses with the financial position for Te Nukuao Wellington Zoo as outlined in this SOI while reviewing the funding model as part of the planned CCO review. WCC and WZT need to work strategically towards a funding model over the next five years and beyond that will support the mahi of Te Nukuao Wellington Zoo.

We are a celebrated and trusted organisation, and we do not want to negatively impact this hard-won reputation given all the mahi and investment from WCC, Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust and the community over the last 22 years since the Trust was established.

2. NO SURPRISES APPROACH AND RELATIONSHIP

We work from a **'no surprises' approach** with Wellington City Council and have regular communications with the other CCOs and other significant organisations in our city.

As always, we are more than willing to work with WCC and the other CCOs to drive strategic outcomes for the city. By continuing a strategic **relationship** with WCC we can share our knowledge and expertise to the benefit of the city as a whole. We have appreciated the collegial approach to the Long-Term Plan development and the excellent communication between WCC and Te Nukuao Wellington Zoo.

Te Nukuao Wellington Zoo will work with WCC, other CCOs and other partners to deliver priorities for the city and to be:

- A **leader in the city in shaping the community's views** on and action for conservation and sustainable living.
- A valued and valuable member of the Wellington regional community that adds to the prosperity of our city through business activity, events, **connections, inclusivity and engagement** for children and their families and other members of our society.
- A substantial player in the drive to position Wellington as a centre for learning about and expertise in **conservation and sustainability.**
- A key contributor to helping the city become internationally competitive, entrepreneurial and innovative by attracting investment in **education, research, tourism and employment** and contributing to the provision of a vibrant city attracting a creative working population.
- An important part of Wellington's history as Aotearoa **New Zealand's first zoo.**
- An important part of the regional fabric that stimulates overall wealth creation, social stability and connects people to conservation and environmental issues. **As our region's only zoo, we are a unique asset for a vision for a biophilic and sustainable city.**

3. ALIGNMENT WITH WCC STRATEGIC DIRECTION AND SPECIFIC EXPECTATIONS

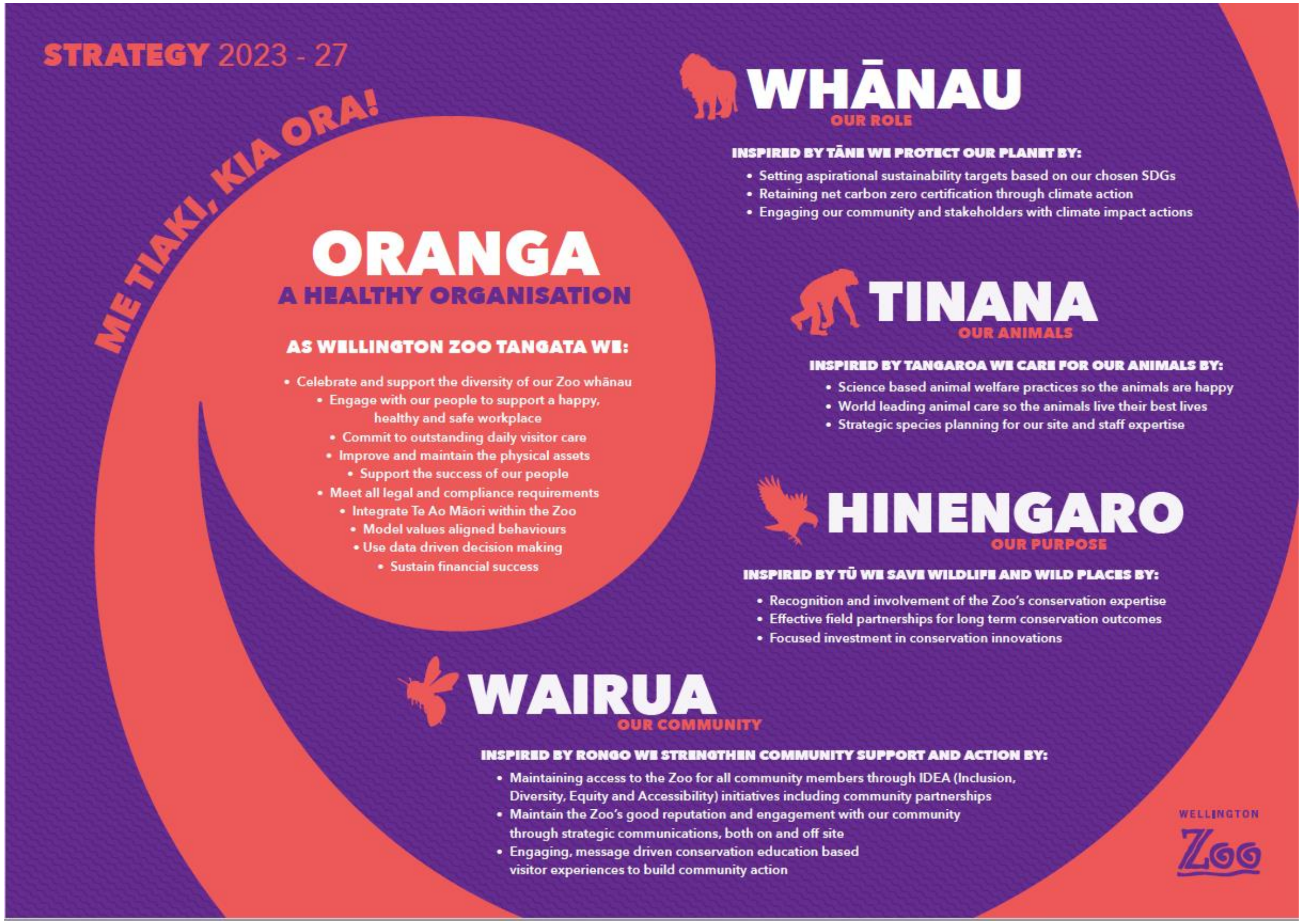
Te Nukuao Wellington Zoo's strategy reflects the expected WCC priorities of cultural, social, economic, and environmental wellbeing and Urban Form. Te Nukuao Wellington Zoo is a long-term iconic asset for our city and as our city population grows there will be an even greater desire for it to be a sophisticated and accessible attraction which delivers 21st century conservation programmes and action.

Our success as a **mission-driven non-profit** organisation continues through prudent management and we work hard to be connected and accessible to our diverse community of all ages and cultures locally and beyond. As New Zealand's capital city Zoo, we believe we should be providing a uniquely Wellington experience for whānau, ākonga and other visitor groups from our region and across the country - quirky, fun, professional, creative and personal.

The Te Nukuao Wellington Zoo's 2023-27 strategy (below) blends our major outcomes into key areas - it embraces our role as an inclusive community organisation, the capital city Zoo and as an organisation that values its people. Using the inspiration of Atua and based on Te Whare Tapa Whā model of health, we are able to define our areas of focus over the coming years. This creates a strategic context for our kaupapa.

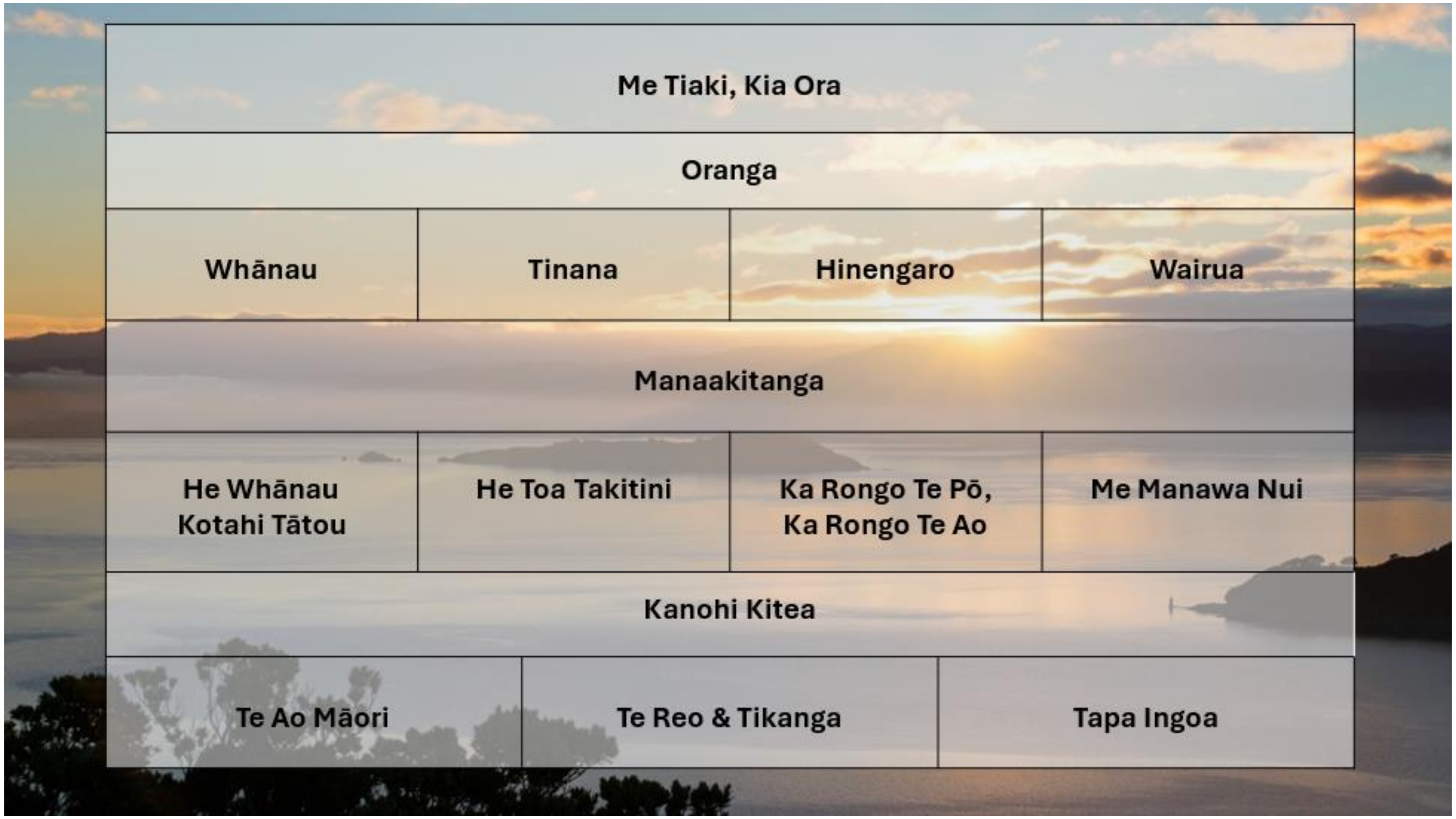
Our values (below) are linked to being ambitious, inclusive and committed to our cause with the overriding value of Manaakitanga.

In addition to our organisational strategy and values our Te Ao Māori strategy, Manawanui (below) brings together our strategic pou, our values and the tikanga which brings these to life.


STRATEGY 2023 - 27
ME TIAKI, KIA ORA!
ORANGA
A HEALTHY ORGANISATION
AS WELLINGTON ZOO TANGATA WE:
• Celebrate and support the diversity of our Zoo whānau
• Engage with our people to support a happy, healthy and safe workplace
• Commit to outstanding daily visitor care
• Improve and maintain the physical assets
• Support the success of our people
• Meet all legal and compliance requirements
• Integrate Te Ao Māori within the Zoo
• Model values aligned behaviours
• Use data driven decision making
• Sustain financial success
WHĀNAU
OUR ROLE
INSPIRED BY TĀNE WE PROTECT OUR PLANET BY:
• Setting aspirational sustainability targets based on our chosen SDGs
• Retaining net carbon zero certification through climate action
• Engaging our community and stakeholders with climate impact actions
TINANA
OUR ANIMALS
INSPIRED BY TANGAROA WE CARE FOR OUR ANIMALS BY:
• Science based animal welfare practices so the animals are happy
• World leading animal care so the animals live their best lives
• Strategic species planning for our site and staff expertise
HINENGARO
OUR PURPOSE
INSPIRED BY TŪ WE SAVE WILDLIFE AND WILD PLACES BY:
• Recognition and involvement of the Zoo's conservation expertise
• Effective field partnerships for long term conservation outcomes
• Focused investment in conservation innovations
WAIRUA
OUR COMMUNITY
INSPIRED BY RONGO WE STRENGTHEN COMMUNITY SUPPORT AND ACTION BY:
• Maintaining access to the Zoo for all community members through IDEA (Inclusion, Diversity, Equity and Accessibility) initiatives including community partnerships
• Maintain the Zoo's good reputation and engagement with our community through strategic communications, both on and off site
• Engaging, message driven conservation education based visitor experiences to build community action
WELLINGTON ZOO


2023 - 27 VALUES
WELCOME TO OUR WILD PARTY
HE WHĀNAU KOTAHI TĀTOU
WE ARE A VOICE TO BE HEARD
KA RONGO TE PŌ, KA RONGO TE AO
WE PUNCH ABOVE OUR WEIGHT
EHARA TAKU TOA I TE TOA TAKITAHI, ĒNGARI HE TOA TAKITINI
WE HAVE A STRONG GREEN FURRY HEART
ME MANAWANUI
MANAAKITANGA
WELCOMING GENEROSITY, SUPPORT, HOSPITALITY AND KINDNESS
ME TIAKI, KIA ORA!
WELLINGTON ZOO

Manawanui Strategy



Strategic Alignment with Wellington City Council

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Cultural Wellbeing *A welcoming, diverse and creative city* **Tūpiki Ora** **Tākai Here** **Aho Tini 2030**	Our values underpin our strategy, and they resound with our approach to being a welcoming, happy place. Our alignment with te ao Māori is reflected in the organisational strategy and values and we have worked with Taranaki Whānui ki Te Upoko o Te Ika to ensure the correct te ao Māori concepts reflect our intentions. We have combined a global vision with local action so that we can be change makers for a better planet. We are a place where all communities are welcomed and belong. Our **Te Ao Māori Strategy, Manawanui,** was launched on 4 October 2024 (World Animal Day). This strategy brings together the work we have done over the past ten years and guides us into the next ten years. It completes our approach to Kaupapa, Strategic Pou, Values, Tikanga, Tapa Ingoa and use of Te Reo. The arrival of **Te Manawaora - our Living Heart** Mouri stone gifted from the Arahura River, will provide a touchstone for our place. The **te reo Māori name** for Wellington Zoo, **Te Nukuao Tūroa o Te Whanganui a Tara**, reflects the place and story of Wellington Zoo - a sheltered, enduring haven for nature in the Wellington harbour region. Together our strategic, cultural and physical initiatives connect to signify the ongoing role Te Nukuao Wellington Zoo has played in our city. While we honour our 119-year history we are very clearly heading into the future as a world renowned and celebrated progressive zoo. Te Nukuao Wellington Zoo supports and aligns with our kaupapa of Me tiaki, kia ora! This Kaupapa means that we must care for the planet so that all life will thrive. Te Nukuao Wellington Zoo drives us forward to shift community action in order to protect wildlife and wild places. Our **Manawanui programme** over the next four years and beyond will transform us into a bicultural organisation - as is expected of the capital city zoo and will recognise the importance of Tikanga Māori in the way the Zoo works. Our **Kanohi Kitea** bicultural programme, led by Neavin Broughton from Taranaki Whānui, has enriched the knowledge of our staff and has given them the tools to think more broadly about culture in Aotearoa New Zealand. All staff members attend Kanohi Kitea, giving us a shared baseline of knowledge and language to carry through our work at the Zoo. Staff members will also attend learning workshops on Te Nukuao Wellington Zoo, to gain a deeper understanding of how this concept applies to their work, and what it means for where we want to go in the future. **He Tuku Aroha Meet the Locals** celebrates the Māori voice through pou and storytelling and we are building **te ao Māori into the story telling for the Master Plan** by working with OHO to develop **our sense of place and context.** We have replaced an Educator role with a **Kaupapa Māori Educator** to weave together matauranga Māori with western science to build knowledge for schools and through informal learning experiences. Te Nukuao Wellington Zoo will continue to build its reputation as a **creative and innovative zoo** by including more opportunities for our visitors to experience multi-layered and multi-sensory learning experiences. We have rich content for storytelling and engagement with communities. We design creative and profound visitor experiences which connect people and animals in ways which inspire people

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Cultural Wellbeing Cont. *A welcoming, diverse and creative city* **Tūpiki Ora** **Tākai Here** **Aho Tini 2030**	to take positive action for the environment. We work with **local artists to incorporate bespoke murals, statues and artwork** within the Zoo's visitor experience. This includes incorporating a new playground into Te Kōhanga The Nest reflecting the rich nature of Te Whanganui a Tara. This will complement work such as *Beacon* by artist Shannon Novak through the WCC City Arts team on Make Visible Te Whanganui a Tara project; bespoke murals in visitor spaces including at the Chimp House, Te Kōhanga The Nest, Tiger and Red Panda areas. Our **Pride Weekend** activations, inclusion of Te Nukuao Wellington Zoo in the WCC Rainbow Art Cycling Tour, our latest artistic project working with a local artist and schools in Newtown and Berhampore, murals throughout the Zoo by local artists, innovative play areas and creative interpretive storytelling all create enduring art throughout the Zoo. We have been involved with the **Fringe Festival** and **Shakespeare Youth** to open the Zoo site to different artistic opportunities. Te Nukuao Wellington Zoo is a multi-award winner in visitor experience, business leadership, vibrancy, sustainability and conservation, and we take an active role in delivering conservation and sustainability messages to a large audience of approximately 260,000 visitors on-site and many more online. We create compelling stories with clear calls to action and we craft community campaigns that move beyond simply raising awareness of an issue to driving lasting change and building a better world. Our target market of local families, young people and children are engaged in conservation and sustainability messaging and experiences at Te Nukuao Wellington Zoo.

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Social Wellbeing *A city of healthy and thriving whānau and communities* **Accessibility Action Plan** **Children and Young People Strategy** **Positive Aging Policy** **Value for Money**	Te Nukuao Wellington Zoo is inclusive for all sectors of our community – our visitor mix is diverse, and we ensure that all visitors feel safe and respected. Our visitor feedback for overall visitor experience sits at 94% satisfaction and people are enjoying the continual change in the Zoo. **DEAI** (Diversity, Equity, Accessibility and Inclusion) concepts help us build inclusion, diversity, equity and accessibility initiatives such as the Rainbow Tick project we have undertaken over the past four years. As one of the **key environmental education providers** in Wellington, Te Nukuao Wellington Zoo has an **Enriching Local Curriculum** (ELC) contract with the Ministry of Education (MOE). Over 10,500 school children annually experience a learning workshop with our conservation education experts at the Zoo. The Ministry of Education measures the success of the learning programmes at Te Nukuao Wellington Zoo, and we continue to receive positive feedback on our educator-led learning sessions and our innovative programmes that align with the Ministry's target areas, including improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds. We have achieved **Be. Lab Accessible Gold rating** and we continue to improve Te Nukuao Wellington Zoo experience for all visitors, so that many more people have access to the Zoo in the ways that best suit them. We have embraced accessibility for the whole community by investing in recommendations from Be. Lab to improve the experience for all people. This aligns with Accessible Wellington, The Accessible Journey Action Plan 2019.

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Social Wellbeing Cont. *A city of healthy and thriving whānau and communities* **Accessibility Action Plan** **Children and Young People Strategy** **Positive Aging Policy** **Value for Money**	Our **Rainbow inclusion initiatives** have been awarded for excellence at the national Rainbow Excellence Awards and continue to lead the way for zoos in Aotearoa New Zealand in this area. We are proud of our Rainbow Tick certification and the inclusion mahi our staff Rainbow group undertake which all support the display of the progress pride flag at the front of Te Nukuao Wellington Zoo. Te Nukuao Wellington **Zoo entry accessibility events** such as Neighbours' Night, Welcome Weekends and Winter Wednesdays exist to ensure access to the Zoo for all members of our community. The school art installation includes welcome messaging in a variety of languages so that all people can 'see' themselves as they visit the Zoo. We have **partnerships** with City Mission, The Children's Hospital Foundation, Ronald Macdonald House and Changemakers Resettlement Forum which allow access for all members of our community. We see over 21,000 rangatahi and students attending the Zoo throughout the year in ELC Learning Workshops in partnership with the Ministry of Education, through university programmes or visitors coming to the Zoo as independent students. These opportunities ensure the Zoo remains relevant and an integral part of all young people's experiences in Wellington. Te Nukuao Wellington Zoo's **Bush Builders** is a unique environmental literacy programme that helps children to discover for themselves the wonder of the world around them, in their own schools and homes, and to empower them to take positive action in their own communities. This successful programme has influenced over 4,000 students in our region. Bush Builders emphasises the importance of building habitats for animals. As a child friendly city and in line with the **Strategy for Children and Young People**, it's important for Wellington to cater for all young people and their families, and this means providing safe, accessible and enjoyable places for learning and play, and offering community events and activities that are suitable for all. We will support the hauora, or wellbeing, of children and young people by placing a wellbeing focus on the recreational, and environmental programmes we currently deliver for children and young people. Our own school holiday programmes are well attended, and many other external holiday programmes visit the Zoo as part of their offering to the community. The **Learning Workshops** offered for ELC students expand knowledge and encourage action for Climate Action, Sustainability, Conservation and Animal Welfare as well as specific curriculum outcomes. We offer free access **Open Days** for Massey University and Te Herenga Waka Victoria University of Wellington students as part of the MoUs we have with the universities. Over half our staff are under 30 years of age so considering their career needs and aspirations is a core part of how we manage Te Nukuao Wellington Zoo. Te Nukuao Wellington Zoo has been involved in the **Rangatahi Pathways** project in association with Wellington City Council, we have hosted a Year 13 student from Te Ara Whānui Kura Kaupapa Māori o Ngā Kōhanga Reo o Te Awa Kairangi on a placement with our Animal Care Ectotherms and Birds team. We are working with the Hem of Remutaka project to identify opportunities for collaboration and the Ngāti Toa Rangatira Youth programme. Interns from this programme work with our Ectotherms & Birds team learning about how we care for native animals at the Zoo and expanding their knowledge of caring for small populations. Engaging young people with conservation is important for us but also for Aotearoa New Zealand.

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Social Wellbeing Cont. *A city of healthy and thriving whānau and communities* **Accessibility Action Plan** **Children and Young People Strategy** **Positive Aging Policy** **Value for Money**	We measure our **positive community action results** using the UN Sustainable Development Goals Framework with the specific measures below: SDG 13 Climate Action • 250,000 reach pa media/social media stories about the Zoo with climate change action messages • Climate Action Messaging Framework developed • 7,500 school children educated about climate change/action SDG 11 Sustainable Cities & Communities • Two conservation projects which include support for sustainable communities/urban biodiversity • 20% (1/5) visitors taking sustainable transport to the Zoo • 12 Wellington region conservation organisation partners/collaborators SDG 4 Quality Education • 1,400 visitors through community partnerships programme • 1,200 children learning about practical environmental sustainability actions • Maintain Be: Lab Gold Accessibility certification (NB this is changing from a certification process to ongoing work with Be: Lab and we will continue to work with them identifying opportunities for improved accessibility throughout the Zoo)

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Economic Wellbeing *An innovative business friendly city*	Te Nukuao Wellington Zoo's contribution to the economic development of our city is through our financial results, creating a place Wellingtonians can feel proud of, by the **employment of over 100 people** and by being one of the largest employers in Newtown. We employ key, specialist staff across a range of areas – some are world leading in their field. Our aim is always to retain our people and stay in line with our strategic area objectives of Oranga, A Healthy Organisation and we have policies and initiatives that recognise and reward our people. We want our people to thrive – **55.75% of our staff are under 33 years of age** so building their capability through targeted development is imperative to our success. One example is our **Keeper Development Programme** which allows learning to drive capability, ensuring they have the skills and knowledge for the next stage in their careers and a salary increase. Our latest staff survey highlights how important training and development is for our people and that they value their career progression. The eight module **LEAP (Leadership Excellence and Performance) Programme** for all Managers and Team Leaders has been very successful and built a cohort of people who can support each other in supporting their teams. Our staff regularly undertake **targeted job-related** training such Emergency Response Training, Manual Handling, First Aid training and Working at Height. Our MoUs with universities and Unitec allow us to share knowledge within courses such as Zookeeping, Veterinary Science, Animal Welfare, Health and Safety, Tourism, Conservation and The Future of Work at Victoria University. Tourism Awards won for sustainability show that we are recognised as a tourism site with a clear message for sustainability and conservation. Our **Qualmark** certification is highly prized by us, and we look forward to the glowing report we receive during this certification process.

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Economic Wellbeing Cont. *An innovative business friendly city*	We contribute to the economic success of our **suppliers** from free range egg suppliers and veterinary supplies to architects and trade contractors. As a local entity ourselves we try as much as possible to support small and/or locally owned businesses. Our visitors also support other local businesses when they visit Newtown. We are working with WellingtonNZ and other partners to ensure economic growth for our city. As previous winners of the Green Gold and Vibrant Gold in the Wellington Gold Awards and the Supreme Award winner of the Wellington Region Business Awards, we are perfectly placed to add value to the economy of our region. Our partnership for **food and beverage** at Te Nukuao Wellington Zoo with an iconic Wellington catering and hospitality company to make sure our offering remains local, personal and aligns with our values. This successful partnership continues to provide benefits to both parties and also to Newtown as a destination. We have over **40 volunteers** who give their time to help the Zoo achieve its outcomes. We value the assistance we receive from our volunteers, and they feel they add value to the community by being involved with the Zoo. Our relationships and MoUs with Massey and Victoria Universities, Department of Conservation, Zealandia, Ngāti Koata, Ngāti Toa Rangatira and Taranaki Whānui ki Te Upoko o Te Ika have enabled collaborative partnerships for conservation medicine, veterinary learning, animal welfare and visitor experience and learning.

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Urban Form *A liveable and accessible compact city*	Te Nukuao Wellington Zoo is a strong contributor to our city, focusing on knowledge, collaboration, innovation and positive action. We contribute to the vibrancy and forward thinking of our city. We aim to be a reflection of our city and contribute, as a cutting-edge cause-related organisation with talented people, to the thriving cultural and natural heritage of Wellington as a liveable and sustainable city. The Zoo contributes strongly to liveability outcomes by being an integral part of the wellbeing of people in Wellington. To achieve our strategic direction, we will be continuing our commitment to sustainability with projects such as solar power installation on suitable Zoo buildings and increasing the use of EVs in our vehicle fleet. A recent site-wide project to upgrade our water metering infrastructure will also allow for more targeted initiatives to reduce overall water usage across the Zoo. We continue to reduce our waste to landfill and work with Council Officers to meet the **Regional Waste Management and Minimisation Plan** and **Te Atakura, First to Zero plan**, reporting our carbon emissions through the Council's carbon emissions reporting processes. As part of our contract with our new Resource and Waste Recovery partner, **Waste Management NZ,** we will be working to implement new initiatives to improve recycling recovery from visitor waste streams and review Te Nukuao Wellington Zoo's operational practices as we seek to continually reduce waste to landfill and improve waste diversion. We continue to support our partners who make ZooDoo as this is both a waste initiative and a social service for employment for vulnerable people. As we replace our **visitor seating** in the Zoo we are installing recycled plastic seats.

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Urban Form Cont. *A liveable and accessible compact city*	We have developed a **Climate Action Position Statement**. Species such as Snow Leopards, which are a climate change impacted species, enable us to tell the story of climate change and the resulting impacts on the environment. We have met with the WCC Climate Action Team to discuss templates for reporting and possibilities for research. We are undertaking a **Climate Action Messaging** workshop this year run by the specialist consultant team, Workshop. We are also delivering **Climate Action learning workshops** for our school group visitors. We have begun working with our website hosting company to assess our digital carbon impact and to make adjustments to reduce this footprint. Digital sustainability is increasingly important when we look at climate action. If the internet was a country, it would be in the top 10 for carbon emissions. The work on our website includes reducing the size of all images on the website, deleting duplicate images and clearing the Content Management System of old content. This is an ongoing project. Climate impacts are included in both our strategy and Risk Matrix. We are prepared for climate changes which will affect the animals, our infrastructure and our communities. In November 2022 Te Nukuao Wellington Zoo began the **Master Planning** process. This process addresses the physical asset, strategic priorities, species selection, storytelling and sense of place. Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust celebrated the 20th anniversary of the establishment of the Trust in July 2023. In recognition of our completion of major capital works with the Snow Leopard habitat in 2023 we undertook a master planning, species planning and strategy review in late 2022 to envision the next twenty years for Te Nukuao Wellington Zoo and to enhance the positive impact we can have for people and the planet. Capital investment through the **Master Plan, currently in the LTP from Year Five,** and ongoing renewals will ensure Te Nukuao Wellington Zoo remains leading edge and allows us to tell both local and global conservation stories to drive positive action for the environment within our community. We see our capital investment and asset planning as a response to community expectations of a welcoming, progressive and professional zoo and to create ongoing resilience for one of our city's most iconic places. The capital investment also allows for more commercial revenue opportunities into the future, such as Glamping at the Savannah. Over the last twenty years Te Nukuao Wellington Zoo has undergone enormous change – physically, culturally and economically. Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust's Capital programme from 2006-2016 changed the physical face, the community perception and reputation of the Zoo. Latest visitor research indicates that Te Nukuao Wellington Zoo is seen as an integral part of our city, a leader in sustainability, animal welfare, visitor experience and conservation - the remit of a progressive zoo. The next 20-year plan needs to build on this success and examine new innovations for a 21st century zoo. We do recognise that we have challenges in accessibility such as parking around the Zoo site and bus services to the Zoo and as we grow our visitor numbers, we are also mindful of the peak day issues such as infrastructure, like toilets and rubbish bins, and not coping with ever increasing visitor numbers. We are discussing what we would consider to be a **capacity figure** for the Zoo site before the experience starts to be compromised.

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Urban Form Cont. *A liveable and accessible compact city*	The work of zoo professionals continues to evolve and the master plan, species plan and strategy need to be flexible and informative to allow Te Nukuao Wellington Zoo to respond to changes in the operating environment, community expectations, zoo-based conservation and animal welfare science. The design of zoo habitats is one of the most significant factors impacting the welfare of the animals that live within them. This in turn underpins the social license zoos operate under. Zoos must be proactive not reactive to changing societal expectations of what is acceptable for animals in human care. Zoos and zoo designers must adapt. This is why zoo habitats rarely have a life span beyond ten years within progressive zoos. Given that breeding in human care has played a role in over half the cases where species have been rescued from extinction, getting welfare right matters not only to individual animals but also to the survival of species. The world is stepping into a moment of great change. With climate change and species decline Te Nukuao Wellington Zoo must be at the forefront of the change and lead by example. Always looking ahead, our Zoo must take on necessary site improvements, strategic thinking, care for appropriate species and people to meet community aspirations as a progressive zoo. The series of required modifications to resolve these challenges act as a springboard for renewing Te Nukuao Wellington Zoo as a whole. The redevelopment provides the perfect opportunity to re-envision the layout of our Zoo, build on the success of the last twenty years to better reflect our strategy and species plan, and to ensure that the site reflects Te Nukuao Wellington Zoo's high-level ambitions, as well as better facilitating our progressive kaupapa, Me tiaki, kia ora! – we must look after the environment so all will thrive. This will be a vision that transcends the evolution of Te Nukuao Wellington Zoo over the next twenty years and positions it to be resilient and agile going into the future, while continuing to be a place of innovation and creativity with excellent animal welfare, and incredible and memorable experiences.

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Environmental Wellbeing *A city restoring and protecting nature* **Te Atakura- First to Zero** **Zero Waste Policy** **Our Natural Capital Biodiversity Strategy**	Our end game is to save wildlife and wild places, locally and globally. We have a global conservation remit. We strive to show thought leadership in global conservation and sustainability by involvement with global partners and by taking leadership roles in both the world and regional zoo professional community. We are respected in the zoo profession for our success in sustainability and we are a leading example of conservation investment and on the ground conservation outcomes. Tiakina te Taiao is at the heart of everything we do. We are a key stakeholder in collaborative conservation breeding as well as science and veterinary research programmes within the zoo community, with other conservation agencies and higher learning organisations in Wellington, across New Zealand and beyond. Our **Species Plan** focuses on the number of critically endangered, endangered and vulnerable species we care for at Te Nukuao Wellington Zoo and those we support through our conservation programmes in the animals' range state. This plan is reviewed annually and redefined as we better align the animals we care for to the critical need in the wild. This plan sets out our priorities for one year, five years and twenty years into the future. The animals we care for at Te Nukuao Wellington Zoo are given the best lives possible and we take pride in being a positive animal welfare Accredited Zoo through the Zoo and Aquarium Association Australasia. Past research shows that 89% of residents surveyed rate animal welfare as important to them and 85% rate wildlife conservation as important to them.

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Environmental Wellbeing Cont. *A city restoring and protecting nature* **Te Atakura- First to Zero** **Zero Waste Policy** **Our Natural Capital Biodiversity Strategy**	The field conservation programmes for critically endangered; endangered and vulnerable species in their range state that we support are: Sumatran Tigers through Wildcats Conservation Alliance; Tasmanian Devils through Save the Devil Program; Malayan Sun bears through Free the Bears; Cotton Top Tamarins through Proyecto Titi; Black and White Ruffed Lemurs and Ring-tailed Lemurs through the Madagascar Fauna and Flora Group; White-cheeked Gibbons through Fauna & Flora, Vietnam; Kea through Kea Conservation Trust; Grand and Otago Skinks with DOC; Kororā and Tawaki through West Coast Penguin Trust; Golden Lion Tamarins through Associação Mico-Leão Dourado; Snow Leopards through Mountain Spirit; and Chimpanzees through Fauna & Flora, Liberia. We have recently signed an MOU with the Chatham Island Tāiko Trust to support one of the world's most endangered sea birds. Moko Kākāriki Wellington Green Geckos and Whitaker's Skinks are an integral part of our Species Plan and we care for these animals at the request of DOC. We are also a key organisation monitoring native lizard wildlife on Matiu Somes Island. We are also in talks with DOC to care for Powelliphanta Augusta, a critically endangered giant native snail. In late 2019 we launched our inaugural local conservation grants programme benefitting Wellington Region conservation projects. These are grants specifically for small community projects, extending the connection of Te Nukuao Wellington Zoo to community conservation projects in the Wellington region – 34 local projects have been supported by this fund since its inception. Staff at Te Kōhanga The Nest, our state-of-the-art conservation medicine hospital, treat a variety of vulnerable native species. Sick and injured native wildlife make up a significant proportion of the veterinary medicine case load – including many who are listed by DOC as nationally critical. Our success in effectively restoring injured native wildlife back to their habitats is above world standards for zoo veterinary hospitals and we take great pride in this achievement. **Te Nukuao Wellington Zoo restoration site** project began in 2014 as a collaborative project with Wellington City Council and Wellington Water. The site, adjacent to the Zoo on the town belt, was designated as a mitigation site for damage that was done at the other end of the waterway for Wellington Water's infrastructure. This site has been planted with native plants, regularly cleared of weeds and is being monitored to track the increase in native plants and animals. **Reverse the Red** is an international conservation initiative between IUCN SSC and WAZA which seeks to have conservation organisations across the globe act to reduce the IUCN Red listing of Species. We measure our **environmental results** using the UN Sustainable Development Goals Framework with the specific measures below: SDG 15 Life on Land • Increase in native biodiversity (plants, animals) in restoration site and within the Zoo • All conservation projects include two or more aspects - social, climate change, local ecological, wider environment • New or refreshed habitat plantings will use at least 50% native plants • New project to grow an endangered/threatened native plant species in the Zoo • At least one *ex-situ* project for conservation of a native animal

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Environmental Wellbeing Cont. *A city restoring and protecting nature* **Te Atakura- First to Zero** **Zero Waste Policy** **Our Natural Capital Biodiversity Strategy**	SDG 14 Life Below Water • Set proportion of ocean originating products purchased by the Zoo that are certified by Marine Stewardship Council • At least two conservation organisations the Zoo partners with which are marine or freshwater based SDG 12 Responsible Consumption and Production • Audit wood and paper products in the Zoo to ensure where possible all products are FSC certified • Design & implement process for checking whether products purchased by the Zoo contain Palm Oil • Reduction in percentage of food waste in animal food – less than 50g waste for Penguin food per day; reduce lucerne waste at Savannah habitat

WZT Specific Expectations

Specific Expectations	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment
Council expects the Trust to achieve a breakeven budget	As stated in this Final SOI and previous SOIs over the past four years it will be impossible for Te Nukuao Wellington Zoo to achieve a break-even budget for 2025/26-2027/2028. While this year we have significantly pushed our Zoo generated revenue, we are still unable to increase it to the level required to pay increased remuneration, maintain progressive zoo outcomes and cover increasing costs. The WCC Operational funding Grant is 42% of our budgeted expenditure for 2025/26. We still hold that a different funding model continues to be the only sustainable option for Te Nukuao Wellington Zoo going forward. This will become even more critical in future years and beyond, when we do not have the visitation impact of large capital projects until the Master Plan begins in Year Five-Seven of the LTP. Our ability to tightly manage discretionary spend only has a fractional impact on our fixed cost operations, particularly with 74% of our total expenditure sitting in remuneration. It is worth remembering that a significant proportion of our costs relate to the care and welfare of our animals and human safety which we cannot reduce. Additionally, in some areas of our operations we continue to face some significant external cost pressures such as nutrition consumables and utility costs. We are also cognisant of the importance of retaining our conservation mission and the experiential spirit of Te Nukuao Wellington Zoo which has made us so popular and successful to date. Accordingly, it is imperative to avoid resultant staff redundancies. Such cuts, while they may balance the books in the short term, will significantly reduce the experience and mission of Te Nukuao Wellington Zoo which will deeply affect our future success. This would also run a high risk of generating a self-fulfilling prophecy of a lessened experience resulting in reduced visitation and therefore further reduced revenue. Our staff numbers are lean already and we have had no significant increase in staff numbers so any changes to this would have major impacts.

Specific Expectations	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment
Council expects the Trust to achieve a breakeven budget Cont.	We have been in discussions with WCC Officers to strategically develop a plan for us to move to a new funding model over the next three to five years. The Financial statements for Te Nukuao Wellington Zoo will be examined by the Officers at WCC together with our Financial Manager to find more savings and options for more shared services with WCC. Some examples of this would possibly be water costs, legal regulation management and carbon measurement. Te Nukuao Wellington Zoo will also look at revenue opportunities such as increasing the number of Close Encounters, targeted marketing through technology for personalised experiences, development of more tourism and education products and reviewing our pricing strategy.

Specific Expectations	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment
The Trust will provide a forward programme of the planned asset renewals which are funded by Council and supported by third-party fundraising. The Renewals Programme will be delivered in line with the Council's Conservation Attractions Activity Management Plan for the Zoo	**Asset Renewals** The renewals budget allows us to maintain a resilient asset for the city. We have been successful with external fundraising for a number of renewals projects if they meet the funding criteria. Examples include the recently completed Otter/Gibbon Habitat project ($122k) and Giraffe House refurbishments ($186k in 2023/24). We are also discussing fundraising for the next phase of the Giraffe House refurbishments with Pub Charity for FY2024/25 to align with the long-term goals of the Zoo Masterplan. Much of Te Nukuao Wellington Zoo's renewals are made up of maintenance of the asset such as painting, electrical works, fencing, safety and security improvements and visitor pathways which are not able to be externally supported through fundraising. Te Nukuao Wellington Zoo will continue to work alongside the WCC Strategic Asset Planning team to develop and refine the Asset Management Plan as part of the wider WCC Conservation Attractions Activity Management Plan. The Zoo specific elements of this plan detail the ongoing maintenance and renewal of the Zoo asset, ensuring it is carried out strategically using the most up-to-date data available, while also executing our obligations under the **Contract for Services.** Te Nukuao Wellington Zoo's current asset renewal planning process enables the Trust to: manage asset lifecycles for a whole-of-life approach with due consideration given to WCC and Zoo joint objectives; provide assurance of funding required to cover existing and future asset renewals and avoid critical failure of ageing infrastructure assets; update any assets not fit for purpose from an animal welfare standard; and resolve any potential Health and Safety issues and the associated reputational risk these issues could bring. One of the challenges of maintaining the Zoo asset is the variable lifecycle ages of structures and animal habitats. As our knowledge of the animals in human care increases, previous habitats and animal care and welfare practices become outdated. Zoos internationally now consider 20 years to be too long and in global experience it is more realistic to plan for a **ten-year life expectancy** for zoo animal habitat assets. This has been shown to be true over the years of managing Te Nukuao Wellington Zoo on behalf of WCC with the projects completed since the Trust's implementation of the ZCP starting in 2006 – with many of these projects now requiring significant investment to ensure they continue to stay relevant and up to date with best practice – particularly at the Giraffe House, Chimpanzee House and Asia Precinct.

Specific Expectations	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment
The Trust will provide a forward programme of the planned asset renewals which are funded by Council and supported by third-party fundraising. The Renewals Programme will be delivered in line with the Council's Conservation Attractions Activity Management Plan for the Zoo Cont.	With the Zoo Masterplan in place, future renewal projects are being planned to fit around (and some cases facilitate) the larger upgrade projects at Lions and the Savannah. We have a long pipeline of **significant planned Renewal projects** for the next three financial years that consider both the Masterplan, and the condition assessments carried out during the last asset survey. As external funding opportunities are identified, or animal welfare or visitor experience priorities change, the Zoo team have flexibility within this list to move projects to adapt to the pressures or opportunities as they arise. **LONG-TERM ASSET RENEWAL PROJECTS** • **Giraffe House/Bull Yard** – Two phase project with the intention to fully enclose the existing building with improved insulation and reconfigure the internal spaces with new light-weight mesh slides to open the space for better herd management. • **Conservation Corner** – Strengthening project for the final earthquake prone building, combined with improved visitor services. • **Kororā Habitat** – Upgrade of the penguin pool, substrate, housing and filtration to improve welfare outcomes for Kororā and improve visibility year-round for visitors. • **Te Kōhanga The Nest Playground** – Following the removal of the old playground structure that had reached the end of its useful lifespan, we will be commissioning the design and installation of a new play space outside Te Kōhanga The Nest. • **Meerkat Habitat(s)** – Existing habitat is over 13 years old so requires significant renewal. A new habitat location is also being scoped to support group dynamics and will also be required prior to the start of the Lion Upgrade project. • **Kiwi Habitat** – Investigations into new location for the Kiwi habitat are underway due to challenges with managing the environmental conditions in the existing space. • **Capybara Habitat** – Creating a new water body for the capybara which includes filtration to reduce water usage and improve animal welfare outcomes and new visitor viewing into the second side of the habitat. • **Visitor Services Technology Improvements** – Review of the Zoo's technology strategy linked to visitor arrival, ticketing and managing entry into the Zoo to improve efficiency in this area. • **Neighbours Precinct** – Refurbishment of animal housing and shelters, management spaces for macropods and landscaping improvements to refresh the space for visitors, staff and animals. • **Sun Bear Habitat** – Improvements to the shelter areas and more arboreal structures and enrichment opportunities to provide a wider variety of activities and improve visibility of the Sun Bear for visitors. • **Tiger habitat** – Installation of high structures within the existing habitats to provide more shade and resting areas for the Tigers, while improving visibility for visitors. Review of containment fencing and feed poles as part of the project. • **Quarantine Centre Rebuild** – The Quarantine Centre in the staff-only areas of the Zoo is dilapidated and in need of complete replacement to ensure we are meeting the needs of the animals and continuing to operate in line with MPI expectations and regulations. • **Archibald Centre** – Refurbishment of a key venues space within the Zoo. This versatile building is in constant use by the Zoo team and external groups and there is opportunity to significantly improve the useability and appearance of the venue to help drive additional long-term venues revenue.

Specific Expectations	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment
The Trust will provide a forward programme of the planned asset renewals which are funded by Council and supported by third-party fundraising. The Renewals Programme will be delivered in line with the Council's Conservation Attractions Activity Management Plan for the Zoo Cont.	**LONG-TERM ASSET RENEWAL PROJECTS Cont.** • **Green Zoo Green You** – This area has been fenced off to visitors for four years as it had to be de-prioritised over other projects within the limited budget available. This is the ideal space for the Zoo to talk to visitors about Climate Action to help save animals in wild places. • **Backup Power Generators** – The Zoo currently has no back-up power generation to continue running critical infrastructure in the event of a major natural disaster or unplanned power outage. Generators would be required to provide the necessary power for large sections of the Zoo and would need to be permanently purchased and installed as there are unlikely to be any generators made available to the Zoo in the event of a serious natural disaster. • **Tiger Habitat / Dens - Phase 1** – The Zoo Masterplan will look to adjust the Asia Precinct to focus solely on Sumatran Tigers – which will require more Tiger dens. The current dens were not upgraded as part of the Asia Precinct work in 2013 so are already some of the oldest remaining buildings in the Zoo and are in need of demolition and bringing up to current standards.

4. PERFORMANCE MEASUREMENTS

For the next three years the following table indicates the measures for WCC to monitor. These are linked to our strategic areas.

Measures	Frequency of Measure	Target 2025-26	Target 2026-27	Target 2027/28	
Visitors	Quarter*	258,918	260,000	260,000	This measure is linked to the Zoo's strategic area of Wairua and Oranga.
Student and education visits	Annual	20,000	20,000	20,000	Conservation education programmes and student self-guided visits. This measure is linked to the Zoo's strategic area of Wairua and Oranga.
Council operating grant per visitor	Annual	$17.19	$17.53	$18.41	This measure is linked to the Zoo's strategic area of Oranga.
Trading Revenue per visit (excluding grants and interest)	Annual	$20.96	$19.69	$19.69	This measure is linked to the Zoo's strategic area of Oranga.
Non-Council donations and funding	Annual	$420k	$430k	$450k	Non-Council operational grants, donations, sponsorships and bequests. This target does not include any capital funding. This measure is linked to the Zoo's strategic area of Oranga.
Percentage of satisfied Visitors	Annual	80%	80%	80%	Average visitor satisfaction is 80% or greater. This measure has changed as the new visitor survey measures satisfaction on scale of 1-7, to align with customer experience best practice, rather than the previous scale of 1-10. This measure is linked to the Zoo's strategic areas of Wairua and Oranga.

***Target Visitor Numbers by Quarter 2025/2026**

Q1	Q2	Q3	Q4	Total
55,319	68,744	74,292	68,850	258,918

Measures	Frequency of Measure	Target 2025-26	Target 2026-27	Target 2027-28	
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	25	25	25	This measure is linked to the Zoo's strategic area of Tinana.
Percentage of native animals released to the wild after triage and treatment by Te Kōhanga The Nest (TKTN)	Annual	50	50	50	This measure is linked to the Zoo's strategic area of Tinana.
Te Nukuao Wellington Zoo's UN SDG targets met	Annual	80%	80%	80%	Targets for the Zoo's SDGs have been established and involve the work of teams across the Zoo. These new targets will enable us to push forward our work for a sustainable planet through the SDG framework. This measure links to the Zoo's strategic area of Whānau.
Number of field conservation projects supported for vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	12	12	12	This measure is linked to the Zoo's strategic area of Hinengaro.
Maintain Zoo and Aquarium Association accreditation	Annual	Achieved	Achieved	Achieved	ZAA accreditation assesses animal welfare, conservation, sustainability, biosecurity and safety when working with dangerous animals. This measure is linked to the Zoo's strategic areas of Oranga, Tinana, Hinengaro and Whānau.
Measure & report on carbon emissions through WCC annual reporting process	Annual	Achieved	Achieved	Achieved	This measure is linked to the Zoo's strategic area of Whānau.
Implementing cultural competency programme	Annual	Achieved	Achieved	Achieved	Linked to the implementation of this bicultural competency programme. This programme is linked to the Zoo's strategic area of Wairua.
Maintain Rainbow Tick certification	Annual	Maintained	-	-	Rainbow Tick is a certification mark provided after a diversity and inclusion assessment process. Rainbow Tick is about accepting and valuing sexual and gender diversity in the workplace. This measure is linked to the Zoo's strategic area of Oranga.
Health, Safety & Wellbeing Committee meeting attendance	Annual	80%	80%	80%	Measured against those staff available to attend meetings. This measure is linked to the Zoo's strategic area of Oranga.
Emergency drill or incident debriefs summary delivered	Annual	8	8	8	Debriefing documents developed and key lessons presented to Zoo staff following emergency drills, trial evacuations and real incidents. This measure is linked to the Zoo's strategic area of Oranga.
Volunteer engagement survey completed	Annual	1	1	1	This annual survey measures the satisfaction levels of those volunteering across the organisation. This measure is linked to the Zoo's strategic area of Wairua.
Staff recognition initiative complete	Annual	1	1	1	Annual Gold Agouti Staff Awards. This measure is linked to the Zoo's strategic area of Oranga.
Staff learning and development initiatives completed	Annual	10	10	10	Learning opportunities from both internal and external speakers and providers. This measure is linked to the Zoo's strategic area of Oranga.

5. APPROACH TO GOVERNANCE

Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust is a Council-Controlled Organisation (CCO) having been established in 2003 by the Wellington City Council to develop and manage the Zoo.

Relationship with Council

Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Measures. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction. The Trust works collegially and collaboratively with WCC through daily interactions and both the Annual Plan and Long-Term Plan processes. **The Board manages the legal compliance of the Trust as related to its activities such as Animal Welfare, Health and Safety, Privacy, People and Culture and Financial.**

Trust Deed

Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust's Trust Deed states the objects of the Trust as follows:

"7.1 The objects for which the Trust is established, to the extent that they are a charitable purpose within New Zealand, are as follows:

7.1.1 To manage, administer, plan, develop, maintain, operate and promote Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington;

7.1.2 To educate the community by building an awareness of plant and animal species and the actions required to promote conservation;

7.1.3 To promote species conservation;

7.1.4 To support and complement the conservation and learning activities undertaken by other organisations;

7.1.5 To develop, manage and plan animal species management programmes;

7.1.6 To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo;

7.1.7 To acquire additional plant and animal species; and

7.1.8 Generally to do all acts, matters and things that the Trustees think necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the Wellington community."

Te Nukuao Wellington Zoo Chief Executive, and the Zoo's Strategic Management Team, meets regularly with Council Officers for CCOs and other Council management when appropriate. The Chair and Chief Executive attend Kōrau Tōtōpū | LTP, Finance & Performance Committee meetings as required.

The Trust's Statement of Financial Performance and audited accounts will be presented to Council within 60 days of financial year end. These statements include the budget from the SOI for the same period as per the Statement of Expectation and our usual approach to the accounts.

The Trust does not have any material or potentially contentious transactions that are planned within its annual business plan. Should this situation arise, the earliest practicable notice will be given to Council of such transactions.

Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust always publicly acknowledges Council's contribution to the Zoo. We are grateful for Council support and seek to acknowledge this at events, animal habitat openings and other appropriate opportunities.

The principles governing the relationship between the Trust and Council will include:

- A **"no surprises" approach**;
- Open communications which acknowledge each partner's objectives and constraints;
- Mutually respectful negotiation of resolution of differences;
- Reciprocal recognition of the requirements of each other's processes; and
- Provision of quarterly reports against agreed KPMs and an annual report within three months of balance date.

Contract for Services

Te Nukuao Wellington Zoo will continue to provide the core business services that the Zoo has historically delivered to Wellington as part of our **Contract for Services** with Wellington City Council. These can be summarised as follows:

- Strategic direction and operational management of the Zoo;
- Development and maintenance of animal habitats which offer engaging experiences to visitors and high-quality living environments to the resident animals;
- Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset;
- Educational curriculum delivery to develop children as contributing citizens;
- A safe and inspiring place for family engagement and community learning;
- Care of the Zoo's animals to achieve excellent levels of health and emotional/psychological wellbeing according to the Five Domains of Animal Welfare;
- Contribution to conservation through advocacy, support for field conservation programmes and sustainable management practices;
- Participation in collaborative inter-zoo, and other conservation agency, programmes;
- Contribution to conservation, scientific, learning and management research projects in the field and on site; and
- Fundraising for the organisation's future sustainability, development and conservation projects.

Trust Board Membership

Name	Term	Term Expires
Jamie Tuuta *(Chair)*	1	31 December 2026
Nina Welanyk Brown	3	31 December 2025
Jane Diplock AO	2	31 December 2027
Nureddin Abdurahman	1	16 October 2025
Chris Roberts	1	31 December 2025
Marie Long	1	31 December 2026

All Board members are non-executive. A **Board Skills Matrix** will be provided separately by **31 March 2025** and updated annually.

Board Committees

The Board operates one committee - the Finance, Audit and Risk Committee.

Board Development and Performance

The Board conducts an annual review of overall Board performance which determines individual and chair development needs, and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least ten hours a year on this at Board meetings and additional workshops and discussions. **A report will be tabled to the Wellington City Council Chief Executive on the Board review and outcomes by 30 September 2025.**

6. HEALTH, SAFETY AND RISK

Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust Board has a Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our Risk Analysis and Mitigation Plan at least annually and this document is updated as required. Health, Safety and Wellbeing is currently managed via the Director Safety, Assets and Sustainability who is a direct report to the Chief Executive. The H&S Lead works with our Health, Safety and Wellbeing Committee to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the Strategic Management Team (SMT) and by the Board at their regular meetings.

As with all our HS&W responsibilities the Board (and other Officers of the Trust) acknowledges and understands its accountability. We have made the appropriate improvements to ensure the new Health and Safety legislation is well managed and that the Trust meets the required reporting, monitoring and reviewing of Health, Safety and Wellbeing objectives. **Like all of our legal obligations we have our Health, Safety and Wellbeing compliance assessed annually by ComplyWith.** This external assessment ensures that all legal obligations across the Zoo business are met.

The Zoo's **Risk Matrix** highlights the criticality of maintaining a resilient organisation for the city. Impacts of a natural disaster, attraction and retention of key staff, inadequate access to funding (capital and operational), loss of business due to an extreme event, and serious incident (loss of life humans or animals) are all high-level potential risks if we are not able to adequately manage or resource appropriately.

Risk Analysis & Control Plan for Wellington Zoo Trust

Risk Identification	Uncontrolled Risk: Probability	Uncontrolled Risk: Impact	Uncontrolled Risk: Risk Value	Risk Control	Risk after Control: Probability	Risk after Control: Impact	Risk after Control: Risk Value	Accountability	Responsibility
Natural disasters impacts	0	7	7	Business Continuity Plan. Emergency Management Plans. All documents reviewed regularly. Regular practice drills carried out. Responsible approach to asset management in conjunction with WCC, eg earthquake preparation. Once emergency is over, a tactical marketing and communications plan implemented. Communications plans enacted.	0	6	6	CE & Board	Board, SMT
Loss of business due to extreme or prolonged event, eg, pandemic, terrorism, civil unrest, climate change, prolonged inclement weather	-1	7	6	Implement tactical marketing and pricing. Implement a targeted communications plan. Emergency logistics, animal management and procurement plans put into effect. Review and revise budgets, reduce spending and investigate new revenue raising initiatives. Strong relationship management with WCC and other key stakeholders. Internal communications plans enacted. See also Business Continuity Plan.	-1	6	5	CE & Board	Board SMT
Attraction and retention of key staff	0	6	6	Learning and Development opportunities. Supporting Success and recognition programmes. Career progression initiatives such as the Keeper Development Programme. People & Culture Policies & Strategy and Remuneration Strategy. Engagement through shared values. Employee Experience Journey protocols, eg advertising, induction. Monitor and maintain skills shortage status through ZAA for Veterinarians, Veterinarian Technicians, Zoo Keepers and other critical roles with Immigration NZ. Succession Planning.	-1	6	5	CE & Board	Board COO
Inadequate access to funding (capital and operational)	0	6	6	**Capital Funding** - Advocacy for WCC to support annual Renewals grants increases in the Te Nukuao Wellington Zoo Master Plan, as part of the LTP process. Designs, business cases and costings developed and externally verified. Apply for capital funding grants as appropriate. **Operational Funding** - Continued focus on increasing Trust generated revenue and commercial opportunities. Marketing & sales strategies and annual pricing review. Use SoI to clarify funding requested.	-1	6	5	CE & Board	Board & SMT
Infectious disease impact on animals	0	6	6	EPA/MPI/DOC policies. Infectious Diseases Policy and Procedures. Maintenance of good biosecurity measures and developing controls on an ongoing/regular basis. Developing plans for any emerging disease risk based on government advice and international best practice (eg High Pathogenic Avian Influenza). Veterinary protocols and pre-import and pre-export screenings. Animal Human Interaction protocols. Communication plan enacted.	-1	6	5	CE & Board	Board/COO Director, SAS
Serious incident (including animal related incidents) where there is the risk of the loss of life (human or animals)	-2	7	5	Emergency Management Plans, Health & Safety Management System, Communications Plans reviewed annually. Regular practice drills carried out. Monitored Fire Alarms in all people occupied buildings and where possible in animal housing depending on risk. Building WOFs. Annual MPI audit and Containment Standards maintained. Inductions of staff and contractors. Monitor competency of staff and contractors. Two keeper system in place. Board and SMT H&S site reviews.	-3	7	4	CE & Board	Board, SMT
Withdrawal or significant reduction of support or unfunded compliance costs from WCC	-2	7	5	Te Nukuao Wellington Zoo Statement of Intent. WCC Contract for Services. Relationship plans where appropriate and regular meetings with key contacts at WCC. Reporting at relevant WCC Committee meetings. Relationships developed between relevant officers across WCC and related Te Nukuao Wellington Zoo portfolio managers. Regular reporting on Te Nukuao Wellington Zoo-based activities.	-3	4	1	CE & Board	CEBoard
Reputation Falters	-1	6	5	Communications protocols to communicate with key stakeholders, media and community. Strong relationship management with partners and stakeholders eg, DOC, MPI, WCC. ZAA Accreditation. Euthanasia Policy. Code of Conduct, Media Relations Policy. Electronic Communications and Internet Usage Policy. Use of Social Media Policy. Disciplinary Policy. HSW Policy. Seek appropriate and timely advice.	-2	5	3	CE & Board	Board, SMT

Risk Identification	Uncontrolled Risk			Risk Control	Risk after Control			Accountability	Responsibility
	Probability	Impact	Risk Value		Probability	Impact	Risk Value		
Loss of Business Due to Economic Downturn	0	5	5	Operating environment evaluated regularly. Tactical marketing and pricing put into effect and tempered by prudent financial management.	0	4	4	CE & Board	CE Board
Animal Welfare compromised	-2	6	4	ZAA Accreditation evaluates the Zoo's animals' welfare state. DOC permitting reviews and MPI annual audit. Husbandry Manuals and SOPs regularly reviewed and updated. Governed by Te Nukuao Wellington Zoo Animal Welfare Committee. Animal Care & Science team development, recruiting and retaining skilled staff.	-3	5	2	CE & Board	Board COO
Inappropriate procurement processes followed	-2	6	4	Responsible Procurement Policy. Delegations Policy. Register of Interests. Delegations for approvals. Board approval process for capital procurement and WCC signoff for Capital Procurement for major capital projects.	-3	4	1	CE & Board	Board COO
Inability to source and import animals	-1	5	4	Te Nukuao Wellington Zoo Species Plan continually updated. Animal Science Manager responsible for sourcing animals. Strong relationships with ZAA and WAZA members and with other zoos around the world to source animals through programmes such as ASMP. Strong relationship management with DOC, MPI and EPA.	-1	4	3	CE & Board	Board COO
Cyber-Security Failure / Privacy Breach	-1	5	4	WCC ICT system and policies eg, secure password management. Cyber security testing/monitoring by WCC. Review third-party providers to ensure they have robust cyber-security systems, policies and procedures in place - particularly storage of sensitive information and payment protocols. Te Nukuao Wellington Zoo website penetration testing. Privacy Officers and Privacy Working Group undertake Privacy Impact Assessments (PIAs) twice yearly.	-2	5	3	CE & Board	Board COO
Utilities Infrastructure Loss and Failure	-1	5	4	Te Nukuao Wellington Zoo Business Continuity Plan. WCC Business Continuity Plan. Minor Works programme to ensure maintenance up to date. Connection to WCC systems where appropriate to utilise WCC back-up systems.	-1	4	3	CE & Board	Board SMT
Project Design, Development and Delivery Risk	-1	5	4	Project Management Process as agreed with the Board. Follow procurement processes for engaging Consultants and Contractors. Regular progress meetings to maintain projects on time and within budget. Regular reporting to the Board on capital and renewals projects.	-3	5	2	CE & Board	Board/Director, SAS
Fraud and Theft	-1	5	4	CCTV at front entrance monitored regularly by SMT members and Sales and Services Manager. Code of Conduct. Financial management procedures. Daily banking checks by Finance and Administration Advisor with written procedures for following up variances. Annual audit by Moore Markhams, appointed by Auditor General. Pre-employment Criminal checks.	-2	3	1	CE & Board	Board COO
Security Breach/Vandalism	-1	4	3	CCTV System and Security Alarms in all our buildings and where applicable in animal areas. Weekly perimeter checks. Maintenance of Perimeter Fence. Routine nightly security checks. After hours doors and security gate monitoring.	-2	3	1	CE & Board	Board, Director SAS

Risk Analysis Scale

Risk Analysis Scale

Score	Probability that the Event will Occur
1	Almost Certain and / or could occur frequently
0	Very likely to occur and / or could occur more than once
-1	Moderately likely to occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Very unlikely to occur

Score	Level of Impact of the Event Occurring
7	Catastrophic Damage value greater than 50% of the project value, or Major delay to the project completion, or Major impact on this and other business opportunities
6	Very High Impact Damage value about 20% - 50% of the project value, or Significant delay to project completion, or Significant impact on this and other business opportunities
5	Major Damage value about 5% - 20% of the project value, or Project completion affected, or Some impact on this or other business opportunities
4	Minor Damage value less than 5% of the project value, or Project completion not impacted (although a phase of the project may be), or This business opportunity could be impacted
3	Negligible Damage value covered by contingency, any delays barely noticeable and client unaffected
2	Minimal

These two scores are added together to give a "Risk Value". This will be in the range zero to eight.

All risks with a Risk Value of 5 - 8 must have a control plan developed and agreed with the Board.

All risks with a Risk Value of 3 or 4 shall have a control plan so they can be managed by SMT.

All risks with a Risk Value of 0 - 2 can just be recorded and accepted as such until such time as they produce a higher score.

Any risk that has a Probability Value of one (1) or an Impact Value of five (5) or more must still have a control plan even if the overall Risk Value is less than five.

7. ADDITIONAL INFORMATION

a) **Response to other specific Letter of Expectation matters (if applicable)**

Not applicable.

b) **Ratio of shareholders' funds to total assets**

Please refer to the Balance Sheet and Accounting Policies included.

c) **Estimate of amount intended for distribution**

Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust does not make a distribution to the Settlor.

d) **Acquisition procedures**

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

e) **Activities for which the Board seeks compensation from a Local Authority**

The Board acknowledges the **$4,468,676 operational funding** for 2025/2026. However, we have outlined the pressures on our financial situation in Section 2 of this SOI.

The Board acknowledges the **proposed $1.342m included in the Long-Term Plan** for Zoo Asset **renewals** for 2025/2026.

f) **Estimate of commercial value of shareholders investment**

Not applicable.

g) **Other matters (if applicable), eg, water supply services LGA requirements**

Not applicable.

h) **Supplementary information the entity wishes to include**

Not applicable.

8. ACCOUNTING POLICIES

Reporting Entity

Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust (the "Trust") is a charitable trust registered under the Charitable Trusts Act 1957 domiciled in New Zealand and is also a council-controlled organisation as defined under Section 6, Part 1 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees. The Trust was established on 1 July 2003 by the Wellington City Council. The Trusts incorporation number is 1341121, and the Charities registration number is CC22002.

The primary objective of the Trust is to manage, administer, plan, develop, maintain, operate and promote Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust for the benefits of the inhabitants of Wellington and as an attraction to visitors to Wellington, not to make a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand PBE IPSAS.

Statement of Compliance

The financial statements and service performance information of the Trust have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002 and comply with PBE Standards reduced disclosure regime (RDR).

The Trust has designated itself as a public benefit entity for the purposes of New Zealand PBE IPSAS. The Trust is eligible and has elected to apply the PBE Standards RDR because its expenses are less than $30 million and it does not have public accountability as defined by XRB A1 Application of the Accounting Standards Framework.

Measurement Base

The measurement base applied is historical cost. The accrual basis of accounting has been used.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated. As a result of rounding there may be slight discrepancies in subtotals.

Significant Accounting Policies

Critical Accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. The Trust has assessed the financial records and there are no significant critical accounting estimates. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Grants

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant are satisfied.

Revenue

Revenue comprises revenue from operating activities, investment revenue, grants and donations and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Most of the services that the Trust provides for a fee are subsidised by grants therefore do not constitute an approximately equal exchange. Accordingly, most of the Trust's revenue is categorised as non-exchange.

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such revenue is recognised when control over the asset is obtained.

Interest

Interest revenue is recognised using the effective interest rate method.

Volunteer Services Recognition

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months.

Investments

Term deposits are initially measured at the amount invested.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Inventory

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Property, Plant and Equipment

Recognition

Property, plant and equipment consist primarily of operational assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet criteria for capitalisation are expensed.

The Trust also manages the construction and development of buildings, structures and enclosures on behalf of the Council. These assets are not recorded in the Trust's financial statements as ownership vests in the Council.

Measurement
Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment includes the purchase consideration, and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Impairment
The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an 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. The recoverable amount is the higher of an item's fair value less costs to sell and value in use.

Disposal
Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs.

Depreciation
Depreciation is provided on all assets owned by the Trust excluding 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 residual value) over its useful life.

Work in Progress
The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Employee Benefits
A provision for employee benefits (holiday leave and long service leave) is recognised as a liability when benefits are earned but not paid. The Trust recognises a liability and an expense for a one-off payment where contractually obliged or where there is a past practice that has created a constructive obligation.

Short Term Employee Benefits
Holiday leave (annual leave and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

Other Contractual Entitlements
Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to terminate employment. 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.

Provisions
The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Revenue in Advance
The Trust has received non-exchange funds for specific purposes with conditions that would require the return of the monies if the Trust were not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

The Trust has received non-exchange funds which apply to periods beyond the current year with conditions that would require the return of the monies if the Trust were not able to fulfil the obligation.

Contingent Assets and Liabilities

Contingent liabilities and contingent assets are disclosed in the notes to the financial statements. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Animals

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

Equity

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are accumulated surpluses and deficits and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.
Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Statement of Cash Flows

The statement of cash flows is prepared using the indirect method. Operating activities include cash received from all revenue sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

Related Parties

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 Wellington City Council, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

Changes to Accounting Policies

There have been no changes in accounting policies this year.

9. FORECAST FINANCIAL STATEMENTS

Wellington Zoo Trust Incorporated is incorporated under the Charitable Trusts Act 1957 and is a not-for-profit organisation.

CCO: Wellington Zoo Trust
Business Plan 2025/26 — **$NZ000's**

Estimate 30-Jun-25	EARNINGS STATEMENT	Qtr to 30-Sep-25	Qtr to 31-Dec-25	Qtr to 31-Mar-26	Qtr to 30-Jun-26	Total YE 30-Jun-26	Total YE 30-Jun-27	Total YE 30-Jun-28
	Revenue							
4277	Trading Income	1,143	1,380	1,549	1,257	5,329	5,000	5,000
4362	WCC Grants	1,117	1,117	1,117	1,117	4,469	4,594	4,704
84	Other Grants	21	21	21	21	84	90	100
345	Sponsorships and Donations-Operational	85	85	85	85	340	340	350
123	Sponsorships and Donations-Capital	0	0	0	0	0	0	0
72	Investment Income	14	14	14	14	55	50	50
130	Other Income	30	30	30	30	120	120	120
9,393	**Total Revenue**	2,410	2,647	2,816	2,524	10,397	10,194	10,324
	Expenditure							
7,660	Employee Costs	1,958	1,958	1,958	1,958	7,831	7,987	8,147
2,493	Other Operating Expenses	689	689	689	689	2,758	2,813	2,869
0	Depreciation	0	0	0	0	0	0	0
0	Interest	0	0	0	0	0	0	0
253	Vested Assets/Restricted Funds spend	30	30	30	30	120	120	120
10,406	**Total Expenditure**	2,677	2,677	2,677	2,677	10,708	10,920	11,136
(1,013)	**Net Surplus/(Deficit)**	(267)	(30)	139	(153)	(311)	(726)	(812)
-10.8%	**Operating Margin**	-11.1%	-1.1%	4.9%	-6.1%	-3.0%	-7.1%	-7.9%

Note: The WCC Grants for FY26-27 and FY27-28 are placeholder numbers that will be confirmed through subsequent annual plan processes.

Estimate 30-Jun-25	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-25	As at 31-Dec-25	As at 31-Mar-26	As at 30-Jun-26	As at 30-Jun-27	As at 30-Jun-28
	Shareholder/Trust Funds						
0	Share Capital/Settled Funds	0	0	0	0	0	0
0	Revaluation Reserves	0	0	0	0	0	0
867	Restricted Funds	600	570	570	556	-205	-459
0	Retained Earnings	0	0	139	0	35	(523)
867	**Total Shareholder/Trust Funds**	600	570	709	556	(170)	(982)
	Current Assets						
1,819	Cash and Bank	2,669	1,522	2,778	1,508	774	(34)
330	Accounts Receivable	797	824	588	500	500	500
327	Other Current Assets	200	200	200	200	150	180
2,476	**Total Current Assets**	3,666	2,546	3,566	2,208	1,424	646
	Investments						
0	Deposits on Call	0	0	0	0	0	0
0	Other Investments	0	0	0	0	0	0
0	**Total Investments**	0	0	0	0	0	0
	Non-Current Assets						
0	Fixed Assets	0	0	0	0	0	0
0	Other Non-current Assets	0	0	0	0	0	0
0	**Total Non-current Assets**	0	0	0	0	0	0
2,476	**Total Assets**	3,666	2,546	3,566	2,208	1,424	646
	Current Liabilities						
589	Accounts Payable and Accruals	500	500	500	500	500	500
491	Provisions	500	500	500	500	500	500
529	Other Current Liabilities	2,066	976	1,857	652	594	628
1,609	**Total Current Liabilities**	3,066	1,976	2,857	1,652	1,594	1,628
	Non-Current Liabilities						
0	Loans - WCC	0	0	0	0	0	
0	Loans - Other	0	0	0	0		
0	Other Non-Current Liabilities	0	0	0	0	0	0
0	**Total Non-Current Liabilities**	0	0	0	0	0	0
867	**Net Assets**	600	570	709	556	(170)	(982)
1.5	**Current Ratio**	1.2	1.3	1	1.3	1	0.4
35.0%	**Equity Ratio**	16.4%	22.4%	19.9%	25.2%	-11.9%	-151.8%

Estimate 30-Jun-25	STATEMENT OF CHANGES IN EQUITY	As at 30-Sep-25	As at 31-Dec-25	As at 31-Mar-26	As at 30-Jun-26	As at 30-Jun-27	As at 30-Jun-28
	Equity Opening Balances						
242	Accumulated Comprehensive Revenue and Expense	0	0	0	139	0	(50)
1,586	Restricted Funds	867	600	570	570	556	(120)
1,828	**Total Equity Opening Balance**	867	600	570	709	556	(170)
	Comprehensive Revenue						
(1,013)	(Deficit)/Surplus for the year to retained earnings	(267)	(30)	139	(153)	(726)	(812)
(1,013)	**Total comprehensive revenue**	**(267)**	**(30)**	**139**	**(153)**	**(726)**	**(812)**
	Equity Closing Balances						
0	Accumulated Comprehensive revenue and expense	0	0	139	0	(50)	(742)
867	Restricted Funds	600	570	570	556	(120)	(240)
867	**Total Equity-Closing Balance**	600	570	709	556	(170)	(982)

Estimate 30-Jun-25	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-25	Qtr to 31-Dec-25	Qtr to 31-Mar-26	Qtr to 30-Jun-26	Total YE 30-Jun-26	Total YE 30-Jun-27	Total YE 30-Jun-28
	Cash provided from:							
5,569	Operating Receipts	1,143	1,380	1,549	1,257	5,329	5,000	5,000
4,362	WCC Grants	2,235	0	2,235	0	4,469	4,594	4,704
	Other Grants	21	21	21	21	84	82	82
	Sponsorships and Donations	85	85	85	85	340	340	350
72	Investment Income	14	14	14	14	55	50	50
	Other Income	30	30	30	30	120	120	120
10,003		3,527	1,530	3,933	1,407	10,397	10,186	10,306
	Cash applied to:							
7,371	Payments to Employees	1,958	1,958	1,958	1,958	7,831	7,987	8,147
3,649	Payments to Suppliers	689	689	689	689	2,758	2,813	2,847
2	Net GST Cashflow					0	0	0
	Other Operating Costs (Vested Assets/Restricted Funds)	30	30	30	30	120	120	120
0	Interest Paid	0	0	0	0	0	0	0
11,022		2,677	2,677	2,677	2,677	10,708	10,920	11,114
(1,019)	**Total Operating Cash Flow**	850	(1,147)	1,256	(1,270)	(311)	(734)	(808)
(1,019)	**Net Increase/(Decrease) in Cash Held**	850	(1,147)	1,256	(1,270)	(311)	(734)	(808)
2,838	**Opening Cash Equivalents**	1,819	2,669	1,522	2,778	1,819	1,508	774
1,819	**Closing Cash Equivalents**	2,669	1,522	2,778	1,508	1,508	774	(34)

Estimate 30-Jun-25	CASH FLOW RECONCILIATION	Qtr to 30-Sep-25	Qtr to 31-Dec-25	Qtr to 31-Mar-26	Qtr to 30-Jun-26	Total YE 30-Jun-26	Total YE 30-Jun-27	Total YE 30-Jun-28
(1,013)	**Operating Surplus/(Deficit) for the Year**	(267)	(30)	139	(153)	(311)	(726)	(812)
	Add Non Cash Items							
0	Depreciation	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
(1,013)		(267)	(30)	139	(153)	(311)	(726)	(812)
	Movements in Working Capital							
361	(Increase)/Decrease in Receivables	(458)	(27)	236	88	(161)	0	0
(105)	(Increase)/Decrease in Other Current Assets	127	0	0	0	127	50	(30)
(328)	Increase/(Decrease) in Accounts Payable	(89)	0	0	0	(89)	0	0
66	Increase/(Decrease) in Other Current Liabilities	1,537	(1,090)	881	(1,205)	123	(58)	34
(6)		1,117	(1,117)	1,117	(1,117)	0	(8)	4
(1,019)	**Net Cash Flow from Operations**	850	(1,147)	1,256	(1,270)	(311)	(734)	(808)

Jamie Tuuta
Board Chair
Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust

WELLINGTON CABLE CAR LIMITED
STATEMENT OF INTENT
FY26-28

Presented to: Wellington City Council pursuant to Section 64 of the Local Government Act 2002. In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions, and performance measures for the Wellington Cable Car (WCCL) for the next three years. It responds to the Wellington City Council (WCC) December 2024 Letter of Expectations.

CONTENTS

INTRODUCTION

This Statement of Intent outlines the planned activities, intentions, and performance measures for the Wellington Cable Car (WCCL) for the next three years. It responds to the Wellington City Council (WCC) December 2024 Letter of Expectations. It also outlines how WCCL plans to address the challenges ahead, strengthen our financial sustainability, and advance key projects and initiatives. In recent years, we have demonstrated resilience and adaptability, successfully recovering from the significant challenges brought on by the pandemic. By focusing on innovation, sustainability, and the ongoing enhancement of our offerings, we aim to secure a successful future for the Wellington Cable Car and maintain its iconic place in the hearts of locals and visitors.

Distinguishing itself from most Council Controlled Organisations (CCOs), the Cable Car owns its assets outright and traditionally operates without financial assistance from the Council for day-to-day operations. WCCL's financial independence allows us to self-fund ongoing maintenance and capital expenditure, while also maintaining robust reserves, positioning us favourably to fund non-Long-Term Plan (LTP) asset renewals.

However, as we look to the future, we face a new challenge: a decline in cruise ship visitor numbers due to global macro factors, uncertainty for cruise lines around regulations and cost increases, and a lack of hull cleaning infrastructure in our region. Traditionally, cruise passengers made up approximately 15% of our passenger numbers and 30% of our revenue, playing a vital role in our success. The forecasted reduction in FY26 of almost 90,000 fewer passengers in Wellington (compared to the FY24 season) will once again impact both our revenue and overall visitor numbers and has been factored into FY26-28 targets.

To address this downturn, we plan to enhance our focus on developing innovative revenue-generation strategies and new initiatives to attract a diverse range of visitors to ensure the long-term sustainability of the Wellington Cable Car.

A critical priority is building sufficient financial reserves over the next decade to fund the eventual replacement of the cable cars, which will be a significant but necessary investment. Careful financial planning and strategic revenue growth are required to ensure we are well-prepared for this future milestone while continuing to deliver an exceptional experience for our visitors today.

Despite these challenges, we remain committed to advancing our long-term objectives. Our carbon reduction initiatives are central to our operations as we align with Wellington's sustainability goals and take steps to reduce our environmental impact. Cultural initiatives also remain a significant focus, as we work to celebrate and incorporate the unique stories, heritage, and identity of Wellington into the visitor experience.

We continue to prioritise our seismic resilience programme, ensuring the safety and reliability of the Cable Car for generations to come. The $6.7m funding required for the bridge strengthening has been incorporated into the 2024-2034 LTP and we are grateful to Council for their continued support of our seismic programme of works. Detailed assessments of our bridges conducted in FY24-25 have provided a comprehensive understanding of risks and opportunities, facilitating informed decisions on necessary strengthening measures. This proactive approach aligns with WCCL's commitment to transparency, ensuring that funding requirements for this critical work are communicated well in advance.

Another key area of development in the coming period is the progression of an options paper for the 'Top of the Cable Car Precinct.' This initiative aims to transform the area into a vibrant and appealing space that draws both locals and visitors. By enhancing the precinct's offerings, we intend to create a dynamic environment that complements the Cable Car experience while adding value to Wellington's tourism, culture, and community life. This work represents an exciting opportunity to enhance the vibrancy and appeal of the area and strengthen its role as a must-visit destination.

ABOUT WELLINGTON CABLE CAR LTD

Who we are

Wellington Cable Car Limited stands as a cornerstone in the cultural and economic landscape of the Wellington region. Established in 1902, the Cable Car has been an integral part of the city's history, connecting Lambton Quay to the suburb of Kelburn and offering both locals and visitors a unique and scenic mode of transportation. As a Council Controlled Organisation, WCCL operates under the governance of the Wellington City Council (WCC), with the WCC being the sole shareholder. The Cable Car employs 25 people and is steered by an independent Board consisting of four directors appointed by the WCC, ensuring a strategic and transparent approach to its operations.

Beyond its historical and cultural significance, the Wellington Cable Car plays a pivotal role in contributing to the economic impact of the visitor sector in the Wellington region. As a major tourist attraction (second only to Te Papa), the Cable Car draws visitors from around the world, boosting the local tourism industry and creating employment opportunities.

The economic impact extends beyond the direct employment provided by the Cable Car. The influx of visitors stimulates the hospitality, retail, and entertainment sectors in the surrounding areas, creating a thriving ecosystem of businesses. Local cafes, shops, and attractions benefit from the increased foot traffic generated by those drawn to the Cable Car experience.

In addition to serving as a catalyst for tourism, the Cable Car contributes to the region's economic resilience by being primarily financed through passenger fare income. This financial model not only ensures the self-sustainability of the Cable Car but also underscores its ability to adapt to changing economic conditions.

As the kaitiaki of this Te Whanganui-a-Tara / Wellington taonga, WCCL is dedicated to the ongoing maintenance and safe operation of the Cable Car. This responsibility goes beyond providing a memorable experience; it involves upholding best practice engineering standards and complying with all relevant legislation. The Cable Car, as a symbol of Wellington's identity, requires meticulous care to preserve its heritage and ensure its continued contribution to the economic vitality of the region.

In 2025, the Cable Car marked its 123rd year of service, connecting people and enabling the growth of the Wellington region. It stands as a testament to Wellington's resilience and commitment to embracing its rich history while looking towards a prosperous future.

Our strategic direction, purpose, and values

Our vision: The Wellington Cable Car is the most iconic tourist attraction in Wellington and the transport of choice for our local whānau. It is an enduring, carbon positive Wellington experience that connects our people, spaces, places, and venues.

Our purpose: Host uniquely Wellington experiences that locals are proud of, and visitors remember and share.

Our values enable our purpose:

Kaitiakitanga - Custodians of a Wellington taonga and our environment

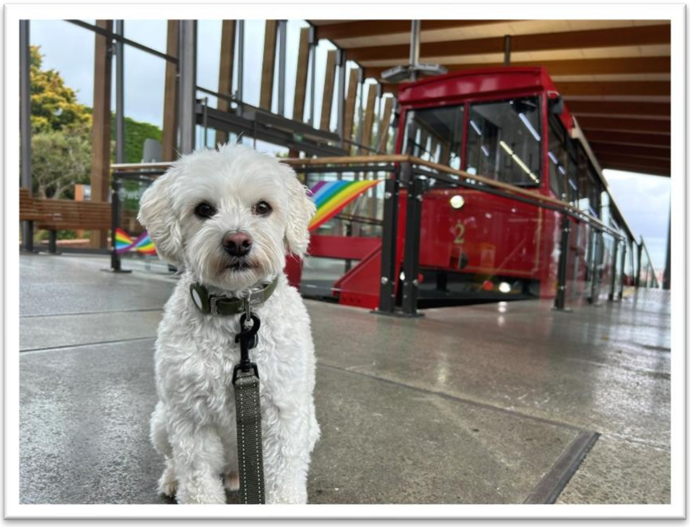
Safe Workplace - Safe site and safe conversations

Guest Centred - The guest experience makes our business

Pride - We strive to take pride in everything we do

Team - The team works together to deliver consistently great Wellington experiences

Adaptability - We embrace new ideas to sustain and improve our business



FY26-28 FOCUS AREAS AND FY26 ACTIVITY

In addition to Council expectations, our key priorities for FY26-28 fall under five strategic focus areas which guide the most impactful work:

VISION	The Wellington Cable Car is the most iconic tourist attraction in Wellington and the transport of choice for our local whānau. It is an enduring, carbon positive Wellington experience that connects our people, spaces, places and venues.				
PURPOSE & VALUES	Host uniquely Wellington experiences that locals are proud of, and visitors remember and share. Kaitiakitanga | Safe Workplace | Guest Centred | Pride | Team | Adaptability				
STRATEGIC FOCUS AREAS	**CARE FOR OUR TAONGA**	**LEVERAGE OUR TOURISM MANA**	**SUPERCHARGE OUR CX**	**PARTNER FOR SUCCESS**	**NURTURE OUR WHANAU**
FY26-28 OBJECTIVES	**Maintain an asset management plan that meets the needs of future generations.**	**Become the activity destination of choice in the Wellington region.**	**Deliver the right products, to the right audience, on the right channel, at the right time.**	**Align and nurture relationships for future success.**	**Enable our team to develop their potential.**
OUTCOMES	• Our cultural and historical assets are maintained and cared for • The Cable Car has a reputation as a safe, reliable and sustainable business	• We are the #1 activity recommendation by travel partners • Top of the Cable Car precinct is a destination of choice for visitors and locals	• We continually surprise and delight our customers through targeted activations, campaigns and products • Focused acquisition and retention of customers	• Council, CCOs and wider stakeholders are engaged, aligned and onboard with our vision • Work is targeted and leverages wider industry and partner capabilities	• Team is enabled with the systems, capabilities and environment they need to deliver outstanding work • Projects produce impact and measurable results
FY26 PROJECTS INCLUDE	Asset Management Plan; seismic resilience work on bridges; and carbon reduction initiatives.	Top of the Cable Car Precinct project; trade engagement; leveraging city-wide and business events; dynamic pricing; and revenue generation strategy.	Website project; product development; local marketing campaign; accessibility initiatives; cruise strategy; and Cultural outreach programme.	Partnerships with WCC; Kelburn precinct and CCOs; Business Events Wellington; Cruise Lines; Tourism New Zealand; Iwi; Mana whenua; Waka Kotahi and GWRC.	OKR performance framework; software upgrades; and leveraging WCC and other CCO Te Ao Māori training initiatives.

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OUR RESPONSE TO THE COUNCIL'S STATEMENT OF EXPECTATIONS

Enduring expectations

Acknowledging the enduring expectations set by WCC, the Cable Car is committed to regular and collaborative engagement with the Council's CCO team, helping the Council to deliver on its strategic priorities, and ensuring a 'no surprises' approach to our work.

Priority is given to health and safety within WCCL's operations, alongside meticulous adherence to the legislation that governs a passenger transport business. Our comprehensive set of policies and processes guarantees compliance with all pertinent regulations, supported by a robust risk management framework to effectively identify, and address potential hazards and risks.

In compliance with directives, WCCL will undertake a thorough board review and maintain a board skills matrix with delivery to Council on the requested dates.

Upholding the living wage standards and accommodating necessary adjustments remains a steadfast commitment for WCCL.

WCCL is committed to aligning with WCC's strategic direction and long-term plans and we fully support the Council's vision and priorities as outlined in the 2024-34 Long-term Plan.

Alignment with Council's Community Outcomes and Strategic Approach

WCCL's strategies, initiatives, and operations are structured to echo the Council's vision and priorities, advancing these objectives for the betterment of Pōneke and its community.

WCCL is committed to aligning with WCC's strategic direction and long-term plans and we fully support the Council's vision and priorities as outlined in the 2024-34 Long-term Plan.

WCCL designs its strategy and service delivery to align with WCC in the following ways:

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Cultural Wellbeing *A welcoming, diverse and creative city.* *Key Strategies* • *Tūpiki Ora* • *Tākai Here* • *Aho Tini 2030*	**Te Ao Māori Visibility** Embracing and celebrating te ao Māori is an integral part of our approach. We actively work to make te ao Māori visible across our work and operations, supporting the Council's aim to promote and celebrate Māori culture throughout the city. Our actions are grounded in respect, collaboration, and inclusivity. **Tūpiki Ora and Takai Here** At the Cable Car, we are committed to elevating the status of te reo Māori

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Me Heke Ki Pōneke

and te ao Māori across the city. We will actively prioritise access to, resource allocation for, and investment in te ao Māori through several key initiatives that align with Council's documents including:

- Language Access: We ensure that te reo Māori is readily accessible and integrated into our communication channels, both internally and externally. This includes bilingual signage, documentation, and promotional materials to actively promote and preserve the language.

- Product development: Within our product development initiatives, effort is dedicated towards developing partnerships to create innovative cultural products that respectfully narrate the stories and heritage of mana whenua. This includes collaboration with our CCO and Council partners to celebrate Matariki.

- Education and Awareness: We invest and participate in educational programmes and initiatives that raise awareness and understanding of te ao Māori among our staff and the broader community. This includes cultural competency training, workshops and attending careers expos to nurture a deeper appreciation and respect for Māori culture.

- Partnerships: We will actively engage in a process of dialogue and collaboration with mana whenua representatives, recognising the value of their perspectives, cultural insights, and traditional knowledge in shaping a co-designed collective direction. This includes actively participating in the Tūpiki Ora working group alongside our CCO partners and Council.

- Community Engagement: We will prioritise community engagement by seeking input and participation from Māori communities. Their voices and perspectives are integral to our decision-making processes, ensuring that initiatives align with their needs and aspirations.

- Collaboration: WCCL are proud collaborators with Council on the Rangatahi Pathways programme, and we will actively find opportunities to promote Māori culture and support city-wide initiatives including Matariki activations.

Aho Tini 2030

We are supporters of nurturing and expanding the arts sector within Wellington. Our commitment involves creating partnerships, performance initiatives, and offering our facilities to the arts community, complementing

	the Council's priority to enhance creativity and cultural vibrancy. As a culturally significant landmark, the Cable Car has played host to numerous artists and events throughout its history, consistently looking for ways to embrace the creativity of Pōneke. • The Cable Car precinct, including the cars and terminals, provide distinctive and diverse venue spaces and amenities that artists can utilise beyond regular hours and even during operational periods. • We also aim to connect with local artists, providing opportunities for them to create permanent murals on unused walls within the precinct. • In FY26 we will undertake a cultural outreach programme to more actively structure a programme of events that supports local artists. We are committed to ongoing partnerships with precinct collaborators, the broader tourism sector, and the Council to contribute to city-wide initiatives and events.
Social Wellbeing *A city of healthy and thriving whānau and communities.* *Key Strategies* • *Accessibility Action Plan* • *Children & Young People Strategy* • *Positive Aging Policy*	The Cable Car is more than just a transport service—it's a vital part of the local community. As we plan for the future, we are actively listening to feedback from residents, community groups, and stakeholders to ensure our services reflect the needs and aspirations of those who use and cherish the Cable Car. Feedback gives us valuable insights about how we can improve accessibility, create opportunities for social interaction, and produce a sense of belonging for people of all ages and abilities. We are committed to integrating features that promote inclusivity, connection, and wellbeing. **Accessibility Action Plan** As a fully accessible service, the Cable Car not only facilitates seamless connectivity within our vibrant city but also ensures inclusivity for individuals of all abilities. By providing a reliable and user-friendly transportation option, the Cable Car contributes to a more sustainable urban environment and aligns perfectly with the council's vision to create a city where everyone can enjoy our community and recreation facilities without barriers. The Cable Car is fully aligned with the Council's commitment to improving accessibility to its activities and services. Our approach to aligning with

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Me Heke Ki Pōneke

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	these outcomes is two-fold: • **Improving Accessibility:** ○ We are continually looking at how we can enhance accessibility within our products, services, and facilities, ensuring they are inclusive and easily accessible to all members of the community. In FY24 this included an internal audit and the development of an accessibility page on our website covering information for people with visual, mobility and auditory accessibility issues. In FY25 we further updated our website to include downloadable audio commentary files and in FY26 we will undertake a complete website upgrade to further enhance the user journey. ○ In FY25 as part of a pricing strategy, we introduced differential pricing options for concession, community services card holders and free travel for companion carers. ○ Working with WCC, we proudly support the Te Kāinga programme, offering a 50% discount on tickets to residents. ○ Plans to rebuild Salamanca Station will continue to be developed in FY26. However, the design and construction project will be considered alongside our seismic programme of works, with other projects likely taking priority. ○ The Cable Car continues to seek opportunities to collaborate with the Council and other stakeholders to identify and implement improvements in accessibility where possible. • **Rainbow Inclusivity Initiatives:** ○ We support the Council's call for Rainbow inclusivity initiatives in businesses. The Cable Car employs a diverse and inclusive rainbow team, valuing and respecting individuals of all backgrounds and identities. ○ The Cable Car is known as a popular venue for Rainbow Weddings and has hosted several in the past few years. We acknowledge the importance of the Rainbow Advisory Group and will collaborate with them to gain insights, support, and guidance on

	opportunities to strengthen our focus on Rainbow inclusivity. **Children & Young People Strategy** WCCL is dedicated to ensuring a secure, enjoyable, and educational adventure for children and young individuals, and we prioritise their well-being. • Special pricing is offered for children, and students have many low-priced options for travel to make the experience more affordable. • Ongoing collaboration with Experience Wellington and other educators is maintained to develop products tailored for schools and children. • The commitment to surprise and delight young visitors will continue through pop-ups and activations, such as Winding Room tour activations, family-friendly entertainment during the school holidays, and 'kids-ride-free' promotions for International Children's Day in March. We will continue to support Victoria University's Orientation Week Expo, promoting both the fare options available to students, and the opportunity to work at the Cable Car during their studies. **Positive Aging Policy** The Cable Car demonstrates strong alignment with WCC's Positive Aging Policy through initiatives that promote inclusivity, accessibility, and engagement with older adults. • The introduction in July 2024 of an 'on-peak' concession rate for SuperGold card holders ensures affordability and encourages seniors to remain active and connected in the community. • By recruiting older and retired drivers, the Cable Car boosts workplace diversity and values the unique skills and perspectives of older employees. • Additionally, the Cable Car's full accessibility accommodates individuals with mobility challenges, ensuring equitable access for seniors and supporting their independence and well-being.
Economic Wellbeing	To align with the outcomes outlined in the Economic Wellbeing Strategy for Wellington, the Cable Car is focused on contributing to the development of

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An innovative business friendly city.
 	
Key Strategies
• *Economic Wellbeing Strategy*
	a dynamic and resilient city. We aim to align with each outcome through:
	
	• **Sustainable business and career pathways**
	  ○ We prioritise providing equal opportunities for all individuals, ensuring meaningful, fairly paid, and inclusive work within our organisation. This includes paying all employees at or above the Living Wage, and through RFP processes, we look to contract work with businesses who also uphold these standards.
	  ○ Our commitment extends to supporting career pathways through documented training and development programmes.
	
	• **Transitioning to a zero-carbon circular economy**
	  ○ Our operations are geared towards sustainability, with a focus on minimising waste and adopting circular economy principles.
	  ○ We are proudly carbon zero and are working with council officers to look into initiatives to become carbon positive in the future.
	  ○ From a social procurement perspective, we will also actively seek to work with companies who focus on sustainable and carbon friendly products and supply chains, especially within the construction industry.
	
	• **A business-friendly city**
	  ○ The Cable Car embodies the connection between the dynamic city heart and the western suburban centres and acts as the gateway to the important Kelburn precinct which is home to the Cable Car Museum, Space Place, Kelburn Village, Zealandia and the Botanic Gardens.
	  ○ Our collaborative efforts with local businesses and CCOs, and future investors and developers aim to enhance the overall business environment and promote economic growth in Wellington.
	
	• **Centre of creativity and design**
	  ○ Collaborating with Experience Wellington and WellingtonNZ, the Cable Car takes a leading role in coordinating a working group focused on enhancing the vibrancy of the Kelburn terminus precinct.

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Absolutely Positively **Wellington** City Council Me Heke Ki Pōneke	WELLINGTON CABLE CAR NEW ZEALAND
	This initiative aims to create an appealing destination for both locals and visitors, ensuring its allure endures into the future. • **Celebrate our Capital City status** ○ We recognise and celebrate Wellington as the Capital City, and the Cable Car's place in that history by actively participating in events and initiatives that raise its profile. ○ Our commitment to the community and the city's cultural and civic life reflects our dedication to celebrating and enhancing Wellington's Capital City status.
Urban Form *A liveable and accessible, compact city*	**Revitalisation for Economic Growth:** We are actively involved in revitalising both the city centre and the western suburbs to support a robust economy and job growth. Our planning for initiatives to improve the Kelburn terminus precinct vibrancy will create an environment conducive to business development, innovation, and job creation, aligning closely with the Council's vision for a thriving and resilient economy. **Transport Transformation:** We actively contribute to the Council's objective of reshaping the transport system by focusing on both enhancing our efficiency and pricing for locals, plus promoting and celebrating our alternative zero-carbon mode of transportation to reduce vehicular reliance. As a wholly electric operation and one that also produces sustainable energy through our regenerative braking system we are proud of how we contribute to the transformation of transport in Wellington. **Growth Infrastructure:** We are focused on delivering resilient infrastructure that supports future growth by planning for the replacement of our current cable cars within the next 10-12 years. This replacement initiative aims to increase the capacity of the system, ensuring it can accommodate the growing demand for urban transportation. The new cable cars will not only provide more room for passengers but will also be designed with enhanced reliability and safety features, further strengthening the system's resilience. These upgrades will ensure that the Wellington Cable Car remains a modern, efficient, and safe mode of transport, effectively supporting the city's development and the needs of its residents and visitors. **Climate Change:** We are proactively incorporating climate change impacts and risks into our strategic planning by ensuring that our Asset Management Plan (AMP) consistently evaluates and addresses the potential effects of climate change. This includes making certain that all

Absolutely Positively Wellington City Council Me Heke Ki Pōneke	WELLINGTON CABLE CAR NEW ZEALAND
	infrastructure is designed and maintained to withstand extreme weather events, rising sea levels, and other climate-related risks. Additionally, the Cable Car's business plans and financial forecasts are continually updated to ensure they remain robust and consider the possibility of business interruptions caused by climate change. By prioritising resilience and long-term sustainability, the Cable Car aims to continue providing a reliable and safe service, while adapting to and mitigating the challenges posed by a changing climate.
Environmental Wellbeing *A city restoring and protecting nature.* *Key Strategies* • *Te Atakura – First to Zero* • *Zero Waste Strategy* • *Our Natural Capital Biodiversity Strategy*	**Te Atakura: First to Zero** In alignment with the Council's aspirations and recognising the shared responsibility for emission reduction targets, WCCL acknowledges the need for collaborative leadership and strategic partnerships across the city to effect transformative change. The Cable Car is dedicated to actively supporting the city's ambition to more than halve city emissions within the next eight years. This commitment involves implementing targeted initiatives, adopting sustainable practices, and leveraging innovative solutions to significantly reduce our carbon footprint. • The Cable Car is already an extremely efficient mode of transport, (designed with regenerative braking, which feeds excess energy back into the grid), and we will continue to find ways to save electricity eg: installing timers on the tunnel-lights system and station platforms. • In FY25 WCCL was proud to once again achieve EKOS Carbon Zero certification and alongside council officers we will undertake further work in FY26 as we look for ways to become Carbon Positive in the future. • Given the level of seismic work planned for the Cable Car, in an effort to promote sustainability we are dedicated to working with partners who adhere to 'social procurement' standards. By actively seeking out and collaborating with construction firms that prioritise sustainable practices and utilise environmentally friendly products, we aim to mitigate the ecological impact associated with the industry. Through such partnerships, we not only contribute to reducing carbon footprints but also set a precedent for responsible business practices that align with the values of social and environmental stewardship.

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	Zero Waste Strategy • The Cable Car is aiming to maximise the amount of waste diverted from landfill via recycling programmes and new composting options introduced in FY25. We have set a performance measure to track our progress and these initiatives have already shown results. • In FY26 we will continue to look for ways to reduce our waste including encouraging online purchase of tickets and re-conditioning of parts and materials where possible. **Biodiversity Strategy** • Stewardship: The Cable Car is committed to environmental stewardship, implementing initiatives that actively contribute to preserving our natural habitat. Practical projects such as the installation of rat traps within our tunnels and feather-friendly decals on our Kelburn Terminal demonstrate our commitment. • Looking ahead our commitment remains to seek new avenues for environmental collaboration and make meaningful strides in addressing environmental challenges.
Value for money and effective delivery	• The Cable Car ensures value for money and effective delivery by prioritising operational efficiency, sustainability, and continuous improvement. • We carefully assesses costs and benefits when planning investments in infrastructure, technology, and service improvements to ensure they achieve tangible outcomes and meaningful results for both passengers and the city. • Through ongoing evaluations of performance and maintenance processes, the Cable Car also optimises the use of resources, reducing unnecessary expenditure. • We regularly review our pricing to ensure it aligns with market trends and the consumers price index, whilst also maintaining a balance that reflects the needs of our local community. This process involves assessing changes in operational costs, market conditions, and tourism demand, alongside community feedback, to ensure pricing remains fair and accessible for residents.

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	• This approach ensures that both financial and operational objectives align with the broader goals of providing a high-quality, sustainable transport service for Wellington, ultimately delivering the most effective and cost-efficient outcomes for the community.

Strategic relationship with Council

Our commitment is to sustain a collaborative and mutually beneficial partnership with WCC through:

- Open and regular communication
- Shared objectives
- Mutual accountability
- Flexibility and adaptability
- Continuous improvement

WCCL has a strong relationship with Council through regular interaction with the CCOs and Economic Wellbeing team and other key Council stakeholders. Through this relationship the Cable Car will always operate a 'no surprises' approach to ensure and allow for early collaboration on key projects, issues, and long-term planning, and we will continue to connect and align our work with Council strategies.

The Cable Car offers Council and the Wellington region an iconic Te Whanganui-a-Tara attraction:

- A community asset for Wellington of which we are all proud
- A reliable source of transport for residents and Victoria University (VUW) students
- An invaluable 'connector' between local businesses and attractions (including CCOs and Council) in Kelburn-Paekākā and the CBD
- A 'must do' activity for all visitors to the capital
- A tourism symbol indelibly linked with Wellington's history, identity, and community

Specific expectations for WCCL

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Council expects the company to continue to improve the seismic resilience of its network.	• WCCL continues to prioritise its work programme to proactively manage risk within available funding constraints. • Building on recent strengthening work at the Lambton Terminal, the next focus is improving the restraints supporting the suspended ceiling, with completion planned during our annual maintenance shutdown in July 2025.. • With preliminary and detailed resilience assessments of our three bridges now complete, we are moving forward with targeted strengthening. The first priority is installing new catch brackets to improve seating, with physical work set for completion by December 2025. Next, we will advance investigations and detailed design to strengthen the bridge piers. • Our Kelburn Terminal was assessed in early 2025 and has a rating of 75% of NBS so no further work is required at this stage. Further detail on our seismic programmed of works can be found in the asset management section of this SOI on page 22.
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	• The Wellington Cable Car remains committed to supporting cultural activities in the city by using its unique infrastructure as a platform for creativity and celebration. • Building on recent partnerships with local creatives, WCCL will continue to provide opportunities for student projects,

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strengthen the alignment with this important Council strategy, both for the benefit of the city and the Cable Car service.	city events, and National Day celebrations, further enriching Wellington's cultural landscape. • Looking ahead, WCCL will strengthen its collaboration with stakeholders and partners to identify and develop new opportunities to align with the Council's cultural strategies. This will include a cultural outreach programme to proactively structure and schedule collaborations with local artists, performers, and cultural organisations - creating dynamic experiences for passengers and enhancing the city's vibrancy.
The Council expects the company to continue to work together with Council and other stakeholders (including mana whenua) to improve the Kelburn terminus precinct vibrancy and appeal to locals and visitors now and to into the future.	The Cable Car recognises its role as a vital connector for both residents and tourists, facilitating travel between Lambton Quay in the CBD and the Kelburn-Paekākā precinct. As part of our ongoing commitment to improving the vibrancy and appeal of the Kelburn terminus precinct, we continue to work closely with WCC, other stakeholders, and mana whenua to enhance the area for both locals and visitors, both now and in the future. • One of the key initiatives the Cable Car undertakes is organising regular discussions with local businesses in the precinct, including CCOs and WCC business units. These discussions strengthen collaboration and improve the overall visitor experience with a primary objective of boosting passenger numbers and create a more engaging environment for both locals and tourists. By nurturing these partnerships, the Cable Car helps create a more integrated, vibrant precinct that appeals to a wide range of people. • Additionally, the Cable Car continues to explore ideas to improve the precinct's offerings, ensuring that it remains a destination in itself. This includes considering improvements to public spaces, enhancing visitor facilities, and exploring potential cultural, retail, or recreational initiatives that can enrich the overall experience for those visiting. In line with the Council's broader goals, WCCL remains committed to working with all stakeholders to ensure that the Kelburn precinct evolves into a thriving, sustainable hub that reflects the city's character and

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	growth, benefiting both residents and visitors alike.
Council expects the company to continue to take the lead in creating an options paper for longer term plans for the Kelburn terminus precinct that will create an integrated experience that leads to more frequent visitation. The paper should include thoughts on funding from private sector and central government.	By enhancing the precinct's offerings, we intend to create a dynamic environment that complements the Cable Car experience while adding value to Wellington's tourism, culture, and community life. This work represents an exciting opportunity to enhance the vibrancy and appeal of the area and strengthen its role as a must-visit destination. Last year, we introduced our plans for a structured 'gate-path' process to develop an options paper for the Kelburn Terminus precinct. This process was designed to define objectives, explore opportunities, and outline a range of medium to long-term scenarios that could enhance the visitor experience, encourage longer and more frequent visitation, and deliver economic benefits for the city. Since then, significant progress has been made. Stage 1, which focused on defining objectives, has been completed. We've also wrapped up Phase 1 of Stage 2, which involved conducting in-depth audience research to understand the preferences of our target audiences, developing potential product offerings, and evaluating investment parameters for the precinct. The research has been highly insightful, providing a robust foundation for the next stages of the project. Building on this work, we've undertaken further workshops to refine and drill down into the most promising options for the precinct. WCCL will continue to work with council to progress next steps.
Council expects the Cable Car to play a leading role in giving cruise ship passengers a fantastic Wellington experience working closely with WellingtonNZ and others to deliver this.	With cruise visitation making up a significant portion of our passenger numbers, we are dedicated to providing cruise ship passengers with a memorable Wellington experience. • Noting the slow return of international visitors and the significant drop in cruise visits to New Zealand in FY26 we will work with WellingtonNZ and other stakeholders on addressing this issue. • By aligning with WellingtonNZ and leveraging their expertise in tourism, we will explore initiatives to improve

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	passenger flow, offer more tailored experiences, and increase awareness of the city's attractions. • By partnering with tourism providers, cruise ship operators, and local businesses, we will ensure cruise passengers have a seamless, enjoyable visit, enhancing their time in Wellington and contributing to both the recovery of the cruise sector and growth of the city's tourism sector.

HOW WE OPERATE

The Cable Car is proud of our operational framework and the service we deliver.

People and Culture

At the core of our business are our employees, whom we prioritise wholeheartedly. Our focus revolves around creating a nurturing and encouraging atmosphere that empowers our staff to flourish in their personal and professional journeys.

A key priority is the wellbeing of staff. Initiatives in this space include regular staff and fatigue surveys, and dedicated staff training in resilience, mental health awareness and conflict resolution.

At the Cable Car, our aim is to cultivate a workplace that is secure, embraces diversity, and champions inclusivity, enabling each team member to authentically be themselves. WCCL provides opportunities and the necessary resources to facilitate the growth and advancement of our employees within an environment that values respect and appreciation.

Asset Management

The Cable Car owns and maintains a range of assets, with a broad range of complexity, age, and condition. Regular maintenance is completed in-house, where we have the expertise, however we also rely on external technical specialists such as Doppelmayr NZ, ACME Engineering, WSP, Stantec and others.

In terms of seismic resilience, we have three groups of assets:

- **Tunnels:** Construction of our three tunnels began in 1899 and was completed in 1902, when the Cable Car began operation. The strength and condition of our tunnels and adjacent retaining walls has been extensively investigated and is well understood. We have a prioritised list of seismic strengthening projects for our tunnels based on the strength and risk. The highest priority elements (the middle tunnel upper portal, parapet, and adjacent north wall) were strengthened in FY23. Further tunnel strengthening projects will be considered when the costs of strengthening the bridges are better understood and the amount of any remaining funding is known.

- **Bridges:** The three original wooden viaducts were replaced with steel and concrete bridges in 1930. These have been well maintained with minor improvements over time. The central pier of Rawhiti bridge was strengthening in 2011 and steel supports for the Salamanca station were added to the bridge in 2013. In FY23 we commissioned a preliminary seismic assessment of the bridges. In FY24 we commissioned a detailed seismic assessment. We now have a good understanding of the risks of each element and a prioritised list for strengthening.

- **Stations:**

  - **Lambton Terminal:** In August 2023 we completed strengthening of the Lambton Terminal for the elements within our control. In July 2025 we will complete the strengthening of the ceiling restraints. The seismic performance of the Lambton Terminal will always be influenced by the surrounding buildings and structures.

  - **Kelburn Terminal:** A seismic assessment of the Kelburn Terminal was completed in early 2025 and it does not require any strengthening work.

Cable Car Replacement

Our steel-framed Cars date back to 1979. The Cars are well maintained, and in very good condition for their age, however the Car bodies are showing signs of rust.

The electric motor, drive and control systems were replaced in 2016 and all replaced components and systems were compliant with 2016 European Standards. The drive and controls have an expected life of 20 years, so will need to be renewed in 2036.

The optimum time to replace the Cars is when the electric drive and controls are renewed in 2036. Therefore we are planning on Car replacement sometime between 2030 and 2035 (depending on the condition of the Car bodies and our ability to repair the rust). We are working on options/scope for Car replacement to ensure that the Cable Car meets ongoing safety and comfort expectations of locals and visitors.

Health, Safety and Wellbeing

WCCL is committed to the ongoing development and maintenance of an enduring and resilient approach to Health, Safety and Wellbeing that embeds a culture of zero harm within the company, adheres to legislative requirements and ensures that staff, contractors, and the public are not exposed to unnecessary risk or harm in their engagements with the Cable Car.

Our policy statement reflects this: ***We are committed to creating a work environment that supports and grows our people and enables them to go home healthy and safe every day.***

We undertake an annual SafePlus self-assessment to monitor our progress with health and safety. SafePlus is a health and safety improvement toolkit for businesses, developed jointly by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE).

The Cable Car's Health and Safety committee meets monthly to ensure risk identification, mitigation and controls are appropriate. At a governance level, health and safety reporting is a standing item at all Board meetings, ensuring that Directors remain across current statistics and any developments arising.

Risk Management

WCCL employs a comprehensive and systematic approach to manage risks effectively, ensuring the resilience and adaptability of our operations. The process involves key steps to identify, assess, and mitigate potential threats, creating a robust framework for risk management. Risks are regularly reviewed at monthly Health and Safety meetings and following any incident or accident.

As with all our health and safety responsibilities, the Board and WCCL officers acknowledge and understand their accountability. We have systems in place to ensure that WCCL meets the required monitoring, reviewing, and reporting of health and safety objectives and risk management.

Waka Kotahi – Rail Safety Case

The Cable Car operates under a Rail Licence issued by Waka Kotahi under the Railways Act 2005. Rail Licence holders are required to have a Rail Safety Case and a Safety Management System. Rail Licence holders are required to participate in regular Rail Safety Assessments to assess safety performance. WCCL continues to maintain its Rail Safety Case.

WCCL also continues to monitor other relevant legislation that may be applicable to the operation of a funicular eg: Passenger Ropeways Regulations. We contacted WorkSafe (the regulator) in July 2023 to clarify if the definition of a Passenger Ropeway in these regulations may also include funicular railways. Worksafe have acknowledged receipt of our letter, and we will continue to both follow-up with them, and engage with any other parties who regulate relevant acts.

PERFORMANCE MEASURES

WCCL monitors performance across six categories: Environmental; Health and Safety; Service Delivery; Reliability/timeliness; Passenger numbers; and Revenue.

Environmental

KPI	HOW IT'S MEASURED	FY26	FY27	FY28
Zero Carbon Accreditation	Carbon accounting and offsetting with an accredited organisation	Maintain Carbon Zero*	Maintain Carbon Zero	Maintain Carbon Zero
Waste diversion	Total waste diverted from landfill	20%	25%	30%
Qualmark	Qualmark Gold accreditation	Maintain	Maintain	Maintain

**The Cable Car will use FY26 to understand the steps required to become Carbon Positive*

Health and Safety

KPI	HOW IT'S MEASURED	FY26	FY27	FY28
Quality of WCCL infrastructure	Rail safety licence maintained	Maintain	Maintain	Maintain
H&S is actively managed and improved	Part of the risk register is reviewed at each H&S meeting. Mitigation and minimisation options discussed and implemented where possible	Maintain	Maintain	Maintain
	H&S audit recommendations implemented	Maintain	Maintain	Maintain

Service Delivery

KPI	HOW IT'S MEASURED	FY26	FY27	FY28
Customer Satisfaction	Maintain Net Promoter Score equal to or better than CXI benchmark	Maintain	Maintain	Maintain
	Google rating	4.2 or higher	4.2 or higher	4.2 or higher
	TripAdvisor rating	4.2 or higher	4.2 or higher	4.2 or higher

Reliability / Timeliness

KPI	HOW IT'S MEASURED	FY26	FY27	FY28
Cable Car Reliability	Percentage Reliability	> 99.0%	> 99.0%	> 99.0%

Passenger Numbers

KPI	HOW IT'S MEASURED	FY26	FY27	FY28
Customer Trips	Tickets sold	880k*	906k	951k

**Reflects current FY26 Cruise Schedule*

Revenue

KPI	HOW IT'S MEASURED	FY26	FY27	FY28
Revenue	Fare Revenue	$3,479k	$3,763k	$3,951k

FINANCIAL INFORMATION

Wellington Cable Car Limited
Statement of Comprehensive Income
For the years ending 30 June 2026, 2027 and 2028

	2025 Forecast $000	2026 Quarter 1 $000	2026 Quarter 2 $000	2026 Quarter 3 $000	2026 Quarter 4 $000	2026 Total $000	2027 Budget $000	2028 Budget $000
Revenue								
Fare revenue	3,665	521	975	1,275	708	3,480	3,763	3,952
Ancillary revenue	331	44	53	48	41	186	176	178
Total revenue	**3,996**	**565**	**1,029**	**1,324**	**748**	**3,666**	**3,939**	**4,129**
Expenses								
Operational costs	1,134	254	302	324	273	1,153	1,212	1,274
Infrastructure costs	770	397	179	183	166	925	971	1,020
Professional costs	416	103	103	104	103	413	441	460
Support staff costs	687	166	167	167	166	666	698	782
Total expenses	**3,007**	**920**	**751**	**777**	**708**	**3,157**	**3,322**	**3,536**
Net profit (loss) before depreciation and grants	**989**	**(355)**	**278**	**546**	**40**	**509**	**617**	**593**
Depreciation	(395)	(100)	(101)	(102)	(103)	(406)	(368)	(356)
Grants	404	332	143	141	691	1,308	2,648	2,719
Net profit (loss) after depreciation and grants	**998**	**(123)**	**320**	**586**	**628**	**1,411**	**2,897**	**2,957**

Wellington Cable Car Limited
Statement of Financial Position
For the years ending 30 June 2026, 2027 and 2028

	2025 Forecast $000	2026 Budget $000	2027 Budget $000	2028 Budget $000
Assets				
Bank and term deposits	6,819	6,025	6,683	6,298
Accounts receivable	130	133	136	138
Prepayments	507	532	559	586
Inventory	54	57	57	57
Property, plant and equipment	8,632	9,971	12,270	15,333
Total assets	**16,142**	**16,717**	**19,704**	**22,413**
Liabilities				
Accounts payable and accruals	717	731	746	761
Employee benefit liabilities	130	134	141	148
Taxation payable	173	48	85	83
LTP funding grant	642	-	150	-
Deferred tax	1,260	1,569	2,261	2,971
Total expenses	**2,922**	**2,482**	**3,383**	**3,963**
Net assets	**13,220**	**14,235**	**16,321**	**18,450**
Equity				
Retained earnings	5,785	6,800	8,886	11,015
Ordinary shares	7,435	7,435	7,435	7,435
Total equity	**13,220**	**14,235**	**16,321**	**18,450**

Wellington Cable Car Limited
Statement of Cash Flows
For the years ending 30 June 2026, 2027 and 2028

	2025 Forecast $000	2026 Budget $000	2027 Budget $000	2028 Budget $000
Operating activities				
Receipts from grants	279	642	3,208	2,567
Receipts from customers	3,672	3,477	3,761	3,949
Payments to suppliers and employees	(2,879)	(3,143)	(3,737)	(3,539)
Receipts from other operating activities	38	50	53	55
Refund/(Payment) of tax	(275)	(211)	(82)	(119)
Net cash flows from operating activities	**836**	**815**	**3,203**	**2,913**
Investing activities				
Payment for property, plant and equipment	(300)	(1,745)	(2,667)	(3,419)
Receipts from investments	293	136	122	122
Net cash flows from investing activities	**(7)**	**(1,609)**	**(2,545)**	**(3,297)**
Net cash flows	**828**	**(794)**	**658**	**(384)**
Cash and cash equivalents				
Opening balance	5,991	6,819	6,025	6,683
Net change in cash for period	828	(794)	658	(384)
Closing balance	**6,819**	**6,025**	**6,683**	**6,298**


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NEW ZEALAND
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Wheako Pōneke
Experience Wellington
Statement of Intent 2025–26

Wheako Pōneke
Experience Wellington

Presented to Wellington City Council pursuant to Section 64 of the Local Government Act 2002

PRINCIPAL FUNDER

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

City Gallery Wellington Te Whare Toi | Wellington Museum | Space Place | Cable Car Museum | Nairn Street Cottage | Nōku te Ao Capital E

Contents

Foreword

Mā te tauihu o tōu waka, e ū te waiora kia mahue atu, ngā mea whakahirahira i roto i te kōriporipo
May the prow of your waka, cleave the waters of life and leave in its wake, mighty deeds

Tēnā koutou,

Wheako Pōneke Experience Wellington is a key player in creating vibrancy in our capital city, delivering exhibitions and programmes that inspire and places to connect the people of Pōneke and visitors to our city. We warmly welcome everyone to our spaces as we celebrate Wellington, performing a role that is always vital and even more essential given the difficult economic environment that our region is facing. While times are tough, we are embracing this challenge, leveraging every opportunity and managing our resources to operate successfully. As kaipupuri (guardians) of spaces where our Wellington community can gather, learn and share their creative spirit, we provide a much-needed boost of aroha, mīharo, and energy to uplift Wellingtonians.

As a leading organisation in Wellington's arts, culture, heritage, science, and creative sectors, we are committed to championing the rejuvenation of Te Ngākau Civic Square. In 2026, we will proudly welcome back two of our key sites, Nōku te Ao Capital E and City Gallery Te Whare Toi, to the heart of the city.

Capital E has been the first stepping-stone on a creative journey for hundreds of thousands of children since it launched and has had a huge impact on families who raised children in Pōneke in the 1990s and 2000s. We look forward to continuing our legacy as part of Te Matapihi ki te Ao Nui, supporting Wellington's next generation to develop creative careers and lives.

City Gallery Wellington Te Whare Toi has continued to offer exhibitions with an edge to test boundaries, challenge our audiences and invite debate, while temporarily away from its home in Te Ngākau. Our partnerships with Museum of New Zealand Te Papa Tongarewa, The Dowse Art Museum and Te Puna Mātauranga o Aotearoa National Library have deepened our connections with our arts whānau and attracted audiences both old and new. We look forward to bringing these audiences back to Te Ngākau when we return to a much-improved, future-proofed building in 2026.

Our strength is in our diversity and visitors who know our experiences are deeply connected to them. As we move into the 2025-26 financial year we will offer rich content to our audiences across our six sites. We have developed practices to embrace Te Ao Māori. This includes incorporating our practices and values into Wheako Pōneke Experience Wellington tikanga and implementation of our Māori engagement strategy. We are currently working on processes within the organisation to enhance and strengthen our working relationships with mana whenua and our understanding of Te Tiriti O Waitangi.

We continue to foster the curiosity of future scientists at Te Ara Whānui ki te Rangi Space Place, where our multi-year renewal project supported by Council is now complete. Space Place uniquely connects visitors to the skies above Te Whanganui-a-Tara and proudly explores mātauranga Māori alongside western astronomy.

Despite a reduction in cruise ship numbers, Cable Car Museum continues to deliver results, underpinned by the popularity of the bespoke products we develop for visitors to take a little piece of Pōneke home. In addition, we champion Māori and local makers, supporting creatives across our region.

Alongside Council, we are working toward finding the best option for Te Waka Huia o Ngā Taonga Tuku Iho Wellington Museum, currently located in The Bond Store, one of the city's oldest buildings. We are privileged to actively collect and share the stories of Pōneke and its people, and it is important that the future direction of the museum is secured so we can confidently deliver for generations to come expanding on our stories to ensure we can reflect the people of our city.

We continue our commercial focus with international visitor charges successfully introduced at Wellington Museum and we leverage every opportunity to increase our income and find new initiatives which are robust, accessible, and enduring. We are exploring further opportunities to generate commercial and retail income including venue hire at non-traditional hire sites, community collaborations, tours and specific revenue generating programming.

We look forward to continuing to work with our principal funder Wellington City Council, as well as other key partners: Ministry of Education, City Gallery Wellington Foundation, partnerships and other philanthropic relationships. This support is essential to help us create opportunities that make Wellington a city of impact, by delivering remarkable cultural experiences every day.

Martin Matthews
Chair, Wheako Pōneke Experience Wellington

Our Shared Vision for Pōneke

Our Purpose

We lead Wellington in remarkable experiences. We are a Council Controlled Organisation (CCO), established as an independent Charitable Trust in 1995 by Wellington City Council. We are governed by an independent Board of Trustees appointed by Council.

Our Strategic Framework

Wheako Pōneke Experience Wellington aligns our own strategy with all relevant Council strategies to support Wellington aspirations and plans to achieve these.

Wheako Pōneke Experience Wellington's Strategy Overview

ENRICHING LIVES

WE ACHIEVE THIS THROUGH:

- Making connections that keep people coming back.
- Taking insightful data-driven decisions.
- Engaging with new and diverse audiences and communities.
- Being recognised as a leader in education and learning
- Taking risks and breaking new ground.

WHAT'S DIFFERENT:

- A vibrant programme sits at the centre of our corporate planning cycle.
- Our planning is informed by our insights, vision, purpose and values; and has an 18-month lead time.
- We forge strong links with our audiences that encompass every aspect of their journey with us.
- We work purposefully across the organisation to build relationships with new and diverse audiences and communities.
- We develop a sector-leading learning offering for children and young people.

EMBRACING TE AO MĀORI

WE ACHIEVE THIS THROUGH:

- Developing and implementing a Māori engagement strategy.
- Building meaningful relationships with mana whenua.
- Implementing our Māori employment strategy.
- Developing and reflecting an Experience Wellington tikanga in our practices and values.

WHAT'S DIFFERENT:

- A growing number of our experiences enable our audiences and our people to see, feel and connect with Te Ao Māori.
- Onsite and online Experience Wellington touchstones (website, signage, welcome) reflect our commitment to Te Ao Māori.
- The number of staff who identify as Māori grows.
- Te Reo, tikanga Māori and Te Tiriti o Waitangi training is in place.

MAHITAHI

WE ACHIEVE THIS THROUGH:

- Identifying and implementing better ways of working together as one team
- Providing ongoing opportunities for our people to achieve, develop and learn.
- Building trust and confidence in each other to deliver.
- Providing a healthy, safe, and high performing organisation for our people.

WHAT'S DIFFERENT:

- Our staff engagement increases from 6.7 to 8.0/10.
- We have a zero-harm culture.
- The Executive Leadership Team work collectively to address issues raised via staff engagement surveys.
- New values support our mahi and our behaviours bring these to life.
- Our learning and development opportunities, internal communications and support systems are underpinned by our values and strategic plan.

WHEAKO PŌNEKE FLOURISHES

WE ACHIEVE THIS THROUGH:

- Setting smart, data-led targets that stretch us.
- Continuously improving systems and processes.
- All staff consider the financial and environmental impact of their decisions.
- Understanding and celebrating our value.
- Nurturing loyal stakeholders.

WHAT'S DIFFERENT:

- Our business systems review is complete and delivers efficiencies for staff, stakeholders, and the bottom line.
- Our use and procurement of resources is connected across the organisation.
- Our commercial opportunities deliver maximum impact.
- We retain our Carbon Zero accreditation and reduce our waste and power consumption.
- Our stakeholders are engaged, and fundraising revenue grows.

Our Partners

Wellington City Council, on behalf of the people of Wellington, is a key strategic partner and is the principal funder of Wheako Pōneke Experience Wellington. Our partnerships range from Council and central government, mana whenua, City Gallery Wellington Foundation, philanthropic relationships, creative sector colleagues and artists as well as our fellow CCOs. As a charity, we rely on the generous support of individuals and organisations to deliver world-class arts, heritage, and science accessible and inclusive experiences.

Our Contribution to Pōneke

We are significant contributors to Wellington's economy and its reputation as a centre of excellence for arts, culture, and creativity. Wheako Pōneke Experience Wellington is a driver and enabler of wider Council aspirations for the city: delivering diverse and accessible experiences, sustainability initiatives, and bringing a Te Ao Māori element to everything we do. We partner with Council, ambitiously determined to drive the strategic priorities of the city, amplifying, and supporting their strategies to revitalise our city. Alongside Wellington City Council, everything we do, we do for Wellington's environment, economy, and the wellbeing of its diverse people and visitors.

Our Six Sites

We are a collective of six unique visitor experiences, bound by an attitude that is essentially Wellington in personality and approach, across a spectrum of fields and interests. Our iconic brands are welcoming and inclusive, creating distinct environments for our visitors, each with its own distinct focus. From the creative sensory experiences at Nōku te Ao Capital E's PlayHQ for our youngest tamariki, to our telescopes and educational science displays at Space Place, from the taonga and stories celebrated at Wellington Museum, Cable Car Museum and Nairn Street Cottage, to the ever-changing art exhibitions at City Gallery Wellington – there really is something for everyone at our sites.

Our Operating Environment

Wheako Pōneke Experience Wellington is looking forward to exciting opportunities ahead as we plan for Nōku Te Ao Capital E moving into Te Matapihi and the reopening of Te Whare Toi City Gallery Wellington in Te Ngākau Civic Square. Te Whare Toi will continue exhibiting in the National Library while the gallery is temporarily away from home. These significant projects bring opportunities to reframe and enhance our high-quality visitor experiences which bring vibrancy to our city. We are actively collaborating with Council to address the multifaceted challenges we face, which primarily revolve around infrastructure projects and financial sustainability. These infrastructure projects present great opportunities for us to enhance visitor experiences and future avenues for generating revenue, however they also pose challenges, as we seek to grow our commercial revenue, which is dependent on our ability to attract visitors to our sites. We are working hard to maximise these opportunities as we continue to focus on the challenge of developing sustainable finances and maintaining the vitality of our sites.

We go into the 2025-26 financial year with a completed renewal of the planetarium and exhibition spaces at Te Ara Whānui ki te Rangi Space Place. This renewal was completed with support from Wellington City Council. Space Place now uniquely connects visitors to the skies above Te Whanganui-a-Tara and proudly explores mātauranga Māori alongside western astronomy.

In 2025 we will be instigating a major programme of work to reopen Te Whare Toi City Gallery Wellington while maintaining a small programme of exhibitions hosted by National Library and continuing to maintain partnerships with other New Zealand institutions. By the time of reopening Te Whare Toi City Gallery Wellington in Te Ngākau Civic square, currently expected to be in July/August 2026, we will have a three-year programme of exhibitions, events, commissions and publications by international and New Zealand artists in place which showcases diversity and artistic excellence. This reinvigoration of Te Whare Toi City Gallery Wellington will require us to work closely with funders to secure the quality and ambition of the programme intended.

We have a once in a generation opportunity to re-set the visitor experience with the reopening of City Gallery Wellington and our developed programme makes a bold statement of the future direction of the Gallery. Development and presentation of an ambitious programme requires annual investment, which can be more significant in some years with substantial advance payments to secure headline artists and ticketed international exhibitions. External factors impact on costs such as freight, travel for artists, fees and materials as well as revenue opportunities through partnerships and sponsors.

We expect the home of City Gallery Wellington in Te Ngākau Civic Square to be handed back in Q3 of 2025-26 giving three months to return to full back of house operation, install exhibitions and recruit and train visitor services staff ready to launch in mid-2026. We are considering a programme of artist activations, events and marketing prior to Day One that will build anticipation. Delays to completion date will flow on to the programme costs and programming schedule.

Te Waka Huia o Ngā Taonga Tuku Iho Wellington Museum faces significant challenges in the coming financial years, primarily due to the prolonged delay of the building’s strengthening project, which could be deferred further due to changes in Council’s LTP and the outcome of government's earthquake prone building reform. The lack of investment over this period, delayed due to the expectation that it would close for strengthening, has left the

Museum requiring significant resources and thinking to refresh and change exhibitions and replace equipment. To address this, the team is working to create a long-term rotating temporary exhibition programme whilst looking to cleverly phase a refreshment of some permanent spaces within current budget constraints. We are also exploring the possibility of an alternative site for the Museum and believe that there would be benefits and cost savings if the Museum could be housed on a different site.

We continue to be grateful for the support of Wellington City Council in transitioning Nōku te Ao Capital E to Te Ngākau as part of Te Matapihi ki te Ao Nui whānau. Moving from our home of more than 10 years on Queens Wharf presents cost challenges in returning the premises to its previous commercial state. With a legacy of providing quality digital experiences to ākonga across Aotearoa, we are seeking fundraising support for our technical equipment that will be located in our MediaLab and OnTV spaces. In addition to addressing the immediate financial pressures, we are also working on long term strategies to enhance our financial sustainability. This includes exploring new revenue streams, optimising our operational efficiency and securing additional funding and support from stakeholders.

An addition to the interpretive display at the Nairn Street Cottage visitor centre and a rethink of our commercial operation, particularly during off-peak tourist season, is underway to make the most of this historic site. The exhibition refresh will modernise the visitor experience and include connections to Māori and whenua to better connect the site to its wider heritage.

The anticipated decline in cruise ship visits in the upcoming financial year, driven by the current financial climate, presents a significant challenge, particularly impacting retail sales. Cruise passengers have been a vital income source for our sites, and fewer international visitors will likely affect retail revenue. To mitigate this, we are exploring new strategies to increase the average spend per customer and diversify our offerings, including expanded tours and other incentives.

Infrastructure Projects & Exhibition Upgrades - known impact on Wheako Pōneke Experience Wellington sites

Closure / Disruptions / Opening	2025		2026		2027		2028	
	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec
Wellington Museum								
Declared EQ Prone (March 2023)								
Seismic H&S works – Museum remains open with minor disruptions (TBC)								
Museum closure (Seismic Strengthening – 2030+)								
City Gallery Wellington								
Continuous disruptions due to Te Ngākau Civil Square Works:								
Demolition of MOB								
Wellington Water Mains (Willeston-Taranaki St)								
Old Nōku te Ao Capital E & City to Sea bridge demolition TBC								
City Gallery Closed for Maintenance								
City Gallery running exhibitions in alternative venues								
City Gallery Wellington Building Opening (Timing TBC-2026)								
Nōku te Ao Nōku te Ao Capital E								
Nōku te Ao Capital E Closes on Queens Wharf Dec 2025 – QW lease extended until 31.03.26 to 'make good'.								
Planning Nōku te Ao Capital E's offering in Te Matapihi								
Nōku te Ao Capital E reopens in Te Matapihi (Timings TBC: 2026)								
Space Place								
Exhibition upgrades, closure for part of the upgrade (March 2025 TBC)								
Cable Car Museum								
Exhibition upgrades (Timings TBC)								
Red Rattler display upgrade								

Financial Sustainability & Opportunities

In this Statement of Intent, we establish our organisational priorities by confronting the current challenging financial landscape, in part, due to infrastructure upgrades, and create opportunities for our sites going forward.

In line with Council's expectation of producing a break-even budget we have further cut costs across budget lines, implemented an international admission fee at Wellington Museum and have been developing programming that appeals to wider audiences. We continue to refine our retail approach, and our in-house design team consistently create popular exclusive products for our retail sites. To support our ongoing exhibitions and programmes at Te Whare Toi City Gallery Wellington we will implement admission charging for international visitors, in line with Wellington Museum, on reopening, expected in July/August 2026.

Our fundraising strategy is evolving to focus on our immediate needs and mitigate our current challenges. Further development of our membership programmes is planned and with the appointment of a new fundraising manager we are repositioning to create more impactful and targeting of fundraising opportunities. We are well-positioned to launch impactful fundraising campaigns that capitalise on the upcoming changes in the city, particularly with the reopening of Te Whare Toi City Gallery Wellington and Nōku te Ao Capital E when Te Ngākau Civic Square.

Our overall approach focuses on building lasting relationships with individuals and organisations who are deeply invested in the arts, culture, science and heritage. By engaging with these passionate supporters, we aim to secure the necessary resources to sustain and grow our offerings.

Our ultimate goal is to strengthen Wheako Pōneke Experience Wellington's iconic experiences, making them more commercially focused, robust, accessible, and enduring. We are committed to ensuring that future generations of Wellingtonians can continue to enjoy and cherish the cultural treasures found across our sites. We recognise that we cannot look to the future without reflecting on our past, honouring the rich history that shapes our present and guides our future. Through strategic fundraising efforts, we will fortify our programs and exhibitions, enhancing their impact and reach within the community.

We take great pride in our role as leaders in the creative sector and significant contributors to Wellington's economy and its reputation as a hub of arts, culture, science and creativity. Our commitment to enriching the cultural landscape is unwavering. However, to continue offering a comprehensive programme of exhibitions across our sites, we must significantly enhance our revenue streams. Without this increase, it will be challenging to sustain our full range of activities, which could adversely affect both visitation and the revenue generated by our valued manuhiri.

Creating Our Shared Vision for Pōneke

Our Plans and Approach to Achieve our Shared Vision for Pōneke

Wheako Pōneke Experience Wellington's strategic plan for 2025-26 weaves together five specific expectations from Council, our four strategic pou and six Council strategies, to deliver shared aspirations for Wellington. Our plans are pragmatic, consider the significant external pressures and uncertainties of construction projects, centre on financial sustainability and building a framework for our organisation to ensure our success for future generations of Wellingtonians.

With a purpose to deliver remarkable experiences for Wellington every day, our small team are tasked with managing sites and storage facilities across the city, caring for Wellington's taonga and opening our experiences to hundreds of thousands of visitors 364 days a year. The task of operational delivery is not discussed in this document, but it is important to highlight this is the priority for our people. We acknowledge our team members who make our visitor experiences "remarkable" every day.

Our annual planning involves developing projects and programmes aligned to key projects, strategic pou and Council Strategies.

Council's Specific Expectations

- Financial Sustainability
- Strategic Revenue Generation
- Nōku Te Ao Capital E Co-located in Te Matapihi
- Wellington Museum Reimagined
- Te Ngākau Civic Square Reopening

Our Strategic Pou

- Enriching Lives
- Embracing Te Ao Māori
- Mahitahi
- Experience Wellington Flourishes

Council Strategies

- Te Atakura
- Tūpiki Ora
- Aho Tini
- Urban Form
- Children & Young People
- Economic Wellbeing
- Accessible Wellington

Our Response to Council's Expectations for 2025-26

Our response considers the long-term opportunities for our six sites and the part they play in arts, culture, and heritage in Pōneke while navigating significant restrictions to our ability to operate some of these sites normally (with some sites closed for periods of time).

Council Expectations	Our Response
Financial Sustainability ***#1 Council expects the Trust to achieve a break-even budget and continue to take a greater strategic focus on driving commercial outcomes.***	We continue to strive to achieve a break-even budget with a range of cost-saving measures. To achieve financial stability, we are aligning all budget lines with realistic strategic goals and continue to identify areas for cost reduction. At the same time, we are exploring further options to generate commercial income through targeted marketing campaigns, diversified programming, community collaborations, and exploring new revenue options like tours, memberships, partnerships and sponsorships. Many of the financial challenges we currently face are due to external pressures within the wider economy. We face significant future costs due to aging exhibitions at Wellington Museum, caused by the delayed strengthening of the Council-owned Bond Store. Ultimately our financial goal is to build reserves and focus on fundraising to position ourselves to meet these challenges in the future. The newly implemented International Admission charges at Wellington Museum have been successful at increasing revenue and will continue to help towards absorbing increasing costs due to inflation and other factors. We continue to explore opportunities for charging for special exhibitions within the Museum. Wheako Pōneke Experience Wellington will: - Plan for implementing Admission Fees for International Visitors at Te Whare Toi City Gallery Wellington on reopening, in Te Ngākau Civic Square, from July 2026. - Maintain strict cost control across all budget lines. - Increase and prioritise ticketed programming attendance and exhibitions, with continued focus on boosting retail revenue. Non-revenue related programmes may be reduced. - Strengthen and nurture our current stakeholder relationships and developing new collaborative partnerships. - Apply our commercial strategy across all sites to grow revenue streams, with our primary focus on sites not compromised by infrastructure projects/site closures. - Ensure programming achieves the right balance of accessible and relevant, catering to a diverse range of audiences and aligning with our values, while also considering commercial potential. - Collaborate with our CCO whānau to share resources and co-host mutually beneficial initiatives. - Create compelling marketing and communications content and promote programmes and exhibitions across all our sites that respond to past programming data and audience insights. - Maintain and grow our retail strategy and successful range of bespoke products.

Strategic Revenue Generation ***#2 Due to financial pressures Council is facing, Council expects the Trust to manage costs within its budget and explore opportunities for increased revenue generation to enable the Trust to deliver on its strategy and Council expectations. Council understands that this may lead the Trust to look at its service offering as well new as revenue opportunities.***	We are focused on a future where Wheako Pōneke Experience Wellington is a flourishing organisation with increasing visitor numbers, playing a key role in delivering remarkable experiences to the people of Pōneke. To drive commercial outcomes we have trimmed costs, increased commercial revenue options, and refocused our commercial capability. We are working towards a realistic budget for a thriving, commercially focused arts organisation. Exhibition costs continue to be the most significant and strategically important part of our budget; regularly refreshing exhibitions and offering new programmes drives our visitor numbers and revenue opportunities. Without a full programme of refreshed offerings across our sites, we will not meet the goals of delivering remarkable experiences for Wellington and flourishing as an organisation. We continue to manage our resources and focus on high-impact activities to deliver the most value across our sites. Wheako Pōneke Experience Wellington will: - Apply living wage increases for staff, if funded by Council, in line with Council policy (if not funded this will be very challenging to fund) - Increase overhead and core salaries (other than living wage increases) based on 2% per annum which may need revised if not in line with current market rates. - Integrate fundraising opportunities to nurture partnerships and build the donor journey.
Nōku Te Ao Capital E Co-located in Te Matapihi ***#3 Council expects the Trust to further develop its plans for Capital E and its co-location within Te Matapihi ki te Ao Nui. The Trust is expected to recognise that Council is making a significant capital investment in Te Matapihi which will also generate additional operational costs for Council.***	Nōku te Ao Capital E returns to Te Ngākau in 2026, co-located inside the redeveloped Te Matapihi ki te Ao Nui. This project gives Council and Wheako Pōneke Experience Wellington a once in a lifetime opportunity to reimagine this space that brings joy to our youngest visitors and their whānau. This project will continue to receive our full focus and deepen our partnership with the Creative Capital, Library and Archives teams. Our operational plans for Nōku te Ao Capital E continue our legacy and commitment to nurturing creative, connected and confident tamariki and rangatahi. Through purposeful play in our play space for under-five's, PlayHQ and in our curriculum linked learning spaces MediaLab and OnTV, we will support generations of kaihōpara explorers with rich experiences. We look forward to working alongside Council, and the Library and Archives teams to activate Te Matapihi, we will acknowledge Council in our marketing content and leverage the excitement of opening to reach new audiences to bring even more of our youngest citizens into this important space.
Wellington Museum Reimagined ***#4 Council will work with the Trust to develop options for the Wellington Museum for consideration in the 2027-37 LTP. During this period of considering the future direction for the Museum, the Council encourages the Trust to***	We continue to work with Council to develop and evaluate options for Te Waka Huia o Ngā Taonga Tuku Iho Wellington Museum, including potentially more viable solutions of relocating the Museum away from the problematic Bond Store and better positioning this city gem in the civic hub of Te Ngākau. In the interim, we will strategically plan for and actively explore ways to ensure Wellington Museum's offerings remain relevant and engaging. This proactive approach is essential to ensure

explore options for keeping the Wellington Museum offering relevant to ensure that it remains an attractive destination for visitors.	that the Museum continues to be an attractive and compelling destination for visitors. By incorporating a vibrant exhibition programme, and by embracing new ideas and opportunities, we aim to enhance the visitor experience and maintain the Museum's status as a cultural cornerstone in Wellington.
Te Ngākau Civic Square Reopening ***#5 Council expects the Trust to leverage the opening of Te Matapihi and the reopening of City Gallery Wellington in 2026 to create excitement and visitation to the precinct.***	We are thrilled to return home to Te Ngakau Civic Square in 2026 with two of our sites: Te Whare Toi City Gallery Wellington and Nōku te ao Capital E, following the completion of Te Matapihi ki te Ao Nui. This exciting development will transform the square into a vibrant cultural hub, hosting a diverse array of events that will infuse creativity and energy into the wider Pōneke community. The return to Te Whare Toi City Gallery Wellington after a prolonged period of closure for building remediations will be celebrated by showcasing a dynamic range of contemporary art from both New Zealand and international artists. Our exhibitions are designed to be thought-provoking, pushing the boundaries of contemporary art and delighting the senses of our visitors. Exhibition schedules are being developed for our reopening that will challenge and inspire. In addition, we are excited to reopen Nōku te Ao Capital E within Te Ngākau Civic Square. Located within Te Matapihi ki te Ao Nui, we will serve as a hub of creativity and innovation, offering a wide range of engaging events and activities tailored for tamariki and rangatahi in Pōneke. From interactive workshops and performances to digital media projects and creative play, Nōku te Ao Capital E will be a place where children and young people can explore their creativity, learn new skills, and connect with their community. The reopening of both Nōku te Ao Capital E and Te Whare Toi City Gallery Wellington will bring new life and energy to Te Ngākau Civic Square and enrich the cultural landscape of Pōneke. We will leverage the openings of these two important buildings to attract new visitors and welcome back our audiences through our marketing and communications.

Our Mahi Aligned to our Strategic Pou

The table below contains plans of work programmes across our four key strategic pou for 2025-26.

Strategic Pou	Description
Enriching Lives	Strategically aligning programming that connects to audience insights. This includes: - We continue to place the audience at the heart of a vibrant, integrated programme plan that engages audiences onsite and online. - Mapping opportunities for each of our sites as the city transforms. This includes progress on options for the strengthened, or alternate, building to house a future reimagined Wellington Museum; completion of Space Place's programme of exhibition renewal to support the site's focus on showcasing and engaging with visitors on the Southern Skies; modernisation of the visitor centre experience at Nairn Street Cottage over the coming years; Nōku te Ao Capital E as a driver of making Wellington the best place in Aotearoa to grow up as part of the Te Matapihi project; and City Gallery positioned to take advantage of the Te Ngākau update project. Our offerings at Cable Car Museum have been reviewed and re-positioned to generate greater appeal. - Demonstrating improvements in access and inclusion in our offerings and programmes. - Continued collaboration with Council, our CCO whānau, and the city's creative ecosystem: leveraging relationships and our Qualmark status and attracting visitors to our city.
Wheako Pōneke Experience Wellington Flourishes	- Strengthening and nurturing our current stakeholder relationships, and developing new collaborative partnerships - Growing our revenue through implementing our commercial strategy which includes enhancing retail offering, developing new commercial opportunities and introducing an admission fee for international visitors at Te Whare Toi City Gallery Wellington. We will focus on maximising visitor experiences and offerings across all sites with a road map to build a sustainable membership strategy. - Implementing our sustainability work plan. - Increasing revenue from events, through donation ask - onsite and online, and embedding a charitable trust mindset in our culture. - Continuing with our commitment to continuous improvement in internal systems, policies and processes, seeking to streamline, and improve all processes across our organisation.
Embracing Te Ao Māori	- Strengthening organisation-wide cultural capability. - Continuing to increase the use and visibility of te reo Māori and tikanga Māori, onsite and online. - Building meaningful relationships that are enduring, reciprocal, effective and valued, and responding appropriately to the aspirations of mana whenua and Māori, drawing upon the expertise of Council's Mataaho Aronui team. - Continuing our commitment to increase the recruitment of Māori staff in accordance with our Māori Employment Strategy, and tailoring support and professional development opportunities to existing team members who identify as Māori.
Mahitahi	- Focusing on attracting and retaining talented individuals to our organisation. - Creating a workplace culture that embraces our values and fosters pride in working for our organisation. - Continuing our work on our Māori Employment Strategy. - Cross- organisation focus on openings for Te Matapihi and City Gallery Wellington.

Our Mahi Aligned to Council Strategies

The table below outlines our commitment, approach and mahi aligned to six Council Strategies to achieve our shared vision for Wellington. These are embedded in our strategic pou.

Council Strategy	Description

Te Atakura: First to Zero	Wheako Pōneke Experience Wellington is committed to partner to Wellington City Council as it becomes a net zero carbon city by 2050:
	- We partner with Council to achieve sustainability improvements and energy efficiencies from our buildings, working with Council's Energy Team. To date, significant work has fine-tuned our HVAC systems and introduced a new Building Management System (BMS).
	- Exhibition lamps across our sites are being progressively upgraded to more energy efficient LED.
	- We continue to influence audiences visiting our sites, to showcase, discuss and promote environmental sustainability practices and stories. This includes continuing our annual Great Big Waterfront Clean Up. Our internal Environmental Sustainability committee oversees and supports a range of new and existing initiatives across our organisation encouraging kaimahi to make sustainable choices. The committee provides educational resources and advice, promotes events and workshops, and encourages use of reusable containers, limited printing, vegetarian catering, and general environmental best practice across our organisation.
	- We apply a sustainability lens to policy, procedures and operational practices. Whether it's a new hygiene product supplier or improved management of our compost bins, we are continually improving what we are doing and seeking next steps to achieve First to Zero.
	- Our Environmental and Sustainability Committee, has developed an action plan to meet some of the goals in our operations including:
	    - promoting the Tiaki Promise in our front-of-house spaces.
	    - a regular waste audit including measuring and reporting.
	    - reducing our Annual Carbon Footprint
	    - reviewing our supply chains and Environmental Sustainability Policy

Tūpiki Ora Māori Strategy	Wheako Pōneke Experience Wellington shares the Council's commitment to mana whenua and Māori, seeking new ways to support our whānau to thrive. - A new kaimahi Governance group is being established to aid the Integration and Embedding of Te Ao Māori into all areas of Wheako Pōneke Experience Wellington development. This will focus on all the strategic, policy and cultural capability building developments through 2025-26, as we journey towards developing a strongly bi-cultural organisation. - We have established a Project and Governance Group named 'Integrating and Embedding Te Ao Māori' to continue progressing our commitments to Te Tiriti. This is a two-year project that touches on all areas of our organisation. - Wheako Pōneke Experience Wellington Māori Engagement Strategy, Tūhono Ake (2022-2027) articulates our commitment to Te Tiriti o Waitangi and represents a step towards becoming a bi-cultural organisation. In 2025, we will continue actioning and progressing this strategy, mainly through our "Integrating and Embedding Te Ao Māori Project".

	- Cultural capability sessions have begun across all teams to ensure the stories of Mana Whenua and Māori identities and histories across Te Upoko o te Ika are understood by the whole organisation. We will continue these sessions into 2025-26, utilising the time with teams to progress our Embedding Project. - We have developed a kuputaka (glossary) and Te Reo Māori Style Guide to ensure consistency and quality of Te Reo Māori across Wheako Pōneke Experience Wellington and to encourage kaimahi to build in more Te Reo in their roles. We will utilise these resources to ensure Te Reo Māori is normalised and celebrated across sites. - We are committed to a continued working relationship with Council's Mataaho Aronui Māori Strategic Partnerships Team to ensure Council and CCOs are working together when accessing Mana Whenua. - Our Māori Employment Plan will be undergoing updates to ensure alignment with our new structure and changes to delivery management.
Aho Tini 2030 – Arts, Culture and Creative Strategy	Wheako Pōneke Experience Wellington shares Council's commitment to support Aho Tini and the arts, culture and creative strategy. Arts and culture experiences are at the heart of everything Wheako Pōneke Experience Wellington exists to deliver. - Building on the rich cultural traditions and identity of our capital city, our mahi will be further enhanced through the revisioning of Nōku te Ao Capital E within Te Matapihi ki te Ao Nui. - We will continue our commitment to access and inclusion in the arts sector and higher visibility of Ngā Toi Māori by supporting our Te Rōpū Mahi Tiriti and Access and Inclusion committees, and by supporting Māori roles throughout our organisation: Senior Curator Toi Māori, and our Kaiako Māori and advisory groups. - We take a 'Wellington First' approach to foster the success of the city's artists and arts organisations. - We work in partnership to activate the city's places and spaces through programming alliances with the Council.
Urban Form	Wheako Pōneke Experience Wellington enhances the city's urban form by repurposing many historic Pōneke buildings to celebrate our city's arts, culture, heritage, and space science. By offering high-quality contemporary art, exhibitions, tours and learning programmes for children and young people we enrich these spaces and foster community engagement. Our sites tell the stories of Wellington, celebrating its rich history and diverse narratives that create a vibrant, inclusive, and dynamic urban environment that reflects our city's unique identity and aspirations. - Our bicultural national and multicultural society are celebrated through the art and sculpture proudly visible across our sites. - We are committed to becoming a place where te reo Māori and Te Ao Māori can flourish, and where the language can be used by everybody, everywhere, every day. To this end we have developed a kuputaka which is an authorised collection of written and spoken te reo Māori text for our kaimahi to use across the organisation for internal and external communications. - Our staff are encouraged to travel between sites in a sustainable way, most of which involves walking between our many sites. - We work in partnership with Council to ensure that our sites are maintained and upgraded when needed with an eye to resilience to support our exhibitions and audience growth. - We are mindful of Climate Change and sustainable practices with our exhibitions and programming teams recycling and reusing materials where possible.

Strategy for Children and Young People	Wheako Pōneke Experience Wellington shares Council's commitment to Wellington being the best place to grow up in Aotearoa. Our commitment to Council's Strategy for Children and Young People is clearly visible in our commitment to Nōku te Ao Capital E, Te Matapihi ki te Ao Nui, and programming for and with children, families and young people across our sites, including: - Delivering unique learning experiences for schools, kura, and early learning settings. - Supporting staff with continuous professional learning to develop specific strategies to support children's learning and wellbeing. With careful programme planning, and effective communication and partnerships with schools, we ensure that our learning experiences are tailored to meet diverse needs and interests. - Delivering a wide range of experiences for tamariki and ākonga, including explorative sensory play, programming and learning opportunities and interactive exhibitions. - Running a range of inclusive events for tamariki, we endeavour to centre Te Ao Māori, affirm the use of te reo Māori, and promote positive and uplifting diversity themes. - Offering accessible events for many different audiences, including non-verbal experiences and experiences that support children who have English as an additional language, or additional learning needs. - Subsidising admissions costs for our experiences to improve access for all schools, kura and early learning settings. Those with a high Equity Index (low decile) can apply for further admissions and transport grants so that all tamariki can build lasting and transformative memories. - Providing safe and welcoming spaces to nurture the wellbeing of our youngest Wellingtonians while they develop their capabilities to shape the world around them through exploring science, history, culture, and art.
Economic Wellbeing Strategy	Wheako Pōneke Experience Wellington shares Council's commitment to support the Economic Wellbeing Strategy by providing safe, culturally diverse, accessible, inclusive, and welcoming spaces for all visitors. - Our commitment to the Council's Economic Wellbeing Strategy is visible and evident across all four of our strategic pou. - We provide a 'Wellington First' approach by prioritising local talent, suppliers and partnerships and are proud to be a vital part of an interwoven eco-system alongside accommodation providers, retail outlets, restaurants, and other venues and tourism sites – together contributing to the economic wellbeing of our city. - We partner with our CCO whānau to develop incredible opportunities and events for Wellington.
Accessible Wellington Strategy	Wheako Pōneke Experience Wellington remains committed to ensuring our sites, exhibitions and programmes are inclusive and accessible to all. - Our Access and Inclusion Committee, made up of staff representatives, champion new initiatives – underpinned by the principle that access is a human right, and that an environment of accessibility and inclusion has universal benefit. - *We partner with Council to achieve improved accessibility at our sites.* While the Council buildings we inhabit are of a range of age, size and location, we partner with Council's Property team to seek improvements in accessibility for our visitors. Improvements such as the pending upgrade to Te Whare Toi City Gallery Wellington building to create reliable lifts, improved and larger bathroom facilities and increased accessibility, are all areas of opportunity and priorities for both parties. - *We leverage our opportunity to influence audiences visiting our sites*. Our Public Programmes team deliver a varied and diverse offering ensuring all members of our community enjoy programmes especially tailored for them. This includes

	takiwātanga neurodivergent, LGBTQIA+, blind and low vision, deaf and hard of hearing, and tamariki as well as welcoming cultural groups to enjoy and celebrate their communities. - *We embrace our Safe Spaces Statement to ensure all people are welcome and safe at our sites and in our programmes*. Wheako Pōneke Experience Wellington strives to provide a safe space for all, of every gender identity and expression, sexual orientation, physical ability, appearance, neurodiversity, physical appearance, body size, ethnicity, nationality, race, age, or religion. Our statement is visible at all our sites and online and is enforced where necessary to ensure our spaces are safe for team members and visitors. - *We prioritise inclusion with our team*. Not only are we focused on visitor access and inclusion we also apply a strong access and inclusion lens across all policy, procedures and operational practices. The Access and Inclusion Committee works closely with teams across the organisation to ensure this happens.

Our Performance Outcomes

Key Performance Measures

Our Key Performance Indicators (KPIs) as required by Council are set out below. We have also set internal targets to align with key themes from Council's 2024-34 Long-term Plan (LTP) – Environmental, Social, Cultural, and Economic.

Key Principles

The principles governing our relationship with Council as our primary stakeholder include:

- Operating on a "no surprises" basis so that any significant event that may affect either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between Wheako Pōneke Experience Wellington and Council.
- Providing advice to Council on the management and development of museums, art galleries, space science and other relevant services within Wellington.
- Full disclosure of information will be provided to Council from Wheako Pōneke Experience Wellington as deemed necessary by Council to ensure its interests are upheld.
- Disclosing within the Wheako Pōneke Experience Wellington Strategic Plan any significant transactions that are planned.
- Our commitment to pay a living wage to applicable employees as per Council expectations.

Assumptions Informing our Statement of Intent

In 2025-26 we expect to:

- Raise **$3,521,503** of our revenue from trading initiatives and fundraising activity.
- Achieve an average of at least **87%** approval rating from our visitors for the quality of their experience at our institutions.
- Welcome over **445,500** on-site visitors, of which around **17,445** will be children and young people visiting for a learning experience on Enriching Local Curriculum (ELC) funded visits.

We have developed the SOI and budget based on the following performance/revenue assumptions and commitments:

- A commitment to focus on core business in our planning and expenditure while leveraging our commercial strategy to maximise revenue.
- Work towards the goal of break-even budgets over the period of this SOI, taking into account the impact of Council infrastructure works on and around our sites.
- Deferred maintenance works and earthquake strengthening on the Te Whare Toi City Gallery Wellington building will be completed by the end of March 2026, allowing it to reopen in July 2026 with a full year of exhibitions for 2026-27 and outyears; alternative locations found for exhibitions during 2025-26.

- Te Waka Huia o Ngā Taonga Tuku Iho Wellington Museum remains open during remedial building restraints works with no impact on visitation and venue hire. We assume that all grants and funding arrangements will remain in place during that time.
- Improved visitation and visitor related revenue at Cable Car Museum, Space Place, Nōku te Ao Capital E and Nairn Street Cottage.
- $96,000 of revenue will be raised in 2025-26 by international admission fees at Wellington Museum. We will implement international admission fees upon reopening City Gallery Wellington in the 2026-27 Financial Year.
- We mitigate the impact of an anticipated drop in cruise ship passengers in 2025-26 of up to 30% by upgrading and improving visitor experiences offered to cruise ship visitors.
- Delivering our Enriching Local Curriculum funded education programmes at the Ministry of Education contracted level with the current contract being extended until December 2026 and then being renewed from January 2027. The estimated Learning Visitation numbers are expected to be renewed at a lower level than the current contract, reflecting our internal capacity.
- Current accommodation support continues through the generosity of the Council, with increased capacity as leases come up and Te Matapihi opens.
- Improving revenue generation from fundraising and retail.
- An increase in core funding from the Council.
- An increase in core funding from 2026 to support Nōku te Ao Capital E moving into Te Matapihi and broadening its service offerings.
- Priority 1 and failure of risk capital purchases for 25-26 funded via 24-25 surplus and fundraising. All other capital purchases on hold unless funded through specific fundraising activities.

We have developed the SOI and budget based on the following expenditure assumptions:

- Exhibition costs reflect:
  - Costs of exhibiting in alternative venues for Te Whare Toi City Gallery Wellington in 2025-26
  - An increase in operating costs for the new revitalised Nōku te Ao Capital E when it reopens in Te Matapihi in 2025-26
  - A full year of exhibition costs from 2026-27 with BAU from 2027/28.
- Funding for the transfer of Noku te Ao Capital E to Te Matapihi is still under negotiation with the Council.
- The housing of administrative staff into Te Matapihi from January 2026, resulting in an increase in rent.
- Increasing overhead and core salaries based on current trajectories and forecast market adjustments. The Acting Director for the Te Matapihi Project continues to be funded by Council in 2025-26.
- Continuing to strengthen a culture of all costs being carefully scrutinised and managed as we look for ongoing economies and value for money.
- Capital and Collections purchases are restricted to priority 1 and failure of risk purchases outlined in the from 10-year capital plan.
- A commitment to develop a pathway to build reserves to support cashflow management and increase resilience for future economic challenges.

Summary

In a period of disruption and change our focus is on being well-placed to deliver exciting experiences in current, new and updated spaces over the period of this Statement of Intent. With a sharp focus on this and our other key priorities, we have budgeted to achieve a break-even position in 2025-26.

As we move our Nōku te Ao Capital E offerings to Te Matapihi, this SOI includes transition funding, which finishes at the end of 2025-26, and additional operational funding from 2025-26 as we reshape our services to deliver effectively in the new spaces. Costs relating to the move are not budgeted as current understanding is that Council will support these.

Related to the move to Te Matapihi are budgeted costs of $130,000 to make good our current Nōku te Ao Capital E site on Queen's Wharf. There is some risk around this budget as final costs may change depending on any cost increases and the final scope of landlord requirements.

A key focus is on planning for the opening of the Te Whare Toi City Gallery in July 2026, with a plan to reopen with an international exhibition supported by fundraising and sponsorship. Ongoing focus will be to build a strong base of donor support for our sites and exhibitions, so we are well-placed to deliver exciting new experiences.

Revenue budgeted from admission fees for overseas visitors for Te Waka Huia Wellington Museum are based on the current year with expectations that opportunities to increase this revenue will be affected by anticipated falls in cruise ship visits in 2025-26. Admissions revenue is however expected to be boosted as we plan to also introduce admission fees for overseas visitors when Te Whare Toi City Gallery reopens in 2026-27. Trading income budgets also remain conservative based on an expected drop in cruise ship visits and the flow on impact on visitor numbers.

Progress towards achieving break-even year on year is strong although noting that as we rebuild reserves, we remain vulnerable to unexpected events and costs and still have limited ability to update and invest in our assets without third party support whether through donations, grants or Council support.

Due for renewal from 1 January 2027, the $325,000 Ministry of Education Enriching Local Curriculum (ELC) contracts which contribute to the programme are critical to our ongoing delivery of high-quality learning experiences to tamariki and rangatahi across Wellington. These contracts are at risk of not being renewed by the Ministry of Education for our Learning Programmes, and should we not receive these contracts, these programmes will not be sustainable.

Non-Financial Performance Measures

Our Visitors

Physical Visitation: The total number of on-site visits to institutions including the public, education, and function attendees. The annual target is reviewed each year and benchmarked against the average visitation for the institution during the previous three years.

Visitor Numbers	**2023-24** Actual	**2024-25** SOI	**2025-26**	**Q1** Jul-Sep	**Q2** Oct-Dec	**Q3** Jan-Mar	**Q4** Apr-Jun	**2026-27**	**2027-28**
City Gallery Wellington	67,004	50,000	*60,000	10,000	25,000	25,000	0	180,000	140,000
Wellington Museum	167,045	130,000	120,000	20,000	40,000	40,000	20,000	120,000	120,000
Nōku te Ao Capital E	53,685	45,000	20,000	10,000	10,000	**0	0	70,000	70,000
Cable Car Museum	282,143	195,000	195,000	30,000	65,000	65,000	35,000	200,000	200,000
Space Place	52,125	50,000	50,000	10,000	15,000	15,000	10,000	60,000	60,000
Nairn Street Cottage	509	500	500	100	150	150	100	800	1,000
Total	**622,511**	**470,500**	**445,500**	**80,100**	**155,150**	**145,150**	**65,100**	**630,800**	**591,000**

**CGW to run exhibitions at alternative locations until reopening in Te Ngakau, mid-2026. Exhibitions end pending move back into Te Ngakau Civic Square April/May 2026*

***Nōku te Ao Capital E closing mid to late 2025 for decant and move into Te Matapihi early 2026*

Children & Young People Visiting for a Learning Experience: The number of students (aged 0-18 years) participating in a learning experience organised by their education provider.

Learning Experience Visitors	**2023-24** Actual	**2024-25** SOI	**2025**	**2026**	**2027**	**2028**
Wheako Pōneke Experience Wellington Total	**17,857**	**23,100**	**23,100**	**23,100**	***17,445**	***17,455**

Figures include curriculum-aligned learning experiences which are supported by the Ministry of Education through its Enriching Local Curriculum (ELC) programme, self-directed and outreach learning experiences.

**Contracted ELC figure to be renegotiated with MOE to reflect internal capacity and assumptions.*

Public Programmes: The number of visitors participating in programmes across our sites.

Public Programmes Visitors	2023-24 Actual	2024-25 SOI	*2025-26	2026-27	2027-28
Wheako Pōneke Experience Wellington Total	**23,705**	**25,000**	**10,000**	**20,000**	**20,000**

**City Gallery Wellington closed until 2026-27 Financial Year. Children's Day not being run by Nokū te Ao Capital E in 25-26 due to works in Te Ngākau Civic Square. Public Programmes Strategy still in development in 25-26 Financial Year.*

City Residents' Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council.

Residents' Awareness	2023-24 Actual	2024-25 SOI	2025-26	2026-27	2027-28
City Gallery Wellington	98%	88-92%	82-87%	85-90%	85-90%
Wellington Museum	99%	91-95%	91-95%	91-95%	91-95%
Nōku te Ao Capital E	88%	80-85%	80-85%	80-85%	80-85%
Cable Car Museum	99%	92-95%	92-95%	92-95%	92-95%
Space Place	97%	89-93%	89-93%	89-93%	89-93%
Nairn Street Cottage	84%	49-57%	49-57%	49-57%	49-57%

Our People

Health and Safety: No notifiable incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.

Number of Notifiable Incidents	2023-24 Actual	2024-25 SOI	2025-26	2026-27	2027-28
Wheako Pōneke Experience Wellington Total	0	0	0	0	0

Financial Performance Measures

Non-Council Revenue: The total amount of revenue generated from non-Council sources: Trading, Fundraising, Programming, Investment and Other Income.

Measure	2023-24 Actual	2024-25 SOI	2025-26	2026-27	2027-28
Non-Council Revenue ($'000)	3,770	3,361	3,522	5,161	3,867
Non-council revenue as percentage of total revenue	25%	22%	22%	29%	23%
Spend per Visit ($)	3.35	3.81	4.16	5.64	3.91
Subsidy per Visit ($)	14.56	20.71	23.00	16.92	18.59
Non-council donations and fundraising (excl capital)	403	423	613	585	510

The Council subsidy per physical visitor is calculated first by dividing the number of forecast visits into the operating grant received from Council.

Our Organisational Health, Capability and Risk Assessment

Organisational Wellbeing, Health and Safety

Our wellbeing, health and safety goal is a zero-harm culture, and we have adopted rigorous systems and processes to ensure Health and Safety compliance, and we work closely with Council to ensure that our approach is consistent with its expectations. This is particularly relevant in the context of building management where our Health and Safety obligations overlap.

The Board maintains a high degree of awareness of the legislation related to its activities. This includes a Wellbeing, Health and Safety Management Plan that identifies and prioritises the management of critical areas of risk. This is regularly reviewed, monitored, and verified for effectiveness. Where Council and the Trust have shared responsibilities and overlapping duties, then all parties ensure there is effective consultation and co-operation to eliminate or minimise the risks and keep all those in the vicinity of our workplaces safe.

We are committed to continuous improvement of our organisational effectiveness with the objective of being an employer of choice demonstrating whanaungatanga. Our wellbeing strategy aims to build a collaborative and high performing work environment. We have invested in training to support managers navigating wellbeing with their teams, and to increase awareness and skill including mental health training programmes. Our number one priority is to keep our visitors and our employees safe.

Risk Assessment and Management Framework

Our Risk Profile is reviewed regularly at executive and board level and identifies events and/or circumstances and the impact that these have on our operation using a system that ranks the probability and level of impact of the event. It includes risk management strategies such as recovery plans for specific events which carry high risk values.

Our ability to continue to operate following a major event will depend on factors outside of our control such as the extent of material damage to buildings. Business Continuity Plans have been developed but are due for an update. We acknowledge that under the Health and Safety at Work Act 2015 we share Person Conducting a Business or Undertaking (PCBU) responsibilities with Council regarding Council buildings we manage and occupy.

Assessed risks which carry a lower risk value tend to be within our operational purview except for risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to affect business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention. We do not have adequate insurance cover for Wellington Museum, Nairn Street Cottage and our Back of House offices. However, the balance of our insurance cover meets specific business needs and deductibles and are in line with generally accepted risk management principles and affordability.

Governance

Structures and Evaluation of Performance

Trustees are appointed by Council and are standard-bearers for our vision. The Board is responsible for setting the strategic direction and approving the Statement of Intent (SOI) and the Strategic Plan. The Board monitors organisational performance, the organisation's on-going viability and the maintenance of its competitiveness. It delegates the day-to-day operation to the Chief Executive, who reports to the Board. The Board meets regularly and operates two committees which review relevant matters prior to consideration by the full Board. In addition, the Board may convene ad hoc working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Finance, Audit, Risk and Revenue (FARR) Committee: The FARR Committee has been established to assist the Board in carrying out its duties relating financial performance, reporting, audit and assurance, risk management and legislative compliance and revenue generation to ensure financial sustainability.

People, Performance and Safety (PPS) Committee: The PPS Committee has been established by the Board to support the Chief Executive in carrying out their responsibilities as the employer and to assist the Board to meet its due diligence responsibilities regarding Wheako Pōneke Experience Wellington's compliance with the Health and Safety at Work Act 2015. The PPS Committee is also accountable for ensuring the performance and remuneration of the Chief Executive are appropriately managed. The Board strives to meet best practice governance standards and undertakes an annual review of the overall Board, individual Trustees, and the Chair's performance, and reports to the Chief Executive of Council annually. Board appointment is for a three-year term. Trustees may be reappointed to the Board provided the total number of years served by a Trustee does not exceed nine years.

Appendices

Appendix 1: Accounting Policies

Significant Accounting Policies

The following accounting policies which have a material effect on the measurement of results have been adopted by Wheako Pōneke Experience Wellington.

1. Reporting entity

The Wellington Museums Trust Incorporated, trading as Wheako Pōneke Experience Wellington, is a Registered Charity under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The budget Financial Statements of Wheako Pōneke Experience Wellington for 2025-26 onwards includes all expenses budgeted by the organisation across all groups including; exhibitions, curatorial, projects, corporate services, children, young people and community engagement, Kaupapa Maori and fundraising, marketing and communications. The revenue forecast includes Council and our other key funders and trading income.

The principal activity of Wheako Pōneke Experience Wellington is to develop and manage cultural and art institutions and to operate them for the benefit of the residents of Wellington and the public generally. For the purposes of financial reporting, Wheako Pōneke Experience Wellington is a public benefit entity (public sector).

Wheako Pōneke Experience Wellington has no intention of subscribing for, purchasing, or otherwise acquiring shares in any other company or other organisation.

2. Basis of preparation

a) Statement of compliance and basis of preparation

The budgeted Financial Statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with Tier 2 Public Benefit Entity (PBE) Accounting Standards, and disclosure concessions have been applied.

Wheako Pōneke Experience Wellington has elected to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and has total annual expenses of equal to or less than $30 million.

b) Basis of measurement

The budgeted Financial Statements are prepared on the Historical Cost basis.

c) Statement of Service Performance

The Statement of Service Performance has been prepared in accordance with PBE FRS 48 Service Performance Reporting. PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements.

d) Presentation currency

These forecast Financial Statements are presented in New Zealand dollars ($).

3. Significant accounting policies

The accounting policies set out below will be applied consistently to all periods presented in the Financial Statements.

a) Property, plant, and equipment

Items of Property, Plant and Equipment are stated at cost, less accumulated depreciation, and impairment losses.

(i) Subsequent costs

Subsequent costs are added to the carrying amount of an item of Property, Plant, and Equipment when that cost is incurred if it is probable that the future economic benefits or service potential embodied with the item will flow to Wheako Pōneke Experience Wellington and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.

(ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the Straight-Line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of the assets and depreciation rates are as follows:

- Computer & AV Equipment 33% SL
- Office and Equipment 25% SL
- Motor vehicles 20% SL
- Building Fittings 5%-25% SL
- Exhibitions 10% SL
- Collections & Artefacts Not depreciated.

The residual value of assets is reassessed annually.

b) Collections

Collections are artefacts that are of cultural or historical importance. A substantial amount of the Collection was acquired on 29 February 1996 from the Wellington Maritime Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at Historic Cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the Collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets is not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate, they are not depreciated.

An external valuation of the Collections from an independent valuer is obtained on a 3 yearly basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation in 2024 and have confirmed that the carrying value at 30 June 2025 is appropriate, and that no impairment has occurred.

c) Intangible assets

Computer software

Software applications that are acquired by Wheako Pōneke Experience Wellington are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a Straight-Line basis over the estimated useful lives of the Intangible Assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Computer software 33% SL

d) Trade and other receivables

Trade and other receivables are measured at their cost, less impairment losses.

e) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the average cost principle and excludes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

g) Impairment

The carrying amounts of Wheako Pōneke Experience Wellington's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

h) Employee benefits

Long Service Leave: Wheako Pōneke Experience Wellington's net obligation in respect of Long Service Leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Statement of Financial Position date.

i) Provisions

A Provision is recognised when Wheako Pōneke Experience Wellington has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and other payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

Wheako Pōneke Experience Wellington's trading activities are supported by grants & sponsorship. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability in Revenue in Advance and revenue is recognised only when the services are performed, or conditions fulfilled.

Funds received that have no such obligation attached and merely a restriction imposed on the use of funds are recognised as revenue when they are received.

(ii) Services provided

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. Income is recognised as the service is provided (e.g., exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortised to income throughout the period of the exhibition.

(iii) Donations

Cash donations from the community are recognised in the Statement of Financial Performance when they are received.

(iv) Sale of merchandise

Revenue from the sale of merchandise is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

l) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the surplus/ (deficit) on a Straight-Line basis over the term of the lease. Lease incentives received are recognised in the surplus/ (deficit) over the lease term as an integral part of the total lease expense.

(ii) Finance income and expenses

Finance income comprises Interest Income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise Interest Expense on borrowings. All borrowing costs are recognised in the surplus/ (deficit) using the effective interest method.

(iii) Endowment Fund

The Endowment Fund is categorised as a Financial Asset designated at fair value through Other Comprehensive Revenue and Expense. After initial recognition, the Endowment Fund is measured at fair value, with gains and losses recognised in Other Comprehensive Revenue and Expense, except for impairment losses, which are recognised in the surplus/(deficit). When sold, the cumulative gain or loss previously recognised in Other Comprehensive Revenue and Expense is transferred to Retained Earnings.

m) Availability of future funding

Wheako Pōneke Experience Wellington is reliant on the Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3-year term.

The Council has agreed to fund Nōku te Ao Capital E to Te Matapihi by $149,000. After this is complete the Council has also agreed to update the Operational Grant with an additional $297,000 from 1 July 2026.

If Wheako Pōneke Experience Wellington was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realised other than at the amounts stated in the Statement of Financial Position. In addition, Wheako Pōneke Experience Wellington may have to provide for further liabilities that might arise, and to reclassify Property, Plant, and Equipment as Current Assets.

n) Income tax

Wheako Pōneke Experience Wellington is registered as a Charitable Trust and is exempt from Income Tax. Wheako Pōneke Experience Wellington is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

Goods and services tax
All amounts are shown exclusive of Goods and Services Tax (GST), except for Receivables and Payables that are stated inclusive of GST.

4. Ratio of Total Assets: Liabilities

- Wheako Pōneke Experience Wellington prefers to remain debt-free.
- Debt may not be raised to finance operating expenses.
- Wheako Pōneke Experience Wellington has a policy ratio of total assets to total liabilities of 3:1.

5. Activities for which compensation from Council is sought
Wheako Pōneke Experience Wellington seeks funding of $10,244,594 for the core operation, including the Space Place and Te Matapihi operating grants. In addition, we are seeking a rental subsidy of $2,096,574 and a Living Wage grant of $0 for the 2025-26 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed. We are looking for $80,000 of transitional funding for Nōku te Ao Capital E Te Matapihi.

6. Significant Obligations/Contingent Liabilities
Wheako Pōneke Experience Wellington currently holds low cash reserves to meet operational requirements and to mitigate risks. Wheako Pōneke Experience Wellington has no contingent liabilities.

7. Distribution to Settlor
Wheako Pōneke Experience Wellington does not make a distribution to the Settlor.

8. Separate Financial statements

Wheako Pōneke Experience Wellington has a close relationship (as a Controlling Entity) with the Carter Observatory Trust. The Carter Observatory Trust is a registered charity whose charitable purpose is to: use the culture, heritage and science of the southern skies to excite, engage and inspire via raising funds for projects at Space Place. It is through the control of the Carter Observatory Trust's activities, planning and fundraising that the Trust is a Controlled Entity.

Wheako Poneke Experience Wellington has elected to apply the disclosure exemption under section 5 of PBE IPSAS 35: Consolidated Financial Statements which states that Wheako Poneke Experience Wellington need not consolidate the financials of the Carter Observatory Trust, if it itself were a Controlled Entity. Wheako Poneke Experience Wellington is a Council Controlled Entity, meaning that its financials are consolidated into the financials of the Wellington City Council (www.wcc.govt.nz) that comply with Public Benefit Entity standards which are produced for public use.

Appendix 2: Financial Statements

Forecast 6/30/2025	STATEMENT OF FINANCIAL PERFORMANCE Wheako Pōneke Experience Wellington Total ($'000)	Budget Qtr to 30/09/25	Budget Qtr to 31/12/25	Budget Qtr to 31/03/26	Budget Qtr to 30/06/26	Total YE 30/06/26	Total YE 30/06/27	Total YE 30/06/28
	Revenue							
497	Trading Admissions	71	187	225	68	551	2,036	773
1,347	Trading Commercial	205	433	470	194	1,302	1,525	1,539
510	Children, Young Persons & Community Engagement	142	135	117	138	532	579	583
8	Exhibitions & Curatorial	0	0	0	0	0	0	0
9,744	Council Operating Grant	2,524	2,524	2,524	2,673	10,245	10,674	10,985
0	TMP Transition Grant	30	30	20	0	80	0	0
2,024	Council Accommodation Grant	524	524	524	524	2,096	2,155	2,220
51	Living Wage Grant	0	0	0	0	0	0	0
316	Fundraising	36	100	58	419	613	585	510
81	Fundraising - Capital Projects	45	22	16	57	140	150	225
143	Investment Income	29	29	28	30	115	114	115
457	Other Income	39	38	39	153	269	172	121
15,178	**Total Revenue**	**3,645**	**4,022**	**4,021**	**4,256**	**15,943**	**17,990**	**17,071**
713	**Cost of Goods Sold**	**91**	**212**	**233**	**144**	**680**	**719**	**724**
14,465	**Net Revenue**	**3,554**	**3,810**	**3,788**	**4,112**	**15,263**	**17,271**	**16,347**
	Expenditure							
8,722	Employee Costs	2,289	2,302	2,295	2,323	9,209	9,971	10,071
1,162	Exhibitions & Programmes	396	274	451	360	1,481	2,056	1,878
290	Fundraising, Marketing & Communications	94	88	74	92	348	351	372
1,347	Council Rent	341	335	365	415	1,456	1,806	1,844
1,315	Occupancy Costs (excluding Council Rent)	304	346	487	318	1,455	1,317	1,199
36	Communication Costs	8	9	9	9	35	36	37
115	Technology Costs	33	32	36	34	135	148	153
194	Professional Fees	32	32	33	108	205	212	215
220	Administration Expenses	39	36	33	59	167	161	172
112	Trustee Fees & Expenses	29	29	30	28	116	120	125
109	Depreciation	31	31	77	52	191	266	280
0	Interest	0	0	0	0	0	0	0
1	Loss on Disposal of Fixed Assets	0	0	0	22	22	0	0
13,623	**Total Expenditure**	**3,596**	**3,514**	**3,890**	**3,820**	**14,820**	**16,444**	**16,346**
842	**Net Surplus/(Deficit) before Taxation**	**-42**	**296**	**-102**	**292**	**443**	**827**	**1**
0	Taxation Expense	0	0	0	0	0	0	0
842	**Net Surplus/(Deficit)**	**-42**	**296**	**-102**	**292**	**443**	**827**	**1**
5.55%	**Operating Margin**	**-1.19%**	**7.76%**	**-2.70%**	**7.10%**	**2.90%**	**4.79%**	**0.01%**

Assumptions: City Gallery - City Gallery closed from July 2024: 1. Assume the WCC grants, and rental payments will remain intact over closure period. 2. All other income to be nil during closure. 3. Expenses - reduced during closure, but full impact as yet unknown. 4. Decant/rehome - not budgeted as information currently not available. 5. To open July/August 26 with International Art event. 6. 26/27 includes ticket sales, grant income and exhibition costs for International Art event. Ministry of Education - Assumed Ministry of Education contract funding to role over. Te Matapihi/Nōku te Ao Capital E - Te Matapihi to open May 2026. Te Matapihi changes shown as cost neutral. Transition funding not yet finalised. General: Visitor Experience costs added to City Gallery from 26/27 once re-opened. Out years 3% CPI applied for 25/26 and 26/27. 4% CPI applied to 27/28. Insurance has a 20% CPI load. No Living Wage grant received from WCC, currently budgeted at 4.9%. International charges assumed to be in Oct to March period for Museum and City Gallery.

Forecast 30/06/25	STATEMENT OF FINANCIAL POSITION Wheako Pōneke Experience Wellington Total ($'000)	Budget Qtr to 30/09/25	Budget Qtr to 31/12/25	Budget Qtr to 31/03/26	Budget Qtr to 30/06/26	Total YE 30/06/26	Total YE 30/06/27	Total YE 30/06/28
	Shareholder/Trust Funds							
2,083	Share Capital/Settled Funds	2,046	2,046	2,046	2,046	2,046	2,046	2,046
0	Revaluation Reserves	0	0	0	0	0	0	0
624	Restricted Funds	624	624	624	624	624	624	624
1,927	Retained Earnings	1,885	2,181	2,078	2,370	2,370	3,197	3,198
4,634	**Total Shareholder/Trust Funds**	**4,555**	**4,851**	**4,748**	**5,040**	**5,040**	**5,867**	**5,868**
	Current Assets							
300	Cash and Bank	300	300	300	300	300	300	300
257	Accounts Receivable	300	300	300	300	300	300	300
350	Other Current Assets	350	500	500	350	350	350	350
907	**Total Current Assets**	**950**	**1,100**	**1,100**	**950**	**950**	**950**	**950**
	Investments							
2,661	Deposits on Call	5,180	2,888	5,369	2,485	2,485	2,854	2,564
0	Other Investments	0	0	0	0	0	0	0
2,661	**Total Investments**	**5,180**	**2,888**	**5,369**	**2,485**	**2,485**	**2,854**	**2,564**
	Non-Current Assets							
2,829	Fixed Assets	2,798	2,817	2,922	3,403	3,403	3,737	4,028
324	Other Non-current Assets	324	324	324	324	324	324	324
3,153	**Total Non-current Assets**	**3,122**	**3,141**	**3,246**	**3,727**	**3,727**	**4,061**	**4,352**
6,721	**Total Assets**	**9,252**	**7,129**	**9,715**	**7,162**	**7,162**	**7,865**	**7,866**
	Current Liabilities							
1,398	Accounts Payable and Accruals	3,977	1,559	4,247	1,402	1,402	1,278	1,278
669	Other Current Liabilities	700	700	700	700	700	700	700
2,067	**Total Current Liabilities**	**4,677**	**2,259**	**4,947**	**2,102**	**2,102**	**1,978**	**1,978**
	Non-Current Liabilities							
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
20	Other Non-Current Liabilities	20	20	20	20	20	20	20
20	**Total Non-Current Liabilities**	**20**	**20**	**20**	**20**	**20**	**20**	**20**
4,634	**Net Assets**	**4,555**	**4,850**	**4,748**	**5,040**	**5,040**	**5,867**	**5,868**
172.60%	**Working Capital Ratio**	**131.06%**	**176.55%**	**130.77%**	**163.43%**	**163.43%**	**192.33%**	**177.66%**
68.95%	**Equity Ratio**	**49.23%**	**68.04%**	**48.87%**	**70.37%**	**70.37%**	**74.59%**	**74.60%**

Assumptions: Purchase of Fixed Assets funded via 24/25 surplus and fundraising. No change in the Nikau Foundation balance. Inventory balances in line with cruise ship season.

Forecast 30/06/25	STATEMENT OF CASH FLOWS Wheako Pōneke Experience Wellington Total ($'000)	Budget Qtr to 30/09/25	Budget Qtr to 31/12/25	Budget Qtr to 31/03/26	Budget Qtr to 30/06/26	Total YE 30/06/26	Total YE 30/06/27	Total YE 30/06/28
	Operating Cash Flow							
	Cash provided from:							
1,844	Trading Receipts	276	620	695	262	1,853	3,561	2,312
11,819	WCC Grants	5,602	554	5,741	524	12,421	12,829	13,205
397	Fundraising	81	122	74	476	753	735	735
518	Exhibitions & Programmes	142	135	117	138	532	579	583
143	Investment Income	29	29	28	30	115	114	115
457	Other Income	39	38	39	153	269	172	121
15,178		6,169	1,498	6,694	1,583	15,943	17,990	17,071
	Cash applied to:							
8,722	Payments to Employees	2,289	2,302	2,295	2,323	9,209	9,971	10,071
5,504	Payments to Suppliers	1,367	1,393	1,751	1,567	6,078	6,926	6,719
126	Net GST Cash Flow	-6	44	-15	44	66	124	0
0	Interest Paid	0	0	0	0	0	0	0
14,352		3,650	3,739	4,031	3,934	15,353	17,021	16,790
826	**Total Operating Cash Flow**	2,519	-2,242	2,663	-2,351	590	969	281
	Investing Cash Flow							
	Cash provided from:							
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
	Cash applied to:				0			
26	Purchase of Fixed Assets	0	50	182	533	765	600	571
0	Other	0	0	0	0	0	0	0
26		0	50	182	533	765	600	571
-26	**Total Investing Cash Flow**	0	-50	-182	-533	-765	-600	-571
	Financing Cash Flow							
	Cash provided from:							
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other WCC Financing	0	0	0	0	0	0	0
	Cash applied to:							
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0	**Total Financing Cash Flow**	0	0	0	0	0	0	0
800	Net Increase/(Decrease) in Cash Held	2,519	-2,292	2,481	-2,884	-175	369	-290
2,161	**Opening Cash Equivalents**	2,961	5,480	3,188	5,669	2,961	2,785	3,154
2,961	**Closing Cash Equivalents**	**5,480**	**3,188**	**5,669**	**2,785**	**2,785**	**3,154**	**2,864**
624	**Less Restricted Funds (MCH)**	624	624	624	624	624	624	624
2,337	**Closing Cash Equivalents**	**4,856**	**2,564**	**5,045**	**2,161**	**2,161**	**2,530**	**2,240**

Forecast 30/06/25	CASH FLOW RECONCILIATION Wheako Pōneke Experience Wellington Total ($'000)	Budget Qtr to 30/09/25	Budget Qtr to 31/12/25	Budget Qtr to 31/03/26	Budget Qtr to 30/06/26	Total YE 30/06/26	Total YE 30/06/27	Total YE 30/06/28
842	Operating Surplus/(Deficit) for the Year	-42	296	-102	292	443	827	1
	Add Non-Cash Items:							
109	Depreciation	31	31	77	52	191	266	280
0	Other	0	0	0	0	0	0	0
109		**31**	**31**	**77**	**52**	**191**	**266**	**280**
	Movements in Working Capital							
-372	(Increase)/Decrease in Receivables	43	0	0	0	0	0	0
-85	(Increase)/Decrease in Other Current Assets	0	150	0	-150	0	0	0
0	Increase/(Decrease) in Other Current Liabilities	31	0	0	0	0	0	0
333	Increase/(Decrease) in Accounts Payable	2,444	-2,718	2,688	-2,523	-22	-124	0
-124		**2,530**	**-2,568**	**2,688**	**-2,673**	**-22**	**-124**	**0**
	Net Gain/(Loss) on Sale:							
-1	Fixed Assets	0	0	0	-22	-22	0	0
0	Investments	0	0	0	0	0	0	0
-1		0	0	0	-22	-22	0	0
826	**Net Cash Flow from Operations**	**2,519**	**-2,241**	**2,663**	**-2,351**	**590**	**969**	**281**

Wellington Regional Stadium Trust
Statement of Trustees Intent
For the year ending 30 June 2026

Registered Office:	Sky Stadium 105 Waterloo Quay Wellington
Chair:	Rachel Taulelei
Chief Executive:	Warrick Dent

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996. The Settlors of the Trust are the Wellington City Council (WCC) and the Greater Wellington Regional Council (GRWC).

The Trust recognises the interest that the ratepayers of Wellington City Council and the Greater Wellington Regional Council have in the Trust and its activities and have agreed to be subject to the reporting requirements of both Councils and their monitoring procedures. The Trust is not a Council Controlled Organisation, for the purposes of the Local Government Act 2002.

May 2025

INTRODUCTION

Tēnā koutou katoa

Recently the board and management, alongside key stakeholders, have developed a refreshed strategic plan for the Trust and Sky Stadium. This strategy will provide us with our direction over the next 5 years. Whilst we started to implement elements of the plan immediately, the 2025/26 year will see us implement the plan in full and drive our vision of being New Zealand's most loved venue – enriching lives through exceptional experiences that create lifelong memories.

The Trust understands the importance of a strong events calendar at the Stadium to drive both economic and social outcomes for the city and region and are driven by our purpose of providing unforgettable experiences that connect our communities.

We are committed to delivering a diverse and exciting calendar over the coming years. We are excited by the events programme for the coming year, both what is confirmed and what we are working on with partners to deliver throughout the year.

Naturally, the Trust will continue to invest in the facility. The seismic resilience project will continue on the main Stadium building, providing safety and additional resilience, a project for which the settlors have allocated funding for from their respective 2024-34 Long-Term Plans (LTPs). Importantly the project will not impact on our ability to host events during this time.

In addition to the seismic resilience work we will continue to deliver on our asset management plan. We have a renewed focus on improving our fan experience, we are investing in our sustainability programmes, and we are actively considering ways to better integrate with essential elements of the regional ecosystem such as public transport.

Matters raised in the Joint Statement of Expectations from both WCC and GWRC are addressed in this Statement of Intent.

STRATEGIC DIRECTION

a) CORE PURPOSE

The objectives of the Wellington Regional Stadium Trust as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils ('the Councils') are as follows:

- To own, operate and maintain the Stadium as a high-quality multi-purpose sporting and cultural venue.
- To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural, and other users including sponsors, event and fixture organisers and promoters to attract to the Stadium high quality and popular events for the benefit of the public of the region; and
- To administer the Trust's assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset.

The Councils have also established general objectives for the Trust. These are that it should:

- Adopt a partnership approach in dealing with the Councils and their associated entities.
- Have a regional focus where this is appropriate.
- Appropriately acknowledge the contribution of Councils.
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery.
- Operate at better than breakeven after depreciation expense.

The Trust will continue to strive to meet the general objectives of the Councils. However, we are no longer able to operate at better that breakeven after depreciation expenses, we will instead aim to operate at breakeven or better before depreciation. The full funding of our capex programme will remain beyond the means of the Trust as we face significant capital investment in the coming years. The Trust acknowledges and appreciates the funding being made available through the respective 2024-34 LTP's of both councils to assist with seismic resilience and other capital improvement works.

b) STRATEGIC PLAN 2025-2029

Late in 2024 the board and management developed and adopted a refreshed strategic plan for the Trust and Sky Stadium.

Our vision is to be New Zealand's most loved venue – enriching lives through exceptional experiences that create lifelong memories.

The Stadium celebrated our 25th anniversary in 2025, and we have a proud history of successfully delivering iconic sport and entertainment experiences – hosting major events for Wellingtonians from across the region and visitors to our region. Our focus over the next five years is to build on this success to ensure that we are positioned to deliver into the future.

As noted above, the objectives of the Wellington Regional Stadium Trust are set out in the founding Trust Deed and whilst we will continue to deliver to those objectives, our new strategy sets our direction and our priorities over the next five years. Our aspirations over this five-year horizon are bold and purposeful, and we have set our direction with confidence.

- We will manage and advance a best-in-class stadium that is inclusive, safe, accessible, and provides outstanding shared experiences for all.
- We will work closely with all partners to foster positive partnerships that deliver outcomes for our organisation, our partners, and the wider community.
- Through the attraction and delivery of great events and experiences we are valued as an important asset for the region that delivers both economic and social benefits to the community and will showcase Wellington as a desirable destination.

Underpinning the objectives of this strategy, and everything we do, is our high performing, high energy team. We are confident in our people and believe in their capability to position us as New Zealand's leading provider of unforgettable experiences that connect our communities.

c) OPERATING ENVIRONMENT

The Trust has entered an improved operating environment over the past 24 months following the extremely challenging three years around the pandemic.

The events outlook for the year ahead is positive. We will again host two All Blacks tests in the first quarter of the financial year. Promoter interest in hosting major events remains strong, and we continue to work with sporting organisations and music promoters to secure events for the Stadium. We are very pleased to be hosting the Wrexham Down Under football match in July and the Hot Wheels Monster Truck event in September.

The environment is competitive, and rights holders continue to seek to best financial results for their events. The competition for both sports and music events continue to grow over the coming period with the variety of stadia in New Zealand, providing rights holders and promoters options.

We need to continue to work hard to win the right to host events. The Trust works in close partnership with WellingtonNZ to secure events. The investment in major events that WellingtonNZ can make is vital to both the Stadium and Wellington being able to remain competitive in the market and continuing to attract great events for the city and region.

Whilst one off events continue to attract strong audiences, it remains a challenging environment for our partners that deliver seasons – the Phoenix, Hurricanes, and Wellington Lions. The Trust continues to work with these partners to deliver the best possible results.

NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Trust's activities are dictated in the first instance by the Trust Deed, settled with both Councils.

To meet its obligations under its Trust Deed, the Trust identifies the key objectives of:

- Presenting a full and balanced event calendar
- Maintaining and enhancing the facility
- Achieving a level of profitability that finances continuing capital expenditure and meets debt reduction obligations.

In line our refreshed strategic plan that will prioritises how the Trust moves forward, we will strive to meet these objectives, noting that achieving a level of profitability that finances all of our capital expenditure is currently not possible.

Matters raised in the joint Statement of Expectations and the Trust's plans to address them are set out below.

1. Enduring Expectations

The Trust reaffirms its support and commitment to the enduring expectations listed in the letter of expectations:

- No surprises – the Trust will keep settlors fully informed in relation to items of public interest or matters of significance.
- Relationship – The Trust enjoys a collaborative relationship with its settlors. The Trust values the support and expertise of officers and councillors that complements our own.
- Legislation and Compliance – the Trust will 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 Trust will meet best practice governance standards. It commits to undertaking a performance review of the overall board, individual board members and the board chair as well as maintaining a skills matrix.
- Risk Management - the Trust has a robust risk management framework in place that is regularly reviewed by the Board.
- Living wage – the Trust's permanent staff are all paid at or above the Living wage. This is not currently a requirement in the Stadium's services contracts.
- Modern slavery – the Trust will observe all laws prohibiting slavery, trafficking in persons and forced labour in New Zealand

2. Councils' specific expectations of the Wellington Regional Stadium Trust

The Trust addresses the Councils' specific expectations of the Wellington Regional Stadium Trust in relation to its Statement of Trustee Intent.

1. **The settlor councils are looking to the Trust to lead the work on the medium to longer-term future for the Trust, in terms of asset management, future planning and investments, and a more sustainable funding model. The trust will engage with settlor councils on the outcome of this work well in advance of the 2027-37 LTP. The Trust should take a collaborative approach with settlor councils in shaping the potential longer term stadium options.**

The Trust has recently worked with the settlors to plan capital works over the next five to ten years. These works are necessary to keep the Stadium operating as a safe and efficiently operating facility. The level of investment necessary is beyond the means of the Trust, and we are thankful that we have been able to work with the settlors to be able to partially fund this work through their respective 2024-34 LTP.

We are aware that this work, including the seismic strengthening works, is a base level investment that is required to maintain the asset as it is, and will not provide for any significant improvements to the Stadium nor to the experience of our clients and patrons. Continued investment in the Stadium is vital to ensure we maintain our market position, and that we are able to provide a customer experience that meets the expectations of today's event goers.

We will shortly complete a review and reset of our Asset Management Plan which will provide a more strategic approach to our asset management. This will position to Trust to develop plans for the medium term that will focus on the development of the asset to be able to deliver an improved experience for clients and patrons. The Trust will be able to consult with the settlors on options ahead of the 2027-37 LTP.

The Stadium has been in operation for 25 years, as such it is timely that the longer-term future of the Stadium, potential redevelopment and other options are explored. The Trust will undertake to work collaboratively, both with the settlor councils and our event partners in shaping the potential long-term options for the Stadium.

2. **The Stadium will continue to deliver a strong programme of major events that return economic benefit to the city and region. Particularly, in consideration of the short-term economic climate where large Stadium events will greatly benefit local businesses.**

Attracting and delivering events remains a major priority for the Trust. Events are the lifeblood of the Trust's business with the majority of revenues derived either directly or indirectly from events we host.

The Trust recognises the importance of major events to the city and regional economy. In our first 20 years of operating, events at the Stadium generated $1.2bn of out of region visitor spend. We are mindful that the benefit of events of scale are important to local business and will be aiming to attract and successfully deliver a strong programme of events over the three year period of this SOI.

We have been successful in securing two All Black tests in July and September 2025, the hosting of these will ensure the year starts strongly. We have also secured the Wrexham Down Under Football match and the Hot Wheels Monster Truck event, providing two new events in addition to our regular sporting content. We continue to prospect for other large-scale events to add to our calendar in the short and medium term.

We continue to work with promoters to bring music events to the Stadium, as we are aware of the value of concert events to the Trust and the wider community. It is a challenging environment in terms of stadium content touring to New Zealand, the patterns of touring which have seen a change in recent times to acts playing less venues, and the increased options available to promoters with new facilities coming online.

3. **The Trust will continue to contribute to the region meeting its emissions reduction goals and to GWRC meeting its organisational emissions reduction targets. The Trust will provide data for measuring Category 4 emissions from Stadium waste and also develop and implement emission reduction plans in line with GWRC's updated Emissions Management and Reduction Plan (this is anticipated by June 2026).**

The Trust is aligned with Councils' goals of being carbon neutral and is committed to developing ways to reduce, recover, recycle, or re-use waste in all aspects of our business. We will commit to providing appropriate data that will allow the Council's to measure Category 4 emissions from waste.

Our focus for the year ahead is:

- Waste Minimisation – at least 80% diversion of waste from landfill through reducing, composting, reusing, and recycling.
- Energy Reduction – reducing our energy consumption via transition to LED lighting throughout the Stadium.

- Energy Generation – the Trust will continue to explore the potential of solar and wind power generation, along with energy storage, in order that the power generated can be used for Stadium use.

The Trust acknowledges that we have been successful in applying for funding from the GWRC's Low Carbon Acceleration Fund which allowed us to complete the project to transition lighting throughout the Stadium to LED, significantly reducing our energy consumption. The Trust will continue to investigate further projects where we can make progress in this area.

4. **The Trust will continue to work with GWRC over opportunities to improve connectivity with the public transport network, as well as GWRC's efforts to strengthen the public transport network for events at the Stadium.**

The Stadium enjoys high levels of patronage from customers who use public transport. Public transport is vital for the smooth running of events, and we work closely with Metlink and Transdev at an operational level.

The Trust supports sustainable transport options and will continue to work with the appropriate stakeholders, including GWRC, on how we can strengthen the use of public transport for events at the Stadium.

Any effort to strengthen the use of the public transport network for events at the Stadium is reliant on an effective train service being provided on event days. The Trust will continue to work with GWRC, Metlink, and other relevant stakeholders to minimise the impact of weekend, public holiday, and evening track maintenance on the provision of train services for events at the Stadium.

5. **Alignment with the councils' strategic direction**

The Trust commits to maintaining an ongoing alignment to the Councils' strategic direction, and the priorities and focus areas that intersect with our activities.

In relation to those priorities and focus not already addressed within the Council's specific expectations above, the Trust is able to align with the following:

3. Wellington City Council 2024-34 LTP: Community Outcomes

Cultural Wellbeing

Te reo Māori is visible at the Stadium through our bi-lingual wayfinding signage both inside and outside the Stadium, and bilingual arrival announcements. We were the first major stadium in New Zealand to introduce bilingual signage in te reo Māori and English throughout the venue. We will continue to look at how we can increase the visibility of te reo Māori in the Stadium.

The Trust seeks to further develop relationships with mana whenua partners and explore how we can work together in an authentic manner to deliver mutually beneficial outcomes.

The Trust remains open to making spaces within the Stadium more accessible for artists, acknowledging that access would need to fit in with our normal operation and events programme.

This may include opportunities to collaborate with artists, including Māori artists and those from diverse backgrounds.

Social Wellbeing
The Stadium is an important community asset that hosts events that bring diverse communities together, providing significant social benefits to both individuals and the wider community.

The Stadium hosts a number of community days each year. As part of our strategy, we will develop a community engagement programme to encourage greater use of the Stadium spaces by a variety of our community over the coming years.

Economic Wellbeing
This has been covered under the Councils' specific expectation to deliver a strong programme of major events that return economic benefit to the city and region.

The Trust recognises that with the central city location of the Stadium, and the scale of events that the Stadium hosts, that our activities will play an important part in attracting locals and visitors to the city centre, with the flow on economic and social benefits.

Urban form
This has been covered under the Councils' specific expectations to work with GRWC to improve connectivity with the public transport network, and the Trust to lead the work on the medium to longer-term future for the Trust, in terms of asset management, future planning and investments.

Environmental Wellbeing
This has been covered under the Councils' specific expectation the Trust will continuing to contribute to the region meeting its emissions reduction goals.

Value for money and effective delivery
In line with the Trust Deed, we will continue to operate on a prudent commercial basis so that the Stadium is a successful community asset.

4. Greater Wellington Regional Council's 2024-34 LTP: Focus Areas

Active partnerships with mana whenua and improved outcomes for Māori
The Trust is committed to developing relationships with mana whenua and to explore with mana whenua ways in which we can work together in an authentic manner to deliver mutually beneficial outcomes.

Leading action for climate resilience and emissions reduction.
This has been covered under the Councils' specific expectation that the Trust will continue to contribute to the region meeting its carbon neutrality goals, and under the Councils' specific expectation to strengthening connectivity and accessibly to the public transport network for events at the Stadium.

Holistic approaches to deliver improved outcomes for te taiao.

The most meaningful way in which the Stadium can deliver improved outcomes for te taiao is through waste minimisation, energy reduction, water reduction and the promotion of the use of the public transport network. This has been covered under the Councils' specific expectation that the Trust will continue to contribute to the region meeting its carbon neutrality goals, and under the Councils' specific expectation to strengthening connectivity and accessibility to the public transport network for events at the Stadium.

Improved access to services and equitable outcomes for communities.
As noted earlier, the Stadium is an important community asset that hosts events that bring diverse communities together, providing significant social benefits to both individuals and the wider community. As part of our strategy, we will develop a community engagement programme to encourage greater use of the Stadium spaces by a variety of our community over the coming years.

FINANCIAL

Financial Projections

The Trust Deed requires the Trust to be financially autonomous. This requires the generation of sufficient profits to meet loan repayments and provide funds for the capital replacement and development programmes that are necessary to enable the Trust to meet its obligation to maintain the asset to the standard of international best practice.

Financial autotomy is no longer achievable for the Trust given the Stadium is now an ageing facility, compounded by the additional requirements of seismic resilience works and the impact of the Covid-19 pandemic.

The Trust still expects to generate positive operating cash flows in most years. It can cover the current level of insurance and regular maintenance but not substantial capex items, such as the seismic resilience works or significant capital improvements.

Therefore, continuing to fully invest in the Stadium so that that it operates to best practice as an operationally efficient, safe, and welcoming venue for patrons and hirers, is beyond the means of the Trust alone.

The Trust appreciates the financial support it has received from the settlors, and as noted elsewhere in this document, will engage with the settlors on the future operating model of the Trust including funding options for ongoing capex.

Over the five-year period, the key inflows and outflows are as follows:

- Net operating cashflows $11.5m (positive, before insurance and grant income)
- Cumulative insurance premia absorb $6.0m
- Capex of $38.0m
- Settlor contributions (via the 2024-34 LTP) of $21.6m

These projections have total capex of $38.0 m across 5 years, with $12.3m of this for the balance of the seismic resilience works, which commenced in FY25. These are expected to be completed in 2027.

The Trust acknowledges the capex funding of $33.6m from the settlors across the period of the 2024-34 Long Term Plan which commences in FY26.

As noted in last year's SOI, the Trust will need to increase its commercial borrowings to cover the lag between the seismic resilience work being undertaken and the funding being received from the settlors. Current borrowing consists of the $4.2m settlor loans (provided in 2020 after the first Covid-19 lockdown) and $0.5m of commercial borrowing.

The other included capex is what is necessary to keep the Stadium operating as a safe and efficient venue, with limited capacity to make material improvements that would provide for a better client and patron experience.

With the Stadium having just past 25 years of age, much of the plant equipment and fixtures are from the original build and replacement is required due to age of equipment and obsolescence of parts for repairs. Many Stadiums in Australia and New Zealand built around the same time have received or are earmarked for substantial upgrades, or in some cases replacement.

Insurance

In recent years the Trust has reviewed its approach to insurance cover. The outcome has provided a reduction in premium compared to the previous approach, but it remains a significant cost to the Trust. The financial projections assume insurance is retained on a similar basis, but the approach will continue to be reviewed at each renewal date.

The outcome of the renewal process for the for the period 1 December 2024 to 30 November 2025 is that insurance cover has been obtained on the following basis:

- A traditional Material Damage and Business Interruption policy that excludes Natural Disaster Cover with a limit of $130m (and a $100m Fire Loss Limit).
- A policy that provides $50m of parametric cover for earthquakes.
- Retention of various liability policies including public liability cover.

It should be noted that the insurance cover we hold this is not full cover, nor would these amounts be able to cover a full rebuild of the Stadium.

The Trust has kept Settlors informed on all decisions related to insurance and welcomes discussion with settlors to explore alternative approaches to insurance for the Stadium.

Maintaining a safe and healthy working environment

The Trust is committed to providing and maintaining a safe and healthy working environment for its employees, visitors, and all persons using the premises as a place of work as well as event attendees.

To ensure a safe and healthy work environment, the Trust maintains a Health and Safety Management System. In addition, the Trust has an established Board Health and Safety Committee which comprises three Trustees that meets on a regular basis to review and measure crucial areas of health and safety.

The Trust will also conduct a regular Health and Safety engagement survey of staff and contractors.

The Trust has developed a detailed list of KPI measures which are reported to the Board Health and Safety Committee on a quarterly basis.

Sky STADIUM

PROJECTED EVENTS SCHEDULE **12 months ending 30 June**

CONFIRMED	**2026**	**2027**	**2028**
Rugby Union	8		
Football	1		
Other Events	1		
Exhibition Days	14		
Total Confirmed	24	0	0
UNCONFIRMED			
Rugby		7	8
Cricket	2	3	4
Football	11	11	11
Other Sporting Events	1	1	1
Concerts/Other Events	1	1	2
Exhibition Days		14	13
Total Unconfirmed	15	37	39
Community Events	3	3	3
Total Events	42	40	42
Days reserved for semi's & finals	11	11	11

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE
FOR THE THREE YEARS ENDING 30 JUNE

	2026 $m	2027 $m	2028 $m
Revenue			
Events	7.53	5.96	7.13
Members Boxes & Sponsorship	4.06	4.10	4.11
Other	4.42	3.41	3.42
Total Revenue	16.01	13.47	14.65
Less:			
Event Operating Costs	3.19	2.72	3.22
Other Operating Costs	11.00	10.16	9.76
Interest	0.34	0.47	0.34
Total Operating Expenses	14.53	13.35	13.32
Operating Surplus before depreciation	1.49	0.12	1.34
Less:			
Depreciation	3.97	4.45	4.79
Net Surplus/(Deficit)	(2.49)	(4.32)	(3.45)
Plus:			
Funding for capital expenditure programme			
Council funding via LTP	5.88	5.89	6.14
Total Surplus/(Deficit)	3.40	1.57	2.69

Net operating cash flows	7.32	6.09	7.54
Surplus cash at the end of each year	1.01	1.01	1.01
Loans at year end	10.56	12.22	6.90
Net debt (Loan less cash)	9.55	11.21	5.89

SKY STADIUM

SUMMARY STATEMENT OF CASHFLOWS
FOR THE THREE YEARS ENDING 30 JUNE

	2026 $m	2027 $m	2028 $m
Cashflows provided from operating activities	15.95	13.52	14.69
Council LTP funding (for capital expenditure programme)	5.88	5.89	6.14
Cashflows applied to operating activities	(14.51)	(13.31)	(13.29)
Net cashflows from operating activities	7.32	6.09	7.54
Cashflows applied to investing activities	(17.44)	(7.76)	(2.21)
Net cashflows from investing activities	(17.44)	(7.76)	(2.21)
Cashflows provide by financing activities	5.80	1.70	
Cashflows applied to financing activities	(0.04)	(0.04)	(5.32)
Net cashflows from financing activities	5.77	1.67	(5.32)
Net increase (decrease) in cash	(4.36)	(0.00)	0.00
Opening balance brought forward	5.37	1.01	1.01
Cash at year end	1.01	1.01	1.01

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE

	2026 $m	2027 $m	2028 $m	2029 $m	2030 $m
Trust Funds					
Retained Surpluses	56.87	58.44	61.13	59.03	58.57
Limited Recourse Loans	40.39	40.39	40.39	40.39	40.39
	97.26	98.83	101.52	99.42	98.96
Non Current liabilities					
Lease	0.06	0.02	-	-	-
Loan - bank	6.30	8.00	2.70	2.60	6.08
Loan - Councils	4.20	4.20	4.20	4.20	4.20
	10.56	12.22	6.90	6.80	10.28
Current Liabilities					
Revenue in Advance	2.12	2.16	2.20	2.28	1.90
Payables	0.23	0.23	0.23	0.23	0.23
	2.35	2.39	2.43	2.51	2.13
Total Funding	**110.16**	**113.44**	**110.84**	**108.72**	**111.37**
Represented by:					
Property Plant & Equipment	108.50	111.82	109.24	107.08	109.74
Current Assets	0.65	0.62	0.60	0.60	0.60
Cash	1.01	1.01	1.01	1.05	1.04
Total Assets	**110.17**	**113.44**	**110.84**	**108.72**	**111.37**

PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
• Deliver a full event calendar	• Securing 40-50 event days per year covering both sporting and non-sporting events, aiming to appeal to a wide range of interests.
• Deliver more large-scale non-sporting events	• Secure at least one large scale non-sporting event in 2025/26 • 40% out of region visitors
• Continued investment in stadium infrastructure	• Seismic resilience works commenced in 2024/25 and will continue through to 2026/27 • Replacement of PA System to be completed Q2 2025/26.
• Host unique events that deliver economic benefit to the region.	• Secure two one off sport / sports entertainment events in 2025/26 • Maintaining economic benefit to the Region at an average of $40 million per year
• Sustainability	• Continue to reduce waste via compost, recycle, reduce, reuse. • Scope other projects contained in Lumen's Energy Transition Plan) towards decarbonisation of the facility
• Mana whenua	• Develop an engagement plan with mana whenua.
• Health and Safety Reported Injury rates. Contractors and hirers	• Trust Worker reported injury rate of 2 or less per year. • Contractor Worker Lost Time Injury rate of 2 or less in a year. • Hirer (And Hirer Contractor) Worker Lost Time Injury rate of 2 or less in a year. • A reported patron injury rate of less than 0.01% of the total number of patrons attending the venue (events and functions). • 100% of contractors working at the Stadium have 'approved' status before any work is commenced, and upon each annual review. • An agreed H&S plan is in place with 100% of Stadium hirers prior to any work on site commencing.

Financial Performance Measures

The key performance indicators agreed with the Wellington City Council and Greater Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets.
- Capital expenditure.

We have reviewed these indicators and believe these are appropriate to the purpose of the Council's monitoring the Trust performance. They are reported on by the Trustees in their six-monthly reports.

BOARD APPROACH TO GOVERNANCE

Role of the Board
The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost-effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

Board Operation
The Board has two Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Audit & Finance Committee, and Health & Safety Board Sub-Committee.

The Board meets eight times per year. The Audit & Finance Committee meets when required and at least three times per year. The Health & Safety Committee meets quarterly and if required prior to significant events.

Board Performance
The policy of the Board has been that the Chair conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an induction program to familiarise themselves with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary. If there are any Board performance issues, the Chair will bring them to the attention of the Mayor of WCC and the Chair of GWRC.

At the first meeting of the new financial year, the Chair of the Audit & Finance Committee co-ordinates a review of the Chair's performance.

The Chair will provide the settlors with a board skills matrix annually. The Chair will provide early notification of upcoming board vacancies and work with settlors on the identification of potential suitable candidates to be considered for each vacancy that occurs.

Board Membership
The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlors (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.

The current Trustees are:

Name	Appointed until:
Owen Gibson	30 June 2025
Diane Calvert	formal declaration of results of WCC 2025 elections
Penny Gaylor	formal declaration of results of GWRC 2025 elections
Rachel Taulelei	30 June 2026
Tracey Bridges	31 December 2026
John Howarth	30 September 2027
Phillippa Harford	31 December 2027

ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety
The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

Staff who have influence over Health and Safety matters are required to acquire and keep up to date with Health and Safety matters including attendance at relevant course and conferences.

All staff receive regular training in respect of health & safety procedures.

A Health & Safety contractor booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

There are three Committees with a health and safety focus:

- Emergency Control Organisation/Emergency Planning Committee (meets ahead of each major event).
- Health and Safety Committee which includes key the Trust staff as well as contractors and tenant organisations (meets monthly).
- Board Health and Safety Committee (meets at least quarterly with additional meetings prior to major events).

All contractors coming on-site are required to:

- Complete a health & safety agreement.
- Complete a health & safety induction plan.
- Provide a contractor's safety plan.
- Operate safely and report any hazards, near misses and injuries.

RISK MANAGEMENT

Insurance

The Stadium insurance programme is managed by Marsh.

As noted earlier, the outcome of the renewal process for the for the period 1 December 2024 to 30 November 2025 is that insurance cover has been obtained on the following basis:

- A traditional Material Damage and Business Interruption policy that excludes Natural Disaster Cover with a limit of $130m (and a $100m Fire Loss Limit).
- A policy that provides $50m of parametric cover for earthquakes.
- Retention of various liability policies that we had in place including public liability cover.

Business Continuity Plan
The Trust has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan.

Communication and Access to Information
The Trust enjoys a positive and open relationship with both of its Settlors, and both settlors have representation on the Board of Trustees. The Trustees confirm they intend to continue to operate on a "no surprises" basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.

ADDITIONAL INFORMATION

Reporting
The Trustees will present a six-monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

Audited financial statements will be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Major Transactions
There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.

Accounting Policies
General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies. These policies are consistent with the policies applied in the previous year.

OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

Ratios
The ratio of Trust Funds to Total Assets is expected to be:

30 June 2026	52%
30 June 2027	52%
30 June 2028	55%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2026	207%
30 June 2027	206%
30 June 2028	223%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

Accounting Policies
The Statement of Significant Accounting Policies is attached in Appendix 1

Distributions to Settlors
Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities, and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to Settlors are intended to be made.

Investments in other organisations
The Trustees currently have no intention of subscribing for, purchasing, or otherwise acquiring shares in any other company or other organisation.

Compensation from local authority
There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlor's investment in the Trust
Not applicable

Other matters as set out in the Funding Deed

Significant Third-Party Obligations
There are no significant third-party obligations other than those disclosed in the Financial Statements.

Relevant Legislation
The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.

Rachel Taulelei
Chair
FOR THE TRUSTEES
WELLINGTON REGIONAL STADIUM TRUST

APPENDIX 1:
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Period

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Sky Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust is to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliability measured. It is recognised at the fair value of the consideration received. Specific recognition criteria apply to the following income streams as noted below.

Revenue from Exchange transactions

Event Revenues
Where income is received in advance relating to events, such as for hospitality packages, the income is recognised once the event has occurred.

Corporate Box, Memberships & Sponsorship Revenues
Licenses for Corporate boxes are issued for terms of between one and six years. Signage and sponsorship properties are sold for a range of terms of between one and six years. The related license fees/revenues are paid annually and initially recorded as Revenue in Advance with the revenue recognised on a straight-line basis throughout the term.

Stadium memberships have been sold for terms ranging between two and three years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance and recognised on a straight-line basis over the term of the membership.

Rental income
Rents are recognised on a straight-line basis over the term of the lease.

Revenue from Non-Exchange transactions

Grant income
Grants are recognised as income once the conditions of the grant are met. If there are no conditions attached to the grant, it as recognised as income on receipt.

Expenses

Expenses are recognised on an accrual basis when the goods or services have been received.

Interest
Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Taxation

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

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

Financial Instruments

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, trade and other payables and finance leases.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. After initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the ordinary course of business are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets
Cash and cash equivalents comprise cash balances and call deposits with up to three months' maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.

Financial Liabilities
Financial liabilities comprise trade and other payables, finance leases, and borrowings and are all classified as other financial liabilities. Financial liabilities with a duration of more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Statement of Comprehensive Revenue & Expense as is any gain or loss when the liability is derecognised.

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

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue & Expense. Fair value is determined based on quoted market prices.

Employee Entitlements

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

Other Liabilities & Provisions

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue & Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue & Expense on a straight-line basis over the term of the lease.

Finance leases transfer to the Trust as lessee substantially all the risks and rewards incident on the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The capitalised values are depreciated over the period in which the Trust expects to receive benefits from their use.

Property, Plant and Equipment

Recognition
Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset

and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement
Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment
The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an 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. 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 in the Statement of Comprehensive Revenue & Expense.

Disposal
Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue & Expense in the period in which the transaction occurs.

Depreciation
Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch 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 residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years
Leased equipment	6 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress
The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment
At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, including periodic independent review, and a planned preventative maintenance and asset replacement programme.

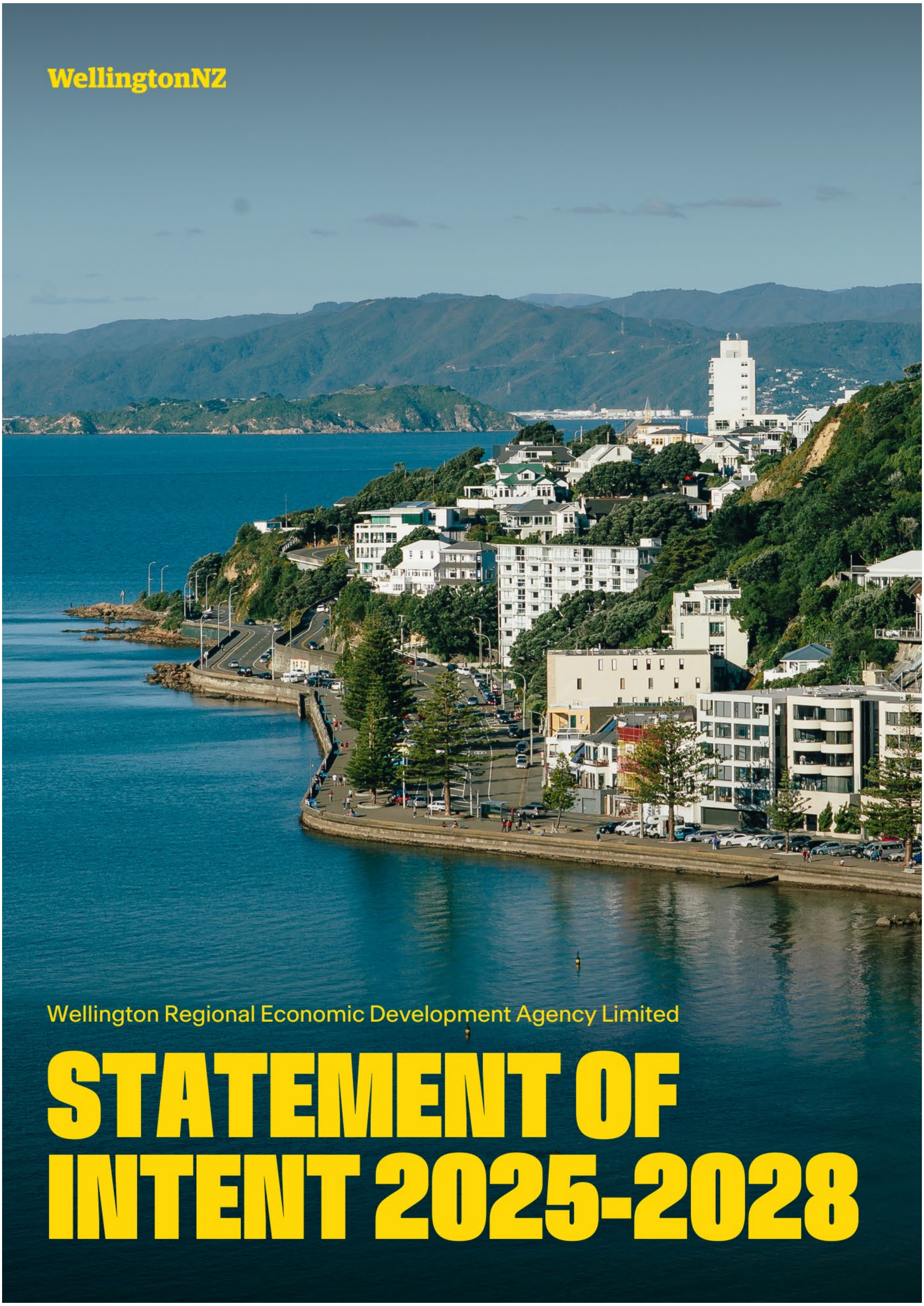
Statement of Service Performance
The measures included in the Statement of Service Performance have been selected based on their relevance to the core purpose of the Trust.

Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust, record cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to the funding structure of the Trust.

Changes in Accounting Policies

There have been no changes in accounting policies.



WellingtonNZ

Wellington Regional Economic Development Agency Limited

STATEMENT OF INTENT 2025-2028

Contents

In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions and performance measures for the Wellington Regional Economic Development Agency (WREDA) for the next three years. It is written in response to the Shareholders December 2022 Statement of Expectation and covers both WREDA Ltd (WellingtonNZ) and its subsidiary Creative HQ Ltd.

E tu noa ana ngā maunga whakahi i te rohe whānui o Te Upoko o te Ika a Māui. Mihi atu ana ki ngā iwi, ngā manawhenua o Te Whanganui a Tara, o Te Awakairangi, o Wairarapa, o Kāpiti, o Porirua hoki.

Ngā mihi hoki ki ngā iti, ki ngā rahi e noho ana i ngā takiwā nei. Koutou hoki ngā taurahere me te hunga o te Moana Nui a Kiwa.

Rātou te hunga mate, kua poto ki tua o te ārai, e moe, okioki e.

Te hunga ora e kawe ana ngā ahi kā, me tēnā toi, te auaha pai me te whai rawa o Te Upoko o te Ika, tēnā koutou katoa.

The many mountains of Te Upoko o te Ika a Māui (head of the fish of Māui) stand proud.

We acknowledge the mana whenua people of the region, of Wellington, Hutt Valley, Wairarapa, Kāpiti and Porirua.

We acknowledge all peoples and the many communities of the Pacific Islands.

To those that have passed – we acknowledge you in your eternal rest.

To those who maintain the fires of residence, the pursuit of innovation and creativity here in the wider Wellington region, we acknowledge you too.

Statement from the Chair and Chief Executive

This Statement of Intent (SOI) reflects our optimism about the future for our city and region. This is founded on the significant opportunities that we see for economic growth – particularly in the science, technology, screen, and the creative industries. It recognises the current investment in infrastructure across the region and the advantages we have as a capital city with a strong network of universities and public research organisations; a leader in environmental sustainability and the events capital of our country.

The region is diverse, from the beaches of Kāpiti to the agricultural innovation of the Wairarapa and the energy and jobs being generated in the major cities: Porirua, Upper and Lower Hutt and Wellington. The people of this place are as diverse as its topography. This is a tolerant, progressive region which attracts thinkers, activists, scientists, entrepreneurs, writers, artists, musicians and creatives.

The SOI reflects the focus that we believe is required to best ensure the region seizes the opportunities available to it. WellingtonNZ cannot do everything, but it is important that everything we do makes a positive impact. Our choices are based on strategies developed with the involvement of people in the key sectors.

Our high-level priorities have not changed. WellingtonNZ is about jobs, events and collaboration. Our specific focus areas (for the third year of our five year strategy) are screen and technology innovation, tourists, events and the delivery of our regional economic development plan.
The Letter of Expectation identifies some new priorities:

- The establishment of a team to realise the full potential of Tākina,
- Additional efforts to further enhance the strength and dynamism of our tech and screen sectors; and
- An expanded role in supporting CBD businesses as the development of the city progresses.

WellingtonNZ is being asked to do a lot, with no additional funding yet assigned to a number of the additional work areas. We are ready to respond to these requests and confident that we can deliver, but we do need to be sustainably funded to deliver the impact our shareholders and communities are seeking.

WellingtonNZ is a small team of people who are highly skilled and passionate about the Wellington region. We are determined to make a difference for the long-term and we understand that to create impact requires us to think and work harder, to take more risks, and to work actively and highly collaboratively with others to unlock the potential of this remarkable place.

Ngā mihi nui,

Tracey Bridges, Chair & Mark Oldershaw, Chief Executive

OUR ROLE, PURPOSE AND STRATEGY

Our role and purpose

Who we are

WellingtonNZ is the Wellington region's economic development and promotions agency. We are a Council Controlled Organisation (CCO) with our shareholders being Wellington City Council (WCC – 80%) and Greater Wellington Regional Council (GWRC – 20%). We are responsible to our two shareholders and are governed by an independent Board of Directors, which are appointed by them. We also report to the Wellington Regional Leadership Committee (WRLC), which brings together the councils, iwi and central government in the Wellington-Wairarapa-Horowhenua region, on the implementation of the Regional Economic Development Plan.

Funding for WellingtonNZ activities comes from the two shareholding councils, central government agencies who contract us to perform specific services, and a range of private sector partners. We are committed to the success of this region and to living our values – better together, passionately curious, and choose joy, each day.

WellingtonNZ is the sole shareholder of a subsidiary company, Creative HQ Ltd. Creative HQ is an eco-system builder, and provides business incubation, acceleration, and innovation services. This is so that early stage founders are surrounded by the culture and capital they need to grow successful, high-growth, investible and export-ready businesses. The WellingtonNZ Board governs Creative HQ, and the CEO of Creative HQ participates in the WNZ Senior Leadership Team and reports to the WellingtonNZ Board Chair. The focus of Creative HQ is to implement the Technology Strategy, to build the region's tech ecosystem and create jobs in our region.

Our purpose

Our vision is that the Wellington regional economy is thriving, with more people participating in the benefits. This means more opportunities for people to study, work, enjoy, and participate in all that the region has to offer. **To contribute to this vision, our mission is: to create a thriving Wellington region for all.**

This mission reflects our central role in creating jobs for the future and placemaking, and our focus on doing this in a way that benefits the most people in our region.

Our ambition is consistent with the regions and the Government's Economic Growth agenda: Driving economic growth is critical for improving our quality of life – strengthening local businesses, lifting incomes, and creating opportunity across New Zealand. The purpose is not only to secure the growth we know is possible, but to see the benefits flow to all the people of this region.

The investment shareholders make in WellingtonNZ pays real dividends. **The direct economic impact of our activity and interventions in 2023/24 was reported to contribute $230 million to our region.** This demonstrates the importance of our work and of sustaining investment in our programmes for the long-term benefit of the people of the region.

Direct economic impact of our activity and interventions

$230m

Our values

Our purpose and values which bring to life WellingtonNZ's aspired culture:

Better together	• We are collaborative • We back each other • We celebrate our differences and experiences • We create and share ideas together • We focus on teamwork and empower individual brilliance
Passionately curious	• We are brave • We think differently and give it a go • We seek to understand before being understood • We embrace the possibilities of tomorrow
Choose joy	• We bring and share joy in our work everyday • We celebrate our wins and learn from our losses • We have fun and get the mahi (work) done • We give praise and recognition

Our people – and our strategy to support and develop them

Our people are our biggest asset and our biggest expense. In a challenging employment environment, we are focused on creating a thriving workplace that helps us deliver the greatest opportunities for our people and positive impact in the region we serve.

Our people challenges are not unique. We are a small organisation with big goals operating within tight budgets, resulting in capacity restraints that hinder our ability to deliver on all expectations. We need to attract the best talent to ensure we have the greatest chance of successfully delivering on our vision. Our people want transparent leadership, a diverse and culturally capable workforce, access to training, development and other growth opportunities, and clear information on how they can work within our policies and guidelines to simply get on with delivering outcomes. As funding is eroded by inflationary pressures, and with limited capacity for our shareholders to increase that funding, we must also work out how we pay fair and competitive remuneration.

Our people strategy is built around initiatives which will protect our strengths, but also capture efficiencies and deliver our people and culture basics well, to ensure we can focus on more value-creating work. We will sharpen our recruitment tools, partner with others for learning and development, and use data more effectively to make decisions.

We are working to position our small People and Culture team as the enablers of skilled and confident people leaders, the broker of culture and capability tools, and the provider of efficient core employee services. We need to lift culture, engagement and performance within the constraints we have. We are putting a more deliberate focus on our people leaders, to ensure they are empowered with the right skills, tools, and have clear expectations. This will increase efficiency. We need to find better ways to work together. We prefer to grow our talent from within, deepening capability and creating opportunities for our people.

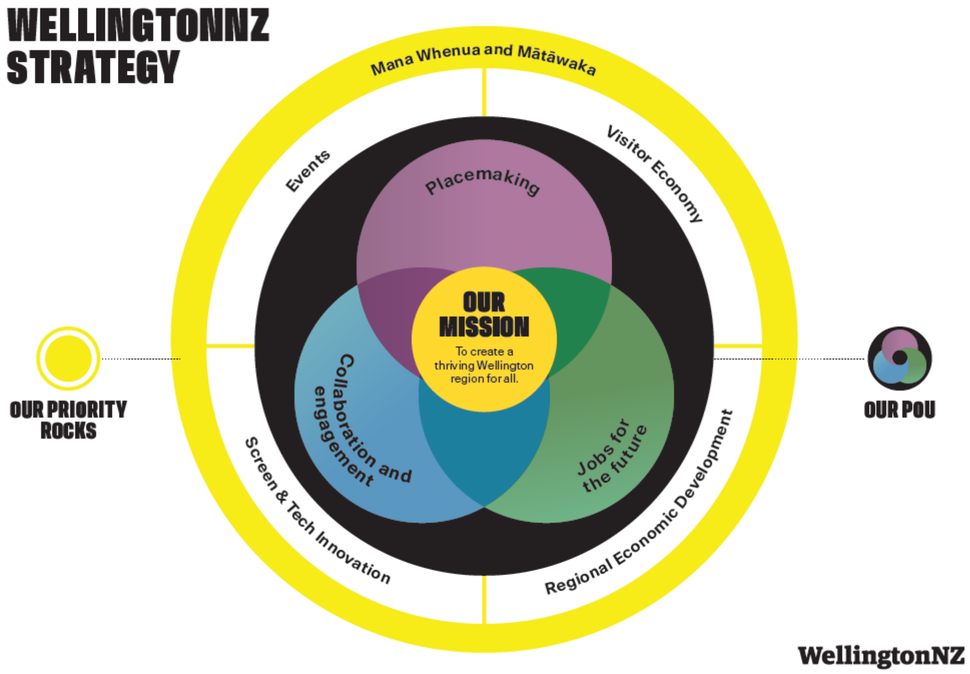
Good employer

In line with the Local Government Act 2002, WellingtonNZ is committed to being a good employer by providing fair, equitable, and supportive employment practices.

Maintain our living wage commitment

WellingtonNZ is dedicated to ensuring all employees, including those within our contracted workforce, receive a living wage.

Our strategy for 2025-28



How we determined our strategy: the three pou

A thriving economy is essential for the wellbeing of the people of this region It provides job opportunities, higher wages, and a higher living standard for residents. It also builds business confidence, provides business opportunities and attracts more investment into the region. Our mission is to create a thriving Wellington region for all. This recognises that the purpose of the organisation is not simply to drive economic growth as expressed in our job or GDP numbers. It is to enhance the lives of the people of our region.

In developing our work programme and priorities for 2025/26, we have carefully considered the terms of the Statement of Expectation and of the various WCC and GWRC strategies which it refers to. Context is important, and this SOI is particularly focused on helping businesses and residents address the immediate challenges of rising costs, tough economic conditions, and shrinking discretionary income and margins. Our strategic focus on Placemaking and Jobs for The Future reflects our assessment that in the current environment, events, conventions, and exhibitions will provide the most immediate stimulus for businesses. That job growth is best delivered in the creative industries: technology, screen and advanced manufacturing.

Our strategic framework helps us to manage the challenge in balancing our commitment to Wellington City and its commercial and residential rate payers, who are the primary funders of our programmes, with our wider responsibility to the region using the regional targeted rate.

Our Regional Economic Development Plan guides the long-term direction of our economy. It identifies issues and opportunities in key focus areas and helps prioritise initiatives to contribute towards creating decent jobs for our growing population, and continuously improving quality of life in our region. We believe that we are stronger when we align as a region, and we know that such alignment will be essential if we are to attract central Government support and investment.

The focus on collaboration and engagement reflects the reality of our resourcing: Partnership is critical to us delivering to shareholder requirements – we can’t do it on our own. Finally, our work programme for 2025/26 seeks to target our delivery in areas in which we believe we can make a significant difference over a number of years. The section below provides brief information on our intentions in each area.

How we prioritise our work: the five ‘rocks

Mana whenua and Māori in the region

We acknowledge all Māori communities within the region of Te Upoko o te Ika a Māui, both mana whenua and the many others who have chosen to come, live, raise their whānau, and work here. Our ambition is to become a trusted partner and work alongside these communities and contribute to the improvement of broad economic and quality of life outcomes.

Te Ōhanga Māori continues to be a strong, growing, unique, and diversified component of the New Zealand economy. The Māori asset base across Aotearoa has grown from $69 billion in 2018 to $119 billion in 2023. Lifting the production on Māori freehold land is considered a significant opportunity.

Our strategic focus is on supporting the growth of Māori businesses, particularly SMEs, and working with enablers such as business networks, and central and local government agencies. Some Māori-specific initiatives include our partnership with Te Matarau a Māui, our support for a range of projects in tourism, business and skills development, screen (particularly through our UNESCO Creative City of Film programmes), and through the Regional Economic Development Plan (REDP) projects.

We recognise our responsibility to operate in a way that is consistent with the principles of Te Tiriti o Waitangi. We will do this by growing our own capability and understanding, and by sharing the resources and capability of our shareholders where possible.

Events

Events deliver for our region. They attract people here, drive bed nights, visitor spending, and spending by residents. The spend for out of region events generated $110.31m in 2023/24. They deliver significant reputational benefits for our city and social benefits for our community. Events support our hospitality, accommodation, and retail sectors, and provide significant work for the local events and creative sectors. They add excitement and energy to the city. Tākina Wellington Convention and Exhibition Centre has added to this momentum.

Out of region spend from events
$110m

For all these reasons, this continues to be a strong focus area for us. We will work with promoters and artists to attract and market a diverse range of events in the venues we operate. We will also bring major events to our region, such as international artists, sports attractions, business events, conferences and blockbuster exhibitions, in association with partners such as the Wellington Regional Stadium Trust.

We will take a more active role in managing Tākina, build the brand, raise awareness of the venue, help attract suitable conferences and events, and build relationships in the exhibition space. We will build an audience for our exhibitions through careful selection of the programme, to cater to the wide range of interests across our diverse community.

Events provide real benefits, but our strategy is not risk free. Not all events and exhibitions will succeed. We acknowledge the substantial investment that the Wellington City Council puts into this area – both to support our ability to compete for and attract major events, and to maintain the venues. The seismic strengthening work required for some venues over the SOI period is significant, and we will work alongside WCC as it develops plans and progresses this work as a priority.

Technology and Screen Innovation

Technology

The technology sector in all its forms – including Software as a Service (SaaS) businesses, animation, gaming, bio-tech, fin-tech, agri-tech, clean-tech or advanced manufacturing – represents a major growth opportunity for our city and region. The strength of our eco-system – Public Research Organisations, universities, established private players (Wētā FX, Trade Me, Xero, Datacom), and startups – gives us a real competitive advantage, and a significant part of our effort in this area is in contributing to and strengthening this eco-system. The benefits of this sector in terms of economic development, include its ability to scale quickly, the “weightless” nature of many of its exports, and its relatively high wages.

A significant part of our work in this area is through our subsidiary Creative HQ, which will progress the ambitious work programmes underway to increase our region’s innovation ecosystem, grow the number of technology start-ups and support founders to scale their businesses and create new jobs. Resources permitting, this will include the following activity areas:

1. Raise the profile and increase the number of Wellington-based start ups.
2. Promote collaboration and connectivity. Support our existing high-growth companies to scale up their businesses.
3. Attract investment and international businesses to Wellington. Keep capital here so it flows to the next generation of businesses.
4. Promote tech careers to students and inspire the next generation of talent.
5. Promote equity through encouraging the participation of under-represented groups (women, Māori, Pasifika).

Screen

Screen provides significant opportunities and considerable financial and reputational benefits for our region. For example, the total revenue of screen business in Wellington was $1.2b in 2021. The international and local film and TV productions we have supported, spent $495 million in NZ in 2024/25. These included the ‘Avatar’ sequels, hit ‘Series After the Party’, and the Blumhouse horror ‘Wolfman’, which was based at Lane Street Studios and filmed across the region.

Spend by film and TV productions we supported

$495m

As the Regional Film Office, Screen Wellington has a strategy to attract projects to our region, harness creative talent, support the growth and export of ‘Creativetech’ businesses (film, VFX, animation, gaming), and amplify our UNESCO Creative City of Film programmes to create a more vibrant, sustainable, and inclusive region for filmmaking. This means elevating and promoting Māori stories and storytellers of the Wellington region. We will continue to support film productions, find locations, connect to support business, keep crews and communities safe by coordinating a consistent and streamlined service to the film industry, issuing more than 200 permits per year to film in public.

Tourism

Marketing and promoting our region to attract visitors is a core activity for WellingtonNZ and continues to drive positive economic growth. The value of the Visitor Economy to the Wellington RTO was worth $2.12b in tourism expenditure in the last year. In recent years we have had to work hard in the face of pandemics, earthquakes, and infrastructure challenges to tell the stories of our city and region.

The tourism market (both domestically and internationally) is hugely competitive, and Wellington City is a key driver of success for the wider region. Continued effort and investment is required to ensure Wellington remains a desired destination and is included in the itineraries of those visiting our country.

In this competitive but resource-constrained context, our approach is to be creative, take some calculated risks in our own storytelling, and leverage the reach and financial investment of others, including strengthening our relationships with Tourism Industry Aotearoa, Tourism New Zealand, and New Zealand Story.

Value of visitor economy

$2.1b

To create impact, we actively collaborate with all layers of the travel distribution chain bringing visitors to New Zealand. This includes trade journalists and influencers who can share our stories, leveraging our regions unique selling points, for example, Te Taiao / biodiversity, screen, our capital city status and iconic visitor attractions.

Our programme of work for Wellington City is shaped by Destination Pōneke, the Destination Management Plan developed in partnership with the WCC and a wide range of tourism stakeholders. Destination Pōneke provides the roadmap for how Wellington develops as a visitor destination. Like the Regional Economic Development Plan, Destination Pōneke is the key strategic framework that is focused on enhancing aspects of our city, so Wellington continues to be a great place to live, work, study and visit — and is ready for future change. At a regional level, we will continue to support initiatives that are contained within the Visitor Economy Sector of the Regional Economic Development Plan.

The importance of the visitor economy and the role that tourism plays in driving economic growth has been demonstrated by recent Government funding announcements for programmes that are focused on driving an immediate increase in the attraction of visitors to New Zealand. As the Wellington RTO, WellingtonNZ is positively engaged in the development of initiatives that will support the Government's objectives and drive growth into the Wellington region and beyond.

While growth in tourist numbers is a positive, such ambition must also consider the costs of delivery and infrastructure that most often sits at a local level. It is important that the use of funding from the International Visitor and Conservation Levy is applied where it can most effectively support the system. Furthermore, while it is unlikely that a national tourism levy (accommodation) will be in place in the current Government term, it is something that should be advocated for. The levy would provide a sustainable funding model for the local visitor economy, helping to mitigate cost pressures and support investment in attraction and infrastructure.

In 2025, we will again focus many of our consumer visitor attraction programmes on the domestic market, given it drives over 70% of our visitors and delivers the greatest economic impact for Wellington. We are conscious of the need to ensure we maintain a focus on the Australian market and will work in partnership with Tourism New Zealand to realise trade and PR opportunities. We will be active in supporting and developing Government funded growth programmes in Australia and beyond. Outside of New Zealand we will be trade led, prioritising Australia, China and North America. We will continue to work in partnership with Tourism New Zealand, particularly in Australia, to leverage off its investment and build on the strong relationship we hold. We will increase our focus on North America to build on the success of our market development plans, which have driven positive growth in USA visitor spend through the leverage of key travel partnerships.

China remains a longer-term focus as does South East Asia, with a view to supporting the re-establishment of direct air connectivity. The hosting of the TRENZ event in Wellington in 2024 has already resulted in increased travel itineraries being developed for Wellington. We will continue to leverage the opportunities and deepen industry connections.

Regional Economic Development

We will continue to implement the Regional Economic Development Plan (REDP), which with its cohort of 31 projects has demonstrated impact since it went live in 2022. It brings together the priorities for our region and the aspirations of mana whenua and our wider community.

The range of projects reflects the diversity of our region – from primary industries (food and fibre) opportunities in Wairarapa and Kāpiti, to STEM initiatives in the Hutt Valley and Porirua, to strengthening our technology and screen sectors across our region, alongside developing our workforce for the future.

We continue to facilitate the Wairarapa Economic Development Strategy, which is a vital platform for collaboration between Wairarapa councils, iwi, government, business, and community. The focus is aligned with the REDP and delivering tangible outcomes across its three agreed priority areas: workforce development, food and fibre, and water resilience.

We support Pacific communities to build capacity, deepen relationships, and develop specific programmes (for example, a collaboration with the Power of Three – a partnership between the Wellington Chamber of Commerce, Te Awe Māori Business Network, and the Pasifika Business Trust – to implement a business capability programme). We will continue programmes that support our rangatahi and create pathways to decent employment, and to create a pipeline of talent for the region.

Alongside this, we provide programmes and services to help businesses increase their capability. This support is provided across the region through the Regional Business Partners Network funded by MBIE and involves individual and group training. These services are part of our work to support local businesses to prepare for and adapt to infrastructure work in Wellington City.

MEETING THE SPECIFIC REQUIREMENTS

7. How we will meet the specific requirements outlined in the Statement of Expectation

Enduring Expectations

1. **No surprises**
   The relationship with shareholders is critical to our success. We have an open and high-trust relationship which works on a "no surprises" basis. We meet regularly with shareholder representatives and actively discuss risks to the achievement of our plan and how we might mitigate these.

2. **Relationship**
   We will meet the requirements set out.

3. **Legislation & compliance**
   Our Risk and Audit Committee and our Board have an active role in oversight of all aspects of legislative compliance. Our health and safety programme is comprehensive, legally compliant, and constantly evolving. Our subsidiary, Creative HQ, is now governed by the WellingtonNZ Board to provide assurance and compliance.

4. **Governance**
   We will meet the requirements set out.

5. **Risk management**
   The Risk and Audit Committee of the Board actively oversees our risk management framework, which is regularly reviewed by the Senior Leadership Team.

6. **Living wage**
   The organisation is committed to continuing to pay its staff a living wage or above. In 2024, this meant an increase of 6.9% to $27.80 per hour for those staff currently paid the living wage. As contracts come up for renewal, we remain committed to ensuring the living wage is paid for work undertaken by our sub-contractors.

7. **Modern slavery**
   We are committed to mitigating the risk of modern slavery in our supply chains and business operations. We will continue to strengthen our processes, working with suppliers and partners to ensure that our ethical standards are maintained across all commercial activities.

8. **Zero carbon**
   We recognise the need to ensure economic development is sustainable and that business growth is managed in a way which supports our region's zero carbon goals.

   The work we are doing to help achieve this goal is described in each relevant section of our SOI. In summary, we are:

   - Supporting entrepreneurs to establish companies that assist in achieving the goal by increasing the volume of weightless exports from our region to the world and creating jobs that are supported by such exports. Many of these companies offer products and services which directly support sustainability.

- Working with businesses to change their processes to be more sustainable.
- Continuing to work on our own business, particularly in our venues, to reduce their environmental impact. This work is producing a significant reduction in the volume of waste going to landfill.
- Telling the stories of sustainability in our region through our channels, and supporting the development of sustainable environmentally focused attractions in our region, including Wellington Regional Trails, Dark Skies, Zealandia Te Māra a Tāne, East by West Ferries, and others.

Specific expectations

WCC/GWRC Expectation	**WellingtonNZ Response** (A detailed Programme of Activity is attached in appendix one)
WCC expects WellingtonNZ to work in partnership with WCC on the achievement of the Economic Wellbeing Strategy, with particular focus on the following goals: Goal 1 (Sustainable business and career pathways), Goal 2 (Transitioning to a zero-carbon circular economy), Goal 4 (Centre of Creativity & Digital Innovation), Goal 6 (Dynamic City).	We have actively engaged with Wellington City Council to determine our primary areas of focus under the Economic Wellbeing and Ahu Tini strategies. We agree with the areas prioritised and have developed work programmes and initiatives to deliver progress under these goals. We have also actively engaged with Greater Wellington Regional Council to determine our primary areas of focus from the Wellington Regional Leadership Committee. WellingtonNZ will: • Continue to work in partnership with WCC to deliver the Economic Wellbeing strategy through the WellingtonNZ work programme.
Through Destination Wellington funding, WCC would like WellingtonNZ to take a stronger focus on growing Wellington's tech and screen sectors, supporting local companies to scale and create jobs. WCC would like to be briefed on a plan for how this will be delivered in the first quarter of the year, with job growth reported on annually.	We have a Technology Strategy led by Creative HQ the region's tech ecosystem. This includes growing the number of start-ups and supporting founders to scale their businesses. Our work programme will see us actively support a range of events and progress critical initiatives, including the further exploration of a Wellington Fund to support Wellington-based startups. WellingtonNZ, through its subsidiary CreativeHQ, will: • Raise the profile of the tech sector in Wellington, scaling up the inception of new companies. • Support existing high-growth companies to reach their potential and become major employers. • Attract investment and international businesses to Wellington. • Promote tech careers and inspire the next generation of talent. • Promote equity by encouraging women, Māori, and Pasifika to engage in the tech sector.

	In the Screen sector we have an established strategy, led by Screen Wellington. This includes the attraction programme: Attracting the right size productions for our crew base and infrastructure to ensure a sustainable pipeline of physical production. The attraction programme has matured to focus on mid-range ($15m - $60m) independent international productions and New Zealand features, and TV series.The Wellington region continues to support the world's largest production – the Avatar sequels, which will be replaced in scale by the Lord of the Rings productions. Recognising the patterns and competitive advantage, the focus will be supporting the growth of 'Creativetech' businesses (VFX, animation, Game development, AR, VR and XR) to increase export revenue. As a UNESCO Creative City of Film, our sector development provides international connections, opportunities for global partnerships, raises the profile of Wellington and helps to create a more vibrant, sustainable, and inclusive region for screen creatives. WellingtonNZ will: • Continue to attract highly skilled creative workers. Wellington will aim to maintain the highest level of screen sector pay in NZ (30% higher than any other region – MBIE Stats). • Grow our global reputation for excellence. Deepening international relationships such as at the Annecy Animation Film Festival, one of the most prestigious animation festivals in the world. • Attract and retain our creative tech companies. • Attract students to study in the epicentre of film production in various disciplines. • Attract more production and investment studios, fee-for-service post-production, and gaming companies in IP development of content and applications. • Attract physical productions to our region and deliver a consistent and streamlined service to the film industry by coordinating permitting in line with Local Government Film Protocols (film-friendly).
Due to financial pressures WCC is facing, WCC expects WellingtonNZ to manage costs within its budget and explore opportunities for increased revenue generation to enable WellingtonNZ to deliver on its strategy and WCC expectations.	We are making progress towards initiating REDP projects, however, securing funding (which often requires central or local government support) remains challenging. We cannot do this work alone and are looking to partners to commit energy, resources and action to make it happen. In 2024, we leveraged an additional $4.2million towards initiatives, and we will continue to seek additional income in the year ahead. We understand the financial pressures our shareholders are under, and we will manage costs within our budget. This means in some cases, deprioritising or ceasing some activities. An example of how we have amended our approach is to focus our tourism attraction, advertising spend largely on driving domestic visitation and promoting attendance across our

WCC acknowledges that a lot is being asked of WellingtonNZ in a constrained financial environment and understands that this may lead WellingtonNZ to look at its service offering as well new as revenue opportunities.	extensive events programme. We will continue to leverage the significant audiences on our owned channels to showcase Wellington as a place to live, work and visit. While this means we are not as actively in the Australian market as we have been in the past years, this is a rational response to the funding we have. We believe this will make the most significant difference for Wellington with the funding available. WellingtonNZ will: • Continue to review our service offerings to reduce our costs, while maintaining our impact and to work with our shareholders to manage expectations of what is realistic to deliver with the resources available.
WCC expects WellingtonNZ to provide targeted and timely support to businesses impacted by central city development activity, with a strong focus on the upgrade of the Golden Mile. This includes support of the Development Response Plan, through matching businesses with the right support, running capability training, marketing activity and events that will bring people into the city, and any other activities or programmes as determined appropriate by WCC.	The revitalisation of Courtenay Place is bringing change, and with it, change for the businesses. We will continue to support businesses impacted by development activity in Wellington City (Courtenay Place, Te Ngākau Square and Thorndon Quay) by implementing a business support package. This will include two pillars of support (business advice & management capability and marketing/promotion). A third pillar could include microgrants, should the evaluation of the pilot in Thorndon Quay prove successful and WCC have the mandate and resources available. WellingtonNZ will: • Continue to listen to business needs in those precincts and deliver tailored support to those businesses, • Match businesses with the right support, run at least 12 capability workshops, one-to-one training, business mentors, Chamber of Commerce Subscriptions and leverage professional services through the MBIE-funded Regional Business Partner Programme, • Undertake precinct level marketing activities such as Neat Places, supported by content of business on WellingtonNZ channels where relevant • Market and promote events in and out of region to drive local and visitor footfall to the central city, • Implement 'Love Local' styled campaigns at strategic times aligned with the constructions works.
WCC continues to expect WellingtonNZ to strongly market Wellington as a destination with a particular focus on attracting visitors into the central city.	Over the previous year we have successfully engaged domestic audiences, sparking their interest in visiting Wellington. The recent 'You Would in Wellington' campaigns have had strong engagement with 39%, stating they would probably / definitely visit Wellington as a result of seeing the advertising. With the focus on the domestic market, we continue to inspire and drive visitors and locals into the central city. Our international marketing programmes will be trade and PR-led in the key markets of Australia, North America and China where we will strengthen our business partnerships to drive growth in spend. We will evolve our brand framework across all our communications with a focus on increasing the biodiversity and

	substantiality storytelling. Our digital-first approach to our content and channels will ensure we grow, engage and inspire local, domestic and international audiences with all that Wellington offers. As a direct response to current economic challenges, a strong emphasis will be placed on marketing events to drive conversion into the city. We will continue to actively pursue funding partnerships, such as Team Wellington, to identify and agree new revenue opportunities. We will monitor and respond to the macro-operating environment, and potential changes to the funding from the International Visitor Levy, and the potential of a local at place accommodation levy for visitors. WellingtonNZ will: • Implement consumer campaigns and content to drive domestic visitor spend and increase the propensity of domestic audiences to visit Wellington, • Grow our owned audiences and increase engagement across our channels, • Increase international visitor spend and undertake trade training with international travel agents and destination planning decision makers,
WCC expects to see initiatives that relate to the Destination Pōneke plan for developing Wellington as a destination for both locals and visitors. WCC also expects WellingtonNZ to rebuild its destination marketing partnership with hoteliers and other tourism organisations to support investment in Wellington's Destination Marketing.	The Destination Pōneke plan is being refreshed to reflect the current and future operating and economic environments. Engagement with key stakeholders and partners will ensure the plan is reflective of the community's desires, and provide a strong framework for the economic growth and development of the visitor economy. The revised plan will include the development of a Cruise Strategy (see thirteen), identify new programmes to drive growth, continue implementation of priority projects and support the delivery of the wider Regional Visitor Plan (noting that WellingtonNZ is not responsible for sub-district Destination Management Plans). In addition, we are focused on supporting Te Atakura (zero carbon capital) and the progression to a low carbon economy, through the roll-out of the sustainability programme to hospitality businesses across the region. The implementation of a Food and Drink strategy is a key focus to ensure Wellington retains its competitive edge as a "must-taste" food destination to support the hospitality sector. Consistent with Destination Pōneke, we plan to engage with Māori entities to understand and support their tourism ambitions. For Iwi, we recognise WellingtonNZ has a role to play in advocacy for the protection of Mātauranga Māori. As we develop the plan, we will identify funding sources to support the progression of destination management initiatives beyond the core scope of destination promotion / attraction programmes.

	WellingtonNZ will: - Deliver priority DMP initiatives in the focus areas of Enriching Experiences, Future Proofing, Sharing our Stories and Nature Thrives (priority programmes to be confirmed once refresh of plan is completed). - Establish a governance group responsible for the strategy and oversight of Destination Pōneke. - Contribute to the retention of ‘social license’ for tourism in Wellington. - Attract investment through a destination partnership programme developed with the industry. - Advocate at a national level for key tourism system change, with a focus on a national funding model.
WCC expects WellingtonNZ to take a greater role in the strategic planning, management and operational delivery of Tākina, working closely with Te Papa. This includes attracting conventions and other events to Tākina, taking the lead on marketing and promoting the centre, and running the ground floor, including the exhibition centre, with a focus on how to maximise the commercial performance of Tākina, whilst delivering economic benefit for the city.	The ability of Tākina to attract visitors to our city and stimulate business activity, particularly in the hospitality, retail and accommodation sectors is real. In the year ahead, we will transition to the new structure and implementation approach set out by WCC. This will include scoping and establishing a division in WellingtonNZ responsible for overseeing the ground floor exhibition space of the venue, and working in partnership with Te Papa and WCC to drive success. The programme of work will include marketing the convention facilities, attracting business events, responsibility for managing the activities programme and amplifying the brand of Tākina, so that locals and visitors know what happens inside the building. We will engage with WCC as we develop the business plan and put in place the staffing and resources required to deliver it. WellingtonNZ will: - Stand up a new division, including the appointment of a GM Tākina and Business Events Wellington. - Finalise a business plan for Tākina ground floor activities that ensures the best opportunity for the successful commercial performance of Tākina. - Ensure a strong pipeline of events and other activities for the exhibition hall. - Market and promote the centre to ensure visitors are attracted to Tākina and Wellingtonians understand the contribution it is making to Wellington's economy.
WCC expects WellingtonNZ to commence delivering on the outcomes of Venues Operational Plan that was developed and approved in FY24/25.	We will progress the delivery of recommendations identified in our recently developed Venues Operational Plan and are working closely with WCC on this. Through the implementation of the plan, we aim to provide welcoming, high-quality venues that enable artistic excellence, cultural exchange, social enrichment, learning and connection,

	and support the economic, cultural and social wellbeing of our city and communities. The plan aims to position Venues Wellington (operated by WellingtonNZ) as a central force in enhancing the city's reputation as New Zealand's creative capital, fostering innovation, delivering enriching entertainment for all, and supporting local and internation artists, community groups, sports franchises, and other users. WellingtonNZ will: • Increase Venue Utilisation. • Create a Strategic Pricing Framework that enhances activity levels, delivers community benefits while boosting economic gains for local hospitality and retail sectors. • Improve brand perception and marketing support for venue users and audiences by delivering a targeted content and brand portfolio for each Venue and a revised audience development approach that improves baseline of WNZ and LIVE IN WLG channels. • Refine the content attraction strategy to support increased risk taking through shared productions • Investigate bringing outsourced services in-house to improve hirer and user experience. • Leverage existing WCC and mana whenua relationships to determine how Venues Wellington can deliver to the aspirations of Māori.
GWRC expects WellingtonNZ to continue to take account of the current economic situation (with the cost of living crisis and retail/hospitality businesses under pressure) and be proactive about identifying opportunities to strengthen and lift regional performance. This includes continued collaboration with the Wellington Regional Leadership Committee to identify opportunities for regional investment, such as advancing a Regional Deal.	As an economic development agency, our focus is on the strength and sustainability of the regional economy in the long term. We understand the pressure being felt by businesses (particularly hospitality, accommodation, and retail) at a time of rising costs, reduced consumer spending, increased unemployment, and disruption from infrastructure works, and we have a programme of initiatives designed to assist them in this context. These include events, marketing initiatives to attract visitors, access to professional advice, support for screen and technology businesses to grow their revenue and employee numbers, and developing regional trails to provide more reasons to visit, which in turn contributes to a vibrant economy for the wider eco-system. WellingtonNZ will: • Continue to implement the MBIE-funded Regional Business Partner Programme (subject to contract renewal), supporting over 400 businesses a year across our Region to access support and expertise and make connections to enable them to grow and innovate. Our targeted engagement with business networks, businesses, industry groups, Māori and Pasifika networks, will afford us access to insights about the challenges faced by different parts of our region. It will help us identify development opportunities, organise ourselves around the facilitation and implementation of

	any Regional Deal and other support from Central Government.
GWRC expects WellingtonNZ to continue its leadership of the Regional Economic Development Plan (REDP), ensuring integration and coordination across multiple delivery agencies, and continuing to provide regular updates on the progress it makes.	WellingtonNZ will: • Continue to lead the REDP process through our Wellington and Wairarapa-based Programme Management team and continue to lead its implementation through our wider sector, workforce, and Māori economic development teams, as well as in partnership with external initiative leads. The REDP was refreshed in 2024, and we will continue to coordinate across the region and support initiative leads with implementation of the 31 priority initiatives. A gap analysis to be completed in 2025 will help identify future areas of focus and there will be greater emphasis on demonstrating results of the initiatives over the year. This will be focused on both efficiency and impact for the region on behalf of the Wellington Regional Leadership Committee.
GWRC is committed to supporting Te Matarau a Māui. WellingtonNZ is asked to continue to support the delivery of initiatives contained in this strategy and to continue support for Te Upoko o Te Ika a Māui as a procurement tool for building social and economic prosperity across the region.	WellingtonNZ will: • Continue to work closely with Te Matarau a Māui to realise the potential of the Māori economy. We will support them with the implementation of initiatives in its strategy that align with the REDP. Te Matarau a Māui is part of the REDP Steering Group and assessment panel to ensure alignment and coordination of all priority initiatives, reporting to the Welington Regional Leadership Committee. • We are a signatory to the Te Upoko o Te Ika a Māui agreement and social procurement is a key component considered by WellingtonNZ when procuring goods and services. We will focus on the recommendations in the 'Opportunities for Impact through Procurement' report that we commissioned and are undertaking a capability building pilot with councils and pakihi Māori to build social and economic prosperity across our region.
GWRC expects WellingtonNZ to take a lead role in the promotion of industrial land opportunities, with appropriate resources to be allocated to this promotion in future years.	Our region has never developed a coordinated approach to industrial land use or taken a region-wide view of how and where to locate new businesses in our region. Research undertaken in 2024 highlighted that the region has the lowest industrial vacancy rates among Australasian centres (1.2%) and will require another 697 hectares of industrial land by 2051. WellingtonNZ will: • Actively support the project led out of the WRLC to identify industrial land to meet this shortfall.
GWRC expects WellingtonNZ to continue to collaborate with	WellingtonNZ will:

CentrePort and other stakeholders to develop a specific cruise strategy to further promote the Wellington region as a premier cruise destination, highlighting distinctive regional experiences and facilitating opportunities for the supply of regional goods and services, while also aligning with initiatives to reduce environmental impacts, ensuring the region's long-term viability as a sustainable, vibrant destination for cruise passengers.	• Work in partnership with CentrePort, Cruise New Zealand and other stakeholders to develop the first cruise strategy for the Wellington region. The cruise strategy will be integrated into Destination Pōneke and subject to funding, will look capitalise on opportunities to improve the visitor experience, sustainability and social license, and increase the benefits of cruise passengers to our region.
GWRC expects WellingtonNZ to promote the use of public transport wherever possible within WellingtonNZ destination advertising and promotions.	We understand the importance of public transport across the region. WellingtonNZ will: • Actively promote public transportation services on relevant sections of our platforms, consistent with our MOU with our shareholder GWRC.

PERFORMANCE METRICS

Performance metrics

In recent years, WellingtonNZ has reviewed its performance framework with the aim of:

- Reducing the number of metrics
- Ensuring metrics are linked to factors which WellingtonNZ can control and which measures WellingtonNZ's direct impact
- Measuring outcomes not just outputs
- Providing greater clarity on the region's return on investment

This remains challenging given the range of activities undertaken by WellingtonNZ and the varying levels of influence that WellingtonNZ has over ultimate outcomes. The recent impact of the pandemic and reliability of data continue to complicate the situation, which has made both existing benchmarks less relevant and forecasting targets in an uncertain future very challenging.

For this reason, we continue to adjust our performance measures to ensure we have a set of performance measures that best represent WellingtonNZ's activities and programmes, but also ensure we are maintaining consistency and keeping the metrics to a small set.

Note that in addition to these headline measures we will continue to measure a range of operational metrics including those that relate directly to our WCC, Major Events, and Venues Wellington funding (aligned to the expectations of the Funding Agreements).

Key Headline Performance Indicators

Jobs for the future

KPI	Explanation	2025/2026 Target	2024/2025 Target	2023/24 Actuals	2023/24 Target
KPI 1: Direct economic impact of WellingtonNZ's activities and interventions (1)	This is a measure we introduced in 2019/20. It is designed to provide a dollar value indication of the impact of WellingtonNZ activities by collating the value of those activities that we directly influence and impact (where we have data to support that).	$225m	$200m	$230.39m	$150m
KPI 2: Number of businesses engaged by a WellingtonNZ intervention or programme (2)	This is a measure we introduced in 2019/20. It is designed to provide an indication of the number of	2,500	2,500	2,922	2,300

	businesses that we have directly impacted on by either being part of a WellingtonNZ programme or a direct WellingtonNZ activity or intervention				
KPI 3: Engagement on WellingtonNZ owned digital channels and platforms (3)	This is a new measure we will introduce in 2025/26. A key activity for WellingtonNZ is driving engagement with our owned digital channels and platforms.	Baseline to be confirmed in final version of SOI			
KPI 4: Value of expenditure (from out of region) generated from events (including business, performance, and major events) (4)	We measure out of region spend events at both Wellington city venues (covering both performance and business events) and Major Events. It is calculated using agreed methodology that is consistent across New Zealand.	$120m	$120m	$110.31m	$110m
The number of Wellington Region residents that attend events (5)	We measure the local audience at events to measure engagement and ensure our events are applicable to the local community.	650,000	625,000	630,330	550,000

Collaboration & Engagement

KPI	Explanation	2025/2026 Target	2024/2025 Target	2023/24 Actuals	2023/24 Target
KPI 5: Stakeholder engagement (6)	This is a measure of the engagement we have with our stakeholders, and the quality of those relationships.	90%	90%	94%	90%
KPI 6: Māori Business support (7)	Number of Māori businesses and projects supported across WNZ.	75	75 90%	49 100%	Establish a baseline
KPI 7: Pasifika Business support (8)	Number of Pasifika businesses and projects supported across WNZ.	20	15 90%	5 100%	Establish a baseline

In addition to the above we have three key internal facing KPIs:

KPI	Explanation	2025/2026 Target	2024/2025 Target	2023/24 Actuals	2023/24 Target
KPI 8: Financial Management (9)	Budget on track – income, expenditure, and surplus.	To target	To target	To target	To target
KPI 9: Funding Diversification (10)	% of revenue from commercial/non council funding and commercial activity (combined WNZ and Creative HQ)	30%	30%	27.4%	34%
KP 10: Employee Engagement (11)	As measured by our CultureAmp employee surveys	78%	78%	66%	78%

Indirect Measures of Impact

We will continue to measure, monitor, and report on a range of metrics which indicate how the region is performing in key areas of WellingtonNZ interest, but for which WellingtonNZ only has a partial or no direct impact. These include measures that are specifically requested as part of the WCC funding agreements.

Measure	2025/26 Target	2024/25 Target	2023/24 Actuals	2023/24 Target
IDM 1: International visitor arrivals through Wellington International Airport: International (12)	160,000	140,000	163,012	120,000
International visitor arrivals through Wellington International Airport: Australian (12)	125,000	115,000	115,408	100,000
Visitor Spend: Domestic (13)	$1,200m	$1,200m	$1,062m	$1,200m
Visitor Spend: International (13)	$300m	$250m	$295m	$250m
Total Visitors' nights to our Wellington Region (14)	2,750,000	2,600,000	2,764,000	2,500,000
Share of multi-day conferences reported in the Wellington Region (15)	25%	25%	21.8%	25%

We will also continue to collect and share data on the performance of the Wellington region including, but not limited to:

Measure	2025/26 Target	2024/25 Target	2023/24 Actuals	2023/24 Target
Population Growth due to migration to Wellington Region (16)	To remove	2,500	TBC	2,500
Wellington Region GDP Growth (17)	1%	2.0%	0%	2.0%
Wellington Region GDP per Capita (17)	$92,000	$90,000	$91,143	$76,891

Number of Filled Jobs in our Region (18)	275,000	275,000	322,579 262,115	310,000
Number on Jobseeker Support benefit Work Ready (19)	11,000	11,000	11,050	11,000
Mean Annual Earnings of people in employment in the Wellington region (20)	$88,000	$85,000	$84,396	$82,000
Labour force unemployment by ethnic group (21)	4.1% average for region 5.5% for Māori and 7.7% for Pacific People	3.5% average for region 6% for Māori and 5.5% for Pacific People	3.7% average for region, 6.9% for Māori, 6.8% for Pacific People	4.5% average for region 7.9% for Māori and 7.5% for Pacific People
Overall satisfaction with life (Biennial) (22)	TBC	88%	88%	88%
Ability of income to meet everyday needs (Biennial) (22)	TBC	50%	59%	59%

Notes and sources

Direct Measures

- (1) This is calculated from assessing the contribution of the value of business events attracted, the screen permits and rebates, value of redemptions for retail and hospitality promotions, the value of capability vouchers distributed, the value of , out of region expenditure at events, the value of spend from WellingtonNZ hosted programme activity, the value of sales generated through isite pay and display, the value of sales made in the isite for Wellington businesses, the contribution of non-local government funding to the activity of WellingtonNZ, the equivalent advertising value for marketing and promotions activity, Creative HQ, the spend of visitors generated as a result of WellingtonNZ promotional and marketing activity.
- (2) This number is calculated by aggregating the number of businesses who have received support from WellingtonNZ's programme and activities including, WellingtonNZ partners who have formal partnerships with WellingtonNZ on programmes of work during the year (tourism, marketing, events and business partners), start-up businesses who WellingtonNZ provide professional capability building advice to, businesses who have benefited from featuring in WellingtonNZ promotional and marketing activities, businesses who have received support through WellingtonNZ's workforce and business support programme (such as Summer of Tech/Summer of Engineering, Regional Business Partner programme and Pop up Business School) other business supports and engagements as detailed in the data dictionary.
- (3) Mechanism behind the 'mega score' is currently being determined this will be a combination between owned digital platforms and channels.
- (4) The combined value of new spend in the region from visitors attending events in Venues Wellington (business events and performance events), attendance at Major Events for which WellingtonNZ is an investor, attendance through the exhibition floor of Tākina and delegates attending business events attracted through the convention bureau. It is calculated using agreed methodology that is consistent across New Zealand.

- (5) The total number of tickets sold to residents of the Wellington Region for major events, events at Venues Wellington (both business and performance), the exhibition floor of Tākina, and delegates attending convention bureau supported business events.
- (6) Measure of satisfaction by a range of stakeholders and key business partners. The methodology is an annual survey which captures stakeholders' level of satisfaction with the quality of engagement with WellingtonNZ.
- (7) The number of Māori businesses and projects engaged. (6)
- (8) The number of Pasifika businesses and projects engaged. (6)
- (9) Financial profit and loss performance to within budget as monitored and reported monthly by our finance team.
- (10) Measure of the percentage of revenue/income that comes from non-council shareholder funding across WellingtonNZ and Creative HQ.
- (11) Measure of engagement from WellingtonNZ's annual Culture Amp engagement survey.

Indirect Measures

- (12) International Visitors Arrival – StatsNZ.
- (13) TECTs, Tourism Electronic Card Transactions – MBIE. This figure is currently unable to be reported on as the dataset has been disestablished, this is a recent development and there is a hope this will be restablished.
- (14) Accommodation Data Programme – Ministry of Business Innovation and Employment and Fresh Info.
- (15) Business Events Research Programme – Industry Partnership.
- (16) (17) Wellington Regional GDP value – Infometrics.
- (18) Monthly Employment Indicators – StatsNZ as at 24/25 FY. Previously Infometrics Employment figures.
- (19) Number on Jobseeker Support Benefits – Workready – Ministry of Social Development.
- (20) Earnings for people in paid employment by region, sex, age groups and ethnic groups table – StatsNZ.
- (21) Household Labourforce Survey, StatsNZ.
- (22) Overall satisfaction with life and the ability of income to meet every day needs comes from the Rangahau te Korou o te Ora / Quality of Life Survey.

FINANCIAL SUMMARY

Financial Summary

STATEMENT OF FINANCIAL PERFORMANCE	2025/26	2026/27	2027/28
REVENUE			
Revenue from Shareholders	26,254,346	28,354,694	30,623,069
Other Revenue	5,994,067	6,473,592	6,991,480
TOTAL REVENUE	32,248,413	34,828,286	37,614,549
EXPENDITURE			
Personnel Costs	15,779,467	16,568,441	17,396,863
Investments in Projects and Events	14,086,435	15,491,784	17,316,221
Other Expenditure	2,541,011	2,668,062	2,801,465
TOTAL EXPENDITURE	32,406,913	34,728,286	37,514,549
SURPLUS / (DEFICIT)	-158,500	100,000	100,000

STATEMENT OF FINANCIAL POSITION	2025/26	2026/27	2027/28
ASSETS			
Current Assets	11,000,000	10,500,000	10,500,000
Investments	1,650,000	1,650,000	1,650,000
Other Non Current Assets	900,000	900,000	900,000
TOTAL ASSETS	13,550,000	13,050,000	13,050,000
CURRENT LIABLITIES	8,500,000	9,000,000	8,950,000
NET ASSETS	5,050,000	4,050,000	4,100,000

STATEMENT OF CASHFLOWS	2025/26	2026/27	2027/28
OPENING CASH	7,000,000	6,541,500	6,341,499
Operating Cash Receipts	32,248,413	34,828,286	37,614,549
Operating Cash Payments	32,706,913	35,028,286	37,714,549
NET CASHFLOW	-458,500	-200,000	-100,000
CLOSING CASHFLOW	6,541,500	6,341,499	6,241,499

Notes

- Financial Summary is a consolidated view (Parent and Subsidiary – Creative HQ)
- Revenue forecasts from our Shareholders are reflective of funding agreements in place. This includes revenue coming off our balance sheet that has been held in advance, alongside the revenue granted to match salaries and wages of employees employed to run WCC's Performance and Conference Venues.
- Other Revenue reflects revenue from third parties and commercial activity, and the revenue achieved by Creative HQ resulting from its commercial activities.
- Investments represent the value of the investments from Creative HQ in the companies that it incubates and retains a shareholding.

RISKS TO KPI ACHIEVEMENT

Risks to KPI Achievement

There are several risks which could impact on the success of WellingtonNZ. Many of these are outside of our direct control, such as the impact of geo-political factors, changes to government policy settings, or macro-economic factors which impact on the economy as a whole (including pandemics and natural disasters).

In terms of achieving the goals set out in our strategy, and our Key Performance Indicators, we note the following specific risks and how these will be mitigated:

Area of Risk	Risk Description	Mitigation
Availability of shareholder and partner funding	Funding is insufficient to deliver events, promotions, product development and business support required. This risk is increased by current and anticipated cost inflation. The MBIE-funded Regional Business Partners Programme contract expires on 30 June 2025 and there is a risk that the contract is not renewed and/or funding is reduced leading to less FTE/support for businesses.	Ensure delivery is in line with partner expectations. Ensure CPI increases are received for core funding. Maintain a regular schedule of communications with and reporting to partners. Engage major partners in planning sessions to ensure programmes meet their expectations and seek opportunities to co-fund projects. Review partner funding arrangements on a regular basis. Seek new commercial revenue sources.
Venue suitability	That the model we are using to operate our events business, and the suitability of our venues is not appropriate to attract the diversity of events required to maintain the entertainment offering of the city and attract visitors/talent to the region.	WellingtonNZ will work with WCC to ensure appropriate CapEx is allocated to renewals within existing venues so that they remain fit for purpose during this period. WellingtonNZ will work proactively with core hirers to find solutions that meet their needs, both within existing venues and other venues in the city. WellingtonNZ will communicate proactively with the market on the status of venues.
Venue availability seismic issue	That work to address seismic issues with key venues is not progressed or funded sufficiently. This would restrict the events that can be delivered in the city and impact businesses.	Work with WCC to ensure remedial work for MFC and the Opera House is prioritised and funded.
That we fail to maintain effective working relationships	As an organisation that is invested in and works for the whole Wellington region it is critical that WellingtonNZ	WellingtonNZ will work with both its shareholders and the Wellington Regional Leadership Committee in a structured and proactive manner

across the Wellington region	maintains appropriate stakeholder engagement processes.	such that both elected officials and officers of these organisations are well informed of WellingtonNZ’s programme of activities at all times. WellingtonNZ will participate in appropriate work groups across the Wellington region to support economic development activity. We will work actively with our wider stakeholder community to ensure we are listening to and engaging with our community in developing and delivering our strategies and work programmes.
Access to Central Government funding	Inability to access Central Government funding to support the business community, our arts, screen, tech and innovation sectors, and essential infrastructure investment.	WNZ, GWRC, Wellington Regional Leadership Committee and the TAs will work to develop a “regional deal” for discussion with central Government. This will reflect the current Regional Economic Development Plan and build the relationships necessary to align the region around specific priorities and to secure necessary funding.
Partners don’t work together effectively to support Tākina to succeed	Failure to capitalise on opportunities Tākina offers for conventions and exhibitions.	Work closely with WCC and Te Papa to transition to the operating model now approved by WCC and build the relationships required for success. We will support our Business Events team and develop new capabilities to deliver the range of outcomes required by WCC through the Tākina team we are looking to establish.
Shortage of housing	Not enough affordable housing for the talent required to fill the roles created by the economic development of the region.	We will continue to advocate with councils in the region to ensure that the development of new housing is a priority and ultimately ensure our rcan thrive. We acknowledge that we cannot independently resolve this.
Shortage of industrial land	Not enough available industrial land for business to establish and create economic development and jobs in our region.	We will continue to support the WRLC and advocate with councils in the region to ensure that the development of industrial land is a priority and ultimately ensure our rcan thrive. We acknowledge that we cannot independently resolve this.

Technology and screen sector growth	Failure to seize the opportunities presented by our screen, VFX, animation, gaming, and technology sectors to grow weightless export businesses of scale.	Screen Wellington will work to capture the value of the CreativeTech economy, drive investment and develop/attract the workforce needed for the specialized roles. Screen Wellington will continue to leverage the success of our vendors to promote Wellington as a CreativeTech mecca – the best place to learn from and work alongside world leaders in the field. Creative HQ will lead the Tech sector strategy and work to support an eco-system that equips founders with the skills and support necessary to build businesses of scale.
Key person risk	Reliance on key individuals to deliver the results expected of us, placing individuals under pressure at a time we are being asked to deliver more impact with lower funding.	Develop a succession plan for all critical roles. We are looking to increase the flexibility of operating across our business units to ensure we are fully using all available talent.
Māori capability	We recognise our responsibility to operate in a way that is consistent with the principles of Te Tiriti o Waitangi, and that celebrates Te Reo Māori as a taonga.	Implement our People and Culture Strategy 2025 which will require us to enhance our cultural competence and remain focused on Pakihi Māori and other areas where we are able to directly influence outcomes in Māori economic development. We will continue to look to create a workforce at WNZ which reflects the communities we serve.

In addition to the above, WellingtonNZ has a strategic and operational risk framework which is governed by the Risk and Audit Committee of the WellingtonNZ Board.

APPENDICES

Appendix One: Programme of Activity

Placemaking

Objective: Enhance Wellington as New Zealand's creative heart — driving more locals and visitors to participate in events and experiences, and drive visitation into local businesses and attractions.

Programme - Unique ID	Overview
Major Events WNZ-01	WellingtonNZ will continue to support and invest in major events for Wellington, taking a portfolio approach to generate economic, brand and social benefits. We will partner with key venues and stakeholders to present events and exhibitions that will drive residents and visitors into the city.
Wellington Brand WNZ-02	Continued integration of the brand framework across WellingtonNZ destination attraction campaigns and promotions to reinforce Wellinton as a place to visit, and, as a place to work, study, live and invest.
International Visitation WNZ-03	WellingtonNZ will ensure that Wellington and Te Upoko o Te Ika continues to be a highly desired destination for international visitors. Our activity will be trade and PR led and we will work with our Team Wellington funding partners with a focus on Australia leveraging the government's growth objectives, continue to increase China visitation to the capital and implement partnership plans with travel wholesalers in North America to increase spend in Wellington. We will drive increases in itineraries to Wellington, maximising the benefit of hosting TRENZ and the strength of our in-market relationships at Kiwilink events. Through Business Events Wellington we will continue to target and attract international conferencing to Wellington at Tākina and other venues. We will continue to leverage strong relationships across Tourism New Zealand and other key tourism entities, including driving PR coverage through targeted brand, media and influencer programmes.
Domestic Visitation WNZ-04	WellingtonNZ will prioritise the domestic market for consumer campaigns to drive visitation into the central city. We will launch campaigns, leveraging major and performance events, and promotion of Tākina exhibitions. At the request of our tourism industry, our campaigns will focus on promoting greater shoulder season / off-peak visitation (March-June), and where funding allows, Wellington's summer events programme. Using the 'You Would in Wellington' tagline, we will further grow engagement with our digital and social audiences in support of Wellington city businesses and event partners, to drive out of region visitation and local attendance at major events, and performances in our venues. We will deliver compelling campaigns for exhibitions at Tākina and build Tākina's brand. Through Business Events Wellington, we will continue to target and attract domestic conferencing and conventions. WellingtonNZ will work with the business community to continue discussions on the design and implementation of a refreshed destination attraction / marketing partnership programme.

Wellington Destination Management Plan WNZ-05	WellingtonNZ will continue to lead the delivery and development of Destination Pōneke to ensure outcomes benefit visitors and locals. With the plan being refreshed through engagement with key sectors of the visitor economy, it will reflect learnings and focus on driving economic growth and increased industry capability while supporting long term sustainability initiatives. It will also consider funding options for the continued progression of initiatives and programmes. Key programmes to be delivered will be the implementation of Wellington Food and Beverage strategy, continued the delivery of the MOU with Metlink for the promotion of public transport to manuhiri, and the launch of the Civic's story-telling strategy. The development of a cruise strategy for Te Upoko o Te Ika will also be integrated into the DMP, including the relocation of the cruise stop to support the commercial success of Te Papa / Tākina, and to disperse the benefits of cruise visitors across more of the city centre.
Wellington Regional Trails Framework WNZ-06	WellingtonNZ will continue to lead the promotion of trails across Te Upoko o Te Ika using the Find Your Wild brand and through promotion in WellingtonNZ content and channels. The support and growth of the Regional Trails Framework is a key element of our collaboration with regional partners and local businesses located close to trails.

Jobs for the future

Objective: Support businesses to grow, innovate and meet future workforce needs, to ensure more businesses are succeeding and employing more people.

Programme - Unique ID	Overview
Māori Business Economy Programme WNZ-07	Our Māori Economic Strategy is focused on providing direct support to Pakihi Māori leveraging the full capabilities of the organisation – in particular the Business and Innovation team. The cohort of specialist business advisors will continue to support Māori businesses across our region and help raise the capability on both the demand and supply sides of procurement process. In addition, we will continue to support some Māori-specific initiatives including: our partnership with Te Matarau a Māui, our support for a range of projects in tourism, skills development, and Screen (particularly through our UNESCO Creative City of Film programmes), and through the Regional Economic Development Plan projects we are implementing.
Regional Economic Development WNZ-08	The Regional Economic Development plan, led by WellingtonNZ, is governed by the Wellington Regional Leadership committee. The objective is to guide the long-term economic direction of the Wellington region in line with the Regional Growth Framework to support the creation of 100,000 jobs and improve quality of life for all. We will continue to lead the programme management office to support and drive initiatives across eight focus areas: four sectors (screen, creative and digital; science, technology, engineering and high-value manufacturing; visitor economy; and primary sector food and fibre), and four enablers (skills, talent and education; Māori economic development; water accessibility and security; and resilient infrastructure. This will include coordination with the initiative leads, support from a WNZ Champion, and

	supporting the Steering Group to provide oversight of delivery and being the interface with the WRLC. We continue to lead the Wairarapa Economic Development Strategy which is a vital platform for collaboration between Wairarapa councils, iwi, government, business, and community. The focus is aligned with the REDP and delivering tangible outcomes across its three priority areas: workforce development, food and fibre, and water resilience.
Creative HQ: Incubation Services and Innovation Ecosystem Support WNZ-09	Creative HQ enables WellingtonNZ to support and grow the region's start-up and entrepreneurial activity. We are supporting business incubation and corporate and government innovation. We want to see an increase in the number of business start-ups in the region and the amount of support they receive, to help them scale. This will require additional funding to deliver.
Creative HQ: Tech Sector Strategy WNZ-10	We have a Technology Strategy led by Creative HQ to build the region's tech ecosystem. This includes growing the number of start-ups and supporting founders to scale their businesses. Our work programme for 2025, which will be delivered through CreativeHQ, will continue to focus on providing access to successful founder teams to assist Wellington based tech businesses to scale. We will also continue to explore opportunities to develop a Wellington Fund and support young people into tech jobs.
Screen Wellington WNZ-11	Our WNZ Screen programme supports sustainable and inclusive economic development as a UNESCO Creative City of Film creating decent jobs and building our global reputation. Our work programme involves three key pillars: • Sector Development / UNESCO Creative City of Film • The Attraction Programme • Film-friendly facilitation We are proud to be a UNESCO Creative City of Film which provides a framework for sustainable and inclusive growth. We aspire to be a bi-cultural City of Film and will continue to engage with Māori leaders in the screen sector and creatives across the region to develop and support opportunities for Māori screen creatives and businesses. Rangatahi and workforce development is essential, and we will continue to work with VUW, Massey and Yoobee to attract and retain our future students and workforce. We will continue to develop relationships to attract physical productions to the region. Through partnerships with international agents and leveraging collateral like the 'Make it Here' digital showreel, Screen Wellington leverages delegates and audiences attending a variety of screen business conferences and festivals – to showcase Wellington creative capability, locations and investment opportunities. We will continue to deliver an efficient and consistent film facilitation service. This role requires the balancing of production needs with the ease of all business and keeping our communities safe. We will continue to engage councils, iwi and other stakeholders to ensure that our region

	retains ease of business for production, location filming, permitting, crew database and other sector support.
Wellington Convention Bureau – previously seconded to WCC WNZ-12	WNZ will work with WCC to provide a full range of services to identify, source, attract, market, and deliver a strong programme of exhibitions in Tākina, aligning with both our Major Events work and venues delivery. Through our support of Business Events Wellington, we will continue to work with Wellington City Council and Te Papa to ensure the sales and marketing of Tākina as a convention venue deliver the best business outcomes for Tākina as well as economic impact for the city. Business Events Wellington will also continue to act as the Convention Bureau for Wellington and support the promotion and attraction of conferences to other venues in Wellington. We will, as requested by WCC build a dedicated Tākina team bringing together BEW and the team working on exhibitions under the leadership of a General Manager.
Supporting businesses to thrive in our region WNZ-13	We will continue to provide a coordinated suite of high value programmes and services to help businesses increase their capability and develop their innovation potential. This will help them to grow revenue and employee bases, attract investment for growth, and expand their export value. The support is across the region through the Regional Business Partners Network funded by MBIE and includes ($480k per year – subject to contract renewal) for management capability building R&D/innovation services, one to some group training and other business support.
Wellington City in Transition WNZ-14	We will provide support for businesses to grow and innovate in Wellington City including specialist services to support businesses as part of the City in Transition project. We will continue to actively work with the business community affected by the redevelopment work on Courtney Place, Te Ngakau Square and Thorndon Quay. This will include implementing the business assistance package with the three pillars of support (Free business advice, Management capability and Marketing/promotion) to help all businesses in the eligible area.

Collaboration and engagement

Objective: Work in partnership to support investment in the region to unlock the best outcomes and opportunities for all.

Programme - Unique ID	*Overview*
Mana Whenua Partnerships - WNZ-15	We will be relying on support from our shareholders who are better resourced to lead partnerships with mana whenua. We will work to build relationships and trust, affording us access and insight around evolving economic development strategies. We will ensure our work supports the goals of mana whenua and we're bringing value to the partnerships. We will work closely with Te Matarau a Māui to ensure there is consistency of approach to engagement with mana whenua

Regional Deals and other WRLC Projects WNZ-16	We will continue to work with the Wellington Regional Leadership Committee to develop a regional deal for our region. We will also support the future development strategies where there is a link or dependency with the REDP, for example supporting and promoting future industrial land development, food security strategy, priority development areas, and climate change adaption. Whilst we are not the lead for these initiatives, we can lean in to support relationships and connections in critical infrastructure such as water accessibility and security in Wairarapa.
Skills, talent, and education WNZ-17	We will continue to support programmes providing opportunities to support our rangatahi and create pathways to decent employment. Currently we are supporting initiatives in the REDP priority sectors such as STEM, Screen, Primary Industries. This includes initiatives such as the Summer of Tech, Summer of Engineering, Tech leadership series, House of Science, the Wellington E2E Centre, and Job, Search, Connect. An area of focus will be supporting mana whenua and Pasifika communities with skills development programmes for their rangatahi, such as the STEM mentorship programme with Ngāti Toa, developing a Pacific resource hub in collaboration with key partners, and Pasifika Student/Business networking series with tertiary institutions. We will consider how to grow the scale of our impact in this space to make a direct impact on workforce needs in the region.
Investment attraction WNZ-18	WellingtonNZ and CHQ will continue our work to attract investment in the tech and screen industries to support business attraction, retention, and growth, to drive job opportunities and economic growth across the region. We will continue to partner with and leverage investment from other organisations through the REDP, WEDS, Destination Pōneke, Team Wellington, Major Events and other programmes we are responsible for.
People & Culture Strategy WNZ-19	Nurturing career pathways within the CCO is a focus of the Economic Wellbeing Strategy. WellingtonNZ will continue to implement the P&C Strategy developed in 2024 focusing on the six areas of focus: single source of truth, enable people leaders, grow capacity from within, lift learning and development delivery, better ways together, and focused diversity and inclusiveness capability.

Appendix Two: Alignment with councils' strategic direction

Our relationships with both shareholders are of critical importance to us, and we place a very high value on these respectful and mutually beneficial relationships. Maintaining these relationships requires all parties to take a long-term approach and are best built through consistent patterns of engagement and time together. We would like to increase our engagement with senior leaders from both shareholders over the coming year, to ensure we continue to meet and are responsive to our shareholders' needs.

Wellington City Council's Statement of Intent sets out several priorities and goals, and in the tables below we note how our work contributes to those.

Council Strategy as per LOE	WNZ Work Programmes (listed in Appendix One)	Alignment of WNZ initiatives in response to specific expectations (listed below)
WCC's 2024-34 LTP	WNZ-12, WNZ-14, WNZ-17	1. 4. 6. 7. 8.
GWRC's 2024-34 LTP	WNZ-12, WNZ-14	1. 10. 12. 13. 14. 15.
Tūpiki Ora me Tākai Here	WNZ-09, WNZ-11, WNZ-12, WNZ-14, WNZ-17	1. 5. 12. 14.
Te Atakura – First to Zero	WNZ-02, WNZ-05, WNZ-06, WNZ-08, WNZ-09	10. 11. 12.
Rautaki Aho Tini 2030	WNZ-09, WNZ-11, WNZ-12, WNZ-20	1. 2. 7. 8.
Strategy for Children & Young People	WNZ-11	1.
Economic Wellbeing Strategy	WNZ-01, WNZ-03, WNZ-05, WNZ-06, WNZ-09, WNZ-10, WNZ-11, WNZ-12, WNZ-13, WNZ-14, WNZ-16, WNZ-17	1. 4. 5. 3. 6. 7. 8. 10. 11. 12.
Accessible Wellington		5. 8. 10.

Notes and sources

WNZ Work Programmes (detailed in appendix one)

- WNZ-01 Major Events
- WNZ-02 Wellington Brand
- WNZ-03 International Visitation
- WNZ-04 Domestic Visitation
- WNZ-05 Wellington Destination Management Plan
- WNZ-06 Wellington Regional Trails Framework
- WNZ-07 Māori Economic Development & Business Support
- WNZ-08 Regional Economic Development
- WNZ-09 Creative HQ

- WNZ-10 Tech Sector
- WNZ-11 Screen Wellington
- WNZ-12 Wellington Convention Bureau
- WNZ-13 Supporting Wellington businesses to thrive
- WNZ-14 City in transition
- WNZ-15 Mana Whenua Partnerships
- WNZ-16 Regional/City deals and other WRLC work
- WNZ-17 Skills, talent and education
- WNZ-18 Investment attraction
- WNZ-19 People and Culture Strategy

Initiatives responding to specific expectations (detailed on pages 13-15)

- Working in Partnership with Council
- Growing technology and Screen sectors
- Financial pressures and increased revenue generation
- Supporting businesses impacted by central city development activity
- Strongly marketing Wellington
- Destination Pōneke
- Tākina
- Venues Operational Plan
- Take account of the current economic situation
- Implementation of the REDP
- Te Matarau a Māui
- Promote industrial land
- Cruise Strategy
- Promotion of Public transport

Appendix Three: Governance and Accounting

WellingtonNZ is a Council Controlled Organisation as defined by the Local Government Act 2002. WellingtonNZ is owned 80% by the Wellington City Council and 20% by the Greater Wellington Regional Council.

Governance Board

The Board is responsible for the strategic direction of WellingtonNZ’s activities. The Board guides and monitors the business and affairs of WellingtonNZ, in accordance with the Companies Act 1993 and the Local Government Act 2002, the Company's constitutions and this SOI. The Board does the same for CreativeHQ.

All current Board directors are independent and appointed by our shareholders. The Board meets six to seven times a year. The Board has two sub-committees; Risk and Audit, and People and Culture, which meet separately.

Shareholder Governance

Reporting

By 1 March each year WellingtonNZ will deliver to the shareholders its draft SOI for the following year in the form required by Clause 9 (1) of Schedule 8 and Section 64 (1) of the Local Government Act 2002.

Having considered any comments from the shareholders that are received by 30 April, the Board will deliver the completed SOI to the shareholders on or before 30 June each year.

By 31 October and 30 April each year, WellingtonNZ will provide to the shareholders a quarterly report. The quarterly report will include WellingtonNZ's commentary on operations for the relevant quarter and a comparison of WellingtonNZ's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.

By the end of February each year, WellingtonNZ will provide the shareholders with a Half Yearly Report complying with Section 66 of the Local Government Act 2002.

By the end of September each year, WellingtonNZ will provide to the shareholders an Annual Report on the organisation’s operations during the year. This will include audited financial statements prepared in accordance with New Zealand Generally Accepted Accounting Practice and that also comply with Public Benefit Entity Standards. The Annual report shall also contain an Auditor’s report on both those financial statements and the performance targets and other measures by which performance was judged in relation to that organisation’s objectives.

Accounting Policies

WellingtonNZ has adopted accounting policies that are in accordance with New Zealand Generally Accepted Accounting Practices and Public Benefit Entity Standards. The detailed policies are as disclosed in WellingtonNZ's 2023/24 Annual Report.

Basin Reserve Trust

Statement of Intent
2025-2026

Introduction

The Basin Reserve: *Our Village Green* – It is the Basin Reserve Trust and Wellington City Council's vision that the Basin Reserve is highly valued as a public reserve of unique character and is recognised as the premier international cricket venue in New Zealand. The journey to this point has been years in the making, with the 1884 Trust Deed conveying the area to the Wellington City Council in Trust so that the Basin Reserve would be "*forever used for the purposes of a cricket and recreation ground by the inhabitants of the City of Wellington*". In 1998, the Basin Reserve was listed as a Heritage Area, becoming the first sports ground to receive such a designation, and further enhancing its heritage and recreational significance to Te Whanganui-a-Tara.

Today, the Basin Reserve has seen more New Zealand Test matches and Test victories than any other ground. It has also been the venue for some of the most remarkable performances in our cricketing history; from JR Reid's 15 sixes in a first-class innings, to Martin Crowe and Andrew Jones' World Record partnership of 467 in 1991, and Brendon McCullum's historic score of 302 in 2014. But the ground not only hosts cricket games, but sporting fixtures of every variety. It has hosted national events and competitions, including VE Day celebrations, Royal Tours, exhibitions, Scout jamborees, concerts, and festivals.

The Basin Reserve Trust (BRT) plays a role in contributing to the Wellington City Council's 2024-2034 long-term plan, and we understand our role in the vision for *"Poneke – the creative capital where people and nature thrive."*

Objectives

The objectives of the trust are stated in the Trust Deed as agreed between the Wellington City Council and the BRT and are highlighted below:

1. To manage, administer, plan, develop, maintain, promote, and operate the Basin Reserve for recreation and leisure activities and for the playing of cricket for the benefit of the inhabitants of Wellington.
2. To establish a long-term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community-based activities.
3. To enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust.
4. To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion, and further development of the Basin Reserve.
5. Generally, to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the public of Wellington.
6. To operate as a successful undertaking, managed on a not-for-profit basis.
7. To preserve and enhance the significant and recognised heritage value of the Basin Reserve.
8. To comply with all legislative and regulatory provisions relating to its operation and performance, including statutory and general Council objectives for Council-controlled organisations, and to acknowledge the Council's contribution where appropriate.

2025-26 Activities

In line with the objectives of the Trust Deed, the BRT will focus on the following initiatives in 2025-26.

Events and Functions
The Basin Reserve is now a major venue of choice for the people of Wellington when it comes to events and functions. The venue plays host to a wide variety of users, including corporate days, family celebrations and of course, is enjoyed by many when cricket is played. In total, approximately 70 event days, 100 practice days, and 80 functions will be delivered, making the Basin a highly used space for the city.

An overview of the wide range of events that are planned for 2025-26 are outlined below.

<u>*Community and other Sport Events*</u>
The BRT is proud to be a venue for everyone, and key events for 2025-26 include:

- **Junior Rugby and Football** | Please note there will be no winter sports played at the Basin Reserve due to the turf renewal over the winter period (2025). There is a full intention to continue to support ground access for the winter codes in the 2026-27 financial year.
- **Beers at the Basin** | After the cancellation of the 2024 event, we have contractedly locked in for 2025 the popular festival that displays Wellington's craft beer industry will continue to be a summer feature on the Basin's busy event calendar.
- **Summer Sessions at the Basin or similar** | We are exploring bringing back Summer Sessions at the Basin in March 2026 or a similar event. At this stage, it has not been budgeted for. Much like Beers and the Basin, the BRT is looking to establish this event or a similar event as a regular fixture in February/March each year, with Beers at the Basin operating annually in November.
- **Community Cricket** | A wide range of community cricket events will be held, including various club competitions finals, the boys and girls Primary School and Secondary School finals, a Disability Sport Day, Deaf Cricket, and junior cricket field days.
- **Ethnic Community Festival** | Cricket Wellington has established an Ethnic Community Festival that brings culture, music, food, and cricket together. In 2024/25, we held the inaugural Kilikiti Cricket Festival. This will be the largest community event of the year and is eagerly anticipated by both the Pacific Community and the Cricket Community of Wellington. This will continue in 2025-26 and has gained momentum year on year with the addition of Cricket Wellington now running a Kilikiti Competition over the summer at Fraser Park, Lower Hutt.

The Trust remains committed to increasing and diversifying the utilisation of the Basin Reserve and will continue to seek opportunities to increase usage of the venue by community and corporate groups, other sports organisations, and event hirers to drive the utilisation of the Basin Reserve as a function venue of choice.

<u>*Functions*</u>
The BRT has contracted Black and Gold Events to manage and promote the Norwood Room and Trish McKelvey in the RA Vance Stand as a venue for conferences, meetings, weddings, celebrations, Christmas functions or team building workshops. In total, 80 functions are expected to be hosted at the venue for 2025-26.

Domestic Cricket
The Basin Reserve is the home of Cricket Wellington and the home ground of the Wellington Firebirds in the Plunket Shield, Ford Trophy and Men's Super Smash, as well as the Wellington Blaze in the Hallyburton Johnston Shield and Women's Super Smash. The Basin also accommodates Cricket Wellington development teams. The Basin is planning to host 51 days of cricket events, with 100 days of use planned for the practice facilities.

International Cricket
In partnership with Wellington, NZ and Cricket Wellington, the BRT has bid to host a West Indies Test match in December 2025. We are still waiting for information about further international games in the summer of 2025-26 but are ready and prepared to host any team that comes to New Zealand, as an example we have also bid for the White Ferns vs South Africa (March 2026), and Blackcaps vs. West Indies ODI (December 2025) matches this summer.

Critically, the Trust has identified that securing international cricket fixtures is crucial for generating revenue and ensuring the ground remains at the forefront for New Zealand Cricket as a venue of choice. Future investment in facilities and general upgrades needs to be considered in alignment with enhancing the venue as a modern cricket facility that is fit for purpose for hosting international cricket.

Capital Projects
The major redevelopment of the Basin Reserve is now completed, which means the focus shifts to managing the assets under the asset renewal grant from the Wellington City Council.

Projects that were completed in 2024-25 include:

- The picket fence project is now complete, and we have sold off the old pickets to the community. This was a real success and allowed many people the opportunity to secure a piece of the ground's history.
- The last of the costs of the security review will be recognised in the 2024-25 financial year. We have now moved over to the council monitoring service, which greatly enhances the security of the venue moving forward.
- The LED big screen project was operational in time for the England Test match in December 2024. We were fortunate with funding of a $300k donation from the Wellington Cricket Trust, and Class 4 Funding of $150k (NZCT, Pelorus, and Pub Charity). This will greatly enhance the Basin as a venue; we will now be able to appeal to more users, for example, Relay for Life, and hold events such as movie nights, which will increase revenue.
- The sight screens project was completed in time for the summer of cricket in 2024-25. This was funded by the Wellington City Council. There were some challenges with the fabric used, and not meeting the challenges of the Wellington wind. Temporary solutions have been found, and these will be fixed after the summer season has finished.

Proposed new Capital Projects are critical to ensure the Basin continues to be a world-class facility. We are in the process of working with key stakeholders to establish what developments the ground needs over the next 4 years. The main areas of focus are:

- Permanent broadcast towers – to reduce the overlay costs for the broadcast of domestic and international cricket. Permanent broadcast towers, as opposed to the temporary structures that are erected each summer, have a significantly reduced footprint; they will provide a revenue opportunity (advertising) for the Trust and will also enhance the Basin's ability to secure international cricket (by reducing costs to the broadcast partner). To this point, this is a directive from New Zealand Cricket in order to continue to host international matches.

- Hybrid hospitality areas – to remove high set-up costs (such as scaffolding, marquees, furniture hire) to generate not only more revenue but also ensure we meet requirements around health and safety, ground aesthetics, and accessibility.

Sponsorship and Fundraising

The BRT remains committed to assisting with fundraising and sponsorship, while remaining dedicated to exploring further commercial opportunities for the venue generally.

Key opportunities that the BRT are progressing:

- **Naming Rights Partner** | the Trust is currently working with Cello to extend them as naming rights sponsor for a further two years from September 2025.
- **Digital Billboards** | the Trust have signed an Agreement to Licence and are also investigating digital billboard opportunities at the Basin Reserve to grow a more sustainable revenue base that would provide the BRT with additional income to support the redevelopment and ongoing maintenance. The resource consent is currently sitting with the Wellington Council.

The Trust will report on progress each quarter.

Cricket Wellington and The New Zealand Cricket Museum

The Basin Reserve is the home of Cricket Wellington, the Regional Sports Organisation for cricket in Wellington, and the New Zealand Cricket Museum. The Old Pavilion Stand is home to the Cricket Wellington offices and the national Cricket Museum, which officially reopened in December 2021. The New Zealand Cricket Museum records the history of cricket and tells the story of the Basin Reserve through its newly developed and modernised storytelling and displays.

The Trust recognises the significance of being the home of the New Zealand Cricket Museum as it aligns with the Council's objective of having fit-for-purpose community, creative and cultural spaces. The Museum is a place where people can come to connect, develop, and express their arts, culture, and heritage. This drives additional and diverse visitation to the venue via private group tours, educational school trips, cricket match day experiences and will be open every Sunday to the public.

New Zealand Cricket, along with the New Zealand Cricket Museum, launched the Hall of Fame in December 2024 during the English Test match with 11 inductees. This will now be an annual tradition that we are proud to host and hold at the Basin Reserve.

Wellington Regional Stadium Trust (WRST) Turf Services Partnership

The BRT will continue to work in partnership with the WRST to ensure that the Basin reserve outfield, wicket blocks and practice wickets are world-class. A significant proportion of the operating grant provided to the BRT from Wellington City Council covers the costs associated with the Turf Services Agreement between the BRT and WRST, which are costs that continue to increase year on year.

1. Strategic Alignment to WCC

The BRT aligns its strategic and service delivery to Wellington City Council in the following ways:

Strategy	BRT Alignment
Tupiki Ora and Takai Here	The Trust is committed to being an exemplary partner in championing the Māori strategic objectives. We are dedicated to building our relationship with the city's two mandated mana whenua organisations and actively contributing to the realisation of the Māori well-being strategy in partnership with the Council and other CCOs. The Trust is dedicated to being on the waka and supporting the key pillars identified, while also being acutely aware that we must respect the journey and develop trusted relationships with our mana whenua partners. The Trust propose the following focus areas for 2025-26: – Align with the Te Tauihu – to reo Māori Policy to update all venue signage – this has some challenges due to the Heritage status of the ground and the limitations to what we can do in this space, but we will continue to try and find solutions. – Collaborate with WCC City Design Project and mana whenua partners to tell the story of the Basin and reflect its cultural heritage visibly in the venue. – Partner with events at the venue to ensure inclusion of te reo Māori, i.e., cricket event days. – To work with Cricket Wellington to embrace WCC's Whare Kura learning management system as the key mechanism for Cricket Wellington staff to be upskilled in Te Reo Māori and Te Tiriti training. – To work with Cricket Wellington's Māori development officer to ensure all staff who work at the Basin Reserve understand Te Ao Māori and use those learnings to enhance the mana of the ground.
Te Atakura - First to Zero	The BRT was first awarded the Toitu Carbon Zero status on 19 December 2019 and will ensure that we remain a carbon-zero footprint venue to contribute to the Council's aim of being a zero-carbon capital by 2050. This includes the introduction of bike storage areas at the venue, promotion of scooters and e-bikes as a form of transport to events and being an advocate for key actions within the Te Atakura First to Zero plan. The BRT will continue to support the Wellington Region Waste Management and Minimisation Plan in conjunction with venue caterers and hirers. This includes utilising specific bins throughout the venue for recycling, glass, and general waste, as well as using a specific bin for grass waste. Furthermore, we now adhere to the Solid Waste Management and Minimisation Bylaw for events of 1,000 people or more. Additionally, we will continue to align with Black and Gold to minimise waste, which has seen a significant reduction in plastic waste due to vendors using compostable packaging and the introduction of goblets to replace plastic cups at events.

Aho Tini 2030 – Arts, Culture and Creativity Strategy	The trust will play an active role in identifying any suitable opportunities that may exist for the arts and culture sector to better utilise the Basin's assets. We will actively engage with the trustees of the Cricket Museum to see what opportunities we can partner on to highlight the arts using the museum as a backdrop. We will also work with existing and new partners to bring concerts, exhibitions, etc, to the Basin Reserve.
Strategy for Children and Young People	The BRT will ensure it aligns with the strategy for Children and Young People by ensuring the venue is always a safe place, specifically by partnering with events that focus on our youth.
Economic Wellbeing Strategy	The Trust will support the Council regarding the development and implementation of new strategies in the areas of economic wellbeing by partnering with Cricket Wellington on such things as their young leaders' programme aimed at Rangatahi boys and girls, and developing their leadership skills. We will use their graduates to provide a resource when events are being held at the Basin, e.g. international tests.
Urban Form	The Basin Reserve Trust supports Wellington City Council's vision for a sustainable, inclusive city and aligns its operations and planning with the following priorities: – Celebrating Māori and multicultural heritage: The Trust is working with mana whenua to incorporate Te Ao Māori and multicultural narratives into site design, signage, and programming. – Supporting zero-carbon transport: The Basin promotes public and active transport, with future developments enhancing walking, cycling, and public transport access. – Delivering resilient infrastructure: Recent and planned upgrades ensure the Basin is future-fit, safe, and able to support population and visitor growth while protecting its heritage. – Planning for climate change: Climate risks are factored into all development, with a focus on sustainable materials, weather resilience, and alignment with city-wide climate goals.
Accessible Wellington, The Accessible Journey Action Plan 2019	The BRT will continue to support the Accessible Wellington, The Accessible Journey Action Plan 2019, and continue to allow free lounge access to the Basin Reserve Trish McKelvey Lounge on match days. Advancing our commitment to the plan, the Trust will support Cricket Wellington through maintaining the Rainbow Tick diversity and inclusion certification process in 2025/2026. We will also host disability groups on the Basin through our community days and work to ensure everyone can access the Basin Reserve facilities in a safe and welcoming manner.

Our Strategic Relationship

The Trust expects to be involved with the strategic development of the venue, in particular the investment in the development/upgrade of key infrastructure in the venue and involvement with the annual asset management plan. The Trust intends to play an active role in the CCO collective and understands our position in supporting other CCO strategies and objectives.

2. Specific Expectations

Poneke – the creative capital where people and nature thrive, with the following initiatives:

Strategy	BRT Alignment
Due to the financial pressures Council is facing, Council expects the Trust to manage costs within its budget and explore opportunities for increased revenue generation to enable the Trust to deliver on its strategy and Council expectations. Council understands that this may lead the Trust to look at its service offering as well as new revenue opportunities.	The Basin Reserve Trust acknowledges Council's financial constraints and is committed to managing costs within budget while exploring new revenue opportunities. To achieve this, the Trust will: – Control costs – streamline operations, optimise procurement, and leverage partnerships to enhance efficiency. – Increase revenue – explore expanding sponsorship, attract diverse events, review pricing strategies, and explore new income streams such as naming rights and advertising outside of current agreements. – Optimise services – assess event offerings, enhance visitor experiences, and balance commercial activities with community access. By focusing on financial sustainability while maintaining the Basin Reserve's integrity, the Trust will continue delivering value to Wellington City Council and the community.
Council expects the Trust to explore opportunities for maximising and diversifying the number of events it hosts, including utilising the new big screen TV asset	The Basin Reserve Trust is committed to increasing and diversifying event opportunities in alignment with Wellington City Council's strategy. To achieve this, the Trust will: – Expand event offerings – explore attracting a broader range of sporting, cultural, and community events beyond cricket. – Leverage the big screen – utilise the new screen for live broadcasts, fan engagement, advertising, and community-focused events such as outdoor movie nights and public screenings. – Enhance venue appeal – promote the Basin Reserve as a premier event destination by working with promoters, event organisers, and stakeholders, including Wellington NZ. – Improve accessibility – streamline booking processes and optimise scheduling to accommodate more events while balancing community and commercial needs. Through these initiatives, the Trust will maximise the venue's potential, generate additional revenue, and enhance Wellington's event landscape.
The Basin Reserve Trust continues to recognise and support the use of the Reserve as a green public space and a vital connection in the walking and cycling network for the city	The BRT has played an active role in supporting the Newtown to City cycleway project that passes through the Basin Reserve. This includes the Commonwealth walkway improvements as well as appropriate signage and safety measures for a mixed pedestrian and cycle area. We will continue to work with the council to address the issues of speed and safety that have arisen due to the new cycle lanes, aiming to achieve a solution that ensures the best outcome for all users of the Basin Reserve.

3. Performance Targets

In line with Wellington City Council's 2024-34 Ten Year Plan, the BRT aims to deliver the following performance measures for 2025-26:

Measure	24-25 Forecast	25-26 Q1	25-26 Q2	25-26 Q3	25-26 Q4	25-26 Total
Quarterly Targets						
Ticketed Cricket Events at the Basin	12	0	7	5	0	12
Practice facility usage (Days)	100	15	45	40	0	100
Functions*	80	20	20	20	20	80

**Measured as the number of functions held at the venue, not as days as per other performance targets.*

Measure	2025-26 Forecast
Numbers attending events*	40,000
Event Income ($) –	409,600
Council Operating Grant ^ ($)	872,766
Cash Subsidy (grant) per attendance ($)	$21.82

^Includes turf management fee.

4. Governance

The Trust Deed establishes the BRT under the Charitable Trusts Act 1957 for the purposes of managing and administering the Basin Reserve. Wellington City Council has appointed the BRT to manage the Basin Reserve under a Management Deed (relating to the Basin Reserve). These two key documents set out how the BRT will govern the Basin Reserve.

The BRT is governed by a Board comprising four Trustees, two appointed by Cricket Wellington and two by Wellington City Council. The Board meet at least four times a year and appoints subcommittees as it deems appropriate to fulfil its obligations. The Trustees set the strategic direction for the BRT and approve the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensure that the Trust has appropriate policies and procedures to mitigate its risks (including compliance with the Health and Safety at Work Act 2015).

Trust Membership

- Alan Isaac (Chair) (appointed by Wellington City Council)
- Councillor John Apanowicz (appointed by Wellington City Council)
- Mike Horsley (appointed by Cricket Wellington)
- John Greenwood (appointed by Cricket Wellington)

Performance Management

The performance of the Trust is measured in part by the achievement of agreed KPIs, with regard to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee performance and will provide an update to Council by 30 September 2025. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council-appointed Trustees) and Cricket Wellington (with regard to the two Cricket Wellington-appointed Trustees).

The Trust acknowledges the need for ongoing professional development opportunities for Trustees and encourages the undertaking of specialist training for identified needs. The Board will, on an annual basis, implement a programme that supports the identified needs. This may include programmes such as those offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

5. Finance

The budget is generally conservative, which is developed on the basis of breaking even and in line with the activity outlined in this document.

Analysis

The following are the key details and assumptions for the budget that result in an operating loss of $95,091 for the 2025-26 financial year.

Revenue - $1,391,490 is forecast in the budget.

Revenue	Forecast 2024-25*	Forecast 2025-26	Comment
Council Funding	$842,438	$872,766	
Asset Renewal and Turf Management	$446,150	$134,131	*Asset Renewal and Turf Management funding is lower in the 2025-26 year.*
Sale of goods and services	$393,639	$391,793	
Interest	$7,019	$4,800	
Total	$1,689,246	$1,391,490	

**Forecast until end of FY2024-25. Please note, that we have capitalised $165,469 of costs funded by the Asset Renewal Fund in the FY2024-25 year, which means the estimated operating loss of $65,413 will now result in a surplus of $100,056. In future years, we will have higher depreciation costs in the FR2025-26 due to this capitalisation (in line with accounting standards). We have assumed 100% of the asset renewal income in the FY2025-26 year will be expensed at this stage.*

Expenditure

Expenditure of $1,486,580 is included within the budget.

Expenses	Forecast 2024-25	Forecast 2025-26	Comment
Depreciation	$77,194	$85,105	*This includes the deprecation of the new screen at $24k per year.*
Costs relating to providing goods and services	$1,224,995	$1,261,024	*Larger cost increases include turf management, rates, and insurance for the screen (new cost).*

Asset Renewal and Turf Management Costs**	$280,681	$134,131	*Note that in 2025, we allocated the $261,150 received in the Asset Renewal fund to:* *$95,681 expenses* *$165,469 Capitalised to the Fixed Asset Register.*
Other expenses	$6,320	$6,320	
Total	$1,589,190	$1,486,580	

The expense side of the budget has been developed based on business as usual and a realistic estimate of the costs associated with operating the BRT.

Capital Expenditure
Capital Expenditure is forecast at $99,732 in line with the WCC Asset Renewal Budget.

Cashflow
Cash flow varies throughout the year as key revenues from grants are received quarterly.

Risks
The main financial risks are as follows:

- Concession agreement with Black and Gold is terminated.
- Inability to secure international cricket fixtures.
- The domestic cricket season does not proceed as planned.
- Increased repairs and maintenance are required.

Estimate of the amount intended for distribution
There is no intention to pay out reserves to stakeholders.

Acquisition procedures
There is no intention to make any acquisitions.

Estimate of the commercial value of the stakeholder's investment
N/A

Forecast FY2026

Profit and loss report

Trustees in The Basin Reserve Trust

	Forecast Sep-25	Forecast Dec-25	Forecast Mar-26	Forecast Jun-26	Projected Total
Income					
Grant Income					
Grant Wellington City Council	436,383	-	436,383	-	872,766
Total Grant Income	**436,383**	**-**	**436,383**	**-**	**872,766**
Ground Hire Income					
Ground Hire International Cricket	-	83,500	16,700	-	100,200
Ground Hire Domestic Cricket	-	24,000	54,000	-	78,000
Ground Hire Other Events	13,000	-	3,500	-	16,500
Beers at the basin	-	25,000	-	-	25,000
Total Ground Hire Income	**13,000**	**132,500**	**74,200**	**-**	**219,700**
Other Income					
Concession Income	7,500	7,500	7,500	27,500	50,000
Sponsorship	10,241	45,242	10,241	10,241	75,963
Screen Hireage	-	-	10,000	-	10,000
Picket Fence Income	252	3,126	4,626	126	8,130
Rental Income	6,500	1,500	1,500	6,500	16,000
Total Other Income	**24,492**	**57,368**	**33,867**	**44,367**	**160,093**
Interest Income					
Interest Income	1,200	1,200	1,200	1,200	4,800
Total Interest Income	**1,200**	**1,200**	**1,200**	**1,200**	**4,800**
WCC Asset Renewal Grant Claims	99,732	-	-	-	99,732
Turf Renewal	-	34,399	-	-	34,399
Total Income	**574,807**	**225,467**	**545,650**	**45,567**	**1,391,490**
Gross Profit	**574,807**	**225,467**	**545,650**	**45,567**	**1,391,490**
Expenses					
Building Expenses					
Repairs & Maintenance	3,000	3,000	3,000	3,000	12,000
Cleaning	25,698	5,440	2,583	3,280	37,001
Electrical Services	1,500	1,500	1,500	1,500	6,000
Fire System	2,100	2,100	2,100	2,100	8,400
Painting	1,000	1,040	1,000	1,000	4,040
Pest Control	-	2,031	3,587	3,857	9,475
Plumbing	2,000	1,000	1,000	2,000	6,000
Other	500	1,000	500	-	2,000
Total Building Expenses	**35,798**	**17,111**	**15,270**	**16,737**	**84,915**

	Forecast Sep-25	Forecast Dec-25	Forecast Mar-26	Forecast Jun-26	Projected Total
Ground Expenses					
Electrical Services	-	-	-	1,000	1,000
Toitu Carbon Energy	-	-	-	3,200	3,200
Cleaning	871	239	690	915	2,714
Painting	547	38	1,030	-	1,615
Plumbing	-	-	350	350	700
Rubbish Removal	4,065	5,922	5,472	3,600	19,059
Structures Repairs & M	3,402	-	405	2,000	5,807
Turf Renewal Budget (WCC)	-	34,399	-	-	34,399
Turf Management	147,758	147,758	147,758	147,758	591,032
Total Ground Expenses	**156,642**	**188,355**	**155,705**	**158,823**	**659,525**
Occupancy Expenses					
Gas	1,940	2,802	1,100	1,650	7,492
Electricity	12,430	12,692	15,436	12,540	53,098
Rates	20,971	20,971	20,971	20,971	83,886
Security	5,760	8,960	7,025	6,600	28,346
Telephones & Internet	1,139	893	1,081	1,050	4,163
Water Rates	8,000	- 3,705	5,500	3,300	13,095
Television	1,502	1,502	1,502	1,502	6,007
Insurance	-	11,000	-	-	11,000
Consumables Laundry & Toilet	9,094	13,548	6,783	6,600	36,024
Total Occupancy Expenses	**60,837**	**68,663**	**59,398**	**54,213**	**243,110**
Event Running Expenses					
Event Running	-	55,339	27,703	-	83,042
Casual Staff	-	-	-	-	-
Total Event Running Expenses	**-**	**55,339**	**27,703**	**-**	**83,042**
Administration Expenses					
Audit Fee	-	-	-	20,000	20,000
Bank Fees	30	30	30	30	120
Consultants	10,241	10,241	10,241	10,241	40,963
Management Fee	40,937	45,251	3,000	74,560	163,748
Total Administration Expenses	**51,208**	**55,522**	**13,271**	**104,831**	**224,830**
Other Expenses					
Marketing	2,403	1,333	1,000	-	4,736
Miscellaneous Expenses	-	479	-	-	479
Picket Fence Expenses	203	356	407	138	1,105
Asset Renewal Costs	99,732	-	-	-	99,732
Total Other Expenses	**102,338**	**2,169**	**1,407**	**138**	**106,052**
Depreciation Expense					
Depreciation Expense	21,276	21,276	21,276	21,276	85,105
Total Depreciation Expense	**21,276**	**21,276**	**21,276**	**21,276**	**85,105**
Total Expenses	**428,099**	**408,435**	**294,029**	**356,017**	**1,486,580**
Operating Profit	**$ 146,708**	**-$ 182,968**	**$ 251,621**	**-$ 310,451**	**-$ 95,091**

Balance Sheet Forecast FY26
Basin Reserve Trust

		30 Sept 25	30 Dec 25	30 Mar 26	30 Jun 26
1-0000	**Assets**				
1-0500	**Current Assets**				
1-1000	**Cash at Bank and on Hand**				
1-1100	Westpac Cheque Account	54,235	49,441	78,826	89,908
1-1200	Westpac Savings Account	350,000	50,000	380,000	100,000
	Total Cash at Bank and on Hand	**404,235**	**99,441**	**458,826**	**189,908**
1-2000	**Receivables**				
1-2100	Accounts Receivable	4,600	128,225	65,205	27,600
1-2200	Accrued Revenue	-	-	-	20,000
	Total Receivables	**4,600**	**128,225**	**65,205**	**47,600**
	Total Current Assets	**408,834**	**227,666**	**524,031**	**237,508**
1-8000	**Fixed Assets**				
1-8100	Fixed Assets Opening Cost	1,483,166	1,483,166	1,483,166	1,483,166
1-8200	Fixed Asset Additions	-	5,000	5,000	5,000
1-8210	Fixed Asset - LCD Screen WIP	-	-	-	-
1-8400	Fixed Asset Accum Depreciation	(571,764)	(593,040)	(614,316)	(635,592)
	Total Fixed Assets	**911,402**	**895,126**	**873,850**	**852,574**
	Total Assets	**1,320,236**	**1,122,792**	**1,397,881**	**1,090,082**
2-0000	**Liabilities**				
2-0010	**Current Liabilities**				
2-2000	Accounts Payable	196,070	89,978	189,736	189,982
2-2100	Accrued Expenses				20,000
2-3000	Income Received in Advance	13,750	8,750	8,750	8,750
2-5300	GST Paid/(Refunded)	(38,113)	58,502	(17,787)	(35,382)
	Total Current Liabilities	**171,707**	**157,230**	**180,699**	**183,350**
	Total Liabilities	**171,707**	**157,230**	**180,699**	**183,350**
	Net Assets	**1,148,530**	**965,562**	**1,217,183**	**906,732**
3-0000	**Equity**				
3-1000	Opening Retained Earnings	1,001,722	1,001,722	1,001,722	1,001,722
3-2000	Current Earnings	146,708	(36,260)	215,361	(95,090)
3-3000	Settlors Fund	100	100	100	100
	Total Equity	**1,148,530**	**965,562**	**1,217,183**	**906,732**

Cashflow Forecast FY26

Basin Reserve Trust

		Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	*Full Year Forecast*
	Bank at Beginning	**203,350**	**724,471**	**720,283**	**404,235**	**389,752**	**353,430**	**99,441**	**713,848**	**672,516**	**458,826**	**486,052**	**404,984**	***203,350***
4-0000	**Income**													
4-1000	**Grant Income**													
4-1100	Grant Wellington City Council	501,840	-	-	-	-	-	501,840	-	-	-	-	-	*1,003,681*
4-1200	Grant Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Grant Income	**501,840**	**-**	**-**	**-**	**-**	**-**	**501,840**	**-**	**-**	**-**	**-**	**-**	***1,003,681***
4-2000	**Ground Hire Income**													
4-2100	Ground Hire International Cricket	-	-	-	-	-	-	96,025	-	-	19,205	-	-	*115,230*
4-2200	Ground Hire Domestic Cricket	-	-	-	-	-	-	27,600	-	34,500	27,600	-	-	*89,700*
4-2400	Ground Hire Other Events	-	14,950	-	-	-	-	-	-	4,025	-	-	-	*18,975*
4-2500	Beers at the basin		-	-	-	-	28,750	-	-	-	-	-	-	*28,750*
	Total Ground Hire Income	**-**	**14,950**	**-**	**-**	**-**	**28,750**	**123,625**	**-**	**38,525**	**46,805**	**-**	**-**	***252,655***
4-3000	**Other Income**													
4-3100	Concession Income	25,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	*57,500*
4-3200	Sponsorship	-	-	-	40,250	-	-	-	-	-	-	-	-	*40,250*
4-3600	Picket Fence Income	126	-	126	-	126	3,000	3,000	1,500	126	-	126	-	*8,130*
	Screen Hire	-	-	-	-	-	-	-	11,500	-	-	-	-	*11,500*
4-3650	Rental Income	1,725	5,750	-	1,725	-	-	1,725	-	-	1,725	5,750	-	*18,400*
4-3700	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Other Income	**27,726**	**8,625**	**3,001**	**44,850**	**3,001**	**5,875**	**7,600**	**15,875**	**3,001**	**4,600**	**8,751**	**2,875**	**135,780**
4-4000	**Interest Income**													
4-4100	Interest Income	400	400	400	400	400	400	400	400	400	400	400	400	*4,800*
	Total Interest Income	**400**	**400**	**400**	**400**	**400**	**400**	**400**	**400**	**400**	**400**	**400**	**400**	***4,800***
4-8900	WCC Asset Renewal Grant Claims	-	-	-	114,692	-	-	-	-	-	-	-	-	*114,692*
4-8901	Turf Renewal	-	-	-	-	-	-	39,559	-	-	-	-	-	39,559
	Cash inflows from Operations	**529,966**	**23,975**	**3,401**	**159,941**	**3,401**	**35,025**	**673,024**	**16,275**	**41,926**	**51,805**	**9,151**	**3,275**	**1,551,166**
6-0000	**Expenses**													
6-1000	**Building Expenses**													
6-1100	Repairs & Maintenance	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	*13,800*
6-1200	Cleaning	1,257	1,491	1,112	26,950	4,197	1,676	383	456	1,257	1,257	1,257	1,257	*42,551*
6-1300	Electrical Services	575	575	575	575	575	575	575	575	575	575	575	575	*6,900*
6-1400	Fire System	805	805	805	805	805	805	805	805	805	805	805	805	*9,660*
6-1500	Painting	-	1,150	-	-	1,150	-	46	-	1,150	-	1,150	-	*4,646*
6-1600	Pest Control	1,479	-	-	-	-	1,168	1,168	1,168	1,479	1,479	1,479	1,479	*10,896*
6-1700	Plumbing	1,150	1,150	-	1,150	-	1,150	-	-	1,150	-	1,150	-	*6,900*
6-1800	Other	-	575	-	-	575	-	575	-	-	575	-	-	*2,300*
	Total Building Expenses	**6,416**	**6,896**	**3,642**	**30,630**	**8,452**	**6,524**	**4,701**	**4,154**	**7,566**	**5,841**	**7,566**	**5,266**	***97,653***
6-2000	**Ground Expenses**													
6-2100	Electrical Services	575	-	-	-	-	-	-	-	-	-	575	-	*1,150*

6-2120	Toitu Carbon Energy	-	-	-	-	-	-	-	-	-	-	3,680	-	*3,680*
6-2300	Cleaning	351	738	-	264	91	91	91	91	351	351	351	351	*3,121*
		Jul-25	**Aug-25**	**Sept-25**	**Oct-25**	**Nov-25**	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**	**Jun-26**	***Full Year Forecast***
6-2500	Painting	-	8	543	78	-	43	-	35	-	1,150	-	-	*1,857*
6-2600	Plumbing	-	-	-	-	-	-	-	-	403	-	403	-	*805*
6-2700	Rubbish Removal	1,150	2,376	1,078	1,221	1,919	2,491	2,400	2,613	1,840	1,840	1,495	1,495	*21,918*
6-2800	Structures Repairs & M	1,150	2,300	-	1,612	-	-	-	466	-	-	1,150	-	*6,678*
6-2900	Turf Management	-	-	169,922	-	-	169,922	-	-	169,922	-	-	169,922	*679,687*
6-2905	Turf Renewal	-	-	-	-	-	-	39,559	-	-	-	-	-	*39,559*
	Total Ground Expenses	**3,226**	**5,422**	**171,543**	**3,174**	**2,010**	**172,548**	**42,050**	**3,205**	**172,515**	**3,341**	**7,653**	**171,767**	***758,454***
6-3000	**Occupancy Expenses**													
6-3100	Gas	1,565	-	667	1,454	-	1,769	-	633	633	633	633	633	*8,616*
6-3200	Electricity	4,494	5,404	4,396	4,550	4,368	5,677	7,884	5,060	4,807	4,807	4,807	4,807	*61,062*
6-3300	Rates	-	-	24,117	-	24,117	-	-	24,117	-	-	-	24,117	*96,468*
6-3400	Security	2,510	1,476	2,639	4,830	2,639	2,836	3,019	2,530	2,530	2,530	2,530	2,530	*32,598*
6-3500	Telephones & Internet	435	438	438	342	343	343	438	403	403	403	403	403	*4,788*
6-3600	Water Rates	-	2,043	7,157	-	1,231 -	5,492	-	-	6,325	-	-	3,795	*15,059*
6-3700	Television	576	576	576	576	576	576	576	576	576	576	576	576	*6,908*
6-3800	Insurance	-	-	-	-	12,650	-	-	-	-	-	-	-	*12,650*
6-3900	Consumables Laundry & Toilet	3,486	3,486	3,486	8,259	3,660	3,660	3,660	4,140	-	4,140	-	3,450	*41,428*
	Total Occupancy Expenses	**13,066**	**13,423**	**43,474**	**20,011**	**49,584**	**9,368**	**15,577**	**37,458**	**15,273**	**13,088**	**8,948**	**40,310**	***279,577***
6-4000	**Event Running Expenses**													
6-4100	Event Running	-	-	-	3,528	8,629	51,483	20,227	11,631	-	-	-	-	*95,498*
	Total Event Running Expenses	**-**	**-**	**-**	**3,528**	**8,629**	**51,483**	**20,227**	**11,631**	**-**	**-**	**-**	**-**	***95,498***
6-5000	**Administration Expenses**													
6-5100	Audit Fee	21,045	-	-	-	-	-	-	-	-	-	-		*21,045*
6-5200	Accounting	-	-	-	-	-	-	-	-	-	-	-	920	*920*
6-5300	Bank Fees	10	10	10	10	10	10	10	10	10	10	10	10	*120*
6-5400	Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-
6-5500	Management Fee	1,150	1,150	41,734	2,300	1,150	48,588	1,150	1,150	1,150	1,150	87,638		*188,310*
	Total Administration Expenses	**22,205**	**1,160**	**41,744**	**2,310**	**1,160**	**48,598**	**1,160**	**1,160**	**1,160**	**1,160**	**87,648**	**930**	***210,395***
6-6000	**Other Expenses**													
6-6400	Marketing	-	1,185	1,578	-	994	278	262	-	-	1,150	-	-	*5,446*
6-6500	Miscellaneous Expenses	-	-	-	-	-	-	551	-	-	-	-	-	*551*
6-6600	Picket Fence Expenses	156	78	-	78	117	215	390	-	78	-	81	78	*1,271*
6-6700	Grant Wellington City Council	-	-	-	114,692	-	-	-	-	-	-	-	-	*114,692*
	Total Other Expenses	**156**	**1,263**	**1,578**	**114,770**	**1,111**	**493**	**1,203**	**-**	**78**	**1,150**	**81**	**78**	***121,960***
	Cashflow outflows from operations	**45,068**	**28,163**	**261,981**	**174,424**	**70,945**	**289,014**	**84,918**	**57,607**	**196,591**	**24,579**	**111,895**	**218,351**	***1,563,537***
	Movement in Revenue/Expenses	**484,898**	**(4,188)**	**(258,580)**	**(14,482)**	**(67,544)**	**(253,989)**	**588,106**	**(41,332)**	**(154,665)**	**27,226**	**(102,744)**	**(215,076)**	**(12,371)**
	GST Movement	36,222		(57,468)		36,222		26,301		(59,024)		21,676		*3,928*
	Asset Purchase	-	-	-	-	(5,000)	-	-	-	-	-	-	-	*(5,000)*
	Total Movement	**521,120**	**(4,188)**	**(316,048)**	**(14,482)**	**(36,322)**	**(253,989)**	**614,407**	**(41,332)**	**(213,689)**	**27,226**	**(81,068)**	**(215,076)**	**(13,443)**

Bank Balance at end of month	**$ 724,471**	**$ 720,283**	**$ 404,235**	**$ 389,752**	**$ 353,430**	**$ 99,441**	**$ 713,848**	**$ 672,516**	**$ 458,826**	**$ 486,052**	**$ 404,984**	**$ 189,908**	***$ 189,908***

2024-34 LTP AMENDMENT AND THE 2025-26 ANNUAL PLAN: RECOMMEND TO COUNCIL FOR ADOPTION

Kōrero taunaki | Summary of considerations

Purpose

1. This report proposes that the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee (LTPFP Committee) recommend to Council that it adopt the 2024-34 Long-Term Plan amendment (LTP amendment) and the 2025/26 Annual Plan (Annual Plan).
2. The final LTP amendment and Annual Plan incorporate the relevant decisions made by the LTPFP Committee and Council at their 22 May 2025 meetings and minor edits required as part of the audit process. The following are attached to this paper:
   - Attachment 1: 2024-34 LTP Volume 1 amended
   - Attachment 2: 2024-34 LTP Volume 2 amended sections
   - Attachment 3: 2024-34 LTP Volume 3 amended Financial Strategy
   - Attachment 4: 2024-34 LTP Volume 3 amended Infrastructure Strategy
   - Attachment 5: 2025/26 Annual Plan (Section 1: Introduction and Section 2: Our work for the year)
   - Attachment 6: 2025/26 Annual Plan (Section 3: Financials and Section 4: Our Council)
   - Attachment 7: 2025/26 Annual Plan (Section 5: Appendices)
   - Attachment 8: Auditor's Audit opinion (LTP amendment only) – to be presented at Committee

Strategic alignment

3. The LTP amendment and Annual Plan includes the community outcomes, strategic approaches, and priorities from the 2024-34 LTP.

Relevant previous decisions

4. On 22 May the LTPFP Committee formally received all public submissions and deliberated on changes to both the LTP Amendment and the Annual Plan.
5. An analysis of all submissions was provided to the LTPFP Committee to inform deliberations. The outcome of deliberations was that the Committee recommended to Council the following:

   LTP Amendment

   The LTPFP Committee agreed to recommend to Council the creation of a large debt headroom and small investment fund, to help mitigate under insurance and lack of investment diversity risks. The Committee agreed to capital programme changes to increase the debt headroom.

Annual Plan

The LTPFP Committee agreed to proceed with the joint management with iwi on Matai Moana Reserve, amend the rating policy to introduce a new general rate differential for short-term accommodation providers for the 2026/27 Annual Plan, and fee and user charges changes.

6. On 22 May the Council approved the following:
   - the creation of a large debt headroom and small investment fund, to help mitigate under insurance and lack of investment diversity risks. The Committee agreed to several capital programme changes to increase the debt headroom.
   - To proceed with the joint management with iwi on Matai Moana Reserve, amend the rating policy to introduce a new general rate differential for short-term accommodation providers for the 2026/27 Annual Plan, and fee and user charges changes; and
   - To proceed with specific capital projects including Khandallah Pool, Begonia House and the Karori Event Centre.

Significance

7. The decision is **rated high 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

8. This report presents both the final 2024-34 LTP amendment including the external auditor's audit opinion, and the final 2025/26 Annual Plan for the Committee's consideration and recommendation to Council. On adoption, the Council will also set the rates for the 2025/26 year.

Risk

☐ Low	☐ Medium	☐ High	☐ Extreme

9. Key risks relating to the LTP Amendment and Annual Plan were discussed in the 13 February and 22 May Committee papers.

10. The adoption of the 2025/26 Annual Plan prior to the start of the relevant financial year is a statutory requirement in the Local Government Act 2002. The Annual Plan attached to the report for adoption meets the statutory requirements of the Local Government Act 2002.

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Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. **Receive** the information.
2. **Note** that the 2024-34 LTP amendment and the 2025/26 Annual Plan has been prepared based on the decisions and recommendations of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee meeting of 22 May 2025, with necessary changes to the LTP amendment made as a result of the audit of the LTP.
3. **Note** that Audit NZ is anticipated to complete its work ahead of consideration of this agenda item and will be in attendance at this meeting to speak to their audit opinion for the 2024-34 LTP Amendment.
4. **Note** that the draft budget prepared for 2025/26 proposes using debt to offset operating expenditure and that this is inconsistent with Council's Revenue and Financing Policy (see section 26 to 29 for details).
   4.1 Note that under Section 80 of the Local Government Act 2002, the Council can make decisions inconsistent with Council policy provided the inconsistency is identified, the reason for the inconsistency is explained, and how the Council will accommodate the inconsistency or modify the policy in future is outlined.
   4.2 Note the nature of the inconsistency, the reason for the inconsistency, and how Council will accommodate the inconsistency as outlined in section 26 to 29 of this report.

5 **Note** that our budget is significantly unbalanced in 2026/27. This is due to a $3bn loss on derecognition of assets due to the transfer of our three water assets to the new water services entity.

6 **Agree** that having regard to the requirements of section 100 of the Local Government Act 2002, the Council's significant forecasting assumptions and the Revenue and Financing Policy, it is financially prudent not to set a level of operating revenue that meets the projected operating expenses of Council.

7 **Agree** to all the attachments 1 to 8 and note that the 2024-34 LTP Amendment and 2025/26 Annual Plan will be presented at Council on 26 June.

8 **Recommend** that Te Kaunihera o Pōneke | Council:
   8.1 Receive the Audit opinion on the 2024-34 Long-term Plan Amendment from Audit NZ (Attachment 8)
   8.2 Adopt the amended 2024-34 Long-term Plan (Attachment 1 to 4)
   8.3 Adopt the 2025/26 Annual Plan (Attachment 5 to 7)
   8.4 Delegate to the Chief Executive and the Mayor the authority to make any minor editorial changes that may arise as part of the publication process

Whakarāpopoto | Executive Summary

11. The LTP amendment seeks to address the Council's underlining financial risk including underinsurance and lack of diversification. To achieve this, we have amended several capital programme and projects to create more debt headroom and are proposing to sell nine ground leases to create a small disaster resilience fund.
12. The LTP amendment was developed alongside the Annual Plan process for 2025/26.
13. No material changes have emerged since receiving feedback from the public through consultation in March – May (including oral hearings), or since the committee deliberation and final decisions on 22 May and through the Audit process.

14. This paper recommends both the 2024-34 LTP amendment and the 2025/26 Annual Plan to be adopted by Council on the 26 June.
15. This timing is critical, as the Annual Plan must be adopted before the start of the financial year to which it applies, in order to meet statutory requirements under the LGA and to enable the Council to strike rates.
16. Should the Council fail to adopt the Annual Plan by 30 June, it will be in breach of its statutory obligation under Section 95(1) of the Local Government Act to prepare and adopt an annual plan for each financial year. This would also prevent the Council from striking rates for the new financial year, thereby significantly impairing its ability to raise the necessary revenue to finance its operations and maintain essential services to the community.

Takenga mai | Background

17. The Council's 2024-34 LTP amendment and 2025/26 Annual Plan is provided for adoption (Attachments 2 to 8). This follows extensive work including:
    - a series of Councillor workshops as well as meetings of LTPFP Committee and Unaunahi Māhirahira | Audit and Risk Committee to finalise the content and options for the Consultation Document (CD);
    - audit of the LTP Amendment CD, supporting information as it related to the LTP Amendment and proposals for community consultation by Audit NZ (on behalf of the Auditor-General);
    - formal community consultation in March and April on the proposals in the CD (the LTP amendment component was audited) using the Special Consultative Procedure as set out in the Local Government Act 2002 (LGA);
    - oral hearings in May 2025;
    - the 22 May LTPFP Committee deliberations on the community and stakeholder consultation feedback, and community funding bids submitted as part of formal community consultation.
    - deliberations on 22 May LTPFP Committee to consider all of the proposed budget changes to enable the preparation of the LTP amendment and Annual Plan. This included some approvals for a small number of capital projects; and
    - audit of the final LTP amendment documents by the Council's external Auditors (Audit NZ on behalf of the Auditor-General).
18. The resulting decisions are now incorporated in both LTP amendment (and the Annual Plan).

Kōrerorero | Discussion

Overview: 2025/26 Annual Plan

19. The 2025/26 Annual Plan is based on Year 2 of the amended 2024-34 LTP. The recommended Annual Plan rates increase has not changed since deliberations and remains at 12.0% including the Sludge Levy.

20. The Annual Plan and amended LTP budgets have been updated to reflect the decisions made by the LTPFP Committee on 22 May. The documents also include a small number of additional changes that have become apparent since that meeting or as a result of decisions at that meeting, outlined below. There is no impact on the 2025/26 rates increase as result of these changes.

- *Bulk Water Charges* - Greater Wellington have notified that Bulk Water charges would be $0.35m lower than initially budgeted.
- *Khandallah Pool Operating Expenditure* - The initial estimate was an operating budget of $0.4m for 2025/26. A review of the 2024/25 budget has reduced this to $0.24m.
- *KiwiSaver Changes* - On 22 May, the Government announced changes to increase employer KiwiSaver obligations as part of the 2025/26 budget. The impact on the 2025/26 budget is an increase in expenditure of $0.2m.

21. Any decisions related to funding requests not already included in the 2025/26 Annual Plan will be brought back to committee as a budget adjustment recommendation as part of the Quarterly reports.

Programme and projects

22. Along with the changes that were agreed at the 22 May LTPFP Committee meeting, the Annual Plan is based on Year 2 of the amended 2024-34 LTP and continues key projects and programmes, including:

- The 2025 Local Election (commencing)
- Grenada North Community Sports Hub upgrade (commencing)
- Kilbirnie Park upgrade (continuing)
- Construction of the Sludge Minimisation Facility (continuing)
- Degasifications of our swimming pools (commencing)
- Southern Landfill expansion (finishing)
- Town Hall (continuing)
- Te Matapihi Central Library (finishing)
- Te Kāinga programme (continuing)

23. In addition to above projects, 2025/26 will continue our focus on implementation of several key strategies agreed alongside our LTP including:

- Tūpiki Ora Māori Strategy
- Te Awa Māpara – Community Facilities Plan
- Te Whai Oranga Pōneke - Open Space and Recreation Strategy
- Aho Tini 2030 – Arts, Cultural and Creative Strategy
- Our City Tomorrow: A Spatial Plan for Wellington City
- He anamata para kore mō Pōneke – A zero waste future for Wellington
- Economic Wellbeing Strategy

Overview: 2024-34 LTP amendment

Audit review and feedback on the LTP amendment

24. Since the 22 May LTPFP Committee deliberations, the LTP amendment has been audited by our external auditors (Audit NZ on behalf of the Auditor-General). They expect to complete their work on 20 June.

25. The auditors will attend this meeting of the LTPFP Committee to provide feedback and answer questions about the audit. The final audit opinion will be attached to this report as Attachment 8 and presented at the LTPFP Committee meeting.

26. The auditor has verbally confirmed that the audit of the LTP amendment has resulted in an unmodified opinion with three emphases of matters. The three matters have been carried over from previous 2024-34 LTP Audit opinions on the two consultation documents or the final plan or from the 2023/24 Annual Plan. These draw attention to:

    - Uncertainty on the future of water delivery (as per the 2025 CD Audit Opinion)
    - Uncertainty over fair value of three waters assets (as per the 2023/24 Annual Report); and
    - Risks associated with plans to defer renewals of transport and operational assets (as per the 2024-34 CD Audit Opinion and 2024-34 final LTP).

Balanced budget

27. Under section 100 of the LGA, Councils are required to set a balanced budget, where projected revenues are at a level sufficient to meet operating expenses. Large variances would indicate that ratepayers are either paying too much or too little rates which could lead to fairness and intergenerational issues over time.

28. For the first two years, as well as years 4 and 5 of the LTP amendment, the Council has a balanced budget. For years 6 to 10, there is a minor budget imbalance of between 2%-5%, which aligns with the adopted LTP. In year 3, we are forecasting a loss on derecognition of assets of approximately $3 billion due to the transfer of our three-water assets to the new water entity, resulting in an unbalanced budget for that year.

29. Year 2 of the amended LTP (2025/26) produces an underlying balanced budget with a surplus of $75.2m. This is mainly due to the recognition of significant capital revenue for the sludge minimisation facility.

30. Where the Council does not meet this benchmark, this is due to some of the planned operating expenditure being initially debt funded and, in some cases, is then rates funded to repay the debt for the purposes of inter-generational equity.

Debt-to-Revenue Ratio

31. The debt to revenue ratio is forecasted to exceed the limit of 200% for the first six years of the LTP. From year seven the ratio gradually returns within the limit.

Frank Kitts Park Update: Fale Malae

32. The Crown has withdrawn its capital funding Fale Malae project in Budget 2025 (announced on 22 May).

33. The Fale Malae Trust remains committed to the project and has offered to deliver $10 million of enabling, demolition, and landscape works at Frank Kitts Park for a $5 million Council contribution provisioned for in the LTP.

34. Retaining this funding in the LTP does not commit the Council to proceed with the proposal, but it does preserve the Council's ability to make a fully informed decision once all the information is available, including the details of the proposed commercial terms.

35. A final decision on landowner approval and the proposed Heads of Terms will be brought to Council in early 2025/26.

Other updates

Annual Plan: Key performance indicator update

36. Several technical changes to key performance indicators (KPI) are required and are outlined in Section E of the Annual Plan. These changes and the Strategic activity area they relate to are:

    - **Environment and Infrastructure:**

      Replacement of a mandatory Department of Internal Affairs measure for water quality to meet requirements that came in to effect after the publishing of the 2024-34 LTP

    - **Economic Development:**

      The retirement of one KPI within the WREDA 2024-25 Statement of Intent and replacement with a new KPI for their 2025-26 Statement of Intent.

    - **Cultural Wellbeing**

      A minor change to the descriptor and a change to target for the Toi Pōneke KPI to reflect the known impact of the facility moving locations and subsequent down periods.

    - **Social and Recreation:**

      Change to one KPI target reflecting a publishing error.

    - **Urban Development:**

      The retirement of one KPI due to a rule change impact of the 2024 District Plan.

      A change in reporting frequency for two KPIs to ensure better data integrity.

    - **Transport**

      A change to target for two elements of the Critical Transport Structures KPI to reflect updated underlying systems and methodology.

Kōwhiringa | Options

37. All options for the Annual Plan and Long-term Plan Amendment were deliberated on at the committee meetings held on 13 February and 22 May, with the recommendations to be adopted by Council on 26 June.. The Committee also reviewed options for a small number of capital projects and made project based decisions to include those options in the Long-term / Annual Plan and to proceed with those projects. This was approved by Council. Accordingly, this paper does not present any new options, as it reflects the adoption phase of the process, following the completion of audit process for the LTP Amendment.

38. As required by legislation, the development of the LTP amendment and the Annual Plan included the creation of options for key issues, which were then consulted on with the community. These options were presented in the CD to gather community feedback.

39. The LTPFP Committee considered the community feedback received on the options outlined in the CD. Final decisions on these options were made by the Committee on 22 May, determining what would be included in the final amended LTP and Annual Plan for audit review and subsequent adoption by Council.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

40. Following city wide public consultation and engagement, the 2022–2025 Council agreed the current strategic direction as part of the 2024-34 LTP. This strategic direction supports the Annual Plan.

41. In June 2024 Council adopted an LTP budget that was not a balanced budget. As outlined in paragraphs 26 to 29, this remains the case for the LTP Amendment.

Engagement and Consultation

42. Community consultation on the Annual Plan and LTP Amendment took place in March to May 2025. A city-wide, multi-channel consultation was carried out in accordance with the Special Consultative Procedure outlined in the LGA. This level of consultation was a requirement for the LTP Amendment.

43. The combined consultation was assessed as high significance in relation to the Council's Significance and Engagement Policy. The consultation document underwent an external audit by Audit NZ as per the LGA requirements.

44. The consultation programme and its results were presented at the LTPFP Committee meeting on 22 May.

Māori Impact Statement

45. A Māori Impact Statement was outlined in the 22 May LTPFP as part of the Committee's deliberations on the LTP Amendment and Annual plan following consultation. Community consultation included consultation with Māori. The proposed Annual Plan for adoption incorporates upholding the Tākai Here partnership, through the partnership agreement and the Tūpiki Ora Māori Strategy.

Financial implications

46. The financial implications of the recommendations contained in this report are outlined in the 22 May LTPFP Committee's deliberation report, as well as in the Annual Plan and the LTP amendment.

Legal considerations

47. Council has a statutory requirement 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. This is the key obligation underpinning the proposed financial strategy of this LTP amendment.

48. Both an LTP, including LTP amendments, and an Annual Plan are a statement of intention and not a decision to act on any specific matter. For those Capital Programme changes where decisions on a specific matter were made alongside this LTP amendment process, the decision-making requirements in the LGA apply. This includes the section 77 requirement to identify and assess the reasonably practicable options.

49. In contrast to the statutory requirement to have a new LTP in place by the beginning of the three-year period to which it relates, there is no similar timing requirement for an amendment as these can be done at any time. However, there may be practical implications for Council of delays in confirming an amendment to the LTP given these impact the projects within the capital expenditure programme. The Annual Plan must be adopted before 1 July 2025.

Risks and mitigations

50. All risks and mitigations were outlined in the 15 February and 22 May LTPFP Committee's deliberation report.

51. Should the Council be unable to adopt the Annual Plan by 30 June, then the Council will:

    a. Be in breach of its statutory obligation to prepare and adopt an annual plan for each financial year (S95 (1) of the LGA)

    b. Be unable to strike rates for the new financial year; and

    c. Adversely impact the council's ability to raise revenue to finance its operations and services to the community.

Disability and accessibility impact

52. Disability and accessibility impacts were outlined in the 15 February and 22 May LTPFP Committee's deliberation report.

Climate Change impact and considerations

53. Climate change impact was outlined in the 15 February and 22 May LTPFP Committee's deliberation report.

Communications Plan

54. Once the LTP amendment and Annual plans are published, its availability will be communicated through normal Council communication channels.

Health and Safety Impact considered

55. All health and Safety Impact considered were outlined in the 15 February and 22 May LTPFP Committee's deliberation report.

Ngā mahinga e whai ake nei | Next actions

56. Once the LTP Amendment and Annual Plan has been recommended to Council for adoption, Council will:
    a. Set the rates for 2025/26, in accordance with Section 23 of the Local Government (Rating) Act 2002 and as outlined in the 2025/26 Rates Setting paper for Council;
    b. Publish the final document; and
    c. Within one month from the date of adoption distribute the Annual Plan and make available online, in council libraries and service centres.
57. The publication will also include feedback to submitters on the final LTP amendment.

Attachments

Tō mātou mahere ngahuru tau
Our 10-year Plan

2024-34 Long-term Plan Volume 1 – Summary of our plan

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Ihirangi Contents

Wāhanga 1: Kupu Whakataki
Section 1: Introduction

Kei tēnei wāhanga

Kei tēnei wāhanga, he kupu tāwhiri nā te Koromatua rāua ko te Tumu Whakarae, he whakarāpopototanga anō hoki o tō mātou tiro whakamua, o ā te hapori whakahoki kōrero, me ngā panonitanga i muri mai o te whakawhitinga kōrero.

In this section

This section includes a welcome from our Mayor and Chief Executive, summaries of our vision, feedback from the community and what was changed after formal consultation.

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

Kia ora

Welcome

Ko tō mātou matawhānui mō te anamata o *Pōneke: te pokapū auaha e ora tōnui nei te tangata me te taiao,* e whai ana kia tāone tainekeneke, tāone toitū, tāone ngangahau anō hoki. Me whakatakoto e mātou ngā tūporo ināianei hei tūāpapa mō te anamata.

Ko tā te mahere pae tawhiti he whakatakoto i te ara e taea ai tēnei whāinga. Ka whakatakoto i ngā whakaarotau mō ngā tau 10 e haere ake nei, ko ngā mahi ēnā, me ngā moni e utua ai ēnā mahi.

Our vision for the future, *Poneke: the creative capital where people and nature thrive*, is about creating a dynamic, sustainable and vibrant city. We need to put the building blocks in place now to lay the foundations for this future.

A Long-term Plan sets out how we will do this. It states our priorities for the next 10 years, including what we will do, how much it will cost and how we will pay for it.

What makes up the plan?

Volume 1

- Strategic priorities and overview of work programme
- Budget summary
- Financial Strategy summary
- Infrastructure Strategy summary

Volume 2

- Statements of service provision
- Significant forecasting assumptions
- All financial policies and strategies that support this plan

Volume 3

- Full strategic framework
- Full Infrastructure Strategy
- Full Financial Strategy

He mihi nā te Koromatua me te Tumu Whakarae

To come

Mayor and Chief Executive's Welcome

We have a great capital city with a lot of heart. Art, nature and diverse communities – it's what makes the city such an amazing place to live, work and play.

But we've come to an important time in Wellington's history. We must develop into a more liveable and resilient city for the future while responding to our current economic environment.

So this next 10-year plan (our 2024–34 Long-term Plan) is hugely important. We've had to balance between investing in Wellington, so our communities thrive while also responding to tough economic conditions being felt by councils and communities all over the country.

As a city, we've had to make some hard decisions about what to prioritise while also picturing what our city can look like in 10 years' time and beyond. We have some major challenges. Our infrastructure is ageing – our water and transport networks need significant, ongoing and costly upgrades. We need to ensure our buildings are resilient, prepare for population growth with housing and transport, and act on climate change.

Over the next 10 years, we plan to spend $3.4 billion in capital costs to make improvements in the city, and $8.96 billion in operating costs to provide the hundreds of services Wellingtonians use every day – including libraries, swimming pools, recreation centres and sports fields, festivals, footpaths and our many regulatory services.

We have created a budget that results in a rates increase in 2025/26 of 12.0% (after growth in the ratepayer base). This includes the sludge levy, which is in addition to general rates, will be introduced from 2024/25 and is a further 1.6% increase (average annual increase of 0.6% over the 10 years of the plan).

The LTP Amendment in 2025 also included adjusting our budgets to reflect the impact of the Government's Local Water Done Well reform. This will result in the transfer of ownership and management of our water infrastructure from the Council to a new multi-Council-owned water entity. The transfer date of 1 July 2026 is reflected in this plan.

The final delivery model for our water network will be subject to decisions made by other Councils in the region and we finalised our LTP Amendment prior to the completion of the legislative process for the reforms being completed, which creates a level of uncertainty as to the final transition arrangements.

Our environment also needs care and attention, and this is reflected in the Council's Zero-Waste Strategy, as well as increased funding for climate resilience and tree coverage in our city centre. Our Zero-Waste Strategy aims to build a sustainable future through reusing, recycling and reducing waste. From 2027, we'll be introducing an organics collection service and redesigning our rubbish and recycling collections to reduce landfill waste.

As with any Long-term Plan, we've also needed to consider our financial resilience. The increasing risk of earthquakes and climate change-related disasters, and the increasing difficulties getting insurance cover, has massively changed the insurance risk that Council faces. As a result, our public assets like libraries, pools and waste systems cannot be covered by insurance. As our current investment portfolio is not diversified, most of our investment assets are exposed to the same kind of risk.

To mitigate these risks and build our city's resilience, we are selling a number of the Council's ground leases and using this money to set up a new disaster resilience fund that will reduce our insurance risk, and diversify our investment portfolio. This, along with a reduction in our capital programme to increase our debt headroom, will put us better placed to help rebuild Wellington after a climate change-charged weather event or a major earthquake.

This Long-term Plan represents a developing vision which will inform the next decade. Thank you to the thousands of Wellingtonians who participated in this process and provided feedback on our proposals. Together, we can ensure Pōneke continues to be a creative capital where people and nature thrive.

Tory Whanau

Mayor of Wellington

Matt Prosser

Chief Executive

Te Tākai Here
Tākai Here Partnership

In April 2022, Te Kaunihera o Pōneke and mana whenua in the Wellington rohe adopted Tākai Here - a collective partnership agreement with Taranaki Whānui ki te Upoko o te Ika, Te Rūnanga o Toa Rangatira, and Te Rūnanganui o Te Ātiawa ki te Upoko o te Ika a Māui.

This collective agreement set the principles, values and priorities for our work together. The date of the signing was significant, in being the 182nd anniversary of the signing of the Treaty of Waitangi in Te Whanganui-a-Tara.

The partnership is expressed through the narrative and imagery of a waka. The role we all play is like that of a hoe (paddle) propelling the waka forward, creating a partnership that looks ahead and plans for the future of Wellington.

It also refers to the binding, lashing, knotting and tying of the waka to ensure it is safe and fit for our shared purposes. This represents the way our shared values and tikanga ensure a strong relationship.

The Council is dedicated to strengthening our relationships with our Tākai Here partners as well as Māori communities. This includes providing opportunities for meaningful input, contributions and leadership roles in the decision-making process for our city.

Ko wai mā ō mātou hoa Tākai Here?
Who are our Tākai Here partners?

Taranaki Whānui ki te Upoko o te Ika

The Port Nicholson Block Settlement Trust was created in 2008 to receive the settlement package for Taranaki Whānui ki te Upoko o Te Ika (Taranaki Whānui). Taranaki Whānui represents people who whakapapa back to Te Āti Awa, Ngāti Ruanui, Taranaki, Ngāti Tama, Ngāti Mutunga and other iwi from the Taranaki area.

Taranaki Whānui ki Te Upoko o Te Ika is the collective group of individuals who descend from one or more of the ancestors of the following Iwi: Te Atiawa; Ngāti Tama; Taranaki; Ngāti Ruanui; and other Taranaki iwi such as Ngāti Mutunga. The takiwā for Taranaki Whanui ki te Upoko o te Ika was recounted to the New Zealand Company by the Rangatira Te Wharepouri in 1839 and followed the Māori tradition of marking a takiwa by tracing from headland to headland. The eastern boundary was established by the kāinga at Mukamuka on the stream of the same name. The takiwā (areas) included are the catchments of the Orongorongo, Wainuiomata, Te Awakairangi (Hutt) Rivers and Makara Stream along with Te Whanganui-a-Tara and the three islands in the harbour. The western boundary was established at Pipinui Point and includes the pā of Ngutu Kākā on the Northwestern side.

Ngāti Toa Rangatira

Te Rūnanga o Toa Rangatira is the mandated iwi authority for Ngāti Toa Rangatira. It is the administrative body for their assets and interests.

There are two Ngāti Toa marae in Te Upoko o te Ika – Hongoeka Marae and Takapūwāhia Marae.

The Ngāti Toa Rangatira area of interest spans the Cook Strait. It covers the lower North Island from the Rangitikei in the north and includes the Kāpiti Coast, Hutt Valley, and Wellington areas, as well as Kāpiti and Mana Islands. It includes large areas of the Marlborough Sounds and much of the northern South Island. The main areas of Ngāti Toa Rangatira occupation in the Wellington Region were the lands on the south-west coast of Wellington at Ōhariu, Porirua, Kāpiti Island and at locations on the Horowhenua Coast.

Te Āti Awa

Te Rūnanganui o Te Āti Awa ki te Upoko o Te Ika a Māui is based out of Te Māori in Waiwhetu.

There are three Te Āti Awa marae in the region, Waiwhetu Marae, Pipitea Marae and Te Tatau o te Pō Marae.

Within all these iwi are multiple hapū (sub-tribes) and whānau (families) with who we will work to establish formal partnerships over the coming years.

Ngā Whakaarotau rautaki

Strategic priorities

To fulfil our vision of Pōneke being the creative capital where people and nature thrive, we need to ensure that these iwi and Māori from our wider community are contributing to the decision making in our city.

To ensure we successfully achieve this we will continue to work on the following shared strategic priorities with our Tākai Here partners and Māori communities:

- Mauri Ora o te Tangata – Wellbeing of people
- Te Ao Māori and te reo Māori – Wellbeing of culture, heritage, arts, and language
- Kāinga me te Whenua – Wellbeing of housing and land
- Taiao – Wellbeing of our environment

Together with strong, open and transparent relationships, these priorities will provide the platform for further opportunities for Māori to participate in and create a positive future for Wellington.

We already have several strategic and operational commitments, which align with these priorities. Council staff will continue to work alongside Māori in our city to enhance effective engagement of Māori in decision-making. We have committed staff and other resources to support, advocate on behalf of, and guide the Council's interactions with Māori.

We are dedicated to building the staff capability and cultural intelligence of our organisation to further strengthen our capacity as an organisation to respond to the needs of our Tākai Here partners and Māori. This includes building staff capability in basic te reo Māori (language), tikanga (practices) and developing staff knowledge and understanding of Māori concepts, values, histories and experiences. It also includes enhancing staff confidence and skills in engaging with Māori to establish and manage effective relationships.

In October 2022, Council appointed two Pouiwi, both of whom were nominated by our Tākai Here partners. These Pouiwi have joined us for the 2022–2025 triennium, have full voting rights on all committees and sit on nearly all Council committees and sub committees.

The Council also established Te Whanganui-a-Tara, Māori Ward at the 2022 election so that all Māori in the city have stronger representation. Increasing the ways that the Council involves Tākai Here partners and Māori in the formal governance of the Council are key steps toward achieving meaningful partnership with Māori in shaping the future of Wellington City.

Tā mātou mō te anamata
Our vision for the future

Wellington is situated at the south-western tip of the North Island and is New Zealand's Capital City. We provide various services to the community to achieve our vision:

Pōneke, te wāhi auaha e whitawhita ai ōna tāngata me tōna taiao | Pōneke, the creative capital where people and nature thrive.

Our commitment to our mana whenua partners grounds us in how we deliver on the vision.

We are committed to Te Tiriti o Waitangi and strong partnerships with mana whenua. Tākai Here and Te Tiriti o Waitangi lay the foundation for everything that the Council does.

Underpinning our vision are five intertwined community outcomes. These are aspirational statements and more detail on these is provided from page X.

Cultural Wellbeing: A welcoming, diverse and creative city	**Social Wellbeing:** A city of healthy and thriving whānau and communities	**Economic Wellbeing:** An innovative business friendly city	**Urban Form:** A liveable and accessible, compact city	**Environmental Wellbeing:** A city restoring and protecting nature

To help us achieve these goals, we asked what priorities we should focus on now to make sure we make progress towards them. In March to May 2023, more than 3,000 Wellingtonians gave us feedback that led to the nine priorities below:

Nurture and grow our arts sector	Increase access to good, affordable housing to improve the wellbeing of our communities	Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	Collaborate with our communities to mitigate and adapt to climate change	Fix our water infrastructure and improve the health of waterways
Celebrate and make visible te ao Māori across our city	Invest in sustainable, connected and accessible community and recreation facilities		Transform our transport system to move more people with fewer vehicles	Transform our waste system to enable a circular economy

These priorities have helped us shape this plan and to make the hard decisions needed.

We are proud that this 10-year plan also embeds five approaches to help guide the Council in all parts of our work – meaning that going forward we are committed to putting te ao Māori, accessibility, the climate, community engagement and effective delivery at the heart of the Council and your city.

More information on these approaches is included from page X of this document and is also provided in our Statements of Service Provision in Volume 2.

Our plan for the next 10 years[1]

This Long-term Plan was amended in 2025 to reflect the Council's decision in October 2024 not to sell its shares in Wellington International Airport Limited.

The decision not to sell the shares in the airport means the Council has sought an alternative approach to addressing its two key financial issues of underinsurance and a lack of investment diversification (see page X for more).

This has resulted in changes to the Council's Financial Strategy, and some changes to the Infrastructure Strategy, detailed in Volume 3 of the LTP.

The alternative approach has also included changes to Council's planned capital programme over the remaining nine years of the LTP. Several projects have been rephased, rescoped or stopped. Budgets have been amended as appropriate in this LTP Amendment, as well as service levels as outlined in Volume 2.

The main projects impacted are:

- Begonia House remediation
- Bond Store upgrade
- City Streets upgrades
- Frank Kitts Park redevelopment
- Karori Events Centre
- Low-cost, low-risk transport projects
- Paneke Poneke Bike Network Plan
- Suburban Town Centres – upgrades
- Te Awe Māpara – the Community Facilities Plan
- Te Ngākau Civic Square Precinct
- Venues upgrades
- Wellington Zoo upgrades.

We plan to invest **$3.4 billion** of capital expenditure (capex) to improve our city over the next 10 years and **$8.96 billion** of operating expenditure (opex) to run our services

Governance

- $46.2m of opex for protecting our history through the City Archive
- $60.5m of opex o to provide help to our residents through the Service and Contact centres

Environment and Infrastructure

- $37.4m of capex on upgrading and renewing our Coastal, Town Belt and Reserves and Walkways infrastructure
- $33.4m of capex on the Southern Landfill extension
- $27.6m of opex on waste minimisation programmes

Economic Development and Cultural Wellbeing

- $167.0m of capex on our venues, museums and galleries, including $1112.2m on the Town Hall (excluding demolition costs)
- $124.3m of opex over 10 years in grants for our arts, cultural and economic communities

Social and Recreation

- $108.6m of capex on our recreation facilities and services, including $12.7m to upgrade Grenada North sportsfields
- $108.6m of capex to finish construction of the new Te Matapihi Central Library
- $57.4m of opex over 10 years in grants for our social and recreation communities
- $488.6m of opex on our social housing portfolio
- $559.6m of capex on renewing and upgrading our social housing units

Urban Development

- $63.5m of opex on our public spaces, including the Green Network Plan
- $112.5m of capex on the Golden Mile

[1] These amounts reflect changes to the 2024/25 Budget approved on 22 May 2025, in particular the phasing of capital projects. They also reflect the operating budgets for 2024/25.

Transport

- $925.1m of capex on our transport network[2], including: $71.4m on sustainable street changes through the Paneke Pōneke, our bike network plan, and $169.1m on our retaining walls, tunnels and bridges.

Three Waters

In response to the Government's Local Water Done Well reform process, the Long-term Plan now reflects that from 1 July 2026 ownership, cost and responsibility of three water assets will no longer rest with Wellington City Council .

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[2] This includes the $112.5m for the Golden Mile referenced above

Ā mātou i rongo ai | What we have heard

How the community shaped our plan

The following section summarises the engagement on the 2024–34 Long-term Plan, the feedback we received and the decisions adopted by the Council following formal consultation.

We have built this plan with help from our community. In the past 18 months we have conducted specific Long-term Plan engagements on community outcomes and priorities in March – May 2023, on the review of our rating policies in September – October 2023, a Citizens' Assembly in October 2023, and a final formal consultation phase in April – May 2024.

Summaries of the information we received on this Long-term Plan are below, and more information is on our website – wcc.nz/ltp.

Priorities for the Long-term Plan

We received 2,722 responses in this early engagement – a huge increase on the 327 responses to the similar engagement for the 2021 LTP.

The priorities that were consistently ranked highly by the community were:

- Improve resilience of pipes, roads and other infrastructure
- Improve city safety at night
- More funding for the arts and cultural sectors
- Better public transport infrastructure
- Make our cultural diversity more visible
- Upgrade suburban town centres
- Shift to an economy that creates less waste
- Improve the health of our waterways
- Prepare to withstand and adapt to climate change

The feedback from this stage was used alongside data and research to develop the priorities for the Long-term Plan that are outlined on page 9 and this information also informs our full strategic direction, which is summarised from page X of this document and in full in Volume 3.

The full report of this stage is available on our website.

Rating Policy Review

As part of this Long-term Plan we conducted a review of our rating policies. This determines how we cut up the rates pie, not how much the rates are. We received 160 submissions during an engagement process where we asked about six changes to our rating policies:

- Decreasing the commercial rates differential from 3.70 to 3.25
- Introducing a general rates differential of 4.5:1 on vacant land /derelict buildings
- Increasing the value threshold for properties with more than one land use from $800k to $1.5m
- Introducing a remission of general rates for Earthquake-Prone-Buildings (EPB) and targeted rates for both residential and commercial not-fit-for-purpose buildings
- Removing the first home builder remission
- Extending the current Māori freehold land remission policy to all types of Māori land.

After receiving the feedback, Council has made the followings changes to Rating Policies:

- Introducing a general rates differential of 5:1 on vacant land and for derelict buildings
- Increasing the value threshold for properties with more than one land use from $800k to $1.5m
- Increasing the rates remission for low-income ratepayers from $700 (GST inclusive) to a maximum of $800 (GST inclusive)
- Introducing a remission of general rates for Earthquake-Prone-Buildings (EPB) and targeted rates for both residential and commercial not-fit-for-purpose buildings
- Removing the rates remission for first home builders
- Extending the current Māori freehold land remission policy to all types of Māori land.

More information is available on page X, and all of the details are in the full policies in Volume 2 of this plan from page X.

Citizens' Assembly

In September and October 2023, a Citizens' Assembly of 42 Wellingtonians met to deliberate on the following question and provide their perspectives to feed into Council decisions about the Long-term Plan:

We need to find a balance between what WCC could deliver, and what resource it has available, which is fair to everyone. How might we do this?

Sessions were facilitated to ensure all perspectives were heard, and subject matter experts were called upon to answer participants' questions and provide information to support the Assembly in developing its advice. During the final session, the Citizens' Assembly's advice to Council was presented to the Mayor, Councillors and members of the Council's Executive Leadership Team. The full advice is available **here**. It includes 10 pieces of advice across the following areas:

- Investigating alternative revenue streams
- Capital expenditure
- Open space
- Housing
- Community funding
- Process

Formal consultation

4,077 total submissions	298 oral hearing requests	3,799 downloads of the consultation document	4,013 comments across 2,367 website submissions	44 funding requests	27,000+ unique visitors to the LTP website homepage

The formal consultation went live on Friday 12 April and ran until midnight 12 May. The public could submit via our Let's Talk website, through posted or emailed submission forms or via direct email to ltp@wcc.govt.nz. The aim was to accept feedback in as many forms as possible for as many audiences as possible. We received 4,077 submissions in the month, double the number received in 2021. Overall, there were 7,724 downloads of LTP information from our website. The consultation document was downloaded 3,779 times, and the additional individual files on the key proposals were downloaded 1,709 times. The third highest downloaded document was the information on fees and user charges, which was downloaded 1,208 times.

We hosted 16 hui across the month of consultation, including a general public webinar, school workshops with 130 children, specific consultation with hapori Māori, businesses, and topic-specific engagement on Khandallah Pool and Wadestown Community Centre.

Direct emails were sent to over 10,000 people, including all 83 primary and secondary schools in Pōneke and 87 community organisations, including 14 te ao Māori organisations. Our promotional campaigns on Council social media channels had 1,534,503 reach, 42,422 engagements, and 7,870 link clicks to the LTP website. Digital advertising had 1,375,158 impressions, with 8,102 clicks through to the website.

What was decided

The Council deliberated on the key proposals and all of the consultation feedback and other changes to the plan at the 30 May 2024 Long-term Plan committee meeting.

The three key proposals were adopted as consulted:

1. **Increased water network funding:** Investment of $680m opex and $1.2b capex, addressing some of the drinking water network issues in the short to long-term with additional operational funding for short-term work to address water leaks as well as initiatives such as water meters, to address water supply over the medium to long-term. Our capital expenditure will be prioritised toward the most critical wastewater network risks.
2. **Waste collection changes:** The new services to be introduced from 2027 onwards are: a rates-funded rubbish wheelie bin that will be collected fortnightly, combined with a rates-funded weekly organics service for food scraps and garden waste; a bigger 240L fortnightly recycling wheelie bin and retaining our 45L fortnightly glass service. In addition, the Council will:
   a. investigate how to implement collection trials for multi-unit developments and the central city
   b. investigate how the current recycling bins can be repurposed or recycled as part of the implementation of the new services
   c. review the size of the bins for the collection of rubbish 6 to 12 months after the implementation of the new services to ensure the collection meets the needs of households, including those with high and low waste disposal needs.
3. **Investment and insurance:** The Council will sell its full holding of airport shares and create a new publicly owned financial asset by reinvesting the proceeds in a perpetual investment fund. Proceeds from future ground lease sales could also be transferred into the fund (if/when these leases were considered for sale).

Key changes

Parking

The Council agreed not to include the additional parking revenue from the suburban parking proposal for the 2024/25 year in the LTP. Instead it will investigate and report back in time for the 2025/26 Annual Plan process on options for suburban parking where demand for parking is high (and which align the Parking Policy. This change will result in $2m of lost revenue and a 0.4 percent increase in rates for the 2024/25 year.

The Council adopted the motorcycle parking fees as per the consultation proposal. It noted that the fee is up to $2.50 per hour but the specifics of the fee will be determined through a separate Traffic Resolution consultation process that will follow the LTP process. There will also be the option of a daily cap on the fees included as part of the Traffic Resolution process.

Khandallah Pool

The Khandallah Pool will remain open for at least Year 1 and a community advisory group will be established, to be engaged with over six months. This group will receive the findings of an engineering review that will identify if a cheaper fix for the pool is possible within the $7.5m budget currently assigned to this project. This group will include representatives from both the community, to be approved by the Mayor, and the Council and will be supported by Council officers. The Council will also commission further technical and engineering expert advice to support this process, noting the health and safety imperatives of any preferred solution. Officers will report back to Council at the conclusion of process with all final decisions remaining with the Council. This process will cost $80,000.

Community requests

In summary, the Council decided that the final plan should include the following additional changes from the draft that was consulted on.

1. **Capital Kiwi:** Allocate $100,000 per annum to the community organisation.
2. **Wellington NZ funding:** Reallocate $500,000 per annum of funding from Te Papa to Wellington NZ. This results in a $500,000 decrease in funding for WellingtonNZ, as opposed to the $1m decrease proposed in the draft budget.
3. **National Music Centre:** The Council will provide the requested $182,500 funding for the National Music Centre in Te Ngākau Civic Square, which is its portion of the centre's request that the region's councils provide $500,000 of funding, with a funding proposal to be developed between officers and the centre. This funding will come from reprioritising the existing Creative Capital operational budget from the 2023/24and 2024/25 financial years to the National Music Centre.
4. **City safety:** The Council will develop a plan (including key measures), with relevant agencies, to reduce crime and improve safety in Wellington with a focus on the central city, including increasing social grants funding for safety initiatives by $500,000 per annum from Year 1.
5. **Arts sector:**
    a. Retain ongoing commitment to support a Living Wage top-up for events and artists, and review the options in the next 12 months for this to be achieved through existing fund criteria or the continuation of specific top-up Living Wage funding.
    b. Add a musicians' sector group to the Aho Tini Creative Sector working group(s) in line with the Aho Tini 2030 Arts, Culture and Creativity Strategy and Aho Tini Action Plan.
6. **Skate parks:** The Grants Subcommittee will allocate $80,000 from the Sportsville Fund in Year 2 of the LTP towards feasibility studies for upgrades of the Waitangi Park and Ian Galloway skateparks.

7. **Living wage:** On top of the events and artists funding above, the Council will provide Council-controlled organisations (CCOs) with additional top-up funding (at a cost of $145,000) to pay the Living Wage in the 2024/25 financial year, with direction that CCOs will need to manage this within their budgets from Year 2 onwards.

Other changes

1. **Climate initiatives:** $14m from the Climate Resilience Fund will be allocated to degasify the pool network, reducing emissions and operating costs.
2. **Waste initiatives:** The Council will support community compost hub providers to educate the community and divert organics from the waste stream. This will be funded using (ring fenced) Waste Levy Funding of $50,000 to $150,000 per annum until the 2027/28Long-term Plan. It will then be reviewed to assess whether the initiative should continue.
3. **Capital programme:** If funding currently allocated against the Town Hall and Te Ngākau strengthening projects is not fully spent, officers will report to the Council as soon as possible with options to reallocate the money to the water network's capital projects. The capital work programme will be closely monitored for other opportunities to reallocate funding to the water network's capital projects.
4. **City Streets:** Officers will report back on all projects within the City Streets budget for a Council decision on prioritisation by September 2024 with a focus on delivering the following central city projects within Years 1 to 3 of the LTP:
   a. Secondary bus corridor (bus spine on the Quays).
   b. Cross-city cycle connection (connect Thorndon Quay to Cambridge Terrace).
   c. Cuba St pedestrianisation infrastructure and activations (significant improvements beyond proposed footpath widening).
   d. Dixon St upgrade (required as part of the Golden Mile design).
5. **Transport:** Once the Waka Kotahi National Land Transport Plan is finalised, officers will report back to the Council on the Paneke Pōneke Bike Network Plan and whether projects will require reprioritisation.
6. **EV chargers:** The Year 1 funding for the installation of EV chargers which have already been approved is retained within the LTP (bringing the total installed to 34), but funding beyond this amount is removed, pending further advice on the costs and benefits of proceeding with installation of the remaining 26 chargers. We will also investigate the potential to sell existing EV chargers to recover the Council's investment.
7. **Golden Mile:** Officers will report back by September 2024 on how the Golden Mile design can be revised to give higher priority to pedestrian space including the connection to public transport.
8. **Business Improvement Districts**: Officers will report back in time for the 2025/26 Annual Plan on options for further investment in areas with Business Improvement Districts to support more effective economic development.

Wāhanga 2: te reo to come

Section 2: Summary of our plan

Kei tēnei wāhanga | In this section

Te reo to come

This section includes summaries of our Financial Strategy and Infrastructure Strategy and an overview of our Strategic Framework. These documents underpin all our planning and are available in full in Volume 3.

Key strategy summaries

Introduction

Our city is experiencing the impacts of earthquakes, the aftermath of the global pandemic, issues with our ageing three waters network, and climate change. We also have financial pressures, with higher inflation and increases in the cost of interest and insurance, as well as higher costs associated with asset ownership (for example, higher depreciation). We know our community faces many of the same cost pressures, meaning the ability to pay for these increasing costs is becoming more difficult. It is important for the Council to operate an affordable and balanced budget.

The biggest challenge for the Council is being realistic about what we can pay for and when. We own a lot of infrastructure that we need to maintain and upgrade (buildings, roads, pipes and more). We also need to keep our budgets affordable and to have money available for future risks, such as responding to a natural disaster. This means the list of what we need to pay for is growing faster than our ability to pay for it.

To make sure we continue to work towards our vision for the future, the Council has rephased and reprioritised the work in our capital programme, with a focus on completing projects that we have started, looking after our existing assets, and meeting our regulatory requirements.

The financial challenges we face are not limited to the 10 years of this plan. We also need to think about how we provide financial sustainability for the future. We are exposed because we cannot insure all our assets so if there is a natural disaster we will not have sufficient funding to repair damage and rebuild our city. Further, all our investments are concentrated in Wellington International Airport Ltd shares or ground leases. This means if something were to happen to those assets, we could lose our investment revenue. The LTP Amendment approach is to manage these risks through making $385m of changes to Council's planned capital programme over the remaining nine years of the LTP. Several projects have been rephased, rescoped or stopped. Budgets have been amended as appropriate in this LTP Amendment, as well as service levels as outlined in Volume 2. The LTP Amendment also included adjusting our budgets to reflect the impact of the Government's Local Water Done Well reform. This will result in the transfer of ownership and management of our water infrastructure from the Council to a new multi-Council-owned water entity from 1 July 2026.

The following summaries of our Financial Strategy and Infrastructure Strategy show how we are planning to face the current challenges to create a more liveable and resilient city for the future.

More detail is provided in our Financial Strategy and Infrastructure Strategy in Volume 3 of this plan.

Financial strategy summary

The Council's Financial Strategy has been amended as part of the 2025 LTP Amendment.

Affordability

The Council and residents of the city are facing affordability challenges. The economic and community operating environment has changed dramatically since the Council prepared its 2021–31 LTP. We are operating in an environment of high inflation and borrowing costs have also increased steeply since 2021. Insurance premiums continue to rise while access to insurance for many of Council's assets is becoming more difficult. Put simply, everything we do is costing more to deliver. Residents' ability to pay more rates is limited, and the Council will need to find ways to deliver our services in a more constrained funding environment.

Our budget results in a rates increase in 2024/25 of 16.9% (after growth) and an average annual increase over the 10 years of the plan of 3%. The low average annual increase is partly due to the transfer of our three-water assets to a new water entity as part of the Government's Local Water Done Well reforms. The sludge levy, which is in addition to general rates, will be introduced from 2024/25 and is a further 1.6% increase (average annual increase of 0.6% over the 10 years of the plan).

The Council has set an average rates increase limit of between 5-8% (excluding sludge levy and the impact of water reform) over the 10 years of the Long-term Plan. However, the higher rates increases in the first four years of the Long-term Plan are necessary to continue to fund the current core levels of service. These include moving to fully fund three waters depreciation by 2028/29 and dealing with increasing operating costs, such as insurance and interest. The graph of the forecast rates increases for the 10 years of the plan is on page 25.

We have tried to forecast a fair and balanced budget for this plan that deals with the critical issues and keeps our city moving forward.

More information about our budget and how it was created is available in the Financial Strategy.

Funding issues

Council revenue

Local government has a narrow range of tools for funding projects and every day costs. Most of our operating revenue comes from residents through rates, or fees and user charges, and our capital investments are paid for through debt. We also receive some funding for projects from the NZ Transport Agency Waka Kotahi (NZTA).

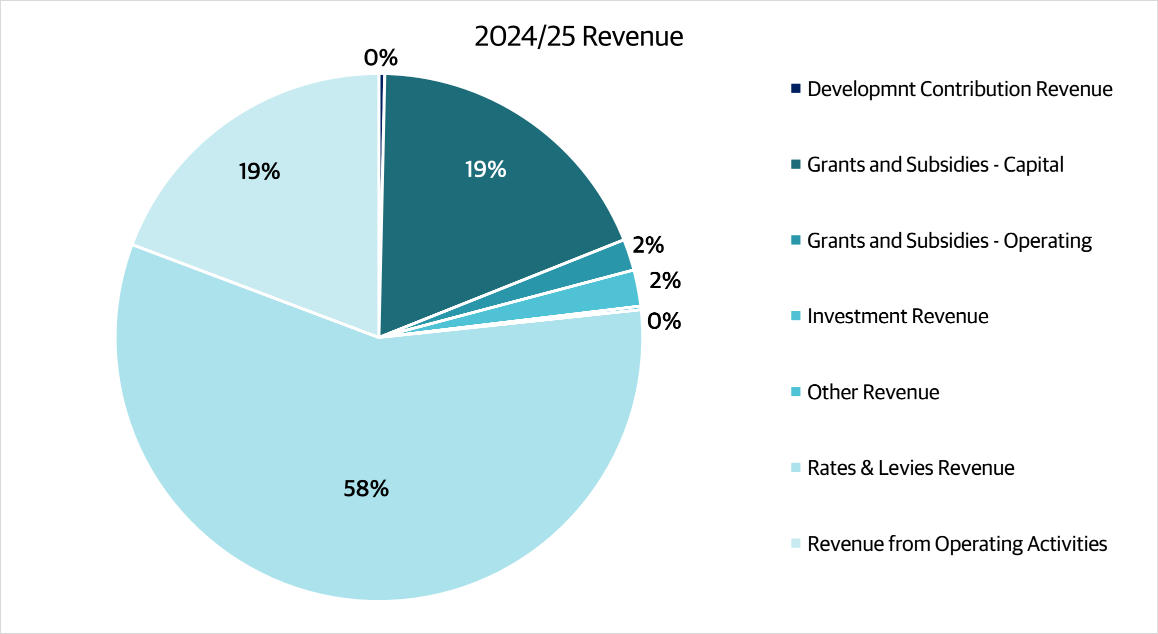
The Council has received a reduction in funding from the National Land Transport Plan (NLTP). New Zealand Transport Agency/Waka Kotahi (NZTA Waka Kotahi) approves funding on a three-year cycle based on the Government's priorities for the same period. The funding level approved for one three-year period is not an indication of funding in the future years. The Council has reduced its capital programme to mitigate the loss of funding from the NLTP for the current three-year cycle, over the ten years of the plan.

We have been able to access funding through the Infrastructure Funding and Finance Act 2020 for the new Moa Point Sludge Minimisation Facility. Getting a loan for this asset via this central government pathway means we don't increase our debt directly, but it will still impact ratepayers through a levy on rates bills from August 2024 (a 1.6% increase in 2024/25). More information about this project, including the levy and how it is funded, is available here: Projects – Moa Point sludge minimisation facility – Wellington City Council. The projected levy is included in the rates graph on page 25.

All of our budgets are linked – increasing our debt also increases the operating costs for paying it back, including the cost of interest. Therefore, we need to balance having a city we can all enjoy, with the ability of our residents to pay rates.

As part of this plan the Council reviewed its balance sheet (what we own and owe) and identified that it was not sufficiently resilient and was overly exposed to certain risks. Some of this is because of the limited sources Council has for funding. This has significant implications for our long-term financial position and action is required to address this. Part of the advice from the 2023 Citizens' Assembly was for Council to diversify revenue streams and to advocate to central government for changes to reduce the burden on ratepayers. This work is underway and the Council's decision to set up a perpetual investment fund is part of this work. See our full Financial Strategy in Volume 3 for more detail on our funding sources, from page X.

Our Financial Strategy and budgets are based on operational money coming from the following areas:



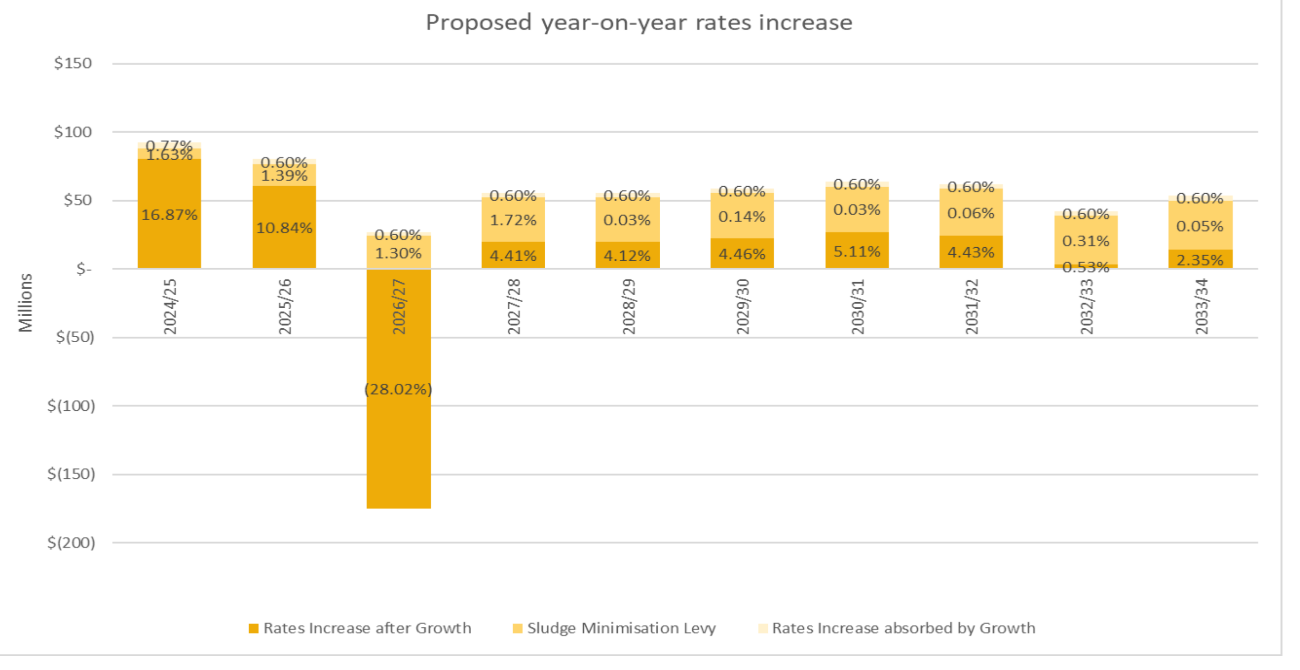
Council debt

The Council's net debt is expected to decrease to $1.7b by 2033/34. This is a result of LTP Amendment which agreed to a reduction in the capital programme to increase borrowing capacity to be used in the event of a natural disaster and because of the transfer of assets, expenses and revenue to the proposed new water entity from 1 July 2026.

The amended Financial Strategy decreases the Council's self-imposed revenue from 225% to 200% from 2025/26 onwards, and the changes to the capital programme will result in increased borrowing capacity in the event of a disaster, along with the establishment of a disaster resilience fund, which will further mitigate some financial and insurance risks. The forecast shows that the Council will exceed its self-imposed debt to revenue limit for four of the first five years of the plan, then it gradually returns within this limit in Year 6.

Ensuring fairness

Everyday costs should be paid for from everyday revenue. If we fail to achieve this, the everyday costs are funded by increasing debt. This means existing ratepayers are not paying for some of the services and amenities being provided to them. This is like using a loan to pay for everyday costs – sometimes this is necessary in an emergency, but it puts pressure on future budgets when the money needs to be paid back. This is neither prudent nor sustainable.



Increasing costs

As mentioned in our Infrastructure Issues section on page 17, we have gone through the budgets included in this plan to make sure we are successfully delivering our important services. This has included initiatives to find cost savings, looking for where we can be more efficient, and considering if we need to change the levels of service we provide. The review resulted in several changes to service levels to manage costs and the key ones are detailed from page 44.

Section 100 of the Local Government Act 2002 requires that a local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. In year 3 we are forecasting a loss on disposal of approximately $3b due to recognising the transfer b of three-water assets to the new water entity, meaning our budget is unbalanced. For Years 6 to 10 there is a minor imbalance. We consider this prudent as we only want to set rates to cover the depreciation costs (the cost of looking after our assets) for the assets we intend to replace in the future. We also don't collect rates for the assets that we expect to get third party funding for (for example NZTA funding). Also while the Council is forecasting a balanced budget in years 1 and 2 of the plan, it is important to note the Council is recognising significant revenue in those years to fund the sludge minimisation project. If this funding was not included, the Council would not be setting a balanced budget for those years of the plan.

To keep the costs to our residents down, we will not be using rates to fully fund depreciation on three water assets due to the revaluation on 30 June 2022 which saw a significant increase in the value of our water assets. Furthermore, in response to the Local Water Done Well reform process, the Long-term Plan reflects that from 1 July 2026 three water assets will be transferred to a new regional water service entity. The Council was planning to return to fully funding depreciation by 2028/29. We are also proposing to not fund depreciation costs on some of our other assets which are unlikely to be replaced.

Insurance costs and investment risks

The Council has two financial challenges to manage: the increasing difficulty and cost to insure our assets means we are significantly underinsured, and the lack of diversification of our investment portfolio means all our investments are exposed to the same kinds of risk – in other words, all our eggs are in one basket. More information on these challenges is available in our full Financial Strategy in Volume 3, pages X to X.

The scale of the challenges cannot be ignored – doing nothing leaves the Council exposed to unnecessary risk and any solution needs to address both the insurance and diversification problems. The Council has reduced its self-imposed debt to revenue ratio to 200% to increase borrowing capacity. We will also set up a new disaster resilience fund using the proceeds from the sale of several of the Council's ground leases. This will be a publicly owned fund that is intended to continue forever and support generations of Wellington ratepayers by ensuring funding is available to support the city's recovery from natural disasters, including by covering an insurance gap. The fund will become a strategic asset in the Council's Significance and Engagement Policy, meaning if significant changes were proposed, we will need to consult with the community.

Deferral of renewal spending

The Long-term Plan capital expenditure programme includes only a proportion of the required renewal investment for our infrastructure based on our asset planning. This will result in some assets not being renewed at the time they should be. This is a 10-year decision, with a need for a catch up to happen over Years 11 to 20 of our asset management plans.

To reduce spending, we will seek value-for-money options through good procurement practices and we will review our programmes to identify more cost-effective options. For some areas there is a low risk of this reduced spending resulting in a lower level of service, but in Transport, Property, Housing and other community assets we are planning to defer 25% of the renewals spend. This carries some risk that the levels of service experienced by the community will be lower than planned. For example, this could involve a greater use of chipseal rather than asphalt. This risk can be reduced by having confidence in the condition data for our assets. We will prioritise renewals where the greatest need is, such as for safety and resilience reasons.

This approach has not been applied to the three waters network prior to the transfer of water assets. Furthermore, in response to the Local Water Done Well reform process, the Long-term Plan reflects that from 1 July 2026 three water assets will be transferred to a new regional water service entity.

The table below shows the total cost of capital projects over the 10-year period of the 2024-34 Long-term Plan categorised by type of expenditure. We have split out our top four key areas of spending – the three waters network (for 2024/25 and 2025/26 only, except for the Moa Point Sludge Treatment Facility which will be completed in 2026/27) and our transport network. Further details are in Our plan for the next 10 years from page 8.

Capital expenditure	Renewals	Upgrades	Growth	Total
Activity Group	**($000s)**	**($000s)**	**($000s)**	**($000s)**
Water supply	25,684	4,029	314	30,027
Wastewater	62,304	364,517	6,314	433,136
Stormwater	3,286	5,625	314	9,226
Transport	440,825	414,929	69,380	925,133
Other Activity Groups	1,341,037	563,708	142,030	2,046,775
Total Capital Expenditure	1,873,137	1,352,809	218,352	3,444,298

Additional financial information

What are my rates?

The tables here show a selection of the indicative rates for residential, suburban commercial and downtown commercial ratepayers. These do not include the sludge levy.

They are for indicative purposes only and may vary from actual rates. Fuller tables are provided in Volume 2, from page X.

Indicative residential property rates inclusive of GST (for properties without a water meter)

Capital Values $	2024/25 Total Rates (inc GST) $	Increase over 2023/24
400,000	1,937	18.94%
800,000	3,365	18.57%
1,200,000	4,793	18.42%
1,600,000	6,221	18.34%
2,000,000	7,649	18.29%

Indicative suburban commercial property rates inclusive of GST (for properties with a water meter)

Capital Values $	2024/25 Total Rates (inc GST) $	Increase over 2023/24
1,000,000	11,268	15.12%
1,500,000	16,764	15.07%
2,000,000	22,260	15.05%
2,500,000	27,756	15.03%
3,000,000	33,252	**15.02%**
3,500,000	38,748	15.01%
4,000,000	44,244	15.01%
4,500,000	49,740	15.00%
5,000,000	55,236	15.00%

Indicative downtown commercial property rates inclusive of GST (for properties with a water meter)

Capital Values	2024/25 Total Rates (inc GST) $	Increase over 2023/24
1,000,000	12,782	13.09%
1,500,000	19,034	13.03%
2,000,000	25,287	13.00%
2,500,000	31,539	12.98%
3,000,000	37,792	**12.97%**
3,500,000	44,044	12.96%
4,000,000	50,297	12.96%
4,500,000	56,550	12.95%
5,000,000	62,802	12.95%

Sludge Levy

In July 2024, the Council will be collecting a new sludge levy to fund the cost of the new Moa Point Sludge Minimisation Facility, on behalf of Crown Infrastructure Partners. This was approved under the Infrastructure Funding and Finance Act 2020 (IFFA). We consulted on this option through 2021/2022 and received support from the New Zealand Government (Cabinet and the Minister of Housing) in August 2023.

The amount of the sludge levy is dependent on whether the property is classified as commercial or residential and where its wastewater is treated. The following examples outline the indicative sludge levy for a property with a capital value of $1 million:

- Levy for commercial property with wastewater treated at Moa Point, Karori or the new Sludge Minimisation Facility: $108.37
- Levy for residential property with wastewater treated at Moa Point, Karori or the new Sludge Minimisation Facility: $83.03

- Levy for commercial property with wastewater not being treated in one of the above plants or not connected: $31.72
- Levy for residential property with wastewater not being treated in one of the above plants or not connected: $21.40

Changes to Rating Policies

These policies are provided in full in Volume 2 of the Long-term Plan from page X.

Rating Policy

This Long-term Plan we have made some changes to our Rating Policy. This impacts how we charge and who we charge rates.

Key changes are:

- A new general rates differential on vacant land and derelict buildings
- A targeted rate for recycling and organics collection (starting from Year 4 of the LTP)

Vacant Land and Derelict Building Differential

The purpose of the differential on vacant land and derelict buildings is to promote development in the city and to ensure that owners of vacant sites and derelict buildings pay their fair share of costs.

A key community outcome the Council wants to achieve is a vibrant central city, and vacant land and derelict buildings can decrease the likelihood of this, and can have negative effects on retailers. Furthermore, vacant land and derelict buildings have a lower capital value (compared with similar land that is non-derelict or has improvements) and the benefits that owners (whether in the commercial or residential zone) receive from our general activities are disproportionate to the rates they pay, as compared to land which is fully developed and utilised. Also, the appearance of vacant land and derelict buildings can have a negative impact on the perceptions of the central city.

Further details on the definition of vacant land and derelict buildings can be found in the Funding Impact Statement Rating Mechanism section in Volume 2 from page X.

Waste targeted rate

This proposed targeted rate will pay for the rubbish and organics collections and will start from Year 4 of the LTP. The targeted rate will be a fixed charge per residential, serviceable rating unit. Further specifications of the targeted rate will be worked through and consulted on later. Residents in non-serviceable rating units will need to continue to access rubbish and organics collections through private providers.

Rates Remission and Postponement Policy

The Council has made some changes to the Rates Remission and Postponement Policy to provide support to ratepayers where really needed.

Key changes are:

- Increasing the low-income remission from $700 to $800
- Providing a remission of general rates for owners of earthquake prone buildings who undertake strengthening work.
- Clarifying that the remission of targeted rates for properties under development applies to both residential and commercial properties.

- Extending the remission on Māori freehold land to other types of Māori land
- Providing a remission for vacant land if the vacant land is 'activated'.

Further details on the policies can be found in our attached Rates Remission and Postponement Policy.

Changes to Fees and User Charges

Our Revenue and Financing Policy guides our decisions on how to fund council services. We consider who benefits from a service (for example, individuals, parts of the community or the community as a whole) to help determine how the service should be funded.

The policy also sets targets for each Council activity, stating what proportion should be funded from user charges, general rates, targeted rates and other sources of income.

As part of the Long-term Plan, we have reviewed our fees and charges and made some changes. The full list of fees and charges is provided in Volume 2 from pages X to X.

The following areas have **material fee increases** because of the alignment of fees with market rates or implementation of Council Policy:

- **Transport network control and management** – the fees structure for Corridor Access Request applications will change to align with market rates
- **Parks & Reserves** – fee increases related to the implementation of the Temporary Trading & Events in Public Places Policy.
- **Parking** – introduction of paid carparks for motorcycle parks, in line with the Council's Parking Policy. More details are available in the Revenue and Financing Policy in Volume 2, from page X.

These **material fee increases** reflect the rising costs to Council to offer the services:

- **Waste minimisation services** – increased costs due to increases to the Waste Disposal Levy, brought in through the 2024 changes to the Waste Minimisation Act 2008.
- **Building control and facilitation** – new fee charged as part of the Corridor Access Request application process to recover the cost of the Wellington Underground Asset Map project.
- **Building control and facilitation, Development Control and Facilitation, Public Health Regulations** – fee increases reflect the increasing costs associated with the delivery of thee services, including operating costs to support ageing digital systems, support improvements to delivery, and costs associated with developing and maintaining staff competencies.
- **Cemeteries** – fee increases for urns due to supplier price increases.

We are also introducing **new fees** in the following areas to streamline some Council booking processes or to offer new services:

- **Charged Up Capital** – the Charged Up Capital project is a Council initiative to increase the availability of publicly accessible electric vehicle charging facilities in Wellington. Fees will apply to battery charging (per kwh) and for parking in the spaces on which the chargers are located.
- **Parks & Reserves** – new fees related to the implementation of the Temporary Trading & Events in Public Places Policy.
- **Urban Planning & Policy** – new fee related to the Wellington Underground Asset Map project.
- **Wellington Gardens** – new fees related to the implementation of the Temporary Trading & Events in Public Places Policy, as well as for hiring Sexton's Cottage.
- **Marinas** – fees for Evans Bay boat ramp parking.

We also have **standard inflation increases** for the following areas:

- Swimming pools
- Recreation centres
- Golf course
- Cemetery
- Waterfront.

Infrastructure strategy summary

The Council's Infrastructure Strategy has been amended as part of the 2025 LTP Amendment. Please refer to the statement on page 8 of this document for further information about the LTP Amendment.

We all know that a city's infrastructure is crucial for residents to thrive, but it is often taken for granted. Poor infrastructure can have significant negative consequences on our city, affecting our environment, public health and safety, and community and business confidence.

However, dependable and future-proofed infrastructure is expensive and must be affordable, have benefits for future generations and meet the Council's other investment priorities.

In this Long-term Plan, we've prioritised funding for three waters infrastructure and are focusing our efforts on investigating our buildings and other assets to address significant earthquake prone issues and changing community demands.

However it is important to note that while the challenges and solutions below have not changed, the LTP Amendment in 2025 included adjusting our budgets to reflect the impact of the Government's Local Water Done Well reform. The reform will result in the transfer of ownership and management of our water infrastructure from the Council to a new multi-Council-owned water entity. The transfer date of 1 July 2026 is reflected in this plan and our Infrastructure Strategy has also been updated to reflect this. The exception to this is the Moa Point Sludge Treatment Facility which will be completed in 2026/27.

We've identified five infrastructure challenges for this LTP, with more detail in our Infrastructure Strategy and Financial Strategy. These are significant problems that need long-term planning to solve them. There is no quick fix and these issues need funding across multiple years.

Five infrastructure challenges

1. ***Population growth and changing demand***

We need to future-ready our infrastructure to serve our growing and changing population, so that we can foster liveable, safe, low-emission neighbourhoods and travel. Considerations include:

- Population growth and ageing demographic profile.
- Lack of growth capacity in transport and three waters systems.
- Changing community needs and service use patterns.

2. ***Ageing and declining condition of infrastructure***

Much of the city's infrastructure was built in waves when parts of the city were urbanised, including a sizeable portion that was built after World War Two. This means a lot of our infrastructure will reach the end of its life in the next 30 years. Issues include:

- Some assets have exceeded their useful life.
- Historical lack of a coordinated, data-based approach to asset management, and data maturity, resulting in under investment in maintenance and renewals.

3. Mitigation and adaptation to climate change

Our city's infrastructure, including transportation and waste systems, play a key role in where we live, how we move around, and the industries we support. However, as a steep coastal city with many of our emergency lifeline routes and other critical assets situated at or near sea level, the functioning of our city depends on our infrastructure adapting and being resilient to climate change. Issues include:

- Global warming
- Increased frequency and intensity of extreme weather events
- Coastal hazards
- Climate adaptation costs.

4. Earthquake hazards and earthquake prone buildings

Wellington is built on shaky ground due to its location on an active tectonic boundary, and climate change makes things worse by causing land to sink and saturate the soil in low-lying areas. This combination increases the likelihood and severity of natural disasters in the city. Considerations include:

- Landslides
- Earthquakes
- Earthquake prone buildings.

5. Affordability and deliverability

The costs of maintaining, operating, renewing, and upgrading infrastructure are big and have been increasing quickly since the global pandemic. Obtaining the funds to improve our infrastructure is also becoming challenging as the costs increase. Local government funding is therefore a pressing issue and Councils are working with central government to address the funding issues and find a sustainable system for the future. Challenges include:

- Limited funding tools
- High inflation putting pressure on construction costs
- Constrained capacity of the construction market to deliver
- Increasing insurance costs.

We also recognise that we have not always consistently delivered the planned infrastructure programme. To ease the increase in everyday costs, and have a programme that can be fully delivered, all the individual budgets included in the draft Long-term Plan have been scrutinised and refined. The focus has been on ensuring we're delivering core services. A key part of ensuring deliverability includes a focus on budgeting for 75% of renewal spending (refer to the Infrastructure Strategy in Volume 3 from page X for more information).

Responding to the challenges

Solutions to these challenges are not simple. There is also a better outcome if we think holistically. We can achieve this by taking a consistent approach using sustainable principles in projects, and through collaborative and integrated planning. Five principal options for addressing our infrastructure challenges in the long-term are outlined in the Infrastructure Strategy:

1. *Prioritise growth areas*
    - Phase investment for growth and urban form.
    - Coordinate land use and infrastructure for cost-effective growth.
    - Select priority areas: Tawa, Johnsonville, Central City, and Newtown.
    - Focus on three waters network resilience and growth planning.
2. *Target emissions reductions for the greatest gains and operational efficiency*
    - We have set an objective of net-zero emissions by 2050 through Te Atakura: First to Zero Strategy, with a target of a 57% reduction in city and the Council emissions by 2030.
    - We've made progress already, with a 10% reduction in city emissions, and a 44% reduction in Council emissions.
    - We have an emissions reduction plan which focuses on decarbonisation through electrification and efficiency. Council actions include electrifying our vehicle fleet and degasifying facilities such as heated pools.
3. *Grow our understanding of climate impacts and adaptation costs*
    - Understand climate risks and embed resilience from the outset. This is critical for ensuring we meet our objectives for assets in terms of serviceability, financial return and social outcomes.
    - Base our planning for climate change on modelling by NIWA for the Wellington Region, to anticipate heightened risks.
    - Focus on gaining a systematic quantitative understanding of the localised impacts and developing adaptation plans, enabling us to plan for climate adaptation costs alongside future asset renewal cycles.
4. *Carry out strategic rationalisation to better manage the overall asset portfolio*
    - Make sure our assets match what the community needs before spending on repairs or new assets. Consider selling or getting rid of some assets.
    - Take a careful look at all assets, conducting strategic reviews, to ensure investments are financially sustainable and contribute to community outcomes.
    - Foster coordination and integration across the whole organisation and city.
    - Identify inefficiencies and overlaps in operating models and infrastructure.
    - Use accurate asset condition data to assess and manage the assets in an effective manner.
    - Remain abreast of technological advancements to address evolving community needs and enhance asset management practices.
    - Employ a balanced approach of reactive and proactive investment; prioritising longevity and cost-effectiveness.

- Assess the necessity and potential for upgrades or replacements before undertaking asset renewal initiatives.
- Target renewals at 75% of unconstrained forecasts for the first 10 years, with the exception of the three waters network.

5. *Prioritise the interventions and work programme for affordability and deliverability*
    - Apply a hierarchy of interventions, considering lower cost interventions before higher cost interventions; integrated land use and infrastructure planning, managing demand, making best use of what we have, and using best practice in business case development.
    - Reprioritise and rephase the capital programme to manage affordability.
    - Maintain financial capacity for the future.
    - Adjust to external cost pressures.
    - Prioritise non-asset solutions to maximise the use of our assets and deliver value for money and operational efficiency.

We cannot afford to continue maintaining, operating, and renewing all our assets as we have in the past e.g. adding more assets when affordability was less of an issue. This is now not sustainable. Therefore, we must pause and reset. This means taking a careful look at all of our assets and by conducting strategic reviews.

Financial affordability for both the Council and ratepayers means that we must focus on doing the right things at the right time in the most cost-effective way whilst deliberately managing risk. We will prioritise non-asset solutions to maximise the use of our assets and deliver value for money and operational efficiency.

The focus of the Infrastructure Strategy is addressing our infrastructure challenges. These challenges are heavily linked to the financial challenges, which are addressed in the Financial Strategy (in full in Volume 3 from page X), for example:

- The Council and residents of the city are facing affordability constraints. With higher interest rates, a greater proportion of rates income is being used to service our increasing debt, and with current high inflation our money does not stretch as far. For residents, the ability to pay more rates is limited, so we need to find ways to deliver the Council's operations within a constrained funding environment.
- Balance sheet (what we own and owe) resilience addresses the challenges of managing our capital expenditure and investments to support long-term financial sustainability and resilience.

Key infrastructure

- 2,757km of pipes across our three waters network
- 105 three waters pump stations
- Two wastewater treatment plants (Moa Point and Kārori)
- The Southern Landfill, Capital Compost, the Tip Shop and Recycle Centre
- 904km of footpaths
- 19,000 streetlights
- 700km of roads, with 40km of bike lanes, 8km of bus priority lanes and 2km of bridges and tunnels
- 200 seawalls

- Buildings and grounds for various cultural and sporting activities including the Town Hall, Tākina, TSB Bank Arena, Te Whaea National Dance and Drama Centre, Sky Stadium, Basin Reserve and City Gallery
- 275 social housing buildings
- 4,305ha of parks, reserves and beaches
- 387km of walking and biking tracks
- Botanic Gardens, Berhampore Golf Course, Berhampore Nursery, Clyde Quay Boat Harbour and Evans Bay Marina.
- 44 natural and 11 artificial sportsfields
- 4 cemeteries
- 108 playgrounds
- 7 skate parks
- 277 community facilities including: 7 swimming pools, 12 libraries, 5 recreation centres, 25 community centres, 1 marae, 13 community spaces in Council housing buildings, and 83 public toilets

Our strategic framework

The Community Outcomes and Strategic Priorities were identified with the Council and the community by looking at the data and evidence relating to the LTP Outcomes and Priorities, as well as the commitments made through various strategies. Our community outcomes are our long-term goals – what we want for the city in the next 10+years. The Council developed a set of strategic priorities, designed to look at what we want to achieve in the mid-term (3-10 years) which will support our journey to achieving our community outcomes. We tested these with the community using an online survey and community engagement hui in April and May 2023. The results of this mahi was reported on Let's Talk – **Phase 1: Outcomes and Priorities | Let's Talk | Wellington City Council**.

Priorities

From this we have nine strategic priorities that will guide our investment and help us to measure the impact of this investment.

Four of the strategic priorities are focused on significant infrastructure investment:

- Fix our water infrastructure and improve the health of waterways
- Transform our transport system to move more people with fewer vehicles
- Invest in sustainable, connected and accessible community and recreation facilities
- Transform our waste system to enable a circular economy

Five of the strategic priorities are focused on ongoing efforts that require community engagement, partnerships, and efficient and effective regulation and service delivery:

- Collaborate with our communities to mitigate and adapt to climate change
- Revitalise the city and suburbs to support a thriving and resilient economy and support job growth
- Increase access to good, affordable housing to improve the wellbeing of our communities
- Nurture and grow our arts sector
- Celebrate and make visible te ao Māori across our city

Strategic Approaches

Our five strategic approaches act as a lens and are embedded in everything we do.

Integrating te ao Māori	Making our city accessible and inclusive for all	Embedding climate action	Engaging our community	Value for money and effective delivery
We are building a future where Te Tiriti is honoured through robust relationships with our Tākai Here partners and Māori communities. By integrating Māori perspectives and thinking into every aspect of our work, we are maximising positive outcomes for Māori and fostering a more inclusive and equitable society for all.	We are creating a future where everyone can effortlessly find information, access our services, and engage in social and economic activities. Accessibility is for all – including those with mobility impairments, the neurodiverse, the elderly, children, individuals who are blind or have low vision, the d/Deaf community, non-English speakers, parents with pushchairs, and people with temporary injuries. By removing barriers, we are making inclusivity a reality for everyone.	We are proactively addressing the effects of climate change with urgency, supporting Wellingtonians to do the same. Through our continued efforts in biodiversity planning, we aim not only to minimise harm but to create positive environmental impacts. By acknowledging and preparing for future climate changes, we are committed to safeguarding and enhancing our environment for generations to come.	We are committed to engaging with Wellingtonians in ways that respect and reflect our diverse cultural contexts, ensuring every community voice is heard. By collaborating with communities to understand their aspirations for Wellington, we utilise a variety of methods to enhance the diversity, quality, and accessibility of our engagements. Our decision-making processes are evidence-informed, transparent, and focused on achieving the best outcomes for both current and future generations.	We are committed to using our resources efficiently and effectively to achieve the best possible outcomes, even within a constrained funding environment. By delivering high-quality, well-managed programmes and projects, we maximise value for our residents and our city. Additionally, we will actively seek innovative funding solutions, including advocating for central government support, to further enhance our initiatives and services.

Cultural Outcome: A welcoming, diverse and creative city

For Wellington, a welcoming, diverse and creative city is one that:

- celebrates and uplifts te ao Māori,
- champions the arts, and
- embraces heritage, creativity, curiosity, and expression of our multi-cultural communities and identities.

We plan to:

- Bring the city to life with the possibility of art and culture around every corner.
- Integrate cultural heritage into our urban form.
- Enable built heritage to adapt and change to meet present and future needs such as accessibility, earthquake resilience and climate change.
- Support the arts, culture, and creative sector ecosystem through our activities.
- Celebrate our multi-cultural diversity by encouraging and enabling local events and festivals.
- Continue to work with Rainbow and Disabled communities to make their stories and histories visible and create safe, accessible spaces.
- Increase the presence of te ao Māori by supporting a growing understanding and recognition of local iwi narratives, identities, histories, and landmarks.

Investments to deliver on the Strategic Priorities

Celebrate and make visible te ao Māori across our city

- Shifting the focus of grant funding to local arts.
- Embedding Tūpiki Ora across Wellington City Council's services and activity areas. This will lead to a transformed city through:
  - An increasing number of streets, public spaces, and facilities with te reo Māori names
    - Urban design that reflects Māori histories and identities
  - Te Matapihi ki te Ao will demonstrate a narrative and perspective that is grounded in iwi history
  - Increased Māori capability across all of Council. An increased focus on Puanga in advance of Matariki celebrations, which is centred on the narrative and experience of local iwi.
  - Investment into Kaiwharawhara Stream will enable the mauri to be restored and allow all communities to better understand the significance of the stream to our Tākai Here partners.
- The Tākai Here partnerships programme provides ongoing contributions to infrastructure and community programmes.

Nurture and grow our arts sector

- Shifting the focus of grant funding to local arts.

- Developing alternative venues options for Toi Pōneke, to support artists, dancers, theatre practitioners, musicians and other artists.
- Continue the earthquake strengthening work for reopening the Wellington Town Hall in 2026. The Town Hall is a Grade One listed heritage building and is nearly 120 years old. It has been closed since the Seddon earthquake in 2013.
- Upgrading venues including an HVAC system for TSB, minor strengthening works on Bond Store, and façade strengthening work on the Opera House.
- Supporting, sponsoring and delivering events across the city to continue delivering a diverse range of cultural experiences for residents and visitors to the city.

Social Outcome: A city of healthy and thriving whānau and communities

For Wellington, a city of healthy and thriving whānau and communities is a city:

- where people feel safe and connected
- that takes an equity approach to caring for its people and
- provides awesome, vibrant and diverse places to meet and play

Our priorities are to:

- Increase access to good, affordable housing to improve the wellbeing of our communities
- Invest in sustainable, connected and accessible community and recreation facilities

We plan to:

- Deliver equitable outcomes for people who need more āwhina (support).
- Create safe and interesting environments that encourage social connections.
- Evolve towards a more sustainable, resilient and cohesive community facilities network, for people to connect, have fun and belong.
- Deliver a flourishing network of parks and recreation opportunities, interwoven into everyday life, that supports Wellingtonians to live well and connect to nature and each other.
- Improve the systems and processes of our public health and safety regulations and enforcement to ensure safety in our city and to make it easier to do business.
- Continue to support emergency preparedness and response.

Investments to deliver on the Strategic Priorities

Increase access to good, affordable housing to improve the wellbeing of our communities

- Complete Phase 2 of the Social Housing upgrade
- Continue our efforts towards meeting the target of providing 1,000 Te Kāinga affordable rental apartments by 2026. To date, we have opened three apartment buildings along Willis Street, comprising 210 units, with a fourth building of 78 units about to open.

Invest in sustainable, connected and accessible community and recreation facilities

- Begin design and engagement for the Grenada North Park sports field upgrades will begin, with the aim of initiating works in the early years of the LTP.

- Complete the new Kilbirnie skate park facility.
- Keep the Khandallah Pool open for at least a year before making a decision on its future. Establish a community advisory group to consider an engineering review and to identify whether it is possible to fix the pool within the current $7.5m budget.
- Remediate the earthquake prone Kilbirnie Recreation Centre by 2028.
- Continue the work on Te Matapihi (the central library), progressing toward the scheduled opening in 2026. This project has been substantial, involving the earthquake strengthening of the building foundation and the reconstruction and reconfiguration of the library.
- Upgrade two dog parks to support the recent changes to the Dog Policy.
- Improve quality and provision of neighbourhood parks to support anticipated population growth (50,000-80,000 over 30 years).
- Create and enhance parks to ensure they are well-utilised, accessible, and fit-for-purpose.
- Overcome barriers such as lack of toilets, accessibility, and safety concerns.
- Meet increasing demand for quality, accessible, and resilient trails.

Economic Outcome: An innovative business friendly city

For Wellington, an innovative business friendly city is:

- provide good jobs for people
- operates successfully in a dynamic zero-carbon circular economy, and
- has efficient and fit-for-purpose regulatory processes.

Our priority is to:

- Revitalise the city and suburbs to support a thriving and resilient economy and support job growth.

We plan to:

- Build relationships with businesses and foster collaboration to improve city precincts and enhance the night-time economy.
- Work with businesses and tertiary education providers and deliver business capability programmes to support transitioning to a circular economy, job creation, career development and to build skills for the future workforce.
- Refocus and redesign regulatory services and interactions to be customer centric.
- Make procurement choices that support local business and employment ecosystems to thrive.
- Upgrade suburban town centres to improve the appeal of shopping and connecting with others locally.

Investments to deliver on the Strategic Priorities

Revitalise the city and suburbs to support a thriving and resilient economy and support job growth

- Use City Growth funding to revitalise the central city precinct, beginning with Courtenay Place.
- Progress the scheduled City Streets and Golden Mile projects as planned.
- Continue work on the new public park, Fredrick Street Park, situated alongside the Chinese Mission Hall and a new residential apartment block on Frederick Street.

- Over the next three years, we will investigate the best course of action for Te Ngākau Civic Square area. This includes the former Capital E building, the basement supporting the Town Hall, Te Matapihi, and the 'City to Sea' bridge to the waterfront. Options under consideration include the possibility of demolishing these structures.
- We will also explore potential options for earthquake-prone venues, including the Michael Fowler Centre, Bond Store, and Opera House.
- Include a new general rates differential for vacant land and derelict buildings to promote development in the city and ensure that owners of vacant sites and derelict buildings pay their fair share of costs. (For details, see the Rating Policy in Volume 2, from page X).

Urban Form: A liveable and accessible, compact city

For Wellington, a liveable and accessible, compact city has:

- affordable, warm, dry housing,
- zero-carbon accessible transport choices,
- resilient infrastructure fit for growth, and
- proudly visible te ao Māori and multicultural heritage.

Our priorities are to:

- Transform our transport system to move more people with fewer vehicles
- Collaborate with our communities to mitigate and adapt to climate change

We plan to:

- Work with Greater Wellington Regional Council to urgently deliver bus priority improvements, that support reduced travel times and increase the reliability of the services.
- Improve accessibility, safety, and resilience when maintaining and improving our roads, cycle lanes and footpaths.
- Work closely with the community in the delivery of cycleways and alternative transport choices for non-cyclists.
- Utilise the skills of Māori, mana whenua and local artists and creators to create a sense of place and identity when investing in infrastructure and placemaking.
- Ensure the lighting and cleanliness of the city supports a high-quality experience across the city.
- Improve planning and logistics for emergency responses, including slips, ensuring we work closely with disabled people to meet their needs effectively during emergencies.
- Address the earthquake resilience of Council-owned buildings and find creative ways to support private building owners to find solutions for their earthquake prone buildings.

Investments to deliver on the Strategic Priorities

Transform our transport system to move more people with fewer vehicles

- Progress the highest priority people friendly streets projects such as a second bus priority route through the central city and other improvements on the routes between the CBD and Miramar for biking, walking and bus priority.

- Developing, completing, and implementing 19 parking management plans. We have already introduced small changes to Newtown East (hospital side of the suburb) regarding the parking scheme and time restrictions as part of the Newtown Parking Plan. We will monitor the scheme until mid-2025 before making further modifications and finalising it.
- Continue public EV charger roll out (in Year 1 only).
- In years 4 and 8 of the Long-term Plan, we will commit to upgrading a town or suburban centre, aiming to enhance safety and access within the town centre and creating an attractive and functional space for community activity.

Collaborate with our communities to mitigate and adapt to climate change

- Continue the programme of renewals and upgrades of transport network resilience, including on key routes. Increased investment in retaining walls across the network.
- Progress an urban greening programme in the Central City to commence delivery of the Green Network Plan.
- Develop of local Climate Adaptation Plans to support the most affected communities, and prepare and adapt to the unavoidable impacts of climate change.
- Green the central city over the next 30 years.
- Develop two new urban parks, improve 20 existing urban spaces, and double the number of street trees (to 4,000) in the next 10 years.
- Respond to city growth and redevelopment by acquiring land for new parks and open spaces.

Environmental Outcome: A city restoring and protecting nature

For Wellington, a city restoring and protecting nature includes:

- providing easy access to nature,
- with systems to reduce waste and
- thriving biodiversity and nature-based solutions in natural and urban environments

Our priorities are to:

- Transform our waste system to enable a circular economy.
- Fix our water infrastructure and improve the health of waterways.

We plan to:

- Weave biodiversity through our urban landscape and continue to regenerate, protect and preserve our native plants and animals, following a strong biodiversity plan.
- Maintain green spaces, and when investing in infrastructure, parks, and open spaces:
    - Reflect Te Tiriti o Waitangi, our Tākai Here partnership and mātauranga Māori
    - Improve access to nature for all ages and abilities
    - Respond to the needs of the community
    - Adapt to climate change
- Improve the resilience of our roads and other infrastructure to reduce the risk of slips caused by heavy rainfall and climate change, and support the community to do the same.

- Establish infrastructure and systems to increase resource circularity.

Investments to deliver on the Strategic Priorities

Transform our waste system to enable a circular economy

- Continue with the construction of the Sludge Minimisation Facility at Moa Point. Construction began in May 2023 and the expected completion date is around mid-2026. This facility will reduce the amount of sludge currently created and being deposited into the Southern Landfill by 60%, by creating a stable, dry, odourless product that can be more easily transported, and used in productive ways such as a soil conditioner and fuel for industrial heat.
- Continue creating a new landfill on top of an old one at the Southern Landfill. Resource consent was lodged in March 2023, a decision is due by mid-2024, and construction is expected to begin in late 2024. The new landfill is expected to be completed and operating in June 2026, which is when the resource consent for the current landfill expires.
- Implement the new kerbside collection system to include organics and increase the volume of recycling collected.

Ngā Kaikaunihera | Your Councillors

Wellington City Council is made up of 15 councillors and a Mayor. Like all other 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. Councillors are elected by voters from their respective geographical areas (wards). The last election was on 8 October 2022, with a by-election on 17 February 2024 in the Lambton Ward. We also have two Pouiwi representatives of our mana whenua partners who sit on our Council committees.

Mayor Tory Whanau
Elected: 2022

Chair: Te Kaunihera o Pōneke | Wellington City Council, and Ngutu Taki | CEO Performance Review Committee

mayor@wcc.govt.nz

Deputy Mayor Laurie Foon
Paekawakawa Southern Ward
Elected: 2019

Deputy Chair: Te Kaunihera o Pōneke | Council and Unaunahi Ngaio | Chief Executive Performance Review Committee

laurie.foon@wcc.govt.nz

Councillor Nureddin Abdurahman
Paekawakawa Southern Ward
Elected: 2022

Deputy Chair: Kōrau Mātinitini | Social, Cultural, and Economic Committee

nureddin.abdurahman@wcc.govt.nz

Councillor John Apanowicz
Takapū Northern Ward
Elected: 2022

Deputy Chair: Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

john.apanowicz@wcc.govt.nz

Councillor Tim Brown
Motukairangi Eastern Ward
Elected: 2022

Chair: Kōrau Tūāpapa | Environment and Infrastructure Committee

tim.brown@wcc.govt.nz

Councillor Diane Calvert
Wharangi Onslow-Western Ward
Elected: 2016

diane.calvert@wcc.govt.nz

Councillor Ray Chung
Wharangi Onslow-Western Ward
Elected: 2022

ray.chung@wcc.govt.nz

Sarah Free
Motukairangi Eastern Ward
Elected: 2013, and served as Deputy Mayor 2019–2022

Chair: Koata Hātepe | Regulatory Processes Committee

sarah.free@wcc.govt.nz

Councillor Rebecca Matthews
Wharangi Onslow-Western Ward
Elected: 2019

Chair: Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Deputy Chair: Kōrau Tūāpapa | Environment and Infrastructure Committee

rebecca.matthews@wcc.govt.nz

Councillor Ben McNulty
Takapū Northern Ward
Elected: 2022

Deputy Chair: Koata Hātepe | Regulatory Processes Committee

ben.mcnulty@wcc.govt.nz

Councillor Teri O'Neill
Motukairangi Eastern Ward
Elected: 2019

Chair: Kōrau Mātinitini | Social, Cultural, and Economic Committee

teri.oneill@wcc.govt.nz

Councillor Iona Pannett
Pukehīnau Lambton Ward
Elected: 2007

iona.pannett@wcc.govt.nz

Councillor Geordie Rogers
Pukehīnau Lambton Ward
Elected: 2024 (by-election)

geordie.rogers@wcc.govt.nz

Councillor Tony Randle
Takapū Northern Ward
Elected: 2022

Deputy Chair: Unaunahi Māhirahira | Audit and Risk Committee

tony.randle@wcc.govt.nz

Councillor Nīkau Wi Neera
Te Whanganui-a-Tara Māori Ward
Elected: 2022

Chair: Pītau Pūmanawa | Grants Subcommittee

nikau.wineera@wcc.govt.nz

Councillor Nicola Young
Pukehīnau/Lambton Ward
Elected: 2013

Deputy Chair: Pītau Pūmanawa | Grants Subcommittee

nicola.young@wcc.govt.nz

Holden Hohaia
Pouiwi / Mana Whenua Representative

Contact: holden.hohaia@wcc.govt.nz

Liz Kelly
Pouiwi / Mana Whenua Representative

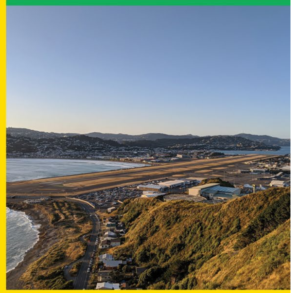
Contact: liz.kelly@wcc.govt.nz

Tō te Kaitātari Kaute Whakaaro | Independent Auditors Report

Tō mātou mahere ngahuru tau

Our 10-year Plan

2024-34 Long-term Plan Volume 2 Amendment – Our activities and financial information



Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

Contents

Wāhanga 1 | Section 1

He whakarāpopoto o ngā mahi a te kaunihera

Council activity summaries

Kei tēnei wāhanga

Kei tēnei wāhanga ā mātou mahi, te ara e tutuki ai aua mahi, ki whea whai tahua tautoko e tutuki ai, me ngā matapae anganui e hāpai ana i ēnei tauākī me tā mātou mahere.

In this section

This section includes our Statements of service provision (what we do, how we do it and how it's funded) and the Significant forecasting assumptions that underpin these statements and our plan

1. Te mana urungi Governance

Our governance work includes all the activities that support Council decision-making and ensure we are accountable to the people of Wellington.

Overview

Our governance activities include managing local elections, informing residents about the city and the issues or challenges it faces, listening to residents' views and making decisions in the best interests of Wellingtonians. This area also drives our focus on being open and talking with people who live in Wellington about the plans and decisions we make for our city. We also operate the City Archives, where the public can access historic information about Wellington, and property information. The Governance activity is responsible for the development of strategies, policies and plans.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page 36.

Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all Council decision making, governance information and engagement activities.

The Tūpiki Ora Māori Strategy priorities agreed with Tākai Here partners, includes that Council decision-making is underpinned by Te Tiriti o Waitangi and actively includes and considers Māori and mana whenua perspectives and values. More information on this commitment is in Volume 1 and Volume 3 in our Strategic Direction sections.

Key activity groups

Activity Group	Community outcome	Strategic priority (where applicable)	Key strategies or plans
1.1 Governance, information and engagement	Social wellbeing: A city of healthy and thriving whānau and communities	Governance activities contribute to all of the strategic priorities through managing the decision-making processes.	▪ Infrastructure Strategy 2024 ▪ Finance Strategy 2024

How we will embed Strategic Approaches in this activity

Strategic Approaches are about how we will deliver our work. They are important and will be applied to everything we do.

Integrating te ao Māori	Ensure the voices and perspectives of our Tākai Here partners hapori Māori, rangatahi, takatāpui and whānau hauā/ tangata whai kaha are uplifted, valued and embedded in decision-making. Support whānau wellbeing through Council activities, decisions, and planning.
Making our city accessible and inclusive for all	Continue to work to improve the accessibility of our decision-making, information, services and how we communicate and engage with our communities. Ensure efforts are made to overcome barriers and address disparities in participation in everyday activities.
Embedding climate action	Through our actions and decisions, we support an approach to climate change solutions that are fair and equitable for all involved. We will support community discussions and planning to mitigate the impacts of climate change.
Engaging our community	Focus on inclusive and transparent decision making and seeking community feedback on the effectiveness of, and satisfaction with, our programmes.
Value for money	Make future focused, strategic and integrated decisions with sound information and research.

1.1 Te mana urungi, ngā pārongo me te whai wāhi
Governance, information and engagement

Purpose

Our governance work includes all of the activities that support Council decision-making and ensures we are accountable to the people of Wellington.

This includes:

- running local elections
- holding meetings;
- informing residents about the city and our work; and
- seeking input from residents and engaging them in our decision-making.

Activities

Activities in this group	Services we deliver
1.1.1 City governance and engagement	▪ Providing accurate and professional advice, research and administrative support to elected members and community boards ▪ Organising local body elections, and encouraging all Wellingtonians to have their say on who will govern their city ▪ A contact centre and website providing 24/7 access to information and a place to log service faults ▪ Facilitating community engagement and consultation on key decisions facing the city, including facilitating input from Council advisory groups ▪ Provide information to the public about our services and change proposals
1.1.2 Civic Information	▪ Setting policy and bylaws, carrying out planning and budgeting and reporting our performance
1.1.3 City Archives	▪ Management of archival information in line with legislation

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
1.1 Governance, information and engagement	We do not anticipate any significant negative effects associated with the provision of these services.	N/A

Rationale for Activities

- To ensure the Council meets the requirements of the Local Government Act and other statutory requirements.
- To ensure that residents of Wellington are actively involved in decision-making for the city and have access to information.
-

Statement of levels of service and performance measures

Activity – 1.1 Governance, information and engagement

Level of service statements:

- Facilitate democratic decision making and provide open access to information to build trust and confidence.
- Reduce organisational greenhouse gas emissions.

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
(%) Meeting and committee agendas made available to the public within statutory timeframes[1]	Accessibility	100% (22/23 FY)	100%	Quarterly
% of residents who believe they have adequate opportunities to participate in city decision-making and have their say in Council activities	Accessibility	38% (RMS2024)	40%-45%[2]	Annual
(%) Residents who agree that Council information is easy to access (via website, libraries, social media)	Accessibility	49% (22/23 FY)	55%	Annual
Council's consultations are implemented in accordance with the principles of the Local Government Act 2002	Reliability	100% (April 2024)	100%	Quarterly
(%) Contact Centre contacts responded to within target timeframes[3]	Responsiveness	90% (22/23 FY)	90%	Quarterly
By 2027 overall channel reach will be more than 26 million	Accessibility	25,553,377 (Sept 2023)	>26 million	Annual
WCC Group greenhouse gas emissions (tCO^2-e decreasing)	Sustainability	Total 98,791 (Scope 1 48,978; Scope 2 2,072; Scope 3 47,742) (FY22/23)	Achieve 2050 target of net zero	Annual

1. The statutory timeframe is defined as at least two working days before every meeting as per the Local Government Official Information and Meetings Act 1987
2. The target of 40-45% has been set using data from the 2021-31 LTP KPI and baseline results from the question relating to this KPI run in the 2024 Residents Monitoring Survey
3. The target timeframes are defined as; % of calls handled answered within 240 seconds; % of emails received responded to within 24 hours

Key service level changes

Community Engagement

We will invest in an Ethnic Communities Forum and establish a new Ethnic Communities Advisory Group at a per year additional cost of $130,000.

Affordability

While most core services remain unchanged, we will stop collecting community archives from the public at the City Archive. This is a cost neutral level of service change, which will reduce the longer-term requirements for both physical storage and resourcing to manage this material.

Additionally, we are reallocating resources from climate mitigation initiatives to enhance our focus on adaptation planning and engagement.

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
1.1.1 City governance and engagement	Expense	11,949	13,349	12,049	12,468	13,312	12,796	13,332	14,264	13,595	14,298
	Income	(27)	(417)	(28)	(29)	(236)	(30)	(30)	(250)	(31)	(32)
1.1.2 Civic information	Expense	7,526	8,153	8,364	8,556	8,714	8,951	9,102	9,265	9,414	9,658
	Income	(342)	(278)	(284)	(290)	(296)	(301)	(307)	(313)	(319)	(324)
1.1.3 City Archives	Expense	2,783	4,130	4,406	4,744	4,924	5,074	5,228	5,373	5,510	5,667
	Income	(148)	(151)	(154)	(157)	(161)	(164)	(167)	(170)	(173)	(176)
Total	**21,742**	**24,787**	**24,353**	**25,293**	**26,256**	**26,327**	**27,157**	**28,169**	**27,996**	**29,091**	**261,171**

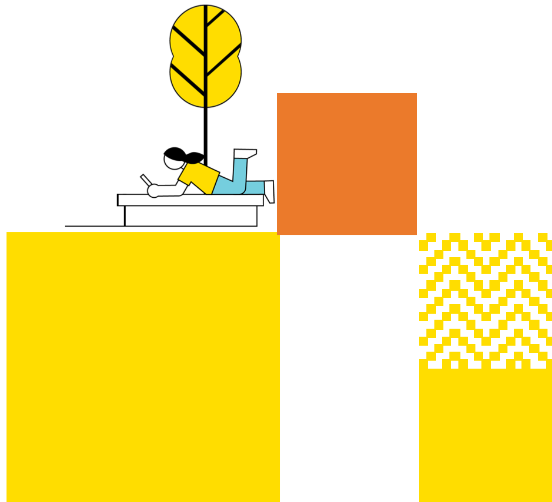
Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
1.1.1 City governance and engagement	0	0	146	0	0	0	0	0	0	0	0
Total	**0**	**0**	**146**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Funding impact statement ($000s)

1.1 Governance Information and Engagement	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	22,248	25,293	24,859	25,799	26,762	26,833	27,663	28,175	28,002	29,097
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	517	846	466	476	693	495	504	733	523	532
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	**22,765**	**26,139**	**25,325**	**26,275**	**27,455**	**27,328**	**28,167**	**28,908**	**28,525**	**29,629**
Applications of operating funding										
Payments to staff and suppliers	13,898	15,370	14,246	14,686	15,608	15,108	15,661	16,542	16,003	16,624
Finance costs	30	22	46	35	39	45	52	62	66	70
Other operating funding applications	10	10	10	10	10	10	10	10	10	10
Internal charges	7,816	8,887	8,909	9,137	9,268	9,610	9,840	10,121	10,204	10,614
Total applications of operating funding (B)	**21,754**	**24,289**	**23,211**	**23,867**	**24,925**	**24,772**	**25,562**	**26,735**	**26,283**	**27,318**
Surplus (deficit) of operating funding (A-B)	**1,011**	**1,850**	**2,114**	**2,408**	**2,529**	**2,556**	**2,605**	**2,174**	**2,242**	**2,311**
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(1,011)	(1,703)	(2,114)	(2,408)	(2,529)	(2,556)	(2,605)	(2,174)	(2,242)	(2,311)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**(1,011)**	**(1,703)**	**(2,114)**	**(2,408)**	**(2,529)**	**(2,556)**	**(2,605)**	**(2,174)**	**(2,242)**	**(2,311)**
Applications of capital funding										
Capital expenditure										

1.1 Governance Information and Engagement	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	146	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**(0)**	**146**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
Surplus (deficit) of capital funding (C-D)	**(1,011)**	**(1,850)**	**(2,114)**	**(2,408)**	**(2,529)**	**(2,556)**	**(2,605)**	**(2,174)**	**(2,242)**	**(2,311)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	505	1,344	1,608	1,902	2,023	2,050	2,099	2,168	2,236	2,305



2. Te Taiao me te Tūāhanga
Environment and Infrastructure

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. Our conservation attractions Wellington Zoo and ZEALANDIA - Te Māra a Tāne, are also part of this portfolio.

Overview

Pōneke boasts rich parks and open spaces that support active recreation, thriving ecosystems, and climate resilience. Wellington Zoo and Zealandia support indigenous plants and wildlife to thrive. Parks and open space assets, especially coastal assets, will require more investment due to climate change, increasing storm events, and sea level rise. During the period 2024-2027, detailed climate adaptation planning will be conducted for key parts of the city, and this will help inform investment choices for the 2027-37 LTP. The landfill generates approximately 80% of the Council's emissions. Big waste asset investments are needed to shift from a model that manages waste to a system that enables people to avoid waste going to the landfill in the first place. Where available we will seek central government funding that enables this transition.

Despite meeting health standards, the current water supply network faces material challenges and does not meet all service levels. Many assets have exceeded their expected lifespan, with 31% of drinking water lost through public pipes and an additional 10% on private property. Around 30% of the network is at or near the end of its life, and over 50% will need replacement within 30 years. Prioritising leak repairs over additional supply investment is crucial to increase water availability.

Compliance with the National Policy Statement-Freshwater Management (2020) by 2040 is essential. This aims to improve freshwater quality, protect public health, and respect community aspirations. Upgrading wastewater assets is necessary to meet service levels, including replacing poor-condition pipes and preventing sewage overflows during heavy rain. Completing the sludge minimisation facility and increasing network capacity to prevent stormwater overflow are priorities.

The stormwater system's purpose is to prevent flooding and associated health risks by draining rainwater through pipes, culverts, and sumps, as well as overland flow paths and open channels. However, variations in design standards across the city mean some areas are more prone to flooding than others.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page 36.

Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all nature and climate activities, including activities undertaken by Wellington Zoo Trust and Zealandia Te Māra a Tāne.

The Tūpiki Ora Māori Strategy action plan outlines our priorities in its waypoint, Tiakina te taiao | Caring for our environment, including that water quality and quantity initiatives are aligned to mana whenua and Māori aspirations, and our waste programme is being delivered in partnership with our Tākai Here partners wherever possible and in ways that are culturally sensitive and responsive to the histories of our Tākai Here partners.

More information on this commitment is in Volume 1 and Volume 3 in our Strategic Direction sections.

Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
2.1 Parks, beaches and open spaces	Social wellbeing: A city of healthy and thriving whānau and communities	Invest in sustainable, connected and accessible community and recreation facilities	■ Te Whai Oranga Pōneke - Open Spaces and Recreation Strategy ■ Our Natural Capital
2.2 Waste	Environmental wellbeing: A city restoring and protecting nature	Transform our waste system to enable a circular economy	■ Te Atakura | First to Zero - Zero Carbon Strategy ■ Green Network Plan ■ A zero-waste future for Wellington - Zero Waste Strategy ■ Wellington Regional Waste Management and Minimisation Plan
2.3 Water network 2.4 Wastewater 2.5 Stormwater	Urban form - A liveable and accessible, compact city	Fix our water infrastructure and improve the health of waterways	■ Spatial Plan - Our City Tomorrow ■ District Plan 2024 ■ Infrastructure Strategy 2024
2.6 Conservation organisations	Environmental wellbeing: A city restoring and protecting nature	Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	■ Our Natural Capital

How we will embed Strategic Approaches in this activity

Strategic Approaches are about how we will deliver our work. They are important and will be applied to everything we do.

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

Integrating te ao Māori	We recognise the unique role that Mana Whenua play as kaitiaki for te taiao and grounding our approach to environmental wellbeing in mātauranga Māori. Wai is also a priority for mana whenua and Hapori Māori. We will seek opportunities for co-design with our Tākai Here partners on initiatives that include our environment.
Making our city accessible and inclusive for all	Providing spaces in nature that are accessible and inclusive including by wheelchair and pushchair, as well as places to rest. We will encourage reuse, repurposing, recycling and processing by providing a network of services close to communities. We will seek to provide information that is accessible and easy to find and use so that the disabled community can find services and facilities that meet their individual needs. We will support the accessibility of parking spaces, and footpaths to enable everyone to access open spaces and attractions. We will continue to ensure everyone in Wellington has access to safe, clear water, and is serviced by wastewater and stormwater removal.
Embedding climate action	We will continue to embed climate change mitigation and adaption in all decisions and actions for our natural environment. We will utilise nature-based solutions to address infrastructure resilience and climate issues. We will continue to develop a waste system that reduces carbon emissions. We will ensure our city has the capacity and capability to manage and reduce its waste in extreme events and day-today operations. We will support the conservations organisations to work across the region and with communities to protect and enrich our natural environment - our streams, bush and birds for the health and safety of our people, our resilience to impacts of climate change and for the health of te taiao. We are planning for two additional water reservoirs to increase resilience in the face of climate change related droughts. As we find and repair leaks in the wastewater pipe network, we will seek to understand the sea level rise issues and include any mitigation as we go. We will focus on understanding where the greatest flooding risks are and prioritise investment in nature-based solutions and flood containment in those areas.
Engaging our community	Providing ongoing education and opportunities for residents to participate in climate change mitigation and adaptation efforts, to promote community resilience and engagement in the process. We will continue to provide waste education programmes in schools and communities, and actively involve the community in design and delivery of resource efficiency systems, contributing to a culture shift towards reduction of waste. Our conservation organisations provide spaces for residents and visitors to Wellington to directly engage and connect with te taiao and our indigenous plants and animals. We will continue to communicate and actively involve our community in our overarching water strategies and decision making.
Value for money	Making future-focused decisions that benefit future generations and consider the impact on the environment and climate change. We will manage rates and borrowing affordability by planning a renewals programme funded at 75% of projected requirements, prioritising assets with the worst condition levels. For operational and financial efficiency and overall affordability Wellington Water has prioritised repairing and replacing highest criticality assets in a very poor and poor condition. We will prioritise investment in stormwater filtration and flood protect in conjunction with or ahead of transport infrastructure investment, public realm, or housing development.

2.1 Ngā Māra, ngā matatāhuna, me tētehi papa wātea kākāriki nui
Parks, beaches and open space

Purpose

The city's parks, gardens and coastlines are what makes Pōneke a great place to live. They are integral to the health of the city and Wellingtonians by providing spaces to connect to te taiao, for recreation, community gatherings and events. One-eighth of Wellington's area is reserve and has been protected for generations. It is a vital and iconic part of Wellington's landscape and supports nature to thrive. Our open space and reserves are crucial to the city's response to climate change by acting as a carbon sink, supplementing the stormwater network, especially in severe weather events, and enhancing biodiversity in the city.

To ensure these spaces continue to contribute to a high quality of life for all Wellingtonians, we invest to protect, maintain and develop these areas.

The work we do makes the city's environment greener and more pleasant for all Wellingtonians – it improves our quality of life and sense of pride in the city. These spaces also make Wellington an attractive place to visit.

Activities

Activities in this group	Services we deliver
2.1.1 Parks and reserves	Managing and maintaining: 4,146 hectares of parks, reserves and beaches 160 buildings located in parks, reserves or beach areas for community use A number of heritage features are among these assets, including waahi tapu sites, archaeological sites, historic gates and heritage trees
2.1.2 Wellington gardens	Managing assets and maintaining the Wellington gardens Over 200,000m^2 of formally maintained horticultural areas Four gardens: Wellington Botanic Garden; Ōtari Wilton's Bush; Truby King Park and Bolton Street Cemetery
2.1.3 Beaches and coast	Managing and maintaining 42 coastal structures including boat ramps, wharves, slipways and seawalls
2.1.4 Urban ecology	Improving urban ecology through restoration planting and appropriate management of biosecurity issues and animal pests Supporting community environmental initiatives
2.1.5 Trails	Managing and maintaining 367 kilometres of recreational walking and mountain bike tracks Walk-able and ride-able surfaces catering for multiple use access, walking, buggies and mountain bikes unless specified otherwise.
2.1.6 Waterfront public space	Managing daily activity on the waterfront, including property management, parking, cleaning, security and general maintenance

Rationale for Activities

- To provide access to green open spaces. High quality natural and green environments contribute to off-setting our carbon emissions and enhance our sense of place.
- To provide public places to congregate. Accessible and high-quality open spaces encourage people to gather, share activities and connect with each other.
- To provide access to recreational opportunities. These activities provide high quality open spaces for a wide range of recreation activities, such as walking and mountain biking.
- Water sensitive urban design: The green network and spaces throughout the City are an important part of the stormwater network and will increasingly be used to supplement the underground network of pipes.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of residents and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Key service level changes

To manage affordability, Parks, beaches and open spaces services remain at current levels with no increases. This means a reduction in the previously planned upgrades across the activities in this grouping. There may also be some tactical green space service level changes in response to managing within tighter financial constraints, such as to garden bedding displays or mowing.

We will review several buildings in the activity, particularly waterfront commercial buildings, to assess their potential for future savings. Over the next 10 years we will also prioritise critical renewal and upgrade work, such as safety initiatives on the waterfront. However, there is funding in the Long-term Plan in years 3 ($70,000) and 6 ($70,000) for two additional fenced dog exercise areas.

Alongside GWRC, we will contribute $100,000 per year to community organisation Capital Kiwi who will work with mana whenua and private landowners to continue to enhance landscape-level pest control, support biodiversity goals, and boosts tourism through the re-introduction of kiwi to the Wellington area.

As part of the capital programme review in the LTP Amendment, we have increased investment for the Begonia House upgrade from $8.1m to $11m to complete the minimum remedial works identified in the recent condition survey. Noting that this will not address all safety and environmental concerns.

As part of the capex review, we retained the funding to demolish the Frank Kitts Park carpark to allow the Fale Malae project to occur. The carpark will remain open until demolition. The additional elements of the Frank Kitts Park upgrade will be scaled back and rephased into the outer years of the LTP.

Work related to the Garden of Beneficence will not commence until years 11+ of the LTP and the Council will not benefit from cost efficiencies associated with aligning the timing of the construction works with the adjacent Fale Malae works.

Activity	Key negative effects	Mitigation
2.1 Parks, beaches and open space	Recreational use of the city's green open spaces can have negative effects on the immediate environment. In most cases, these are not significant.	In our management of the city's green open spaces, we seek to balance recreation needs against environmental protection.
	Service delivery in a challenging natural environment and managing effects of climate change.	Further analysis and investigation needs to be undertaken to understand the effects over the next 11 to 30-year period. Assets at risk need to be identified and decisions made around reinforcing or removing these assets.

Statement of levels of service and performance measures

Activity: 2.1 Gardens, Beaches and Green Open Spaces

Level of Service Statement: Provide access to green open spaces and enhance biodiversity to improve the quality of our natural environment.

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
(%) Residents satisfied with the quality and maintenance of open spaces (local parks and reserves, botanic gardens, beaches and coastal areas, walkways and trails, waterfront, forested areas, green belts)	Client Satisfaction	71% (22/23 FY)	80%	Annual
Cost ($) to the ratepayer per visitor to the Wellington Botanic Gardens and Otari-Wilton's Bush	Affordability	$4.70 (22/23 FY)	$7.00	Annual
(%) Perception that types of open spaces are easy to access, including walkways and trails, local parks and reserves, forested reserves, beaches, and coastal areas	Accessibility	78% (RMS 2024)	80%	Annual

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.1.1 Parks and Reserves	Expense	24,181	24,202	28,435	28,314	30,027	32,093	34,150	36,259	37,962	39,615
	Income	(1,275)	(1,282)	(1,330)	(1,360)	(1,388)	(1,416)	(1,443)	(1,470)	(1,498)	(1,525)
2.1.2 Wellington gardens	Expense	7,690	8,339	8,802	9,002	9,421	9,933	10,336	10,721	11,104	11,794
	Income	(879)	(880)	(816)	(834)	(852)	(869)	(885)	(902)	(919)	(936)
2.1.3 Beaches and coast	Expense	1,800	1,784	2,153	2,180	2,200	2,314	2,450	2,610	2,735	2,800
	Income	(60)	(71)	(63)	(64)	(65)	(67)	(68)	(69)	(71)	(72)
2.1.4 Urban Ecology	Expense	5,137	5,494	5,416	5,539	5,660	5,997	5,945	5,980	6,082	6,219
	Income	0	0	0	0	0	0	0	0	0	0
2.1.5 Trails	Expense	1,439	1,560	1,637	1,600	1,507	1,746	1,733	1,713	1,698	1,666
	Income	0	0	0	0	0	0	0	0	0	0
2.1.6 Wellington Waterfront	Expense	17,287	18,320	19,115	18,186	17,520	18,113	18,606	18,798	18,770	18,707
	Income	(502)	(595)	(526)	(537)	(548)	(559)	(570)	(581)	(591)	(602)
Total		**54,820**	**56,871**	**62,823**	**62,027**	**63,481**	**67,286**	**70,253**	**73,058**	**75,272**	**77,667**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.1.1 Parks and Reserves	6,973	8,340	9,869	6,167	12,856	4,278	12,180	13,065	23,230	16,529	15,763
2.1.2 Wellington gardens	1,311	804	1,224	6,301	5,520	3,501	2,429	821	2,696	4,350	2,685
2.1.3 Beaches and coast	1,355	1,001	2,232	1,212	510	856	653	827	594	826	840
2.1.4 Urban Ecology	0	0	0	0	0	0	0	0	0	0	0
2.1.5 Trails	1,343	1,343	1,217	1,934	3,264	2,709	3,129	3,650	1,479	1,680	3,386
2.1.6 Wellington Waterfront	4,985	4,774	17,377	4,544	2,453	8,908	3,089	2,124	1,740	1,763	2,002
Total	15,967	16,261	31,919	20,159	24,603	20,252	21,480	20,486	29,739	25,147	24,676

Funding impact statement ($000s)

2.1 Gardens, Beaches and Green Open Spaces	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	52,063	57,024	62,976	62,180	63,634	67,440	70,406	73,209	75,424	77,818
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	190	129	89	91	92	94	96	98	100	102
Fees and charges	2,425	2,572	2,542	2,598	2,652	2,705	2,757	2,809	2,862	2,914
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	25	0	0	0	0	0	0	0	0
Total operating funding (A)	**54,679**	**59,750**	**65,608**	**64,868**	**66,379**	**70,239**	**73,259**	**76,116**	**78,385**	**80,833**
Applications of operating funding										
Payments to staff and suppliers	28,090	30,323	30,970	32,091	33,035	34,616	35,532	36,337	37,294	37,922
Finance costs	5,929	5,294	8,899	7,355	8,177	9,043	10,192	11,559	12,263	12,846
Other operating funding applications	170	170	170	170	120	120	120	120	120	120
Internal charges	10,495	10,673	11,295	11,666	11,917	12,511	12,773	12,934	13,060	13,573
Total applications of operating funding (B)	**44,685**	**46,460**	**51,333**	**51,281**	**53,249**	**56,290**	**58,616**	**60,949**	**62,737**	**64,460**

2.1 Gardens, Beaches and Green Open Spaces	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Surplus (deficit) of operating funding (A-B)	**9,994**	**13,290**	**14,274**	**13,587**	**13,130**	**13,949**	**14,643**	**15,167**	**15,649**	**16,373**
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	320	320	320	320	320	320	320	320	320	320
Increase (decrease) in debt	5,653	18,307	5,561	10,690	6,793	7,200	5,510	14,237	9,161	7,964
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**5,973**	**18,627**	**5,881**	**11,009**	**7,112**	**7,520**	**5,830**	**14,557**	**9,481**	**8,284**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	2,386	1,476	1,000	5,023	1,726	8,899	8,729	18,654	12,455	10,611
- to improve level of service	5,100	19,765	4,016	3,638	5,332	455	1,888	1,394	399	763
- to replace existing assets	8,481	10,678	15,144	15,942	13,193	12,126	9,869	9,690	12,293	13,302
Increase (decrease) in reserves	0	(2)	(4)	(7)	(9)	(11)	(13)	(15)	(17)	(20)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**15,967**	**31,917**	**20,155**	**24,596**	**20,243**	**21,469**	**20,473**	**29,724**	**25,130**	**24,657**
Surplus (deficit) of capital funding (C-D)	**(9,994)**	**(13,290)**	**(14,274)**	**(13,587)**	**(13,130)**	**(13,949)**	**(14,643)**	**(15,167)**	**(15,649)**	**(16,373)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	12,851	13,239	14,225	13,540	13,086	13,907	14,603	15,131	15,615	16,341

2.2 Para
Waste

Purpose

Our goal is to achieve intergenerational sustainability by moving to a circular economy. In a circular economy, economic activity is disconnected from the use of finite resources. Products and materials are kept in use for as long as possible, and waste that can't be reused or recycled is safely managed.

Zero waste is an ambitious target for Wellington. It signals a significant shift in how we as city think about waste, the services and infrastructure we provide, and how businesses, residents and the Council can contribute to making a difference for our city's environmental, societal, and economic future. To deliver this strategy's objectives, collective responsibility and action is critical.

We manage and monitor landfill operations and composting waste at the Southern Landfill, undertake domestic recycling and rubbish collection services, limit the environmental impact of closed landfills, and undertake programmes to educate residents on how to manage and minimise waste effectively.

Activities

Activities in this group	Services we deliver
2.2.1 Waste minimisation, disposal and recycling management	■ Domestic recycling and rubbish kerbside collection and facilities for disposing of general household waste (Note: the 2024-34 LTP includes the decision to make changes to this service and this is outlined in the Key service level changes.) ■ Diversion services, green waste disposal and composting facilities at the Southern Landfill ■ Education and advocacy for greater waste minimisation practices in the homes of Wellingtonians ■ Facilities for disposing of hazardous and industrial waste, waste from developments and construction activities, and waste from emergencies and disasters ■ A recycling facility, including a shop for the sale of reusable goods ■ Supporting programmes to reduce the organisation's carbon emissions.
2.2.2 Closed Landfills Aftercare	■ Mange closed landfills, including gas monitoring and management

Rationale for Activities

Managing and minimising waste is a legislative requirement. We aim to support the city to avoid unnecessary waste, make it easy for residents and businesses to sort their waste for reuse, recycling, and composting, recover and process materials to regain value from resources, and safely manage hazardous waste.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.2 Waste	Waste manage-ment has the potential to create leachates and gases.	The construction and management of the Southern Landfill is designed to minimise the impact of these. The service is subject to resource consent conditions and is monitored.
	Methane and carbon are products of the landfill.	We capture and destroy the methane which minimises the impact of the landfill on the environment and generates energy in the process. Some carbon is still released to the environment. We aim to reduce carbon emissions throughout the city and reduce the amount of waste generated through our Low Carbon Capital Plan.

Statement of levels of service and performance measures

Activity: 2.2 Waste

Level of service statement: Reduce our impact on the environment by minimising and managing the disposal of waste.

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
Volume of waste diverted from landfill	Sustainability	16,719 Tonnes (22/23 FY)	20,000 Tonnes	Quarterly
Percentage of contamination in kerbside recycle collection	Sustainability	16% (May 2023)	Declining ≤ 10%	Quarterly

Key service level changes

Waste collection changes

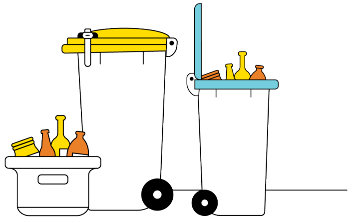
We are working to implement our Zero Waste Strategy, which was adopted in April 2023, and the new Wellington Regional Waste Management and Minimisation Plan. A key part of this is making changes to our kerbside collection service.

Rubbish collection will continue to be a bagged user pays collection in year 1 and 2 and there will be no changes to the two recycling collections.

From year 3 we are changing our services to: a new organics collection service in wheelie bins, a wheelie bin collection for rubbish, larger 240L recycling wheelie bins, and no change to the 45L glass crate collection service.

There will be a new targeted rate to fund the rubbish and organics changes. The recycling collection will continue to be funded through the landfill gate fees. We will also investigate implementation trials for the collection of waste at Multi-Unit Developments, and in the central city.

The Council will also support community compost hub providers to educate the community and divert organics from the waste stream, to be funded using (ring fenced) Waste Levy Funding of $50,000 to $150,000 per annum until the 2027-37 LTP.



What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.2.1 Waste minimisation, disposal and recycling	Expense	35,419	37,387	40,866	54,978	57,644	61,188	64,279	66,321	68,489	70,983
	Income	(32,592)	(35,017)	(36,537)	(32,855)	(35,241)	(36,802)	(38,825)	(40,848)	(42,926)	(45,049)
2.2.2 Closed landfills aftercare	Expense	511	62	73	72	76	81	87	94	99	103
Total		**3,338**	**2,432**	**4,403**	**22,194**	**22,479**	**24,467**	**25,542**	**25,567**	**25,662**	**26,037**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.2.1 Waste minimisation, disposal and recycling	15,334	9,494	16,615	35,840	28,987	11,160	5,059	5,439	6,951	7,181	7,521
Total	**15,334**	**9,494**	**16,615**	**35,840**	**28,987**	**11,160**	**5,059**	**5,439**	**6,951**	**7,181**	**7,521**

Funding impact statement ($000s)

2.2 Waste	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	511	62	73	2	76	81	87	94	99	3,937
Targeted rates (other than a targeted rate for water supply)	0	0	0	22,104	21,303	22,148	22,944	23,720	24,466	21,462
Subsidies and grants for operating purposes	0	578	0	0	0	0	0	0	0	0
Fees and charges	32,592	34,439	36,537	32,855	35,241	36,802	38,825	40,848	42,926	45,049
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	**33,103**	**35,079**	**36,610**	**54,962**	**56,620**	**59,031**	**61,856**	**64,662**	**67,491**	**70,448**

2.2 Waste	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Applications of operating funding										
Payments to staff and suppliers	29,576	31,105	33,486	46,324	46,143	47,030	49,161	50,662	52,130	53,623
Finance costs	791	629	966	822	898	978	1,084	1,230	1,302	1,366
Other operating funding applications	538	0	0	0	0	0	0	0	0	0
Internal charges	4,032	4,422	4,903	6,109	6,068	6,365	6,562	6,714	6,811	7,125
Total applications of operating funding (B)	**34,937**	**36,156**	**39,355**	**53,255**	**53,109**	**54,372**	**56,806**	**58,606**	**60,244**	**62,115**
Surplus (deficit) of operating funding (A-B)	**(1,834)**	**(1,078)**	**(2,745)**	**1,707**	**3,511**	**4,659**	**5,050**	**6,056**	**7,247**	**8,333**
Sources of capital funding										
Subsidies and grants for capital expenditure	383	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	16,785	17,693	38,585	27,281	7,649	400	389	896	(66)	(812)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**17,168**	**17,693**	**38,585**	**27,281**	**7,649**	**400**	**389**	**896**	**(66)**	**(812)**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	383	2,673	18,980	13,684	0	0	0	0	0	0
- to improve level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	14,951	13,942	16,859	15,303	11,160	5,059	5,439	6,951	7,181	7,521
Increase (decrease) in reserves	0	(0)	0	0	0	(0)	(0)	(0)	(0)	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**15,334**	**16,615**	**35,840**	**28,987**	**11,160**	**5,059**	**5,439**	**6,951**	**7,181**	**7,521**
Surplus (deficit) of capital funding (C-D)	**1,834**	**1,078**	**2,745**	**(1,707)**	**(3,511)**	**(4,659)**	**(5,050)**	**(6,056)**	**(7,247)**	**(8,333)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	993	1,292	1,584	1,795	4,611	6,897	7,560	7,809	8,344	8,971

2.3 Wai
Water

Purpose

A city needs a steady supply of clean, safe, drinkable water. Freshwater is a precious a resource that's in limited supply. Before it can be supplied to Wellington households, it is gathered in rainwater catchments, stored and treated to ensure it's free of contamination. It is then piped and distributed to every household and business through an extensive network. The city shares its water supply with the region's other main metropolitan areas using water collection, bulk storage, treatment and transportation assets owned by GWRC. This complete water supply service, including the bulk water, is managed, controlled and maintained for the councils by Wellington Water Limited, a Council-controlled organisation.

Our focus for the next ten years is also on managing the significant renewal requirements of the drinking water network, and ensuring it is resilient to earthquakes and the increasing extreme weather. The other key area of focus is our security of water supply to increase our resilience to the changing climate and meet demand from population growth.

Activities

Activities in this group	Services we deliver
2.3.1 Water network	■ Ensuring high-quality water is available at all times for drinking and other household and business uses and for firefighting purposes ■ Maintaining 65 reservoirs, 34 pumping stations, 156,000 fixtures, including hydrants and 1200 kilometres of pipes across the city ■ Encouraging efficient, responsible use of water by providing information to residents and businesses, and through restrictions on sprinklers and garden hoses (as required) ■ Investing in key areas to support growth of the city and enhance resilience
2.3.2 Water collection and treatment	■ Monitoring drinking water quality to ensure it complies with New Zealand Standards

Rationale for Activities

- To increase security of potable and stored water.
- A reliable, resilient, and adequate supply of clean and safe water is critical for the health, wellbeing and prosperity of all residents.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.3 Water Supply	Our population is growing over the long term and demand on water is increasing.	Investment during the 10 years of this plan will provide an additional water storage asset serving central Wellington and the CBD. An increased investment in network leakage and repair will have some impact on overall demand.

Key service level changes

We are significantly increasing the investment in our water supply network to address water leaks in the short-term, and water supply over the medium to long-term. This will include investment in water meters to make identifying leaks easier, and reduce demand for water, managing the loss of water in the network.

- In Year 1 we are debt funding an additional $3.3m for reactive water maintenance to clear the backlog of leak repairs in Wellington before the 2024/25 summer.
- See Local Water Done Well section on the next page for additional information on service level changes for this area.

Local Water Done Well

The Government's Local Water Done Well (LWDW) reforms require all councils to prepare a Water Services Delivery Plan (WSDP) by 3 September 2025. The WSDP must contain information about the current state of water services and assets, as well as the proposed future delivery model to ensure water services are financially sustainable by 2028.

The Council has resolved that the new delivery model for Wellington will be a regional Council-controlled organisation. As a result of implementing LWDW it is assumed that from 1 July 2026 ownership, cost and responsibility of three water assets will no longer rest with Wellington City Council.

The final delivery model will be subject to decisions made by other Councils in the region. The LTP amendment was also finalised prior to the completion of the legislative process for LWDW being completed, which creates a level of uncertainty as to the final transition arrangements, including the responsibility for reporting on mandatory DIA key performance indicators.

Our interest in a new water services delivery entity will also not be known until the water services delivery plan is finalised.

Statement of levels of service and performance measures

Activity: 2.3 Water

Level of service statement: Increase the security of potable and stored water

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
The extent to which the local authority's drinking water supply complies with the following parts of the Drinking Water Quality Assurance standards (effective 15 Nov 2022): (h) 4.10.1 T3 Bacterial Rules *	Safety	Compliant	Complaint	Quarterly
The extent to which the local authority's drinking water supply complies with the following parts of the Drinking Water Quality Assurance standards (effective 15 Nov 2022): (i) 4.10.2 T3 Protozoal Rules *	Safety	Non-Compliant	Cmplaint	Quarterly
The extent to which the local authority's drinking water supply complies with the following parts of the Drinking Water Quality Assurance standards (effective 15 Nov 2022): (j) 4.11.5 D3.29 Microbiological Monitoring Rule *	Safety	Not Applicable	Complaint	Quarterly
Number of complaints about the drinking water's clarity, taste, odour, pressure or flow, continuity of supply, and supplier responsiveness, expressed per 1000 connections*	Safety	18.7 (YE22/23)	<20 per 1000	Quarterly
Median response time for attendance for water network urgent call outs (minutes)* (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site[2]	Responsive ness	132 minutes (YE22/23)	≤60 minutes	Quarterly
Median response time for resolution for water network urgent call outs (hours)* (a) 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[2]	Responsive ness	13.4 hours (YE22/23)	≤4 hours	Quarterly
Median response time for attendance for water network non-urgent call outs (hours)* (a) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site[2]	Responsive ness	654 hours (YE22/23)	≤36 hours	Quarterly

*This KPI is mandatory as directed by the Department of Internal Affairs. These were not confirmed at the time of adoption of the LTP in June 2024. Three of these related to drinking water quality have been updated here through the LTP Amendment process in June 2025 to reflect the confirmed changes made by DIA in August 2024.

1. There was a technical non-compliance with the water quality rules on 12 January 2023 at the Wainuiomata Water Treatment Plant that supplies water to both Wainuiomata in Lower Hutt and parts of Wellington City. The water quality rules requires that water passing through the treatment plant does not exceed a certain level of turbidity (cloudy water that is used as an indicator for the presence of bugs that could cause public health risk) for more than 72 minutes per day. On this occasion the allowable level of turbidity was exceeded for a total of 18 minutes that day. Investigations and monitoring showed that at no point was this water unsafe to drink.

2. The recent independent review by ForceField into the service delivery efficiency of Wellington Water had several recommendations to improve service delivery. Shareholding councils have agreed to pursue operational improvements through the inclusion of performance and productivity based KPIs into the 2024 Letter of Expectations.

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
Median response time for resolution for water network non-urgent call outs (days)* (a) 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[2]	Responsive ness	40 days (YE22/23)	≤5 days	Quarterly
Water supply interruptions (measured as customer hours)	Reliability	0.4 hours ((YE22/23)	2 hours	Quarterly
Average drinking water consumption per resident/day* The average consumption of drinking water per day per resident within the territorial authority district[2]	Accessibility	407 litres (YE22/23)	<365 litres	Quarterly
Percentage (%) of real water loss from networked reticulation system and description of methodology used* Calculated as a regional mean value[2]	Reliability	31% (YE22/23)	17%	Quarterly

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.3.1 Water Network	Expense	69,904	78,486	0	0	0	0	0	0	0	0
	Income	(2,751)	(2,990)	0	0	0	0	0	0	0	0
2.3.2 Water Collection and Treatment	Expense	33,492	40,410	0	0	0	0	0	0	0	0
Total		**100,645**	**115,907**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.3.1 Water Network	7,703	5,591	24,436	0	0	0	0	0	0	0	0
Total	**7,703**	**5,591**	**24,436**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Funding impact statement ($000s)

2.3 Water Supply	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	83,152	92,260	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	2,700	0	0	0	0	0	0	0	0	0
Fees and charges	51	2,990	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0

2.3 Water Supply	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Total operating funding (A)	**85,903**	**95,250**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Applications of operating funding										
Payments to staff and suppliers	67,121	74,831	0	0	0	0	0	0	0	0
Finance costs	7,471	7,058	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Internal charges	2,357	2,036	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	**76,949**	**83,925**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Surplus (deficit) of operating funding (A-B)	**8,954**	**11,325**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	1,175	1,175	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(2,426)	11,936	0	0	0	0	0	0	0	0
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**(1,251)**	**13,111**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	150	228	0	0	0	0	0	0	0	0
- to improve level of service	2,625	3,451	0	0	0	0	0	0	0	0
- to replace existing assets	4,927	20,757	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(0)	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**7,703**	**24,436**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Surplus (deficit) of capital funding (C-D)	**(8,954)**	**(11,325)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	26,447	34,972	0	0	0	0	0	0	0	0

2.4 Para wai
Wastewater

Purpose

The wastewater network, which carries about 30 million cubic metres of wastewater a year, protects human health and the environment by removing wastewater from homes and businesses and treating it to make it safe for disposal. The cleaned and treated wastewater is discharged into the ocean and the biosolids removed in the treatment process are currently disposed of in the Southern Landfill. Wellington is making significant investment into the new sludge minimisation plant. Once it's completed in 2026, the biosolids will be treated and minimised, enabling it to be reused rather than being disposed in the Southern Landfill.

Our key aims are health, safety and sustainability – wastewater should be disposed of in ways that protect public health and don't compromise ecosystems. Many parts of Wellington's wastewater network are aging and in poor condition and suspectable to failures, blockages and overflows. A key focus needs to be on improving the network to minimise failures. The city's anticipated population growth will also put pressure on this infrastructure.

Activities

Activities in this group	Services we deliver
2.4.1 Sewage collection and disposal network	■ Collecting, treating and disposing of wastewater in ways that protect our waterways from harmful effects
2.4.2 Sewage treatment	■ Monitoring and maintaining 1000 kilometres of pipes, 64 pump stations and three treatment plants

Rationale for Activities

For public and environmental health. The wastewater network is crucial to our city's health. By providing safe and sanitary removal of wastewater and ensuring that the waste is disposed of in ways that minimise harm on the environment and protect public and environmental health.

Significant negative effects

Council activities are conducted to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.4 Wastewater	There is the risk of overflows into waterways during high rainfall events and from infrastructure failures.	The wastewater network is designed to minimise the impact of these overflows. The service is subject to resource consent conditions and is monitored. This LTP includes budget for a significant uplift in wastewater infrastructure renewals.

Key service level changes

We are significantly increasing the investment in our wastewater network to address cost escalations at the three treatment plants, for monitoring and operations, as well as planned and reactive maintenance and renewals. Major projects include:

- Karori effluent pipeline remediation
- Wastewater renewals of critical assets at the Moa Point and Western Wastewater treatment plants
- Eastern Trunk Wastewater Main, Stage 1 cargo area pipe
- Airport wastewater interceptor contingency pipe
- See Local Water Done Well section on the next page for additional information on service level changes for this area.

Local Water Done Well

The Government's Local Water Done Well (LWDW) reforms require all councils to prepare a Water Services Delivery Plan (WSDP) by 3 September 2025. The WSDP must contain information about the current state of water services and assets, as well as the proposed future delivery model to ensure water services are financially sustainable by 2028.

The Council has resolved that the new delivery model for Wellington will be a regional Council-controlled organisation. As a result of implementing LWDW it is assumed that from 1 July 2026 ownership, cost and responsibility of three water assets will no longer rest with Wellington City Council.

The final delivery model will be subject to decisions made by other Councils in the region. The LTP amendment was also finalised prior to the completion of the legislative process for LWDW being completed, which creates a level of uncertainty as to the final transition arrangements, including the responsibility for reporting on mandatory DIA key performance indicators.

Our interest in a new water services delivery entity will also not be known until the water services delivery plan is finalised.

Statement of levels of service and performance measures

Activity – 2.4 Wastewater

Level of service statement: Provide safe and sanitary removal of wastewater

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
Dry weather wastewater overflows, expressed per 1000 connections* [1] The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system	Reliability	5.3 (YE22/23)	0	Quarterly
Compliance with the resource consents for discharge from the sewerage system, measured by the number of: a. abatement notices; b. infringement notices; c. enforcement notices; and d. convictions received by the territorial authority in relation to those resource consents* [1]	Safety	2 (YE22/23)	0	Quarterly
Number of complaints about the wastewater odour, system faults, blockages, and supplier responsiveness, expressed per 1000 connections to the territorial authority's sewerage system *	Client Satisfaction	22.8 (YE22/23)	<30 per 1000	Quarterly
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	Safety	0.27 (YE22/23)	<0.8	Quarterly
Median response time for wastewater overflows (attendance time minutes)*[1] 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	Responsive ness	85 minutes (YE22/23)	≤60 minutes	Quarterly
Median response time for wastewater overflows (resolution time hours)* [1] (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	Responsive ness	7.9 hours (YE22/23)	≤6 hours	Quarterly

*This KPI is mandatory as directed by the Department of Internal Affairs

1. The recent independent review by ForceField into the service delivery efficiency of Wellington Water had several recommendations to improve service delivery. Shareholding councils have agreed to pursue operational improvements through the inclusion of performance and productivity based KPIs into the 2024 Letter of Expectations.

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.4.1 Sewage collection and disposal network	Expense	59,238	75,617	0	0	0	0	0	0	0	0
	Income	(948)	(967)	0	0	0	0	0	0	0	0
2.4.2 Sewage treatment	Expense	42,854	43,952	0	0	0	0	0	0	0	0
	Income	0	(789)								
Total		**101,144**	**117,813**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.4.1 Sewage collection and disposal network	50,378	46,178	61,169	1,766	0	0	0	0	0	0	0
2.4.2 Sewage treatment	116,429	123,187	177,502	24,017	0	0	0	0	0	0	0
Total	**166,808**	**169,365**	**238,671**	**25,783**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Funding impact statement ($000s)

2.4 Wastewater	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	79,569	81,695	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	789	650	0	0	0	0	0	0	0
Fees and charges	948	967	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	80,517	83,452	650	0	0	0	0	0	0	0
Applications of operating funding										
Payments to staff and suppliers	44,787	53,484	498	0	0	0	0	0	0	0
Finance costs	13,340	13,844	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	1	0	0	0	0	0	0	0
Internal charges	2,560	2,393	142	0	0	0	0	0	0	0
Total applications of operating funding (B)	60,688	69,721	642	0	0	0	0	0	0	0
Surplus (deficit) of operating funding (A-B)	19,829	13,731	8	0	0	0	0	0	0	0
Sources of capital funding										
Subsidies and grants for capital expenditure	116,893	177,502	24,546	0	0	0	0	0	0	0
Development and financial contributions	961	961	0	0	0	0	0	0	0	0
Increase (decrease) in debt	29,125	46,477	(528)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	146,978	224,940	24,017	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Applications of capital funding										
Capital expenditure										
- to meet additional demand	6,150	232	0	0	0	0	0	0	0	0

2.4 Wastewater	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
- to improve level of service	130,088	204,573	24,017	0	0	0	0	0	0	0
- to replace existing assets	30,570	33,866	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	8	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	166,808	238,671	24,025	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Surplus (deficit) of capital funding (C-D)	(19,829)	(13,731)	(8)	0	0	0	0	0	0	0
Funding balance ((A-B) + (C-D))	0	(0)	0	0	0	0	0	0	0	0
Expenses for this activity grouping include the following depreciation/amortisation charge	41,405	49,848	0	0	0	0	0	0	0	0

2.5 Wai ua
Stormwater

Purpose

Each year, Wellington's stormwater network carries about 80 million cubic metres of run-off through gutters and drains to the harbour, coastal waters and piped city streams. The Council's drainage network, managed by Wellington Water, helps protect the city and personal property from flooding and protects public health from the potentially adverse effects of stormwater run-off.

Contaminants that are hazardous to the ecosystems in our waterways can enter the stormwater system from our streets, homes and businesses. We generally do not treat stormwater run-off, but we do monitor the discharge at over 80 sites to ensure it meets the required standards. A key focus will be on water quality including minimising contamination from wastewater.

As part of development planning and major renewal and upgrade work in the city, we also encourage and will adopt as a Council the implementation of water sensitive urban design solutions to minimise the impact of stormwater runoff and to improve the amenity of the city.

Activities

Activities in this group	Services we deliver
2.5.1 Stormwater Management	■ Managing stormwater flows, while minimising the risk of flooding and the impact of run-off on the environment ■ Monitoring and maintaining the stormwater network, which includes 670 kilometres of pipes, one pump station and 870 culverts that allow stormwater to flow under roads and other infrastructure ■ Monitoring stormwater outfalls to ensure that any threats to public health and the environment are minimised

Rationale for Activities

To protect people, property and the environment from flooding and storm runoff. A safe and reliable stormwater network prevents avoidable disruptions to community living and minimises the risk of injury, property damage and environmental damage.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.5 Stormwater	The network can carry containments, such as oil from roads or run-off from developments, into waterways.	The principal objective of the stormwater network has historically been to minimise the impact of flooding. It has not been designed to provide treatment. We want to reduce the contaminants that make it into waterways. We educate residents to change behaviours, such as pouring paint down drains, and will be adopting regulatory and non-regulatory measures to increase the uptake of water sensitive design in new developments. The investment in stormwater network renewals is increasing, with a focus on critical assets and the CBD area.

Key service level changes

We are making a small increase in investment of our stormwater network to prioritise investment in stormwater filtration and flood protection in conjunction with or ahead of transport infrastructure investment, public realm, or housing developments. We will continue delivering current levels of planned and reactive maintenance.

Local Water Done Well

The Government's Local Water Done Well (LWDW) reforms require all councils to prepare a Water Services Delivery Plan (WSDP) by 3 September 2025. The WSDP must contain information about the current state of water services and assets, as well as the proposed future delivery model to ensure water services are financially sustainable by 2028.

The Council has resolved that the new delivery model for Wellington will be a regional Council-controlled organisation. As a result of implementing LWDW it is assumed that from 1 July 2026 ownership, cost and responsibility of three water assets will no longer rest with Wellington City Council.

The final delivery model will be subject to decisions made by other Councils in the region. The LTP amendment was also finalised prior to the completion of the legislative process for LWDW being completed, which creates a level of uncertainty as to the final transition arrangements, including the responsibility for reporting on mandatory DIA key performance indicators.

Our interest in a new water services delivery entity will also not be known until the water services delivery plan is finalised.

Statement of levels of service and performance measures

Activity – 2.5 Stormwater

Level of Service Statement: Protect people, property and the environment from flooding and storm runoff

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
Number of flooding events*	Sustainability	0 (22/23FinYr)	≤2	Quarterly
Number of stormwater pipeline blockages per km of pipeline	Reliability	0 (22/23FinYr)	≤0.5	Quarterly
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.) * [1]	Sustainability	0 (22/23FinYr)	≤0.13	Quarterly
Median response time to attend a flooding event (minutes)* 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.	Reliability	0 (22/23FinYr)	≤60mins	Quarterly
Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	Safety	98% (22/23FinYr)	90%	6monthly
Monitored sites (%) that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml[2]	Safety	78% (22/23FinYr)	90%	Quarterly
Compliance with the resource consents for discharge from the stormwater system -total number of a. abatement notices; b. infringement notices; c. enforcement orders; d. convictions*	Safety	0 (22/23FinYr)	0	Quarterly
Number of complaints about stormwater system performance per 1000 connections*	Client Satisfaction	12.8 (22/23FinYr)	≤20 per 1000	Quarterly
Residents (%) satisfied with the stormwater system[2] 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	Client Satisfaction	34% (22/23FinYr)	75%	Annual

*This KPI is mandatory as directed by the Department of Internal Affairs

1. 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 2020/21.

2. The recent independent review by ForceField into the service delivery efficiency of Wellington Water had several recommendations to improve service delivery. Shareholding councils have agreed to pursue operational improvements through the inclusion of performance and productivity based KPIs into the 2024 Letter of Expectations.

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.5.1 Stormwater management	Expense	46,095	56,300	0	0	0	0	0	0	0	0
	Income	(1,236)	(487)	0	0	0	0	0	0	0	0
Total		**44,859**	**55,814**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.5.1 Stormwater management	3,721	3,571	5,655	0	0	0	0	0	0	0	0
Total	**3,721**	**3,571**	**5,655**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Funding impact statement ($000s)

2.5 Stormwater	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	32,963	45,121	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	1,234	485	0	0	0	0	0	0	0	0
Fees and charges	2	2	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	**34,199**	**45,607**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Applications of operating funding										
Payments to staff and suppliers	14,609	23,293	0	0	0	0	0	0	0	0
Finance costs	9,101	8,684	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0

2.5 Stormwater	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Internal charges	727	894	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	**24,437**	**32,871**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Surplus (deficit) of operating funding (A-B)	**9,762**	**12,736**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	102	102	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(6,142)	(7,183)	0	0	0	0	0	0	0	0
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**(6,040)**	**(7,081)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	150	314	0	0	0	0	0	0	0	0
- to improve level of service	2,045	3,580	0	0	0	0	0	0	0	0
- to replace existing assets	1,526	1,760	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(0)	(0)	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**3,721**	**5,655**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Surplus (deficit) of capital funding (C-D)	**(9,762)**	**(12,736)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	21,658	23,429	0	0	0	0	0	0	0	0

2.6 Ngā pakihi whāomoomo
Conservation organisations

Purpose

The Wellington Zoo Trust and Zealandia (Karori Sanctuary Trust) are both Council-controlled organisations (CCOs) and are part-funded by the Council.

These attractions tell a story of our past and of our special wildlife. They attract visitors to our city and inform and educate about conservation and biodiversity.

Activities

Activities in this group	Services we deliver
2.6.1 Conservation visitor attractions	■ Investment that supports the Wellington Zoo to attract visitors and to inform and educate on the importance of conservation and biodiversity ■ Investment that supports Zealandia to attract visitors, educate, and protect flora and fauna, improving biodiversity for the benefit of our natural environment

Rationale for Activities

- For conservation and biodiversity: these attractions inform and educate Wellingtonians and visitors about conservation and biodiversity.
- To attract visitors: these facilities aim to attract tourists to the city, contributing to the local economy.
- To protect flora and fauna: to strive to protect native and exotic flora and fauna, protecting our natural environment.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington.

Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.6 Conservation organisations	We do not anticipate any significant negative effects associated with the provision of these services.	N/A

Key service level changes

The Council continues to invest in the two organisations to help attract visitors and support for maintenance and health and safety upgrades. We are making a small increase in the funding for Wellington Zoo to deliver on the health and safety components of their 20-year master plan. As part of the LTP Amendment capital programme changes the Savannah project will be rephased into Years 11+, but we will continue with the upgrade to the Lions habitat project.

There is an expectation for the two CCOs to increasingly manage operating cost pressures through non-Council revenue, and this will create risks if revenue is not able to be achieved or costs managed.

Statement of levels of service and performance measures

Activity: 2.6 Conservation organisations

Level of service statement: Promoting biodiversity, conservation, sustainability and excellent animal welfare with high-quality education and visitor experiences.

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
Wellington Zoo - achievement of Statement of Intent (SOI) Note: 2024/25 SOI comprises of six KPIs with the following targets: 1. Number of visitors: 267,205 2. Student & education visits: 21,000 3. Percentage of satisfied visitors: 80% 4. Council operating grant per visitor: $16.32 5. Trading revenue per visit (excl. grants & interest): $19.14 6. Non-council donations and funding: $384,000	Other	Achieved (8/8 KPIs YE22/23)	Achieved	Quarterly and Annual
Zealandia - achievement of Statement of Intent Note: 2024/25 SOI comprises of five KPIs with the following targets: 1. Number of visitors: 130,000 2. Percentage of satisfied visitors: >80% 3. Council operating grant per visitor: $12.90 4. Trading revenue per visit (excl. grants & interest): $37.52 5. Non-council donations and funding: >$200,000	Other	Achieved (10/10 KPIs YE22/23)	Achieved	Quarterly and Annual

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.6.1 Conservation visitor attractions	Expense	9,926	10,026	10,403	10,496	10,929	11,257	11,746	12,518	13,340	13,906
Total		**9,926**	**10,026**	**10,403**	**10,496**	**10,929**	**11,257**	**11,746**	**12,518**	**13,340**	**13,906**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.6.1 Conservation visitor attractions	1,311	1,311	1,342	1,406	1,823	2,601	3,913	7,457	10,277	2,204	2,251
Total	**1,311**	**1,311**	**1,342**	**1,406**	**1,823**	**2,601**	**3,913**	**7,457**	**10,277**	**2,204**	**2,251**

Funding impact statement ($000s)

2.6 Conservation Organisations	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	9,964	10,064	10,441	10,534	10,967	11,295	11,784	12,556	13,340	13,906
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	9,964	10,064	10,441	10,534	10,967	11,295	11,784	12,556	13,340	13,906
Applications of operating funding										
Payments to staff and suppliers	409	461	484	510	536	556	578	595	619	641
Finance costs	922	804	1,171	1,007	1,100	1,207	1,332	1,526	1,616	1,692
Other operating funding applications	5,932	6,047	6,217	6,366	6,500	6,617	6,716	6,803	6,885	6,954
Internal charges	134	132	133	136	138	142	144	147	149	153
Total applications of operating funding (B)	7,396	7,444	8,005	8,018	8,274	8,522	8,771	9,071	9,269	9,440

2.6 Conservation Organisations	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Surplus (deficit) of operating funding (A-B)	2,568	2,620	2,435	2,516	2,693	2,773	3,014	3,485	4,071	4,465
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(1,257)	(1,278)	(1,029)	(692)	(92)	1,140	4,443	6,792	(1,867)	(2,215)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(1,257)	(1,278)	(1,029)	(692)	(92)	1,140	4,443	6,792	(1,867)	(2,215)
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	0	300	700	4,500	7,118	0	0
- to replace existing assets	1,311	1,342	1,406	1,823	2,301	3,213	2,957	3,159	2,204	2,251
Increase (decrease) in reserves	(0)	0	0	0	0	0	0	0	(0)	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,311	1,342	1,406	1,823	2,601	3,913	7,457	10,277	2,204	2,251
Surplus (deficit) of capital funding (C-D)	(2,568)	(2,620)	(2,435)	(2,516)	(2,693)	(2,773)	(3,014)	(3,485)	(4,071)	(4,465)
Funding balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0
Expenses for this activity grouping include the following depreciation/amortisation charge	2,530	2,582	2,397	2,478	2,655	2,735	2,976	3,447	4,071	4,465

3. Whanaketanga ōhanga Economic development

The mahi for Economic development supports a thriving economic, employment and events sector.

Overview

Our Economic wellbeing strategy aims to provide equal opportunities for meaningful, fairly paid, and inclusive work, supporting the transition to a zero-carbon circular economy. We seek to be New Zealand's preferred city for businesses, investors, and developers, and a hub for creativity and innovation, with a dynamic CBD and thriving suburban centres.

Council services in City promotions will focus on inner-city revitalisation, aligning with Economic wellbeing and LTP priorities. Enhanced coordination of Council spending across transportation, public spaces, and open areas is also crucial for improved economic and social outcomes. Given cost constraints, we will prioritise existing spending to maximize impact.

Our venues need significant investment requiring a strategic approach for affordable management. Working with the Wellington Stadium, the Seismic Resilience Project will address the venue's health and safety concerns.

The key groups of activities under this strategic area are to the right, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page 36.

Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all economic and cultural activities. The Tūpiki ora Māori Strategy outlines priorities including that Wellington is a bilingual city by 2040 – Māori, mana whenua and the wider community have access to learning opportunities to use to reo Māori; and the local Māori economy is thriving in the city and is supported by deliberate efforts between the Council and partners to support mana whenua, Māori and businesses. More information on this commitment is in Volume 1 and Volume 3 in our Strategic Direction sections.

Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
3.1 City Promotions and business support	Economic Wellbeing – An innovative business friendly city	Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	■ Economic Wellbeing Strategy ■ Infrastructure Strategy 2024 ■ Finance Strategy 2024

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

How we will embed Strategic Approaches in this activity

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

Strategic Approaches are about how we will deliver our work. They are important and to be applied to everything we do.

Integrating te ao Māori	We will support Māori-led initiatives that enable greater success for Māori business and employment and consider economic outcomes for Māori in our procurement decisions. We will support events and celebrations that give expression to a te ao Māori presence and ensure that ngā toi Māori and te reo Māori are highly visible in storytelling and streetscape.
Making our city accessible and inclusive for all	We will encourage safe and inclusive workplace environments and actively encourage employers in the city to be socially inclusive and accessible. This includes to hire people with disabilities and adjust workplace environments to meet their needs, paying decent wages and practicing what we preach.
Embedding climate action	We will work with businesses and organisations to better enable the transition to a zero-carbon circular economy. The carbon impact plays a significant role in decisions about what activities are supported and prioritised.
Engaging our community	We will ensure that businesses have early visibility on our major infrastructure projects and a voice at the table to ensure the disruption from infrastructure transformation is managed well. We will identify opportunities to co-create and shape initiatives that foster a sense of belonging and support resilient community, creative, and cultural spaces.
Value for money	We will make our resources work harder to get the best outcomes possible within a constrained funding environment. We will deliver high quality, well managed programmes and projects to maximise value for our residents and the city. This also means being more strategic with the funding we have available.

3.1 Ngā whakatairanga a te tāone me ngā tautoko ā-pakihi
City Promotions and business support

Purpose

To maintain a prosperous city that ensures a high quality of life for residents, we support a dynamic economy by funding WREDA (WellingtonNZ), the Wellington region's economic development agency. WellingtonNZ provides tourism promotions, manages Wellington's public convention venues, and supports local businesses.

The Council also supports events, festivals, visitor attractions, operates Tākina, and maintains relationships with other agencies and cities, domestically and internationally, to foster economic growth.

Activities

Activities in this group	Services we deliver
3.1.1 WellingtonNZ and Venues Wellington	■ Promoting Wellington to domestic and international visitors to encourage the growth of the tourism sector ■ Supporting high-quality events, such as World of Wearable Art, which generate cultural and economic benefits for the city ■ Operating civic venues for entertainment, performances and business events
3.1.2 Tākina Wellington Convention and Exhibition Centre	■ We operate and maintain the new convention and exhibition centre.
3.1.3 City Growth Fund	■ Delivering programmes that support businesses to deliver innovation, increase the visibility of te ao Māori and mana whenua create and retain jobs, increase the rating base, support economic growth in target sectors and transition to a circular economy.
3.1.4 Major Economic Projects	■ Attracting and supporting business activity across Wellington
3.1.5 International Relations	■ Improving the city's national and international connections, including with our eight sister cities across the world
3.1.6 Business Improvement Districts (BIDs)	■ We provide support and funding to the BIDs for improvements to their local business districts.

Rationale for Activities

- To attract and retain talented residents. Attracting talent, visitors and jobs is critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive advantage.
- To grow tourism spend and economic returns from events. We aim to attract and support major events (cultural, sporting and business) that bring visitors and extra spending to the city.
- To grow inward investment and exports. Ensuring that the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.
- To sustain city vibrancy. City promotion and events build and retain city vibrancy. It is critical that Wellington remains vibrant and internationally relevant, and that people coming here have the best possible experience.
- To support businesses wanting to take climate action. Wellington has a reputation as a climate leader with a strong community of innovative sustainable businesses

Significant negative effects

Council activities are conducted to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
3.1 City Promotions and Business Support	The activities in this area facilitate and encourage growth in tourism and business, both of which result in more people in our city. Tourism, and the influx of additional people into the city, can bring many economic and social benefits. However, these are also associated with negative effects. More people in the city places additional pressure on our infrastructure networks (water and wastewater, for example) and more people travelling into and out of our city results in increased carbon emissions.	We are building on our skilled knowledge base, creative industries and services sector to capitalise on an economy that is becoming increasingly 'weightless' – with a focus on generating high-value, low-carbon products and services. Our focus in these industries mitigates some of the negative effects associated with a growing economy. We support a range of initiatives to reduce the emission profile of the city and are working with partners on making the transport system more sustainable. We also dispose of waste in sustainable ways; we capture gas at the landfill and are working to reduce sewage sludge.

Key service level changes

Affordability

Council services in City promotions are expected to continue. While an accelerated delivery of economic wellbeing outcomes could be realised through increased spending, the Council has cost constraints. Our approach prioritises using existing spending over new spending, aiming to maximise the impact within the defined constraints.

Statement of levels of service and performance measures

Activity: 3.1 City Promotions and Business Support

We are looking at the significant investment we have in venues and will develop a plan to identify the city's future venue needs and the best approach. As part of the LTP Amendment capital programme changes, budget provision for future unallocated projects has been removed.

WellingtonNZ

The Council continues investment support to WellingtonNZ, although we have reduced their budget by $500,000, which will result in less international marketing of the city. The overall investment into WellingtonNZ is $13.5m.

Wellington Stadium

We have committed funding to address health and safety concerns at the Wellington Regional Stadium, which will result in improved levels of service.

Level of service statement: Grow tourism spend and economic returns to help shape the city and create a thriving Wellington region.

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
WREDA: ($m) Direct economic impact of Wellington NZ's activities and interventions	Sustainability	$246.6mm (YE22/23)	$200m	Quarterly
WREDA: Number of businesses engaged by a WellingtonNZ intervention or programme	Accessibility	2,221 (YE22/23)	2,500	Quarterly
WREDA: ($m) Equivalent Advertising Value (EAV) from media activity	Sustainability	$20.4m (YE22/23)	$20m	Annual
WREDA: ($m) Value of expenditure generated from events (including business, performance and major events)	Sustainability	$79.1m (YE22/23)	$120m	Quarterly
WREDA: The number of Wellington region residents who attend events	Accessibility	615,181 (YE22/23)	625,000	Quarterly
WREDA: % Stakeholder engagement satisfaction	Client satisfaction	92% (YE22/23)	90%	Annual
WREDA: Māori business support: a. Number of Māori businesses and projects supported across WNZ b. Satisfaction of Māori businesses receiving support	Accessibility Client satisfaction	a. 75 (Mar24) b. 90% (Mar24)	a. 75 b. 90%;	6monthly
WREDA: Pasifika business support: a. Number of Pasifika businesses and projects supported across WNZ b. Satisfaction of Pasifika businesses receiving support	Accessibility Client satisfaction	a. 15 (Mar24) b. 90% (Mar24)	a. 15 b. 90%	6monthly
WREDA: Funding diversification (% of revenue from commercial/non council funding & commercial activity)	Sustainability	25% (YE22/23)	30%	Quarterly
Wellington Regional Stadium Trust - achievement of SOI[1]	Other	Achieved (22/23FinYr)	Achieved	Annual

1 Wellington Regional Stadium Trust is not a Council Controlled Organisation and reports to the Council at Statement of Intent level only.

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
3.1.1 WellingtonNZ and Venues Wellington	Expense	34,069	35,141	39,471	40,380	41,173	42,221	43,143	43,954	44,527	45,351
	Income	(13,665)	(13,938)	(14,245)	(14,558)	(14,864)	(15,161)	(15,449)	(15,742)	(16,041)	(16,330)
3.1.2 Tākina Wellington Convention & Exhibition Centre	Expense	20,135	17,265	17,937	18,557	18,987	19,497	20,174	20,667	21,398	21,988
	Income	(7,939)	(3,482)	(3,648)	(3,808)	(3,976)	(4,136)	(4,313)	(4,492)	(4,679)	(4,764)
3.1.3 City growth fund	Expense	3,010	3,135	3,159	3,186	3,205	3,241	3,269	3,296	3,317	3,353
3.1.4 Major Economic Projects	Expense	0	2,941	2,944	3,072	348	1,500	1,500	1,500	1,500	1,500
3.1.5 International relations	Expense	929	959	987	987	1,003	1,053	1,054	1,076	1,117	1,122
3.1.6 Business Improvement Districts	Expense	557	559	559	559	559	559	559	559	557	559
Total		**37,097**	**42,579**	**47,164**	**48,375**	**46,434**	**48,775**	**49,936**	**50,817**	**51,696**	**52,779**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
3.1.1 WellingtonNZ and Venues Wellington	0	0	0	0	0	0	0	0	0	0	0
3.1.2 Tākina Wellington Convention & Exhibition Centre	4,704	2,577	5,015	2,181	5,753	6,077	4,595	1,169	2,970	7,143	4,083
Total	**4,704**	**2,577**	**5,015**	**2,181**	**5,753**	**6,077**	**4,595**	**1,169**	**2,970**	**7,143**	**4,083**

Funding impact statement ($000s)

3.1 City Promotions and Business Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	13,858	14,933	15,539	16,332	17,776	17,638	18,210	18,776	19,495	19,489
Targeted rates (other than a targeted rate for water supply)	18,360	19,456	19,940	20,390	20,259	21,171	21,521	21,800	22,114	21,787
Subsidies and grants for operating purposes	500	0	0	0	0	0	0	0	0	0
Fees and charges	21,104	17,420	17,893	18,366	18,840	19,297	19,762	20,234	20,721	21,094
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	**53,822**	**51,810**	**53,372**	**55,089**	**56,876**	**58,106**	**59,493**	**60,810**	**62,329**	**62,370**
Applications of operating funding										
Payments to staff and suppliers	29,561	26,875	27,840	28,786	29,777	30,615	31,484	32,248	33,195	33,829
Finance costs	3,724	3,748	3,696	3,647	3,601	3,557	3,510	3,470	3,424	3,376
Other operating funding applications	16,127	19,468	19,792	20,203	17,732	19,107	19,295	19,461	19,614	19,746
Internal charges	2,327	2,552	2,627	2,691	2,729	2,829	2,895	2,955	2,999	3,095
Total applications of operating funding (B)	**51,739**	**52,643**	**53,956**	**55,327**	**53,839**	**56,108**	**57,184**	**58,133**	**59,231**	**60,046**
Surplus (deficit) of operating funding (A-B)	**2,083**	**(833)**	**(583)**	**(238)**	**3,037**	**1,998**	**2,309**	**2,677**	**3,098**	**2,325**
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	2,621	5,849	2,764	5,991	3,039	2,597	(1,140)	293	4,044	1,758
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**2,621**	**5,849**	**2,764**	**5,991**	**3,039**	**2,597**	**(1,140)**	**293**	**4,044**	**1,758**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	0	0	0	0	0	0	0

3.1 City Promotions and Business Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
- to replace existing assets	4,704	5,015	2,181	5,753	6,077	4,595	1,169	2,970	7,143	4,083
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**4,704**	**5,015**	**2,181**	**5,753**	**6,077**	**4,595**	**1,169**	**2,970**	**7,143**	**4,083**
Surplus (deficit) of capital funding (C-D)	**(2,083)**	**833**	**583**	**238**	**(3,037)**	**(1,998)**	**(2,309)**	**(2,677)**	**(3,098)**	**(2,325)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	6,961	7,357	11,102	11,414	11,436	11,964	12,514	12,918	13,186	13,827

4. Oranga ahurea
Cultural wellbeing

Arts and culture are an important foundation stone in Wellington's offering – it's a point of difference for the city and one that all Wellingtonians are proud of.

Overview

Our overall approach as part of the 2024-34 LTP is to continue making investments that secure foundational arts and culture facilities in the city. This will allow the sector to thrive over the long term. Many of our arts and culture facilities are earthquake prone and require substantial investment in the years ahead. This will be the primary focus over the next three years with most of the capital costs increases for this activity area going into the Town Hall.

We will also do master planning on other arts and culture facilities that are earthquake prone such as the Michael Fowler Centre (MFC), the Opera House and the Bond Store to enable decisions on the way forward to be made as part of the 2027-37 LTP.

To address affordability pressures, we will explore more efficient delivery of arts and culture services, operating more commercially where possible, and identifying savings. Our strategic focus is on making essential investments and targeted adjustments to support the sector's significance to the city while easing cost pressures.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page 36.

Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all economic and cultural activities. The Tūpiki ora Māori Strategy outlines priorities including that Wellington is a bilingual city by 2040 – Māori, mana whenua and the wider community have access to learning opportunities to use to reo Māori; and Mana whenua and Māori narratives, identities, histories and landmarks are increasingly present and visible, and there is a growing understanding and recognition within the region through education and resource. More information on this commitment is in Volume 1 and Volume 3 in our Strategic Direction sections.

Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
4.1 Ngohe Toi, Ahurea Hoki | Arts and Cultural Activities	Cultural wellbeing: A welcoming, diverse and creative city	■ Nurture and grow our arts sector ■ Revitalise the city and suburbs to support a thriving and resilient economy and support job growth ■ Celebrate and make visible te ao Māori across our city	■ Aho Tini | Arts, Culture, and Creativity Strategy ■ Infrastructure Strategy 2024 ■ Finance Strategy 2024

How we will embed Strategic Approaches in this activity

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

Strategic Approaches are about how we will deliver our work. They are important and to be applied to everything we do.

Integrating te ao Māori	Support events and celebrations that give expression to a te ao Māori presence and ensure that ngā toi Māori and te reo Māori are highly visible in storytelling and streetscape.
Making our city accessible and inclusive for all	Reflect the increasing diversity of our communities, and encourage access, availability and participation in arts and culture. This includes supporting story telling of experiences and histories for our diverse communities.
Embedding climate action	Work with arts and creative organisations to better enable the transition to a zero-carbon circular economy. We will partner with the arts, creative, science and innovation sectors to explore complex issues, develop new solutions and show what's possible. The carbon impact plays a significant role in decisions around what activities are supported and prioritised.
Engaging our community	Ensure that creative thinking and arts practitioners are involved early in our major infrastructure projects to ensure the disruption from infrastructure transformation is managed well. We will identify opportunities to co-create and shape initiatives that foster a sense of belonging and support resilient community, creative, and cultural spaces.
Value for money	Focus on ensuring our resources work harder to get the best outcomes possible within a constrained funding environment. We will deliver high quality, well managed programmes and projects to maximise value for our residents and the city. This also means being more strategic with the funding we have available.

4.1 He mahi toi, he mahi ahurea
Arts and Cultural Activities

Purpose

Our city is recognised as the cultural capital of New Zealand.

This reflects a mix of factors, including the presence of national arts organisations in the city, as a centre of major arts tertiary education in the city, funding support from the Council, a thriving community of Māori creatives, the sense of a supportive citizenry, and a reputation for edgy and interesting arts in the city.

Activities

Activities in this group	Services we deliver
4.1.1 City Galleries and Museums 4.1.2 Visitor attractions	■ Managing the city's art collection of more than 600 works, including the Wellington Collection at the Ngauranga Gorge collection store which is cared for by Experience Wellington ■ Funding Experience Wellington to have free and charged for public programmes and learning experiences across its sites: Wellington Museum, City Gallery Wellington, Cable Car Museum, Nairn Street Cottage, Space Place at Carter Observatory, Capital E ■ Funding contribution to Te Papa
4.1.3 Arts and cultural festivals	■ Advising on and supporting a range of community events, including the Newtown Festival and Chinese New Year ■ Delivering free public events throughout the year, including key Māori celebrations and events (e.g. Gardens Magic, New Years Eve, Matariki: Ahi Kā Festival, and Anzac Day) ■ Supporting major cultural events (e.g. Te Rā o Waitangi, Diwali, and Pasifika Festival) ■ Advising, funding and providing logistical support for a range of community events
4.1.4 Cultural Grants 4.1.5 Access and support for community art 4.1.7 Regional Amenities Fund	■ Direct grants support to creative sector organisations, agencies and projects at professional and community levels. This includes support for events and festivals and grants that directly target Māori creatives. ■ Providing arts advice and support to arts organisations and maintaining an art collection of more than 600 artworks ■ Infrastructure support to the sector through management of Toi Poneke (which houses a community of practitioners, arts organisations and creative businesses), Hannah Playhouse and governance overview of civic venues managed on council's behalf by WellingtonNZ
4.1.6 Arts Partnerships	■ Supporting, delivering or commissioning a range of public art around Wellington, including some provision of public art by Māori and mana whenua artists (e.g. Mason's Lane and Courtenay Place lightboxes, Waituhi flags, art on walls, support for Sculpture Trust) ■ Facilitating career pathways for artists and arts organisations; advocating for creative value in Wellington City.

Rationale for Activities

- For city vibrancy and cultural expression. The arts contribute to a vibrant city and provide opportunities for cultural expression, enhancing Wellington's vibrancy as a diverse, active and eventful place attractive to visitors.
- To build and maintain a sense of place and identity. Our museums, visitor attractions and events shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture, our shared history, science, ourselves and each other.
- To grow visitation and exposure to creativity and innovation. We aim to grow the numbers of visitors to our attractions, providing ideas and places where people can connect, share what is common and explore what is different and new.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
4.1 Arts and cultural activities	We do not anticipate any significant negative effects associated with the provision of these services.	N/A

Key service level changes

Affordability

To address affordability pressures affecting both the Council and the community, we will continue exploring ways to develop the efficiency of delivering arts and culture services. This includes operating more commercially where possible and identifying areas for savings to ease cost pressures. For example, we will no longer fund an annual fireworks display (such as for Matariki or special event). The New Years' Eve Display will continue.

While recognising the necessity of certain changes to ease cost pressures, we understand the sector's significance to the city. Recognising the Arts and Culture sector's importance to the city, our strategic focus for this LTP is prioritising targeted adjustments over wholesale changes to the levels of service. This involves making essential and strategic investments while implementing minor reductions in specific areas.

Venues and facilities

- Over the next three years, we will investigate the best course of action for the Te Ngākau Civic Square area. The includes the former Capital E building, the basement supporting the Town Hall, Te Matapihi, and the City-to-Sea bridge to the waterfront. Options under consideration include the possibility of demolishing these structures.
- In 2026 we expect to re-open the Town Hall following major earthquake strengthening.
- Any changes to levels of service will be identified for the 2027-37 LTP.
- As part of the LTP Amendment capital programme review, we are deferring the Bond Store upgrade to the later in the LTP. The deadline to earthquake strengthen the building is 2034.
- We are exploring venue options for Toi Pōneke. We are also looking at reshaping our service design so that it better meets Māori and other local arts community's needs.
- We are reviewing the grants funding, which will result in a reduction or removal of funding for national organisations and increased funding available for local arts.
- We will contribute to the National Music Centre establishment.

Living Wage

We retain our ongoing commitment to support a Living Wage for events and artists and we will review options in the next 12 months for this to be achieved through existing fund criteria or the continuation of specific top-up Living Wage funding. For CCOs we will provide top-up funding for Year 1, with the expectation that this is managed within existing budgets from Year 2.

Statement of levels of service and performance measures

Activity – 4.1 Arts and Cultural Activities

Level of service statement: Build and maintain a sense of place and identity for our city

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
(%) Attendees satisfied with Council-delivered festivals and events	Client Satisfaction	86% (YE22/23)	90%	Annual
(%) Residents agree: a. The Council enables local events, activities and cultural activities b. I feel welcome and included in cultural events and activities in Wellington c. I see my community reflected in Wellington's cultural activities	Accessibility	a. 71% (RMS 2024) b. 69% (RMS 2024) c. 57% (RMS 2024)	a. 71% b. 69% c. 57%	Annual
By 2026 Toi Pōneke will deliver: a. At least 30% of programming across exhibitions and related public programmes from Māori, Pacific peoples and minority groups b. At least 30,000 visitors per annum	Accessibility	a. 57%[1] b. 19,910 (Dec 23)	a.≥ 30% b. ≥ 30,000	6 monthly
By 2026 the Hannah Playhouse will deliver: a. At least 15% of the work in the house is developing tangata whenua and/or Pasifika practitioners b. At least 500 supported artists utilising the Hannah each year c. At least 6,000 audience attendance each year	Accessibility	a. 15% (Dec 23) b. 306 (Dec 23) c. 4194 (Dec 23)	a. ≥ 15% b. ≥ 500 c. ≥ 6,000	6 monthly
Number of total Council initiatives and events that have significant inclusion of te ao Māori	Sustainability	23	≥8[2]	Annual
Wellington Museums Trust (Experience Wellington) - achievement of Statement of Intent (SOI) Note: 2024/25 SOI comprises seven KPIs with the following targets: 1. Number of visitors: 470,500 2. Student & Education visits: 23,100 3. Council operating grant per visitor: $20.71 4. Trading revenue per visit (excl. grants & interest): $3.81 5. Non-council donations and funding: $423,000 6. Non-council revenue as percentage of total revenue: 22% 7. Percentage (%) of visitors who rate the quality of their experience (good or very good): 87%	Other	Achieved (4/7 KPIs YE22/23)	Achieved	Quarterly

1 Baseline is calculated using the 23/24 pre-planned schedule

2 Target is less than Baseline due to constrained financial environment

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
4.1.1 Galleries and museums (WMT)	Expense	11,382	11,911	12,371	12,654	12,908	13,132	13,322	13,490	13,649	13,784
4.1.2 Visitor attractions (Te Papa / Carter Observatory)	Expense	3,163	3,198	3,283	3,292	3,334	3,376	3,418	3,465	3,501	3,458
4.1.3 Arts and cultural festivals	Expense	5,414	5,674	5,790	5,897	5,998	6,109	6,205	6,307	6,635	6,518
	Income	(80)	(82)	(83)	(85)	(87)	(89)	(90)	(92)	(94)	(96)
4.1.4 Cultural grants	Expense	3,024	3,122	3,024	3,024	3,024	3,024	3,024	3,024	3,024	3,024
4.1.5 Access and support for community arts	Expense	2,650	2,413	2,326	2,368	2,402	2,455	2,410	2,446	2,477	2,527
	Income	(24)	(24)	(25)	(26)	(26)	(27)	(27)	(28)	(28)	(29)
4.1.6 Arts partnerships	Expense	2,816	3,271	3,232	3,422	3,477	3,547	3,603	3,659	3,711	3,761
	Income	(483)	(492)	(503)	(514)	(525)	(536)	(546)	(556)	(567)	(577)
4.1.7 Regional amenities fund	Expense	609	609	609	609	609	609	609	609	609	609
Total		**28,472**	**29,600**	**30,025**	**30,641**	**31,114**	**31,600**	**31,929**	**32,324**	**32,917**	**32,979**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
4.1.1 Galleries and museums (WMT)	1,686	219	0	0	0	0	0	0	13,836	5,755	967
4.1.2 Visitor attractions (Te Papa / Carter Observatory)	354	178	175	0	0	0	0	0	0	0	0
4.1.4 Cultural grants	1,068	0	1,068	0	0	0	0	0	0	0	0
4.1.5 Access and support for community arts	120	114	82	78	80	82	83	85	86	88	89
4.1.6 Arts partnerships	275	275	5,641	0	0	0	0	0	0	0	0
Total	**3,503**	**787**	**6,966**	**78**	**80**	**82**	**83**	**85**	**13,922**	**5,842**	**1,056**

Funding impact statement ($000s)

4.1 Arts and Cultural Activities	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	20,426	21,300	21,647	22,187	22,567	22,968	23,219	23,540	24,068	24,127
Targeted rates (other than a targeted rate for water supply)	8,084	8,338	8,415	8,492	8,585	8,670	8,747	8,822	8,887	8,891
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	587	599	612	625	638	651	663	676	689	701
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	29,096	30,237	30,674	31,305	31,791	32,289	32,630	33,038	33,644	33,719
Applications of operating funding										
Payments to staff and suppliers	7,821	8,271	7,743	7,899	8,068	8,225	8,383	8,545	8,937	8,844
Finance costs	79	58	103	78	89	100	116	139	149	158
Other operating funding applications	18,675	19,296	19,687	19,987	20,255	20,490	20,689	20,865	21,029	21,167

4.1 Arts and Cultural Activities	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Internal charges	1,772	1,817	1,898	1,948	1,975	2,062	2,100	2,134	2,159	2,241
Total applications of operating funding (B)	28,347	29,441	29,431	29,911	30,388	30,878	31,289	31,683	32,274	32,410
Surplus (deficit) of operating funding (A-B)	750	795	1,243	1,393	1,403	1,411	1,341	1,355	1,370	1,308
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	2,753	6,170	(1,165)	(1,313)	(1,321)	(1,328)	(1,256)	12,567	4,473	(252)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	2,753	6,170	(1,165)	(1,313)	(1,321)	(1,328)	(1,256)	12,567	4,473	(252)
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	2,266	5,898	78	80	82	83	85	13,922	5,842	1,056
- to replace existing assets	1,237	1,068	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	3,503	6,966	78	80	82	83	85	13,922	5,842	1,056
Surplus (deficit) of capital funding (C-D)	(750)	(795)	(1,243)	(1,393)	(1,403)	(1,411)	(1,341)	(1,355)	(1,370)	(1,308)
Funding balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0
Expenses for this activity grouping include the following depreciation/amortisation charge	712	757	1,205	1,355	1,365	1,373	1,303	1,317	1,332	1,270

5. Pāpori me te hākinakina Social and recreation

The mahi for Social and Recreation is focused on the health and wellbeing of the community.

Overview

Wellington's open space and recreation networks are crucial for the city's environmental, social, economic, and cultural wellbeing. The Open Spaces and Recreation Strategy envisions a network of parks and recreation facilities integrated into daily life, designed for flexible use to meet diverse needs.

The Council's Te Awe Māpara | The Community Facilities Plan outlines a 30-year framework with 58 prioritized actions to ensure thriving, accessible community facilities. These spaces aim to foster connection, fun, and belonging.

To reduce carbon emissions, the Council will invest in transitioning swimming pools away from gas, which currently contributes 45% of the Council's building emissions.

Community facilities and services aim to create liveable, safe, and inclusive communities through support initiatives, housing access, and facilities like community centres and libraries. Most services will remain at current levels for the 2024-34 LTP. The opening of Te Matapihi will enhance central city facilities, celebrating te ao Māori. Social housing upgrades continue to be a key improvement.

Over the next ten years, the adoption of Te Awe Māpara will guide the evolution of community facilities to maximize benefits and make smarter decisions. This includes investigating facility needs and potential changes to future facility mixes.

We continue to focus on processing of alcohol licenses, food safety certificates, dog registrations, gambling consents and health licenses for businesses and activities that could impact human health. We will also continue to operate animal control service and litter enforcement.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page 36.

Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all social and recreation activities, including by the Basin Reserve Trust. The Tūpiki Ora Māori Strategy outlines our priorities in its waypoint, He whānau toiora | thriving and vibrant communities including whānau Māori are in warm, quality, safe and affordable housing throughout the city. More information on this commitment is in Volume 1 and Volume 3 in our Strategic Direction sections.

Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
5.1 Recreation Facilities and Services	Social wellbeing: A city of health and thriving whānau and communities	■ Invest in sustainable, connected and accessible community and recreation facilities	■ Te Whai Oranga Pōneke - Open Space and Recreation Strategy ■ Te Awe Māpara - Community Facilities Plan ■ Strategy for Children and Young People ■ Infrastructure Strategy 2024 ■ Finance Strategy 2024
5.2 Community Facilities and Services	Social wellbeing: A city of health and thriving whānau and communities	■ Invest in sustainable, connected and accessible community and recreation facilities ■ Increase access to good, affordable housing to improve the wellbeing of our communities	■ Te Whai Oranga Pōneke - Open Space and Recreation Strategy ■ Te Awe Māpara - Community Facilities Plan ■ Strategy for Children and Young People ■ Homelessness Strategy ■ Housing Strategy ■ Infrastructure Strategy 2024 ■ Finance Strategy 2024
5.3 Public Health and Safety	Social wellbeing: A city of health and thriving whānau and communities. Urban form: A liveable and accessible, compact city.	■ Invest in sustainable, connected and accessible community and recreation facilities ■ Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	■ Enforcement and Compliance Policy

How we will embed Strategic Approaches in this activity

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

Integrating te ao Māori	Work together with our Tākai Here partners on our strategic projects to uplift te ao Māori using language and design.
Making our city accessible and inclusive for all	As we upgrade our facilities, we will utilise Universal Design principles to ensure facilities are accessible and inclusive for all. We must also provide accessibility information online, on-site and in different mediums to help people know in advance which places are accessible to them and how they can use them.
Embedding climate action	Climate change adaptation planning will help inform future investment decisions, particularly for assets in coastal locations. Future community leases and renewals will take into account any impact of climate change and adaptation requirements. As we upgrade our facilities, we will address climate adaptation needs.
Engaging our community	Follow a robust process to work with the community, understand needs, test all options, determine the best response, and prepare a business case to provide clear justification for any investment to change a community facility. We will identify opportunities to co-create and shape initiatives that foster a sense of belonging and support resilient community, creative, and cultural spaces.
Value for money	In addition to the outcomes sought by the Community Facilities Plan and Te Whai Oranga Pōneke, strategic rationalisation will be a key factor for consideration in the investigations of each area's needs. We will make future focused decisions that provide best outcomes and value for money for the long term.

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

5.1 Ngā whare me ngā ratonga mahi ā-rēhia
Recreation Facilities and Services

Purpose

To support the wellness of people to live and play, and the intrinsically connected health of the environment.

Wellington City Council provides a range of recreation and leisure facilities to encourage active and healthy lifestyles and enable participation in sporting and other group activities. Through the promotion and support of recreation opportunities we contribute to the development of strong, healthy communities and a high quality of life for Wellingtonians.

People enjoy our open spaces and parks for exercising, socialising, relaxing, playing and connecting to nature. Our open spaces contain much of Wellington's natural elements such as waterways, forests, shorelines and are home to our native biodiversity. They are also equipped with recreation facilities such as playgrounds and sports fields.

Activities

Activities in this group	Services we deliver
5.1.1 Swimming pools	■ Managing, maintaining and servicing seven pool facilities, including: ■ year-round facilities and two summer pools. ■ Two integrated fitness centres throughout the city and suburbs ■ 'Learn to Swim' courses for children and adults
5.1.2 Sports fields	■ Managing and maintaining outdoor sports facilities in the city, including: □ 44 natural and 11 artificial sports turfs (two in partnership with schools), which provide year-round venues for recreation and competitive sport □ nine croquet lawns □ Newtown Park running track □ the velodrome □ tennis and netball courts □ Basin Reserve: refer to the CCO section on page 105.
5.1.3 Recreation Programmes	■ Managing, maintaining and servicing four community recreation centres, croquet facilities, tennis, netball and basketball half courts, and the Ākau Tangi Sports Centre
5.1.4 Recreation centres	■ Offer various community programmes through the facilities.
5.1.5 Recreation activations and partnerships	■ Managing about 30 premises leases, 100+ ground leases to a range of recreation, sporting, marae and community organisations. ■ Supporting the Basin Reserve Trust, a CCO that manages and operates the Basin Reserve to continue to attract national and international events to Wellington.
5.1.6 Playgrounds	■ Managing and maintaining 107 playgrounds and skateparks
5.1.7 Marinas 5.1.8 Golf course	■ Maintaining other Council-owned recreational facilities, including □ the Berhampore golf course □ two marinas, with financial support to groups providing publicly accessible facilities.
5.1.9 Leisure Card	■ Delivery of programmes to those for who cost is a barrier to encourage participation in leisure activities

Rationale for Activities

- To encourage active and healthy lifestyles. Our swimming pools, sports fields and other recreation centres provide access to sport and recreation opportunities, which are important for people's health and wellbeing.
- To enable participation in sporting and other group activities. Our recreation facilities give sporting and recreation groups a space to organise sport and recreation programmes.
- For social cohesion and connectedness. Our recreation facilities provide important community focal points and recreation opportunities that bring people together.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
5.1 Recreation Facilities	There are negative effects from owning and managing buildings and other assets to deliver these services. These include waste, direct energy use to operate the buildings, indirect energy use, and emissions from people using private transport to access our facilities.	Our operations are managed so that waste is minimised or recycled, and energy and water is conserved. We also encourage the use of public transport, walking and cycling as a means of getting to places of recreation
	All the indoor pools are currently heated by gas. The negative effect is that it produces CO^2 and it is expensive to run.	We have agreed to allocate $14m from the Climate Resilience Fund to degasify the pool network.

Key service level changes

Recreation facilities

We will commence design and engagement of Grenada North Park sports field upgrades and commence works in Year 2. This will result in an improvement to sports field provision in Grenada North.

We will construct a destination skate park at Kilbirnie Park. The skate park upgrades at Ian Galloway and Waitangi Park will not be funded. However, the Council's Grants Subcommittee will allocate $80,000 from the Sportsville fund in year two of the LTP for feasibility studies of upgrades for Waitangi Park and Ian Galloway skateparks.

One significant service change is the proposal to close Khandallah Pool. The council has agreed to keep the pool open for at least one year and investigate feasibility of a possible fix within the $7.5m budget allocated. An advisory group will be set up with representatives from community, Mayor and Council. Technical and engineering expert advice will be sought. The Council has also agreed to allocate $14m from the Climate Resilience Fund to degasify the full pool network.

Te Awe Māpara

A key feature for this activity grouping over the coming ten years will be the adoption of the Council's Te Awe Māpara | Community Facility Plan. The plan sets out the future approach to guide the Council's provision and decision-making about community facilities. It includes several facility investigations to be undertaken in partnership with the community, taking a holistic view across the city, different facility types and consideration of facilities for whānau and hapori Māori. The aim is to be smarter and maximise the benefits of community facilities, and this plan may lead to changes to the mix of future facilities.

Through the LTP Amendment capital programme review, $10m will be reduced in years 8 and 9 to contribute to increasing our debt headroom. The funding is currently not assigned to any project, and investigations for what upgrades are needed are still being carried out.

Renewals

We will limit renewals spending to critical assets. This will result in the deterioration of sports fields condition over time, a longer time between playground renewals and the gradual reduction in asset condition (more poor or very poor asset conditions).

Statement of levels of service and performance measures

Activity: 5.1 Recreation Facilities and Services

Level of service statements: Maintain high quality sports amenities and recreational facilities, and encourage participation in leisure activities

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
(%) User satisfaction with pools	Client satisfaction	77% (YE22/23)	80%	Annual
Ratepayer subsidy per swimming pool visit ($)	Affordability	$22.41 (YE22/23)	<$22.50	Annual
(%) User satisfaction with recreation centres including Akau Tangi sports centre	Client satisfaction	87% (YE22/23)	85%	Annual
Ratepayer subsidy per recreational centre visit including Akau Tangi ($)	Affordability	$8.12 (YE22/23)	<$9	Annual
(%) Perception that recreation facilities are easy to access	Accessibility	70% (RMS 2024)	70%	Annual
Utilisation of Leisure card (increase in number of active users)	Quality	27% (YE22/23)	28%	Annual
(%) User satisfaction with sports fields	Client satisfaction	81% (YE22/23)	80%	Annual
(%) Residents satisfied with the quality and maintenance of Playgrounds and Skateparks	Client satisfaction	61% (RMS2024)	70%	Annual
Basin Reserve - achievement of Statement of Intent Note: 2024/25 SOI comprises of four KPIs with the following targets: 1. Numbers attending events at the Basin Reserve: 40,000 2. Council operating grant per attendance: $21.06 3. Event income: $390,000 4. Activity days (comprising ticketed Cricket events, practice facility usage and functions): 192	Other	Achieved (4/8 KPIs YE22/23)	Achieved	Quarterly

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.1.1 Swimming Pools	Expense	35,409	35,909	37,867	38,684	40,089	41,423	42,571	44,038	44,889	46,209
	Income	(8,900)	(9,257)	(9,521)	(9,543)	(10,052)	(9,885)	(10,351)	(10,497)	(10,584)	(10,801)
5.1.2 Sportsfields	Expense	7,886	7,587	8,095	8,751	9,467	9,860	10,090	10,408	10,507	10,929
	Income	(1,023)	(1,121)	(1,087)	(1,111)	(1,134)	(1,157)	(1,179)	(1,201)	(1,224)	(1,246)
5.1.3 Recreation Programmes	Expense	637	617	631	642	634	647	658	668	677	690
	Income	(105)	(61)	(63)	(64)	(65)	(67)	(68)	(69)	(70)	(72)
5.1.4 Recreation Centres	Expense	13,305	13,718	14,475	14,737	15,103	15,779	16,024	16,447	17,114	17,458
	Income	(2,763)	(2,999)	(2,912)	(2,976)	(3,039)	(3,100)	(3,159)	(3,219)	(3,280)	(3,339)
5.1.5 Recreation partnerships	Expense	2,691	2,727	3,128	3,081	3,204	3,366	3,717	4,076	4,367	4,584
5.1.6 Playgrounds	Expense	1,768	1,981	2,365	2,609	2,810	2,951	3,087	3,239	3,381	3,549
5.1.7 Marinas	Expense	976	977	1,012	1,084	1,129	1,231	1,275	1,362	1,371	1,419
	Income	(795)	(951)	(1,066)	(1,090)	(1,112)	(1,135)	(1,156)	(1,178)	(1,201)	(1,222)
5.1.8 Golf Course	Expense	291	269	281	288	295	304	311	317	323	331
	Income	(81)	(82)	(84)	(86)	(88)	(90)	(91)	(93)	(95)	(97)
5.1.9 LeisureCard	Expense	101	144	145	148	150	155	158	161	164	168
Total		**49,396**	**49,457**	**53,265**	**55,154**	**57,390**	**60,283**	**61,888**	**64,460**	**66,340**	**68,561**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.1.1 Swimming Pools	4,450	1,982	7,410	7,120	8,878	5,989	6,085	1,398	2,340	2,784	2,622
5.1.2 Sportsfields	2,490	2,283	1,711	9,063	5,760	1,220	2,055	2,196	574	3,111	4,960
5.1.4 Recreation Centres	240	240	755	2,962	132	550	432	138	1,182	1,590	8,479
5.1.5 Recreation partnerships	437	1,037	136	184	314	690	2,883	969	1,668	406	304
5.1.6 Playgrounds	2,699	2,599	6,125	3,411	3,196	2,080	1,852	1,759	2,082	2,700	2,002
5.1.7 Marinas	1,231	1,891	254	1,225	166	2,357	201	59	479	109	177
Total	**11,547**	**10,032**	**16,391**	**23,966**	**18,447**	**12,888**	**13,508**	**6,521**	**8,324**	**10,700**	**18,544**

Funding impact statement ($000s)

5.1 Recreation Promotion and Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	47,077	47,103	50,510	52,447	54,559	57,290	58,544	60,757	62,346	64,350
Targeted rates (other than a targeted rate for water supply)	2,691	2,727	3,128	3,081	3,204	3,366	3,717	4,076	4,367	4,584
Subsidies and grants for operating purposes	15	15	16	16	16	17	17	17	18	18
Fees and charges	13,652	14,456	14,718	14,854	15,474	15,416	15,987	16,240	16,436	16,758
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	**63,436**	**64,302**	**68,372**	**70,397**	**73,254**	**76,089**	**78,264**	**81,090**	**83,167**	**85,711**
Applications of operating funding										
Payments to staff and suppliers	31,329	32,271	33,307	33,883	34,764	35,691	36,357	37,248	38,187	38,680
Finance costs	3,694	3,222	4,584	3,993	4,296	4,637	5,074	5,674	5,919	6,158
Other operating funding applications	1,047	1,077	1,101	1,123	1,142	1,159	1,173	1,186	1,198	1,208
Internal charges	14,491	14,251	15,416	15,831	16,085	16,828	17,139	17,475	17,672	18,314

5.1 Recreation Promotion and Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Total applications of operating funding (B)	**50,560**	**50,821**	**54,409**	**54,830**	**56,287**	**58,315**	**59,744**	**61,583**	**62,976**	**64,360**
Surplus (deficit) of operating funding (A-B)	**12,876**	**13,481**	**13,963**	**15,568**	**16,967**	**17,774**	**18,521**	**19,507**	**20,191**	**21,351**
Sources of capital funding										
Subsidies and grants for capital expenditure	500	2,145	1,500	0	0	0	1,500	1,000	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(1,829)	765	8,503	2,879	(4,079)	(4,266)	(13,500)	(12,182)	(9,491)	(2,807)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**(1,329)**	**2,910**	**10,003**	**2,879**	**(4,079)**	**(4,266)**	**(12,000)**	**(11,182)**	**(9,491)**	**(2,807)**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	8,185
- to improve level of service	2,160	9,426	14,427	11,753	3,753	4,024	0	159	609	165
- to replace existing assets	9,388	6,965	9,539	6,694	9,135	9,484	6,521	8,165	10,091	10,193
Increase (decrease) in reserves	(0)	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**11,547**	**16,391**	**23,966**	**18,447**	**12,888**	**13,508**	**6,521**	**8,324**	**10,700**	**18,544**
Surplus (deficit) of capital funding (C-D)	**(12,876)**	**(13,481)**	**(13,963)**	**(15,568)**	**(16,967)**	**(17,774)**	**(18,521)**	**(19,507)**	**(20,191)**	**(21,351)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	12,503	13,108	13,590	15,194	16,594	17,401	18,147	19,133	19,817	20,978

5.2 Ngā whare me ngā ratonga hapori
Community Facilities and Services

Purpose

By providing libraries, community centres and community housing we foster diverse and inclusive communities and enable people to connect with information and each other.

We provide a wide range of facilities forming part of the city's 'hard' social infrastructure that support community wellbeing. These include libraries, community spaces, social housing, public toilets, and cemeteries.

We also deliver services that assist in building a strong social infrastructure that supports diverse, inclusive, and resilient communities. We provide a wide range of services that support community wellbeing and harm reduction, include community service, advocacy, grants, and city safety.

Activities

Activities in this group	Services we deliver
5.2.1 Libraries	■ Access for all to a wide array of books, magazines, DVD, e-books, e-audio, online journals, streaming media and e-music tracks through the 13 libraries around Wellington and online library presence.
5.2.2 Community advocacy	■ Support for community groups, ensuring Wellington's diverse population is supported and embraced by an inclusive, caring and welcoming community. ■ Work with external agencies and support outreach programmes to end street homelessness and address begging, providing a visible presence in the community.
5.2.3 Grants (Social and Recreation)	■ Ensures residents can participate in communities of choice, accessing support through a variety of mechanisms, including community grants. ■ Climate and Sustainability Fund to support community groups wanting to take climate action locally.
5.2.4 Housing	■ Provision of lease properties (over 1,900 units) to Te Toi Mahana Community Housing Provider ■ Facilitation of affordable rental housing in the city through the Te Kāinga programme of CBD apartment conversions.
5.2.5 Community centres and halls	■ Access to community spaces and marae, including a citywide network of over 25 community centres and five community halls ■ Delivers a city-wide network of effective community spaces that meet the community's needs.
5.2.6 Cemeteries	■ Managing and maintaining two cemeteries at Karori and Mākara, and providing cremation services at Karori Cemetery ■ Partnership with our Tākai Here partners in the running of Opau Urupā.
5.2.7. Public Toilets	■ Ensuring the 94 public toilets and sports pavilions/beach changing rooms located across the city are accessible clean and safe.
5.2.8 City Safety	■ Provide leadership across activities and link with interagency programmes, such as alcohol harm reduction, management of graffiti, support for the city's youth, and programmes that eliminate sexual violence and addressing food insecurity. ■ Ensuring Wellington is a safe and inclusive city where people know their neighbours and are safe. ■ Reduces harm, improve community/city safety and improve social wellbeing.
5.2.9 WREMO	■ Support connected tolerant and resilient communities that know their neighbours. ■ An effective CDEM welfare response and social recovery and co-ordination of the multi-agency response to a major shock event that affects the city. ■ To provide technical input into natural hazard planning to avoid the risks in the first place.

Rationale for Activities

- To foster diverse and inclusive communities. Our community facilities are places for groups to come together – strengthening social cohesion, celebrating diversity and making the city a more appealing and welcoming place to live.
- To enable people to connect with information and with each other. Our community facilities are places of discovery and learning that allow people to connect with others and exchange knowledge through events and other activities.
- To support warmer, drier, healthier homes. The quality of Wellington homes is improved.
- To support communities to take climate action Climate actions that can be undertaken by community groups are supported and enabled

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
5.2 Community Facilities and Services	There are negative effects from owning and managing buildings and other assets to deliver these services. These include waste and direct water and energy use to operate buildings.	We seek to minimise these negative effects by ensuring our operations are managed effectively, waste is minimised or recycled, and water and energy are conserved.

Key service level changes

Affordability and value for money

Most of the services are to largely remain at current levels for 2024-34 LTP. For affordability, we are deferring the renewal of non-critical assets, which may result in deterioration of facility condition over time.

We will review and prioritise multi-year grants, with a focus on maintaining or reducing grants in alignment with outcomes, priorities, and strategies. This may involve discontinuing funding for larger community organisations with alternative funding sources. There will be a reduction in funding for non-priority programmes or larger organisations with legitimate alternative sources of funding. We have also improved the current funding structure by eliminating multiple and inequitable funding sources, for example, some community centres are funded through the Social & Recreation fund, and others receive LTP funding.

Community Facilities

The opening of Te Matapihi will be a significant increase to the provision of community facilities in the central city, and as a project that has been developed in partnership with our Tākai Here partners, will significantly celebrate and uplift te ao Māori through the use of language and design.

In anticipation of the opening, we will close the Arapaki Service centre and temporary library on Manners St 18 months earlier than previously planned. The Brandon St Te Awe Library will continue to operate until Te Matapihi the Central City Library reopens.

We will sell the Wadestown Community Centre and it will not be replaced. We will engage with the local community on how to spend the proceeds of the sale.

A key feature for this activity grouping over the coming ten years will be the implementation of Te Awe Māpara | The Community Facilities Network Plan. The plan will guide the Council's provision and decision-making on community facilities. A key direction for the plan is to evolve community facilities to maximise the benefits and making more holistic and smarter facility decisions. The plan includes several facility and delivery investigations across all facility types and the city. Implementation of these actions may lead to changes to the mix of future facilities.

Through the LTP Amendment capital programme review, $10m will be reduced in years 8 and 9 to contribute to increasing our debt headroom. The funding is currently not assigned to any project, and investigations for what upgrades are needed are still being carried out

As part of the LTP Amendment, the Council will offer the incomplete Karori Event Centre back to the Karori Community Hall Trust, allowing them to complete the building's remediation and fit-out. The Council will contribute up to $1.9 million in funding but will not support ongoing operational costs. The Trust must submit a detailed, independently verified work plan, and a Council officer will oversee the project. If the plan deviates significantly or negotiations aren't concluded within three months, the Council may sell the site instead.

Housing

The continuation of planned upgrade of social housing stock is also a key service improvement in this activity.

We will continue to invest in the Te Kāinga affordable rental programme, reaching up to 1,000 properties available to the medium to lower income earners.

City Safety

The council will increase levels of service for city safety, including developing a plan and working with relevant agencies to reduce crime and improve safety in Wellington with a focus on the CBD

Statement of levels of service and performance measures

Activity – 5.2 Community Facilities and Services

Level of service statement: Provide accessible, safe and inclusive community facilities and services

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
Cost to the ratepayer per library transaction ($)	Affordability	$2.68 (YE22/23)	<$2.79	Annual
Toilets (%) that meet required cleanliness performance standards	Safety	97% (YE22/23)	95%	Quarterly
Percentage of public toilets across the city that are open and able to be used	Accessibility	95% (Mar2024)	95%	Quarterly
(%) User satisfaction with library services	Client Satisfaction	88% (YE22/23)	85%	Annual
(%) User satisfaction with community centres and halls	Client Satisfaction	84% (YE22/23)	85%	Annual
% of people who feel safe in the CBD a. During the day b. After dark	Accessibility	a. 86% (RMS 2024) b. 43% (RMS 2024)	a. 91% b. 60%	Annual

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.2.1 Libraries	Expense	36,338	43,714	45,723	47,754	49,116	50,191	50,715	51,928	51,999	52,295
	Income	(387)	(286)	(305)	(312)	(319)	(325)	(331)	(337)	(343)	(350)
5.2.2 Community Advocacy	Expense	4,445	5,665	5,782	5,735	5,840	5,418	5,514	5,614	5,705	5,848
	Income	(137)	1	1	1	1	1	1	2	2	2
5.2.3 Grants (Social and Recreation)	Expense	5,858	5,503	5,504	5,505	5,506	5,507	5,507	5,508	5,509	5,510
5.2.4 Housing	Expense	39,311	51,889	53,476	59,244	66,605	76,214	83,407	87,384	92,082	96,137
	Income	(19,822)	(19,832)	(20,663)	(21,117)	(21,561)	(21,992)	(22,410)	(22,836)	(23,270)	(23,688)
5.2.5 Community centres and halls	Expense	7,207	9,454	8,253	9,117	9,468	9,913	9,575	9,929	10,314	11,000
	Income	(318)	(324)	(331)	(338)	(346)	(352)	(359)	(366)	(373)	(380)
5.2.6 Cemeteries	Expense	2,437	2,553	2,706	2,803	2,952	3,097	3,202	3,294	3,338	3,442
	Income	(1,151)	(1,188)	(1,202)	(1,228)	(1,254)	(1,279)	(1,303)	(1,328)	(1,353)	(1,378)
5.2.7 Public toilets	Expense	5,594	5,931	6,300	6,335	6,596	6,913	7,212	7,518	7,752	8,011
5.2.8 City safety	Expense	3,665	4,629	4,729	4,860	4,957	5,048	5,008	5,222	5,293	5,421
	Income	(234)	0	0	0	0	0	0	0	0	0
5.2.9 WREMO	Expense	3,614	3,833	4,015	4,107	4,211	4,331	4,436	4,538	4,632	4,737
	Income	(200)	(204)	(209)	(213)	(217)	(221)	(226)	(230)	(234)	(238)
Total		**86,222**	**111,339**	**113,780**	**122,251**	**131,557**	**142,463**	**149,949**	**155,841**	**161,052**	**166,369**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.2.1 Libraries	6,767	4,614	8,229	3,398	3,359	4,182	3,861	3,738	3,727	3,946	3,769
5.2.4 Housing	48,873	15,549	46,088	59,998	69,988	79,580	77,312	57,199	67,197	53,809	33,546
5.2.5 Community centres and halls	4,340	1,813	1,396	812	3,790	4,249	4,182	33,535	28,787	20,994	24,925
5.2.6 Cemeteries	439	339	1,019	2,415	2,441	1,236	685	522	449	632	363

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.2.7 Public toilets	1,418	871	1,690	2,067	1,882	2,330	1,243	802	807	1,266	868
5.2.8 City safety	2,245	1,448	918	124	127	130	132	135	145	147	150
5.2.9 WREMO	86	86	88	90	92	94	96	97	104	106	108
Total	**64,169**	**24,720**	**59,428**	**68,905**	**81,679**	**91,801**	**87,511**	**96,028**	**101,216**	**80,901**	**63,728**

Funding impact statement ($000s)

5.2 Community Participation and Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	53,678	64,950	67,727	70,075	72,014	73,726	74,493	76,385	76,863	77,722
Targeted rates (other than a targeted rate for water supply)	11,286	12,984	13,933	14,704	15,153	15,170	14,920	15,369	15,838	16,660
Subsidies and grants for operating purposes	161	35	24	24	25	25	26	26	27	27
Fees and charges	22,036	21,744	22,631	23,128	23,614	24,086	24,544	25,010	25,484	25,943
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	52	53	54	55	56	58	59	60	61	62
Total operating funding (A)	**87,212**	**99,767**	**104,368**	**107,987**	**110,862**	**113,065**	**114,041**	**116,850**	**118,273**	**120,414**
Applications of operating funding										
Payments to staff and suppliers	49,458	60,847	59,500	63,095	66,354	68,938	69,940	69,117	68,345	67,026
Finance costs	3,237	4,564	8,374	10,092	12,572	14,036	14,541	14,928	14,944	14,801
Other operating funding applications	11,590	20,134	12,734	8,734	5,734	5,734	5,734	5,734	5,734	5,735
Internal charges	20,936	23,007	27,165	28,523	29,067	30,011	30,153	30,548	30,920	31,852
Total applications of operating funding (B)	**85,221**	**108,552**	**107,774**	**110,445**	**113,728**	**118,719**	**120,368**	**120,328**	**119,944**	**119,414**
Surplus (deficit) of operating funding (A-B)	**1,991**	**(8,786)**	**(3,405)**	**(2,457)**	**(2,866)**	**(5,653)**	**(6,326)**	**(3,479)**	**(1,671)**	**1,000**
Sources of capital funding										

5.2 Community Participation and Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	62,178	68,201	72,308	84,144	94,675	93,173	102,362	104,703	82,581	62,737
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**62,178**	**68,201**	**72,308**	**84,144**	**94,675**	**93,173**	**102,362**	**104,703**	**82,581**	**62,737**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	671	701	2,292	2,215	767	0	0	0	0	0
- to improve level of service	2,710	1,526	561	3,344	3,852	3,860	33,142	28,296	20,501	24,603
- to replace existing assets	60,788	57,202	66,052	76,120	87,182	83,651	62,886	72,920	60,400	39,125
Increase (decrease) in reserves	0	(13)	(3)	8	8	8	8	8	8	9
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**64,169**	**59,416**	**68,903**	**81,686**	**91,809**	**87,519**	**96,036**	**101,224**	**80,910**	**63,737**
Surplus (deficit) of capital funding (C-D)	**(1,991)**	**8,786**	**3,405**	**2,457**	**2,866**	**5,653**	**6,326**	**3,479**	**1,671**	**(1,000)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	23,249	24,612	28,708	35,006	41,516	47,905	54,201	60,600	66,671	72,978

5.3 Haumarutanga Tūmatanui
Public Health and Safety

Purpose

The health and safety of our city are crucial to enabling our city and our people to thrive. We deliver services that support the health and safety of the city's communities.

We continue to focus on processing of alcohol licenses, food safety certificates, dog registrations, gambling consents and health licenses for businesses and activities that could impact human health. We will also continue to operate animal control service and litter enforcement.

Activities

Activities in this group	Services we deliver
5.3.1 Public Health Regulations	■ Ensuring, through timely food and alcohol licencing and inspections, that Wellington's hospitality sector contributes to the health and safety of our community, including holding District Licensing Committee hearings ■ Wellington consolidated bylaw, part 2 Animals – regulation of domestic animals and inspecting kennels, catteries, doggy daycare ■ Trading and events in public places policy – issuing permits for parklets, outdoor dining, dog walking as a commercial activity ■ Respond to incidents involving hazardous substances ■ Trade waste – issuing consents ■ Litter – issuing infringements in accordance with the Litter Act ■ Health Act – responding to environmental complaints, dealing with hoarders and registering and compliance activities for hairdressers.

Rationale for Activities

- To maintain health standards. We promote and maintain health standards through public health regulations and maintenance of our own facilities, such as public toilets.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
5.3 Public Health and Safety	We do not anticipate any significant negative effects associated with the provision of these services.	N/A

Key service level changes

There are no changes to the level of service.

Statement of levels of service and performance measures

Activity – 5.3 Public health and safety

Level of service statements:
Maintain environmental health and safety standards through public health regulations to protect the public

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
(%) Food businesses verified within statutory timeframes[1]	Safety	34% (YE22/23)	80%	Quarterly
(%) New alcohol licenced premises inspected from the application acceptance date to the end of the public notice period[2]	Safety	67% (Nov23-May24)	90%	Quarterly

1 Statutory timeframe is defined as: New businesses - within 6 weeks after registration is approved; Existing businesses - the date determined by the performance-based verification step from previous verification (can be between 3months and 3years)

2 Public notice period for the intention of sale and supply of alcohol under the Sale and Supply of Alcohol Act 2023 is 25 days from date of acceptance

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.3.1 Public Health Regulations	Expense	8,529	10,070	9,681	9,900	10,077	10,342	10,556	10,775	10,956	11,231
	Income	(5,047)	(5,148)	(5,261)	(5,377)	(5,489)	(5,599)	(5,706)	(5,814)	(5,924)	(6,031)
Total		**3,482**	**4,922**	**4,420**	**4,523**	**4,587**	**4,743**	**4,850**	**4,961**	**5,032**	**5,200**

Capital Expenditure

There is no capital expenditure for this activity.

Funding impact statement ($000s)

5.3 Public Health and Safety	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	3,702	5,142	4,640	4,743	4,808	4,963	5,071	5,181	5,204	5,372
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	4,940	5,039	5,150	5,263	5,373	5,481	5,585	5,691	5,799	5,903

5.3 Public Health and Safety	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	107	109	112	114	116	118	121	123	125	127
Total operating funding (A)	8,749	10,290	9,901	10,120	10,297	10,562	10,776	10,995	11,128	11,402
Applications of operating funding										
Payments to staff and suppliers	5,361	6,079	5,854	5,982	6,124	6,231	6,350	6,471	6,588	6,695
Finance costs	1	0	1	1	1	1	1	1	1	2
Other operating funding applications	32	32	33	34	34	35	36	36	37	38
Internal charges	3,123	3,952	3,788	3,878	3,913	4,071	4,165	4,261	4,329	4,496
Total applications of operating funding (B)	8,517	10,064	9,676	9,895	10,072	10,337	10,551	10,770	10,956	11,231
Surplus (deficit) of operating funding (A-B)	232	226	225	225	225	225	225	225	172	172
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(232)	(226)	(225)	(225)	(225)	(225)	(225)	(225)	(172)	(172)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(232)	(226)	(225)	(225)	(225)	(225)	(225)	(225)	(172)	(172)
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Surplus (deficit) of capital funding (C-D)	(232)	(226)	(225)	(225)	(225)	(225)	(225)	(225)	(172)	(172)
Funding balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0
Expenses for this activity grouping include the following depreciation/amortisation charge	11	6	5	5	5	5	5	5	0	0

6. Tāone tupu ora
Urban Development

The mahi for urban development is focused on the way the city is developed and how it shapes the quality of life and experience for residents and visitors.

Overview

Urban Planning is key to designing the city's layout, optimising space for community needs, and accommodating growth. The 2024-34 LTP includes continued investments to shape the city for a growing population, maintaining core spatial and urban planning activities, and delivering the Te Kāinga affordable rental programme, with up to 1,000 properties for medium to lower-income earners. Significant investment is planned for public space development, notably the Golden Mile project.

To manage cost pressures, we will seek more efficient service delivery within a tight budget. This involves prioritising capital programmes to focus on existing urban development projects and postponing other public space upgrades.

We will aim to meet or exceed statutory timeframes requirement for processing consents, ensuring efficient services, and enhancing our systems to meet customer needs and minimise risks.

The proposed District Plan, Medium Density Residential Standards, and expected Resource Management system changes could impact how we approve and enforce regulations. While these changes might decrease the number of resource consents, they would likely make the approval process more complex.

The anticipated increase in earthquake-prone building notices will require the Council to be more involved, either by assisting building owners or stepping up enforcement efforts.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page 36.

Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
6.1 Urban Planning, heritage and public spaces development	Urban Form: A liveable and accessible compact city	■ Transform our transport system to move more people with fewer vehicles ■ Increase access to good, affordable housing to improve the wellbeing of our communities ■ Revitalise the city and suburbs to support a thriving and resilient economy and support job growth ■ Collaborate with our communities to mitigate and adapt to climate change. ■ Celebrate and make visible te ao Māori across our city	■ Spatial Plan - Our city tomorrow ■ District Plan ■ Infrastructure Strategy 2024 ■ Finance Strategy 2024
6.2 Building and Development	Urban Form: A liveable and accessible compact city	■ Increase access to good, affordable housing to improve the wellbeing of our communities	■ Enforcement and Compliance Policy ■ Spatial Plan - Our city tomorrow ■ District Plan

Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all urban planning, heritage, public spaces development, and regulatory and compliance activities. Our work is informed by the Tūpiki Ora Māori Strategy, including ensuring mana whenua and Māori reo, narratives, identities, histories and landmarks are increasingly present, visible in Pōneke and by legislation that requires that we work in consultation with mana whenua.

We are committed to ensuring these statutory obligations are upheld and that the spaces and places of cultural significance to Māori are considered appropriately in consenting decisions. More information on this commitment is in Volume 1 and Volume 3 in our Strategic Direction sections.

How we will embed Strategic Approaches in this activity

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

Strategic Approaches are about how we will deliver our work. They are important and to be applied to everything we do.

Integrating te ao Māori	We will work together with our Tākai Here partners to address environmental and climate change challenges. We will work together with our Tākai Here partners on our strategic projects to uplift te ao Māori using language and design. Where opportunities arise, we will encourage developers to work with mana whenua to integrate te ao Māori.
Making our city accessible and inclusive for all	As we upgrade our city, we will utilise Universal Design principles to ensure our urban development plans are accessible and inclusive for all. We will consent designs that improve accessibility and inclusion. We will ensure our information on public health and safety is accessible.
Embedding climate action	We will support our infrastructure managers to renew and upgrade our public spaces and infrastructure so that it is more resilient and adapts to climate change. We will work together will developers to ensure buildings are safe and resilient from climate impacts.
Engaging our community	We will co-design place-based plans for local area improvements, climate adaptation, and urban development. We will continue to work together with developers and others to meet consenting timelines and ensure communication is accessible and timely.
Value for money	We will make future focused decisions that provide best outcomes and value for money for the long term. We will invest in systems and process that are efficient and enable better service delivery to our customers.

6.1 Whakamahere tāone, whakawhanake wāhi tuku iho, wāhi tūmatanui anō hoki

Urban Planning, heritage and public spaces development

Purpose

Wellington with its combination of compact urban form, heritage buildings, public art, capital city status and other features give the city a unique look and feel.

With a growing population there are demands placed on our urban planning, heritage and public spaces development. Our work aims to ensure this growth happens in ways that make efficient use of land and transport and doesn't compromise the qualities that make Wellington special.

Activities

Activities in this group	Services we deliver
6.1.1 Urban Planning and Policy Development	■ Carrying out urban planning and urban regeneration work to guide how the city will grow over time ■ Enabling smart, compact urban growth through a multifaceted approach of planning, design and policy. ■ Complementing compact urban growth through the provision of facilities and amenity in Wellington's streetscapes, public spaces, along its waterfront, and in its centres. ■ Reviewing the District Plan to ensure the city grows in line with our agreed plans ■ Ensuring Wellingtonians have sustainable choices to move around our city as well as an attractive and well-functioning mixed neighbourhoods to live, work and recreate in.
6.1.2 Public Spaces and Centres Development	■ Maintaining Wellingtonians' sense of place and pride by embracing the city's heritage and public spaces, including the waterfront
6.1.3 Housing Development	■ Ensuring infrastructure is in place to provide for current and future housing and business demand ■ Establishing robust plans, policies, designs and coordination to ensure infrastructure is in place to provide for current/future housing/business demands.
6.1.4 Built Heritage Development Libraries	■ Enabling the protection, restoration and enhancement of Wellington's heritage and character assets - including buildings, areas, trees, monuments, and sites of significance to tangata whenua. ■ Ensuring that planning and cultural heritage plans and actions enable ways to make the narratives of our Tākai Here partners increasingly present and recognised. ■ Conserving the city's heritage for future generations by assisting building owners to strengthen at-risk heritage buildings and storytelling of Wellington's cultural heritage in new developments.

Rationale for Activities

- To enable smart growth/urban containment. Through these activities we ensure that the city grows in a controlled way that is environmentally sustainable, enhances community cohesion and encourages high-quality developments and reduces the city's carbon footprint through reducing the need to travel long distances.
- For open public spaces. We provide spaces where people can come together, relax and enjoy the natural environment of our city.
- For character protection. We work to help protect, restore and develop the city's heritage and character assets – including buildings, trees, monuments, and sites of significance to tangata whenua. Heritage is important in telling the shared history of the city and adds to its 'sense of place'.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
6.1 Urban Planning, Heritage and Public Spaces Development	Up to 280,000 people are expected to call Wellington home by 2043. New housing development has been lagging behind population growth and demand in recent years, with an estimated shortfall of nearly 4000 houses over the last 10 years. House prices have also risen significantly in recent years. Population growth and urban development, if not well managed, can have negative effects on a city's environment and on social wellbeing. Left unchecked, growth can result in reduction of open and green spaces with consequences for recreational opportunities, amenity and even some ecosystems. Development in the wrong areas or the wrong types of development can place a strain on infrastructure and reduce people's ability to access to services and enjoy the opportunities the city offers. Poorly planned growth and poor development and construction of individual buildings can reduce the attractiveness and the 'sense of place' that people identify with, and it can have a direct impact on people's safety.	Enabling more housing supply and business development through the District Plan review is important to accommodating our growing population, while also helping to improve housing affordability. We aim to avoid or mitigate these negative effects by guiding future development into areas where the benefits are greatest and the negative effects least. The tools we use include planning, working with landowners, direct investment in the development of green and open spaces and using our regulatory powers under legislation, such as the Building Act 2004 and Resource Management Act 1991.
	Heritage: There are currently several heritage buildings in Wellington City, which require earthquake strengthening. Lack of progress by owners to strengthen their building can reduce the attractiveness of the city and the 'sense of place' that people identify with, and it can have a direct impact on people's safety. The main barrier to the strengthening process is cost. This is worsened by limited access to finance from both public and private sources.	We are aiming to avoid the negative effects on heritage buildings by providing financial incentives for heritage building owners to undertake comprehensive earthquake strengthening.

Key service level changes

Urban Planning

Our overall approach is to continue making investments that shape the city to meet the projected growing population. We will continue to deliver core statutory spatial and urban planning activities.

To deal with the cost pressures facing the Council and the community, we will need to look at how we can deliver our services more efficiently for Urban Development. This means we need to operate within the already tight budget for some of the services we provide.

This includes prioritising our capital programmes to focus urban development works within existing planned project delivery and holding off other public space upgrades for an extended period of time.

- There are significant planned investment in public space development through the Golden Mile project.
- As a result of the LTP Amendment capital programme review, the $11m budget has been rephased into $5.5m for years 4 and 8. This means there will be minimal other upgrades to public spaces during this LTP. This will potentially result in degradation of public amenity.
- We will commence delivery on the Green Network Plan. This will increase green space amenity in the central city.
- We are repurposing the Environmental and Accessibility Performance Fund toward a Climate Resilience Fund. We will establish an urban design panel to support densification and implementation of the new district plan. Statement of levels of service and performance measures

Activity – 6.1 Urban Planning, heritage and public spaces development

Level of Service Statement: Help protect, restore and develop the city's character assets and public spaces

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
Number of co-design projects complete for Te Whanganui-a-Tara streets, waterways and green spaces	Sustainability	10 (May 2024)	≥8[1]	Annual

1 Target is less than Baseline due to constrained financial environment

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
6.1.1 Urban planning and policy development	Expense	6,958	7,013	6,584	6,536	6,370	6,207	6,281	6,389	6,497	6,664
	Income	(1,980)	(924)	(595)	(608)	(620)	(633)	(645)	(657)	(670)	(682)
6.1.2 Public spaces and centres development	Expense	13,210	24,274	27,752	7,038	7,733	8,319	8,285	8,391	8,443	8,808
6.1.3 Built heritage development	Expense	1,255	1,527	1,552	1,577	1,596	1,629	1,653	1,677	1,697	1,730
6.1.4 Housing Development	Expense	16,044	16,873	18,222	18,680	19,044	19,504	20,016	20,813	21,170	21,786
	Income	(13,277)	(13,666)	(15,572)	(16,057)	(16,532)	(17,028)	(17,512)	(18,082)	(18,608)	(19,118)
Total		**22,210**	**35,097**	**37,943**	**17,167**	**17,590**	**17,999**	**18,078**	**18,532**	**18,530**	**19,188**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
6.1.1 Urban planning and policy development	1,544	776	993	0	0	0	0	0	0	0	0
6.1.2 Public spaces and centres development	2,936	1,285	7,851	1,667	6,630	714	1,121	967	2,427	5,918	2,516
Total	**4,480**	**2,060**	**8,845**	**1,667**	**6,630**	**714**	**1,121**	**967**	**2,427**	**5,918**	**2,516**

Funding impact statement ($000s)

6.1 Urban Planning, Heritage and Public Spaces Development	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	17,863	23,006	23,127	21,584	22,179	22,716	22,841	23,160	23,371	19,440
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	1,410	342	0	0	0	0	0	0	0	0
Fees and charges	13,847	14,248	16,167	16,665	17,153	17,660	18,157	18,739	19,277	19,800
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	**33,119**	**37,596**	**39,294**	**38,248**	**39,332**	**40,376**	**40,997**	**41,899**	**42,648**	**39,239**
Applications of operating funding										
Payments to staff and suppliers	30,643	41,131	45,225	26,405	27,038	27,416	27,703	28,466	28,827	29,540
Finance costs	12	44	68	38	40	44	49	100	137	167
Other operating funding applications	500	500	500	500	500	500	500	500	500	500
Internal charges	6,250	7,701	7,733	6,151	6,212	6,398	6,532	6,687	6,738	7,001
Total applications of operating funding (B)	**37,405**	**49,375**	**53,526**	**33,094**	**33,790**	**34,358**	**34,784**	**35,752**	**36,202**	**37,208**
Surplus (deficit) of operating funding (A-B)	**(4,286)**	**(11,779)**	**(14,232)**	**5,154**	**5,542**	**6,018**	**6,213**	**6,147**	**6,447**	**2,031**
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	8,766	20,624	15,899	1,476	(4,829)	(4,898)	(5,246)	(3,719)	(529)	485
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**8,766**	**20,624**	**15,899**	**1,476**	**(4,829)**	**(4,898)**	**(5,246)**	**(3,719)**	**(529)**	**485**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	3,134	6,238	873	6,299	544	555	565	0	5,500	0

6.1 Urban Planning, Heritage and Public Spaces Development	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
- to improve level of service	1,346	2,606	793	331	170	566	402	2,427	417	2,516
- to replace existing assets	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(0)	0	0	0	0	(0)	(0)	0	0	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**4,480**	**8,845**	**1,667**	**6,630**	**714**	**1,121**	**967**	**2,427**	**5,918**	**2,516**
Surplus (deficit) of capital funding (C-D)	**4,286**	**11,779**	**14,232**	**(5,154)**	**(5,542)**	**(6,018)**	**(6,213)**	**(6,147)**	**(6,447)**	**(2,031)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	61	312	584	737	953	1,302	1,451	1,518	1,606	1,779

6.2 Te hanga me te whanaketanga

Building and Development

Purpose

Our oversight of construction and development means we oversee the safety of buildings, preventing any potential harm to environmental quality or public health.

We also aim to establish that developments are secure, environmentally friendly, and align with public expectations.

Rationale for Activities

To protect public health and safety, we carry out building and development activities to protect public and environmental health and safety and to protect future users of land and buildings.

For resilience, ensuring buildings and developments are built to withstand natural events is a critical element of our activities in this area. We engage in earthquake risk mitigation to protect public safety, preserve the city's heritage and the economic investment made in buildings and infrastructure.

Activities

Activities in this group	Services we deliver
6.2.1 Building Control and Facilitation 6.2.2 Development Control and Facilitation 6.2.3 Earthquake risk and Mitigation 6.2.4 Regulatory Building Control and Facilitation (weathertight homes)	■ Timeliness of consenting and compliance service ■ Sufficient and timely access to Council advice for building owners as required ■ Building consents – ensuring buildings are safe, in accordance with the Building Act 2004 ■ Resource consents – ensuring natural resources are used sustainably, in line with the Resource Management Act 1991 ■ Assessing earthquake-prone buildings and delivering on the resilience programme.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
6.2 Building and Development	Development and construction, if not well managed, can have negative effects on a city's environment and on social wellbeing, and on the safety of individuals. Development in the wrong areas or the wrong types of development can place a strain on infrastructure and reduce people's ability to access services and enjoy the opportunities the city offers. Poorly planned growth, and poor development and construction of individual buildings, can reduce the attractiveness of the city and the 'sense of place' that people identify with, and it can have a direct impact on people's safety.	The activities in this group exist to mitigate and manage risks from development, construction, weather-tight building problems and earthquakes. Our earthquake-prone building assessment programme is focused on ensuring these buildings are strengthened to the required standards.

Key service level changes

Te Ngakau

As part of the LTP Amendment capital programme changes, we will adjust the budget for earthquake-prone buildings in Te Ngākau Civic Square to meet the minimum requirements for the potential demolition of the Michael Fowler Centre (MFC), which is earthquake prone with a deadline for remediation of 2034. The future of MFC will be decided through further investigations and a future venues strategy consultation. No decision has been made on the future of the building and no decision to demolish has been made through the funding provision allocation. Noting this budget is allocated to 10: Council Projects, but is included here for clarity on the changes being made.

Heritage

We aim to achieve minor cost savings through reducing the community advisory and heritage support services. This budget will reduce by $210,000 per year, which has the impact of refocusing heritage advisory services exclusively on resource consenting and the administration of the Heritage Resilience and Regeneration Fund.

Building and Development

We will aim to meet or exceed statutory timeframes for processing consents, ensuring efficient services, and enhancing our systems to meet customer needs and minimise risks.

The recently adopted District Plan, Medium Density Residential Standards, and expected changes to the Resource Management system could impact how we approve and enforce regulations. While these changes might decrease the number of resource consents, they would likely make the approval process more complex. The anticipated increase in earthquake-prone building notices will require the Council to be more involved, either by assisting building owners or stepping up enforcement efforts.

Statement of levels of service and performance measures

Activity – 6.2 Building and Development

Level of service statement: Provide building and development control and facilitation services to protect future users of land and buildings

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
(%) Building consents granted within statutory timeframes[1]:- (a) Those not requiring structural engineering review (b) Those requiring structural engineering review	Reliability	60% (YE22/23) based on all building consent types.	a. 90% b. 70%	Quarterly
Customers (%) who rate building control service as good or very good	Client Satisfaction	62% (YE22/23)	80%	Quarterly
(%) Resource consents (non-notified) issued within statutory timeframes[1]:- (a) Those not requiring external referral input (x%) (b) Those requiring external referral input (xx%	Reliability	a. 89% (Oct23) b. 84% (Oct23)	a. 98% b. 70%	Quarterly
(%) Resource consents that are monitored within 3 months of project commencement	Reliability	98% (YE22/23)	90%	Quarterly
Customers (%) who rate resource consent service as good or very good	Client Satisfaction	83% (YE22/23)	80%	Quarterly
(%) Resource consents (non-notified) for multi-unit housing issued within statutory timeframes[1]	Reliability	97% (YE22/23)	85%	Quarterly
(%) Land Information Memorandums (LIMs) issued within statutory timeframes[2]	Reliability	100% (YE22/23)	98%	Quarterly
Building Consent Authority (BCA) accreditation retention[3]	Quality	Retained (July23)	Retained	Annual

[1]Statutory timeframe is 20 working days, [2]Statutory timeframe is 10 working days, [3]The Building Consent Authority accreditation retention process is biennial

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
6.2.1 Building Control and Facilitation	Expense	22,896	24,022	24,199	24,755	25,177	25,905	26,457	26,995	27,424	28,090
	Income	(16,181)	(16,520)	(16,884)	(17,239)	(17,584)	(17,919)	(18,259)	(18,606)	(18,942)	(19,283)
6.2.2 Development Control and Facilitation	Expense	9,223	12,923	12,617	12,876	13,038	13,375	13,648	13,966	14,228	14,612
	Income	(5,749)	(5,864)	(5,993)	(6,124)	(6,253)	(6,378)	(6,499)	(6,623)	(6,749)	(6,870)
6.2.3 Earthquake risk mitigation – built environment	Expense	4,810	2,090	1,729	1,767	1,798	1,850	1,889	1,928	1,961	2,013
	Income	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)
Total		**14,996**	**16,647**	**15,665**	**16,032**	**16,173**	**16,830**	**17,232**	**17,657**	**17,920**	**18,558**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
6.2.3 Earthquake risk mitigation – built environment	57,852	57,815	54,389	0	0	0	0	0	0	0	0
Total	**57,852**	**57,815**	**54,389**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Funding impact statement ($000s)

6.2 Building and Development	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	12,700	17,651	16,669	17,035	17,176	17,833	18,235	18,661	18,624	19,262
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	21,927	22,381	22,874	23,361	23,835	24,294	24,756	25,226	25,688	26,150

6.2 Building and Development	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	6	6	6	6	6	6	6	6	7	7
Total operating funding (A)	**34,633**	**40,038**	**39,548**	**40,402**	**41,017**	**42,134**	**42,998**	**43,893**	**44,318**	**45,419**
Applications of operating funding										
Payments to staff and suppliers	23,222	20,767	20,764	21,226	21,717	22,131	22,557	22,986	23,401	23,807
Finance costs	8	9	18	14	16	18	21	25	27	28
Other operating funding applications	12	12	12	13	13	13	13	14	14	14
Internal charges	13,606	18,123	17,626	18,022	18,145	18,845	19,287	19,762	20,112	20,860
Total applications of operating funding (B)	**36,847**	**38,911**	**38,421**	**39,275**	**39,890**	**41,007**	**41,878**	**42,786**	**43,553**	**44,709**
Surplus (deficit) of operating funding (A-B)	**(2,214)**	**1,127**	**1,127**	**1,127**	**1,127**	**1,127**	**1,119**	**1,108**	**764**	**709**
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	60,066	53,262	(1,127)	(1,127)	(1,127)	(1,127)	(1,119)	(1,108)	(764)	(709)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**60,066**	**53,262**	**(1,127)**	**(1,127)**	**(1,127)**	**(1,127)**	**(1,119)**	**(1,108)**	**(764)**	**(709)**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	57,800	54,353	0	0	0	0	0	0	0	0
- to replace existing assets	52	37	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**57,852**	**54,389**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Surplus (deficit) of capital funding (C-D)	**2,214**	**(1,127)**	**(1,127)**	**(1,127)**	**(1,127)**	**(1,127)**	**(1,119)**	**(1,108)**	**(764)**	**(709)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	82	123	123	123	123	123	115	104	61	6

7. Tūnuku Transport

The mahi for Transport is focused on the way the city is developed and how it shapes the quality of life and experience for residents and visitors.

Overview

The city's target is to reduce 2020 emissions by 57% by 2030, which reflects both the speed at which we need to act, and the bigger opportunity for decreasing emissions because we are a developed country. The city's emissions have fallen by 10% since 2020, and cycling has increased by 9% in the past year.

Our overall approach to transport investment is to continue changing the transport network to support reducing emissions and making it easier to get around. This includes continued delivery of the city wide Paneke Pōneke bike network and increasing investment in improving the resilience of the network through retaining wall and structure strengthening. Investment on the Golden Mile and City streets projects will improve connections for people on buses, bikes or walking in the Central City and on key routes between the central city and suburban centres. The parking policy provides a framework to guide future decision-making on the management of all Council-controlled parking spaces. This includes off-street parking and on-street parking, both free-of-charge (unrestricted) and those which incur a user-charge. Off-street parking includes parking areas at any of the Council's parks, sports, recreation and other community activities; and any off-street parking buildings that the Council controls.

The policy sets out objectives, high level principles, a parking space hierarchy (that prioritises the types of parking in different areas), area-based parking management guidance (that prioritises how we manage supply and demand). It also provides a new approach to setting parking fees and developing area-based parking management plans.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page 36.

Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all transport activities. The Tūpiki Ora Māori Strategy outlines priorities including that whānau, tamariki, māmā and pēpī, tangata whaikaha people and kaumātua can move around the city and access the services and spaces they need in Wellington. More information on this commitment is in Volume 1 and Volume 3 in our Strategic Direction sections.

Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
7.1 Transport network	Urban Form: A liveable and accessible compact city	■ Transform our transport system to move more people with fewer vehicles ■ Celebrate and make visible te Ao Māori across our city ■ Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	■ Pāneke Pōneke Bike Network Plan ■ Te Atakura | First to Zero – Zero Carbon Strategy ■ Spatial Plan – Our city tomorrow ■ District Plan ■ Infrastructure Strategy 2024 ■ Finance Strategy 2024
7.2 Parking	Urban Form: A liveable and accessible compact city	■ Transform our transport system to move more people with fewer vehicles	■ Parking Policy

How we will embed Strategic Approaches in this activity

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

Strategic Approaches are about how we will deliver our work. They are important and to be applied to everything we do.

Integrating te ao Māori	Making te ao Māori visible through urban design and new infrastructure. We will work together with our Tākai Here partners on our strategic projects to uplift te ao Māori using language and design.
Making our city accessible and inclusive for all	As we maintain, renew, and upgrade our transport infrastructure, we will make improvements for accessibility. This includes ensuring temporary traffic management is appropriately designed for accessible access.
Embedding climate action	We adopted the Sustainable Transport Hierarchy, which places walking, cycling and public transport as the top of the transport hierarchy for the city as is a significant contributor to achieving zero carbon targets as set in Te Atakura. To implement this, the city's transport programmes and projects focus on enabling active and public transport solutions through investment in new infrastructure and our rolling maintenance and renewals programmes.
Engaging our community	We will work closely with residents and businesses in designing and delivering changes to the transport network. We will continue to deliver road safety and active travel education programmes.
Value for money	We will make future focused decisions that provide best outcomes and value for money for the long term. We will invest in systems and process that are efficient and enable better service delivery to our customers.

7.1 Whatunga tūnuku
Transport Network

Purpose

This activity aims to create a more liveable city by enhancing accessibility and easing commuting needs with an effective transport network for the community.

An efficient network that gives our people choices about how to get where they need to go is critical to the city's economy and quality of life. Transport plays a big role in how we live, work and play. We aim to safely and efficiently move more people with fewer vehicles. The network includes vehicle lanes, footpaths and cycleways, and we maintain structures such as tunnels and seawalls, to keep the network safe.

The Council adopted the Sustainable Transport Hierarchy, which places walking, cycling and public transport at the top of the transport hierarchy for the city. To implement this and reduce our carbon emissions, the city's transport programmes and projects focus on system change to enable active and public transport solutions through investment in new infrastructure and our rolling maintenance and renewals programmes.

Activities

Activities in this group	Services we deliver
7.1.1 Transport Planning	■ Planning, delivering, maintaining and operating our transport system
7.1.2 Vehicle Network	■ Operating and maintaining our existing transport network, which is made up of 970km of footpaths and access ways, 40km of bike lanes, 8km bus priority lanes, 700km of roads, and 2km of bridges and tunnels, and which enables Wellingtonians, workers from the wider region and visitors to move around the city every day ■ Network supports keeping the residents of the city moving (peak travel times are acceptable). ■ Supporting Wellington Cable Car Limited - a CCO that owns, operates and maintains the Cable Car and associated track, plant, tunnels, bridges and buildings
7.1.3 Cycle Network 7.1.5 Pedestrian Network	■ Enhancing the attractiveness of walking or cycling around the city, through urban design, new infrastructure and promotion of active transport. ■ A city-wide network of connected cycleways, connecting suburbs with the CBD and key destinations □ 166km of cycleway connections □ 155,000 of us living within a 5-minute ride of the network.
7.1.4 Passenger Transport Network	■ Supporting the city's public transport network by providing space for the network to run efficiently and encouraging people to use it. ■ Shelters provided for bus and rail passengers on all incoming stops and at selected outgoing stops
7.1.6 Network-wide Control and Management	■ Appropriate range and coverage of signals and signs to support network
7.1.7 Road Safety	■ Ensuring our transport network is safe for all users by making ongoing improvements and educating and promoting safe behaviours.
7.1.8 Major City Upgrades	■ Designing, planning and constructing people-friendly central city and arterial spaces that improve traffic flows by encouraging alternative transport options while highlighting our rich cultural history and bringing renewed vibrancy to our city.
7.1.9 Roads Open Spaces	■ We look after the city's roadside plants, remove and prune hazardous or overgrown vegetation, spray weeds and supply free plants to residents to plant on road reserves. ■ We also clean city and residential streets, empty rubbish bins in the central city and remove spills and litter.

Rationale for Activities

- We aim to provide a transport network that provides people with accessible, safe and reliable transport choices.
- To increase mode share and reduce emissions. We strive to encourage and enable greater use of active modes and passenger transport - increasing the efficiency of the network and reducing the impact of emissions from the transport system.
- For road safety. Delivering a safe road network is a fundamental goal of our transport strategy. We provide and maintain safety assets as well as leading road education and promotion activities

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
7.1 Transport Network	With any transport network there are potential negative effects: ■ Environmental effects. These range from carbon emissions to air and noise pollution to surface water run-off from roads that may carry contaminants into the stormwater system. These impacts are directly linked to the number of vehicles on the road and to the availability of options others than using the private car, such as public transport, walking and cycling. ■ Construction effects. Individual projects, such as the construction of a new road, can affect public transport and general traffic flows, neighbouring properties (noise, dust) and nearby businesses (access to car parking and premises). ■ Development effects. The timing of transport investment can affect growth opportunities, such as new residential development. ■ Safety. The transport network brings pedestrians, cyclists and vehicles together, which presents hazards to users.	We mitigate the environmental effects of transport by ensuring walking, cycling and public transport are appropriately catered for so that our residents and visitors have choices other than the private car. We monitor the effects of stormwater run-off on aquatic environments. We communicate with businesses and affected communities to minimise disturbances due to roadworks. Through our land use planning, we make sure more people can live close to services and places of employment reducing their need to travel. We also work with developers to coordinate investment in streets with new residential and other developments, particularly in growth areas. We have developed road safety programmes and design solutions to reduce the likelihood and severity of accidents.

Key service level changes

The overall approach includes significant continued investment in changing Wellington's transport network, which remains a focus over the next ten years. This includes continued delivery of the city wide Paneke Pōneke bike network and increasing investment in improving the resilience of the network through retaining wall and structure strengthening. However, due to the LTP Amendment capital programme review and the reduction in National Land Transport Programme (NLTP) funding, there are number of changes to a number of transport programme and projects.

Walking, cycling and public transport

We are continuing to advance the Pāneke Pōneke Bike Network programme, creating a complete network at a reduced cost, by minimising civil works for long-term street transformations and building on the transitional approach. Due to the LTP Amendment capital programme review, the cycling network programme will now be completed over 20 years. The primary network will be finished within the first 10 years, including ongoing projects like Evans Bay and Brooklyn to City, as well as the remaining 17.6 km. Work on the secondary network will follow in the later years, aligned with adjusted priorities and funding.

This means delivery of the network will still be achieve in the next 10 years, but with lower levels of grade separation of bike and vehicle lanes. There will be:

- higher quality materials used and less use of temporary and changeable solutions
- reduction in significant road width changes to allow for introduction of bike lanes
- more permanent removal of on-street parking to provide space dedicated for active and public transport modes
- increased pedestrian and bus improvements implemented together with bike lanes.

The Hutt Rd portion of the Thorndon Quay / Hutt Rd project will not be funded, leaving the levels of service for Hutt Rd the same as now. The Golden Mile and City streets projects will improve connections for people on buses, bikes or walking in the Central City and on key routes between the central city and suburban centres.

The People-friendly city streets programme is being scaled back as part of the LTP Amendment capital programme review changes and the reduced NLTP funding, with reduced scope projects for the routes between the CBD and Miramar for biking, walking and bus priority being prioritised.

Priority projects with reduced scope include:

- Secondary bus corridor (bus spine on the Quays)
- Cross-city cycle connection (connect Thorndon Quay to Cambridge Terrace)
- Cuba St pedestrianisation infrastructure and activations (significant improvements beyond proposed footpath widening)
- Dixon St upgrade (required as part of the Golden Mile design)

Roads and Structures

The Hutt Rd portion of the Thorndon Quay/Hutt Rd project will not be funded, leaving the levels of service for Hutt Rd the same as now. We will also defer road surface renewals and do more with chipseal rather than asphalt. The amenity and road condition will deteriorate over time. We will increase upgrades of retaining walls to increase network resilience.

Kiwi Point Quarry

We will extend the life of Kiwi Point Quarry by opening the south face.

National Land Transport Plan funding

With the reduction in NLTP funding, several programmes and projects have changed.

These projects have received funding:

- Chaytor St wall strengthening project
- Grosvenor Terrace wall strengthening
- Bike Network projects already underway
- Golden Mile upgrades
- Thorndon Quay upgrades

These projects have not received funding:

- Central City Corridors Improvements – Harbour Quays and Eastern corridor connections joint bus priority projects 50/50 funded together with GWRC.
- New road – Mark Ave to Grenada North
- Resilience Improvements – Aotea Quay Overbridge investigation and Kelburn Viaduct seismic strengthening with investigation and design between year 1 to 3
- Bike Network Programme – Evans Bay Stage 2, Brooklyn and approximately 20 km of the strategic network to be delivered by end of year 3

Statement of levels of service and performance measures

Activity – 7.1 Transport Network

Level of service statements: Deliver a safe road network, and provide accessible, safe and reliable transport choices

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
(%) Customer service requests relating to roads and footpaths that are responded to within timeframe. (urgent within 2 hours and non-urgent within 15 days)	Responsiveness	89% (YE22/23)	93%	Quarterly
% Ride quality as measured by smooth travel exposure (STE) - all roads*[1]	Quality	69% (YE22/23)	70%	Annual
Footpaths (%) in average condition or better (measured against WCC condition standards)*[2]	Quality	94% (YE22/23)	96%	Annual
Sealed local road network (%) that is resurfaced*	Quality	7.8% (YE22/23)	7.20%	Annual
Residents' satisfaction with the condition of roads: a. The central city b. In their local suburb	Client Satisfaction	a. 48% (2023 Transport survey)[4] b. 47% (2023 Transport survey)[4]	a. 51% b. 50%	Annual
Residents' satisfaction with walking on footpaths: a. In the central city b. In their local suburb	Client Satisfaction	a. 72% (2023 Transport survey)[4] b. 73% (2023 Transport survey)[4]	a. 75% b. 75%	Annual
Residents' satisfaction with cycling: a. On bike lanes in the central city b. On streets without bike lanes in the central city c. On cycling facilities in local suburbs	Client Satisfaction	a. 23% (2023 Transport survey)[4] b. 14% (2023 Transport survey)[4] c. 37% (2023 Transport survey)[4]	a. 25% b. 15% c. 38%	Annual
Kilometres of cyclepaths and lanes in the city (increasing)	Sustainability	40Km (22/23FinYr)	Increasing >40km (22/23 result)	Annual
Residents' satisfaction with street lighting: a. In the central city b. In their local suburb	Client Satisfaction	a. 64% (2023 Transport survey)[4] b. 52% (2023 Transport survey)[4]	a. 65% b. 53%	Annual

Key Performance Indicator	Service dimension	Baseline	Target 2024-34	Reporting frequency
Number of critical transport structures with highest risk status[5]: a. Road Tunnel b. Road Bridge c. Sea Wall d. Retaining Wall e. Rockfall Protection	Reliability	a. 0 extreme risk; 3 high risk b. 3 extreme risk; 13 high risk c. 0 extreme risk; 72 high risk d. 0 extreme risk; 303 high risk e. 0 extreme risk; 34 high risk (May24)	a. 0 extreme risk; 3 high risk b. 2 extreme risk; 13 high risk c. 0 extreme risk; 60 high risk d. 0 extreme risk; 292 high risk e. 0 extreme risk; 34 high risk	Annual
Cable Car Company Ltd - achievement of Statement of Intent Note: 2024/25 SOI comprises of four KPIs with the following targets: Total Passengers: 980,000 Cable Car Reliability: >99.0% Fare income: $3.609m Customer Satisfaction[6]: Customer satisfaction survey: 4.2 NPS or higher Trip Advisor Rating: 4.2 NPS or higher	Other	Achieved (5/5 KPIs YE 22/23)	Achieved	Quarterly and Annual

* This KPI is mandatory as directed by the New Zealand Transport Agency/Waka Kotahi

[1]Smooth Travel Exposure is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined upper threshold level. The threshold varies depending on the traffic volume band and urban/rural environment of the road

[2]Average condition or better is defined as 17 or below on a total condition rating score from Wellington City Councils visual condition rating system

[3]Local road network is defined as those public roads maintained by Wellington City Council

[4]The draft baseline data is derived from data collected between April-November 2023. The survey will analyse data on a rolling 3-year average and the final baseline will be available once the first of the 3-year average data is available

[5]A transport structure is deemed critical when it scores 4 or 5 on a 1-5 criticality scale. Highest risk includes both extreme and high-risk categories. Most critical structures are in good condition or better and expected to stay so during the next 3-years unless there is an extraordinary event such as a very large earthquake or storm. Critical structures should be no worse that high risk during their lifecycle.

[6]Maintain Net Promoter Score (NPS) equal to or better than CXI Benchmark

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
7.1.1 Transport Planning	Expense	1,567	1,806	1,814	1,851	1,870	1,920	1,962	2,012	2,053	1,758
	Income	0	(48)	(50)	0	0	0	0	0	0	0
7.1.2 Vehicle network	Expense	62,330	64,474	84,443	84,712	93,755	103,497	122,494	131,068	128,474	139,333
	Income	(3,749)	(4,544)	(4,716)	(4,114)	(4,204)	(4,291)	(4,358)	(4,444)	(4,532)	(4,618)
7.1.3 Cycle network	Expense	7,129	4,994	6,029	7,277	7,984	8,920	9,176	9,710	10,772	12,123
	Income	(1,777)	(111)	(115)	(296)	(311)	(327)	(380)	(435)	(492)	(550)
7.1.4 Passenger transport network	Expense	3,413	3,466	3,090	5,856	5,439	3,115	3,252	3,389	3,457	3,571
	Income	(1,670)	(1,705)	(1,743)	(1,781)	(1,819)	(1,855)	(1,892)	(1,928)	(1,965)	(2,002)
7.1.5 Pedestrian network	Expense	15,513	15,891	18,038	18,315	19,221	20,796	22,531	24,456	25,879	26,947
	Income	(857)	(501)	(518)	(899)	(919)	(938)	(957)	(976)	(996)	(1,014)
7.1.6 Network-wide control and management	Expense	14,945	16,183	14,519	12,947	13,256	13,864	14,452	15,132	14,366	14,910
	Income	(3,885)	(4,036)	(4,170)	(4,222)	(4,313)	(4,401)	(4,487)	(4,575)	(4,664)	(4,751)
7.1.7 Road safety	Expense	9,131	11,164	11,718	11,975	12,574	13,243	13,955	14,753	15,451	16,171
	Income	(2,445)	(2,846)	(2,952)	(2,923)	(2,986)	(3,048)	(3,109)	(3,171)	(3,233)	(3,295)
7.1.8 Lets Get Wellington Moving	Expense	8,352	3,314	3,729	2,361	1,600	605	617	629	640	653
7.1.9 Roads open spaces	Expense	11,025	12,202	12,593	12,900	13,177	13,512	13,807	14,089	14,355	14,675
	Income	(1,397)	(1,800)	(1,907)	(1,577)	(1,616)	(1,652)	(1,689)	(1,725)	(1,761)	(1,797)
Total		**117,622**	**117,904**	**139,802**	**142,381**	**152,708**	**162,959**	**185,375**	**197,985**	**197,804**	**212,115**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
7.1.2 Vehicle network	41,777	34,621	53,271	48,808	45,025	48,432	58,872	48,399	58,618	46,042	51,622
7.1.3 Cycle network	25,215	19,765	13,666	10,503	5,762	5,148	3,149	4,768	5,114	2,665	880
7.1.4 Passenger transport network	150	0	148	102	105	108	112	115	118	122	125
7.1.5 Pedestrian network	6,738	6,294	9,075	9,217	6,097	6,501	6,360	6,768	6,882	7,312	7,151
7.1.6 Network-wide control and management	3,096	3,096	3,838	3,925	4,015	4,102	4,187	4,270	4,355	4,441	4,525
7.1.7 Road safety	7,507	7,625	10,825	5,702	5,888	6,210	6,493	6,624	6,521	6,650	6,778
7.1.8 Let's Get Wellington Moving	56,552	32,258	58,060	43,127	32,631	15,632	0	0	0	0	0
7.1.10 Charged Up Capital	864	864	0	0	0	0	0	0	0	0	0
Total	**141,899**	**104,523**	**148,883**	**121,384**	**99,523**	**86,134**	**79,172**	**70,945**	**81,610**	**67,233**	**71,081**

Funding impact statement ($000s)

7.1 Transport	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	89,407	103,789	126,045	124,433	136,004	149,150	171,506	183,994	183,809	198,115
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	11,852	11,770	12,357	12,491	12,297	12,441	12,721	13,023	13,330	13,635
Fees and charges	3,931	4,011	4,100	4,191	4,280	4,366	4,452	4,537	4,624	4,710
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0

7.1 Transport	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Total operating funding (A)	105,189	119,570	142,503	141,114	152,581	165,957	188,678	201,553	201,764	216,461
Applications of operating funding										
Payments to staff and suppliers	47,241	43,395	44,715	44,817	45,138	45,880	46,940	47,997	49,099	50,176
Finance costs	18,008	13,678	27,914	21,317	24,260	27,418	31,683	37,711	40,529	43,010
Other operating funding applications	1,263	838	300	3,008	2,467	0	0	0	0	0
Internal charges	12,222	13,444	14,454	14,629	14,881	15,123	15,235	15,518	16,190	17,134
Total applications of operating funding (B)	78,734	71,355	87,384	83,772	86,746	88,422	93,857	101,225	105,819	110,320
Surplus (deficit) of operating funding (A-B)	26,455	48,216	55,119	57,342	65,835	77,536	94,821	100,328	95,945	106,141
Sources of capital funding										
Subsidies and grants for capital expenditure	66,927	31,928	35,461	50,252	54,621	50,619	44,411	45,694	43,579	44,974
Development and financial contributions	942	942	942	942	942	942	942	942	942	942
Increase (decrease) in debt	47,574	67,797	29,862	(9,013)	(35,265)	(49,925)	(69,229)	(65,355)	(73,234)	(80,975)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	115,444	100,667	66,265	42,181	20,299	1,637	(23,876)	(18,719)	(28,712)	(35,059)
Applications of capital funding										
Capital expenditure										
- to meet additional demand	59,066	1,680	3,028	6,195	9,732	19,305	7,947	8,689	4,342	8,410
- to improve level of service	45,514	103,796	73,786	51,725	33,697	16,069	18,230	26,406	15,455	14,339
- to replace existing assets	37,319	43,407	44,569	41,603	42,705	43,798	44,767	46,514	47,435	48,333
Increase (decrease) in reserves	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	141,899	148,883	121,384	99,523	86,134	79,172	70,945	81,610	67,233	71,081
Surplus (deficit) of capital funding (C-D)	(26,455)	(48,216)	(55,119)	(57,342)	(65,835)	(77,536)	(94,821)	(100,328)	(95,945)	(106,141)
Funding balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0
Expenses for this activity grouping include the following depreciation/amortisation charge	54,670	62,331	68,876	74,421	82,129	91,050	108,390	114,013	109,627	119,822

7.2 Tūnga Waka
Parking

Purpose

Council manages on-street parking and enforcement services across both the city and surrounding suburbs.

This allows people to have reasonable access to primarily on-street parking to shop, access businesses and access recreation activities in line with the objectives the 2020 Parking Policy.

Activities

Activities in this group	Services we deliver
7.2.1 Parking	■ Enforcement of metered public parking spaces in central Wellington and other forms of parking primarily located in the central city including Taxi Stands Loading Zones, mobility parking, bus stops and other designated parking areas. ■ Monitor and enforce parking restrictions (including residents and coupon parking zones) in the inner-city suburbs ■ Monitor and enforce parking restrictions in all suburbs and respond to parking related requests for service from the public ■ Manage off-street parking where available, including by operating the Clifton Terrace carpark ■ Support events that take place across the city through the provision of dedicated parking enforcement. ■ Electric vehicle chargers on Council owned land ■ Dedicated car parking spots for car sharing services (currently Mevo and CityHop)

Rationale for Activities

To manage parking in line with the aims and objectives of the 2020 parking policy that maximises the opportunity for people to access parking for the purpose for which it is being provided.

To support people to access the city using cars in a lower-carbon way. Car sharing reduces the number of cars competing for parking in the city, and providing electric vehicle charging infrastructure ensures that car owners are supported to change to electric cars.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
7.2 Parking	As transport mode shift is achieved (in support of the City's First to Zero goal) parking will be reduced to make way for active and public transport options, reducing revenue to Council. For example, providing spaces for car sharing vehicles is estimated to reduce parking revenue by $2.8m over 10 years.	Reductions in Council revenue through parking will need to be offset through cost savings or alternative revenue sources

Key service level changes

While most core services remain unchanged, there are some changes in how we deliver these services. We are aiming to maintain available parking for the public while other projects that affect road and parking layouts are in progress.

EV Chargers

For year 1 only, we will continue the EV charger roll out, increasing the number of EV chargers publicly available to 34. However, funding beyond this amount is removed, pending further advice on the costs and benefits of proceeding with installation of the remaining 26 chargers.

As part of this officers are also to investigate the potential to sell existing EV chargers to recover Council's investment.

Central City and Suburban Parking

While we have agreed not to implement paid parking and time restrictions in key suburbs, officers will investigate and report back in time for the 2025/26 Annual Plan process on options for suburban parking where demand for parking is high and in accordance with the parking policy.

We will be introducing new technology to enhance the parking service experience and enforcement. This includes an increased level of parking enforcement activity in suburban centres as well as the central city.

We will complete the development of 19 Parking Management Plans.

Motorcycle Parking

Motorcycle parking fees will be implemented to a maximum of $2.50 per hour. The specifics of the fee setting will be determined through a separate Traffic Resolution consultation process that will follow the LTP process. This will include consideration of a maximum daily charge. There will be increased enforcement to ensure turnover.

Changes to Capital Programme

Due to the LTP Amendment capital programme review, we are reducing the Parking Upgrades and Parking Management Plan projects and rephasing the implementation to the outer years of the current LTP.

Statement of levels of service and performance measures

Activity – 7.2 Parking

Level of Service Statement: Manage parking in line with the aims and objectives of the 2020 parking policy

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
Parking enforcement request for service response times[1]: a. Level 1 requests (vehicle entrance obstruction, broken yellow lines, central city footpaths) b. Level 2 requests (other footpaths, resident parking)	Responsive-ness	a. 65%[2] b. 60%[2]	a. Level 1 60-75% b. Level 2 60-75%	Quarterly
Reduction in parking infringement appeals: a. Parking infringement appeals to WCC b. Parking infringement re-appeals to WCC c. Parking infringement court hearings d. Court hearing decision against WCC	Client Satisfaction	a. 7.97%[3] b. 1.6%[4] c. 9%[3] d. 0.2%[3]	a. ≤10% of infringement notices to WCC b. ≤5% of appeals to WCC received c. ≤5% of infringement notices d. ≤5% of number of Court hearings in respect of parking infringement notices	Quarterly

1. Period covered is 6am-10.30pm 7 days per week
2. Baseline was calculated between the period Jul23-Feb24 6am-10.30pm 7days
3. Baseline is calculated as an average between the period Jul23-Feb24 per week
4. Baseline is calculated as an average between the period Jul22-Jun23

What it will cost

Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
7.2.1 Parking	Expense	22,510	22,582	23,603	24,170	25,133	25,949	26,291	26,257	26,893	27,784
	Income	(38,077)	(38,127)	(38,921)	(39,787)	(40,634)	(41,457)	(42,256)	(43,071)	(43,901)	(44,703)
Total		**(15,567)**	**(15,545)**	**(15,317)**	**(15,617)**	**(15,501)**	**(15,508)**	**(15,965)**	**(16,813)**	**(17,008)**	**(16,919)**

Capital Expenditure

Activity Component Name	2024/25 Published budget	2024/25 Amendment budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
7.2.1 Parking	5,930	1,916	5,517	2,283	1,914	937	1,186	1,030	2,023	2,465	2,102
Total	**5,930**	**1,916**	**5,517**	**2,283**	**1,914**	**937**	**1,186**	**1,030**	**2,023**	**2,465**	**2,102**

Funding impact statement ($000s)

1.1 Governance Information and Engagement	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	(14,625)	(14,596)	(14,369)	(14,669)	(14,553)	(14,560)	(15,065)	(15,913)	(16,158)	(16,069)
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	28,591	29,564	30,155	30,820	31,469	32,100	32,712	33,335	33,971	34,584
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	9,486	8,563	8,766	8,967	9,165	9,357	9,544	9,735	9,930	10,118
Total operating funding (A)	23,452	23,532	24,552	25,118	26,081	26,897	27,191	27,158	27,742	28,634
Applications of operating funding										
Payments to staff and suppliers	14,899	15,158	15,390	15,787	16,389	16,694	17,072	17,416	17,794	18,195

Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

1.1 Governance Information and Engagement	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Finance costs	821	837	837	837	837	837	837	838	838	838
Other operating funding applications	2	2	2	2	2	2	2	2	2	2
Internal charges	5,573	5,222	5,435	5,582	5,680	5,936	6,054	6,155	6,223	6,470
Total applications of operating funding (B)	21,294	21,218	21,664	22,207	22,908	23,468	23,965	24,410	24,857	25,504
Surplus (deficit) of operating funding (A-B)	2,158	2,313	2,888	2,911	3,173	3,429	3,226	2,748	2,886	3,130
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	3,772	3,204	(605)	(997)	(2,236)	(2,243)	(2,196)	(725)	(421)	(1,027)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	3,772	3,204	(605)	(997)	(2,236)	(2,243)	(2,196)	(725)	(421)	(1,027)
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	4,714	4,731	832	871	149	152	155	158	161	163
- to replace existing assets	1,216	786	1,451	1,043	788	1,035	876	1,865	2,304	1,939
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	5,930	5,517	2,283	1,914	937	1,186	1,030	2,023	2,465	2,102
Surplus (deficit) of capital funding (C-D)	(2,158)	(2,313)	(2,888)	(2,911)	(3,173)	(3,429)	(3,226)	(2,748)	(2,886)	(3,130)
Funding balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0
Expenses for this activity grouping include the following depreciation/amortisation charge	1,216	1,371	1,946	1,969	2,231	2,487	2,332	1,854	2,043	2,286

Ngā pakihi ā te Kaunihera
Council-controlled organisations

To achieve our objectives for Wellington, we have established several companies and trusts to independently manage Council facilities, or to deliver significant services and activities for the Wellington community.

Where necessary, we provide funding to support their operations and capital investment requirements.

The following pages provide a summary of what the organisations do, their objectives and structure, and how their performance is measured.

For detail on the performance measures that WCC will be reporting on, see the relevant chapter of this document.

Wellington Museums Trust

The Wellington Museums Trust was established in 1995 and now trades as Wheako Pōneke Experience Wellington. The Trust operates six visitor experiences for the Council.

These are Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, Wellington Museum (including the Plimmer's Ark display in the Old Bank Arcade) and the Cable Car Museum.

Objectives	Activities	Performance measures
Wheako Pōneke Experience Wellington brings to life the city's arts, culture and heritage taonga on Council's behalf. Its year-round programme of exhibitions, events and experiences deliver a constant heartbeat of activity to the capital: enriching the lives of its visitors and strengthening the city. Purpose: We work together with and for Wellington to create remarkable experiences that generate vitality, strengthening the city we love	■ Deliver high-quality experiences, events and exhibitions at its facilities. ■ Manage conservation and care for its collections and artefacts. ■ Conduct research and development to enhance visitors' experiences. ■ Offer education experiences to children and young people. ■ Work with national and international artists and collectors.	■ Visitors ■ Student & education visits ■ Council operating grant per visitor ■ Trading revenue per visit (excl. grants & interest) ■ Non-council donations and funding ■ Non council revenue as percentage of total revenue ■ Percentage of satisfied visitors

More detail provided in **4. Cultural wellbeing** from page 50.

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Wellington Regional Economic Development Agency Ltd

The Wellington Regional Economic Development Agency Limited, trading as WellingtonNZ, is the Wellington region's economic development and promotions agency.

They also operate Screen Wellington and are responsible for operating Wellington City's performance Venues. In addition, WellingtonNZ is the owner of a subsidiary company, Creative HQ Ltd. Creative HQ provides business incubation, acceleration, and innovation services.

Objectives	Activities	Performance measures
WellingtonNZ markets Wellington as a destination for visitors, migrants and investors; it helps businesses grow and innovate; it advocates for Wellington's economy and attracts and promotes major events and runs our civic venues. WellingtonNZ's vision is that the Wellington regional economy is thriving, with more people participating in the benefits. This means more opportunities for people - to study, work, enjoy, and participate in all that the region has to offer. To contribute to this vision, WellingtonNZ's mission is to be a catalyst in creating a thriving Wellington region for all. WellingtonNZ actively promotes the Wellington to domestic and international audiences and invest in events which bring visitors to our region. With a wide range of partners (WCC, GWRC, central government, local businesses, universities and education providers, and their subsidiary Creative HQ), WellingtonNZ invest in and support initiatives to create jobs, improve quality of life, and retain and develop the talent in our region.	▪ Markets and promotes Wellington as a destination for tourists, migrants, students, businesses and investors. ▪ Helps businesses grow and innovate. ▪ Advocates for Wellington's economy. ▪ Attracts and promotes conferences, performances and major events. ▪ Operates the civic venues	▪ Direct economic impact of WellingtonNZ's activities and interventions ▪ Number of businesses engaged by a WellingtonNZ intervention or programme ▪ Equivalent Advertising Value (EAV) from media activity ▪ Value of expenditure generated from events (including business, performance, and major events) ▪ The number of Wellington Region residents that attend events ▪ Stakeholder engagement satisfaction ▪ Māori Business support ▪ Pasifika Business support ▪ Funding diversification (% of revenue from commercial/non council funding & commercial activity)

More detail provided in 3. Economic Development from page 42.

Wellington Zoo Trust

The Wellington Zoo Trust manages Wellington's award-winning progressive zoo, home to native and international animals, and is recognised locally and globally for leadership and expertise in animal welfare, conservation, visitor experience, animal habitat design and sustainability.

The Wellington Zoo Trust manages Wellington's Zoo, home to native and exotic animals, and is recognised for expertise in animal welfare, conservation, visitor experience and sustainability.

Objectives	Activities	Performance measures
The Trust manages the assets and operations of Te Nukuao Wellington Zoo for the benefit of the residents of Wellington and visitors to the city. Te Nukuao Wellington Zoo delivers learning sessions to thousands of ākonga 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 Zoo's animal hospital and centre for wildlife health services and is the world's first carboNZero certified zoo (2013).	■ Deliver learning sessions to children to grow their understanding of animals and the natural world. ■ Partner 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. ■ Treat native animals at The Nest Te Kōhanga the Zoo's animal hospital and centre for wildlife health services. ■ Care for resident animals and provide a high-quality visitor experiences. ■ Participate in captive management breeding and breed-for-release programmes. ■ Develop and maintain high- quality animal exhibits. ■ Contribute to zoological, conservation and facilities management research projects.	■ Visitors ■ Student & education visits ■ Percentage of satisfied visitors ■ Council operating grant per visitor ■ Trading revenue per visit (excl. grants & interest) ■ Non-council donations and funding

More detail provided in **2. Environment and infrastructure** from page 11.

Basin Reserve Trust

The Basin Reserve Trust is responsible for the operation and management of Wellington's Basin Reserve.

The day-to-day operational activities are conducted 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.

Objectives	Activities	Performance measures
The Basin Reserve Trust manages and operates the Basin Reserve to continue to attract national and international sporting events to Wellington. The overall vision is that the ground remains highly valued locally as a public reserve of unique character and is recognized as the premier International Cricket venue in New Zealand.	▪ The day-to-day operational activities are conducted by Cricket Wellington under a management agreement with the Trust. ▪ Manage the Basin Reserve for recreational activities and the playing of cricket. ▪ Contribute to the events programme for Wellington. ▪ Preserve and enhance the heritage value of the Basin Reserve. ▪ Provide the home for the New Zealand Cricket Museum. ▪ Promote and coordinate fund raising to support the Trust's activities.	▪ Numbers attending events at the Basin Reserve ▪ Council operating grant per attendance ▪ Event income ▪ Activity days (comprising ticketed Cricket events, practice days and functions)

More detail provided in 5. Social and recreation from page 58.

Karori Sanctuary Trust

The Karori Sanctuary Trust (trading as ZEALANDIA Te Māra a Tāne) manages ongoing conservation and restoration work at the sanctuary.

They work with local organisations and community groups to support local biodiversity, provides educational experiences, and connects people to New Zealand's unique natural heritage.

Objectives	Activities	Performance measures
Mission: We will have a world-class conservation site portraying our natural heritage that captures people's imagination, understanding and commitment. Purpose: We connect people with our unique natural heritage, and inspire actions that transform how people live with nature in our cities, towns and beyond. Our place in transformation: Zealandia will be a place that transforms biodiversity, people and knowledge, and through this transforms our capacity for living with nature.	■ Manage a 225ha conservation estate, home to dozens of native species ■ Promote conservation and advocate for New Zealand's native wildlife ■ Work with iwi and local groups to improve biodiversity across the Wellington region ■ Partner with leading educational institutions to facilitate world- class environmental research ■ Facilitate educational programmes and resources to young people around the Wellington region.	■ Visitors ■ Percentage of satisfied visitors ■ Council operating grant per visitor ■ Trading revenue per visit (excl. grants & interest) ■ Non-council donations and funding

More detail provided in **2. Environment and infrastructure** from page 11.

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Wellington Cable Car Limited

Wellington Cable Car Ltd owns and operates Wellington's iconic cable car, a funicular railway situated at the end of the Cable Car Lane, off Lambton Quay in the heart of Wellington city.

The cable car provides a unique form of public transport from the city to the suburb of Kelburn.

Objectives	Activities	Performance measures
Wellington Cable Car Limited owns and operates the Cable Car. Vision: The Wellington Cable Car is the most iconic tourist attraction in Wellington and the transport of choice for our local whānau. It is an enduring, carbon positive Wellington experience that connects our people, spaces, places, and venues. Purpose: Host uniquely Wellington experiences that locals are proud of, and visitors remember and share	■ Maintain the cable cars and associated plant, the railway tracks, tunnels, bridges and buildings in accordance with best engineering practice, and to meet all legislative compliance. ■ Market and manage the cable car passenger service.	■ Total Passengers ■ Cable Car Reliability ■ Fare income ■ Customer Satisfaction

More detail provided in 7. Transport from page 91.

Wellington Water

The role of Wellington Water is to manage the drinking water, wastewater and stormwater services of its shareholder council owners.

Wellington Water is 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 Wellington Water Committee provides overall leadership and direction for the company. A representative from each authority sits on the Committee.

Wellington Water Ltd is governed by a board of independent directors.

Objectives	Activities	Performance measures
The role of Wellington Water is to manage the drinking water, wastewater and stormwater services of its shareholder council owners. Wellington Water is 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.	Provide high-quality, safe and environmentally sustainable services to shareholding councils and other customers, with a focus on: ■ contracted service delivery for the operation, ■ maintenance and ongoing development of drinking water, stormwater and wastewater assets and services, and ■ asset management planning.	■ Full details on the KPIs in these areas are provided in **2. Environment and Infrastructure** from page 11: □ 2.3 Water □ 2.4 Wastewater □ 2.5 Stormwater

More detail provided in **2. Environment and Infrastructure** from page 11.

Wellington Regional Stadium Trust

The Trust owns, operates and manages Sky Stadium, which provides high-quality facilities for a range of sports. The stadium also hosts a range of musical and cultural sponsored events, it hosts a variety of trade shows plus various community events.

The Trust's board of trustees is jointly appointed by Greater Wellington Regional Council and this Council.

The Trust is not a Council Controlled Organisation, for the purposes of the Local Government Act 2002. However, the Trustees have agreed to be subject to the reporting requirements and monitoring procedures of both Councils to acknowledge the value of each Council's investment in the stadium.

Objectives	Activities	Performance measures
The objectives as set out in the founding Trust Deed are: ■ To own, operate and maintain the Stadium as a high-quality multi-purpose sporting and cultural venue; ■ To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and ■ To administer the Trust's assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset.	■ Owns and operates the Stadium. ■ Manages the event programme and seeks opportunities to provide a full and balanced event calendar. ■ Ensures the Stadium is provided to the community for appropriate usage. ■ Operates the Stadium on a prudent commercial basis.	■ Revenue – total, and event ■ Net surplus (deficit) ■ Net cash flow ■ Liquidity ratio ■ Bank borrowing to total assets. ■ Capital expenditure

More detail provided in **3. Economic Development** from page 42.

Tauākī pānga ahumoni
Funding Impact Statements

Tauākī pānga ahumoni – pakihi me te Kaunihera
Funding impact statements – organisation and Council

Additional Funding impact statements are included here for areas of the Council not covered by the Statements of Service Provision, from page 4 of this document.

These are for the Organisation projects, which covers areas such as staff salaries, and the Whole of Council view of how we fund our services.

10.1 Organisation Projects

Funding impact statement ($000s)

10.1 Organisational Projects	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	742	(9,329)	3,627	(751)	(45)	(1,807)	(1,852)	(879)	(156)	149
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	498	1,397	1,431	1,464	1,498	1,531	1,563	1,596
Fees and charges	24,583	24,554	26,121	26,774	27,420	28,057	28,697	29,357	30,023	30,692
Interest and dividends from investments	10,500	14,636	19,004	22,069	24,671	28,111	29,213	29,315	29,476	30,077
Local authorities fuel tax, fines, infringement fees, and other receipts	1,100	1,123	1,148	1,172	1,195	1,218	1,241	1,265	1,288	1,311
Total operating funding (A)	**36,925**	**30,983**	**50,398**	**50,662**	**54,672**	**57,043**	**58,798**	**60,589**	**62,194**	**63,826**
Applications of operating funding										
Payments to staff and suppliers	139,828	154,862	148,362	148,288	149,942	153,318	156,861	159,765	161,413	166,526
Finance costs	5,098	5,839	12,917	10,173	11,419	12,744	14,547	17,032	18,180	19,224

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10.1 Organisational Projects	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Other operating funding applications	1,047	1,518	571	1,021	21	21	21	21	21	21
Internal charges recovered	(125,343)	(134,186)	(134,215)	(136,404)	(138,727)	(141,516)	(144,018)	(147,074)	(148,691)	(153,898)
Total applications of operating funding (B)	**20,631**	**28,034**	**27,634**	**23,078**	**22,655**	**24,568**	**27,412**	**29,744**	**30,922**	**31,873**
Surplus (deficit) of operating funding (A-B)	**16,294**	**2,950**	**22,764**	**27,584**	**32,018**	**32,475**	**31,386**	**30,845**	**31,272**	**31,953**
Sources of capital funding										
Subsidies and grants for capital expenditure	400	(21,358)	5,847	3,183	(409)	(294)	(300)	(306)	(312)	(318)
Development and financial contributions	0	0	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Increase (decrease) in debt	149,823	147,937	(869)	(14,548)	(10,431)	5,179	2,727	(15,284)	(14,505)	(15,268)
Gross proceeds from sales of assets	23,410	31,000	5,700	5,370	2,000	2,000	2,000	2,000	2,000	2,000
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**173,633**	**157,579**	**14,178**	**(2,495)**	**(5,340)**	**10,384**	**7,927**	**(10,090)**	**(9,318)**	**(10,086)**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	104,767	73,957	8,952	977	996	1,015	1,034	1,047	1,066	1,085
- to replace existing assets	85,160	86,571	27,999	24,113	25,682	41,844	38,279	19,708	20,888	20,781
Increase (decrease) in reserves	(0)	(0)	(9)	(0)	(0)	(0)	(0)	(0)	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**189,927**	**160,529**	**36,942**	**25,089**	**26,678**	**42,860**	**39,314**	**20,755**	**21,954**	**21,867**
Surplus (deficit) of capital funding (C-D)	**(16,294)**	**(2,950)**	**(22,764)**	**(27,584)**	**(32,018)**	**(32,475)**	**(31,386)**	**(30,845)**	**(31,272)**	**(31,953)**
Funding balance ((A-B) + (C-D))	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	16,461	18,273	22,139	25,641	27,323	27,753	27,407	28,280	29,316	30,603

Whole of Council

Funding impact statement ($000s)

Whole of Council	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	329,612	366,392	413,511	411,931	433,925	455,566	485,143	507,696	514,329	536,714
Targeted rates (other than a targeted rate for water supply)	236,104	262,582	45,417	68,772	68,506	70,526	71,850	73,787	75,672	73,385
Subsidies and grants for operating purposes	18,062	14,144	13,633	14,018	13,862	14,042	14,358	14,695	15,038	15,378
Fees and charges	191,732	195,832	199,965	199,976	206,682	211,411	217,399	223,435	229,023	234,831
Interest and dividends from investments	10,500	14,636	19,004	22,069	24,671	28,111	29,213	29,315	29,476	30,077
Local authorities fuel tax, fines, infringement fees, and other receipts	10,750	9,879	10,085	10,314	10,539	10,757	10,971	11,189	11,410	11,625
Total operating funding (A)	**796,761**	**863,464**	**701,616**	**727,081**	**758,184**	**790,413**	**828,934**	**860,117**	**874,948**	**902,011**
Applications of operating funding										
Payments to staff and suppliers	560,934	623,557	475,547	477,740	488,046	501,728	513,505	522,799	530,776	541,229
Finance costs	72,264	68,333	69,593	59,407	67,346	74,665	83,039	94,293	99,394	103,737
Other operating funding applications	56,944	69,104	61,130	61,170	54,530	53,808	54,310	54,752	55,163	55,514
Total applications of operating funding (B)	**690,143**	**760,994**	**606,270**	**598,318**	**609,922**	**630,200**	**650,853**	**671,844**	**685,334**	**700,479**
Surplus (deficit) of operating funding (A-B)	**106,618**	**102,470**	**95,346**	**128,763**	**148,262**	**160,213**	**178,080**	**188,273**	**189,614**	**201,532**
Sources of capital funding										
Subsidies and grants for capital expenditure	185,103	190,217	67,354	53,435	54,212	50,324	45,610	46,388	43,267	44,655
Development and financial contributions	3,500	3,500	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762
Increase (decrease) in debt	376,222	457,852	165,829	102,136	50,021	43,121	18,916	38,716	(3,033)	(33,605)
Gross proceeds from sales of assets	23,410	31,000	5,700	5,370	2,000	2,000	2,000	2,000	2,000	2,000
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	**588,235**	**682,569**	**243,645**	**165,704**	**110,995**	**100,208**	**71,289**	**91,866**	**46,996**	**17,813**
Applications of capital funding										
Capital expenditure										
- to meet additional demand	72,089	13,543	26,174	33,417	12,769	28,759	17,242	27,344	22,298	27,207
- to improve level of service	361,135	487,663	127,463	72,718	48,330	26,924	59,436	80,928	44,451	44,691

Whole of Council	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
- to replace existing assets	261,630	283,543	185,201	188,394	198,223	204,805	172,763	171,942	169,939	147,528
Increase (decrease) in reserves	(0)	291	153	(61)	(65)	(68)	(71)	(75)	(78)	(81)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	**694,853**	**785,040**	**338,991**	**294,467**	**259,257**	**260,420**	**249,369**	**280,139**	**236,610**	**219,344**
Surplus (deficit) of capital funding (C-D)	**(106,618)**	**(102,470)**	**(95,346)**	**(128,763)**	**(148,262)**	**(160,213)**	**(178,080)**	**(188,273)**	**(189,614)**	**(201,532)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expenses for this activity grouping include the following depreciation/amortisation charge	222,314	254,956	168,093	185,582	206,050	226,952	253,103	268,295	273,925	295,632

Ngā matapae pūmāramara tāpua
Significant Forecasting Assumptions

The tables below outline the specific forecasting assumptions to be used in the preparation of the 2024 LTP, the subsequent amendment and associated documents. It notes their data source(s), key challenges and risks around the assumption including commentary on how the risk will be managed.

Population

Assumption

The long-term population forecast for Wellington City is growth of between 50,000 to 80,000 over the next 30 years. This is the forecast growth projection that underpins our Spatial Planning.

Projections are the median (50th percentile) projections from Sense Partners.

The 30-year growth in the table (2023-2053) is approx. 57,000 within a forecast growth range of 50,000-80,000 over the next 30 years. This planning range is at the median growth level up to around the 64th percentile.

Year	50th Percentile (median) projection	Year	50th Percentile (median) projection
2023	212,172	2039	242,918
2024	213,269	2040	244,952
2025	215,128	2041	246,215
2026	217,102	2042	248,706
2027	218,932	2043	250,022
2028	220,658	2044	251,758
2029	222,647	2045	254,252
2030	224,449	2046	257,294
2031	226,226	2047	258,790
2032	228,252	2048	260,445
2033	230,057	2049	262,237
2034	231,463	2050	263,400
2035	233,550	2051	265,573
2036	236,056	2052	267,534
2037	237,845	2053	269,452
2038	240,286	2054	271,288

This assumption reflects the view of Sense Partners and the Wellington Region that a future scenario which assumes a continuation of recent trends and rates of population growth is a more plausible future for the purpose of infrastructure planning.

Differential growth rates between different age groups is expected to lead to an aging population over the next 30 years. The biggest impact of the change is expected to be on the 60+ and 20-39 age groups. Residents aged 60+ make up 16.7% of the population in 2023 and are expected to make up 19.7% of the population in 2054. This growth is largely at the expense of an expected decline in the proportion in the 20-39 age group (from 36.7% in 2023 to 32.5% in 2054).

Data source: Sense Partners

Level of certainty: Moderate

Key risks

Risk	Effect of risk	Mitigation
Underestimation of future growth (e.g. higher than expected net migrations for significant periods).	Higher than expected pressure on council infrastructure & services. 3 Waters and Land transport will likely have the most significant impact with greater demand. Parts of the network(s) that are currently near capacity may breach capacity.	Moderate growth accommodated within present service levels. Development contributions help to meet portion of the costs of new or upgraded infrastructure.
Overestimation of future growth (e.g. migration does not increase to levels we are forecasting (for various reasons including policy settings and relative attractiveness of NZ))	Over investment in the short term but impact short-term if growth continues to meet the level of in	Monitoring of population will occur on a regular basis and changes will be made to infrastructure investment programmes or service levels as required.

Growth in ratepayer base

Assumption

Ratepayer base growth is assumed at 0.77% for year one, then 0.6% p.a. over the LTP period.

Data source: Ratepayer base growth is based on current property information from Council valuation service provider (Quotable Value Ltd), historic and forward looking consenting trends and expected population growth assumptions provided by Informed Decisions Ltd.

Level of certainty: Low

Key risks

Risk	Effect of risk	Mitigation
The growth in the ratepayer base is higher or lower than projected.	If growth is higher than forecasted, average rates funding increase will be reduced by an equivalent amount as there is a greater number of ratepayers across which the rates funding requirement will be allocated. If growth is lower than forecasted, the average rates increase for the ratepayer will be higher.	We will measure and report on growth in the rating base and review the projections and underlying strategy on a regular basis. Ratepayer growth assumptions are reconfirmed through each Annual Planning exercise and provide the opportunity to adjustment plans based upon updated growth projections.

Economic growth

Assumption

That the Wellington City economy GDP will remain lower than March 2020 levels until 2024. Over the ten years of the Long-term Plan we assume that economic activity reverts to conforming with long-term historic trends of around 2% GDP growth pa, as shown in the chart below.

Data source: RBNZ – Monetary Policy Statement

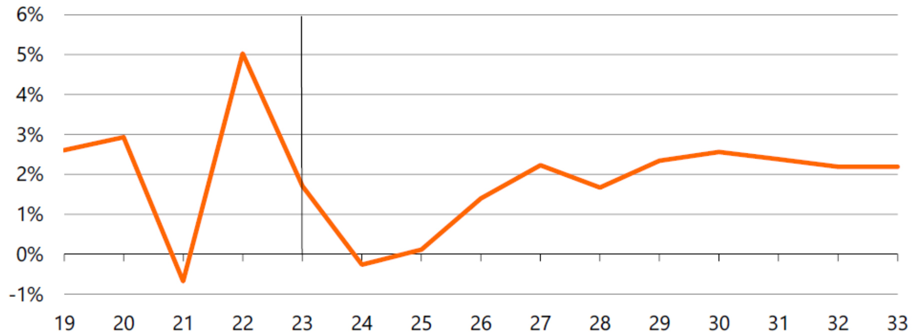
Infometrics *State of Wellington Economy* commissioned report

Level of certainty: High

Key risks

Risk	Effect of risk	Mitigation
Economic growth is lower than forecast. This may be due to factors such as: ■ the impacts of higher inflation being more severe or lasting longer than anticipated ■ political change may target public service jobs in Wellington as a way of balancing government's books ■ competition from the region for housing that limits the City's attractiveness for investment by residential developers ■ University students continue to study elsewhere	Lower levels of economic growth will impact the affordability of Council plans: ■ ratepayer base growth assumptions will be inaccurate (see later assumption) ■ the affordability of Council services will be lower for households, businesses and users of services	Monitoring of economic trends will occur on a regular basis with an ability to adjust Council plans through Annual and Long-term Planning cycles.

CHART: Infometrics Wellington City GDP forecast, Jul 23, annual % growth



Climate change - physical impacts on WCC assets

Assumption

Climate change will have physical impacts for the Council (damage to assets and disruption of services) with cascading impacts in the social and economic domains, in line with Ministry for the Environment's global emissions scenarios as informed by the Intergovernmental Panel on Climate Change (IPCC).

Wellington is projected to experience increased risks of coastal storm surge, an increase in hot days, a rise in annual average temperatures, higher frequency and magnitude of flooding events, both exacerbated by sea level rise and increased volumes of water during rainfall events.

The financial impact of physical risks to WCC assets is still uncertain. We continue to update known risks and the financial implications of these in WCC's assets management plans and infrastructure planning as we gather better information. Where the physical impacts are already occurring and the financial impacts are known, these costs have been incorporated into WCC asset management plans and infrastructure planning.

Data source: Assumptions are directly informed by:

1) Ministry for the Environment's (MfE) projections for the Wellington and Wairarapa region and GWRC climate change maps;

2) NIWA reports for Wellington City regarding sea level rise and coastal hazards;

3) Table 3 from the MfE Interim Guidance on Sea Level Rise Guidelines informs our base assumptions for planning for the minimum allowances for Sea Level Rise using NZ-wide sea level rise scenarios.

For detailed guidance please refer to the full Guidelines.

Level of certainty: Medium – while there is certainty on the direction of change, there is uncertainty as to the speed at which the climate and related risks will change.

Key risks

Risk	Effect of risk	Mitigation
That climate change impacts (sea level rise, coastal inundation, and more frequent and severe extreme weather events) may occur faster or slower than planned for.	If physical impacts happen slower than assumed, then the investments we are planning in this LTP for increasing our resilience to extreme weather may be delivered earlier than required. The impacts of this are likely to be short-term as sea levels are projected to continue rising over the longer-term. If physical impacts happen faster than assumed then we will have increased levels of service interruption, including to storm water and transport services.	Council's Te Atakura Strategy outlines various activities to reduce carbon emissions, and to adapt to the impacts. Identifying, reviewing, and disclosing our climate-related financial risks and opportunities continues to be a work programme informing key climate related decisions impacting our investments both in near- longer-term. We have put in place an internal Te Atakura strategy reference group to monitor and report progress against Te Atakura.

Climate change - commitment to climate action (transitional risk)

Assumption

There will be continued commitment from residents, businesses and central government to the climate actions required to meet local and national greenhouse gas emissions related targets and improve resilience to climate change impacts.

Data source: Current attitudes: WCC's "Residents Survey on Climate Change"

- 86% of respondents believed that we needed to act now to start reducing Wellington's carbon emissions, with over half of the opinion that we should make significant reductions straight away.
- 60% of respondents are "not at all confident" that enough action is being taken to prepare Wellington for the impacts of climate change.

Local and central government are the top two ranked for who is responsible for climate change response.

Level of certainty: Medium - Wellingtonians support for climate action has been consistent over many years and is likely to continue, particularly with media coverage of recent extreme weather events. Central government funding, financing and regulatory mechanisms to support local government climate change response is not as certain and has varied over the past two decades.

Key risks

Risk	Effect of risk	Mitigation
That support for climate action may be higher or lower than we anticipate.	If climate action support reduces then we may not support the city's transition of its social, economic and physical systems fast enough to minimise both physical impacts and transition impacts on residents and local businesses. If climate action support increases, then we may be subject to litigation or reputational risk for not supporting the city to take a higher level of action.	Council's Te Atakura Strategy outlines various activities to engage with and inform Wellingtonians on climate change impacts and potential responses, to make climate change relatable and local. This includes reporting on progress of the City and Council towards Te Atakura goals, and the contribution towards those goals of the activities outlined in the Strategy. We have also put in place an internal Te Atakura strategy reference group to monitor progress against Te Atakura.

Inflation

Assumption

Inflation rates have been estimated using the BERL Forecasts of Price level Change Adjustors final update.

We also assume that the Reserve Bank will use monetary controls to keep CPI within the 1.5 percent to 3 percent range.

Cost adjustors

Council HR cost adjustor – 2024 & 2025 adjustors are based on multiple factors (e.g. union negotiations and living wage) and do not reflect BERL indices.

Interest revenue – forecast to remain constant. Interest rates do not increase annually in line with rates of inflation.

Data source: ***Inflation rates applied*** – Inflation rates have been estimated using the BERL Forecasts of Price level Change Adjustors 2034 final update. We also assume that the Reserve Bank will use monetary controls to keep CPI within the 1.5% to 3% range.

Inflation is affected by external economic factors, many of which are outside of the Council's control and influence.

Level of certainty: Low

At a high level our BERL's methodology creates a "basket" of goods that local authorities purchase, as measured by producer price input indices.

The model behind the forecasts utilises a process based on past observations of a given variable to explain present and forecast future observations. This process means that uncertainty in early forecast periods ripples through later forecast periods and is amplified as it does so.

Key risks

Risk	Effect of risk	Mitigation
That actual inflation will be significantly different from the assumed inflation.	The Council's costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made. Where efficiency gains can't be made, the higher costs has an impact on rates revenue required leading to affordability issues for ratepayers. The first few years of the forecasted cost adjustors are reasonably likely, however the latter period are only indicative. A 1% increase in inflation would increase annual operating expenditure by $8m (based on annual operating costs of $800m) and capital expenditure by $4m (based on an annual capital budget of $400m).	Annual review through the annual plan process.

Cost adjustors table

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	20 yr avg.
Planning and regulation	3.4%	2.6%	2.1%	2.2%	2.1%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%	2.4%
Roading	3.8%	2.9%	2.0%	2.3%	2.3%	2.2%	2.1%	2.0%	2.0%	2.0%	1.9%	2.6%
Transport	3.4%	2.6%	2.1%	2.2%	2.2%	2.1%	2.0%	2.0%	1.9%	1.9%	1.9%	2.4%
Community	3.5%	2.7%	2.0%	2.2%	2.2%	2.1%	2.0%	1.9%	1.9%	1.9%	1.8%	2.4%
Water and environment	5.0%	3.6%	2.5%	2.7%	2.6%	2.5%	2.3%	2.3%	2.2%	2.1%	2.1%	3.1%
Council HR cost adjustor	6.0%	4.5%	2.2%	2.1%	2.1%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%	2.2%

Interest rates – cost of borrowing

Assumption

The Council borrowing rates for debt will change as per the table below.

Year	Effective Interest Rate
2024/25	4.19%
2025/26	3.63%
2026/27	3.81%
2027/28	3.71%
2028/29	4.02%
2029/30	4.34%
2030/31	4.74%
2031/32	5.30%
2032/33	5.51%
2033/34	5.83%

Data source: Assumption reflects Council actual borrowing rates along with forecast rates based on hedging position and range of economic forecasts.

Level of certainty: High - There is relative higher levels of certainty over short-term borrowing rates for Council debt in the short term given hedging policies. Longer-term, certainty levels are lower as interest rates are subject to wide range of factors.

Key risks

Risk	Effect of risk	Mitigation
That interest rates will differ significantly from those estimated. That interest rates will fluctuate significantly.	Based on Council's hedging profile, a 0.1 percent movement in interest rates will increase/decrease annual interest expense by between $800,000 and $1,900,000 per annum across the 10-year period of this plan. The impact of this annual amount (discussed above) would translate to potential 0.2% - 0.4% rates increase.	Interest rates are largely driven by factors external to the New Zealand economy. The Council manages its exposure to adverse changes in interest rates through the use of interest rate swaps. At any time Council policy is to have a minimum level of interest rate hedging equivalent to 50 percent of core borrowings.

Asset revaluations

Assumption

Assumed growth in asset values are outlined in the table below. Growth in Council asset values are key drivers of forecasting increasing capital investment and depreciation.

For the purpose of the financial model, all assets are revalued annually for depreciation purposes in order to reduce the distraction of year-on-year peaks and troughs in revenues and expenditure that are generated by the revaluations in the table below.

Depreciation and revaluation of property, plant, and equipment (including water and transport assets)

Financial forecasts in this Long-Term Plan include a 3-yearly estimate to reflect the change in asset valuations for property, plant, and equipment in accordance with the Council's accounting policies.

Council's policy is to value assets triennially, and each year a different category is valued by an independent valuer. The valuation timetable is as follows:

- Operational land and buildings: 30 June 2026, 2029 & 2032
- Infrastructure land: 30 June 2025, 2028 & 2031
- Infrastructure assets: 30 June 2025, 2028 & 2031
- Three waters: 30 June 2024, 2027 & 2030

The following assumptions have been made for this LTP:

- The Council will continue its policy of fully funding depreciation which is affected by asset revaluations except for Three Waters assets, and assets we do not expect to replace at the end of their useful lives.
- The value of non-depreciable assets (such as land) is forecast to remain constant

Data source: Asset revaluation assumptions are based off historical revaluation increases and estimates.

Level of certainty: Medium – the medium level of uncertainty on how Council asset values will change over time related to the currently high inflation impacting input / construction costs.

Key risks

Risk	Effect of risk	Mitigation
Assets are under or overstated and therefore the balance sheet does not reflect accurately the value of Council owned assets. Depreciation based on incorrect valuations will mean that too much or too little revenue is collected to cover costs of renewal over time.	Asset value growth at higher rates than assumed will lead to increasing pressure on rates and borrowing levels. This risk has impacted the Council's planning in recent years as asset value growth has exceeded budgeting assumptions. Asset value growth also impacts the depreciation expense and the rates revenue required. If mitigations for this increase are not possible, then higher rates increases and impacts ratepayer affordability may result.	As well as regular revaluation of assets as part of the normal accounting and annual reporting process there is a high-level review of asset values undertaken on an annual basis. The LTP yearly budgets are inflated by forecast inflation for the particular assets in question, based on independent professional advice. In each annual plan following the LTP year, depreciation and asset values are adjusted for new assets, and any actual revaluations. In non-revaluation years an assessment is made as to whether asset values may have moved significantly and therefore whether an out of cycle revaluation is appropriate. Depreciation is adjusted annually to reflect the above adjustments to asset values

Asset revaluations table

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Buildings	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Three Waters & Treatment Plants	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Roading	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Library Collections	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Three Waters Infrastructure Asset Values

Assumption

The assumed value of three waters infrastructure assets is based on the valuation completed by WSP New Zealand Limited as at 30 June 2024, and updated to reflect forecast additions, disposals, depreciation, and impairment.

The unit rates used in the revaluation were a fair refection of the optimised depreciated replacement cost of the three water assets based on current contract pricing from actual suppliers.

Based on reports issued following a review of both Wellington Water's financial systems and processes, and analysis of panel costs and valuation unit rates, there is significant uncertainty pertaining to the unit rates used in the revaluation.

Data source: Assumption informed by WSP Valuation Report as at 30 June 2024 and reports issued following a review of both Wellington Water's financial systems and processes, and analysis of panel costs and valuation unit rates.

Level of certainty: Low - The future review of procurement arrangements and changes to the region's water services delivery model could lead to changes in construction costs, which increases the uncertainty over the estimated fair value of these assets.

Key risks

Risk	Effect of risk	Mitigation
Assets are under or overstated and therefore the balance sheet does not reflect accurately the value of Council owned assets. Depreciation based on incorrect valuations will mean that too much or too little revenue is collected to cover costs of renewal over time.	Asset value growth at higher rates than assumed will lead to increasing pressure on rates and borrowing levels. This risk has impacted the Council's planning in recent years as asset value growth has exceeded budgeting assumptions. Asset value growth also impacts the depreciation expense and the rates revenue required. If mitigations for this increase are not possible, then higher rates increases and impacts ratepayer affordability may result.	As well as regular revaluation of assets as part of the normal accounting and annual reporting process there is a high-level review of asset values undertaken on an annual basis. The LTP yearly budgets are inflated by forecast inflation for the particular assets in question, based on independent professional advice. In each annual plan following the LTP year, depreciation and asset values are adjusted for new assets, and any actual revaluations. In non-revaluation years an assessment is made as to whether asset values may have moved significantly and therefore whether an out of cycle revaluation is appropriate. Depreciation is adjusted annually to reflect the above adjustments to asset values

Let's Get Wellington Moving

Assumption

For the purposes of development of the 2024-34 LTP we assume:

The LGWM relationship and funding agreement was disestablished by mutual agreement of the three partners, WCC, Waka Kotahi and GWRC in December 2023, with the programme formally wound up on 31 March 2024.

Golden Mile and Thorndon Quay - These projects will be delivered by Council as planned through the approved business cases and funded from Council's balance sheet in accordance with financial policies and attracting standard funding assistance rate (FAR) rate (see also later assumption on Waka Kotahi NZ Transport Agency subsidies).

City Streets - The individual business cases for the City Streets projects were not complete at the time the programme was disestablished. This work was handed over to Council to reprioritise and coordinate with our other roading projects. We have worked with GWRC to establish a joint funding programme for bus priority.

Transformational Programme – will be picked up by Waka Kotahi in line with the Government's direction to focus solely on State Highway improvements around the Basin Reserve and a new Mt Victoria tunnel.

Data source: Coalition government 100-day plan and Waka Kotahi correspondence

Level of certainty: High – The Thorndon Quay Hutt Road, the Golden Mile projects have progressed through business case and funding approvals. City Streets projects will need to progress through standard transport project approval phased so there is less certainty relating to the level of FAR for these projects given change in government and potential change in transport related priorities. Whilst we anticipate walking and cycling objectives may be de-prioritised, we expect Public Transport objectives to still rate high. Coalition government has confirmed withdrawal from LGWM programme meaning withdrawal from transformation programme has high certainty.

Key risks

Risk	Effect of risk	Mitigation
That costs for the early delivery projects may escalate significantly due to inflation, supply chain or scope changes. That the City Streets Business Cases do not attract FAR due to a change in Government direction which will become clearer once it has issued a new Government Policy Statement on transport.	This would either require Council to accommodate additional costs into an amended budget with breaches of proposed current rates and debt limits or aspects of LGWM may not be able to proceed. If City Streets projects do not attract Waka Kotahi FAR, then investment in mode shift will slow or Council will have to fund these projects 100%.	Each project funding is approved as single stage business cases are submitted allowing for reprioritisation as required. Tight scope control on projects.

Waka Kotahi NZ Transport Agency subsidies

Assumption

That Waka Kotahi NZ Transport Agency funding assistance rate (FAR) subsidy will remain in place and will be funded through the next LTP – 2024 – 2034.

The overall average for FAR is 51%.

Waka Kotahi NZ Transport Agency funds specific programmes of work and agrees 3-year funding envelopes across such items as maintenance operations and renewals and low cost/low risk programme, as well as funding for specific roading projects.

Data source: The Waka Kotahi business case model is administered nationally and is the mode of operation for the operations, maintenance, renewals and new capital investment. The model is mature and is the national delivery framework.

Level of certainty: Medium - Whilst the level of certainty for higher FAR rates for mode shift projects such as those delivered under our Bike Network Plan may be lower than recent years (up to 90% FAR), the FAR rate for resilience and safety projects is likely to stay around 51% as is the FAR for maintenance and renewals. Funding decisions for maintenance, renewal and new safety and resilience programmes of work have not all been finalised and may affect programmes in the first three years.

Key risks

Risk	Effect of risk	Mitigation
Changes to Waka Kotahi NZ Transport Agency Road prioritisation may impact on future funding. Total funding levels may be less than assumed in the LTP.	If the actual funding from Waka Kotahi NZ Transport Agency is significantly less than forecast, the Council will need to look for alternative funding through rates or borrowings and this may limit the viability of some projects. If the project does not proceed, this may have impacts on the level of service of lower risk roads. If the returns were greater then Council would have additional revenue above forecasts. A 5-percentage point change in the level of NZTA subsidy over our transport programme would represent approximately $1.7m increase or decrease in revenue each year.	Retain an agile approach to changing GPS & FAR Rates. Maintenance of a positive relationship with Waka Kotahi NZ Transport Agency allows frequent communication and the awareness of issues in advance. Ensure Annual Plan and LTP are updated to reflect any changes.

Disaster Resilience Fund

Assumption

Our assumption is that any returns from the disaster resilience fund will be equivalent to the revenue from the ground leases which are sold to establish the fund.

External modelling for investment fund returns has been undertaken by KPMG. Decisions on any distributions from the fund in the form of revenue is yet to be considered.

Data source: Sale of ground leases to fund disaster resilience fund – KPMG modelling.

Level of certainty: High

Key risks

Risk	Effect of risk	Mitigation
The primary risk associated with the Disaster Resilience Fund lies in the potential for fund returns to be lower than the current ground lease returns which could have an impact on rates revenue required.	If any distribution from the fund is lower than the revenue earned from the ground leases there would be a subsequent impact on rates revenue required to fund the shortfall,	The Council will consider key design choices for the establishment of the disaster resilience fund. These choices include the amount of distribution from the fund to offset lost revenue from the sale of the ground leases.

Te reo to come

Three Waters Legislative Reform assumptions

Legislative process

Assumption

Local Water Done Well is the Government's plan to address New Zealand's long-standing water infrastructure challenges.

The Local Government (Water Services) Bill establishes the enduring settings for the new water services system. The objectives of the Bill are to ensure water services are safe, reliable, environmentally resilient, customer responsive and delivered at the least cost to consumers and businesses.

The Bill was introduced to Parliament in December 2024. It reflects key policy decisions announced by the Government in August 2024. The Bill sets out key details relating to the water services delivery system, the economic regulation and consumer protection regime for water services, and changes to the water quality regulatory framework.

It provides for arrangements for the new water services delivery system, including:

- Structural arrangements for water services provision such as establishment, ownership, and governance of water organisations
- Operational matters such as arrangements for charging, bylaws, and management of stormwater networks
- Planning, reporting, and financial management
- A new economic regulation and consumer protection regime based on the existing economic regulation regime in Part 4 of the Commerce Act which currently applies to electricity lines services, gas pipeline services, and airport services.

As well as changes to the water quality regulatory framework and the water services regulator, including:

- Changes to the Water Services Act 2021 to reduce the regulatory burden of the drinking water quality regime and improve proportionality in the application of regulatory powers.
- A change in approach to Te Mana o te Wai
- A new single standard for wastewater and stormwater environmental performance.

The LTP and amendment have been finalised prior to the completion of the legislative process which creates uncertainty as to the final transition and governance arrangements for the new water organisation.

The financial sustainability of the water service organisation is based on sufficient revenue, ringfencing to fund investment and funding for growth. Five Councils in the Wellington region are working to address water reform through the establishment of a jointly owned Water Services Council-controlled Organisation ('water organisation').

Data source: Water Services Policy legislation and process - dia.govt.nz. WCC Water Reform project page

Level of certainty: High – The Government has introduced the relevant legislation to the House and the discussions and planning for a multi council water organisation are advanced.

Key risks

Risk	Future changes to water service delivery due to changes to Local Water Done Well legislation before enactment could create change to Wellington City Council's long-term plans as new service delivery models and financing tools or new rules for water services and infrastructure investment are developed
Effect of risk	Any changes to waters infrastructure structure and funding is likely to have significant impact on Wellington City Council's Long-term Plan
Mitigation	Maintain visibility of Government's water services policy development and the progress with other councils in our region to progress the development of a new regional Water Services Delivery model. Significant changes created through amendments to legislation is likely to require decision making through a future Long-term Plan process or Long-term Plan amendment process

Future Structure of Three Waters

Assumption

The delivery of the Council's three-waters network operating activities and assets will transition to a multi council CCO (water organisation).

Our interest in the new water services delivery entity will not be known until the foundational governance documents ratified in December.

Data source: LTP&FP Committee meeting, 22 May 2025

Level of certainty: As below

- **Multi Council water organisation** – High – Council has taken a decision to jointly establish and co own a water CCO along with four other councils. This decision was made at the 22 May 2025 LTPFP Committee.
  - Regional planning for a multi council CCO is advanced with a joint WSDP in progress and regional mayors and CEs actively working together to establish the shared CCO.
- **Future Water Entity Structure** – Moderate – The delivery of three-waters network operating activities and assets will transition to a new water organisation. We will not know the exact structure and Councils interest in the new regional water services entity (CCO) until the water services delivery plans have been developed (September 2025) and final governance arrangement ratified by Council in December 2025.

Key risks

Risk	Effect of risk	Mitigation
Councils are not able to finalise ownership and transfer agreements resulting in a delay or halt to the establishment of the new organisation	Any changes to waters infrastructure structure and funding is likely to have significant impact on Council's long-term plan	Councils are aware that they have a statutory requirement to give effect to the submitted WSDP. Guided by the draft legislation the joint WSDP will present a multi-council water CCO to be operational for 1 July 2026. Interim stakeholder decision-making arrangements are being established to progress timely decision making by nominated council representatives. Councils have committed to ensuring foundational governance arrangements will be resolved and ratified for December 2025 so as to minimise establishment delays or impacts. Significant changes created through amendments to legislation may require decision making through a future Long-term Plan process or Long-term Plan amendment process

Transition Date

Assumption

That 3 Water operating activities, assets, revenue and liabilities will transition to the new water organisation for 1 July 2026 at which time the current management services agreement with Wellington Water Limited will be terminated.

Data source: LTP&FP Committee meeting, 22 May 2025

Level of certainty: High - The Government has introduced the relevant legislation to the House, WCC has taken a decision to commit to establishing the regional water organisation. Discussions and planning to establish the new organisation are advanced.

Key risks

Risk	Effect of risk	Mitigation
A delay in the transfer date would result in Wellington City Council retaining ownership of three-water assets for longer than anticipated. It would also necessitate extending funding and management agreements with Wellington Water Ltd to maintain three-waters delivery.	Any changes to waters infrastructure transition timing is likely to have significant impact on Wellington City Council's Long-term Plan.	Maintain visibility of delivery model decisions by proposed partner councils (decisions due by 30 June 2025). Ensure close working arrangements with the interim Board and Chief Executive to ensure transition planning and scope remains as planned in the WSDP. Council transition project team will report into and work closely with the central establishment project (led by the interim CE and establishment Director) Significant changes to the proposed operating model may require decision making through a future Long-term Plan process or Long-term Plan amendment process

Operating and Capital Activities Transfer

Assumption

That all three-water network operating activities and capital projects will transfer to the new water organisation, and the current management services agreement with Wellington Water Limited will be terminated.

The Moa Point Sludge Facility, due to be completed in 2026/27 is not included in the $3b disposal of water assets. This is because there is a significant enough level of uncertainty regarding the future transfer of the asset, and the timing and value of any transfer if it did occur.

Data source: LTP&FP Committee meeting, 22 May 2025

Level of certainty: High - Council has committed to the joint establishment and ownership of a water CCO.

Key risks

Risk	Effect of risk	Mitigation
A delay in the transfer date would result in Wellington City Council retaining ownership of three-water assets for longer than anticipated. It would also necessitate extending funding and management agreements with Wellington Water Limited to maintain three-waters delivery. This could necessitate extending funding and management agreements with Wellington Water Ltd to maintain stormwater delivery.	Any changes to waters infrastructure transition structure is likely to have significant impact on Wellington City Council's Long-term Plan.	Maintain visibility of delivery model decisions by proposed partner councils (decisions due by 30 June 2025). Ensure close working arrangements with the interim Board and Chief Executive to ensure transition planning and scope remains as planned in the WSDP. Significant changes to the proposed operating model is likely to require decision making through a future Long-term Plan process or Long-term Plan amendment process

Asset Transfer

Assumption

That all three-waters assets will be vested in the established Water Services Delivery Entity at the 30 June 2026 Book Value. Any costs relating to these assets will be transferred to the new Water Services Delivery entity. A loss on derecognition of assets (approximately $3bn) has been forecasted.

Data source: LTP&FP Committee meeting, 22 May 2025

Level of certainty: High – the regional model Water Service Delivery Plan is well progressed; the interim Establishment Board and interim Chief Executive will have led the transition and establishment programme ready to effect the transfer of asset ownership and the customer relationship. Included in this activity will the finalisation and agreement of a formal transfer agreement between Council and the new entity.

Note the exception of the Sludge Minimisation Facility. This will transfer once construction activities are completed.

Key risks

Risk	Effect of risk	Mitigation
That the approach to asset transfers is changed to a sale and purchase approach.	A change in approach would materially impact Wellington City Council's Prospective Financial statements.	Maintain visibility of the progress with other councils in our region to progress the development of a new regional Water Services Delivery model.

Rating Assumption – Collection of Water Rates

Assumption

That Council will not collect any Rates relating to three waters from 1 July 2026.

Data source: None

Level of certainty: Moderate – the regional model Water Service Delivery Plan is well progressed

Key risks

Risk	Effect of risk	Mitigation
Wellington City Council could be required to collect three-waters rates on behalf of the Water Services Delivery Entity beyond 1 July 2026	Material impact on prospective Cashflow Statement. Additional administrative burden to process rates payments	Wellington City Council already has systems and processes in place for collecting rates and levies on behalf of third parties

Debt Repayment

The Mayors of the regional water services model participating councils, along with iwi partners, have formed the Advisory Oversight Group (AOG). The AOG has agreed to a methodology that will support the assumption of not compromising WCC's position. The AOG provides political alignment across the establishment of a regional water services entity, confirming for example investment objectives and options analysis to provide clarity and certainty to communities and stakeholders. Formal decision making remains the responsibility of the respective councils.

Assumption

That the transfer of three-waters activities and assets will not compromise Wellington City Council's ability to maintain debt to revenue ratios and to repay three-waters related debt on 1 July 2026.

Wellington City Council will transfer all water debt to the Water entity for 1 July 2026 with revenue received to facilitate the repayment of Wellington City Council debt. The one exception to this is the debt for the Sludge Minimisation Facility. This debt will remain with WCC.

Data source: LTP&FP Committee meeting, 22 May 2025

Level of certainty: Overall – Moderate.

Debt Transfer amount – High. While proposed partner councils have agreed a methodology to calculate the debt transfer position. A provisional figure of $750m has been modelled.

Debt transfer mechanism – Low. The exact detail of the process by which debt amounts will transfer to the new entity is still being negotiated. However, what is certain is that appropriate agencies (i.e. LGFA and S&P) will look though any debt should it be continued to be help by WCC after 1 July.

Key risks

Risk	Effect of risk	Mitigation
The debt transfer mechanism changes and WCC continues to hold Water related debt beyond 1 July 2027. While any debt will be looked though, there may be payments of interest costs to WCC by the Water Entity, and the timing of debt repayment may change.	Material misstatement of the P&L, cashflows and Balance Sheet.	Wellington City Council has resolved to only join a Regional Water Services Model if agreement is reached on debt transfer. AOG has agreed in principle to a provisional debt transfer. The actual debt transfer number (and associated guarantee arrangements) will be agreed and verified as part of the opening balance sheet transfer, planned for 2026. While a change in approach may impact the financial statements, any change will not have an impact on the WCC ability to borrow, service non water relate debt, or impact ratepayers.

Ngā matapae kē atu
Other forecasting assumptions

Resource consents

Assumption

Conditions for existing resource consents held by the Council will not be significantly altered. Any resource consents due for renewal during the 10-year period of this plan will be renewed accordingly and this will not have a significant impact on timing.

Data source: Great Wellington Regional Council is consenting agent for these matters https://www.gw.govt.nz

Level of certainty: Moderate- there is some uncertainty around consenting conditions for the renewal of some Council consents:

- Landfill consents expire in 2026. Given the Southern Landfill consenting conditions are substantially about the management of leachate, there is a likelihood that conditions will be substantially more rigorous.
- Contaminated Soil - Retrospective consent for the disposal of contaminated soil on Stage 2, specifically, discharge of contaminants to water and to land where they may enter water.

Sludge minimisation plant: have obtained all resource consents required for construction (list and IDs available if required). Outline Plan Report accepted by WCC so the Change of Designation process required for the operational authorization of the plant is complete. Construction is under way and currently progressing well for a 2026 completion.

Key risks

Risk	Effect of risk	Mitigation
Conditions of resource consents are altered significantly. That significant delays to projects are experienced due to the resource consent process. The Council is unable to renew existing resource consents upon expiry	The financial effect of any change to resource consent requirements would depend upon the extent of the change. Delays to projects may have material cost implications. Failure to renew existing consents, or a significant change in requirements could result in the Council needing to spend additional funds to enable compliance.	Generally, the Council considers that it is fully compliant with existing resource consents. Changing consenting conditions will be inputs into planning individual projects- for example in the scoping of any landfill or sludge minimisation investment. Budget revisions will take place where there are anticipated changes to consent requirements.

Sludge minimisation facility and collection of levy

Assumption

The sludge minimisation facility will be a Council asset; however, the funding does not sit on Council's balance sheet. The FSPV will provide funding of up to $400 million for the construction of the facility.

In July 2024, the Council will be introducing a new sludge levy to fund the cost of the new Moa Point Sludge Minimisation Facility. This was approved under the Infrastructure Funding and Finance Act 2020 (IFFA).

We consulted on this option through 2021/2022 and received support from the New Zealand Government (Cabinet and the Minister of Housing) in August 2023. We are collecting the levy on behalf of the special purpose vehicle owned by Crown Infrastructure Partners.

Data source: Infrastructure Funding and Financing Funding and Administration Agreement (IFFFAAA)

Level of certainty: Medium

Key risks

Risk	Effect of risk	Mitigation
Construction costs and timeline deviate materially from the current estimates and the requirements of the IFFFAAA.	Where cost escalations occur, the funding (over and above that allocated from IFF) will need to be provided from Council's already constrained balance sheet.	The construction contract includes a Liquidated Damages (LD) mechanism, agreed with the construction partner, which will apply if late completion was to occur.
	Where there are significant delays in delivery of the project, at a minimum, Council will be in breach of resource consents and may have to consider costly alternatives to the one provided for by the SMF.	Robust contract management and proactive risk identification, mitigation and management, closely monitored through appropriate Governance mechanisms is in place.
	If cost escalations occur this will require the Council to borrow more debt to be paid back over the life of the facility.	In addition to the LD regime the construction contract includes mechanisms to support and enable compliance with the required programme for example early procurement of items critical to programme.

Cost of carbon

Assumption

Council assumes that the cost of carbon will inflate over the coming years as per the table below.

Estimated Forecast Cost of a NZU from 2025 to 2034

Assumption: We have used the market forward contract last/fix price for NZUs for April 2025 to April 2028 in Table 4.

For the 2029 to 2034, we have assumed that the cost of an NZU continues to increase, at 7.8% per year (based on the average increase in the market forward contract last/fix price for NZUs from April 2025 to April 2028).

Year	Estimated Cost	Year	Estimated Cost
2025	$80.95	2030	$116.09
2026	$86.82	2031	$125.15
2027	$93.12	2032	$134.91
2028	$99.90	2033	$145.43
2029	$107.69	2034	$156.77

This assumption directly informs the carbon unit costs related to the Southern Landfill. More broadly the growing cost of carbon will have implications on the investment profile of individual projects and design of Council services, these impacts will be considered through the establishment of frameworks the Council will use in future project investment analysis and service review.

Data source: Price ceiling and price floor

The Climate Change Commission provided advice to government that has been accepted, to set a trigger price for the release of additional units into the market. This in effect acts as a price ceiling. The Commission also advised on the minimum price the govt can set in an auction of units. While the market price can sit below this, it is likely that this sets the price floor, and the forward contract prices are all sitting above this auction price, lending weight to this assumption.

Climate Change Commission's recommended cost containment reserve from 2024 to 2028 – trigger price, including inflation

Fixed and cannot be changed		
2024	**2025**	
$91.61	$103.24	
Updated recommendations		
2026	**2027**	**2028**
$205.00	$215.00	$226.00

Reference: He Pou a Rangi Climate Change Commission | Advice on NZ ETS unit limits and price control settings for 2024-2028

Note: The Climate Change Commission states: "Our advice is that significantly higher trigger prices are justified to put them well outside where the market may need to operate to be consistent with meeting emissions budgets. We judge it unlikely that any potential magnet effect would be sufficiently strong to cause prices to rise to that level."

Climate Change Commission's Recommended Auction Reserve Price from 2024 to 2028.

Fixed and cannot be changed		
2024	2025	
$35.90	$38.67	
Updated recommendations		
2026	2027	2028
$72.00	$75.00	$79.00

Reference: He Pou a Rangi Climate Change Commission | Advice on NZ ETS unit limits and price control settings for 2024-2028.

Market forward contract last/fix price for NZUs for April 2025 to April 2028 (Forward contracts as of 15 September 2023).

Contract	Last/Fix
NZUs - April 2024	$75.47
NZUs - April 2025	$80.95
NZUs - April 2026	$86.82
NZUs - April 2027	$93.12
NZUs - April 2028	$99.90

Reference: Carbon News NZ, website accessed September 15th 2023.

Level of certainty: Moderate - The certainty of the cost estimate for a NZU is moderate. A range of factors including the pace of technological change and level of economic activity could significantly affect both the medium and long-term trend and year on year costs

Key risks

Risk	Effect of risk	Mitigation
That actual increase in NZU price will be significantly different from the assumed increase, contributing to ETS costs at the landfill and underlying inflation of input fuel costs to Council.	The Council's direct NZU costs (through our ownership of Southern Landfill) and indirect NZU costs (through our use of natural gas, petrol and diesel) could be higher than forecast. E.g: at the landfill our current liability is forecast to increase by roughly a third by 2028, however govt settings would allow the cost to increase by 300%.	Annual review of the budget through the annual plan process. We have projects in place under Te Atakura climate action strategy to minimise our exposure to the price of carbon: better methane capture and destruction technology at the landfill; diversion of organic matter from the landfill; removing natural gas (also known as "fossil gas") used for heating indoor spaces and water heating from Council owned buildings including our pools; and converting our vehicle fleet and equipment to electricity.

Significant Asset Lifecycles

Assumption

The estimated useful lives of significant assets will be as shown in the Statement of Accounting Policies. The asset life of key assets (three waters and transport is included below).

The majority of the significant assets will continue to be revalued every three years. It is assumed that assets will be replaced at the end of their useful life. Ranges in average ages relate to the variability of component parts of assets and changing material and design of assets over time.

Key Asset – Pipes	Asset life in years	Asset life from 2022 3W Valuation
Water pipes	50-95	40-128
Water reservoirs	40-100	90-117
Water pumping stations	20-100	100-104
Sewer pipes and tunnels	60-110	60-128
Sewer pumping stations	20-80	100
Stormwater pipes	50-130	40-130
Stormwater pump stations	20-100	100

Key Asset – Roads	Asset life in years	Asset Life from 2022 Transport Assets Valuation
Surface	10	6-50
Base	50	35-40
Bridges	80	95-105
Footpaths	20-50	15-50
Retaining walls	50-75	35-80
Sea walls	80-100	100
Kerbs and channels	70-120	10-60

It is also assumed that:

- the majority of the significant assets will continue to be revalued every 3 years.
- assets will be replaced at the end of their useful life.
- planned asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.

Data source: Assumptions of asset lives are informed by guidance on the Useful Life of Infrastructure from the NAMS Council and Council actual condition information of assets.

Level of certainty: Mixed - The level of certainty of useful lives of assets ranges across different asset types. Underground assets that are not easily accessible have lower levels of confidence on their current condition and therefore expected remaining useful lives.

Key risks

Risk	Effect of risk	Mitigation
That assets wear out earlier or later than estimated.	Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated. The financial effect of the uncertainty is likely to be immaterial. In the event that useful lives are overestimated, renewals would fall earlier than anticipated. This would result in additional capital expenditure earlier than anticipated, impacting depreciation and interest costs. Conversely, in the event that useful lives are underestimated, we will forecast a higher renewal programme of capital expenditure than necessary. This could also result in the overcollection of depreciation in the earlier years of an assets life. The likely financial impact of this is minor.	Generally, we have the ability to prioritise work programmes should assets wear out earlier or later than estimated. In addition, we are continuously improving data integrity on our assets. We are actively investing in improving the quality of asset condition information including of our three waters assets, to reduce the likelihood of this risk.

Ability to deliver capital programme

Assumption

We assume that there will be market capacity to deliver our planned capital programme. This will be supported by careful programme planning, investment in internal capability, including that of Wellington Water.

Data source: N/A

Level of certainty: Moderate – There is always an inherent level of risk in delivering a capital programme. Although we have plans to manage this risk there remains uncertainty. In the short-term this is linked to significant cost escalation of labour and materials. In the longer-term this relates to the ability of the supplier market to respond to regional investment and demand on infrastructure service providers.

Key risks

Risk	Effect of risk	Mitigation
That our capital programme is not able to be delivered as planned.	If we are unable to deliver the planned capital programmes, then the benefits of investment will be delayed. For projects aimed at enabling growth, this could constrain the pace of growth. There will also be delays to our planned capital expenditure profile with flow on impacts on borrowing and operating expenditure projections.	Regular monitoring of our capital programme progress, and adjustments to plans through the formal Annual Planning process. Strong procurement processes ensuring the market can respond positively to opportunities. Careful programme planning and monitoring, investing in internal capability, including that of Wellington Water Limited. If unable to deliver the capital programme, Council will prioritise renewals work (to prevent asset failure and resulting service interruptions) and critically review the planned capital upgrade work programme including identifying opportunities for deferral of works.

Level of service

Assumption

For this 10-year plan we assume that the current demand for Council services and customer expectations regarding business-as-usual levels of service will not significantly change during the planning period beyond what is specifically planned for and identified in this 10-year plan. As a result, it is assumed that there will be no significant additional impact from level of service changes on asset requirements or operating expenditure.

Data source: N/A

Level of certainty: Low – it is highly likely that demand for Council service levels will change to some degree over the course of the next ten-years, however these changes are not currently predictable and as such not about to be built into the underlying assumptions of this long-term plan.

Key risks

Risk	Effect of risk	Mitigation
That there are significant changes in residents' demand for services or levels of service beyond those planned in this plan.	If residents begin to expect a higher level of service than planned, then either Council will face unbudgeted additional cost to meet that higher level of service, or Council will be unable to meet changed resident expectations and would see a decrease in residents' satisfaction with Council services.	The Council has defined service levels for its planned activities, which have been reviewed as part of the 10-year plan process. The regular 3-year Long-term Planning cycle provides the opportunity for service levels to be regularly reassessed for changes in demand.

Vested Assets

Assumption

No vesting of assets is forecasted across this ten-year plan.

Data source: N/A. **Level of certainty:** Low

Key risks

Risk	Effect of risk	Mitigation
That there will be assets vested thereby increasing the depreciation expense in subsequent years.	The level of vested assets fluctuates considerably from year to year and is unpredictable. The recognition of vested assets revenue in the Statement of Financial Performance is non-cash in nature and has no impact on rates. The financial effect of the uncertainty is assessed as low.	Annual review of the budget through the annual plan process.

Funding sources - asset divestment

Assumption

That some assets, including long-term ground leases for multiple sites will be divested. Any proceeds forecasted from asset divestment will be reinvested in accordance with our Treasury Management Policies unless otherwise directed by Council resolution.

We have assumed approximately $106m from the sale of ground leases to capitalise the disaster resilience fund.

Data source: Sale of WIAL shares and ground leases for PIF – KPMG modelling.

Level of certainty: High – When considering the sale of ground leases, it is important to consider:

- Where the ground lease sits within the 21-year cycle
- Ground lessees' ability to make an acceptable offer
- Impact on the parcel of land that the ground lease sits on
- Revenue stream that the ground lease provides
- Potential revenue from the sale of the ground lease

High – There is a risk that the sale proceeds from the sale of the WIAL share and ground leases is lower than assumed.

Key risks

Risk	Effect of risk	Mitigation
That the sale proceeds and rate of return is not achieved and/or we are unable to find buyers.	If the sale of long-term ground leases and WIAL shares are delayed or at a lower value, this may impact Council's debt position and may lead to a breach of the proposed debt to revenue limits. This would also reduce the amount available to invest in the Perpetual investment fund.	Council's Annual Planning process will review this assumption. We have used the midrange valuation for the sale of WIAL shares.

Development Contributions

Assumption

Revenue from Development Contributions is not materially different from that forecast in the LTP.

Data source: N/A

Level of certainty: Moderate – the level of Development Contribution revenue is broadly in line with actual levels of revenue over the previous three financial years. This LTP includes a review of the DC policy and supporting processes. The impact of the review will follow the adoption of the LTP.

Key risks

Risk	Effect of risk	Mitigation
The level of development contributions collected, and the timing could result in insufficient income to cover the costs of required growth infrastructure.	If the level of development contribution income is less than forecasted, this would mean the debt is not paid off as quickly as planned, and therefore interest costs relating to this debt would be marginally higher than planned.	Council's Annual Planning process provides a process whereby reprioritisation of budget can be undertaken.

Availability of insurance

Assumption

The Council will maintain or increase its current level of insurance from all sources. This may include introduction of new sources. Council can currently fund 32% of the 1-1,000 year earthquake loss estimate.

Data source: Earthquake is considered to be the largest single risk for the Council asset portfolios. Earthquake loss estimates are used to assess the risk to the portfolio, subsequently informing strategic decisions to manage risk. The data for a 1-1,000 year event loss informs the amount of risk funding required and the excess risk accepted by Council. Loss estimates are modelled by Aon and GNS – refer to earthquake risk assumption below.

Level of certainty: Low - traditional insurance capacity is increasingly squeezed as values, inflation and claims are elevated. Availability of alternative risk funding is currently unknown but under investigation.

Key risks

Risk	Effect of risk	Mitigation
That the financial loss to the assets in a major event is significantly greater than estimated. That the increasing costs of holding insurance exceeds available budget.	An inability to adequately fund the assumed risk or actual losses exceeding estimated loss would mean that not all assets would be able to be repaired or replaced post a significant earthquake event. Meeting increasing costs of insurance to maintain coverage would have direct impacts on rates and fees and user charges. The chosen mix of risk funding methods does not meet Council's needs. Every additional $10m of insurance cover has less than a 2% impact on rates.	The assumptions that drive the 1-1,000 year loss estimates will be updated using the new NSHM (2022) to ensure up-to-date asset information is understood. Incorporating resilience measures into our loss estimates will increase the certainty around the level of risk funding required. e.g. buildings that are base isolated and unlikely to take material damage. Council has prioritised resilience work in all asset portfolio's within the capital programme. Council Officers will also work on the "Insurance Roadmap", which aims to instate alternative risk funding methods and improve Council's post event outcomes. The Roadmap identifies a 3-6 year timeframe to fully understand and begin implementation of new strategies.

Local Government Funding Act - Deed of Guarantee

Assumption

Each of the shareholders of the LGFA is a party to a Deed of Guarantee, which provides a guarantee on the obligations of the LGFA and the other participating local authorities to the LGFA, in the event of default. Council assumes no default event occurring during this Long-Term Plan.

Data source: N/A

Level of certainty: High – Given the LGFA structure and the conservative nature of the financial covenants they place on all Councils, the level of certainty that there will not be a default event during the period of the LTP, in Council's view, is high.

The likelihood of a local authority borrower defaulting is extremely low and all of the borrowings by a local authority from the LGFA are secured by a rates charge.

Key risks

Risk	Effect of risk	Mitigation
In the event of a default by the LGFA, each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each respective guarantor is set in relation to each guarantor's relative rates income.	Payment would be required by Wellington ratepayers for the relevant amount in default, for the most part via equity investments already held on behalf of Council by the LGFA.	The structure and makeup of the LGFA through the foundation documents sets out the protections and processes of guarantees and defaults. The LGFA Risk management committee, reporting framework, key performance indicators and variance at risk all mitigate the risk eventuating. Council also maintains conservative internal policies to ensure we are not the council at risk of default. This is demonstrated in our recently reaffirmed AA+ rating from S&P.

Renewal of existing funding

Assumption

It is assumed that the Council will be able to renew existing borrowings on similar terms.

Data source: N/A

Level of certainty: High

Key risks

Risk	Effect of risk	Mitigation
That new borrowings cannot be accessed to fund future capital requirements.	Future capital programmes may be delayed, and the Council improvement programmes/infrastructure assets may not receive the required investment. If funding is no longer available existing debt will need to be repaid, capital expenditure will cease, and the council would be at risk of default under lending agreements.	Council maintains internal policy settings that allow for prefunding up to 18 months to manage refinancing risk. Council issues long term funding that is well spread over multiple maturity dates to ensure intergenerational equity requirements as set out in the Local Government Act 2002 are being met. Council sources debt from the LGFA which has the highest possible credit rating available demonstrating strong management and governance practices in place. The LGFA is a very well run, risk averse organisation that has sound risk management practices in place to continue to fund the local government sector over the long term. Access to the LGFA will continue to be the most appropriate way for Council to fund its balance sheet.

Weathertight homes

Assumption

The Council will continue to spread the cost incurred by settling weathertight homes claims by funding claims from borrowings and spreading the rates funded repayment across a number of years. This 10-year plan assumes that the Council's weathertight homes liability will be fully settled by 2039 and the associated borrowing repaid over the 24-year period.

Data source: Actuarial Valuation of Weathertight Claims as at 30 June 2023

Level of certainty: High

Key risks

Risk	Effect of risk	Mitigation
That the level of the claims and settlements is higher than provided for within the 10-year plan.	The weathertight homes liability is an actuarial calculation based on the best information currently available. The liability provided for within the Council's financial statements is $24 million, a 1 percent change in this figure would equate to $0.24 million.	N/A.

Earthquake risk

Assumption

The assumed risks of a significant earthquake are in line with Wellington lifelines planning and relate to likelihood of earthquakes at different scales on the Modified Mercalli intensity (MMI) scale. Likelihood captured in the table below.

MMI level	Average return period
MMI7	~30 years
MMI8	~120 years
MMI 9	~400 years
MMI 10	~1350 years

Data source: Wellington Lifelines report 2019 and NZ NSHM (gns.cri.nz)

Level of certainty: Low

Key risks

Risk	Effect of risk	Mitigation
That a significant event occurs during the period of the Long-Term Plan. That the scale and impact of a significant event is much larger than anticipated.	The city is damaged to an extent that significantly impacts daily operation and liveability. If Council is unable to recover sufficiently or quickly enough to prevent long-term adverse effects on the population or local economy, Council's income streams, may not support it's commitments to repay debt. The city is damaged significantly more than expected and recovery funding is inadequate to prevent adverse long-term effects.	Council holds insurance cover and debt provision to fund losses in a significant event. ▪ Council is improving the resilience of its infrastructure and building portfolio. ▪ Council emergency response staff are regularly trained. ▪ Development in areas subject to natural hazard risk is restricted. ▪ Council regulates the remediation of earthquake prone buildings in the city.

Local Government reform

Assumption

That our current structure, role, and functions will continue, except where this has been clearly stated in the LTP. The range and nature of our services will remain unchanged. The Review into the Future for Local Government has published its final report, He piki tūranga, he piki kōtuku. The report poses proposes 17 recommendations to shape a more community focused, citizen-centred local governance system.

The report does not explicitly recommend the allocation of roles and functions between central and local government and notes that decisions relating to the allocation of roles and functions cannot be made without understanding how they will be funded, and whether local government has the capacity and expertise to carry them out.

Data source:

Level of certainty: High - while the Future for Local Government review recommends and discusses changes to what local government is and does, it is unlikely that any recommendations could take effect by 1 July 2024.

Key risks

Risk	Effect of risk	Mitigation
That the structure of Local Government will change, and the Council moves to unitary, combined or other governance model. Within ten years there may be significant changes to the boundaries of local government in our region. That central government will allocate or remove responsibility for services to local government, and/or the Regional Council will allocate responsibility for additional services or standards to local government in the Wellington Region that requires immediate addressing and affects our capacity to deliver.	Effect depends on the level of change. There could be significant restructuring, reorganisation or establishment costs incurred. There would be associated financial and rating changes as a consequence. Changes in the purpose and role of local government may have substantial impacts on budgets and financial forecasts and may require an amendment to the LTP.	A reorganisation process would take place over a sizeable period of time, this would allow the Council to fully prepare. The Council will proactively monitor and engage in discussions of this nature. We will continue to keep a watching brief on the local government sector and central government's response to the Future for Local Government review.

Resource Management reform

Assumption

That during the life of this LTP, the Resource Management Act 1991 (RMA) will remain until new legislation is prepared. The Natural and Built Environment Act 2023 (NBA) and the Spatial Planning Act 2023 (SPA) were repealed in December 2023. The government has signalled an intent to introduce new resource management laws based on the enjoyment of property rights.

Data source: Resource management system reform | Ministry for the Environment

Level of certainty: Low – The new Government 100-day plan includes repeal of the Spatial Planning and Natural and Built Environment Act and introduction of a fast-track consenting regime.

Key risks

Risk	Effect of risk	Mitigation
That the resulting change in approach to resource management to a system based on the enjoyment of property rights, rather than sustainable management, requires significant changes to how Council undertakes planning and regulates land use and development.	There is uncertainty about the exact form that reform of resource management may take, however it is possible that a new District Plan (or equivalent) will need to be prepared to give effect to new legislation. This will require significant resourcing from Council, likely similar to the District Plan review process currently underway.	We will continue to keep a watching brief on the review and any resulting legislative changes.

Wāhanga 2 | Section 2

Pārongo ahumoni me ngā kaupapa here

Financial information and policies

Kei tēnei wāhanga

To come.

In this section

This section includes our Financial statements and Balanced Budget statement.

Matapae tauākī ahumoni
Forecast financial statements

Tauākī tiro whakamua ki ngā moniwhiwhi me ngā whakapaunga
Prospective Statement of Comprehensive Revenue and Expense ($000s)

	2024/25 Published LTP	2025/26 Amended LTP	2026/27 Amended LTP	2027/28 Amended LTP	2028/29 Amended LTP	2029/30 Amended LTP	2030/31 Amended LTP	2031/32 Amended LTP	2032/33 Amended LTP	2033/34 Amended LTP
Revenue										
Rates	565,716	628,974	458,928	480,703	502,431	526,092	556,993	581,483	590,001	610,099
Revenue from operating activities:										
Development contributions	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Grants, subsidies and reimbursements	202,665	232,728	88,072	68,625	69,269	65,584	59,709	61,348	59,592	61,344
Other operating activities	189,916	193,796	197,726	197,707	204,385	209,088	215,042	221,042	226,607	232,381
Investments revenue	21,867	25,392	30,077	33,412	36,240	39,862	41,187	41,517	41,939	42,764
Vested assets and other revenue	1,700	2,247	1,604	107	109	111	1,613	1,115	117	120
Fair value movements - gains	7,557	4,758	4,647	4,647	4,357	4,211	4,066	4,066	4,066	3,921
Finance revenue	100	36	104	69	71	111	113	115	76	77
Total revenue	**993,021**	**1,091,431**	**784,658**	**788,770**	**820,362**	**848,559**	**882,223**	**914,186**	**925,898**	**954,206**
Expense										
Finance expense	72,264	68,333	69,593	59,407	67,346	74,665	83,039	94,293	99,394	103,737
Expenditure on operating activities	617,876	692,954	536,834	538,855	542,520	555,478	567,756	577,491	585,879	596,681
Depreciation and amortisation expense	222,314	254,956	168,093	185,582	206,050	226,952	253,103	268,295	273,925	295,632
Loss on derecognition of assets	-	-	3,030,966	-	-	-	-	-	-	-
Total expense	**912,454**	**1,016,243**	**3,805,486**	**783,844**	**815,916**	**857,095**	**903,898**	**940,079**	**959,198**	**996,050**
Net surplus/(deficit) for the year	**80,567**	**75,188**	**(3,020,828)**	**4,926**	**4,446**	**(8,536)**	**(21,675)**	**(25,893)**	**(33,300)**	**(41,844)**

	2024/25 Published LTP	2025/26 Amended LTP	2026/27 Amended LTP	2027/28 Amended LTP	2028/29 Amended LTP	2029/30 Amended LTP	2030/31 Amended LTP	2031/32 Amended LTP	2032/33 Amended LTP	2033/34 Amended LTP
Other comprehensive income										
Fair value movement - property, plant and equipment (net)	206,393	208,804	-	286,408	340,437	-	335,496	411,767	-	368,435
Share of equity accounted surplus from associates	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	206,393	208,804	-	286,408	340,437	-	335,496	411,767	-	368,435
Total comprehensive income for the year	286,960	283,992	3,020,828)	291,334	344,883	(8,536)	313,821	385,874	(33,300)	326,591

Tauākītiro whakamua ki te āhua o te ahumoni
Prospective Statement of Financial Position ($000s)

	2024/25 Published LTP	2025/26 Amended LTP	2026/27 Amended LTP	2027/28 Amended LTP	2028/29 Amended LTP	2029/30 Amended LTP	2030/31 Amended LTP	2031/32 Amended LTP	2032/33 Amended LTP	2033/34 Amended LTP
Assets										
Current assets										
Cash and cash equivalents	41,916	15,838	15,654	15,589	15,438	15,876	15,189	15,771	15,672	15,921
Derivative financial assets	-	724	724	724	724	724	724	724	724	724
Receivables and recoverables	97,445	112,778	94,959	95,863	99,332	102,126	105,701	109,027	111,516	114,571
Prepayments	20,329	33,884	23,577	23,515	23,512	23,999	24,605	25,016	25,431	25,738
Other financial assets	347,500	367,215	365,000	319,000	347,000	322,000	326,000	334,000	334,000	328,000
Inventories	1,013	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
Total current assets	508,203	531,794	501,269	456,046	487,361	466,080	473,574	485,893	488,698	486,309
Non current assets										
Derivative financial assets	72,984	63,713	63,713	63,713	63,713	63,713	63,713	63,713	63,713	63,713
Other financial assets	62,604	68,075	162,986	164,584	166,654	167,210	165,797	167,069	167,098	166,212
Intangibles	44,745	48,713	46,398	42,376	37,740	31,791	27,719	25,042	22,802	20,757
Investment properties	287,169	158,214	159,161	163,808	168,165	172,376	176,442	180,508	184,574	188,495
Property, plant and equipment	11,763,613	12,436,940	8,792,034	9,181,038	9,569,383	9,605,867	9,939,771	10,366,131	10,323,135	10,613,409
Investment in controlled entities	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998
Investment in associates and joint venture	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384
Total non current assets	12,256,497	12,801,037	9,249,674	9,640,901	10,031,037	10,066,339	10,398,824	10,827,845	10,786,704	11,077,968
Total assets	12,764,700	13,332,831	9,750,943	10,096,947	10,518,398	10,532,419	10,872,398	11,313,738	11,275,402	11,564,277
Liabilities										
Current liabilities										
Derivative financial liabilities	-	-	-	-	-	-	-	-	-	-
Exchange transactions and transfers payable	161,928	185,445	99,613	93,185	88,179	89,410	89,164	94,432	89,158	87,377
Deferred revenue	21,741	22,268	22,720	22,718	23,485	24,025	24,709	25,399	26,038	26,702

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

	2024/25 Published LTP	2025/26 Amended LTP	2026/27 Amended LTP	2027/28 Amended LTP	2028/29 Amended LTP	2029/30 Amended LTP	2030/31 Amended LTP	2031/32 Amended LTP	2032/33 Amended LTP	2033/34 Amended LTP
Borrowings	267,500	266,500	371,000	325,000	353,000	328,000	332,000	340,000	340,000	334,000
Employee benefit liabilities and provisions	12,747	13,786	13,818	13,995	14,310	14,575	14,821	15,111	15,219	15,657
Provisions for other liabilities	3,435	4,164	3,598	2,855	2,192	2,399	1,979	1,861	1,736	1,512
Total current liabilities	467,351	492,163	510,749	457,753	481,166	458,409	462,673	476,803	472,151	465,248
Non current liabilities										
Derivative financial liabilities	-	-	-	-	-	-	-	-	-	-
Exchange transactions and transfers payable	-	-	-	-	-	-	-	-	-	-
Borrowings	1,942,363	2,057,367	1,480,284	1,589,759	1,644,051	1,690,712	1,713,535	1,755,679	1,755,990	1,725,625
Employee benefit liabilities and provisions	1,064	975	977	990	1,012	1,031	1,048	1,069	1,077	1,108
Provisions for other liabilities	28,395	28,813	26,248	24,426	23,267	21,901	20,955	20,126	19,423	18,944
Total non current liabilities	1,971,822	2,087,155	1,507,509	1,615,175	1,668,330	1,713,644	1,735,538	1,776,874	1,776,490	1,745,677
Total liabilities	2,439,173	2,579,318	2,018,258	2,072,928	2,149,496	2,172,053	2,198,211	2,253,677	2,248,641	2,210,925
Net assets	10,325,527	10,753,513	7,732,685	8,024,019	8,368,902	8,360,366	8,674,187	9,060,061	9,026,761	9,353,352
Equity										
Accumulated funds and retained earnings	5,195,111	5,257,050	5,470,227	5,475,151	5,479,593	5,471,053	5,449,369	5,423,466	5,390,156	5,348,303
Revaluation reserves	5,031,193	5,406,869	2,172,860	2,459,268	2,799,705	2,799,705	3,135,201	3,546,968	3,546,968	3,915,403
Hedging reserve	73,180	65,326	65,326	65,326	65,326	65,326	65,326	65,326	65,326	65,326
Fair value through other comprehensive income and expense reserve	6,889	7,330	7,330	7,330	7,330	7,330	7,330	7,330	7,330	7,330
Restricted funds	19,154	16,938	16,942	16,944	16,948	16,952	16,961	16,971	16,981	16,990
Total equity	10,325,527	10,753,513	7,732,685	8,024,019	8,368,902	8,360,366	8,674,187	9,060,061	9,026,761	9,353,352

Tauākītiro whakamua ki ngā panonitanga o te tautika
Prospective Statement of Changes in Equity ($000s)

	2024/25 Published LTP	2025/26 Amended LTP	2026/27 Amended LTP	2027/28 Amended LTP	2028/29 Amended LTP	2029/30 Amended LTP	2030/31 Amended LTP	2031/32 Amended LTP	2032/33 Amended LTP	2033/34 Amended LTP
Equity - opening balances										
Accumulated funds and retained earnings	5,114,549	5,181,879	5,257,050	5,470,227	5,475,151	5,479,593	5,471,053	5,449,369	5,423,466	5,390,156
Revaluation reserves	4,824,800	5,198,065	5,406,869	2,172,860	2,459,268	2,799,705	2,799,705	3,135,201	3,546,968	3,546,968
Hedging reserve	73,180	65,326	65,326	65,326	65,326	65,326	65,326	65,326	65,326	65,326
Fair value through other comprehensive revenue and expense reserve	6,889	7,330	7,330	7,330	7,330	7,330	7,330	7,330	7,330	7,330
Restricted funds	19,149	16,921	16,938	16,942	16,944	16,948	16,952	16,961	16,971	16,981
Total Equity - opening balances	10,038,567	10,469,521	10,753,513	7,732,685	8,024,019	8,368,902	8,360,366	8,674,187	9,060,061	9,026,761
Changes in Equity										
Retained earnings										
Net surplus/(deficit) for the year	80,567	75,188	(3,020,828)	4,926	4,446	(8,536)	(21,675)	(25,893)	(33,300)	(41,844)
Transfer to restricted funds	(3,671)	(3,545)	(3,581)	(3,611)	(3,644)	(3,675)	(3,711)	(3,744)	(3,775)	(3,805)
Transfer from restricted funds	3,666	3,528	3,577	3,609	3,640	3,671	3,702	3,734	3,765	3,796
Transfer from revaluation reserves	-	-	3,234,009	-	-	-	-	-	-	-
Transfer to revaluation reserves	-	-	-	-	-	-	-	-	-	-
Revaluation reserves										
Fair value movement - property, plant and equipment - net	206,393	208,804	-	286,408	340,437	-	335,496	411,767	-	368,435
Transfer to retained earnings	-	-	(3,234,009)	-	-	-	-	-	-	-
Hedging reserve										
Movement in hedging reserve	-	-	-	-	-	-	-	-	-	-
Fair value through other comprehensive revenue and expense reserve										
Movement in fair value	-	-	-	-	-	-	-	-	-	-
Restricted Funds										
Transfer to retained earnings	(3,666)	(3,528)	(3,577)	(3,609)	(3,640)	(3,671)	(3,702)	(3,734)	(3,765)	(3,796)
Transfer from retained earnings	3,671	3,545	3,581	3,611	3,644	3,675	3,711	3,744	3,775	3,805

Total comprehensive revenue and expense	286,960	283,992	(3,020,828)	291,334	344,883	(8,536)	313,821	385,874	(33,300)	326,591
Net Equity - Closing Balances										
Accumulated funds and retained earnings	5,195,111	5,257,050	5,470,227	5,475,151	5,479,593	5,471,053	5,449,369	5,423,466	5,390,156	5,348,303
Revaluation reserves	5,031,193	5,406,869	2,172,860	2,459,268	2,799,705	2,799,705	3,135,201	3,546,968	3,546,968	3,915,403
Hedging reserve	73,180	65,326	65,326	65,326	65,326	65,326	65,326	65,326	65,326	65,326
Fair value through other comprehensive revenue and expense reserve	6,889	7,330	7,330	7,330	7,330	7,330	7,330	7,330	7,330	7,330
Restricted funds	19,154	16,938	16,942	16,944	16,948	16,952	16,961	16,971	16,981	16,990
Total Equity - closing balances	10,325,527	10,753,513	7,732,685	8,024,019	8,368,902	8,360,366	8,674,187	9,060,061	9,026,761	9,353,352

Tauākītiro whakamua ki te rerenga o te moni

Prospective Statement of Cash Flows ($000s)

	2024/25 Published LTP	2025/26 Amended LTP	2026/27 Amended LTP	2027/28 Amended LTP	2028/29 Amended LTP	2029/30 Amended LTP	2030/31 Amended LTP	2031/32 Amended LTP	2032/33 Amended LTP	2033/34 Amended LTP
Cash flows from operating activities										
Receipts from rates - Council	563,121	626,355	478,254	479,792	501,522	525,102	555,700	580,458	589,645	609,258
Receipts from rates - Greater Wellington Regional Council	118,255	150,325	160,674	163,220	170,609	178,633	189,068	197,458	200,515	207,232
Receipts from rates - Sludge Levy	7,821	15,781	24,261	32,522	32,663	33,392	33,536	33,892	35,808	36,113
Receipts from activities and other revenue	187,982	199,288	199,173	200,241	205,146	210,404	216,047	222,061	227,768	233,512
Receipts from grants and subsidies - Operating	18,858	14,144	13,633	14,018	13,862	14,042	14,358	14,695	15,038	15,378
Receipts from grants and subsidies - Capital	187,807	223,106	78,291	56,935	57,712	53,824	49,110	49,888	46,767	48,155
Receipts from investment property lease rentals	11,467	10,792	11,177	11,412	11,640	11,862	12,087	12,317	12,539	12,764
Cash paid to suppliers and employees	(625,474)	(575,975)	(554,374)	(486,476)	(494,528)	(501,853)	(515,454)	(518,571)	(537,171)	(543,545)
Rates paid to Greater Wellington Regional Council	(118,255)	(150,325)	(160,674)	(163,220)	(170,609)	(178,633)	(189,068)	(197,458)	(200,515)	(207,232)
Rates paid to Sludge Finance LP	(7,821)	(15,781)	(24,261)	(32,522)	(32,663)	(33,392)	(33,536)	(33,892)	(35,808)	(36,113)
Grants paid	(56,450)	(69,057)	(61,081)	(61,121)	(54,480)	(53,757)	(54,258)	(54,698)	(55,109)	(55,459)
Net GST (paid) / received	-	-	-	-	-	-	-	-	-	-
Net cash flows from operating activities	**287,311**	**428,653**	**165,073**	**214,801**	**240,874**	**259,624**	**277,590**	**306,150**	**299,477**	**320,063**
Cash flows from investing activities										
Dividends received	10,400	14,600	18,900	22,000	24,600	28,000	29,100	29,200	29,400	30,000
Interest received	100	36	104	69	71	111	113	115	76	77
Proceeds from sale of investment properties	-	135,715	3,700	-	-	-	-	-	-	-
Proceeds from sale of intangibles	-	-	-	-	-	-	-	-	-	-

	2024/25 Published LTP	2025/26 Amended LTP	2026/27 Amended LTP	2027/28 Amended LTP	2028/29 Amended LTP	2029/30 Amended LTP	2030/31 Amended LTP	2031/32 Amended LTP	2032/33 Amended LTP	2033/34 Amended LTP
Cash flows from operating activities										
Proceeds from sale of property, plant and equipment	19,410	2,000	2,000	5,370	2,000	2,000	2,000	2,000	2,000	2,000
Proceeds from sale of investments	-	191,500	287,215	285,000	239,000	267,000	242,000	246,000	254,000	254,000
Increase / (decrease) in investments	-	(287,215)	(285,000)	(239,000)	(267,000)	(242,000)	(246,000)	(254,000)	(254,000)	(248,000)
Purchase of investment properties	(11,070)	(15,836)	(7,227)	(6,149)	(6,272)	(5,284)	(5,384)	(5,487)	(5,586)	(5,686)
Purchase of intangibles	(705,897)	(830,998)	(286,058)	(282,854)	(248,369)	(256,009)	(243,890)	(279,246)	(226,383)	(212,103)
Purchase of property, plant and equipment	-	-	(106,715)	(3,370)	-	-	-	-	-	-
Purchase of investments	-	-	750,000	-	-	-	-	-	-	-
Net cash flows from investing activities	**(687,057)**	**(790,198)**	**376,919**	**(218,934)**	**(255,970)**	**(206,182)**	**(222,061)**	**(261,418)**	**(200,493)**	**(179,712)**
New borrowings										
Repayment of borrowings	737,844	684,867	543,917	434,475	407,291	374,661	354,823	382,143	340,311	303,635
Interest paid on borrowings	(267,500)	(277,500)	(1,016,500)	(371,000)	(325,000)	(353,000)	(328,000)	(332,000)	(340,000)	(340,000)
Net cash flows from financing activities	**(72,264)**	**(68,333)**	**(69,593)**	**(59,407)**	**(67,346)**	**(74,665)**	**(83,039)**	**(94,293)**	**(99,394)**	**(103,737)**
Net increase/(decrease) in cash and cash equivalents	398,080	339,034	(542,176)	4,068	14,945	(53,004)	(56,216)	(44,150)	(99,083)	(140,102)
Cash and cash equivalents at beginning of year	(1,666)	(22,511)	(184)	(65)	(151)	438	(687)	582	(99)	249
Cash and cash equivalents at end of year	**43,582**	**38,349**	**15,838**	**15,654**	**15,589**	**15,438**	**15,876**	**15,189**	**15,771**	**15,672**

Tauākī tiro whakamua ki ngā panonitanga ki ngā tahua rāhui/tāpui
Prospective Statement of Changes in Restricted / Reserve Funds ($000s)

	Opening balance 2024/25	Deposits	Expenditure	Closing balance 2033/34	Purpose
Special reserves and funds					
Reserve purchase and development fund	782	-	-	782	
City growth fund	908	18,063	(18,063)	908	
Insurance reserve	14,713	14,839	(14,839)	14,713	Allows the Council to meet the uninsured portion of insurance claims
Total special reserves and funds	**16,403**	**32,902**	**(32,902)**	**16,403**	
Trusts and bequests	518	189	(120)	587	
Total restricted funds	**16,921**	**33,091**	**(33,022)**	**16,990**	

Tauākī mahere pūtea taurite
Balanced budget statement

The Council maintains a balanced budget for the first two years of the Long-term Plan and for years 4 and 5. In year 3, we have recognised a loss on derecognition of assets of $3b due to the transfer of assets to the water services entity. This results in a significantly unbalanced budget for year 3.

From years six to ten there is a budget imbalance where either operating costs are funded through debt, or where the depreciation has not been fully funded by rates.

There are situations where some operating expenditure is financed by debt initially and subsequently that debt is repaid by rates over time. Examples of this would be where the benefit of that expenditure occurs over multiple years (e.g., grant funding for a long-term asset owned by another entity).

For depreciation that is not fully funded by rates, an example is where due to the revaluation of our water infrastructure assets on 30 June 2022, which saw a significant increase in the value of our water assets, it was decided to not fully fund the depreciation.

We are also forecasting to not fund depreciation costs on some of our other assets which are unlikely to be replaced. While the Council is forecasting a balanced budget in the first five years of the Long-term Plan, it is important to note the Council is recognising significant revenue in the first three of those years to fund the sludge minimisation project. If this funding was not included, the Council would not be setting a balanced budget for those years of the plan.

Refer to Volume 3 for the Balanced Budget Benchmark in the Financial Strategy under Local Government (Financial Reporting and Prudence) Regulations 2014 Disclosures.

Financial Strategy

Draft

2024-34 Long-term Plan Amendment

Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

Contents

Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

Introduction

The Council’s financial and infrastructure strategies are the main foundations for the long-term plan (LTP). The strategies are interdependent in that they together:

- tell a story about the levels of service that are planned, the required infrastructure investment, and the associated costs;
- specify the funding and investment boundaries and/or financial trade-offs in advancing the Council’s outcomes, priorities, and proposed levels of service; and
- identify and guide the management of any financial risks to service delivery and the financial health of the Council.

Both strategies respond to the strategic challenges, issues and expectations faced by the city.

This Financial Strategy outlines our overall approach to managing the Council’s finances over the next ten years. It provides guidance to manage financial risk, and it explains the effect of spending decisions and funding choices on levels of service, rates, debt, and investments. In the meantime, the funding options available to the Council are limited. We must make careful decisions about what we invest in and when, to provide the required service in the most cost-effective way. We must also ensure that those generations that benefit from the services we provide are the ones that pay for those services.

This strategy also sets the limits (e.g., rates, debt) within which the Council proposes to manage its finances over the life of the LTP.

The Council is committed to responding to the needs of the community in an affordable way as well as funding long-term projects to support its vision: *Poneke: A creative capital where people and nature thrive*. However, the Council faces significant demand for increased investment in its infrastructure while investment capacity is reducing. We must also ensure that those generations that benefit from the services we provide are the ones that pay for those services.

Part 1 - Our investment capacity and infrastructure demands

The biggest challenge for the Council is that our investment capacity is reducing but our infrastructure demands are increasing faster than our ability to fund the required work. Key contributors to this are outlined below.

Investing in the City

The 2021 LTP established a 2040 vision for the City to be 'an inclusive, sustainable and creative capital for people to live work and play'. The 2024 LTP broadly continues this ambitious vision by investing in significantly improving services and infrastructure. We must also focus on accommodating expected growth[1]. We are a compact City, and our district plan looks to accommodate this growth by intensifying existing residential areas. This may see an increase in mixed use properties (e.g., both commercial and residential). We expect no other significant changes in land use. There are minimal operating costs associated with growth and land use change. Capital cost implications are detailed below.

To meet our vision, over the last two LTPs the Council has made strategic decisions to invest in many projects, including core infrastructure, the new build of the Tākina Convention Centre, and reinstating earthquake prone buildings such as the strengthening and modernisation of Te Matapihi Central Library and the upgrade of the Town Hall. This has been funded by taking on additional debt, which has resulted in the Council's debt more than doubling since 2017[2]. While the current debt held by the Council is well within the covenant limits set by the NZ Local Government Funding Agency (who the Council borrows most of its debt from) we are above the limit of the internal self-imposed debt to revenue cap for the first six years of the LTP. As a result, we need to carefully consider what projects we pursue in the future.

In this LTP the Council is focused on delivering core services, such as waters and transport. Because of decades of underinvestment in infrastructure and the long tail of earthquake impacts on many key buildings across the city, our required investment in our core assets is significant. Council is committing to 'looking after what we have'. There is little scope for us to significantly increase level of service targets over the next 10 years[3].

Our infrastructure demands

The Council's Infrastructure Strategy (IS) identifies significant needs, challenges and options for managing infrastructure over the next thirty years. The IS signals where asset investment or optimization (including divestment) may be needed.

The IS identifies five infrastructure challenges that are key drivers of the financial sustainability challenges addressed in this strategy:

1. **Population growth and changing demand and expectations**. Wellington has sustained a steady 1.2% population growth per year from 1998 to 2018. The forecast growth rate going forward is lower at 0.8% per year. This will still result in between 50,000 - 80,000 extra people over the next 30 years and requires approximately 24,000-31,000 more housing units. An aging population, changes to household size, more intense and mixed land uses, and accessibility requirements affects the range of infrastructure / services needed while increasing the demands on the

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[1] Wellington City's population is forecast to grow 26% between 2021-2054 and the 2021-31 (Sense partners population forecast)
[2] As at 30 June 2017 the Council's borrowings were $582m it is now more than $1.4b
[3] Levels of service are what we have agreed to deliver to, and on behalf of, the community. These are set through the Council's LTP, sometimes in response to community desire, and sometimes in response to statutory requirements.

existing networks across the city. Many infrastructure networks will require more or new investment to support this forecast growth particularly the intensification of existing urban areas and along key public transport corridors as signalled in the Spatial and Proposed District Plans.

2. **The aging and declining condition of our infrastructure portfolio** - in particular water and transport networks. The age, condition and performance of our water assets is under significant stress. These assets, which were designed at a time to service a smaller population, less housing and different weather patterns, require significant on-going investment at a scale far greater than in recent years. Wellington's topography constrains our ability to add or widen corridors for our transport network. This lack of capacity shows up as congestion on the roads and creates safety issues, especially for vulnerable road users. To maximise the safety and efficiency of our network, increase the provision of safe convenient and reliable low carbon transport mode options, relocation of some space away from inefficient private vehicle traffic lanes and parking to higher capacity public transport and active mode corridors. To deliver these changes in our transport system, considerable investment will be required for decades, either through government or some other funding mechanism.
3. **Mitigation and adaptation to climate change.** Much of our infrastructure was planned and built before we considered the impact on carbon emissions. To reach our goal of a 57% reduction in emissions by 2030 and achieve net-zero carbon by 2050, we must rethink and redesign our infrastructure. Climate change is already affecting New Zealand, impacting its natural environment, economy, and communities. Without proactive adaptation, further climate-related changes are expected to significantly impact our infrastructure. Previous weather events underscore the exposure of Wellington's infrastructure to various climate-related impacts, such as extreme weather events, sea level rise, flooding, coastal inundation, erosion, landslides, and rising temperatures. Future costs to the Council for making infrastructure more resilient will be material. Estimates indicate that the cost of not taking action to address climate issues is seven times higher than the cost of safeguarding our current and future infrastructure.
4. **Mitigating earthquake hazards, buildings earthquake resilience and insurance cost inflation.** Wellington faces threats from earthquakes, landslides and the effects of climate change. Wellington is a hilly city. It has many bridges and retaining walls, and limited access points - these critical links must be resilient. This means ensuring they can withstand the impact of earthquakes and other natural disasters, so people can continue to access essential services. To be a seismically resilient city, much of our infrastructure needs to be remediated, particularly buildings and facilities. Seismic resilience is also about ensuring safety and access to lifeline services. Many of the Council's buildings are not earthquake-prone, but some are, and require remediation. This includes a few key public use buildings. In this environment, insurers are limiting their exposure to the region's hazards by narrowing cover and/or increasing the cost of cover.
5. **Affordability, funding and market capacity to deliver the require infrastructure investment programme.** The costs associated with maintaining, operating, renewing, and upgrading the Council's significant portfolio of infrastructure are substantial and have been increasing materially since the COVID-19 pandemic. Funding tools are limited, and while the Infrastructure Funding and Financing Act 2020 provides an 'off balance sheet' solution not impacting borrowing limits, the costs still fall to the community who themselves are facing cost increases and affordability issues. Added to this, Civil Contractors New Zealand reported that the civil construction industry face major challenges including greater uncertainty for future projects, attracting and retaining skilled people, cost escalations and supply chain issues.

Addressing these challenges has been constrained by a recent history of incomplete asset management, data maturity and under investment in asset maintenance and renewals. Progress has been made to collect more and better information about our assets, particularly our most critical assets. We need to maintain or even increase our investment in this area to ensure we can continue to make good decisions about when investment in our infrastructure is optimal.

The current economic environment

The economic and community operating environment has dramatically changed since the Council prepared its 2021-31 LTP. We are operating in an environment of high inflation, high interest rates and borrowing costs have increased steeply since 2021. Insurance premiums continue to rise while access to insurance for many of Council's assets is becoming more difficult. Put simply, everything we do is costing more to deliver. While the Council's current financial position is strong with a credit rating of AA (negative watch) and total assets of over $10b, the Council is now facing and addressing:

- Material near-term cost and affordability challenges; and
- Medium to long-term balance sheet and funding constraints.

Day-to-day costs have also had a significant impact on our community. Households are under financial pressure in this economic environment, with Council's main source of income being rates, careful decisions need to be made about what the community can afford. There is growing community pressure for the Council to live within its means (i.e., deliver affordable services). Successive years of double-digit rates increases are eroding community perceptions of service affordability and rates increase tolerance – particularly as cost-of-living pressures continue.

In 2007 a Local Government rating inquiry report found that as a rough benchmark, affordability problems could arise where rates exceed 5% of gross household income. Wellington City as a whole remains below this indicative benchmark level (even when including the proposed sludge levy). However, rates across Wellington City vary greatly and there are suburbs in Wellington where the 5% affordability benchmark has been reached.

There is no easy solution. High inflation and costs (particularly the cost of borrowing) in the current economic environment is restricting what we can afford to do. The 2023 Future for Local Government review found that local authorities face significant funding challenges constraining their ability to deliver services to their communities, meaning there is limited capacity or resource to work with communities on more complex challenges. It also noted that the current local government funding and financing system is not sustainable[4].

We will work collaboratively with other councils and central government to seek changes to provide a sustainable funding model for local government and support new ways to deliver core services. For example, supporting the establishment of a new style of regional council-controlled organisation that has the mandate and financial sustainability to ensure the provision of a safe, reliable, quality water service for our communities.

In the meantime, the funding options available to the Council are limited. We must make careful decisions about what we invest in and when, to provide the required service in the most cost-effective way.

Managing future risk

While we need to think about the immediate cost pressures, we also need to make sure we can respond to future challenges and natural disasters. Our balance sheet currently lacks the resilience to meet possible future events, which we are looking to address through this financial strategy.

[4] Review into the Future for Local Government (2023) He piki tūranga, he piki kōtuku, Wellington: New Zealand.

The Wellington region has numerous large known faults such as the Wellington and Ohariu faults. The 2022 revision of the National Seismic Hazard Model estimates the likelihood of future earthquake shaking hazard to have increased throughout most of the country. Further, recent weather events in New Zealand have highlighted the impact of a changing climate.

If such an event were to occur in Wellington, we need to have the financial capacity to respond accordingly. The Council's current investment portfolio effectively has two main assets (WIAL shares and ground leases) and is highly exposed to disruptive events such as the COVID-19 pandemic or natural disasters.

Part 2 – Responding to Council's financial challenges

The Council is committed to responding to the needs of the community and the aspirations for the City's future. The budget and investment programme in the 2024-34 LTP underpins the vision and the nine LTP strategic priorities guiding the Council's LTP work programme.

In addition, the development of this strategy and future financial decision making is informed by the advice of the 2023 Citizens' Assembly Pilot (the Assembly). Relevant recommendations of the Assembly are that the LTP, as part of its medium-term focus, look to diversify revenue streams, advocate to central government for legislation changes to access alternative revenue streams, considers investments and partnerships to supplement rates revenue and prioritising capital spend according to affordability.

In this environment our ability to maintain the pace of delivery for our capital investment programme and maintain prudent financial planning and management is increasingly under pressure. To address these challenges, the Council is planning to:

1. Continue to invest in the city but rephase and reprioritise the capital programme of works, with a focus on completing projects that we have started, looking after our existing assets, and meeting regulatory requirements. The Council is increasing its borrowing capacity by reducing the capital programme over the ten years of the Long-term Plan using these principles.
2. Seek opportunities to increase non-rates revenue and make efficiencies and some reductions in levels of service to manage immediate cost pressures.
3. Make better use of investments to better deal with the risks and external costs pressures more effectively. This includes diversifying the Council's investment portfolio through the creation of a disaster resilience fund. The Council's investment assets are highly concentrated in terms of geography, asset type and liquidity.
4. Look for long-term solutions for local government funding and financing, including continuing to advocate and support change for the establishment of a new style of regional council-controlled organisation that has the mandate and financial sustainability to ensure the provision of a safe, reliable, quality water service for our communities.

Continued investment in assets

The IS provides details of the level and timing of investment needed to operate, replace, renew and upgrade existing facilities over the next 30 years.

The Council primarily borrows to pay for the construction/purchase of new assets. These assets generally provide new or enhanced benefits to Wellington for many years. Borrowing therefore has the advantage of being a cost-effective and equitable way to fund these assets as it spreads the cost of the asset over the future generations of ratepayers who will benefit from the use of the asset.

If the capital expenditure relates to the replacement (renewal) of an existing asset, that expenditure will be initially funded by borrowings but be repaid by rating for depreciation over the life of the asset. Any surplus rate funded depreciation, after paying for the replacement of Council assets, will be used to repay borrowings.

The increased investment in infrastructure to provide for growth is proposed to be recovered in part through development contributions. However, the Council also funds growth infrastructure through debt. Over time as new lots are created and new houses and apartments are built across Wellington there will also be more properties to share the rates across, reducing the impacts on existing ratepayers.

The Councils capital programme has been updated to reflect the transfer of three waters assets to a regional Councill Controlled Organisation as at 1 July 2026. The Council has also received a reduction in funding from the National Land Transport Plan (NLTP). New Zealand Transport Agency/Waka Kotahi (NZTA Waka Kotahi) approves funding on a three-year cycle based on the Government's priorities for the same period. The funding level approved for one three-year period is not an indication of funding in the future years. The Council has reduced its capital programme to mitigate the loss of funding from the NLTP for the current three year cycle, over the ten years of the plan.

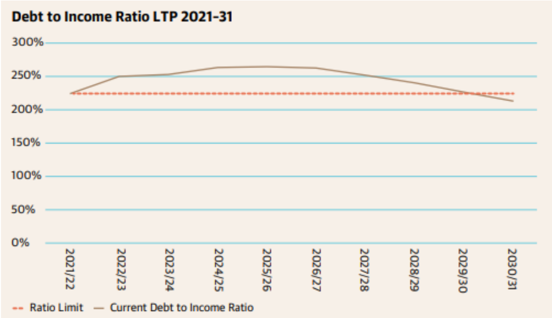
The Council must operate within its debt covenant levels and therefore there are limitations on the level of investment in assets it can undertake based on the amount it can afford to borrow. Due to the significant underinsurance, and a constrained private insurance market, the Council is increasing its borrowing capacity and established a disaster resilience fund to self-insure in the event of a natural disaster. The Council has increased its borrowing capacity over the ten years of the Plan by reducing the capital programme and reducing the self-imposed debt/revenue ratio to 200%.

The Council borrows from the NZ Local Government Funding Agency, who set a debt to revenue ratio covenant of 280%. The Council has set its own debt to revenue ratio limit at 200%, starting from 2025/26. The Council's debt to revenue ratio limit has historically included a provision for insurance headroom of $272m. This amount was set in the 2021-31 LTP and reflected the "gap" in insurance coverage available to the Council. The current financial strategy removes the insurance headroom from year 2 (2025/26) of this plan. In the event of a natural disaster the Council will have borrowing capacity up to the 280% LGFA limit. By reducing its self-imposed debt/revenue ratio limit, the Council is creating increased headroom to respond in the event of a natural disaster.

The Council's own limit has been set giving regard to:

- The Council having the future cashflows to repay the debt;
- The ability of ratepayers to service debt – including both interest and repayments;
- Having necessary debt facilities, credit rating and security in place, which is achievable over the medium to long-term; and
- Maintaining financial headroom to deal with unknown shocks.

In preparing its 2021-31 LTP, the Council was forecasting to exceed its debt to revenue limit in the first seven years of the plan. While the Council's actual debt to revenue ratio has not exceeded the 225% limit to date, debt has still increased significantly.



With significant increases in construction costs, the scope of works being undertaken (for example the cost of the Town Hall remediation being significantly higher than planned) and the size of the Council's capital expenditure programme, the Council is expected to exceed its own debt to revenue limit in this LTP period. However, there is a need to manage the costs of the Council's future capital programme to ensure that debt can be managed, the Council operates within its own debt to revenue limit over the ten years of the plan, and does not breach the debt to revenue covenants set by the NZ Local Government Funding Agency.

Another critical impact of funding capital expenditure through increasing debt, as well as through depreciation funding, is on future operating expenditure (and therefore on future rates). As both our asset base and our level of debt grows, so do operating costs of debt financing and asset management and renewals. These increasing cost pressures include:

- Increasing interest payments as the debt principal increases
- Increasing depreciation as the value of total assets increases
- Increasing costs of operating costs such as repairs and maintenance and insurance.

To respond to these pressures and to increase borrowing capacity, the Council has reprioritised and rephased the capital programme using the following principles:

- Complete works underway - examples include things like the Town Hall, Te Matapihi Central Library, parking enforcement technology roll-out etc.
- Deliver what is legislatively or contractually required – examples include Phase 2 of the Housing Upgrade Programme, multi-year contracts, earthquake strengthening; and
- Invest in areas where there are material infrastructure challenges e.g., three waters.

The remaining capital works programme has been rephased, reprioritised and rescoped so that it is evenly distributed over the ten years of the plan or beyond and fits within the available budget parameters.

Growth

Forecasts indicate steadily ageing population and smaller households as family sizes continue to decline. The population is seeing an increasing proportion of people in the 55-to-85-year age brackets, and the 20-to-30-year age group. There is a decreasing proportion of the population in the under 20-year age bracket and the 30-to-50 age group. National population projections from the 2013 disability survey indicated a 45% increase in disabled population to 2038 compared with 31% increase in total population. The same survey indicated nearly 60% of people over 65 identified as disabled. Changing demographics affects the range of services we need to provide and demands on networks across the city – and long-term changes to household size, more intense and mixed land uses, and accessibility requirements.

The Council is planning to accommodate the growth of the city predominantly through intensification of existing urban areas and along key public transport corridors as set out in the Spatial Plan and Proposed District Plan. This will require new infrastructure including higher capacity public transport corridors to sustain growth, and existing infrastructure to be upgraded.

Capital Expenditure

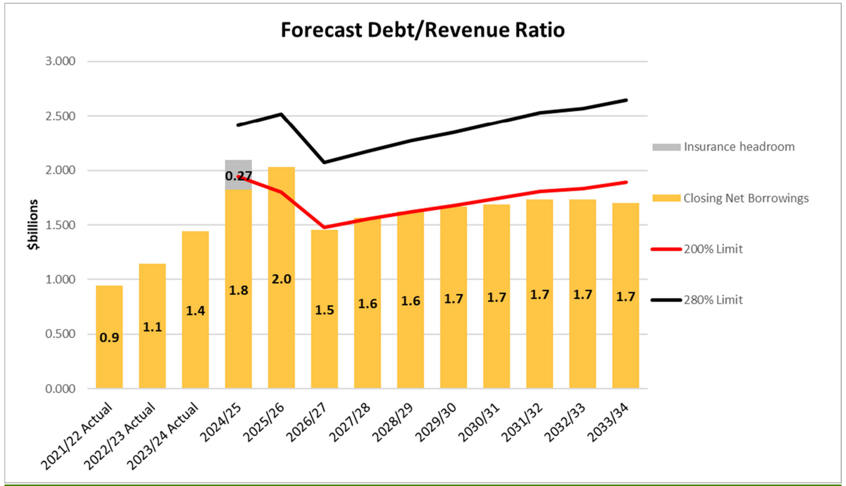
The Council is investing $3.5b in its capital programme over the 10-year period of the 2024-34 Long-term Plan. The below table shows the total cost of capital projects over the 10-year period of the 2024-34 Long-term Plan categorised by type of expenditure.

	2024-34 Long-term Plan			
	Renewals	LOS	Growth	Total
Activity Group	($000's)	($000's)	($000's)	($000's)
Water supply	25,684.25	3,451.44	891.75	30,027.44
Wastewater	35,631.53	365,200.62	32,987.11	433,819.26

Stormwater	3,286.13	5,625.41	314.37	9,225.92
Transport	438,481.26	421,265.03	70,740.59	930,486.88
Other Activity Groups	1,312,582.03	524,498.50	214,075.11	2,051,155.64
Total Capital Expenditure	1,815,665.19	1,320,041.01	319,008.93	3,454,715.14

Debt

The Council's net debt is expected to decrease to $1.7b by 2033/34. This is a result of the reduction in the capital programme to increase borrowing capacity, and the transfer of water assets to a new water services entity.



For the debt to revenue ratio, income is defined as total revenue less development contributions, financial contributions, vested assets, gains on derivative financial instruments, sludge minimisation revenue and gain on sale of investments. Borrowings is comprised of total borrowings less cash and cash equivalents and Other Financial Assets.

~~The forecast shows that the Council will exceed its self-imposed debt to revenue limit, for the first five years of the plan, however it gradually returns within its limit in year six. three~~ The Council decreases the self-imposed borrowing limit from 225% to 200% from 2025/26 onwards. Our forecast shows that the Council will exceed its self-imposed debt to revenue limit for four of the first five years of the plan, then it gradually returns within this limit in year 6.

Following reductions to the capital programme over the ten years, the Council has increased its borrowing capacity between the self-imposed debt to revenue ratio limit of 200% compared to the LGFA limit of 280%.

The Board of LGFA may be able to approve bespoke lending covenants to a Council where this might be required to recover from a significant natural disaster that impacted the ability to remain within those set out in the LGFA's Foundation Policy. This would only be for a short term and would come via negotiation with the LGFA Board and would require bespoke reporting and monitoring arrangements to be put in place to ensure a path back to compliance with the Foundation Policy. Given this is bespoke and not guaranteed we have not forecast this in our strategy.

The debt to revenue ratio reduces from year six mainly due to surplus depreciation funding that is not spent on renewals. It is important to note that surplus depreciation is expected at this point in time due to the increased investment in new assets that are being depreciated incrementally over their useful life. Renewal of assets have been phased over the ten years due to affordability restraints which means postponements to some maintenance and renewal work. Funding for renewals from Year 11 onwards is planned to increase due to the rephasing and postponement in Years 1 to 10.

The Council will need to continue to monitor its capital programme to ensure it remains within the debt to revenue limit, this will act as a key metric in making future capital expenditure decisions. The Council will also need to ensure that borrowing capacity is maintained within its debt to revenue ratio to respond to any natural events (e.g. earthquake).

Risks to levels of service

Transport

We have a higher cost of transport road maintenance in Wellington City relative to other councils with similar transport networks. The sub-structure of Wellington's roads consists of flexible, highly water susceptible clays. This creates issues with the maintenance of the network. The construction of a roading network within the topographical constraints of the area has resulted in the need for a substantial number of structures across the district. This steep topography also requires an extensive network of drainage assets as we need to control the stormwater runoff. These combined challenges create a cost of maintenance environment which is high and there is no easy solution.

High axle loads from Electric busses is also leading to accelerated pavement deterioration on bus routes.

We also have an aging asset base which becomes more expensive to maintain while delivering the service levels our customers expect.

In this LTP we are planning to fund renewals at approximately 77% of what is forecast in the asset management plans for transport. In doing so, we will seek value for money options through good procurement practices and review programme options for more cost-effective options. Deferring 25% of renewals does carry some risk that levels of service received by the community is lower than planned. This risk is mitigated by having very high confidence in the condition of the roading network, with recent and ongoing assessments of data taking place for the entire portfolio. We will prioritise renewals where the greatest need is, such as, safety, resilience, connectivity, and mode shift.

Three waters

The Council's preferred option is to transfer its three water assets to a regional Water Services Entity as at 1 July 2026. In preparing the 2024-34 LTP the Council prioritised investment in water supply to address the number of water leaks and the risk of a water shortage, but there are a few wastewater and stormwater projects that are not proposed to proceed in the next ten years. For example, the Moa Point and Western Wastewater Treatment Plants require significant renewals as many of these assets are at the end of their useful life. While investment was planned to occur, it was not at the level recommended in advice from Wellington Water, who manage the asset. Funding was included in the budget to progress concept design of core activity to allow further prioritisation and could be quickly implemented if failure occurs. Taking this approach increased the risk that there may be periods of non-compliance with consents, odour issues and impacts to water quality. With the Council's proposal to transfer its three water assets, the investment profile will be up to the regional water services entity. Our analysis shows that the regional model is the most efficient way of achieving the appropriate investment in three waters assets.

Unplanned Events

Unplanned events require earlier than planned investment (e.g., Civil Defence emergencies, natural events, river slips, fire, theft, and safety concerns). These events, if they occur, could result in significant unplanned operating and capital costs. The Council has mitigations that can be executed in the case of such an event. The Council's debt to revenue limit is lower than covenants that would be set through lenders. Further, the Council has reduced its capital programme over the ten years of the LTP to increase its borrowing capacity, if required to respond to emergencies such as those caused by natural hazards and extreme weather events.

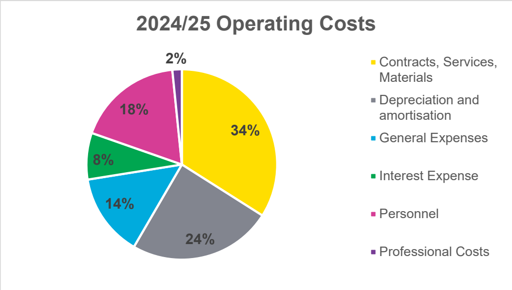
As part of this LTP the Council is looking to establish a disaster resilience fund. This fund could provide accessible funding in the event of a natural disaster or unplanned event, if required. Refer to improving balance sheet resilience section below.

Addressing the immediate affordability challenge

Paying for the city's everyday cost

Everyday costs should be paid for from everyday revenues. If we fail to achieve this, the everyday costs are funded by increasing debt. This means existing ratepayers are not paying for some of the services and amenities being provided to them. Using debt to fund everyday costs also means future ratepayers will pay for this cost, including interest. This is neither prudent nor sustainable.

The costs to undertake Council services are higher than previously anticipated. Next year alone, we’re forecasting cost increases for depreciation (the cost of looking after our existing assets); $26m, interest $11m and inflationary pressures). Operating costs are forecast to be $996m by 2033/34, an increase of 22% from the 2023/24 Annual Plan. Note that operating costs have been updated to exclude water related costs from 1 July 2026.



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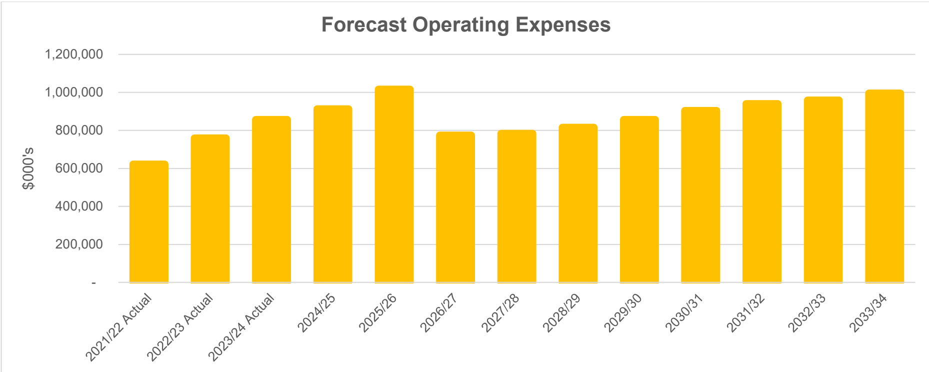


Note this graph does not include the Loss on derecognition of assets in 2026/27 due to the transfer of three water assets to the new water services entity.

To mitigate the increase in everyday costs the individual budgets included in the draft LTP have been scrutinised and refined. This has been a rigorous process over the last year. The focus has been on ensuring we're delivering core services. For example, we have cut back spending on removal of graffiti and events, including the annual fireworks display.

Depreciation

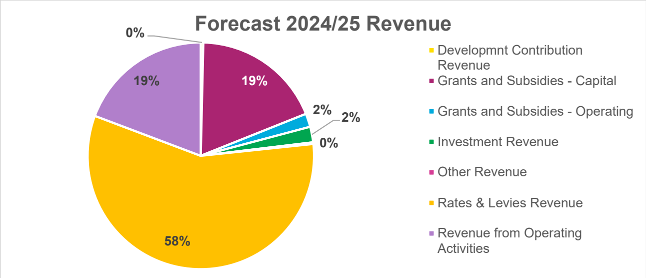
In the 2022/23 Annual Plan, due to a significant revaluation increase of the Council's water infrastructure assets, it was decided that the depreciation on the Council's water assets would be funded by rates based on the quantum of the three waters renewals capital programme for 2022/23 and 2023/24, and the Council was planning to return to fully rates funding the depreciation by 2028/29. However, this decision will be considered in the future by a new water services entity. Based on this, it was resolved that the Council considered that it was financially prudent based on Section 100 of the Local Government Act 2002.

The Council has made further decisions to not rates fund the depreciation on some assets that are unlikely to be renewed at the end of their useful life. This means that the Council is not collecting sufficient revenue to cover its operating costs resulting in an unbalanced budget, which the Council has agreed is financially prudent.

While we are not fully rates funding depreciation, we are still collecting sufficient revenue from rates to fund renewals planned during the ten years of this plan.

Rates

Rates are the principal source of funding for the Council's activities. However, where the user of a service can be readily identified and charged, we generally set fees and charges that cover the costs of providing that service. The Council places a high reliance on revenue from rates. In 2024/25, the forecasted revenue from rates is expected to be 58% of total revenue. Exploring new revenue streams and central government funding will continue to be a priority throughout the period of the 2024-34 Long-term Plan.



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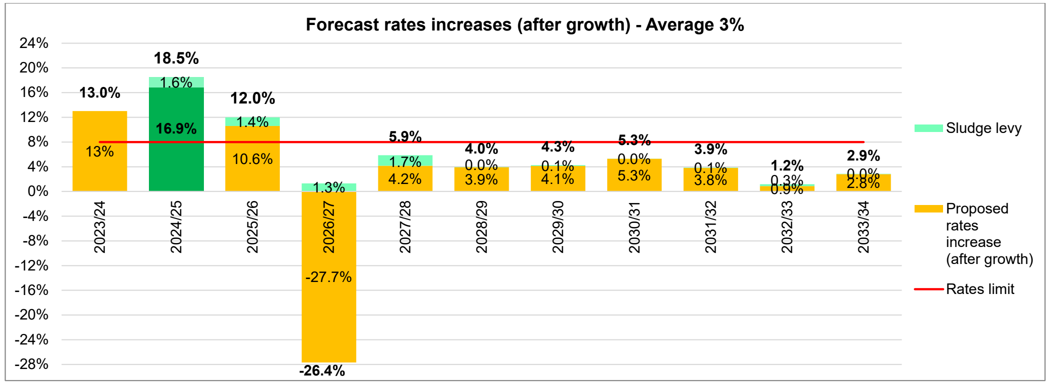


Note: the above table shows the proposed rates increase under the LTP-A. Excluding the transfer of three-waters assets, our rates increase in 2026/27 would be 11.40%. The other rates increase remain the same.

The Council's rating system has been considered with the intention that it represents the most appropriate rates options to address the present and future needs of the city. The Council has set a rates increase limit of between 5-8% (excluding the sludge levy) on average over the ten years of the Long-term Plan, however higher rates increases in the early years of the Long-term Plan are necessary to continue to fund the current levels of service. The Council will need to make prudent financial decisions to ensure it remains within this limit. The average rates increase for the 2024-34 Long-term Plan is 3%. This is lower than the rates increase limit, partly due to the transfer of our three waters assets. ~~The Council will need to make prudent financial decisions to ensure it remains within this limit.~~
~~Note that these~~All figures have been updated to exclude ~~water~~ water-related expenditure and revenue from 1 July 2026, due to the change required for the Government's water reform.

The basis for the rates increase limit is to balance affordability with increased investment required in our infrastructure. On average Wellington residents pay a lower share of their household income on rates compared to surrounding areas. Many residents benefit from relatively high incomes comparative to the New Zealand average. We also have a significant commercial sector that allows residents to afford higher levels of services than other smaller centres. The 2007 Shand report reviewing Local Government rating suggested a benchmark of rates around 5% of household income being affordable. There are however suburbs that are nearly paying 5% of their household income.

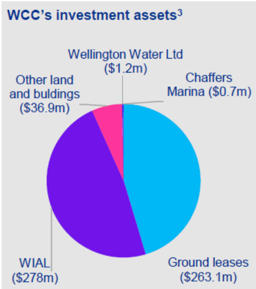
In July 2024, the Council will be introducing a new sludge levy to fund the cost of the new Moa Point sludge minimisation facility. This was approved under the Infrastructure Funding and Finance Act 2020 (IFFA), we consulted on this option through 2021/2022 and received support from the New Zealand Government (Cabinet and the Minister of Housing) in August 2023. We are collecting the levy on behalf of the special purpose vehicle owned by Crown Infrastructure Partners. The cost of the sludge levy for ratepayers needs to be considered when assessing affordability for our ratepayers.

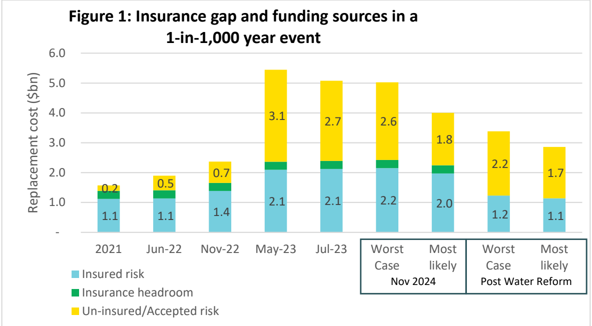
Improving Balance Sheet resilience

There are two main challenges to the long-term resilience of the Council's balance sheet – firstly, the Council's investment assets are not appropriately diversified, and secondly, the capacity available to insure Council's assets is becoming increasingly constrained.

Lack of diversification in the investment portfolio

The Council's investment assets are highly concentrated in terms of geography, asset type and liquidity. The investment portfolio has two main asset classes – WIAL shares and property ground leases – which make up 89% of the Council's investment assets. Both these classes of assets are highly exposed to the same risks and disruptive events, including natural disasters and market events, due to the fact that they are all property assets based in Wellington. Because they are exposed to the same risks, the Council may have limited ability to liquidate these assets if it needs funds to contribute to a recovery effort following a natural disaster or significant market disruption. With changes to national hazard modelling (discussed below), the likelihood that the Council would need to release capital following a natural disaster has increased significantly.





Cost and availability of insurance

Insurance premiums are increasing, and, in some cases, insurers are reducing the levels of cover available to manage their overall exposure to Wellington. The effects are being felt by both private and public property and asset owners. Compounding this, is the continued increases in building and infrastructure valuations which drive increases in the cost to replace assets leading to increased insurance premiums. These trends are forecast to continue in the future.

The release of the 2022 National Seismic Hazard Model has further increased the Probable Maximum Loss from a major event for many of the Council's assets. This means the financial impact of a seismic event is greater than previously thought. Additionally, recent weather events across New Zealand have highlighted the reality of climate issues and their impact, alongside more well understood seismic risks.

The combined effect of changes in loss modelling, and the impact of cost and availability of insurance is that the Council now has a significantly higher proportion of uninsured risk (between $1.8m to $2.6m, or post water reform between $1.7m to $2.2m) than it did when it set the 2021-31 LTP. The $272m debt headroom the Council previously held to cover uninsured risk is now far from sufficient to cover expected losses after a major event.

The three waters assets make up the majority of the total replacement cost of the Councils portfolio, however, the expected loss on these assets after an event is expected to be much less than other types of assets (such as buildings). This means that the reduction in the insurance gap is small, even though the reduction in insured value is large.

Reshaping the ~~investment portfolio~~Long-term Plan to achieve greater financial resilience

As a result of work undertaken over the last couple of years as part of the LTP Amendment, including the work the Council has been doing on an insurance road map, the Council has significantly reduced its capital programme to create additional borrowing capacity to be able to respond to a major event. This includes removing $385m from the capital programme and reducing our self-imposed debt-to-revenue ratio from 225% to 200%.

Along with the reduced capital programme, the Council intends to use the proceeds from periodic sales of selected ground leases to capitalise a disaster resilience fund. The proceeds in the fund would be used for the long-term benefit of the city by providing critical, accessible funding in the event of a natural disaster while continuing to supplement rates revenue through a conservative annual dividend stream. This approach reduces the Council's sole reliance on traditional insurance markets and complements insurance coverage by ensuring the Council has flexible, internally controlled capital available to respond to unforeseen events.

Other councils have taken similar action to manage their portfolios and enable long-term investment in their communities. Particular examples are the New Plymouth District Council Perpetual Investment Fund, the Dunedin City Council Waipori Fund and the Hawke's Bay Regional Council Future Investment Fund.

The benefits of recycling the Council's investment assets in this way are:

- Reduced geographic concentration meaning not all assets are subject to the same disaster risks and returns are decoupled from the performance of Wellington CBD.
- Increased diversification of the portfolio via the introduction of a new financial asset class and a reduction in exposure to the property sector.
- Increased liquidity of the portfolio to ensure funding is available for the Council in the event of a significant natural disaster and that the capital can be available at relatively short notice and with low exit costs (albeit only as a last resort).
- The investment portfolio can be matched to the unique risk tolerance of the Council
- Enable the Council to pursue other objectives. For example, Environmental, Social and Governance (ESG) factors can be taken into account when making investment decisions.
- Maintaining financial returns for the Council, albeit through new revenue sources including dividend and interest income.
- Improve intergenerational wellbeing through the building up of investment wealth and reduced reliance on future rates increases

The Council will also continue work on the insurance road map and through this work, consider strategic ways to deploy capital to get the best out of available options. These could include exploring new alternative insurance solutions (e.g., parametric insurance, captive insurance), or further changes to the shape of the Council's asset base.

Advocating for change in funding and financing for local government

The current economic environment has created significant challenges in setting the LTP budgets and balancing the need to invest in the City's infrastructure while still delivering the services Wellingtonians have come to expect. The infrastructure demands and needs will continue to grow. While, in the future, the economic conditions may improve the funding and financing system for local authorities is not sustainable.

The Council has taken up new financing mechanisms as they have become available, such as setting a levy in accordance with the Infrastructure Funding and Financing Act 2020 to fund the Moa Point sludge minimisation facility. The Council also supports future change, including the establishment of a new style of regional council-controlled organisation that has the mandate and financial sustainability to ensure the provision of a safe, reliable, quality water service for our communities.

We will continue to work collaboratively with other councils and central government to seek changes to provide a sustainable funding model for local government and support new ways to deliver core services in the medium to long-term.

Appendices – Other mandatory financial strategy disclosures

Financial Investments and Equity Securities

We hold investments in companies and trusts, property, and cash. The full policy on the Council's investment management can be found in the Investment policy [insert link on our website].

Investments in companies and trusts

The Council has investments in five companies and interests in three Trusts. The primary reason for holding equity in these entities are principally to achieve efficiency and community outcomes and not for financial return on investment.

Company	Shareholding	Principal Reason for Holding	Targeted return
Wellington Cable Car Company Ltd	100%	Maintains and operates Wellington's iconic Cable Car	Nil
Wellington Regional Economic Development Agency Ltd (WellingtonNZ)	80%	The city and region's economic development organisation	Nil
Wellington Waterfront Ltd	100%	Acts as bare trustee for the Waterfront project	Nil
Wellington International Airport Ltd	34%	Optimise the return on the overall investment portfolio and to diversify the Council's income sources	Between $10m and $30m per annum
Chaffers Marina Holdings Ltd	9.93%		Nil
Civic Financial Services Ltd	4.78%	Insurance and risk management	Nil

Company	Shareholding	Principal Reason for Holding	Targeted return
New Zealand Local Government Funding Agency Ltd	8%	Borrowing	$100k per annum
Trust	**Shareholding**	**Principal Reason for Holding**	**Targeted return**
Karori Sanctuary Trust (Zealandia)	100%	Manages ongoing conservation and restoration work at its sanctuary in Karori	Nil
Wellington Museums Trust (Experience Wellington)	100%	Manages educational and cultural facilities and experiences	Nil
Wellington Zoo Trust	100%	Manages the Wellington Zoo, provides experiences and education and supports conservation initiatives	Nil
Not yet established	**Shareholding**	**Principal Reason for Holding**	**Targeted return**
Disaster resilience ~~& water CCO~~fund ~~(not yet established)~~	100%	Provides funding for major disasters	TBC
Water delivery CCO ~~(not yet established)~~	~~-~~TBC	Joint water delivery. Note: The foundational governance documents for the new entity are ratified in December. Full details of this organisation will be unknown until then.	TBC

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Investments in property

The Council's ground leases, and land and buildings are held primarily for investment purposes. The Council periodically reviews its continued ownership of investment properties by assessing the benefits of continued ownership in reference to strategic benefit, financial return, risk, and opportunity cost.

Cash

The Council operates on a "net debt" basis and does not separately maintain significant long-term cash investments. The general policy with respect to surplus short-term cash is to invest any short-term surplus cash or to temporarily reduce borrowings.

Cash is held for liquidity purposes like the prefunding of debt maturing within 18 months, or short-term cash surplus investments. The Council has an external lending covenant relating to liquidity whereby we must hold 115% of liquid assets over debt, this is supported by cash held in current accounts and term deposits.

Policy on Giving Security for Borrowing

To borrow cash, we must offer our lenders security, just like residents do with their mortgage.

Like most councils, debt is secured against rates income. Lenders like this as security and it helps keep our interest rates low. Giving rates as security means that our lenders can make us charge ratepayers more to repay debt. That is why it is important to keep our debt at a sustainable level.

We may also offer other security, including physical assets, in certain circumstances. The full policy on giving securities can be found in the Liability Management Policy [insert link to our website].

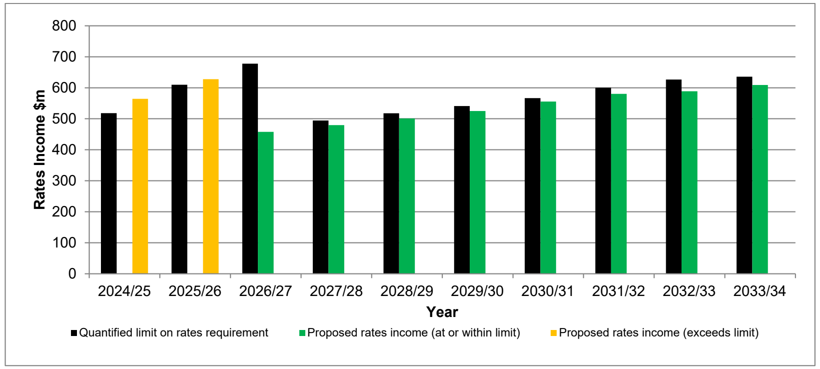
Local Government (Financial Reporting and Prudence) Regulations 2014 Disclosures

We have included the Disclosure Statement in this Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. The purpose of this statement is to disclose our planned financial performance in relation to various nationally consistent benchmarks. These benchmarks enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

These measures allow for comparison of financial performance with other councils. However, 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.

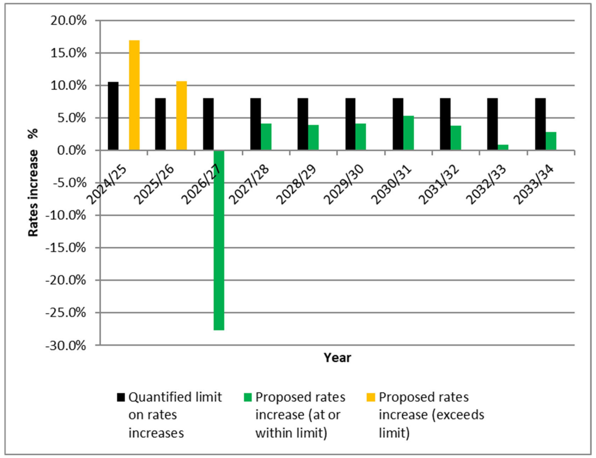
Rates affordability benchmark

The following graph compares the council's planned rates increases with a quantified limit on rates included in the financial strategy. The quantified limit is an average rates increase of between 5-8% over the ten years of the LTP.



Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is an average rates increase of between 5-8% over the ten years of the LTP.



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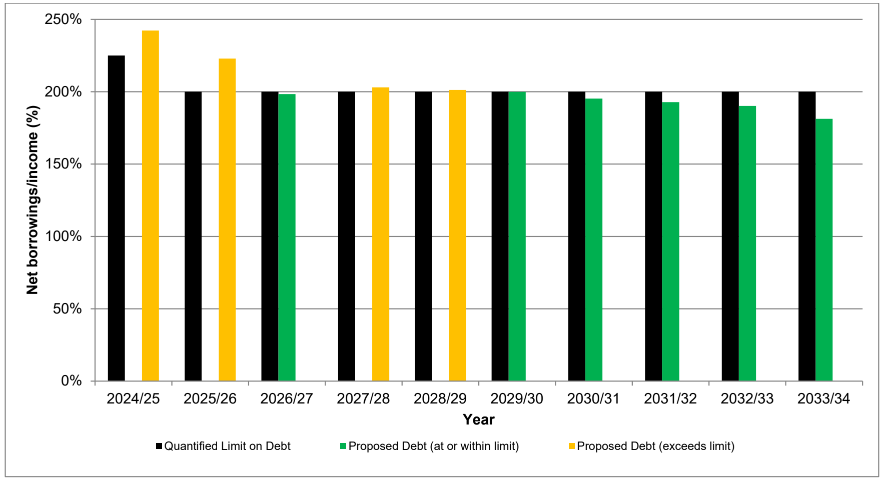
Debt affordability benchmark

The following graph compares the council's proposed 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% of income. For this measure income is defined as total revenue less vested assets and development contribution income.

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowings.

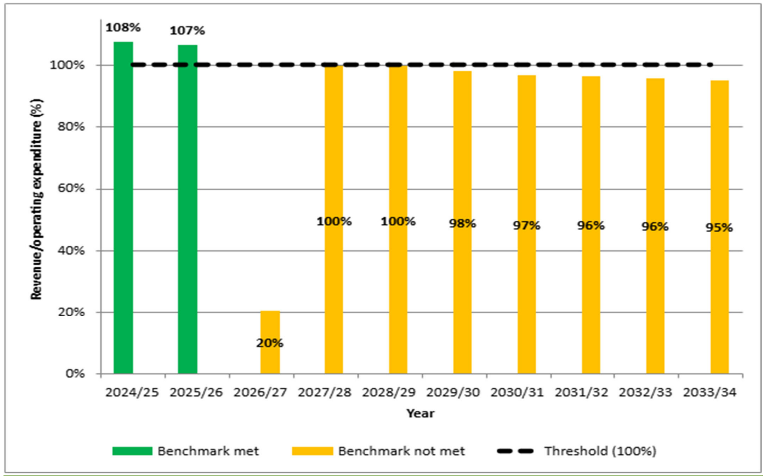


Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, revaluations of property, plant, or equipment, and gains on sale of investment in associates) 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 planned revenue equals or is greater than its planned operating expenses.

Where council does not meet this benchmark, this is due to some of the planned operating expenditure being initially debt funded and in some cases is then rates funded to repay the debt for the purposes of inter-generational equity. The first three years includes capital revenue for the sludge minimisation facility. Year 3 (2026/27) includes the loss on derecognition of assets of $3b~~n~~ related to the transfer of our three water assets to a new water services entity.



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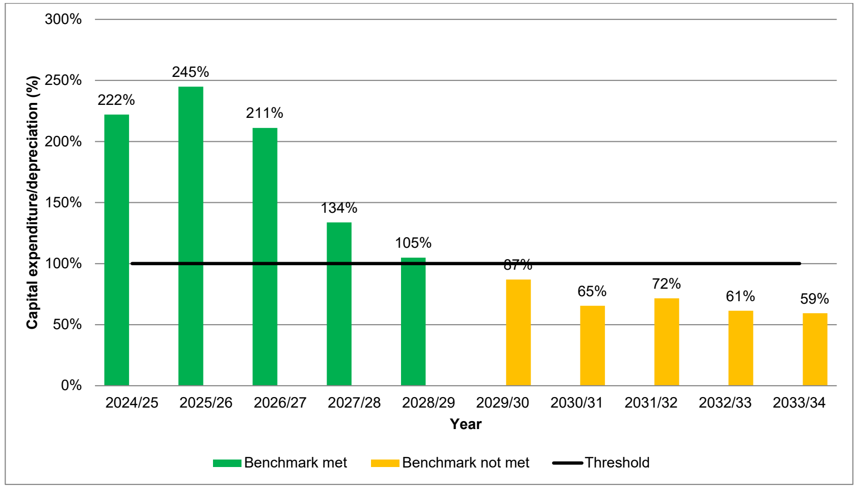
Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services. Essential services comprise expenditure on the three waters and transport.

The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

In years 5 to 10 of the plan, the level of capital expenditure on network services falls below depreciation. This is driven by capital expenditure to improve levels of service occurring in the later years; the depreciation impact from this capital expenditure lags behind the investment. The depreciation is only for the existing assets in commission and is not related to the capital expenditure of assets yet to be commissioned.



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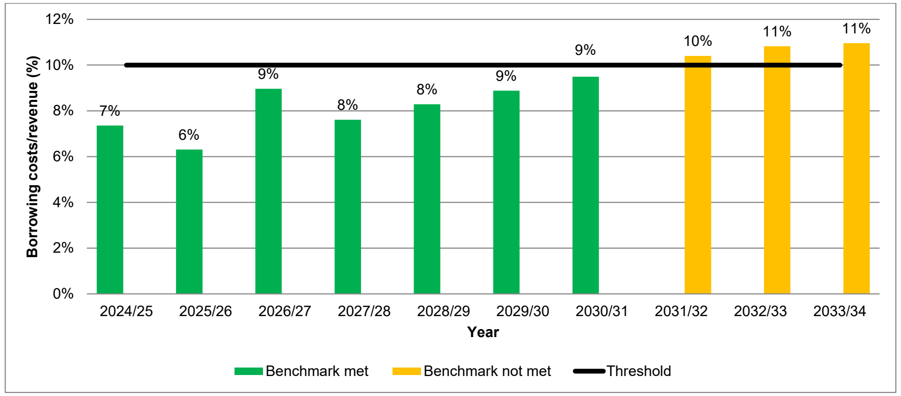
Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned 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 more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Infrastructure Strategy

17 Feb 2025

The Infrastructure Strategy has been amended because of the 2024-34 Long-term Plan amendment process. This was triggered by a Council decision to begin a process to remove the sale of the Wellington International Airport Ltd shares from the plan. Therefore, requiring a change to how the Council addresses its two key financial risks.

A review of the Council's capital programme was undertaken as part of two alternative options for addressing the Council's two key financial risks. These options, where possible, including the Council's preferred option, are reflected in changes to the Infrastructure Strategy.

Capital programme changes

A review of the Council's capital programme was undertaken as part of two options for addressing the Council's two key financial risks.

The decisions made about the capital programme by the Council are reflected in this amended Infrastructure Strategy and other underlying LTP information.

Decisions about the capital programme review have not resulted in a material impact for any Levels of Service, and therefore these have not been amended in this Infrastructure Strategy. The proposed changes largely relate to planned upgrades.

National Land Transport Plan

National Land Transport Plan funding allocated to the Council for 2024 to 2027 was lower than assumed in the 2024-34 LTP. This has resulted in a shortfall of revenue of approximately $68m over years 1-3 of the 2024-34 LTP. The capital programme decisions resulted in savings in many of the same areas that received a reduction in funding. See pages X to X for more information.

Water reform

We have amended this Infrastructure Strategy to address Council's response to the Government's Local Water Done Well reforms. Council has confirmed a Wellington regional multi council water Council-Controlled Organisation as the future service delivery model. This option was the preferred option for consultation and received overwhelming community support as the preferred delivery model. The final delivery model will be subject to decisions made by other councils in the region, all of which are expected to be confirmed by 30 June 2025.

This means there is some degree of uncertainty on the ownership and maintenance of water infrastructure. As a result, we have amended this Infrastructure Strategy to reflect the preferred option (i.e. a regional Council-controlled Organisation from 1 July 2026). We anticipate further changes to the Infrastructure Strategy will be required following transfer of water assets for 1 July 2026. However, until that occurs, the Infrastructure Strategy remains valid.

Decisions taken as part of the 2025/26 Annual Plan include an increase in funding for 2025/26 to continue the increased investment in addressing 3 Water infrastructure challenges. These changes are reflected in the Infrastructure Strategy where appropriate.

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

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Introduction

He toka tū moana, ara he toa rongonui | Strong like a rock in the rapids

A city's infrastructure is crucial for residents to thrive and is often taken for granted. Poor infrastructure can have significant negative consequences, affecting environmental outcomes, public health and safety, and community and business confidence.

Local authorities play a key role in creating, regulating, and using infrastructure to deliver services to the community. About 40% of New Zealand infrastructure is managed by local governments, supporting various aspects of wellbeing.

Well-maintained infrastructure in the right location with sufficient capacity and resilience is integral to the economic prosperity and social wellbeing of Wellington's residents. The provision of fit-for-purpose infrastructure needs good asset management practices and integrated strategic thinking towards a long-term view of our infrastructure needs.

However, reliable and future-focused infrastructure is expensive, requiring prioritised and protected funding for renewals, replacements, and growth. This investment must be affordable, have intergenerational benefits and meet the Council's other investment priorities.

The provision and maintenance of the city's infrastructure requires good asset information, good asset management practices and strategic thinking. The Infrastructure Strategy, informed by the city's vision and outcomes, plays a role in the Council's long-term planning, and is required for a period of at least 30 years to inform the Long-term Plan (LTP). The strategy aligns with strategies and asset management plans and sits alongside the Financial Strategy.

In addition, the development of this strategy and future decision making is informed by the advice of the 2023 Citizens Assembly Pilot. Relevant recommendations of the Assembly are that:

- The Council reviews its capital expenditure programme by prioritising spend and spreading capital expenditure over a longer period based on availability of funds.
- Within funding constraints, the Council prioritises:
  - Looking after the assets we've got before building or acquiring new.
  - The most cost-effective way to look after their existing assets.
- When the Council is repurposing Council buildings and land in urban areas that they prioritise green space where suitable and practical.
- The Council prioritises and advocates for infrastructure development that supports medium to high density housing.

Purpose of the Infrastructure Strategy

The Infrastructure Strategy sets the scene for the Council's decisions relating to the city's infrastructure over the next 30 years. It is a statement of current assumptions and thinking on what is required to address the major challenges and issues facing the city, what to prioritise. It also identifies risks associated with infrastructure underinvestment. The strategy defines:

- The nature of the challenges we face.
- Our approach and options for dealing with those challenges and the associated implications.
- How we intend to manage those challenges and implications to meet the needs of current and future generations.

While the strategy provides an indicative estimate of future infrastructure needs, it is not a budget and by itself does not commit Council to any future project, cost, or timing.

Scope of the Strategy

Infrastructure is the hardware that enables the delivery of the Council's services and provides for amenity. The Council manages a substantial portfolio of infrastructure assets for the city valued at approximately $10 billion. Approximately two-thirds of these are core horizontal infrastructure assets for the provision of three waters services and transport.

This strategy outlines the Council's approach to managing and investing in the city's infrastructure including what will be required, when, and how much it will cost.

It covers the following infrastructure types:

- Water supply
- Sewerage and the treatment and disposal of sewage
- Stormwater drainage
- Buildings - including civic buildings, venues and social housing
- Land Transport – roads, footpaths, streetlights etc
- Waste – landfill
- Parks and Open Spaces
- Community and Recreational Facilities

We have achieved a lot since the last strategy. The Council has undertaken a programme of work to help make more informed strategic decisions about our infrastructure and investment in our city's future. This includes gaining better knowledge of our infrastructure and the costs associated with achieving the city's growth ambitions set out in the Spatial Plan. We have achieved the following:

- Significant improvements to our asset management approach.
- Asset Management Plans now underpinned by high quality data, including for vertical infrastructure where data has been gathered from surveying 372 Council buildings.
- Well-developed renewal plans for most classes of assets.
- Three Waters Growth Studies to help understand the level of investment needed to support remediation and growth.
- Adopted a community facilities plan (Te Awe Māpara) to help guide the Council's provision and decision-making about community facilities for the next 30 years.
- Adopted Paneke Pōneke the bike network plan and delivery programme.
- Developed the Te Ngākau Framework to guide decision making for the civic precinct.
- Developed and adopted a Green Network Plan to guide the greening of the central city over the next 30 years.
- Adopted a new open space and recreation strategy- Te Whai Oranga Poneke, providing an overarching framework and strategic direction to manage public open space and recreation programmes and services over the next 30 years.
- Completed an open spaces provision assessment and developed a 30-year investment plan.
- Initiated a project to develop a federated asset database of all underground assets - refer to Projects - Wellington Underground Asset Map - Wellington City Council assets.
- Undertaken a housing and building assessment to better understand actual housing and business demand.
- Developed an integrated transport/urban development plan which is a key climate change mitigation response.

- Notified a new Proposed District Plan to regulate the city's built environment and open space.
- Started Climate Adaptation Planning for the city.
- Started Task Force Climate Related Financial Disclosures work to better understand the financial risks associated with climate change for the city.

A number of these workstreams have allowed us to obtain and develop better baseline data which will help to guide prudent, timely investment decisions and to strategically manage our infrastructure and community assets. However, there is still some work to complete to help the Council obtain a better picture, namely in the areas of climate adaptation planning and the financial risks associated with climate change for the city. For further information see Challenge 3 Challenge 3: Mitigation and adaptation to climate change on page 15.

Strategic Context

Our infrastructure supports our wellbeing

Wellington city is both the capital of New Zealand and the heart of the Greater Wellington region. The strength of the city's economy is vital to the economic wellbeing of the region and to New Zealand as a whole. Wellington attracts a diverse range of people and is home to 216,200 residents. By 2034 our city is projected to grow to 230,000 and 270,000 residents by 2054.

The mix of city and natural environment is unique and highly valued by the community. We have 4,305 hectares of parks, reserves, and beaches to enjoy along with 387km of recreational walking and mountain bike tracks. These assets are significant contributors to quality of life, and a key reason people choose to live and work in Wellington. In 2021, Wellington city ranked number one in the world for environmental security, due to our extensive investment over the past 30 years in biodiversity regeneration and pest eradication. This ranking also considers how the city has incorporated sustainability in its urban planning to reduce carbon emissions and manage climate risks.

Wellington is well known for its strong arts and culture scene. The performance venues, galleries and museums provide the opportunities for cultural expression, strengthening our identities, participating in, and sharing our creativity. They are the infrastructure for acknowledging, experiencing, and participating in culture and creativity of our past, present and future and underpin the creative economy which distinguishes Wellington from other New Zealand cities.

We have also made a strong commitment to Te Tiriti and mana whenua through our Tākai Here partnership agreement and Tūpiki Ora Māori Wellbeing Strategy. These are relatively new mechanisms and aim to achieve strengthening partnerships across infrastructure priorities, incorporating te ao Māori into infrastructure design, planning, and delivery, and unlocking the potential for Māori success through infrastructure.

Wellington's social and economic wellbeing stands on the foundations of transport and three waters infrastructure that enable us all to connect between home, work, and leisure activities. The buildings, public and green spaces that stand on these are essential for enabling the activities that deliver a high quality of life and economic activity. These infrastructures are facing the challenges of serving a growing city that expects higher environmental standards and resilience whilst addressing stresses resulting from past events such as earthquakes and pandemics, funding decisions and uncertainty stemming from ongoing legislative reform.

Climate change will also have a more noticeable impact on the future form and function of our city as we are a harbour city surrounded by water. A substantial percentage of our central city sits on reclaimed land and there are already issues with seawater infiltration on underground assets network. As the city has expanded, we have constructed over natural paths where water would naturally flow and reduced the ability of the ground to absorb water. This affects our ability to efficiently drain rainwater.

Dealing with the impacts of climate change is a big challenge for Wellington's infrastructure. In the past 20 years, there has been a growing focus on creating sustainable infrastructure – finding smart ways to meet our infrastructure needs while lowering emissions and handling the risks posed by climate change. As a coastal and harbour city with steep hills that are prone to slips, future adaptation costs are also expected to be material.

The external environment has changed

Covid-19 is now part of our lives and the immediate impacts have passed. However, other world developments such as the war in Ukraine and ongoing supply chain issues has contributed to global inflation and cost of living increases, here and around the world. The experience of Cyclone Gabrielle in Hawkes Bay, Gisborne and Auckland has exacerbated this, and demonstrated the effects of climate change.

This strategy has been developed during a period marked by unprecedented demands on the Council's budget. The heightened cost of living has elevated concerns about the affordability of council services among Wellingtonians. The financial pressures faced by the Council stem from the necessity to maintain existing infrastructure and assets, incurring higher costs in an inflationary climate. This financial commitment extends to investments in aging infrastructure such as three waters and earthquake-prone buildings, as well as funding initiatives that contribute to ensuring a high quality of life for all residents in the future. We are also experiencing a changing insurance market, higher premiums, less cover and are having to take on more risk.

The repercussions of these challenges are evident in their impact on both residents and the Council:

- The costs associated with our services and ongoing projects have surpassed the initially projected figures in our 2021-31 LTP, mainly due to escalating construction costs resulting from inflationary pressure and scarcity of resources. Making additional capital investments in the current market more costly.
- The expense of maintaining the status quo has increased significantly. Looking after existing assets through the requirement to account for depreciation, interest, and insurance, accounted for 49% of our rates revenue for 2022. The upkeep of ageing assets presents a significant financial burden.
- Households and businesses find it increasingly difficult to absorb cost increases.

The economic landscape has rendered the pursuit of fiscal sustainability and the provision of essential services more challenging for both the Council and the community. Furthermore, the current government has plans to reduce central government costs, which may have implications for the potential of seeking financial support from the government.

Outcomes and priorities

As with all activities in the LTP, this strategy draws strategic direction from the outcomes and priorities set for the 2024 LTP. The management, maintenance, renewal, and strategic investment in infrastructure seeks to enable the Council to achieve the community outcomes:

- A welcoming, diverse, and creative city.
- A city of healthy and thriving whānau and communities.
- An innovative business friendly city.
- A liveable and accessible, compact city.
- A city restoring and protecting nature.

There are nine priorities that will also guide investment decision-making:

- Fix our water infrastructure and improve the health of waterways.
- Transform our waste system to enable a circular economy.
- Collaborate with our communities to mitigate and adapt to climate change.

- Transform our transport system to move more people with fewer vehicles.
- Invest in sustainable, connected, and accessible community facilities.
- Increase access to good, affordable housing to improve the wellbeing of our communities.
- Revitalise the city and suburbs to support a thriving and resilient economy and support job growth.
- Celebrate and make visible te ao Māori across our city.
- Nurture and grow our arts sector.

We must also embed the strategic approaches in everything we do:

- Integrating te ao Māori.
- Making our city accessible and inclusive for all.
- Embedding climate action.
- Engaging our community.
- Value for money and effective delivery.

Operating within an uncertain legislative and regulatory environment

There are many external factors that impact how we plan, manage, deliver, and operate our infrastructure. Although many of these are beyond the control of the Council, it is important that we continue to monitor and respond to them to ensure that our infrastructure plans remain fit-for-purpose by responding to emerging issues and taking advantage of new opportunities.

The Council undertakes a scan every three years to provide relevant context and information to assist with the development of the LTP and infrastructure management planning.

The 2017-2023 Government began an extensive legislative programme encompassing three waters, resource management, local government, and climate change. The election in 2023 has resulted in a coalition government that has committed to the repeal and subsequent reform of this programme. This impacts the Council's roles as a funder, provider, regulator, and planner of infrastructure.

These uncertainties are summarised below:

- **Three waters reform** – The coalition government has repealed the three waters legislation passed by the previous government. The new government is~~ continuing to develop responses to the challenges of the water sector~~ implementing its Local Water Done Well reform. It requires all councils to prepare a Water Services Delivery Plan (WSDP) to submit to the Department of Internal Affairs by 3 September 2025. The WSDP must contain information about the current state of water services and assets, as well as the proposed future delivery model to ensure water services are financially sustainable by 2028. The Council's agreed delivery model is a regional Council-controlled Organisation. However, this outcome will be subject to decisions to be made by other regional territorial authorities.
- **Resource management reform** – The coalition government has repealed the Spatial Planning Act and Natural and Built Environment Act and have committed to further reform to the Resource Management Act.
- **Transport Policy** – The government has withdrawn national government involvement in Let's Get Wellington Moving. It has also introduced a new Government Policy Statement (GPS) Transport, which has deprioritised public transport, walking and cycling and placed a greater emphasis on Roads of National Significance. The GPS Transport has influenced transport funding decisions under the recent National Land Transport Plan.

- **Infrastructure reform** – The coalition government has established a National Infrastructure Agency to coordinate government funding, connect investors to Aotearoa infrastructure and to improve funding, procurement, and delivery processes.
- **Climate adaptation** – With the repeal of the Resource Management Act and the change in Government there is more uncertainty on how Councils should be adapting to a changing climate.
- **Future for local government review** – The coalition government has indicated city deals and other tools to address funding issues.

For more information refer to the 2024-34 LTP Significant Forecasting Assumptions.

Significant Assumptions and Infrastructure Challenges

Significant Assumptions

The Long-term Plan outlines the Council’s planned investment in the city over the next ten years and beyond.

Because not everything can be known about the future, the Council makes assumptions to underpin its Long-term Plan. Examples of assumptions include population growth and interest rates, through to funding sources and government reform of the sector.

These are updated every three years as part of the Long-term Plan process. They have also been updated as part of the 2024-34 LTP Amendment. See here for more detail [insert link].

A summary of the Council’s Significant Forecasting Assumptions relevant to infrastructure are below, and some are outlined in more detail in the Challenges section of this strategy.

Growth

The long-term population forecast for Wellington City is growth of between 50,000 to 80,000 over the next 30 years.

Earthquake hazards

The assumed risks of a significant earthquake are in line with Wellington lifelines planning and relate to likelihood of earthquakes at different scales on the Modified Mercalli Intensity (MMI) scale. Likelihood is captured in the table below.

MMI level	Average return period
MMI7	~30 years
MMI8	~120 years
MMI 9	~400 years
MMI 10	~1350 years

Climate change

Climate change will have physical impacts for the Council (damage to assets and disruption of services) with cascading impacts in the social and economic domains, in line with Ministry for the Environment’s global emissions scenarios as informed by the Intergovernmental Panel on Climate Change (IPCC).

Wellington is projected to experience increased risks of coastal storm surge, an increase in hot days, a rise in annual average temperatures, higher frequency, and magnitude of flooding events, both exacerbated by sea level rise and increased volumes of water during rainfall events.

Asset lifecycle

The asset life of key assets is included in the Significant Forecasting Assumptions document. It is assumed that assets will be replaced at the end of their useful life. It is also assumed that:

- most of the significant assets will continue to be revalued every 3 years.
- assets will be replaced at the end of their useful life.

Layering this assumption with the target to fund renewals at 75% of the unconstrained budget means that we will need to accept some asset failures.

Future choices may be required, where some assets will need to be closed, replaced and/or decommissioned as a result. However, part of the strategy is about ensuring we are strategic and rationale with the assets we own, maintain and build, and this includes being clear that there is a need for the assets.

Other assets cannot be decommissioned, such as for water services, and will need to be repaired to keep operational. It is assumed that a review of the service delivery model and funding model will mitigate this risk over the longer term.

Changes in demand for services

For this 10-year plan we assume that the current demand for Council services and customer expectations regarding business-as-usual levels of service will not significantly change during the planning period beyond what is specifically planned for and identified in this 10-year plan and supporting documents. As a result, it is assumed that there will be no significant additional impact from level of service changes on asset requirements or operating expenditure.

Changes in levels of service

This Long-term Plan and Infrastructure Strategy includes planned level of service changes for some areas like transport and waste. In other areas investment is strongly focused on managing the demands of growth, improving asset performance to meet existing levels of service (such as water), or returning levels of service to previous levels (such as. earthquake strengthening).

Land Transport Funding

National Land Transport Plan funding allocated to the Council for 2024 to 2027 is lower than assumed in the 2024-34 LTP. This has resulted in a shortfall of revenue of approximately $68m over years 1-3 of the 2024-34 LTP. This means some priorities and outcomes will take longer to achieve than originally envisaged. The capital programme review as part of the Long-term Plan Amendment propose savings in the same areas that received a reduction in funding. The changes mitigate the lower funding and make additional savings towards increasing our debt headroom.

We assume the Central government funding for Transport renewals and maintenance of 51% for 80% of the programme.

Water reform

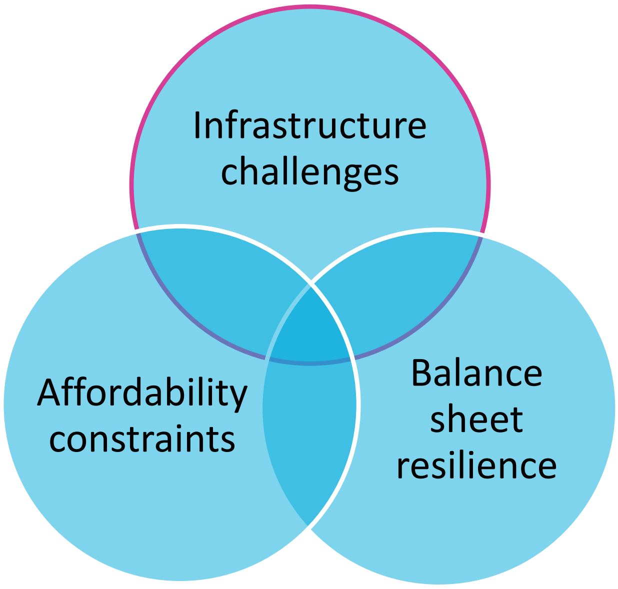
In response to the Local Water Done Well reform, Council has consulted on its model for delivering water services. Following consultation, Council resolved to jointly establish and co-own a new water CCO (regional water service entity) for three waters, together with Upper Hutt City Council, Hutt City Council, Porirua City Council and Greater Wellington Regional Council. Council assumes that from 1 July 2026 water infrastructure will be transferred to a new regional water service entity.

Where possible, this has been reflected in the amended Infrastructure Strategy. This means budgets have been updated to reflect the removal of water activities. However, significant uncertainty remains on the future ownership model of water assets and the role of Wellington City Council in maintaining this infrastructure.

Significant Infrastructure Challenges

The focus of this strategy is addressing our infrastructure challenges. These challenges are heavily linked to the financial challenges, which are addressed in the Financial Strategy.

- Affordability constraints are challenges both the Council and residents of the city are facing. With higher interest rates, a greater proportion of rates income servicing our increasing debt, and with current high inflation, our money does not stretch as far. For residents, the ability to pay more rates is limited, and the Council's operations will need to find ways to deliver in a constrained funding environment.
- Balance sheet resilience addresses the challenges of managing our capital expenditure and investments to support long-term financial sustainability and resilience.



This is a strategy that identifies significant challenges and issues for our infrastructure over the long term, providing signals for where investment or divestment may be needed.

It does not commit us to funding them but helps us to make more strategic decisions. It informs the work programmes that we need to be able to make these big decisions.

Infrastructure challenges are significant infrastructure related problems that need long-term planning – a long lead in time for planning the interventions, several years of investment to deliver, and generally a long tail off period.

We have identified five infrastructure challenges, with several contributing factors:

1. **Population growth and changing demand**
   - Population growth and ageing demographic profile.
   - Lack of growth capacity in transport and three waters systems.
   - Changing community needs and service use patterns.
2. **Aging and declining condition of infrastructure**
   - Some assets have exceeded their useful life.

- Historical lack of a coordinated, data-based approach to asset management, data maturity resulting in under investment in maintenance and renewals.

3. **Mitigation and adaptation to climate change**
   - Global warming.
   - Increased frequency and intensity of extreme weather events.
   - Coastal hazards.
   - Climate adaptation costs.
4. **Earthquake hazards and earthquake prone buildings**
   - Landslides.
   - Earthquakes.
   - Earthquake prone buildings.
5. **Affordability and deliverability**
   - Limited funding tools.
   - High inflation putting pressure on construction costs.
   - Constrained capacity of the construction market to deliver.
   - Increasing insurance costs.

Challenge 1: Population growth and changing demand

We need to future-ready our infrastructure to serve our growing and changing population, so that we can foster liveable, safe, low-emission neighbourhoods and travel.

Population growth and ageing demographic profile

Wellington has sustained a steady 1.2% population growth per year from 1998 to 2018. The forecast growth rate going forward is lower at 0.8% per year. This will still result in between 50 to 80 thousand extra people over the next 30 years and require approximately 24,000-31,000 more housing units.

Many infrastructure networks require investment to support this forecast growth. The Council is planning to accommodate the growth of the city predominantly through intensification of existing urban areas and along key public transport corridors as set out in the Spatial Plan and Proposed District Plan. This will require new infrastructure including higher capacity public transport corridors to sustain growth, and existing infrastructure to be upgraded.

Forecasts indicate steadily ageing population and smaller households as family sizes continue to decline. The population is seeing an increasing proportion of people in the 55-to-85-year age brackets, and the 20-to-30-year age group. There is a decreasing proportion of the population in the under 20-year age bracket and the 30 to 50 age group. National population projections from the 2013 disability survey indicated a 45% increase in disabled population to 2038 compared with 31% increase in total population. The same survey indicated nearly 60% of people over 65 identified as disabled. Changing demographics affects the range of services we need to provide and demands on networks across the city – and long-term changes to household size, more intense and mixed land uses, and accessibility requirements.

<u>Housing and Business Demand</u>

A Housing and Business Needs Assessment (HBA) has recently been completed by the Council. This has been prepared to meet the monitoring requirements of the National Policy Statement for Urban Development (NPS-UD). It also serves as a chapter of a the wider Wairarapa Wellington-Horowhenua region HBA. The Wellington Regional Leadership Committee (WRLC) will use the regional HBA to support spatial and other planning activities for the region, including the Future Development Strategy (FDS).

This report is a snapshot in time and is regularly reviewed and updated to ensure that it captures the most current information about the market. This most recent report has highlighted:

- We have enough business land to supply the market in the medium term (up to 20 years) but beyond this, redevelopment will need to occur, or the demand will be met elsewhere in the region.
- There is higher demand for business floorspace and land resulting from higher growth over the 2019 assessment period, with an identified demand of 597 hectares, or 691 hectares (NPS adjusted), in the next 30 years.
- Wellington has a requirement for 30,407 dwellings over the next 30 years.
- There are known infrastructure issues across the city. A long-term investment plan is required to resolve this and unlock the development opportunities across the city. Infrastructure to support growth needs to be prioritised in the Central City, Newtown, Tawa and Johnsonville, where the greatest demand for housing is expected over the medium-long term.

Approximately 60% of the Wellington region's jobs are concentrated in Wellington City with the majority of those located within the city centre which is expected to remain the primary economic hub for the region.

This growth will mean that there will be increased pressure on our water and transport networks due to their existing capacity issues.

Lack of capacity in transport and three waters systems

In response to the Local Water Done Well reform, Council has consulted on its model for delivering water services. Following consultation, Council resolved to jointly establish and co-own a new water CCO (regional water service entity) for three waters, together with Upper Hutt City Council, Hutt City Council, Porirua City Council and Greater Wellington Regional Council. Council assumes that from 1 July 2026 water infrastructure will be transferred to a new regional water service entity.

The extent to which Wellington City Council will remain responsible for addressing these challenges post 1 July 2026 remains uncertain, while Local Water Done Well Water Reform progresses. Therefore, the Infrastructure Strategy continues to be valid until 30 June 2026.

Three Waters Capacity

The current infrastructure networks are being stressed with existing demand, the age of the assets and changing weather patterns. This is evidenced by the following.

- Significant flooding
- Wet weather wastewater overflows
- Wastewater discharges into freshwater and coastal environments
- Low water supply pressure and insufficient fire flows
- Low water supply storage volumes in reservoirs
- Leaking pipes
- Water supply fragility

This is primarily due to the age and poor condition of our water assets which were designed at a time to service a smaller population, less housing and different weather patterns.

As the city grows, the pressure on our water systems will increase. To handle this growth and meet the required standards, we will need to invest more in our water networks. This includes meeting higher environmental standards and preparing for climate change. Wellington Water Limited monitors our three waters capacity when resource and subdivision consents and service connection requests come in. They have recently advised the council that in the short-term they will still approve service connections for non-complex and smaller scale developments and that in the medium term (up to 10 years) network deficiencies can sometimes be addressed using onsite mitigation solutions such as on-site detention tanks and pumps.

Recent advice received from Wellington Water Limited through the recent Housing and Building Assessment process and the District Plan Hearing Processes have indicated that we have enough capacity in the short term for our three waters network but will face capacity issues in the medium to long-term.

To accommodate future population growth in Wellington City Council area, there will need to be significant upgrades to 3-water infrastructure, with intervention needed to meet growth in the following way.

- Central City (in Te Aro, Adelaide Rd), Newtown, Johnsonville, Tawa – immediate and significant intervention to meet short term growth forecasts to create development capacity in the 3- water networks.
- Newlands, Mt Cook, Mt Vic, Hataitai, Aro Valley, Berhampore, Island Bay, Khandallah, Ngaio, Crofton Downs - short term interventions to meet medium-term growth forecasts and create development capacity in the 3-water networks.
- Karori, Kelburn, Brooklyn, Thorndon, Churton Park, Lyall Bay, Kilbirnie, Miramar – medium term intervention to create development capacity in the long term.
- Greenfields – short to medium term structure planning in place to lead long term outlook for future development led by others.

Transport

Due to our topography, we have limited ability to add or widen corridors for our transport network. We also have a limited amount of east west connections across the city as the city has developed in a north south direction. This lack of capacity shows up as congestion on the roads and creates safety issues, especially for vulnerable road users.

To maximise the safety and efficiency of our network, as well as increase the provision of safe convenient and reliable low carbon options, the Council's approach is to reallocate some space away from inefficient private vehicle traffic lanes and parking to higher capacity public transport and active mode corridors. The bus network plays a critical role of moving people around Wellington City, but on many key corridors' busses share the general traffic lanes and as a result, there are bus infrastructure constraints and pinch points which make it difficult to increase bus capacity and achieve reliable journey times.

To enable a transport system that is fit for the future, we need to continue our work to encourage mode shift. In recent times, this has been delivered by the Council's own Bike Network programme. The Let's Get Wellington Moving (LGWM) programme has been the main mechanism to help deliver on this with the key enabler being the development of a Mass Rapid Transit (MRT) system in the form of light rail from the railway station to Island Bay. The LGWM programme was a partnership with the Regional Council and the New Zealand Transport Agency Waka Kotahi.

This programme and partnership has been disestablished. However, some projects have been moved to the relevant organisation to progress design development and delivery. The Council has assumed responsibility for the Golden Mile Project, the Thorndon Quay Hutt Road Project, some targeted improvements along with an urban revitalisation project in the vicinity of the Basin Reserve. We will also be developing a reset of the City Streets programme of bus priority measures and bike network development in streets to and through the central city, and in the first 3 years progressing priority projects including the second spine along parts of the previously considered MRT route.

The government has identified a second Mt Victoria Tunnel and duplicate Terrace tunnel as a Road of National Significance (RoNS) in the GPS Transport. The government expects that the second Mt Victoria tunnel and Terrace duplicate tunnel will reduce gridlock traffic in the Wellington CBD and support economic growth.

The Petone to Grenada Link Road and the Cross Valley Link has also been identified as a RoNS. Once delivered, this project is expected to improve transport network resilience and support greenfield development in the Grenada catchment.

To deliver the necessary changes in our transport system, considerable investment will be required for decades, either through government or some other funding mechanism.

Changing community needs and service use patterns

Infrastructure is intergenerational. Over time, older infrastructure may not deliver a service to the quality and universality that meet the expectations of our community and its needs into the future. Conversely, service usage patterns change over time resulting in lack of utilisation of some assets. Wellingtonians expect high quality and universally accessible services, that are inclusive and support people to thrive.

Community facilities were developed in response to suburb growth and the aspirations of that time. Many community facilities reflect the way we lived then, when suburbs were tightly defined, and travel was more limited than it is today. As a result, the distribution of facilities is uneven and inequitable across the city.

Looking forward, we expect that intensification along key public transport routes will occur and will be primarily delivered through apartment and terraced housing units which means people will be living differently and will interact with our infrastructure differently. For example, apartments have limited personal outdoor living areas, so there will be a greater need for shared outdoor public spaces for connection / recreation within communities. The road network makes up the largest area of public space in the city, and improvements to urban amenity are needed to improve liveability as part of projects which reconfigure the streetscape.

As our population gets older, there is a risk of more people feeling socially isolated. To tackle this, it is crucial to create more places where people can connect and socialise, which is important for everyone's wellbeing. Additionally, we are aware that staying active is increasingly important, so we should make sure there are enough spaces for exercise.

People's preferences and needs are changing, and we should expect a wider variety of activities in our facilities to meet these evolving needs. These evolving needs include making sure our facilities are easily accessible, to ensure everyone can use them without difficulty. Inclusivity is an aspect of this accessibility, so we should aim to have more facilities that are suitable for all genders, cultural identities, and ages. Addressing these aspects is vital for building a community that is healthy, diverse, and welcoming for everyone.

Challenge 2: Ageing and declining condition of infrastructure

Assets that have exceeded their useful life

Investment in infrastructure tends to be lumpy. Much of the city’s infrastructure was built in waves when parts of the city were urbanised. A sizeable portion was built after the Second World War and are approaching end of life over the next 30 years.

The three waters networks have a substantial number of assets that have exceeded their expected useful life, and the network requires significant investment to be fit for purpose. As with many of our assets, our water assets are ageing faster than renewals are occurring. Water loss from the network is at approximately 40% which is well above international benchmarks. In high rainfall events stormwater enters the wastewater network causing overflows which impacts streams, the marine environment, and low-lying habitats.

The average age of our community facilities is 58 years. The older age contributes to deteriorating condition, increasing maintenance costs, and declining appeal. We have many facilities, and the quality and level of service needs to improve. To afford quality and level of service improvements, we will need to take a strategic portfolio view of what we have and need and making some tough decisions in the coming years.

The number of assets, proportion that are nearing the end of their useful life, and the increasing costs of materials and labour is a significant contributor to rates increases and our ability to replace or upgrade assets. The pure volume of infrastructure needing to be renewed is expensive, without the additional affordability issues in the current operating context.

Historical lack of asset management, data maturity and under investment in asset maintenance and renewals

Since the last LTP we have been working hard to improve our asset management maturity and data to enable our spend programmes to be more proactive rather than reactive. Our understanding of our assets is improving and the information we have on of some of our assets is becoming clearer.

The need to invest to maintain our assets is a significant cost that all Council's across New Zealand face, and the investment we make needs to be made at a level that is sustainable to ratepayers. Recent condition assessment of all the Council's vertical infrastructure now provides an opportunity to minimise investment.

With this knowledge we can support financial affordability by postponing some maintenance and renewal work on non-critical assets in the short term and increasing renewal spending in the outyears. The organisation will carry some additional risks to its infrastructure in the short term, but these are manageable and whilst there will be some catch up required in the outer years, with continued improvements in our planning and smart investments, we can find solutions to this challenge.

Challenge 3: Mitigation and adaptation to climate change

Global warming

Globally and locally, the community's expectations are to reduce emissions and contribute to the global need to keep global warming below 1.5%. Every city must play their part in this challenge. Our city's infrastructure, including transportation and waste systems, plays a key role in where we live, how we move around, and the industries we support. However, much of this infrastructure was planned and built before we considered the impact on carbon emissions. To reach our goal of a 57% reduction in emissions by 2030 and achieve net-zero carbon by 2050, we must rethink and redesign our infrastructure.

Increased frequency and intensity of extreme weather events

Changes in the climate system are changing the probabilities and patterns of weather events leading to stresses such as prolonged periods of rain and shocks, for example extra-tropical cyclones. The notable recent example is Cyclone Gabrielle which impacted Northern and Eastern New Zealand in February 2023. Infrastructure is built up over an extended period to designs which anticipate a certain pattern of use and resilience needs. Our infrastructure design needs are changing as more frequent and impactful weather events and the stresses that come from higher sea levels and our changing climate is emerging.

The national, regional, and local infrastructure our communities rely on are exposed to due to climate change impacts. These impacts are already being seen in the city's most vulnerable environments with issues in drainage and more frequent slips. As a steep coastal city with many of our lifelines and other critical assets situated at or near sea level, the functioning of our city depends on adapting and building resilience to climate change.

To understand this risk Council has used the NIWA climate change modelling for the Wellington Region in our assumptions (Appendix 1 – NIWA forecasting assumptions). These assumptions predict that Wellington will experience rising sea levels, as well as increases in average annual temperatures, annual rainfall, and rainfall intensity, and increases in wind intensity and number of windy days, as well as more drought-like conditions.

As a result of climate change, Wellington is anticipated to experience increased risk from natural hazard events including floods, landslides, storm surge, coastal erosion, and inundation and landslides. These changes could contribute to loss and damage to infrastructure as well as biodiversity losses, environmental harm, and threats to social, cultural, and economic wellbeing.

Council is undertaking a number of activities to better understand the exposure of infrastructure to climate risk to better understand the risks and needs for investment in climate resilience. The planned Climate Change Risk and Vulnerability Assessment will build on the recently completed qualitative climate risk assessment under the Taskforce on Climate-related Financial Disclosures assessment framework. It will be a quantitative impact assessment of climate change on the Council's infrastructure, starting with its most critical assets aimed at identifying the potential financial impacts from physical risks.

Coastal Hazards

Wellington is a city with low lying areas along the coast and steep hills surrounding them. The primary climate impacts revolve around flooding, coastal erosion, and coastal inundation due to rising sea levels. Some areas, including parts of the city centre, are projected to be below high tide levels by the end of the century. While hardened shorelines may reduce risks to infrastructure, coastal and intertidal ecosystems and species in developed areas face increased risks due to habitat compression, potentially leading to biodiversity loss. Rockfalls, slips, and landslides are expected to escalate with extreme rainfall events, posing cascading impacts on social and economic well-being.

The city has areas close to sea level, and during high tides, the sea can block the drainage systems. In some low-lying areas, water can get trapped, especially during high tide. As sea levels rise, this trapping of water is expected to last longer, causing more instances of flooding even on dry days. This can make it harder for the drainage systems to cope with rain, leading to more flooding in the city. Rising sea levels and more intense rainfall due to climate change make these flooding risks worse over time.

The coastline of Wellington has been developed with various infrastructure like seawalls, sewers, and transportation networks. Various parts of the coastline face different challenges. In the inner harbour, there are concerns about the age and condition of seawalls protecting pipes and streets. If these walls fail, it can affect transportation, pipelines, and may release pollutants into the harbour. On the more exposed and active south coast, erosion and storm events can damage both infrastructure and property.

Wellington's coastal layout makes it susceptible to flooding and erosion. Climate change worsens these risks by increasing sea levels and intensifying rainfall, making it important to address these challenges to protect or adapt the city and its infrastructure.

Climate Adaptation Costs

The recent report from the Intergovernmental Panel on Climate Change emphasizes the growing complexity and challenges of managing climate change impacts and risks. To protect our city, there is a need for strategic planning and investment in physical changes and adaptive measures.

Climate change is already affecting New Zealand, impacting its natural environment, economy, and communities. Without proactive adaptation, further climate-related changes are expected to significantly impact our infrastructure. Recent weather events underscore the exposure of Wellington's infrastructure to various climate-related impacts, such as extreme weather events, sea level rise, flooding, coastal inundation, erosion, landslides, and rising temperatures.

Future costs to the Council for making infrastructure more resilient will be material. Wellington's coastal zone is at risk from ongoing sea-level rise and extreme storm tide events. Considerable areas of built-up areas, as well as important transport infrastructure, are exposed to rising seas. At present sea levels, 4084 buildings and 36.2 kms of roads in the Wellington region are exposed to a

1% annual exceedance probability storm-tide event, which rises to 14,336 buildings and 173 kms of roads under 1 metre of sea-level rise and 21,755 buildings and 319 km of roads under 2 metres of sea-level rise.

More community engagement regarding climate adaptation is planned over the next six years with Wellington's coastal communities, and further work will also be undertaken to understand the cost implications on the Council's own infrastructure networks.

It is crucial to note current global estimates indicate the cost of not taking action to address climate issues is seven times higher than the cost of safeguarding our current and future infrastructure. Recognising this, we must find innovative ways to fund climate resilient infrastructure.

Challenge 4: Earthquake hazards and earthquake prone buildings

Wellington faces a double threat from both earthquakes and the effects of climate change. The city is built on shaky ground due to its location on an active tectonic boundary, and climate change makes things worse by causing land to sink and saturating the soil in low-lying areas. This combination increases the likelihood and severity of natural disasters in the city.

Landslides

One big concern is landslides. Wellington's hilly terrain has a lot of rocky areas, especially where the hillside has been cut into for roads and infrastructure. To deal with this, we have built retaining walls and used other methods to stabilise the land. Landslides occur when the soils are soaked and can no longer hold additional water and self-support the land, causing significant disruption to transportation routes and pipelines. Extreme weather events in recent times has resulted in several large slips on unsupported land, some of which have been significant, across the city.

Earthquakes

Another major risk is earthquakes. Wellington is more at risk of earthquakes compared to other cities in New Zealand. The dangers come from liquefaction (when the ground turns into a liquid-like state) and ground shaking. To address these risks, the city has set higher standards for building design, established civil defence systems, and uses digital measures to keep important infrastructure data safe outside the city. Resilience to earthquakes also involves making sure key services remain accessible and safe.

Because Wellington is a hilly city with many bridges and retaining walls, and limited access points, it is crucial to make these critical links resilient. This means ensuring they can withstand the impact of earthquakes and other natural disasters, so people can continue to access essential services and stay safe.

Earthquake prone buildings

In November 2016, we experienced a moderate earthquake that tested our city. It responded well, but there is more work to do to improve the city's resilience. To be a seismically resilient city, much of our infrastructure needs to be remediated, particularly buildings and facilities. Seismic resilience is also about ensuring safety and access to life supporting services.

Shifting central government guidelines has meant that buildings that were once up to code, over time no longer meet the required standards. Most recently, the Earthquake-prone Buildings Amendment Act 2016 introduced major changes to the way earthquake-prone buildings are identified and managed under the Building Act.

Many of the Council's buildings are not earthquake-prone, but some are, and require remediation. This includes a number of key public use buildings such as the Town Hall, the Central Library, Te Ngākau Basement, the Opera House, the Michael Fowler Centre, the Bond Store, as well as community facilities such as pools, libraries, community centres and recreation centres.

Challenge 5: Affordability and deliverability

Funding Tools

Local Government in New Zealand has a narrow range of funding tools available for funding infrastructure investments than other local government authorities around the world. Specialist tools that are available to Local Government such as Development Contributions or Financial Contributions are more easily deployed in greenfield (undeveloped land) developments rather than through brownfield developments.

A recalibration of the Council's approach and policies is essential for the 2024-34 Long Term Plan (LTP) to better capture growth requirements so that costs for growth can be recouped by those that generate the demand. Properly identifying growth as a component in our renewals program is crucial for adequately funding growth projects and avoiding difficulties in delivering them. This will be part of our improvement programme to better capture growth for development contributions in the 2027 LTP.

The wider systemic issues of Local Government funding remains a key issue. Local Government is continuing conversations with central govern to address this for the future.

High inflation putting pressure on construction costs

The costs associated with maintaining, operating, renewing, and upgrading infrastructure are substantial and have been increasing materially since the Covid-19 pandemic. This increase has been significantly more than the Consumer Price Index (CPI) that most households face.

Funding tools are limited, and while the Infrastructure Funding and Financing Act (IFF) provides an 'off balance sheet' solution whereby our debt to revenue ratio limit is not impacted by additional investment, the costs still fall to the community who themselves have affordability issues, particularly in this cost-of-living crisis. A greater range of funding tools has been a perennial request from the local government sector to central government to deal with this challenge. The Future for Local Government report has identified this as a priority area for central government to look at.

Constrained capacity of the market to deliver

Despite an increased capital programme, the market's capacity to deliver remains a concern. In recent years, the Council increased the capital programme, but deliverability has averaged 70-80 percent. In 2022, Civil Contractors New Zealand reported that the civil construction industry face major challenges including greater certainty for future projects, attracting, and retaining skilled people, cost escalations, and supply chain issues.

The impact of extreme weather events such as Cyclone Gabrielle have compounded the scarcity of construction resource, and costs are expected to be further impacted by low supply as workers are required to address the East Coast rebuild. Planning for a better long-term pipeline of expected infrastructure work will help the market to build capacity to deliver over time. Phasing of the capital programme to align it with our financial constraints provides a more sustainable and steady pipeline of work.

Regarding buildings, potential capacity pressure will occur as private building owners seek contractors for remediation of their earthquake-prone buildings. There are 571 earthquake prone buildings in the city, with many needing to be completed between 2027 and 2030. This number continues to change as requirements change and investigations are undertaken. The high concentration of strengthening needs in a short period of time places pressure on the construction sector and increases costs to building owners including ourselves. Key parts of the City Centre will become extended worksites and will need to be managed to ensure suitable access for residents and business. This disruption will also impact the vibrancy of the inner city.

Increasing insurance costs

The heightened exposure our city has to earthquake and climate related risk has led to steep increases in insurance costs, and the availability of cover has reduced. More broadly, due to the increasing frequency of extreme weather events here and overseas, the insurance sector is increasingly placing the costs where the risks lie, and this means the cost of insurance will continue to increase and the availability of cover will continue to reduce over time.

Public entities in Wellington and Christchurch currently pay higher premiums than other parts of the country due to the elevated risks of earthquake occurrence and future volatilities relating to climate change. While we have increased our fees and rates to accommodate some of this increase, we have also developed a risk and insurance strategy, considering limitations imposed by the insurance market and the natural hazards specific to the city. The strategy justifies the Council accepting an increased level of risk by no longer insuring our assets to the same level of cover as we have done in past years. The Council is also working on an insurance roadmap which outlines the work program for getting to the best risk position possible given the constraints from the insurance market and the natural hazard risks that impact the city.

We have insurance for natural hazard-related events on most of our infrastructure. Our assets are insured on a probable maximum loss basis for a 1-in-a-1000-year event. This means that we do not insure at a level to replace 100 percent of our assets, as there is a low level of risk that all assets would simultaneously be affected by a hazard event. We also have a self-insurance fund for below-excess claims.

When we are considering the level of acceptable debt relative to our limits, we are now careful to factor in a level of debt headroom needed for uninsured assets in the case of a significant hazard event. This elevated level of risk prompts a need for efficient management of infrastructure. Refer also to the Council’s financial strategy.

Responding to the challenges

Solutions to these challenges are not simple. There is also a better outcome if we think holistically. The following diagram illustrates the relationship between the challenges and the high-level responses.

Principal Options / Key Challenges	Prioritising growth areas	Targeting emissions reductions to the greatest gains and operational efficiency	Grow our understanding of adaptation impacts and costs	Strategic rationalisation to better manage the overall asset portfolios	Prioritising interventions and the work programme for affordability
1.Population growth and changing demand	✓			✓	✓
2. Aging and declining condition of infrastructure				✓	✓
3.Mitigation and adaptation to climate change		✓	✓	✓	
4.Earthquake hazards and earthquake prone buildings			✓	✓	✓
5.Affordability and deliverability	✓			✓	✓

Figure 1: Relationship between challenges and principal options

As per the Challenges section, issues with water services are not our only challenge. Earthquake damaged and prone buildings are a significant challenge that are also extremely costly to remedy. In line with our Financial Strategy, we're balancing the books and making trade-offs across all of the Council's asset portfolios. Addressing the water services challenges is a critical quality of life and health and safety concern. It has implications for our city's ability to live, work and play. While addressing seismic issues of our buildings also has health and safety and economic impacts, we can delay some of this work and take stock of what we have and make strategic decisions about what we need before investing further.

Prioritising growth areas

Wellington's growth relies on investment in infrastructure that adapts to the changing population needs, location and expectations. Our guiding document is the Spatial Plan – Our City Tomorrow, adopted by the Council in 2021, which sets out an action plan for where and how Wellington City should grow and develop over the next 30 years. It projects a population increase of between 50,000 - 80,000 for Wellington City - requiring 24,000-31,000 more residential dwellings over the 30-year period. Most of this growth will occur by intensifying existing urban areas and along key public transport routes.

The key challenge lies in phasing investment to support growth and a well-functioning urban form. The Spatial Plan recognises the need to coordinate land use planning and infrastructure provision to deliver good cost-effective and affordable growth outcomes.

It also recognises the substantial scale of infrastructure investment required to address current network issues and support growth. The spatial plan identifies priorities over the next 10-20-30 years for major infrastructure investment focus to unlock the capacity of growth areas for new development. Tawa, Johnsonville, Central City (including Te Aro and Adelaide Road) and Newtown were identified as priority growth areas over the short to medium term (within the next 10 years) because:

- They are captured by National Policy Statement on Urban Development intensification requirements.
- The areas could make a significant contribution to growth enablement and housing capacity.
- They have strong existing public transport, other services, and amenities, especially for three waters and transport.

The remaining investment to support growth can be made in this order however this can be flexible subject to where the demand is for growth, as per the chart below, subject to any upzoning decisions that may be made through the District Plan.

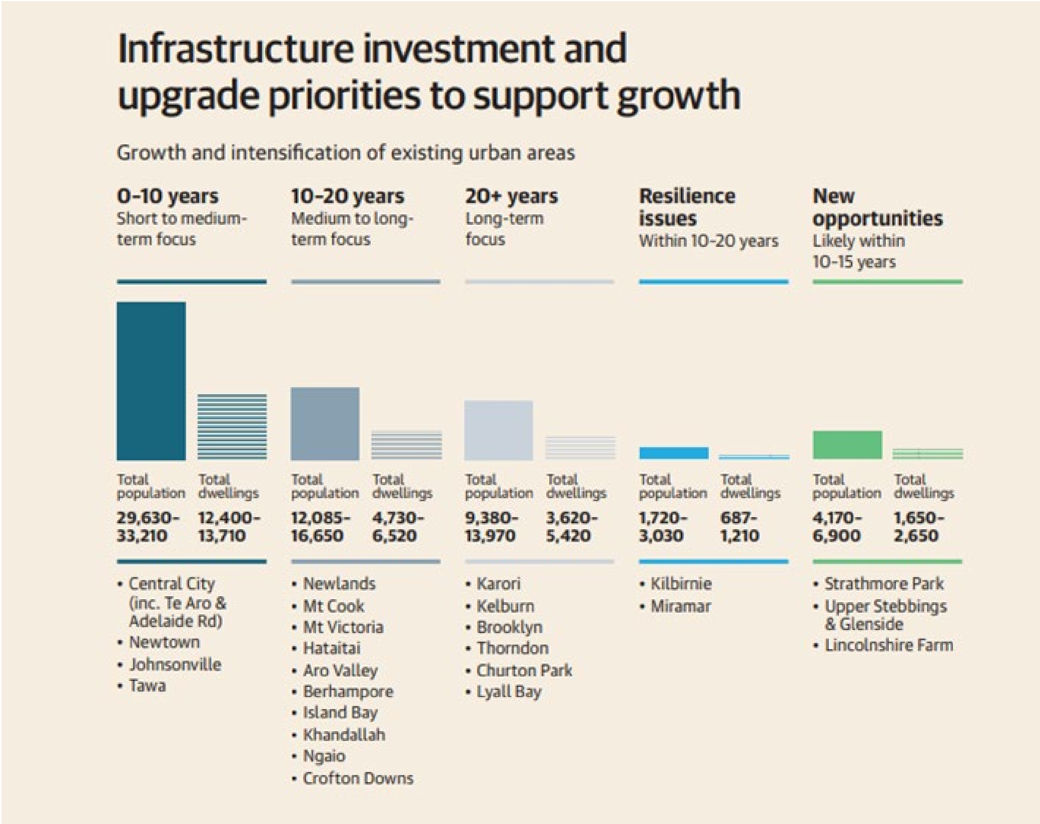


Figure 2: Housing growth priority areas

This approach guides decisions, even in our renewals programme, ensuring targeted investment aligned with our strategic city goals. Growth studies in our priority growth areas have allowed us to quantify the cost of growth, primarily in our three waters network.

This LTP is focused on making the existing water network more resilient. Growth will be a small component of renewals in delivering that resilience. More detailed growth planning in our priority growth areas will commence next Financial Year. This will produce more specific projects that will begin to appear in the next LTP to strengthen our three waters networks and enable growth.

Climate change response

Our approach to climate change involves not only addressing resilience challenges but also making strategic investments in infrastructure to reduce emissions. The impact of climate change is already evident in our transport network, where stormwater management plays a crucial role in our response. A key focus is on the transport system, as it is the primary contributor to our city's emissions, presenting a significant opportunity for emissions reduction and contributing to global efforts to limit warming.

Recognising the complexity of factors such as market capacity, funding constraints, and emission reduction requirements, we are committed to a strategic approach to renewals and infrastructure investment. Our goal is to be efficient and effective in finding low-carbon solutions that enhance resilience. Not only are these solutions environmentally friendly, but they are also cost-effective.

To achieve this, we are using tools like Lifecycle Assessment (LCA) and strategic impact assessments. These tools help us better understand and manage the climate-related aspects of our projects. The goal is to make sure that these sustainable infrastructure principles and tools are consistently applied across all council projects. This way, our decision-making processes for infrastructure development will be consistent and in line with our commitment to sustainability. To achieve this, we continue to improve our infrastructure planning and delivery in a collaborative and coordinated way across multiple disciplines including transport, housing, and water. We are aiming for an integrated, reliable network, emphasising green infrastructure to address natural hazards.

We have identified two pathways for addressing the challenges of adapting to and mitigating climate change.

- Targeting emissions reductions to the achieve the greatest gains and operational efficiencies.
- Growing our understanding of climate adaptation impacts and costs.

The rationale for these options are outlined below.

Targeting emissions reductions to the greatest gains and operational efficiency

In 2019, Wellington City Council declared a climate and ecological emergency, leading to the adoption of Te Atakura – First to Zero as our climate action strategy. Te Atakura focuses on three main objectives:

- Reducing the city's emissions to net zero by 2050, with substantial cuts before 2030.
- Achieving net-zero emissions for the Council itself by 2050.
- Enhancing Wellington's overall resilience.

Our city's target is a 57% reduction in 2020 emissions by 2030, reflecting the urgency of action. The Council is also aiming for a 57% reduction in its own emissions by 2030 and net-zero emissions by 2050.

Considerable progress has been made, with a 10% reduction in city emissions since 2020 and a 44% reduction in the Council's emissions since the 2021 financial year.

The Council's Emission Reduction Plan (ERP) focuses on decarbonising assets through electrification, efficient landfill management, removal of fossil gas from buildings, and transitioning the vehicle fleet to electric alternatives. These actions are not just present-day investments but contributions to a sustainable future.

In trying to achieve these objectives the principal options are:

- Complete the lowest cost actions first.
- Focus on a few targeted actions that will achieve the greatest impact and operational cost efficiency.

While progress is underway, additional substantial emissions reductions are crucial to staying well below a 1.5 degree warming scenario. Immediate cuts are more impactful, emphasizing the urgency of our efforts. Reducing emissions at the organisational, city, national, and global levels is essential to prevent a world where the impacts of climate change outpace our adaptive capabilities, particularly beyond 1.5 degrees of warming.

The Council acknowledges the significance of its emissions, particularly from landfills and certain facilities, and is actively working towards addressing these challenges, electrifying its fleet, and exploring alternatives for gas-heated pools. Degasification of the pools will contribute significantly to the emissions reductions target. In many cases investments in these climate mitigation measures will result in reduced operational costs as well. Our commitment remains firm – to reduce emissions for a sustainable and resilient future.

Grow our understanding of climate impacts and adaptation costs

Natural hazards already pose risks to our infrastructure, and climate change is expected to amplify the frequency and intensity of these events across the city. The physical risks from climate change may not only affect existing infrastructure in the next 30 years but are likely to increase over the longer term.

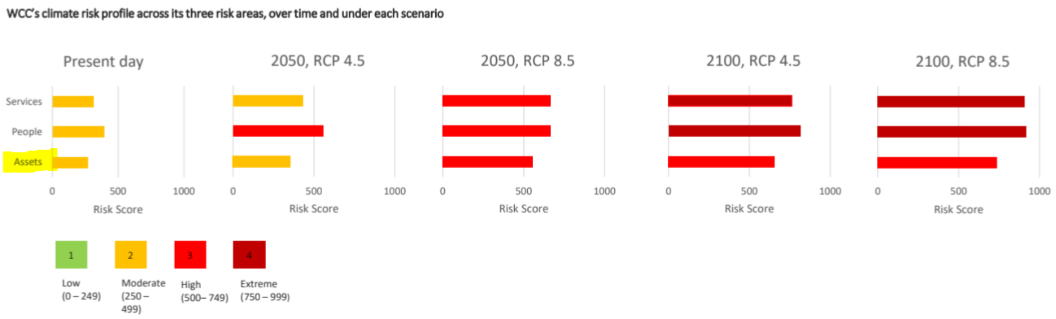
Due to the lifespan of carbon emissions in the atmosphere, many changes are irreversible. Therefore, it is important to support the city to adapt to the impacts of climate change, due to the long lifetime of infrastructure and assets (50 years or more), high upfront costs and limited flexibility. Understanding climate risks and embedding resilience from the outset is critical to ensuring assets meet their objectives in terms of serviceability, financial return and social outcomes.

We base our planning for climate change on modelling by NIWA for the Wellington Region, which predicts rising sea levels, increased average annual temperatures, rainfall, rainfall intensity, wind intensity, windy days, and drought-like conditions. This anticipates heightened risks from floods, landslides, storm surge, coastal erosion, and inundation, potentially causing loss and damage to infrastructure, biodiversity, and threatening social, cultural, and economic well-being.

While work is underway to better understand our climate change risk exposure, we do not currently have a complete understanding of the asset-level risks and options for adapting our infrastructure to climate change. Therefore, our principal option is to focus on gaining a systematic quantitative understanding of the localised impacts and developing adaptation plans anticipated in the next 30-100 years. Council has undertaken the first step having recently completed the 2023 Climate Risk Assessment Report (risk screening and qualitative assessment) and has led the development of the Wellington Regional Climate Change Impact Assessment.

These reports indicate that our climate change risk profile highlights that Wellington is likely to face increased exposure to various impacts, including coastal inundation affecting water, drainage, waste assets, Council buildings, parks, reserves, and road assets, especially those in low-lying areas.

We are conducting a climate risk assessment of critical public infrastructure in Wellington and developing an adaptation plan for Council-owned assets, enabling us to plan for climate adaptation costs alongside future asset renewal cycles. It is crucial to acknowledge that adaptation costs will rise significantly over time, particularly if emission reduction targets are not met. Our commitment is to adapt and evolve, ensuring the resilience of Wellington in the face of a changing climate.



To increase the climate resilience of our assets and infrastructure we will (a) reduce the vulnerability of existing assets and (b) ensure new infrastructure is fit for a changing climate by embedding climate change adaptation and resilience into our future planning by:

- **2024** - develop a climate adaptation framework to embed climate risk management and adaptation planning into Council's new asset and infrastructure management framework and processes.
- **2025** – undertake quantitative climate risk assessments for Council's assets; and develop processes, guidelines and digital tools to support Council reduce climate risks and make climate-resilient decisions in asset management investments, renewals or upgrades decision-making processes.
- **2026** – develop the Council's first Climate Adaptation Plan that will include asset and infrastructure.

Strategic rationalisation to better manage the overall asset portfolio

Broad options for addressing all the challenges include:

- Continue to make decisions as issues arise and add new assets when existing ones no longer meet requirements.
- Ensure we are more strategic in the management of the of the portfolios of assets we own.

The principal option we have chosen is: Strategic rationalisation to better manage the overall asset portfolio. This means ensuring we have the right assets to meet the needs of the community before investing in renewals, upgrades or new. It also means considering selling or decommissioning some assets. Our rationale is provided below.

We cannot afford to continue maintaining, operating, and renewing all our assets we have in the way that we have been doing. Adding more assets without considering affordability is also not sustainable. Therefore, we must pause and reset. This means taking a careful look at all our assets and conducting strategic reviews. These reviews should be done by looking at portfolios of assets, considering the bigger picture. We must also take the time to ensure our investments are financially sustainable and contributing towards our community outcomes and LTP priorities.

To address these challenges, we need to be coordinated and considered at a whole of organisation and city level. Recently, the council adopted Te Awe Māpara (Community Facilities Plan), a guide for decision-making on community facilities for the next 30 years. This plan is based on a city-wide needs analysis that highlighted issues with the current network of facilities.

Key challenges include:

- Many of our community facilities are small, ageing, not fit-for-purpose, and many face increased or new risks associated with climate change and natural hazards.
- While the city is well-covered geographically, the design, size and quality of facilities hinder our ability to meet current and future needs as the city grows.

Te Awe Māpara outlines 58 prioritised actions for investigations and planning over the next 30 years, with 26 of these to be completed in the first six years of this LTP.

We have already reviewed our performance venues, focusing on the operational model. The key finding of the report is the Wellington City Council (WCC) operating model for the performing arts venues is sub-optimal and it is not set-up for success. The model in its current form lacks alignment, transparency, and accountability in relation to how civic performance venues contribute to agreed WCC strategies and objectives. There is a significant opportunity to shift to a more effective operating model. In addition, there is a significant overlap between performance venues, civic venues, and civic buildings. It makes sense to review this portfolio of building assets together. A feasibility study will take place over the first 3 years of this LTP to identify options to optimise the operation of this portfolio.

This strategic rationalisation approach is essential for managing our assets efficiently, ensuring financial sustainability and ensuring they align with the city's future needs.

The way we manage our assets must take this strategic approach. Further detail about managing, maintaining and renewing our assets follows.

Knowledge Management

The foundations for good Asset Management (AM) practices are people, processes, systems, and data, as defined in the International Infrastructure Management Manual (IIMM). Quality asset data provides the evidence to enable better investment decision making and cross asset optimisation.

Asset data is generally collected through data capture programmes, or operationally through our service providers and asset managers and their teams. At WCC, data is captured through our facilities management provider, through ongoing assessments by inhouse specialised staff, as well as large scale condition assessment programmes, as has just been completed for our vertical asset portfolios.

AM information sets and the systems where they are stored are summarised in the table below. Refer to each AMP (Asset Management Plans) for the complete list of systems specific for each of the activities.

Information Sets

Information	Purpose	Name	Information Type	Activity	Confidence Grades
Financial	Ensures assets that are acquired are registered and subsequently treated according to financial policy and accounting standards.	OneCouncil (Technology One)	Budgets, FAR.	All	C - Medium
Physical	Captures asset attributes such as size, age, condition, and location	SPM Assets	SPM holds individual assets records, condition data, life cycle analysis and reporting functionality.	PSR, Property, Landfill	B - High
Physical	Captures asset attributes such as size, age, condition, and location	RAMM	RAMM holds individual assets records, condition data, maintenance costs, forward works programmes, valuation.	Transport	B - High
Physical	Captures asset attributes such as size, age, condition, and location	OneCouncil (TechnologyOne)	OneCouncil holds individual assets records, condition data, maintenance costs, valuation.	Open Spaces, Property, Landfill	C - Medium
Physical	Interactive map-based information	ArcGIS	Aerial photography, property an d road boundaries, assets.	Open Spaces, Property, Facilities	
Physical	Interactive map-based information	PowerBI	Aerial photography, property an d road boundaries, assets.	Transport	
Operational	Job management tool for programming and claiming.	RAMM Contractor	Asset activity information.	Transport	A – Very High
Operational	Job management tool for programming and claiming.	OneCouncil (Technology One)	Asset activity information/Work management	ALL	A – Very High
Operational	For compliance monitoring and reporting	SAP (FM Provider Software – Ventia)	Compliance data (buildings).	Facilities	

Confidence in our asset data improves the confidence in our investment decision making, enabling effective programmes and robust long-term financial forecasts to be developed. Our confidence ratings are based on the criteria outlined below.

Data confidence grades

Confidence Grade	Grade Description
A Very High	Highly Reliable <2% uncertainty Data based on sound records, procedure, investigations, and analysis, documented properly, and recognised as the best method of assessment.
B High	Reliable ± 2-10% uncertainty Data based on sound records, procedures, investigations, and analysis, documented properly but has minor shortcomings, for example the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
C Medium	Reasonably Reliable ± 10-25% uncertainty Data based on sound records, procedures, investigations, and analysis which is properly documented but has minor shortcomings for example the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or significant extrapolation.
D Low	Uncertain ± 25-50% uncertainty Data based on sound records, procedures, investigations, and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B is available.
E Very Low	Very Uncertain > 50% uncertainty Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Asset condition is one the of key factors we employ in the development and prioritisation of our programmes of work. Having accuracy and confidence in our condition data is therefore vital to be able to assess and manage the assets in an effective manner.

The current state of our infrastructure assets is summarised in the individual Asset Management Plans (AMPs). The condition scoring regime we use is a standard 1 to 5 scale, 1 being Very Good condition and 5 being Very Poor.

Condition Rating Scale

Condition Score	Colour	Condition Rating
1	Dark Green	Very Good
2	Light Green	Good
3	Yellow	Fair
4	Orange	Poor
5	Red	Very Poor

The Condition Grade Index (CGI) is the average condition grade of assessed components weighted by their gross replacement cost. This index is used to summarise and monitor overall condition for our assets managed in the SPM information system which excludes Transport. The CGI operates on a different scale to the condition rating which needs to be considered when using for decision making purposes.

Condition Grade Index Scale

CGI Range	Colour	Condition Rating	Description
0-1.499	Light Green	Good	A CGI of less than 1.5 suggests that an excellent condition without any component in poorer condition.
1.5-1.99	Yellow	Fair	Less than 2.0 it is likely that the site is in good to excellent with only a few components in a poorer condition.
2-2.99	Orange	Poor	Greater than 2.5, there is a high proportion of components in a poor condition.
3-5	Red	Very Poor	Majority of components are in a poorer condition.

Changing Technology

Technology plays an important role in how we use and build things like roads and buildings. Thanks to technology, people can now live, work, and have fun in diverse ways. The adoption of technologies has allowed for more flexibility about when and where people live, work, and recreate. The trend towards hybrid working and learning was accelerated during the pandemic and has led to changing patterns of movement and demand which impacts how infrastructure networks perform.

Developments in Machine Learning, Artificial Intelligence, Telecommunications Connectivity and Reality Technologies will continue to enable people to easily change how they live. This in turn affects what we need from our infrastructure networks. Technology also impacts how infrastructure is planned, built, and operated.

We now use things like Digital Twins, Mapping Technology and the Internet of Things which enable the modelling, visualisation, optimisation, and prediction of how infrastructure, has and will perform. This investment in technology can increase the resilience, adaptability, and certainty of performance of infrastructure through time and enable it to better meet the strategic outcomes of the city. The Council is presently investing in an Underground Asset Map which will provide more reliable, accurate and complete data about the location of underground services. This map of the underground space in the city will enable more certainty for people planning, building, maintaining and operating infrastructure in the city and is foundational to improving the administration of the space within the city's streets and public spaces.

Maintaining existing assets

We manage our assets through a mix of reactive and proactive investment as we set out to work under a 'lowest whole of life' framework. This will always be based on our asset data and as the maturity of our asset management progresses, we will achieve better outcomes with our investment. Organisation maturity combined with better decision making will deliver better outcomes.

Improvement of our asset data has been a focus leading up to the current LTP. We are now more confident of the integrity of our asset data across many of the asset groups and this provides a solid foundation for the current LTP. Maintaining what we have is not always the right thing to do. Maintenance investment is considered in relation to the renewals programme to optimise both intervention timing and level of service across the assets. When the operational and maintenance costs of retaining an asset are equivalent to building new, this may be an indication to dispose of the asset and build a new one that meets the community needs.

Renewals

Impact of LTP Amendment on renewals approach

A review of the Council's capital programme was undertaken as part of the LTP Amendment, informing two options for addressing the Council's two key financial risks.

When determining the scope for the review of the Capital Programme undertaken as part of the LTP Amendment preferred option (option 1), it was agreed that the capital programme should prioritise the maintenance and renewals of existing assets over upgrading or building new.

Because in the current LTP, renewals expenditure is already set at 75% of unconstrained renewal funding (apart from water) for the first ten years of the plan, any changes to the capital programme should avoid further reducing renewals expenditure.

However, the 2025/26 Annual Plan includes some changes to the capital programme, outside the LTP Amendment, that may have resulted in changes to renewals expenditure. This can include (but is not limited to) updated inflation and deprecation assumptions, project rephasing, and cost refinement.

Our approach to asset renewals is centred on progressively restoring and renewing individual assets that have reached the end of their useful life. The goal is to bring these assets back to their original condition or capacity, ensuring they meet required levels of service. However, before a decision is made to renew any assets, we determine if the asset is still required and if so, if a like for like replacement is required or an upgrade.

Our capital investments cover three investment streams:

- Renewing existing assets: Preventing assets from failing to support levels of service by systematically renewing them.
- Upgrade, creation, or purchase of new assets: Addressing growth in demand or changes to levels of service by investing in new assets.
- Investment in assets that are held for financial return or future opportunity value: Investing in assets that provide a financial return or have potential future value.

Renewal and replacement strategies are determined based on:

- Risk – Action is justified if there is a risk of failure and associated safety, financial and commercial effects.
- Asset Performance – renewal is necessary if the asset fails to meet the required levels of service and compliance.
- Economics – Renewal is considered when it is no longer financially sensible to continue to repair the asset.

Renewal and replacement needs are identified through:

- Analysing condition reports
- Maintenance records (asset failure and expenditure history)
- Service records
- Observations by staff and contractors

Short and long-term asset renewal programmes are prepared based on identified forecasted renewal needs, considering remaining asset lives criticality and risk. Deferred capital renewals will be planned for future inclusion in programmes.

Renewals investment is prioritised to balance levels of service and lowest cost of life for asset groups, aligned with resilience and strategic goals such as mode shift and emissions targets. We then apply the affordability lens taking into account the quantum of required investment across Council activities. Decisions are complex across the Council's infrastructure due to varying asset lives requiring coordination for optimisation of investment, where the level of investment for renewals is balanced with affordability, asset consumption and the Council's levels of service. Given debt capacity issues in the development of the 2024 Long-term Plan a decision has been taken to **target** renewals at 75% of unconstrained forecasts for ten years of the LTP.

Prioritising renewals funding enables the Council to trade off non-critical asset risk with the need to increase investment in our three waters assets. An increased budget from 2034 will be programmed to catch up – the intent being that this deferral of renewal funding and spending would be fully caught up over the life of the 30-year Infrastructure Strategy and therefore the risks and service impacts of the decision should be temporary. Within this financial constraint, we will ensure that within different activity classes, renewals are prioritised based on criticality and where assets are in the poorest condition.

This decision applies to all renewal budgets other than three waters renewals, which have been subject to specific decision making through the 2024 LTP. Note that where there is data and information that does not support this target, separate decisions were taken (most notably for transport renewals).

Funding renewals later than forecast replacement requirements creates risks to asset condition and performance. The management of renewal budgets may also lead to impacts to service levels delivered to the community. Overall, the Council plans to manage risk through ensuring that within different activity classes, renewals are prioritised based on criticality and where assets are in the poorest condition. Safety and resilience will also be prioritised. In some cases, this has meant that renewal budgets for some activities have not been reduced the full 75% of forecasts.

Where less than 100% of renewals are budgeted it is imperative that this risk is well understood and signalled in terms of asset consumption, and service decline. Where infrastructure has been funded sub-optimally, we will identify any efficiencies that can be sought to reduce costs (that is, doing more for less) as well as monitoring the backlog ensuring our plans include a focus on lowering risks in subsequent years. The Council has, where practicable, constrained renewals and assumed some risk across sections of our infrastructure (predominantly transport, buildings, and facilities) with the knowledge and data to support this risk by identifying renewal backlog and forecasting this into later years 2034 –2054, where any degradation is addressed. This information and knowledge is available through the recent implementation of our Asset Management Information System (SPM) and a comprehensive condition assessment survey for our buildings.

This approach, in deferring renewals to some of our infrastructure means we are consciously prioritising our investment to meet our biggest challenge within a constrained funding environment. The highest priority infrastructure investment over the next decade is required to support repair and remediation of the City's water network and earthquake prone buildings, as well as how we adapt to climate change impacts.

Prioritising the interventions and work programme for affordability

New infrastructure is expensive. To manage and operate our assets in a financially sustainable way, as well and delivering to meet the needs of our communities, growth, and climate change, we need to take a strategic and integrated approach. We are applying the hierarchy of interventions, as described in the New Zealand Transport Agency's Planning and Investment Guidance and in alignment with the Infrastructure Commission, considering lower cost interventions before higher cost interventions. This includes:

- Integrated land use and infrastructure planning.
- Manage demand through behavioural science techniques such as pricing, redesigning services, and using technology.
- Making best use of existing infrastructure by optimising levels of service.
- Using best practice business cases and planning and prioritising to inform good decision making when investing in infrastructure.

The overall approach to prudently managing our financial position for the 2024 LTP is outlined:

- Reprioritise and rephase the capital programme as follows:
  - Complete works underway – examples include things like the Town Hall, Te Matapihi Central Library, parking enforcement technology roll-out etc.
  - Deliver what is legislatively / contractually required – examples include Housing Upgrade Programme phase 2, multi-year contracts, earthquake strengthening, delivery of the Te Awe Mapara Community Facilities Network Plan which has now been adopted.
  - Infrastructure deficit / challenge – invest in areas where there are significant infrastructure challenges, such as three waters and transport.
  - Incorporate regulatory and non-built solutions – invest in policy frameworks and nature-based solutions such as water sensitive urban design to limit the need for infrastructure investment.
  - Reprioritise and rephase – rephase, reprioritise and rescope the remainder of the capital works programme so that it is evenly distributed over the following ten years of the long-term plan and beyond and fits within the available budget parameters.
- Maintain financial capacity for the future:
  - Investment portfolio – explore whether the current investment portfolio can be better utilised and targeted towards dealing with the city's natural hazard risks and insurance costs pressures.

- Renewals – update renewal programmes to reflect better asset data that has been developed and defer what we can on non-critical assets, without impacting too severely on asset risk. We have set a target of funding renewals at 75% of the anticipated need, in all asset categories except 3 waters. This will occur for the first 10 years (2024-2034) and enable us to trade off non-critical asset risk with the need to increase investment in our 3 waters assets. An increased budget from 2034 will be programmed to catch up. Within this financial constraint, we will ensure that within different activity classes, renewals are prioritised based on criticality and where assets are in the poorest condition.
- Revenue – increase revenue and explore alternative funding sources where appropriate.
- Levels of service – explore adjustments to levels of service over time. We will undertake a review of all our levels of service in the first 3 years of this LTP and identify whether we can close the gaps over the years 11 to 30 period, or whether to adjust levels of service downwards.

* Adjust to external cost pressures:
    - Pause and reset – develop a clear strategy for dealing with the Council's earthquake prone buildings. This will enable robust decisions on these venues to be made as part of the 2027-37 LTP.
    - Integrated delivery – ensure there is better integration and trade-offs between existing work programmes to drive efficiencies.
    - Work within tight budget parameters – this means operating within set inflation envelopes for key areas, requiring business units and some CCOs (Council Controlled Organisations) to take a more commercial approach / secure external funding to improving baseline funding position.

Financial affordability for both the Council and ratepayers means that we must focus on doing the right things at the right time in the most cost-effective way whilst deliberately managing risk. We will prioritise non-asset solutions to maximise the use of our assets and deliver value for money and operational efficiency.

Principal options by activity

Three waters

Local Water Done Well reform

We have amended this Infrastructure Strategy to reflect the Government's Local Water Done Well reform which directs that a Water Service Delivery Plan has to be enacted from 1 July 2026. The Local Government (Water Services) Bill establishes the enduring settings for the new water services system. The objectives of the Bill are to ensure water services are safe, reliable, environmentally resilient, customer responsive and delivered at the least cost to consumers and businesses.

The Council has resolved to establish and co-own a new regional Council-controlled Organisation for three waters, which was consulted on alongside the LTP Amendment. The final delivery model will be subject to decisions still to be made by other regional territorial authorities. The LTP amendment will also be finalised prior to the completion of the legislative process which creates a level of uncertainty as to the final transition arrangements.

In line with the Council's decision to move ahead with a regional CCO, it is assumed that from 1 July 2026 ownership of and responsibility for three waters assets will no longer sit with Wellington City Council.

Overall, there is a high degree of uncertainty in relation to the ownership and maintenance of water infrastructure. As a result, we have amended this Infrastructure Strategy to reflect the Council's decision (i.e. non-Council ownership from 1 July 2026). We anticipate further changes to the Infrastructure Strategy will be required following the implementation of a Water Service Delivery Plan. However, until that occurs, the Infrastructure Strategy remains valid.

Wellington's network

Wellington's three water services of drinking water, wastewater, and stormwater management are delivered through an extensive pipe network and associated infrastructure.

There are significant constraints and levels of service issues across our water services assets. The challenges of aging infrastructure, population growth, climate change, increasing environmental regulation and service delivery expectations means that we must ensure that there is adequate financial resourcing to ensure that infrastructure goals can be met within financial constraints.

These issues include:

- Aging infrastructure
- Population growth and increased demand on supply
- Leaking drinking water pipes and increased service interruption.
- Increased uncontrolled wastewater overflows to the environment.
- A significant and growing backlog in drinking water pipe renewals.
- Deteriorating asset condition as the infrastructure networks age.
- Flooding.

Growth adds additional pressure to the network, which must be managed effectively to ensure continued levels of service.

To accommodate future population growth in the Wellington City Council area, there will need to be significant upgrades to 3-waters infrastructure, with intervention needed to meet growth in the following way.

- Central City (in Te Aro, Adelaide Rd), Newtown, Johnsonville, Tawa – immediate and significant intervention to meet short term growth forecasts to create development capacity in the 3- water networks.

- Newlands, Mt Cook, Mt Vic, Hataitai, Aro Valley, Berhampore, Island Bay, Khandallah, Ngaio, Crofton Downs - short term interventions to meet medium-term growth forecasts and create development capacity in the 3-water networks.
- Karori, Kelburn, Brooklyn, Thorndon, Churton Park, Lyall Bay, Kilbirnie, Miramar – medium term intervention to create development capacity in the long term.
- Greenfields – short to medium term structure planning in place to lead long term outlook for future development led by others.

There is a significant amount of investment required in three waters over the next thirty years. While we are proposing to spend more than we ever have in the 2024-34 LTP it is still not at the level proposed by Wellington Water as we need to balance what is required with what we can afford. Therefore, we are pushing some of the required investment in the networks into years 11 to 30 and under the current delivery model (that is, through Wellington Water) this will be a continued challenge to the Council. To address this, we are focused on:

- Continuing to collect better information about assets to ensure we are investing at the right time in the right assets, as well as mitigating the impacts of failure.
- Looking to invest as much as we can in three waters whilst also managing the other investment priorities, such as earthquake prone buildings.
- Investing to ensure we are operating an efficient network, for example looking at investment in water meters and the construction of the sludge minimisation plant.
- Working collaboratively with the other region's Councils to discuss the future model of three waters delivery with a commitment to establishing a regional council-controlled organisation to own, manage and deliver three waters infrastructure.

Council's role

It is a core statutory role of the Council to provide safe drinking water, manage stormwater, and take away and treat wastewater. This service is delivered through the three waters pipe network and associated infrastructure.

Delivering through Wellington Water Limited

The Council set up a Council-controlled Organisation – Wellington Water Limited (WWL) – in 2014 to manage the three waters services and assets. Other shareholders include five other councils in the region (Hutt City, Porirua City, Upper Hutt City, South Wairarapa District, and Greater Wellington Regional Council). It is contracted under a collective Management Services Agreement which requires it to, amongst other things, safeguard the Councils' water assets from damage, loss and destruction and keep the assets in good condition and repair.

Wellington Water is governed by a Board of independent directors, the chair of which reports to the Wellington Water Committee. The Wellington Water Committee is made up of representatives from each of the shareholding Councils and is responsible for providing overall leadership and direction for Wellington Water.

Wellington Water use these five regional strategic priorities to provide advice.

- Look after existing infrastructure.
- Support a growing population.
- Sustainable water supply and demand (and more resilience in times of shortage).
- Improving environmental water quality.
- Achieving net zero carbon emissions.

Wellington Water's advice in the 2024 – 2027 LTP was to investment primarily in 'Looking after existing infrastructure', sustainable water supply and demand, and 'improving environmental water quality'.

Wellington Water Limited is accountable for all asset management activities, including asset condition assessment, on behalf of WCC. The focus, until recently, has been on understanding where critical pipes are within the network. An increasing backlog of leaks is leading to declining levels of service and the need to increase funding for reactive interventions. A better use of our constrained funding would be to invest in renewals which requires ana optimised renewals programme, improving resilience, managing critical assets and improving asset data knowledge are all important aspects of maintaining our network.

Whilst the asset management and planning function continues to improve, some significant data gaps still exist, and these are s highlighted below.

During the last 3 years, Wellington Water Limited completed an assessment of Very High Critical Assets (VHCA) across our 3 waters network and provided investment advice as part of the 2024-34 LTP. VHCA are assets that have a very high consequence if they fail. It is important after an unexpected event that VHCA and high criticality assets (HCAs) are back up and running as soon as possible to maintain public health and safety.

Wellington Water assessed the below:

- 189km which is about 8% of total pipes.
- 65 or 100% of the reservoirs.
- 35 or 28% of the pump stations.
- 60 wastewater treatment plant assets were selected for detailed investigation.

The asset assessment informs Wellington Water's physical works programme. The biggest risks are assets in poor or very poor condition, and these will be prioritised for replacement. Wellington Water uses modelling to determine asset condition grades for the wastewater and drinking water networks. Asset condition modelling considers factors like pipe age, material, expected lifespan and pipe inspection records.

The asset assessment informs Wellington Water's advised physical works programme. The biggest risks are assets in poor or very poor condition (44% of the capital's wastewater pipes and 25% of drinking water pipes), which will be prioritised for replacement.

Reservoirs also need remedial works for safety and contamination risks.

The three waters assets are discussed separately below:

- Water Supply (bulk drinking water)
- Sewerage and the treatment and disposal of wastewater
- Stormwater

As mentioned above, the Council's water services are delivered through Wellington Water Limited.

We've recently independently reviewed the service delivery efficiency of Wellington Water. There are several recommendations to improve service delivery. Shareholding councils have agreed to pursue operational improvements through the inclusion of performance and productivity based KPIs into the 2024 Letter of Expectations.

Wellington Water Limited has advised that the maximum deliverable programme would cost $2.5b, of which $1.8b is Capex and the balance is Opex. We're proposing to fund $1.8b (capex and opex) over 10 years[1], which is what Wellington City Council can afford. The waters programme is designed around the budget and what is most critical to deliver.

Several of the major projects are in a very early stage of planning, which means there is a high level of cost uncertainty. Wellington Water Limited will take a tactical approach to delivering the spend through balancing and prioritising its investment, targeting specific assets and speed of

[1] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three water assets will no longer rest with Wellington City Council.

ramping up. Key considerations in this are expected to be both Wellington Water's and market capacity to deliver as well as asset risk of failure and affordability.

The following have been prioritised.[2]

Opex costs

- $680.0m over ten years, with year 1 at $66m. Including:
  - $2.4m for planning for universal water meters in first three years
- $5.3m Opex pa for leak / reactive maintenance

Note, the ongoing consequential opex requirement for the universal residential smart water meters will be determined through the planning, design and procurement phase. Once this is complete, council can make an informed decision on how to incorporate the ongoing costs into future opex. budgets.

Capex costs

- $1.2b over ten years, including:
  - $143m for smart water meter roll out from year 4.
  - $23.1m for Golden Mile Renewals
  - $10.8m to start Bell Road and Moi-i-te-Ra reservoirs including inlet/outlet mains from year 7
- $32.8m for pressure management and additional water renewals, and increased reactive renewals for all three waters
  - $24.2m for risk contingency for the Airport Wastewater Triplicate Interceptor and one section of the Eastern Trunk Main
- $15m for additional renewals at the Moa Point Wastewater Treatment Plant
- $2.8 million in the CAPEX program for wastewater upgrades for a trunk sewer in the Kaiwharawhara stream in Ōtari-Wilton's Bush.

Water Supply

This information underpins the current approach to investment planning, asset management planning, asset renewals and infrastructure project delivery. Council's preferred option assumes that ownership of and responsibility for water assets will no longer rest with Wellington City Council from 1 July 2026.

Strategic direction

Clean, safe drinking water is essential for residents' quality of life and wellbeing, and a reliable water supply is essential to support business activity in the city.

Wellington Water manages the bulk water network on behalf of the GWRC. The treated drinking water that WCC receives is drawn from the Te Awa Kairangi/the Hutt River, the Waiwhetu Aquifer and the Wainuiomata and Orongorongo rivers, is stored in the reservoirs across the city, and is distributed through the drinking water supply piped network.

Effective water supply services are crucial to achieving Council's five outcomes and aligns to one of the Council's nine priorities – *"Fix our water infrastructure and improve the health of our waterways."*

[2] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three water assets will no longer rest with Wellington City Council.

As the city grows, additional drinking water storage facilities and network upgrades are required to facilitate this growth. New assets can also provide sufficient capacity for existing shortfalls against target levels of service.

Asset overview

Our assets are valued (Optimised Replacement Value) at approximately $1,985 million as at 30 June 2023 and include:

- 921km water pipes
- 68 reservoirs/tanks
- 34 pump stations
- 98,000 valves, hydrants
- 72,000 service laterals

Asset condition and lifecycle

Cast iron pipes in the Wellington central city area are well past their useful life with a failure history and material deterioration confirmed by laboratory analysis. Overall, water supply assets are in moderate condition with an estimated average remaining useful life of 30-40%.

There is more work to be done regarding the collection of reliable physical asset condition data for critical and non-critical assets. Wellington Water Limited are aware of the location of the critical pipes within the network. Next steps involve documenting and reporting against each of the infrastructure networks in terms of value, age, materials condition and asset performance.

The results of the Very High Critical Assets condition assessment indicate that majority of the very high criticality pipes fall between 'very good and moderate' condition. However, over 25% are in poor or very poor condition. There is low confidence in the condition assessment of the balance of the assets due to the volume that is assessed through desktop assessment. This means that there is a high level of uncertainty in planning and forecasting maintenance and renewals.

Based on the desktop assessment and VHCA work, an estimate of the relative condition of assets is shown in the figures below.

Figure 3: Drinking Water Pipes Condition

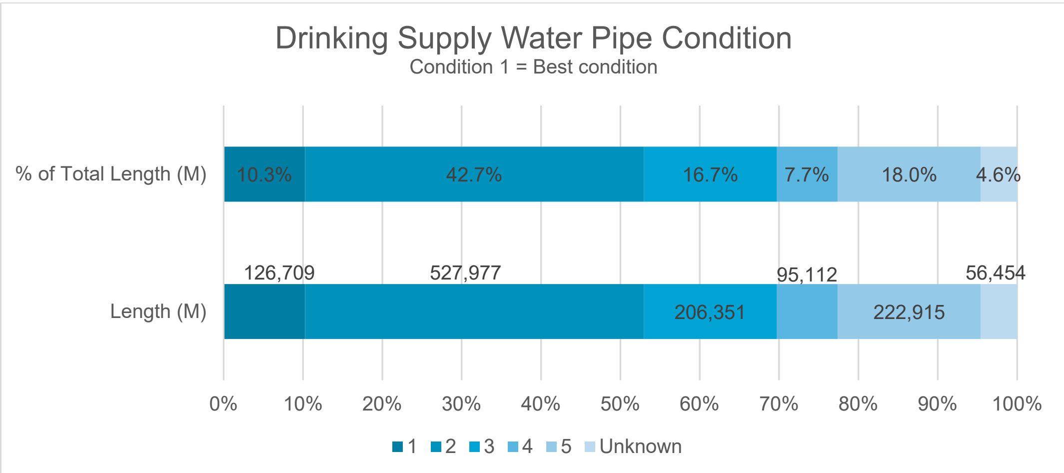
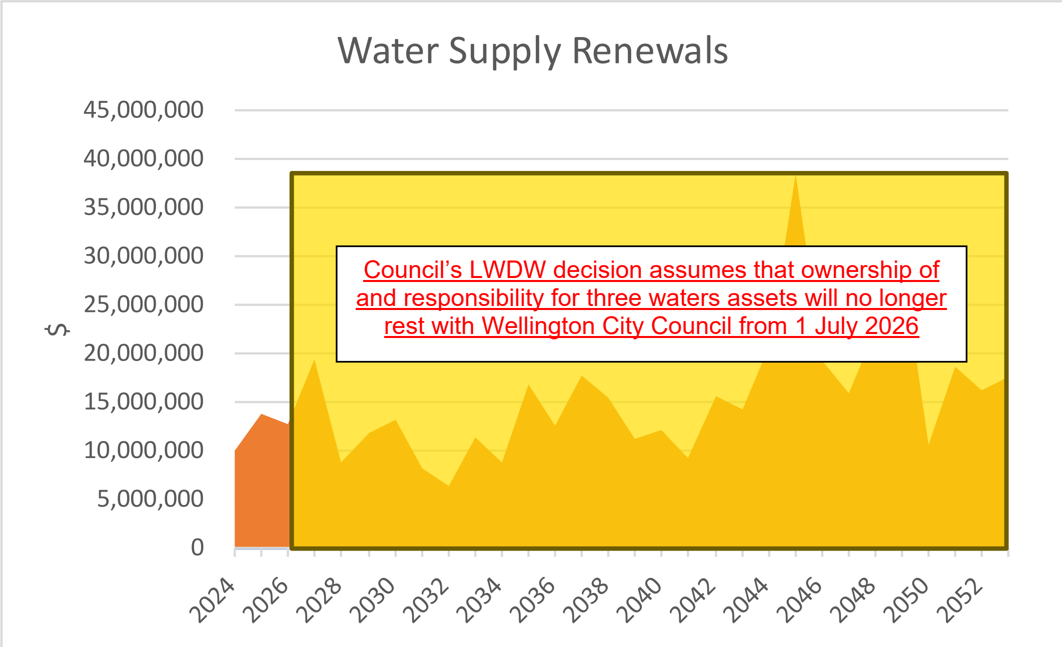
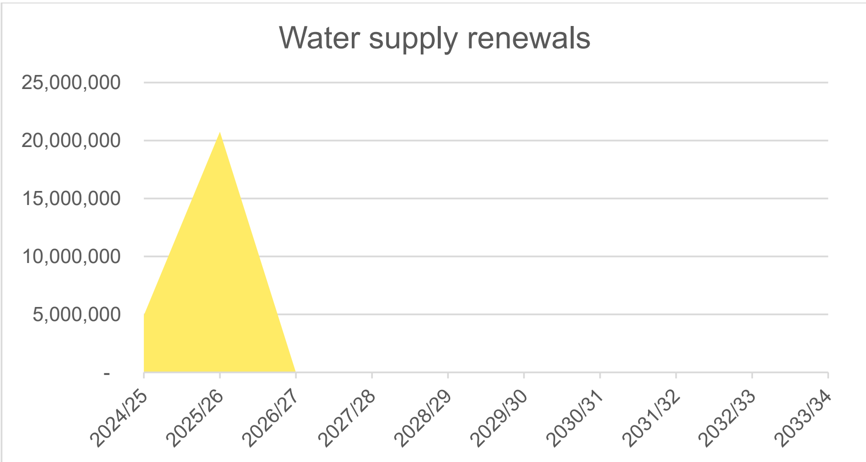


Figure 4: Water Supply Pipe Network Renewal Profile[3]

[3] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three water assets will no longer rest with Wellington City Council.





Level of service and performance

Council's role is to provide a secure supply of safe and healthy drinking water to communities and businesses. There are a range of technical performance indicators that measure water quality standards, overall performance of the network, and customer satisfaction with the service.

While water is delivered to households and businesses and meets health standards, the current water supply network has material challenges and is not achieving some of the agreed levels of service. The water supply network has a substantial number of assets that have exceeded their expected useful life. Approximately 31% of drinking water is lost through the public pipe network, which is very poor according to international benchmarks, and an estimated further 10% within private property. This is costly and requires increasingly severe water restrictions over summer periods when rainfall is less and source capacity decreases.

There are gaps in Wellington Water's knowledge about our assets. This knowledge is essential to help Wellington Water Limited to intervene with planned maintenance or replacement before assets fail, and to drive an ongoing programme of renewal and enhancement investment.

Currently, response times to repair leaks in the network are consistently not being achieved. In the 2021 LTP, auditors have highlighted the ability of Wellington Water to report accurately against their measures.

See Council's annual report for further information on levels of service and performance.

Decisions taken as part of the 2025/26 Annual Plan include an increase in funding for 2025/26 to continue the increased investment in addressing 3 Water infrastructure challenges.

Key challenges

This activity group is affected by all the identified key challenges.

- **Aging and declining condition of infrastructure** – Around 30% of the drinking water network has passed or are approaching the end of life based on age. Using age as a proxy for condition, Wellington Water Limited has advised that more than 50% of the network is expected to require replacement within the next 30 years.
- **Population growth and changing demand** – Forecast growth in our northern suburbs (Johnsonville and Tawa in particular) will put additional demand on the existing water storage reservoirs. Growth studies[4] undertaken by Wellington Water Limited since the last LTP have been completed, which has helped to identify what work is needed to support our 30-year growth vision and to help quantify the level of investment required for this growth. Capacity is available in the short term for non-complex and smaller scale developments. However, significant upgrades to network infrastructure are required to accommodate growth to ensure compliance with the National Policy Statement on Urban Development.
- **Mitigation and adaptation to climate change** – Climate change is leading to an increase in extreme weather events, including extreme rainfall events and landslips which leaves water assets vulnerable to disruption, as well increased droughts which increases the risk of water shortages. Sea level rise and rising groundwater tables associated with climate change also have an impact on underground water assets and additional work is required to help us better understand the impact this will have on our infrastructure. The 2023 Climate Risk Assessment Report highlighted coastal inundation causing asset damage to water services infrastructure as one of the highest ranked risks, with a growing trend towards 2050 and 2100. Without adaptation, further climate-related changes are projected to have substantial impacts on water resources.
- **Earthquake hazards** – The ground our three water assets are in is subject to earthquakes and other natural hazards which leaves them vulnerable to disruption.
- **Affordability and deliverability** – The volume of work needed to keep pace with the aging assets and growth is unaffordable under the current funding environment and climate change impacts. Furthermore, the capacity of the construction market to deliver is limited. Due to increased environmental standards the requirements and costs for gaining and implementing resource consents is becoming more challenging and expensive. Whilst the number of leaks reported and detected has not increased significantly over the past few years, the cost to fix each leak has increased significantly due to increasing costs of traffic management, health and safety, and other inflationary costs on contractor resources. The net result of all of this is an ever increasing repair backlog and decreasing levels of customer satisfaction.

Principal options

This activity and related solutions primarily contribute to the priority "*fix our water infrastructure and improve the health of waterways*." We will also take every opportunity to apply each of the strategic approaches.

[4] Undertaken for Tawa, Johnsonville, CBD and Newtown

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- **Strategic rationalisation to better manage the overall asset portfolios –** We will prioritise fixing drinking water supply leaks over investment in additional supply as this will increase supply reaching customers.
- **Prioritising interventions and the work programme for affordability** – For operational and financial efficiency and overall affordability Wellington Water has prioritised repairing and replacing highest criticality assets in a very poor and poor condition.

Issues and options[5]

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
Aging assets and significant leaks across the water networks	Managing water demand through education.	2024	2024	$2m (detailed business case) - OPEX	Public engagement in voluntary water use reduction is at risk with a backlog of water leaks.
Around 41% of our water is lost through leaks in the water system which reduces our supply capacity.	Finding leaks through installing more water meters in the network. (Adopted)		2024 2027-2030	$3m (pressure control valves) - CAPEX $143m (residential smart meters) – CAPEX	The installation of more pressure control values will assist in leak detection and prioritised repair.
	Additional funds for reactive water maintenance to clear the backlog of leak repairs	2024	2024/25	$3.3m OPEX	

Water Supply Activity Opex and Capex forecast[6]

Year	Operating Expenditure	Capital Expenditure
2024/25[7]	103,396,303	5,591,218
2025/26	118,896,461	24,436,223
Total	**222,292,764**	**30,027,440**

Figures are inflation adjusted

[5] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three water assets will no longer rest with Wellington City Council.
[6] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three water assets will no longer rest with Wellington City Council.
[7] The 2025 Budget figures reflect the impact of the Long-term Plan Amendment and capital rephasing approved by the Long Term Plan and Financial Performance Committee on 22 May 2025

Sewerage and the treatment and disposal of sewage

This information underpins the current approach to investment planning, asset management planning, asset renewals and infrastructure project delivery. Council's preferred option assumes that ownership of and responsibility for water assets will no longer rest with Wellington City Council from 1 July 2026. The exception to this is the Moa Point Sludge Treatment Facility which will remain with Wellington City Council until its completion during the 2026/27 year.

Strategic direction

The primary purpose of the wastewater service is to protect public health by ensuring that wastewater is safely removed from private property and other public spaces. There is now an increasing focus on reducing the risk of illness and the environmental effects of discharges to waterways and the sea.

The City will need to change to comply with the freshwater quality standards set out in the National Policy Statement-Freshwater Management (2020) (NPS-FM) by 2040. This regulation seeks to reduce the risks to public health from recreation/food gathering, prevent further degradation to receiving waters, and respect the aspirations of iwi and communities to restore Te Mana o Te Wai.

The state of our wastewater assets must improve if we are to meet the level of service demanded by the NPS-FM and expected by mana whenua and our communities. Over time, we need to replace poor condition pipes and remove systemic overflows that divert sewage into the stormwater system which occurs when the wastewater system is overloaded during heavy rainfall.

Failures in the wastewater system are detrimental not only to environmental and human health, but also to the City's reputation.

Asset overview

Our assets are valued (Optimised Replacement Value) at approximately $3,306 million as at 30 June 2023 and include:

- 1,077 km pipes
- 15km tunnels
- 39,000 valves and fittings, including manholes and access chambers
- 69 Pump Stations
- Two treatment plants (Moa Point and Kārori)

Asset condition and lifecycle

The wastewater treatment plants are reaching an age where many of the components will require renewal over the next 25 years.

A desktop assessment of condition estimated that 44.1% of the wastewater pipe network is in poor or very poor condition. However, the level of confidence of this information is low, due to the lack of on-site condition assessment. This means that there is a high level of uncertainty in planning and forecasting maintenance and renewals.

Wastewater assets include the Leachate Collection System. These assets are in moderate to good condition with an estimated average remaining useful life of 55%. There have been some minor seepages of leachate, but additions have been made to the Leachate Collection System to intercept these seepages.

Building assets are managed in SPM Asset Software. This includes individual asset records, asset registers, condition data, lifecycle analysis and reporting functionality.

Based on the desktop assessment and the VHCA work, an estimate of the relative condition of assets is shown in the figure below. This information underpins the current approach to investment planning, asset management planning, asset renewals and infrastructure project delivery. Council's preferred option for implementing the government's Local Water Done Well reforms assumes that ownership of and responsibility for Wastewater assets will no longer rest with Wellington City Council from 1 July 2026. The exception to this is the Moa Point Sludge Treatment Facility which will remain with Wellington City Council until its completion during the 2026/27 year.

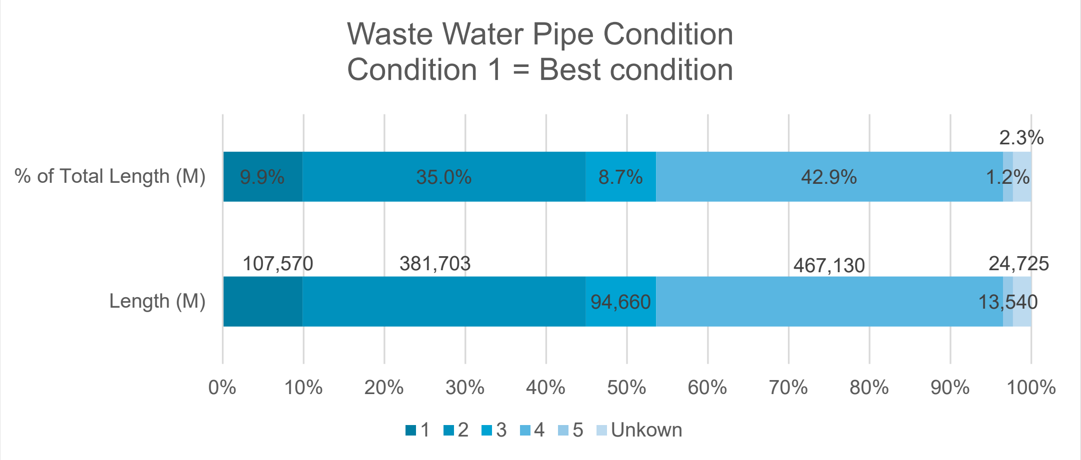


Figure 5: Wastewater Pipe Network Condition

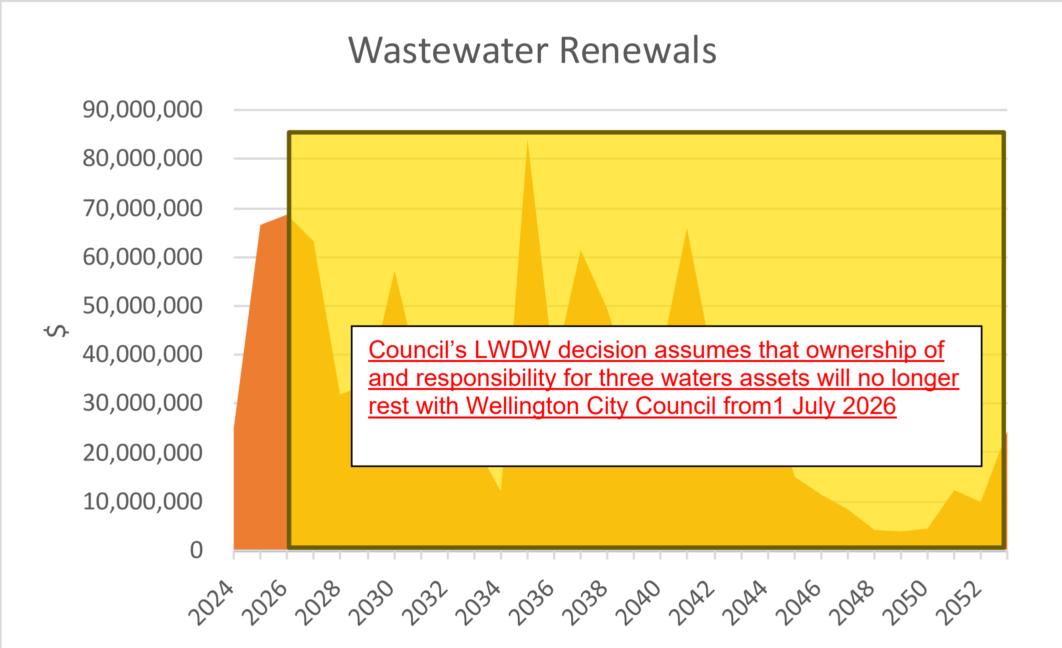
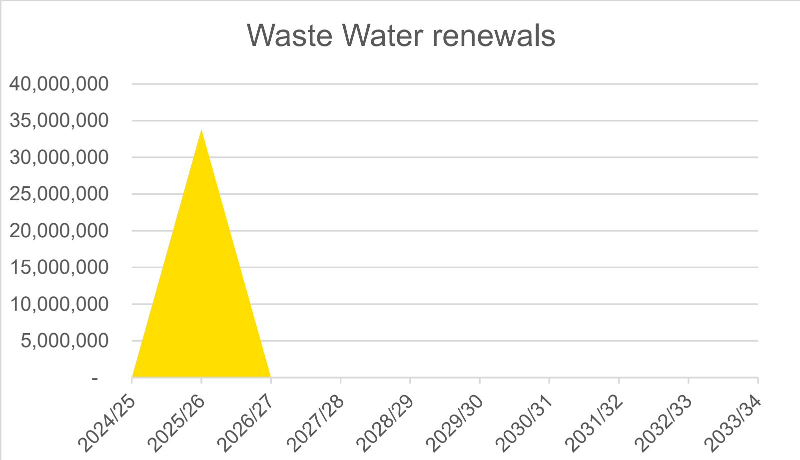


Figure 6: Wastewater Renewal Profile, including the removal of funding due to the Local Water Done Well reform. Funding in 2026/27 [8]

[8] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three water assets will no longer rest with Wellington City Council.



Level of service and performance

The sewerage network delivers a good base level of service to households and businesses. Construction is under way on a new sewage sludge minimisation plant at Moa Point, which will improve levels of service when operational in 2026. Sludge is created through the processing of wastewater. The new facility will remove water and bacteria from the sludge and process it in such a way to reduce sludge volumes by around 80%. This means significantly less sewage sludge being landfilled, reducing costs of transportation and disposal. We are also actively look for opportunities to reuse the remaining organic matter which will remove even more organic waste from landfill.

While the waste treatment and disposal aspect of the service has received significant investment and levels of service will materially improve in the future, there remains some performance issues with the network. The primary issue with the remainder of the network is overall age, condition, and capacity constraints in parts of the network. The legacy design of the network means that blockages or high rainfall events regularly results in wastewater overflows into the stormwater network and natural waterways, which creates public health risks and can cause compliance issues. Network capacity in parts of the city also constrains growth, however works have been planned and programmed for increasing the pumpstation and rising main capacities to cater for population growth.

See the Council's Annual Report for further information on levels of service and performance.

Decisions taken as part of the 2025/26 Annual Plan include an increase in funding for 2025/26 to continue the increased investment in addressing 3 Water infrastructure challenges.

Key challenges

This activity group is affected by all the identified key challenges.

- **Population growth and changing demand** – The changing expectation for freshwater management means that regular overflow occurrences do not meet the new standards. Any waste discharge into freshwater is culturally offensive to Māori and mana whenua.
- An application for a global stormwater consent has been lodged with the relevant consent authority and it is expected that a decision will be made in 2025, which will inevitably require wastewater system upgrades.
- **Aging and declining condition of infrastructure** – More than 1,000 km of public wastewater network has been developed over the past 125 years and many parts of it are aged. The outdated legacy design, which involves redirecting wastewater to freshwater or stormwater during periods of high flows or blockages, presents a significant challenge in attaining the objective of preventing wastewater from entering freshwater sources. The

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wastewater system experiences regular blockages and overflows, posing both offensive and environmentally harmful consequences. The system is prone to overload during rainfall; it also leaks which allows stormwater ingress during wet weather and wastewater discharge during dry weather. This is known as inflow and infiltration (I&I) and has been an issue nationally for many years.

- **Mitigation and adaptation to climate change** – Climate change is leading to an increase in extreme weather events, including extreme rainfall events and landslips, which exacerbates wastewater overflows. Sea level rise and rising groundwater tables associated with climate change also have an impact on underground water assets. The Moa Point and Porirua Wastewater Treatment Plants are located outside flood inundation zones, meaning the key vulnerabilities in wastewater system are associated with infiltration of the pipe network.
- **Earthquake hazards and earthquake prone buildings** – The ground our three water assets are in are subject to earthquakes and other natural hazards which leaves them vulnerable to disruption. There was some localised damage of the wastewater network around the Port in 2016.
- **Affordability and deliverability** – The volume of work needed to keep pace with the aging assets and growth is unaffordable under the current funding environment. Furthermore, the capacity of the construction market to deliver is limited. Additionally, due to changing standards the requirements and costs for gaining resource consents is becoming more challenging and expensive.

Principal options

This activity and related solutions primarily contribute to the priority "*fix our water infrastructure and improve the health of waterways*." There is also a strong contribution to "*collaborate with our communities to mitigate and adapt to climate change*," and "*transform our waste system to enable a circular economy*." We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- **Prioritising growth areas and changing demand** – Higher standards to meet for Wastewater Global Consent. At times of heavy rainfalls enter our wastewater network which often leads to wastewater overflows into freshwater or marine environments. This is a compliance and environmental issue which will be addressed in the new global consent which has been lodged by Wellington Water with the Regional Council. This new consent will result in more stringent consent conditions and will mean additional costs when improving the network to ensure our overflows are mitigated. Once finalised we will be in a better position to understand options around investment requirements, but it will likely require a holding tank to contain overflows within a key strategic part of the network. This is expected to be by 2024-2025 and will help to inform the next LTP. Assumptions have been made and included in the planning of the maintenance and renewals activities.
- **Targeting emissions reductions to the greatest gains and operational efficiency –** We have prioritised completion on the sludge minimisation facility to remove sludge from the landfill. We will also prioritise building capacity in the network to remove overflow into the stormwater system and improve the health or our waterways.
- **Grow our understanding of adaptation impacts and costs –** As we find and repair leaks in the wastewater pipe network, we will seek to understand the sea level rise issues and include any mitigation as we go.
- **Prioritising interventions and the work programme for affordability –** For operational and financial efficiency and overall affordability, we will prioritise repairing and replacing assets in very poor and poor condition and highest criticality.

Issues and options[9]

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
Aging assets and significant wastewater overflows The wastewater network is aging and will require prioritised renewals. During heavy rain events, stormwater gets into the wastewater pipes through inflow and infiltration, which can overwhelm the network and result in wastewater overflows.	Ongoing repairs to maintain the wastewater network. Prioritised renewals throughout the wastewater network Critical renewals include: • Eastern Trunk Main • Airport wastewater treatment triplicate interceptor • Pump station renewals	Ongoing annual investment will be required	2024/25	$52.9m	Raw sewage would enter the centre in a collapse. The Airport has started redeveloping the logistics centre and the risk collapse through construction is expected to increase. There is a contingency in place to pump sewage around the site if a collapse occurred, but this would be an OPEX cost to Council. As with the Eastern Trunk Main, the inside of one of the pipes at the airport is corroding and it is at very high risk of collapse. Collapse will result in sewage spilling out through the Airport and Kilbirnie in wet weather. Would be inefficient to renew this section in isolation of the other sections. Some procurement issues securing a contractor to do the work. Pump stations are critical assets that need a replacement plan to avoid asset failure. Failing to plan increases risk of wastewater overflows impacting the environment and public health. Pumpstations.
Carbon emissions and constraints on waste minimisation Our efforts to minimise waste and reduce carbon emissions at the landfill are hampered by the requirement for wet sewage sludge disposal at Southern Landfill. The Sludge Minimisation Facility is under development which will remove residual water from the sludge, reduce its volume and render it inert and no longer a biohazard. It will reduce sludge volumes by up to 80%.	This option was consulted on in the 2021 LTP and is currently under construction.	2021	2023-2026 Operational by June 2026	$400m	This is a significant step in our efforts to reduce emissions and move towards a circular economy.
Wastewater Treatment Plants are aging The Moa Point and Western Wastewater Treatment Plants require significant renewals as many of these assets are at the end of their useful life. Without renewal they are operating under a reactive approach and things are only fixed or replaced when they break. There is little redundancy in	Invest to meet compliance requirements (adopted). Invest to meet compliance and growth requirements.	2024	2024-2027	$72m over 3 years.	Reactive asset replacement results in an extend period of non-compliance, odour issues and impacts to water quality while design is completed, and parts are procured.

[9] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three water assets will no longer rest with Wellington City Council.

the system making repairs difficult.	

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

Wastewater Activity Opex and Capex forecast[10]

Year	Operating Expenditure[11]	Capital Expenditure
2024/25[12]	102,092,128	169,364,691
2025/26	119,568,995	238,671,425
2026/27		24,017,301
Total	**221,661,124**	**432,053,417**

Figures are inflation adjusted

Stormwater drainage

This information underpins the current approach to investment planning, asset management planning, asset renewals and infrastructure project delivery. Council's preferred option assumes that ownership of and responsibility for water assets will no longer rest with Wellington City Council from 1 July 2026.

Strategic direction

Historically, the purpose of our stormwater system has been to drain rainwater from homes, premises, and roads to prevent flooding that creates risks for public health and safety. The physical assets include pipes, culverts, and sumps, but the performance of the system is also highly dependent on overland flow paths, open channels and streams that carry the water around, rather than through individual properties, and enable the safe passage of stormwater when the pipe network is at capacity.

Streams have also been piped over time to enable the development of roads, buildings, and other city infrastructure. The stormwater systems around the city have been designed to a range of standards accommodate certain volumes of rainfall, meaning that some parts of the city are more prone to flooding than others.

Traditionally, stormwater has been about gravity drainage of rainwater. Increasingly however, it is also about water quality and environmental concerns, such as fish passage and a desire to 'daylight' pipes streams. This is a challenge to the traditional asset management approach.

A further challenge is the changing climate and sea level rise. The existing assets were not designed with these changes in mind, and therefore the stormwater network is increasingly unfit for purpose. Seawater intrusion is now significant, and we need a greater level of granularity to understand how to meet this challenge now and into the future. For example, we will need to pump more stormwater in future. The current setup was not designed as a pressurised network.

The existing stormwater systems discharge directly into the environment, but it is now recognised that stormwater is a source of contaminants that can impact on water quality and ecosystem

[10] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three waters assets will no longer rest with Wellington City Council.
[11] This includes the total cost of asset ownership including depreciation, Insurance and interest costs on top of the funding that we provide Wellington Water Limited.
[12] The 2025 Budget figures reflect the impact of the Long-Term Plan Amendment and capital rephasing approved by the Long Term Plan and Financial Performance Committee on 22 May 2025

health. Heavy metals (such as zinc and copper), hydrocarbons, sediments and nutrients enter the water from areas of urban development causing acute and chronic toxicity to the indigenous fish and invertebrates that once thrived in our city's waterways. Changes in flow during low to moderate rainfall can also cause erosion in streams, and the discharge of 'hot' stormwater in summer rainfall can be detrimental to downstream ecosystems.

Taken all together, the adverse environmental impacts of the stormwater system can extend through the entire stream system to the harbour, where sediments smother life on the seafloor. Wastewater that enters the stormwater system either through leaking wastewater pipes, constructed overflows from the wastewater network or illegal connections, creates a significant public health risk and prevents safe swimming in our streams or coastal waters following even moderate rainfall. It also impacts on the aquatic life and biodiversity of these water bodies. These matters need to be addressed in response to the National Policy Statement for Freshwater for the network to be compliant. This will require significant investment, including in nature-based urban environment solutions.

Asset overview

Our assets are valued (Optimised Replacement Value) at approximately $2,342 million as at 30 June 2023 and include:

- 729km of pipes
- 3km tunnels
- 2 Pump stations
- 28,000 fittings

Asset condition and lifecycle

15.5% of stormwater pipes network are estimated to be in poor or very poor condition. However, the level of confidence of this information is low, due to the lack of on-site condition assessment. This means that there is a high level of uncertainty in planning and forecasting maintenance and renewals.

Building assets are managed in SPM Asset Software. This includes individual asset records, asset registers, condition data, lifecycle analysis and reporting functionality.

Based on the desktop assessment and the VHCA work, an estimate of the relative condition of assets is shown in the figures below. ~~.~~ This information underpins the current approach to investment planning, asset management planning, asset renewals and infrastructure project delivery. In implementing the government's Local Water Done Well reforms, Council's preferred option assumes that from 1 July 2026, ownership of and responsibility for three water assets will no longer rest with Wellington City Council.

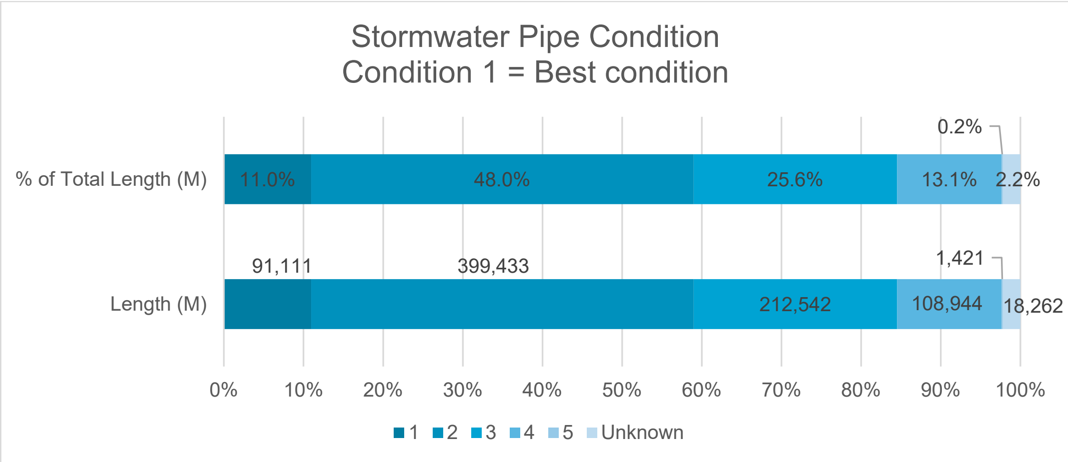


Figure 7: Stormwater Pipe Network Condition

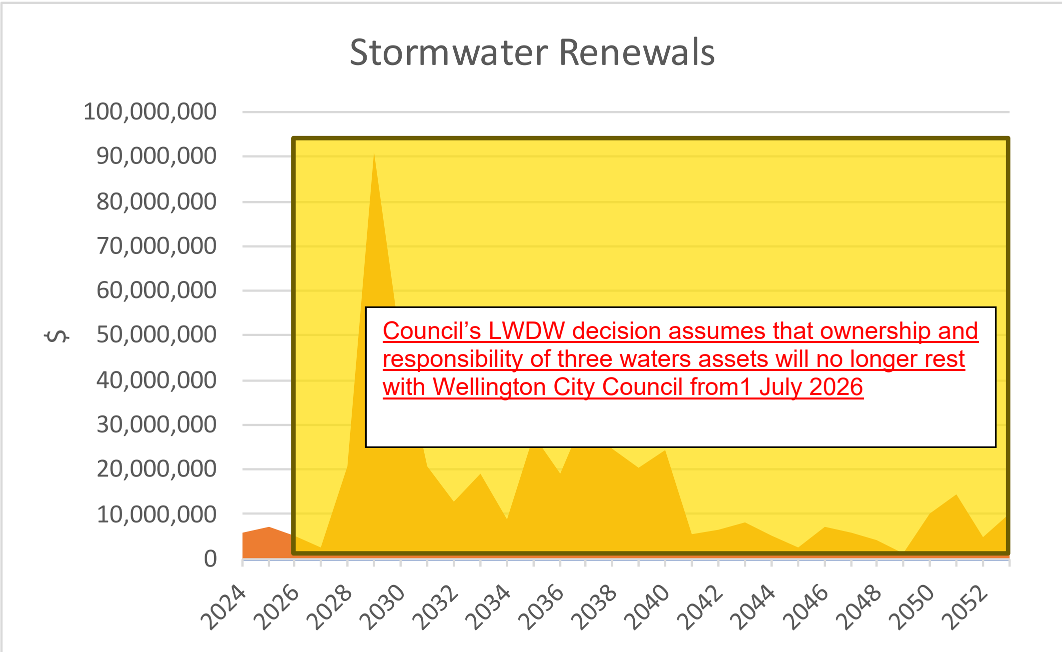
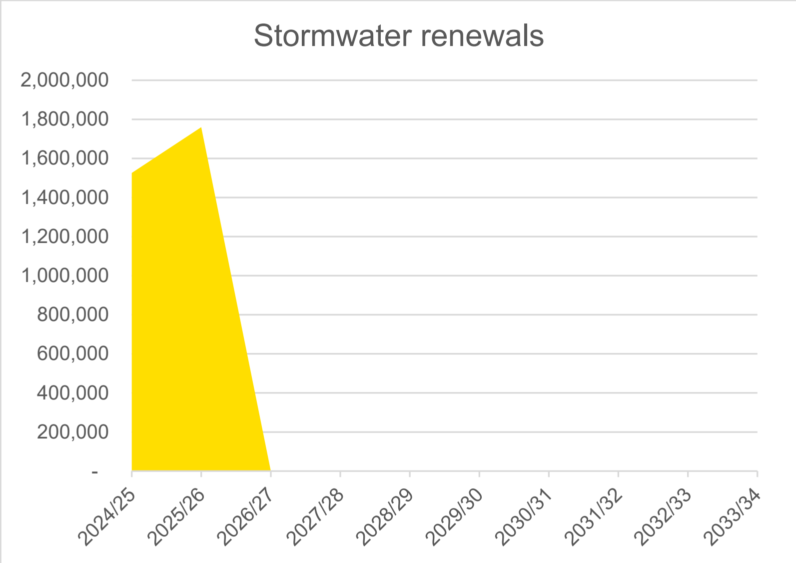


Figure 8: Stormwater Renewal Profile[13]

[13] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three waters assets will no longer rest with Wellington City Council.



Level of service and performance

The stormwater network, while old, still generally performs as designed. Stormwater is discharged into the surrounding natural waterways and then the harbour and sea. There are instances after rainfall events when stormwater is contaminated, and the sea and waterways become polluted resulting in some temporary closures. Environmental standards and community expectations around water quality have changed since the network was built and to meet those will require more education and improved infrastructure.

There are small number of areas in the city that are also impacted by flooding in high rainfall events. This is exacerbated when the rainfall events coincide with high tides. Climate change will result in more frequent high rainfall events in the city which means that additional investment will be required in the stormwater network over the next 30 years.

In high rainfall events stormwater enters the wastewater network causing overflows which impacts streams, the marine environment, and low-lying habitats.

Decisions taken as part of the 2025/26 Annual Plan include an increase in funding for 2025/26 to continue the increased investment in addressing 3 Water infrastructure challenges.

Key challenges

This activity group is affected by all the identified key challenges.

- **Population growth and changing demand** – Where and how we design additional housing has a significant impact on our stormwater network and to some extent has been managed through our Proposed District Plan, using hazard mapping and requiring on-site containment. We know that Tawa suffers from extensive flooding due to its topography and overland flow path restrictions and that there is a lack of a capacity in the Porirua Stream. We also know that there are areas that are already flooding due to undersized pipes. New legislation will have an impact on the stormwater level of service. The Greater Wellington Region Council (GWRRC) Natural Resources Plan gives effect to the National Policy Statement - Freshwater Management via Whaitua te Whanganui-a-Tara ('Whaitua'). This will in turn require improvements in and stormwater contaminants. The status quo will not satisfy these increased requirements. This links to our investment in wastewater and is a significant strategic driver of change across this sector. Green infrastructure will also need to be factored in more to help manage stormwater runoff in terms of quantity and quality.

- **Aging and declining condition of infrastructure** – The stormwater system was designed for weather patterns that at that time did not consider global warming and sea level rise, as it was not on the radar. Future investment will need to ensure that stormwater pipes are appropriately sized to accommodate changing needs.
- **Mitigation and adaptation to climate change** – Stormwater is closely linked with roading, flooding and land use. With climate change, stormwater management is likely to be a constraint on the future shape of Wellington. The challenges with managing stormwater are expected to increase over time as the frequency of heavy rain events increases, sea level rise makes it more difficult for stormwater to discharge, and as growth and intensification reduces ground permeability and impacts on overland flow paths. Historically, our stormwater planning has not been cognisant of climate change challenges such as more intense rainfall and sea level rise. Our stormwater outlet systems are becoming less effective within our harbour due sea level rise within low lying land.
- **Earthquake hazards and earthquake prone buildings –** The ground our three water assets are in are subject to earthquakes and other natural hazards which leaves them vulnerable to disruption. Several earthquakes have also contributed to damage of many assets.
- **Affordability and deliverability –** The volume of work needed to keep pace with the aging assets and growth is unaffordable under the current funding environment. Furthermore, the capacity of the construction market to deliver is limited. Additionally, due to changing standards the requirements and costs for gaining resource consents is becoming more challenging and expensive.

Principal options

This activity and related solutions primarily contribute to the priority "*fix our water infrastructure and improve the health of waterways*." There is also a strong contribution to "*collaborate with our communities to mitigate and adapt to climate change*." We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- **Prioritising growth areas –** We will prioritise investment in stormwater filtration and flood protection in conjunction with or ahead of transport infrastructure investment, public realm upgrades or housing development.
- **Targeting emissions reductions to the greatest gains and operational efficiency –** For operational efficiency, we will prioritise investment in stormwater filtration and flood protect in conjunction with or ahead of transport infrastructure investment, public realm, or housing development.
- **Grow our understanding of adaptation impacts and costs –** We will focus on understanding where the greatest flooding risks are and prioritise investment in nature-based solutions and flood containment in those areas. We will continue working with Wellington Water to better understand our current risk exposure to coastal hazards, and how adaptation planning can be integrated into renewals.
- **Prioritising interventions and the work programme for affordability** – We will prioritise repairing and replacing assets in very poor and poor condition and highest criticality.

Issues and options[14]

Issues	Options	Decision Date	Timing	Costs	Risks and Implications
Aging assets and level of service Council's existing asset infrastructure is aging and becoming less reliable resulting in decreasing levels of service and increased reactive interventions Wellington's population is growing and demands on infrastructure are increasing, resulting in greater investment required to maintain levels of service.	Do nothing– not renewing core infrastructure assets does not meet Council's statutory obligations. Selective renewal – choosing not to renew assets due to a change in demand, level of service or the asset is no longer needed. Prioritised renewal – based on condition assessments indicating sufficient life remaining in an asset to maintain levels of service. (Adopted)	Ongoing annual investment will be required	2024/25	$3.7m	Prioritised renewal based on condition assessment is an effective way to manage a network.
Resilience to natural hazards Wellington's stormwater infrastructure faces growing issues associated with climate change impacts including sea level rise (as well as sinking vertical land movement along much of Wellington's harbour and South Coast), storm surge and inland flooding. The exposure to these issues is exacerbated by earthquake/liquefaction events.	Strategic decisions on how we address climate related risks and adaptation are needed before options for each location can be identified.	TBC	TBC	TBC	Climate related risk is a consideration for resilience and growth aspirations. A coordinated strategic approach is needed.

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

Stormwater Opex and Capex forecast[15]

Year	Operating Expenditure[16]	Capital Expenditure
2024/25[17]	46,094,907	3,571,115
2025/26	56,300,401	5,654,802
Total	**102,395,308**	**9,225,918**

[14] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three waters assets will no longer rest with Wellington City Council.
[15] Due to LWDW reform, Council's preferred option assumes that from 1 July 2026 ownership of and responsibility for three waters assets will no longer rest with Wellington City Council.
[16] This includes the total cost of asset ownership including depreciation, Insurance and interest costs on top of the funding that we provide Wellington Water Limited.
[17] The 2025 Budget figures reflect the impact of the Long Term Plan Amendment and capital rephasing approved by the Long Term Plan and Financial Performance Committee on 22 May 2025

Figures are inflation adjusted

A further note on mitigation and adaptation to climate change.

This will become more of an issue for us in the stormwater space due to low lying land, increasing rainfall and need to protect overland flow paths. There could be a cost of between $1.83 billion to $763m over the 30-year horizon. There are well known flooding issues in Tawa due to lack of existing capacity, restricted overland flow paths and flooding from the Porirua Stream. Flooding also exists in Johnsonville, CBD and Newtown.

Between now and the next LTP we need to:

- Develop A WCC strategy for addressing climate adaptation and resilience (for example managing sea-level rise).
- Investigate more non-engineered solutions such as minimum floor heights, blue green solutions such as daylighting streams and other measures to reduce run off and store flood flows in dual use locations eg: parks.

Delaying significant stormwater work presents a risk of diminishing return on stormwater mitigation solutions due to climate change effects. For example, for a 50-year return period for flood mitigation control may equate to a much lower return period of control in the future.

Waste

Strategic direction

Our modern way of living, dependence on resource use, and unsustainable practices are causing environmental harm. In 2021 Wellingtonians disposed 418kg of waste per person. As a city, this is in the midrange for waste per person compared to other cities in NZ and internationally.

We have recently published a Zero Waste Strategy, defining our role in waste, and recognising the need to set a pathway for intergenerational sustainability, design waste and pollution out and keeping resources in use for as long as possible. We also work with other councils in the region and jointly developed a Regional Waste Management and Minimisation Plan. Our strategy and the regional plan both outline a shift from managing waste to preventing waste, reuse of resources and recycling and is aligned to the Ministry for the Environment's Waste Strategy.

Efforts to achieve our objectives have been hampered by the sewerage waste being disposed into the landfill, with a condition that sludge must be mixed 1:4 with solid waste for stability. Last LTP we consulted on options to manage sludge differently. We are now building a sludge dewatering plant which will remove at least 80% of sludge to the landfill, and there are potential opportunities to make use of the organic waste product that may eliminate sludge in the landfill altogether. To invest in this facility quickly, the council has utilised the Infrastructure Funding and Financing (IFF) tool.

This enables us to focus on removing other waste types from the landfill:

- Organic waste
- Construction and demolition
- Plastics, packaging, and consumables.

Asset overview

Our assets are valued (Optimised Replacement Value) at approximately $54.9 million as at 30 June 2023 and include:

- The Southern Landfill
- Capital Compost (composting facility)
- The Tip Shop and Recycle Centre

Critical assets have been identified at the landfill based upon impact to the provision of the landfill as a service, as well as economic, social, cultural and environmental impacts. These critical assets include the following:

- Landfill Access Road
- Leachate Collection System
- Stormwater Control System
- Weighbridge and Associated Software
- Landfill Tunnel

Asset condition and lifecycle

Overall data confidence for the Solid Waste portfolio is rated as "C - Medium". Whilst recent condition assessments have provided visibility of the built section of the portfolio, there is missing information for plant and equipment and infrastructure in a structured format. Knowledge of the condition of these assets is largely known – and associated renewal costs planned for, however this information does not exist in an asset information system.

Asset data pertaining to the Solid Waste portfolio is maintained primarily within WCC's Asset Management Information System. Plant and Equipment and Infrastructure assets are recognised as an unknown condition, noting that there is an improvement plan to better capture this data.

The condition of known assets is primarily in the average to very good range, with only 4% of these assets rated as poor to very poor. 58% of these assets are expected to have in excess of half of their useful lives remaining before renewal is required.

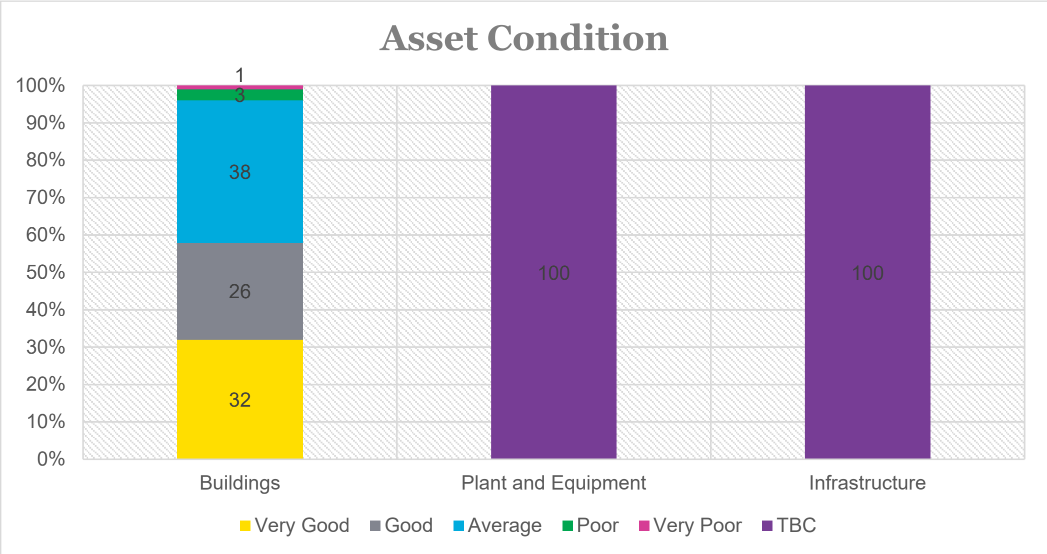


Figure 9: Solid Waste Asset Condition

How we forecast Asset renewals

Renewals of assets within the solid waste activity are driven from data, and BU knowledge. Recent comprehensive condition assessment of the vertical infrastructure provides real confidence in forecasting renewals based on age and performance and is reflected in the financial forecasts for the business. Plant and infrastructure (principally access roads and the landfill) are forecasted by the BU within this LTP based on working knowledge and the requirement to continue service. Detailed lifecycle forecasts are captured and provided in the financial section of the Asset Management plan and summarised in the financial section of this document.

Asset Lifecycle

Asset lifecycle analysis has been undertaken for the built portfolio of the landfill, with both an unconstrained and constrained approach, to determine the level of risk in deferring renewals. The constrained scenario is based upon funding 75% of required renewals from 2024 until 2034, with any deferred renewals over this period to be funded and spread across years 2034 to 2044. The level of risk associated with deferral of these building related renewals is considered to be low, with the majority of assets still remaining within an average to very good condition rating across the deferral period as illustrated in the two expenditure scenarios below. However, there are some key assets that are significant items that must be appropriately funded. These have been funded at 100% - Carrey Gully tunnel ($9m) and compost screen ($300k) and compost shredder ($700k).

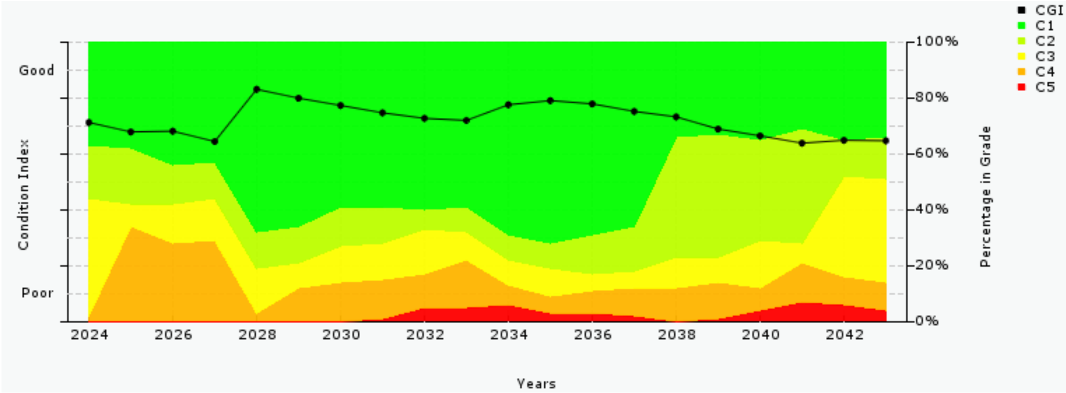


Figure 10: Solid Waste 20 Year Asset Lifecycle Analysis – Unconstrained Expenditure

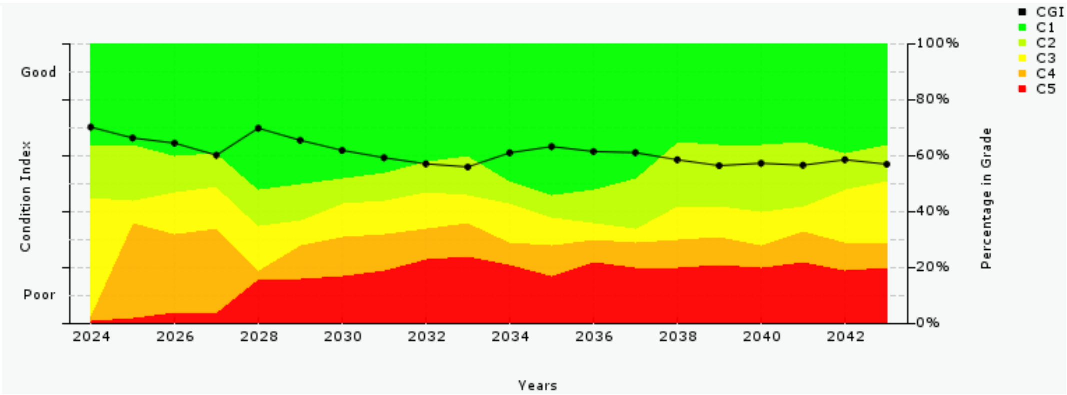


Figure 11: Solid Waste 20 Year Asset Lifecycle Analysis – 75% Constrained Expenditure

Level of service and performance

Over two thirds of Wellingtonians are satisfied with recycling and waste collection services. The current service is supported by the Southern Landfill, a gas capture system that is performing well, a composting facility, and the recycling centre and tip shop. While the existing service and assets are performing well, Council's Zero Waste Strategy proposes a higher level of service for Wellingtonians for the future that removes organic waste, construction and demolition, and plastics, packaging, and consumables from the landfill. This will require a different approach to waste. The funding model needs to be updated, and additional investment will be required for new facilities. The enhanced level of service will be a key issue in the 2024 Consultation Document.

Council's role

The Council has a legislative role to manage and minimise waste. This activity is inextricably linked to national regulations. We cannot just set bylaws to stop businesses producing waste, we must take collective ownership of the problem and support businesses and residents through a hierarchy of interventions, as illustrated.

These assets enable provision of waste disposal services, and services enabling the diversion of waste from landfill. Council contractors and private operators provide kerbside collection services.

We also raise awareness on how to avoid waste, and we fund businesses to implement change that reduces their waste creation or contributes to the circular economy.

Key challenges

This activity group is affected by all the identified key challenges.

- **Population growth and changing demand –** The city's population is growing which will place greater pressure on the existing waste system in the years ahead.
- **Mitigation and adaptation to climate change –** Community expectations are changing and want a system that is international best practice and supports them to be more environmentally sustainable. Approximately 80% of the Council's emissions are from the landfill, so focusing on removing decomposing waste is key to reducing our emissions. To achieve that we need to shift from a model that manages waste to a system that enables people to avoid waste going to the landfill in the first place.
- **Affordability and deliverability –** The processes and infrastructure are not in place to deliver our ambition to achieve a circular economy. It is expensive to invest in residual waste processing and disposal options. Big waste asset investments are needed at a time where both the council and the community have affordability constraints.

Principal options

This activity and related solutions primarily contribute to the priority *"transform our waste system to enable a circular economy*." There is also a strong contribution to "*improve the health of our waterways*." We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- **Targeting emissions reductions to the greatest gains and operational efficiency –** As per our Zero Waste Strategy, we will focus our efforts on reducing waste, by investing in plant and infrastructure that reduces waste, particularly organic matter.
- **Grow our understanding of adaptation impacts and costs –** As residents and businesses become more capable of functioning without private vehicles, alternative was to enable access to recycling and waste management facilities becomes even more important. We will prioritise ensuring we have the right collection models to support the changing city.
- **Prioritising interventions and the work programme for affordability –** We have prioritised waste management and minimisation activities that avoid, reduce, and repair, repurpose and recycle. Where available we will seek central government funding that enables this transition.

Issues and options

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
Organic waste There is increasing community expectation that councils provide organics waste solutions for households and businesses, to help reduce emissions and improve environmental outcomes. Organic waste contributes significantly to landfill emissions. We do not currently collect organic waste and have no local bylaws placing expectations on our residents. Not everyone can compost their organic waste in place. To address this, local authorities can intervene by investing in facilities to process organics on a large scale and then	Investing in large scale organics processing, supplemented by local community composting (Adopted - $50k-$150k will be used from the Waste Levy Fund for years 1-3 to support community compost hub providers). Do nothing	2024	Design – 2025 Delivery – 2025-2027	$3m $23m	Difficult to acquire suitable land. Collection service will also need to be reviewed to support the service. We will need to utilise funding options from central government to deliver required system changes. We will need to get commercially savvy with investments in waste solutions.

sell the nutrient rich products to support local food production, nature reserves, parks, gardens, and other green spaces. A business case is in progress to identify options for processing organics. Decision for progressing investment needs to be made in 2024.					
Managing waste and servicing businesses and communities as we intensify the city. We currently only offer a rubbish bag and recycling bag or bin collection for residents, plus glass crates. The current system does not sufficiently separate different waste types. A decision is needed in 2024 and cannot be made without the organics waste decision first.	A new waste system that provides a broader range of bins for collection of waste, cardboard, plastics, cans, glass, and organics to allow for improved separation of waste (Adopted). Do nothing	2024	2024-2026 2039-2041	$10m $15m	The design of the new collection system needs to manage safety and accessibility and enable contractors to collect the bins effectively. Multi-unit developments will need careful consideration. This is further complicated with the wind and topography of Wellington making it a difficult challenge. The proposal to introduce a container return scheme (CRS) in New Zealand has been paused with no clear timeline for finalising the scheme design. Any decision about future collection services should consider the flexibility to respond to the potential introduction of a CRS.
Construction and demolition waste Construction and demolition waste can include timber, concrete, glass, steel, brick, packaging, metal, plasterboard, and other items. While it only makes up 7% of the Southern Landfill disposal, there are other commercial landfills taking the bulk of this resource in Wellington. Construction and demolition waste makes up 40–50% of New Zealand's waste. Construction and demolition landfills in Wellington are reaching capacity, and a large volume of construction and demolition waste is unnecessary. We lack the regulation and infrastructure to support materials separation and processing at scale. Landfilling construction and demolition waste contributes to carbon emissions and is a seen as a waste of materials. Reuse and recycling can significantly contribute to the prevention of the need for new materials. We do not see the council being the key operator in this space. However, if the market does not provide this WCC will need to work with other councils and private operators across the region to provide a solution.	Supporting commercial entities to start up, through regulations, brokerage, and land zoning.		N/A		Assumes commercial viability, and no significant capital investment from the Council.

Plastics, packaging, and consumables Plastic, textiles, paper, cardboard, and e-waste make up a combined 20.6% of waste to the Southern Landfill. All this waste could be re-used, repaired, repurposed, or recycled. However, we do not currently have sufficient infrastructure to enable this. With higher community expectations council is looking to the market to provide the necessary infrastructure in the future. A decision is needed by 2030.	Supporting commercial entities to start up, through regulations, brokerage, and land zoning.		N/A		Assumes commercial viability, and no significant capital investment from the Council.
Lack of cleanfill capacity Wellington regional has limited cleanfil capacity and new options are essential. Options could include partnerships, or leases to private contractors. Commercial establishments typically own cleanfill. WCC has commenced a cleanfill However as there is limited capacity this a short to mid-term solution. If the market does not provide a solution, the Council will need to consider further intervention options by 2025.	Supporting commercial entities to start up, through regulations, brokerage, and land zoning.		N/A		Assumes commercial viability, and no significant capital investment from the Council.
Long term landfill capacity Growth in population and economic activity is likely to drive up overall household waste generation. We need to actively pursue interventions that avoid waste generation, and enable repair, repurposing, reusing, regenerating, and recycling, as per our Zero Waste Strategy. However, we will continue to need safe disposal of items such as hazardous waste. Our current landfill is consented until June 2026 and will be reaching capacity by then. In the short term, in addition to removing sludge from the landfill, we have taken the decision to extend the current landfill providing capacity beyond 2026. However, in the longer term there is likely to be the need for additional landfill capacity.	Southern Landfill Extension Piggyback Option (SLEPO) Parts A-D will provide 2.2 million cubic metres of landfill capacity, sufficient for 20 years at current rates. Parts A & B, approved by Council in February 2023, to be consented, constructed and operational by June 2026	2023 TBC	Parts A&B 2022-2028 Parts C&D timing tbc	$36 million Parts C&D will require additional funding - costs tbc	Monitoring of capacity will be ongoing. We will require a decision for future capacity needs by 2029/2030 Capital funding of $54.5m to extend SLF is provided for in the LTP, Parts A&B will cost $36M. Timing for Parts C&D to be confirmed and subject to future funding approval
Carey's Gully tunnel strengthening A tunnel runs north to south underneath the Southern Landfill, channelling water from Carey's Gully stream upstream of the landfill under the landfill before discharging it downstream meeting Owhiro stream. With the decision to extend landfill capacity via SLEPO, rather than extend the Southern Landfill further into the gully, this tunnel will be required in	Tunnel strengthening works are being designed and costed, and will be finalised following a detailed survey of the tunnel, scheduled for December 2023 Option for taking at 75% renewals	2027	Timing tbc	Estimated $9 million	Included in LTP and will be funded via closed landfill provision ($2.4M). The balance of the $9m has been signalled as a costs pressure in the AMP. The $9m is an indicative cost estimate provision only. The detailed cost will be determined in 2024 once further tunnel investigation

perpetuity, and it has been identified that work is required to ensure the tunnel meets static and seismic resilience requirements.	reduction is not available for this asset. (Adopted)				and detailed design works have all been completed. Tunnel strengthening works and the timing of this will be a condition of the SLEPO resource consent.
High cost of waste asset maintenance and renewals The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy. Funding waste asset renewals targeted 75% of unconstrained budget for years 1 to 10.	For affordability, reduced funding in years 1 to 10, resume to 25% from year 11 to 20. (Adopted)	2024	2024-34 2034-44 2044-54	$14.1m $5.5m $7.5m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising where the greatest need is, such as safety and compliance. Carrey Gully tunnel (refer above) and compost screen ($300k) and compost shredder ($700k) have been fully funded.
	Fully fund renewals	2024	2024-34 2034-44 2044-54	$18.8 $7.3m $10m	

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

Waste Activity Opex and Capex forecast

Year	Operating Expenditure	Capital Expenditure

57

2024/25[18]	35,930,054	9,493,989
2025/26	37,448,397	16,614,982
2026/27	40,939,335	35,839,807
2027/28	55,049,819	28,987,460
2028/29	57,720,022	11,159,975
2029/30	61,268,865	5,059,459
2030/31	64,366,249	5,438,921
2031/32	66,414,802	6,951,295
2032/33	68,587,865	7,181,157
2033/34	71,086,026	7,521,200
2034-2039	401,763,194	36,797,627
2040-2044	420,302,165	40,587,947
2045-2049	465,578,024	44,355,907
2050-2054	486,025,600	25,888,273
Total	**2,332,480,416**	**281,878,001**

Figures are inflation adjusted

[18] The 2025 Budget figures reflect the impact of the Long Term Plan Amendment and capital rephasing approved by the Long Term Plan and Financial Performance Committee on 22 May 2025

Land Transport

Strategic direction

Transport plays a significant role in shaping what the city is like to live and work in as well as visit – and is a significant contributor to overall quality of life. Our streets are our most significant public spaces and account for almost 50% of the Central City space. Our city is growing which places increasing demand on our transport system and space. Our physical environment is constrained, and we cannot build our way out of this challenge by adding more roading capacity. Our biggest challenges are how to move more people around the city with fewer vehicles and to make sure that our streets are attractive places for people to move through and spend time in.

One of the key mechanisms to help develop a transport system for the future has been to prioritise active and public transport modes over the private vehicle which is essential for Wellington City to:

- Reduce our carbon emissions by increasing mode shift away from reliance on private vehicles.
- Greater liveability, including enhanced urban amenity and enables urban development outcomes.
- Build resilience and adaptability to reduce disruptions and future uncertainty.
- Have a more efficient and reliable transport network.
- Improve road safety for all users.

The transport activity has historically been subsidised by approximately 51% through The New Zealand Transport Agency (NZTA) approved programmes. Investment in transport therefore must align to both our own strategies, and to the Government Policy Statement on Land Transport and the Regional Land Transport Plan. Alignment is important to achieve funding approvals. Changes in government often results in swings to different policy settings, resulting in the need to rethink or rephase our investment activities. There is a strong investment focus on optimising investments over time and decisions based on achieving long-term value for money.

National Land Transport Plan funding allocated to the Council for 2024 to 2027 was lower than assumed in the 2024-34 LTP. This has resulted in a shortfall of revenue of approximately $68m over years 1-3 of the 2024-34 LTP. This means some priorities and outcomes will take longer to achieve than originally envisaged. The capital programme review as part of the Long-term Plan Amendment propose savings in the same areas that received a reduction in funding. The changes mitigate the lower funding and make additional savings towards increasing our debt headroom.

The transport network is connected to the regional and national transport network, and we must also work closely with our neighbouring councils and NZTA to coordinate our investments.

Wellington's local transport network is on difficult terrain – it is steep, winding with lots of tight corners, narrow, old and is exposed to extreme natural events such as earthquakes, slips and storms.

The Council adopted the Sustainable Transport Hierarchy together with Te Atakura, which places walking, cycling and public transport as the top of the transport hierarchy for the city. To implement this and reduce our carbon emissions, the city's transport upgrade programmes and projects focus on system change to enable active and public transport solutions. The ongoing maintenance and renewals programmes are increasingly incorporating build back better initiatives where possible to complement this changing focus. We are committed to the mode shift programme, as it is integral to better outcomes for the environment, community, and economy.

Asset overview

Our assets are valued (Optimised Replacement Value) at approximately $2,494 million as at 30 June 2023 and include:

- 904km of footpaths

- Over 19,000 streetlights
- 3755 structures
- 700km roads
- 40km bike lanes
- 2km bridges and tunnels
- 200 seawalls
- 8km bus priority lanes

Asset condition and lifecycle

Data confidence for the Transport portfolio is rated as "A - Very High" There is a minimal level of uncertainty with recent and ongoing assessments of data taking place for the entire portfolio. The dataset is maintained and audited regularly and is in line with national standards and expectations for NZTA.
Asset data pertaining to the Transport Portfolio is maintained within WCC's Transport Asset Management System RAMM. The data has been aggregated into common groupings representative of the primary services they deliver across the network.

How we forecast Asset renewals

Renewals of assets within the Land Transport activity are driven from data and through the use of modelling combined with criticality (lifelines for example) and level of service required. The RAMM database is continually updated with network inspections and work completed. The modelling is field verified to validate the program of work. Programs are considered under a whole of life cost model which is currently overlaid by budget constraints. Budget constraints can lead to higher overall cost as we are effectively moving investment into later years. Lower renewals generally means an increase in maintenance in future years. The confidence in our data allows the Land Transport team to schedule maintenance and renewals with confidence and accuracy to meet the networks' needs. Lifecycle forecasts are captured and provided in the financial section of the Activity Management plan and summarised in the financial section of this document.

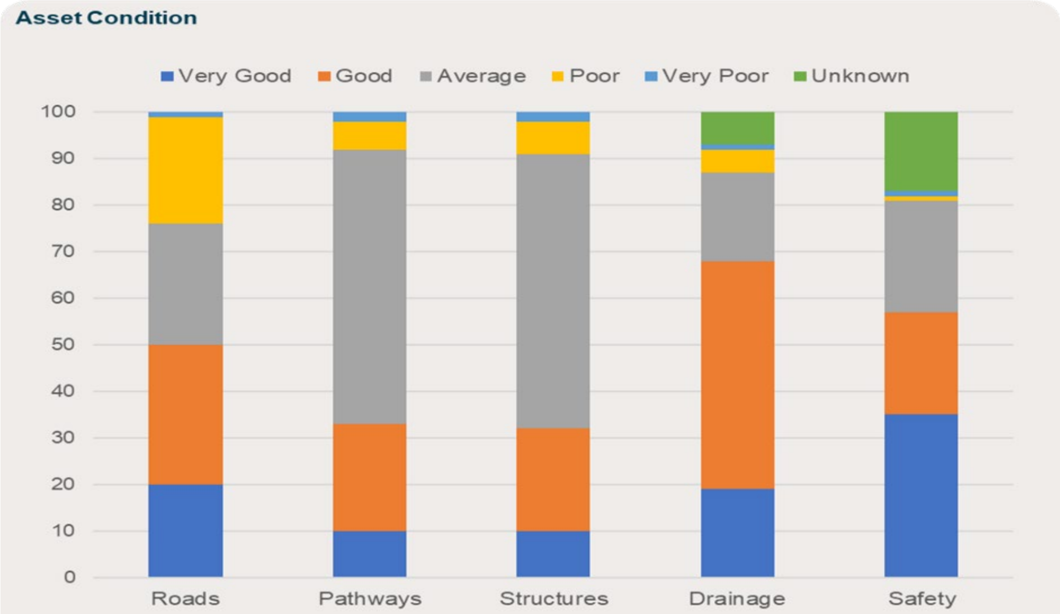


Figure 12: Land Transport Asset Condition

Across transport network assets the Council has high confidence in the quality of information of asset condition and its ability to prioritise renewal spending where the greatest need is, such as, safety, resilience, connectivity, and mode shift. In addition to prioritisation, transport delivery are able to seek value for money options through good procurement practices and review programme options for more cost-effective options and partnering with suppliers. For each asset within transport, choices have been made to balance this budget. Overall, the 75% renewals target was not able to be achieved in transport.

- Road Surface – Overall condition of the road surface is good, and a reduced funding level can be managed, accepting some deterioration, and increased safety risk.
- Pavement – Taking 75% approach to the pavement condition presents a high safety risk, and the decision has been taken to invest at 100% to maintain the asset and safety is not compromised. The damage being caused by heavy vehicles and the double decker buses was also a factor.
- Footpath – There is a small increase in trip hazards, but safety can be maintained at a reduced funded renewal programme. A trend of underspending has also been factored in.
- Drainage Assets – Ineffective flood management would occur with a reduced renewal reduction, so the decision has been taken to fully fund drainage asset renewals.
- Structures and Structural components – There is a need to improve the asset condition of structures, however there is some concern about the confidence in delivering an increased programme. A middle ground has been taken to maintain asset condition, without compromising safety or seeing a reduction in levels of service. The priority of the funding is on resilience.
- Traffic Services Assets - A full reduction in budget would result in increased safety risks and deteriorating condition. A middle ground was agreed with these assets.
- Cycleways – A significant reduction in cycleway renewals was agreed, accepting a deteriorating condition and increased safety risk.

Level of service and performance

At a high level, the city's transport system is generally performing adequately from safety and accessibility perspectives. Asset condition is acceptable with investment based on known parameters. Many of the monitored levels of customer satisfaction are showing a slow downward trend but this runs counter to asset condition which for many assets is stable.

Wellington is a compact city where cycling and walking are a preferred travel mode for a dedicated segment of the community for shorter trips. Public transport, delivered through an extensive bus network commissioned by the regional council, combined with trains to the north is a vital transport mode for many commuters. Capacity and reliability have impacted the bus service, but reliability and patronage is increasing again post Covid.

Travel times are modest outside peak congestion times, and the traditional congestion periods are more muted with greater take-up of working from home and flexible working arrangements in recent years (circa 15 percent of the city's workforce works from home per weekday).

As a city with a growing population, and limited space, we must make best use of existing transport corridors to accommodate population and business growth. Investment is planned for the cycling, walking and public transport networks to accommodate this growth and meet our city liveability and carbon goals.

It is assumed the despite some rephasing and rescoping of projects, material changes in levels of services are not expected as a result of the Capital Programme Review or loss of NLTP funding.

Council’s role

Our role is to provide the infrastructure necessary for people to participate in economic, social, and cultural activities. We must do this while protecting and enhancing the natural environment. To achieve this our role extends to:

- Planning, delivering, maintaining and operating our transport system.
- Developing the transport network to meet future needs of the city.
- Supporting the city’s public transport network by providing space for the network to run efficiently and encouraging people to use it.
- Ensuring our transport network is safe for all users by making ongoing improvements and educating and promoting safe behaviours.
- Enhancing the attractiveness of walking or cycling around the city, through urban design, planting, new infrastructure, and promotion of active transport.
- Monitoring different modes of transport, understanding barriers to change, and making it safer, easier, and more enjoyable as well as convenient to walk, cycle and use public transport.

Key challenges

This activity group is affected by all the identified key challenges.

- **Population growth and changing demand –** Growing traffic congestion and unreliable travel times are an issue. Population growth adds to this problem, especially if we do not provide more efficient ways for people to move around the city and region. Intensification of housing will support reducing the need to travel. But travel is a response to how the city is configured and those outer areas will continue to need to travel by vehicles due to the distance. This configuration is also a contributing factor to sedentary lifestyles and poor public health outcomes. Mode shift is a key response to this challenge, but capital projects cause major disruption and some parts of the community challenge the changes. Furthermore, investment in safety interventions is not yet leading to an overall reduction in harm.
- **Aging and declining condition of infrastructure –** The main issue with aging infrastructure is related to structures. This is the biggest asset value in our transport network. This includes retaining walls, bridges, and tunnels. This does mean an increasing need for investment over the next 10 years.
- **Mitigation and adaptation to climate change –** The transport sector is a significant contributor to greenhouse gas emissions, primarily from burning fossil fuels in vehicles. Combustion engines also emit air pollutants such as particulate matter and nitrogen oxides which have adverse effects on human health and the environment. Climate change is associated with extreme weather events, posing a threat to infrastructure – coastal roads are at risk of erosion and flooding due to more severe and frequent weather events. These impacts affect planning and maintenance, where stormwater needs alternative management options, and roads, bridges and retaining walls become vulnerable to slips. We need to achieve emissions reductions while managing growth.
- **Earthquake hazards and earthquake prone buildings –** Wellington’s natural hazards are well known and a major challenge for the city and its infrastructure. The topography of the natural environment and the cut-fill built environment can result in slips, flooding, and liquefaction issues. This can result in disruptions during weather and seismic events. There are also additional costs associated with clean-up after any events as well as proactively making our transport network and associated infrastructure more resilient. The topography and small number of routes available to some areas of the city also creates vulnerability.
- **Affordability and deliverability –** All these challenges result in increased costs for management and maintenance of our transport network. The current market is very constrained which has resulted in costs escalations. Delivering on commitments in a

resource constrained environment can impact response times for some services and customer satisfaction around levels of service. This is requiring more effort from staff to respond to reactive issues.

Principal options

This activity and related solutions primarily contribute to the priority *"transform our transport system to move more people with fewer vehicles*." There is also a strong contribution to "c*ollaborate with our communities to mitigate and adapt to climate change*," "r*evitalise the city and suburbs to support a thriving and resilient economy and support job growth*" and "*celebrate and make visible te ao Māori across our city*." We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- **Prioritising growth areas –** Transport improvement projects are prioritised in accordance with the spatial plan priority growth areas. This is to enable housing growth and densification while maintaining levels of service for transport access.
- **Targeting emissions reductions to the greatest gains and operational efficiency –** Transport is a significant contributor to climate emissions. We will focus our efforts on improvements that enable low or zero emissions transport, which also deliver operational efficiency. This means prioritising public transport, cycling, and walking infrastructure.
- **Grow our understanding of adaptation impacts and costs –** As we invest in infrastructure improvements, new infrastructure and our maintenance and renewals, we will seek to understand the issues for the area and incorporate adaptation measures.
- **Prioritising interventions and the work programme for affordability –** Our investments will take a combined approach from managing demand, and optimising what we have, to investing in new infrastructure. We will prioritise public transport by investing in bus priority infrastructure. Public transport and active modes will be prioritised in and around the city and town centres to support economic vibrancy and ease of access. We will ensure we have considered all options and are investing cost-effectively.

Issues and options

Supporting mode shift, improving safety, and reducing vehicle kilometres travelled

The physical transport network in Wellington is constrained due to topographical features of the area and this has guided housing construction. North/south connections are the dominant travel connections in Wellington with a shortage of east/west connections. This creates congestion chokepoints resulting in uncertain travel times for public transport, freight, and private vehicles.

Additionally, public transport is not an efficient option for many journeys, so cars remain the most practical mode of travel for many journeys. A key method to reduce congestion is to encourage walking, cycling and public transport, but these options are often not seen as safe enough to be a real option.

In alignment with the Spatial Plan, adapting the Transport Network to reflect the sustainable transport hierarchy is a focus.

As part of the Long-term Plan amendment, we have reviewed the City Streets Project and decided to remove the $85m budget not allocated to set projects, plus make further savings of $45.6m to the remaining projects. This makes savings for our capital programme review and mitigates the lost Central Government funding for this area for years 1 to 3. This will mean no additional funding for any additional key arterial routes in next 10 years other than for the projects below.

The projects below are still assumed to be 50% funded by GWRC.

- Harbour Quays Corridor Bus Priority Upgrades: Will now just provide funding for the interim changes, but not for permanent ones. This is consistent with the Bike Network approach. This reduces the project from $51.6m to $10m.

- Eastern Corridor Bus Priority Upgrades: Funding will be removed for the bike, pedestrian and place improvements in the original scope, and instead the Council will only provide targeted public transport improvements instead of ones across the whole corridor. This reduces the project from $16.5m to $6m.
- Central City Upgrades – walking and cycling: This is for the Central City cross-city cycleway connection, and pedestrian improvements on Dixon St and Cuba St. The proposal is to continue with the cycleway connection, rephase the Dixon St project to align with the Golden Mile upgrade and rephase Cuba St upgrades to Year 2. This project remains at $18.5m but is phased differently across the LTP.

The capital programme review is proposing to change the delivery timeframe for the Bike Network Plan from 10 years to 20 years. In the 2021 LTP the decision was made to accelerate the delivery of our cycle network infrastructure and the Paneke Pōneke Bike Network Plan was adopted in March 2022. The amendment will only complete the Primary Network in 2024 to 34. The Secondary Network will be completed from 2034 to 2044.

We have also reviewed the Thorndon Quay and Hutt Rd project. The roundabout on Aotea Quay will progress, but the Hutt Road portion of the project will be removed, at a cost saving of $10m.

High cost of transport maintenance and renewals

We have a higher cost of transport road maintenance in Wellington City, relative to other councils with similar transport networks. The sub-structure of Wellington's roads consists of flexible, highly water susceptible clays. This creates issues with the maintenance of the network. The construction of a roading network within the topographical constraints of the area has resulting in the need for a substantial number of structures across the district. This steep topography also requires and extensive network of drainage assets as we need to control the stormwater runoff. These combined challenges create a cost of maintenance environment which is high and there is no easy solution.

High axle loads from Electric busses is also leading to accelerated pavement deterioration on bus routes.

We also have an aging asset base which becomes more expensive to maintain while delivering the service levels our customers expect.

Resilience – Slips above and below roads, retaining walls, sea walls and other structures that support our roads.

There has been an adverse trend in the condition of our structures as reported by the structures condition assessments carried out over the last five years. Some transport corridors, including critical routes, do not meet current structural codes and therefore present a resilience risk.

As more work is done over coming years to assess infrastructure against new standards, it is highly likely that, yet undiscovered work will need to be undertaken to address resilience issues. Structural upgrades are high-cost items which will add to funding pressures in the future, including where growing climate change adaptation planning is required.

National Land Transport Plan revenue loss and capital programme review changes

Because National Land Transport Plan (NLTP) funding is lower than was assumed in the 2024-34 LTP, funding reductions are required to the capital programme to ensure there is no impact on Council's debt capacity. However the Long-term Plan amendment also includes a review of our capital programme. Therefore, the decisions on any consequential changes to the transport capital programme were made to include both these factors.

Several capital expenditure budgets for transport have changed, either through rephasing the programme to outer years, rescoping the capital programme, or removing the programme completely. This includes changes to budgets relating to the planned capital programme originally set to commence in 2025/26.

The proposed reductions are based on the projects that were considered to be in-scope of the capital programme review. Some of these were budget lines that did not received funding through the NLTP or received less funding. We also made reductions to budgets where some funding was received and also decided to increase our funding portion for some areas and not reduce them through this process. Adjustments have also been made to savings amounts to reflect the reduced contribution from Greater Wellington Regional Council with respect to the rescoping of the City Streets Bus Priority projects.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
Supporting mode shift, improving safety, and reducing vehicle kilometres travelled	Housing densification – enabled by the District Plan (non-asset solution underway) (part of adopted approach – integrated land use planning)	District Plan to be adopted in 2024	-	-	District Plan: Commissioners make significant changes to the Proposed District Plan through their decisions.
Supporting mode shift, improving safety, and reducing vehicle kilometres travelled	Demand Management – behaviour change programme (non-asset solution, ongoing) (part of adopted approach – managing demand)	ongoing	2024-34	OPEX – ongoing funding through LTP at $0.4, pa	Demand management: lower levels of infrastructure investment may result in it making more challenging to encourage behaviour change.
Supporting mode shift, improving safety, and reducing vehicle kilometres travelled	Improved cycleways network to support active travel and bus priority interventions to increase PT use (part of adopted approach – optimising the network)	ongoing	2024-34 2034-44	83.9 77.4	Active and public transport: With a change in government, the level of investment aligned to some of Council's priority transport areas has shifted, resulting in lower levels of subsidy and a need to revisit timing assumptions. Implementation of Paneke Pōneke is therefore proposed to be spread over 20 years, rather than the 10 years proposed in the 2024 LTP.
Supporting mode shift, improving safety, and reducing vehicle kilometres travelled	Improved public transport priority and facilities for active travel in streets to and through the central city (part of adopted approach – optimising the network)	2024	2024-34	$104.5m	Active and public transport: With a change in government, the level of investment aligned to some of Council's priority transport areas may shift resulting in lower levels of subsidy and a need to revisit timing assumptions.
Supporting mode shift, improving safety, and reducing vehicle kilometres travelled	Increase upgrades funding to do more work sooner.	2024	TBC	Incremental costs above preferred programme levels to accelerate delivery. Up to $600 million across transport upgrade programmes	Dependant on the level of subsidy from the government.

High cost of transport maintenance and renewals	Fund renewals at 75% and seek value for money options through good procurement practices and review programme options for more cost-effective options. Partner with suppliers.	2024	2024-2033 2033-2054	$39.3 m pa $58.2 m pa	Deferring 25% of renewals does carry some risk. This will be managed through prioritising where the greatest need is, such as, safety, resilience, connectivity, and mode shift.
High cost of transport maintenance and renewals	Reduced funding on cycleways renewals resulting from less capital investment in cycleway development, maintaining existing levels of service for resurfacing - 30% reduction (Adopted)	2024	2024-2033 2033-2054	$41.9 m pa $55 m pa	This approach increases the likelihood of surfacing faults across the network, which reduces customer levels of service.
High cost of transport maintenance and renewals	Fully fund renewals	2024	2024-2033 2033-2054	$52.5pa $45m pa	
Resilience - Slips above and below roads, retaining walls, sea walls and other structures that support our roads.	Fund a programme of upgrades and renewals taking a risk-based approach to ensure the highest priority work is undertaken first.		annual budget	$10m pa	Infrastructure failures can disrupt travel times and impact commuters and businesses. Asset failures can also result in health and safety consequences. Several transport routes in the city have been designated as emergency routes which need higher levels of resilience to ensure lifelines. Capital funding for key resilience work declines in the later part of the LTP. Scaling up capital works quickly can at times be challenging for contractors and the sector and certainty around a pipeline of capital works is important for contractor resilience.

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

Land Transport Activity Opex and Capex forecast

Year	Operating Expenditure	Capital Expenditure
2024/25[19]	133,404,200	104,522,989
2025/26	133,685,409	148,882,709

[19] The 2025 Budget figures reflect the impact of the Long Term Plan Amendment and capital rephasing approved by the Long Term Plan and Financial Performance Committee on 22 May 2025

2026/27	156,259,804	121,383,668
2027/28	158,193,458	99,523,004
2028/29	168,875,215	86,134,050
2029/30	179,471,815	79,172,272
2030/31	202,247,528	70,944,672
2031/32	215,238,317	81,609,562
2032/33	215,445,843	67,232,531
2033/34	230,141,847	71,081,424
2034-2039	1,169,696,703	399,620,969
2040-2044	1,273,978,938	430,889,742
2045-2049	1,400,116,619	473,206,578
2050-2054	1,307,324,896	477,730,884
Total	**6,944,080,591**	**2,711,935,053**

Figures are inflation adjusted

Buildings (including civic buildings, venues, social housing)

Strategic direction

The investment in Wellington's performance arts venues enhances the city's creative ecosystem. These venues play a crucial role in hosting a variety of events, including arts, cultural activities, community gatherings, and international sports events.

Wellingtonians have a strong passion for entertainment and the arts and need accessible venues with suitable infrastructure and technology to support vibrant creative expression day and night.

Our performing arts venues are old, have seismic issues, and have the challenge of needing to adapt to climate change. When repairing and upgrading our facilities we also have an opportunity to reduce greenhouse gas emissions through green building standards, which will also contribute to reduced heating and cooling bills.

The existing assets within these venues, such as sound systems, public facilities, and kitchens, are essential for supporting diverse activities. While the venues meet the needs of hirers, there have been complaints about the additional cost burden on organisers who must bring their own equipment, making setup more expensive compared to other cities.

A recent review of WCC's civic performance venues identified that the WCC operating model for the performing arts venues (Shed 6, TSB Arena, Town Hall, MFC (Michael Fowler Centre), Opera House, St James Theatre) is sub-optimal, and not set-up for success. The model in its current form lacks alignment, transparency, and accountability in relation to how civic performance venues contribute to agreed WCC strategies and objectives. There is a significant opportunity to shift to a more effective operating model, including taking a strategic portfolio investment approach to the civic performance venues. The Economic Wellbeing Strategy underscores the city's dependence on performing arts and sports venues to drive a dynamic and vibrant economy.

We own a large portfolio of social housing assets. Housing in Wellington is becoming less affordable and there is growing pressure on the Wellington Housing market. Housing needs to be affordable if all Wellingtonians are to have safe, warm, dry homes that meet their needs. Te Toi Mahana (a community housing provider) operates the Council’s social housing function and controls the affordability of tenancies. We have a housing strategy, adopted in 2018, that seeks a housing system that supports sustainable, resilient, and connected communities, and ensures a well-functioning housing system, meeting the needs of Wellingtonians. The housing strategy influences the planning frameworks (such as the District Plan) and programmes such as Te Kainga.

Asset overview

Our assets are valued (Optimised Replacement Value) at approximately $620.7 million as at 30 June 2023 and include but are not limited to:

- Wellington Venues (operationally managed by Venues Wellington):
  - Michael Fowler Centre (recently identified as earthquake prone)
  - The Opera House (recently identified as earthquake prone)
  - St James Theatre (reopened 2022)
  - Town Hall (closed for seismic strengthening since 2013)
  - TSB Bank Arena
- Museums Wellington (operationally managed by Experience Wellington):
  - City Gallery

- Space Place at Carter Observatory
- Nairn Street Cottage
- The Bond Store (earthquake prone)

- Other:
  - Tākina Exhibition and convention centre (new, opened 2023) - (run by Te Papa foundation)
  - Hannah Playhouse – (run by WCC)
  - Embassy Theatre (seismic assessment underway)
  - Te Whaea National Dance and Drama Centre
  - CAB (earthquake prone)
  - MOB (earthquake prone)
  - The Basin Reserve
  - Sky Stadium (co-owned with GWRC)
  - Capital E (former – earthquake prone)
- Waterfront buildings and assets
  - Shed 1 (earthquake prone), Shed 3, Shed 5, and Shed 6

Our social housing assets are valued (Optimised Replacement Value) at approximately $401.8 million as at 30 June 2023 and include:

- 275 social housing buildings, containing:
- 1786 units
- 2713 bedrooms
- 4835 bed spaces

Asset condition and lifecycle

Data confidence overall for this group of assets is “B – High”. All buildings in this grouping have been assessed through a comprehensive condition assessment survey undertaken in 2023. The reason that this isn’t “A – Very High” is that the data pertaining to the housing portfolio, whilst comprehensive is beginning to atrophy with age. This also applies to data for buildings currently being reinstated, demolished or undergoing large scale works – for example CAB, MOB and the Wellington Town Hall. WCC are currently undertaking a program of work to perform a full condition assessment of the housing portfolio, which will lift the rating for this grouping to “A – Very High”.

The condition of known assets is primarily in the average to very good range, with less than 10% of assets being rated as poor to very poor. Of the assets that fall into the poor to very poor range, the majority are within buildings that are currently undergoing remediation or large-scale reinstatement works in the Civic precinct and are not representative of the condition of the whole portfolio. Assets which are outside of this precinct are expected on average to have in excess of 50% of their useful lives remaining. Additional considerations related to seismic resilience, earthquake prone buildings and associated detailed seismic assessments are known and factored into lifecycle planning and renewal forecasts – however these are not represented in the condition assessment data below.

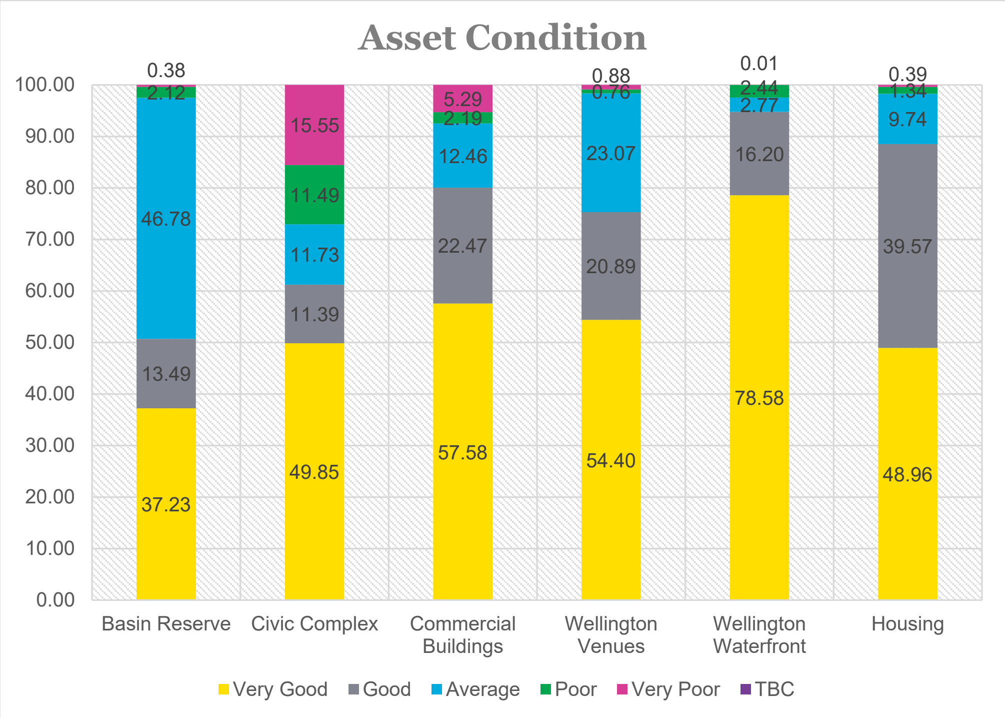


Figure 13: Buildings, Venues and Housing Asset Condition

Asset data pertaining to this asset grouping is maintained within WCC's Asset Management System. The data has been aggregated into common groupings based upon funding and the primary services they deliver across the network. Alongside this asset data, centralised repositories detailing factors such as heritage listings and earthquake prone buildings is maintained and factored into and underpins any lifecycle forecasting and renewal planning decisions.

How we forecast Asset renewals

Renewals of assets within this group of activities are driven from data and is determined by criticality (lifelines for example) and level of service required. Known issues that are non-data driven are considered and factored into planning decisions, such as seismic resilience and climate change. Detailed lifecycle forecasts are captured and provided in the financial section of the Activity Management plan and summarised in the financial section of this document.

Asset Lifecycle

Component based lifecycle analysis has been undertaken for all portfolios within this activity grouping, with multiple scenarios of renewal investment modelled and compared to an unconstrained expenditure profile to determine associated risk of deferred renewals. The adopted scenario is based upon funding 75% of predicted renewals in years 2024 to 2033, with any deferred renewals over this period to be funded and spread across years 2034-2043. The level of risk associated with deferral of these renewals is reasonably low, with most assets still remaining within an average to very good condition rating across the deferral period. The below graph is demonstrative of an unconstrained approach to expenditure to the portfolio, and associated condition grade index.

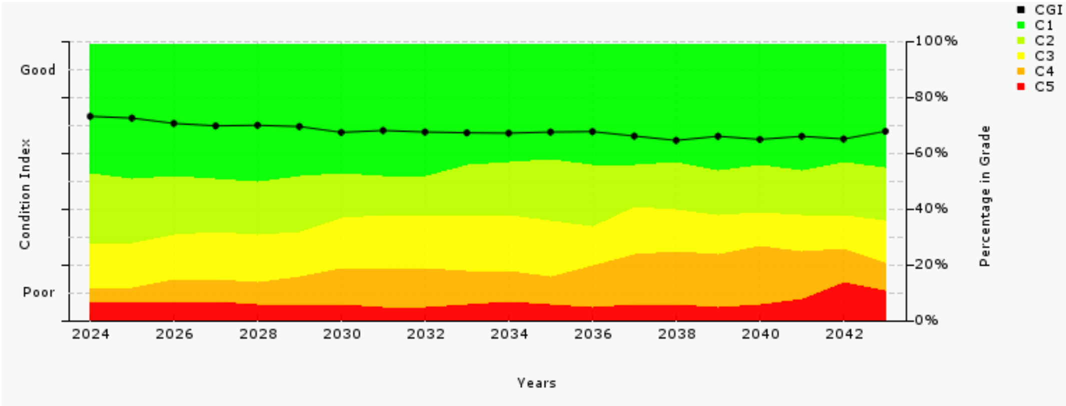


Figure 14: Buildings 20 Year Asset Lifecycle Analysis – Unconstrained Expenditure

Applying 75% Renewals Funding

- **Civic buildings** will be managed by prioritising safety and compliance. The 75% funding of renewals may result in an increased emergency maintenance in outer years. However, City Gallery is the key civic building needing renewal. The potential redevelopment of CAB & MOB means we won't be doing any renewals on these buildings, and the Town Hall and Library are currently being redeveloped. Basin Reserve Renewals will be prioritised together with the Basin Reserve Trust. We will support them to manage this budget. The most important focus will be on the turf and irrigation. Wellington Venues need seismic remediation. Detailed options analysis is being worked through to identify which buildings and investment are needed for future service provision. This information will inform the renewals programme from year 2. Therefore, bare minimum renewals will be applied to keep these facilities functional (ie: Michael Fowler Centre, Opera House).
- **For housing renewals**, 75% renewal funding has been applied. While Council condition information shows housing assets mainly being in very good or good condition, asset condition information is currently not fully up to date with the most recent comprehensive SPM data survey being performed in 2016 and therefore may not be reflective of current condition. A higher level of condition uncertainty creates some risk and uncertainty in our ability to prioritise renewal spending. The level of risk associated with the deferral of these renewals has been deemed to be relatively low, as a large proportion of these renewals are low-cost or low-risk renewals that are primarily dealt with through operational or reactive maintenance through the current vacate process at end of tenancy. Alongside this, levels of risk are lowered through the delivery of the HUP2 work programme and any renewals that will take place as part of this work. Furthermore, the renewals programme is delivered based upon prioritisation of individual components based upon risk and criticality. It is envisaged that once the full asset condition survey is completed in 2024 the Council and CHP will jointly develop and continue delivery of a strong renewals plan within the budget available. City Housing renewals are prioritised to safety and accessibility. Funding renewals at 75% carries greater risk in that it creates more property vacancies due to the poor condition. This incurs additional costs to the Council.

Level of service and performance

The breadth of facilities that the council owns to support cultural, economic, and social services in the city is significant. While the Council has been able to maintain service levels so that cultural expression and economic activity such as conferences and events can continue, the closure of the Town Hall for earthquake strengthening requirements has impacted some sectors. This has been offset with the recent opening of Tākina which has provided the city with a new world class conference and events centre.

There are still several civic facilities like the Opera House, Wellington Museum and the Michael Fowler Centre that will require earthquake remediation in the coming years but remain operational in the meantime. The earthquake remediation of civic venues will take a few years to work through.

Currently, venue usage is suboptimal at 51%, primarily because the venues have not been modernised to accommodate a larger number of events with diverse content. This gap means the city is not fully meeting the needs of event organizers and younger audiences, highlighting the necessity for a venue strategy to address these challenges and optimise venue utilisation.

The Council has provided Social Housing since the 1950's. It is now managed under lease by Te Toi Māhana Trust. The performance of the housing stock is generally good. Tenant satisfaction is high. About half of the housing stock has been upgraded to meet modern requirements and standards over the last 20 years as part of a cost sharing arrangement with the Crown, and the remainder of the housing stock will be upgraded in the coming years.

Council's role

Our role is to support economic, social, and cultural outcomes for the people of the city. Our venues, civic buildings and waterfront contribute to this. We currently own many buildings. We operate some services ourselves, and contract out other services, through Council Controlled Organisations (CCOs).

The council's role in housing is broad:

- Enabling capacity, supply, and affordability through the District Plan.
- Consenting and compliance.
- Collaborating with others to support Māori housing security and supporting rental housing supply (Te Kāinga partnership programme).
- Addressing homelessness.
- Public social housing.

Key challenges

This activity group is affected by all the identified key challenges.

- **Population growth and changing demand –** Some venues have low utilisation rates and content is expected to shift the new and refurbished venues in the coming years. There are gaps with audience interaction equipment and integration with the venues' surroundings. There is potential to tap into unsatisfied demand through scalable and flexible facilities, and target content to different age groups such as the under 35s. Fit for purpose housing means safe, secure, warm & dry, and meets the needs of the residents. Regarding our social housing stock, we have completed half of the upgrades needed to meet healthy, safe, and inclusive homes standards.
- **Aging and declining condition of infrastructure –** Maintenance of many of our buildings has been deferred for many years. Venues have also suffered from lack of investment in modern technology. This lack of investment impacts the operations, and ability to make the venues sustainable and useful. Our social housing is aging, not accessible, inclusive, or efficient and are no longer fit-for-purpose.
- **Mitigation and adaptation to climate change –** Many of our venues and buildings are subject to a range of natural hazards including flooding and coastal inundation; some are built on wharves. Refurbishing these buildings presents opportunities to reduce emissions, climate risk and be more fit for purpose, including addressing accessibility, suitability, and stakeholder needs. Housing can also contribute to emissions reductions by being energy efficient. Our portfolio needs to be assessed for the future risks associated with climate change.
- **Earthquake hazards and earthquake prone buildings –** Many of our venues and buildings are situated on reclaimed land and are subject to a range of natural hazards

including earthquakes. Unknown costs associated with remediation works arise due to the vulnerability of the land to seismic events, ground conditions and sea level rise. Tough decisions are needed as part of this LTP to identify the most strategic way forward. Strategic portfolio management of these buildings is necessary. The level of strengthening will need to factor in usage. This will be considered through a detailed options analysis report that will determine the future of the arts and culture and civic building portfolio. We anticipate that this will be ready for the 2027-37 LTP with investigations funded in this LTP. While our city housing portfolio is not earthquake prone, it does need upgrading to meet higher earthquake safety standards.

- **Affordability and deliverability –** The challenge is large, and the cost to solve it will be even larger. A strategic plan to deliver the right venues and buildings over the next 30 years is needed. We have faced challenges recently with costs increasing, and discovering issues once the building work has commenced. Management of these significant projects requires sound advice and governance to make strategically sound investment decisions in the future. Affordability has been an issue, and we have been part-funded by the Crown to be able to make these upgrades to social housing assets.

Principal options

This activity and related solutions primarily contribute to the priority *"Revitalise the city and suburbs to support a thriving and resilient economy and support job growth*." There is also a strong contribution to "*increase access to good, affordable housing to improve the wellbeing of our communities*" and "*celebrate and make visible te ao Māori across our city*." We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- **Prioritising growth areas –** While prioritising growth areas will be considered, this is less of a consideration for this asset group, as the assets are destination assets for the whole city and in some cases for the region.
- **Targeting emissions reductions to the greatest gains and operational efficiency –** There is a significant opportunity to address building and energy relation emissions when we remediate and build new assets. We will focus on these opportunities when buildings are being repaired or new buildings are being constructed, but we will not be putting effort into retrofitting buildings where there would otherwise not be any construction activity.
- **Grow our understanding of adaptation impacts and costs –** As we take stock of the scale of the issue with our civic buildings and venues, we will develop our understanding of the adaptation needs, and take this into account when making decisions. This might include choosing not to place new buildings or rebuild in disaster prone areas but rather demolish buildings instead of remediation due to the challenges on the site.
- **Strategic rationalisation to better manage the overall asset portfolios –** Some of our buildings and venues have overlapping purposes. Because of the size and scale of the portfolio and the complexity and costs of the issues, we will complete the remediation projects underway, but will pause and reset to take a strategic portfolio view before making further decisions. This will allow the council to understand what the city needs and how best to deliver.
- **Prioritising interventions and the work programme for affordability –** Managing, maintaining and renewing such large buildings is costly. Understanding needs is important to help make decisions about demand management, optimisation, and renewal and replacement or demolishing. Options should also include consideration of demolishing to replace and demolished and not replacing.

Issues and options

In 2023 the Council decided to complete earthquake strengthening work already underway. The Town Hall and Library are already in progress with re-opening expected in 2027 and full completion in 2028. This is a significant expenditure of $546.7m over 2024 to 2028.

Administration buildings (CAB & MOB)

It is unaffordable to rebuild all the buildings we own. These buildings are vacant and have been for some time. To remediate within the required timeframe, we must take tough decisions.

We will also investigate options for including Experience Wellington and WellingtonNZ in the Council office fitout.

Remediation options for Te Ngākau the City to Sea Bridge, Civic Square basement, and Capital E

It is unaffordable to rebuild or remediate all the buildings we own. These buildings are vacant and have been for some time. To remediate within the required timeframe, we must take tough decisions.

Scale of total programme costs for buildings and Te Ngākau is unknown.

A business case is under development. This will consider the most strategic and cost-effective solutions to managing the portfolio so that it best delivers on our community outcomes, and long-term sustainability.

Addressing seismic issues, carbon emissions reduction and ensuring civic buildings and performance venues are fit for purpose

Wellington has a large portfolio of civic performance / entertainment venues for a city of its size. Some of these venues are near one another and fulfil a similar market purpose, for example: MFC & Town Hall.

Addressing seismic regulatory requirements for earthquake prone buildings is mandatory.

Opportunities exist to improve performance of assets including, ability to widen audience / experience offerings. Venue utilisation, reduction of carbon emissions (response to Te Atakura), etc.

Sky Stadium health and Safety

The Sky Stadium is 25 years old. The Stadium has done well in its first 20 years and was able to remain financially autonomous and contributes to self-fund its capex and opex. This has now changed due to;

- Recent earthquakes and seismic improvements subsequently required.
- Impact of earthquakes on insurance premiums
- Covid 19 Financial Impacts

Civic buildings renewals

The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy.

Basin reserve renewals

The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy. Funding Basin Reserve asset renewals at 75% of unconstrained budget is possible because of improved asset management planning data and information.

Earthquake strengthening has been invested in, and critical safety is already addressed.

Wellington Venues renewals

The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy. Funding Wellington Venues asset renewals at 75% of unconstrained budget is possible because of improved asset management planning data and information.

Social Housing Upgrade Programme

Existing social housing assets are currently being upgraded through a partnership programme with the Crown. Providing access for all New Zealanders to affordable, sustainable, good quality housing appropriate to their needs is the vision of the New Zealand Housing strategy that drove the need to upgrade the council's social housing. In 2007 the Council reached an agreement with the Crown to develop an upgrade programme where the Crown offered $220m to contribute to the upgrade of the portfolio to ensure the Council's social housing portfolio is safe and secure, and to a good standard for modern living. The first phase of the programme (HUP1) was completed in 2018 which saw upgrade of approximately half of the portfolio upgraded and full expenditure of the Crown grant. Planning for the second phase of the programme is underway.

Planning and delivery is currently underway. There are two active projects underway in HUP2. Aside from that working toward completing a programme business case in 2024 detailing several programme options for consideration / decision making.

Housing Renewals programme

The aging condition of existing social housing assets requires ongoing attention. But financial affordability does put significant constraint onto the programme.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
Administration buildings (CAB & MOB)	Demolish (Adopted - note, decision to demolish CAB has already been approved)	2023	2024-2027	$7.8m	Not being able to partner with private sector and being left with a vacant site.
Administration buildings (CAB & MOB)	Partner with private sector to remediate or redevelop – this option is contingent on demolish option above (Adopted)	2024	Unknown	Unknown	We do not have control of the timing
Administration buildings (CAB & MOB)	Sell as is and leave to market to remediate	2024	Unknown	Unknown	We do not have control of the timing
Administration buildings (CAB & MOB)	Do Nothing	2024	Unknown	Unknown	Reputation risks and safety risks as two large buildings will sit idle and vacant on a key location. Risks to economic and social wellbeing of the civic precinct and the wider area Risks to Wellington Town Hall project as it relies on MOB site to address some of the “front of house” issues.
Remediation options for Te Ngākau the City to Sea Bridge, Civic Square basement, and Capital E	Demolish (Final decisions will inform 2027 LTP)	2027	2027-2030	$65m	

Remediation options for Te Ngākau the City to Sea Bridge, Civic Square basement, and Capital E	Strengthen	2024	2024-2027	$240m	High level of investment in assets that are exposed to climate change risk.
Remediation options for Te Ngākau the City to Sea Bridge, Civic Square basement, and Capital E	Do nothing	2024	NA	Unknown	The risks of doing nothing regarding the earthquake prone structures of Te Ngākau: - Risk to the public safety in case of a major earthquake - Reputational risks as we pressure private owners to remediate their buildings. - Fines by the regulators if we do not meet our regulatory requirements.
Addressing seismic issues, carbon emissions reduction and ensuring civic buildings and performance venues are fit for purpose	Investigate the full portfolio of civic buildings and venues deemed earthquake prone to make a strategic portfolio decision for the remaining buildings' future, these considerations include demolition, divestment, and remediation. (Adopted)	2027	Feasibility / Investigation 2024-2027	Opex $20m Capex to be identified and decisions taken for 2027 LTP.	Loss of venues (either temporarily or permanently) will impact the operations of CCO's. Heritage status of some buildings may constrain perceived opportunities / necessitate prioritisation of investment / delivery in consideration of regulatory requirements.
Addressing seismic issues, carbon emissions reduction and ensuring civic buildings and performance venues are fit for purpose	Do Nothing	2027	NA	Unknown	Unknown
Sky Stadium health and Safety	Basic health and safety improvements to the stadium	2024	2024 -2027	$8.9m	Need to ensure alignment with GWRC funding programme. There is a legislative requirement for us to undertake this work to ensure that the stadium remains safe for public use
Sky Stadium health and Safety	Replacement of the stadium	2044	2049	$1b (unfunded)	Decisions will need to be taken as the stadium reaches end of life.

Civic buildings renewals	Fully fund renewals	2024	2024-34 2034-44 2044-54	$44.5m $52.4m $61.8m	This is not affordable and does not make sense when the future of some buildings is uncertain.
Civic buildings renewals	Constrain renewals to 75% of the optimum renewal plan. (Adopted)	2024	2024-34 2034-44 2044-54	$33.4m $39.3m $46.4m	Deferring 25% of renewals does carry some risk. This will be managed through prioritisation and ensuring the buildings are compliant and safe for use. This may result in an increased in maintenance in outer years. Emergency procurement would also cost more. Potential redevelopment of MOB & CAB will mean renewals not required. Library and Town Hall will not require renewals as they are being redeveloped currently. City gallery is the key asset requiring renewal.
Basin reserve renewals	Fully fund renewals	2024	2024-34 2034-44 2044-54	$7.7m $11.7m $10m	
Basin reserve renewals	For affordability, fund renewals at 75% of unconstrained forecast (adopted)	2024	2024-34 2034-44 2044-54	$5.8m $8.8m $7.5m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising safety and compliance. Renewals will be prioritised together with the Basin Reserve Trust. We will support them to manage. The most important focus is the turf and irrigation.
Wellington Venues renewals	Fully fund renewals	2024	2024-34 2034-44 2044-54	$31.4m $64.5m $68.8m	This is not affordable and does not make sense when the future of some buildings is uncertain.
Wellington Venues renewals	For affordability, fund renewals at 75% of unconstrained forecast for the first 10 years and focus on only buildings that have a certain future. Backlog will be addressed in years 11 to 20. (Adopted)	2024	2024-34 2034-44 2044-54	$23.6m $48.4m $51.6m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising safety and compliance for public use, with detailed options analysis for the future scenarios to further inform renewals decisions from year 2. Opera House and Michael Fowler Centre require intervention in the coming years, and we are currently working through the options. This does not in itself mean that the Michael Fowler Centre will be demolished. Bare minimum renewals will be applied to keep these facilities functioning.
Social Housing Upgrade Programme	The principal option for this issue is to make best use of existing by improving the quality of living standards and undertaking seismic improvements. A	2024	2024-2036.	$400m	This option meets the requirements of the Crown deed. Key risks for delivering the programme in accordance with the Deed requirements are: Seismic performance - one of the requirements of the Deed is to deliver building to 67%NBS. Approximately 50% of the portfolio has had assessments complete.

	business case is underway, this will identify options for investment. (Adopted)			The remaining 50% are scheduled to be complete next year (scope risk). Re-housing of Te Toi Mahana tenants, whilst upgrades are complete. This is a key constraint to the delivery of the programme, therefore the expediency to which the programme can be delivered, therefore cost.
Housing Renewals programme	Fund renewals at 75% of unconstrained forecast for first 10 years to manage affordability in the short term. Increase the funding in years 11-20 to address the gap. (Adopted)	2024-34 2034-44 2044-54	$139m $313m $205m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising where the greatest need is, such as accessibility and safety. It may create more vacancies, due to property condition. WCC will incur a fee, where we have to pay the rental cost to Te Toi Māhana.

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

Buildings Activity Opex and Capex forecast

Year	Capital Expenditure
2024/25[20]	92,420,258
2025/26	134,959,137
2026/27	68,396,098
2027/28	83,674,716
2028/29	100,306,148
2029/30	93,020,557
2030/31	63,366,301
2031/32	93,077,899
2032/33	74,472,535
2033/34	47,439,066
2034-2039	325,493,577
2040-2044	397,205,029
2045-2049	275,984,874
2050-2054	323,672,503
Total	2,173,488,699

Figures are inflation adjusted

[20] The 2025 Budget figures reflect the impact of the Long Term Plan Amendment and capital rephasing approved by the Long Term Plan and Financial Performance Committee on 22 May 2025

Parks & Open Spaces

Strategic direction

Pōneke is abundant with varied and rich parks and open spaces that help support Wellingtonians to enjoy a high quality of life. Wellington provides a level of service for Parks and Open Spaces that currently receives strong public satisfaction. Our Waterfront is world class and, in some areas, like our biodiversity, the city is making significant gains and is recognised as the only major city in the world where biodiversity is improving. We base a lot of our marketing and publicity around our Waterfront and biodiversity gains.

Te Whai Oranga Pōneke (Open Space and Recreation Strategy) adopted in 2023 has a mission to have "*A flourishing network of parks and recreation opportunities, interwoven into everyday life, which supports Wellingtonians to live well and connect to nature and each other*". Open spaces are predominantly unbuilt land that provide opportunities for active and passive recreation and support ecosystems to thrive. This includes parks and reserves, nature spaces, urban public spaces, streetscapes, coastal areas, cemeteries and urupā. They contain much of our natural environment such as waterways, forests, shorelines, and native biodiversity. Some are also equipped with recreation facilities such as playgrounds and sports fields. As the city intensifies, the importance of public open space increases. These spaces can also provide opportunities for climate resilience and adaptation.

The Wellington Central City Green Network Plan (2022) sets the direction and targets for how we green Wellington's central city over the next 30 years. With a vision of *"thinking and living green in Wellington Central City, is the future for the planet and all of us*", the plan proposes a well-developed continuum of green spaces, to deliver the many ecological, social, economic, cultural and public health benefits to the central city as it grows, enhancing its liveability for residents, workers and visitors.

Asset overview

Our assets are valued (Optimised Replacement Value) at approximately $404.3 million as at 30 June 2023 and include:

- 4305 ha of parks, reserves, and beaches
- 41.25ha of green space in the central city
- 211 nature parks
- 100km of coastline
- Wellington Town Belt and Outer Green Belt
- 387km of walking and biking tracks
- 42 coastal structures including boat ramps, wharves, and seawalls
- Waterfront public space
- Botanical Gardens and Berhampore Nursery
- 4 cemeteries: Tawa and Bolton Street (closed cemeteries), and Karori and Mākara (operational cemeteries)
- 2,000 trees in the central city (in the public realm)

Asset condition and lifecycle

The majority of these assets are in average or better condition. Data confidence overall for this group of assets is "B – High". All building assets condition have been assessed during 2023. Non-building assets are also assessed at regular intervals by WCC staff, as well as more detailed assessments undertaken by external partners for complex or critical assets.

Asset data pertaining to the Parks and Open Spaces portfolio is primarily maintained within WCC's Asset Management Information Systems. Building asset information is maintained within SPM, whilst plant and equipment is captured and maintained within TechnologyOne, WCC's ERP system – as well as being captured spatially.

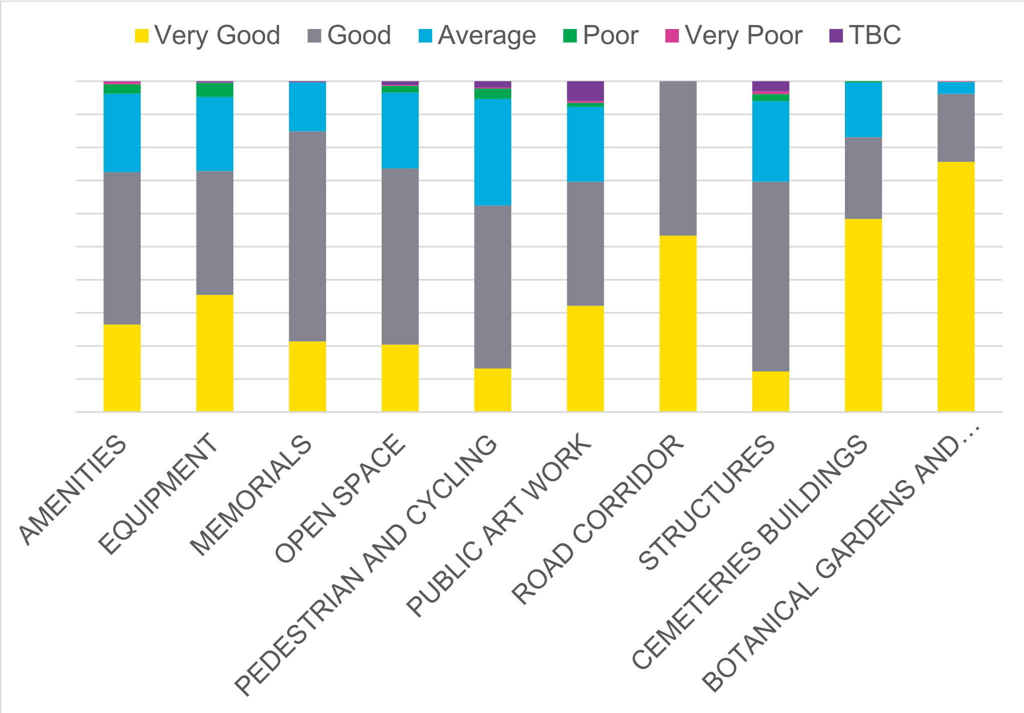


Figure 15: Parks and Open Spaces Asset Condition

Note: This is a listing of ALL Parks, Sport and Recreation assets, except for buildings, aggregated up. (Plus, cemetery and botanical gardens buildings). A few exclusions have been made, being "parking network" "Stormwater" and "Systems (lighting water and solar systems)".

How we forecast Asset renewals

Renewals of assets within this group of activities are driven from data and is determined by criticality and level of service required, as well as condition, performance and age. Additional factors such as climate change and seismic resilience are factored into decision making alongside the data driven insights. Detailed lifecycle forecasts are captured and provided in the financial section of the Activity Management plan and summarised in the financial section of this document.

Asset Lifecycle

Component based lifecycle analysis has been undertaken for all portfolios within this activity grouping, with multiple scenarios of renewal investment modelled and compared to an unconstrained expenditure profile to determine associated risk of deferred renewals.
The adopted scenario is based upon funding 75% of predicted renewals in years 2024 to 2033, with any deferred renewals over this period to be funded and spread across years 2034-2043. The level of risk associated with deferral of these renewals is reasonably low, with the majority of assets still remaining within an average to very good condition rating across the deferral period.

Reducing funding renewals to 75% could potentially jeopardise service delivery and asset utilisation, leading to increased reactive maintenance needs and affecting tenants or leaseholders, possibly resulting in revenue loss. Moreover, this reduction will limit the number of renewals completed annually, with prioritisation based on condition and risk level. Additionally, there are ongoing risks associated with climate change impacts and rising service delivery costs, which could result in diminishing returns over time. This reduction may also lead to community dissatisfaction due to fewer planned improvements to facilities and services compared to community expectations expressed in recent engagements. There is a risk of gradual asset degradation over time. However, it's important to acknowledge that in some cases, the 75% funding level has resulted in increased investment in renewals, particularly in areas such as parks and open spaces.

Level of service and performance

The council manages a wide range of assets that provide high quality public spaces and nature-based services and experiences to Wellingtonians. Utilisation and community satisfaction with these services is generally high. The current network of assets is aging, but still performing well. However, community expectations for quality parks and open space network are very high and often the level of service sought is higher than what can be provided.

Te Whai Oranga Pōneke (the Open Space and Recreation Strategy) and the Green Network Plan, together provide a framework to guide provision and investment decisions in the city's parks and open spaces network.

Renewals are programmed across these assets, but in time, with a growing population and climate change, additional demand will be placed on the infrastructure and the assets and facilities will need to be upgraded.

Parks and open space assets, especially coastal assets, will require more investment as the climate changes, storm events increase, and as sea levels continue to rise. During the period 2024-2027, detailed climate adaptation planning will be conducted for key parts of the city, and this will help inform investment choices for the 2027 LTP.

Council's role

The Council has a key role in providing, developing, and managing parks and public open spaces across the city to meet the needs of our community and to protect our natural environment, cultural and historic heritage values. Council manages a variety of parks and open spaces from highly developed urban parks to relatively unstructured natural areas. Our open spaces also include the track network that connects them. These spaces, places and connections contribute significantly towards social, economic, environmental, and cultural wellbeing. They are also important to our physical, mental, social, emotional, and spiritual wellness. These areas are also a critical component of the city's green infrastructure, with opportunities to implement nature-based solutions to flooding and sea level rise challenges.

Our cemeteries also form part of the city's open space network, providing important social, cultural, historic and environmental values. However, they also provide a critical public health and safety role. Cemetery services support the health and safety of the city's communities. Our burial and cremation services reduce public health and environmental risks and ensure the Council meets its legislative and policy obligations. The Council also has statutory responsibilities to provide for burials and currently operates two cemeteries (Karori and Mākara) for this purpose.

Key challenges

This activity group is affected by four of the identified key challenges.

- **Population growth and changing demand –** The spatial and district plans set out a significant level of projected growth and housing intensification that will create more demand for parks and open spaces in the central city and suburbs. The provision of quality parks and open spaces is a key part of a liveable, healthy and resilient city. Changing demographics and changing recreation trends mean our open spaces and places will also need to be more accessible, inclusive, and multi-functional to cater for a broader range of users and uses. As a city we have invested in making significant gains in our indigenous biodiversity, much of this work has been undertaken in partnership with the community. It will be important to resource existing and future programmes to sustain the biodiversity gains and investment already made.

- **Aging and declining condition of infrastructure –** Many of our parks and open spaces are aging and require investment to maintain or renew the assets. Examples of assets requiring investment in the short to medium term include central city and neighbourhood parks and open spaces, Mākara cemetery, the Begonia House in the Botanic Gardens, coastal boat ramps, wharves and seawalls, parts of the track network, waterfront public spaces and structures.
- **Mitigation and adaptation to climate change –** Climate change is leading to an increase in extreme weather events – meaning more extreme storm and rainfall events, landslips, tree failure, erosion, drought and flooding – which impacts our parks and open space assets and drives maintenance needs and costs up. Warmer, wetter weather is also increasing the need for more pest and weed control and an increased risk in biosecurity incursions. Parks and green spaces can be part of the nature-based solutions to managing floods, coastal inundation, stormwater and to increasing our city's biodiversity. The 2023 Climate Risk Assessment found 26 key strategic risks affecting Council assets. Coastal inundation causing asset damage emerged as the most material physical risk for the Council, with a total rating score double that of the next highest aggregated risk score. Assets identified as being most at risk to coastal inundation from sea level rise include water, drainage and waste assets, Council buildings, parks and reserves, and road assets.
- **Affordability and deliverability –** The cost of maintaining and renewing our parks and opens spaces is getting increasingly expensive due inflationary pressures such as the costs of materials and labour (and responding to the impacts of climate change). This makes it harder and harder to close the gaps in levels of service.

Principal options

This activity and related solutions primarily contribute to the priority *"Invest in sustainable, connected and accessible community and recreation facilities." There is also a strong contribution to "improve the health of our waterways"* and *"mitigate and adapt to climate change*." We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- **Prioritising growth areas –** We have undertaken investigation into parks and open space requirements across the city in response to anticipated population growth and changing demands. Te Whai Oranga Pōneke (the Open Space and Recreation Strategy) identifies the importance of well-distributed, multifunctional, and connected spaces, places and programmes that respond to Wellington's current and future needs. We will prioritise investment as per the prioritised growth areas identified in the Spatial Plan and the District Plan. The Green Network Plan sets out four targets for the Central City over the next 10 years to complement growth, especially of residential units, in the Central City.
- **Grow our understanding of adaptation impacts and costs** –Increased use of water sensitive design and green infrastructure in urban parks, public spaces, and streets can help the city adapt and mitigate the impacts we are likely to see in the future, as climate change leads to more intense/ extreme events. Climate change adaptation planning will help inform future investment decisions, particularly for assets in coastal locations and identify the ways that nature-based solutions can provide multiple benefits to the city, including adapting to unavoidable climate change impacts.
- **Strategic rationalisation to better manage the overall asset portfolios –** This mainly applies to our tracks. We have consistently underfunded the upkeep of tracks. It does not make sense to build new assets when we do not have the funding available to maintain what we currently have. We also need to ensure that the choices we make will contribute to our community outcomes. Te Whai Oranga Pōneke (the Open Space and Recreation Strategy) identifies gaps in service provision and the needs of the community and will guide us in delivering on this priority.

- **Prioritising interventions and the work programme for affordability –**This activity will contribute to managing overall rates and borrowing affordability by planning for a renewals programme funded at 75% of projected requirement. Assets with the worst condition levels will be prioritised for investment.

Issues and options

Acquisition of land for neighbourhood parks, open space and recreation to respond to growth and change

Analysis of the suburban open space network shows that Wellington City underinvests in parks and reserves generally (compared to the region and other large cities around New Zealand) and the quality and provision of neighbourhood parks needs targeted investment to respond to an anticipated period of significant citywide redevelopment and growth (50,000-80,000 more people over the next 30 years). The success of higher density development is contingent on a range of factors and our community expects that access to quality parks will be part of the core infrastructure investment occurring alongside city growth and change over the long term.

Development of neighbourhood parks and open spaces to respond to growth and change, and gaps in provision

Development of new and the upgrade of existing neighbourhood parks and open spaces to support a network of well-utilised, accessible, fit-for-purpose parks and recreation opportunities that meet the needs of Wellington's growing and changing communities and respond to a changing climate. Key barriers to using open spaces include absence of toilets, hard to travel to, feeling unsafe, not accessible, or not feeling welcome. Our existing open space network needs to be complemented by a network of quality, easy to access parks that people can use daily.

Implementation of the Central City Green Network Plan

The Green Network Plan sets the direction and targets for the greening of Wellington's central city in the next 30 years to take action on the current deficit, provide for growth and to address the climate and ecological emergency declared in 2019.

The Green Network Plan has set a target of developing 2 new urban parks, improving the greening of 20 existing urban spaces, and no net loss and doubling the number of street trees (to 4000) in the central city in the next 10 years.

Kilbirnie Park

The 2022-23 Annual Plan approved $5.64m for a destination skate park and the 2021-31 LTP identifies an additional $1.5m from the Plimmer Bequest Fund for open space improvements and $500k for play space renewal.

Investigation and planning work has been completed over last 18 months. There has been extensive public and stakeholder engagement with a high level of community and stakeholder support for the project.

Subject to LTP funding confirmation and business case approval, design and consenting to be progressed in 2024/25, with construction mid-late 2025 into 2026.

Investment in our track network

There is increasing community demand and expectations for trails investment, including improving the quality, accessibility and resilience of the existing trail network, as well as the development of new trails. We are currently underfunding our trail renewals. We also have approved plans for new trail development, but these are currently unfunded.

There is a big volunteer contribution to building and maintaining tracks.

Ever increasing community demand for more walking and biking trails, increased accessibility, and off-road commuter trails. The quantum of investment required to address community demand is currently unknown.

Begonia House

Aging facilities, ongoing renewals and asset failures will be costly. This includes the need to replace glazing and structures, climate control systems, improved café kitchen and back of house facilities, upgrading toilets and hireable spaces.

Council has resolved to carry out urgent maintenance and renewal of facilities, rather than a full or partial upgrade, or demolition.

Renewals of Parks and Open Spaces

Buildings across the portfolio have a recent condition assessment. The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy.

- Cemetery
- Open spaces
- Outdoor sports facilities
- Play spaces

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
Acquisition of land for neighbourhood parks, open space and recreation to respond to growth and change	Acquire land for parks, open space and recreation needs to respond to growth and intensification and address neighbourhood park provision gaps.	2024	Annual budget	$215m over 30 years (Approx $7-8m annually)	Difficult to acquire land, especially in a competitive open market. Most land acquisition for parks and reserves is currently debt funded at the time of purchase. This investment would provide a specific budget for reserve land acquisition. Capacity to deliver is a risk –would need to scale up to manage and deliver Require resourcing for planning work to develop an acquisition programme.
Acquisition of land for neighbourhood parks, open space and recreation to respond to growth and change	Delay acquisition of land to later years and prioritise high growth areas. (Adopted)	2024	2030 - 2034	$21.5m	Delaying, but planning to invest in the mid-term is the best option in the current funding environment. Risks: Difficult to respond to land acquisition opportunities as and when they come up. Any acquisition ahead of this time frame would require debt funding.

					Cost of land likely to increase over time. Decreasing levels of service and increasing community dissatisfaction if there is inadequate investment.
Development of neighbourhood parks and open spaces to respond to growth and change, and gaps in provision	Fill service level gaps and address growth and change	2024	Annual budget	$34m over 30 years	Capacity to deliver –would need to scale up to manage and deliver an open space development programme. Requires resource for planning, investigation and design work. The development of new parks and open spaces will be contingent on the acquisition of land.
Development of neighbourhood parks and open spaces to respond to growth and change, and gaps in provision	Delay filling gaps in provision to later years and prioritise high growth areas (Adopted)	2024	2030 to 2034	$13m capex $3.8m opex	Delaying, but planning to invest in the mid-term is the best option in this funding environment. Decreasing levels of service and increasing community dissatisfaction if inadequate investment. The development of new parks and open spaces will be contingent on acquisition of land.
Implementation of the Central City Green Network Plan	Improve existing central city green spaces and parks and develop 2 new green spaces to provide for projected residential population growth – includes land acquisition. Frederick Street park is expected to be delivered 25/26	2024	2024 to 2034	Capex $18.9M Opex $1.8M (for 1000 street trees in years 1-3).	There is a deficit of green space in the central city for current users and residents. Greater numbers of people living and visiting the central city will increase demand for quality green public spaces within the built environment. Ensure the city continues to build on its liveability,

					sustainability and 'eco-credentials'.
Suburban Centres Upgrade Programme Public spaces and centres development	Prioritisation of the implementation of the Suburban Centres upgrades programme – one town or suburban centre every two years. (Adopted)	2024	2024 to 2034	$10m over 10 years (for upgrades) $2.5m opex over 10 years	
Suburban Centres Upgrade Programme Public spaces and centres development	Defer suburban upgrades programme 5 years	2024	2030-2040	$10m over 10 years (for upgrades) $2.5m opex	
Park upgrade projects Kilbirnie Park	Development of destination skate park, refreshed play space and open space improvements (planting, landscaping, public access)	2022	2024/25 Master plan developed 2023 Design and consenting 2023/24 to 2024/25. Construction estimated to begin mid-late 2025	$5.45M for destination skate park $1.5m open space (Plimmer Bequest) $0.5m play space renewal	Kilbirnie Park is a significant community asset and requires investment to address safety, accessibility and amenity issues alongside provision for skate and play.
Park upgrade projects Kilbirnie Park	Rephase development of destination skate park, refreshed play space and open space improvements (planting, landscaping, public access) (Adopted)	2024	2024/25-2025-26	$5.45M for destination skate park $1.5m open space (Plimmer Bequest) $0.5m play space renewal	Kilbirnie Park is a significant community asset and requires investment to address safety, accessibility and amenity issues alongside provision for skate and play.
Grenada North Park	Develop Grenada North Park as a multi-function community sports and active recreation hub to respond to growth and sports field demand.	2021-31 LTP	2024 to 2028 Planning & investigation 2023/24 – 2024/25 Delivery commence 2025/26	$14 million (capex)	Grenada North and surrounding suburbs are growing, and investment is needed to provide appropriate sports and recreation facilities. The existing Grenada North Park sports fields are not fit-for-purpose with significant drainage issues throughout winter. Extensive earthworks and drainage upgrades are required to make the park a year-round playing venue.

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					Installation of artificial turf would greatly enhance utilisation of the fields.
Te Aro Park	Redevelop Te Aro Park and adjacent section of Dixon Street to improve function as a central city park and give effect to mana whenua aspirations	2024	2022-2026 Co-design and concept development 2022-2024. Delivery 2025-2026.	$3.1M (funding in LTP for partial upgrade) $11m (expected cost for full redevelopment)	There is currently $3.1m CAPEX allocated to this project, not enough to implement a full redevelopment. The project and draft concept plan have been co-designed and have support from mana whenua. Current issues with Te Aro Park include H&S issue of slippery tiles, no remaining replacement ceramic tiles, water features and lighting not functioning properly and requiring a lot of maintenance.
Improvements to Waterfront public safety A programme of work is underway to address concerns about public safety on the waterfront. A key focus is on improving lighting and edge protection.	Invest in safety features along the waterfront	2024	2024-2028	$11.1m	Additional capital expenditure for waterfront edge protection and seawalls.
Rock rip-rap on the waterfront Resilience challenges impacting the Waterfront, including sea level rise and more frequent extreme weather, are damaging aging seawall and rock riprap structures, and increasing maintenance costs. We can reduce the risk by investing in the renewal of seawall structures to avoid further asset degradation.	Invest in seawall renewal	2024	2024-2034	$4.4m	Aging assets with deferred maintenance particularly within a challenging coastal environment.

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Investment in our track network	Increase investment in the maintenance and renewal of our existing trail network (Adopted)	2024	Annual budget	$473K per annum for renewals and $220K per annum opex	There is a risk that trail condition will further degrade as the cost of delivering renewals does not align with the budget.
Investment in our track network	Invest in the development of new trails to respond to community demand	2024	2027/28	$900K – develop new trails in Lincolnshire development area (this is the only budget allocation at present for new trail development)	There is a risk that due to the historic increase in trail length, without a correlated increase in operational budget, there will be a decrease in operational level of service. This risk has already become an issue. Climate change and increased storm events are adding to track maintenance challenges and costs.
Cemetery capacity reaching its limits Karori Cemetery has effectively reached its capacity. Mākara Cemetery will be reaching its capacity for various types of interment from 2038 and some denominational areas will reach capacity much sooner. We need to acquire land and develop it for cemetery purposes. Last LTP the Council approved the expansion of the cemetery.	Acquire land and develop for cemetery purposes	2021	2024 - 2028	$1.54m land acquisition $5.416m cemetery development	Council has statutory obligations to provide for burials. Burial and cremation services reduce public health and environmental risks. There is an urgent need to provide more cemetery land capacity in order to adequately cater for future burial and ash interment needs. The planned expansion of Mākara cemetery will provide capacity for burials for a further 40 years (approx.).
Begonia House	Demolish Begonia House	2024	2024-2025	$3m	Do nothing option results in a health and safety hazard, so Begonia House would have to be closed. Therefore, the demolish option is the base option. It results in a reduced level of service for the visitor experience

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					and heritage value, as well as loss of jobs and revenue.
Begonia House	Renew all end-of-life aspects (Do minimum) (Adopted – for urgent maintenance and renewals)	2024	2024-2028	$11m	Do minimum results in maintaining facilities and meeting legislative requirements with temporary buildings for staff facilities and maintains current levels of service which do not meet inclusion and accessibility requirements and are less efficient to operate.
Begonia House	Basic upgrade Begonia House	2024	2024-2028	$17.5m	Buildings are demolished and replaced, new staff facilities and improved HVAC, greenhouse, events area, café and kitchen. Double glazing. Climate control is economically and environmentally efficient. Addresses safety and structure integrity. Increases potential for year-round usage. Does not address accessibility and inclusion.
Begonia House	Full upgrade	2024	2024-2034	$20m	Site-wide renewals and upgrades and in addition to the basic upgrade, includes changing places facility and additional seating. Reduced operational costs, lower maintenance, and increase revenue potential.
Frank Kitts Park Frank Kitts Park is partly built over a car park that is currently vacated due to resilience issues. In September 2021 Council made the decision to demolish the earthquake prone	Investment to support the delivery of a destination park	2024	Consenting 2024-2027 Construction 2035 onward	$3m $5m $15m	There is a risk that investment in the Frank Kitts Park will be insufficient to deliver a destination park which meets community expectations.

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car park and develop as a key destination park in the city's open space network.					
Renewals of Parks and Open Spaces	Funding parks and open spaces asset renewals at 75% of unconstrained budget and closing any gaps in the outer years. (Adopted)	2024	2024-2034 2034-2044 2044-2054	$105.3m $149.7m $140.7m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising safety and compliance for built assets. Open spaces will follow a similar approach. Overall condition will begin to decline. Building data is up to date. Open space data is continuously reviewed.
Renewals of Parks and Open Spaces	Fully fund renewals	2024	2024-2034 2034-2044 2044-2054	$144.6m $199.6 $187.6	

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

Parks & Open Spaces Activity Opex and Capex forecast

Year	Operating Expenditure	Capital Expenditure
2024/25[21]	57,535,508	16,260,933
2025/26	59,698,346	31,919,249
2026/27	65,558,511	20,159,025
2027/28	64,821,706	24,603,013
2028/29	66,334,796	20,251,723
2029/30	70,196,888	21,480,302
2030/31	73,218,984	20,486,098
2031/32	76,079,940	29,738,870
2032/33	78,351,554	25,146,914
2033/34	80,801,336	24,676,232
2034-2039	420,169,194	172,603,730
2040-2044	482,691,936	104,377,430
2045-2049	542,013,657	164,929,282
2050-2054	553,277,515	82,767,604
Total	**2,690,749,873**	**759,400,404**

Figures are inflation adjusted

[21] The 2025 Budget figures reflect the impact of the Long Term Plan Amendment and capital rephasing approved by the Long Term Plan and Financial Performance Committee on 22 May 2025

Community and recreation facilities

Strategic direction

Community facilities are a core part of our city's social infrastructure – providing places where people can connect, participate, play, create, perform, be inspired, build wellbeing, and develop a sense of belonging and purpose. We have 277 facilities, including libraries, community centres, recreation centres, pools, community and recreation leases of land and buildings, community spaces in Council housing assets and public toilets.

The Council's Te Awe Māpara | The Community Facilities Plan[22] (refer to Appendix 2 – Summary of community facilities issues for more detail) guides our provision and decision-making about community facilities for the next 30 years. It includes 58 prioritised actions and provides the framework to ensure we have thriving and accessible community facilities – where people connect, have fun, and belong.

In addition to Te Awe Māpara, Te Whai Oranga Pōneke (the Open Space and Recreation Strategy) provides an overarching framework and strategic direction for Council to manage public open space, recreation facilities and recreation programmes and services over the next 30 years. The strategy includes the provision of pools and recreation centres in Pōneke.

Together, Te Whai Oranga Pōneke and the Community Facilites Plan provide guidance for how future investment decisions will be made to ensure our facilities and assets continue to support quality service provision to our communities into the future.

Asset overview

Our assets are valued (Optimised Replacement Value) at approximately $852.2 million as at 30 June 2023 and include but are not limited to:

- 44 natural and 11 artificial sports turf's
- 108 playgrounds
- Berhampore Golf Course
- croquet facilities, tennis, netball, and basketball half courts
- 7 Skate parks
- Clyde Quay Boat Harbour and Evans Bay Marina

The Council's community facility portfolio is based on a current value of $420 million. There are a total of 277 facilities in 282 buildings (some facilities are based in multiple buildings) including:

- 7 swimming pools (including two outdoor pools)
- 12 libraries
- 5 recreation centres, including Ākau Tangi
- 25 community centres
- 131 lease facilities across approximately 177,000 sqm of lease space (including land)
- 1 marae
- 13 community spaces in Council housing assets
- 83 public toilets.

[22] https://www.letstalk.wellington.govt.nz/wellingtons-community-facilities

Asset condition and lifecycle

Data confidence overall for this group of assets is "A – Very High". All buildings in this grouping have been assessed through a comprehensive condition assessment survey undertaken in 2023. Additional to the below graphed groupings are non-building assets including playground and sports fields, playgrounds, skate parks and plant and equipment at specialised sites such as pools. The data confidence for these are also "A – Very High". WCC undertake regular condition assessments and inspections of these assets, with the majority of these being assessed within the last 3 years. Systemised capture of complex plant and equipment is an improvement plan item identified to occur over the LTP period.

The condition of assets within the built portfolio is primarily within the average to very good range, with less than 5% of assets being rated as poor to very poor. Built assets within the Marina are good to very good, however 25% of assets within this grouping are average or worse.

The condition of both building and non-building assets within the grouping are detailed fully within their respective AMP's.

Asset data pertaining both to the buildings, as well as non-building assets is maintained within WCC's Asset Management Systems. Building data has been aggregated into common groupings based the primary services they deliver across the network. Alongside this asset data, centralised repositories detailing factors such as heritage listings and earthquake prone buildings is maintained and factored into and underpins any lifecycle forecasting and renewal planning decisions. Detailed assessment information is also held on plant and equipment and infrastructure assets within the portfolio – such as wharves and pilings at marinas.

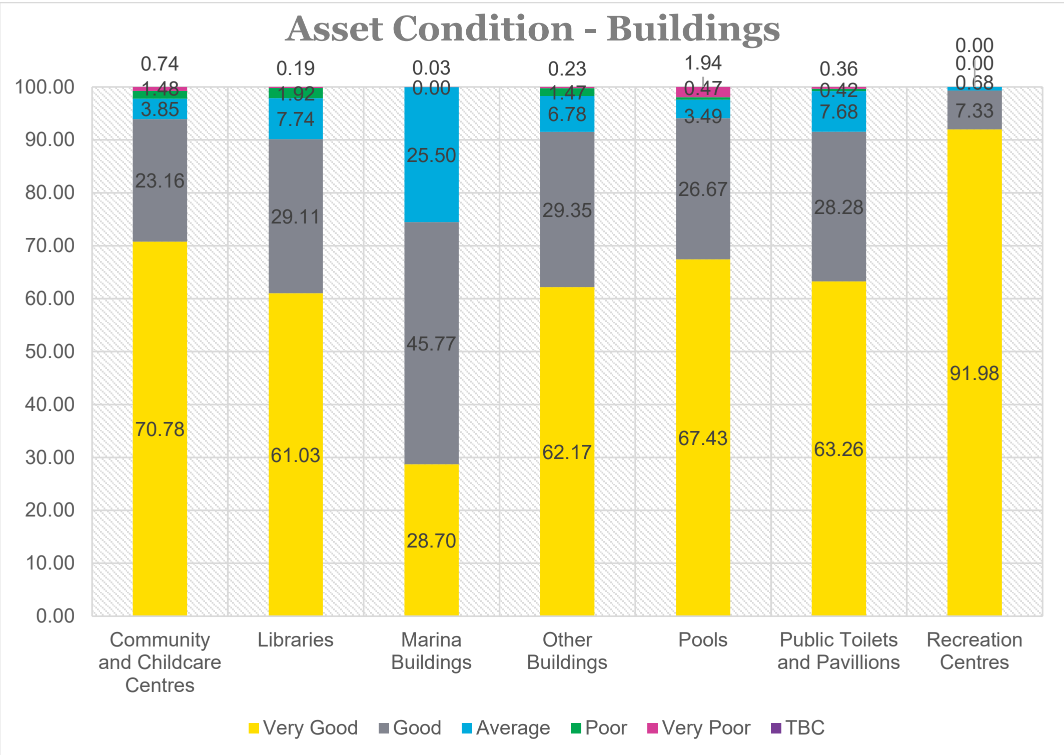


Figure 16: Community and Recreation Facilities Asset Condition

How we forecast Asset renewals

Renewals of assets within this group of activities are driven primarily from data, stemming from robust condition assessments of the portfolio and based upon condition, performance, cost and age. Known issues that are non-data driven are considered and factored into planning decisions, such as seismic resilience and climate change. Detailed lifecycle forecasts are captured and provided in the financial section of the Activity Management plan and summarised in the financial section of this document.

Asset Lifecycle

Component based lifecycle analysis has been undertaken for all portfolios within this activity grouping, with multiple scenarios of renewal investment modelled and compared to an unconstrained expenditure profile to determine associated risk of deferred renewals.
The adopted scenario is based upon funding 75% of predicted renewals in years 2024 to 2033, with any deferred renewals over this period to be funded and spread across years 2034-2043. The level of risk associated with deferral of these renewals is reasonably low, with the majority of assets still remaining within an average to very good condition rating across the deferral period. The below graph is demonstrative of an unconstrained approach to expenditure to the buildings within this portfolio, and associated condition grade index. Additional lifecycle information relating to both building and non-building assets is captured and detailed within the applicable Asset Management Plan.

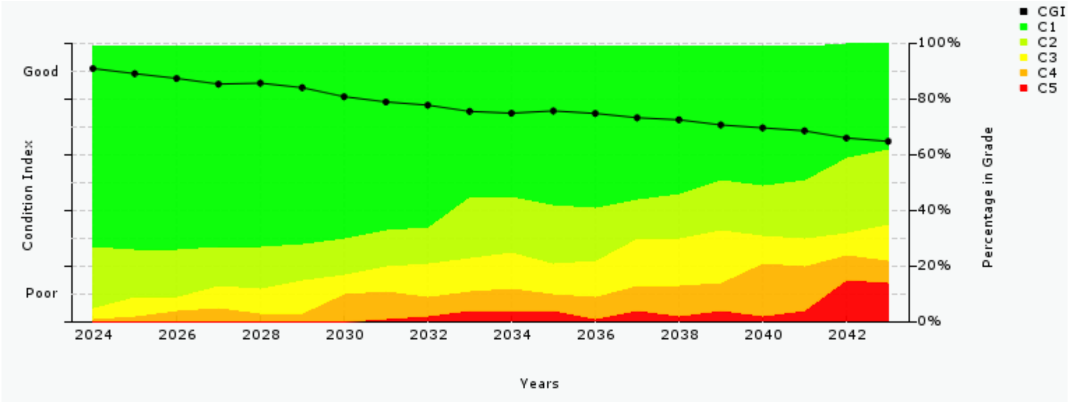


Figure 17: Community and recreation Facilities 20 Year Asset Lifecycle Analysis – Unconstrained Expenditure

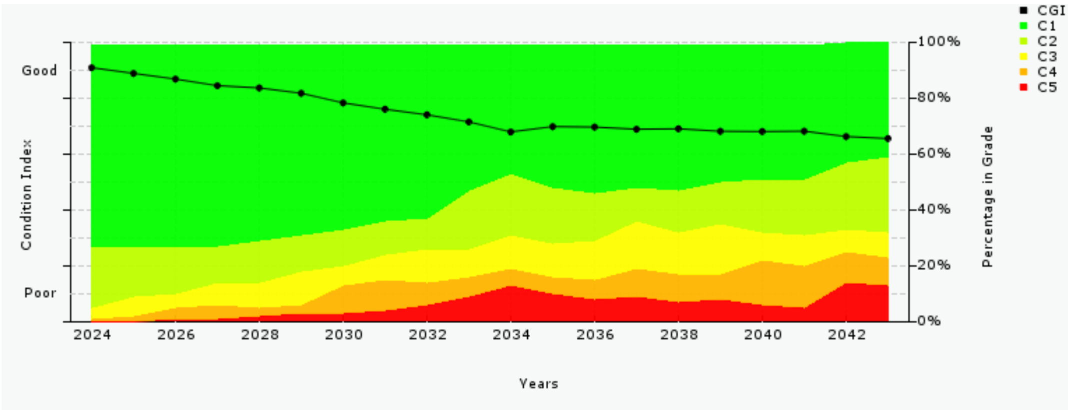


Figure 18: Community and recreation Facilities 20 Year Asset Lifecycle Analysis – 75% Constrained Expenditure

Application of the 75% funding is manageable with minimal risk. We will be keeping Community Facilities renewals to a bare minimum while the investigations as per the Community Facilities Plan take place. The focus will be on safety and compliance.

Level of service and performance

Council provides a very wide range of assets and facilities to support its community and recreation services. The services delivered through our facilities generally have high user satisfaction (libraries 85%, community centres and hall 85%) and high community utilisation. Cleanliness, smell and maintenance of public toilets are the most significant areas of dissatisfaction.

Some of our facilities are however starting to age – the average age of our community facilities is 58 years – and this means that some of the facilities are no longer fit for purpose and/or meet community expectations. We have an over provision in facilities, mainly because of the age and smaller centres The only identified network gaps relate to recreation centre provision and specific aquatic facilities for play and hydrotherapy.

Through our city-wide needs analysis, we found that Wellington has a substantial number of community facilities, but many are small, ageing and not fit-for-purpose. Some facilities are not fully accessible, and many do not reflect te ao Māori. There is an uneven distribution of facilities leading to overlapping catchments, diluting demand, and contributing to low use of some facilities. Besides identified gaps in the provision of indoor recreation and some aquatic services, geographically the city is well covered, but it is the design, size and quality of facilities impacting the ability to meet needs, now and as the city grows. Wellingtonians are calling for better quality and a wider range of offerings, not necessarily more facilities.

A key level of service gap is for all new buildings and existing facilities to meet accessibility codes. We do not yet have data on this.

Council’s role

The Council provides community facilities, programmes, and experiences to encourage participation in recreational, cultural, creative, social, and learning opportunities. The physical spaces – or facilities – are the platform for community development, connection, activities, and services to take place. We know these opportunities and connections contribute significantly to our physical, mental, social, emotional, and spiritual wellness. Wellingtonians are highly engaged and really value community facilities, and there is some concern about closing facilities due to the potential impact on communities.

The Council currently owns a large portfolio of public toilets as they contribute to the maintenance of public health and wellbeing, and the private sector does not always provide public conveniences to the required level and/or quantity. We recognise that clean, well-maintained public toilets that are accessible, safe, and strategically situated are an important amenity that support people to live, work and play in Pōneke.

Key challenges

This activity group is affected by all the identified key challenges.

- **Population growth and changing demand –** Many of our community facilities are small, single purpose or stand-alone, and not fit-for-purpose. Our analysis found there is little collaboration across facilities, even when buildings are situated close to each other. There is also an uneven distribution of facilities contributes to overlapping catchments, spreading demand between some facilities. Together these challenges result in lack of flexibility to cater for changing demand, increased user dissatisfaction and low use of facilities, and high maintenance and operating costs. To accommodate anticipated demand and changing community needs, we need better facilities, not more. Geographically the city is well covered, but it is the design, size, quality and how we deliver our recreation and community facilities of facilities impacting the ability to meet needs, now and as the city grows. The exception to this is identified gaps in the provision of indoor recreation and some aquatic services, particularly pool play spaces, and hydrotherapy facilities.
- **Aging and declining condition of infrastructure –** The average age of our facilities is 58 years, which contributes to deteriorating condition and appeal, and increasing maintenance and operational costs. For older facilities, the design may not be suitable for current needs, and not meet modern standard to be accessible, inclusive, or sustainable. With an ageing network of facilities, there is a lot to do. The Council has many priorities and we do not have the funding to do it all at once. We therefore need to carefully evolve, by being

smarter and maximising the benefits of our facilities and investment. Te Awe Māpara highlights our three oldest pools are reaching the end of their useful lives and have issues with accessibility, fit for purpose, earthquake prone and impacts of flooding and sea level rise.

- **Mitigation and adaptation to climate change –** Climate change is placing increased pressures on all our facilities, some facilities have been impacted by extreme weather events, it is likely these will be impacted again and more severely. In responding to climate change, we also need to reduce carbon emissions. Our swimming pools contribute to about 45% of the Council's entire building carbon emissions. We need to ensure our buildings are energy efficient and have a low carbon profile, with a focus on moving away from fossil fuels to electricity. Sea level rise and more frequent severe weather events causing flooding are having impact on some of our community facilities, particularly some of our pools.
- **Earthquake hazards and earthquake prone buildings –** 10% of our community centres, pools, recreation centres and libraries are seismically vulnerable, as well as other community facilities in the network. Some are in locations prone to liquefaction, tsunami, and earthquakes.
- **Affordability and deliverability –** Over the last seven years there has been a 45% increase in operating costs of community facilities, driven by inflation, decreased revenue (over the period of the Covid-19 pandemic), insurance and utility increases significantly above inflation, and increasing maintenance and delivery costs. The cost of maintaining and upgrading our community facilities is continuing to rise due to the number and age of the facilities as well as inflationary pressures such as the costs of materials and labour. We need to apply consistent criteria to determine our priorities and ensure investment delivers the greatest benefits against the outcomes we want to achieve.

Principal options

This activity and related solutions primarily contribute to the priority *"Invest in sustainable, connected and accessible community and recreation facilities."* We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- **Prioritising growth areas –** We will prioritise undertaking the investigations into local area needs first to enable better long-term planning. Any infrastructure delivery will be prioritised according to the spatial plan priority areas in conjunction with the prioritisation criteria set out in the Community Facilities Plan.
- **Targeting emissions reductions to the greatest gains and operational efficiency –** Council's Decarbonisation Plan outlines a programme to move away from the use of natural gas and improve the energy efficiency of many of Council's buildings including community facilities. The greatest emissions reduction gains will come from degasification of the pools. This change will also result in operational cost savings as the cost of natural gas continues to significantly increase and is projected to do so in the future.
- **Mitigating climate change and grow our understanding of adaptation impacts and costs –** Some of the Council's pools and marinas are key assets in this activity area affected by the impacts of climate change, including sea level rise. Climate change adaptation planning will help inform future investment decisions, particularly for assets in coastal locations. Future community leases and renewals will take into account any impact of climate change and adaptation requirements.
- **Strategic rationalisation to better manage the overall asset portfolios –** In addition to the outcomes sought by the Community Facilities Plan and Te Whai Oranga Pōneke, strategic rationalisation will be a key factor for consideration in the investigations of each area's needs.

- **Prioritising interventions and the work programme for affordability –** Community and recreation facilities are expensive to build and maintain. Over the last seven years there has been a 45% increase in operating costs, driven by inflation, decreased revenue (over the period of the Covid-19 pandemic), and increasing maintenance and delivery costs. Managing demand and optimising levels of service will be a key consideration in the investigation and activity management of community facilities and services. We will follow a robust process to work with the community, understand needs, test all options, determine the best response, and prepare a business case to provide clear justification for any investment to change a community facility.

Issues and options

A summary of the detailed list of issues is provided in the appendix.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
Addressing ability to meet changing demands, accessibility and inclusion	Undertake investigations as per the Community Facilities Plan	There will be rolling decisions to be made as each investigation is completed	 2024-27 2027-30 2030-34 2034-44 2024-27 2027-30 2030-34 2034-44 2044-54	Opex $880k $585k $385k $260k Capex $400k $11 m $101.5 m $114 m $71.5 m	Note that the costs for physical works are unknown until such time that these 44 investigations have been carried out in partnership with community. Indicative capex costs for any physical works associated with all the 44 delivery and facility investigations could be between $250m through to $530m over 30 years.
Central Wellington Pool Provision (Freyberg, Thorndon & Khandallah)	Undertake a detailed needs assessment and feasibility study as per Community Facilities Plan (Adopted)	Work to be completed in first 18 months, to allow decisions on these pools to be made as part of the 2027-37 LTP	 2024-26	Opex $120k	Significant capex will be required. Retention of existing facilities is estimated to be considerably more costly than a new consolidated facility. It is noted there is a lot of community attachment to each of the existing pools.
Central Wellington Pool Provision (Freyberg, Thorndon & Khandallah)	Khandallah Pool redevelopment – new pool	2024	2021-31 Ongoing	Capex $11.7m Opex $1.1m p.a.	The $11.7m cost of the pool is significant for the potential pool size (25m x 7.5m) and it comes with significant site constraints. The cost of $62,400 per square metre of water space is approximately three times more expensive than two recent indoor pool developments (Stratford Aquatic Centre and Hawke's Bay Aquatic Centre). Indoor pools generally have a much higher cost than outdoor pools, due to the cost of building fabric, protective coatings, vapour barriers and the need for mechanical ventilation. The high build cost, reduced pool size, and other site constraints, including limited parking, are anticipated to result in a low value outcome for the level of investment, with a potential

					increase in ratepayer subsidy per swim from $25 per swim (in the 2022/23 year) to approximately $60 to $80. In 2022/23 the ratepayer subsidy per swim across all pools averaged $22.
Central Wellington Pool Provision (Freyberg, Thorndon & Khandallah)	Close the pool, landscape the site (preferred)	2024	2021-31 Ongoing	Capex $4.5m Opex $0.34m p.a.	The landscape option would restore the stream channel, improve flooding mitigation, and create a new entranceway into Khandallah Park.
Central Wellington Pool Provision (Freyberg, Thorndon & Khandallah)	Retain and refurbish the Khandallah Pool tank, replace existing buildings and improve flood mitigation. (Adopted)	2025	2026 2025/26 2026/27	Capex $7.5m Opex $400k $400k	This confirms the decision to retain the Khandallah Pool
High carbon emission profile of swimming pools	Complete degasification of the 4 identified pools (Adopted - funding to be allocated from the Climate Resilience Fund of $14m)	2024	2024-34	Capex $15.5m Opex $8.4m	The project will result in lower costs to run – an average annual operating saving of $1.37m /year. The required energy network upgrade means a project at Freyberg Pool cannot be completed prior to 2028/29. Any building and plant upgrades for Freyberg Pool will be considered as part of Central Wellington swimming pool provision.
High carbon emission profile of swimming pools	Defer (Although the Council would prefer to do degasification, the decision has been taken to do nothing for affordability reasons at this time, to be revisited in future LTPs)	2027	TBC	TBC	There is a likely ETS liability of $344k/year by 2023 increasing to $574k/year by 2050.
Addressing deteriorating condition and appeal of facilities Renewals includes: • Libraries • Community and childcare centre • Community halls • Pools and recreation facilities • Public toilets	Fully fund renewals Fund renewals at 75% for 10 years, then increase to 125% in years 10 to 30 (Adopted) Reduce levels of service	Every 3 years	2024-34 2034-44 2044-54	Capex $60.5m $137.3m $148.6m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising where the greatest need is, to meet the objectives of the Community Facilities Plan. The focus will be on safe and compliance buildings. But we will be keeping renewals to a minimum on buildings that are subject to review before the outcome is identified. However, in the longer term it may result in increased maintenance in outer years. Increases operational risk.
Evans Bay Marina	Pause and reset – undertake a section 17a review	2027	2027 – 2031	$15m	Requires investment until long term decisions made.

Evans Bay marina has significant performance challenges. Some short-term renewal investment will continue to be needed until future options are decided. The Evans Bay Marina requires a considerable upgrade due to its age, and sea level rise. The operational model for this also needs to be reviewed and a decision about whether we retain this into the long term will need to be made. Decision required 2027.	to determine long term future in time for the 2027 LTP, including consideration of full upgrade of Marina, demolish and repurpose coastal area.				Undertake a staged upgrade to spread financial risk. Heightened risks to reputation if Marina is demolished. High ongoing costs to keep marina functional, not allowing for sea-level rise and risk of asset failure.
Wadestown Community Centre Poorly located on a steep hill, with limited visibility, poor accessibility, no car parking, small size and open layout which limits use and flexibility to provide a range of activities. Cost of deferred maintenance est. $660k	Sell the community centre site (Adopted)	2024	2024-2027	Proceeds estimate d at $1.38m Opex annual savings $65k	In comparison to other similar community centres, there is low usage at 29.9% of the hour available to hire. Location of the site means it's not feasible to modernise.
Karori Event Centre The Karori Event Centre was gifted to Council by the Karori Community Hall Trust in Dec 2022 with the intention that Council would fund the completion of the project to a max cost of $1.8m. The current cost to achieve building code compliance is estimated to be $3.3m.	Offer the Karori Event Centre back to the Karori Community Hall Trust (Adopted)	2025	2025-2026	$1.9m	In comparison to other similar community centres, there is low usage at 29.9% of the hour available to hire. Location of the site means it's not feasible to modernise.

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

Community and Recreation Facilities Activity Opex and Capex forecast

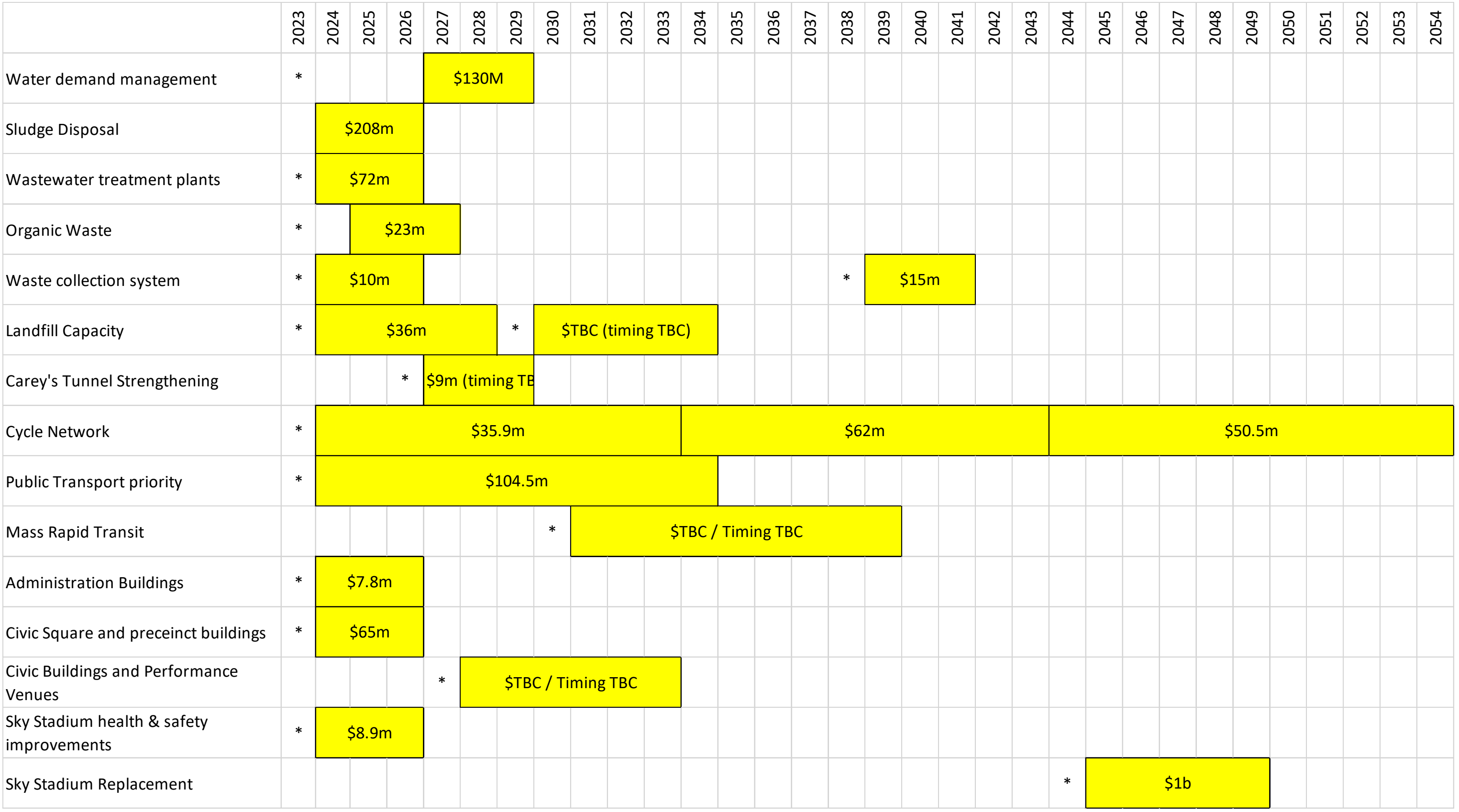
Year	Operating Expenditure	Capital Expenditure
2024/25[23]	132,221,492	18,166,063
2025/26	144,357,188	29,595,121
2026/27	150,424,571	32,689,405
2027/28	154,678,087	29,823,202
2028/29	159,937,910	24,417,732
2029/30	164,495,705	20,824,238
2030/31	168,156,486	44,380,696

[23] The 2025 Budget figures reflect the impact of the Long Term Plan Amendment and capital rephasing approved by the Long Term Plan and Financial Performance Committee on 22 May 2025

2031/32	173,355,637	40,674,853
2032/33	176,408,373	37,385,765
2033/34	180,649,786	48,422,802
2034-2039	946,143,874	223,056,062
2040-2044	1,044,243,309	229,461,913
2045-2049	1,145,392,589	154,597,607
2050-2054	1,159,989,030	108,210,948
Total	**5,900,454,037**	**1,041,706,408**

Figures are inflation adjusted

Programme view of likely scenario infrastructure investments



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	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Social Housing Upgrade Stage 2	*	$400m																														
Land acquisition for parks, open spaces and recreation							*	$21.5m			$21.5m			$21.5m			$21.5m			$21.5m			$21.5m			$21.5m			$21.5m			$7m
Parks and Open Spaces Development	*							$13m			$3m			$3m			$3m			$3m			$3m			$3m			$3m			$1m
Central City Green Network	*	$18.9m																														
Suburban Centre Upgrades	*	$2m		$2m		$2m		$2m		$2m		$2m		$2m		$2m		$2m		$2m		$2m		$2m		$2m		$2m		$2m		$2m
Kilbirne Park Upgrade	*	$5.4m																														
Grenada North Park	*		$14m																													
Te Aro Park	*		$11m																													
Waterfront Improvements (Public Safety)	*	$7m																														
Waterfront Seawall	*	$4.4m																														
Cemetery		$1.54m		$5.4m																												
Begonia House Remediation	*		$20m																													
Frank Kitts Park	*				$40.8m																											
Community and Recreation Facilities Improvements	*	$.4m			$11m			$101.5m				$114m										$71.5m										
Khandallah Pool redevelopment	*	$4.5m																														
Degasification of Pools					*	$15.5m																										

NOTE: Dollar amounts are indicative and not inflated for out years and will be refined as more information is available and the implementation period draws closer.

Appendices

Appendix 1 – NIWA forecasting assumptions

Regional climate change assumptions

Climate change variables (projections) 2017

https://www.gw.govt.nz/assets/Documents/2017/06/Climate-Change-and-Variability-report-Wlgtn-Regn-High-Res-with-Appendix.pdf

Climate extremes 2020

https://www.gw.govt.nz/assets/Documents/2021/11/GWRC-2020-extremes-appendix-FINAL.pdf

WCC NIWA Reports for district plan

Sea-Level rise projections - March 2021 (1MB PDF)

Coastal hazards report - August 2021 (14.2MB PDF)

Appendix 2 – Summary of community facilities issues

The full plan can be found online.

https://www.letstalk.wellington.govt.nz/wellingtons-community-facilities

Ability to meet changing demands

We have substantial provision of community facilities in Wellington, not including public toilets we have about one facility per thousand people and 1.2 sqm per person.

Most of the facilities are small, stand-alone, and single purpose. Excluding a few very large facilities, like Ākau Tangi and the Wellington Regional Aquatic Centre (WRAC), the average size of all community facilities is 524 sqm. Small and older facilities do not cater for the range of current community needs or provide flexibility for changing needs and aspirations.

A key finding is community facilities that may have been perfect 50 years ago, are no longer fit-for-purpose for today and the future.

Geographically we have enough facilities to serve the city, however the following gaps exist:

- Recreation centres: these facilities are under pressure and there is an indicative geographic gap around Takapū/Northern and Wharangi/Western area.
- Swimming pools: we do not have enough play or hydrotherapy water in our network and there are potential geographic gaps in learn to swim provision.
- Public toilets: there may be geographic gaps in the City Centre, and at some community neighbourhood parks and beach areas.

Wellington does not need more, but better community facility provision. We need to work with the community to make careful decisions about future provision. Investment will be needed to address the identified challenges and to deliver thriving and accessible community facilities, where people connect, have fun, and belong.

Accessibility and inclusivity of community facilities

In Pōneke there are many different communities with diverse interests, needs and aspirations for community facilities. Our analysis found across the 49 libraries, community centres, recreation centres and swimming pools, there are a range of fit-for-purpose issues including:

- 75% of facilities do not reflect mātauranga Māori or te ao Māori, with minimal or no te reo signage or visibility of Māori narratives, identities, histories, or landmarks.
- 44% of facilities have poor accessibility into or through the spaces.
- 38% of facilities are not inclusive for diverse needs, such as gender-neutral toilets, baby changing / parenting facilities and low sensory spaces.
- 15% of facilities have aspects which are unsafe for users or staff.
- The functionality of community facilities for art and creative activities is a significant limitation identified by both users and facility providers.

Investigations will be done in partnership with mana whenua, Māori, and all communities to understand the diverse needs and lived experiences of diverse groups.

Deteriorating condition and appeal of facilities

Our analysis found across the 49 libraries, community centres, recreation centres and swimming pools, there were the following quality issues:

- 27% of facilities have significant building issues like leaks.
- 25% of facilities have insufficient capacity (size), 15% are not functional for intended activities and 27% have poor flexibility.
- 10% of facilities have seismic issues and 13% are in vulnerable locations for natural hazards.

Using the actions and consistent decision-making process set out in Te Awe Māpara, we will continue to carry out maintenance and improvements to existing facilities to maximise the value of what we have.

We recognise in some situations, where facilities are in deteriorating condition, inaccessible, poorly located, or poor design, the option which provides the greatest value for money may be to divest an existing building and consider alternative options. Given the age of facilities, there may be times when we need to consider divestment, such as:

- A building comes to the end of its useful life.
- Need for a facility diminishes and the building cannot be adapted.
- The site where a facility is located is subject to significant resilience risks which cannot be sustainably mitigated.
- A lease/licence has expired or terminated, and the building is not fit-for-purpose or needed.

High carbon emission profile of swimming pools

Pools contribute 45% of Council's building carbon emissions. Swimming pools are heated and cooled with gas, and collectively are the Council’s largest user of both gas and electricity.

The decarbonisation of the Council's community facilities, including the pools, is a significant part of the wider Energy Decarbonisation Plan (EDP). Delivering the EDP is critical to reach the 57% 2030 reduction target set out in Te Atakura.

The four pools in scope are: WRAC, Keith Spry Pool, Tawa Pool, Karori Pool.

Note that as part of decarbonisation, along with switching away from fossil fuels, this programme includes improving the energy efficiency of mechanical plant such as Heating, Ventilation, Air Conditioning (HVAC) systems which are critical in the environmental control of pools (i.e. managing the air within a swimming pool complex).

Affordability

Community facilities are expensive to build and maintain. The Council has a community facility portfolio based on a current value of $420 million. The cost of delivery is approximately $64 million for the primary network of libraries, swimming pools, recreation centres and community centres. Over the last seven years there has been a 45% increase in operating costs, driven by inflation, decreased revenue (over the period of the Covid-19 pandemic), and increasing maintenance and delivery costs.

The decisions made early in the process have a direct impact on the long-term success of a facility. These decisions include the location, size, design, materials, and assumptions about how the facility will be delivered. A robust investigation process ensures all these aspects are assessed before a decision to invest is made.

In the past some decisions have not always followed a consistent process or been fully informed by evidence, which has resulted in:

- Facilities in poor locations or with design deficiencies which impact how easily people can use and access the facilities, and the efficiency of the facility to operate.
- Missed opportunities to achieve a holistic network.
- Lack of forward thinking to achieve the Council's strategic outcomes like good urban design and hazard resilience.
- Focusing on a building solution when non-building options like pricing, programming, and marketing may be more beneficial.

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

2025/26
Mahere ā-Tau
Annual Plan

Contents

Kia ora | Welcome

About this document

This Annual Plan identifies our activities, the resources to deliver them and where the resources will come from, for example rates or user charges.

The Local Government Act requires the Council to produce a Long-term Plan (LTP). This sets out the budget for the next 10 years and is reviewed every three years. Our current 2024-34 LTP was adopted in June 2024.

In 2024/25, an LTP amendment was triggered as a result of the October 2024 Notice of Motion to begin the process of removing the sale of our Wellington International Airport Limited (WIAL) shares from the plan.

To continue to address our financial risks, several capital programmes were reviewed and changed over the remaining nine years of the LTP to create additional debt headroom to be used in response to a natural disaster.

In between producing LTPs, the Council produces an Annual Plan that focuses on any changes to the LTP programme for that year because of changed circumstances.

These changes could be budget revisions, new priorities that arise, the rescheduling of projects underway or new work to address issues facing the wellbeing of the city.

Public consultation

We consulted with our community on the LTP amendment and Annual Plan in March – April 2025. The outcome of this engagement is summarised on page 6.

More details on the 2024-34 LTP and Amendment are available at: wcc.nz/ltp2024.

We acknowledge Te Tiriti o Waitangi

We recognise that Te Tiriti o Waitangi forms the underlying foundation of the Council and mana whenua relationship. The Council continues to act in accordance with Te Tiriti o Waitangi.

Tākai Here

The Tākai Here partnership has strengthened the partnership and collaboration with mana whenua in Te Whanganui-a-Tara. This agreement also allows for a stronger governance relationship and sets out the principles, values, and priorities for the way we will work together.

Through the Tākai Here partnership, we work in 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

Welcome from Mayor and Chief Executive

Tēnā tātou katoa.
Wellington is a treasure. Geographically stunning, culturally rich, and politically significant, it is a city worth protecting for generations to come.

This is why we are taking steps to strengthen our infrastructure and buildings, improve risk management, and provide reliable services for our community.

We have several transformative projects underway to revitalise our city centre and are investing significantly in our communities. This includes $439.1m to upgrade social housing, work to revitalise Courtenay Place as part of the Golden Mile upgrade, and a $600,000 increase in annual funding for local arts groups and events   financial sustainability is a key goal as we look to the future.

All of this must be achieved amid growing financial pressure, rising costs, and reduced transport funding from central government.

We are delivering a Long-term Plan (LTP) that boosts our ability to respond to a major emergency or extreme time of need. The amendment to the LTP aims to address the challenge of underinsurance, undiversified investments, and the reduction in transport funding.

The Annual Plan is one important step in our current LTP. Wellington City Council provides so many essential services. Continued investment is critical to make sure they are maintained for the benefit of all. This year's Annual Plan is about striking the right balance between tight economic constraints and delivering for our city.

Part of keeping the city operating is collecting the rates that enable us to provide hundreds of services for our communities. The 2025/26 Budget includes an average rates increase of 12 percent, including 1.4 percent for the sludge levy. This is slightly below the forecast for the year in the 2024 Long-term Plan. In total, the council proposes to collect $629m (GST exclusive) of rates during 2025/26. The distribution of rates, or the portion of "the pie" you pay, will depend on the recent rating valuations that were undertaken on properties across the city at the end of last year.

We recognise that any increase in rates has impacts to households, businesses, and Wellingtonians. We continue to explore ways to reduce this impact, like spreading some costs over time, and by reviewing how we provide services and manage our assets.

There have been increases in some of our costs, including rates on Council-owned utilities, borrowing costs, and depreciation. In order to minimise impact on ratepayers, we made the decision to not fully fund some depreciation and utilities increases and to debt-fund the proposed water reform transition costs.

We're focused on protecting what makes Wellington special, while making smart, future-focused decisions. Everyone wants our city to be strong, resilient, and ready for what's next.

Thank you for being part of the journey to lead Wellington towards a thriving future.

Tory Whanau
Mayor of Wellington

Matt Prosser
Chief Executive - Wellington City Council

(te reo translation)

Te reo heading to come

Section 1: Introduction

Kei tēnei wāhanga | In this section

Te reo translation to come

This section provides an overview of our engagement on the 2025/26 Annual Plan. It outlines key changes to the programme for the year since it was first presented in the 2024-34 LTP and subsequent amendment. It also includes an update on our mana whenua partnerships, our LTP vision and priorities, and summaries of our capital and operational budgets.

Te reo heading to come
Community feedback on 2025/26 Annual Plan

Community engagement activities were carried out from 20 March to 21 April 2025 on the 2025/26 Annual Plan, as part of a joint consultation with the 2024-34 LTP Amendment and Local Water Done Well reform options.

Public submissions were received through multiple formats – online, email, hardcopy, verbal, video and audio etc. The aim was to enable feedback in as many forms as possible by reducing barriers to participation.

Te reo to come
The Numbers

1,151
2025/26 Annual Plan submissions

12,916
Page views on the Let's Talk engagement website

1,641
Joint Consultation Document downloads

Te reo to come
What people said

The Annual Plan consultation questions focused on three key areas, outlined here, as well as asking about the overall level of support for the plan. The consultation programme also included a Representative Survey to gather feedback from a group of residents broadly illustrative of Wellington (based on age, gender and ward). The survey used the same questions as the Annual Plan submission form.

Overall plan

The level of support for the overall Annual Plan was mixed. The number of submitters who strongly or somewhat support the plan and those who strongly or somewhat oppose the plan were equal – both 38%. In the survey there was a stronger level of support, 40% vs 30% opposed.

The main comments provided by submitters included concerns about the level of rates and spending, dissatisfaction with the Council or the plan and calls for further investment in some areas such as core services.

Mātai Moana Reserve

Mātai Moana, located near the entrance of Te Whanganui-a-Tara (Wellington Harbour) is a crown-owned 74-hectare block of land at the northern end of Te Motu Kairangi (Miramar Peninsula, also known as Watts Peninsula). It is a historically, culturally and ecologically significant part of the city.

Subject to Ministerial decisions, the vision is to establish Mātai

Moana as a reserve under the Reserves Act 1977 for the people of Wellington and New Zealand. The decision being consulted on through the Annual Plan was whether Taranaki Whānui would manage the reserve jointly with the Council or, if iwi would continue discussions about the land with the Crown and no Council involvement.

The Council's preferred option was joint management with Taranaki Whānui on Mātai Moana Reserve. The preferred option received a high level of support (60%) from both the consultation and the panel survey (64%). This option was subsequently adopted by the Council. Further information about the joint management arrangements will be agreed during the 2025/26 year.

In the submissions we received several comments asking the Council to include community groups that already have an interest in the area in the discussions on the reserve management. This feedback will be addressed during the discussions on the joint management arrangements. Further consultation will occur as required under the Reserves Act 1977.

Short-term accommodation provider rating

The city's short-stay accommodation sector provides an effective alternative to motels and hotels and adds capacity when major events are held in Wellington. This accommodation is most often provided through peer-to-peer platforms such as Airbnb or Bookabach.

Currently, most short-term accommodation providers pay residential rates, even though the current Council policy is that some should pay commercial rates. We have a self-reporting process in place for providers, which is not effective and hard to implement.

The Council's proposal was to change the policy to limit commercial rating to rating units (e.g. entire house or apartments) that are rented or available to be rented for more than 60 days. This would change the policy to exclude applying commercial rates to rating units where only part of the unit is available (i.e. sleepouts, single rooms or granny flats).

Overall, there was majority support for making changes to the rating policy for short-term accommodation providers from both submitters (66% strongly support or somewhat support) and through the representative survey (71% strongly support or somewhat support).

However, analysis of submissions indicated there was some uncertainty on what was being proposed:

- some submissions indicated that the public was likely unaware the current policy included charging commercial rates, but was difficult to enforce; and
- the proposal to change the policy included addressing this issue.

The Council agreed in principle to amend the Rating Policy and introduce a new general rates differential (that was lower than the Commercial, Industrial and Business differential) for short-term accommodation providers from 2026/27. There is now more work to be done on the details of this approach, and the proposed policy will be consulted on in the 2026/27 Annual Plan engagement.

Fee changes

The consultation showed reasonable support for the proposed change in the parklet fee structure and also for the other fee changes proposed. See the Changes to fees and user charges section on page 17 for more information. The full list of fees for the 2025/26 year are available on the Council website (2025/26 Annual Plan Section 5 – Appendices).

Te reo to come

Impact of the engagement

Funding requests

During consultation eight funding requests were made as part of submissions from the community and organisations.

The most common funding requests were for:

- **An increase in the level of grants that are currently provided**
  - Capital Kiwi increase in funding
  - Wellington Free Ambulance increase in funding
- **Maintaining or bringing forward funding for an existing project/s**
  - Papawai Stream flooding issues
  - Adelaide Rd planting
  - Grenada North Sport Hub building upgrades
  - Carrara Park public toilet installation
  - Owen Park public toilet installation
  - Middleton Road pedestrian and cyclist safety improvements

The Council granted an additional $150k to Capital Kiwi each year for five years, bringing the annual contribution from Council to $250k.

The budget for the Cararra Park toilets was incorrectly budgeted in year 4 of the LTP. This funding has been moved into the 2025/26 Annual Plan and work to install the toilets at the park will commence this year.

The other funding requests were not progressed due to the Council's financial situation or were referred to other areas of Council, such as the Grants subcommittee.

Other changes

In response to submitter feedback the Council will also:

- investigate the feasibility of opening central city libraries late into the evening, in order to provide a family-friendly alternative to city nightlife;
- continue to engage with the Chinese Garden Society to explore opportunities for the garden at Frank Kitts Park,
- work with Wellington Water and any new water entity to establish what water infrastructure is required to enable the further housing development at Tapu te Ranga Marae; and
- review the current safety and wellbeing situation in Newtown, including maintenance and lighting, as part of the next City Safety Plan briefing and recommend what further actions could be taken to improve these issues.

Te reo heading to come
Operating environment: Key changes and influences

We will continue to deliver on the programme of work set out in the 2024-34 LTP and subsequent amendment, but there are areas where some changes have been made.

Also influencing this Annual Plan are pressures from inflation, climate change and changes to some of the 2024-34 LTP strategies.

Te reo to come
Changes from 2024-34 LTP

Airport share sale decision reversed

The 2024-34 LTP included plans to sell the Council's 34 percent stake in Wellington International Airport Ltd (WIAL). This was to address the two financial risks relating to underinsurance of the Council's assets and an undiversified investment portfolio.

On 10 October 2024, Councillors voted on a Notice of Motion to begin the process of removing the sale of the airport shares from the plan**.** This triggered an amendment to the 2024-34 LTP meaning that alternative solutions were needed to meet financial risks stated above.

The LTP amendment was adopted on 26 June 2025 and includes:

- A reduced capital investment programme to increase our debt headroom (the gap between maximum borrowing limits and self-imposed borrowing limits). This gives us the ability to borrow more to respond to a significant event; and
- The creation of a small, diversified investment fund for disaster relief

Impact on Annual Plan

The amended capital programme reduced the 2024-34 LTP 10-year capital spend by $385m. The impacts of these changes on the 2025/26 Annual Plan (which is Year 2 of the 2024-34 LTP) are detailed on page 20.

Te reo to come
Influences on the plan

Key influences shaping this Annual Plan are:

- the LTP amendment – particularly the reduction in the capital programme;
- continuing the significant LTP upgrade and strengthening projects already underway; and
- the impact of financial pressures and investment priorities on rates affordability.

The Annual Plan budget includes a rates increase of 12.0% after growth in the ratepayer base, (which is slightly below the 12.8% increase forecast in the 2024-34 LTP). This includes 1.4% for the sludge levy, introduced in 2024/25 to support the development of the new Sludge Minimisation Treatment Plant.

The plan also reflects rising costs in several areas, including rates on Council-owned utilities, increased borrowing expenses, and higher depreciation.

Te reo to come Partnership with mana whenua

Our primary focus is to uphold the Tākai Here partnership, through the partnership agreement and the Tūpiki Ora Māori Strategy. We value our partners' insights into the conditions affecting whānau, hapū, and iwi and aim to define our future direction collaboratively.

Tūpiki Ora Māori Strategy

Tūpiki Ora is Council's 10-year Māori strategy. It is co-designed with mana whenua and broader Māori communities, and sets the direction for how we will work together to achieve positive outcomes for all Māori in the city. The Tūpiki Ora Māori strategy is in its third year of its implementation, and Wellington City Council continues to make strides towards achieving its vision.

Through the four pae hekenga (priority waypoints), the Council continues to build on the foundations set in the previous years. In particular, deepening our commitment to enhancing Māori wellbeing across Pōneke

The four pae hekenga are:

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

While we are seeing early impacts, the continued focus on the integration of the strategy into the Council's broader priorities strengthens the necessary foundation that will lead to long lasting and meaningful change.

Tākai Here Partnership Agreement

The Tākai Here partnership, signed in 2022, established a shared commitment to partnership. Our primary focus remains on upholding the Tākai Here partnership. The Mayor and Tākai Here Chairs determine the 2025/26 shared priorities, acknowledging the need for adaptability to meet our communities' current needs. We value our partners' insights into the conditions affecting whānau, hapū, and iwi and aim to define our future direction collaboratively.

With the support of Mataaho Aronui, the Council will continue to collaborate with iwi to deliver on projects that are mutually beneficial and meet iwi and Māori outcomes.

Te reo heading to come
Strategic direction

Strategic direction is set by the Council through the Long-term Plan

Each new Council, in partnership with the community, reviews and sets the strategic direction for Wellington city. This includes the financial and infrastructure strategies, which are mandated in the Local Government Act.

The strategic direction supports the Council's decision-making on the overarching budget and levels of service. Together, the strategic direction, levels of service, and budget form the LTP for Wellington City Council. The plan drives the Council's work programme and the decisions that relate to it.

A new LTP must be developed every three years and cover a minimum period of 10 years. Following city wide public consultation and engagement, the 2022–2025 Council agreed the current strategic direction as part of the 2024–34 LTP, outlined in the graphic here.

Our vision: Pōneke, the creative capital where people and nature thrive.

Our commitment: We're committed to Te Tiriti o Waitangi and strong partnerships with mana whenua. Tākai Here and Te Tiriti o Waitangi lay the foundation for everything the Council does.

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Te reo heading to come
Your money at work

This section explains our budget, how it works and outlines the impact on your rates and the Council's debt for the year.

Te reo to come
Funding sources

The Council's budget has operating and capital programmes – that together support our services and the delivery of development projects to improve the city.

The money for operating expenses comes mainly from rates, fees and charges from the users of a service, or revenue from investment income (for example, ground lease income and any Wellington International Airport dividend).

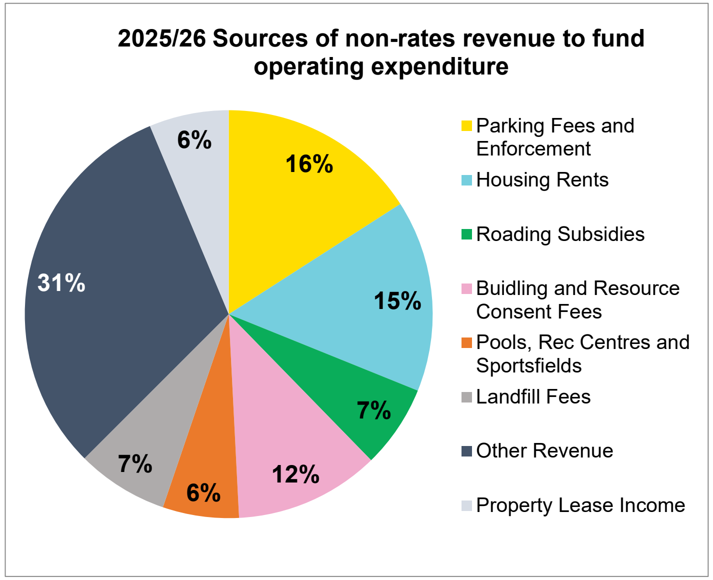
Rates are made up of general rates, which everyone pays, and targeted rates, which are paid by those who use a specific service. This year rates are expected to fund 61.8% of our operating budget.

Debt funds most of our capital projects and expenses – our development projects and renewing and upgrading our assets and infrastructure. We borrow for these expenses as they are often quite large.

It also means we can spread the cost of paying for the projects over time and over the multiple generations that will benefit from them. We do this through the repayment of the debt and ensure the community assets remain fit for purpose through funding depreciation.

Waka Kotahi NZ Transport Agency also provides funding for parts the transport network, such as cycleways.

For some projects, such as a new housing development, the Council will provide roading or water pipes as a contribution to the development. We recover some of these costs by requiring the developer to reimburse the Council. These are called development contributions.



Te reo to come
What are rates?

What are rates for, and why are they important?

In the same way, our national taxes contribute to the running of the country, Council rates are important to ensure Wellington continues to function.

We set our rates based on the needs of the community, demand for services and affordability in rates. Your money helps us deliver hundreds of day-to-day services and pay for the borrowings used to fund big capital projects across Wellington.

Some of the services and facilities that Wellingtonians receive through their rates include[1]:

416 **litres of drinkable water supplied per resident per day[2]**	**110,105** **native plants planted with the community**	**169,628** **calls answered by our Contact Centre staff**
827km **stormwater pipes**	**2m** **physical items borrowed from our libraries**	**204 sqm** **open space per Wellingtonian**
1,085km **wastewater pipes**	**391km** **walking and biking tracks**	**107** **play areas**
995km **footpaths**	**803,971** **resources in City Archives**	**18,828** **streetlights operated**

[1] Wellington City Council, 2023/24 Annual Report

[2] Not all of this water is used in a resident's home. Other users include industry, businesses, schools, hospitals, the fire service and councils

Te reo to come

Rates for the year

209,900	Wellington city residents (StatsNZ)
83,238	Total properties that pay rates
52:48	collection % of the general rate from base and commercial ratepayers

This year, the rates increase (after growth in the ratepayer base) is **10.6 percent**, plus **1.4 percent** for the sludge levy, resulting in a total of **12.0 percent**.

This is slightly below the 12.8 percent forecast for the year in the 2024-34 LTP. In total, the Council proposes to collect $628m (GST exclusive) of rates during 2025/26.

There have been increases in some costs since the 2024 LTP such as the rates on Council-owned utilities, borrowing costs, and depreciation.

We recognise the burden that increasing costs places on rate payers and users of our services. Therefore, the Council has used alternative funding mechanisms to absorb these impacts and to ensure the rates increase is below the level signalled in the 2024 LTP. For example, debt-funding the proposed water reform transition costs.

Sludge Levy

In July 2024, the Council began collecting a new sludge levy to fund the cost of the new Moa Point Sludge Minimisation Facility, on behalf of Crown Infrastructure Partners.

This was approved under the Infrastructure Funding and Finance Act 2020 (IFFA). The Council consulted with the community on this option as part of developing the 2021-31 LTP.

The sludge levy also received support from the New Zealand Government (Cabinet and the Minister of Housing) in August 2023.

The amount of the sludge levy is determined by the property classification (i.e. is classified as commercial or residential) and, where its wastewater is treated.

The following are examples of the indicative sludge levy for 2025/26 for a property with a Capital Value of $1m:

- Commercial property with wastewater treated at Moa Point, Karori or the new Sludge Minimisation Facility: $240.21
- Residential property with wastewater treated at Moa Point, Karori or the new Sludge Minimisation Facility: $165.43
- Commercial property with wastewater not treated in one of the above plants or not connected: $60.71
- Residential property with wastewater not treated in one of the above plants or not connected: $43.66

Helping people to pay rates

There are several ways to help people manage their rates payments, such as spreading your payments into regular affordable amounts across the year.

Along with the Government, we have a rates remission that provides a reduction in rates if set low-income criteria are met.

- People with a low income can apply for a Government rates rebate at: govt.nz/rates-rebate
- Those who are eligible for the Government rates rebate, the Council can provide an additional reduction of your rates.
- If you are concerned about paying your rates invoice, please get in touch with us as soon as possible at rates@wcc.govt.nz or call 04 499 4444.
- Rates can be paid in multiple ways - online, by direct debit, internet/telephone banking and in person at any NZ Post shop.

Revaluations and rates

Every three years, the Council updates its records of city property values to reflect current values, and 2024/25 was a revaluation year.

This means that the share of rates each ratepayer contributes is recalculated based on updated property values. Revaluations do not change how much rates we collect in dollar terms, but the share each rate payer contributes may change.

The total dollar value we collect is based on our plans and costs for the year as outlined in the Operating Budget on page 16.

The current revaluation resulted in an overall, city-wide, decrease in value for all properties. Some properties will have values that decrease more than the city average and some will have values that decrease less than the city average.

Therefore, while the **rates increase is to be an average of 12.0 percent**, ratepayers whose properties have decreased in value less than the city average will have higher percentage rates increase. Equally, ratepayers whose properties have decreased by more than the city average will see lower percentage rates increase.

The exact rates change for each ratepayer will vary depending on their individual circumstances.

Revaluations impact commercial properties differently than residential, and as a result can impact the share of rates that each sector funds. In particular, this year's revaluation saw commercial utilities (including our own, which makes up the majority in this group) increase substantially in value.

Rate differential

General rates are calculated using a differential rating system that is based on land use. Currently, the general rates differential applied to commercial rating units is 3.70, while vacant properties and derelict buildings are rated at 5.00 the general rate. We do not propose any adjustments to this differential due to the 2024/25 revaluation.

Maintaining the current differential means that the commercial general rates share will increase from currently 44 percent to 48 percent. This is driven by our own utilities, which are rated commercially, paying substantially more in rates.

The reason is that utilities have increased in capital values as a result of the 2024/25 revaluation, which counters the overall city-wide trend.

As it's our own properties accounting for the increased commercial rates contribution, we are not proposing to change the existing commercial rates differential.

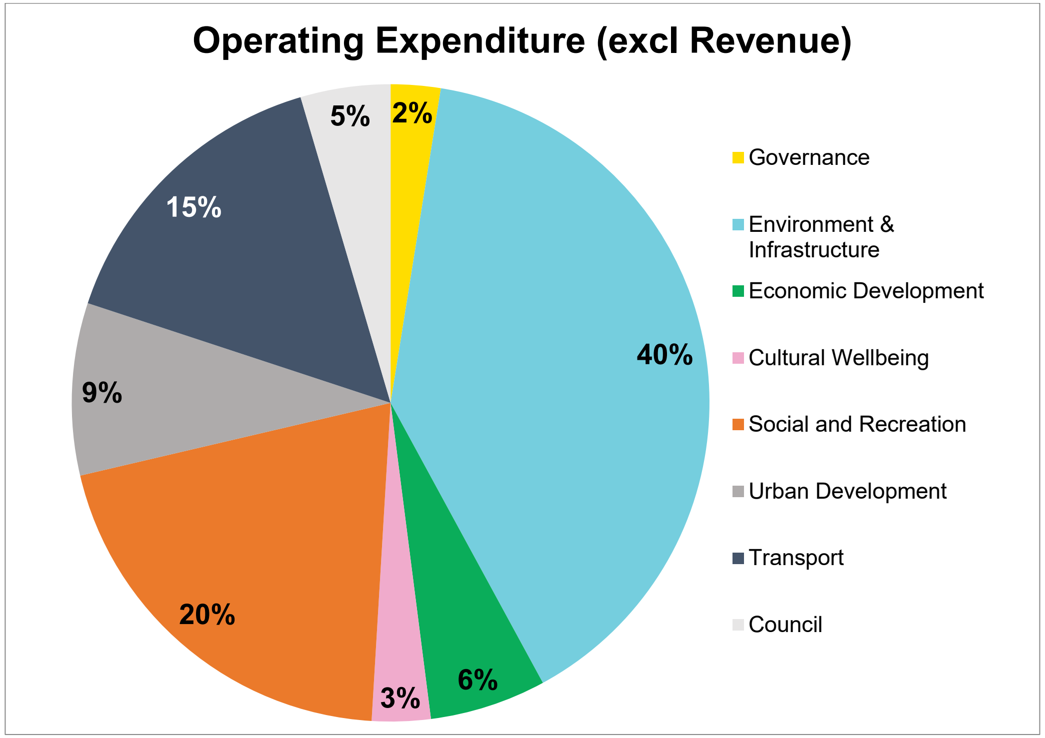
Te reo heading to come
Budgets for the year

Te reo to come
Operating budget

The cost of delivering and running Council services in 2025/26 is budgeted to be $1b or $12.68 per resident per day.

This is an $64.8m increase from what was set for Year 2 of the 2024-34 LTP, which primarily relates to increased utilities, increased funding for Wellington Water Limited, and depreciation costs.

The adopted split for our budget across our eight activity areas is to the right.



Te reo to come
Changes to fees and user charges

Our Revenue and Financing policy guides our decisions on how to fund council services.

The policy requires us to consider who benefits from a service, for example, individuals, parts of the community or the whole community. This helps determine how the service is to be funded.

The policy also sets the funding targets for each council activity, stating what proportion should be funded from user charges, general rates, targets rates and other sources of income.

Material change

The following activities have **materially changed** this year because of changes to existing Council policies or implementation of new policies.

Public health regulation – Parklet fees
We have revised the existing parklet fee structure, which now follows the same two-tiered fee structure as other pavement provisions (flat fee plus square meter charge). For 2025/26 the flat fee is $240.50 for new applications or $120.50 for renewals of existing permissions. The lease fees per square metre charge is $115.50 in the inner city and $74.50 in the outer suburbs.

Above inflation

Changes to existing Council policies and raising costs for the delivery of Council services have meant increased fees above the rate of inflation for the following activities, in order to align with Council's funding policies:

- **Public health regulation** – increase in alcohol licencing fees, following bylaw change.
- **Development control and facilitation** – increased officer's hours included in consent fees. This is a partially refundable fee.
- **Waste minimisation services** – increased Waste Minimisation Act levy.

New fees

We are also introducing **new fees** in the following areas to streamline some Council booking processes or to implement new services:

- **Sports fields** – including new fees for premier Field & Changing Room and use of outdoor training lights.
- **Waterfront** – new fees for Container placement and commercial filming.
- **Recreation Centre** – new fee for Pickleball Paddle Hire.
- **Marinas** – new fee for storage of abandoned boats.
- **Building Control & facilitation** – New fee for assessment of alternative plans and specifications.
- **Parks & Reserves** – new fee for Ecology officer.

The new **Metered Motorcycle Parking** will be introduced in 2025/26. The fee for motorcycle parking is $1.00 per hour, from Monday to Friday, 8am-8pm, with a daily cap of $6 per day. All designated motorcycle parking bays in the central city area will be metered.

Inflation adjustments

We also have standard inflation increases proposed for the following areas:

- Wellington Gardens
- Parks & Reserves
- Waterfront
- Swimming pools
- Recreation centres
- Sports fields
- Marinas
- Cemeteries
- Public health regulations
- Building control and facilitation
- Development control and facilitation
- Waste minimisation

More detail on the proposed fees can be found on our website: wcc.nz/annual-plan

Te reo to come
Capital budget

Capital expenditure is used to renew or upgrade existing assets or to build new assets to provide a higher level of service or account for growth.

Our assets include buildings, roads and footpaths, water, stormwater and wastewater pipes, libraries, swimming pools, and sportsfields.

We have a significant capital expenditure programme in place, with $784.7m planned for 2025/26 (this includes $177.5m for the Sludge Minimisation Facility project funded by the IFFAA).

This year, our programme includes significant investment in our water, stormwater, wastewater and transport networks, and construction projects such as finishing the construction of the city's new Te Matapihi Central Library.

The 2024-34 Long-Term Plan Amendment has resulted in changes to the timing of some projects, for example delays until the later years of the LTP or reductions in scope. Details of these changes are outlined in the following section.

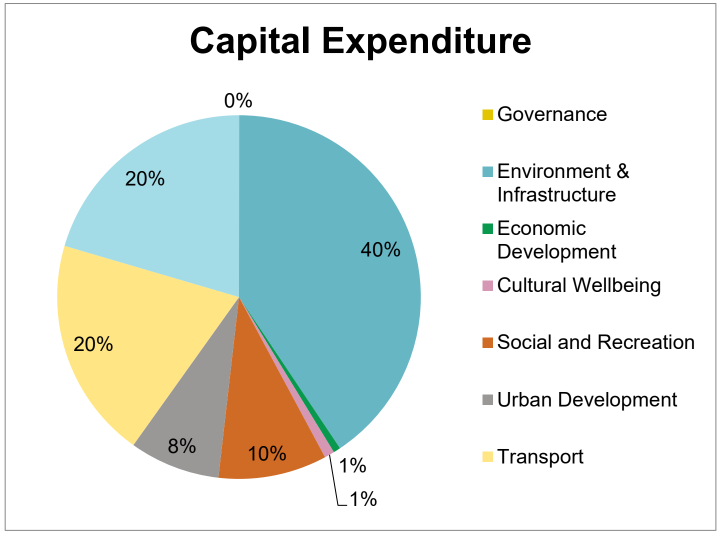
While the LTP amendment resulted in a reduction in planned capital expenditure, the final 2025/26 capital budget has increased by $142m compared to what was included in the 2024 LTP as first adopted.

The change mainly relates to refined project costs, the inclusion of sludge minimisation project costs, inflation pressures, and timings on some significant projects which have been delayed from 2024/25.

Te reo to come
Our borrowing

We borrow to fund upgrades to our assets or to invest in new infrastructure. This allows us to spread the cost of funding this expenditure over the multiple generations that will benefit from the investment.

For 2025/26, total borrowings are forecast to increase by $418m over the year. Borrowing is forecast to be $2.1b at the end of the year. This is similar to the LTP year two forecast of $2.1b while also reflecting the changes in the capital programme.



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Te reo heading to come

Section 2: Our work for the year

Kei tēnei wāhanga | In this section

Te reo translation to come

In this section we outline each of our seven strategic area, highlight what's changing since we released Our 10-Year Plan, other key projects, performance information and what it costs.

The Annual Plan 2025/26 focuses on changes to year three of Our 10-Year Plan, with some updates on other key projects.

For full details of our Council services, see 2024-34 Long-term Plan on our website, [wcc.nz/ltp2024](wcc.nz/ltp2024)

Te reo heading to come
Key investment projects and programmes

Te reo heading

Impact of LTP amendment

After considering public feedback on the LTP amendment the Councils has made the following changes to LTP programmes and projects which are now reflected in the 2025/26 Annual Plan.

Programmes / Projects	Changes
Begonia House	Minimal remediation to keep the site operational, including structural, greenhouse, café, kitchen, HVAC, and storage upgrades, with single glazing replacement and existing planting retained. New project LTP total: $11.0m, an increase of $2.9m to the original budget of $8.1m.
Karori Event Centre	Return the Karori Event Centre to the Karori Community Hall Trust to complete remediation and fit-out, with up to $1.9m in debt-funded support. Funding is conditional on a verified work plan, Council financial oversight, and no further operational funding. A WCC officer will join the governance board, and cost overruns over 10% may trigger a review. If no agreement is reached in three months, Council will move to sell the site.
Paneke Pōneke Bike network	Rephasing and reducing the Paneke Pōneke Bike network to occur over 20 years and decreasing the budget to $66.9m (from $115.2m)
City streets projects	Rephasing and rescaling the City Streets project with new budget of $34.5m (from $165.1m)
Low cost, low risk transport projects	Rescale and rephase low cost, low risk transport projects with new budget of $96.7m (from $164.5m)
Frank Kitts Park	Rephase and rescope Frank Kitts Park redevelopment from $54.5m to $8.4m in Year 1 to 6 to support the Fale Malae proposal, plus $15m in Years 10+. New LTP total: $8.4m. Saving: $46.1m
Wellington Zoo	Retain the lions upgrade and rephase the Savannah upgrade, with a new budget of $12.6m (from $13.8m)
Te Ngākau Civic Square precinct	Remove all budgets not currently allocated to set projects. New LTP total $113.9m, savings of $89.4m) years.
Venues upgrades	Remove all funding from budget as it is currently unallocated. New LTP total $0, saving of $13.2m.
Bond Store upgrades	Rephase $19m to years 8 to 10, with $1.5m across years 1 to 2 for targeted strengthening. Savings is $0 but funding moved to later in the LTP easing debt to revenue ratio.
Suburban Town Centres	Rephase $11m into $5.5m in both years 4 and 8, savings is $0 but funding moved to later in the LTP easing debt to revenue ratio.
Te Awe Māpara	Reduce $10m in years 8 and 9. New LTP total $103.1m, savings of $10m.

Te reo to come 2025/26 work programme and projects

While the LTP amendment has resulted in change to the 2024-34 LTP programmes and project, we continue to have a full work programme and projects planned or underway across the city. Many of those already underway, have had prior consultation as part of developing the 2024-34 Long-term Plan.

Projects that start this year

Local Election
We are preparing for the Local Election, scheduled to take place in October 2025. Candidate nomination opens on 4 July.

Mātai Moana
Following the vesting of the reserve by the Crown, Council will work with Taranaki Whānui on the joint management of the site. This will include transitioning maintenance from the Crown to Council, remediation works, and likely opening the reserve in phases, as it's safe to do so. Taranaki Whānui and the Council will then seek to develop a 100-year vision of the site and the reserve management plan, which will be publicly consulted.

Projects that continue throughout the year

Sludge minimisation project
Construction continues on the new Sludge Minimisation Facility at Moa Point, creating a solution for minimising and managing sludge and reducing the amount of waste going to landfill in order to meet waste and carbon reduction targets. Expected to be producing grade A biosolid by November 2026.

Carrara Park Toilets
Begin investigating, scoping and engage with the community on toilets for Carrara Park and subject to design, consultation and consenting, processes, commence construction of the toilets.

Khandallah Swimming Pool
We will proceed with the option to remediate the swimming pool within a budget of $7.5m, as identified in the technical review completed in 2024/25. While the project is in the development stage, the pool will continue to operate.

Degasification of pools
Planning works continue to degasify Council's swimming pool network over the next five years. The focus in 2025/26 is the implementation of degasification at Tawa Pool and investigation and design works for the multi stage requirements at the Wellington Regional Aquatic Centre.

Grenada North Community Sports Hub
Improvements to Grenada North Park are planned to enhance the usability, accessibility, and utilisation of the sports fields and other facilities. Developed design and consenting will commence in 2025/26, with completion anticipated in 2027/28.

Kilbirnie Park Upgrade
Upgrade the open spaces at Kilbirnie Park to create a cohesive, vibrant, and accessible community and recreation park including a destination skate park and refreshed community play space. Construction begins in 2025/26 with expected completion in 2027.

Housing Upgrade Programme Phase 2 (HUP2)
In May 2025, the Programme Business Case endorsed by Council, confirming the scope of the programme. Over the next 10 years, the programme is planned

to deliver 825 upgraded units, remediation of 9 Earthquake Prone Building buildings, and return of the Granville Site to the Tenths Trust. 2025/26 will see return of the Granville site to the landowner the Tenths Trust, fourteen projects initiated, and completion of upgrades to 36 standalone houses.

Te Kāinga programme

Two new buildings will launch in late 2025, which will provide an additional 183 affordable rentals to the city. Work continues to negotiate the next tranche of buildings in the pipeline, as we work towards the extended programme target of 1,500 units by 2033. Tenancy management operations will continue to be provided for our existing buildings.

Golden Mile

Work to revitalise Courtenay Place as part of the Golden Mile upgrade started in May 2025, with improvements to the Kent/Cambridge Terrace intersection. Redevelopment includes the construction of new pedestrian and bike crossings and improved footpaths.

Re-imagining Toi Pōneke

Implementation of the re-imagined Toi Pōneke Arts Centre operating model, including finalising design (early 2025/26), fit-out and relocation to the new premises, and targeting full operational delivery by mid-2026.

Waterfront Safety Enhancements Lighting and Edge Protection

Continue installing improved lighting to enhance safety along the waterfront, with a focus on non-wharf areas. Consultation on edge protection for the waterfront is proposed to take place in early 2025/26.

Huetepara Park

Wellington International Airport Ltd (WIAL) has proposed incorporating the objectives of the Huetepara Park project into an upgraded development using a combination of Council land (to be acquired) and its own. The proposed development includes publicly accessible toilets, showers, and storage, alongside a redeveloped multi-use park that retains the vision of the Huetepara Park Community Group.

Paneke Pōneke - Bike network plan

We will complete the remaining Transitional projects—Berhampore to Newtown, Kilbirnie, Thorndon, Wadestown, and Botanic to Karori—and continue construction on Evans Bay Stage 2. Detailed planning for Brooklyn Hill will be finalised, with physical works commencing. Business case development will begin for Middleton Road and the Johnsonville to Ngaio route. We will also continue to monitor programme outcomes and identify any service gaps in completed sections of the network.

Organic Waste

Currently progressing work on a solution for organic waste processing to support the changes to kerbside collections outlined in the 2024-34 LTP. This includes introducing a kerbside food and garden waste collection service. A decision is expected on the preferred way forward in August 2025.

44 Frederick Street Urban Park

Design and development of a new inner-city park at the corner of Frederick Street and Taranaki Street. Expected completed in September 2026.

Te Ngākau Civic Square

- **Precinct:** Continue overseeing and managing key projects in the Te Ngakau precinct, including Te Matapihi, City Gallery strengthening, basement strengthening and plaza redevelopment. This work will be completed, and the precinct reopened to the public by March 2026.
- **Town Hall:** The seismic strengthening of Heritage Category 1 listed building continues its progress toward practical completion in 2026. The work includes base isolation, redevelopment of services including acoustic elements, reinstatement of heritage elements and a new auditorium basement. A strengthened town hall will be part of the national music centre with partners NZSO and VUW.

Main construction of the Town Hall will be completed by mid-2026.

Projects that finish this year

Te Matapihi Central Library

Seismic strengthening and refurbishment of the library will reach practical completion in August 2025 - with the expected opening in March 2026. Te Matapihi will feature the City Archives, Nōku te Ao Capital E – discovery and learning for young people to grow their creativity, the Council Customer Service Centre and large ground floor café. The space will include a new makerspace, recording studio, community and meeting rooms, as well as an extensive collection of books and heritage material.

Three Waters transition

We will continue preparing for the transition of Three Waters responsibilities to a proposed new multi-Council-owned water services entity. In collaboration with other councils in the region, we will submit a Water Services Delivery Plan to government in September 2025.

Transition to the new organisation will be overseen by a new Establishment Board and interim Chief Executive. The new organisation will begin delivering water services from 1 July 2026 with some functions and support continuing to be provided by councils in the interim, where necessary.

Southern Landfill

Continuing the construction of the Southern Landfill extension, which is due to be completed and in operation by June 2026. The project will provide a landfill solution that minimises environmental and social impacts and enables the transition to a circular economy.

Retaining Walls Renewals

A number of retaining walls and seawalls around the city have been assessed and prioritised for renewals and maintenance from mid-2025.

Wadestown and Newtown Parking Management Plan

Deliver a parking management plan for Newtown and the area of Berhampore under influence from the Berhampore - Newtown Transitional route. Expected to be completed by August 2025.

Wadestown East Parking scheme begins enforcement June 2025, safety improvements have been delivered to Wadestown West with access no stopping lines completed, the Wadestown West scheme will proceed based on review in late 2025.

Te reo heading to come
Our seven strategic areas

Our work is grouped into seven strategic activity areas:

- Te mana urungi | Governance
- Te Taiao me te Tūāhanga | Environment & Infrastructure
- Whanaketanga ōhanga | Economic development
- Oranga ahurea | Cultural wellbeing
- Pāpori me te hākinakina | Social and recreation
- Tāone tupu ora | Urban development
- Tūnuku | Transport

These activity areas provide the foundation for the Council's governance, monitoring, reporting performance and showcasing achievements - for example in the Annual Report.

To help us meet our objectives for Wellington, we have also established several companies and trusts. These were set up to independently manage Council facilities, or to deliver significant services and undertake development on behalf of the Wellington community.

Where necessary, we provide funding to support their operations and capital investment requirements.

The organisations are:

- Wellington Museums Trust (Experience Wellington)
- Wellington Regional Economic Development Agency Ltd (WellingtonNZ)
- Wellington Zoo Trust
- Basin Reserve Trust
- Karori Sanctuary Trust (ZEALANDIA)
- Wellington Cable Car Limited
- Wellington Water Limited
- Wellington Regional Stadium Trust (Sky Stadium)

For more details on the organisations, their objectives, structure, and how their performance is measured, please refer to Our 10-Year Plan wcc.nz/ltp2024

Te mana urungi | Governance

Our governance work includes all the activities that support Council decision-making and ensure we are accountable to the people of Wellington.

What we do

Our governance activities include managing local elections, informing residents about the city and the issues or challenges it faces, listening to residents' views and making decisions in the best interests of Wellingtonians. This area also drives our focus on being open and talking with people who live in Wellington about the plans and decisions we make for our city.

We also operate the City Archives, where the public can access historic information about Wellington, and property information. The Governance activity is responsible for the development of strategies, policies and plans.

There is one group of activities in this area:

- 1.1 Governance, information and engagement.

What it costs

$26m
Operating expenditure

$0.2m
Capital expenditure

Key Performance Indicators

There has been no change to KPIs in this strategic activity area from what was adopted in the 2024-34 LTP.

Te Taiao me te Tūāhanga | Environment & Infrastructure

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.

Our conservation attractions Wellington Zoo and ZEALANDIA - Te Māra a Tāne, are also part of this portfolio.

What we do

Pōneke has rich parks and open spaces that support active recreation, thriving ecosystems, and climate resilience. Wellington Zoo and Zealandia support indigenous plants and wildlife to thrive. The landfill generates approximately 80% of the Council's emissions. The construction of the Sludge Minimisation Facility will enable us to shift from a model that manages waste to a system that enables people to avoid waste going to the landfill in the first place.

This area also manages our drinking water supply, wastewater and stormwater networks. This area faces material challenges and does not meet all service levels. About 30% of the network is at or near the end of its life, and over 50% will need replacement within 30 years. Prioritising leak repairs over additional supply investment is crucial to increase water availability.

As part of the Government's Local Water Done Well reform, the Council has confirmed a Wellington regional multi council water Council-controlled Organisation as the future service delivery model for water. There will be several changes in this area in 2025/26 as we work towards transitioning services to the new entity from 1 July 2026.

There are six groups of activities in this area:

- 2.1 Parks, beaches and open spaces
- 2.2 Waste
- 2.3 Water network
- 2.4 Wastewater
- 2.5 Stormwater
- 2.6 Conservation organisations

What it costs

$402m
Operating expenditure

$319m
Capital expenditure

Key Performance Indicators

KPIs relating to water quality have changed from what was adopted in the 2024-34 LTP. The new KPIs are detailed in Section 5: Appendices.

Whanaketanga ōhanga | Economic development

The mahi for Economic development supports a thriving economic, employment and events sector.

What we do

We seek to be New Zealand's preferred city for businesses, investors, and developers, and a hub for creativity and innovation, with a dynamic CBD and thriving suburban centres.

Our Economic wellbeing strategy aims to provide equal opportunities for meaningful, fairly paid, and inclusive work, supporting the transition to a zero-carbon circular economy.

Council services in City promotions will focus on inner-city revitalisation, aligning with Economic wellbeing and LTP priorities. Enhanced coordination of Council spending across transportation, public spaces, and open areas is also crucial for improved economic and social outcomes. Given cost constraints, we will prioritise existing spending to maximize impact.

Our venues need significant investment requiring a strategic approach for affordable management. Working with the Wellington Stadium, the Seismic Resilience Project will address the venue's health and safety concerns.

There is one activity group in this area:

- 3.1 City promotions and business support.

What it costs

$60m
Operating expenditure

$5m
Capital expenditure

Key Performance Indicators

KPIs relating to equivalent advertising value and engagement on digital channels and platforms have changed from what was adopted in the 2024-34 LTP. The new KPIs are detailed in Section 5: Appendices.

Oranga ahurea | Cultural wellbeing

Arts and culture are an important foundation stone in Wellington's offering – it's a point of difference for the city and one that all Wellingtonians are proud of.

What we do

Our overall approach as part of the 2024-34 LTP is to continue making investments that secure foundational arts and culture facilities in the city. This will allow the sector to thrive over the long term. Many of our arts and culture facilities are earthquake prone and require substantial investment in the years ahead. This will be the primary focus in the next three years with most of the capital costs increases for this activity area going into the Town Hall.

We will also do master planning on other arts and culture facilities that are earthquake prone such as the Michael Fowler Centre (MFC), the Opera House and the Bond Store to enable decisions on the way forward to be made as part of the 2027-37 LTP.

To address affordability pressures, we will explore more efficient delivery of arts and culture services, operating more commercially where possible, and identifying savings. Our strategic focus is on making essential investments and targeted adjustments to support the sector's significance to the city while easing cost pressures.

There is one activity group in this area:

- 4.1 Arts and cultural activities.

What it costs

$30m
Operating expenditure

$7m
Capital expenditure

Key Performance Indicators

KPIs relating to Toi Pōneke have changed from what was adopted in the 2024-34 LTP. The new KPIs are detailed in Section 5: Appendices.

Pāpori me te hākinakina | Social and recreation

The mahi for social and recreation is focused on the health and wellbeing of the community.

What we do

Wellington's open space and recreation networks are crucial for the city's environmental, social, economic, and cultural wellbeing. The Open Spaces and Recreation Strategy envisions a network of parks and recreation facilities integrated into daily life, designed for flexible use to meet diverse needs.

The Council's Te Awe Māpara | The Community Facilities Plan outlines a 30-year framework with 58 prioritized actions to ensure thriving, accessible community facilities. These spaces aim to foster connection, fun, and belonging.

To reduce carbon emissions, the Council will invest in transitioning swimming pools away from gas, which currently contributes 45% of the Council's building emissions.

Community facilities and services aim to create liveable, safe, and inclusive communities through support initiatives, housing access, and facilities like community centres and libraries. Most services will remain at current levels for the 2024-34 LTP. The opening of Te Matapihi will enhance central city facilities, celebrating te ao Māori. Social housing upgrades continue to be a key improvement.

Over the next ten years, the adoption of Te Awe Māpara will guide the evolution of community facilities to maximize benefits and make smarter decisions. This includes investigating facility needs and potential changes to future facility mixes.

We continue to focus on processing of alcohol licenses, food safety certificates, dog registrations, gambling consents and health licenses for businesses and activities that could impact human health. We will also continue to operate animal control service and litter enforcement.

There are three groups of activities in this area:

- 5.1 Recreation Facilities and Services
- 5.2 Community Facilities and Services
- 5.3 Public health and safety

What it costs

$207m	Operating expenditure
$76m	**Capital expenditure**

Key Performance Indicators

KPIs relating to satisfaction with pools have changed from what was adopted in the 2024-34 LTP. The new KPIs are detailed in Section 5: Appendices.

Tāone tupu ora | Urban development

The mahi for urban development is focused on the way the city is developed and how it shapes the quality of life and experience for residents and visitors.

What we do

Urban Planning is key to designing the city's layout, optimising space for community needs, and accommodating growth. The 2024-34 LTP includes continued investments to shape the city for a growing population, maintaining core spatial and urban planning activities, and delivering the Te Kāinga affordable rental programme, with up to 1,000 properties for medium to lower-income earners. Significant investment is planned for public space development, notably the Golden Mile project.

To manage cost pressures, we will seek more efficient service delivery within a tight budget. This involves prioritising capital programmes to focus on existing urban development projects and postponing other public space upgrades.

We will aim to meet or exceed statutory timeframes requirement for processing consents, ensuring efficient services, and enhancing our systems to meet customer needs and minimise risks.

The proposed District Plan, Medium Density Residential Standards, and expected Resource Management system changes could impact how we approve and enforce regulations. While these changes might decrease the number of resource consents, they would likely make the approval process more complex.

The anticipated increase in earthquake-prone building notices will require the Council to be more involved, either by assisting building owners or stepping up enforcement efforts.

There are two groups of activities in this section:

- 6.1 Urban planning, heritage and public space development
- 6.2 Building and development

What it costs

$89m	Operating expenditure
$63m	Capital expenditure

Key Performance Indicators

KPIs relating to resource consents with multi-unit housing, building control service and resource consent services have changed from what was adopted in the 2024-34 LTP. The new KPIs are detailed in Section 5: Appendices.

Tūnuku | Transport

The mahi for transport is focused on the way the city is developed and how it shapes the quality of life and experience for residents and visitors.

What we do

Our overall approach to transport investment is to continue changing the transport network to support reducing emissions and making it easier to get around. This includes continued delivery of the city wide Paneke Pōneke bike network and increasing investment in improving the resilience of the network through retaining wall and structure strengthening.

Investment on the Golden Mile and City streets projects will improve connections for people on buses, bikes or walking in the Central City and on key routes between the central city and suburban centres. The parking policy provides a framework to guide future decision-making on the management of all Council-controlled parking spaces. This includes off-street parking and on-street parking, both free-of-charge (unrestricted) and those which incur a user-charge. Off-street parking includes parking areas at any of the Council's parks, sports, recreation and other community activities; and any off-street parking buildings that the Council controls.

The policy sets out objectives, high level principles, a parking space hierarchy (that prioritises the types of parking in different areas), area-based parking management guidance (that prioritises how we manage supply and demand). It also provides a new approach to setting parking fees and developing area-based parking management plans.

There are two groups of activities in this section:

- 7.1 Transport
- 7.2 Parking

What it costs

$156m	Operating expenditure
$154m	Capital expenditure

Key Performance Indicators

KPIs relating to critical transport structures have changed from what was adopted in the 2024-34 LTP. The new KPIs are detailed in Section 5: Appendices.

Te reo heading to come

Section 3: Financial information

Kei tēnei wāhanga | In this section

Te reo translation to come

This section provides an overview of our finances for the 2025/26 Annual Plan, including the Annual Plan Disclosure Statement, funding impact statements, indicative rates, forecast financial statements and the summary of significant accounting policies.

Te reo to come
Annual plan disclosure statement

For year ending 30 June 2026

The purpose

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

The council is required to include this statement in its annual plan 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.

Benchmark	Planned	Met
Rates affordability benchmark		
Income: Quantified limit $609m	$628m	No
Increases: Quantified increase limit 7.4%	10.6% increase	No
Debt affordability benchmark		
Net closing debt over operating income 200%	223%	No
Balanced budget benchmark		
100%	107%	Yes
Essential services benchmark		
100%	245%	Yes
Debt servicing		
10%	6%	Yes

Notes

Rates affordability benchmark

1. For this benchmark:
    a. the council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's LTP; and
    b. the council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's Long-term Plan.
2. The council meets the rates affordability benchmark if:
    a. its planned rates income for the year equals or is less than each quantified limit on rates; and
    b. its planned rates increases for the year equal or are less than each quantified limit on rates increases.

Debt affordability benchmark

1. For this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan.
2. The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

Balanced budget benchmark

1. For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains

on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
2. The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential services benchmark

1. For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
2. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Debt servicing benchmark

1. For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
2. Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Te reo to come
Fees and user charges

Our Revenue and Financing Policy guides our decisions on how to fund Council services.

Under the policy, we consider who benefits from a service (individuals, parts of the community, or the whole community) because this helps us determine how the service should be funded.

The policy sets targets for each Council activity, determining what proportion should be funded from the user charges, general rates, targeted rates and other sources of income.

A breakdown of changes to user fees and charges can be found in our online appendices: Annual Plan – Section 5 at wcc.nz/annual-plan.

Te reo to come
Funding impact statements

Whole of Council

Funding impact statement ($000s)

Whole of Council	LTP 2024/25	Annual Plan 2025/26	Variance 2026/27
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	329,612	366,392	36,780
Targeted rates (other than a targeted rate for water supply)	236,104	262,582	26,478
Subsidies and grants for operating purposes	18,062	14,144	(3,918)
Fees and charges	191,732	195,832	4,099
Interest and dividends from investments	10,500	14,636	4,136
Local authorities fuel tax, fines, infringement fees, and other receipts	10,750	9,879	(871)
Total operating funding (A)	**796,761**	**863,464**	**66,703**
Applications of operating funding			
Payments to staff and suppliers	560,934	623,557	62,623
Finance costs	72,264	68,333	(3,931)
Other operating funding applications	56,944	69,104	12,160
Total applications of operating funding (B)	**690,143**	**760,994**	**70,852**
Surplus (deficit) of operating funding (A-B)	**106,618**	**102,470**	**(4,148)**

Whole of Council	LTP 2024/25	Annual Plan 2025/26	Variance 2026/27
Sources of capital funding			
Subsidies and grants for capital expenditure	185,103	190,217	5,114
Development and financial contributions	3,500	3,500	0
Increase (decrease) in debt	376,222	457,852	81,630
Gross proceeds from sales of assets	23,410	31,000	7,590
Lump sum contributions	0	0	0
Total sources of capital funding (C)	**588,235**	**682,569**	**94,334**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	72,089	13,543	(58,546)
- to improve level of service	361,135	487,663	126,528
- to replace existing assets	261,630	283,543	21,913
Increase (decrease) in reserves	(0)	291	291
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**694,853**	**785,040**	**90,186**
Surplus (deficit) of capital funding (C-D)	**(106,618)**	**(102,470)**	**4,148**
Funding balance ((A-B) + (C-D))	0	0	0

Rating mechanisms

Rates

Rates are a property tax to fund local government activities. Rates are assessed under the Local Government (Rating) Act 2002 (the Act) on rating units in the Rating Information Database. Where rates requirements are allocated based on a rating unit's value, the rateable value will be the capital value as assessed by the Council's valuation services provider. The latest city-wide revaluation was carried out as at 1 September 2024. This revaluation remains effective through until the 2027/28 rating year, except where subsequent maintenance valuations have been required under valuation rules or the Council's rating policies.

Policy objective:

- To provide the Council with adequate income to carry out its mission and objectives.
- To support the Council's achievement of its strategic objectives.
- To be simply administered, easily understood, allow for consistent application and generate minimal compliance costs.
- To spread the incidence of rates as equitably as possible by balancing the level of service provided by the Council with ability to pay and the incidence of costs in relation to benefits received.
- To be neutral in that it does not encourage people to redirect activity to avoid its impact.
- To reflect the decisions of the Council's policies and rating reviews.

General Rates

General rates are set under section 13 of the Act on all rateable rating units in the City of Wellington.

The Council has set a general rate based on the capital value of each rating unit within the city.

The general rate is set on a differential basis, based on the use to which the land is put and/or the zoning. All rating units (or part thereof) will be classified for the purposes of general rates within one of the following differential rating categories.

Differential Rating Categories

Base Differential

The Base differential rating category shall be applied to the following rating units:

a) Separately rateable land used for one or more household units; excluding those properties that provide short stay (28 days or less) commercial accommodation for which a tariff is charged

b) Vacant land zoned residential

c) Land used as farmland and lifestyle blocks which is included in the rural activity area in the District Plan

d) Farmland is defined as land used exclusively or principally for agricultural, horticultural, pastoral or silvicultural purposes, or for the keeping of bees or poultry or other livestock but excluding commercial dog kennels or catteries.

e) Separately rateable land occupied by a charitable organisation which is deemed by the Council to be used exclusively or principally for sporting, recreation or community purposes and that does not generate any private pecuniary benefit.

This category has a general rate differential rating factor of 1.0.

Commercial, Industrial and Business Differential

The Commercial, Industrial and Business differential rating category shall be applied to the following rating unit:

a) Separately rateable land used for a commercial or industrial purpose
b) Vacant land zoned commercial, industrial or business
c) Land used for offices, administrative and/or associated functions
d) Land used for commercial accommodation for which a tariff is charged and where the principal purpose is the provision of short stay (28 days or less) accommodation
e) Business-related premises used principally for private pecuniary benefit
f) Any rating unit not otherwise categorised within the Base Differential.

This category has a general rate differential rating factor of 3.7.

Vacant Land / Derelict Building Differential

Vacant land / derelict buildings means land with an area of not less than 40m2 in the Downtown area (as defined for the purposes of the Downtown Targeted Rate) which is either vacant or which contains a building or other improvements which are derelict, and includes:

Land which is undeveloped and is not under active development;

a) Land which has no active or consented use (land will be treated as having a consented use if there is a current approved resource consent for development on it);
b) Land which comprises a building or other improvements which:
   i are unoccupied and/or in a poor state of repair because they have not been lived in or used for a substantial period of time;
   ii have been determined to be dangerous, affected, or insanitary for the purposes of Part 6 of the Building Act 2004, or earthquake prone for the purposes of Part 6A of the Building Act 2004.

Note: a building will not be treated as derelict if there is a current approved building consent for development or demolition of the building [and work has commenced, or progress towards commencing work can be demonstrated to the Council].

This category has a general rate differential rating factor of 5.0

Differential Rating Category Conditions

The differential apportionment for the Commercial, Industrial and Business differential is 3.7 times the rate per dollar of capital value payable by those properties in the Base differential.

The differential apportionment for the Vacant land/ Derelict Building differential is 5.0 times the rate per dollar of capital value payable by those properties in the Base differential.

Where a rating unit has more than one land use the rating unit may be ‘divided’ so that each part may be differentially rated based on the land use of each part.

A rating unit will be differentially rated where a division of the rating unit is established, based on the use to which the land is put and/or the zoning. A division will be established where:

- a rating unit has a value of greater than $1,500,000 or
- the minority use(s) account for more than 30 percent of the total capital value of the rating unit

If neither of these criteria are met no division will take place, and the rating category will be established on the primary use of the rating unit.

In any other case, the general rate differential is determined by principal use.

In regard to the rates attributable to a rating unit during the transition period between two differential rating categories, a ratepayer may apply for a change in rating category at any time between the lodgement of a

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building consent application with the Council (on the condition that the principal prior use has ended) and the earlier of either:

a) The time at which the Council gives final approval of the completed works, or
b) The property is deemed (by the Council) to be available for its intended use.
   i. In situations where the change in land use does not require a Council consent, but warrants a change in differential rating category, the onus is on the ratepayer to inform the Council prior to the property being utilised under the new use.
   ii. The differential rating category of all rating units must be set prior to the commencement of a rating year and will remain in place for that entire rating year. Any change in circumstances that results in a change of differential rating category during a rating year will apply from 1 July of the following rating year.
   iii. Any property eligible for mandatory 50 percent non-rateability under Part 2, Schedule 1, of the Act, will be first classified under the appropriate general rate differential classifications and the non-rateability applied to that rate.

Uniform Annual General Charge

The Council does not assess a uniform annual general charge.

Non-rateable land

Non-Rateable

Any land referred to in Part 1, Schedule 1 of the Act is non-rateable with the exception of targeted rates solely for sewerage and water where the service is provided.

50 Percent Non-Rateable

All land referred to in Part 2, Schedule 1 of the Act is 50 percent non-rateable in respect of the rates that apply, except for targeted rates for sewerage and water for which the land is fully rateable if the service is provided.

Targeted Rates

Targeted rates are set under section 16, 17, 18 and 19, and schedules 2 and 3 of the Act.

The Council has not adopted any lump sum contribution schemes under part 4A of the Act in respect of its targeted rates, and will not accept lump sum contributions in respect of any targeted rate.

The differential rating categories described above are unitised and referred to in a number of targeted rates.

Sewerage Targeted Rate

Targeted sewerage rates are to be apportioned 60 percent:40 percent of rates between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate is set to pay for the cost of the provision and maintenance of the sewage collection and disposal network, and sewage treatment facilities for the city.

This rate is assessed on all rating units connected to the public sewerage drain.

For the purposes of these rates the sewage collection, and disposal and treatment service is treated as being provided to a rating unit if the rating unit is connected to a public sewerage drain (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatory non-rateable or 50 percent non-rateable under Schedule 1 of the Act.

Sewerage targeted rate is calculated as follows:

- For rating units incorporated in the Commercial, Industrial and Business differential rating category:
  - A rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 40 percent of the required

rates funding, after having deducted the total dollar amount budgeted to be collected through Trade Waste Charges (excluding consent fees).

- For rating units incorporated in the Base differential rating category:
    - A fixed amount per annum per rating unit, plus a rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 60 percent of the required rate funding.

Water Targeted Rate

A targeted rate for water is to be apportioned with the aim of achieving a 60 percent:40 percent split between properties incorporated under the Base differential rating category and the Commercial, Industrial and Business differential rating category in accordance with the Revenue and Financing Policy.

This rate is set to pay for the provision and maintenance of water collection and treatment facilities, the water distribution network and water conservation for the city.

This rate is assessed on all rating units connected to the public water supply.

For the purposes of these rates, the water service is treated as being provided to a rating unit if the rating unit is connected to the public water supply (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatorily non-rateable or 50 percent non-rateable under Schedule 1of the Act.

Water targeted rate is calculated as follows:

- For rating units incorporated in the Commercial, Industrial and Business differential rating category, either:
    - A consumption unit rate per cubic metre of water used for all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per rating unit.

Or

- A rate per dollar of capital value on all rating units connected to the public water supply, without a water meter installed.

The water targeted rate does not apply to ratepayers with whom Council has a separate agreement for a consumption charge.

- For rating units rated incorporated in the Base differential rating category, either:
    - A consumption unit rate per cubic metre of water used for all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per rating unit.

Or

- A fixed amount per annum per rating unit, plus a rate per dollar of capital value on all rating units connected to the public water supply without a water meter installed.

Stormwater Targeted Rate

A targeted stormwater rate is to be apportioned 77.5 percent to the non-rural rating units incorporated under the Base differential and 22.5 percent to the non-rural rating units incorporated under the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate is set to pay for the provision and maintenance of the stormwater collection/disposal network for the city.

Properties classified in the rural area in the Council's District Plan are excluded from the liability of this rate.

Stormwater targeted rate is calculated as follows:

- For the Commercial, Industrial and Business differential rating category:
    - A rate per dollar of rateable capital value to collect 22.5 percent of the required rates funding.
- For the Base differential rating category:

- A rate per dollar of rateable capital value to collect 77.5 percent of the required rates funding.

Base Sector Targeted Rate

This rate is set to pay for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated under the Base differential rating category.

This incorporates the following activities:

- 100 percent of the facilitation of cultural grants, facilitation of recreation partnerships and community advocacy activities.
- 95 percent of the provision of community centres and halls activities.

This rate is assessed on all properties incorporated in the Base differential rating category and is calculated on a rate per dollar of rateable capital value.

Commercial Sector Targeted Rate

This rate is set to pay for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated in the Commercial, Industrial and Business differential rating category.

This incorporates the following activity:

- Approximately 30 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues. This is the equivalent of 100 percent funding of the events attraction and support activity within WREDA.

This rate is assessed on all properties incorporated in the Commercial, Industrial and Business differential rating category and is calculated on a rate per dollar of rateable capital value.

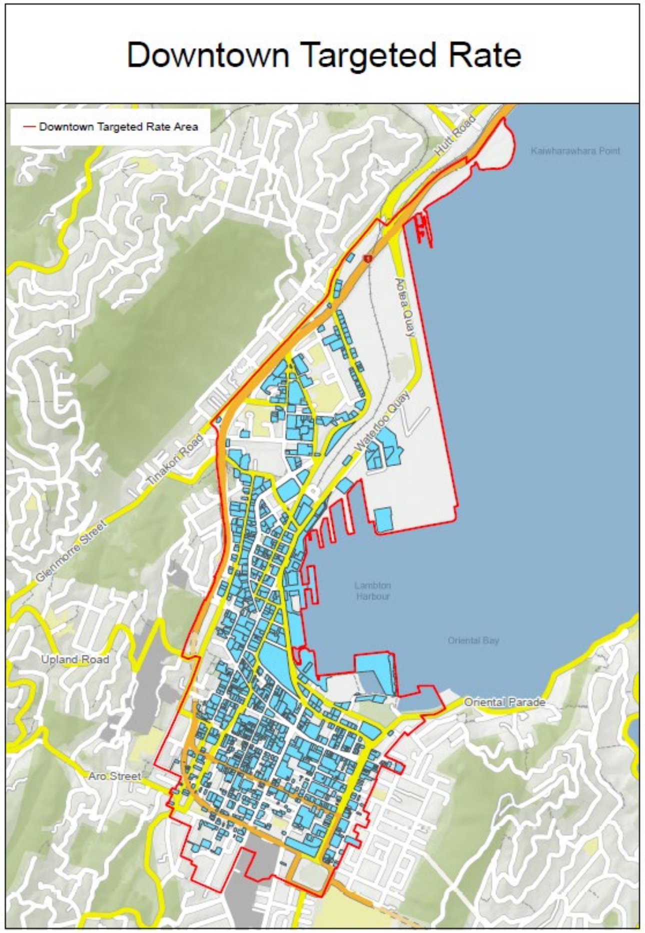
Downtown Targeted Rate

This rate is set to pay for tourism promotion.

This incorporates the following activities:

- 50 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues activities
- 40 percent of the cost of the Wellington Convention Centre activity
- 70 percent of the visitor attractions activity
- 25 percent of galleries and museums activity.

This rate is assessed on all properties incorporated in the Commercial, Industrial and Business differential rating category in the downtown area and is calculated on a rate per dollar of rateable capital value. For the purposes of this rate, the downtown area refers to the area as described by the Downtown Area map as follows:



The graphic shows the boundaries of the downtown targeted rate

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Tawa Driveways Targeted Rate

This rate is set to pay for the maintenance of a specified group of residential access driveways in the suburb of Tawa, overseen by the Council.

This rate is assessed on a specific group of rating units that have shared access driveway that are maintained by Council in the former Tawa Borough.

The rate is calculated at a fixed amount per annum per rating unit.

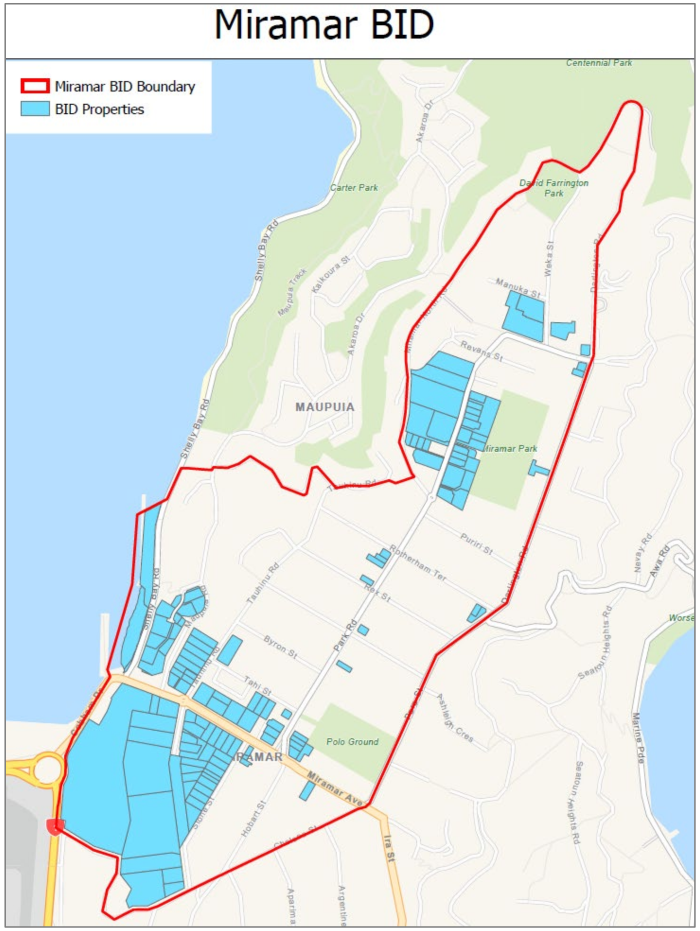
Miramar Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of Enterprise Miramar Peninsula Incorporated.

This rate is set is on all rating units within the Miramar Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value.

The graphic shows the boundaries of the Miramar BID



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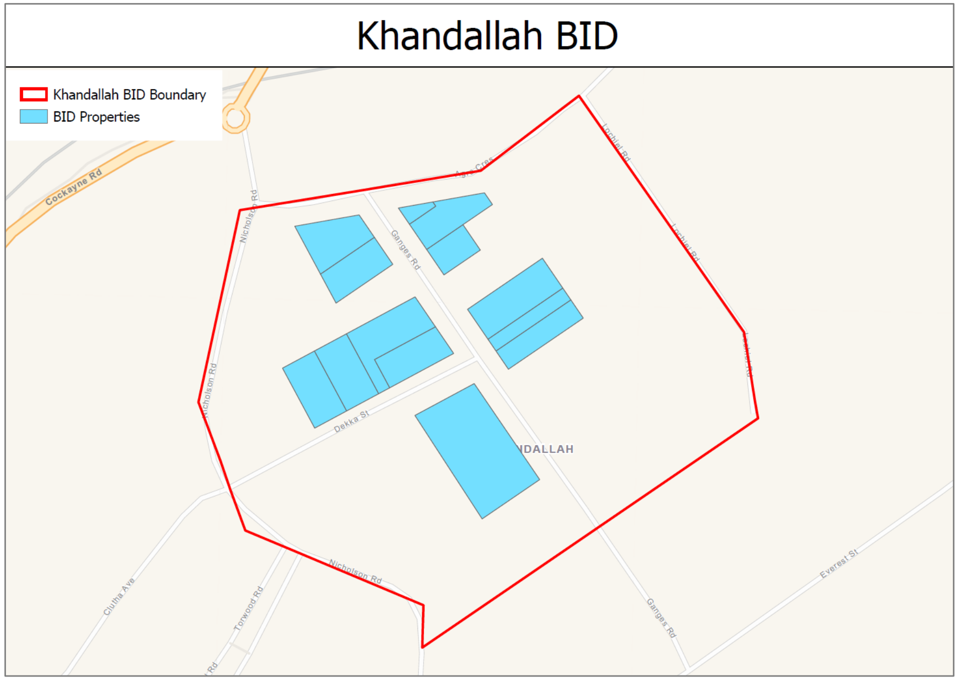
Me Heke Ki Pōneke

Khandallah Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Khandallah Village Business Association.

This rate is assessed on all rating units within the Khandallah Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a rate per dollar of rateable capital value.



The graphic shows the boundaries of the Khandallah BID

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Kilbirnie Business Improvement District (Destination KRL) Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Kilbirnie Business Network.

This rate is set on all rating units within the Kilbirnie Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value.

The graphic shows the boundaries of the Kilbirnie BID

Red line: *BID Boundaries*

Green shading: *BID Parcels*

Blue shading: *Kilbirnie BID expansion*

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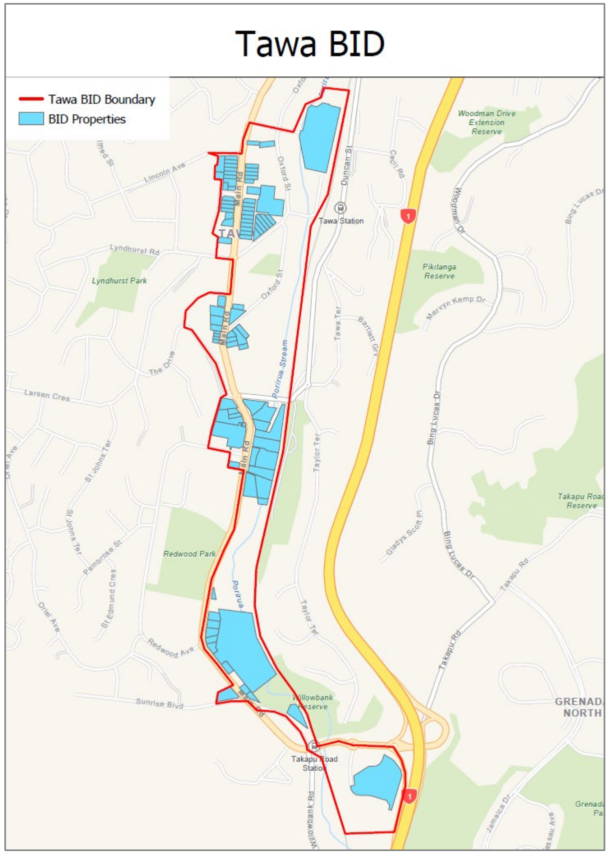
Tawa Business Improvement District Targeted Rate
This rate is set by Council to fund the Business Improvement District activities of the Tawa Business Network.

This rate is assessed on all rating units within the Tawa Business Improvement District area (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value.

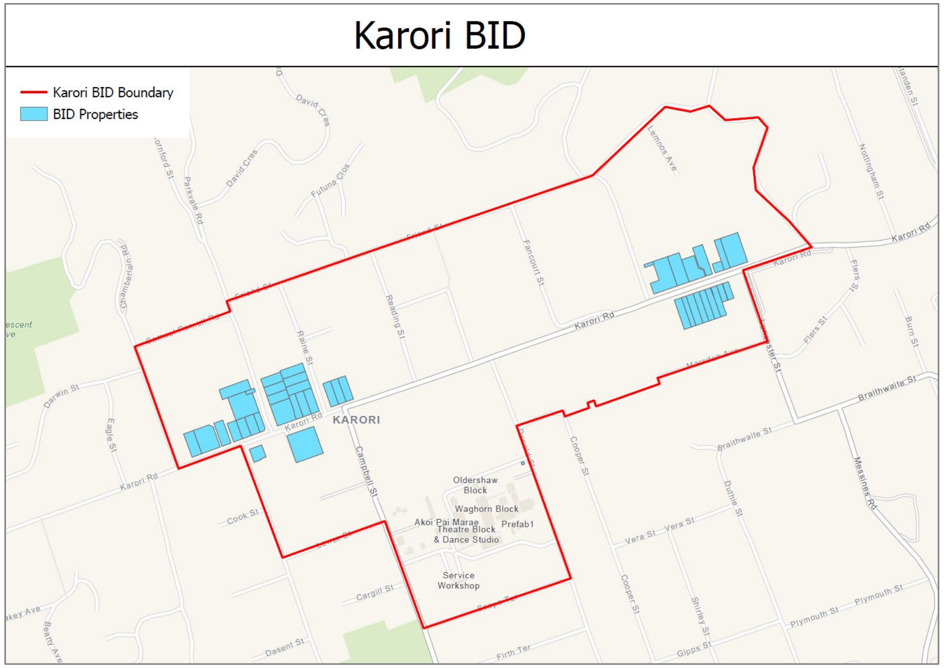


The graphic shows the boundaries of the Tawa BID

Karori Business Improvement District Targeted Rate
This rate is set by Council to fund the Business Improvement District activities of the Karori Business Association.

This rate is assessed on all rating units within the Karori Business Improvement District area (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a rate per dollar of rateable capital value.

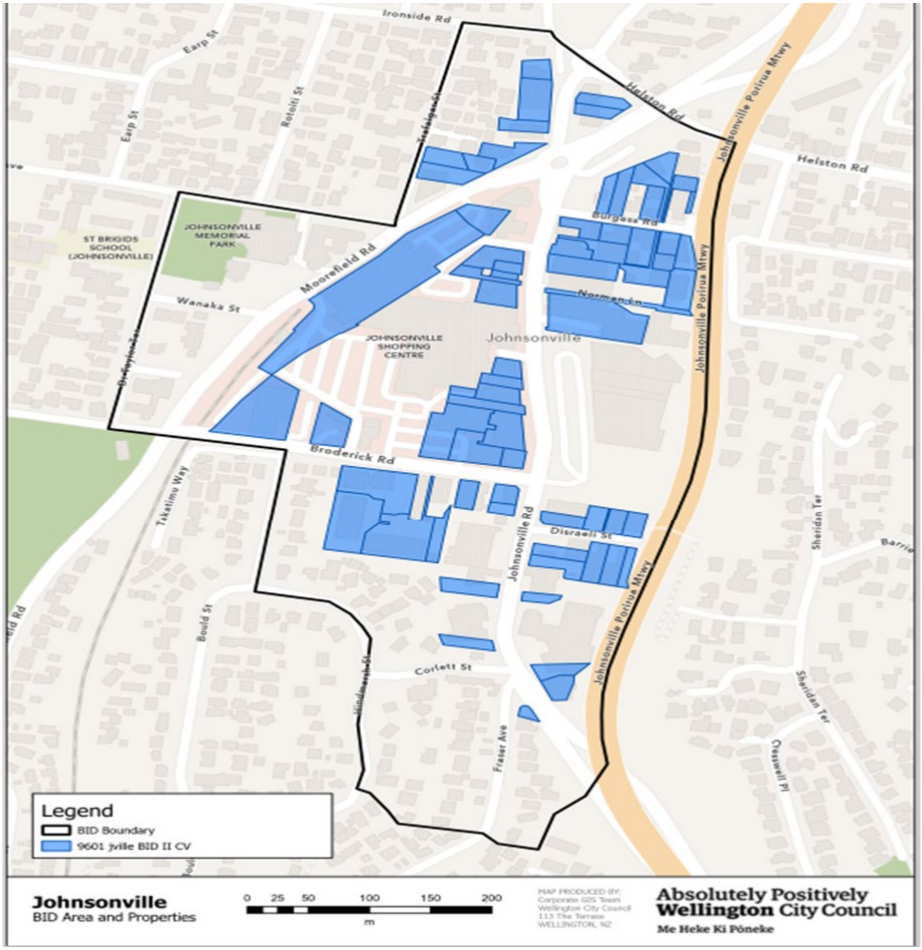


The graphic shows the boundaries of the Karori BID

Johnsonville Business Improvement District Targeted Rate
This rate is set by Council to fund the Business Improvement District activities of the Johnsonville business network.

This rate is assessed on all rating units within the Johnsonville Business Improvement District area (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value.



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2025/26 Rates Funding Statement (excluding GST)

Rate	Category	Factor	Differential Charge Type	Total Value of Factor	Rate / charge*	Rates yield
General Rate	Base	Capital Value	Base differential	$73,917,364,185	¢0.262168	$189,765,149
	Vacant Land	Capital Value		$60,573,001	¢1.285319	$778,556
	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential	$18,382,126,328	¢0.958681	$174,564,283
	TOTAL					**$365,107,988**
Sewerage targeted rate	Base	Fixed amount / rating unit	Base differential per connection status	73131 properties	$152.68	$11,165,463
		Capital Value	Base differential per connection status	$77,676,329,975	¢0.048730	$37,851,763
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business differential per connection status	$14,311,694,358	¢0.228332	$32,678,150
	TOTAL					**$81,695,376**
Water targeted rate	Base	Fixed amount / rating unit	Base differential per connection status without a water meter	63387 properties	$337.76	$21,409,593
		Capital Value	Base differential per connection status without a water meter	$64,334,474,929	¢0.053413	$34,362,861
	Base	Consumption unit charge	Base differential per connection status with a water meter	n/a	5.85/ m3	$1,205,136
		Fixed amount / rating unit	Base differential per connection status with a water meter	n/a	$274.50	$172,386
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business differential per connection status without a water meter	$771,172,000	¢0.689687	$5,318,672
	Commercial, Industrial & Business	Consumption unit charge	Commercial, industrial and business differential per connection status with a water meter	n/a	5.85/ m3	$28,923,271
		Fixed amount / rating unit	Commercial, industrial and business differential per connection status with a water meter	n/a	$274.50	$868,518
	TOTAL					**$92,260,438**
Stormwater targeted rate	Base	Capital Value	Base differential (excluding land defined in the rural activity area)	$72,681,462,876	¢0.048112	**$34,968,517**
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business differential (excluding land defined in the rural activity area)	$14,853,932,328	¢0.068347	**$10,152,150**
	TOTAL					**$45,120,667**

Rate	Category	Factor	Differential Charge Type	Total Value of Factor	Rate / charge*	Rates yield
Base sector targeted rate	Base	Capital Value	Base differential	$73,977,937,185	¢0.025468	**$18,832,979**
Commercial sector targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential	$18,382,126,328	¢0.030170	**$5,475,199**
Downtown targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential located in the downtown area	$10,993,215,088	¢0.172428	**$18,672,467**
Tawa driveways targeted rate	Base	Fixed amount / rating unit	Shared residential access driveways maintained by Council in the suburb of Tawa (extent of provision of service)	256 properties	$133.85	**$34,266**
Karori Business Improvement District targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential located in the Karori Business Improvement District area	$56,083,000	¢0.106984	**$60,000**
Khandallah Business Improvement District targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential located in the Khandallah Business Improvement District area	$20,303,000	¢0.107373	**$21,800**
Kilbirnie Business Improvement District (Destination KRL) targeted rate	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Kilbirnie Business Improvement District area	265 Properties	$285.00	**$75,525**
		Capital Value	Commercial, industrial & business differential located in the Kilbirnie Business Improvement District area	$562,333,000	¢0.013244	**$74,475**
	TOTAL					**$150,000**
Tawa Business Improvement District targeted rate	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Tawa Business Improvement District area	122 properties	$520.00	**$63,440**
		Capital Value	Commercial, industrial & business differential located in the Tawa Business Improvement District area	$197,614,000	¢0.020297	**$40,110**
	TOTAL					**$103,550**

Rate	Category	Factor	Differential Charge Type	Total Value of Factor	Rate / charge*	Rates yield
Miramar Business Improvement District targeted rate	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Miramar Business Improvement District area	125 properties	$365.00	**$45,625**
		Capital Value	Commercial, industrial & business differential located in the Miramar Business Improvement District area	$375,172,000	¢0.012940	**$48,546**
	TOTAL					**$94,171**
Johnsonville Business Improvement District targeted rate	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Johnsonville Business Improvement District area	81 properties	$520.00	**$42,120**
		Capital Value	Commercial, industrial & business differential located in the Johnsonville Business Improvement District area	$205,609,000	¢0.025719	**$52,880**
	TOTAL					**$95,000**
TOTAL RATES REQUIREMENT (excluding GST)						**$627,723,899**

*Note:

When rates for 2023/24 are assessed, GST will be applied to the final rates. The total rates requirement includes rates remissions but excludes rates penalties which are budgeted separately.

The total rates requirement (excluding GST) differs from the revenue from rates in Forecast Statement of Comprehensive Revenue and Expense as the revenue from rates includes penalties not included in this statement.

Rates Increases

	2025/26					Year on Year increases			
	Commercial		Base	Vacant	Total	Commercial	Base	Vacant	Total
General Rate	174,564	189,765		779	365,108	22.85%	2.21%	35.70%	11.21%
Water Rate	35,110	57,150		-	92,260	5.56%	14.55%		10.95%
Sewerage Rate	32,678	49,017		-	81,695	4.54%	1.46%		2.67%
Stormwater rate	10,152	34,969		-	45,121	36.88%	36.88%		36.88%
Targeted Service rate	5,475	18,833		-	24,308	4.05%	10.77%		9.18%
Downtown Levy	18,672	-			18,672	5.82%	0.00%		5.82%
BIDs & Tawa Driveways	525	34			559				2.23%
Total		**277,177**	**349,768**	**779**	**627,724**	**44.16%**	**55.72%**	**0.12%**	**100%**
Rates increase before growth						16.73%	7.14%		
Growth per sector						0.60%	0.60%		
Rates increase per sector after growth						16.13%	6.54%		

Projected property information

Projected property information at 30 June 2025	
Rating Units	83,714
Capital Value	99,282,389,562
Land value	51,282,316,601

Indicative rates

The following tables show the indicative residential and commercial property rates (inclusive of GST) for a selection of billing categories, based on the 2025/26 budget

Indicative residential property (for properties without a water meter)

Capital Values	2025/26 Proposed Rates	Increase over 2024/25**
400,000	2,242	6.43%
500,000	2,680	6.24%
600,000	3,118	6.10%
700,000	3,556	6.00%
800,000	3,994	5.92%
900,000	4,431	5.86%
1,000,000	4,869	5.80%
1,100,000	5,307	5.76%
1,200,000	5,745	5.72%
1,300,000	6,183	5.69%
1,400,000	6,621	5.66%
1,500,000	7,059	5.64%
1,600,000	7,497	5.62%
1,700,000	7,935	5.60%
1,800,000	8,372	5.58%
1,900,000	8,810	5.57%
2,000,000	9,248	5.55%

Indicative downtown commercial property rates (for properties with a water meter)*

Capital Values	2025/26 Proposed Rates	Increase over 2024/25**
1,000,000	14,854	4.91%
1,250,000	18,499	4.88%
1,500,000	22,144	4.86%
1,750,000	25,789	4.84%
2,000,000	29,434	4.83%
2,250,000	33,079	4.82%
2,500,000	36,723	4.81%
2,750,000	40,368	4.81%
3,000,000	44,013	4.80%
3,250,000	47,658	4.80%
3,500,000	51,303	4.79%
3,750,000	54,948	4.79%
4,000,000	58,593	4.79%
4,250,000	62,238	4.79%
4,500,000	65,883	4.78%
4,750,000	69,527	4.78%
5,000,000	73,172	4.78%

*Excludes water by consumption which are charged based on consumption

** For equivalent Capital Values – taking into account the changes in CV due to the 2024 revaluation

Indicative sub-urban commercial property rates (for properties with a water meter)

Capital Values	2025/26 Proposed Rates	Increase over 2024/25**
1,000,000	19,752	12.62%
1,250,000	24,690	12.62%
1,500,000	29,628	12.62%
1,750,000	34,566	12.62%
2,000,000	39,504	12.62%
2,250,000	44,442	12.62%
2,500,000	49,380	12.62%
2,750,000	54,318	12.62%
3,000,000	59,256	12.62%
3,250,000	64,195	12.62%
3,500,000	69,133	12.62%
3,750,000	74,071	12.62%
4,000,000	79,009	12.62%
4,250,000	83,947	12.62%
4,500,000	88,885	12.62%
4,750,000	93,823	12.62%
5,000,000	98,761	12.62%

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Financial statements

Forecast Statement of Comprehensive Revenue and Expense ($000s)

For the year 2025/26

	2024/25 LTP	2025/26 LTP	2025/26 Annual Plan	Variance to LTP
Revenue				
Rates	565,716	633,644	628,974	(4,670)
Revenue from operating activities				
Development contributions	3,500	3,500	3,500	-
Grants, subsidies and reimbursements	202,665	221,578	232,728	11,150
Other operating activities	189,916	197,743	193,796	(3,947)
Investments revenue	21,867	26,719	25,392	(1,327)
Vested assets and other revenue	1,700	3,265	2,247	(1,018)
Fair value movements - gains	7,557	5,938	4,758	(1,180)
Finance revenue	100	102	36	(66)
Total revenue	**993,021**	**1,092,489**	**1,091,431**	**(1,058)**
Expense				
Finance expense	72,264	74,702	68,333	(6,369)
Expenditure on operating activities	617,876	631,488	692,954	61,466
Depreciation and amortisation	222,314	245,230	254,956	9,726
Total expense	**912,454**	**951,420**	**1,016,243**	**64,823**
Net surplus/(deficit) for the year	**80,567**	**141,069**	**75,188**	**(65,881)**
Other comprehensive income				
Fair value movement - property, plant and equipment (net)	206,393	219,263	208,804	(10,459)
Share of equity accounted surplus from associates	-	-	-	-
Total other comprehensive income	**206,393**	**219,263**	**208,804**	**(10,459)**
Total comprehensive income for the year	**286,960**	**360,332**	**283,992**	**(76,340)**

Prospective Statement of Financial Position ($000s)

For the year 2025/26

	2024/25 LTP	2025/26 LTP	2025/26 Annual Plan	Variance to LTP
Assets				
Current assets				
Cash and cash equivalents	41,916	44,110	15,838	(28,272)
Derivative financial assets	-	-	724	724
Receivables and recoverables	97,445	102,867	112,778	9,911
Prepayments	20,329	20,877	33,884	13,007
Other financial assets	347,500	336,500	367,215	30,715
Inventories	1,013	1,013	1,355	342
Non-current assets classified as held for sale	-	-	-	-
Total current assets	**508,203**	**505,367**	**531,794**	**26,427**
Non-current assets				
Derivative financial assets	72,984	72,984	63,713	(9,271)
Other financial assets	62,604	68,555	68,075	(480)
Intangibles	44,745	45,531	48,713	3,182
Investment properties	287,169	293,107	158,214	(134,893)
Property, plant and equipment	11,763,613	12,343,659	12,436,940	93,281
Investment in controlled entities	5,998	5,998	5,998	-
Investment in associates and joint venture	19,384	19,384	19,384	-
Total non-current assets	**12,256,497**	**12,849,218**	**12,801,037**	**(48,181)**
Total assets	**12,764,700**	**13,354,585**	**13,332,831**	**(21,754)**
Liabilities				
Current liabilities				
Derivative financial liabilities	-	-	-	-
Exchange transactions and transfers payable	161,928	154,555	185,445	30,890
Deferred revenue	21,741	22,637	22,268	(369)

	2024/25 LTP	2025/26 LTP	2025/26 Annual Plan	Variance to LTP
Borrowings	267,500	256,500	266,500	10,000
Employee benefit liabilities and provisions	12,747	12,852	13,786	934
Provisions for other liabilities	3,435	3,142	4,164	1,022
Total current liabilities	**467,351**	**449,686**	**492,163**	**42,477**
Non-current liabilities				
Derivative financial liabilities	-	-	-	-
Exchange transactions and transfers payable	-	-	-	-
Borrowings	1,942,363	2,191,400	2,057,367	(134,033)
Employee benefit liabilities and provisions	1,064	1,073	975	(98)
Provisions for other liabilities	28,395	26,567	28,813	2,246
Total non-current liabilities	**1,971,822**	**2,219,040**	**2,087,155**	**(131,885)**
Total liabilities	**2,439,173**	**2,668,726**	**2,579,318**	**(89,408)**
Net assets	**10,325,527**	**10,685,859**	**10,753,513**	**67,654**
Equity				
Accumulated funds and retained earnings	5,195,111	5,336,176	5,257,050	(79,126)
Revaluation reserves	5,031,193	5,250,456	5,406,869	156,413
Hedging reserve	73,180	73,180	65,326	(7,854)
Fair value through other comprehensive income and expense reserve	6,889	6,889	7,330	441
Restricted funds	19,154	19,158	16,938	(2,220)
Total Equity	**10,325,527**	**10,685,859**	**10,753,513**	**67,654**

Prospective Statement of Changes in Equity ($000s)

For the year 2025/26

	2024/25 LTP	2025/26 LTP	2025/26 Annual Plan	Variance to LTP
Equity - opening balances				
Accumulated funds and retained earnings	5,114,549	5,195,111	5,181,879	(13,232)
Revaluation reserves	4,824,800	5,031,193	5,198,065	166,872
Hedging reserve	73,180	73,180	65,326	(7,854)
Fair value through other comprehensive revenue and expense reserve	6,889	6,889	7,330	441
Restricted funds	19,149	19,154	16,921	(2,233)
Total Equity - opening balances	**10,038,567**	**10,325,527**	**10,469,521**	**143,994**
Changes in Equity				
Retained earnings				
Net surplus/(deficit) for the year	80,567	141,069	75,188	(65,881)
Transfer to restricted funds	(3,671)	(3,547)	(3,545)	2
Transfer from restricted funds	3,666	3,543	3,528	(15)
Transfer from revaluation reserves	-	-	-	-
Transfer to revaluation reserves	-	-	-	-
Revaluation reserves				
Fair value movement - property, plant and equipment - net	206,393	219,263	208,804	(10,459)
Transfer to retained earnings	-	-	-	-

	2024/25 LTP	2025/26 LTP	2025/26 Annual Plan	Variance to LTP
Hedging reserve				
Movement in hedging reserve	-	-	-	-
Fair value through other comprehensive revenue and expense reserve				
Movement in fair value	-	-	-	-
Restricted Funds				
Transfer to retained earnings	(3,666)	(3,543)	(3,528)	15
Transfer from retained earnings	3,671	3,547	3,545	(2)
Total comprehensive revenue and expense	**286,960**	**360,332**	**283,992**	**(76,340)**
Net Equity - Closing Balances				
Accumulated funds and retained earnings	5,195,111	5,336,176	5,257,050	(79,126)
Revaluation reserves	5,031,193	5,250,456	5,406,869	156,413
Hedging reserve	73,180	73,180	65,326	(7,854)
Fair value through other comprehensive revenue and expense reserve	6,889	6,889	7,330	441
Restricted funds	19,154	19,158	16,938	(2,220)
Total Equity - closing balances	**10,325,527**	**10,685,859**	**10,753,513**	**67,654**

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Prospective Statement of Cash Flows ($000s)

For the year 2025/26

	2024/25 LTP	2025/26 LTP	2025/26 Annual Plan	Variance to LTP
Cash flows from operating activities				
Receipts from rates - Council	563,121	631,011	626,355	(4,656)
Receipts from rates - Greater Wellington Regional Council	118,255	132,512	150,325	17,813
Receipts from rates - Sludge Levy	7,821	15,781	15,781	-
Receipts from activities and other income	187,982	198,324	199,288	964
Receipts from grants and subsidies - operating	18,858	16,388	14,144	(2,244)
Receipts from grants and subsidies - capital	187,807	210,730	223,106	12,376
Receipts from investment property lease rentals	11,467	11,710	10,792	(918)
Cash paid to suppliers and employees	(625,474)	(579,740)	(575,975)	3,765
Rates paid to Greater Wellington Regional Council	(118,255)	(132,512)	(150,325)	(17,813)
Rates paid to Sludge Finance LP	(7,821)	(15,781)	(15,781)	-
Grants paid	(56,450)	(61,677)	(69,057)	(7,380)
Net cash flows from operating activities	**287,311**	**426,746**	**428,653**	**1,907**
Cash flows from investing activities				
Dividends received	10,400	15,009	14,600	(409)
Interest received	100	102	36	(66)
Proceeds from sale of investment properties	-	-	135,715	135,715
Proceeds from sale of intangibles	-	-	-	-
Proceeds from sale of property, plant and equipment	19,410	5,620	2,000	(3,620)
Proceeds from sale of other Financial Assets		-	191,500	191,500
Purchase of other Financial Assets		(9,082)	(287,215)	(278,133)
Purchase of intangibles	(11,070)	(599,536)	(15,836)	583,700
Purchase of property, plant and equipment	(705,897)	-	(830,998)	(830,998)
Net cash flows from investing activities	**(687,057)**	**(587,887)**	**(790,198)**	**(202,311)**
Cash flows from financing activities				
New borrowings	737,844	494,537	684,867	190,330
Repayment of borrowings	(267,500)	(256,500)	(277,500)	(21,000)
Interest paid on borrowings	(72,264)	(74,702)	(68,333)	6,369
Net cash flows from financing activities	**398,080**	**163,335**	**339,034**	**175,699**
Net increase/(decrease) in cash and cash equivalents	(1,666)	2,194	(22,511)	(24,705)
Cash and cash equivalents at beginning of year	43,582	41,916	38,349	(3,567)
Cash and cash equivalents at end of year	41,916	44,110	15,838	(28,272)

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Prospective statement of changes in restricted funds ($000s)

For the period ended 2025/26

	Opening balance 2024/25	Deposits	Expenditure	Closing balance 2025/26	Purpose
Special reserves and funds					
Reserve purchase and development fund	782	-	-	782	
City growth fund	908	2,007	(2,007)	908	
Insurance reserve	14,713	1,521	(1,521)	14,713	Allows the Council to meet the uninsured portion of insurance claims
Total special reserves and funds	**16,403**	**3,528**	**(3,528)**	**16,403**	
Trusts and bequests	518	17	-	535	
Total restricted funds	**16,921**	**3,545**	**(3,528)**	**16,938**	

Explanation of surplus/deficit ($000s)

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

	2025/26
Balanced Budget	**0**
Depreciation not funded by rates	(81,550)
Revenue received for capital purposes	221,761
Ring-fenced expenditure	(35,274)
Items funded from prior year surpluses	
Operational expenditure funded through other funding mechanisms	(34,507)
Fair value movement on investment property revaluation	4,758
Total Surplus / (Deficit)	**75,188**

Summary of significant accounting policies

Reporting entity

Wellington City Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA 2002) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA 2002 and the Local Government (Rating) Act 2002.

The primary purpose of the Council 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 (PBE) for financial reporting purposes.

These prospective financial statements are for the Council as a separate legal entity and have been prepared for the period from 1 July 2025 to 30 June 2026. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Subsequent actual results may differ from these estimates and these variations may be material.

Basis of preparation

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the LGA 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements.

The prospective financial statements have been prepared to comply with Public Benefit Entity Accounting Standards (PBE Accounting Standards) for a Tier 1 entity.

The reporting period for these prospective financial statements is the year ended 30 June 2026. The prospective 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 prospective financial statements which were adopted by the Council for issue on 26 June 2025. The Council is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures. The Annual Plan is a forecast and as such contains no actual operating results.

Consolidated prospective financial statements comprising the Council and its controlled entities, joint ventures and associates have not been prepared.

Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant 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.

Foreign currency balances and transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Comparative information

Comparative information from the 2024/34 LTP adopted by the Council on 27 June 2024 has been provided as a comparator for these prospective financial statements. The closing equity balance in this comparative information differs from the opening equity position used to prepare these prospective financial statements which is based on the most up-to-date forecast information.

Goods and services tax (GST)

All items in the prospective financial statements are exclusive of GST, except for receivables 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.

Judgements and estimations

The preparation of prospective financial statements using PBE accounting standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided. 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 also 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 include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

There have been no fundamental changes to our approach for judgements and estimations for the reporting periods covered in this Annual Plan.

Revenue

Revenue comprises rates, revenue from operating activities, investment revenue, fair value gains, finance revenue and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or 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 a 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 commensurate with 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, cost recovery or breakeven basis and these are considered to be 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 and therefore do not constitute an approximately equal exchange. Accordingly, most of the Council's revenue is categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below:

Rates

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 (Rating) Act 2002 and are therefore defined as 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 water rates are primarily charged 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.

Revenue from operating activities

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.

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 attached conditions will be complied with. Grants include the funding from Sludge Finance LP for the Sludge Minimisation Facility. Reimbursements include NZTA roading claim payments.

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.

Rendering of services

Revenue from rendering of services that are exchange transactions, is recognised by reference to the stage of completion of the transaction at the reporting date. Revenue from the rendering of services where the service provided is non-exchange, is recognised when the transaction occurs to the extent that a liability is not also recognised.

Fines and penalties

Revenue from fines and penalties (e.g. traffic and parking infringements) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. The fair value of parking related fines is determined as the amounts due, less an allowance for expected credit losses (ECL).

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.

Investment revenues

Dividends

Dividends from associates and 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 are diminished.

Fair value gains

Fair value gains largely reflect the increase in the fair value of investment properties.

Finance revenue

Interest

Interest revenue is recognised using the effective interest rate method. All interest revenue is recognised in the period in which it is earned.

Other revenue

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 from 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 Ōtari-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 prospective financial statements.

Expenses

Specific accounting policies for major categories of expenditure are outlined below:

Operating activities

Grants

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 that 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

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.

Finance expense

Interest on borrowings
Interest expense is recognised using the effective interest rate method. All interest expense is recognised in the period in which it is 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).

Depreciation and amortisation

Depreciation
Depreciation is provided on all property, plant and equipment, with certain exceptions.

The exceptions are land, restricted assets other than buildings, investment properties 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.

The landfill post-closure costs are depreciated over the life of the landfill based on the capacity of the landfill utilised.

Amortisation

Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its estimated useful life.

Estimated useful lives of property, plant and equipment assets	Estimated useful life (years)
Asset Category	
Operational assets	
Land	Unlimited
Buildings:	
Structure	2-100
Roof	3-40
Interior	3-45
Services	2-40
Civic Precinct	5-66
Plant and equipment	3-100
Library collection	3-10
Infrastructure assets	
Land (including land under roads)	Unlimited
Roading:	
Road pavement	10-46
Retaining / sea walls	5-198
Kerb and channel	5-36
Structures - other sea defences	100-250
Tunnels - structure and services	55-250
Bridges	5-104
Drainage, waste and water:	
Pipes	30-52
Reservoirs	30-140
Pump stations	48-91
Fittings	31-56
Restricted assets (excluding buildings)	**Unlimited**

Estimated useful lives of intangible assets	Estimated useful life (years)
Asset Category	
Computer software	2-11

Income tax

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 and comprises current 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.

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.

Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash on hand, and short-term bank deposits of up to 3 months at acquisition.

Although cash and cash equivalents at balance date are subject to the expected credit loss requirements of PBE IPSAS 41 – Financial Instruments, no loss allowance is recognised because the estimated allowance is trivial.

Financial instruments

Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement and the treatment of gains or losses depends upon their classification as shown below.

Classification of financial instruments		
Financial asset category	**Subsequent measurement**	**Treatment of gains and losses**
Financial assets at amortised cost	Amortised cost using the effective interest rate method	Surplus or deficit
Financial assets at fair value through surplus or deficit	Fair value	Surplus or deficit
Financial assets at fair value through other comprehensive revenue and expense	Fair value	Other comprehensive revenue and expense
Financial liability category	**Subsequent measurement**	**Treatment of gains and losses**
Financial liabilities at amortised cost	Amortised cost using the effective interest rate method	Surplus or deficit
Financial liabilities at fair value through other comprehensive revenue and expense	Fair value	Other comprehensive revenue and expense

Financial Assets

Financial assets comprise the following categories and components:

(a) Financial assets at amortised cost

- Cash and cash equivalents include cash balances and bank deposits with maturity dates of up to 3 months at acquisition.
- Receivables and recoverables which have fixed or determinable payments. They arise when the Council provides money, goods or services directly to a debtor, and has no intention of trading the receivable or recoverable.
- Loans and deposits which include loans to other entities (including controlled entities and associates), and bank deposits with maturity dates of more than 3 months at acquisition.

Initial recognition at 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 initially recognised at their nominal value as an estimate of fair value.

(b) Financial assets at fair value through surplus or deficit

- LGFA borrower notes, as the LGFA has the ability to repay the investment before the original maturity date.

(c) Financial assets at fair value through other comprehensive revenue and expense

- Derivatives (interest rate swaps) that qualify for hedge accounting.
- Equity investments, held for long-term strategic purposes and therefore are not intended to be sold.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial Liabilities

Financial liabilities comprise the following categories and components:

(a) Financial liabilities at amortised cost

- Payables under exchange transactions
- Transfers payable
- Taxes payable
- Borrowings

Financial liabilities with a duration of less than 12 months are initially recognised at their nominal value as an estimate of fair value.

(b) Financial liabilities at fair value through other comprehensive revenue and expense

- Derivatives (interest rate swaps) that qualify for hedge accounting.

Derivatives

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council's operational activities and interest rate risks arising from the Council's financing activities. In accordance with its Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

Cash flow hedges

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of "finance expense".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense is separately recognised in equity and amortised to the surplus or deficit over the remaining period of the original hedging instrument.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swaps match the terms of the fixed rate loan (ie. notional amount, maturity, payment and reset dates). At inception of the hedge relationship the Council documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The documentation includes its risk management objective and strategy for undertaking its hedged transactions.

Derivatives in hedge relationships are designated based on a hedge ratio up to 1:1. The Council does not hedge 100 percent of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. To test the hedge effectiveness, the Council uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

Hedge ineffectiveness
Hedge ineffectiveness in a hedge relationship can arise from:

- differences in the timing of cash flows of the hedged items and hedging instruments; or
- changes to the forecasted amount of cash flows of hedged items and hedging instruments.

Receivables and recoverables

Expected credit losses

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables. Lifetime ECL result from all possible default events over the expected life of a receivable. The Council uses a provision matrix based on historical credit loss information upon initial recognition of a receivable, using reasonable assumptions and any available customer information.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Rates receivable
The Council does not provide for ECL on rates receivable, except for abandoned properties where the debt is greater than 10 years past due and the likelihood of recovery is assessed to be remote. For all other rates receivables, Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances.

Other receivables
In measuring ECL, all receivables have been grouped based on shared risk characteristics and the days overdue. The ECL rates for other receivables are based on the payment profile of revenue on credit over the prior three years at balance date. A provision matrix is then established based on historical, current and forward-looking information specific to each class of debtors and the macroeconomic environment affecting the ability of customers to settle their debt.

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 the surplus or deficit. Investment properties are not depreciated.

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 the discounted cash flow methodology 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.

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.

Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment losses on initial classification are included within the surplus or deficit.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

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 that is caused by events beyond the Council's control and there is sufficient evidence the Council 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.

Property, plant and equipment

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, buildings, landfill post-closure costs, Civic Precinct, plant and equipment and library collections.

Restricted assets include art and cultural assets, buildings on restricted land, parks and reserves 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.

Infrastructure assets include the roading network, drainage, water and waste reticulation networks including service concession arrangement assets (wastewater treatment plants) and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Within the above three categories, assets can also be subcategorised as heritage or vested assets.

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 recognises these assets within these prospective financial statements to the extent their value can be reliably measured.

Vested assets are those assets where ownership and control are 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.

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 using the optimised depreciated replacement cost methodology.

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:

(a) Operational assets - Land and Buildings

Operational land and buildings are valued at fair value every 3 years, 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.

Non-specialised properties 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.

(b) Operational assets - Library Collections

Library collections are valued at depreciated replacement cost on a 3-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 Policy Team, November 2002.

(c) Operational - Other assets

Plant and equipment and the Civic Precinct are measured at historical cost and not revalued.

(d) 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.

(e) Infrastructure assets

Infrastructure assets (the roading network, drainage, water and waste reticulation networks including service concession arrangement assets (wastewater treatment plants) are valued at optimised depreciated replacement cost every 3 years, or whenever the carrying amount differs materially to fair value, by independent registered valuers. 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 every 3 years, 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.

Revaluations

The result of any revaluation of the Council'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 the surplus or deficit will be recognised firstly, within the surplus or deficit up to the amount previously expensed, 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 assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

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 it's 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 the 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 it's 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 the 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 on disposals are determined by comparing the proceeds from sale with the carrying amount of the asset. Gains and losses on disposal are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Work in progress

Work in progress represents the cost of capital expenditure projects that are not yet capable for use in the manner intended by management. 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/amortisation.

Intangible assets

Gains and losses arising from disposal of intangible assets are recognised within the 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 the surplus or deficit.

Intangible assets predominately comprise computer software and carbon credits.

Computer software
Acquired computer software is measured on initial recognition at the costs to acquire and bring to use and is subsequently measured less any amortisation and impairment losses.

Carbon credits
Carbon credits comprise either allocations of emission allowances granted by the Crown 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.

Deferred revenue

Liabilities recognised under conditional transfer agreements
The Council receives 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.

Borrowings

Borrowings on normal commercial terms are initially recognised at amortised cost. Interest due on the borrowings is subsequently accrued. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Leases

Operating leases as lessee
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 (net of any lease incentives) are recognised within the surplus or deficit on a straight-line basis over the term of the lease.

Operating leases as lessor
The Council leases certain investment properties and operational land and buildings. Rental revenue (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Employee benefit liabilities

A provision for employee benefit liabilities (holiday 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.

Provisions for other liabilities

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.

Contingent liabilities and 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.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is classified into several components including:

- 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.

Prospective statement of cash flows

Cash and cash equivalents for the purposes of the prospective statement of cash flows comprise cash at bank, cash on hand, and short-term bank deposits with a maturity of up to 3 months at acquisition. The prospective 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 and non-investing activity revenue sources of the Council 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 financing costs.

Related parties

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.

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

Wāhanga 4: Ō Kaikaunihera

Section 4:Your Mayor and Councillors

The Wellington City Council is made up of 15 elected Councillors and a Mayor. The Council also appoints two representatives of our Tākai Here partners to Council committees. The Council is elected, along with all other local authority elected members in New Zealand, every 3 years.

The Mayor is elected by the city's residents. The Councillors are elected by voters from the wards they represent. The wards and number of elected Councillors for each are:

Mayor Tory Whanau
Elected: Mayor in 2022
Chair: Te Kaunihera o Pōneke | Wellington City Council, and Unaunahi Ngaio | CEO Performance Review Committee
Contact: mayor@wcc.govt.nz

Deputy Mayor Laurie Foon
Paekawakawa/Southern Ward
Elected: 2019
Deputy Chair: Te Kaunihera o Pōneke | Wellington City Council
Deputy Chair: Unaunahi Ngaio | CEO Performance Review Committee
Contact: laurie.foon@wcc.govt.nz

Councillor Rebecca Matthews
Wharangi/Onslow-Western Ward
Elected: 2019
Chair: Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee
Deputy Chair: Kōrau Tūāpapa | Environment and Infrastructure Committee
Contact: rebecca.matthews@wcc.govt.nz

Councillor John Apanowicz
Takapū/Northern Ward
Elected: 2022
Deputy Chair: Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee
Contact: john.apanpwocz@wcc.govt.nz

Councillor Tim Brown
Motukairangi/Eastern Ward
Elected: 2022
Chair: Kōrau Tūāpapa | Environment and Infrastructure Committee
Contact: **tim.brown**@wcc.govt.nz

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Councillor Ben McNulty
Takapū/Northern Ward
Elected: 2022
Deputy Chair: Koata Hātepe | Regulatory Processes Committee
Contact: ben.mcnulty@wcc.govt.nz

Councillor Tony Randle
Takapū/Northern Ward
Elected: 2022
Deputy Chair: Unaunahi Māhirahira | Audit and Risk Committee
Contact: Tony.Randle@wcc.govt.nz

Councillor Nīkau Wi Neera
Te Whanganui-a-Tara Māori Ward
Elected: 2022
Chair: Kāwai Whakatipu | Grants Subcommittee
Contact: nikau.wineera@wcc.govt.nz

Councillor Nureddin Abdurahman
Paekawakawa/Southern Ward
Elected: 2022
Deputy Chair: Kōrau Mātinitini | Social, Cultural, and Economic Committee
Contact: nureddin.abdurahman@wcc.govt.nz

Councillor Iona Pannett
Pukehīnau/Lambton Ward
Elected: 2007
Contact: iona.pannett@wcc.govt.nz

Councillor Ray Chung
Wharangi/Onslow-Western Ward
Elected: 2022
Contact: ray.chung@wcc.govt.nz

Councillor Diane Calvert
Wharangi/Onslow-Western Ward
Elected: 2016
Contact: diane.calvert@wcc.govt.nz

Councillor Sarah Free
Motukairangi/Eastern Ward
Elected: 2013
Chair: Koata Hātepe | Regulatory Processes Committee
Contact: sarah.free@wcc.govt.nz

Councillor Teri O'Neill
Motukairangi/Eastern Ward
Elected: 2019
Chair: Kōrau Mātinitini | Social, Cultural, and Economic Committee
Contact: teri.oneill@wcc.govt.nz

Councillor Nicola Young
Pukehīnau/Lambton Ward
Elected: 2013
Deputy Chair: Kāwai Whakatipu | Grants Subcommittee
Contact: nicola.young@wcc.govt.nz

Councillor Geordie Rogers
Pukehīnau/Lambton Ward
Elected: 2024
Contact: geordie.rogers@wcc.govt.nz

Pouiwi Holden Hohaia
Tākai Here representative
Contact: holden.hohaia@wcc.govt.nz

Pouiwi Liz Kelly
Tākai Here representative
Contact: liz.kelly@wcc.govt.nz

Te reo heading to come

Section 5: Appendices

Kei tēnei wāhanga | In this section

Te reo translation to come

This section includes the following information, which will be available online at wcc.nz/annual-plan.

- Changes to fees and user charges
- Changes to key performance indicators
- Activity grouping and activities.

Te reo translation to come
Changes to Fees and User Charges

The following fees will be in effect in 2025/26. Those in red are new fees for this financial year.

2.1.1 Parks and Reserves

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
TTEPP - Application fee for all Activities	195.00	200.00
TTEPP - Annual license/permit renewal fee	105.00	110.00
TTEPP - Commercial activities at non-listed site (Application fee)	1,575.00	1,620.00
TTEPP - Late notice applications	315.00	325.00
TTEPP - Park/Reserve/Open Space daily booking fee	63.00	65.00
TTEPP - Commercial or private event < 250 people/day	367.50	380.00
TTEPP - Commercial or private event 250 - 1,000 people/day	672.00	700.00
TTEPP - Commercial or private event 1,000 - 5,000 people/day	1,600.00	1,650.00
TTEPP - Commercial Filming <2 hrs	150.00	155.00
TTEPP - Commercial Filming 2-4 hrs	294.00	300.00
TTEPP - Commercial Filming 4-6 hrs	320.00	330.00
TTEPP - Commercial Filming full day	451.50	465.00
TTEPP - Commercial Photography (landscape only) annual fee	840.00	865.00
TTEPP - Commercial Photography/day	157.50	162.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
TTEPP - Group fitness classes/day	52.50	55.00
TTEPP - Temporary trading site (non-powered)/day	36.75	38.00
TTEPP - Temporary trading site (powered)/day	42.00	43.50
TTEPP - Marquee Booking Fee (non-refundable)	95.00	98.00
TTEPP - Marquee up to 50m2/day	620.00	640.00
TTEPP - Marquee up to 100m2/day	1,020.00	1,050.00
TTEPP - Marquee > 100m2/day	1,575.00	1,600.00
TTEPP - Blue tooth Lock administration	35.00	36.00
Parks Depot - Replacement Key	60.00	60.00
Picnic Kit	20.00	20.00
TTEPP - Officer time/hour	135.00	140.00
TTEPP - Ranger assistance/hour	100.00	105.00
Ecology Officer/hour (landowner approvals)	NEW	180.00
Landowner approval & Heli work application fee - one-off, low impact	50.00	50.00
Landowner approval & Heli work application fee - multi-day, med/high impact	195.00	200.00

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2.1.2 Wellington Gardens

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Discovery Garden - Lotions & Potions Space Hourly Rate	110.00	113.00
Discovery Garden Pavilion Full day	555.00	572.00
Discovery Garden Pavilion Half day	330.00	340.00
Discovery Garden Pavilion Hourly rate	110.00	113.00
Leonard Cockayne Centre Groups <12 Full day	555.00	572.00
Leonard Cockayne Centre Groups <12 Half day	330.00	340.00
Leonard Cockayne Centre Groups >12 Full day	666.00	686.00
Leonard Cockayne Centre Groups >12 Half day	440.00	453.00
Leonard Cockayne Centre Hourly rate	110.00	113.00
Leonard Cockayne Lawn Hourly rate	110.00	113.00
Cancellation fee - Leonard Cockayne Centre	100.00	103.00
Otari-Wilton's Bush Information Centre Hourly rate	110.00	113.00
Otari-Wilton's Bush Meeting Room Hourly rate	60.00	62.00
The Dell - Kitchen Access	110.00	113.00
The Soundshell (stage with power)	110.00	113.00
Treehouse Seminar Room Coffee Machine Full Day	8.00	10.00
Treehouse Seminar Room Coffee Machine Half Day	5.75	6.00
Treehouse Seminar Room Colour printing/page	1.50	2.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Treehouse Seminar Room Groups <12 Full day	555.00	570.00
Treehouse Seminar Room Groups <12 Half day	330.00	340.00
Treehouse Seminar Room Groups >12 Full day	666.00	685.00
Treehouse Seminar Room Groups >12 Half day	440.00	453.00
Treehouse Seminar Room Hourly rate	110.00	113.00
Cancellation fee - Treehouse seminar room	100.00	103.00
Troupe Picnic Lawn (inc. BBQ) Hourly Rate	110.00	113.00
Wellington Gardens (staff member)	34.00	55.00
Wellington Gardens - Projector/AV/Screen Hire - half day	55.00	57.00
Wellington Gardens - Projector/AV/Screen Hire	105.00	108.00
Wellington Gardens Cleaning Fee	110.00	113.00

2.1.6 Waterfront

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Harbourside Market Monthly Fee Small Unpowered	199.50	205.00
Harbourside Market Monthly Fee Medium Unpowered	278.25	285.00
Harbourside Market Monthly Fee Large Unpowered	1,186.50	1,220.00
Harbourside Market Monthly Fee Small Powered	236.25	242.00
Harbourside Market Monthly Fee Medium Powered	330.75	340.00
Waterfront Food Trucks Daily Unpowered	57.75	57.75
Waterfront Food Trucks Daily Powered	63.00	63.00
Waterfront Berth - Day - under 15 metres	63.00	65.00
Waterfront Berth - Day - 15 to 20 metres	94.50	97.30
Waterfront Berth - Day - 20 to 25 metres	115.50	119.00
Waterfront Berth - Day - 25 to 30 metres	126.00	130.00
Waterfront Berth - Day - 30 to 40 metres	136.50	140.50
Waterfront Berth - Month - under 15 metres	800.00	824.00
Waterfront Berth - Month - 15 to 20 metres	1,067.30	1,100.00
Waterfront Berth - Month - 20 to 25 metres	1,132.00	1,165.00
Waterfront Berth - Month - 25 to 30 metres	1,434.30	1,475.00
Waterfront Berth - Month - 30 to 40 metres	2,122.05	2,185.00
Waterfront Berth - Yearly - under 15 metres	9,599.00	9,885.00
Waterfront Berth - Yearly - 15 - 20 metres	12,811.00	13,195.00
Waterfront Berth - Yearly - 20 - 25 metres	13,589.10	13,995.00
Waterfront Berth - Yearly - 25 - 30 metres	17,214.75	17,730.00
Waterfront Berth - Yearly - 30 - 40 metres	25,469.85	26,230.00
Waterfront Berth - Yearly - over 40 metres	25,469.85	26,230.00
Annual license/permit renewal fee	105.00	110.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Application fee (All activities)	195.00	200.00
Waterfront - Keys/Cards charge/replacement	26.25	27.00
Waterfront - Admin Fee/Officer assistance/hr	NEW	100.00
Outdoor Dining Licence Fee/m2	90.00	95.00
Advertising/Billboard space/m2 per week	250.00	255.00
Temporary Event Storage charge/daily	100.00	100.00
Container placement 10ft/day	NEW	100.00
Container placement 20ft/day	NEW	175.00
Container placement 40ft/day	NEW	200.00
Commercial Filming <2 hrs	NEW	150.00
Commercial Filming (2-4 hrs)	NEW	294.00
Commercial filming 4-6hr	NEW	500.00
Commercial filming Full day	NEW	1,000.00

2.2.1 Waste Minimisation

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
General waste per tonne - Commercial	252.44	267.38
General waste per tonne - Domestic	287.00	304.30
General waste - Minimum charge for private cars, commercial trailers, domestic trailers, vans and utilities	20.00	30.00
Green Waste	103.50	115.00
Green waste - Minimum charge for private cars, commercial trailers, domestic trailers, vans and utilities	5.00	10.00
Sewerage Sludge	333.50	356.50
Special waste -asbestos	332.35	350.75
Special waste -other	287.50	304.75
Contaminated Soil	252.44	267.38
Rubbish bags (RRP each)	3.60	3.71
Domestic Cleanfill	84.00	89.80
Kai to Compost	103.50	115.00

5.1.1 Swimming Pools

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Adult Spa (Karori Pool)	5.70	5.80
Adult Spa (Tawa/Thorndon)	5.20	5.30
Adult Swim & Spa (Karori Pool)	9.90	10.00
Adult Swim & Spa (Tawa/Thorndon Pool)	9.40	9.50
Adult Swim	7.20	7.20
Adult Swim Concession Pass (10 trip)	64.80	64.80
Airline/Police Test	21.00	21.60
All Pools Adult Spa/Sauna Concession Pass (10 Trip)	61.20	63.00
All Pools Adult Spa/Sauna Top Up	3.80	4.00
All Pools Adult Swim & Spa/Sauna Combo	11.00	11.20
All Pools Adult Swim & Spa/Sauna Combo Concession Pass (10 trip)	99.00	100.80
All Pools Adults Spa/Sauna	6.80	7.00
Aqua Fitness Casual Entry	8.50	8.70
Aqua Fitness Convenience Pass (10 trip)	85.00	87.00
Aquatic Activity Instructor (schools)	40.00	51.50
Child Spa	3.20	3.30
Child Spa Concession Pass (10 trip)	28.80	29.70
Child Swim	4.00	4.00
Child Swim - 12 Days of Christmas Special	1.80	1.80
SwimWell Child Spa Top Up	1.70	1.80
Child Swim / Spa Combo	5.70	6.00
Child Swim / Spa Combo Concession Pass (10 Trip)	51.30	54.00
Freyberg - Aerobics Room - Commercial	63.00	65.00
Family Pass	18.00	18.50
Freyberg - Aerobics Room - NC	22.50	23.00
Freyberg - PST 1 child	10.00	10.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Freyberg - PST 2 child	15.00	15.50
Freyberg - PST 3 child	14.30	14.50
Freyberg - PST 1 adult	15.00	15.50
Freyberg - PST 2 adult	20.00	20.50
Freyberg - Steamroom Concession Pass (10 Trip)	46.80	47.70
Freyberg Consulting Room	19.50	20.00
Freyberg Steamroom	5.20	5.30
Group Fitness Land Based Casual Entry	16.00	16.50
Group Fitness Land Based Concession Pass (10 trip)	144.00	148.50
Inflatable Pools (Karori & Keith Spry)	75.00	77.00
Karori Pool - Spa & Swim Concession Pass (10 Trip)	89.10	90.00
Karori Pool - Spa Concession Pass (10 Trip)	51.30	52.20
Pools - BBQ	31.50	32.50
Pools - Hydroslide Hire	26.00	27.00
Pools - Kayak Hire Per Hour	37.00	38.00
Pools - KSP Dive Well	18.00	18.50
Pools - KSP Dive Well Commercial	63.00	65.00
Pools - Lane Hire 25m	10.50	10.80
Pools - Lane Hire 25m Commercial	33.00	34.00
Pools - Lane Hire Half 25m	6.00	6.20
Pools - Lane Hire Half 25m Commercial	16.50	17.00
Pools - Lifeguard (per hour)	50.00	51.50
Pools - Meeting Room	31.50	32.00
Pools - Meeting Room Commercial	63.00	65.00
Pools - Meeting Room Small	11.50	12.00
Pools - Meeting Room Small Commercial	23.00	24.00
Pools - Meeting Room WRAC Top Deck	8.00	8.20

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Pools - Meeting Room WRAC Top Deck Commercial	21.00	21.60
Pools - Tables & Chairs	21.00	21.60
Pools - Tawa Learners Pool (per hour)	30.00	31.00
Pools - Tawa Pool whole	65.00	67.00
Pools - Teaching/Learners Pool hire (per hour)	30.00	31.00
Pools - Whole (excl WRAC)	95.00	98.00
Pools - Whole (excl WRAC) Commercial	210.00	215.00
Pools - WRAC 1.2m Section	63.00	65.00
Pools - WRAC 1.2m Section Commercial	205.00	210.00
Pools - WRAC 25m Section	95.00	98.00
Pools - WRAC 25m Section Commercial	315.00	325.00
Pools - WRAC 50m Section	190.00	195.00
Pools - WRAC 50m Section Commercial	630.00	650.00
Pools - WRAC 5m Section	65.00	67.00
Pools - WRAC 5m Section Commercial	160.00	165.00
Pools - WRAC Canoepolo 35m Section	160.00	165.00
Pools - WRAC Canoepolo 35m Section Commercial	315.00	325.00
Pools - WRAC Half 5m	32.00	33.00
Pools - WRAC Half 5m Commercial	95.00	98.00
Pools - WRAC Hydro Lane Hire	10.50	10.80
Pools - WRAC Hydro Lane Hire Commercial	31.50	34.00
Pools - WRAC Hydro Whole	45.00	46.50
Pools - WRAC Hydro Whole Commercial	130.00	134.00
Pools - WRAC Juniors	26.50	27.20
Pools - WRAC Juniors Commercial	105.00	108.00
Pools - WRAC Lane Hire 16m	6.50	6.70
Pools - WRAC Lane Hire 16m Commercial	21.00	22.00
Pools - WRAC Lane Hire 50m	21.00	22.00
Pools - WRAC Lane Hire 50m Commercial	63.00	65.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Pools - WRAC Programmes	95.00	98.00
Pools - WRAC Programmes Commercial	315.00	325.00
Pools - WRAC Small 2m pool whole	40.00	41.00
Pools - WRAC Spray Deep	85.00	87.50
Pools - WRAC Spray Deep Commercial	210.00	215.00
Pools - WRAC Spray Shallow	26.50	27.20
Pools - WRAC Spray Shallow Commercial	105.00	110.00
Pools - WRAC Spray Whole	105.00	110.00
Pools - WRAC Spray Whole Commercial	315.00	325.00
Pools - WRAC Waterpolo 25m Section	95.00	98.00
Pools - WRAC Waterpolo 25m Section Commercial	315.00	325.00
Pools - WRAC Waterpolo 30m Section	160.00	165.00
Pools - WRAC Waterpolo 30m Section Commercial	315.00	325.00
Thorndon - 2 hours 0 - 25 people	270.00	278.00
Thorndon - 2 hours 26 - 50 people	315.00	325.00
Thorndon - 2 hours 50 - 100 people	390.00	400.00
Thorndon & Tawa - Spa & Swim Combo Concession Pass (10 Trip)	84.60	85.50
Thorndon & Tawa - Spa Concession Pass (10 Trip)	46.80	47.70
WRAC - Competition Start Box	26.00	26.50
WRAC - Spin Concession (10 Trip)	162.00	166.5
WRAC - Deep Tidal	26.00	26.50
WRAC - Events Office	12.00	12.50
WRAC - Inflatable	95.00	98.00
WRAC - Kitchen	12.00	12.50
WRAC - Lifeguard Commercial	95.00	98.00
WRAC - Lifeguard Non-Commercial	50.00	51.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
WRAC - Merchandise/Promotion Rental (per day)	550.00	565.00
WRAC - Scoreboard/Big Screen	150.00	155.00
WRAC - Set up & Set down whole 25m Commercial	380.00	390.00
WRAC - Set up & Set down whole 25m NC	165.00	170.00
WRAC - Set up & Set down whole 30m Commercial	380.00	390.00
WRAC - Set up & Set down whole 30m NC	165.00	170.00
WRAC - Set up & Set down whole 5 or 2m Commercial	315.00	325.00
WRAC - Set up & Set down whole 5 or 2m NC	125.00	130.00
WRAC - Set up & Set down whole 50m Commercial	525.00	540.00
WRAC - Set up & Set down whole 50m NC	250.00	260.00
WRAC - Small Inflatable	50.00	51.50
WRAC - Sound System / Underwater speakers	190.00	195.00
WRAC - Sound System 1/2 day	95.00	98.00
WRAC - Swim Sport Start Box	15.00	15.50
WRAC - Timing Equipment	275.00	285.00
WRAC - Top Deck South End	12.00	12.50
WRAC - Water Testing (Per day)	30.00	31.00
SwimWell - Adapted lessons	21.50	22.00
SwimWell - Adult	16.50	17.50
SwimWell - Adult Squad	18.00	19.00
SwimWell - Advanced Shark Clinic HP	18.00	19.00
SwimWell - Infant	14.50	15.50
SwimWell - Infant HP	14.50	15.50
SwimWell - Mini Squad	17.00	18.00
SwimWell - Preschool	14.50	15.50
SwimWell - Preschool HP	14.50	15.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
SwimWell - Preschool HP (Half Price)	7.25	7.75
SwimWell - Private Lesson (1 child)	67.00	72.00
SwimWell - Private Lesson (2nd Additional Child)	33.50	35.00
SwimWell - Private Lesson (45mins)	100.50	110.00
SwimWell - School Age	16.50	17.50
SwimWell - School Age HP	16.50	17.50
SwimWell - School Age HP (Half Price)	8.25	8.75
SwimWell - Silver & Gold Shark (Shark Clinic)	17.00	18.00
SwimWell - Squad (Advanced Sharks)	18.00	19.00
SwimWell School Swim	1.90	1.95
Schools Instructor (per hour)	40.00	51.50
Spin - Casual	18.00	18.50
WRAC - Spin Concession Pass (10 Trip)	162.00	166.50
Swim Membership Aquatic Club Member Child - Direct Debit (Fortnightly)	15.27	15.73
Swim Membership Aquatic Club Member Child - Direct Debit (Monthly)	33.08	34.00
Swim Membership Aquatic Club Member Child - Upfront (Yearly)	396.95	408.85
Swim Membership Child - Direct Debit (Fortnightly)	17.96	18.50
Swim Membership Child - Direct Debit (Monthly)	38.92	40.00
Swim Membership Child - Upfront (Yearly)	467.00	481.00
Tawa - Adult Offpeak Swim	3.50	3.60
Tawa Pool - Inflatable	70.00	72.00
Tawa Pool Offpeak Adult Swim Concession Pass (10 trip)	35.00	36.00
Tawa Toddler Day	1.20	1.50
Temporary Event Storage of Equipment	50.00	51.50

5.1.2 Sports Fields

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Training Ground only 1 night	112.75	118.00
Training Ground only 1 night (season)	430.50	452.00
Training Ground only 2 nights (season)	820.00	860.00
Training Ground only 3 nights (season)	1,230.00	1,295.00
Training Ground only 4 nights (season)	1,599.00	1,680.00
Training Ground only 5 nights (season)	1,968.00	2,065.00
Training Ground & Changing Rooms 1 night	215.25	225.00
Training Ground & Changing Rooms 1 night (season)	902.00	945.00
Training Ground & Changing Rooms 2 nights (season)	1,742.50	1,830.00
Training Ground & Changing Rooms 3 nights (season)	2,644.50	2,775.00
Training Ground & Changing Rooms 4 nights (season)	3,510.63	3,685.00
Training Ground & Changing Rooms 5 nights (season)	4,381.88	4,600.00
Premier Field & Changing Rooms (Training) 1 night	NEW	280.00
Premier Field & Changing Rooms (Training) 1 night (season)	NEW	1,175.00
Premier Field & Changing Rooms (Training) 2 nights (season)	NEW	2,350.00
Premier Field & Changing Rooms (Training) 3 nights (season)	NEW	3,525.00
Premier Field & Changing Rooms (Training) 4 nights (season)	NEW	4,700.00
Premier Field & Changing Rooms (Training) 5 nights (season)	NEW	5,875.00
Toilets & Changing Rooms only Open	92.25	96.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Toilets Open	43.05	45.00
Athletics (Senior) Casual	699.56	735.00
Athletics (College) Casual	349.78	365.00
Athletics (Primary/Intermediate) Casual	60.00	63.00
Athletics Seasonal	11,275.00	11,830.00
Athletics WRFU Speed Trials	147.60	155.00
Newtown Park Function Room (commercial)/Per Hour	65.00	70.00
Newtown Park Function Room (Primary/Intermediate)/Per Hour	20.00	21.00
Cricket Casual Artificial (Concrete Base)	179.38	188.00
Cricket Casual Artificial (Grass Base)	179.38	188.00
Cricket Casual Level 1 (new strip)	410.00	430.00
Cricket Casual Level 2 (re-used strip)	275.52	290.00
Cricket Seasonal Artificial (Concrete Base)	1,024.98	1,075.00
Cricket Seasonal Artificial (Grass Base)	809.60	850.00
Cricket Seasonal Level 1	3,228.72	3,390.00
Cricket Seasonal Level 2	2,690.60	2,825.00
Cricket Seasonal Level 3	1,499.08	1,575.00
Croquet Casual (per lawn)	189.63	200.00
Croquet Seasonal (per lawn)	914.76	960.00
Cycling Casual	189.63	200.00
Cycling Seasonal	1,896.18	1,990.00
Softball Casual Level 1 (Lime)	189.63	200.00
Softball Casual Level 2 (Grass)	138.38	145.00
Softball Seasonal Level 1 (Lime)	839.52	880.00
Softball Seasonal Level 2 (Grass)	559.68	585.00
Tennis Casual	48.42	50.00
Tennis Off-season or organised	20.50	21.50
Tennis per season (per court)	215.38	225.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Touch, 5-a-side, Ultimate, Gridiron Casual Level 1	204.49	215.00
Touch, 5-a-side, Ultimate, Gridiron Casual Level 2	164.00	170.00
Touch, 5-a-side, Ultimate, Gridiron Seasonal Level 1	1,721.94	1,810.00
Touch, 5-a-side, Ultimate, Gridiron Seasonal Level 2	1,291.40	1,350.00
Volleyball/Handball (sand court) Casual	47.25	50.00
Volleyball/Handball (sand court) Off-season or organised	15.00	15.75
Volleyball/Handball (sand court) per season	161.48	200.00
Rugby, League, Football, Aussie Rules Casual Level 1	153.75	160.00
Rugby, League, Football, Aussie Rules Casual Level 2	118.39	125.00
Rugby, League, Football, Aussie Rules Casual Level 3	91.23	95.00
Rugby, League, Football, Aussie Rules Seasonal Level 1	2,609.86	2,740.00
Rugby, League, Football, Aussie Rules Seasonal Level 2	1,749.00	1,830.00
Rugby, League, Football, Aussie Rules Seasonal Level 3	1,399.20	1,470.00
Netball Casual (per court)	48.43	50.00
Netball Off-season or organised (per court)	15.38	15.75
Netball per season (per court)	161.48	200.00
Premier Grounds (daily rate 4+ hours)	699.56	735.00
Premier Grounds (hourly rate)	NEW	100.00
National Hockey Stadium	36,210.00	38,000.00
Senior Turf Hire - Peak	82.50	86.50
Senior Turf Hire - Off Peak	52.00	54.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Senior Turf Hire x2 (Wakefield)	165.00	173.00
Junior/College Turf Hire	40.00	42.00
Junior/College Turf Hire x2 (Wakefield)	80.00	84.00
Turf Tournament/Event Daily Rate	825.00	865.00
Senior Turf Hire (Nairnville/Terawhiti) - Peak (per hour)	56.50	59.30
Senior Turf Hire (Nairnville/Terawhiti) - Off Peak (per hour)	34.50	36.20
Junior/College Turf Hire (Nairnville/Terawhiti) (per hour)	28.00	29.40
Groundsman - hourly rate (minimum 2 hours)	54.00	60.00
Tournament Base fee - field/day	348.50	365.00
Use of outdoor training lights per field seasonal booking	NEW	552.00
Use of outdoor training lights per field single booking	NEW	37.00
Newtown Park Pedestrian Swipe Access	25.00	26.50
Rangimarie Tennis Key	25.00	26.50

5.1.4 Recreation Centre

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Ākau Tangi - 30 mins Hot/Cold Bath Hire	31.50	32.50
Ākau Tangi - Concession Pass Adult (20 Trip)	81.00	82.80
Ākau Tangi - Concession Pass Child (20 Trip)	54.00	54.00
Ākau Tangi - Concession Pass Have A Go (10 Trip)	45.00	49.50
Ākau Tangi - Extra Staff	50.00	51.50
Ākau Tangi - Flipchart/Whiteboard	26.50	27.50
Ākau Tangi - Have A Go	5.00	5.50
Ākau Tangi - Internet Fee	35.00	36.00
Ākau Tangi - Large Whiteboard Flat Fee	26.50	27.50
Ākau Tangi - Lectern	26.50	27.50
Ākau Tangi - PA System	26.50	27.50
Ākau Tangi - Programme Tutor	50.00	51.50
Ākau Tangi - School Session (30 min)	38.00	40.00
Ākau Tangi - School Session (40min)	55.00	57.00
Ākau Tangi - Small Seating Unit (Per day)	120.00	125.00
Ākau Tangi - Storage	31.50	33.00
Birthday Parties ĀTSC Big Bounce	220.00	225.00
Birthday Parties ĀTSC Mini Bounce	168.00	172.00
Birthday Parties ĀTSC Sporty Kids (13 - 24 children)	160.00	165.00
Birthday Parties ĀTSC Sporty Kids (up to 12 children)	115.00	120.00
Birthday Parties KIRC Private Hire	160.00	165.00
Birthday Parties KIRC Tinytown (up to 20 children)	160.00	165.00
Birthday Parties KIRC Wheels (up to 20 children)	170.00	175.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Birthday Parties Preschool (2 tutors - 12 children)	210.00	215.00
Birthday Parties Preschool (3 tutors- 18 children)	250.00	258.00
Birthday Parties Preschool (4 tutors - 24 children)	295.00	305.00
Birthday Parties Preschool (Baby Jam) (0 tutors -18 children)	95.00	98.00
Birthday Parties School Age (1 tutor - 12 children)	160.00	165.00
Birthday Parties School Age (2 tutors - 24 children)	210.00	215.00
Birthday Parties School Age (3 tutors - 36 children)	250.00	258.00
Birthday Parties School Age (4 tutors - 48 children)	295.00	305.00
Extra Birthday Party Tutor	50.00	51.50
Karori - Party 13-20 Children	75.00	78.00
Karori - Party up to 12 Children	65.00	67.00
Karori Rec - $50 Youth Centre Charge	50.00	51.50
Inflatable Rec Centres (Karori, Kilbirnie, Tawa)	70.00	72.00
Kilbirnie Rec - Chase-Tag Team Entry	20.00	20.50
Kilbirnie Rec - Chase-Tag Team Entry (Season)	200.00	205.00
Kilbirnie Rec - Disco Lights	42.00	43.00
Kilbirnie Rec - Equipment Hire	20.00	21.00
Kilbirnie Rec - Hire p/hour	85.00	87.50
Kilbirnie Rec - Inflatable	70.00	72.00
Kilbirnie Rec - Private Hire & Tinytown	320.00	330.00
Kilbirnie Rec - Recreation Coordinator	50.00	51.50
Kilbirnie Rec - Roller Disco Adult	13.00	13.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Kilbirnie Rec - Roller Disco Adult with Skate Hire	16.00	16.50
Kilbirnie Rec - Roller Disco Child	10.50	11.00
Kilbirnie Rec - Roller Disco Child with Skate Hire	13.00	13.50
Kilbirnie Rec - Roller Disco Family Pass	36.50	38.50
Kilbirnie Rec - Skate Hire	4.50	4.60
Kilbirnie Rec - Skateboard Event	7.00	7.50
Kilbirnie Rec - Storeroom Use	105.00	108.00
Kilbirnie Rec - Tables & Chairs	12.00	12.50
KIRC - Adult on Wheels	7.00	7.50
KIRC - Adult on Wheels Pass (10 trip)	63.00	67.50
KIRC - Badminton Pass (10 Trip)	24.30	27.00
KIRC - Group Entry and Skate (Adult)	8.50	8.70
KIRC - Group Entry and Skate (Child)	7.50	7.70
KIRC - Skate Fit (own Skates) Pass (10 Trip)	99.00	101.70
KIRC - Skate Fit Pass (10 Trip)	121.50	126.00
KIRC - Skate Fit Untutored	6.50	6.60
Mat Hire	11.00	11.50
Nairnville Rec - Security Guard (min.3h)	50.00	51.50
Nairnville Rec - Table Tennis 1hr	19.50	20.00
Prog - Adult Activity	2.70	3.00
Prog - Adult Programme Casual	14.50	15.00
Prog - Adult Rec Programmes Pass 10 Visits	120.00	135.00
Prog - Leagues Adult Badminton (half season)	120.00	125.00
Prog - Leagues Adult Badminton/Indoor Football (Season)	350.00	360.00
Prog - Leagues Adult Futsal (Season)	400.00	412.00
Prog - Leagues ĀTSC Pickleball Box Challenge (2 weeks)	20.00	20.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Prog - Leagues Business House Indoor Football (BHIFL)	52.50	54.00
Prog - Leagues Masters 3x3 Basketball (Season)	300.00	310.00
Prog - Leagues Variety Sports (Season) NEW	300.00	310.00
Prog - School Age Acro-Tumbling Karori	9.50	9.70
Prog - Leagues Adult Basketball (Season)	850.00	750.00
Prog - Te Reo Māori (Term fee)	100.00	103.00
Prog - ĀTSC Home Education Casual	7.00	7.20
Prog - ĀTSC Home Education Pass 10 Visits	63.00	64.80
Prog - Nairnville Gymnastix Casual	13.00	13.50
Prog - Parkour Adult/Advanced School Age	14.50	15.00
Prog - Parkour School Age	12.50	13.00
Prog - School Age Basketball Clinic Tawa/Nairnville	9.50	9.70
Prog - School Age Basketball/Pickleball Clinic Karori	10.50	10.80
Prog - School Age Gym for Fun	10.50	10.80
Prog - School Age Gymnastics	11.50	11.80
Prog - School Age Hip Hop	9.00	9.20
Prog - School Age Junior Roller Derby (1hr)	13.50	13.90
Prog - School Age Karate	11.50	11.80
Prog - School Age KIRC Own Skates (Junior Roller Derby)	11.50	11.80
Prog - School Age KIRC Own Skates (Rollerblade/roller-skate)	9.50	9.70
Prog - School Age KIRC Rollerblade/Roller-skate/Skateboard	12.00	12.30
Prog - School Age Netball Clinic Karori	10.00	10.30
Prog - School Age Squash Skills	10.00	10.30
Prog - School Age Volleyball Clinic (Nairnville)	9.50	9.70
Prog - Skate Fit Casual	13.50	14.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Prog - Skate Fit Casual (own skates)	11.00	11.30
Prog - Social Sports/Pickleball Casual	5.50	6.00
Prog - Trial School Age Programme	13.00	13.30
Prog - Ultimate Movement School Age	12.00	12.30
Projector Daily Rate	105.00	108.00
Projector Hourly Rate	21.00	21.50
RC - Big Day Out	9.50	9.70
RC - Building Leaders Programme ($9.50 p/c for 6 weeks)	11.00	11.30
RC - Tournament	90.00	92.70
Rec - 1/2 Gym Hire	34.00	35.00
Rec - 1/2 Gym Hire off peak	17.00	17.50
Rec - 1/4 Gym Hire	19.50	20.00
Rec - 1/4 Gym Hire off peak	12.50	13.00
Rec - Ākau Tangi Court Hire	67.00	69.00
Rec - Ākau Tangi Half Court Hire	32.00	34.50
Rec - Ākau Tangi Hall Hire	402.00	414.00
Rec - Ākau Tangi Meeting Room Large	50.00	52.00
Rec - Ākau Tangi Meeting Room Small	26.50	27.00
Rec - Ākau Tangi Table Tennis	19.50	20.00
Rec - ĀTSC Badminton/Pickleball/Spikeball	19.50	20.00
Rec - ĀTSC Third Hall Hire	134.00	138.00
Rec - ĀTSC Volleyball	44.80	46.00
Rec - Concession Pass Social Sports/Pickleball (10 trip)	49.50	51.30
Rec - Inflatable Day Tawa Rec	10.50	10.80
Rec - Meeting Room Commercial	52.50	54.00
Rec - Meeting Room Non Commercial	26.00	26.70
Rec - Meeting Room Semi Commercial	36.50	37.50
Rec - NRC Table Tennis	19.50	20.00
Rec - Outreach Equipment Fee	30.00	30.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Rec - Outreach School Class	75.00	77.00
Rec - School Class	60.00	61.80
Rec - Squash Court	9.50	9.70
Rec - Whole Gym Hire	65.00	70.00
Rec - Whole Gym Hire Commercial	157.50	162.00
Rec - Whole Gym Hire Off Peak	35.00	35.00
Rec Centre - Additional Equipment Hire	31.50	32.50
Rec Centre - Casual Adult	4.50	4.60
Rec Centre - Casual Child	3.00	3.00
Rec Centre - Kindy Visit (1 - 20 kids) per hour	75.00	77.00
Rec Centre - Kindy Visit (20 - 30 kids) per hour	95.00	98.00
Rec Centre - Kindy Visit (30 - 40 kids) per hour	110.00	113.30
Rec Centre - Kindy Visit (40 - 50 kids) per hour	125.00	128.70
Recreation Centre Casual Play Adult (10 trip)	40.50	41.40
Recreation Centre Casual Play Child (10 Trip)	27.00	27.00
Team Building Activity (per person)	4.20	4.30
Prog - Leagues Adult Netball/Volleyball	650.00	670.00
Prog - Leagues Kids Basketball (term)	350.00	360.00
Prog - Leagues Kids Mini ball/Volleyball (term)	300.00	310.00
Pickleball Paddle Hire (premium)	-	5.00

5.1.7 Marinas

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Evans Bay Berth (annual)	3,688.70	3,799.30
Evans Bay Berth (Sea Rescue Jetty) annual	2,168.30	2,233.30
Evans Bay Boat Shed (8 to 11) annual	1,453.20	1,496.80
Evans Bay Boat Shed (1 to 7, 12 to 32) annual	2,903.30	2,990.40
Evans Bay Boat Shed (33 to 46) annual	4,344.90	4,475.20
Evans Bay Dinghy Locker (annual)	433.70	446.70
Evans Bay Live-Aboard fee (annual)	1,320.90	1,360.50
Evans Bay Trailer Park (monthly)	164.90	169.85
Evans Bay Non tenant use of breastwork	88.20	90.00
Evans Bay Visitor Berth (daily)	36.00	40.00
Boat Storage (abandoned boat/terminated licence)	NEW	40.00
Clyde Quay Mooring (annual)	1,579.20	1,626.50
Clyde Quay Boat Shed (1 to 13) (annual)	3,311.70	3,411.00
Clyde Quay Boat Shed (14 to 27) (annual)	2,982.00	3,071.40
Clyde Quay Boat Shed (28, 29) (annual)	4,140.20	4,264.40
Clyde Quay Boat Shed (38B) (annual)	2,389.80	2,461.40
Clyde Quay Boat Shed (38A to 42B, 48A, 48B) (annual)	3,431.40	3,534.30
Clyde Quay Boat Shed (43A to 47B) (annual)	3,976.40	4,095.60
Clyde Quay Dinghy Locker (annual)	276.20	284.40
Clyde Quay Visitor berth (daily)	36.00	40.00
Boat Pumpout Fee	367.50	378.53
Officer time for service outside licence agreement	105.00	105.00
Evans Bay Boat ramp parking/daily	10.00	10.00

5.2.5 Community Centres & Halls

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Community Group	19.00	20.00
Commercial Event	25.00	29.00
Private Event	30.00	32.00
Commercial private	42.00	50.00
Ngaio Town Hall Community groups - one off booking	19.00	25.00
Ngaio Town Hall Commercial - one off booking	25.00	35.00
Venue security check fee	39.16	45.00
Venue security call out	78.32	100.00

5.2.6 Cemeteries

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
01/2A Ash Plot	557.00	573.00
01/2A Ash Plot Maintenance	171.00	176.00
Arrangement Fee - No Funeral Director (Casket Interment/Cremation)	158.00	165.00
Ash Beam - Plot, Beam, Maintenance	669.00	689.00
Ash Collection Express - Overtime	226.00	233.00
Ash Interment - Outside District	499.00	514.00
Ash Interment - Overtime (Weekend)	242.00	249.00
Ash Interment - Public Holiday Fee	526.00	542.00
Ash Interment - Seaforth Plot	187.00	193.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Ash Interment - Soldiers Plot	182.00	187.00
Ash Scatter	84.00	86.00
Ash scatter outside district	48.00	49.00
Ash Scatter - Overtime	225.00	233.00
Copy of Ash Scatter - Unattended	84.00	86.00
Ashes Interment	187.00	193.00
Beam - Ash Beam	180.00	185.00
Beam - Children	180.00	185.00
Beam - Denominational/Lawn (Makara)	200.00	206.00
Brass Council Engraved Plaque	675.00	695.00
Bronze Lawn Plaque	1,328.00	1,172.00
Bronze Memorial Only Niche Wall Plaque	328.00	380.00
Bronze Memorial Plaque	475.00	489.00
Bronze Memorial Plaque - Rose Garden/Seaforth	452.00	609.00
Bronze Plaque - New Double Niche	832.00	857.00
Bronze Plaque - New Single Niche	539.00	555.00
Bronze Plaque - Old Single Niche	371.00	380.00
Casket Interment - 0-12 months	124.00	128.00
Casket Interment - 10 years and under	158.00	163.00
Casket Interment - Denominational/Lawn	730.00	752.00
Casket Interment - Indigent	221.00	228.00
Casket Interment - Indigent (Outside District)	164.00	169.00
Casket Interment - Natural Burial	1,113.00	1,146.00
Casket Interment - Outside District	1,240.00	1,277.00
Casket Interment - Overtime (Weekend)	730.00	752.00
Casket Interment - Public Holiday Fee	1,050.00	1,085.00

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Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Casket Interment - Second Interment	1,250.00	1,287.00
Casket Interment - Soldiers Plot	678.00	698.00
Casket Interment - Stillborn	98.00	101.00
Casket Interment (Infant) - Natural Burial	556.50	573.00
Casket Interment After 3.15pm	237.50	245.00
Cremation - Birth to 1 year	79.00	81.00
Cremation - Committal Service	961.00	990.00
Cremation - Delivery Only	840.00	865.00
Cremation - Express Ash	225.00	232.00
Cremation - Full Service	1,024.00	1,055.00
Cremation - Indigent	128.00	132.00
Cremation - Indigent (Outside District)	164.00	169.00
Cremation - One to 10 years	216.00	222.00
Cremation - Overtime (Weekend)	396.00	408.00
Cremation - Public Holiday Fee	719.00	740.00
Cremation - Stillborn	74.00	76.00
Cremation - Viewing Casket Charge	100.00	103.00
Cremation (Infant) - Public Holiday Fee	360.00	371.00
Cremation After 3.15pm	237.00	244.00
Chapel Hire - Casket Interment (Burials)	227.00	234.00
Chapel Hire - Cremations elsewhere (1 Hr)	271.00	279.10
Chapel Hire - Per 1/2 Hour	220.00	227.00
Chapel Hire (per 1/2 hour) - After 3.15pm	225.00	232.00
Chapel Hire (per 1/2 hour) - Overtime (Weekend)	235.00	242.00
Chapel Hire - Full (See full service below)	440.00	453.00
Disinterment - Ashes	318.00	327.00
Disinterment - Casket	2,142.00	2,206.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Cleaning Chapels/Crematorium	56.00	58.00
Concrete Breaking	237.00	244.00
Concrete Cutting Floor	295.00	304.00
Concrete Stand for Rose garden size Plaque	56.00	58.00
Core Drilling - Ash Interment	261.00	269.00
Courier Fee	20.00	23.00
Cremation - Bio/Tissue Delivery	741.00	763.00
Cremation Certificate	58.00	60.00
Deed Change	84.00	87.00
Fee for Damage to Mats	271.00	279.00
Film on Location Fee	116.00	119.00
Foetal Tissue cremation	74.00	76.00
Granite Book Seaforth (excl plaque)	402.00	414.00
Granite Plaque for Book	402.00	414.00
Grave Reuse - Per body	1,680.00	1,730.00
High Pressure Cleaning	59.00	61.00
Joint Interment	158.00	163.00
Late Service Fee (All)	58.00	70.00
Muslim Boards - Adult	203.00	209.00
Muslim Boards - Infant	110.00	113.00
New Ash Plots MÅkara	2,450.00	2,523.50
Niche - Bronze New Double	1,278.00	1,316.00
Niche - Bronze New Single	1,114.00	1,147.00
Niche - Bronze Old Single	966.00	995.00
Niche Placement/Removal (Ash)	187.00	192.00
Penguin Book	26.00	27.00
Permit - Non Compliance	81.00	83.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Permit Fee	102.00	105.00
Permit Fee - Babies	59.00	61.00
Permit Fee - Rose Garden or Seaforth Only	59.00	61.00
Photo Request	16.00	16.00
Plaque - Polish	37.00	38.00
Plaque - Subsequent Inscription	261.00	269.00
Plaque Placement / Removal	92.00	95.00
Plot Extra Depth (per 300mm)	284.00	292.00
Plot Extra Width (per 300mm)	215.00	221.00
Plot Maintenance - Ash Beam/Ash Circle	180.00	185.00
Plot Maintenance - Babies	287.00	296.00
Plot Maintenance - Denominational	956.00	985.00
Plot Maintenance - Lawn	645.00	664.00
Plot Maintenance - Natural Burial	735.00	757.00
Plot Maintenance (Infant) - Natural Burial	367.50	378.00
Plot Purchase - Ash Beam	310.00	319.00
Plot Purchase - Babies Lawn	407.00	419.00
Plot Purchase - Denominational Areas	1,365.00	1,406.00
Plot Purchase - Lawn	1,040.00	1,071.00
Plot Purchase - Lawn Stillborn Area	47.00	48.00
Plot Purchase - Natural Burial	1,586.00	1,633.00
Plot Purchase - Seaforth Garden	1,103.00	1,136.00
Plot Purchase (Infant) - Natural Burial	793.00	816.00
Plot Purchase Garden - Memorial	585.00	602.00
Plot Search Charge (first 3 free)	29.00	30.00
Probe Plot for Depth	59.00	61.00
Temporary Grave Marker	168.00	173.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Vault Placement/Removal	353.00	363.00
Plastic Bud Vase	25.00	26.00
Plastic urn	32.00	33.00
Trumpet Vase	25.00	26.00
Urn - Wooden Adult	165.00	173.00
Urn - Wooden Half Adult Size	125.00	129.00
Urn - Wooden Infant	70.00	72.00
Urn - Wooden Oblong (Rectangular)	125.00	165.00
Mem Book Entries (per line - up to 4 lines)	53.00	54.00
Mem Book Entries (per line - up to 8 lines)	92.00	95.00
Mem Book Entries (two lines - name, date of death, age)	105.00	108.00

5.3.3 Public Health Regulations

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Gambling Permission		
Initial application & renewal	158.50	161.50
Health Licencing & Inspection		
New food premises (1st yr set up)	193.00	197.00
Pre-opening inspection (1 hour)	193.00	197.00
Additional time per hour	193.00	197.00
Verification fee - standard food control plan	642.00	786.00
Verification fee - standard national programme	321.00	393.00
Food control plan registration renewal fee (every year)	97.00	99.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
National programme registration renewal fee (every second year)	97.00	99.00
Significant changes	193.00	197.00
Minor changes	97.00	99.00
Voluntary suspension of operations	97.00	99.00
Compliance Fees		
Issue of enforcement notice	193.00	197.00
Application for review of outcome	193.00	197.00
Statement of compliance	97.00	99.00
Additional charges for time spent on site (per hour)	193.00	197.00
Temporary Licence		
Temporary inspection fee for mobile food stalls, food stall fairs	187.00	190.50
Annual Licence for registered premises		
Animal boarding	330.00	336.50
Camping grounds	330.00	336.50
Hairdressers	167.00	170.50
Mortuaries/Funeral Directors	198.00	202.00
Annual Licence		
Pools: commercial pools/spas	319.00	325.50
Trade Waste associated with Food Licences		
Application fee - consent fee	202.00	247.50
Annual consent fee - High risk	2,421.50	2,470.00
Annual consent fee - Medium risk	1,211.00	1,235.00
Annual consent fee - Low risk	426.00	434.50
Annual consent fee - Minimal risk	175.00	178.50
Initial application fee - Grease and Grit traps	242.50	247.50
Grease traps: big dipper or passive	175.00	178.50
Shared grease trap (per premises)	90.00	92.00
Grease converter	426.00	434.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Monitoring (laboratory) charges	Actual cost - varies	Actual cost - varies
Collection & Transport of Trade Waste		
Initial Application fee	204.00	208.00
Charge after first hr (per hr)	173.00	176.50
Annual Licence fee	242.50	247.50
Processing fee (per hr or part thereof)	173.00	176.50
Sewage collection & disposal network fees		
Volume - Up to 100m3/day	0.44	0.45
Volume - Between 100m3/day and 7000m3/day	0.20	0.20
Volume - Above 7000m3/day	1.35	1.37
BOD - Up to 3150kg/day	0.46	0.47
BOD - Above 3150 kg/day	1.01	1.04
Suspended Solids - Up to 1575kg/day	0.45	0.46
Suspended Solids - Above 1575kg/day	0.81	0.82
Litter Enforcement - Infringement fee for the disposal of waste on public or private land		
Depositing litter of less than 1 litre		100.00
Depositing litter from 1 to 20 litres		200.00
Depositing litter from 20 to 120 litres		300.00
Depositing litter of more than 120 litres		400.00
Pavement / Footpath Permissions		
Initial application	236.00	240.50
Renewal	119.00	121.50
Lease Fees - Central City (per m2)	113.00	115.50
Lease Fees - Suburbs (per m2)	73.00	74.50
Parklet permissions		
Initial application	236.00	240.50
Renewal	119.00	121.50
Lease Fees - Central City (per m2)	New	115.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Lease Fees - Suburbs (per m2)	New	74.50
Alcohol Licencing - New Applications and Renewals , On Off, Club		
Very low risk	486.00	595.00
Low risk	805.00	985.50
Medium risk	1,078.00	1,319.50
High risk	2,351.00	2,877.50
Very high risk	3,594.00	4,399.00
Alcohol Licencing - Special Licenses		
Large event	759.00	929.00
Medium event	273.00	334.00
Small event	83.00	101.50
Alcohol Licencing - Late Notice Waivers for Specials and Renewal Applications		
11-20 working days before event	10% of fee	10% of fee
10 working days or less	20% of fee	20% of fee
Alcohol Licencing - Pre Application Meeting		
First meeting	Free of charge	Free of charge
Subsequent meetings per hour	100.00	122.50
Alcohol Licencing - Annual fee for New Applications and Renewals , On, Off Club		
Very low risk	213.00	260.50
Low risk	516.00	631.50
Medium risk	835.00	1,022.00
High risk	2,366.00	2,896.00
Very high risk	3,898.00	4,771.00
Alcohol Licencing - Temporary Authority		
Application fee	392.00	480.00
Alcohol Licencing - Public Notices		
Per notice	150.00	183.50
Animal Control: Registration fees paid after 1 August - per animal		

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Entire	196.00	200.00
Neutered /spayed (with proof)	142.00	145.00
Permission to keep more than 3 dogs	41.00	42.00
Working dogs	60.00	61.00
Working dogs (puppies)	32.00	32.50
Dangerous Dog Entire	294.00	300.00
Dangerous Dog Desexed	213.00	217.50
Entire	294.00	300.00
Desexed	213.00	217.50
Accredited Dog Owner Entire	294.00	300.00
Accredited Dog Owner Desexed	213.00	217.50
Working Dogs	90.00	92.00
Dangerous Dog Entire	441.00	450.00
Dangerous Dog Desexed	319.50	326.00
Accredited Dog Owners		
Accredited Dog Owner Application	139.00	142.00
Accredited Dog Owner address change only	87.00	88.50
Accredited Dog Owner annual registration	70.00	71.50
Replacement of registration tag	14.00	14.25
Puppies		
Puppies born July to December	113.00	115.50
Puppies born January to June	57.00	57.75
Late registration - Puppies born July to December	213.00	217.50
Late registration - Puppies born January to June	81.00	82.50
Imported Dogs and Puppies		
Desexed arrived July to December	113.00	145.00
Desexed arrived January to June	43.00	72.50
Entire arrived July to December	155.00	196.00
Entire arrived January to June	59.00	98.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Adopted dogs and puppies (SPCA and HUHA) Fee	39.00	40.00
Animal Control: Transferred Dogs		
July to December - Entire	196.00	200.00
January to June - Entire	98.00	100.00
July to December - Desexed	142.00	145.00
January to June - Desexed	71.00	72.50
Animal Control: Change of Ownership and New Dogs		
Dogs 12 months+, July to December, entire	155.00	158.00
Dogs 12 months+, January to July, entire	59.00	60.00
Dogs 12 months+, July to December, desexed	113.00	115.50
Dogs 12 months+, January to July, desexed	43.00	44.00
Impounding fees		
Seizure Fee	150.00	153.00
First per animal	115.00	117.50
Second impounding	185.00	188.50
Third impounding	246.00	251.00
Sustenance per day	21.00	21.50
After hours callout	33.00	33.50
Micro-chipping	39.00	40.00
Dog Euthanisation		
Dog euthanisation - up to 20kg	192.00	196.00
Dog euthanisation - between 21kg and 40kg	238.00	243.00
Dog euthanisation - over 40kg	286.00	291.50
Dog Walker		
New dog walker licence	209.00	213.00
Dog walker licence renewal	67.00	68.50
Animal Control: Infringements		
Wilful obstruction of Animal Control Officer	750.00	750.00
Failure to supply information	750.00	750.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Failure to comply with bylaw	300.00	300.00
Failure to comply with disqualification	750.00	750.00
Fraudulent sale of dangerous dog	500.00	500.00
Failure to comply with dangerous classification	300.00	300.00
Failure to implant microchip	300.00	300.00
False registration statement	750.00	750.00
Failure to register dog	300.00	300.00
Fraudulent attempt to procure discount	500.00	500.00
Failure to advise change of ownership	100.00	100.00
Failure to advise change of address	100.00	100.00
Removal or swapping of disc	500.00	500.00
Failure to keep dog confined	200.00	200.00
Failure to keep dog under control	200.00	200.00
Failure to use/carry a leash in public	100.00	100.00
Failure to comply with noise abatement	200.00	200.00
Dangerous dog unmuzzled in public	300.00	300.00
Failure to comply with classification	300.00	300.00

6.1.1 Urban planning & policy

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Wellington Underground Asset Map	169.05	172.00

6.2.1 Building control and facilitation

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Customer Services		
Issued Building Consents Report	101.00	103.00
Refund Processing Fee	171.50	175.00
Time extension application fee (30 mins admin, 30 mins inspector). Any time spent over this initial time will be charged at the relevant hourly rate	221.50	226.00
Time Extension Processing Fee - additional inspectors time, hourly rate	271.50	277.00
Administration Fee - hourly rate	171.50	175.00
Restricted building work check (per notification)	86.50	88.00
Minor Works		
Drainage/Plumbing (val less than $5,000)) residential detached	510.00	659.00
Drainage/Plumbing (value less than $5,000) commercial or multi-residential	1,561.00	1,730.00
Insulation (value less than $10,000)	1,561.00	1,592.00
Structural (value less than $10,000)	1,561.00	1,592.00
Demolition Consent - 3 storeys or less	877.50	895.00
Demolition Consent - greater than 3 storeys	1,890.00	1,928.00
Free Standing Fireplace	338.50	483.50
In-built fireplace	712.50	865.50
Additional Inspection fee (per hour)	271.50	277.00
Lodgement Fee		
All applications (except minor works)	171.50	175.00
Amendment Lodging Fee for Building Consents	127.50	130.00
Processing Fee		
Less than $10,000 (Category 1)	608.50	620.50
Less than $10,000 (Category 2)	946.00	965.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Less than $10,000 (Category 3)	1,216.00	1,240.50
$10,001 - $20,000 (Category 1)	1,351.50	1,378.50
$10,001 - $20,000 (Category 2)	1,351.50	1,378.50
$10,001 - $20,000 (Category 3)	1,351.50	1,378.50
$20,001 - $100,000 (Category 1)	1,486.50	1,516.00
$20,001 - $100,000 (Category 2)	1,486.50	1,516.00
$20,001 - $100,000 (Category 3)	1,486.50	1,516.00
$100,001 - $500,000 (Category 1)	1,621.50	1,654.00
$100,001 - $500,000 (Category 2)	2,432.50	2,481.00
$100,001 - $500,000 (Category 3)	2,432.50	2,481.00
$500,001 - $1,000,000 (Category 1)	3,782.50	3,858.00
$500,001 - $1,000,000 (Category 2)	4,322.50	4,409.00
$500,001 - $1,000,000 (Category 3)	4,862.50	4,960.00
$1,000,000 + (Category 1)	4,999.00	5,099.00
$1,000,000 + (Category 2)	4,999.00	5,099.00
$1,000,000 + (Category 3)	4,999.00	5,099.00
for each $500,000 or part thereof over $1,000,000	1,284.00	1,309.50
Assessment of alternative plans and specifications (To obtain pre-approval for possible product substitutions or alternative plans) - per hour	NEW	277.00
Request for Information "RFI" Fee (to review additional information), charge per additional hour of officer re-assessment time.	271.50	277.00
Processing fee - for Fast Track Consents		
Fast Track - consents only - issued within 10 days (criteria applies, and applications will only be accepted on a case-by-case basis)	2 x consent approval charges	2 x consent approval charges

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Fast Track - consents only - issued within 5 days (criteria applies, and applications will only be accepted on a case-by-case basis).	3 x consent approval charges	3 x consent approval charges
Multi proof consent		
Lodgement fee	171.50	175.00
Plan check - est 3 hours	811.50	831.00
Additional time per hour	271.50	277.00
Code Compliance Certificate		
Code Compliance Certificate (for Category 1 applications)	171.50	175.00
Code Compliance Certificate (for Category 2 applications)	171.50	175.00
Code Compliance Certificate (for Category 3 applications)	215.00	219.50
District Plan Check Fee		
Building consents with a project value of less than $20,000 (Initial charge for 30mins, then additional charges apply per 30 minutes of processing time above this)	135.00	137.50
Building consents with a project value of $20,001 or over (Initial charge for 1st hour, then additional charges apply per hour of processing time above this)	261.50	266.50
Additional hours - per hour	261.50	266.50
Building Inspections		
Hourly charge: the initial payment is based on estimate of inspections required. The final charges are based on actual time.	271.50	277.00
Structural Check & Additional Charges		
Residential 1, 2 and 3 structural work (on plan reviews) Deposit of 3 hours	727.50	1,247.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Commercial 1 structural work (on plan reviews) Deposit of 4 hours	970.00	1,662.00
Commercial 2 and 3 structural work (on plan reviews) Deposit of 5 hours	1,212.50	2,078.50
Residential 1, 2 and 3 structural work (for amended plans) Deposit of 2 hour	485.00	831.50
Commercial 1 and 2 structural work (for amended plans) Deposit for 2 hours	485.00	831.50
Commercial 3 structural work (for amended plans) Deposit for 3 hours	727.50	1,247.00
Hourly Charge for Engineers (including internal overheads), over and above deposit	407.50	415.50
Hourly charge for Contract Management, over and above deposit	232.50	237.00
An additional deposit of 2.5 hours for all levels of buildings requiring structural checking not supported by a producer statement from a Chartered Professional Engineer	1,212.50	1,237.00
Consent suspend fee (to review additional information) – per additional hour of Engineer reassessment time, all	407.50	415.50
Vehicle Access		
Plan check linked to a building consent or resource consent	522.50	533.00
Received independently (small)	530.00	540.50
Received independently (multiple)	892.50	910.50
Initial inspection fee	261.50	266.50
Vehicle crossing inspection fee over 1hr	261.50	266.50
Compliance Schedule		
New compliance schedule (linked with Building Consent). This is the minimum charge (based on one hour of processing), additional charges will apply for	406.50	414.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
time taken over this, at $277.00 per hour for additional hours		
Additional charge per hour for new compliance schedule (linked with Building Consent)	271.50	277.00
Alterations and amendments to compliance schedule (linked to building consent or application for amendment to CS Form 11) will be charged on a time-taken basis at the per hour rate of officer time.	271.50	277.00
Minor compliance schedule amendments - change of owner/ agent, minor changes to Compliance Schedule requested by owner/ agent. This is the minimum charge (based on 15 min of processing). Additional charges will apply for time taken over this.	69.00	70.50
Health Assessment		
Building consent for food premises - base fee	431.50	440.00
Additional charge for processing time in excess of two hours	261.50	266.50
Trade Waste Management		
Assessment of building consent including trade waste element	223.50	228.00
Record of Title Change Lodgement		
Processing time per hour	271.50	277.00
Preparation of legal documents (covers first two hours of processing time)	511.00	521.00
Disbursement of legal costs for registering certificates against titles	Actual Cost	Actual Cost
S77 building over two or more allotments - legal costs	Actual Cost	Actual Cost
S72 land subject to hazards - LINZ lodgement	Actual Cost	Actual Cost
Certificate of Public Use (CPU)		

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Initial fee (includes 1 hour processing time)	271.50	277.00
Processing time over 1 hour	271.50	277.00
Lodgement fee	127.50	130.00
Amended Plan		
Initial fee (includes 1 hour processing time)	271.50	277.00
Processing time over 1 hour and RFI's per hour	271.50	277.00
Lodgement fee	127.50	130.00
PIM (if lodged with building consent)		
PIM ONLY - single residential dwelling including accessory buildings	676.00	689.50
PIM ONLY - other	811.50	827.50
Certificates of Acceptance - Urgent Work		
Lodgement fee	171.50	175.00
Less than $10,000 (Category 1)	1,149.00	1,172.00
Less than $10,000 (Category 2)	1,486.50	1,516.00
Less than $10,000 (Category 3)	1,757.50	1,792.50
$10,001 - $20,000 (Category 1)	1,891.00	1,929.00
$10,001 - $20,000 (Category 2)	1,891.00	1,929.00
$10,001 - $20,000 (Category 3)	1,891.00	1,929.00
$20,001 - $100,000 (Category 1)	2,567.50	2,619.00
$20,001 - $100,000 (Category 2)	2,567.50	2,619.00
$20,001 - $100,000 (Category 3)	2,567.50	2,619.00
$100,001 - $500,000 (Category 1)	2,702.50	2,756.50
$100,001 - $500,000 (Category 2)	3,511.50	3,581.50
$100,001 - $500,000 (Category 3)	3,511.50	3,581.50
$500,001 - $1,000,000 (Category 1)	4,862.50	4,960.00
$500,001 - $1,000,000 (Category 2)	5,402.50	5,510.50
$500,001 - $1,000,000 (Category 3)	5,944.00	6,063.00
$1,000,000 + (Category 1)	6,077.50	6,199.00
$1,000,000 + (Category 2)	6,077.50	6,199.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
$1,000,000 + (Category 3)	6,077.50	6,199.00
for each $500,000 or part thereof over $1,000,000	1,284.00	1,309.50
Consent Suspend Fee (to review additional information), charge per additional hour of officer re-assessment time.	271.50	277.00
Certificates of Acceptance - Non Urgent Work		
Lodgement fee	495.00	505.00
Less than $10,000 (Category 1)	3,329.50	3,396.00
Less than $10,000 (Category 2)	4,307.00	4,393.00
Less than $10,000 (Category 3)	5,092.00	5,194.00
$10,001 - $20,000 (Category 1)	5,482.00	5,591.50
$10,001 - $20,000 (Category 2)	5,482.00	5,591.50
$10,001 - $20,000 (Category 3)	5,482.00	5,591.50
$20,001 - $100,000 (Category 1)	7,439.50	7,588.50
$20,001 - $100,000 (Category 2)	7,439.50	7,588.50
$20,001 - $100,000 (Category 3)	7,439.50	7,588.50
$100,001 - $500,000 (Category 1)	7,831.50	7,988.00
$100,001 - $500,000 (Category 2)	10,177.50	10,381.00
$100,001 - $500,000 (Category 3)	10,177.50	10,381.00
$500,001 - $1,000,000 (Category 1)	14,092.00	14,374.00
$500,001 - $1,000,000 (Category 2)	15,659.50	15,972.50
$500,001 - $1,000,000 (Category 3)	17,225.50	17,570.00
$1,000,000 + (Category 1)	17,615.50	17,968.00
$1,000,000 + (Category 2)	17,615.50	17,968.00
$1,000,000 + (Category 3)	17,615.50	17,968.00
for each $500,000 or part thereof over $1,000,000	3,851.50	3,928.50
Consent Suspend Fee (to review additional information), charge per additional hour of officer re-assessment time.	407.00	415.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Building Warrant of Fitness		
Independent Qualified Person (IQP) Registration Fee (New & Renewal)	271.50	277.00
Additional charge for each new competency registered	127.50	130.00
Building Warrant of Fitness - Annual Certificate. This is the base charge for 1 specified system. Additional charges will apply for time over 0.5 hours	136.50	139.00
Building Warrant of Fitness - Annual Certificate. This is the base charge for 2 - 10 specified systems. Additional charges will apply for time taken over 1 hour	271.50	277.00
Building Warrant of Fitness - Annual Certificate. This is the base charge for 11+ specified systems. Additional charges will apply for time taken over 1.5 hours	406.50	414.50
Additional charge per hour for processing Annual Certificate, where processing time exceeds that allowed for in the base charge.	271.50	277.00
Building Warrant of Fitness Inspection (per hour)	271.50	277.00
BWOF Audit 1 specified system	271.50	277.00
BWOF Audit 2-10 specified systems	541.50	552.50
BWOF Audit 11+ specified systems	811.50	827.50
Swimming Pools		
Pool fencing inspection per hour.	271.50	277.00
Review of IQPI Independently Qualified Pool Inspector audit report	86.50	88.00
Special Activity and Monitoring - Hourly charge for officer time considering proposals and monitoring compliance	261.50	277.00
Notification of Change of Use		

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Lodgement Fee	171.50	175.00
Initial fee (includes 2 hours processing)	522.50	554.00
Processing over 2 hours - per hour	261.50	277.00
SIMPLI Online Application Fee		
SIMPLI Online Application Fee - Includes building consent applications, amended plan applications, or Project Information Memorandum applications (PIMS)	51.75	51.75
Accreditation Levy		
Accreditation Levy - per $1000 of project value	0.50	0.50
Levys collected on behalf of other agencies		
MBIE Levy - $1.75 per $1000 for project values of $65000 & above	1.75	1.75
MBIE Levy Commission - 3% of levy collected retained by Council	3%	3%
BRANZ Levy - $1.00 per $1000 for project values of $20,000 & above	1.00	1.00
BRANZ Levy Commission - 3% of levy collected retained by Council	3%	3%
LIMs and Information Services		
LIMs : Residential	552.50	563.50
Fast track fee – single residential properties: (case by case)	276.50	282.00
LIMs: Non-residential Base Fee	1,289.00	1,315.00
LIMs : Per hour after 7 hrs	171.50	175.00
Fast track fee – multi-residential properties: (case by case)	414.00	422.50
Fast track fee – commercial properties: (case by case)	645.00	658.00
Property Reports: Residential 1-2 units	257.50	262.50
Property Reports: Multi-residential 3-8 unit property	376.50	384.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Property Reports: Multi-residential 8+ unit property	400.00	408.00
Refunds issued if cancelled - Within 1 working day	310.50	316.50
Refunds issued if cancelled - Between 1 and 3 working days	235.50	240.00
Refunds issued if cancelled - After 3 working days	135.25	138.00
Development Contribution Administration Costs		
Initial Fee for a special assessment, reconsideration or objection	1,400.00	1,428.00
Additional processing hours (per hour) – DC officer /advisors	261.50	266.50
Disbursements	Variable - based on actual cost	Variable - based on actual cost

6.2.2 Development control and facilitation

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Resource Consent Fees		
Initial application fee s226	1,043.50	1,064.50
Pre-application meetings: planner / expert / compliance officer (charge per hour).	261.50	266.50
Non-notified resource consent: land use	2,776.50	3,397.00
Application Fees - Boundary activities - deposit fee	782.50	918.50
Application Fees - Marginal or temporary activities	522.50	651.00

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Application Fees - Other Approvals - Existing use certificate (s139A)	1,750.00	1,785.00
Non-notified resource consent: subdivision	3,364.00	4,182.00
Non-notified resource consent: subdivision and land use	4,541.50	7,140.00
Limited notified resource consent: subdivision and/ or land use	14,129.00	19,380.50
Fully notified resource consent: subdivision and/ or land use or Private Plan Change and Notice of Requirements	26,910.00	32,640.00
- Change or cancellation of conditions (s127);	1,750.00	2,448.00
All other approvals including: - Non-notified consent application for earthworks only; - Outline plan approval; - Certificate of Compliance; - Extension of time (s125); - Consents notices (s221); - Amalgamations (s241); - Easements (s243), Right of Way or similar - up to 6 hrs planner / advisor, 1 hr admin, $55 disbursements	1,750.00	1,812.50
Outline Plan waiver	505.00	1,020.50
Certificates: Town Planning, Sale of Liquor, Overseas Investments, LMVD - up to 2 hrs planner / advisor, 1 hr admin	357.50	364.50
Premium applications - non-notified consents only, issued within five working days (conditions apply, and applications will only be accepted on a case-by-case basis).	3 x normal fee	3 x normal fee
Premium applications - non-notified consents only, issued within ten working days (conditions apply, and applications will only be accepted on a case-by-case basis).	2 x normal fee	2 x normal fee

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Additional Charges		
Cost of all disbursements i.e.: venue hire, photocopying, catering, postage, public notification	Variable - based on actual cost	Variable - based on actual cost
Specialist consultant report (including consultant planners)	Variable - based on actual cost	Variable - based on actual cost
Independent Commissioners	Variable - based on actual cost	Variable - based on actual cost
All consents & Private Plan Changes: additional processing hours (per hour) - planner/advisor /compliance officer	261.50	266.50
All consents & Private Plan Changes: additional processing hours (per hour) - administrative officer	152.50	155.50
Bylaw Application		
Applications relating to signs (e.g. Commercial Sex Premises) up to six hours	1,514.00	1,544.50
Compliance Monitoring		
Monitoring Compliance of Resource Consents: subdivision or land use - minimum of one hour then based on actual time after that.	261.50	266.50
Monitoring Administration per hour rate administrative officer.	152.50	155.50
Cost of disbursements, e.g. materials, consultant investigations	Variable - based on actual cost	Variable - based on actual cost
Additional hours (per hour)		
- planner / expert / compliance officer	261.50	266.50
- administrative officer	152.50	155.50

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Subdivision Certification		
Below are minimum fees. Charges will be based on actual time if over and above that at the following hourly rate	261.50	266.50
Stage certification: each stage for s223, s224(f), s226 etc up to 2 hours,	522.50	533.00
Combination of two or more Stage certifications: s223, s224(f), s226 etc - up to 6 hours,	1,514.00	1,600.00
Certification s224 - up to 6 hours	1,514.00	1,600.00
All other RMA, Building Act, Unit Titles Act and LGA certificates, legal documents etc - up to two hours (disbursements charged separately)	522.50	533.00
Bonds: each stage of preparation or release - up to 2 hrs	522.50	533.00

7.2.1 Parking

Name of Fee	LTP 2024/25 ($)	2025/26 Annual Plan ($)
Electric Vehicle Charger End User Charge-Kilbirnie Recreation Centre	25c per kWh & 15c per minute	$0.40-$0.90 per kWh
Tory St Carpark - Earlybird	$18.00	$19.00
Tory St Carpark - Nights & Weekends Max	$10.00	$11.00
Tory St Carpark - Monthly Reserved	$399.00	$406.00
Tory St Carpark - Monthly Unreserved	$330.00	$336.00
Tory St Carpark - Hourly Rate - Weekdays	$5.00	$5.50
Tory St Carpark -Hourly Rate - Weekends & nights	$3.00	$3.50
Clifton - Daily Rate	$24.00	$25.00
Clifton - Monthly Reserved - Kumutoto	$295.00	$300.00
Clifton - Monthly Reserved - South	$330.00	$336.00
Clifton - Monthly Reserved - Terrace & Downer	$410.00	$418.00
Clifton - Monthly Reserved - Covered	$440.00	$448.00
Clifton Hourly Rate - Weekdays	$5.00	$5.50
Clifton Hourly Rate - Weekends & nights	$3.00	$3.50
On street Hourly Rate - Weekdays	$5.00	$5.00
On street Hourly Rate - Weekends	$3.00	$3.00
Coupon Carpark - Daily	$18.00	$18.50
Coupon Carpark - Monthly	$300.00	$306.00
Resident Parking Permit	$195.00	$199.00
Trade Coupons - Full Day	$50.00	$51.00
Trade Coupons – Half Day	$25.00	$25.50
Trade Coupons - Weekend	$30.00	$31.00
Trade Coupons - Single Day Suburban	$18.00	$18.50
Coupon Exemption Permits	$120.00	$122.50

Key Performance Indicators

Our LTP lists the range of indicators used to monitor both council and city performance. These indicators are not listed in this Annual Plan, for full details visit wcc.govt.nz. Occasionally we need to amend indicators to meet changing circumstances. The tables below identify the changes we intend to make for the 2025/26 Annual Plan.

2. **Te Taiao me te Tūāhanga** I Environment and Infrastructure					
2.3 **Wai** I Water					
Level of service statement: Increase the security of potable and stored water					
KPI is changed		**Target remains unchanged**	**Reporting frequency remains unchanged**	**Change is effective from**	**Reason for change**
Current	**New**				
The extent to which the local authority's drinking water supply complies with Table 1 of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022: a. Determinand – Escherichia coli b. Determinand - Total pathogenic protozoa Note: this measure has not been confirmed by DIA	The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules*:^ h. 4.10.1 T3 Bacterial Rules; i. 4.10.2 T3 Protozoal Rules; and j. 4.11.5 D3.29 Microbiological Monitoring Rule.	Complaint	Quarterly	2024-25 reporting year	WCC chose to include a set of interim KPIs from the Department of Internal Affairs for the 2024-34LTP. A new mandatory KPI was gazetted in August 2024. We are now updating the water quality KPI to reflect the relevant components of the new 10-part mandatory water quality measure.
* Drinking Water Quality Assurance standards (effective 15 Nov 2022)					
^ Department of Internal Affairs mandatory measure					

3. **Whanaketanga ōhanga** I Economic Development				
3.1 **Ngā whakatairanga a te tāone me ngā tautoko ā-pakihi** I City promotions and business support				
Level of service statement: Grow tourism spend and economic returns to help shape the city and create a thriving Wellington region				
KPI is to be retired	**Target**	**Reporting frequency**	**Change is effective from**	**Reason for change**
Equivalent Advertising Value (EAV)	$20m	Annual	2025-26 reporting year	This KPI resides within the WREDA 2024-25 Statement of Intent (SOI) and the intention is to replace it with the KPI shown below which will be added to the WREDA 2025-26 SOI. The Equivalent Advertising Value will now be captured as a component of a separate KPI: Direct Economic Impact of WellingtonNZ's activities and interventions
New KPI to be added	**Target**	**Reporting frequency**	**Change is effective from**	**Reason for change**
Engagement on WellingtonNZ owned digital channels and platforms	55 (subject to SOI confirmation in June 2025) Baseline 50 (April 2025)	Quarterly	2025-26 reporting year	This KPI replaces the one above as it better aligns with WellingtonNZ's core priorities, focusing on meaningful engagements rather than media return on investment; It provides a richer and more actionable measure of the work being done; and better aligns with industry standard reporting

4. **Oranga ahurea** I Cultural Wellbeing						
4.1 **He mahi toi, he mahi ahurea** I Arts and Cultural Activities						
Level of service statement: Build and maintain a sense of place and identity for our city						
KPI descriptor has changed		**Target is changed**		**Reporting frequency remains unchanged**	**Change is effective from**	**Reason for change**
From	**To**	**From**	**To**			
By 2026 Toi Pōneke will deliver: a. At least 30% of programming across exhibitions and related public programmes from Māori, Pacific peoples and minority groups b. At least 30,000 visitors per annum	By 2026 Toi Pōneke will deliver: a. At least 30% of programming across exhibitions and related public programmes from Māori, Pacific peoples and minority groups b. At least 15,000 visits per annum	30,000	15,000	6monthly	2025-26 reporting year	A minor change in the descriptor from 'visitors' to 'visits' to align with how the wider arts sector collects data. A temporary target change is required to reflect the impact on programme delivery due to Toi Pōneke moving locations. It is anticipated that the target will return to 30,000 for the 2026-27 financial year

5. **Pāpori me te hākinakina** I Social and Recreation					
5.1 **Ngā whare me ngā ratonga mahi ā-rēhia** I Recreation, Facilities and Services					
Level of service statement: Maintain high quality sports amenities and recreational facilities, and encourage participation in leisure activities					
KPI descriptor remains unchanged	**Target is changed**		**Reporting frequency remains unchanged**	**Change is effective from**	**Reason for change**
	From	**To**			
(%) User satisfaction with pools	80%	85%	Annual	2024-25 reporting year	Repairing an error in the published target. There are no changes to levels of service.

6. **Tāone tupu ora** I Urban Development
6.2 **Te hanga me te Whanaketanga** I Building and Development
Level of service statement: Provide building and development control and facilitation services to protect future users of land and buildings

KPI is to be retired	Target	Reporting frequency	Change is effective from	Reason for change
Resource consents (non-notified) for multi-unit housing issued within statutory timeframes	97%	Quarterly	2025-26 reporting year	Under the 2024 District Plan, bulk and location rules were relaxed, and the definition of a multi-unit changed from two or more dwellings to four or more dwellings. As a result, the KPI is unable to capture performance against the resource consent process for all multi-unit dwellings as consent is no longer required for developments of two or three dwellings (though it may be required for other reasons). Data for numbers of consented dwellings may be obtained from either StatisticsNZ or MBIE

6. **Tāone tupu ora** I Urban Development

6.2 **Te hanga me te Whanaketanga** I Building and Development

Level of service statement: Provide building and development control and facilitation services to protect future users of land and buildings

KPI descriptor remains unchanged	Target remains unchanged	Reporting frequency is changed		Change is effective from	Reason for change
		From	To		
Customers (%) who rate building control service as good or very good	80%	Quarterly	Annually	2024-25 reporting year	The change in reporting frequency is to ensure better data integrity. By moving to annual reporting, the collective pool of respondents is larger thereby removing potential data skew caused by low numbers of respondents in any particular quarterly period
Customers (%) who rate resource consent service as good or very good	80%	Quarterly	Annually	2024-25 reporting year	

7. **Tūnuku** I Transport

7.1 **Whatunga tūnuku** I Transport network					
Level of service statement: Deliver a safe road network, and provide accessible, safe and reliable transport choices					
KPI descriptor remains unchanged	**Target is changed**		**Reporting frequency remains unchanged**	**Change is effective from**	**Reason for change**
	From	**To**			
Number of critical transport structures* with highest risk status: c. Sea Wall	c. 0 extreme risk; 60 high risk	c. 0 extreme risk; 61 high risk	Annually	2024-25 reporting year	This is a five-part KPI where two parts (c. sea wall and d. retaining wall) have target changes because underlying systems and methodology have been reviewed and updated
Number of critical transport structures* with highest risk status: d. Retaining Wall	d. 0 extreme risk; 292 high risk	d. 0 extreme risk; 277 high risk	Annually	2024-25 reporting year	
*Note to KPI: Most critical structures are in good condition or better and expected to stay so during the next 3years unless there is an extraordinary event such as a very large earthquake or storm. Critical assets should be no worse than high risk during their lifecycle.					
Footnote to KPI: A transport structure is deemed critical when it scores 4 or 5 on a 1-5 criticality scale. Highest risk includes both extreme and high-risk categories					

Activity Grouping and Activities

Rationale	Activities
1.1 Governance, information and engagement	
Facilitate democratic decision making and provide open access to information to build trust and confidence. Reduce organisational greenhouse gas emissions.	1.1.1 City governance and engagement.
	1.1.2 Civic information.
	1.1.3 City archives.
2.1 Parks, beaches and open spaces	
Provide access to green open spaces and enhance biodiversity to improve the quality of our natural environment.	2.1.1 Parks and reserves
	2.1.2 Wellington gardens.
	2.1.3 Beaches and coast
	2.1.4 Urban ecology
	2.1.5 Trails
	2.1.6 Waterfront public space
2.2 Waste	
Reduce our impact on the environment by minimising and managing the disposal of waste	2.2.1 Waste, minimisation, disposal and recycling
	2.2.2 Closed landfills aftercare
2.3 Water	
Increase the security of portable and stored water.	2.3.1 Water network
	2.3.2 Water collection and treatment
2.4 Wastewater	
Provide safe and sanitary removal of wastewater.	2.4.1 Sewage collection and disposal
	2.4.2 Sewage treatment
2.5 Stormwater	
Protect people, property and the environment from flooding and storm runoff.	2.5.1 Stormwater management
2.6 Conservation organisations	
Promoting biodiversity, conservation, sustainability and excellent animal welfare with high-quality education and visitor experiences.	2.6.1 Conservation visitor attractions
3.1 City promotions and business support	
Grow tourism spend and economic returns to help shape the city and create a thriving Wellington region	3.1.1 WellingtonNZ and Venues Wellington
	3.1.2 Tākina Wellington convention and exhibition centre
	3.1.3 City growth fund
	3.1.4 Major economic projects.
	3.1.5 International relations

Rationale	Activities
	3.1.6 Business Improvement Districts (BIDs)
4.1 Arts and Cultural Activities	
Build and maintain a sense of place and identity for our city.	4.1.1 City galleries and museums 4.1.2 Visitor attractions 4.1.3 Arts and cultural festivals 4.1.4 Cultural grants 4.1.5 Access and support for community arts 4.1.6 Arts partnerships 4.1.7 Regional amenities fund
5.1 Recreation Facilities and Services	
Maintain high quality sports amenities and recreational facilities, and encourage participation in leisure activities.	5.1.1 Swimming pools 5.1.2 Sportsfields 5.1.3 Recreation programmes 5.1.4 Recreation centres 5.1.5 Recreation activations and partnerships 5.1.6 Playgrounds 5.1.7 Marinas 5.1.8 Golf course 5.1.9 Leisure Card
5.2 Community Facilities and Services	
Provide accessible, safe and inclusive community facilities and services.	5.2.1 Libraries. 5.2.2 Community advocacy 5.2.3 Grants (social and recreation) 5.2.4 Housing 5.2.5 Community centres and halls. 5.2.6 Cemeteries 5.2.7 Public Toilets 5.2.8 City Safety 5.2.9 WREMO
5.3 Public health and safety	
Maintain environmental health and safety standards through public health regulations to protect the public.	5.3.1 Public health regulation.

Rationale	Activities
6.1 Urban planning, heritage and public spaces development	
Help protect, restore and develop the city's character assets and public spaces.	6.1.1 Urban planning and policy development
	6.1.2 Public spaces and centres development
	6.1.3 Housing development
	6.1.4 Built heritage development
6.2 Building and development	
Provide building and development control and facilitation services to protect future users of land and buildings.	6.2.1 Building control and facilitation
	6.2.2 Development control and facilitation
	6.2.3 Earthquake risk mitigation – built environment
	6.2.4 Regulatory – building control and facilitation (weathertight homes)
7.1 Transport network	
Deliver a safe road network, and provide accessible, safe and reliable transport choices.	7.1.1 Transport planning
	7.1.2 Vehicle network
	7.1.3 Cycle network
	7.1.4 Passenger transport network
	7.1.5 Pedestrian network
	7.1.6 Network-wide control and management
	7.1.7 Road safety
	7.1.8 Major city upgrade
	7.1.9 Road Open Spaces
7.2 Parking	
Manage parking in line with the aims and objectives of the 2020 parking policy	7.2.1 Parking.

LOCAL WATER DONE WELL – APPROVE DELEGATION TO AOG REPRESENTATIVES

Kōrero taunaki | Summary of considerations

Purpose

1. This report presents a recommendation to the Kōrau Tōtōpū | Long-Term Plan, Finance, and Performance (LTPFP) Committee that it recommends to Te Kaunihera o Pōneke | Council approval to delegate limited decision-making authority to Council's AOG representative(s) and to also agree to amend the terms of reference for the AOG.

Strategic alignment

2. The delivery of water services broadly relates to all the Council's Community Outcomes, and to several of the Council's strategic priorities. Decisions on the future model of water services delivery relate most directly to the strategic priority to 'fix our water infrastructure and improve the health of waterways'.
3. The Government has introduced legislation requiring all councils to address long standing water infrastructure issues. Their water reform programme – Local Water Done Well – requires councils to undertake community consultation prior to submitting a water services delivery plan by 3 September 2025. Council undertook consultation earlier this year alongside the amended Long-term Plan consultation.

Relevant previous decisions

4. On 14 March 2024, the Kōrau Tūāpapa | Environment and Infrastructure Committee agreed [the] signing of a Memorandum of Understanding to jointly develop a water service delivery plan with the other councils within the Wellington region.
5. On 29 October 2024 the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee agreed to continue with the regional process to develop a joint regional option for a water services council-controlled organisation (CCO), noting the proposed requirements and objectives for the evaluation of a future model of water services delivery and agreed to the establishment of a regional consumer charter.
6. On December 11 2024 The Kōrau Tōtōpū | Long-term Plan, Finance and Performance Committee agreed to consult publicly on three, three-water service delivery models: a multi-council water organisation (CCO) (preferred option), a Wellington City Council-only water organisation (CCO), and retaining the Wellington Water model modified to accommodate the new regulatory requirements introduced through legislation. The preferred option decision was subject to securing agreement from the mayoral forum (AOG) on an equitable debt transfer position. The Committee also noted in this same meeting that water meter implementation is expected under all options but will not be included as a specific consultation discussion item.
7. On 18 March 2025, Te Kaunihera o Pōneke | Council agreed on recommendation from the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee, to adopt the Local Water Done Well water reform consultation and submission form.

8. On 12 May 2025 Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee, directed Officers to provide independent legal advice on retaining stormwater services inhouse as part of any option; and whether Council could have conditions on agreeing to the preferred consultation option.

9. On 22 May 2025 Kaunihera o Pōneke | Council agreed, on recommendation from the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee, that Wellington City Council will jointly establish and co-own a water council controlled organisation and will submit a water services delivery plan to DIA to that effect.

Significance

10. The decision is **rated medium 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

11. There are no financial considerations in relation to the decisions sought in this report.

Risk

☐ Low	☐ Medium	☐ High	☐ Extreme

12. The most notable risks relate to the establishment timeline and the resulting impacts of delayed decision making.

Author	Margo Ray, Water Reform Programme Lead
Authoriser	Jenny Chetwynd, Chief Infrastructure Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Receive the information.
2. **Recommends** that Te Kaunihera o Pōneke | Council **agrees** to amend the terms of reference for the Advisory Oversight Group (AOG) as set out in this paper, to allow the AOG to undertake specific establishment activities to give effect to the Council's agreed water services delivery model.
3. **Recommends** that Te Kaunihera o Pōneke | Council **agrees** to delegate to the Mayor (as the Council's representative on the Advisory Oversight Group) and Councillor Brown as Council's alternate representative, the power to make decisions on the following establishment activities only:
   3.1 the appointment, removal, and remuneration of interim directors of the new water organisation; and
   3.2 the approval of the new water organisation's draft Constitution and draft Stakeholders Agreement.
4. **Notes** the decision to approve and ratify the new water organisation's final Constitution and Stakeholders Agreement will be made by each of the individual participating councils during (or before) December 2025.

Whakarāpopoto | Executive Summary

13. The Governments Local Water Done Well (LWDW) water reform programme requires councils to confirm a water services delivery model and submit a Water Services Delivery Plan (WSDP) no later than 3 September 2025. The issues and considerations are complex, the process is on a tight timeframe, and all councils across the country need to work with significant ambiguity over the precise arrangements that will govern future delivery, as legislation is being developed alongside Council's decision-making processes.

14. WCC has been working alongside Wellington metro councils and our Tākai Here partners for over a year to explore establishing a co-owned water services council controlled organisation (CCO). These discussions have been led by the Advisory Oversight Group (AOG) comprising of mayors, elected members and mana whenua representatives.

15. In anticipation of the five councils committing to the Wellington metro water organisation by the end of June 2025, decision making delegations and structures need to be confirmed to support time critical milestones, namely recruitment of interim Directors, recruitment of the interim Chief Executive and the development of foundational governance documents.

16. To achieve these milestones and mitigate risk of delays, the recommended approach is to leverage the existing AOG arrangement, and via agreed limited delegated authority progress the recruitment of interim Directors and the development of final draft core foundational governance documents over the August – October period. This arrangement will be timebound with the AOG expected to be disestablished prior to the local election. In addition to seeking approval for delegated authority for Council's AOG representative, this report further seeks confirmation of Councillor Brown as the named alternative AOG representative with the same limited delegated authority.

17. The AOG terms of reference (ToR) will require updating to reflect the changed role of the collective. The changes are limited to the delegations outlined in this report. All other decision making powers, including ratifying the final foundational governance documents remain with each council.

18. Elected members will be kept updated on the interim Director recruitment and the progress of foundational governance documents through regular written communications. Officers will prepare the communications in conjunction with Council's AOG representative(s).

19. The main risk associated with the decision sought in this report pertains to delays in critical establishment activity including recruitment of interim Directors for 1 October 2025, recruitment of the interim Chief Executive by the end of December 2025 and Council's December decision milestone to ratify governance documents. This risk is further heightened by the upcoming local election and the resulting downtime in elected member decision making during election and onboarding. If the critical decisions sought via this delegation request are not able to be confirmed prior to the local election, the subsequent delays will put 1 July 2026 'day one' operations of the new water organisation at risk.

Takenga mai | Background

20. The government has mandated change to how water services are delivered in New Zealand to ensure it is sustainable, affordable and high quality through local ownership and control, financial sustainability, transparency and accountability, environmental and public health protection.

21. Government is implementing its Local Water Done Well reforms in three key stages. The repeal of previous Three Waters legislation occurred in February 2024 with the Water Services Preliminary Arrangements Act (WSPA Act) subsequently enacted on 2 September 2024. This requires all councils to prepare and submit a WSDP to the Secretary of Local Government for approval no later than 3 September 2025. Councils must give effect to approved WSDPs.

22. The third piece of legislation (the 'Local Government Water Services Bill'), "Bill 3", was introduced in December 2024 and is expected to be enacted around September 2025. This will establish the enduring settings for the new water services system including accountability and reporting requirements.

23. Our Tākai Here partners have been and continue to be actively involved in water reform through their participation in the mayoral Advisory Oversight Group (AOG) forum and discussions with Council officers.

24. Wellington City Council has committed to establishing a multi council water council controlled organisation (CCO) along with Upper Hutt City, Hutt City and Porirua City Councils and Greater Wellington Regional Council. At the time of this report only Wellington City and Porirua City Councils have confirmed the multi council CCO as the future delivery model. The remaining three councils are expected to take their decisions by the end of June 2025.

Kōrerorero | Discussion

25. The Advisory Oversight Group (AOG) was established in early 2024 to provide oversight and co-ordination as mulitple councils explored the establishment of a joint regional water entity. AOG in its current guise is not a decision making group, rather the ToR stipulate that decisions remain with respective Councils. AOG membership comprises of: Mayors, GWRC elected member and representatives of Taranaki Whānui ki Te Upoko o Te Ika and Te Rūnanga o Ngāti Toa. AOG is chaired by an independent Chairperson, Dame Kerry Prendergast.

26. The timeline to stand up an operational new water organisation for 1 July 2026 is ambitious and requires a continued focus on momentum and timely decision making.

27. Ahead of July 2026 there are several significant milestones, notably 1 October 2025 referred to as 'day zero' where the new organisation will be incorporated and an interim Board in place to commence key activity such as recruitment of an interim Chief Executive.

28. This report is seeking approval to delegate authority to Council's AOG representative. Under this delegation the Mayor, as Council's AOG representative, would be given authority to represent Wellington City Council to work together with partner councils and mana whenua representatives on establishment activities over the August-October period. The delegated authority would be limited to:

    - the appointment, removal, and remuneration of interim directors of the new water organisation; and
    - the approval of the new water organisation's <u>draft</u> Constitution and <u>draft</u> Stakeholders Agreement.

29. The draft Constituion and draft Stakeholder Agreement are essential to achieving the day zero milestone which in itself is a key dependency for further critical activity namely recruitment of an interim Chief Executive and the development of a water services strategy for early 2026.

30. Delegated authority to the Mayor (and named alternate) as recommended in this report is permissible under Clause 32, Schedule 7 of the Local Government Act 2002.

31. The proposed changes to the AOG ToR include the ability to confirm a named alternate representative. The decision to nominate an alternate is with each Council and is not mandatory. The named alternate would be granted the same limited delegation proposed for the Mayor. Both roles will need to be able to work constructively with partner council representatives ensuring Councils expectations are represented in the development of draft governance documents and the recruitment of interim Directors.

32. Councillor Brown is Council's alternate representative for the Wellington Water Committee. In line with this, Officers recommend Councillor Brown to be the Council's named alternative representative on AOG. As the named representative Councillor Brown would require the same delegated authority as outlined above for the Mayor.

33. The proposal to utilise existing working arrangments supports the desire to maintain momentum for day one operations, i.e. 1 July 2026. This recommended approach recognises the time critical activity of co-ordinated recruitment and onboarding of interim Directors (inclusive of candidate interviews and offer management). These activities cannot sensibly be completed via multiple council committees working to different timeframes without significantly impacting the establishment timeframes i.e. putting 1 July 2026 at risk.

34. Currently AOG is an oversight group only. This report seeks approval of the amended ToR, confirming decision making rights and the scope of the decision making. The draft ToR is provided as an Attachment.

35. The AOG is not an enduring governance arrangement. The AOG is expected to be disestablished ahead of the local government elections in October with the enduring Stakeholder Committee to be stood up and members confirmed by the new Council. If for some reason the AOG cannot be disestablished ahead of the election ongoing representation will need to be confirmed by the new Council soon after the local election.

Kōwhiringa | Options

36. The Committee could decide to:

   - Not approve delegation for the Mayor as Councils existing AOG representative, or
   - agree to not approve delegation to any specific individual elected member.

37. Neither option is recommended by Officers. The AOG has been in place for over twelve months, has representation from all five councils as well as the Chief Executives of Ngāti Toa and Taranaki Whānui ki Te Upoko o Te Ika. AOG is chaired by an independent Chairperson. Together they have established a solid operating rhythm that will support further good discussion and progress on all key foundational governance documents. A change of decision making structure will impede progress and likely result in extended delays as a result of key activity pausing due to the local election period.

38. The amended ToR includes the provision of an alternate representative. The naming of an alternate would mitigate the risk of unavailability of a sole representative and is therefore recommended by Officers.

39. As noted already in this report the timeline to establish the interim governance arrangements is challenging and cannot absorb material delays without significant impact to the July 2026 ‘day 1’ milestone. Officers do not believe it is practicable to undertake time critical interim Director appointments (e.g. interviewing) via a multi Council, multi committee process without incurring significant delays.

40. Therefore Officers recommend approving limited delegation to Council’s AOG representative

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council’s strategies and policies

41. Fixing our water infrastructure and improve the health of waterways’ is identified as a key priority in the 2024-34 LTP.

42. Council has amended its Financial and Infrastructure strategies in line with the confirmed delivery model arrangements.

43. Local Water Done Well is the governments water reform programme. Under the reform programme all councils are required to meet a statutory date of 3 September 2025.

Engagement and Consultation

44. In line with the Significance and Engagement Policy, no engagement or consultation is required for the decisions sought in this report.

Māori Impact Statement

45. Mayors and Elected Members have been collaborating with Ngāti Toa and Taranaki Whānui ki Te Upoko o Te Ika via the mayoral Advisory Oversight Group. These arrangements will continue. Officers have also been working directly with our Tākai Here partner representatives.

Financial implications

46. There are no financial implications as a result of the decisions requested in this report.

47. Funding of approximately $8m has been provisioned in the FY25/26 Annual Plan for the establishment of a water council controlled organisation. Expenditure against this budget is expected to commence from 1 July 2025.

Legal considerations

48. Water reform consultation and subsequent decision-making is being carried out under the Local Government (Water Services Preliminary Arrangements) Act 2024 (WSPA Act).

49. The decisions sought in this report are permissible under Clause 32, Schedule 7 of the Local Government Act 2002, which expressly enables Council to delegate decision making to an officer or member for the purposes of efficiency and effectiveness in the conduct of its business. Without this delegation there is a risk that decisions without appropriate delegated authority are improperly made and open to challenge.

Risks and mitigations

50. There are two key risks to Council relating to the decision to approve delegation for Council's AOG representative (including an alternative).

51. If Council does not agree to approving delegation for the Mayor as Council's AOG representative this has the potential to materially impact the time critical recruitment of interim Directors (and subsequent recruitment of the interim Chief Executive). Similarly if Council does not approve delegation to any one elected member this will have significant implications on the establishment timeframe due to decision making needing to pause until the conclusion of local elections and onboarding processes.

52. Council should note that the risk of our potential partner councils progressing with a delivery model option other than the multi council option is low risk as the four councils each only consulted on two options, and all have confirmed consultation results showing a majority preference for establishing a multi-council water organisation.

Disability and accessibility impact

53. There are no direct disability and accessibility impacts as a result of the decisions sought in this report.

Climate Change impact and considerations

54. There are no direct climate change impacts as a result of the decisions sought in this report.

Communications Plan

55. A regular communication for elected members and pou iwi will be established from August to provide visibility of recruitment for the key interim roles and development of critical foundational governance documents.
56. The Committee decision and named AOG representative/s will be shared with partner Councils.

Health and Safety Impact considered

57. There are no health and safety impacts as a result of the decisions sought in this report.

Ngā mahinga e whai ake nei | Next actions

58. A regular communication for elected members and pou iwi will be established from August to provide visibility of recruitment for the key interim roles and development of critical foundational governance documents.
59. Four briefings (totalling approx. 8 hours) have been scheduled for late July and early August to present and discuss the WSDP and draft foundational governance documents ahead of the August LTPFP Committee meeting.

Attachments

RESTATED AOG TERMS OF REFERENCE

Proposed changes are identified through track change mark up.

Updated Terms of Reference for the Advisory Oversight Group

Regional approach to a water services plan

Councils in the Wellington region have committed to a process of working together to develop a water services plan in response to the Government's *Local Water Done Well* policy. Councils have agreed to establish a joint governance oversight group called the 'Advisory Oversight Group' (AOG) made up of council elected members and Iwi representation.

This process represents a collaborative partnership approach between councils in the Wellington region and Iwi / ~~Maori~~Māori partners. This will ensure that the regions' councils can collaboratively work through this process robustly and efficiently.

Outcomes and options

The water services plan and future models and options to be considered will need to respond to agreed objectives and consider future approaches that are workable, affordable, sustainable and meet the needs of communities and the environment.

The key deliverables from this joint process include:

- developing a joint water services plan for the region, including options for future delivery models based on strategic option selection and high-level design; and
- taking initial steps to give effect to the agreed water services delivery model, including undertaking specific establishment actives (as set out in these Terms of Reference) until a Stakeholders Committee of the participating councils and iwi can be established.

This process and outputs do not preclude any council from choosing to develop its own water services plan.

Critical success factors for the plan and any future delivery model include:

- supported by all participating councils and Iwi / Māori partners,
- supported by the Government policy and enabled through legislative change,
- based on a sustainable funding model,
- enables councils and Government to commit to subsequent phases of detailed design, delivery and implementation.

Advisory Oversight Group

As part of this approach, councils have agreed to establish a joint governance oversight group called the 'Advisory Oversight Group' (AOG) made up of elected members. Iwi / Māori partner representatives will also form part of this group, with the approach to be confirmed working with Iwi / Māori partners during the establishment phase. It is the intention of all parties that the Advisory Oversight Group will be disestablished by or before the local elections on 11 October 2025 and a Stakeholders Committee of the participating councils and iwi will be established following ratification of a Stakeholders Agreement by the participating councils and iwi.

Decision making and delegations

Once the water services delivery model is agreed by the participating councils, ~~The AOG does not have any formal decision-making responsibilities or delegations~~each council will:

- delegate to its elected member on the AOG, and that person's alternate, all responsibilities and powers in relation to the following establishment activities:
  - the appointment, removal and remuneration of the interim directors of any new water

organisation established pursuant to the agreed water services delivery model); and

- approval of the draft Constitution and draft Stakeholder Agreement for any new water organisation

(“**Establishment Activities**”)

~~. These~~ All other decision-making powers, including ratifying any final Constitution and Stakeholders Agreement for a new water organisation, will remain with each council~~, including any future decisions on preferred models or commitments to future change~~.

The AOG is not a formal joint committee. Formation of the AOG forms part of the commitment by councils and Iwi / Māori partners to work together through a collaborative process.

Where direction on the process or options being considered is required from the AOG, this will as far as possible be undertaken by consensus.

Key tasks and partnerships outcomes

The AOG will work in partnership to:

- Provide political oversight and alignment of this process to demonstrate visible and collaborative leadership.
- Build trust and stronger organisational relationships.
- Build better understanding of partners' perspectives and identify shared objectives and areas of alignment.
- Operate at a strategic level owning key relationships for the future water model process and supporting the mitigation of any escalated risks.
- Test and confirm the direction for the process, including investment objectives, options analysis and required analysis in order to provide confidence and certainty to stakeholders and the community.
- Provide advice and direction and to assist the responsible staff to manage and resolve issues and risks including alignment with wider strategic regional issues, the expectations of key partners, stakeholders and the community.
- Assist information sharing, efficient and effective working including opportunities to collaborate, and provide a stronger voice when advocating to others including a shared story for the people of the Wellington region and for investment.
- Undertake the Establishment Activities to give effect to the agreed service delivery model.

Advisory Oversight Group membership and structure

Membership

The Advisory Oversight Group shall consist of:

- an independent Chair,
- an elected representative from each of the partner councils,
- representative from Iwi / Māori partners-to be confirmed working with Iwi / Māori partners,
- any other person considered necessary by the AOG to ensure the effective functions of the group.

Attendance at meetings would include council Chief Executives, and the Board Chair and Chief Executive of Wellington Water Limited.

Structure for AOG

- A quorum will be the majority of members, or half the members where there is an even number of members. No business may be transacted at a meeting if a quorum is not present.
- Members are expected to attend all meetings, except in exceptional circumstances, as notified to and agreed by the Chair.

- In the event that the Chair is unavailable, attendees shall agree an alternative Chair to chair the meeting.
- In the event that any member is unavailable for a meeting, an alternate will represent the relevant organisation.
- The AOG will be supported by a Secretariat and Project Team. The role and focus of this Secretariat is set out below.
- The AOG shall meet at least four times during the concept phase, or as otherwise required. Meetings shall be hosted by one of the partners as agreed. Invites and coordination of meetings shall be managed by the project team.
- Wider invites to relevant partner organisations (such as DIA), shall be determined by the meeting agenda.
- The meetings are not public but shall be transparent in terms of agenda and outcomes. Effort will be made to distribute any meeting papers at least 3 working days ahead of the meeting date. ~~Recognising that the AOG does not hold any formal decision-making powers or delegations, p~~Papers shall be brief and avoid duplication with matters best dealt with through existing council decision making processes and delegations.
- Membership shall be reviewed and reconfirmed on an annual basis or if the project moves beyond confirmation of a plan to the implementation of a delivery model.
- The AOG will strive to make all decisions by consensus. In the event that a consensus on a particular matter before the AOG is not able to be reached, each AOG Member will be entitled to one vote. In that situation the particular matter must be approved by a vote of at least a majority of AOG members at any meeting at which a quorum is present. To avoid doubt, the Chair is not entitled to a vote.
- Other than for those matters for which the AOG has decision-making capacity through these Terms of Reference, each participating council retains its powers to make its own decisions on matters referred to it by the AOG, including the final decision to approve and ratify the new water organisation's Constitution and Stakeholders Agreement.

Chief Executives' group

The AOG will be supported by a Chief Executives' group of the partners. This will consist of Chief Executives or nominees from each partner organisation (CE or GM level).

This group will be chaired by a nominated Chair.

The role and focus of the Chief Executives' Group is to ensure advice and support to the AOG is effective and efficient, including:

- Provide senior management oversight and alignment of this process to demonstrate visible and collaborative leadership.
- Test and confirm the direction for the process including objectives, options analysis and analysis to provide confidence and certainty to stakeholders and the community.
- Provide advice and direction and to assist the responsible staff to manage and resolve issues and risks including alignment with wider strategic regional issues, the expectations of key partners, stakeholders and the community.
- Support the identification, mitigation or management of key risks and issues.
- Assist information sharing, efficient and effective working, and provide a stronger voice when advocating to others including a shared story for the people of the Wellington region and for investment.
- Ensure that the project team is resourced and supported.

Project team and secretariat – role, responsibilities, and membership

Support for the AOG will be provided by the project team based on a small core team supported by resources from partners.

- Project Director reporting to the lead Chief Executive. This role will lead the project and be

responsible for coordination of the agenda for AOG meetings (including actions) and programme design and delivery across the partners.
- Technical Director reporting to the lead CE. This role is responsible for coordination of financial and funding requirements, governance and legal requirements, and to manage and coordinate concept design.
- 3-4 technical resources providing expertise and workstream leadership for:
  - secretariat support for AOG and Chief Executives' group project management,
  - financial and options analysis,
  - high level design of financial, funding, legal, and governance elements for the preferred option,
  - evidence, options, reporting and change management,
  - communications planning and delivery for partners and support for iwi engagement,
  - DIA relationship,
  - operational requirements.
- Nb. Other resources and functions to be confirmed by agreement of the scope and timeline e.g. financial analysis, options analysis, change management / HR requirements etc as detailed in the project plan.

Funding

Funding required for this process will include the independent Chair, project lead, workstream leads, secretariat and programme resources.

The partners will confirm a budget. A funding plan shall be developed with the costs split on an agreed basis. This budget and funding plan shall be reviewed and updated at least on an annual basis.

Communications and media protocols

The partners commit to working together to ensure a coordinated communications and engagement approach to ensure a no surprises basis. This includes utilisation of agreed key messages and communications plan along with any developed communications brand and website as required.

The partners will develop and agree a communications plan that sets out key messages, protocols and channels in more detail as required for each phase of the project. This shall be reviewed and updated at least on an annual basis.

RATEPAYER ASSISTANCE SCHEME - WELLINGTON CITY COUNCIL PARTICIPATION

Kōrero taunaki | Summary of considerations

Purpose

1. This report seeks approval from the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee (the Committee) to proceed with participation in the development of the Ratepayer Assistance Scheme (RAS).
2. This participation requires a financial contribution from Wellington City Council which will be converted into equity if the RAS is successfully established.

Strategic alignment

3. The most relevant community outcomes, strategic approaches, and priorities for this paper include economic wellbeing for our ratepayers.
4. The most relevant strategic approach is value for money and effective delivery.
5. The subject of this report does not directly meet any of the Council's immediate priorities however, does seek to support affordability challenges faced by our ratepayers.

Relevant previous decisions

6. A briefing was provided to Councillors on 11 June 2025. No decisions have been made on the subject matter contained within this report.

Significance

7. 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 $500k

8. The RAS requires a financial contribution from councils that want to participate in the further development of the scheme.
9. Any financial contribution would need to be met from debt as there is no current budgetary provision for this.

Risk

☒ Low	☐ Medium	☐ High	☐ Extreme

10. If Wellington City Council agrees to make a financial contribution to the RAS, it will be part of the RAS steering group. This will give Council the opportunity to directly influence the development of the shared service vehicle for the local government sector and shape the outcomes sought, to the benefit of our ratepayers. If Council does not make a financial contribution, it will lose the opportunity to influence the development of the scheme.

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Author	Sarah Houston-Eastergaard, Treasurer
Authoriser	Andrea Reeves, Chief Strategy and Finance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. **Receive** the information within this report.
2. **Agree** to provide a financial contribution of $500,000 and **direct** council officers to participate in the next phase of the RAS establishment.
3. **Note** that if a decision to proceed with the RAS is made in December 2025, RAS establishment costs will be sought from participating councils and a request for further contribution may be made at that time.
4. **Note** that any contribution made by Wellington City Council will be treated as an investment in the new entity, should it be established.

Whakarāpopoto | Executive Summary

11. The RAS is an initiative to provide lower-cost financing to ratepayers to support costs such as rates and development contributions
12. The process to develop the RAS to date has been largely based on the LGFA structure and establishment, and seeks to benefit from scale and specialisation. It is intended to provide an off-balance sheet solution and be an operational organisation only with no discretion in lending decisions. The RAS would be directed by local authorities (LAs) and potentially central government should they take a shareholding and role similar to the role they play with the LGFA.
13. The Minister for Local Government has confirmed support for the RAS and has asked DIA officials to initiate work in August and recommended that further development work on the RAS is undertaken (Letter attached for detail on this support). It is for this reason that council officers are bringing this decision to you now.
14. Final development of the RAS requires financial support of approximately $2.5 million from local authorities and / or central government. This paper seeks the Committee's approval for the provision of a financial contribution of $500,000 towards the final development of the RAS.
15. A decision will be made in December 2025 about whether to establish an entity and progress the RAS. If a decision is made to progress the RAS, an estimated $30 million and enabling legislation will be required to establish the entity. Any contribution made by Wellington City Council at that time will be treated as an equity investment in the new entity, should it be established.
16. With appropriate support from local and central government it is estimated that the RAS could be established in approximately 12 – 18 months.

17. The Committee can choose for Wellington City Council not to participate. This would not prevent the Council from utilising the RAS if it is established. If we do not participate at this time Council will miss the opportuntity to shape the outcomes being sought.

Takenga mai | Background

18. A group of metro councils, New Zealand Local Government Funding Agency (LGFA), Local Government New Zealand (LGNZ) and Rewiring Aotearoa (together the steering group) have developed the RAS to provide lower-cost financing to ratepayers to support:
    - Existing local government policies that involve the local authority effectively lending money to ratepayers (such as rates postponement)
    - New, flexible funding products, such as deferred development levies
    - New property improvement loans which provide public and private benefits.
19. To date the development process for the RAS has been largely based on the LGFA structure and establishment, taking advantage of the benefits of scale and specialisation.
20. The RAS is intended to provide an off-balance sheet solution and be an operational organisation. The discretion in what the RAS could lend money for will be directed by local authorities and potentially central government should they decide to be shareholders.
21. The steering group has undertaken significant work to develop the RAS with the steering group with support from Cameron Partners, Russell McVeagh and PwC providing specialist advice on their respective fields of expertise. No significant challenges have been raised to date.
22. There are still some significant matters to work through, including identifying the establishment equity capital estimated at $30 million and enabling legislation.
23. The RAS Opportunity document attached in the appendix outlines the rationale, the process to date and outlines the next steps, including the request made within this report. This is included to cover the background and support for the decision being sought.

Kōrerorero | Discussion

Scheme Development for next phase

24. Wellington City Council Officers have been involved in the steering group and directly contributed to the development of the RAS for the first three phases (until approx. 2023).
25. Through that process, Officers had the ability to provide direct input to the development of the RAS, with the unique lens over how the sector operates and what would and would not work.
26. As an example, a number of other products were suggested to gain ‘critical mass’ for the scheme and to look to grow a scheme that may have in reality been too large for the sector to manage and digest. Council officers from the steering group were able to influence a smaller, more managable offering to remain relevant to meet the sector’s needs.

27. If Wellington City Council chooses to make a financial contribution and direct officers to once again participate in the steering group, there could be a number of benefits.

- Officers could help to retain the sector's voice in the next phase of the development process so that the RAS remains aligned with local government objectives.
- Local government are providing the financial support, will be shareholders in the entity and will be asked to provide ongoing financil supports along with an additional administrative burden (should councils agree to opt in). These obligations should be provided with an informed sector view to ensure the outcomes for councils match the intent in developing up the solution.
- Officers can influence engagement with a wider range of stakeholders and that a more informed product offering can be produced balancing the needs of local government and more importantly the likely users of such a scheme. This group of stakeholders will necessarily need to include our mana whenua partners, other representative groups and our residents to ensure a need exists for Wellington along with consideration of marketing to and targeting a wider demographic of users.
- Concerns were raised by the Council at the 11 June 2025 workshop about how to prevent a moral hazard of more lending to vulnerable members of our communities and what mechanisms might be put in place to help prevent "gaming of the system", these concerns can also be relayed back through the next phase of development along with any other unique concerns of the Council including advocating for siesmic strenth loans which we recognise as a key challenge for our city and our ratepayers.
- While central government support is required via legisation and to enable a strong credit rating in the future, the RAS should continue to be developed with the key objective of supporting ratepayers in mind rather than looking to meet objectives outside of this core need

Financial contribution provision

28. In coming to a decision regarding the size of the financial contribution provided, the following points should be noted:

- The size of the financial contribution is at the discretion of Wellington City Council, noting the RAS requires a total of $2.5m in the development of the next phase.
- Other large metro councils have provided a commitment to $500,000 per council (contingent on the full $2.5m being committed from all sources before making the payment).
- Smaller councils that have committed are providing a contribution of between $200,000 and $300,000.
- Verbal update from the steering group estimates they have raised approx. $2m to date.

29. The financial contributions will be used to carry out work as part of the next stage of the development of the RAS. Any financial contribution made at this stage will be reflected with an equivalent amount of equity in the RAS should it be established. If the RAS is not established, the financial contribution will not be returned.

30. Additional capital funding will be sought in the event that the RAS is established (estimated at ~$30m) which will also form the shareholding of the new entity

31. Officers recommend a contribution of $500,000 at this stage of development would represent a fair share, noting Wellington City Council did not participate in the most recent raising of funds (approx 18 months ago) where other councils contributed $100,000 each to maintain momentum on the scheme.

32. There is no budget allocation available for this expenditure so the financial contribution would be met by debt.

Kōwhiringa | Options

33. Provide a financial contribution and direct council officers to participate in steering group for the next phase of the RAS establishment (recommended option).

34. Do not provide a financial contribution and direct council officers to keep a watching brief on the development of the RAS.

35. Noting under both options, there will be an investment opportunity should the establishment of the RAS occur and Officers will bring this back for a decision at the appropriate time.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

36. Should it be established the RAS would supplement existing policies for ratepayer and developer support but would not look to replace any rebate schemes on offer by either local or central government.

Engagement and Consultation

37. Extensive engagement and consultation is being undertaken across the local government sector by the steering group and specific advice would be sought for Wellington City Council through the next phase.

38. Given a CCO (widely held) would be established, if the next phase of development reaches a “go” decision, consultation could be required.

39. Advice on whether Wellington City Council would need to consult with our ratepayers and other stakeholders, independent of the RAS steering group will be sought through the next phase of development (pending the Councils participation in it). This advice will be sought through the development of the next phase, should Council agree to opt in.

Māori Impact Statement

40. Little evidence of engagement has been observed to date in the development of the RAS.

41. Should Council agree to direct officers to participate in the next phase, Officers commit to influencing the steering group to engage better with a wider range of stakeholders, including our mana whenua partners and wider to gain insight from Māori, iwi, hapu across the country.

42. Among other areas of desired impact to influence outcomes, officers would need to be on the steering group to have any influence

Financial implications

43. The RAS is seeking a financial contribution, as discussed in this report.

44. This contribution (along with small amounts of funding provided in the past) is at risk if the decision is not to proceed to development of the RAS entity.

45. In the event that the RAS entity is established, all funds provided to date will be converted to equity in the entity.

46. In the event that the RAS is established, further contribution may be sought to provide establishment capital, this too would be treated as equity in the new entity. Noting there is a constraint on any one council/shareholder holding more than 20%.

Legal considerations

47. Russell McVeagh has been separately engaged by the steering group to provide legal advice on the development of the RAS to the steering group. To date, Russell McVeagh's advice has been that there are no "red flags" in the concept design of the scheme. Wellington City Council has not obtained its own legal advice.

48. Should Council agree to provide a financial contribution and the RAS proceed to the next step, officers will seek separate legal advice to support Council's participation in the scheme. This will include advice on commercial terms and conditions and on proposed legislation to establish the scheme, along with any broader implications under local government legislation.

49. Council is not required by legislation to consult on a decision to participate in the next stage of the development of the RAS, including making a financial contribution. Under Council's Significance and Engagement Policy, this decision is a low significance decision and does not require consultation. Should Council agree to make a financial contribution and take part in the steering group for the next phase, officers will seek to influence the steering group to engage with and consult a wider range of stakeholders including ratepayers so that their views can be taken into account as part of the set-up of the scheme.

Risks and mitigations

50. Refer to the financial consideration above for the financial implications which present some risk to Wellington City Council of contributing and participating

51. There is a risk that if we do not participate in the next phase of development, the local government objectives highlighted in paragraph 27 could be overlooked. This could be mitigated by having representation and influence on the next phase of development.

52. There is a risk that even with representation, the local government objectives highlighted in in paragraph 27 would transpire anyway without consideration. The mitigation to this risk would be that officers would advise council not to opt in at the appropriate time, should the RAS be established, thus not exposing our ratepayers to these risks.

Disability and accessibility impact

53. N/A

Climate Change impact and considerations

54. N/A

Communications Plan

55. Communications regarding the RAS development are occurring via media outlets and throughout the sector already with key members of the steering group providing roadshows on the structure and potential of the scheme.
56. It is important that Wellington's view is also represented, rather than relying on a national communication strategy.
57. Should the RAS proceed to development, officers would engage with our internal communications team to seek advice on the best way to inform Wellington City Council ratepayers of the scheme.

Health and Safety Impact considered

58. N/A

Ngā mahinga e whai ake nei | Next actions

59. Should Officers be directed to participate in the next phase of development, along with the payment of the financial contribution, suitably qualified officer(s) would re-engage with the steering group to participate in the decision making going forward.
60. Should a financial contribution not be made, Officers will keep a watching brief on the development of the RAS and report back where appropriate, particularly if there is an opportunity for the investment in a new entity.

Attachments

RAS
LOCAL GOVERNMENT
Ratepayer Assistance Scheme



RATEPAYER ASSISTANCE SCHEME

THE OPPORTUNITY FOR LOCAL GOVERNMENT

Executive summary and contents

RAS is a local government initiative that will significantly enhance LAs' funding and financing toolbox - providing flexibility to LAs as to how they charge and ratepayers in how they pay

- The Ratepayer Assistance Scheme (RAS) supports local government funding and financing by:
  - Converting multi-year Local Authority (LA) charges to ratepayers into efficient upfront payments to LAs
  - Effectively lending to ratepayers at very low cost
- The RAS would be owned by LAs, off-balance sheet and can be used to finance Development Contributions / Levies, Property Improvement Loans and Rates Postponement
- The Minister for Local Government has confirmed that he is supportive of the RAS and has recommended that local government undertakes further, final development work
- To undertake final development requires additional funding commitment from the sector of $2.5 million (without this the RAS will not proceed) and there is the opportunity for councils to be part of the group of funding councils
- This document sets out details of the RAS opportunity and support sought from councils as follows

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1. The RAS Opportunity

The RAS has been developed by LGNZ, LGFA, a group of metro councils and Cameron Partners to support councils and ratepayers to address a range of economic and social issues

- The economic and social disruption from the cost-of-living crisis, an ageing population plus the investment requirements to meet infrastructure, health & safety and environmental resilience is affecting all New Zealanders
- The local government sector is responding with policies to address these issues, but it needs additional tools to ensure these policies can be financed, administered efficiently and are effective
- Local Government New Zealand (LGNZ), along with a group of Metro councils, the New Zealand Local Government Funding Agency (LGFA), Rewiring Aotearoa (RA) and Cameron Partners have been working on an innovative financing scheme, the RAS
- The purpose of the RAS is to facilitate and enhance the effectiveness of a range of existing and prospective government and local government policies by:
  - Addressing ratepayer affordability concerns
  - Incentivising ratepayers to take advantage of, and comply with policies through providing ratepayers with flexibility to decide when to pay local government charges and/or very competitive finance terms
- The RAS is very flexible with multiple applications possible – to date the focus has been on three applications:

  1. **Deferred Development Contributions (DCs) / Development Levies (DLs)** which enables developers to convert upfront DC / DL payments into annual payments over ~30 years while ensuring local authorities still receive full payment upfront
  2. **Property Improvement Loans (PILs)** to encourage investment in properties that has both private and public benefits, for example installation of solar panels and home insulation / heating
  3. **Rates Postponement (RP)** providing relief to ratepayers by using equity in their homes to defer payment of general rates (and could in-principle include all LA charges) until their house is sold

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1. The RAS Opportunity

RAS LOCAL GOVERNMENT Ratepayer Assistance Scheme | LGFA New Zealand Local Government Funding Agency Te Pūtea Kāwanatanga ā-rohe | Kō tātou. LGNZ.

Central government has confirmed it is supportive and recommended further development – this requires local government to confirm its support and funding

- In many respects, the RAS is similar to the LGFA – it:
  - Utilises the strength of local government rates charge to provide security
  - Achieves scale by aggregating requirements across the sector in order to access very efficient and flexible financing from the capital markets
  - Is then able to pass on these financing efficiencies to ratepayers
- An important distinction between the RAS and LGFA is that the RAS will lend directly to individual ratepayers whereas the LGFA lends to local authorities
- The RAS would be a new entity owned by LAs, providing a national shared service available to all LAs – it would:
  - Undertake all administrative functions in regard to the services it provides (in many cases removing this from councils)
  - Importantly, be off-balance sheet for LAs so that there is no impact on council financing capacity
- The Minister for Local Government has confirmed that he is supportive of the RAS, has instructed his officials to commence policy work on the RAS in August 2025 and has recommended that local government undertakes further detailed development work to enable a final stop / go decision in late 2025
- To move forward, the local government sector needs to confirm its support for the RAS and sufficient funding commitment to fund final development
- The opportunity is for councils to be part of the funding group that supports final development of the RAS and ultimately establishment of the RAS – without further funding support the RAS will not proceed

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2. Deferred DCs / DLs

Deferred DCs / DLs will spread the cost over say, 30 years, supporting development. It will be easier for LAs to charge the full allowable cost and receive payment upfront

- LAs charge ratepayers / developers DCs for new developments to contribute to the costs of supporting infrastructure
    - DC costs are significant (one-off charges are on average ~$20k to $30k per property but can be $60k+)
    - 2026 annual plans forecast over $700 million revenue to be raised from DCs nationally

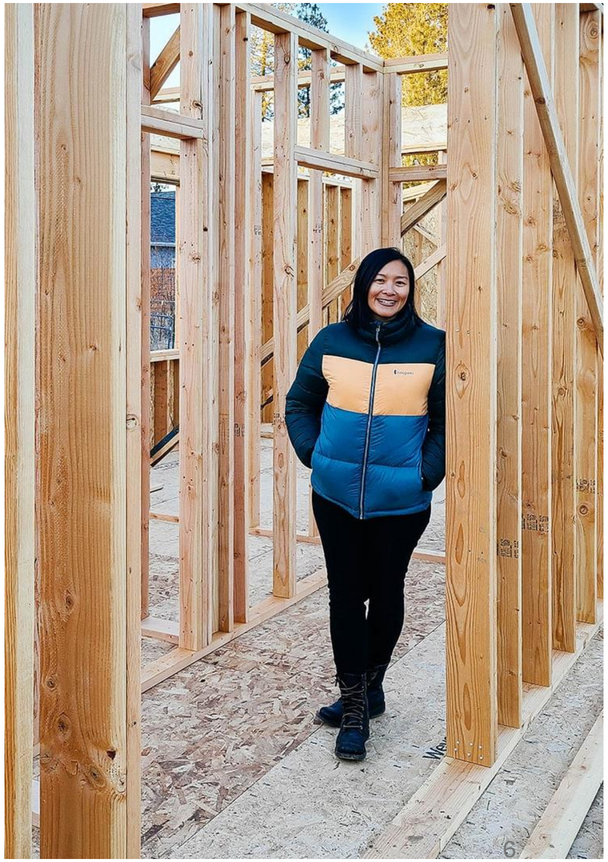
- The proposed Development Levy System (DLS) is expected to expand the scope of DLs to enable LAs to fully recover development growth costs and raise more revenue to fund growth infrastructure

- BUT the DLS combined with supply chain issues and inflation pressures means developers will need to pay more – the affordability of these increased charges and risk to the very developments that the charges are intended to support are critical considerations

- The RAS will be able to effectively convert upfront DCs / DLs into series of annual payments over say 30 years

- Under a Deferred DC / DL scheme, LAs would continue to do what they do now and invoice DCs / DLs at appropriate milestones (e.g. issue of 224c certificate or Code of Compliance) but developers would have the option to either:
    - Pay DCs / DLs in full; or
    - Choose to defer DCs / DLs through the RAS

- In the case of deferred DCs / DLs, the RAS would pay the upfront DC / DL to the LA and the current and future owners of the properties, would repay these upfront DCs / DLs (+ interest) as annual RAS levies:
    - Importantly, future owners would expect to pay less for properties with deferred DCs / DLs to reflect the RAS levies that will be charged in future on an annual basis
    - In any event, the purchaser of a property will have the option to require the outstanding RAS levies to be repaid by the seller of the property prior to them taking ownership (although new purchasers may decide that they prefer to pay less upfront for the property and take advantage of the attractive financing rates applied by the RAS)



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2. Deferred DCs / DLs

The new DLS will facilitate increased LA charges to property developers to more fully fund the costs of growth-related infrastructure

- DCs are a substantial revenue source for LAs (~$700 million nationally) and this is expected to increase considerably under the DLS
- The increased costs will drive demand for alternative payment arrangements such as deferred DCs / DLs, underpinning the ability for RAS to achieve a breakeven financial position in a reasonable timeframe
- Auckland Council estimates 50% of its DC revenue is from small developments (under four houses), including a significant number of 'mum and dad' developers undertaking developments such as subdividing their existing property

Average DC
$20k – 30k

Some DCs are much larger
$60k+

Under the DLS charges are expected to be larger individually and in aggregate

- Some developers highlight DCs as a factor that impedes development and encourages land banking and in response, some LAs end up discounting DCs
- A range of private and public sector options are available for property developers and LAs - these options typically do not support:
  - Development; and/or
  - LAs recovering the full allowable DC charge

Don't develop
DCs / DLs can inhibit development

Development Finance
Development loans are expensive

Fully charge DCs / DLs
Affordability, risk to development

LA Deferred DCs / DLs
Admin and impact on LA debt capacity

Stan and Jess, with their children Rebecca and Josh, have a home with a large backyard in Auckland

Stan and Jess are considering building an additional house on their section to initially provide accommodation for Jess' parents and then, in time their children. At some point they are likely to sell the property to help fund their own retirement. The DC that would be triggered by their development is a barrier to them developing the property

Stan and Jess would opt in to use the RAS's Deferred DC / DL product:

- *The Deferred DC / DL removes any potential disincentive of the material upfront DC / DL cost to undertake the development*
- *The RAS would convert the DC into an annual levy payment secured against the property*
- *The LA would receive the full DC / DL payment upfront*
- *Stan and Jess would pay their 'share' of the DC / DL while they own the property (and other owners in due course)*

LAs wish to encourage development but must provide the necessary infrastructure to support this

Some LAs continually face strong developer opposition to paying DCs

We understand that some developers point to LA DCs as an impediment to development

A Deferred DC / DL offering would be a very attractive option for developers:

- *Providing flexible payment terms*
- *Spreading the costs of the infrastructure over a 30-year term*
- *Providing LAs with a constructive response to developers' DC / DL cost concerns*
- *Providing the full DC / DL payment to the LA upfront*

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3. Property Improvement Loans

LAs can currently adopt policies to provide financing to ratepayers that can be repaid via voluntary targeted rates – these arrangements can be financed and administered by RAS

- Current legislation enables LAs to adopt policies to provide financing to ratepayers that can be repaid over a fixed period via a voluntary targeted rate secured against a rateable property

- These policies typically relate to supporting and incentivising ratepayers to invest in their properties to achieve desirable private and public benefits. For example, various councils provide retrofit home insulation loans to ratepayers with loans repaid on a table mortgage basis

- Current PILs usage across most LAs (and therefore private and public benefits) is relatively low:
  - Similar to RP, LAs have been reluctant to offer and promote PILs as they must be financed out of LAs' existing financing capacity
  - In some cases, the interest cost charged to ratepayers has not been sufficiently attractive relative to ratepayers' financing alternatives
  - LAs have encountered operational and regulatory challenges

- RAS could provide PILs for individual and community projects (e.g. home insulation, heat pumps, double glazing windows, earthquake strengthening, solar panels, water tanks, septic tanks, EV chargers, stock exclusion fencing, sea walls) that:
  - Facilitate the growth of safer, healthier, more resilient and environmentally sustainable homes and communities
  - Are voluntary / 'opt-in' for ratepayers
  - Provide ratepayers with competitive financing options (~1% – 1.5% below standard mortgage rates)
  - May reduce or delay LAs' required investment in infrastructure (e.g. private water tanks could reduce the need for additional LA water storage capacity)
  - Are 'off-balance sheet' for LAs, removing the financing impediment for LAs

3. Property Improvement Loans

PILs support uptake of individual and community property improvements with significant public benefits, furthering LA and government's policy goals

- Private property improvements can have significant private and public benefits (e.g. safer, healthier and more environmentally friendly communities)
- Current legislation enables LAs to offer PILs (repaid via voluntary targeted rates) to further policy objectives, but use by LAs is not widespread – largely due to operational, cost and compliance issues
- Achievement of certain policy objectives / public benefits are limited by the one-off costs that property owners need to pay for the improvements

- A range of private and public sector options are available for property owners and LAs / government
- LAs / government can directly subsidise private property improvements, but these have limited efficiency
- Recent examples of LA provided PILs highlight the administrative and financing challenges

Don't improve	Bank loan	Govt subsidies	LA schemes
Reduced social benefits and policy objectives achieved	*Expense and availability?*	*Public sector vs private sector costs*	*Admin burden and uses LA financing capacity*

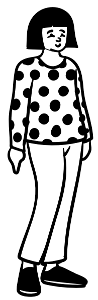
Josh, Sophie and baby live in City "X" in an old villa purchased five years ago. They are required under council regulations to either reinforce or remove the two existing chimneys in their home

Josh and Sophie currently heat their home with open fires but have decided it will be best long-term to remove the fireplaces. However, each fireplace costs $8k to remove and they will need to invest in a heat pump costing $2k

Council "X" decides to offer RAS PILs for chimney removal and insulation / heating

Josh and Sophie opt to use the chimney removal and heating PILs:

- *Accessing cheaper finance than the current alternatives*
- *Improving the safety and healthiness of their home*
- *Council "X" moves closer to achieving its seismic resilience targets*



June is looking to buy a new car and is interested in an EV to reduce her emissions and save fuel costs. She is also nervous about power outages

June can just afford the slightly higher purchase price of an EV. However, she is currently unable to also afford the cost of a home Vehicle to Grid (V2G) charger

June opts to use the RAS PILs product as this:

- *Improves the affordability of purchasing an EV*
- *Is cheaper finance than available alternatives*
- *Reduces her emissions while increasing her energy resilience*
- *Unlocks savings in fuel costs and maintenance*
- *Enables her to charge her EV when prices are low, use the car as a battery when prices are high and even sell a few kwh a day to reduce her power bill*

Just 30% of households with vehicles plugged in and exporting is the equivalent power output capacity of every power plant in NZ combined. More than enough to deal with higher daily peaks as our economy electrifies and avoid some costly system upgrades

3. Property Improvement Loans

PILs are very flexible and can deliver significant cost of living and quality of life benefits for ratepayers – it is up to central government and local government to decide what PILs could be applied to

- In indicating support for further development of the RAS, the Minister has asked that particular consideration for how PILs could be used to support the uptake of renewable, lower-cost energy
- While originally envisioned for residential properties, there is no reason government and councils could not extend PILs to other rateable properties – e.g. financing install of medium-sized solar and water-way fencing on farms
- In principle, RAS PILs could also be used to avoid LA capital expenditure

Ngaio and Rick have just had a big shock as their electricity daily charge and unit prices increased by 20% from 1 April

They have looked into solar and want to install a 9kw solar system to reduce their power bills and not fear the seemingly inevitable increases coming next April. But the $18k upfront cost is a big ask for the household with three young kids.

They elect to take out a PIL through the RAS as it is cheaper and easier to access than other options available to them

Once installed, they are able to save ~75% of their power bills

After they've fully paid off the solar system through the RAS over the 30 year warranty period of the solar panels, they have saved over $40k

Their decision to install solar has also:

- *Encouraged them to swap out their gas heating for electric*
- *Improved the energy resilience of their community*
- *Helped NZ keep more water in the hydro lakes in dry years, due to the 11% "sunlight premium" of solar in dry years*
- *Increased NZ's electricity generation (if 80% of homes had a 9kw system, it would be about 40% more electricity generation)*
- *Supported the wider electrification of the NZ economy*

The ten property owners at beach "X" are concerned about erosion and the impact of climate change which potentially puts their properties at risk in an extreme weather event

They have collectively engaged engineering advisors and a construction company to scope a seawall to protect their properties and they have received a firm quote of $180k

All of the property owners are willing to contribute to the seawall but some are retired and do not have access to financing and do not wish to use their small savings which they use for living expenses

Seven of the ten property owners at "X" beach opt to use a RAS PIL to finance their contribution to the seawall at cheaper finance than current alternatives (the other three owners pay direct)

Of the seven who use the PIL:

- *Three repay the PIL over ten years via annual RAS levies*
- *Four choose to postpone payment of the voluntary targeted rate using RP*

The seawall is built and the following year, Cyclone Ada causes widespread damage but Beach "X" is unscathed because of the protection provided by the seawall

Council "Y" is aware it has a large number of ratepayers that have septic tanks that are deteriorating and starting to cause environmental issues (leaching into streams and the harbour)

The geography makes it difficult to provide reticulated wastewater services to most of the properties and in any event Council "Y" has insufficient financial capacity to undertake the necessary investment for a new wastewater network

Instead, Council "Y" is imposing new septic tank regulations and commencing an inspections process. It anticipates virtually all septic tanks (installed over 50 years ago) will require replacement at an average cost of $20k

Council "Y" intends to offer a RAS PIL to ratepayers who are required to replace their tanks with a payment term of 20 years:

- *Many affected property owners comply with the new council regulation and choose to take advantage of Council "Y"s septic tank PIL*
- *Property owners who take up the PIL are able to repay the loan over a 20-year period at $1,000 p.a. + interest (PIL interest rate is lower than alternative options)*
- *The council achieves its environmental policy objectives*
- *The council avoids a significant investment in a reticulated wastewater network that it can ill afford*

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4. Rates Postponement

RP allows qualifying ratepayers to defer rates and pay on sale of their property – in principle all LA charges could be deferred in the same way

- RP provides flexibility to ratepayers (like a reverse equity mortgage) to decide to pay LA charges at some time in the future, partially mitigating:
  - Affordability issues – the impost on property owners will only increase as New Zealand seeks to address underinvestment in infrastructure
  - Demographic changes – e.g. an aging population and a growing cohort of fixed income / elderly home owners
  - General cost of living challenges
- Many LAs already provide RP schemes although these have limited uptake, due to:
  - Demand side factors - e.g. limited awareness; challenging application processes
  - Supply side factors - e.g. restrictive and varying eligibility criteria; LAs' reluctance to promote RP due to the impact on their short-term cashflows and financing capacity
- RAS RP is an opportunity for a standardised, highly efficient national RP scheme that provides RP benefits to a larger proportion of NZ ratepayers at very competitive financing rates (~1% – 1.5% below standard mortgage rates; ~4% to 5% below reverse mortgage rates)
- Eligible ratepayers will have the opportunity to defer general rates payments and the RAS could also offer ratepayers the option to postpone other RAS or LA related levies such as Deferred DCs / DLs and PILs
- British Columbia, Canada (population ~5 million) has a property tax regime similar to New Zealand's rating system:
  - It has had a property tax deferral scheme in place for many years providing a strong precedent and insights
  - In 2024 the British Columbia Property Tax Deferral Scheme had 83,000+ users, ~$2.7 billion in loans (it has quadrupled in size from ~$670 million in 2016) and includes ~3.9% of British Columbia households

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4. Rates Postponement

A nationwide RP scheme would be a highly efficient solution that assists older home owners avoid financial hardship by offering them the ability to postpone their rates

- Living costs in NZ during retirement can be significant
- Superannuation payments are unlikely to cover all living costs for many low-income ratepayers
- Without savings or other sources of income, retirees can experience financial hardship
- LA rates are a significant expense and are expected to increase above inflation for the foreseeable future

'No frills retirement for a couple'
$54k p.a. in the regions
$47k p.a. in main centres

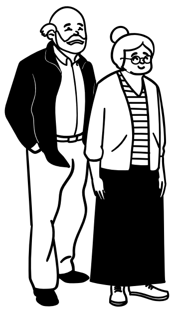
'Choices retirement for a couple'
$63k p.a. in the regions
$91k p.a. in main centres

NZ Super payments $42k p.a. (post tax) for a couple where both qualify
And $27k p.a. (post tax) for an individual living alone

NZ average 2024 residential rates $3,200 p.a. and rising steeply

- A range of private and public sector options are available
- These are limited in their effectiveness and efficiency and not always available
- They do not always align with ratepayers' objectives – most ratepayers do not want to be forced to sell their home

Reverse mortgage	Sell home	Rates rebate	Existing LA RP
Reverse mortgages are very expensive	*Downsize, move to a retirement village or more affordable region*	*Eligible ratepayers can receive up to ~$790 p.a.*	*Not widely marketed, inefficient and expensive*



John and Jane (both 65) have retired, live in City "X" and expect to live to 90. They are fixed income / elderly homeowners and despite having $1.4 million of assets (home $1.2 million and KiwiSaver $200k), they are struggling to make ends meet. They intend to utilise their savings to meet living costs and the occasional extravagance

They pay ~$4,000 p.a. of LA rates (~8% of their post tax pension income) and are concerned about the forecast rates increases of up to 10% p.a. for the next three years

RP:

- *Increases their annual cashflow by ~$4,000 and insulates them from future rates increases – they eat out once a week at the local byo*
- *Enables them to stay in their home for the next 10 years*

Ten years later, their home's value has increased to $1.5 million. They sell it, repay the ~$60k RP debt and realise $1.44 million from the sale

Diane (70) has retired, lives alone in City "Y" and expects to live to 90. She owns a small unit worth $600k and otherwise has no investments or savings. Her only income is NZ Super so she is forced to live very frugally and she struggles to afford to travel to Auckland to visit her grandchildren

She pays ~$3,200 p.a. of LA rates (12% of her post tax pension income) and is very concerned about the forecast rates increase of ~10% p.a. for the next three years and whether that will impact her ability to see her family.

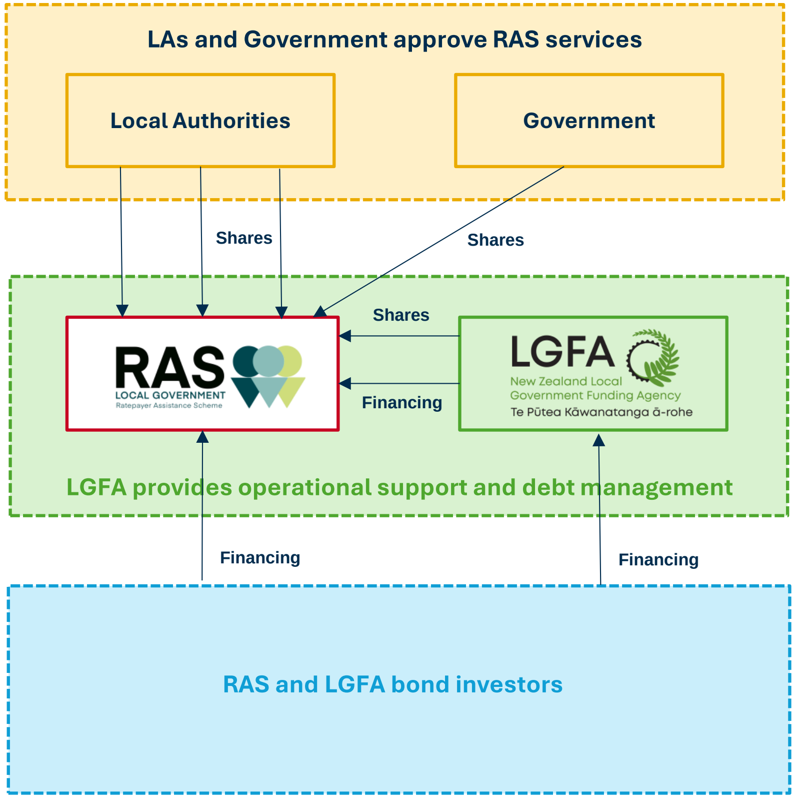
RP:

- *Increases her annual cashflow by ~$3,200, insulates her from future rates increases and enables her to visit her family three times a year*
- *Enables her stay in her unit for the remainder of her life*

When she passes away at 90, her unit sells for $900k and her $150k RP debt is repaid

5. What it is and how it works

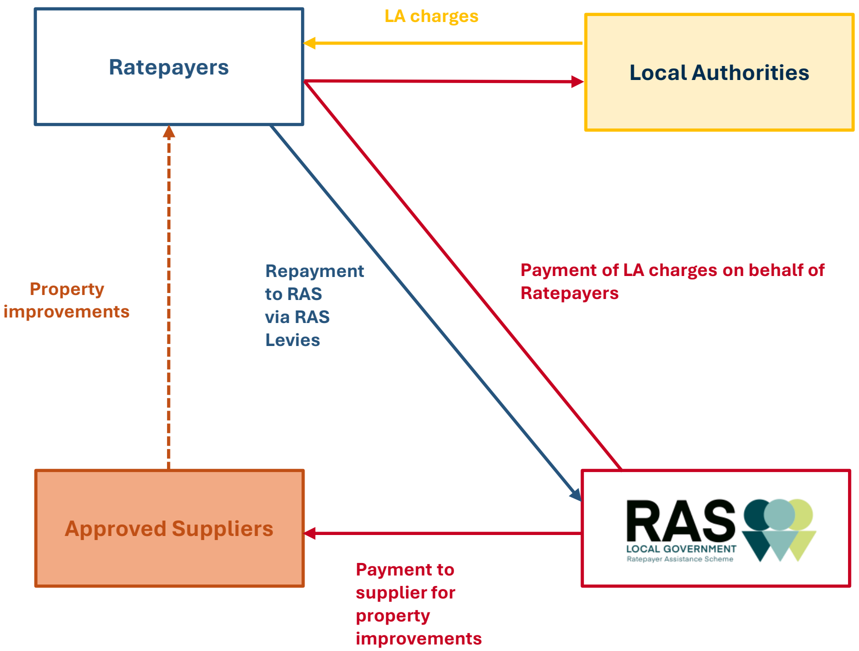
Structurally the RAS has many similarities to the LGFA – it will be owned by LAs, LGFA and government, providing services to LAs <u>and their ratepayers</u>



- The RAS would be a new entity (a CCO), owned by LAs, LGFA and central government
- The RAS would have no discretion to whom and for what it could lend money – all the services it provides would need to be approved by LAs and central government
- To ensure the RAS is off-balance sheet, the maximum individual stake is less than 20%
- All LAs will be able to use the services of the RAS (regardless of whether they are a shareholder or not), subject to meeting RAS's membership requirements – e.g. IT interface, invoicing, collections, security requirements
- <u>LGFA has a critical role in regard to RAS</u> – providing financial and operational support to the RAS (on a commercial contractual basis), using LGFAs existing capabilities, avoiding duplication and maximising efficiency
- The LGFA board has provided in principle approval (subject to LGFA shareholder approval) for the following
    1. **Ownership** up to the maximum allowable (~20% of RAS shares)
    2. **Debt facility** to enable RAS to "warehouse" its loans to ratepayers before issuing its own RAS bonds to the capital markets
    3. **Preference shares investment** (potentially $100 million + over time) to ensure RAS maintains an appropriate equity ratio as its loan book grows
    4. **Shared services arrangements** across many corporate functions such as financial, HR and IT services
    5. **Management of the RAS bond programme** – using LGFAs existing skills, and networks (it is expected that there will be significant crossover between RAS and LGFA bond investors)

5. What it is and how it works

The RAS effectively does what LAs can and already do, but does it more efficiently and effectively, taking on the administrative burden and risk of providing the services while being off-balance sheet so that there is no impact on LAs' financing capacity



- The RAS structure is based on the LGFA structure
- Importantly, given the RAS is providing services on behalf of LAs, the RAS would have the power to impose a levy charge equivalent to a rate to ensure it gets repaid
- The RAS structure and its ability to impose a 'rate-like' levy would enable it to achieve a very high credit rating
- With this very high credit rating, the RAS would raise very low-cost, long-term financing from the capital markets and pass this on to ratepayers (ratepayer financing will be between ~1-1.5% <u>lower</u> than standard mortgage rates)
- LAs will opt-in as to whether they wish to allow their ratepayers to use the RAS's services
- Ratepayers will also opt-in to use the RAS's services
- The interface between LAs, RAS and ratepayers will be as seamless as possible – for example in the case of RP or deferred DCs / DLs:
  - Ratepayers would "apply" through their LA via a web-based portal on the LA's website
  - The application would go directly to RAS for processing
  - Once approved, payment of the rate charge or DC / DL is made to the LA by the RAS
  - At the appropriate time the RAS will levy the ratepayer to obtain repayment
  - The RAS levy will be separately itemised on the LA's rates invoice, collected by the LA and then distributed to RAS
- In the case of PILs the process would be the same except that RAS would make payment to the approved supplier of the property improvement

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Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

6. RAS financial business case

RAS LOCAL GOVERNMENT Ratepayer Assistance Scheme

LGFA New Zealand Local Government Funding Agency Te Pūtea Kāwanatanga ā-rohe

Kō tātou. LGNZ.

In addition to the provision of valuable services for LAs and ratepayers, business case analysis indicates that very strong commercial returns may be available to shareholders

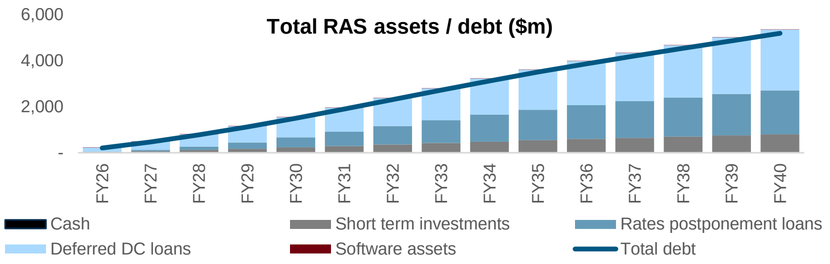
- A comprehensive business case analysis has been undertaken on a "desktop" basis by Cameron Partners with input from LGFA and IT service providers (to assist with scoping and quantification of the core IT system which is critical to the effective and efficient operation of the RAS)

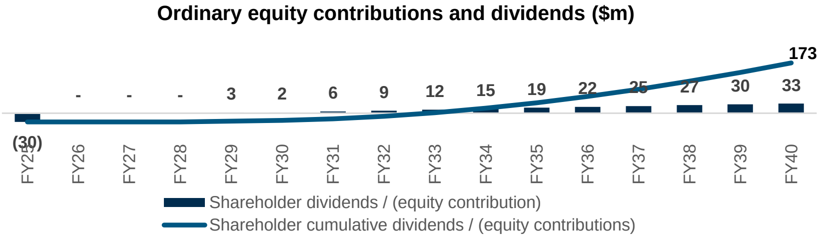
- Multiple scenarios have been developed and the base case scenario is considered conservative – it assumes:
  - Deferred DC / DLs uptake of 25% of new DCs from FY26
  - No PILs have been assumed in the current base case (this assumption will be revisited during final development)
  - RP uptake of 3.0% is achieved by FY34 with significant uptake occurring in years two to five. By FY31, ~52k households use RP

- The next stage of development will firm up these assumptions, including engagement with market providers including IT system service providers

- The economics of RAS rely on it achieving scale so that it can cover its operating costs:
  - The financial modelling assumption is that the RAS net margin is 1% (ie for every $100 million of loans it will generate $1 million to cover its operating costs)
  - Once RAS has achieved breakeven, surplus cashflow is available to distribute to shareholders

- The base case scenario indicates:
  - Equity of ~$30 million is required to cover establishment costs and operating deficits until RAS achieves breakeven
  - Breakeven is achieved in year 4 (based on assumed annual operating costs ~$7m)
  - Full "payback" of initial investment in year 8
  - An annual dividend yield of over 100% by year 15





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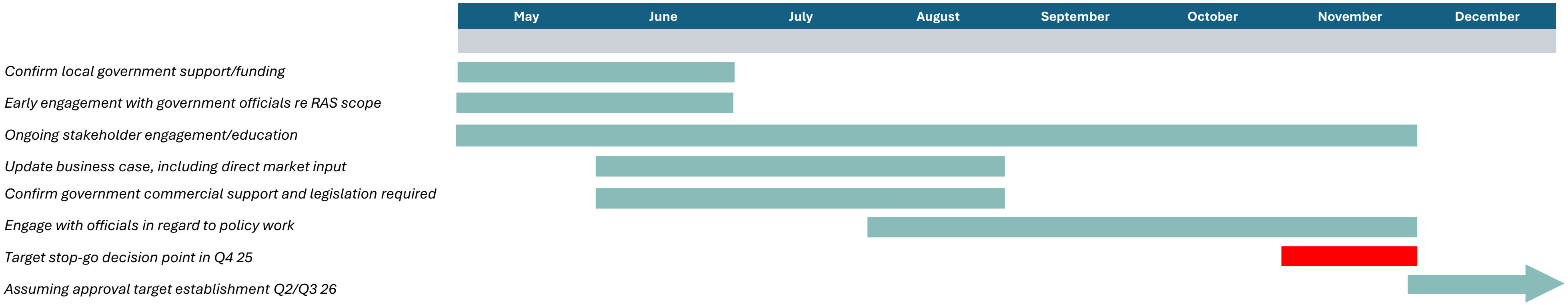
7. Development to date and next steps

Development of the RAS has occurred over a number of years, overseen and funded by a Steering Group – final detailed development is now required to facilitate a "stop-go" decision to proceed with RAS establishment

- The RAS Steering Group has comprised LGNZ, Auckland Council, Hamilton City Council, Tauranga City Council, Wellington City Council, Christchurch City Council, LGFA and RA
- The Steering Group has been supported by a suite of advisors who have each undertaken significant work to date, including:
    - Cameron Partners which has led development / business case analysis indicating that a break-even position could be reached in a short timeframe and commercial returns could be strong
    - Russell McVeagh which envisages the RAS being implemented through its own legislation (using similar principles and mechanics to the LGFA and IFFA)
    - PWC (accounting and tax) and S&P who have reviewed the RAS structure and raised no red flags regarding 'off-balance sheet' / 'off-credit' treatment for LAs
- Given the significant development already undertaken, with the requisite local government support it is anticipated that the RAS could be established within a 12-18 month timeframe
- In outlining his support, the Minister for Local Government has recommended that, to enable his officials to move quickly in August 2025, the Steering Group undertakes significant further development
- The proposed workstreams through the remainder of 2025 are as follows:



8. Support and funding commitment required

RAS LOCAL GOVERNMENT Ratepayer Assistance Scheme | LGFA New Zealand Local Government Funding Agency Te Pūtea Kāwanatanga ā-rohe | Kō tātou. LGNZ.

In order to undertake final development in conjunction with government officials, support and additional funding commitment from local government is required

- As outlined, RAS would be a national service available to all LAs and ratepayers, providing services that will enhance LA funding and financing options and delivery of a range of desirable policy outcomes for ratepayers. In addition, analysis indicates RAS could provide very strong commercial returns to its shareholders
- $2.5 million (incl. 20% contingency) in "at risk" development funding is estimated through until a "stop/go" decision in Q4 25
- Assuming a "go" decision – it is estimated ~$30 million in total equity will be required (including the $2.5m in development funding), covering commercial, legal, accounting, tax, IT and recruitment advice during the development and establishment phase (~$10m) + the IT system and allowance to cover operating deficits while RAS reaches scale and financial breakeven (~$20m). This equity requirement will be confirmed during final development
- All development funding will qualify as equity and is included in the estimated total equity requirement
- The opportunity for councils is to be part of the group of funding councils:
  - Sufficient funding is required to move forward, without it the RAS will not proceed, but no funding will be spent until commitments from councils are received for the total estimated funding costs
  - A number of councils are intending to put the RAS proposal to their elected members in May / June 2025 seeking a decision regarding support and funding commitment – Auckland Council has already confirmed its support to provide $600k of the required development funding
  - It is intended that funding councils will make meaningful funding contributions and provide an in-principle indication of their willingness to use RAS and subscribe for equity at its establishment
- To encourage early participation and to minimise free-riding, governance arrangements have been proposed outlining decision rights for the funding councils – the "RAS Governance Group" (see Appendix). The RAS Governance Group may receive advantageous subscription terms based on the timing of funding provided – e.g.:
  - All funds provided by members of the RAS Governance Group during the development and establishment stages will be recognised in their RAS shareholding when the entity is established (including any funding already provided to enable the RAS development to date)
  - An incentive arrangement may be applied for the funding provided at earlier stages of the process – e.g. 2 shares for every $1 early funding provided

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9. What to do next if you are interested

Timing is critical, local government funding needs to be confirmed by the end of June in order to undertake the development work to be ready to engage with officials in August – without funding, the RAS will not proceed

- If you are interested in understanding more about the RAS and deciding whether your council wishes to support RAS and potentially provide funding, please contact:

Hugo Ellis	**Scott Necklen**	**Mark Butcher**
Partner	**Deputy CE**	**Chief Executive**
Cameron Partners	**LGNZ**	**LGFA**
hugo.ellis@cam.co.nz	**Scott.Necklen@lgnz.co.nz**	**mark.butcher@lgfa.co.nz**
021 608 346	**029 924 1210**	**021 223 6573**

- The RAS team is available to work with you as required, including presenting to elected members and executives
- In addition, significant development work has already been completed, and extensive analysis and materials are available including the original comprehensive business case completed in late 2022 (which will be updated during the next stage) and a generic council paper outlining the RAS opportunity

Appendix – Proposed governance during development

1. Members of the RAS Governance Group will comprise:
   - Local Government New Zealand (LGNZ)
   - Local Government Funding Agency (LGFA)
   - Rewiring Aotearoa (RA)
   - Local Authorities (LAs) who are funding the development of the RAS

2. It is possible that the Governance Group may expand overtime - eg:
   - Additional LAs may wish to join as funding LAs (the LGFA establishment process commenced with five funding LAs and at establishment this had increased to 18 LAs + central government)
   - Central government provides funding
   - Potentially other stakeholders may provide funding

3. It is expected that LGFA and LA members of the RAS Governance Group will form some or all of the shareholders of the RAS at its establishment (central government and other LAs that are not members of the RAS Governance Group may also be invited to be shareholders)

4. To encourage early participation in the RAS Governance Group and to minimise free-riding, members of the RAS Governance Group may receive advantageous subscription terms based on the timing of funding provided. For example:
   - All funds provided by members of the RAS Governance Group during the development and establishment stages will be recognised in their RAS shareholding when the entity is established (including any funding already provided to enable the RAS development to date)
   - An incentive arrangement may be applied for the funding provided at earlier stages of the process

5. A subset of the RAS Governance Group will be known as the Steering Group

6. The rationale for the Steering Group is to ensure a small group of Governance Group members are able to make day-to-day decisions required to ensure the process can advance in an efficient manner

7. The Governance Group will:
   - Work together to make strategic decisions relating to the development, establishment and ongoing operations of the RAS and the policies and policy criteria that the RAS will support (for example the economic and decision rights attached to RAS shareholdings and the qualifying criteria for various RAS products such as rates postponement)
   - Collectively make stop-go decisions (although individual members may also decide not to proceed)
   - Delegate authority to the Steering Group to make day-to-day decisions including committing to costs to be borne by the RAS Governance Group within a pre-agreed budget
   - Make decisions by way of a simple majority

8. The Steering Group will comprise a smaller group of personnel appointed by the Governance Group and will:
   - Have responsibility for day-to-day oversight of the development and establishment process
   - Meet on a regular basis (e.g. weekly) and as required with Cameron Partners (the Lead Advisor) and other advisors to make day-to-day decisions
   - Update the Governance Group and other stakeholders, such as central government (e.g. the minister and / or officials) on a regular basis (e.g. every 4 to 6 weeks) and more often as appropriate
   - Seek decisions on strategic matters from the Governance Group
   - In the first instance, represent the RAS Governance Group in its engagement with other parties
   - Comprise representatives from no more than two LAs, LGNZ, LGFA and RA

9. At this stage, in order to progress the establishment of the RAS Governance Group a Steering Group has been formed comprising LGNZ, LGFA and RA

RAS

LOCAL GOVERNMENT

Ratepayer Assistance Scheme

Hon Simon Watts

Minister of Climate Change
Minister for Energy
Minister of Local Government
Minister of Revenue

21 March 2025

Dear Sam Broughton and Craig Stobo

I am writing to you with regard to progressing work on the Ratepayers Assistance Scheme (RAS) proposed by Local Government New Zealand (LGNZ), the Local Government Funding Agency (LGFA), high growth councils and Cameron Partners.

I am supportive of the RAS proposal and consider that it has the potential to be a cost-effective way to provide relief to ratepayers and give councils greater revenue certainty.

As you are aware, Department resources are currently fully committed to my priorities for the local government portfolio, including Local Water Done Well, Local Government System Improvements, and City and Regional Deals.

I have confirmed with officials that policy work on the RAS will begin in August 2025, as indicated in the letter from the previous Minister of Local Government, Hon Simeon Brown, dated 13 December 2024.

To enable my officials to move quickly on policy work in August 2025, I recommend that LGNZ and LGFA reconvene the RAS steering group to update the 2022 business case. In particular, the updated business should consider:

- the minimal level of Crown support needed, in light of changes to the LGFA's financial position and current constrained fiscal environment;
- the potential for the RAS to support the uptake of renewable, lower-cost energy through home improvement loans; and
- the impact of recent changes, including announcements of a new Development Levy System, on the proposed financial services of the scheme.

I recommend that you also use this opportunity to bring in different perspectives from:

- a range of councils, who have not been involved in the RAS proposal to date, to gauge their level of interest in the scheme; and
- relevant expertise, including from Rewiring Aotearoa and the Energy Efficiency and Conservation Authority.

I have directed officials to provide you with any necessary guidance and support as you update the business case.

Thank you again for your work on the RAS. I look forward to hearing more on the progress of the updated business case.

Yours sincerely,

Simon

Hon Simon Watts
Minister of Local Government

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand | +64 4 817 6814 | s.watts@ministers.govt.nz

MANAGEMENT OF CARBON CREDITS

Kōrero taunaki | Summary of considerations

Purpose

1. The purpose of this report is to provide further advice on the Council’s management of its carbon credit holdings.

Strategic alignment

2. The most relevant community outcomes, strategic approaches, and priorities for this paper include environmental wellbeing, embedding climate action, and value for money and effective delivery.

Relevant previous decisions

3. On 17 December 2024 the LTP, Finance and Performance Committee noted that advice will be brought back to committee in February on options to use the sale of carbon credits to part fund a Disaster Resilience Fund.
4. On 12 February 2025 the Audit & Risk Committee agreed to maintain the status quo accounting treatment and continue to classify carbon credits as intangible assets measured at cost less accumulated impairment (if any). It was acknowledged that if there was a change in the way we manage carbon credits the accounting policy would need to be revisited.
5. On 13 February 2025 the LTP, Finance and Performance Committee requested that, before 30 June 2025, officers provide further advice / policy position on the sale of WCC carbon credit holdings and undertake a review of Council's accounting treatment and management of its carbon credit activities.

Financial considerations

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

6. The financial considerations are outlined in the body of the report.

Risk

☒ Low	☐ Medium	☐ High	☐ Extreme

7. The risks are outlined in the body of the report.

Author	Raina Kereama, Manager Financial Planning and Policy
Authoriser	Andrea Reeves, Chief Strategy and Finance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Receive the information.
2. Note that officers have commissioned external advice from KPMG to identify key aspects for consideration when making decisions on the Councils carbon credit holdings, including when deciding to hold or dispose of these credits. The report from KPMG is included in Attachment 1.
3. Note that the Council should consider and establish a policy position on the management of its carbon credits before a decision is made to sell any carbon credits. This should include determining how any proceeds from the sale of the credits should be used and identifying the consequential financial implications.
4. Agree that officers will provide further advice to inform such a policy position related to the management of our carbon credits.
5. Note that advice on the accounting treatment of the Councils carbon credits was received by the Unaunahi Māhirahira | Audit and Risk Committee on 12 February 2025 and resolved to maintain the status quo accounting treatment for the current holdings.
6. Note that should the Council change its current business model for managing carbon credits, it would be appropriate to revisit the accounting policy to see whether the asset classification and measurement base is still appropriate. However, a one-off sale of a portion of the carbon credit holdings would not impact the view of the appropriateness of the current accounting policy.

Whakarāpopoto | Executive Summary

8. Officers have been requested to provide advice on the management of the Council's carbon credit holdings including options to use any sale proceeds from the sale of carbon credits to part fund the Disaster Resilience Fund by 30 June 2025.
9. The units held by Council include units that are:
   - produced via forestry registered with the New Zealand Emissions Trading Scheme (ETS); and
   - purchased from the ETS and holds to offset emissions liabilities arising from the Southern Landfill (the Landfill).
10. Officers have commissioned independent advice from KPMG about the management of Council's carbon credit holdings and this report is included in Attachment 1.
11. The following factors need to be considered when determining how to manage carbon credit holdings:
    i. Environmental factors which the Council is legislatively responsible for;
    ii. Alignment with the Council's policies, strategic objectives, including aspects such as the financial strategy;
    iii. Implications for achieving the Council's outcomes; and
    iv. Financial implications.

12. The KPMG report notes that Council should consider and establish a policy position on the management of its carbon credits (taking into account the above points) before a decision is made to sell any carbon credits. This should also include determining how any proceeds from the sale of the credits should be used and identifying the consequential financial implications.

13. Without further work on developing a policy position we do not consider that the sale of carbon credits for the purpose of investing in a disaster resilience fund holds the same principles. Therefore we recommend further work is undertaken on the policy position before any decisions are made.

Takenga mai | Background

14. As at 30 June 2024 the Council held 564,083 New Zealand Units (NZUs), recorded in our financial statements at purchase price ($14.8m). The current approximate market value of this asset is $35.5m.

15. The Council has an existing Carbon Management Policy issued in 2011 which is described as a sub-set of the Council's wider Climate Change Action Plan which addresses assets, liabilities, costs and opportunities arising from the NZ Emissions Trading Scheme (ETS).

16. The Carbon Management Policy includes an overarching principle that the Council consciously consider the effects of its decisions on carbon emissions and storage, and the need for the city to make a positive contribution to avoiding future climate change where this is affordable. However, the Policy does not explicity consider the purpose of the carbon credit holdings or the purpose for the Council holding forestry assets.

17. Currently carbon credits are bought at the cheapest price possible (in advance) to fulfil our surrender obligations under the ETS for the landfill. Council currently has ~240,000 NZUs held for this purpose.

18. Credits are also granted to us by the Crown for our forestry. Council currently holds ~330,000 NZUs related to our forestry holdings.

19. The current market price of a carbon credit is about $57. This price is expected to increase due to central government policy settings. In the second Emissions Reduction Plan the government has emphasised the importance of the ETS as the primary mechanism for meeting our national carbon reduction targets. In addition, on 20 August 2024, the government announced updated ETS auction settings, reducing the number of units available at auction between 2025 and 2029, decreasing from 45 million to 21 million, which is expected to drive up the carbon price.

Kōrerorero | Discussion

20. Officers have been requested to provide advice on the management of the Council's carbon credit holdings including options to use any sale proceeds from the sale of carbon credits to part fund the Disaster Resilience Fund.

21. In determining how the Council manages its carbon credit holdings, the advice obtained notes that the Council should consider the following:
    i. The intended role of carbon credits;
    ii. Strategic priorities, approached and outcomes in the 2024-34 Long-term Plan;
    iii. The perception of carbon credits as a 'license to emit';
    iv. The changing value of carbon credits;
    v. The variability of NZU price
    vi. Balancing competing factors in decision making
    vii. Administrative costs of managing holdings

22. The above factors are outlined further in the KPMG report in Attachment 1.

23. Further the report breaks down the need to think about the different reasons why the Council holds carbon credits, which is currently through the:
    - production of carbon credits via forestry registered with the New Zealand Emissions Trading Scheme (ETS); and
    - purchased from the ETS and holds to offset emissions liabilities arising from the Southern Landfill (the Landfill).

Carbon credits for forestry

24. Credits are also granted to us by the Crown for our forestry.

25. In the event of temporary damage to the ETS-registered forests, if the damage meets the ETS criteria, pending legal advice, the Council will not be required to repay related NZU's. However, any damage to forests will give rise to replanting costs for the damaged area if the Council decides to re-establish the forest. The Council may consider insurance cover for this situation.

26. In the event of permanent damage to the ETS-registered forests due to a natural event in which the Council is permanently prevented from re-establishing the forest in the area, the Council can apply to be removed from the ETS and pending legal advice, it appears that it would not be required to repay related NZUs for permanently damaged land.

Carbon credits for landfill

27. The Council purchases landfill-related carbon credits in advance, which are classified as an intangible asset. When the Council surrenders NZUs, the value is based on the cost of purcahse rather than the current NZU value to enable better management of the input costs for the Landfill's gate pricing. This effectively hedges the Councils position against increasing carbon prices.

Selling carbon credits

28. Based on the Councils current Carbon Management Policy issued in 2011 and Te Atakura, the KPMG report notes that were the Council to sell any of its carbon credit holdings, any proceeds should be used to fund similar initiaves with the same principles.

29. Without further work on developing a policy position we do not consider that the sale of carbon credits for the purpose of investing in a disaster resilience fund holds the same principles.

30. The key next steps outlined in the report are:
    i. Develop a forestry policy position addressing why WCC owns and maintains forestry, including objectives and principles which can be used to inform related decisions. This could consider both short and long-term (intergenerational) objectives, as well as guidance on how to balance competing factors during decision making.
    ii. Consider whether participating in the Emissions Trading Scheme aligns with WCC's forestry policy position.
    iii. Consider whether the proposed Disaster Resilience Fund's objectives and triggering criteria align with WCC's forestry policy position and objectives.
    iv. Develop a carbon credit holding policy, which draws on the forestry policy position to guide topics such as:

a) Day-to-day management and financial accounting decisions;
b) Whether NZUs can be sold (at all), plus appropriate price thresholds and volumes to retain;
c) Criteria for using proceeds from selling NZUs (if any);
d) Criteria for when forestry NZUs can be used towards landfill NZU obligation (if at all);
e) Criteria for when ownership of NZUs can be transferred (if at all);
f) Changes/exceptions to be made to other WCC policies/procedures;

v. Consider how best to document WCC's approach to landfill input costs and NZU surrender obligations. This would include topics such as:
   a) The role of carbon credits in the context of the Southern Landfill, relative to WCCs forestry-related carbon credits;
   b) How to model the Landfill's likely future surrender obligation and future values of NZUs; and
   c) Principles, criteria and thresholds for managing cost inputs (for instance, purchasing NZUs in advance and the appropriate size of such a holding).

Ngā mahinga e whai ake nei | Next actions

31. Officers will include this policy work in the work programme to be considered as part of the 2026/27 Annual Plan.

Attachments

Attachment 1.	KPMG Advice - Managing WCC's carbon credit holdings	Page 730

Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

KPMG

Managing Wellington City Council's Carbon Credit Holdings

Aspects for Consideration

Wellington City Council

12 June 2025

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Auckland 1010
New Zealand
T: +64 9 367 5800

Raina Kereama
Manager Financial Planning & Partnering
Wellington City Council
PO Box 2199
Wellington 6140

12 June 2025

Private and Confidential

Dear Raina,

Managing Wellington City Council's Carbon Credit Holdings: Aspects for Consideration

Thank you for the opportunity to support you in the identification of key aspects for consideration when making decisions on Wellington City Council (WCC)'s carbon credit holdings.

This report outlines the key aspects that WCC should consider when managing both its forest- and landfill-related carbon credit holdings and implications for their sale or retention. Where applicable, case studies have been included to highlight the practical effect of the considerations discussed.

We do not provide a recommendation as to whether WCC should hold or dispose of its carbon credit holdings. However, we have set out where a certain decision or factor may have unintended consequences for WCC and implications for achieving the council's outcomes.

Kind regards

Alec Tang
Partner

Disclaimer

Inherent Limitations

This report has been prepared and is delivered by KPMG, a New Zealand partnership (KPMG, we, us, our) subject to the agreed written terms of KPMG's contract with Wellington City Council (Client, you, WCC) dated 27 March 2025 (Engagement Contract).

The services provided under our Engagement Contract (Services) have not been undertaken in accordance with any auditing, review or assurance standards. The term "Audit/Review" used in this report does not relate to an Audit/Review as defined under professional assurance standards.

The information presented in this report is based on that made available to us in the course of our work/publicly available information/information provided by WCC. We have indicated within this report the sources of the information provided. Unless otherwise stated in this report, we have relied upon the truth, accuracy and completeness of any information provided or made available to us in connection with the Services without independently verifying it. Nothing in this report constitutes legal advice or legal due diligence.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by WCC personnel consulted as part of the process.

This report was based on information available at the time it was prepared. KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

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Contents

1. Background and scope

Background

Wellington City Council (WCC) has been directed by its Long-Term Plan Committee to "*provide further advice/policy position on the sale of WCC carbon credit holdings and undertake a review of its accounting treatment and management of its carbon credit activities*".[1]

In addressing this resolution, and to inform the development of a recommended approach/policy position on the management of its carbon credit holdings, WCC engaged KPMG to provide an independent assessment of the key factors that WCC should consider when deciding to hold or dispose of its carbon credits.

Purpose and objectives

This report sets out the findings of KPMG's assessment. The report does not provide a recommended approach for the sale or retention of WCC's carbon credit holdings.

Accordingly, this report sets outs options and considerations for WCC when determining how to manage its carbon credit holdings, including:

- Environmental factors which the council is legislatively responsible for;
- Alignment with the council's policies, strategic objectives, including aspects such as WCC's financial strategy, and timetable; and
- Implications for achieving the council's outcomes.

Exclusions

This report does not provide:

- Any recommendation on whether WCC should hold or dispose of its carbon credits;
- Analysis of accounting treatment for carbon credits; nor
- Methods or approaches for valuation of carbon credits.

'Carbon credit holdings'

The 'holdings' contemplated in this report are carbon credits which WCC:

- Produces via forestry registered with the New Zealand Emissions Trading Scheme (ETS); and
- Purchased from the ETS and holds to offset emissions liabilities arising from the Southern Landfill (the Landfill).

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2. Contextual information

Foundational assumptions

Effective policy requires a transparent, explicit and shared understanding of foundational assumptions, along with the context a policy is designed to operate within. Material changes to these assumptions will impact a policy's substance.

This report has been developed based on the following foundational assumptions:

- The New Zealand ETS will remain in place under successive governments;
- The price of carbon will steadily increase over time;
- Neither the ETS nor voluntary carbon market will undergo major legislative changes impacting how the market operates;
- WCC will remain an independent council; and
- If WCC decides to sell carbon credits, it will be able to find a willing buyer on the voluntary market at the desired time.

Considering climate change and WCC's response involves inherent uncertainties, both about the scale and nature of issues, plus the efficacy of WCC's interventions.

WCC's purpose for owning forestry and/or registering in the ETS

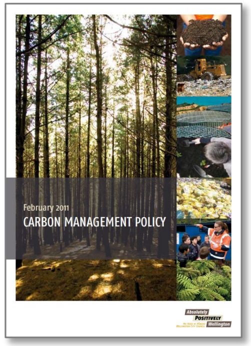
KPMG has not found nor received any information to directly or comprehensively address why WCC owns forest, or its intentions for registering its forestry assets with the ETS.

A range of WCC documents include statements about the benefits that forests provide, but these do not explicitly address WCC's role, nor its aims, as a forestry owner.

WCC should consider developing a direct statement or policy position about its aims and relationship with forestry, including addressing any intended co-benefits. For instance, forestry assets may be held in order to generate revenue, reduce emissions, promote biodiversity, improve water quality, and/or provide community wellbeing through recreation, amongst other perspectives.

Such a policy position or statement would then form an important reference point to guide the day-to-day management of WCC's carbon credit holdings, and inform how the council participates in the ETS.

2011 Carbon Management Policy



WCC has an existing Carbon Management Policy issued in 2011 (2011 Policy).[2] The 2011 Policy describes itself as "*a sub-set of the Council's wider Climate Change Action Plan*" which *"addresses assets, liabilities, costs and opportunities arising from the NZ ETS."* [3]

The 2011 Policy includes an overarching principle that WCC "*consciously consider the effects of its decisions on carbon emissions and storage, and the need for the city to make a positive contribution to avoiding future climate change where this is affordable.*" [4]

Whilst it is understood the contents of the 2011 Policy are not widely known nor followed by the council, its overarching principles and detailed guidance provide useful context and precedence to inform WCC's approach to managing carbon credit holdings. This report notes the 2011 Policy details wherever there appears to be useful overlap.

Given the 2011 Policy is 14 years old, details about the ETS' requirements, WCC operations and wider operating context are all likely to have changed in the intervening time.

In developing a policy for managing carbon credit holdings, WCC should consider these areas fresh, along with any work needed to transition between the 2011 and new policy, including any interactions these policies have with other WCC policies and procedures.

2. Contextual information *(continued)*

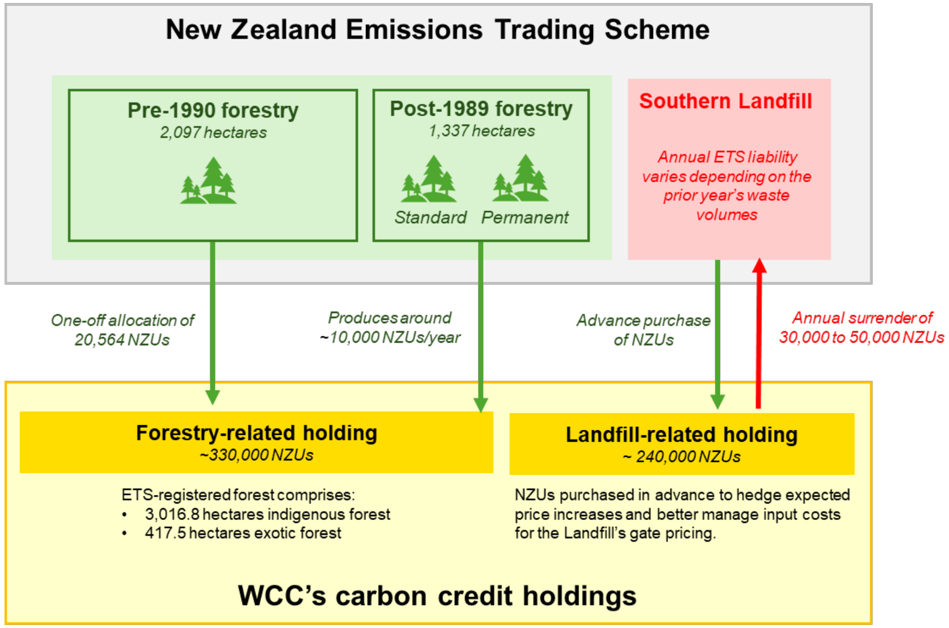
Clarifying the relationship between WCC's carbon credit holdings

WCC receives around 10,000 New Zealand Units (NZUs) annually from its post-1989 ETS-registered forest. In parallel, WCC purchases and surrenders around 30,000 to 50,000 NZUs annually with regard to emissions attributed to the Landfill.

To date, WCC has managed these two transactions independently, maintaining an effective 'firewall' between the two carbon credit holdings. In practice, this means WCC does not use its forestry NZUs towards its ETS obligation to surrender NZUs for the Landfill. The diagram opposite summarises WCC's current approach and ETS-interactions.

This practice can be traced back to a time when the forestry NZUs were worth significantly more than the ETS credits which WCC could purchase to meet its obligations for the Landfill. WCC does not have a policy explicitly addressing this approach, nor the relationship between the two parts of WCC's carbon credit holdings.

WCC should consider how best to articulate and 'formalise' the relationship between the two carbon credit holdings. This will ensure clear and consistent decision making, as well as help ensure the correct accounting standard and asset classification are used (per WCC's accounting policy).



Current high-level structure of WCC's carbon credit holdings.

3. Overview of considerations

The following sections identify key factors for WCC to consider when managing its carbon credit holdings, noting additional considerations which arise when contemplating sale of carbon credits. Wherever possible, this is supported by case studies (blue boxes) outlining how other organisations have approached a given consideration.

The sections are separated to identify overarching considerations (section 4), then specific considerations which arise for forestry-related (section 5) and the landfill-related (section 6) carbon credits

Overarching considerations *See section 4*	a. The intended role of carbon credits; b. Strategic priorities, approaches and outcomes in the Long-term Plan 2024-34; c. Carbon credits can be perceived as a 'license to emit'; d. The value of carbon credits changes over time; e. Different types of NZUs have different prices; f. Balancing competing factors in decision making; and g. Administrative costs to manage holdings.
Forestry-specific considerations *See section 5*	a. Harvesting ETS-registered forest; b. Temporary damage to ETS-registered forest; c. Permanent damage to ETS-registered forests; d. Deregistering from the ETS; e. Landowner obligations for pre-1990 forest not registered with the ETS; f. Stakeholder engagement; g. Greenhouse gas accounting standards; and h. Biodiversity co-benefits from indigenous forests.
Landfill-specific considerations *See section 6*	a. Credits purchased and held for specified purposes; and b. NZU obligation depends on waste volumes.

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4. Overarching Considerations

4a. The intended role of carbon credits

Quantifying and representing greenhouse gas emissions as carbon credits is intended to reduce the overall amount of greenhouse gas emissions released into the atmosphere. They enable the creation of a market-based valuation and trade mechanism to incentivise entities to lower emissions.

Carbon markets allow organisations to find the most cost-effective ways to reduce emissions through the trade of carbon credits, with unit price rising or falling based on market dynamics (such as supply, demand and perceptions of quality). The overarching intention is that this leads to more innovative and efficient solutions for emissions reduction.

In simple terms, carbon markets match two groups:

Carbon credit producers	Carbon credit purchasers
Projects which reduce, avoid, or remove emissions are eligible to generate carbon credits. In New Zealand, these projects typically involve forestry, renewable energy, methane capture, soil carbon sequestration, or energy efficiency. The projects are independently verified to ensure the resulting carbon credits represent real and measurable emission reductions. WCC earns carbon credits each year from its post-1989 ETS-registered forest.	Organisations which cause emissions can purchase carbon credits to 'offset' their environmental impact, either in full or in part. This may be a voluntary initiative (common in the private sector) or mandated by regulations (such as the ETS). The ETS requires WCC to surrender carbon credits each year to offset emissions produced by the waste held at the Southern Landfill.[5, 6]

Considerations for managing carbon credits

When managing carbon credits, WCC should consider why they have been produced or purchased, and whether the management option is consistent with the intended outcomes at production or purchase.

If selling carbon credits, WCC should consider:

- How the sale proceeds will be used; and
- Whether this use aligns with the intended purpose and role of carbon credits (and whether this matters).

These same considerations apply if WCC is considering transferring ownership of the carbon credits to another entity.

WCC could consider a formal and documented mechanism to direct sale proceeds towards initiatives which are consistent with the overall purpose of carbon credits (see case studies below). If doing this, WCC should:

- Establish clear qualifying criteria; and
- Ensure the new initiative produces environmental benefits which are additional to those which the forestry already produces. Otherwise, the mechanism could be perceived as 'trading' one environmental benefit (forestry) for another (the new initiative), with no net environmental gain overall.

WCC currently has an informal internal understanding that if carbon credits are sold, the proceeds will be split evenly between carbon reduction initiatives and reforestation. This conflicts with the 2011 Policy's statement that revenues generated from selling carbon credits "*will be treated as other revenues received by the Council*" and "*(t)here will be no ring-fenced use of revenues arising from the Council's response to the NZETS*." [7\]

4. Overarching Considerations

4a. The intended role of carbon credits *(cont.)*

Case Study: Hutt City Low Carbon Acceleration Fund

As of November 2024, Hutt City Council (HCC) had approximately 250 hectares of native forest registered under the ETS.[8] Similarly to Greater Wellington Regional Council, HCC uses forestry carbon credits to support decarbonisation initiatives.

HCC earns these credits from post-1989 forests, and any legal entity (including a business or charity) can apply for funding for a project that will reduce carbon within the Lower Hutt City boundary.[9]

This contributes to HCC's goals of a 50% emissions reduction by 2030 and the city reaching net zero emissions by 2050.[10]

Case Study: King County Forest Carbon Program – Washington, USA

The program is part of the region's Land Conservation Initiative.[11] It promotes forest planting across the region for residents to enjoy more greenspace in their area while conserving 65,000 acres of existing tree canopy and natural areas.[12]

Carbon credits generated from forests are certified by a third party and sold to local businesses in the region so local businesses can meet their own emissions targets. The program creates both 'urban credits' certified through City Forest Credits and 'rural credits' certified under the Verified Carbon Standard.[13]

This illustrates how forestry can be used to create social (greenspace), economic (sale of credits) and environmental (carbon sequestration) benefits, while retaining the emissions represented by each credit within a regional boundary.

4. Overarching Considerations

4b. Strategic priorities, approaches and outcomes in the Long-term Plan 2024-25

WCC's Long-term Plan 2024–34 (LTP) outlines the council's strategic priorities, approaches and community outcomes. This includes a priority of WCC collaborating with communities to mitigate and adapt to climate change.

The LTP identifies strategic approaches for WCC, including that "*by acknowledging and preparing for future climate changes, we are committed to safeguarding and enhancing our environment for generations to come.*"[14]

Considerations for managing carbon credits

WCC should consider how to ensure its approach to managing carbon credit holdings aligns with the LTP's strategic priorities and approaches, as well as supporting specified community outcomes.[15]

For instance, WCC could consider how to ensure proceeds from any sale of carbon credits supports initiatives which are consistent with the strategic priority of collaborating with communities to mitigate and adapt to climate change.[16]

Collaboration with communities as an explicit strategic approach is relevant to WCC identifying and engaging with any stakeholder groups which have contributed to developing WCC's forestry assets (see section 5f).

Case Study: Greater Wellington Regional Council

Greater Wellington Regional Council (GWRC) has set a target to become a net producer of carbon credits from their land by 2035.[17] This requires GWRC to both reduce emissions and increase carbon credits generated so that they produce more carbon credits than is needed to offset their emissions.

The Low Carbon Acceleration Fund was established in 2020 as part of GWRC's 2021- 31 Long Term Plan. The fund's aim is to support activities or initiatives that reduce net emissions more quickly and/or at a greater scale than otherwise would occur.

It operates by Greater Wellington borrowing against the value of the 255,660 NZUs gifted to it by the government in 2012 for its pre-1990 forests. The eventual sale of these units will repay the debt and interest costs, and management of this is governed by the Treasury Risk Management Policy.[18]

Examples of projects that facilitate GWRC's dual needs (to decarbonise and increase the number of credits it produces) include:

- Partial funding of energy efficient lightbulbs at Sky Stadium;[19] and
- Restoration planting in Queen Elizabeth Park.[20]

KPMG

4. Overarching Considerations

4c. The perception of carbon credits as a 'license to emit'

A common criticism of carbon markets is that some organisations rely on purchasing carbon credits, without necessarily reducing their emissions.[21] As a result, a relatively common misperception exists that carbon credits give purchasers an effective 'licence to emit'.

The act of selling carbon credits can therefore be perceived as a net negative impact on the environment in that the purchaser is using this credit to 'justify' its emissions.

In reality though, the sale and purchase of carbon credits is intended to complement, not replace, emission reduction efforts. Carbon credits are designed to be tradable instruments, bought and sold at market rates to encourage overall emissions reduction (see section 4a). Market dynamics will influence the price of the carbon credits (see section 4d and section 4e).

Considerations for managing carbon credits

If WCC were to sell carbon credits, it is possible stakeholders (including ratepayers) could perceive this negatively as the council giving other organisations a 'licence to emit'.

WCC could consider limiting sale to purchasers which are located within Wellington City's limits. This may help communicate the sale as being a net environmental benefit for the local region. Note this is not strictly required by the applicable greenhouse gas accounting standards though, which are neutral as to whether forestry is registered with the ETS or not (see section 5g).

Case Study: Delta Airlines greenwashing lawsuit – California, USA

Between 2020 and 2023, Delta Airlines promoted itself as the "*the world's first carbon-neutral airline*" by virtue of voluntarily purchasing sufficient carbon credits to offset its emissions.[22] However, in 2023 a class action lawsuit was filed against Delta by a customer who had been paying a premium for flights she believed to be environmentally sustainable.[23] This lawsuit is ongoing.

A 2021 investigation looking into ten carbon forestry projects found that the credits Delta was relying on were "junk" due to a lack of regulation in the voluntary market, reliance on "proposed offsets", as well as inconsistent accounting methods that lead to overestimation of the actual amount of carbon being offset.[24]

4. Overarching Considerations

4d. The changing value of carbon credits

Like other tradable financial instruments, the value of carbon credits fluctuates over time influenced by wider market conditions such as supply and demand. New Zealand has seen a period of notable price volatility in recent years, with some stabilisation at the end of 2024.[25]

Participants in carbon markets feel price volatility as either a positive or negative outcome depending on whether they are producing or purchasing carbon credits.

WCC purchases NZUs in advance, holding these for when WCC annually surrenders carbon credits to meet the Landfill's ETS emissions obligations.

On the other hand, WCC also receives NZUs annually for its post-1989 forest estate, with the associated value on this asset being influenced by the same market dynamics.

Considerations for managing carbon credits

WCC's approach is premised on a prediction that price of carbon credits will consistently trend upwards. The value of carbon credits has increased overall in the last decade, so WCC's 'hedge' has worked as intended.[26] However, this trend is not guaranteed.

To help ensure consistency and informed risk-taking, WCC should determine how to document this strategy, including how to model future values along with WCC's related risk appetite.

Wherever possible, WCC should consider how to make this a quantitative assessment, although recognise that qualitative factors do play a key role in future value of carbon credits.

For instance, government policy is a key factor influencing the price of carbon credits.[27] The current government has stated a plan to restore confidence in the ETS. In the second Emissions Reduction Plan the government emphasised the importance of the ETS as the primary mechanism for meeting our national carbon reduction targets.[28] This government focus, combined with changes to the number of units available in the ETS, are expected to drive up the carbon price.

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4. Overarching Considerations

4e. The variability of NZU price

In the ETS context, NZUs produced by "permanent" forest are generally viewed as being higher quality and attract higher prices.[29] The long-lasting nature of the underlying forest for these helps mitigate criticisms the forest will be harvested and therefore lose its carbon sequestration benefits.[30]

The price difference creates an arbitrage opportunity for WCC. To date, WCC has retained its (higher value) NZUs produced by forestry, while purchasing (cheaper) NZUs to surrender for the Landfill. This is further supported by a notional hedging strategy of purchasing these cheaper NZUs in advance (see section 6a).

The 2011 Policy includes an overarching principle that WCC will acquire 'least cost units'. The principle applies to circumstances where WCC "*cannot acquire enough units locally or where local units are significantly above market rates*".[31]

Permanent forests (particularly indigenous forests) also provide biodiversity co-benefits (see section 5h).

Considerations for managing carbon credits

WCC should consider how to clarify and formalise the relationship between the two areas of the carbon credit holdings. Among other benefits, this will ensure WCC has a clear and consistent approach for assessing the price arbitrage opportunity each year.

Factors WCC could consider include:[32]

- Minimum price scenarios to be modelled (including details about information/inputs, assumptions, time horizons and discount rates);
- Predicted scale of NZUs accrued and surrendered each year;
- WCC's ability to sell carbon credits in an orderly fashion, at the desired time;
- Specified review points and thresholds for considering the appropriate size and nature of carbon credit holdings; and
- How analysis will be used in WCC's decision making and/or interact with other polices/plans.

Changes to the ETS may impact the value of particular NZU types. Therefore, WCC should closely monitor market trends and regulatory settings which could impact how the ETS treats forestry types, ensuring this is factored into modelling.

WCC's analysis may differ between the carbon credit holdings it produces from ETS-registered forestry, compared to its approach to sourcing NZUs to meet the Landfill's emissions obligations.

4. Overarching Considerations

4f. Balancing competing factors in decision making

WCC's Revenue and Financing Policy is embedded within the Long-Term Plan 2024-34. It lays out factors which WCC must balance when making decisions.[33]

The policy states WCC should use its best judgment when balancing these factors, recognising that these sometimes conflict and compete.

Particularly relevant factors are noted in this table, which WCC will need to consider during key decisions and day-to-day management of its carbon credit holdings.[34]

Notably, while the policy exists in a document outlining a ten-year plan, some of these factors will require WCC's decision makers to consider significantly longer time horizons. For instance, the climate impacts of immediate decisions may not become evident for several decades.

Intergenerational equity	WCC should consider the impact of its financial decisions on future ratepayers. WCC's carbon credit holdings are an asset with value, developed at least partly using rates from past and current ratepayers. Any decision to sell this asset should consider the impacts on both the current and future ratepayers, who would no longer receive any benefit from WCC holding it. Future ratepayers could receive a benefit from whatever WCC uses the sale proceeds for, but the relationship may not be easily identified. This factor requires WCC to strongly consider how it would use the proceeds from selling carbon credits and how this use aligns with WCC's basis for using rates to develop and maintain the forestry holdings to date (also see section 4a).
Impact on climate	WCC should consider the climate impact which its carbon credit holdings have. Given the intended role of carbon credits (see section 4a), WCC holding and actively managing an appropriate level of carbon credits would likely be seen as positively impacting the climate.
Social impacts	WCC should consider the social impact which its carbon credit holdings may have. By actively maintaining a forestry estate, WCC provides residents with access to nature/greenspace and therefore provides social benefits via improved wellbeing and health outcomes. Selling carbon credits would not impact this benefit, assuming all else stays the same.
Strategic alignment	WCC should consider how its approach to carbon credits aligns with other strategic priorities. For instance, environmental outcomes stated in the Long-term Plan 2024–34 (see section 4b)

4. Overarching Considerations

4f. Balancing competing factors in decision making *(cont.)*

Case Study: Makame Savannah project - Tanzania

In 2016, a group of five Masai villages partnered with Carbon Tanzania, in an initiative which benefited current Masai tribe members, as well as sets up future generations for increased social outcomes.[35]

This partnership aimed to address the issues posed by demand for agricultural land that created a regional deforestation rate nine times higher than the national average.[36]

The implementation partnership's grazing plan protects 364,000 hectares, equating to 130,000 tonnes of avoided CO_2 emissions annually. These are quantified as carbon credits, certified by a third party, then sold to generate revenue for the community.[37]

The group receive more than 60% of the $1 million USD that has been generated by carbon credits.[38]

The initiative has resulted in:

- Directly creating jobs for the community, with 15% of the revenue used to pay the salaries of the 27 village game scouts that have contributed to a 93% reduction in poaching in the area that helps to promote tourism in the area; and[39]
- Raising revenue for community initiatives. More than $359,000 USD has been directed to building and improving schools, and $574,000 USD been spent on healthcare infrastructure.[40]

Case Study: Alto Mayo, Peru

Unfortunately, not every example of incentivising community forestation initiatives to generate carbon credits has been positive for communities. The Alto Mayo forest-based carbon offsetting initiative was established as a REDD+ (Reducing Deforestation and forest Degradation) project and had generally been seen as a success, decreasing deforestation by 59% between 2008-2020.[41]

The 'conservation agreements' used to facilitate the project also offered community benefits by providing agricultural training, financial skills and access to speciality coffee markets in exchange for not deforesting the land.[42] This project contributed 40-50% of carbon offsetting credits purchased by Disney between 2012-2020.[43, 44]

A Bloomberg investigation in 2020 focused on Disney's involvement in the project.[45] The investigation alleged a significant discrepancy between the carbon sequestration facilitated by the initiative and the number of carbon credits being claimed. Reports also emerged about the forced displacement of people who did not accept the conservation agreements and has resulted in increased militarisation of the area.[46]

Conservation International continues to refute these claims.

4. Overarching Considerations

4g. Administrative costs of managing holdings

Managing carbon credit holdings will give rise to some administrative costs for WCC. WCC has a number of general ETS-related obligations such as completing emissions returns that detail any changes to its registered forests.[47]

WCC currently allocates staff time and resources to managing records about carbon credit holdings, actioning paperwork to surrender credits, completing accurate emissions returns, as well as other related record keeping.

Considerations for managing carbon credits

It is understood the carbon credit holdings are currently coordinated by a Senior Advisor in WCC's Treasury and Funding team.

Introducing new policies, structure and oversight for WCC's approach to managing carbon credit holdings will almost certainly increase the topic's operational and financial complexity. Particularly if WCC begins to actively participate in secondary markets and sell its carbon credits.

As a result, WCC may require further internal capacity to support and oversee this revised approach.

5. Forestry-related Considerations

Calculating NZUs: Pre-1990 vs Post-1989 forests

Forestry registered in the ETS is treated differently depending on whether it is classified as pre-1990 or post-1989.

The table below sets out the composition of WCCs ETS-registered forests as of May 2025.[48]

Forest type	Pre-1990	Post-1989	Total
Indigenous	1,712 hectares	1,304.8 hectares *(registered as 'Permanent' forest).*	3,016.8 hectares
Exotic	385 hectares	32.5 hectares *(registered as a 'Standard' forest)*	417.5 hectares
Totals	**2,097 hectares**	**1,337.3 hectares**	**3,434.3 hectares**

Pre-1990 forestry was automatically included in the ETS and qualified for a one-off allocation of 20,564 NZUs. This forest does not earn NZUs on an ongoing basis.[49]

Post-1989 forest registered in the ETS will earn NZUs on an ongoing basis. NZUs are calculated based on whether the landowner registers the forest as:

- **Permanent:** Landowners are allocated increased NZUs as the forest grows; or[50]
- **Standard:** Since these forests are harvested, the carbon stored will fluctuate over time. NZUs are allocated based on the forest's long-term average carbon storage. That is, the average carbon stored as it is harvested and regrows over time.[51]

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5. Forestry-related Considerations

5a. Harvesting ETS-registered forests

Post-1989 forests

Permanent forest: These forests are not intended to be harvested and must maintain at least 30% tree cover per hectare and be registered for 50 years.[52,53] If a landowner clear-fells permanent forest, they will be required to repay NZUs for the emissions from the area that was clear-felled and may face a penalty based on the value of the clear-felled forest.

Standard forest: These forests can be harvested at any time, provided the landowner replants the forest to certain levels within four and ten years.[54]

Pre-1990 forests

After a landowners receive a one-off allocation of credits, these forests do not produce further NZUs. However, landowners may need to surrender NZUs if pre-1990 forest is deforested before lodging an application to plant a replacement forest.[55] Exemptions apply in limited circumstances.[56]

Considerations for managing carbon credits

When managing carbon credits, WCC should ensure it also coordinates internally to identify any plans to harvest its forest estate.

This ensures WCC can identify and factor in any ETS-implications which could arise from the harvesting, including any financial or NZU reimbursement liabilities.

5. Forestry-related Considerations

5b. Temporary damage to ETS-registered forests

Post-1989 forests

The ETS contemplates "adverse events" causing temporary damage to post-1989 ETS-registered forests. For WCC, this could include wind throw, floods and drought, landslides, earthquakes and tsunamis, pests and diseases, naturally caused fires, or accidental events (e.g., browsing animals or controlled burning becoming uncontrolled).[57]

If one of these events occurs, landowners can apply to the Ministry for Primary Industries (MPI) for a pause in carbon accounting under the following conditions:

- The event clears at least one hectare of land;[58]
- The damage is significant enough that the trees no longer have, or are likely to have >30% crown cover;[59]
- The forest is expected to be re-established and sequester the same amount of carbon as it did before the event; and[60]
- The landowner has not submitted an emissions return for the area since the adverse event (unless submitting an additional application for an ongoing event).[61]

If MPI approves the request, the landowner is not required to pay NZUs back to account for the decrease in sequestered carbon. However, the landowner will not receive any further NZUs until the area has been reforested.[62]

The suspension lasts until the landowner re-establishes the forest and achieves the same level of carbon storage as before.[63]

Landowners must submit a notice to MPI four years after the event to provide a status update, and another when the carbon is deemed to reach the original amount.[64] Landowners must continue to submit emissions returns during this time.

Pre-1990 forests

If pre-1990 forests are temporarily damaged, this does not immediately constitute "deforestation", provided land is replanted or allowed to regenerate to meet specified levels after four and ten years.[65, 66]

Exemptions may apply to holdings of land less than 50 hectares, land that is Māori-owned or has more than ten owners, or land with tree weeds.[67]

If no exemptions apply, or land is not replanted to the specified levels the landowner will need to repay the NZUs.

Considerations for managing carbon credits

When managing carbon credit holdings, WCC should consider the nature and degree of risk it faces for related forest being damaged. If damage meets the ETS criteria, WCC will not be required to repay related NZUs.

However, any damage to forests will give rise to replanting costs for the damaged area, if WCC decides to re-establish the forest. WCC may consider insurance cover for this situation.

If WCC is considering selling carbon credits, it should determine:

- Any implications such a sale may have for its eligibility to later apply for a pause in carbon accounting if temporary damage from an adverse event occurred. Obtaining a legal perspective on this would be prudent; and
- How any related insurance policy would treat WCC's sale of carbon credits. For example, any policy requirements or expectations about the speed, degree or cost allocation of WCC's reforestation efforts.

5. Forestry-related Considerations

5c. Permanent damage to ETS-registered forests

The ETS contemplates a natural event occurring which permanently damages ETS-registered forest to the degree the landowner cannot re-establish it. For example, a landslide or a river changing course.

In such case, landowners are not required to surrender NZUs to account for the lost carbon storage from permanently damaged forest.[68] MPI will issue a notice confirming the land is permanently damaged and no longer considered to be in the ETS.

This applies to both pre-1990 and post-1989 (both permanent and standard) forestry.[69, 70]

Considerations for managing carbon credits

If a natural event damage forest to the extent WCC is permanently prevented from re-establishing the forest in the area, WCC can apply to be removed from the ETS.

Based on available information, it appears WCC would not be required to repay related NZUs for permanently damaged land. WCC should seek legal advice in this point, to clarify how MPI's information applies to the council's specific circumstances.

5. Forestry-related Considerations

5d. Deregistering from the ETS

Post-1989 forests

Permanent forest: Landowners can deregister permanent forest in specific circumstances with approval from the Minister for Climate Change. If the Minister grants permission to deregister, the landowner must surrender related NZUs.[71]

After 50 years, these forests can be deregistered in the manner of a standard forest.[72]

Standard forest: Landowners can deregister standard forest from the ETS at any time. When doing this, landowners must surrender related NZUs, unless the land was permanently damaged by a natural event.[73]

Pre-1990 forests

The owner of land containing pre-1990 forests automatically has obligations imposed on them by virtue of owning the land. Post-1990 forest cannot be "registered" in the ETS, so therefore cannot be deregistered.[74]

These landowners received NZU allocations to acknowledge the burden being placed on them. However, the forest does not continually generate credits as post-1989 forests do.

If WCC wishes to clear these forests, the considerations in section 5a will apply (harvesting ETS-registered forest).

Considerations for managing carbon credits

If WCC is considering deregistering from the ETS (fully or partially), it should determine any financial or NZU repayment implications which could arise.

Similarly when considering whether to sell carbon credits, WCC should consider what this may mean if WCC later decides to deregister from the ETS and this potential lability should clearly identified during decision making.

It is understood WCC previously sold 15,000 NZUs to Air New Zealand, so these would need to be reimbursed (at current NZU price) if WCC were to deregister from the ETS.

5. Forestry-related Considerations

5e. Landowner obligations for pre-1990 forests not registered with the ETS

Pre-1990 forests which meets the definition of "forest land" is subject to ETS restrictions, even without the landowner registering this land with the ETS.[75]

Deforesting pre-1990 forests will result in landowners needing to pay NZUs to the government. Some exemptions apply for clearing tree weeds, clearing areas less than 50 hectares, land that is Māori-owned or has more than ten owners, or when planting occurs to offset the lost carbon sequestration.[76]

Considerations for managing carbon credits

Whist not necessarily a consideration when managing or selling carbon credits, WCC should ensure at a high level:

- It has identified all land which this obligation applies to; and
- Appropriate internal mechanisms exist to avoid this land being deforested and accidentally triggering a NZU repayment obligation for WCC.

5. Forestry-related Considerations

5f. Stakeholder engagement

Some of WCC's ETS-registered forest has been revegetated and maintained in partnership with local community groups. This includes groups providing time, funding and expertise to support such initiatives.

These groups may feel entitled to enhanced levels of consultation and input on any WCC decision which impacts the future of the forest in question, or financial benefits the WCC receives from this forest.

Considerations for managing carbon credits

When considering how to manage carbon credits, WCC should determine how best to consult with and include the views of these community groups or other stakeholders (for example, immediate neighbours) which have played notable roles in establishing and maintaining the forests.

Engagement topics could include whether WCC should sell carbon credits (in part or at all), as well as how any sale proceeds should be used.

5. Forestry-related Considerations

5g. Greenhouse gas accounting standards

WCC's Te Atakura plan lays out targets for reaching net zero emissions by 2050. Te Atakura contemplates overall emissions reductions, supplemented by offsets and carbon capture activities where possible. This includes forestry.[77]

Both WCC and the city have targets for 57% reduction in scope 1 and 2 emissions between 2020-2030.[78] Te Atakura includes an emissions inventory which details progress against these targets.

The emissions inventory reports emissions in line with the Greenhouse Gas Protocol for Cities standard.[79] This standard allows cities to include carbon removals in their emissions inventory (for instance, from forestry), provided these are represented as 'net' or separate to the city's emissions.[80] This means clearing showing the city's total emissions minus the forestry-related carbon removals.

The standard therefore allows WCC to report its forestry-related carbon sequestration in the emissions inventory, without the forests necessarily needing to be registered with the ETS. These are independent things, which limited bearing on each other.

The important proviso is that if registered with the ETS, WCC must not 'double count' the carbon sequestered by their forests, as well as the carbon represented by each ETS carbon credit.[81]

Considerations for managing carbon credits

Whether forest is registered with the ETS does not influence how WCC discloses related sequestration in its greenhouse gas inventory.

When managing carbon credits, If WCC were to sell its forestry-related carbon credits, it could consider limiting sale to purchasers which are located within Wellington City's geographic limits.

This geographic limit may help position and communicate the sale as supporting local environmental outcomes, on the basis that presumably the purchaser would use the credit to offset emissions largely produced locally. Demonstrating and enforcing this would be logistically complex though.

Limiting purchaser location would not impact Wellington City's emissions inventory published in Te Atakura. The applicable accounting standard requires WCC's emissions inventory to identify emissions and sequestration figures separately, regardless of forestry being registered with the ETS or where any purchaser may be physically located.

5. Forestry-related Considerations

5h. Biodiversity co-benefits from indigenous forests

WCC's forests provide ecological and carbon sequestration benefits. However, indigenous forest also provide notable biodiversity co-benefits.

Key areas relevant to WCC include:[82]

Habitat creation and promotion of biodiversity

Different species have different habitat and food requirements, so the larger the variety of plants and ecosystems, the more diverse the populations of animals such as birds will be. The opposite is also true, as animals help to disperse the seeds of the plants they consume.[83] Habitat creation is especially important in a country where our native species are particularly vulnerable to introduced pests such as possums, stoats and weasels. Promoting indigenous forestry planting will support bird and plant life around Wellington, creating more desirable greenspaces for residents and visitors to the city.

Hazard protection

Increased vegetation helps to protect against natural hazards, such as flooding, by helping to absorb water runoff and stabilising soils to minimise. This "green infrastructure" can complement built infrastructure to increase the city's flood resilience in an economical way, with $1 of investment into nature restoration found to provide $7 of flood protection benefits.[84]

Water filtration

Plants filter particles, pathogens, excess nutrients and other chemicals from water, directly improving water quality.[85] While Wellington City is reliant on water from outside the city boundaries, increasing filtration on a wider scale improves the water quality of the region overall.

Air quality

Plants filter harmful compounds from the air.[86] Accordingly, WCC's forests positively contribute to having clean air in Wellington and, therefore, the health of our people.

Considerations for managing carbon credits

Whilst not directly related to managing carbon credits, if WCC is contemplating selling carbon credits and considering appropriate uses for the proceeds, it could consider prioritising initiatives which protect, maintain or expand indigenous forests in particular, given their notable biodiversity co-benefits.

6. Landfill-related considerations

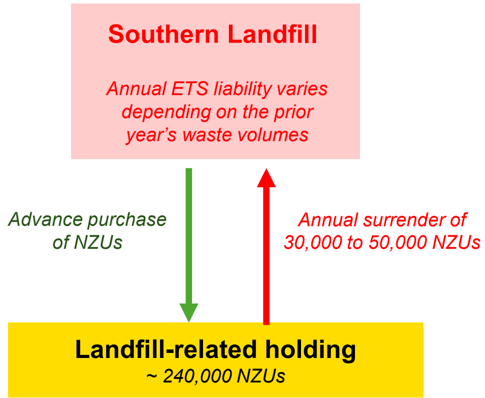
As operator of the Southern Landfill, WCC is required to annually surrender NZUs equivalent to the amount of emissions produced by the Landfill's waste.

The number of NZUs surrendered is proportional to the amount of waste entering the Landfill.[87] This varies between 30,000 to 50,000 tCO_2-e per year, dependent on whether any large projects within the city are generating a significant amount of waste.[88]

The Landfill operates on a user-pays model, where fees are charged for waste disposal based on weight and type of material. The WCC's aims to recover the full cost of the Landfill's operations.

The cost to purchase landfill-related NZUs is not currently included in WCC's general or targeted rates. Rather, the cost to purchase NZUs is reflected in the Landfill's gate prices.[89] Therefore, WCC's "polluter pays" approach to solid waste operations includes purchase of related NZUs.

WCC purchases carbon credits in advance, holding these as intangible assets.[90] When WCC surrenders NZUs, this is done using the cost of purchase rather than the current NZU value. This approach enables WCC to manage the input costs for the Landfill's gate pricing and effectively 'hedge' its position against increasing carbon prices (similar to a FOREX or interest rate hedge).



Year	NZUs purchased
2019/20	62,103
2020/21	215,347
2021/22	0
2022/23	0
2023/24	30,000
2024/25	0

6. Landfill-related considerations

6a. Credits purchased and held for specified purposes

WCC purchases and holds NZUs for the explicit purpose of having these available each year to surrender for the Landfill's ETS obligations. WCC accounts for these credits in its financial statements as an asset, using the purchase price.

It is understood this practice is widely known within WCC, although not formally documented.

Case Study: Transwaste Canterbury Ltd

Transwaste is a public-private partnership between Waste Management NZ Ltd, Christchurch City Council, and the Waimakariri, Selwyn, Ashburton and Hurunui District Councils.[91]

Transwaste receives NZUs from forestry and is also required to purchase and surrender NZUs for its landfill obligations.[92]

Transwaste specifically states an objective of generating carbon offsets, as well as a goal of attributing carbon emissions reporting to each of the partner councils in the next annual report.[93]

It is unclear from public documentation, but possible that Transwaste uses its forestry NZUs to satisfy landfill-related ETS obligations.

Considerations for managing carbon credits

WCC should consider documenting its approach and decision making criteria for purchasing NZUs in advance to meet Landfill-related ETS obligations. For instance, clearly determining the reason for the purchase, appropriate time horizon for advance purchases, size of holding, plus projections for the size of WCC's annual NZU surrender.

Any changes to the WCC's current approach could have implications for financial planning and liabilities, necessitating re-projections. Changing WCC's current approach will impact the Landfill's gate price and/or levels of service, depending on which metrics might be adjusted and decision making thresholds selected.

Given WCC acquired and holds its landfill-related carbon credits for a clear purpose (even if not documented), the council should ensure that selling or using these for any alternate purpose is legitimate. This would include considering how stakeholders may perceive this.

WCC's approach to purchasing, holding and using carbon credits relative to its landfill-related ETS obligations could conceivably be laid out in a Delegated Financial Authority.

WCC should consider how its landfill-related carbon credit holding interacts with other WCC holdings. For instance, identifying criteria and quantitative thresholds/triggers for when WCC can consider using its forestry-related credits towards its Landfill-related ETS obligations (or not).

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6. Landfill-related considerations

6b. NZU obligation depends on waste volumes

The number of NZUs which WCC is required to surrender each year depends on the gross tonnage of waste entering the Landfill. The gross tonnage is multiplied by an "emissions factor", which estimates the emissions per tonne of waste.[94]

WCC has a unique emissions factor that reflects that Southern Landfill emissions are lower than the industry average as a result of gas-capture.[95, 96]

Therefore, any reduction WCC can drive to reduce volumes entering the Landfill will have a direct financial impact since the council will need to surrender fewer NZUs from the related carbon credit holding.

Examples of WCC initiatives intended to decrease waste volumes include:

- The Sludge Minimisation Facility under construction at Moa Point, which will further reduce the tonnage of waste entering the Landfill once operational. Currently sludge must be mixed with waste at a 1:4 ratio, limiting waste reduction efforts; and [97]
- The Tip Shop and Recycling Centre, plus Capital Compost, which both divert waste streams away from the Landfill.

Considerations for managing carbon credits

When managing carbon credits, WCC should ensure its modelling and decision making criteria are sufficiently flexible to anticipate, as well as adjust to, the Landfill's NZU surrender obligation changing over time.

When making decisions about initiatives which have potential to increase or reduce waste volumes, WCC should include any potentially impacts to NZU surrender implications within the initiative's wider benefit cost analysis.

7. Recommendations

WCC should consider how best to develop explicit policy and decision-making instruments for managing the council's interactions with carbon credits. These should collectively address the considerations noted through sections 4, 5 and 6 of this report.

Some of the substantive decisions may benefit from public input, potentially via the planned 2026 Te Atakura consultation. However, some elements may fit appropriately within WCC's existing policies and procedures, such as the Revenue and Financing Policy or delegated financial authorities.

A pathway forwards

A possible pathway forwards for WCC to consider and adapt is presented in the box opposite. This aims to clarify WCC's overarching objectives for forestry (step 1), then cascade this through to other decisions and contexts (step 2 to 5).

WCC's decision at step 1 is crucial to determining how the proceeds from selling NZUs should be used and identifying the consequential financial implications.

Consider for example the difference between these two perspectives on the forest's purpose and the implications for decisions on WCC's carbon credit holdings:

- Forest Purpose 1: generate revenue from the ETS, with the proceeds available for whatever purpose the council decides (environmental or otherwise); as compared to
- Forest Purpose 2: achieve emissions reduction and environmental benefits, so the proceeds of any carbon credit sale should be limited to similar initiatives.

1. Develop a **forestry policy position** addressing why WCC owns and maintains forestry, including objectives and principles which can be used to inform related decisions. This could consider both short- and long-term (intergenerational) objectives, as well as guidance on how to balance competing factors during decision making.
2. Consider whether participating in the **Emissions Trading Scheme** aligns with WCC's forestry policy position.
3. Consider whether the proposed **Disaster Resilience Fund's** objectives and triggering criteria align with WCC's forestry policy position and objectives.
4. Develop a **carbon credit holding policy**, which draws on the forestry policy position to guide topics such as:
   a. Day-to-day management and financial accounting decisions;
   b. Whether NZUs can be sold (at all), plus appropriate price thresholds and volumes to retain;
   c. Criteria for using proceeds from selling NZUs (if any);
   d. Criteria for when forestry NZUs can be used towards landfill NZU obligation (if at all);
   e. Criteria for when ownership of NZUs can be transferred (if at all);
   f. Changes/exceptions to be made to other WCC policies/procedures;
5. Consider how best to document WCC's approach to **landfill input costs and NZU surrender obligations**. This would include topics such as:
   a. The role of carbon credits in the context of the Southern Landfill, relative to WCCs forestry-related carbon credits;
   b. How to model the Landfill's likely future surrender obligation and future values of NZUs; and
   c. Principles, criteria and thresholds for managing cost inputs (for instance, purchasing NZUs in advance and the appropriate size of such a holding).

Footnotes

1. WCC – 2024-34 LTP Amendment and 2025-26 Annual Plan Consultation Document, see Final Decision 17.1
2. WCC – Carbon Management Policy
3. WCC – Carbon Management Policy, at p 3
4. WCC – Carbon Management Policy, at p 4
5. EPA – Industries in the Emissions Trading Scheme: Waste
6. Emissions from operating the landfill itself are not covered in this ETS requirement
7. WCC – Carbon Management Policy, at p 9
8. HCC – Submission: Resetting the ETS annual charges for post-1989 forestry participants
9. HCC – First recipients of the Low Carbon Acceleration Fund announced
10. HCC – Low Carbon Acceleration Fund
11. KC – Forest Carbon Program
12. City Forest Credits – King County Urban Forest Preservation Project
13. KC – Forest Carbon Program
14. WCC – Long-Term Plan 2024-34 (vol. 1), at p 37
15. WCC – Long-Term Plan 2024-34 (vol. 1), at p 11
16. WCC – Long-Term Plan 2024-34 (vol. 1), at p 11
17. GWRC – Order Paper: 21 August 2019, at 7.1
18. GWRC – Climate Committee Order Paper: 27 March 2025, at p 31
19. RNZ – Sky Stadium in Wellington to get 6000 energy efficient light bulbs
20. GWRC – Greater Wellington on the pathway to lower carbon emissions
21. Harvard Law School Forum on Corporate Governance – Carbon Credits: An Overview of a Climate Controversy
22. *Mayanna Berrin v. Delta Airlines Inc.*, at 3
23. *Mayanna Berrin v. Delta Airlines Inc.*, at 9
24. The Guardian – Delta Airlines faces lawsuit over $1bn carbon neutrality claim
25. CCC – Advice on NZ ETS unit limits and price control settings for 2026-2030, at p 27
26. CCC – Advice on NZ ETS unit limits and price control settings for 2026-2030, at p 24
27. CCC – Frequently Asked Questions: NZ ETS unit limits and price control settings for 2025-2029, at p 5
28. MfE – New Zealand's second emissions reduction plan 2026-30, at p 24
29. "Permanent" forestry NZUs were previously referred to as the "Permanent Forest Sink Initiative (PFSI)"; see MPI – Permanent Forest Sink Initiative
30. Trencher et al. (2024) – Demand for low-quality offsets by major companies undermines climate integrity of the voluntary carbon market, at p 10
31. WCC – Carbon Management Policy, at p 4
32. The 2011 Policy lays out related information; see WCC – Carbon Management Policy, at p 5
33. WCC – Long-term Plan 2024-34 (vol. 2), at p 179
34. For completeness, the other factors are: Accountability, Affordability, Benefit, Competition, Cost, Efficiency, Equity, Impact of change, Legal availability of funding mechanisms, Transparency.
35. WBCSD – Natural Climate Solutions Alliance: Makame Savannah, at p 3
36. Carbon Tanzania – Makame Savannah project overview
37. Equator Initiative – Nature-based solutions database: Makame Savannah Project
38. Carbon Tanzania – Makame Savannah project overview
39. WBCSD – Natural Climate Solutions Alliance: Makame Savannah, at p 1
40. Carbon Tanzania – Makame Savannah project overview
41. Conservation International – Alto Mayo Carbon Project
42. Conservation International – As pandemic pounded Peru, one region thrive on coffee, carbon
43. The Guardian – 'Nowhere else to go': forest communities of Alto Mayo, Peru, at centre of offsetting row
44. Bloomberg – Disney's Jungle Cruise: High-emissions vacations lead to trouble in a rainforest far, far away
45. Bloomberg – Disney's Jungle Cruise: High-emissions vacations lead to trouble in a rainforest far, far away
46. The Guardian – 'Nowhere else to go': forest communities of Alto Mayo, Peru, at centre of offsetting row
47. MPI – Your responsibilities when land enters the ETS
48. WCC - Agenda of the Long-term Plan, Finance and Performance Committee 13 February 2025; see Item 2.4, Attachment 9: Advice on potential sale of carbon credits, at para 14 on p 626
49. MPI – Pre-1990 forest land
50. MPI – Post-1989 forest land
51. MPI – Introduction to averaging carbon accounting for forests in the Emissions Trading Scheme
52. MPI – Your responsibilities when land enters the ETS
53. Motu – Decision trees: Forestry in the New Zealand Emissions Trading Scheme post-2020, at p 12
54. MPI – How the ETS defines deforestation
55. MPI – Pre-1990 forest land
56. MPI – Pre-1990 forest land
57. Climate Change (Forestry) Regulations 2022, at clause 103
58. Climate Change (Forestry) Regulations 2022, at clause 102(1)
59. MPI - Applying to pause carbon accounting when your forest is damaged
60. Climate Change (Forestry) Regulations 2022, at clause 102(2)
61. MPI - Applying to pause carbon accounting when your forest is damaged
62. Climate Change (Forestry) Regulations 2022, at clause 102(5)
63. MPI - Applying to pause carbon accounting when your forest is damaged
64. MPI - Your responsibilities when carbon accounting is paused for your damaged forest
65. Bell Gully – The Big Picture: Climate Change – towards adaptation, at p 22

Footnotes *(cont.)*

66. MPI – How the ETS defines deforestation
67. Climate Change Response Act 2002, at sections 180-180H
68. MPI – What to consider when joining the ETS for forestry
69. MPI – Deforesting pre-1990 land
70. MPI – How the ETS defines deforestation
71. MPI – Permanent forestry in the ETS
72. MPI – Post-1989 forest land
73. MPI – Post-1989 forest land
74. MPI – Pre-1990 forest land
75. MPI – Pre-1990 forest land
76. MPI – Deforesting pre-1990 forest land without having to pay units
77. WCC – Te Atakura: First to Zero, at p 28-29
78. WCC – Te Atakura: First to Zero, at p 29
79. GHGP – Global Protocol for Community-Scale Greenhouse Gas Inventories v1.1
80. GHGP – Global Protocol for Community-Scale Greenhouse Gas Inventories v1.1, at 4.2.2
81. Carbon Crop – Better offsets: No double counting
82. The Nature's Contributions to People framework has been used to identify these, selecting items of particular relevant to WCC; see Diaz et al. (2018) – Assessing nature's contributions to people
83. WWF - Nature's Technicians: Seed dispersers
84. The Nature Conservancy – How nature can help reduce flood risks
85. Diaz et al. (2018) – Assessing nature's contributions to people, at Table S1
86. Diaz et al. (2018) – Assessing nature's contributions to people, at Table S1
87. EPA – Industries in the Emissions Trading Scheme: Waste
88. WCC - Agenda of the Long-term Plan, Finance and Performance Committee 13 February 2025; see Item 2.4, Attachment 9: Advice on potential sale of carbon credits, at para 5 on p 625
89. WCC – Long-term Plan 2024-34 (vol. 2), at p 196
90. WCC - Agenda of the Long-term Plan, Finance and Performance Committee 13 February 2025; see Item 2.4, Attachment 9: Advice on potential sale of carbon credits, at paras 4-5 on p 625
91. Transwaste Canterbury Ltd – 2024 Annual Report, at p 3
92. Transwaste Canterbury Ltd – 2024 Annual Report, at p 42
93. Transwaste Canterbury Ltd – 2024 Annual Report, at p 16
94. EPA – Industries in the Emissions Trading Scheme: Waste
95. New Zealand Gazette – Notice of Approval of Unique Emissions Factors: 7 May 2025
96. Climate Change (Unique Emissions Factors) Amendment Regulations 2010, at 23C
97. WCC – What the fudge is sludge?

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DECISION REGISTER UPDATES AND UPCOMING REPORTS

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides an update on implementation of previous decisions. It identifies which decisions have been implemented and those that are outstanding. It also provides a list of items scheduled to be considered at the next two meetings (hui).

Strategic alignment

2. This report is considered at every ordinary meeting and assists in monitoring progress and planning for future meetings.

Author	Leteicha Lowry, Senior Democracy Advisor
Authoriser	Amelia Dalley, Democracy Team Leader Andrea Reeves, Chief Strategy and Finance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee (the Committee):

1. Receive the information.

Whakarāpopoto | Executive Summary

Decision register updates

3. A full list of decisions, with a status and staff comments, is available at all times on the Council website. Decisions where work is in progress, or was completed since the last version of this report can be viewed at this link: https://meetings.wellington.govt.nz/your-council/decision-register?UpdatedSinceLastMeeting=true&CommitteeName=K%C5%8Drau+T%C5%8Dt%C5%8Dp%C5%AB+%7C+Long-term+Plan%2C+Finance%2C+and+Performance+Committee%2BP%C5%ABroro+Tahua+%7C+Finance+and+Performance+Committee%2BP%C5%ABroro+Maherehere+%7C+Annual+Plan+%7C+Long-Term+Plan+Committee
4. If members have questions about specific resolutions, the best place to ask is through the written Q&A process.
5. This body passed 21 resolutions at the last meeting. Sixteen are now complete and 5 are still in progress.
6. A total of 103 in progress actions were carried forward from previous reports. Sixty four are now complete and 39 are in progress.

Upcoming reports

7. The following items are scheduled to go to the next two hui:

8. Rāapa, 20 Here-turi-kōkā 2025 (Wednesday, 20 August 2025):
    - Water Reform - Adoption of Water Services Delivery Plan (Chief Infrastructure Officer).
    - Disaster Resilience Fund: final design decisions (Chief Strategy & Finance Officer).
    - Te Toi Mahana Quarterly Report (Chief Strategy & Finance Officer).
9. Rātū, 30 Mahuru 2025 (Tuesday, 30 September 2025):
    - Report of the Unaunahi Māhirahira | Audit and Risk Committee meeting of 25 September 2025 – Annual Report

Takenga mai | Background

10. The purpose of the decisions register is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. A resolution could be made to receive a full update report on an item, if desired.
11. Resolutions from relevant decision-making bodies in previous trienniums are also included.
12. Elected members can view public excluded clauses on the Council website: https://meetings.wellington.govt.nz/your-council/decision-register.
13. The upcoming reports list is subject to change on a regular basis.

Attachments

Nil

3. Public Excluded

Recommendation

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

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
3.1 Council Controlled Organisations & Wellington International Airport Ltd. 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.
3.2 Te Wharewaka ō Pōneke	7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied. 7(2)(c)(ii) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest. 7(2)(i) The withholding 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.

	is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	
3.3 Litigation Matter	7(2)(g) The withholding of the information is necessary to maintain legal professional privilege. 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.

2. Direct officers to consider the release of publicly excluded information that can be publicly released following the hui.