

**Absolutely Positively
Wellington City Council**

Me Heke Ki Pōneke

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

9:30 am Rāapa, 25 June 2025

9:30 am Wednesday, 25 June 2025

Ngake (16.09), Level 16, Tahiwi

113 The Terrace

Pōneke | Wellington



PRESENT

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

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting (hui) open at 9:30am and read the following karakia to open the hui.

**Whakataka te hau ki te uru,
Whakataka te hau ki te tonga.
Kia mākinakina ki uta,
Kia mātaratara ki tai.
E hī ake ana te atākura.
He tio, he huka, he hauhū.
Tihei Mauri Ora!**

Cease oh winds of the west
and of the south
Let the bracing breezes flow,
over the land and the sea.
Let the red-tipped dawn come
with a sharpened edge, a touch of frost,
a promise of a glorious day

1.2 Apologies

Moved Councillor Matthews, seconded Councillor O'Neill

Resolved

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

1. Accept the apologies received from Councillor Brown for lateness and Councillor McNulty for early departure.

Carried

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

Moved Councillor Matthews, seconded Deputy Mayor Foon

Resolved

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

1. Approves the minutes of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Meeting held on 4 June 2025, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

1.5 Items not on the Agenda

There were no items not on the agenda.

(Councillor Wi Neera joined the hui at 9:33am.)

1.6 Public Participation

1.6.1 John Swan – Better Wellington

On behalf of Better Wellington, John Swan addressed the hui regarding item 2.2 2024-34 LTP Amendment and the 2025-26 Annual Plan: Recommend to Council for Adoption.

2. General Business

2.1 Council Controlled Organisations Final Statements of Intent 2025/26

Moved Councillor O'Neill, seconded Deputy Mayor Foon

Resolved

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

- 1) Receive the information

Carried

Secretarial note: In accordance with standing order 19.1, the chairperson accorded precedence to some items of business and announced that the agenda would be considered in the following order:

2. General Business

- 2.3 Local Water Done Well – Approve Delegation to AOG Representatives
- 2.2 2024-34 LTP Amendment and the 2025-26 Annual Plan: Recommend to Council for Adoption
- 2.4 Ratepayer Assistance Scheme - Wellington City Council participation
- 2.5 Management of Carbon Credits
- 2.6 Decision register updates and upcoming reports

3. Public Excluded

- 3.1 Council Controlled Organisations & Wellington International Airport Ltd. Board Appointments
- 3.2 Te Wharewaka o Pōneke
- 3.3 Litigation Matter

The hui adjourned at 9:44am and returned at 9:47am with the following members present: Councillor Abdurahman, Councillor Apanowicz, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Mayor Whanau, Councillor Wi Neera, and Councillor Young.

(Councillor McNulty joined the hui at 9:47am.)

(Councillor Brown joined the hui at 9:55am.)

2.3 Local Water Done Well – Approve Delegation to AOG Representatives

Moved Councillor Rogers, seconded Councillor Free

Resolved

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.

Carried

Secretarial note: Voting was taken in parts, with clause 3 (inclusive of 3.1 and 3.2) taken separately and all other clauses taken together. All clauses carried. A division was called for, voting on which was as follows:

All other clauses:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Pannett.

Majority Vote: 17:1

Carried

Clause 3 (inclusive of 3.1 and 3.2):

For:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Rogers, Councillor Wi Neera.

Against:

Councillor Abdurahman, Councillor Pannett, Councillor Randle, Councillor Young.

Majority Vote: 14:4

Carried

The hui adjourned at 9:58am and returned at 10:16am with all members present.

(Councillor Wi Neera left the hui at 10:18am.)

(Councillor Wi Neera joined the hui at 10:19am.)

(Councillor Wi Neera left the hui at 10:20am.)

(Councillor Wi Neera joined the hui at 10:27am.)

2.2 2024-34 LTP Amendment and the 2025-26 Annual Plan: Recommend to Council for Adoption

Moved Mayor Whanau, seconded Pouwi Kelly

Resolved

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.
 - 3.1 Note that as part of finalising the audit, Audit NZ has required a number of changes to ensure consistency of information across the LTP Amendment documents (as circulated) and note these changes will be reflected in the published document.
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 (with 1-4 updated to reflect required changes from Audit NZ) 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) (updated to reflect required changes from Audit NZ)
- 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

Carried

Attachments

- 1 Audit New Zealand - 2024-34 LTP Amendment audit report on amended LTP confirming previous opinion
- 2 Audit New Zealand - Schedule of updates made to LTP Amendment documents since 18 June 2025

Secretarial note: The motion was moved with changes to the recommendations in the officers' report, supported by officers, as marked in red.

(Pouiwi Hohaia left the hui at 11:07am.)
(Pouiwi Hohaia joined the hui at 11:14am.)

2.4 Ratepayer Assistance Scheme - Wellington City Council participation

Moved Deputy Mayor Foon, seconded Councillor Brown

Resolved

That the Kōraū 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.

Carried

Attachments

- 3 Tabled Q&A document

2.5 Management of Carbon Credits

Moved Councillor Matthews, seconded Deputy Mayor Foon

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.

The hui adjourned at 11:34am and returned at 11:40am with the following members present: 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, and Councillor Wi Neera.

(Councillor Young joined the hui at 11:41am.)

(Councillor Wi Neera left the hui at 11:42am.)

(Councillor Wi Neera joined the hui at 11:42am.)

The hui adjourned at 11:51am and returned at 12:07pm with the following members present: Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Rogers, Mayor Whanau, Councillor Wi Neera, and Councillor Young.

(Councillor O'Neill joined the hui at 12:07pm.)

Moved Councillor Brown, seconded Councillor Rogers, the following amendment

Resolved

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.~~ **Note the Committee's in principle desire to sell the Council's holding of NZUs (except those required to meet Council's own emission surrender obligations from its waste activities over the two years to 30 June 2027).**
- 3.1 **Direct officers to bring advice by December 2025 on the sale of Council's holding of NZUs, together with advice on the process required to undertake any such sale, the timeline and the direction of the proceeds of sale to existing activities within Te Atakura as part of the 26/27 Annual Plan.**
4. Agree that officers will provide further advice to inform such a **future** policy position related to the management of our **future** carbon credits.

Carried

Moved Councillor Matthews, seconded Deputy Mayor Foon, the substantive motion

Resolved

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 Council's 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.~~ **Note the Committee's in principle desire to sell the Council's holding of NZUs (except those required to meet Council's own emission surrender obligations from its waste activities over the two years to 30 June 2027).**
- 3.1 **Direct officers to bring advice by December 2025 on the sale of Council's holding of NZUs, together with advice on the process required to undertake any such sale, the timeline and the direction of the proceeds of sale to existing activities within Te Atakura as part of the 26/27 Annual Plan.**
4. Agree that officers will provide further advice to inform such a **future** policy position related to the management of our **future** carbon credits.
5. Note that advice on the accounting treatment of the Council's 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.

Carried

2.6 Decision register updates and upcoming reports

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

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

1. Receive the information.

Carried

3. Public Excluded

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

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	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.

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 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.

Carried

The hui went into public-excluded session at 12:18pm.

The hui returned from public-excluded session and concluded at 3:05pm with the reading of the following karakia:

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

Authenticated: _____
Chair

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

Minute item attachments

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

Business	Page No.
2.2 2024-34 LTP Amendment and the 2025-26 Annual Plan: Recommend to Council for Adoption	
1. Audit New Zealand - 2024-34 LTP Amendment audit report on amended LTP confirming previous opinion	2
2. Audit New Zealand - Schedule of updates made to LTP Amendment documents since 18 June 2025	8
2.4 Ratepayer Assistance Scheme - Wellington City Council participation	
3. Tabled Q&A document	13

To the readers of Wellington City Council's amended 2024-2034 long-term plan

Independent auditor's report

I am the Auditor-General's appointed auditor for Wellington City Council (the Council). I use the staff and resources of Audit New Zealand to audit information that the Council is required to have audited.

The Council adopted its 2024-2034 long-term plan (the plan) on 27 June 2024. We issued an unmodified opinion on the plan in our report dated 27 June 2024 and drew attention to the uncertainty and risks over planned renewals of three waters assets, and risks associated with plans to defer renewals of transport and operational assets.

The Council has since consulted on a proposed amendment to the plan. The plan proposed managing insurance and investment risks through the sale of the Council's shareholding in Wellington International Airport Limited. However, on 10 October 2024, Councillors approved a process to remove the airport share sale from the plan and provide alternative options to manage the Council's insurance and investment risks.

At the same time, the Council consulted on the future of its water services delivery separately under the Local Government (Water Services Preliminary Arrangements) Act 2024. The Council's decision following that separate consultation is to establish a new multi-council-owned water organisation that will own and operate public water, wastewater and stormwater networks (the water services).

Following the consultation processes, the Council has decided to amend its plan adopted on 27 June 2024.

The amended plan must contain a report from the auditor that either confirms or amends the previous audit report issued when the plan was adopted.

We considered the impact of the proposed amendments on our previous audit report. We completed our work on 26 June 2025 and our report is below.

Report amending our previous audit report of 27 June 2024

Our previous audit report on the plan adopted by the Council on 27 June 2024 is affected by the amendments to the plan in two ways:

- It is no longer necessary for us to draw readers' attention to uncertainties and risk over planned renewals of three waters assets. In our view, there is no longer significant uncertainty as the Council will no longer operate water services from 1 July 2026.
- We draw readers' attention to uncertainties related to the future delivery of water services.

We do not consider it necessary to further amend our previous report, including our opinion. Our previous audit report on the plan, with the changes noted above, is attached.

Basis of this report

Our audit focused only on the amendments and their effects on the plan. We did not repeat the audit that we carried out on the plan when it was originally adopted.

The way we carried out the work, the responsibilities of the Council and auditor, and independence and quality control requirements are as stated in our previous audit report.

Karen Young, Audit New Zealand

On behalf of the Auditor-General, Wellington, New Zealand

ATTACHMENT – PREVIOUS AUDIT REPORT WITHOUT THE TEXT
THAT DREW ATTENTION TO THE UNCERTAINTIES AND RISKS OVER PLANNED RENEWALS OF THREE
WATERS ASSETS, BUT WITH NEW TEXT DRAWING ATTENTION TO THE UNCERTAINTIES OVER THE
FUTURE DELIVERY OF WATER SERVICES

To the reader:

**Independent Auditor's Report on
Wellington City Council's 2024-34 long-term plan**

I am the Auditor-General's appointed auditor for Wellington City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 27 June 2024, and completed our report on the amended plan on 26 June 2025.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 154 to 158 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of matters

Without modifying our opinion, we draw attention to the following matters.

Future delivery of water services

Page 11 of Volume 1, outlines that the Council has decided on the future delivery model for water services and is planning to establish a multi-council-owned water organisation that will own and operate public water, wastewater and stormwater networks from 1 July 2026. This has been reflected in the plan.

As disclosed in the Council's assumptions on the future of three waters on [pages xxx to xxx](#) of Volume 2, there is uncertainty as the proposal is yet to be accepted by the Secretary for Local Government and the arrangements with the other participating councils are still under development. There is also uncertainty about the financial impact of this decision because the ownership structure, and details of assets, liabilities and services that will be transferred are not yet confirmed.

Risks associated with plans to defer renewals of transport and operational assets

Page 22 of Volume 1 outlines the Council's plan to defer 25 percent of its transport, property, housing and other community asset renewals for the next 10 years. The Council notes that the community may, as a result, experience lower levels of service than planned.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;

- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the

fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour; and

- quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, we have carried out a limited assurance engagement related to the Council's debenture trust deed, assurance engagement on greenhouse gas emissions inventory information and procurement assurance for the regional processing solution for organics in the Wellington region, and performed a review of the revenue and expenditure of the Clifton Terrace Car Park managed by the Council on behalf of NZ Transport Agency Waka Kotahi which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council or its subsidiaries and controlled entities.

Karen Young, Audit New Zealand

On behalf of the Auditor-General, Wellington, New Zealand

Schedule of updates made to LTP Amendment documents since 18 June 2025

Since the documents were uploaded to the agenda on Thursday 18 June 2025, Audit NZ has completed its final cross-checks of the documents against each other and against other information provided by WCC during the Audit process.

The following changes were made to ensure consistency of information across the LTP Amendment documents.

Page numbers provided are based on the online published agenda for the LTPFP Committee for 25 June 2025: [Agenda of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee - Wednesday, 25 June 2025](#)

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Volume 1

Mayor and CE intro (pg 248) and Our plan for next 10 years (pg 252)

Update total capex figure from \$3.4b to \$3.5m to match Financial Strategy

Financial Strategy Summary: Deferral of renewal spending (pg 265)

Update Capital Expenditure table to match Financial Strategy.

New table:

Capital expenditure (\$000s)	Renewals	Upgrades	Growth	Total
Activity Group				
Water supply	25,684	3,451	892	30,027
Wastewater	35,632	365,201	32,987	433,819
Stormwater	3,286	5,625	314	9,226
Transport	438,481	421,265	70,741	930,487
Other Activity Groups	1,312,582	524,499	214,075	2,051,156
Total Capital Expenditure	1,815,665	1,320,041	319,009	3,454,715

Volume 2

Governance: What it will cost (pg 292)

Fixed error in alignment of Total line for Opex table.

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

Significant Forecasting Assumptions: Inflation (pg 402)

Update Cost Adjustors table based on final changes requested by Audit NZ and provided by WCC in week of 16 June.

New table:

Cost adjustors table (%)

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	20-year average
Planning and regulation	2.7	2.7	2.6	2.3	2.2	2.1	2.0	2.0	1.9	2.6
Roading	3.0	3.1	3.0	2.7	2.6	2.5	2.4	2.4	2.2	2.8
Transport	2.9	2.9	2.7	2.5	2.4	2.3	2.2	2.1	2.0	2.7
Community Activities	3.0	2.9	2.7	2.5	2.4	2.3	2.2	2.1	2.0	2.7
Water and Environmental Management	2.5	2.8	2.5	2.1	2.0	2.0	2.0	2.0	2.0	3.0

Significant Forecasting Assumptions: Interest Rates (pg: 403)

Remove 2024/25 from the assumption based on final changes requested by Audit NZ and provided by WCC in week of 16 June.

New table:

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%

Significant Forecasting Assumptions: Waka Kotahi NZ Transport Agency subsidies (pg: 407)

Update wording to reflect final changes requested by Audit NZ and provided by WCC in week of 16 June on the NLTP funding reduction.

New wording:

<div><h3>Waka Kotahi NZ Transport Agency subsidies</h3><h4>Assumption</h4><p><u>That recent reductions in the number of Transport projects funded by Waka Kotahi NZ Transport Agency funding assistance rate (FAR) subsidy will remain in place in the short term, before returning to the previous FAR subsidy rates in and will be funded through the next LTP 2028.</u></p><p><u>The overall average for FAR is 51%.</u></p><p><u>Waka Kotahi NZ Transport Agency funds specific programmes of work and agrees three-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.</u></p><p>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.</p></div>	<div><p>Level of certainty: Medium - <u>While there has been a recent shift in the level of funding for some projects, such as those delivered under our Bike Network Plan and some resilience and safety projects, The FAR is likely to stay at about 51% for maintenance and renewals. Funding decisions for maintenance, renewal and new safety and resilience programmes of work have been finalised for 2026 and 2027.</u></p></div>	<div><h4>Key risks</h4><table><tr><th>Risk</th><th>Effect of risk</th><th>Mitigation</th></tr><tr><td>Changes to Waka Kotahi NZ Transport Agency Road prioritisation may impact on future funding.</td><td>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.</td><td>Retain an agile approach to changing GPS and FAR Rates. Maintenance of a positive relationship with Waka Kotahi NZ Transport Agency allows frequent communication and the awareness of issues in advance.</td></tr><tr><td>Total funding levels may be less than assumed in the LTP.</td><td>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 five-percentage point change in the level of NZTA subsidy over our transport programme would represent approximately <u>\$3.3m</u> increase or decrease in revenue each year.</td><td>Ensure Annual Plan and LTP are updated to reflect any changes.</td></tr></table></div>	Risk	Effect of risk	Mitigation	Changes to Waka Kotahi NZ Transport Agency Road prioritisation may impact on future funding.	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.	Retain an agile approach to changing GPS and FAR Rates. Maintenance of a positive relationship with Waka Kotahi NZ Transport Agency allows frequent communication and the awareness of issues in advance.	Total funding levels may be less than assumed in the LTP.	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 five-percentage point change in the level of NZTA subsidy over our transport programme would represent approximately <u>\$3.3m</u> increase or decrease in revenue each year.	Ensure Annual Plan and LTP are updated to reflect any changes.
Risk	Effect of risk	Mitigation									
Changes to Waka Kotahi NZ Transport Agency Road prioritisation may impact on future funding.	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.	Retain an agile approach to changing GPS and FAR Rates. Maintenance of a positive relationship with Waka Kotahi NZ Transport Agency allows frequent communication and the awareness of issues in advance.									
Total funding levels may be less than assumed in the LTP.	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 five-percentage point change in the level of NZTA subsidy over our transport programme would represent approximately <u>\$3.3m</u> increase or decrease in revenue each year.	Ensure Annual Plan and LTP are updated to reflect any changes.									

Three Waters Legislative Reform assumptions: Asset Transfer (pg: 412)

Update Sludge Minimisation Facility disclosure to match Audit change requested in Operating and Capital Activities Transfer assumption (pg 411)

New wording:

<div><h3>Asset Transfer</h3><h4>Assumption</h4><p>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 <u>\$3bn</u>) has been forecasted...</p><p>Data source: LTP&EP Committee</p></div>	<div><p>Included in this activity will the finalisation and agreement of a formal transfer agreement between Council and the new entity.</p><p><u>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.</u></p></div>
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Financial Strategy

Part 1: Our investment capacity and infrastructure demands (pg 440)

New wording under Investing in the City, end of second par. To match wording change on page 450, by the Debt to Revenue graph.

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 2017². 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 will exceed the internal self-imposed debt to revenue cap for four of the first five years of the plan, before returning within the limit in 2029/30, see page 13. As a result, we need to carefully consider what projects we pursue in the future.

Infrastructure Strategy

Sewerage and the treatment and disposal of sewage (pg 508)

Update Sludge Minimisation Facility disclosure to match change made in Three Waters Legislative Reform assumptions in Volume 2.

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 Moa Point Sludge Facility, due to be completed in 2026/27, is not included in the 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.

Programme view of likely scenario infrastructure investments (pg 570)

Table has been deleted as it is based on old data before the capital programme changes. The information in the table is in the Issues and Options tables throughout the document so the duplication was removed.

Questions & Answers

Kōrau Tōtōpū| Long-Term Plan, Finance, and Performance Committee

Rāapa, 25 Pīpiri 2025 (Wednesday, 25 June 2025)

2. General Business

2.2 2024-34 LTP Amendment and the 2025-26 Annual Plan: Recommend to Council for Adoption

Q1. The Debt to Revenue Ratio has been set to 200% based on this providing \$1B of extra emergency borrowing below the max of 208% of revenue. What is are the amounts of extra emergency borrowing capability provided between 200% and 280% for each of the LTP years?

A: At the LTP, Finance & Performance Committee on 13 February 2025 it was agreed to update the financial strategy to reduce the debt to revenue ratio limit from debt capacity of \$1b, to a limit of 200%.

	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34
Forecasted borrowing capacity up to 280% (\$m's)	492	615	609	650	683	750	800	835	945
Borrowing capacity between 200% to 280% (\$m's)	720	592	621	649	671	697	723	733	756

Q2. For each of the financial years in the LTP, what is the percentage of the extra emergency borrowing capability over 200% compared to the total WCC assets?

A:

	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34
Borrowing capacity between 200% to 280% as a % of Total Assets	5%	6%	6%	6%	6%	6%	6%	7%	7%

Q3. Given the planned early removal of water services from the council, can revenue and funding information on the LTP also be provided that excludes water services to better highlight the services that will continue to be provided by the council?

A: The 2024/34 LTP has been updated to reflect the transfer of water related revenue, expenditure and assets to the new water services entity from 1 July 2026.

Q4. What is the current estimate for the absolute amount of debt with the council at the end of 2025/26?

A: Our net debt is forecasted to be \$2b at 30 June 2026.

Q5. What is the current estimate for the absolute amount of debt to be transferred to the new water entity and the amount of debt that remains with the council in 2026/27?

As discussed previously with elected members, a final debt position will not be known or confirmed until March 2026. This will allow for a final debt position that considers works completed and new works commissioned between now and that time.

What has been agreed amongst all five proposed partner councils is a *methodology* for how the debt number is calculated. The methodology will be used to determine the final transfer number. The current debt to be transferred is currently budgeted to be \$750m based on current working assumptions. This is the amount that has been used with the amended Long-term Plan.

Our net debt is forecasted to be \$1.5b at 30 June 2027.

2.3 Local Water Done Well – Approve Delegation to AOG Representatives

Q6. Why is the decision to approve the draft constitution for the new water organisation recommended to be delegated to the Mayor?

A: The proposed approach to establishing the interim directors and progressing governance arrangements including key documents and / or principles is to use existing working and relationship arrangements, specifically the mayoral forum *Advisory*

Oversight Group (AOG). Mayor Whanau is Wellington City Council's representative on the AOG.

Each of the five proposed partner councils are seeking the same delegation for their current AOG representatives, i.e. (with the exception of GWRC) the respective Mayors.

In addition to Mayor Whanau, the paper recommends confirming Councillor Brown as the named alternate with the same delegation to act on behalf of Wellington City Council.

It is important to note that Council will be asked to ratify the final governance documents in December 2025.

2.4 Ratepayer Assistance Scheme - Wellington City Council participation

Q7. What is the source of the \$500,000 funding and has this been budgeted?

A: The \$500,000 has not been included in the 2025/26 Annual Plan. 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.

3. Public Excluded

3.2 Te Wharewaka ō Pōneke

[REDACTED]

[REDACTED]

[REDACTED]

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