
ORDINARY MEETING

OF

CITY STRATEGY COMMITTEE

AGENDA

Time: 9:30 am
Date: Wednesday, 25 September 2019
Venue: Ngake (16.09)
Level 16, Tahiwi
113 The Terrace
Wellington

MEMBERSHIP

Mayor Lester
Councillor Calvert
Councillor Calvi-Freeman
Councillor Dawson
Councillor Day
Councillor Fitzsimons
Councillor Foster
Councillor Free
Councillor Gilbert
Councillor Lee
Councillor Marsh
Councillor Pannett (Chair)
Councillor Sparrow
Councillor Woolf
Councillor Young

NON-VOTING MEMBERS

Te Rūnanga o Toa Rangatira Incorporated
Port Nicholson Block Settlement Trust

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8334, 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.

AREA OF FOCUS

The role of the City Strategy Committee is to set the broad vision and direction of the city, determine specific outcomes that need to be met to deliver on that vision, and set in place the strategies and policies, bylaws and regulations, and work programmes to achieve those goals.

In determining and shaping the strategies, policies, regulations, and work programme of the Council, the Committee takes a holistic approach to ensure there is strong alignment between the objectives and work programmes of the seven strategic areas of Council, including:

- **Environment and Infrastructure** – delivering quality infrastructure to support healthy and sustainable living, protecting biodiversity and transitioning to a low carbon city
- **Economic Development** – promoting the city, attracting talent, keeping the city lively and raising the city's overall prosperity
- **Cultural Wellbeing** – enabling the city's creative communities to thrive, and supporting the city's galleries and museums to entertain and educate residents and visitors
- **Social and Recreation** – providing facilities and recreation opportunities to all to support quality living and healthy lifestyles
- **Urban Development** – making the city an attractive place to live, work and play, protecting its heritage and accommodating for growth
- **Transport** – ensuring people and goods move efficiently to and through the city
- **Governance and Finance** – building trust and confidence in decision-making by keeping residents informed, involved in decision-making, and ensuring residents receive value for money services.

The City Strategy Committee also determines what role the Council should play to achieve its objectives including: Service delivery, Funder, Regulator, Facilitator, Advocate

The City Strategy Committee works closely with the Long-term and Annual Plan Committee to achieve its objectives.

Quorum: 8 members

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1. Meeting Conduct

1.1 Mihi

The Chairperson invites a member of the City Strategy Committee to read the following mihi to open the meeting.

Taiō Pōneke[†] – City Strategy Committee

Te wero

Toitū te marae a Tāne

Toitū te marae a Tangaroa

Toitū te iwi

Taiō Pōneke – kia kakama, kia māia!

Ngāi Tātou o Pōneke, me noho ngātahi

Whāia te aratika

Our challenge

Protect and enhance the realms of the Land and the Waters, and they will sustain and strengthen the People.

City Strategy Committee, be nimble (quick, alert, active, capable) and have courage (be brave, bold, confident)!

People of Wellington, together we decide our way forward.

[†] The te reo name for the City Strategy Committee is a modern contraction from 'Tai o Pōneke' meaning 'the tides of Wellington' – uniting the many inland waterways from our lofty mountains to the shores of the great harbour of Tara and the sea of Raukawa: ki uta, ki tai (from mountain to sea). Like water, we promise to work together with relentless synergy and motion.

1.2 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, 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 12 September 2019 will be put to the City Strategy 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 City Strategy Committee.

The Chairperson shall state to the meeting:

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

The item may be allowed onto the agenda by resolution of the City Strategy Committee.

Minor Matters relating to the General Business of the City Strategy Committee.

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

1.6 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

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 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. Committee Reports

REPORT OF THE FINANCE, AUDIT AND RISK MANAGEMENT SUBCOMMITTEE MEETING OF 17 SEPTEMBER 2019

Members: Mayor Lester, Councillor Calvert, Councillor Foster (Chair), Councillor Free, Peter Harris (External), Phillippa Smith (External), Roy Tiffin (External).

The Committee recommends:

A. HEALTH & SAFETY REPORT

Recommendation/s

That the City Strategy Committee:

1. Receive the information.

B. ANNUAL REPORT 2018/19

Recommendations

That the City Strategy Committee:

1. Recommend to the Council:
 - a. To confirm the Accounting Policies contained in the draft financial statements (Attachment 3 Section 5) for adoption for the financial statements for the year ended 30 June 2019.
 - b. To adopt the draft Financial Statements and Statements of Service Provision for Wellington City Council and Group within the draft Annual Report for the year ended 30 June 2019, subject to the resolution of outstanding matters identified in this report, any matters identified during the meeting and receiving final unqualified audit clearance from Audit New Zealand.
 - c. To adopt the Annual Report for Wellington City Council and Group for the year ended 30 June 2019 (Attachment 3).
 - d. To delegate to the Chair of the Finance, Audit and Risk Management Subcommittee and the Chief Executive the authority to make minor editorial changes that may arise as part of preparing the 2018/19 Annual Report document for publication.

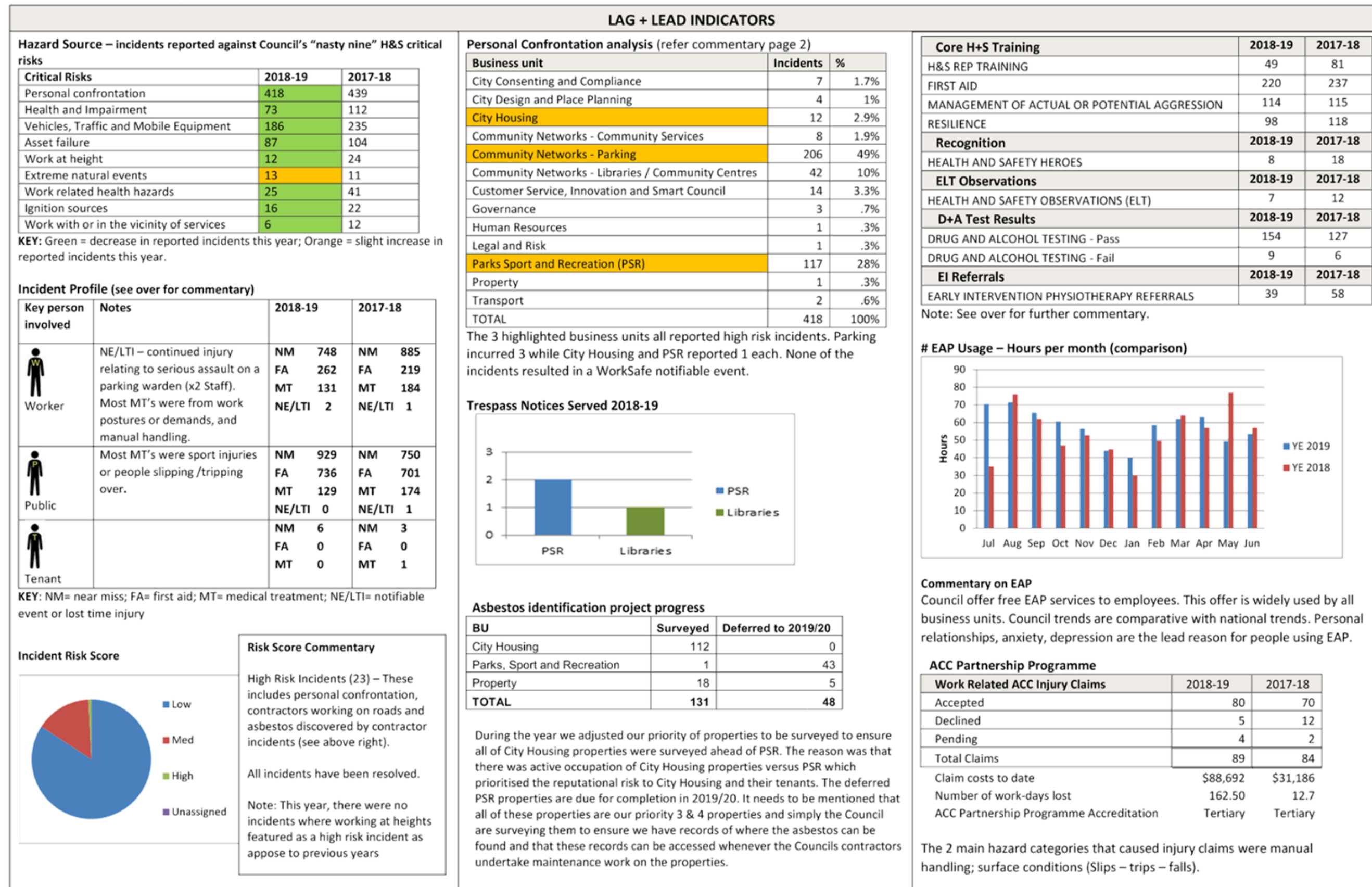
Website link to the Finance, Audit and Risk Management Subcommittee Meeting agenda on 17 September 2019:

<https://wellington.govt.nz/your-council/meetings/committees/finance-audit-and-risk-subcommittee/2019/09/17>

Attachments

Attachment 1.	June 2019 End of Year Dashboard ↓	Page 9
Attachment 2.	2018/20 Safety Security and Wellbeing Annual Plan - Progress Report ↓	Page 11
Attachment 3.	Annual Report 2018/19 ↓	Page 15

Health and Safety Dashboard – Year End 30 June 2019



Commentary on Hazard Source

- The table above represents the number of incidents reported against our top 9 critical risks. Council have 29 hazard categories and 9 critical H&S risks “the nasty nine”.
- The green boxes mark those risks where there has been a reduction in incidents reported in the 2017-18 financial year. The decline is reflective of the previous years’ results. The orange box indicates one increase in reported incidents against that critical risk category and this particular risk is largely dictated by extreme natural events and may fluctuate.

Commentary on Incident Profile

Incidents reported for the 18/19 year total 2957 as appose to the total number of incidents reported in the 17/18 year of 2,919 indicating a slight reduction. Note that there has been an overall increase in the public reporting near miss incidents and there has been an overall decrease in reported medical treatment incidents. The Council have an early intervention programme which is enacted when low level injuries e.g. muscle strain, appear through the Council incident reporting tool. This intervention is in place to reduce the number of workers requiring medical treatment.

Commentary on Personal Confrontation Analysis

Type

- Personal Confrontation is by far the risk that attracts our highest number of incidents with 418 reported across Council especially those with front facing public interface roles. The table on page one shows the spread of incidents reported across business units. 265 of these were low risk; 133 were moderate risk; 5 were high risk; 15 not rated
- 11% of all incidents were reported to the Police.
- The majority of our personal confrontation incidents are experienced by our frontline workers. The Parking Wardens our on the street experienced most incidents (206) followed by the Councils facilities (in order): WRAC (43), Libraries (41), Keith Spry Pool (17), Karori Pool & Karori Rec Centre (14), ASB Centre (13). The Councils customer contact centre also recorded a high number (14).
- All incidents reported involved a member of the public, contractor or tenant approaching a Council worker or another member of public in our places of work.

Timing

- The period leading into Christmas and New Year Oct – Dec 2018 had the highest recording of personal confrontation incidents for Parking. If we remove the Parking incidents the two highest reporting months for the rest of Council was February and March 2019 (Following the quieter months December & January). However, total incidents reported fluctuated over the seasons so no real peak can be determined.

Consequences

- 4 personal confrontation incidents resulted in medical (Either Medical or Psychological) treatment being required:
 - PSR – A member of the public was verbally aggressive to a staff member and when the staff member went home following her shift the same person was outside taking the number plate of her vehicle leading to the staff member suffering from distress
 - City Housing – A City Housing Tenant assaulted a Chorus contractor (the work was not associated with the Councils activities and the same tenant assaulted a City Housing Tenancy Advisor. The tenant was suffering from mental illness and was later taken into care
 - Parking Services – An altercation ensued between contractors working at a private property along Tinakore road and a parking Officer

Commentary on Trespass Notices Served

All 3 trespass incidents involved Council workers in PSR, a Contractor and the Libraries being exposed to a sustained risk of harm as a result of personal confrontation by the public. Trespass notices are issued as a reasonable step Council can take to minimise risk of harm. A threshold must be met prior to the issuing of a Trespass notice. Trespass notices are in in place for two-years and are monitored by the Council’s Security Team.

Commentary on Training, Recognition and Results

- Management of Actual or Potential Aggression (formerly known as Non-violent crisis intervention training) is an international training methodology and delivers knowledge and techniques for our ‘front-facing’ staff to help them recognise and respond safely to customers and public who may be acting in a defensive and/or threatening way. MAPA training is identified as an established mitigation/control in the Council’s hazard/risk register for ‘PERSONAL CONFRONTATION’.
- Resilience training has continues as a core Health and Safety training programme to assist staff to build and enhance existing resilience skills as well as provide new techniques to help better handle challenges in the workplace and in life.
- Acknowledging the positive health and safety behaviours demonstrated by our staff is rewarded through the Health and Safety Hero cards – all of which are signed off by the Chief Executive and presented to staff.
- Visible health and safety leadership is measured through ELT completing safety observations.
- Failed drug and alcohol results in disciplinary action in addition to requiring employees to attend compulsory rehabilitation which includes six random drug and alcohol tests over a subsequent two-year period.
- Early intervention referrals assist employees experiencing pain and discomfort – the intention to prevent ongoing issues becoming an ACC claim.

2018/20 Progress Report – Jul 2018 to Dec 2018

WORK PROGRAMME –			
RISKS	MILESTONES (Jul-Dec 18)	STATUS	Status Update
Critical Risk Controls (Top Nine)	<ul style="list-style-type: none"> Identify ELT 'lead' for 9- Risk Categories 	Complete	
	<ul style="list-style-type: none"> Review risk controls (applying bow-tie risk methodology) 	Complete	
	<ul style="list-style-type: none"> Reducing the level of risk, prioritise risks that have been assessed, and work through actions to move risk score to a level that meets Council's risk appetite. 	Complete	
	<ul style="list-style-type: none"> Communication of reviewed risk controls to workers (incl. contractors). 	Complete	
MSD Findings	<ul style="list-style-type: none"> Scope MSD findings + identification of Council workplaces of similar nature 	Complete	
	<ul style="list-style-type: none"> Assess and undertake gap analysis of Council workplaces vs MSD recommendations 	Complete	
	<ul style="list-style-type: none"> Develop risk profiles – physical; people 	Complete	
Health + Wellbeing Strategy	<ul style="list-style-type: none"> Formalise and communicate seasonal wellbeing programmes 	Complete	
	<ul style="list-style-type: none"> Review current resilience + emotional wellbeing programmes; identify gaps 	Complete	
RELATIONSHIPS	MILESTONES (Jul-Dec 18)	STATUS	COMMENTARY
PCBU Framework	<ul style="list-style-type: none"> Scope a process to test the application of the relationship model Council-wide 	Not Started	<ul style="list-style-type: none"> Scope to be developed
	<ul style="list-style-type: none"> Scope a module for inclusion in the Safety Security + Wellbeing fundamentals training programme for managers 	In Progress	<ul style="list-style-type: none"> To be incorporated into Training modules for Managers Current contractor training module introduces this element

RESOURCES	MILESTONES (Jul-Dec 18)	STATUS	COMMENTARY
Safety Leadership Development	<ul style="list-style-type: none"> Develop training programme and education opportunities that incorporates Just Culture principles and practice for LG and workers 	Complete	
	<ul style="list-style-type: none"> Develop Safety Security + Wellbeing fundamentals training programme and education opportunities for people managers to equip them with safety security and wellbeing fundamentals 	In Progress	<ul style="list-style-type: none"> To be fully incorporated into Training modules for Managers
	<ul style="list-style-type: none"> Develop Due Diligence refresher training programme and education opportunities for ELT and Councillors 	In Progress	<ul style="list-style-type: none"> ELT Completed Councillors Scheduled for Nov 19
	<ul style="list-style-type: none"> ELT & LG undertake and report safety observations as detailed in "Measures" 	Complete	
Career succession planning	<ul style="list-style-type: none"> Assess benefits of H&S Scholarship Programme 	Not Started	<ul style="list-style-type: none"> Objective to be reviewed
Reporting and Assurance	<ul style="list-style-type: none"> Prepare a programme of internal and external reviews and/or audits that incorporates the ongoing management of critical risks and the SSW management system – Council-wide and BU specific. 	Complete	<ul style="list-style-type: none"> Presented to H&S Steering Group and to FARMS
	<ul style="list-style-type: none"> Schedule a Safe-Plus Assessment (critical risks) 	Complete	
	<ul style="list-style-type: none"> Quarterly H&S Reporting to FARMS + CSC 	Complete	

2018/20 Progress Report – Jan 2019 to Jun 2019

WORK PROGRAMME –			
RISKS	MILESTONES (Jan-Jun 19)	STATUS	COMMENTARY
Critical Risk Controls (Top Nine)	<ul style="list-style-type: none"> Review of risk controls (applying bow-tie risk methodology) 	Complete	
	<ul style="list-style-type: none"> Reducing the level of risk, prioritise risks that have been assessed, and work through actions to move risk score to a level that meets Council's risk appetite. 	In progress	<ul style="list-style-type: none"> Ongoing work underway throughout the year
	<ul style="list-style-type: none"> Communication of reviewed risk controls to workers (incl. contractors). 	Complete	
	<ul style="list-style-type: none"> Review Top Nine Risk Categories 	Complete	<ul style="list-style-type: none"> 3 new risk bowtie assessments scheduled for 2019/2020
MSD Findings	<ul style="list-style-type: none"> Findings of assessment and recommendations to ELT 	Complete	
	<ul style="list-style-type: none"> Scope costs to implement agreed recommendations to workplaces 	In Progress	<ul style="list-style-type: none"> Yet to be determined and provided to management in the 2019/2020 year for consideration and completion
Health + Wellbeing Strategy	<ul style="list-style-type: none"> Review seasonal wellbeing programmes 	Complete	
	<ul style="list-style-type: none"> Develop + deliver new resilience emotional wellbeing programmes (based on gap analysis) 	In Progress	<ul style="list-style-type: none"> Rollout of Mental Health First Aid in progress
	<ul style="list-style-type: none"> Review Health + Wellbeing Strategy 	In Progress	<ul style="list-style-type: none"> Partially completed
RELATIONSHIPS	MILESTONES (Jan-Jun 19)	STATUS	COMMENTARY
PCBU Framework	<ul style="list-style-type: none"> Identify BUs and undertake independent review of relationship model in practice 	Not Started	<ul style="list-style-type: none"> To be delivered
	<ul style="list-style-type: none"> Deliver relationship model in H+S fundamentals to managers 	Not Started	<ul style="list-style-type: none"> To be incorporated into Training modules for Managers Current contractor training module introduces this element

RESOURCES	MILESTONES (Jan-Jun 19)	STATUS	COMMENTARY
Safety Leadership Development	<ul style="list-style-type: none"> Deliver education on Just Culture principles to target audience 	Complete	
	<ul style="list-style-type: none"> Deliver education on SSW fundamentals to target audience 	In Progress	<ul style="list-style-type: none"> To be fully incorporated into Training modules for Managers
	<ul style="list-style-type: none"> Deliver Due Diligence refresher programme to ELT and Councillors 	In Progress	<ul style="list-style-type: none"> ELT Completed Councillors Scheduled for Nov 19
	<ul style="list-style-type: none"> ELT & BU Managers undertake and report safety observations as detailed in "Measures". 	Complete	
Career succession planning	<ul style="list-style-type: none"> Scholarship Programme Proposal to H&S Steering Group 	Not Started	<ul style="list-style-type: none"> Objective to be reviewed
Reporting and Assurance	<ul style="list-style-type: none"> Deliver internal + external reviews and/or audits 	Complete	
	<ul style="list-style-type: none"> Report to ELT the results of reviews and/or audits for the previous six months 	Complete	
	<ul style="list-style-type: none"> Quarterly H&S Reporting to FARMS + CSC 	Complete	

Annual Report 2018/19

Te reo Māori translation to come.

Welcome

Welcome to our snapshot of the 2018/19 year.

This report was adopted by Council on 25 September 2019 and includes the audited financial performance of the Council as at 30 June 2019.

It provides an overview of Wellington City Council's activities, our spending during the financial year, our progress towards becoming a Smart Capital and how we have been delivering on our goal to keep rates low while delivering core and value-added projects and services that will help grow and strengthen our city.

The theme for this year's report is Adaptability: Ensuring our people and places remain strong and resilient. This report celebrates the way our people and communities come together, recognises our natural environment and the work done to restore and protect it, and looks at the challenges faced this year in our urban areas because of our location in an earthquake-prone landscape.

During the year, we made progress on improving the city's resilience, continued to deliver the essential services well, and advanced several high-profile citywide initiatives.

The Council performed strongly financially over the past year. It has achieved an underlying surplus of \$1.5 million, within 0.3% of budgeted operating expenditure. The operating surplus of \$26.6m is impacted by the \$50.5m impairment to the value of the Civic Precinct buildings, resulting in a net deficit of \$23.9m. Our financial position remains healthy.

Our Role

The role of Wellington City Council is to deliver services that support a well-functioning city, develop our infrastructure and invest in key projects that address the current and future needs and advance the aspirations of our communities, the city and the region.

The Council manages a significant number of assets and delivers an extensive range of services – from parks and cemeteries to parking and pools, from water supply and waste management to cycleways and animal control. We also have projects and initiatives that actively support the city's economic growth and cultural development.

We are also responsible for controlling and regulating activities such as building, land use, noise, food preparation, liquor sales, and ownership of dogs and other animals.

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

- to enable democratic local decision-making and action by, and on behalf of, the people of Wellington
- to promote the social, economic, environmental, and cultural well-being of the people of Wellington, in the present and for the future.

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Section 1: Our City

In this section

This section includes an overview of Wellington City, the challenges we face, our city's strategic direction, and our organisation's vision and values.

City Profile

Our early city

Wellington has always been at the heart of New Zealand. Before people arrived it was an area of bush covered hills, rivers and streams, a large natural harbour, rocky and sandy coastline and abundant wildlife.

Te Whanganui-a-Tara is one Māori name for the area and derives from Tara, who was sent down from Hawkes Bay by his father to explore and settle the land in the 12th century.

By the 1800s, Ngāi Tara (the people of Tara) was sharing their traditional lands around Te Whanganui-a-Tara with later arrivals – Ngāti Apa, Rangitāne, Ngāti Kahungunu, Ngāti Hāmua and Ngāti Ira. Iwi from Taranaki and Kawhia also migrated from their homelands to Te Whanganui a Tara. These included Ngāti Toa, Ngāti Mutunga, Ngāti Ruanui, Taranaki, Ngāti Tama and Te Atiawa. Some tribes continued their migrations elsewhere, while some stayed and settled around the harbour.

The New Zealand Company chose to locate its first settlement in Wellington in 1839 and European settlers arrived on 22 January 1840.

The Europeans found that not only were the Māori settlements thriving; there was healthy water-based trade and a communication system.

The area south of Te Aro Pā was well-cultivated. Gardens extended to where the old Museum at Buckle Street now stands and on some of the hilly areas up to Brooklyn and Vogeltown.

The Waitangi Tribunal found that at 1840 the iwi groups that had 'taken raupatu' (right of conquest) over the wider area were: Te Atiawa, Ngāti Ruanui, Taranaki, Ngāti Tama and Ngāti Toa. The Tribunal also found that these iwi each had their own ahi kā (rights over particular areas):

- Te Atiawa at Te Whanganui-a-Tara and parts of the south-west coast.
- Taranaki and Ngāti Ruanui at Te Aro.
- Ngāti Tama at Kaiwharawhara and environs, and parts of the south-west coast.
- Ngāti Toa at parts of the south-west coast.

These tribes are Wellington's iwi mana whenua and are represented by mandated iwi entities.

177 years of local government

By the turn of the 20th century, Wellington was an advanced and growing city for a European settlement that was barely 60 years old.

Wellington became the centre of government as the capital city in 1865, and is still the southern-most capital city in the world.

Fresh water was available on tap for most residents, a sewerage scheme was operating and a new cemetery had been established. City streets had already been lit by electricity for

more than a decade and the expansion of the public transport system was bringing growth and development to the outlying suburbs.

These developments were driven and carried out by Wellington's early local governments - including the various borough councils and the Board of Works, which became Wellington City Council in 1869.

In the decades since Wellington City Council has been at the heart of the city's growth and development.

There have been political changes, programmes and initiatives undertaken, and vital infrastructure established and maintained. The city evolved from a pioneer settlement to a government and industry city. However, it wasn't known as a destination for international or domestic tourism. That all changed in the late 1980s.

A concerted effort by Wellington City Council and key visionary Wellingtonians has created a modern creative city.

Key milestones in our history include:

- Opening of the Mt Victoria, The Terrace, Karori, Northland, and Seatoun tunnels, and more recently the Arras Tunnel.
- Helped establish and champion popular Wellington attractions, including the Botanic Gardens, Otari-Wilton's Bush, City Gallery, Museum of Wellington, Capital E, Carter Observatory (now Space Place), Te Papa, Orchestra Wellington, Opera House, St James Theatre, as well as festivals, markets, pools, recreation centres, sports fields and playgrounds.
- Opened the city and New Zealand's first branch library in Newtown in 1902. We now have 12 across the city.
- Supported the arts, film and food industries to help them thrive in the city, creating the unique culture we have today.

Wellington City Council grew through the years and subsumed independent boroughs including:

- The Borough Council: established in 1842 and was the first in New Zealand.
- Melrose: established in 1888 and merged in 1903
- Onslow (Khandallah and Ngaio): established in 1890, merged in 1919
- Wadestown: separated from Onslow borough and merged in 1906
- Karori: established in 1891 and merged in 1920.
- Miramar: established in 1904 and merged in 1921.
- Johnsonville: a town board from 1908 and merged in 1953.
- Tawa: A town district from 1951, then the Tawa Flat Borough Council from 1953, part of Wellington in 1989.

Sources: Wellington City Council, Wellington City Libraries and Te Ara Encyclopaedia.

Wellington Today

[Map of Wellington to be inserted]

A snapshot of the city

These snapshots compare Wellington with other main cities in New Zealand. They show how the city is doing based on the most recent data available. Many of these are also Council performance measures, and more information on trends over time can be found in Section 3: Our Performance in Detail.

Quality of life

Wellingtonians love where they live. We found 88 percent of Wellingtonians say they have a good, very good or extremely good quality of life. We can't rest on our laurels – we need to ensure our city remains the place of choice for our residents and remains attractive to those who are moving here.

	Wellington	Tauranga	Hamilton	Auckland	Christchurch
2018	89%	90%	86%	82%	83%

Source: Quality of life survey 2018

Unemployment

Wellington's unemployment rate has fallen from 5.1% in 2016 to 4.2% now. This is good news for our workers; we have a very competitive job market. On the other hand, we also have shortages in industries such as construction.

	Wellington	Tauranga	Hamilton	Auckland	Christchurch
2018	4.2%	4.4%	5.4%	4.4%	4.5%

Source: Infometrics

Household income

Wellington has the highest mean household income of the major cities in New Zealand. Combined with low unemployment, this contributes to our high quality of life.

	Wellington	Tauranga	Hamilton	Auckland	Christchurch
2018	\$143,577	\$104,635	\$100,529	\$127,066	\$110,241

Source: HES 2018 Mean Household Income

Ability to cover costs of everyday needs

Higher mean household incomes mean a higher percentage of people are able to cover the costs of their everyday needs than elsewhere. But we still have 11% who say they cannot meet those costs – that's a concern and a motivation to keep doing our part to help improve our employment rate further, our income levels, economic performance and all the other factors that contribute.

	Wellington	Tauranga	Hamilton	Auckland	Christchurch
Enough money	58%	50%	38%	41%	52%
Not enough	11%	12%	16%	19%	13%

Source: Quality of Life Survey 2018

Population growth

Wellington's population is growing at near the rate of other large cities. In absolute numbers, the size of that growth is the same as Hamilton's but a tenth of Auckland's size.

	Wellington	Tauranga	Hamilton	Auckland	Christchurch
Average growth rate per annum 2016-2018	2.0%	2.6%	2.5%	2.5%	1.8%
Increase in population 2016-2018	12,500 people	10,400 people	12,500 people	126,000 people	20,700 people

Source: Infometrics

House price growth

Wellington's house price growth is now higher than other major large cities in New Zealand. For further information, pg X.

	Wellington	Tauranga	Hamilton	Auckland	Christchurch
2018	8.4%	4.8%	3.3%	1.3%	-1.3%

Source: Infometrics

GDP growth

Our GDP growth over the last 3 years sits at a healthy 3.5%, about mid-pack compared to other large cities.

	Wellington	Tauranga	Hamilton	Auckland	Christchurch
Average growth rate per annum 2016-2018	3.2%	6.0%	2.9%	4.4%	2.8%

Source: Infometrics

Carbon emissions

Wellington's carbon emissions peaked in 2007/2008 (total net emissions:1,271,911 and have decreased substantially since then to 1,084,979 net emissions in 2014/15. This is a 15% decrease.

	Wellington	Tauranga	Dunedin	Auckland	Christchurch
Carbon emissions per capita 2016/17	5.7t CO2 per person per year	5.9t	11.4t	7.9t	6.6t

Source: Christchurch Community Carbon Footprint 2016/17

Challenges our city faces

Wellington offers a very high quality of life, provides a good range of quality services and facilities, and looks after its people and the environment, but there are always challenges to be addressed. Adaptability is the theme of this year's report, because how we respond to challenges is what will impact the liveability of our city. Many of these are challenges we share with other cities in New Zealand, and indeed globally.

Operating in a Growth Environment

A stronger economy and strong population growth has come with challenges. About 50,000 to 80,000 more people are expected to call Wellington home over the next 30 years. This will put pressure on transport, infrastructure, and housing affordability and supply – particularly in the inner city.

The economic growth we've been working towards is occurring; GDP has been strong for the past three years, unemployment is low, and house prices have significantly increased. However, there are significant labour and skills shortages in key industry sectors. This is particularly felt at all levels of the construction sector – everyone from skilled trade workers and construction managers through to engineers are in high demand.

A focus for the past year has been starting conversations about how we should respond to the forecast growth. Let's Get Wellington Moving (pg X) and the Planning for Growth (pg X) projects have been at the heart of that.

Resilience and Climate Change

The Council has been proactively developing the city's resilience for decades. The impact earthquakes and climate change can have on Wellington, its communities and buildings is not a new phenomenon. However, with every shake or storm we are learning more about our infrastructure, our land, our coast and its vulnerabilities.

In 2018/19, the legacy of the 2016 Kaikoura earthquake is still being addressed. Engineers have put in place more stringent guidelines, insurance costs have increased and earthquake strengthening timeframes have been decreased. Our Town Hall and St James Theatre are being strengthened (pg X). We also closed the Central Library in the interests of public safety while we, with our community, consider the options for the future (pg X).

We are also working to protect and enhance our natural environment to ensure we meet our obligations as kaitiaki (guardians) of the city's environment. We have also declared a Climate and Ecological Emergency recognising that the city is already seeing the effects of more water in and around the city; coastal inundation and high water tables – the challenges are here and now. This, along with the adoption of Te Atakura – First to Zero, will shape our decisions in the future.

Transport

A good transport system should benefit people's overall quality of life, support economic productivity, help create healthy urban neighbourhoods that are people-focused, and reduce the city's carbon emissions.

We are a small city and have congestion challenges. Data shows that travel time reliability continues to be an issue for car and commercial journeys at peak times. Nevertheless,

private travel is often still much faster than public transport, with bus journeys taking about twice as long on average.

In May 2019, there was the joint announcement of Let's Get Wellington Moving, a partnership between Central Government, the Greater Wellington Regional Council and ourselves. The \$3 billion uninflated capital programme is a once-in-a-lifetime opportunity that is not just about moving more people with fewer vehicles but also a city-shaping opportunity aimed at improving the liveability of Wellington and the Wellington region.

This year also hasn't been without its challenges when it comes to public transport. Significant feedback and media coverage has highlighted the community impact of the changes to the bus network. The changes were implemented by GWRC, which owns and manages the bus and train network. Wellington City Council is currently working with GWRC to improve bus priority and reliability across the city.

Housing Our People

Housing is expected to remain a key issue for many years in Wellington. For many it is significantly unaffordable and not everyone is well housed in the city. The issues are complex and the range and scale of work planned will take some time. Addressing the housing challenge remains a top priority for the Council. It led to the Council's 10 year Housing Strategy, which focuses on people right across the housing continuum and sets the vision of 'all Wellingtonians well housed'.

In Our 10-Year Plan 2018-28 - which has housing as a key priority - we have included several long term strategies and on the ground projects in direct response to the City's housing challenges. These include partnering with government and the private industry on initiatives to improve and increase housing availability and quality. Our work towards these this year is detailed on pg X of this report. This includes entering into an agreement with HNZ for the development of Arlington sites 1 and 3.

Our Creative City

We've invested extensively in the arts over many decades and our city has an enviable reputation as a centre of culture. That didn't happen by accident: we, along with the government and others, have been supporting and investing in the sector for years. But other cities are also investing in these areas, and we need to make sure investment levels are high enough to support a thriving arts and culture sector in the city. We are working on Aho Tini – a new strategy that aims is to bring together the different sectors and encourage greater collaboration, so creativity is woven through the fabric of our city and the way we do business at the Council.

The arts and culture sector relies heavily on Council support and Council-owned facilities. Many of our much-loved buildings used to showcase this talent – like the Town Hall and the St James Theatre – are aging, earthquake prone and heritage listed, which creates its own challenges. However, work to strengthen the Town Hall and St James Theatre is underway.

On the horizon

The following reviews are part of the Central Government agenda and will impact the Council in the upcoming financial years.

Three Waters Review

The Government is reviewing how to improve the regulation and supply arrangements of drinking water, wastewater and stormwater (three waters). Most three waters assets and services are owned by local government authorities, with aging and at-capacity infrastructure a common issue across the country. Initial findings asked questions about the effectiveness of the regulatory regime for the three waters and the capability and sustainability of water service providers. While clarity on water quality standards is welcomed, the question of funding remains unanswered. The Council is also a member of the Te Whanganui-a-Tara Whaitua and Te Awarua-o-Porirua Whaitua committees, which are tasked with developing a programme to improve the quality of our region's streams, rivers and harbour. The recommendations of this community-led process will impact water management in the near future.

Resource Management Act review

The Government is conducting a two-stage review of the Resource Management Act 1991. In late 2019, stage one will be a Bill to make the RMA less complex, give people more certainty on RMA issues and increase public participation. Stage two will be a more comprehensive review of the resource management system in 2020. The timing of this review coincides with Council's Planning for Growth programme which includes a new spatial plan and a review of the District Plan.

Urban Development Authority legislation

The Government is in the process of developing legislation to enable urban development at an increased pace and scale to respond to the challenges of population growth. The legislation will establish Kāinga Ora – Homes and Communities, the Central Government Urban Development Authority. This Crown entity will manage the delivery of urban development projects of all sizes. A second Bill (due mid 2020) will confirm the powers available to the UDA. Council has led the way in seeking tools such as UDAs to deliver better urban development outcomes and is actively interested in how these powers will be able to be applied at a local level.

Building System legislative reform

Earlier this year the Government consulted on proposed reforms to New Zealand's building laws. These are the most significant reforms since the current Building Act was introduced in 2004, and focus on building products, regulation, risk and liability. Council is of the view that the proposal does not go far enough, but supports the general direction of the proposed reforms. In the coming months, Council will continue to liaise with Central Government and advocate for changes that will make a meaningful difference to the building sector.

The City's Strategic Direction

In 2012, the Council adopted our 'Smart City' vision. This vision is supported by four pillars and is the Council's long-term aspiration for the city.

- **People-centred** - a city that is healthy, vibrant, affordable, accessible and resilient, with a strong sense of identity and place
- **An eco-city** – a city where natural resources are proactively protected, where environmental challenges are addressed and the transition to becoming a low-carbon city is managed
- **Connected** – a city with easy access to regional, national and global networks that allows people and goods to move freely, with a world-class infrastructure that enables people to connect with each other and their communities
- **Dynamic central city** – a place of creativity, exploration and innovation that offers the lifestyle, entertainment options and amenities of a much bigger city and where the city centre drives the regional economy.

By many measures Wellington is already a very successful city and is often recognised internationally for its outstanding quality of life. It is regarded as a city where people like to live, work and play. Over the past couple of years Wellington has topped the Deutsche Bank's list of 50 most liveable cities.

Wellington also has the foundations needed for achieving these Smart City aspirations – an educated population, quality education institutions, knowledge-based industries that are growing, a compact urban environment with high use of public and active transport modes, low carbon emissions per person, and the city offers good job opportunities and the ability to live a very high quality of life.

We actively monitor several indicator trends that help us understand how the city is changing. This information, along with our service performance measures, allows us to assess progress towards these long-term aspirations and respond to challenges.

In Our 10-Year Plan 2018-28 we continued the focus on the Smart City vision and aspirations. This plan centres on five strategic priorities with supporting work in transport, housing, arts, culture, resilience, environment and, sustainable growth programmes to strengthen the city's existing assets and services as well as building for the future. The clear focus for these programmes is:

- Building on the city's strengths
- Improving the quality of life of all residents; and
- Responding to the challenges and risks facing the city.

This Annual Report sets out what the Council has delivered and progressed in the 2018-19 year – year one of Our 10-Year Plan.

Our Organisation's Vision and Values

Supporting the strategic direction are the Council's staff organisational vision and values that focus on what we want to achieve as an organisation and how we will work together to deliver on Wellington's ambitions for the future.

The Council's organisational vision and values were reviewed and updated in July 2019, with extensive input from staff.

Our Council vision is:

Kia mahi ngātahi mō Pōneke mō tōna ā āpōpō: Working together for Wellington's future.

Our Council values are:

- **He tangata, he tangata, he tangata: We put people at the heart of what we do**
 - We anticipate our customers' needs.
 - We support our colleagues.
 - We listen to our customers and each other.
 - We act with integrity and respect.
- **Whakapai ake: We're always improving**
 - We are open to new ideas and innovation.
 - We encourage creativity.
 - We learn from our mistakes.
 - We give constructive feedback, compliment good work and reward success.
- **Mahi ngātahi: We collaborate**
 - We share our skills and knowledge.
 - We have confidence in our colleagues.
 - We work together to get the best results.
 - We are accountable for our actions and decisions.
- **Mana tiaki: We care for our places**
 - We protect our environment for future generations.
 - We are guardians of our city's assets.
 - We nurture our communities.
 - We consider the impact of what we do.

Your Representatives

[Insert photo of full Council and map of ward areas]

The wards and numbers of elected Councillors for each are:

Citywide (216,300)
Mayor Justin Lester

Takapū Northern Ward (48,700)
Jill Day (Deputy Mayor)
Peter Gilbert
Malcolm Sparrow

Wharangi Onslow-Western Ward
(45,000)
Diane Calvert
Andy Foster
Simon Woolf

Pukehinau Lambton Ward (53,500)
Brian Dawson
Iona Pannett
Nicola Young

Motukairangi Eastern Ward (39,700)
Chris Calvi-Freeman
Sarah Free
Simon Marsh

Paekawakawa Southern Ward (29,400)
Fleur Fitzsimons
David Lee

* Population numbers are estimate as of
30 June 2018. Census 2018 data is not
yet available.

More information on the role of our democratic governance, profiles of Councillors, our committee structure, advisory groups and community boards in Section 4: Governance and Management.

Section 2: Summary of our year

In this section

This section includes an overview of the year from the Mayor and Chief Executive, the overview of our core business, and summaries of our performance this year.

Mayor's introduction

[Te reo translation to come]

Preparing Wellington for a strong future

Mayor Justin Lester

Wellington is on the precipice of change. We've spent the past year making some hard calls to ensure we are laying down the foundations for a better, stronger version of our city. There will be more of these big decisions in the years to come.

The work we're doing now means we can maintain our growth, attractiveness and liveability, while facing the challenges ahead. We need to be prepared for population growth, more erratic weather patterns due to climate change, and the likelihood of another earthquake.

We also need to preserve our city's unique character. This year, we took another important step towards making te reo Māori a part of our everyday lives by creating an action plan for Te Taihū, our te reo Māori policy. We also hosted Te Matatini ki te Ao, the national kapa haka festival, which was embraced by about 40,000 Wellingtonians and visitors.

It was a sad day in March when we closed our Central Library and declared it earthquake prone. However, I was honoured to open the Arapaki Service Centre and Library soon afterwards and Council is committed to keeping library services in our CBD, where they have been since 1893.

Strengthening work is now well underway on the St James Theatre and the Royal New Zealand Ballet is now homed in a new temporary facility on the Michael Fowler carpark. This year work has also started on our much loved and iconic Town Hall, meaning it will be rebuilt to its former glory, while ensuring it is safe for the next 100 years.

Our natural environment is a big part of what makes Wellington special. This year, Councillors agreed to our Te Atakura – First to Zero blueprint for reducing our carbon emissions, we started the preliminary work on the 35-million-litre Omāroto/Prince of Wales Reservoir in Mt Cook, and we have accelerated our efforts to make Wellington predator-free.

It is important we keep stimulating our economy alongside revitalising our natural environment. The resource consent for the long-awaited Wellington Convention and Exhibition Centre was approved in July and construction will begin towards the end of 2019. The centre will transform the surrounding area and I look forward to a new and vibrant quarter emerging.

Through multiple engagements this year we have continued to receive strong backing for our spending priorities: resilience and the environment, housing, transport, sustainable growth and arts and culture. As this report shows, we delivered strongly against these priorities this year and we will continue to do so as we prepare Wellington for an exciting future.

We continued to improve our capacity to draw visitors to the capital for business and culture, with several national sports, economic and cultural events taking place. Domestic and international visitor numbers grew and, for the second year in a row visitor spending in Wellington exceeded \$2.5 billion. We've also continued to support those who need it most through social initiatives, and to help communities connect, particularly in the inner city.

It's a period of change for Wellington and what that means is Wellingtonians can expect a degree of disruption. We ask for your patience.

We've done our utmost to keep rates affordable. We're a financially sound Council, undertaking an ambitious programme of work. But our books are in good order and with your support, we can deliver.



Justin Lester

Chief Executive's introduction

[Te reo translation to come]

Through challenge comes innovation and opportunity

Chief Executive Kevin Lavery

It's been a big year. Wellington is thriving and growing, we are starting to deliver on some big projects and more people are coming to enjoy the many attractions we have to offer. We have big plans for the future of the city, but pride ourselves on doing the basics well.

We are in a strong position economically because of hard work. As you will read in this report, we are a tight ship and financially sound, with an AA credit rating.

We have been able to shift from stimulating economic growth to the smart management of growth. However, there are some real challenges emerging and they have been the centre of many discussions this year, both around the Council table or tables in one of our many cafes.

This year Wellingtonians and the Wellington City Council have had to adapt quickly and make some hard calls about beloved parts of the city. We have a huge challenge in Te Ngākau, our Civic Precinct. It sits on reclaimed land, is vulnerable to sea level rise and many of the structures are not strong seismically. This year, Council staff have temporarily left one of our major office buildings on the site and we had to close our Central Library. But we are not surrendering.

Wellington City Council is supported by an energised and innovative, 1800-strong workforce who are passionate about working for their city. I am proud of the way they have risen to the challenges of this year. For example within 10 weeks of the library closure, our staff had planned, implemented and opened a new pop-up library in the CBD on Manners St.

Our staff also deliver more than 400 services to our residents each day. The rubbish collection, street maintenance, recreation ground management, landfill services and many others that you expect to be delivered and we don't often talk about.

This year we secured significant Government backing to improve our transport network through the Let's Get Wellington Moving package. This \$6.4 billion programme will transform our transport, housing and the future growth and prosperity of our city. Never before in the history of our city have we been presented an opportunity for transformational change on this scale. We will need to continue to innovate and think differently to ensure we can realise our potential.

To some extent we are the victims of our own success: we have labour shortages, and construction market inflation is significant as earthquake strengthening work continues and properties are developed or redeveloped.

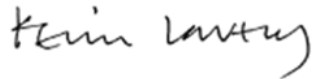
They could be real problems if we don't think smartly when adding in the financial and resource demands of Let's Get Wellington Moving, increasing the city's resilience and where and how to safely accommodate our growing population.

This year we also delivered a substantial \$170 million capital programme – this includes new playgrounds, social housing apartments, and sewage systems, and upgrades to public spaces and facilities.

This report shows that in the last 12 months our performance in each of the activity areas remains strong while at the same time responding constructively to day-to-day challenges.

We deliver more than 400 services to about 212,700 people for less than \$7 per day per person. We're committed to keeping rates manageable.

Our plans are ambitious but our finances are in good order. The past year has shown we're on the right track. Let's keep building on the good work.



Kevin Lavery

Highlights of the year

- 70,230 environment volunteer hours
- Te Atakura - First to Zero policy passed
- 5 millionth customer ASB
- 150th Anniversary of Botanic Garden
- 270,675 of calls to call centre
- 40,000 wheelie bin clips
- 770,320 gallery and museum visits
- \$34m strengthening of St James Theatre underway
- \$1m upgrade of Tawa Town Centre and Plaza
- 400,000m² of road resurfaced
- 20 haka pedestrian lanterns installed
- 33 Retaining and sea walls built or renewed

Summary of what we do

Most of the work we do and the services we provide are in seven activity areas. While the five priority areas of Our 10-Year Plan 2018-28 drive a structured effort in areas that need work, the seven strategic areas represent how we work.

In the Our Performance In Detail section we outline each activity area, including an overview of the groups of activities, highlights, challenges, performance information and what it costs. This 2018/19 Annual Report is a report against year one of Our 10-Year Plan.

Our seven activity areas are:



Governance – We inform residents, and engage with them about the city and the issues it faces, manage local elections, and work with mana whenua to make decisions in the best interests of the city and its people.



Environment – We provide water, stormwater and wastewater services and look after waste reduction and disposal. We fund conservation attractions, look after parks, reserves, tracks and walkways.



Economic development – We attract and support business activity, market Wellington to tourists from New Zealand and overseas, and own and operate performance venues and conference facilities. We also help promote links with sister cities such as Sakai in Japan and Sydney in Australia.



Cultural wellbeing – We fund city events and festivals such as the New Zealand Festival and CubaDupa. We also support attractions, galleries, and museums, as well as community art and cultural activities.



Social and recreation – We provide community facilities throughout the city. This includes libraries, community centres, swimming pools, sportsfields, recreation centres, and playgrounds, as well as two marinas and a golf course. We also work to reduce homelessness and begging, and improve city safety.



Urban development – We manage urban planning and design, control building activity and land use, and assess risks from earthquake-prone buildings. We also develop and enhance public spaces.



Transport – We provide and maintain roads, bridges, tunnels, walls, cycleways, and pedestrian paths. We also provide bus shelters, bus stops, and bus lanes, and signs and traffic signals.

Summary of Our Performance

During the year, we continued to deliver our services well while adapting to an increasingly challenging operational environment (see pg X). In addition, we have a substantial capital works programme underway that spans several years. While we progressed several citywide capital works initiatives during the year, sustained delivery of the capital works programme has been challenging. At end of the year we had a 29% under delivery on our Council capital programme covering several activity areas.

Outcome indicators

Progress towards our aspirations for Wellington is monitored by following the trends in 115 high-level outcome indicators for our activity areas and in aggregate. By the end of the year, 21 percent (24 out of 115) of our outcome indicators were trending in the desired direction. A further 42 percent (48 out of 115) had no trend from the previous year. This suggests that overall the city is making progress towards our aspirations – but not on all fronts.

The 18 indicators that are not trending in the desired direction – notably some indicators in economic development, urban development and transport – are subject to on-going monitoring. In addition, Our 10-Year Plan signals investment that is likely to enable improved outcome trends over time, for example our continued investment in transport.

In 2018/19, 25 indicators were new and therefore not comparable to previous years. Section 3: Our Performance in Detail provides information on outcome indicator trends over the past 3 years.

Table 1: Overview of Outcome Indicators against desired trend

	Negative trend	No trend	Positive trend	New	Grand Total
Governance		2	2	4	8
Environment		10	4	4	18
Economic development	5	7	11	2	25
Cultural wellbeing	1	11			12
Social and recreation	1	7	2	4	14
Urban development	5	8	4	9	26
Transport	6	3	1	2	12
	18	48	24	25	115

Performance measures

Our key performance measures (KPIs) and their targets are how we track and assess the delivery of Council services. Our 10-Year Plan 2018-2028 included a comprehensive update of the Council and Council-Controlled Organisation's suite of performance indicators and measures. These KPIs were implemented during 2018/19 and are reported for the first time in this Annual Report.

Some of the updated measures are new or changed and are not comparable to previous results. The 2018/19 year has been used to gather sufficient information on the operation of these KPIs to set sound targets for subsequent years. In some case these measures have a target of "Baseline" which means the first year's data will be used to set subsequent years' targets. The Council undertakes the Residents' Monitoring Survey (RMS) on an annual basis. The survey has a margin of error of +/- 4.4% percent.

Overall, in 2018/19 we have achieved a positive KPI performance result. Of the 221 activity area KPIs with targets:

- 121 (55%) met or exceeded those targets
- 61 (28%) were within 10% of target; and
- 39 (18%) did not meet target by greater than 10%.

Table 2: Overview of Key Performance Measures against 2018/19 targets

Not met	Mostly met	Met	Exceeded	Baseline	Grand Total
39	61	82	39	31	252

Further details of our 2018/19 performance measure results for each activity area are in Section 3: Our Performance in Detail on pages x to x.

Our Activity Areas



Mana Whakahaere - Governance

This year's highlights included the successful engagements on Planning for Growth, Te Atakura First to Zero and the Outer Green Belt Management Plan. We have also placed the 125,000 records from City Archive online, commenced planning for the local elections in October 2019 and signed a Memorandum of Understanding with Te Taura Whiri i te reo Māori to work together on the revitalisation of te reo Māori.

We continued to improve our engagement with the public and to strengthen our partnership with mana whenua, but more work is needed to ensure the public understand how we make decisions, that our information is clear and accessible and to revitalise te reo Māori and Māori culture in the city.

Performance summary

	Not met	Mostly met	Met	Exceeded	Baseline	Total Measures
Mana Whakahaere Governance	4	5	4	1	1	15

Financial summary

Net operating expenditure \$000

Actual: 17,426

Budget: 17,515

Capital expenditure \$000

Actual: 0

Budget: 51



Taiao - Environment

A significant highlight for this activity area is our commitment to working in partnership with government and the private sector on initiatives to reduce the impact of carbon. As part of this, we passed our Te Atakura – First to Zero policy in June 2019. Our work over the past 12 months has also included strengthening infrastructure such as pipes and reservoirs, addressing issues like coastal erosion and looking at ways to save energy and reduce waste.

In our key performance measures Zealandia and Wellington Zoo had an increase visitor numbers for the third year, including an increase in education visitors. However, over the past three years, satisfaction in the recycling and rubbish services has decreased.

Performance summary

	Not met	Mostly met	Met	Exceeded	Baseline	Total Measures
Taiao Environment	8	8	27	20	9	72

Financial summary

Net operating expenditure \$000

Actual: 148,686

Budget: 155,085

Capital expenditure \$000

Actual: 40,471

Budget: 52,030



Whanaketanga ōhanga - Economic Development

In the past 12 months, through the support of Council, the city hosted several cultural and sports events and attracted growing numbers of visitors, particularly from overseas. A list of many of these events is at the end of this section. Of particular note was the Eminem 'Rapture' concert held at Westpac Stadium, which broke attendance records with 46,474 fans and 56% tickets sold to out-of-region purchasers.

Other highlights included visitor spending exceeding \$2.7 billion for the first time, lodging of the resource consent for the Convention and Exhibition Centre and nearly \$2 million allocated from the City Growth Fund. However, the number of events in Wellington and our share of multi-day conferences was down because of the closure of several venues for earthquake strengthening.

Performance summary

	Not met	Mostly met	Met	Exceeded	Total measures
Whanaketanga ōhanga Economic development	2	4	10	1	17

Financial summary

Net operating expenditure \$000

Actual: 20,763

Budget: 21,723

Capital expenditure \$000

Actual: 738

Budget: 3,357



Oranga ahurea - Cultural Wellbeing

Over the past year, we focused on strengthening our buildings and our cultural programme. Strengthening of the St James Theatre and Town Hall is underway, and despite these closures we had an increase in performers and attendees at Council supported events in Venues Wellington locations.

We developed and delivered city events and festivals such as A Very Welly Christmas Festival, Ahi Kā, Sky Show, Gardens' Magic, Te Rā o Waitangi, Pasifika Festival and Re-

Cut. We also commissioned nine new murals in the city as part of the PakiTara-toi Art on Walls initiative.

The Wellington Museums Trust (Experience Wellington) delivered 564 experiences including 25 exhibitions, and 17 theatre shows, four of which went on national tours.

Performance summary

	Not met	Mostly met	Met	Exceeded	Total measures
Oranga ahurea – Cultural wellbeing	1	5	8	2	16

Financial summary

Net operating expenditure \$000

Actual: 22,457

Budget: 21,740

Capital expenditure \$000

Actual: 4,145

Budget: 906



Kaupapa Pāpori me ngā Mahi a Rēhia - Social and Recreation

The number of visits to Council swimming pools and recreation centres, increased this year with the ASB Sports Centre welcoming its five millionth visitor since opening in 2011. Work started on the Renouf Tennis Centre and Basin Reserve Museum Stand redevelopments, Tawa Pool was upgraded and we demolished the old Lyall Bay Surf Club building.

However, this year the Central Library was closed on 19th March because of engineering advice about how the building would perform in the event of a significant earthquake. This meant a decrease in the physical visits to our libraries, but an increase in online visits.

We have also continued to advance the Te Mahana strategy to end homelessness by supporting a range of services and responses, including the Housing First programmes now active in Wellington.

Performance summary

	Not met	Mostly met	Met	Exceeded	Baseline	Total Measures
Kaupapa Pāpori me ngā Mahi a Rēhia Social and recreation	9	18	22	14	13	76

Financial summary

Net operating expenditure \$000

Actual: 93,919

Budget: 80,438

Capital expenditure \$000

Actual: 30,025

Budget: 39,693



Tāone tupu ora - Urban development

Significant highlights this year included entering into a partnership with Housing NZ for the redevelopment of the Arlington 1 and 3 sites in Mount Cook. We also upgraded Lombard Lane and Bond St, which has created a vibrant precinct out of a service laneway and underutilised green space, and Tawa Town Centre and Forrester's Lane. Build Wellington

has also undertaken to work with private developers to secure long-term building leases as part of the CBD apartment conversions programme.

Altogether, 2,883 building consents were issued by the Council in the 2018/19 financial year. This is a slight increase from 2,605 last year. However, we failed to meet our performance measures for issuing building consents or code of compliance certificates within 20 working days, or LIMs within 10 working days.

Performance summary

	Not met	Mostly met	Met	Exceeded	Baseline	Total Measures
Tāone tupu ora – Urban Development	3	6	2	0	7	18

Financial summary

Net operating expenditure \$000

Actual: 16,826

Budget: 18,511

Capital expenditure \$000

Actual: 14,610

Budget: 44,270



Waka - Transport

Highlights for the year included the consenting of seven new bus passenger interchange stations, the completed strengthening of the Northland Tunnel and 1648-square metres of new retaining walls that were built to ensure our roading network remains resilient. Progress was also made on the new bike paths and routes programme with the completion of the Oriental Bay and Kilbirnie routes. We also introduced weekend parking charges in September 2018.

Central government announced a \$6.4 billion indicative package for Wellington's transport future, which includes a walkable central city, a connected cycleway network, and public transport improvements such as mass transit between the central city and the airport.

Performance summary

	Not met	Mostly met	Met	Exceeded	Baseline	Total Measures
Waka - Transport	12	15	9	1	1	38

Financial summary

Net operating expenditure \$000

Actual: 31,014

Budget: 40,223

Capital expenditure \$000

Actual: 54,313

Budget: 74,324

Our Finances

For the financial year Council has achieved an underlying surplus of \$1.5m, a result within 0.3% of budgeted operating expenditure. The operating surplus of \$26.6m is impacted by the \$50.5m impairment to the value of the Civic Precinct buildings resulting in a net deficit of \$23.9m. Our financial position remains healthy. Council debt is within Council's borrowing policy and we have investments that provide returns exceeding debt servicing costs. Accordingly, we have maintained our AA credit rating with Standard & Poor's, the highest for a public sector entity.

<p>\$1.5m Underlying result for 2018/19, 0.3% of operating expenditure</p> <p>The underlying surplus is the reported net deficit (\$23.9million,) excluding non-funded / separately funded items (\$36.1million), capital funding (\$34.3million), ring-fenced activities (\$22.1million) and other adjustments (\$1.5 million) that do not affect the Council's rating requirements. (Council budgets are set to have a nil underlying net result).</p>	<p>\$6.86 Operational cost of Council services per resident per day</p> <p>Our services include managing and maintaining facilities like libraries, swimming pools, sportsfields, community centres and parks, keeping our roads and footpaths at a high standard, making sure we have safe drinking water, and supporting arts, cultural and sporting events. For the purpose of this calculation, Operational costs exclude Civic Precinct impairment costs to arrive at the cost of Council services per resident per day.</p>
<p>\$533.2m Cost of running the city</p> <p>Our total operating expenses for the year were \$533.2million (compared to \$503.2 million in 2017/18), which represents the cost of running the city during the year. This figure excludes \$50.5m related to Civic Precinct impairments</p>	<p>\$171.7m Capital spend</p> <p>We spent \$171.7 million on building new assets for the city. This was lower than our planned \$243.3 million. This was as a result of the re-phasing of some projects over a longer period of time.</p>
<p>\$544.7m Net borrowing position</p> <p>This is an increase of \$68.5 million from last year, which equates to \$2,561 per person in the city. We use borrowing to spread the cost of new facilities or infrastructure over the multiple generations that will benefit from that facility or infrastructure. We believe this is the fairest way to do things.</p>	<p>\$7.2 billion Assets</p> <p>The Council provides a several services to the city through infrastructure networks and facilities (Council assets). These have been built up over many generations and equate to around \$34,000 net worth of value for every person in the city.</p>
<p>\$1:\$1.17 Debt servicing costs to investment returns</p> <p>For every \$1 the Council incurs on paying interest on debt, it receives \$1.17 from its investments.</p>	<p>AA Credit rating</p> <p>The Council is in good financial health – it has an</p>

Council received \$25.9m from investments and paid \$22.2m in net interest.	AA credit rating with Standard & Poor's.
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Key influences on our overall financial performance and position were:

- the revaluation of investment properties, which increased the value of our assets by \$18.5 million
- impairments of Civic Precinct buildings, totalling \$50.5 million
- effects of the Housing New Zealand lease for Arlington sites 1 and 3, including \$13 million for the release from deed of grant.

Our underlying operating result

The underlying operating result provides a comparison with the rates requirement we budgeted for in our Annual Plan to achieve a balanced budget. It shows how closely our annual revenue matches how much we spend in any given year. A balanced budget helps ensure that we are not passing the costs of running the city today onto future generations and imposing future costs on current generations. On the other hand, we also need to ensure that the current generation pay their fair share and to not pass on current costs to future generations. Our goal is therefore to have an underlying surplus or deficit close to zero.

This year we got very close to a breakeven result, with an underlying surplus of \$1.5 million, within 0.3% of our planned balanced budget.

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

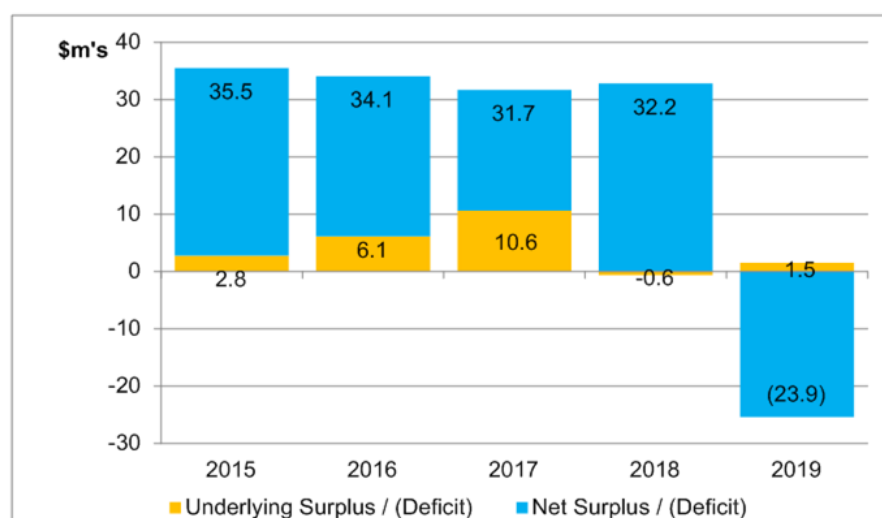
- Revenue received for capital items – for example, the funding we receive from NZTA for roading.
- Non-funded transactions – either where, through the Annual Plan, it is deemed appropriate that future ratepayers share the costs incurred in a particular year, or where another organisation is liable for the funding.
- Separately funded items where funding has been funded through other mechanisms
- Ring-fenced activities for housing and waste minimisation.
- Other minor adjustments.

These items are excluded because they generally don't affect rates and were excluded from our Annual Plan balanced budget calculation. Table 3 summarises the capital and non-funded adjustments made to the net surplus/(deficit) to arrive at the underlying result.

Table 3: Summary of the underlying result

Underlying result	Actual \$m	Budget \$m	Variance \$m
Reported net surplus/(deficit)	(23.9)	17.8	(41.7)
Add items or budgeted differences not required to be rates funded	45.0	18.4	26.6
Exclude government funding for capital projects	(34.3)	(36.0)	1.7
Items separately funded	(8.9)	(8.9)	0.0
Ring-fenced activities	22.1	6.4	15.7
Other adjustments	1.5	2.3	(0.8)
Underlying surplus	1.5	0.0	1.5

Figure 1: Net Surplus/(deficit) vs Underlying Result over the past 5 years.



*Refer to Table 3 for explanation of movement from reported net surplus/(deficit) to underlying surplus.

Zero on the graph represents a balanced budget. For 2018/19 we achieved an underlying surplus of \$1.5 million which is less than 0.3% of operating expenditure and reflects the careful stewardship of revenue and expenditure against budget.

Where our money comes from

Rates are our main source of funding (55% of \$560 million) with revenue from operating activities (including user fees) the next largest source (28%). We also receive revenue from other external sources (mainly government) to fund capital expenditure, revenue from interest, and dividends.

Figure 2: Overall sources of revenue (\$m) for the past 3 years.

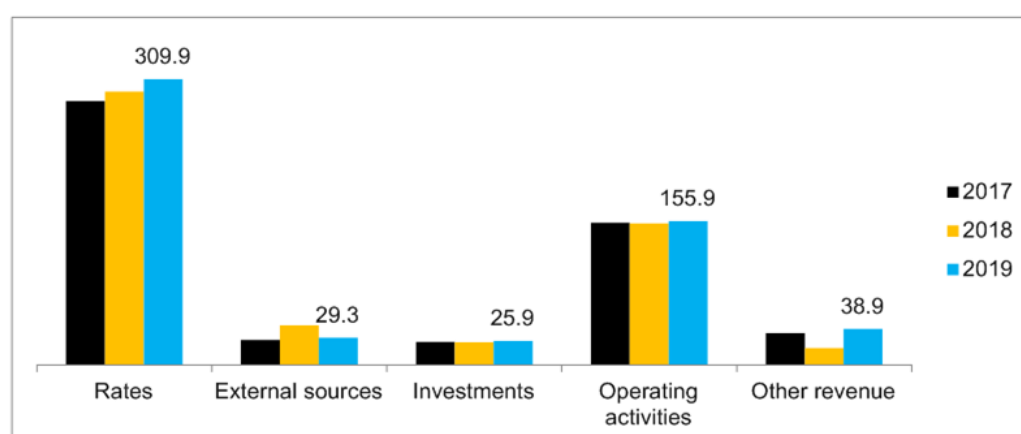
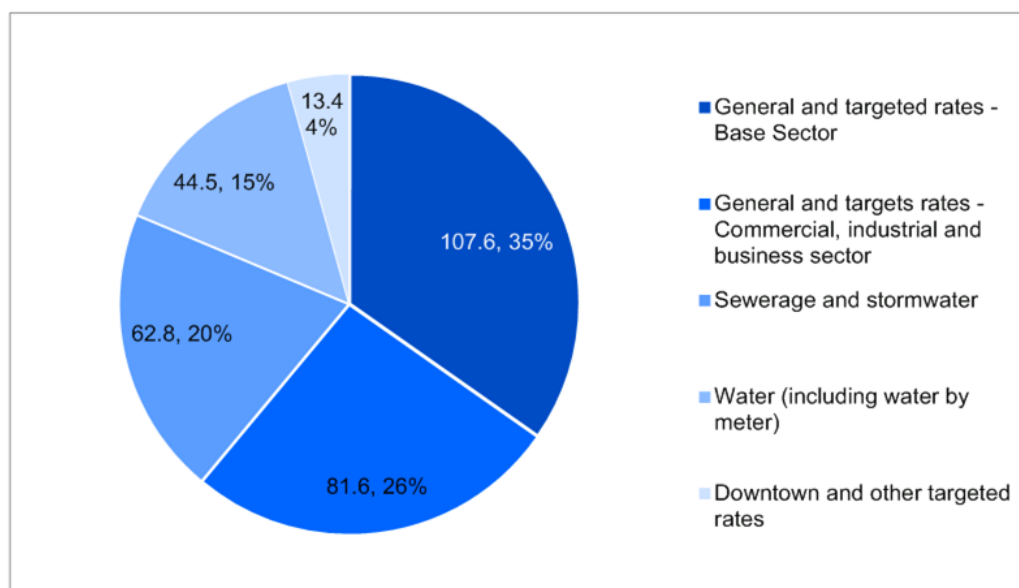


Figure X shows the sources of the Council's revenue for the year. The majority of the Council's \$310 million of rates revenue received during the year was from general rates. Other sources were sewerage and stormwater targeted rates, with the fresh water provision making up most of the balance.

Figure 3: Sources of Council's revenue for the year



In 2018/19, the Council received higher cash revenues than budgeted from:

- higher-than-anticipated dividends from our investment in Wellington International Airport Ltd (\$1.0 million)
- an increase in central government operating subsidies for transport (\$2.0 million).

The Council also received higher non-cash revenues than budgeted for vested assets (\$13.4 million) and an increase in investment property valuations, which is recognised as revenue (\$18.5 million).

Where the money goes

Summary of operating expenditure

The following graph summarises the difference between the actual and budgeted net expenditure for each strategy area. They show how the Council has prioritised its spending to support the operational and strategic direction that has been set during the Annual Plan process. Net expenditure is calculated by offsetting activity expenditure, with user charges and other direct activity income. This is the amount that is funded by rates and other corporate revenue such as dividends and rental income.

Details of the financial performance against budget for each activity can be found in the "Our performance in detail" section on pages 33 to 150.

Figure X illustrates the difference between the actual and budgeted net expenditure for each strategy area. They show how the Council has prioritised its spending to support the operational and strategic direction that has been set during the annual plan process. Net expenditure is calculated by offsetting activity expenditure, with user charges and other direct activity revenue. This is the amount that is funded by rates and other corporate revenue such as dividends and rental revenue.

Figure 4: Difference between actual and budgeted net expenditure (\$m)

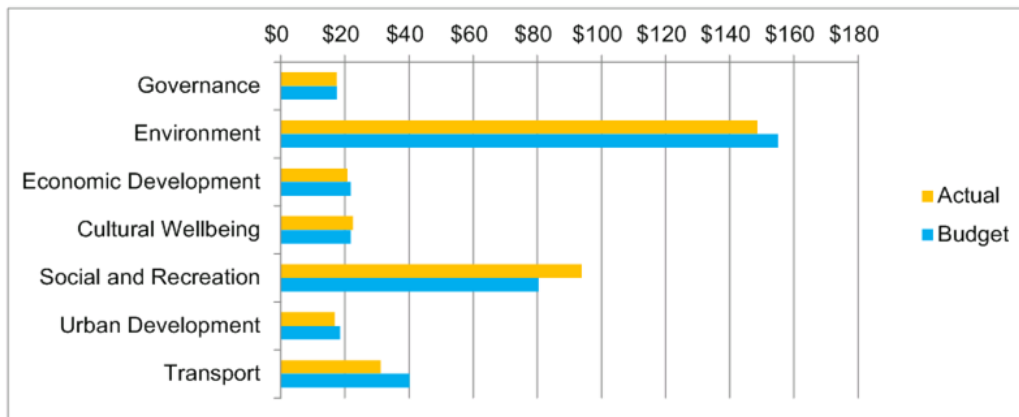


Table 4: Gross Operational expenditure by activity area (\$000)

	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Budget	Variance
Governance Total	17,157	17,519	17,982	18,050	(68)
Environment Total	160,277	169,253	180,748	175,418	5,330
Economic Development Total	42,434	37,051	34,954	36,366	(1,412)
Cultural Wellbeing Total	20,625	21,256	23,268	22,766	502
Social And Recreation Total	112,657	115,358	134,717	121,004	13,713
Urban Development Total	29,507	29,402	30,709	31,767	(1,058)
Transport Total	62,401	69,480	74,559	78,308	(3,749)
Total Strategic Areas	445,058	459,184	496,937	483,679	13,258
Other Council activities	49,417	43,508	86,831	24,513	62,318
Grand Total Full Council	494,475	502,692	583,768	508,192	75,576

Summary of capital expenditure

We have a comprehensive renewal and upgrade programme for our assets and have completed \$171.7 million of capital expenditure during the 2018/19 year. This equates to 71% of the annual budget or 68% once utilisation of budgets brought forward from prior years and other adjustments are included. Delays in a number of projects occurred during the year due to changes in design, negotiations or consultation and consents requirements. Budgets to complete these projects have been included in our Annual Plan for 2019/20.

Figure 5: Budget versus actual capital expenditure for each activity area.



Table 5: Capital expenditure by activity area (\$000)

	2016/17 Actual	2017/18 Actual	2018/19 Budget (\$000's)	2018/19 Revisions	2018/19 Actual	2018/19 Revised Budget	Variance to revised budget
Governance	-	8	51	(29)	0	22	22
Environment	40,982	45,428	52,030	(2,145)	40,471	49,885	9,414
Economic development	886	599	3,357	293	738	3,650	2,912
Cultural wellbeing	1,286	443	906	896	4,145	1,802	(2,343)
Social and recreation	30,186	40,253	39,693	1,456	30,025	41,149	11,124
Urban development	9,784	19,504	44,270	4,213	14,610	48,483	33,873
Transport	34,318	55,465	74,324	1,129	54,313	75,453	21,140
Council	19,781	11,241	28,688	3,822	27,401	32,510	5,110
Total strategic areas	117,442	161,699	214,631	5,813	144,302	220,444	76,142
Total Council activity area	19,781	11,241	28,688	3,822	27,401	32,510	5,110
Grand total full council	137,223	172,940	243,319	9,635	171,702	252,954	81,252

There were several non-renewal capital projects that were delayed due to various timing issues arising from project design and costing, public consultation and consenting requirements. The main projects affected involved the Town Hall, St James Theatre, cycling improvements, Southern Landfill and Community Halls. The delay in these projects amounted to \$46.8m and equates to more than half the variance shown above.

Cost of Council services

The Council provides more than 400 services for Wellington residents.
The following shows what each \$100 of rates is spent on.

Capital of Culture

This year Wellington had another full events calendar, including international, regional and local sporting tournaments, concerts, popular annual festivals and the second year of our new Matariki events.

July 2018

Wellington Marathon

Matariki Sky Show

Tu Tagata Wellington
Secondary School's
Polynesian Festival

Beyond the Page –
Children's Literacy Festival

Super Rugby Quarter Final

NZ International Film Festival

K-Culture Festival

Taekwon-Do Nationals and
Oceania Championship

August

Phoenix Foundation 20th
Anniversary Concert

Fairtrade Fortnight

Wellington Zoo Winter
Wednesdays

North Island Masters Track
and Field Championships

Beervana

Visa Wellington on a Plate

Wellington Lions Mitre 10
Cup season starts

September

Te Wiki o te reo Māori
Parade

Art Splash

All Blacks vs South Africa

Spring Festival

Tulip Sunday

Kids' Day Out

NZ Chinese Language Week

WOW 30th anniversary

Home & Garden Show

October

Seniors' Week

Wellington Heritage Week

Spring into Tawa

Diwali

NZ Improv Festival

Wellington Phoenix A-
League season starts

Wellington Firebirds and
Blaze cricket season starts

November

LitCrawl

Armistice Day Centenary

Mary Potter Hospice
Strawberry Festival

Wellington Japan Festival

Wellington Maker Faire

Polish Christmas Market

Annual Russian Cultural
Festival

A Very Welly Christmas

December

Johnsonville Lions Christmas
Parade

Colourful Kilbirnie Christmas

Thorndon Fair

Measina Festival

Christmas in Strathmore
Park

Khandallah Village Street
Fair

The 12 Storytimes of
Christmas

Terracotta Warriors

Black Caps v Sri Lanka Tour

New Year's Eve Celebrations

January 2019

Gardens Magic

Kids Magic

Waterfront Clean Up

Pasifika Festival

Capital Classic Ocean Swim

Summer in the Sanctuary

February

Te Pōhutu Nui - Welly Bomb
Comp

Black Caps vs India

White Ferns vs India

Te Rā o Waitangi

Kotahi

Chinese New Year Festival	Armageddon	Ahi Kā
Pipes in the Park	Kids' Night Walks at Zealandia	Matariki Dawn Viewings
Island Bay Festival	Anzac Day commemorations	Matariki Sky Show
Wellington Wine and Food Festival	Wellington Saints NBL season starts	Wellington Marathon
Botanic Gardens 150 th – Victorian Picnic	World Indoor Archery Championships	NZ Provincial Volleyball Championships
Te Matatini	National Age Group Swimming Championships	
NZ Breakers vs Illawarra Hawks	Bioblits	
Summer Shakespeare	May	
Round the Bays	NZ International Comedy Festival	
Performance Arcade	NZ Music Month shows	
Hurricanes Super Rugby season starts	Lady Norwood Rose Garden open day	
Central Pulse ANZ Premiership season starts	Our Heritage Garden Open Day	
Women's National Futsal League	Better Home & Living Show	
Capital Championships BMX Super Series	Africa Day	
March	Wellington International Pride Parade	
NZ Fringe Festival	Food Show	
Eminem	Botanic Garden Days	
Jim Beam Homegrown	June	
Nitro Circus	Second Unit	
CubaDupa	Doc Edge Festival	
Black Caps vs Bangladesh	Wellington Jazz Festival	
Dragon Boat Festival	Lōemis	
Newtown Festival	RECUT	
Bowlzilla – Skateboard Park/Bowl titles	Matariki Harbour Challenge	
April	Winter Pop-Up Market	
Relay for Life	Feast Matariki	

Section 3: Our performance in detail

In this section

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



1 Pārongo ā-tāone - Governance

This chapter explains what we did and how we performed in our Governance portfolio of activities. This includes governance, information and engagement work, and Māori and mana whenua partnerships.

[These figures to be inserted as “snapshots” of the activity area. A mix of facts, KPIs and Outcomes.

- Contact centre responded to 80% of calls in 30 secs.
- 1350 Planning for Growth submissions
- 42% residents are satisfied with how Council makes decisions
- 50,000+ attend Te Matatini kapa haka festival
- 125,000 City Archive records now online
- 148 council decisions made]

Introduction

Through our governance activities, we seek to build public confidence in our decisions by being as transparent as possible, clearly communicating the reasons for the things we do and encouraging public participation in the decision-making process. This is because a high level of public involvement in what we do makes for better and more enduring decisions.

A key opportunity in this area continues to be improving our engagement with our community and their participation in our decision-making processes.

This year's highlight was the turnout we obtained during engagements on Planning for Growth, and Te Atakura - First to Zero. We received more than 2500 submissions and continued our strong engagement with young people. We will look at what we did well and apply it to future consultations to further improve how we communicate and engage with Wellingtonians.

Our governance portfolio includes the work we do to ensure the role of Māori in the city is valued and reflected in all aspects of our work, from resource management and economic development to social wellbeing and the arts. The Council also has legal and Te Tiriti o Waitangi obligations to consider. This year we continued the implementation of our Te

Tauihu te reo Māori policy and created an action plan for it in consultation with mana whenua.

Governance performance story:

We're improving but there's work to be done

We've made progress in the way we engage with the public on decisions about Wellington. A significant highlight this year was the high level of feedback we received on three key policies – Te Atakura First to Zero, Planning for Growth and the Outer Green Belt Management Review. We also engaged more actively with residents, communities and stakeholders on other topics, including traffic resolutions, town centre upgrades, new playgrounds, and cycleways. However, there is work to do in ensuring the public understand how we make decisions, that our information is clear and accessible and to revitalise te reo Māori and Māori culture in the city.

Performance summary

The following table is a summary of how well we performed against our agreed key performance measures for this activity area.

	Not met	Mostly met	Met	Exceeded	Baseline	Total Measures
1. Mana Whakahaere Governance						
1.1 Mana Whakahaere, Pārongo me ngā mahi whai wāhi Governance, information and engagement	3	2	3	1	1	10
1.2 Rangapū Māori/Mana Whenua Māori and mana whenua partnerships	1	3	1			5
Total measures	4	5	4	1	1	15

1.1 Mana Whakahaere, Pārongo me ngā mahi whai wāhi - Governance, information and engagement

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter:

- Residents who agree that the Council is proactive in informing residents about their city.
- City Archives: Users satisfaction with services and facilities.]

What we did:

Community engagement

This was a busy year for engagement during which we looked at connecting more closely with communities to encourage greater participation in plans for the city. This year we achieved wide engagement across a large cross section of our community. People of different ages, genders, interests, and ethnic backgrounds were all represented.

We consulted on a range of projects, initiatives, policies and plans, including:

Planning for growth: In April and May, we engaged Wellingtonians in conversations about where and how our city might grow to accommodate 50,000 to 80,000 people in the next 30 years. We proposed four growth scenarios, each with its trade-offs, and asked people to tell us what they liked and didn't like about each. We received more than 1,350 submissions from a wide range of people, including 250 high school students.

Te Atakura – First to Zero: We asked Wellingtonians what priority they would like us to place on reducing the carbon emissions that cause climate change. We received more than 1,250 responses and strong support for our blueprint.

Urban Development: We consulted with Karori residents to develop three design principles - water sensitive design, wildlife habitat design and heritage – to inform our Town Centre upgrade proposals. A working group of local businesses, property owners and residents was also formed to contribute to the concept phase of the Swan Lane & Garrett Street project.

Cycle paths and lanes: We've been engaging the community on ways to make it safer and easier to travel by bike in Berhampore, Newtown and Mt Cook. We heard from almost 1800 people during two phases of engagement in the second half of 2018. Part of the conversation with the Berhampore community includes their aspirations for their shopping area.

Upper Stebbings Valley development: We sought input into a high-level plan for the future of Upper Stebbings Valley and Glenside West. Engagement in 2018 highlighted further issues to consider, and detailed work is being progressed to explore options to resolve these. Further engagement will be part of the next stages of our Planning for Growth programme.

Outer Green Belt Management Plan: Two phases of public engagement helped us understand the key issues and opportunities in managing the Outer Green Belt Reserves. We created a new draft plan that sets the vision, policy framework and guides management for more than 3000ha of public reserve land at the edge of Wellington City. We received 544 responses to the pre-consultation survey and 226 submissions on the draft plan from February through to March 2019.

Makara Beach Project: The Council also supported the Makara community to develop their own recommendations to prepare for, and adapt to sea level rise, storm surges and coastal erosion. Read more about the Makara Beach Project on pg XX.

Annual Plan: We sought feedback on the activities for 2019/20 we proposed to deliver on the Long Term Plan.

Youth: We held a Youth Summit in November attended by 150 year 9 and 10 students from across the city. Students participated in interactive workshops on topics including transport, sustainability, community development, and participation in sport and recreation. We also have a Youth Council advisory group (see pg X) and have been increasing our contact with schools and other community groups to engage more effectively with children and young people.

We also carried out several smaller, engagements to support our ongoing operations, which included community park upgrades, placement of residential electric vehicle chargers and alcohol fees and control bylaws.

Governance & Electoral Processes

Elected members made 148 decisions as a committee of the whole in this financial year. To ensure those decisions remain open and transparent, we rolled out EZ Vote, an electronic

voting system, for use in Council and committee meetings. It will ensure we clearly record elected members votes on decisions.

Project planning is also underway for the delivery of the 2019 Elections on October 12. This includes, preparing election protocols for both staff and elected members, identifying the work programmes and leads, contracts and a communications and marketing campaign. It is the first election since minor boundary changes were made in the 2017/18 year and the first with our new reo rua (bilingual) ward names.

We also finalised election-delivery Memorandums of Understanding with Greater Wellington Regional Council (GWRC), Capital and Coast District Health Board (CCDHB), the seven other territorial authorities (TAs) in the Wellington region and the Electoral Commission. These agreements include the 'special vote hub' at Arapaki Manners Library and Service Centre, where any voter in Hutt City, Porirua City, Upper Hutt City, Kāpiti Coast District, South Wairarapa District, Carterton District and Masterton District can request a special vote, or return an ordinary vote that has been posted to them.

City Archives

This year we launched the first part of Archive Online, our new online search and access tool for customers to search and access Council's archive collection. The first 125,000 records can now be searched online, and we will continue to upload more content. The full system will be launched in October 2019, to include property data, and is a significant improvement on the existing online indexes that are available.

Contact Centre

The contact centre responded to 80 percent of received calls within 30 seconds, which met its 80 percent target and was better than the previous year (78%). It responded to 99 percent of emails within 24 hours.

Living Wage

The Living Wage provides workers and their families with the necessities of life and allows them to participate actively in the community. In 2018/19 the Council paid the Living Wage Aotearoa rate of \$20.20 to its staff and expanded this to wholly owned Council Controlled Organisations (CCOs) and core contractors who work on Council sites as they come up for renewal. The rate rose to \$21.15 on July 21, 2019. In 2018, Wellington City Council became the first local authority to achieve Living Wage accreditation and celebrated that milestone at a function where workers who are now being paid the Living Wage addressed the group, along with the chief executive and the Mayor.

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

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter:

- Māori culture is appropriately recognised and visible in the city.
- Māori residents who believe they have adequate opportunities to have their say.]

This year Council has had an increased focus on incorporating more te reo Māori into business-as-usual practices and making it seen, heard and used more widely in the city.

*What we did***Matariki**

We celebrated the inaugural Matariki Festival (Māori New Year) in July 2018 and also the second in June 2019. We held our second Ahi Kā and it was again a success. It featured light and fire, singing and storytelling, and kai. Last year, we also moved our Sky Show fireworks from November to Matariki to better celebrate our New Zealand culture. In June 2018 the arrival of a southern right whale delayed the fireworks until this financial year, meaning there were two Sky Shows this year.

Kapa Haka

A successful Te Matatini ki te Ao festival pōwhiri and activations were held by Council to support the national kapa haka event at Westpac Stadium. It was the first time Wellington had hosted the event in 20 years. We also installed haka-figurine pedestrian lanterns in sites along Jervois Quay, Cable Street and Lower Taranaki Street - recognising kapa haka as a Māori cultural expression.

Te reo Māori revitalisation

In April, the Council signed a Memorandum of Understanding (Mahi Tahī) with Te Taura Whiri i te Reo Māori (The Māori Language Commission). As part of this Mahi Tahī, we will work together to ensure the revitalisation of te reo Māori in Wellington. This will include sharing resources, knowledge and working together on internal and public-facing projects.

The agreement formalised the working relationship that already existed between Council and Te Taura Whiri. We once again worked with them on the Te Wiki o te reo Māori street parade in September 2018. This was attended by about 5000 people.

Te Tauihu

After the adoption of our Te Tauihu te reo Māori policy in June 2018, this year we completed and publicised our Action Plan for the policy. There has been significant positive interest in this policy from the media and Wellington public. There has also been increased interest in te reo planning and bi-cultural competency, both within the organisation and external to the organisation. This has provided platforms for elected members and officers to present Te Tauihu and speak to its implementation.

Iwi leaders have advised that due to capacity limitations we need to consider a new mechanism for iwi contribution to decision making and resource management obligations.

Governance finances

How it was funded

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

Detailed information on funding on pg x of Financial Information section.

What it cost (operating expenditure \$000)

Governance	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Actual (\$000s)	2018 LTP Budget	LTP Budget Variance \$000
1.1 Governance, information and engagement					
Expenditure	16,877	17,214	17,621	17,744	124
Revenue	(1,005)	(498)	(511)	(535)	(24)
Net Expenditure	15,873	16,716	17,110	17,209	99
1.2 Māori and mana whenua partnerships					
Expenditure	279	305	361	306	(55)
Revenue	1	(4)	(45)	-	45
Net Expenditure	280	301	316	306	(10)
Governance Total					
Expenditure	17,157	17,519	17,982	18,050	68
Revenue	(1,004)	(502)	(556)	(535)	21
Net Expenditure	16,153	17,017	17,426	17,515	89

What it cost (capital expenditure \$000)

Governance	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Budget (\$000s)	2018/19 Revisions (\$000s)	2018/19 Actual (\$000s)	2018/19 Revised budget (\$000s)	2018/19 Variance to revised budget (\$000s)
1.1 Governance, information and engagement expenditure							
Governance Total	-	8	51	(29)	-	22	22

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Governance performance

The following section outlines our performance data: outcome indicators, performance measures and supplementary tables. We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance, including those outside our control.

We use performance measures to track how well we are delivering services against targets, as set out in the 10-year and annual plans. The Council undertakes the Residents' Monitoring Survey (RMS) on an annual basis. The survey has a margin of error of +/- 4.4% percent.

Performance data – outcome indicators

The following section outlines outcome indicators for the Governance activity area. Outcome indicators do not have targets.

Governance	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Residents' confidence and engagement						
Voter turnout in local elections, referendums and polls	Increasing	WCC Democracy Services	2016 45.6%	-	The 2019 election is scheduled for October 12. The result will be reported in 19/20 Annual Report	No trend
Residents (%) who believe they have the opportunity to participate in city decision-making	Increasing	WCC RMS 2019		New	47%	No trend
Māori and mana whenua engagement and confidence						
Mana whenua partners agree that the use and protection of the city's resources for the future is appropriate (our kaitiaki role)	Increasing	WCC Strategy and Research	Both partners were not sure	Both partners were not sure	Both partners partially agree.	Positive trend
Māori residents (%) who feel that Māori culture is appropriately recognised and visible in the city	Increasing	WCC Strategy and Research		New	Maori culture is appropriately recognised (40%); Maori culture is visible (56%); in the city	

Māori residents (%) who feel that te reo Māori is appropriately recognised and visible in the city	Increasing	WCC Strategy and Research		New	Te Reo is appropriately recognised (43%); Te Reo is visible (54%); in the city	
Māori residents (%) who believe they have the opportunity to participate in city decision-making	Increasing	WCC Strategy and Research		New	50%	This is a new outcome measure for 2019 along with the KPI "Māori residents (%) who believe that they have adequate opportunities to have their say in decision making".
Diversity						
Diversity of population	Increasing	WCC Strategy and Research, Census data	Census data 2013: Wellington City: European (72.8%); Maori (7.6%); Pacific peoples (4.7%); Asian (14.9%); Middle Eastern/Latin American/African (2.4%); New Zealander (1.7%); Other (0.1%).		Census 2018 (conducted on March 6, 2018) not available at the time of publication of this report.	No trend
Diversity - residents valuing diversity	Increasing	WCC RMS 2019	80%	81%	Residents valuing diversity: multiculturalism makes the city a better/much better place to live: 82.6% agreed	Positive trend
What this tells us:						

Community involvement in decision-making is key to successful decisions. If residents are satisfied with the level of engagement, we can be confident we are making democratic decisions. We still have a long way to go to make sure we are informing, engaging and encouraging our residents and partners to become involved in the running of the city.

Performance data – Council performance measures

The following section outlines Council performance measures for our Governance services. It includes data for the last 3 years to show trends, and includes variances explanations for relevant areas.

Performance measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
1. Mana Whakahaere Governance							
1.1 Governance, information and engagement							

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Performance measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Facilitating democratic decision-making							
Meeting and committee agendas (%) made available to the public within statutory timeframes (2 working days prior to meeting)	95%	100%	100%	100%	0%	met	
Meeting and committee agendas (%) made available to the public at least 4 days prior to meetings		New	97%	70%	39%	exceeded	The target has been exceeded through changes in the management of the forward programme and associated report timelines.
Community engagement							
Residents (%) who believe they have adequate opportunities to have their say in Council activities		New	42%	45%	-7%	mostly met	
Residents (%) who state they are satisfied with how the Council makes decisions		New	34%	45%	-24%	not met	This is the first year of the Long Term Plan and the first time we have asked residents for their feedback on this measure. There wasn't a solid baseline to inform the target that was set. Council will strive to close the performance gap and raise the target over time.
Providing information and a point of contact							
Contact Centre - Contacts responded to within target timeframes (calls within 30 seconds)	73%	78%	80%	80%	0%	met	
Contact Centre - Contacts responded to within target timeframes (emails within 24 hours)	98%	100%	99%	100%	-1%	mostly met	
City Archives – users (%) satisfied with services and facilities		New	86.6%	75%	15%	met	Although a result is available and the target appears to be exceeded, the sample size of 49 is too small to draw performance conclusions.
Residents (%) who agree that Council information is easy to access (via website, libraries, social media, newspapers etc)		New	46%	55%	-17%	not met	The average for only the users of our communication channels (excludes 'don't use' responses): See supplementary tables pgX for further details

Performance measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Residents (%) who agree that the Council is proactive in informing residents about their city		New	45%	70%	-36%	not met	This measure was introduced to gauge the effectiveness of proactive city communications. There was not a solid baseline to inform the target that was set, and Council will strive to close the performance gap in the years ahead.
Official information requests (%) handled within Local Government Official Information and Meetings Act legislative timeframe		New	97%	Baseline			
1.2 Rangapū Māori/Mana Whenua Māori and mana whenua partnerships							
Relationship with mana whenua							
Mana whenua satisfaction with their relationship with Wellington City Council	Satisfied	Satisfied	Both parties satisfied	Satisfied	0%	met	
The extent to which (how satisfied) mana whenua partners believe (are) the Council is meeting its obligations under Te Tiriti o Waitangi with respect to Partnership, Protection and Participation (narrative-based measure based on interviews)		New	Both parties somewhat satisfied	Satisfied	less satisfied	mostly met	
Engaging Māori residents in decisions							
Māori residents (%) who believe that they have adequate opportunities to have their say in decision-making		New	69%	75%	-8%	mostly met	
Promoting Māori culture							
Māori residents (%) who agree that the Council is taking an active role in revitalising te reo Māori		39%	68%	75%	-9%	mostly met	
Māori residents (%) who agree that the Council is taking an active role in revitalising Māori cultural heritage		51%	67%	75%	-11%	not met	This is a new measure. We will do more to share the Māori cultural heritage with the public. Our new Te Tauihu te reo Māori policy provides action for the years ahead.

Supplementary performance tables

Residents (%) who agree that Council information is easy to access (via website, libraries, social media, newspapers etc.)

This is a new question in the Resident Monitoring Survey 2019. The published result 45.6% is the average agreement across the four channels.

Please rate your level of agreement with the following:		Yes	No	Don't use
Wellington City Council information is easy to access via...				
The Council website	2019 n=508	74%	9%	17%
Council libraries	2019 n=508	46%	11%	44%
Social media	2019 n=508	39%	9%	52%
Newspapers	2019 n=508	24%	10%	66%
Average		45.6%		

Conversations about our future city

In three decades from now Wellington will be home to 50,000 to 80,000 more people. Where will they live? How will they get around the city? What jobs will they do?

We have some natural constraints – rising sea levels on one side and Wellington's distinctive hills on the other so our growth options are limited. The extra people will put pressure on transport, infrastructure and housing, particularly in the inner city.

We also have to think carefully about how to manage growth so we keep the things people love about Wellington.

In early 2019, we took our first step towards a full review of the city's District Plan. The Planning for Growth project impacts everything from transport to the natural environment, housing, resilience, infrastructure and heritage. This is a once-in-a-generation opportunity to shape the future of the city.

However, this is not a topic of conversation that often inspires high level of engagement from our communities. We knew we needed to do something different to spark the conversations we needed.

Principal Advisor Planning Kate Pascall said the core goal was to get people thinking wider than their own backyard.

"We knew there would be some compromises needed along the way. It is relevant to anyone who sees Wellington as their home in the future – whether they own a home, want to own a home, rent, are working or studying, live in the inner city, the suburbs or a rural area."

Council began a process of talking with the community about what they wanted the city to look like in the future based on four growth scenarios – Inner City Suburbs, Suburban Centre Focus, New Greenfield Suburb and Extensions, and Greenfield Extensions.

The scenarios helped us explain the trade-offs that different options would require. Do we want family homes in the suburbs, or apartments on the bus route? Do we have more high-rise in the city or low-rise apartments around our suburban centres? Do we stretch into rural areas, or build new houses in our character suburbs?

Our engagement strategy also let the community lead the conversation; to get them thinking and caring about the issues we face together, and ask them to help make the hard decisions. We had a particular focus on youth, and going to the community rather than asking that they come to us.

To do this we had to do engagement a bit differently. Our pre-engagement phase included a Speaker Series over three evenings in March at the City Gallery. Speakers covered everything from the hopes of our young people, and how Artificial Intelligence (AI) is transforming the way we live, to living carbon neutral, and bringing nature to the city. The Speaker Series attracted 300 members of the public across the three evenings.

We used video content and social media extensively throughout our engagement to get the message out to people of all ages. In addition to this, 'What's Your View' posters were put up across the central city to grab people's attention.

We had 300 face-to-face conversations with people at drop-in events and local markets, including with young families, retirees, homeowners and renters looking to buy their first home.

In total 1,372 people made a submission on the future shape of their city, including 250 high school students. In addition, 773 responded to a Planning for Growth Facebook survey. This level of response was previously unheard of for a planning consultation.

Our job now is to create a spatial plan which sets the direction for future development, and ultimately helps to re-write the District Plan.

While the Council was pleased with the level of engagement, we are challenging ourselves to keep the momentum going as we gear up to engage on the spatial plan. We have the desire to reach diverse communities and ensure everyone has a chance to have their say.



2 Taiao - Environment

This chapter explains what we did and how we performed in our Environment portfolio of activities. This includes open spaces, waste reduction and energy conservation, water, wastewater and stormwater, and conservation attractions.

[These figures to be inserted as “snapshots” of the activity area. A mix of facts, KPIs and Outcomes.

- 14 different native bird species observed at monitoring stations
- 97,178 native plants planted
- 19,677 tonnes: Waste diverted from landfill
- 60 Titipounamu released in Zealandia
- 6,653 Predator Free traps deployed
- 1645m² Open Space per person]

Introduction

The Council's environment portfolio is large and diverse, encompassing green spaces, waste reduction and energy conservation, as well as water (potable, wastewater and stormwater) and conservation attractions.

Guiding our work is a drive for sustainability, a commitment to reducing the impact of climate change and improving the resilience of the Council's Environment portfolio. We work to continuously adapt and restore our natural areas and resources. This includes providing quality and accessible green spaces, reducing the city's emissions, disposing of waste in sustainable ways, and supplying Wellingtonians with good-quality drinking water and managing the city's wastewater and stormwater.

Some of the challenges we face relate to maintaining and upgrading our infrastructure – our business-as-usual activities – while also coping with rising demand and trying to be better prepared for unforeseen future events. We aim to make sure our infrastructure can adapt to changing needs. Our work over the past 12 months has included strengthening infrastructure such as pipes and reservoirs, addressing issues like coastal erosion and looking at ways to save energy and reduce waste. This work is ongoing.

Another significant highlight for this activity area is our commitment to working in partnership with government and the private sector on initiatives to reduce the impact of carbon. As part of this, we passed our Te Atakura – First to Zero policy in June 2019.

Environment performance story:

More visitors to attractions, but waste services dissatisfaction





This year Zealandia and the Zoo had an increase in the number of visitors for the third year in a row. There was also an increase in the education attendees at both institutions. To better understand our conservation performance we have also recorded biodiversity measures in pest trapping and tree planting for the first time.

Over the past three years, recycling and rubbish satisfaction in the services has decreased. While the exact reasons for this are unclear, comments in our Residents' Monitoring Survey

included the use of plastic collection bags and lack of organic waste collection. It is hoped the next recycling wheelie bin lids will impact positively on the satisfaction with kerbside recycling.

Performance summary

The following table is a summary of how well we performed against our agreed key performance measures for this activity area.

	 not met	 mostly met	 met	 exceeded	Baseline	Total Measures
2. Taiao Environment						
2.1 Parks, beaches and open spaces		2	2		4	8
2.2 Waste reduction and energy conservation	3		3	1	4	11
2.3 Waimāori Water supply	2	1	4	2	1	10
2.4 Waipara Wastewater	1		5	4		10
2.5 Waiāwhā Stormwater	2	2	5	4		13
2.6 Ngā painga kukume Papa Atawha Conservation attractions		3	8	9	2	20
Total measures	8	8	27	20	9	72

2.1 Ngā māra, tātahi - Gardens, beaches and green open spaces

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Hectares of high-value biodiversity sites covered by co-ordinated pest management.
- Visitors to Wellington Botanic Gardens]

What we did:

Regional Trails Framework

The wellingtonregionaltrails.com website and 'Find your Wild' Regional Trails brand was launched in November 2018 and work continues on developing and promoting the regional trails network with WellingtonNZ, DOC and our TA partners across the region.

WellyWalks Campaign

The #wellywalks promotional campaign ran from December to March. It reached more than 200,000 people on Facebook and 35,000 people on Twitter, encouraging people to get out and explore our trails and walkways.

Predator Free Wellington

Predator Free Wellington Ltd (jointly funded by WCC, GWRC, the NEXT Foundation and PFNZ2050 and supported by Taranaki Whānui) undertook community engagement and pre-planning for the Miramar Peninsula eradication operation which began on the 8th July 2019. This included establishing an operational base on the Peninsula and obtaining

permission to place traps on their property from 3000 property owners and businesses. We also piloted distribution and installation of rat proof compost kits in support of the project.

The community was very receptive to the project and there have been hundreds of volunteers involved. Predator Free Wellington will begin to install 6000 bait stations and traps across the peninsula in July. The operation is scheduled to be completed in December and is the biggest urban eradication programme ever undertaken in New Zealand.

Botanic Garden

We conducted a successful series of events for the Botanic Garden 150 years celebration starting with the launch in September 2018. Events included a Victorian Picnic, Secrets of the Garden Bioblitz and three Brown Bag Lunches. The programme continues into the second half of 2019. We started working towards carbonZero accreditation. A Memorandum of Understanding was signed between the National Arboretum Canberra and Wellington Gardens to support staff development, science, and visitor services. We delivered teaching programmes to 2100 children at the Botanic Garden and Otari Wilton's Bush.

Otari Wilton's Bush

Additional equipment was purchased for the Lions Otari Conservation Laboratory to support seed banking. Staff grew on 200 *Olearia gardnerii* for restoration plantings in the Wairarapa and propagated and grown on 3 critically endangered species for the Department of Conservation including two *Lepidium* species and *Pimelia actea*.

Coastal Resilience

Work began on the upgrade of the Worser Bay Boat Club clubrooms which will be completed in 2019/20. We began planning work for the strengthening of Seatoun Wharf and other coastal structures, and planning to address coastal erosion at Worser Bay and Seatoun Beach is well advanced.

Makara Peak Mountain Bike Park

The delivery of the park's master plan continued with the construction of two new bike trails. One was funded by Council, and the other built by the Makara Peak Supporter Group. We completed the planning and design work for the upgrade of the main entrance and carpark, and construction work will begin in September 2019.

Draft Outer Green Belt Management Plan

We completed the Draft Outer Green Belt Management Plan, and consulted in the first quarter. More than 200 formal submissions were received through the engagement. There were multiple ways, the community could engage with the plan including opportunities to talk to officers through market stalls, online content, an open forum, the WCC advisory groups and signs at locations across the reserves. A video about the outer green belt was created and viewed more than 20,000 times.

Natural Environment Fund

We supported 19 community environmental projects throughout the year with grants totalling \$82,804, projects supported included local projects connecting children and young people to our natural environment, community volunteering projects via Conservation

Volunteers, planting, track work and weed control, citizen science projects monitoring lizards and pest control in public spaces. We also support with ongoing multi-year contract funding the Toimata Foundation who work in partnership with Councils in the region and support an active network of Enviroschools across the city.

2.2 Whakaheke para, Tiaki pūngao - Waste reduction and energy conservation

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Energy use per capita per annum
- Cost per household per annum for kerbside recycling.]

What we did

Recycling wheelie bin clips

We distributed more than 40,000 free clips to every household in the capital that currently has a recycling wheelie bin. On windy days, this wheelie bin clip will be a major contributor to keeping recycling in the bins and out of our environment, waterways and drains. This initiative is part of Council's Our 10-Year Plan 2018-28 commitments to protect and enhance Wellington's natural environment.

Capital Compost BioGrow Certification

Council's own compost operation, Capital Compost, received BioGrow organic certification. This means our customers can be guaranteed that the products we make and sell are made without animal testing, genetic modification and the routine use of synthetic pesticides. It is the mark of a genuine organic product.

Toa Tiaki Taiao

After a successful pilot last year in 2018, we launched Toa Tiaki Taiao early in 2019. There are ten schools participating the Waste Heroes Programme. The programme allows students to experience and take action on three key waste issues: food waste, single use plastics and recycling. Schools engage with waste in a variety of ways including visiting the facilities at the Southern Landfill and participating in a whole school activity.

Waste Minimisation Seed Fund

In December 2018 the Grants Subcommittee awarded \$54,000 from the Waste Minimisation Seed Fund (over \$2,000) to six projects. The standout success story so far is "Again Again", the hot beverage cup lending scheme. Through this fund the Council was one of the early supporters of the scheme. "Again Again" continues to roll out to cafes throughout the city and has recently begun expansion to other parts of New Zealand.

The fund for smaller projects (\$2,000 or less) awarded \$28,650 to projects ranging from helping a school fair go plastic-free, to encouraging community composting, and setting up a Share Shack in Aro Valley.

Energy Consumption

The energy efficiency programmes and behaviour of Wellington City Council staff has led to an overall reduction in energy consumption and expenditure. To continue this required

trend, further capital investment and training will need to be made to optimise efficiencies in Council's facilities.

Some examples of energy conservations are:

- The installation of LED Street lighting has resulted in a 34.5% reduction in energy consumption.
- Botanic glasshouse used 30.1% less gas from energy efficiency projects.
- Before it was closed to the public, the Central Library used 31% less gas than the previous year due to efficiency gains.

The pools had the lowest decrease in energy savings at 0.1%. The pools are a large consumer of energy in the Council's portfolio and will be a focus of energy efficiency investments.

2.3 Waimāori - Water supply

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Median response time for attendance for non-urgent callouts
- Compliance with Drinking Water Standards for NZ 2005 (revised 2008, part 4 bacterial compliance criteria)]

What we did

This activity is focused on drinking water supply and storage. Our council-controlled organisation Wellington Water supplies drinking water to our residents and also manages wastewater and stormwater services. Wellington Water is jointly owned by Greater Wellington Regional Council and the four city councils in the Wellington metropolitan region. The Councils retain ownership of infrastructure assets.

Drinking water in Wellington is supplied from four different water treatment plants in the region. All of these are located in the Hutt Valley. The Ministry of Health has established guidelines for safe drinking water: the Drinking Water Standards for New Zealand 2005 (revised 2008). All water is treated to meet the Drinking Water Standards, including chlorination.

Key areas of work in 2018/19 included investment to improve the resilience of the water network, investigations into the sustainability of the water supply and the development of the first Regional Water Safety Plan. Ongoing operation and maintenance of the water supply system continued in order to ensure safe, healthy and reliable water supply to customers. We have formed a new Customer Operations Group, in an alliance with Fulton Hogan, to drive improvements in operations and maintenance for the three waters.

These projects deliver improved network reliability and reduce water supply disruption. This programme is made up of numerous business-as-usual water main and pump station renewals. Work completed this financial year includes Karori watermain renewals, Wadestown and Holloway Road renewals and renewals at the Satara Crescent pump station. A large project to renew the Box Hill and Burma Road water mains started and is expected to be completed in the second quarter of the next financial year.

Network Upgrades

These projects are primarily focused on increasing fire main capacity across the network, and enabling growth. Mechanical renewal and seismic strengthening of the Rhine Street pumping station in Island Bay was completed this year.

Reservoirs

Omāroro Reservoir: The construction of Wallace Street Pipelines has commenced to install the bulk water pipelines connecting the proposed Omāroro Reservoir to the drinking water network. This work is expected to take until October 2020. Procurement for the Omāroro Reservoir has commenced with a plan to award the contract in February 2020. The construction work is expected to take three years to complete.

Seismic strengthening: A programme of work is on-going to improve the operational resilience of water network and storage throughout the city. Wellington Water has made delivery changes to accommodate program constraints.

Investigations

Wellington Water has prioritised all health and safety improvements required for storage reservoirs, and completed a fire flow classification plan. Hydraulic models have been completed that support on-going investigations and Fire and Emergency New Zealand operations. The key documents for design and implementation of waters services have been updated and will continue to be improved. This will ensure consistency for developers and suppliers. We plan to complete seismic assessments for all significant remaining pump stations and backflow surveys over the remainder of the current Long-Term Plan period.

A regional Sustainable Water Supply Strategic Case has been completed. This has been developed to make sure Wellington City and our neighbouring cities have plans in place to ensure we have enough water for future generations. This includes dealing with water loss and leakage in the network and on private property, ensuring network capacity and reducing wastage.

Resilience

We continued to roll out the Community Infrastructure Resilience (CIR) programme. The completed first phase was to establish the community water stations to supplement the existing resilient reservoirs that will provide water for residents from day eight following a major event interrupting water supply. Several open days have been held to demonstrate the community water stations and share what we are doing with the local communities.

2.4 Waipara - Wastewater

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Number of complaints about wastewater odour, systems faults, blockages and supplier responsiveness. Expressed per 1000 connections.
- Median response time for wastewater overflows attendance.]

What we did

Key areas of work in 2018/19 focused on delivering solutions to support growth in the CBD and adapting to the change in consents for the Karori Waste Water Treatment Plant (WWTP) outfall.

During 2018/19 Wellington Water tendered and awarded a contract to run the Region's Wastewater Treatment Plants. This contract was awarded to Wellington City's current service provider – Veolia. The Wellington City wastewater treatment plants will officially transition to this new contract in February 2020 once the existing contract ends.

Network renewals

These projects are aimed improving water quality and maintaining a reliable network for customers. The programme consist of numerous pipeline and pump station renewals projects. Design of the rising main replacements in Whitmore-Bowen and Featherston Street is continuing with investigations and community engagement continuing.

Network failures Broadway and Cavendish Square in Strathmore have necessitated significant reactive responses. Other wastewater renewals occurred in Berhampore, Johnsonville and other areas.

Network Upgrades

These projects are primarily aimed at enabling growth. The Dixon Street Wastewater pump station upgrade project has been delivered, improving the capacity in this part of the CBD and meeting target growth demands. This upgrade project has won three awards: Civil Contractors - Wellington Wairarapa GBC Winstone Award for projects over \$2 million; IPWEA NZ Best Public Works Project less than \$5M; and ACENZ 2019 INNOVATE Project award.

Investigations and modelling

The feasibility study outlining options for the replacement of rising mains from pump stations 05, 06 and 07 to Dixon Street was completed. The wastewater interceptor laser and sonar survey was completed and showed several renewal requirements.

Several projects were investigated and briefed for future renewal including Cavendish Square, Glamis Ave trunk main, Maida Vale pipeline renewal, Kingsbridge Place and Moa Point Interceptor lining.

Major Projects

Karori Network Improvements: The consent conditions for the outfall pipe from the Western (Karori) WWTP were changed. We are no longer required to replace the pipeline before the end of its life, but will instead work to assess and improve the condition and performance of the Karori wastewater pipelines feeding the WWTP. This will improve the health of the waterways and reduce the risk of exposing people to untreated wastewater. Investigations are taking place to gain a better understanding of the wastewater network and identify options for reducing network infiltration and inflows from private property. Two of the ten sub-catchments have been surveyed and 73 faults in private networks were found, these are being followed up for corrective action.

2.5 Waiāwhā - Stormwater

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Median response time for attendance at a flooding event (Five flooding events this year)
- Monitored sites % that have a rolling 12 months median value for ecoli (dry weather samples) that did not exceed 1000cfu per 100ml.]

What we did:

We have continued work on the stormwater hydraulic model for the city, work continues into 2019/20. The modelling will allow us to identify and prioritise stormwater flooding reduction projects based on model evidence. Work has also started on understanding the extent of the changes required to improve receiving water quality. This links to the requirements of the national policy statement for fresh water.

Network renewals and upgrades

These projects are aimed at public safety and flooding. The major project completed in 2018/19 was the Kilbirnie pipe upgrade. Smaller improvements were completed at Tawa School, Kent Terrace by the fire station and in Melrose Road. Planning and design has been completed for a number of projects to allow construction to occur in 2019/20.

Investigations and modelling

Climate change modelling will continue in 2019/20. Ten hydraulic models of fourteen catchments are built. Five of these catchment models are progressing to external review and then flood mapping stage. Results from the draft modelling are already being used to inform options, investigations and land development queries.

2.6 Ngā painga kukume whāomoomo - Conservation attractions

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Zoo and Zealandia education visitors
- Cost subsidy per visit (Zoo \$20.73 and Zealandia \$6.21)]

*What we did:***Wellington Zoo**

There were 252,973 visitors to the Zoo, which our second highest visitation in a year and 3,272 people more than last year (249,701) and ahead of target. This can be attributed to a new Close Encounter with the capybara, an upgraded chimpanzee enclosure, the addition of new and baby animals, increased education session visitors, an effective advertising strategy and reasonable weather.

There was also record attendance at Zoo events including:

- Zoo Twilights on Fridays (in March) with 2,053 visitors over five evenings, 75% higher than last year.
- Valentine's Night achieved the highest visitor attendance to date for the event with 847 adult visitors.
- The 14th annual Neighbours' Night in January which nearly 1,800 people from the diverse local Newtown area attended.

During the year Wellington Free Ambulance donated a retired ambulance to the Zoo, which has been fitted out with equipment to transport Zoo animals to The Nest Te Kōhanga for treatment. This will support the welfare of the animals and improve staff health and safety when they are transporting animals for veterinary treatment.

Nineteen Zoo staff members were involved in seven trips to Matiu Somes Island from November to May, partnering with DOC on search and survey work for Wellington Green Geckos. An Ngahere Gecko was sighted, the first since their initial release in 2012.

The Zoo was also the inaugural winner of the World Association of Zoos and Aquariums (WAZA) Environmental Sustainability Award.

Further reading: Chapter 8 – Council-Controlled Organisations

Karori Sanctuary Trust

The trust trades as Zealandia. The number of visitors to the sanctuary was 138,141, which is up from last year's figure (132,288) and ahead of target. Leading factors in the increase were increased cruise ships, the growing popularity of its education programme, the release of Tītipounamu in the sanctuary, along with a takahē chick hatching in late 2018, and a reasonably warm and dry summer.

In May, the sanctuary was honoured to host a roundtable discussion with Dr Jane Goodall and members from the Edmond Hillary Fellowship.

In quarter 4, the baby takahē was transferred to the Department of Conservation Burwood Takahē Centre, Fiordland. He was fostered onto adult pairs of takahē to learn how to thrive in the wild.

In June, seven new electric vehicle chargers were installed in the Visitor Centre car park. Zealandia now has ten chargers in total and is one of the major charging stations in the Wellington region.

Further reading: Chapter 8 – Council-Controlled Organisations

Environment finances

How it was funded

Services in this activity area are funded through a mixture of general rates, targeted rates, user charges and other revenue.

What it cost (operating expenditure \$000)

Environment	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Actual (\$000s)	2018 LTP Budget (\$000s)	LTP Budget Variance (\$000s)	Variance commentary
2.1 Gardens, beaches and green open spaces						
Expenditure	37,640	39,088	43,708	40,941	(2,767)	Predominantly in relation to increased depreciation due to property revaluations revaluations in relation to wharves, sea walls and other such structures.
Revenue	(4,317)	(3,980)	(4,574)	(3,063)	1,511	Unplanned vested asset income.
Net Expenditure	33,323	35,108	39,134	37,878	(1,256)	
2.2 Waste reduction and energy conservation						
Expenditure	15,586	19,329	21,263	16,541	(4,722)	Over budget due to higher Emissions Trading Scheme costs , contract escalations, higher distribution costs for recycling bags and the unplanned rolling out of wheelie bin clips.
Revenue	(20,060)	(19,163)	(18,137)	(15,833)	2,303	
Net Revenue	(4,475)	166	3,126	708	(2,418)	
2.3 Water network						
Expenditure	40,698	42,224	44,607	45,366	759	Under budget due to savings in depreciation and interest costs arising from delays to the capital programme delays. These are offset by higher than planned network maintenance costs (unusually dry summer causing ground movement and leakage), water quality sampling costs following the Havelock North event, repairs following the Epuni Street pump station fire and insurance costs.
Revenue	(1,606)	(1,843)	(4,100)	(37)	4,063	Unplanned vested asset income.
Net Expenditure	39,093	40,381	40,507	45,329	4,822	

Environment	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Actual (\$000s)	2018 LTP Budget (\$000s)	LTP Budget Variance (\$000s)	Variance commentary
2.4 Wastewater						
Expenditure	42,575	43,283	45,534	46,481	948	Under budget due to savings in depreciation, insurance and interest costs because of capital programme delays as well as lower than expected Wastewater treatment plant management fees.
Revenue	(986)	(1,986)	(2,351)	(1,237)	1,114	Unplanned vested asset income.
Net Expenditure	41,589	41,297	43,183	45,245	2,062	
2.5 Stormwater						
Expenditure	17,023	18,634	18,867	19,259	393	
Revenue	(762)	(2,164)	(2,882)	(163)	2,719	Unplanned vested asset income.
Net Expenditure	16,260	16,471	15,985	19,097	3,112	
2.6 Conservation attractions						
Expenditure	6,755	6,695	6,770	6,829	59	
Revenue	-	-	(18)	-	18	
Net Expenditure	6,755	6,695	6,751	6,829	78	
Environment total						
Expenditure	160,277	169,253	180,748	175,418	(5,330)	
Revenue	(27,732)	(29,136)	(32,062)	(20,333)	11,730	
Net Expenditure	132,545	140,117	148,686	155,085	6,399	

What it cost (capital expenditure \$000)

Environment	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Long-term Plan (\$000s)	2018/19 Revisions (\$000s)	2018/19 Actual (\$000s)	2018/19 Revised budget (\$000s)	2018/19 Variance to revised budget (\$000s)	Variance Commentary
2.1 Gardens, beaches and green open spaces								
Expenditure	6,102	4,136	6,716	159	6,446	6,876	430	
2.2 Waste reduction and energy conservation								

	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Long- term Plan (\$000s)	2018/19 Revisions (\$000s)	2018/19 Actual (\$000s)	2018/19 Revised budget (\$000s)	2018/19 Variance to revised budget (\$000s)	Variance Commentary
Environment								
Expenditure	606	2,443	5,662	224	1,396	5,885	4,489	Under budget on the Landfill Stage 4 extension due to delays and a change of contractor. Delays in the replacement of the transfer station roof also contributed to the under spend.
2.3 Water Network								
Expenditure	14,431	14,982	18,426	(1,182)	12,169	17,244	5,075	Under budget due to delays in the Wallace Street corridor, Duncan and Beauchamp Street projects to better sequence with the Omāroto project for efficiencies. Mo-i-te-Ra is also currently on hold.
2.4 Sewage collection and disposal network								
Expenditure	10,671	13,898	8,739	(242)	9,507	8,497	(1,010)	Over budget due to increased costs on the Dixon Street sewer upgrade because of dry well issues and predicted growth increase.
2.5 Stormwater management								
Expenditure	7,217	9,248	11,338	(925)	9,057	10,412	1,355	Under spending on stage 2 of the Kilbirnie project pending a cost effectiveness review. This is currently on hold.
2.6 Conservation visitor attractions								
Expenditure	1,956	720	1,150	(179)	1,896	971	(925)	Over budget in the Zoo renewals programme. This is mitigated through additional funding from the Wellington Zoo Trust.
Environment total	40,982	45,428	52,030	(2,145)	40,471	49,885	9,414	

Environment performance

The following section outlines our performance data: outcome indicators, performance measures and supplementary tables.

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including those outside our control.

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans.

The Council undertakes the Residents' Monitoring Survey (RMS) on an annual basis. The survey has a margin of error of +/- 4.4% percent.

Performance data – outcome indicators

The following section outlines outcome indicators for the Environment activity area. Outcome indicators do not have targets.

Environment	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Access to green open spaces						
Residents' self-reported use of the city's open spaces – local parks and reserves, botanic gardens, beaches and coastal areas, waterfront and walkways	Increasing	WCC RMS 2019	94% Parks	95% Parks	98% reported at least annual use of local parks and reserves	Positive trend. See supplementary tables pg. x
Open space land owned or maintained by the Council – total hectares	Increasing	WCC Parks, Sport and Recreation	4,040 hectares	4,073 hectares	4,221 hectares	Positive trend
Open space land owned or maintained by the Council – square metres per capita	Maintain	WCC Parks, Sport and Recreation	194.3 sqm	191.5 sqm	195.1 sqm	
Environmental health						
City Biodiversity Index indicators	Improving	WCC Parks, Sport and Recreation		New	No result to report. See comment	WCC has committed to monitor its birds, lizards and fresh water fish as part of this framework. We are making progress in developing our city Biodiversity Index in partnership with mana whenua partners and the Department of Conservation (DOC).
Native bird counts	Increasing	WCC Parks,	14 native bird species	13 native bird species	14 native bird species	This is the mean number of birds observed per bird count station for

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Environment	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
		Sport and Recreation				each native forest bird species that has been recorded in Wellington. See supplementary tables pg. x
Freshwater biological health (macro invertebrates) – Makara, Karori, Kaiwharawhara, and Porirua streams, ideal >100	Improving	Greater Wellington Regional Council	2016 - Average of 4 streams 84.3MCI	2017 - Average of 3 streams 96.6MCI	2018 - Average of 4 streams 94.5 MCI	2018 - Three out of four of the stream monitored went down from previously reported results. Refer to supplementary tables for more information.
Freshwater quality – Makara, Karori, Kaiwharawhara, Owhiro and Porirua streams	Improving	Greater Wellington Regional Council	2016 - Fair	2017 - Fair	2018 - Fair	See supplementary tables pg.x
Waterway health – proportion of waterway monitoring reporting "good" or better	Improving	Greater Wellington Regional Council	2016 - All four streams monitored recorded a rating of fair	2017 – all three streams monitored recorded a rating of fair	2018 - All four streams monitored recorded a rating of fair	To achieve good or better >100 MCI quality score needed See supplementary tables pgx
% of city declared predator/pest-free (low density), by species	Increasing	WCC Parks, Sport and Recreation		New	No result to report.	The eradication of rats and mustelids from Miramar (where possums were eradicated over a decade ago) began in the early part of 2019 and the full operation will be taking place in 2019-2020. This is the first eradication in a mainland urban environment and a huge step to our vision of a Predator Free Wellington. Our community continues to champion the control of pest animals with a network of volunteers maintaining 3500 traps installed through our reserve network and an extraordinary number of households trapping in their own backyard.
Renewable energy generation in the city	Increasing	WCC Property / EMI.E		New	Fuel Capacity (MWh) Wind 60.928 Hydro 0.48 Solar 4.814	
Resident engagement in environmental protection and restoration						

Environment	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Hours worked by recognised environmental volunteer groups and botanic gardens volunteers	Increasing	WCC Parks, Sport and Recreation	53,839 hours	59,531 hours	70,230 hours	Positive trend: There has been a large increase in volunteer hours per capita over the past year. Publicity over the Predator Free Wellington programme and support for community trapping is encouraging greater participation in protecting our local environment.
Residents engaged in trapping or other predator control	Increasing	WCC RMS 2019		19%	Residents currently undertaking predator control: 31.2%; Currently OR have previously undertaken predator control: 59.2%	Positive trend
Water consumption (commercial and residential combined)* billion litres	Decreasing	Wellington Water Limited	25.1b	23.1b	Est 20.7b-24.7b	Water consumed includes water losses so the estimated value of water consumed is between 24.7b and 20.7b litres. The result is similar to what was reported in the previous year, allowing for the limitations of the information we have available. We continue to work with our service partners to: understand where and how water is used, maintain the network to minimise losses, and educate people about the consequences of not reducing water usage.
Energy use per capita MWh per annum	Decreasing	Wellington Electricity	6.29MWh	6.42MWh	6.22MWh	

Environment	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Total city greenhouse emissions per capita	Decreasing	Source: Christchurch Community Carbon Footprint 2016/2017 WCC RMS 2019	Gross carbon emissions per capita 2016/2017 was 5.7t CoO2/person/per year		No 2018/19 result to report. See comment	The published result was sourced from a report prepared by AECOM New Zealand Limited (AECOM) between Oct 2017 and Jan 2018. Future Annual Reports results will come from a different source and be published as and when available. See also supplementary tables pg. x
Residents who state they have taken regular action in the last year to reduce their greenhouse gas emissions	Increasing			new	95%	
Total kerbside recycling collected per (kilograms per person)	Increasing	WCC Waste Operations	53.8kg	52.1kg	52.8kg	
Kilograms of general waste to landfill per person	Decreasing	WCC Waste Operations / ProfileID	447kg	478kg	437kg	
What this tells us:						

Monitoring these trends will allow us to make judgements on how well we are doing in terms of protecting our environment and providing adequate green open spaces.

Performance data – Council performance measures

The following section outlines Council performance measures for our Environment services. It includes data for the last 3 years to show trends, and includes variances explanations for relevant areas.

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Taiao Environment							
2.1 Parks, beaches and open spaces							
Utilisation							
Number estimated number of visitors to the Wellington Botanic Gardens and Otari-Wilton's Bush	1,042,044	1,324,892	1,246,162	1,280,000	-3%	mostly met	
Number of formal education attendees at Council programmes (School & Community)		New	2,102	Baseline			

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Attractiveness							
Residents (%) satisfied with the quality and maintenance of green open spaces (local parks and reserves, playgrounds, botanic gardens, beaches and coastal areas, walkways and trails, waterfront, forested areas and green belts)	83%	84%	87%	90%	-3%	mostly met	
Protecting and enhancing our biodiversity							
Establish 2 million native plants by 2025	1,571,370	1,691,656	1,788,834	1,765,000	1%	met	
Hectares of high-value biodiversity sites covered by coordinated pest management		New	296	Baseline			
Affordability							
Cost to the ratepayer per visitor to the Wellington Botanic Gardens and Otari-Wilton's Bush		New	\$4.23	Baseline			
Community engagement							
Proportion of households engaged in Council-coordinated pest trapping		19%	31%	Baseline			We do not have a measure for households engaged in Council-coordinated pest trapping. As a proxy we used the question worded "Have you ever undertaken predator control, either on your property or for conservation? A: Yes. I am currently undertaking predator control."
Number of plants supplied for community planting		New	37,072	35,000	6%	met	
2.2 Waste reduction and energy conservation							
Recycling							
Residents (%) who use recycling services regularly	98%	97%	94%	90%	4%	met	
Affordability							
Cost per household (per annum) for kerbside recycling		new	\$85.92	Baseline			
Customer satisfaction							

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Residents (%) satisfied with kerbside recycling service	77%	76%	65%	85%	-24%	not met	We expect the new rubbish bin lid clips will impact positively on this result over time.
Users (%) satisfied with waste collection service	78%	79%	71%	90%	-21%	not met	This result is down from last year and a number of our residents commented on the use of plastic collection bags and on lack of organic waste collection.
Sustainable landfill operation							
Estimated efficiency of gas capture system (% of estimated gas produced that is captured and destroyed)		new	95%	Baseline			
Waste minimisation activities							
Volume of waste diverted from landfill (tonnes)	18,078 tonnes	18,174 tonnes	19,526 tonnes	17,500	12%	exceeded	There has been an increase in clean green waste and food waste that can be diverted from the landfill.
Number of participants in waste minimisation and education programmes		New	3,066	Baseline			
Energy conservation							
Energy cost (\$)	\$6,789,203	\$6,548,943	\$6,328,978	Baseline			
Amount of energy used (kWh)	58,510,612	54,455,452	50,824,029	Baseline			
Estimated energy savings (kWh)		new	3,890,568	Baseline	0%	met	
WCC corporate greenhouse gas emissions (tonnes)	92,681 tonnes	90,076 tonnes	104,564 tonnes	Achieve 2050 target 2018/19 total 86277 reduced by 3800	-21%	Not met	The significant increase in carbon emissions is due to the generator at the Southern Landfill being repaired for two months during 2017/18.
2.3 Waimāori Water supply							
Clean and safe							
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 4 bacterial compliance criteria)*	Compliant	Compliant	Compliant	Compliant	0%	met	

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 5 protozoal compliance criteria)*	Compliant	Compliant	Compliant	Compliant	0%	met	
Meeting customer expectations							
Number of complaints about the drinking water's clarity, taste, odour, pressure or flow, continuity of supply, and supplier responsiveness, expressed per 1000 connections*	13.84	13.35	12.01	<20/1000	40%	exceeded	The year ending figure is less than the target due to a combination of good operational performance in networks and treatment plants, and a lack of external events resulting in customers receiving poor quality water.
Continuity of supply and resolution of faults							
Median response time for attendance for urgent call outs*	51	46	48	60 min	20%	exceeded	The year ending figure is less than the target due to our maintenance contractor meeting performance targets.
Median response time for resolution for urgent call outs*	3.23	3.77	4.38	4 hours	-10%	mostly met	An increased number of reported water leaks has meant the initial response to urgent repairs has been slower. Increased awareness around health and safety requirements and public perception to leak repairs after hours has meant the more planning is now required prior to works on site. Note that the O&M contractor has changed with a new alliance model beginning from July 2019.
Median response time for attendance for non-urgent call outs*	44.8	52.8	74.3	36 hours	-106%	not met	An increased number of reported water leaks has meant the initial response to non-urgent repairs has been slower. Increased awareness around health and safety requirements and public perception to leak repairs after hours has meant the more planning is now required prior to works on site. Note that the O&M contractor has changed with a new alliance model beginning from July 2019.
Median response time for resolution for non-urgent call outs*	2.93	3.72	4.89	5 days	2%	met	
Water supply interruptions (measured as customer hours)		new	0.94 hours	Baseline			
Efficiency and sustainability							

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Percentage of real water loss from networked reticulation system and description of methodology used*	8%	17%	20%	<17%	-18%	not met	This figure is reported as a mean regional water loss percentage with a 95% confidence interval of 13%-27%. It is produced using an updated statistical methodology that aligns with the "Benchloss approach" described in the Water New Zealand Water Loss Guidelines and meets the requirements of the Non-financial Performance Measure Rules 2013 specified by the DIA. Due to the limited water meter information there is a wide variance in the confidence intervals for Council specific results. Therefore we are reporting this result as a more accurate regional percentage until more data is available to support this measure at Council level.
Average drinking water consumption resident/day* litres	364ltr	361ltr	361ltr	365ltr	1%	met	
2.4 Waipara Wastewater							
Compliance and sustainability							
Dry weather wastewater overflows, expressed per 1000 connections*	0.46	0.17	0.83	0/1000	-%	Not met	Dry weather overflows were caused by blockages, root intrusions, third party damages, network leaks and a power outage. All of these have been investigated and fixed.
Compliance with the resource consents for discharge from the sewerage system, measured by the number of:		0	0	0	0%	Met	
Abatement notices,	0					Met	
Infringement notices,	0					Met	
Enforcement orders,	0					Met	
Convictions*	0					Met	
Meeting customer expectations							
Number of complaints about the wastewater odour, system faults, blockages, and supplier responsiveness, expressed per 1000 connections*	19.72	16.5	16.2	<30/1000	46%	exceeded	The year ending figure is less than the target due to a combination of good operational performance in networks and treatment plants, and a lack of external events resulting in issues affecting customers.
Continuity of service and resolution of faults							

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	0.64	0.47	0.52	≤0.8	35%	exceeded	The year ending figure is less than the target due to good operational performance in networks and a lack of external events resulting in issues affecting customers. There were 562 blocked main jobs across 1074 km of pipe.
Median response time for wastewater overflows* (attendance time)	0.77	0.72	0.72	≤1 hour	28%	exceeded	The year ending figure is less than the target due to our maintenance contractor meeting the performance targets. 575 calls recorded.
Median response time for wastewater overflows* (resolution time)	2.68	2.9	3.12	≤6 hours	48%	exceeded	The performance is not so much dependant on the volume of calls or number of events but the time it takes to resolve each issue. If there is good operational performance the network tends not to block, and any blockages are more easily resolved before they reach the stage customers experience an interruption to their service.
2.5 Waiāwhā Stormwater							
Continuity of service and resolution of faults							
Number of flooding events*	6	2	5	Baseline			
Number of pipeline blockages per km of pipeline	0.04	0.03	0.02	≤0.5	96%	exceeded	The year ending figure is less than the target due to good operational performance and a low number of blockages in the network.
Number of habitable floors per 1000 connected homes per flooding event*	0.11	0.013	0.14	Baseline			
Median response time to attend a flooding event*	57	45	48	≤60 minutes	20%	exceeded	The year ending figure is less than the target due to our maintenance contractor meeting the performance targets
Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	99.9%	100.0%	99.8%	90%	11%	exceeded	The year ending figure indicates that the monitoring programme has not detected issues affecting recreational use of beaches

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Monitored sites (%) that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	96%	93%	78%	90%	-13%	not met	The year ending figure indicates there may be faults and limitations with the wastewater network that are affecting water quality. Nine sites are currently above the 1000 e-coli rolling median level. Investigations are programed in these catchments to identify public and private network issues and findings are used to inform the future works programme. Improvement of this measure will depend on part on the implementation of such works.
Compliance with the resource consents for discharge from the stormwater system, measured by the number of: Abatement notices, Infringement notices, Enforcement orders, Convictions*	0 0 0 0 0	0	0	0	0%	Met Met Met Met met	
Meeting customer expectations							
Number of complaints about stormwater system performance per 1000 connections*	10.45	7.65	9	<20/1000	57%	exceeded	The year ending figure indicates that customers are not reporting many complaints about the performance of the stormwater service, however satisfaction is down.
Residents (%) satisfied with the stormwater system	62%	62%	51%	75%	-32%	Not met	Result is down on previous year, residents' concerns centred around debris blocking drains and some residents expressing they have just taken to clearing the drains themselves.
2.6 Ngā painga kukume Papa Atawha Conservation attractions							
Wellington Zoo							
Total number of visitors	230,632	249,701	252,973	244,420	3%	met	
Education visitors	10,754	10,414	12,023	10,500	15%	exceeded	
Visitor satisfaction (rating out of 10)		New	9.1	8.5	7%	met	

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Conservation Programme Managed Species (% of total collection).		New	Not report by Wellington Zoo	Trend			This measure was not reported by Wellington Zoo however there were nine Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species; ten participated in animal based scientific projects and paper publication. There are 31 vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) in the Zoo's collection.
Average WCC subsidy per visitor	\$12.86	\$12.98	\$13.12	\$13.58	-3%	mostly met	
WCC full subsidy per visitor	\$23.20	\$20.71	\$20.73	\$21.73	-5%	mostly met	
Total ownership cost to Council (\$000)	\$5,349	\$5,171	\$5,249	Trend		Mostly met	
Average income per visitor	\$16.86	\$16.77	\$17.53	\$17.21	2%	met	
Ratio of generated Trust income as % of WCC grant.		New	134%	127%	6%	met	
Zealandia							
Number of Visitors	125,179	132,337	135,989	99,300	37%	exceeded	Performance in line with previous years.
Number of Education visits	11,621	9,316	11,727	8,800	33%	exceeded	Record number of students, teachers and adults engaged through Zealandia's education programmes.
Number of Individual memberships	10,944	10,886	10,932	10,800	1%	met	
Customer satisfaction (%)		New	97%	>95%	2%	met	
Cash subsidy (grant) per visit	\$6.99	\$6.31	\$6.21	\$8.80	29%	exceeded	Variance due to increased visitor numbers
Full cost per visitor	\$11.23	\$13.71	\$13.44	\$18.84	29%	exceeded	Variance due to increased visitor numbers
Average revenue per visitor	\$28.01	\$31.44	\$32.85	\$26.48	24%	exceeded	Strong performance in line with previous years
Non-Council grant revenue equating to >75% of overall income		new	85%	>75%	13%	exceeded	Extraordinary funding received for the Tanglewood House build.
Non-Council donations & funding	\$419,000	\$461,000	\$697,089	\$270,000	158%	exceeded	Extraordinary funding received for the Tanglewood House build.

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Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Membership subscription revenue	\$342,999	\$329,264	\$338,774	\$312,100	9%	met	
Net surplus (loss) \$000		New	\$778,119	\$324,000	140	exceeded	This is the 4th consecutive year with a net operating surplus. The 2018/19 extraordinary item relates to \$700,000 of funding received from Peter Eastwood for the Tanglewood House build.

* = Mandatory measures

Supplementary performance tables

1. Residents' self-reported use of the city's open spaces

The result published (98%) is all residents who did NOT state "never in last 12 months" to use of city's open spaces.

Question: In the last twelve months, how often on average have you used...?

		<i>Most days</i>	<i>Once or twice a week</i>	<i>Once every 2-3 weeks</i>	<i>Once a month</i>	<i>Once every 2-3 months</i>	<i>Once every 4-5 months</i>	<i>Once every 6 months or less often</i>	<i>Never in the last 12 months</i>	<i>Reported Measure - at least yearly</i>
Wellington City's coastal areas or beaches	2015 n=683	7%	15%	17%	17%	17%	9%	14%	4%	96%
	2016 n=672	6%	15%	19%	16%	17%	9%	14%	5%	95%
	2017 n=671	5%	16%	18%	16%	19%	9%	13%	5%	95%
	2018 n=972	8%	14%	21%	17%	17%	7%	11%	5%	95%
	2019 n=461	4%	11%	21%	18%	20%	9%	15%	3%	97%
Botanic gardens, including Otari/Wiltons Bush Native Botanic Reserve	2015 n=683	2%	4%	7%	11%	25%	12%	27%	13%	87%
	2016 n=671	1%	3%	7%	12%	23%	16%	23%	15%	85%
	2017 n=673	2%	3%	8%	11%	18%	18%	26%	14%	86%
	2018 n=968	2%	3%	8%	11%	22%	17%	25%	13%	87%
	2019 n=462	1%	3%	7%	11%	24%	16%	26%	12%	88%
Wellington City Council parks	2015 n=680	5%	16%	15%	17%	19%	10%	14%	4%	96%
	2016 n=670	6%	16%	17%	17%	17%	9%	14%	5%	95%
	2017 n=671	5%	15%	19%	16%	16%	9%	13%	6%	94%
	2018 n=964	6%	16%	18%	18%	17%	8%	11%	5%	95%
	2019 n=461	8%	19%	20%	16%	16%	9%	10%	2%	98%
Town Belt or Outer Green Belt	2015 n=662	3%	8%	10%	10%	15%	13%	19%	22%	78%
	2016 n=655	4%	8%	9%	12%	16%	11%	19%	22%	78%
	2017 n=657	6%	10%	9%	11%	15%	13%	17%	20%	80%
	2018 n=935	4%	10%	12%	13%	14%	9%	17%	22%	78%
	2019 n=459	5%	8%	15%	16%	20%	11%	13%	12%	88%
The city's walking tracks	2015 n=677	6%	11%	11%	10%	16%	11%	17%	18%	82%
	2016 n=666	4%	11%	10%	13%	14%	12%	16%	20%	80%
	2017 n=664	6%	11%	12%	17%	11%	11%	13%	19%	81%
	2018 n=965	7%	12%	13%	15%	12%	9%	14%	18%	82%
	2019 n=453	4%	10%	18%	14%	15%	12%	14%	14%	86%

2. Native bird counts

This is the mean number of birds observed per bird count station for each native forest bird species that has been recorded in Wellington City.

Species	Average number of birds observed at each station			
	2015	2016	2017	2018
Silvereye	2.07	2.34	2.34	2.04
Tui	2.61	2.37	2.07	2.5
Grey warbler	1.45	1.07	1.29	1.26
Fantail	0.22	0.29	0.35	0.36
Shining cuckoo	0.19	0.2	0.23	0.22
Kaka	0.24	0.15	0.22	0.27
Kereru	0.08	0.18	0.13	0.13
NI saddleback	0.06	0.06	0.1	0.09
Whitehead	0.05	0.05	0.08	0.07
NZ kingfisher	0.05	0.02	0.03	0.06
Kakariki	0.09	0.07	0.06	0.08
NI Robin	0.01			0.01
Bellbird		0.01	0.03	0.01
NZ falcon	0.01	0.01	0.01	0.01
Tomtit		0.01		
Count	13	14	13	14

3. Freshwater biological health (macro invertebrates) – Makara, Karori, Kaiwharawhara, and Porirua streams, ideal >100

	2013/14	2014/15	2015/16	2016/17	2017/18
<i>Makara Stream</i>	107	114	not sampled	not sampled	100
<i>Karori Stream</i>	92	85	85	93.1	98
<i>Kaiwharawhara Stream</i>	96	82	71	98.6	94
<i>Porirua Stream (at milk depot)</i>				98.1	86
<i>Location of measure changes</i>					
<i>Porirua Stream (Wall park)</i>		81	81		
<i>Porirua Stream (Glenside)</i>		94	100		
<i>Average</i>	98.3	91.2	84.25	96.6	94.5

Data for 2018/19 will be available in 2020. The Macroinvertebrate Community Index (MCI), an index of sensitivity to a wide range of environmental variables, is used to assess stream health. As shown in the next table, the desired values vary depending on the river class. We aim to achieve levels greater than 100 MCI. Increases in biological health were recorded for the two of the four streams above, however overall water quality was still only fair. Source: Greater Wellington Regional Council

4. Freshwater quality / waterway health– Makara, Karori, Kaiwharawhara and Porirua streams

Fair equals three or four out of six variables (one of which must be dissolved oxygen) to meet guideline values. More information on river health monitoring can be found at <http://www.gw.govt.nz/Annual-monitoring-reports>. Data for 2018/19 will be available in 2020 Source: Greater Wellington Regional Council

Freshwater Quality	2013/14	2014/15	2015/16	2016/17	2017/18
<i>Makara Stream</i>	<i>Poor</i>	<i>Fair</i>	<i>Fair</i>	<i>Not sampled</i>	<i>Fair</i>
<i>Karori Stream</i>	<i>Poor</i>	<i>Fair</i>	<i>Fair</i>	<i>Fair</i>	<i>Fair</i>
<i>Kaiwharawhara Stream</i>	<i>Fair</i>	<i>Fair</i>	<i>Fair</i>	<i>Fair</i>	<i>Fair</i>
<i>Porirua Stream</i>	<i>NA</i>	<i>Poor</i>	<i>Fair</i>	<i>Fair</i>	<i>Fair</i>

Waterway Health	MCI quality class (MCI scores based on three year rolling mean)				Plan outcomes	
	<i>Poor</i>	<i>Fair</i>	<i>Good</i>	<i>Excellent</i>	<i>All rivers</i>	<i>Significant rivers</i>
<i>A. Steep, hard sedimentary</i>	<110	110-120	120-130	≥130	≥120	≥130
<i>B. Mid-gradient, coastal and hard sedimentary</i>	<80	80-105	105-130	≥130	≥105	≥130
<i>c. Mid-gradient, soft sedimentary</i>	<80	80-105	105-130	≥130	≥105	≥130
<i>d. Lowland, draining ranges</i>	<90	90-110	110-130	≥130	≥110	≥130
<i>e. Lowland, large, draining plains and eastern Wairarapa</i>	<80	80-105	100-120	≥120	≥100	≥130
<i>f. Lowland, small</i>	<80	80-105	100-120	≥120	≥100	≥130

5. Residents who state they have taken regular action in the last year to reduce their greenhouse gas emissions

This is a new question in 2019. The reported result 2019 is 95%.

"We are concerned about climate change. What steps (if any) have you undertaken on an ongoing basis to reduce your emissions in the last 12 months?"	Number	Percent %
<i>Transport emissions (e.g. Driving and/or flying less...EV...)</i>	232	50.2
<i>Waste emissions (e.g. Reduce, re-use, recycle where possible)</i>	418	90.5
<i>Food emissions (e.g. Buying locally, eating less meat, growing own food)</i>	288	62.3
<i>Energy emissions (e.g. Use renewable energy, use smart-meter)</i>	122	26.5
<i>Anything else</i>	47	10.2
<i>None of these</i>	21	4.6
Total sample	462	
Total who have done "something" (Total sample Minus 'none of these')	441	95%

5. Overall, how satisfied or dissatisfied are you with the quality and maintenance of...

		Very dissatisfied	Dissatisfied	Neither satisfied nor dissatisfied	Satisfied	Very satisfied	Reported result	Average
Botanic gardens, including Otari/Wiltons Bush Native Botanic Reserve	2015 n=575	1%	0%	7%	33%	59%	92%	
	2016 n=558	0%	-	6%	34%	59%	93%	
	2017 n=562	1%	0%	5%	33%	60%	93%	
	2018 n=821	-	1%	6%	35%	59%	94%	
	2019 n=392	-	1%	4%	36%	59%	95%	
Wellington City Council parks	2015 n=639	1%	2%	11%	55%	32%	87%	
	2016 n=622	0%	2%	11%	57%	30%	87%	
	2017 n=622	1%	2%	9%	56%	33%	89%	
	2018 n=897	-	4%	11%	54%	32%	86%	
	2019 n=438	0.10%	4%	12%	56%	28%	84%	
Town Belt or Outer Green Belt	2015 n=484	-	3%	20%	56%	21%	77%	
	2016 n=491	-	3%	17%	58%	22%	80%	
	2017 n=501	1%	3%	15%	52%	29%	81%	
	2018 n=688	1%	3%	13%	56%	27%	83%	
	2019 n=384	0%	3%	14%	58%	25%	83%	
Wellington City's coastal areas or beaches	2015 n=646	1%	4%	13%	53%	29%	82%	
	2016 n=637	1%	4%	11%	55%	30%	85%	
	2017 n=632	1%	4%	11%	52%	32%	84%	
	2018 n=910	1%	4%	12%	53%	32%	85%	
	2019 n=428	0%	5%	12%	55%	29%	84%	
The city's walking tracks	2015 n=529	0%	4%	14%	57%	24%	81%	
	2016 n=517	1%	3%	13%	60%	23%	83%	

	2017 n=521	1%	3%	13%	53%	31%	84%	
	2018 n=756	0.80%	4.20%	12.30%	52.50%	30.20%	83%	
	2019 n=378	0.10%	4.40%	12.20%	57.80%	25.50%	83%	
Wellington City Council outdoor grass sports fields	2015 n=351	0%	2%	20%	55%	23%	78%	
	2016 n=348	0%	1%	26%	53%	20%	73%	
	2017 n=344	1%	2%	24%	52%	21%	73%	
	2018 n=514	0%	4%	23%	51%	22%	73%	
	2019 n=149	2%	5%	10%	66%	19%	85%	
A Wellington City Council sports field which has artificial turf	2015 n=464	-	1%	14%	38%	47%	85%	
	2016 n=209	-	0%	15%	37%	48%	85%	
	2017 n=175	1%	2%	19%	35%	43%	78%	83%
	2018 n=273	-	3%	16%	45%	36%	81%	84%
	2019 n=78	2%	2%	4%	45%	47%	92%	87%

Makara vs Mother Nature

Perched on the mouth of the Makara stream, Makara Beach is a quiet coastal settlement a half-hour winding drive from central Wellington.

On sunny weekends and holidays it's a favourite spot for fishers, divers, and walkers. It's not unusual to see 100 cars or more parked around the tiny village, which consists of 35 permanent homes.

Positioned in a valley, exposed to high winds, and surrounded by water on three sides, the environment is wild, rugged and unpredictable. However when the weather turns bad, Makara's greatest strength becomes its greatest weakness.

In February 2018, the small community was hit hard by high winds, rain and a storm surge caused by ex-cyclone Gita. Overnight the sea poured into residents' homes, battered down fences, and dumped debris throughout the village.

In the aftermath the community realised that climate change made the possibility of a repeat experience highly likely. They knew they needed to adapt their community and village to make sure it lasts into the future.

The community and Council formed The Makara Beach Project to develop a recommendation for how they can prepare for, and adapt to, sea level rise, storm surges and coastal erosion. The 17-person project team consisted of staff from Council, Department of Conservation, Meridian Energy, NIWA and Greater Wellington Regional Council, as well as Makara residents, visitors and the community board, scientists, engineers and mana whenua. For planning purposes, the project split Makara Beach into three hazard zones; the estuary/lower river, the beach front, and the first part of the Makara Walkway

Run over six months as a series of 2-3 hour workshops, consensus-driven community decision-making lay at the heart of the project. They heard from experts in climate science, hydrology, Māori history, ecology, insurance, engineering and economics.

"This information, while heavy at times, gave everyone involved a good understanding of the type and frequency of the events that can be expected in the future," said Programme Manager Jacqui Hastie.

"We asked a lot of the team, they gave up a lot of their time, so it was important that we made the most of every meeting. We needed to be transparent with everything we discussed and agreed because essentially it needs to stand up to scrutiny for the next 100 years."

As well as the formal meetings, Council ran a community day for anyone interested, to drop in and see what had been going on.

This was the opportunity for the team involved to share with the wider community what they had been learning over the past months. The hall was set up with story boards that explained the process, and large scale photos and maps that illustrated the hazard zones and allowed people to discuss ideas about managing the risks.

There was also an opportunity to experience sea-level rise using virtual reality devices and software; making the issue all the more real to the wider Makara community.

The project team considered an extensive list of short, medium and long term options against the environmental, cultural, and social values of the wider community.

The Makara community representatives then presented the recommendations to the Wellington City councillors.

The final recommendations for the beach area are renourishment in the short and medium term, with a setback sea wall proposed in the 50 – 100 year time frame if necessary.

The estuary will benefit from having the river mouth opened to allow for better flow and in the 30 – 100 year timeframe some reinforcing of the sides of the estuary will likely be needed and potentially increased.

Some minor works are also already underway to help with the maintenance of the walkway track, but the understanding is erosion of this part of the track is inevitable.



3 Whanaketanga ōhanga - Economic development

This chapter explains what we did and how we performed in our Economic portfolio of activities. This includes city promotions and business support.

[These figures to be inserted as “snapshots” of the activity area. A mix of facts, KPIs and Outcomes.

- \$98,895 GDP per capita
- 207 Conferences held in Wellington
- 46,474 record crowd at Eminem concert
- 304 businesses represented across five Business Improvement Districts
- 2,201 people - average hourly foot traffic on Lambton Quay
- \$1,996,000 given from City Growth Fund]

Introduction

Wellington's economic growth is supported by high-quality events and the promotion of tourism, attracting and supporting business activities, and exploring major economic development initiatives. Economic growth means Wellingtonians can continue to enjoy a high quality of life.

In the past 12 months, through the support of Council, the city hosted several cultural and sports events and attracted growing numbers of visitors, particularly from overseas. Of particular note was the Eminem 'Rapture' concert held at Westpac Stadium, which broke attendance records with 46,474 fans and 56% tickets sold to out-of-region purchasers. Such events deliver significant economic and reputational benefit to the city.

In addition to delivering a strong events programme, the Wellington Regional Economic Development Agency, which trades as WellingtonNZ, also continued to market Wellington as a destination, support Wellington businesses and organisations, and its subsidiary Creative HQ actively promoted and supported local entrepreneurship and innovation with accelerator and incubation programmes.

Visitor spending exceeded \$2.7 billion for the first time, aided by WellingtonNZ's strong visitor marketing campaigns and partnerships with other key players in the culture, transport and hospitality sectors.

In August 2018 Council and The Movie Museum Limited (TMML) mutually agreed to part ways on a joint project to build a Convention Centre which incorporated a Movie Museum. In December 2018 Council agreed to proceed with the construction of the Convention and Exhibition centre at a cost of \$157.75m. We want Wellington to be a city that can host world class events that support, promote and showcase all of our local expertise and industry.

Our cultural and environmental attractions, such as Wellington Zoo and Zealandia, enjoyed a strong year and these activities contribute strongly to the economy and vibrancy of the city.

Economic development performance story:

Visitor spending record, but number of events down

WellingtonNZ's efforts to draw visitors to Wellington are paying off, thanks to digital marketing and partnerships with cultural, transport and hospitality organisations. In 2018/19, visitor spending exceeded \$2.7 billion for the first time and return on investment increased to \$22:\$1 for visitor spend. However, the number of events in Wellington and our share of multi-day conferences was down because of the closure of several venues for earthquake strengthening.

Performance summary

The following table is a summary of how well we performed against our agreed key performance measures for this activity area.

	Not met	Mostly met	Met	Exceeded	Total Measures
3. Whanaketanga ōhanga Economic development					
3.1 City promotions and business support	2	4	10	1	17
Total measures	2	4	10	1	17

3.1 Whakatairanga tāone - City promotions and business support

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Youth not in education or employment or training
- Total visitor spend \$2.7 billion]

What we did

Convention and Exhibition Centre

Approval was granted for the construction of the Wellington Convention and Exhibition Centre (WCEC) in December 2018. This long-awaited and much-needed project has since moved forward steadily with the lodging of the resource consent in March (which was approved in July 2019). At the end of June the project was nearing completion of detailed design phase, the first activities on the site commenced in July with test piling works underway and the building consent lodged for the first stage of construction works.

The WCEC will become a stunning architectural landmark across the road from our national museum Te Papa. It will create new economic, cultural and social opportunities for Wellington as a place to host conferences and other business events in our nation's capital, provide a platform to share ideas, connect with others, showcase expertise and thought-leadership, and demonstrate our manaakitanga. Once fully operating, the centre will contribute \$44m to annual city GDP through maintaining current business and growing the city's offering in conferences, business events and exhibitions. Through this it will support 554 additional jobs. WCEC will be a catalyst for the regeneration of the Te Aro precinct and will strengthen the pedestrian linkages between the Waterfront and Te Aro.

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Indoor Arena

The past 12 months saw the completion of pre-feasibility on the indoor arena project and the identification of a preferred site for the arena. The preferred location is on the commercial area of Centreport. As Centreport advance their port planning processes following the damage from the Kaikoura earthquake it will become clearer whether there will be land available in this area and whether the site is suitable for an arena.

Business Improvement Districts (BIDs)

Following a feasibility assessment in 2018, that supported a combined Karori BID, Marsden Village successfully lead the establishment of the new and larger Karori Business Association, bringing together the Karori suburban shopping areas into one BID. The 2017 BID Forum identified the opportunity for BIDs to have a closer working relationship with each other. There has since been increased awareness among the BIDs that suburban areas share common challenges, for example changing consumer buying patterns. In response the Council is making available, free of charge, consumer purchasing and demographic information for the BIDs to pass on to their members.

Business Growth

The Regional Business Partner contract was extended by two years to June 2021, with contracting agencies NZTE and Callaghan Innovation very satisfied with WellingtonNZ's delivery of business support services.

The WellingtonNZ team provided 'hands-on' support to 472 businesses across the region, with 62 per cent of these businesses located in Wellington City.

Callaghan Innovation grants worth a record \$8.5 million were allocated for use on Wellington companies' research and development.

City promotion and events

We supported the successful delivery of a wide and diverse range of events, from the World of Wearable Art, the record breaking Eminem Rapture concert and Beervana to the Terracotta Warriors and Te Matatini ki te Ao. The Summer season was particularly strong, bringing in an estimated \$55 million in out-of-region spend to local businesses.

Despite a challenging year with venue availability impacted by the closure of the St James for earthquake strengthening the Venues Wellington team hosted more than 400 events across the civic venues, including sold out or close to sold out venues for West Side Story, Catherine Tate, Tash Sultana, Chicago, Orchestra Wellington's Songs of Moana, Shihad, Bryan Ferry, and Eddie Izard. This also included 207 conferences.

WellingtonNZ combined with Council's City Events team to deliver numerous events in Wellington to support Te Matatini ki te Ao, the national kapa haka festival. It was the first time the festival had been held in Wellington city for more than 20 years and it was extremely well received, with more than 50,000 attending over four days.

More information about WREDA (WellingtonNZ) can be found in Chapter 8: Council Controlled Organisations, pg X.

Sports events

It was a big year for sports events in the capital. Highlights included:

- Cricket tests against Sri Lanka and Bangladesh at the Basin Reserve, one-day internationals against India and a double header 20-20 game against India in which the White Ferns played before the Black Caps at Westpac Stadium.
- All Black vs South Africa at Westpac Stadium.

- Tall Blacks vs Syria basketball, and Breakers vs Illawarra Hawks.
- A Hurricanes Super Rugby quarter final.
- We also held numerous regional, national and international tournaments at ASB Sports Centre.

More information can be found on the Events page of this report, pg X

City Growth Fund

\$1,996,000 in grants funding was allocated this financial year. Highlights include support for the final year of the World War I centenary commemorations, which were well attended, the Eminem stadium concert, Creative HQ's GovTech Lightning Lab programme, the Festival for the Future 2019, Doc Edge Festival, City Gallery's Double Feature of Eva Rothschild and Semi-Conductor, the Pinkline Project, Second Unit, Take Ten programme, the new NZX signage, Terracotta Warriors, the Pride Parade and various sporting code sponsorships.

These programmes, events and projects contribute strongly to the city economy and add to the vibrancy and reputation of the city. The funding from the City Growth Fund in many cases is the difference between these events occurring or not.

Additional grants

A summary of the community grants we allocated is on pg X of this report. We also provided subsidies for the use of venues managed by WellingtonNZ to events such as the Chinese New Year and Diwali festivals, as well as other cultural celebrations including the Japan and Korean festivals, the Big Sing and Sweet Adeline's Barber Shop events.

Economic development finances

How it was funded

The majority of the economic development activities are paid for by commercial ratepayers, as this covers the cost of tourism promotion, economic grants, and other activities that directly benefit the sector.

What it cost (operating expenditure \$000)

	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Actual (\$000s)	2018 LTP Budget (\$000s)	LTP Budget Variance (\$000s)	Variance commentary
Economic Development						
3.1 City promotions and business support						
Expenditure	42,434	37,051	34,954	36,366	1,412	Under budget due to reduced costs arising from reduction in revenue programmes as a result of building closures for strengthening work.
Revenue	(14,541)	(14,040)	(14,191)	(14,643)	(451)	
Net Expenditure	27,892	23,011	20,763	21,723	960	
Economic Development Total:						
Expenditure	42,434	37,051	34,954	36,366	1,412	See above comment
Revenue	(14,541)	(14,040)	(14,191)	(14,643)	(451)	
Net Expenditure	27,892	23,011	20,763	21,723	960	

What it cost (capital expenditure \$000)

	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Long- term Plan (\$000s)	2018/19 Revisions (\$000s)	2018/19 Actual (\$000s)	2018/19 Revised budget (\$000s)	2018/19 Variance to revised budget (\$000s)	Variance Commentary
Economic Development								
3.1 City promotions and business support								
Expenditure	886	599	3,357	293	738	3,650	2,912	Under budget due to delays on the Opera House and St James earthquake strengthening work because of cost escalations and budget approvals, as well as the MFC membrane roof renewal.

	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Long- term Plan (\$000s)	2018/19 Revisions (\$000s)	2018/19 Actual (\$000s)	2018/19 Revised budget (\$000s)	2018/19 Variance to revised budget (\$000s)	
Economic Development								Variance Commentary
Total	886	599	3,357	293	738	3,650	2,912	

Economic development performance

The following section outlines our performance data: outcome indicators, performance measures and supplementary tables.

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including those outside our control.

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans.

The Council undertakes the Residents' Monitoring Survey (RMS) on an annual basis. The survey has a margin of error of +/- 4.4% percent.

Performance data – outcome indicators

The following section outlines outcome indicators for the Economic development activity area. Outcome indicators do not have targets.

Economic Development	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Visitor and talent attraction						
Number of domestic visitors (guest nights)	Increasing	Research - StatisticsNZ	1,465,917	1,508,912	1,624,042	Positive trend
Number of international visitors (guest nights)		Research - StatisticsNZ	810,846	809,530	751,750	Negative trend. International guests spent fewer nights in hotels, motels, backpackers, and holiday parks compared with a year ago. This may indicate that international guests are choosing hosted or other accommodation not captured in the Stats NZ accommodation survey.
Average length of stay - international and domestic guest nights		Research - StatisticsNZ	2.13	2.12	2.09	Negative trend
Domestic airline passengers entering Wellington International Airport	Increasing	Research - Wellington Airport Limited	5,121,757	5,310,967	5,506,409	Positive trend
International airline passengers entering Wellington International		Research - Wellington Airport Limited	901,373	902,622	935,526	Positive trend

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Economic Development	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Airport						
Secondary (international) students enrolled	Increasing	WREDA/EducationNZ	1,287	1,314	1,385	Positive trend
Tertiary students enrolled total	Increasing	WREDA/EducationNZ	47,660	44,785	43,945	Negative trend.
Tertiary (international) students enrolled	Increasing	WREDA/EducationNZ	5,035	5,235	5,170	
Tertiary (domestic) students enrolled	Increasing	WREDA/EducationNZ	42,630	39,545	38,775	Negative trend.
International air destinations	Increasing	Wellington Airport Limited		New	6	There have been 6,566 direct international flights to the following places: Sydney, Melbourne, Brisbane, the Gold Coast, Singapore (via Melbourne), and Fiji. This compares to 6,282 for the same period last year.
Business support, attraction and retention						
Number of companies that are in New Zealand's top 200 companies based in Wellington	Increasing	Research – Deloitte's top 200	21	22	22	This includes two Wellington companies being added to the list and two removed from the top 200
Business enterprises – births and growths (net growth in business)	Increasing	Research - Statistics NZ	1.0%	1.70%	1.20%	
City vibrancy and economic performance						
Pedestrian counts – average of various Golden Mile sites	Increasing	Research - WCC Pedestrian survey	2,153	2,039	2,201	Based on the average hour of foot traffic on Lambton Quay, Mon-Thurs, for 1 week in March 2019
Commercial building vacancy rates (80% code +)	Decreasing	Research - Colliers International Research		New	Overall vacancy rates 6.2%, total supply is at 1.39 million sqm	
Economic performance						

Economic Development	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Labour force participation – this indicator measures the proportion of the working-age population that is in the labour force. The labour force includes all people who are either employed, or unemployed and looking for work.	Increasing	Research - Infometrics / ProfileIDNZ	2016 – 160,038 filled jobs; 1.8% change	2017 - 163,866 filled jobs; 2.4% change	2018 - 167,989 filled jobs; 2.5% change.	Positive trend
Economic diversity	Increasing	Research - Infometrics / ProfileIDNZ	HHI: 860	HHI: 861	HHI: 868	Herfindahl Hirschman Index (HHI) – a commonly accepted measure of market concentration. The general rule is that if the index is less than 1,500 the concentration is low. The index is indicating that Wellington City has a low level of economic concentration
Proportion of jobs in smart, knowledge-intensive industries	Increasing	Research - Infometrics / ProfileIDNZ	2016 - 89,225 jobs in Wellington: 56% NZ: 32%	2017 - 91,346 jobs in Wellington: 56%, NZ: 32%	2018 - 93,705 jobs in Wellington: 56% NZ: 32%	Proportion of the total Wellington City job market as number of jobs and percentage. Also compared to NZ.
Unemployment rate – Wellington and New Zealand	Decreasing	Research - Infometrics / ProfileIDNZ	2016 - Wellington City 5.1%; NZ 5.3%	2017 - Wellington City 4.7%; NZ 5.0%	2018 - Wellington City 4.2%; NZ 4.6%	Positive trend
Access to, fibre broadband	Increasing	Research - MBIE	As at June 2017, 119,464 users can connect	As at June 2018, 147,144 users can connect	As at March 2019, 158,636 users can connect.	Positive trend.
Uptake of, fibre broadband	Increasing	Research - MBIE	As at June 2017, 28% uptake	As at June 2018, 34.4% uptake	As at March 2019 40.7% uptake.	Positive trend.
GDP per capita	Increasing	Research - Infometrics / ProfileIDNZ	2016 - \$96,585 per capita. Overall GDP \$20,080m	2017- \$97,593 per capita. Overall GDP \$20,758m	2018 - \$98,895 per capita; Overall GDP \$21,391m.	Positive trend
Deprivation index – city residents and New Zealand average (most deprived deciles)	Decreasing	Research - Infometrics / ProfileIDNZ	In 2013, Wellington City Index was 947. Nationally, equal proportions of the population (about 20%) live in each quintile. For Wellington 60% are in the least deprived areas. Kilbirnie had the highest deprivation score of 1,044.0 and Seatoun-Karaka Bays-Breaker Bay the lowest with 888.0.			

Economic Development	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Income (average annual earnings) – income (\$) per annum	Increasing	Research - Infometrics / ProfileIDNZ	2016 - \$72,530	2017 - \$73,530;	2018 - \$75,706;	Positive trend
Income (average annual earnings) – income % growth	Increasing	Research - Infometrics / ProfileIDNZ	2016 – Wellington City: 3.5% change. NZ: 3.1%	2017 – Wellington City: 1.4% change. NZ: 1.7%	2018 – Wellington City: 3.0% change. NZ: 3.7%	Negative trend: Wellington not keeping pace with national growth.
Youth NEET (not in education, employment or training) – as a proportion of 15– 24 year-olds	Decreasing	Research - Infometrics / ProfileIDNZ	2016 – Wellington City 7.4%. NZ: 11.5%	2017 - Wellington City 8.4%; NZ 12.1%	2018 - Wellington City 6.8%; NZ 11.7%	

What this tells us:

How Wellington performs economically contributes to our city's vibrancy and the quality of life it offers Wellingtonians. If we're attracting and retaining visitors, talented new residents and business we can be confident that Wellington is a vibrant and desirable city to live in.

Performance data – Council performance measures

The following section outlines Council performance measures for our Economic development services. It includes data for the last 3 years to show trends, and includes variances explanations for relevant areas.

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
3 Whanaketanga ōhanga Economic Development							
3.1 City promotions and business support							
Business Improvement Districts							
Total voluntary rates collected (from Business Improvement Districts) and distributed		new	\$ 289,000	\$289,000	0%	met	
WREDA (WellingtonNZ)							
Positively Wellington Tourism partnership funding	63%	52%	55%	Maintain WCC funding at less than 50% of total income	-10%	mostly met	
Value of business events (\$m)		New	\$19.3m	\$25m	-23%	not met	Wellington has seen a reduction of business events held in the city due to the closure of several venues due to seismic

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Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
							strengthening.
Total number of events held in Wellington	N/A	594	419	440	-5%	mostly met	
Wellington's share of the multi day conferences	18%	20%	18%	19%	-5%	mostly met	
Net permanent and long term arrivals	3,800	3,409	3,600	3,650	-1%	mostly met	
Total visitor spend (\$m)	\$2.422	\$2.530	\$ 2.702	\$2,640m	2%	met	
Return on Investment via out of Wellington spend	\$21:\$1	\$21:\$1	\$22:\$1		0%	met	
Total event attendance	657,743	733,962	619,232	700,000	-12%	not met	Previous year includes NZ Festival. While WCC supports these events, we are not responsible for delivering them.
Lightning Lab participant investment raised	\$5.7m	N/A	\$14m	Trend		met	
Non-council revenue (\$000)	\$14,229	\$14,045	\$14,825	Trend	6%	met	
WCC operating grants (\$000)	\$12,235	\$12,783	\$12,741	Trend	0%	met	
GWRC grants (\$000)	\$4,160	\$ 4,225	\$4,288	Trend	1%	met	
Total revenue (\$000)	\$ 31,781	\$ 31,053	\$ 31,854	Trend	3%	met	
Operating costs (\$000)	\$ 30,731	\$ 30,664	\$ 31,298	Trend	2%	met	
Net surplus /loss (\$000)	-\$24	\$389	\$556	Trend	43%	exceeded	Positive trend with good increase on previous result
Number of actively supported businesses through regional business partner programme		New	472	445	6%	met	
Wellington Regional Stadium Trust							
Total number of events	65	50		45-50	TBA		Total number of events
Attendance	480,413	424,546		Trend			
Customer satisfaction		New		Trend			
Total revenue (000)	Total revenue (000)	Total revenue (000)	Total revenue (000)	Total revenue (000)	Total revenue (000)	Total revenue (000)	Total revenue (000)
Event revenue (000)	Event revenue (000)	Event revenue (000)	Event revenue (000)	Event revenue (000)	Event revenue (000)	Event revenue (000)	Event revenue (000)

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Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Status	Comments
Net surplus (000)	Net surplus (000)	Net surplus (000)	Net surplus (000)	Net surplus (000)	Net surplus (000)	Net surplus (000)	Net surplus (000)

Innovating for a better public sector

Lightning Lab GovTech is a unique programme run by council-controlled organisation, Creative HQ. The programme helps central, local and international government teams use proven innovation frameworks, methods and support to solve problems.

Lightning Lab GovTech programme builds on the foundation created by Creative HQ's previous GovTech acceleration programme, the "R9 Accelerator" which was run in partnership with the Ministry of Business, Innovation and Employment. In 2018, Creative HQ had the opportunity to carry on with this important work using their Lightning Lab brand and thus created "Lightning Lab GovTech", a three-month acceleration programme de-risking the process of innovation so that government can experiment with new technology and new ways of working.

It is designed to help create a better, faster and more inclusive public sector. In the 3-month programme, teams push beyond incremental improvements to create breakthrough innovation - that is inclusive and citizen focused.

"The programme is designed to help people who are working on complex problems solve those problems using a disciplined and structured approach. We believe the public sector already has the best and brightest working on these problems, Lightning Lab GovTech is about unleashing those solutions" says Programme Director Jonnie Haddon.

"The very nature of the programme is about being adaptive. People who come into the programme might come in with a very clear idea on what they think the solution is going to be but within the 3-months they discover that their solution doesn't work for their target market - and so they need to come up with a new one.

"It's a way for government to try a different way of working and creating opportunities for change"

In 2018, two teams from Wellington City Council fast-tracked two projects: Accessible Wellington and Unlocked (Housing).

Unlocked looked at the opportunities to make more homes possible in Wellington by educating landowners of the development potential of their land under current planning settings and brings together a range of information into one simple tool.

Housing Development Manager John McDonald says that the team "are now at a level they would not have been able to reach without [the accelerator]".

Accessible Wellington concentrated on the 1 in 4 people in Wellington who have a disability or impairment - meaning that they can't participate fully in city life. The Accessibility Space aims to be a place that everyone can easily move around and access city services and gives people the power to live a barrier-free life.

Both are now running pilot programmes, based on ideas generated within the Lightning Lab GovTech programme.

The final showcase event for the programme – Demo Day – brought together more than 23 government agencies and councils, who along with a 500+ strong audience, watched the 12

teams present their solution concepts. Ongoing funding resulted in 8 out of the 12 projects being able to trial and build out their solutions to create real impact for New Zealand.

In August 2019 the second cohort of Lightning Lab GovTech was launched by Mayor Justin Lester with 10 more initiatives looking to reshape our public sector. You can find out more at lgovtech.co.nz

Aside from the programme, GovTech brings about a huge opportunity for Wellington to position ourselves as global leaders in the GovTech space - a market potentially worth \$400bn globally. To this end, Creative HQ has set up the NZ GovTech Hub - a neutral space for local and central government agencies to create breakthrough innovation.



4 Oranga ahurea - Cultural wellbeing

This chapter explains what we did and how we performed in our Cultural Wellbeing portfolio of activities. This includes arts and cultural activities.

[These figures to be inserted as “snapshots” of the activity area. A mix of facts, KPIs and Outcomes.

- 353,804 attended events at Venues Wellington locations
- 31% of residents say Wellington is the cultural capital
- 9 new murals
- 770,320 Museum and gallery visitor numbers
- \$385,065 in grants through Arts and Culture Fund
- 81% of attendees satisfied with council delivered arts and cultural festivals]

Introduction

Wellington is known as New Zealand's most creative city, reflecting the presence here of national arts organisations and our vibrant culture and events in the city, with more than 10,000 people employed in the creative sectors.

We continue to provide opportunities for cultural expression, as well as expand people's minds and build engaged, curious communities. Research shows creativity promotes wellbeing. A culturally vibrant city where artists and cultural organisations are actively supported and that is attractive to visitors also has economic benefits.

However, we know that we now have increased competition in enhancing Wellington's reputation as New Zealand's cultural capital, securing additional large-scale events to refresh the city's cultural offering, and providing accessible, safe and fit-for-purpose venues for the arts.

Over the past year, we focused on strengthening our buildings and our cultural programme. The strengthening of many of our venues is important, but a costly exercise. The Town Hall and St James Theatre will take time to complete and have caused disruption to tenants of the St James Theatre – the Royal New Zealand Ballet (RNZB) and the NZ Festival – as well as the regular users of both venues. The strengthening of institutions like the St James Theatre and the Town Hall has both cultural and economic benefits.

Efforts will continue in the current financial year to carry the works through and continue to invest in and promote Wellington's arts and events.

This year we have consulted with stakeholders and started work on an overarching vision for creativity in the city. Attendance at new events like Matariki has been high and feedback from Wellingtonians has been positive.

Cultural wellbeing performance story:

Modest gains – challenges still being addressed

Residents continued to engage actively with the arts, with an increase in visitors to our museums and galleries and high satisfaction with Toi Pōneke. The number of residents who agree that Wellington has “a culturally rich and diverse arts scene” was a solid 90 percent. We also had an increase in performers and attendees at Council supported events in Venues Wellington locations. This was especially good after a drop in these areas last year.

However, challenges remain. There was a decrease in the number of residents who perceive Wellington is “the events capital of New Zealand”, down 9 percentage points to 31%.

Performance summary

The following table is a summary of how well we performed against our agreed key performance measures for this activity area.

	Not met	Mostly met	Met	Exceeded	Total Measures
4. Oranga ahurea – Cultural wellbeing					
4.1 City promotions and business support	1	5	8	2	16
Total measures	1	5	8	2	16

4.1 Ngohe toi, ahurea hoki - Arts and cultural activities

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Users satisfied with Toi Pōneke facilities and services.
- Total visitors to Te Papa]

What we did

Cultural Funding

Through the three funding rounds of the Arts and Culture Fund, 84 applications were supported with funding. A total of \$385,065 was allocated during the year. The average grant size was \$4,584. Grants ranged from \$15,000 to \$600. We also introduced a new funding scheme within the Arts and Culture Fund, called the Professional Performing Arts Fund. This fund support established performing arts organisations to develop and present new theatre and dance works in Wellington. This year 7 applications were supported with a total of \$75,000. Grants ranged from \$5,000 to \$14,400. In addition, we provided funding to arts and cultural events or programmes such as: the World of Wearable Art; Visa Wellington on a Plate; the NZ Festival; Te Matatini; the Professional Performing Arts Fund and Circa Theatre.

UNESCO Creative City Network

After consultation with a wide range of stakeholders, we have submitted an application to UNESCO to join the Creative City Network as a City of Film. Through the engagement and application process we gathered information on the historical and current film context in Wellington and identified areas of possible growth in this sector.

City Cultural events

We developed and delivered city events and festivals such as A Very Welly Christmas Festival, Ahi Kā, Sky Show, Gardens' Magic, Te Rā o Waitangi, Pasifika Festival and Re-Cut. We also supported a range of community-led festivals, such as the Newtown Festival and Chinese New Year. Our events attracted audiences in the hundreds of thousands. After an inaugural Ahi Kā in 2018, we continued to grow this Matariki event into a nationally significant event.

Strategic and Partnership projects

We were gifted the name Aho Tini for an expanded Capital of Culture initiative and this year have consulted with stakeholders and started work on an overarching vision for creativity in the city. We supported several Artist Residencies, including WARE and Te Whare Hera residencies. We welcomed Australian Aboriginal artist, Dean Cross to Wellington as the inaugural Canberra-Wellington Sister City Indigenous Exchange Artist. We supported local Māori artist, Ana Iti, to go to Canberra for 6-weeks as the Wellington Indigenous Exchange Artist.

PakiTara-toi Art on Walls

We delivered an exciting programme of nine new murals in the city:

- Two new murals at the Airport Underpass by local Artist, Sheyne Tuffery in collaboration with students at Rongotai College
- The Arlington Council Housing Complex mural by local artists, Tien Wei Hee and Gwil Devey
- A series of murals on three containers in Wakefield Street by local artist Phoebe Morris
- A temporary artwork for the Town Hall hoarding in response to Te Matatini by Māori Artist, Reweti Arapere
- A community mural in Newtown by renowned Chilean muralist, Alfonso Pajarito
- A mural at the Linden Social Centre with students from Linden and Greenacres Schools by Ruth Roberson Taylor.
- A large-scale tribute mural Rita Angus on the façade of the Dominion Building at Bond Street by Bruce Mahalski and Askew One.
- New temporary public artworks for WAITUHI – a Matariki public art project by Māori artists Maioha Kara and Matthew McIntyre.

Public art

This year has seen The Performance Arcade supporting more than 45 artists in creating 28 artworks for the February/March season, and artist Julian Priest send a satellite into low-earth orbit in conjunction with a public programme season at the Thomas King Observatory as part of his artist residency.

We're also working with artists on large Council projects. Waitohi is commissioning Matthew McIntyre Wilson and Maureen Lander to create two artworks for the space and artist Andrew Beck is working with the Urban Design team on the upcoming Swan and Garrett Laneway Upgrade.

Toi Pōneke Arts Centre

The programmes we supported covered visual art, dance, sound art and playwriting residencies. We hosted several artist talks and public programmes including our Seminar Programme – Professional Development and Business Skills for Artists. We delivered 13 exhibitions including an exhibition from our Wellington City Council's City Art Collection, *Haukāinga, True people/Home* opened by Mayor Justin Lester.

Arts Collection

We acquired 14 new artworks by local artists. Arts Collection valuation increased in its total value to \$6million.

Te Papa

The Council provides funding support to Te Papa as a key contributor to Wellington tourism, culture, and economic wellbeing. More than 1.5 million people visited the museum, with New Zealanders from outside the Wellington region making up more than a quarter of visitors, and nearly half from overseas. Numbers were highest from December through April, driven by cruise ship visits and the hugely successful *Terracotta Warriors* exhibition. Toi Art Gallery drew in over 50 percent of all museum visitors, and the *Gallipoli* exhibition was extended for three more years due to ongoing popularity. Te Papa's \$12 million renewal of the natural history exhibitions was completed in May 2019 with the opening of *Te Taiao | Nature*.

Wellington Museums Trust

The Museums Trust trades as Experience Wellington. It exceeded its total annual visitor target for four of its six venues – Wellington Museum, Cable Car Museum, Nairn Street Cottage and Space Place. The City Gallery fell short of target by 16,324 visitors, likely because of the closure of other buildings in Te Ngākau Civic Square. Capital E fell short of target by 20,485 visitors due to the cancellation of the LUX Light Festival, which normally brings about 30,000 people. Altogether, the six venues greeted 770,320 visitors, well above the target of 753,500. Successes include an increase in the te reo Māori events and exhibitions, including several for Matariki.

Staff also participated in the wānanga at Hongoeka Marae at a workshop on their commitment to Te Tiriti o Waitangi and the trust's 10-year goal to embrace te Ao Māori. There was also a significant uptake in te reo Māori learning, with 45% of the trust's staff completing a course during the year.

The trust delivered 564 experiences including 25 exhibitions, 17 theatre shows, four of which went on national tours, and three exhibitions toured to other New Zealand cities and towns; produced four publications; and presented more than 500 events and public programmes.

It opened the 9th Capital E National Arts Festival with the premier of Te Kuia me te Pūngāwerewere (The Kuia and the Spider), a full te reo Māori co-production with Taki Rua Theatre Company. The Festival sold more than 40,000 tickets to 11 shows representing Denmark, Australia and Japan as well as New Zealand.

Makers came from far and wide to Wellington for New Zealand Aotearoa's inaugural Maker Faire. More than 3,000 people filled Shed 6 to experience everything from basket-weaving and robotics, to quilting and coding.

Three Family Days were held at City Gallery during three school holidays with drop-in activities for the whole whanau inspired by the exhibitions on show. An international exhibition double feature was held: Eva Rothschild: Kosmos (6 April – 28 July 2019) and Semiconductor: The Technological Sublime (23 March – 14 July 2019).

Wellington Museum celebrated Suffrage 125 by working with Vinnies Re Sew and Voice Arts for the Suffrage in Stitches project which has re-created and re-worked the Suffrage Petition in fabric and stitches.

Cultural wellbeing finances

How it was funded

Services in this activity area are funded through a mixture of general and targeted rates and external grants and subsidies from non-Council sources.

What it cost (operating expenditure \$000)

Cultural Wellbeing	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Actual (\$000s)	2018 LTP Budget (\$000s)	LTP Budget Variance (\$000s)	Variance commentary
4.1 Arts and cultural activities						
Expenditure	20,625	21,256	23,268	22,766	(501)	Increased costs for the second and the delay in the first Matariki sky shows as well as higher than planned grant expenses.
Revenue	(749)	(746)	(811)	(1,026)	(215)	
Net Expenditure	19,877	20,510	22,457	21,740	(717)	
Cultural Wellbeing Total						
Expenditure	20,625	21,256	23,268	22,766	(501)	See above comment
Revenue	(749)	(746)	(811)	(1,026)	(215)	
Net Expenditure	19,877	20,510	22,457	21,740	(717)	

What it cost (capital expenditure \$000)

Cultural Wellbeing	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Long- term Plan (\$000s)	2018/19 Revisions (\$000s)	2018/19 Actual (\$000s)	2018/19 Revised budget (\$000s)	2018/19 Variance to revised budget (\$000s)	Variance Commentary
4.1 Arts and cultural activities expenditure								
Cultural Wellbeing Total	1,286	443	906	896	4,145	1,802	(2,344)	Over budget due to the re-phasing of Convention Centre work creating a timing difference with the budgeted amount.

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Cultural wellbeing performance

The following section outlines our performance data: outcome indicators, performance measures and supplementary tables. We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including those outside our control. We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans. The Council undertakes the Residents' Monitoring Survey (RMS) on an annual basis. The survey has a margin of error of +/- 4.4% percent.

Performance data – outcome indicators

The following section outlines outcome indicators for the Cultural wellbeing activity area. Outcome indicators do not have targets.

Cultural Wellbeing	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Cultural reputation, participation and vibrancy						
Residents' frequency of engagement in cultural and arts activities	Increasing	WCC RMS 2019	88%	90%	86%	See supplementary tables
New Zealanders' and residents' perceptions that "Wellington has a culturally rich and diverse arts scene"	Increasing	WCC Research	NZ (79%); Residents (90%)	NZ (79%); Residents (93%)	NZ (80%); Residents (90%)	
New Zealanders' and residents' perceptions that "Wellington is the events capital of New Zealand"	Increasing	WCC Research	NZ (34%); Residents (47%)	NZ (39%); Residents (42%)	NZ (38%); Residents (31%)	Negative trend
Cultural attraction and event investment success						
Te Papa visitors – total visitors	Increasing	Te Papa	1,578,292	1,514,896	1,548,646	
Te Papa visitors – overseas visitors	Increasing	Te Papa	718,081	758,695	732,738	
Te Papa visitors – New Zealand visitors from outside the region	Increasing	Te Papa	483,995	420,195	429,697	
Customer (%) satisfaction with the New Zealand Festival (held every two years)	Increasing	Research - Nielsens/WREDA	No festival	88%	No festival	
Total visits to museums and galleries (including Carter Observatory)	Increasing	Wellington Museums Trust	780,414	725,214	770,320	See performance measures for breakdown
Community access to venues subsidy: Total numbers of performers at supported events	Increasing	WCC Community Services/ grants	19,149	5,084	13,551	
Community access to venues subsidy: Total numbers of attendees at supported events	Increasing	WCC Community Services/ grants	144,053	89,118	153,543	
What this tells us:						

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Cultural Wellbeing	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
If our city's events are well attended by both Wellingtonians and visitors, it is an indicator that our city is vibrant and providing opportunities for people to connect with each other. This in turn leads to a city that provides a high quality of life.						

Performance data – Council performance measures

The following section outlines Council performance measures for our Cultural wellbeing services. It includes data for the last 3 years to show trends, and includes variances explanations for relevant areas.

Performance measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
4. Oranga ahurea Cultural wellbeing							
4.1 Arts and cultural activities							
High quality events							
Attendees (%) satisfied with Council-delivered arts and cultural festivals	81%	82%	81%	90%	-10%	mostly met	
Estimated attendance at WCC-supported and delivered events.	657,743	733,962	619,232	Trend		met	Previous year includes NZ Festival. While WCC supports these events, we are not responsible for delivering them.
Arts and cultural sector support							
Users (%) satisfied with Toi Pōneke facilities and services	90%	89%	84%	90%	-7%	Mostly met	
Users (%) satisfied with Toi Pōneke staff	89%	98%	88%	90%	-2%	Mostly met	
Funding Success							
Grant outcomes (%) achieved (through funded outcomes – four out of five - being met) - Arts and Culture Fund	75%	93%	92%	80%	15%	exceeded	This reflects on how successful the projects are, based on reporting against outcomes (which form part of funding agreements) these are moderated by Officers as subject matter experts – rating 72 out of 78 outcomes achieved.
Wellington Museums Trust – utilisation							
Total visitors Museums Trust:	780,414	725,214	770,320	753,500	2%	met	
City Gallery Wellington	180,616	153,194	153,676	170,000	-10%	mostly met	
Wellington Museum	138,956	127,413	132,953	132,000	1%	met	
Cable Car Museum	242,250	269,028	288,889	237,000	22%	exceeded	High numbers of cruise ship visitors and

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Performance measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
							tourists.
Nairn Street Cottage	2,614	1,724	2,104	2,000	5%	met	
Capital E	161,869	113,414	137,015	157,500	-13%	not met	Comment to come
Space Place	54,109	60,441	55,683	55,000	1%	met	
Wellington Museums Trust - Funding support							
Full WCC subsidy per visit	\$12.28	\$13.33	\$12.16	\$12.49	3%	met	See supplementary tables
Non-Council Revenue (trading and fundraising \$000)		\$3,834	\$4,305	\$4,079	6%	met	
Total ownership cost to Council	\$9,581	\$9,561	\$9,180	Trend		met	
Percentage of visitors who rate the quality of their experience (good or very good)	93%	93%	91%	90%	1%	met	

Supplementary performance tables

- 1. Residents' frequency of engagement in cultural and arts activities** - The result published (86%) is total of residents who have engaged in activities at least once in the last year and more frequently.

	2015	2016	2017	2018	2019
At least once a week	9%	6%	8%	9%	7%
At least once a month	34%	32%	35%	40%	37%
Once every six months	33%	35%	32%	31%	32%
At least once a year	11%	15%	13%	10%	12%
Less often	9%	9%	9%	6%	9%
Never	3%	3%	2%	3%	4%
Don't know	1%	1%	1%	1%	1%
Total of at least yearly and more frequently	87%	88%	88%	90%	86%

Source: Wellington City Council Residents' Monitoring Survey

2. Wellington Museums Trust - Funding support

	2015	2016	2017	2018	2019
Full cost to Council per visitor (average subsidy)	\$13.69	\$12.28	\$13.33	\$12.16	\$12.49
City Gallery Wellington			\$15.10	\$19.20	\$16.05
Museums Wellington (including Wellington Museum, Cable Car Museum and Nairn St Cottage)			\$6.91	\$4.48	\$7.42
Capital E			\$12.22	\$12.20	\$14.91
Space Place			\$14.94	\$18.97	\$14.22

Source: Wellington Museum Trust

3. Percentage of visitors who rate the quality of their experience (good or very good)

	2015	2016	2017	2018	2019
Cable Car Museum	89%	89%	89%	91%	89%
Capital E	94%	94%	91%	93%	95%
Space Place at Carter Observatory	96%	99%	100%	95%	92%
City Gallery Wellington Te Whare Toi	96%	93%	95%	95%	95%
Nairn Street Cottage Museum	91%	91%	100%	96%	94%
Wellington Museum	95%	98%	96%	97%	97%
New Zealand Cricket Museum	100%	71%	77%	82%	78%
Average	94%	91%	93%	93%	91%

Source: Wellington City Council Residents' Monitoring Survey

Celebrating the winter months

Winter months can often be the time that cities hibernate, when residents hide indoors until the sun and warmth return again in September. However, there has been a concerted effort to increase the event offerings in winter in Wellington, first with the popular Visa Wellington on A Plate festival and now with a new season of free events based around Matariki.

Wellington City Council wants Wellington to be the national leader in championing and celebrating Māori traditions for Matariki (Māori New Year) through arts and culture.

"We want to be the place to celebrate Matariki, and to do that in a very Wellington way by; creating a meaningful, enlightening, accessible, interactive community experience expressed with integrity, creativity and high production values. This year saw us a step closer to becoming that place," Manager City Arts and Events Natasha Petkovic-Jeremic says.

Thousands of people enjoyed the events that opened in June with six ReCut shows over two nights in Cuba Mall. This was followed by the new Matariki signature event Ahi Kā along the waterfront, five nights of the Mana Moana water screen on Whairepo lagoon, the Wellington Sky Show on the harbour and four ReCut shows over two nights at North Kumutoto plaza in early August.

At the heart of the season is Matariki and our new signature celebration Ahi Kā, which means the burning home fires – recognising the importance of your kāinga (home), whānau (family) and kai (food).

Whairepo Lagoon, the Wharewaka, Te Papa and Odlins Plaza were chosen as the location for the event because they are significant as where our land, streams and sea meet historic infrastructure and places of Māori and national cultural and artistic importance.

On June 21 2019, Wellington City Council events team, in partnership with iwi mana whenua and regional entities, presented a magical night of fire and light, food, friends and whānau - built on themes of reflection, renewal and respect for people and place.

There was something for everyone - from hāngi, toasted marshmallows and fire on the water, to midwinter bonfires, Aotearoa's finest Māori performers and storytellers, and a beautiful children's light sculpture parade.

"The new winter events are made possible because of the support of local iwi, communities and businesses; the strength of cross organisational relationships, and the wealth of talent in the capital," Manager Events Delivery David Daniela says.

"By working together, we have the ability to produce high quality meaningful experiences that strengthens our identity, tells our stories and showcases our people."

Silver Scroll finalist Anthonie Tonnon, who performs internationally and across NZ, performed at the ReCut and said: "This is why Wellington is the arts and events capital of New Zealand".

We also had feedback submitted through our Call Centre by a resident, who said: "I moved to Wellington a year ago and I just wanted to say how fantastic all the events are that you put on or

support during the year. I have been so impressed by the variety of things to get involved in here, the little magazine you produce, the ever changing activities and promotion of them.

"It is one of the main reasons I have settled in here so well and I am enjoying living in Wellington so much. So I just wanted to say thank you."



5 Kaupapa Pāpori me ngā Mahi a Rēhia - Social and Recreation

This chapter explains what we did and how we performed in our Social and Recreation portfolio of activities. This includes recreation promotion and support, community support, and public health and safety.

[These figures to be inserted as “snapshots” of the activity area. A mix of facts, KPIs and Outcomes.

- 357.2kms of tracks
- 96% Social housing occupancy.
- 11,897 dogs registered
- 2,021,003 physical visits to our libraries
- 1,256,024 Swimming pool visits
- 5 millionth customer through ASB Sports Centre]

Introduction

People are at the heart of everything we do, from providing shelter and support to our most vulnerable residents to investing in infrastructure such as halls and sportsgrounds to meet community needs. Our focus in this area is on recreation provision, social initiatives and community support, and public health and safety.

We aim to develop highly liveable, safe and inclusive communities to encourage active and healthy lifestyles, enable participation in sporting and other group activities, deliver quality recreation and social services, provide access to housing for those in need, and carry out our public health functions.

Many organisations contribute to the health and safety of our residents', and to our community strength. The Council's approach includes supporting those organisations by playing a facilitation and funding role. We also manage and maintain swimming pools, sportsgrounds and playgrounds, and community halls and centres.

However, we increasingly need to adapt to changing recreational patterns and balance rising community demands and expectations of services against the pressure on costs to ratepayers. We also need to address a rise in street begging and homelessness and the needs of an ageing and increasingly diverse population.

Social and recreation performance story

Recreation facility use and satisfaction increases.

The number of visits to Council swimming pools and recreation centres, increased last year with the ASB Sports Centre welcoming its five millionth visitor since opening in 2011. User satisfaction also increased across all types of recreation facilities including pools, recreation centres, artificial and grass sport fields.

In 2018 we begun measuring residents perception of swimming pool affordability with 85% of residents agreeing pool admission is affordable. There was also an increased move towards informal recreation, rather than traditional club sports. This year only 38% of residents reported

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participating in formal sport such as competitive or club sports, while 74% of residents reported participating in informal sport and recreation such as walking and biking.

We also recorded high satisfaction in our libraries and our social housing services and facilities. However, the closure of the Central Library did impact our libraries performance, including physical visits to libraries and satisfaction with the collection.

Performance summary

The following table is a summary of how well we performed against our agreed key performance measures for this activity area.

	Not met	Mostly met	Met	Exceeded	Baseline	Total Measures
5. Kaupapa Pāpori me ngā Mahi a Rēhia Social and recreation						
5.1 Recreation promotion and support	4	11	15	7	6	43
5.2 Community Support	4	2	6	5	7	24
5.3 Public health and safety	1	5	1	2		9
Total measures	9	18	22	14	13	76

5.1 Whakatairanga mahi ā rēhia - Recreation promotion and support

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Recreation centre visits including ASB Sports Centre
- Artificial sports field utilisation]

What we did

Alex Moore Sport and Community Hub

Work continues on the Alex Moore Sport and Community Hub, with the six foundation clubs signing a Heads of Agreement in December 2018 and agreeing to partner with Council on the development of a new hub building on the park. Council will project manage the build and own the building which will be leased back to AMPSCI for a 33 year period (3 x 11 year rights of renewals). Construction is due to begin in early 2020.

LeisureCard Review

In June 2019 a review of the LeisureCard - Council's discounting policy for recreation services - was undertaken with Councillors agreeing to several recommendations designed to ensure it better targets people for who cost is a barrier to accessing services. This includes forming partnerships with agencies such as Change Makers, Red Cross and Sport Wellington to offer the LeisureCard to their clients.

Renouf Tennis Centre

Work started on the Renouf Tennis Centre redevelopment in April. It has been partially funded through the WCC Sport Partnership Fund. The work includes finishing the refurbishment of the changing rooms by late 2019 in time for the Wellington Open and replacing the roof in 2020.

Playgrounds

We completed the renewal of five neighbourhood playgrounds: the Glamorgan Play Area in Northland, Taylor Park & Larsen Park Play Areas in Tawa, Jeypore Play Area in Berhampore and Seatoun Park Play Area. We installed a new rainbow slide at the Khandallah Park Play Area which has proved extremely popular with the community and we built a new community playground at Wakefield Park in Berhampore/Island Bay.

We engaged with local children regarding the upgrade for the Wall Street Park in Linden, to get them involved and thinking about design and equipment. Staff from our Urban Design and Parks, Sport & Recreation teams worked with the children to complete surveys, get ideas by visiting other playgrounds, attend a design workshop and complete a spatial layout. The design will be finalised and the new playground built in the next financial year.

Building Work

We completed an upgrade at Tawa Pool which included new energy efficient LED lighting, new family changing cubicles, and improvements to existing changing rooms. We worked with the Tawa Swim Club to renew their clubrooms and increase availability for wider community use.

After the completion of the new Lyall Bay Surf Club building, we demolished the old clubhouse on Lyall Bay beach. The area will be planted during the winter planting season with dune plants.

ASB Sports Centre

Since it opened in 2011, the centre has drawn an increasing number of people. Attendance in 2013/14 was 606,000 and it has continued to increase year on year, reaching 917,168 in 2018/19. The centre has hosted many national and international events including the World Indoor Archery Championships. This year the centre celebrated its 5 millionth customer, a great milestone to reach in under a decade.

Basin Reserve

In May 2018, the Council made the decision to strengthen and upgrade the Museum Stand. This work commenced in the 2018/19 financial year. When completed, the Museum Stand will provide a home to the New Zealand Cricket Museum and office accommodation for Cricket Wellington, with the former Cricket Wellington offices being relocated to Zealandia to provide them with much needed space for staff.

The Basin Reserve continues to be a very well utilised sporting venue. In 2018/19, the Basin Reserve hosted 97 event days, 100 practise days and 53 functions. Key activities included:

- A partnership with Wellington Rugby and Capital Football to host 12 junior rugby and 12 junior girls' football events during winter. More than 100 games were played with just under 5,000 children involved.
- Hosting the Wellington City Council vigil on 17 March 2019 for the victims of the Christchurch Terror Attacks.
- Night Noodle Markets, attracting a crowd of approximately 80,000 people over the week.
- Beers at the Basin, a popular festival that showcases Wellington's craft beer industry, was held on 1 December 2018, attracting a sell-out crowd of 5,800.
- As 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

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Reserve hosted a total 34 games of domestic cricket and 100 practise days. A key feature of the 2018/19 season was the Super Smash men's and women's double headers.

- Cricket Wellington also delivered the "Fill the Basin" event on 6 January 2019 that attracted the largest crowd in the history of domestic women's cricket and the largest men's crowd since 2011 (outside of finals). The day attracted the largest television viewing audience of the 2018/19 Super-Smash season.
- Two Blackcaps Test Matches, including the first test of the New Zealand summer vs Sri Lanka, 15 – 19 December. The Basin pitch received a good rating from the International Cricket Council (ICC) and a strong crowd of 10,877 attended. The second game saw the Blackcaps beat Bangladesh in the second test match of that series, held from 8 – 12 March. The Basin pitch again received a good rating from the ICC.

Swimming pools

A total of 1,256,024 swimming pool visits were recorded during the year, which is a slight increase (19,855) over the previous year. In April we held the New Zealand National Age Group Championships at the Wellington Regional Aquatic Centre. We completed a maintenance closure at Tawa Pool which included building new family changing cubicles, and upgrading and refreshing the Tawa Swim Clubrooms. The community are now able to book and use this space. Visits to the summer pools in Thorndon and Khandallah were high again this year due to good weather, and Thorndon recorded the highest number of visitors in January on record with more than 12,000 visits over the month.

5.2 Tautoko hāpori - Community support

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Social Housing tenants who report good quality of life.
- Cost to ratepayer per library transaction]

What we did

Libraries

We welcomed 2,021,003 visitors to our libraries this financial year, a decrease on last year because of the closure of the Central Library. However, online items borrowed from the e-Library collection increased 35 percent to 475,745. There were 4.8 million visits to the library website, 1.6 million over the target. This target was exceeded due to including usage of the Wellington Central Library mini app as visits to the library website.

Progress on the Waitohi Johnsonville hub building continued across the year. New books are now being processed, and staff employed to design new programmes. Matthew McIntyre Wilson and Maureen Lander have been commissioned to create two artworks for the space and we tendered for the new café contract. The building is due to open in December 2019.

There were more than 450,000 online visits to the Wellington heritage images database Recollect, which is developed and maintained by the library.

However, this year the Central Library was closed on 19th March because of engineering advice about how the building would perform in the event of a significant earthquake. Staff are continuing to work hard to develop ways that customers can still access library services in the central city, and plans for the library collection to be accessible.

The first of our replacement pop-up library services was developed in conjunction with our Service Centre. On 28th May we opened Arapaki Manners Library and Service Centre at 12 Manners Street. This is a joint library and Council Service Centre facility and represents a new way of working for staff. There are roughly 7,500 library items available to borrow including children's collection, fiction, non-fiction and AV items, plus internet access computers and some casual seating. Library hours were also temporarily extended at branches in the suburbs, including longer weekend hours. These were amended on July 1 to reflect central city services returning, however some of the longer hours remained at the bigger branch libraries.

To support customers begin the journey of Wellington becoming a te reo Māori speaking community we started He Timotimo – re reo Māori tutorials each week.

[Further Reading: <http://www.wcl.govt.nz/help/central-closure-faqs.html> and the case study at the end of this chapter.]

Homelessness and Begging

We have been working with our central government and community partners to identify and respond to the conditions that are causing Wellingtonians to become homeless. We have continued to advance the Te Mahana strategy to end homelessness by supporting a range of services and responses, including the Housing First programmes now active in Wellington.

We want to support the most vulnerable members of our communities – those who are homeless and/or begging – as well as considering the broader concerns of residents, business owners, and visitors. The Wellington City Council's Ending Homelessness Strategy, Te Mahana, is to ensure that periods of homelessness are rare, brief and non-recurring. DCM and its collaborative partners have signed the Housing First contract with Housing and Urban Development (HUD) and are beginning to deliver this service.

We are also supporting a number of agencies to provide support for the street community. This is through the meaningful activity programme where individuals are supported into pathways that provide training/upskilling or day activities.

Outreach

Our assertive outreach programme is about engagement with people sleeping rough and begging so they do not fall through gaps within services.

Outreach have engaged with 126 people sleeping rough and street begging between January and June 2019; this was on average 32 people a month (many of the 126 were seen across multiple months). The 126 includes:

- 104 people (over the 6 month period) were known to sleep rough. 51 were known to rough sleep only while 53 were also seen street begging –
- 22 further people who were known to street beg only. 53 people were seen rough sleeping and street begging, making 75 in total seen street begging in the period.

Outreach have responded to 96 notifications since February.

The number of notifications has reduced over the months, with less than half in June (13) compared with February (28). This is viewed as meaning issues are being resolved.

Assisting refugees

We produced 'Welcome to Wellington' information packs with translated material to refugees arriving into Wellington in an additional eight languages including Oromo, Tamil, Karen, Tigrinya, Kurdish, Dari, Chin and Somali, and continued our partnership with Red Cross to distribute these to families arriving and settling in Wellington.

Linden Social Centre

The Linden Social Centre was reactivated and staffed in response to locals wanting to rejuvenate their community. Consultation and engagement with the community has resulted in a number of priority initiatives being undertaken including:

- Beautify Linden: involving the local school children in street art activities, murals, a bike fix-it station and the upgrade of Wall Park.
- Linden Youth: including an after-school programme at Linden School, youth empowerment programmes with Challenge 2000 and Te Awhina Roopu, and a school lunch project.
- Linden Health and Well-being: involving a series of initiatives based on the Māori health model of Te Whare Tapa Whā.

City Housing

This year we have worked towards our goal of "All Wellingtonians well-housed" and a key activity has been putting the resources and infrastructure in place for us to undertake a full condition assessment of our 2000-unit City Housing portfolio. This work will allow us to better plan and track the next five years of maintenance for our properties.

In the wake of the Christchurch shootings in March, City Housing worked with Housing New Zealand Corporation (HNZC) to run a large Food of Nations event. This event brought together more than 100 people from a wide range of backgrounds to celebrate their diverse cultures through food, song and dance.

Our apartments at Arlington site 2 were completed and were gifted the name Te Māra from mana whenua. This has added 104 units of modern, dry social housing for the city, where 57 poor quality apartments used to stand.

Adapting the way we work

During the year our tenancy services have changed the way they work with our customers to develop better relationships. Our tenants told us they wanted one person they could work with on all aspects of their tenancy. Our team also told us that they wanted to spend more time in the community with their customers getting to know them and helping them with any problems they had.

Under our new tenancy management model, our team are now divided into geographical area where they are able to get to know the tenants they serve and work with them on everything from solving neighbour disputes to helping them hold events and BBQs. For the tenants this enables them to build a relationship with someone they know, who is familiar with the area and the people who live there. This model is now in place.

5.3 Hauora/haumaru tūmatanui - Public health and safety

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Graffiti removal response timeframe % met
- Toilet % that meets required cleanliness and maintenance performance standard]

What we did – info still to come.

Harm reduction

We have continued to fund key organisations delivering programmes and services that prevent sexual and family violence. These include Wellington Sexual Abuse HELP, the Sexual Abuse Prevention Network and Women's Refuge.

In partnership with NZ Police, Victoria University of Wellington Students' Association (VUWSA), Massey Wellington Students' Association (MAWSA), the Sexual Abuse Prevention Network, and Hospitality NZ we have continued to support the Don't Guess the Yes Campaign. The campaign is designed to raise awareness about consent through training of venue staff and a social media campaign to encourage open discussion.

We also funded the Te Rito Wellington Family Violence Network to bring the global "No More" campaign to Wellington – challenging attitudes about family violence and encouraging those affected to seek assistance.

CCTV

Our camera network continues to grow as we develop stronger relationships with the police and the police volunteers, while expanding the reach of our network into Kilbirnie. Our processes have also been streamlined to ensure faster processing of requests and enhancing our commitment improved safety.

Community Safety Plans

Through a co-design approach, Community Safety Plans are being developed with the Linden community. Students from Linden Primary School participated in a safety audit of their neighbourhood which included creating a report based on what they love about their community. We also had excellent feedback around the perceptions of safety in Linden which was followed up with a well-attended Safety Workshop.

In partnership with the Kilbirnie BID and community centre are progressing similar plans for an to ensure these are a community led endeavour. A survey that has been developed specifically for Kilbirnie will go out later this year and will help to guide the focus of the Safety Plans.

Food Businesses

The deadline for all food businesses to be signed up to the Food Act was the end of March 2019. This year marked the end of a three-year transition period from the old legislation. We met the deadline and are happy that all food businesses understand the requirements of the new Act.

Dog Ownership

We ran more successful in house training courses for responsible dog owners. In order to accommodate as many people as possible we held two Saturday sessions - in Kilbirnie and Churton Park, with a further evening session at Strathmore community Centre. We set up a dog owners discussion group and meet quarterly with councillors and representatives from the dog owning community to discuss several issues.

Alcohol Licensing

This year we re-recruited our District Licencing Committee (DLC) members for a further 5 years. We increased the number of our Commissioners from 3 to 4 and a new committee member was engaged to replace an existing member who decided to leave.

We granted 78 new on-licences and 10 new off-licences. There were no new club licences. We also issued 697 managers certificates and 284 special licences.

We held 17 DLC hearings – 11 for new premises and 6 for duty managers. An appeal was made against a decision by DLC relating to the renewal of an off-licence for Capital Liquor – a bottle store in the CBD. The appeal was against the condition that the store closes at 6pm. The Alcohol Regulatory Licensing Authority dismissed the appeal and the applicant appealed to the High Court - which also dismissed the appeal.

Social and recreation finances

How it was funded

Services in this activity area are funded through a mixture of general rates and user charges.

What it cost (operating expenditure \$000)

Social and Recreation	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Actual (\$000s)	2018 LTP Budget (\$000s)	LTP Budget Variance (\$000s)	Variance commentary
5.1 Recreation promotion and support						
Expenditure	38,493	42,069	43,767	42,519	(1,248)	Predominantly in relation to increased depreciation due to property revaluations
Revenue	(11,831)	(11,710)	(11,980)	(11,741)	239	
Net Expenditure	26,662	30,359	31,787	30,779	(1,009)	
5.2 Community support						
Expenditure	56,009	56,751	74,134	61,718	(12,416)	Higher costs associated with enabling the release of Deed of Grant with the Crown in relation to the long term leasing of Arlington sites 1 and 3.
Revenue	(37,315)	(38,087)	(24,675)	(24,306)	369	
Net Expenditure	18,694	18,664	49,459	37,412	(12,047)	
5.3 Public health and safety						
Expenditure	18,155	16,538	16,816	16,766	(49)	
Revenue	(6,453)	(4,339)	(4,143)	(4,519)	(376)	
Net Expenditure	11,702	12,199	12,673	12,247	(426)	
Social and Recreation Total						
Expenditure	112,657	115,358	134,717	121,004	(13,713)	
Revenue	(55,599)	(54,136)	(40,798)	(40,566)	232	
Net Expenditure	57,058	61,222	93,919	80,438	(13,481)	

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What it cost (capital expenditure \$000)

	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Long- term Plan (\$000s)	2018/19 Revisions (\$000s)	2018/19 Actual (\$000s)	2018/19 Revised budget (\$000s)	2018/19 Variance to revised budget (\$000s)	Variance Commentary
Social and Recreation								
5.1 Recreation promotion and support								
Expenditure	8,708	6,529	7,928	565	7,188	8,492	1,304	Under budget due to re-prioritising of works programme
5.2 Community support								
Expenditure	18,756	32,725	29,399	955	21,139	30,354	9,215	Under budget due to re-scheduling the community centre upgrades to deliver procurement savings
5.3 Public health and safety								
Expenditure	2,721	999	2,366	(64)	1,698	2,302	604	Under budget due to re-prioritising the public toilet renewals timing
Social and Recreation Total	30,186	40,253	39,693	1,456	30,025	41,149	11,124	

Social and recreation performance

The following section outlines our performance data: outcome indicators, performance measures and supplementary tables.

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including those outside our control.

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans.

The Council undertakes the Residents' Monitoring Survey (RMS) on an annual basis. The survey has a margin of error of +/- 4.4% percent.

Performance data – outcome indicators

The following section outlines outcome indicators for the Social and Recreation activity area. Outcome indicators do not have targets.

Social & Recreation	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Access to and participation in recreation and leisure						
% of residents who use Council pools, recreation centres, libraries or other leisure facilities	Increasing	WCC RMS 2019	Pools 35%	Pools 44%	Pools 42%; Rec centres 39%; Libraries 73%; Leisure facilities 25%; Community halls 21.4%	See supplementary tables
Residents' perceptions that Wellington offers a wide range of recreation activities	Maintain	WCC RMS 2019	85%	79%	81%	
Residents' frequency of physical activity	Increasing	WCC RMS 2019	NA	74%	70%	See supplementary tables
Residents' perceptions that there are barriers to participating in recreation activities	Decreasing	WCC RMS 2019		Organisation-led (84%); Participant-led (81%)	Organisation-led (81%); Participant-led (75%)	See supplementary tables
Residents' health and wellbeing outcomes						
Social housing tenants who report good quality of life	Increasing	Research - WCC Housing Tenants Survey		New	77%	Total of "extremely good", "very good" and "good"
Activity levels, obesity/health	Increasing	Research -Ministry of Health	n/a	2017 - 77% adults participate in average of 5.3 hours per week	2019 data not available	2017 - 'Wellington Region' data only.
Youth participation in sport and recreation	Increasing	Research -Ministry of Health	n/a	2017- 96% 5-17yrs participate in average of 10.4 hours per week	2019 data not available	2017 - 'Wellington Region' data only.
Resilient and cohesive communities and neighbourhoods						

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Social & Recreation	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Residents' importance of sense of community in local neighbourhood	Increasing	WCC RMS 2019		New	75%	
Residents' engaging in neighbourly actions	Increasing	WCC RMS 2019	90%	91%	91%	See supplementary tables
Proportion of residents who feel they could rely on their neighbours for support following a natural disaster or other significant event	Increasing	WCC RMS 2019		New	69.6%	
Social capital – residents' response to "I have strong social or community networks that I can draw on in Wellington"	Increasing	WCC RMS 2019		New	63.6%	Based on agreement on a 5-point scale
Diversity - residents valuing diversity	Increasing	WCC RMS 2019	80%	81%	82.6% agreed	Positive trend Based on Residents valuing diversity: multiculturalism makes the city a better/much better place to live:
Public health and safety						
Residents' perceptions – city and community safety issues of most concern	Decreasing safety issues	WCC RMS 2019		56% say begging of concern	61% say poorly lit or dark public areas a concern	
Residents with access to emergency items at home and workplace/place of education/other daily destination	Increasing	WCC RMS 2019	At home (85%)	At home (83%); At work (75%); At place of education (59%)	At home (84%); At work (77%); At place of education (46%); In motor vehicle (33%); Other daily destination (10%)	Percentage is based on reduced number of respondents due to excluding not applicable.
What this tells us:						
Desirable trends in these outcome measures would mean that Wellingtonians have a high quality of life, are fit, happy and accepted.						

Performance data – Council performance measures

The following section outlines Council performance measures for our Social and Recreation services. It includes data for the last 3 years to show trends, and includes variances explanations for relevant areas.

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Kaupapa Pāpori me ngā Mahi a Rēhia Social and recreation							
5.1 Recreation promotion and support							
High quality experience							
User satisfaction (%) - pools	87%	90%	97%	90%	8%	met	
User satisfaction (%) - recreation centres including ASB Sports Centre	88%	86%	93%	90%	3%	met	See supplementary tables
User satisfaction (%) - sportsfields (grass)	72%	73%	84%	85%	-1%	mostly met	
User satisfaction (%) - sportsfields (artificial)	78%	81%	91%	85%	7%	met	
Scheduled sports games and trainings (%) that take place (all sportsfields winter)	84%	71%	87%	Baseline		met	
Scheduled sports games and trainings (%) that take place (all sportsfields summer)	92%	97%	98%	Baseline		met	
Utilisation							
Artificial sports-field (%) utilisation - peak winter	79%	79%	82%	80%	2%	met	
Artificial sports-field (%) utilisation - peak summer	34%	39%	29%	40%	-28%	not met	This year we had reduced bookings for our Touch Rugby competitions which decreased utilisation. We will continue to work with sporting groups and codes to look for ongoing opportunities to use the fields during the summer months.
Artificial sports-field (%) utilisation - off-peak winter	19%	16%	18%	25%	-28%	not met	Off peak hours on artificial turfs remain challenging to book. Our result this year has improved from last year.
Artificial sports-field (%) utilisation - off-peak summer	8%	9%	9%	20%	-55%	not met	Off peak hours, especially in the summer continue to be challenging to fill. The opening of the new Terawhiti Artificial meant there were more available artificial hours than previous years, and while these had low utilisation during off peak hours, our result is the same as last year.
Swimming pool visits (total)	1,318,555	1,236,169	1,256,024	1,318,000	-5%	mostly met	

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Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
WRAC	618,286	554,182	576,082	599,871	-4%	mostly met	
Tawa	80,534	86,040	70,806	73,565	-4%	mostly met	
Freyberg	191,464	203,903	216,145	203,903	6%	met	
Keith Spry	209,754	201,835	175,122	217,425	-19%	not met	Attendance at the pool continues to be affected by the construction of Waitohi. There has been a big impact on customers being able to find parking and this has seen a reduction in the number of people visiting the pool, particularly in the last quarter. This is expected to continue through until December 2019, when the construction work is due to be completed.
Karori	178,352	128,036	164,487	176,388	-7%	mostly met	
Thorndon	32,721	42,526	39,237	33,720	16%	exceeded	Overall we had high attendance at the pool due to a good summer. January saw record attendance for the month, with more than 12,000 visitors.
Khandallah	7,444	19,467	14,145	13,598	4%	met	
Marinas occupancy (%)	98%	98%	98%	96%	2%	met	
Recreation centre visits, including ASB Sports Centre	1,223,588	1,206,688	1,288,196	1,155,000	12%	exceeded	Strong performance continues across all of the Community Recreation Centres & the ASB Sports Centre
Karori Rec Centre	111,836	97,857	100,414	105,000	-4%	mostly met	
Kilbirnie Rec Centre	92,966	78,069	84,776	81,000	5%	met	
Nairnville Rec Centre	162,189	141,898	158,949	145,000	10%	met	
Tawa Rec Centre	26,475	22,315	26,888	26,700	1%	met	
ASB Sports Centre	830,122	866,549	917,169	797,225	15%	exceeded	Strong performance and growth continues. This year saw the 5 millionth customer visit the centre since its opening in 2011
ASB Sports Centre court space utilisation (%) - peak	56%	58%	65%	65%	0%	met	

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
ASB Sports Centre court space utilisation (%) - off-peak		New	59%	50%	18%	exceeded	Previously reported as total now split into peak and off peak.
Number of uses of Leisure Card	141,763	150,166	156,195	142,000	10%	met	
Berhampore Golf course users (TBC)		New	1,773	Baseline			
Affordability							
Residents' perception that pool admission charges are affordable		new	85%	Baseline			
Ratepayer subsidy per swim		new	\$13.60	Baseline			
Ratepayer subsidy per court/hour (ASB Sports Centre)		new	\$6.25	Baseline			
City recreation promotion							
Number of international and national events at Council recreation facilities and estimated attendees		new	19	Baseline			
Estimated attendees at international and national events at Council recreation facilities		new	60,654	Baseline			
Basin Reserve Trust							
Basin Reserve - Total event days (excluding practice days)	59	87	97	89	9%	met	
Attendance at all events	37,336	37,362	134,858	41,000	229%	exceeded	Includes 11,000 attendees at vigil for Christchurch mosque attacks and 80,000 over a week for Night Noodle Markets.
Practice facility usage days	147	95	122	100	22%	exceeded	Comment to come
Number of function days	8	20	53	18	194%	exceeded	Comment to come
Event income	\$206,600	\$290,250	\$258,282	Trend		mostly met	
Operational grant per attendance	\$10.26	\$10.68	\$3.09	Trend		Mostly met	Average is lower because of the increase in event attendees
Non-council revenue earned (\$000)	\$356	\$316	\$290	Trend			
Council operating grant (\$000)	\$633	\$649	\$667	\$ 659	-1%	mostly met	
Total revenue earned (\$000)	\$989	\$965	\$957	\$ 1,005	-5%	mostly met	
5.2 Community Support							

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Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Libraries experience							
User satisfaction (%) with library services		New	90%	90%	0%	met	
User satisfaction (%) with library facilities		New	80%	Baseline			This is a new question in the library users survey. It was conducted at the same time as the Central Library closure. In the Resident survey many expressed concern over the closure.
User satisfaction (%) with library collection (physical)		New	86%	75%	15%	exceeded	Although ahead of target, the results of survey may include impact of closure of Central Library that happened at the time the survey was conducted.
User satisfaction (%) with library collection (e-library)	86%	86%	69%	80%	-14%	not met	Results of survey should not be compared with previous results because of impact of closure of Central Library that happened at the time the survey was conducted.
Libraries utilisation							
Library items issued (physical)	2,811,921	2,815,744	2,244,761	Baseline			
Library items issued (e-library)		New	475,745	320,000	49%	exceeded	Although ahead of target, the results of survey may include impact of closure of Central Library that happened at the time the survey was conducted.
Estimates of attendees of library programmes		New	71,717	74,000	-3%	mostly met	
Library physical visits	2,159,555	2,440,718	2,021,003	2,500,000	-19%	not met	Results of survey should not be compared with previous results because of impact of closure of Central Library that happened at the time the survey was conducted.
Library website visits	3,939,631	3,887,484	4,840,980	3,200,000	51%	exceeded	Results of survey should not be compared with previous results because of impact of closure of Central Library that happened at the time the survey was conducted.
Residents (%) who are active library users			52%	75%	-31%	not met	See supplementary tables. Previous years have reported residents who have used a public library in the last 12 months, target for active use will be revised in line with other library targets.

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Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Libraries amenity							
Customers (%) who think the library helped them to gain new knowledge and skills		New	72%	Baseline			
Customers (%) who think the library helped them to connect with others and ideas		New	53%	Baseline			
Customers (%) who think the library helped them to improve their job and earning potential		New	26%	Baseline			
Customers (%) who think the library contributed to their sense of belonging in the community		New	66%	Baseline			
Libraries affordability							
Cost to the ratepayer per library transaction		New	\$2.39	Baseline			
Occupancy (%) of Council community centres and halls	45%	42%	42%	45%	-7%	mostly met	
Community advocacy							
Homelessness - % of known street homeless people supported by agencies			Not able to be reported at this time	Baseline			The definition homelessness is broad and includes people who are: without shelter, in temporary accommodation, sharing accommodation with a household and living in uninhabitable housing. Comprehensive records on all items in the definition are being developed..
Funding success							
Grants outcomes (%) achieved (through funded outcomes – four out of five – being met) - Social and Recreation Fund	94%	N/A	90%	80%	12%	exceeded	This performance measure reflects on how successful the projects are, based on reporting against outcomes, which form part of funding agreements. These are moderated by Officers as subject matter experts – rating 26 out of 29 outcomes achieved.
Housing quality and usage							
Tenant satisfaction (%) with services and facilities	96%	94%	94%	90%	4%	met	

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Tenant rating (%) of the overall condition of their house/apartment (average, good, and very good)	94%	93%	95%	90%	6%	met	
Tenant (%) sense of safety in their complex at night	78%	75%	84%	75%	12%	exceeded	
Occupancy rate of available housing facilities	97%	96%	96%	90%	7%	met	
All tenants (existing and new) housed within policy	97%	98%	99%	98%	1%	met	
Housing upgrade project							
Agreed milestones, design standards and budgets are met in accordance with the agreed works programme and Deed of Grant between the Crown and the Council	Achieved	Achieved	Achieved	To achieve	0%	met	
5.3 Public health and safety							
Compliance							
Food registrations - premises (%) inspected within Food Act regulation required timeframes (new business and existing businesses)		New	50%	100%	-50%	not met	The activity is part of a transitional programme under the revised Food Act regulations. This has created resourcing challenges and meant that for a large part of the year we were not achieving required service levels. This will improve over the coming year as access to data improves.
Efficiency							
Alcohol licences - high to very high premises (%) inspected during peak time		New	100%	50%	100%	exceeded	The target was for this measure was initially set at 50% of high to very high premises. However, the team recognised this would not return a satisfactory level of monitoring. The team chose to reset the target to 100% in an effort to improve compliance. All high and very high risk premises were inspected at least once during peak times. There are 120 high and 4 very high risk premises at year end.

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Alcohol licences - very high risk premises (%) inspected twice during the year		new	100%	100%	0%	met	There are 4 very high risk premises at year end. Each of these was visited at least twice during the year with the bulk of these inspections carried out in the last quarter.
Timeliness							
Graffiti removal – response time frames (%) met	83%	85%	91%	80%	13%	exceeded	An increase in effectiveness of processes – this includes graffiti dashboard to give an overview of the city where we can identify hot spots and trends over time
Dog control - urgent requests (%) responded to within 1 hour	91%	93%	95%	100%	-5%	mostly met	
Dog control - non-urgent requests (%) responded to within 24 hours	97%	96%	97%	99%	-2%	mostly met	
Public toilets - urgent requests (%) responded to within 4 hours	100%	98%	94%	100%	-6%	mostly met	
Public toilets - non-urgent requests (%) responded to within 3 days	98%	98%	90%	95%	-5%	mostly met	
Hygiene standard							
Toilets (%) that meet required cleanliness and maintenance performance standards	98%	96%	94%	95%	-1%	mostly met	

Supplementary Performance tables

- 1. Percentage of residents who use Council pools, recreation centres, libraries or other leisure facilities** - Question: Have you used any of the following Wellington City Council recreation facilities in the last 12 months?

	2015	2016	2017	2018	2019
A Council Recreation Centre	24%	22%	17%	28%	
ASB Centre	18%	18%	16%	22%	
A Council Swimming Pool	42%	44%	35%	44%	
None of these	44%	44%	53%	42%	
Source: Wellington City Council Residents' Monitoring Survey	n=760	n=994	n=766	n=988	
In 2019 the question changed to: Have you used any of the following WCC recreation facilities in the past 12 months? Please select all that apply. The result published (39%) is all residents who did NOT state "none of these" to use of facilities in the past 12 months.					39%

- 2. Have you used any of the following WCC pools in the past 12 months? Please select all that apply.**

The result (42%) is all residents who did NOT state "none of these" to use of pools in the past 12 months.	2019
	42%

- 3. Have you used any of the following Wellington City Council community facilities in the last 12 months?**

	2015	2016	2017	2018	2019
	n=760	n=994	n=766	n=988	n=508
A public library	74%	73%	74%	82%	73%
A Community Centre	22%	20%	23%	23%	25%
A Community Hall	19%	21%	19%	18%	21%
None of these	21%	22%	20%	12%	21%
Don't know	1%	1%	0%	1%	1%

Source: Wellington City Council Residents' Monitoring Survey

4. Residents' frequency of physical activity - How many hours would you spend in some form of regular physical activity in an average week?

	2015 <i>n</i> =747	2016 <i>n</i> =985	2017 <i>n</i> =760	2018 <i>n</i> =949	2019
Less than 2.5 hours	29%	26%	27%	26%	
2.5 hours – 5 hours	42%	43%	44%	40%	
5+ hours	29%	31%	29%	34%	
	71%	74%	73%	74%	
Source: Wellington City Council Residents' Monitoring Survey					
Question 2. changed in 2019					
Determined by whether respondents selected participant led activity in last 12 months					69.7%

5. How often have you participated in organized or informal active recreation & sport in the last 12 months?

	Most days	Once or twice a week	Once every 2-3 weeks	Once a month	Once every 2-3 months	Once every 4-5 months	Once every 6 months or less often
2018 <i>n</i> =957	10%	24%	13%	9%	6%	4%	8%
2019 <i>n</i> =508	13%	30%	8%	5%	3%	3%	8%

6. Residents' perceptions that there are barriers to participating in recreation activities

	2018	2019
The results published (81%) is all residents who did NOT state "nothing" as barrier to participating in organisation led recreation activities	84%	80.7%
The results published (75%) is all residents who did NOT state "nothing" as barrier to participating in participant-led recreation activities	81%	74.6%

7. What, if anything, makes it difficult for you to take part in these recreational activities?

Organisation-led opportunities: These are formally organised with participation facilitated by a club or group and usually involving membership or subscription fees with participation opportunities provided via regular competition and events. Examples include playing competitive or social sport e.g. hockey, belonging to a tramping club or participating in a fun run series.

Participant-led opportunities: These are more informal and flexible allowing place and time to be determined by the participant. Maybe a pay for play component with costs to access a place or purchase equipment. Examples include swimming at a Council pool, shooting hoops at a local park, going for a walk along the waterfront.

	2018	2018	2019	2019
	Organisation-led	Participant-led	Organisation-led	Participant-led
Nothing	16%	19%	19%	25%
Lack of time due to commitments, childcare duties, other interests etc.	39%	34%	37%	32%
Too busy	29%	26%	30%	25%
Activity costs too much	25%	16%	19%	12%
Not interested	23%	14%	37%	21%
Lack of motivation	20%	22%	22%	23%
Lack of knowledge about how to do it	14%	9%	12%	9%
Lack of transport	11%	9%	10%	9%
Lack of parking	11%	9%	12%	11%
No easy access to facilities or parks nearby	7%	6%	5%	7%
Poor health	6%	6%	8%	10%
Injury of disability	8%	8%	10%	9%
Cultural/language barriers	2%	2%	1%	2%
Don't feel welcome	7%	3%	5%	4%
Safety concerns	2%	3%	3%	3%
Other (specify)	3%	3%	4%	4%

Source: Wellington City Council Residents' Monitoring Survey

- 8. Residents engaging in neighbourly actions** - The result published (91%) is all residents who did NOT state "none of the above" to neighbourly actions in the last year.

In the last 12 months, have you ...	2015 <i>n</i> =760	2016 <i>n</i> =994	2017 <i>n</i> =766	2018 <i>n</i> =988	2019 <i>n</i> =508
Spoken to a neighbour	92%	91%	89%	89%	90%
Given help to a neighbour	58%	62%	55%	58%	57%
Received help from a neighbour	47%	49%	46%	47%	46%
Participated in an activity with a neighbour	38%	36%	33%	33%	33%
Discussed emergency preparedness with a neighbour	16%	14%	21%	15%	12%
None of the above	7%	7%	10%	9%	9%
Result 100% less "None of the above"	93%	93%	90%	91%	91%

Source: Wellington City Council Residents' Monitoring Survey

- 9. Residents' perceptions – city and community safety issues of most concern** - Which of the following, if any, are particularly concerning in Wellington at present?

	2015 <i>n</i> =760	2016 <i>n</i> =994	2017 <i>n</i> =766	2018 <i>n</i> =988	2019 <i>n</i> =508
Poorly lit or dark public areas such as streets, paths and parks	61%	63%	59%	55%	61%
Begging (new in 2018)				56%	55%
Vandalism such as broken windows in shops and public buildings	26%	27%	17%	17%	21%
Graffiti	34%	32%	16%	16%	21%
Poorly maintained or dangerous public areas such as streets, paths and parks	34%	37%	32%	26%	31%
Traffic, including busy roads and lack of pedestrian facilities	34%	33%	33%	36%	39%
Dangerous driving including speeding, drunk drivers and so on	29%	30%	33%	33%	40%
Alcohol and drug problems	51%	49%	46%	46%	49%
Car theft or vandalism, and theft from cars	36%	32%	29%	27%	29%
Threatening people and/or people behaving dangerously	48%	51%	46%	35%	39%
Other (specify)	11%	10%	6%	8%	12%

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	2015	2016	2017	2018	2019
	n=760	n=994	n=766	n=988	n=508
Nothing	5%	5%	3%	4%	3%
Don't know	1%	2%	1%	2%	0%

Source: Wellington City Council Residents' Monitoring Survey

10. User satisfaction (%) - recreation centres including ASB Sports Centre (New question in 2019) - The results published (93%) is the average of all residents who did state very or quite satisfied across all recreation centres including ASB Sports Centre. Question: Please rate your level of satisfaction with the following recreation facilities that you have used in the past 12 months?

		Very dissatisfied	Quite dissatisfied	Neither satisfied nor dissatisfied	Quite satisfied	Very satisfied	2019
Karori Recreation Centre	2019 n=28			19%	40%	41%	81%
Kilbirnie Recreation Centre	2019 n=94			7%	44%	49%	93%
Nairnville Recreation Centre	2019 n=27			4%	28%	68%	96%
Tawa Recreation Centre	2019 n=4				38%	63%	100%
ASB Sports Centre	2019 n=117	0.40%		4%	26%	70%	96%
Average							93%

* Survey is of those who said in that they had used the facility
 Source: Wellington City Council Residents' Monitoring Survey

11. How satisfied or dissatisfied were you with the ASB Centre?

	2015	2016	2017	2018	2019
	n=137	n=176	n=118	n=216	n=117
Very dissatisfied	4%	1%	1%	1%	0%
Quite dissatisfied	3%	3%	2%	-	-
Neither satisfied nor dissatisfied	7%	5%	2%	3%	4%
Quite satisfied	31%	27%	23%	33%	26%
Very satisfied	55%	64%	72%	62%	70%
Total satisfied and very satisfied	86%	91%	95%	95%	96%

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	2015	2016	2017	2018	2019
	n=137	n=176	n=118	n=216	n=117

Source: Wellington City Council Residents' Monitoring Survey

12. Residents (%) who are active library users - 'Active' is defined as at least once a month Asked only of those who stated they had used 'a public library' (N=370; 73%).

	2015	2016	2017	2018	2019
Residents' usage (%) of libraries and frequency of use	n=560	n=721	n=568	n=807	n=370
More than once a week	4%	5%	6%	8%	6%
Once a week	15%	15%	14%	16%	14%
Once every 2–3 weeks	24%	20%	25%	28%	16%
Once a month	19%	20%	20%	19%	16%
Once every 2–3 months	21%	19%	19%	16%	27%
Once every 4–6 months	7%	12%	8%	7%	11%
Less often than once every 6 months	8%	9%	8%	6%	10%
Don't know	1%	1%	0%	0.7%	0.80%
Subtotal more than once a month	62%	60%	65%	71%	52%

Source: Wellington City Council Residents' Monitoring Survey 2018

Opening a new library in 10 weeks

On 18 March 2019, the Council received an engineers' report which revealed that the Central Library building had structural vulnerabilities meaning it might not perform well in a significant earthquake.

After the 2016 Kaikoura earthquake, the Ministry of Business, Innovation and Employment (MBIE) commissioned guidelines on how to assess pre-cast concrete flooring systems, like the ones in the Central Library building. The guidelines were published in November 2018, and we commissioned a new engineering assessment of the library against those guidelines.

The March report stated the building was not damaged, but the issues identified against the new guidelines meant Council made the decision to close the library.

"It is one of the city's busiest buildings with more than 3,000 people visiting each day to read, issue items, study, meet friends or have food at the cafe. The safety of our library customers and staff was the most important consideration in our decision," Libraries and Community Spaces Manager Laurinda Thomas says.

However, quick thinking and collaboration has meant that only 10 weeks later, on 28 May, Mayor Justin Lester opened the Arapaki Manners Library and Service Centre - a new space for our service centre customers and the first in our network of replacement library services in the central city.

At Arapaki, Wellingtonians can access library and Council services such as browsing and borrowing items, reading papers and magazines, paying rates or registering a dog.

Service Centre with a difference

Originally Arapaki was the new location for the Council's Service Centre, with a new concierge style of customer service with self-service computers, free wifi, video conferencing booths, an automated cash machine, and digital screens.

"The plan was for the Service Centre to be co-located with the Contact Centre, but when the Central Library closed those plans had to quickly change to include a pop-up library service," says Customer Services Manager Carol Wahrlich.

One of the aspirations for the new Service Centre space was to create a warm, welcoming and technologically advanced place that would add value to the customer experience.

Using a design thinking approach, the space was laid out on empty office floor space using masking tape, cardboard boxes, old coat racks, furniture and reams of photocopy paper. Laying out the 'mock-up' space enabled the Service Centre team to role-play their daily work and figure out what worked well and what didn't. Modular furniture was been selected so that the team is able to continuously experiment and improve the layout.

Feedback from the Accessibility Advisory Group was also considered in the design and placement of furniture to ensure we had suitable break out spaces for customers with accessibility requirements. Their feedback also helped to select colour combinations that are best for those with a visual impairment.

After four iterations, the team settled on a design that allowed for a concierge service model where customers are met as they enter, and either assisted on the spot or directed to the area where they can be helped further. A people-counter lets the team know number of people visiting the Service Centre versus the library and overall number of people in the building at any one time.

Incorporating a library

When the Central Library closure was announced most of the building work at Arapaki was already completed. This meant an important part of the collaboration between the Library and Service Centre was being flexible about the use of the space, such as sharing a cash-handling point, and being able to have Library customers use the Service Centre 'side' of the space to read and relax in after the Service Centre was closed.

"Getting a library presence up and running again in the central city was top priority. For many of our customers, the Central Library was their "branch", and we knew what an important part of their lives it was," Libraries and Community Spaces Manager Laurinda Thomas says.

"When one of our colleagues suggested co-locating with the Service Centre at Manners Street, we knew immediately that it would be a great fit.

"Having a much smaller space to work with forces you to be creative, and think about different ways to provide a great service experience. The library space is designed to be primarily self-service, with the library staff providing roaming assistance."

The library at Arapaki has about 7500 items on the shelves. These include a small children's collection, fiction, non-fiction and AV items. Library staff are available to answer questions, process library payments, register new customers, and provide support and advice on the wide range of online content available through the eLibrary.

Arapaki is a relatively small space; internet access computers and some casual seating is available, but not all library activities are available.

Arapaki is the first library solution realised since the closure of the Central Library and is a great example of staff innovation. The next part of our CBD library network to open will be our partnership space with the National Library.



6 Tāone tupu ora - Urban development

This chapter explains what we did and how we performed in our Urban Development portfolio of activities. This includes urban planning, heritage and public spaces development, and building and development control.

[These figures to be inserted as "snapshots" of the activity area. A mix of facts, KPIs and Outcomes.

- 2,883 Building consents issued
- 22 earthquake prone buildings removed from MBIE's register.
- 71,781 occupied dwellings (2013 census)
- 80.4% residents believe the CBD is attractive
- 553 Council-listed heritage buildings
- 13 resource consents for new multi-unit developments]

Introduction

We want to make sure the city remains liveable even as our population grows and challenges around seismic risk and climate change increase. We want housing to remain affordable. We also want to maintain the city's unique character, protect heritage, and to improve its resilience so it is better able to withstand future shocks and stresses.

We need to increase housing supply amid rising construction costs, make our inner city resilient and liveable while our population density continues to grow, and support more sustainable land use and transport options to accommodate more people in the city and deliver on our Housing strategy goal of 'All Wellingtonians well housed'.

Significant highlights this year included entering into a partnership with Housing NZ for the redevelopment of Arlington 1 and 3. We also upgraded Lombard Lane and Bond St, which has created a vibrant precinct out of a service laneway and underutilised green space, and Tawa Town Centre and Forrester's Lane. Between August 2018 and March 2019 we consulted with Karori residents and businesses to develop conceptual designs for upgrade of the Town Centre. A request for proposal was also advertised seeking suggestions for re-development of the St John's church site on the corner of Campbell Street and Karori Road.

Build Wellington has also undertaken to work with private developers to secure long-term building leases as part of the CBD apartment conversions programme. This programme sees Council working together with the private sector to create more quality rental homes for people on low to medium incomes who currently have difficulty accessing rental housing in Wellington.

Building owners also continue to undertake significant strengthening work around the City as we reduce seismic vulnerability. This includes the Council's own buildings, and has been complemented by investments in more resilient infrastructure particularly in the three waters.

There have also been some significant challenges in this activity area this year. There has been increased competition for skilled staff for consenting jobs, workload issues because of the increasing number of complex consents and a decline in meeting the statutory timeframes for processing applications.

Urban development performance story

New measures positive on urban landscape, but issues in consenting

Several new measures give a broader overview of our residents' perspective of the "city's attractiveness", "regeneration" and safety. The baseline figures this year will be used to gauge targets in upcoming years. One especially positive measure was that 89% of residents believe that the regeneration of areas, such as laneways, adds to the city's vibrancy. Residents also feel safe in the city during the day - 98%. This year we also reported new Outcomes on resilience. While residents feel safe at home (85%), only 14.9% had taken any action to improve the seismic resilience of their home.

This year there were issues in our consenting area. The timeliness of issuing building consents, code of compliance certificates and Land Information Memorandums (LIM) in the statutory timeframe was all down on last year. Customers' rating of the building control service was also down.

Performance summary

The following table is a summary of how well we performed against our agreed key performance measures for this activity area.

	Not met	Mostly met	Met	Exceeded	Baseline	Total Measures
6. Tāone tupu ora – Urban Development						
6.1 Urban planning, heritage and public spaces development		2			4	6
6.2 Building and development	3	4	2		2	11
Total measures	3	6	2	0	7	18

6.1 Whakamahere tāone, whakawhanake wāhi tuku - Urban planning, heritage and public spaces development

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Residents perception of the attractiveness of the central city and their local suburbs
- Number of heritage-listed buildings that are earthquake prone]

What we did

Arlington

During 2019 we entered into an agreement with HNZN for the development of Arlington sites 1 and 3. Under this agreement we have leased the sites to HNZN on a 125-year term. HNZN are responsible for the redevelopment, social housing service management, funding and maintenance of the sites. The redevelopment will see the currently rundown sites improved to provide a mix of modern, social, affordable and supported-living homes, with good connections to the surrounding community and facilities. This agreement will result in an

improved level of service for social housing tenants in Wellington at little or no cost to ratepayers.

Built Heritage Incentive Fund

The Built Heritage Incentive Fund (BHIF) helps owners maintain their heritage buildings and recognises the importance of conserving, restoring, protecting and caring for Wellington's heritage buildings. Two funding rounds were held during this financial year. The second round of funding was made possible through the return of unallocated funds from previous grants.

A total of \$550,000 was allocated to 18 projects. As in previous years, 85 percent of funding was allocated for seismic strengthening (11 projects) and 15 percent for conservation-related works (7 projects).

Of the 22 earthquake prone heritage buildings removed from the MBIE's Register of earthquake prone buildings during the 2018/19 financial year, a total of eleven buildings received grants through the BHIF in previous rounds

Urban Activation

Public realm improvements are programmed across Wellington to enhance vibrancy and connectivity, making our city more inviting and more liveable. The Lombard Lane and Bond Street upgrade transformed an underutilised laneway and green space adjacent to some of our busiest retail streets. It created a welcoming environment where people can relax and linger. The project was completed and launched in October 2018. The project included significant underground service upgrades, improvements to surfaces, lighting, street furniture and enhancement of the Denton Park green space. In collaboration with the Sustainability Trust, a similar enhancement of Forrester's Lane, with a mural, lighting and planters, was completed May 2019.

The Grey Street pocket park refurbishment, including improved lighting, seating, new street trees and refurbishment of the fountain, commenced in May 2019 and will be completed by October 2019. Garret Street and Swan Lane conceptual design and consultation is currently underway, with procurement planned for late 2019. Construction will commence April 2020.

Suburban activation

The Tawa Town Centre upgrade aimed to create a safer more attractive environment for the local community and businesses alike. The project was completed and launched in March 2019. Two pedestrian crossings on Main Road in Tawa were installed to enhance accessibility along with improvements to surfaces, lighting, furniture and gardens within the adjacent plaza to improve connectivity and bring colour and vibrancy to the centre of Tawa. A new mural by artist Poihakena Ngawati Ngati Hine (Poi) was also installed as part of the scheme. Project close out and evaluation will be completed in April 2020.

Planning for growth

In 2017, we started a conversation with Wellingtonians about the future of our central city and how we should accommodate 50,000 to 80,000 more people in the next 30 years. In March to May 2019 this initial engagement was broadened to include the whole city based on the five key principles developed in 2017 (Compact, Green, Resilience, Inclusive and Connected, and Vibrant and Prosperous).

More than 1300 submissions were received on four growth scenarios with the preference being most growth accommodated in the central city and along a growth corridor from the central city to Newtown, and intensification in and around key suburban centres. The results from this engagement will feed into a new 30-year Spatial Plan for the City with a draft released early in 2020 and finalised in mid-2020. A full review of the District Plan – Council's rule book for managing growth and development, is also underway with a Draft District Plan to be released for public comment in late 2020.

For more information on the engagement for this project, read the Planning for Growth case study in Chapter 1 - Pārongo ā-tāone Governance.

Earthquake Strengthening

About 600 buildings are currently active in the earthquake prone building (EPB) programme and are required to be strengthened over the next 2-15 years, depending on where the building is located and when the EPB notice was issued. As part of the new national framework, a new concept called Priority Buildings was introduced during the year. Priority buildings present a higher risk because of their construction type, their use or their location in the city. We completed a consultation with the community and stakeholders. The City Strategy Committee considered submissions in April 2019 and a decision confirming the priority buildings was made. Priority buildings are now being identified and new notices issued.

Council building earthquake strengthening

We are progressing work on several Council buildings, including the Town Hall, the St James Theatre and the Michael Fowler Centre. These buildings all support the city's cultural events and activities and are important facilities.

Construction work on the Town Hall started during the year. It is expected to re-open to the public in 2023 and will become part of a national centre for musical excellence in Te Ngākau Civic Square. Work has also started on the St James Theatre and this is due for completion at the end of 2021.

The Council's Civic Administrative Building was damaged in the Kaikoura earthquake and remains closed. A decision on its future will be made once discussions with Council insurers are concluded.

Following an engineering assessment, using MBIE's new guidelines for pre-cast concrete floors, the Central Library was closed in March 2019. The Council is currently setting up a process to engage with a selection of construction and engineering industry experts to assist in finding the right way forward for the building.

Waterfront Development

The North Kumutoto public space, officially opened in December 2018, comprises a new timber boardwalk, improved access for visitors to the harbour's edge, planting to attract wildlife, a timber pavilion, seating areas, covered walkways and restoration of many heritage features including the historic harbour board fences, gates.

North Kumutoto has been the recipient of several awards since its completion. These are detailed on pg X of this report.

Site 9 (at north Kumutoto) is being used as an event space and carpark until development commences in early 2020, pending a successful application for resource consent expected to be heard in the Environment Court in late 2019. The building will comprise office space with ground floor retail and hospitality, and covered walkways around the building's perimeter.

Frank Kitts Park – The resource consent has been approved by the High Court. The first stage of development will be a new playground, which will have a coastal theme and retain the iconic lighthouse. Work on the playground will commence in the second quarter of 2020.

Shed 1 – planning is underway to earthquake strengthen Shed 1. This will be followed by re-cladding the exterior of the building and internal re-modelling by tenant Wellington Helicopters Ltd.

The PwC Centre, the most recently completed waterfront office development won two significant awards in 2019.

- Supreme Commercial Project of the Year for its world-leading base isolation design - at the annual New Zealand Registered Master Builders Association Commercial Project Awards.
- RCP Commercial Office Best in Category Award - at the Property Council New Zealand Rider Levett Bucknall Property Industry Awards

Waterfront Resilience

The Council's Waterfront Operations continues to plan for and implement measures to address its main resilience challenges – seismic events and climate change (predicted sea-level rise):

- All structures such as decks, pontoons, rip rap edge protection and infrastructure (mainly electrical) across the waterfront that could be vulnerable to sea level rise or storm surge will, over the medium term, be progressively raised, relocated, protected, reinforced or removed as deemed appropriate.
- Seismic resilience of the waterfront (which in the event of a major seismic event could act as an alternative thoroughfare around the edge of the central city for emergency vehicles) is progressively being improved with seismic separation gaps being formed between wharves and adjacent structures or between wharves and land (examples include Taranaki Street Wharf and Queens Wharf inner-T, outer-T and stem).

Shelly Bay

In 2017, we consulted the community on the divestment and lease of Council land in Shelly Bay to allow for the redevelopment of the site. While Council land only made up a small portion of the planned development, the proposal was controversial and more than 1,100 submissions were received from the community.

Following the granting of resource consent for the project in 2017, the Council agreed to enter into an agreement to sell and lease land to Shelly Bay Limited so the planned development of housing and public space could proceed. The resource consent was the subject of judicial review proceedings in the High Court and then Court of Appeal. In December 2018 the Court of Appeal quashed the consent, determining Council had made an error of law when granting it.

The Wellington Company (the lead developer) has re-submitted its application, which is currently the subject of consideration by three independent resource consent commissioners. It is expected the panel will make a deliberation in the fourth quarter of 2019.

6.2 Whakahaere hanga whare - Building and development control

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Percentage of building consents issued within 20 working days.
- Customers % who rate resource consent service as good or very good.]

What we did

Building consents

Altogether, 2,883 building consents were issued by the Council in the 2018/19 financial year. This is a slight increase from 2,605 last year.

Improving the consenting system

During the year we advanced a significant redevelopment of our Quality Management System moving all teams onto a new platform. This involved considerable development of our business processes. The upgraded consenting platform has been further adapted by multiple councils as part of a wider initiative for simplifying the delivery of Council services.

Challenges

This financial year our consenting units failed to meet their performance measures for issuing building consents or code of compliance certificates within 20 working days, or LIMs within 10 working days.

While the consenting teams have improved their systems, nation-wide competition for skilled workers has increased during the year. Retaining skilled staff is essential for effective implementation of the consent processing system improvements, meeting consent processing performance targets, dealing with an increased workload from regulation changes, and the increasing complexity of consents being lodged.

In addition, regulations require that technical roles must have specific technical qualifications. This further narrows the pool of building industry professionals available nationwide to consent authorities - particularly in the inspections and compliance roles. Additionally those most suitable for these roles, the ones who have ability to apply the theory of construction methodology to real world practice, often lack required qualifications. This has affected our ability to hire the people we need to maintain existing levels of service.

Up-skilling staff

During the year a three-stage plan for the training of staff was developed and implemented. The training includes processes, quality management, consenting management record-keeping, frameworks, risk management and communications. This Training System has passed accreditation and was recognised externally (by IANZ) as best practice. We have had 16 officers gain higher levels of competency within the national BCA competency assessment system. This is now providing us with the capacity to handle increasingly advanced residential and commercial consenting and inspections.

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Inspections and requests for information

The demand for inspections has increased year on year. In 2018/19, 21 percent more inspections were conducted than in the previous year. The increased inspections workload has meant it has become more challenging to ensure staff are available for up-skilling and accreditation, to retain existing staff, attract new inspections staff and balance workloads. This has then impacted our ability to consistently meet targets.

Along with inspections the Request for Further Information (RFI) workload increased to its highest level in years. With consents becoming more complex there is a corresponding increase in the information needed in building consent applications. We have responded to the increasing volume of RFIs by implementing a new vetting process and a new vetting team. This has contributed to a reduction in RFIs per consent. This has also enabled capacity to be utilised in the actual processing of consents. As a consequence we are now experiencing improved performance against targets.

Resource Consents

Some milestones from projects consented are: stages 2 and 3 of the high profile redevelopment of the Willis Bond sites on Cuba, Dixon and Victoria Streets; approval of 13 multi-unit developments, and approval of seismic strengthening of the Museum Stand at the Basin Reserve

Meeting our required targets

For the past three months we have also piloted and prioritised new pre-application processes as part of the One Stop Shop initiative. This has seen a drop in meeting the statutory timeframes for resource consents. The results of this pilot are currently being analysed to see how this may have made a difference to the quality of applications and to customer satisfaction levels. We will use the outcomes of this pilot to consider and implement business and process improvements.

Urban development finances

How it was funded

Services in this activity area are funded through a mixture of general rates, fees and charges, and grants and subsidies.

What it cost (operating expenditure \$000)

Urban Development	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Actual (\$000s)	2018 LTP Budget (\$000s)	LTP Budget Variance (\$000s)	Variance commentary
6.1 Urban planning, heritage and public spaces development						
Expenditure	7,445	8,338	10,086	11,065	979	Under budget due to the District Plan work programme not commencing fully until 2019/20.
Revenue	(332)	(59)	(163)	(21)	142	
Net Expenditure	7,113	8,280	9,924	11,044	1,121	
6.2 Building and development control						
Expenditure	22,062	21,064	20,623	20,702	79	
Revenue	(13,293)	(13,523)	(13,720)	(13,235)	486	
Net Expenditure	8,769	7,541	6,902	7,467	565	
Urban Development Total						
Expenditure	29,507	29,403	30,709	31,767	1,058	
Revenue	(13,625)	(13,582)	(13,883)	(13,256)	627	
Net Expenditure	15,882	15,821	16,826	18,511	1,686	

What it cost (capital expenditure \$000)

Urban Development	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Long- term Plan (\$000s)	2018/19 Revisions (\$000s)	2018/19 Actual (\$000s)	2018/19 Revised budget (\$000s)	2018/19 Variance to revised budget (\$000s)	Variance Commentary
6.1 Urban planning, heritage and public spaces development								
Expenditure	5,393	12,287	12,263	2,751	6,046	15,014	8,967	Under budget due to delays across a number of projects including the Frank Kitts Park playground, Waterfront shed roof renewal, Swann & Garrett Lane, North Lambton Quay redevelopment, Karori Centre upgrade and the Housing Investment programme.
6.2 Building and development control								
Expenditure	4,391	7,216	32,008	1,462	8,563	33,470	24,906	Under budget due to delays on the Earthquake Risk Mitigation programme - predominantly the St James theatre and Town Hall because of cost escalations and budget approvals.
URBAN DEVELOPMENT TOTAL	9,784	19,504	44,270	4,213	14,610	48,483	33,873	

Urban development performance

The following section outlines our performance data: outcome indicators, performance measures and supplementary tables.

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including those outside our control.

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans.

The Council undertakes the Residents' Monitoring Survey (RMS) on an annual basis. The survey has a margin of error of +/- 4.4% percent.

Performance data – outcome indicators

The following section outlines outcome indicators for the Urban Development activity area. Outcome indicators do not have targets – only trend data.

Urban Development	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Housing affordability and supply						
Average house price	Decreasing average house price	Research - Infometrics / QV	2016 - \$567,772	2017 - \$681,327	2018 - \$738,874	Negative trend
Overall housing affordability	Increasing	Research - Infometrics / QV	2016 - Wellington City (7.83); NZ (9.3)	2017 - Wellington City (9.27); NZ (10.32)	2018 - Wellington City (9.76); NZ (10.5)	Negative trend. Based on Housing Affordability index
Number of building consents	Increasing	Research - Infometrics / QV	New residential consents: 869. New & altered: 2210	New residential consents: 1136. New & altered: 2438	New Residential Consents: 978. New and Altered: 2204.	"Residential" defined as combination of houses, apartments, town houses, units, and other.
Value of residential building consents	Increasing	Research - Infometrics / QV	\$369m	\$444m	\$419m	
Value of commercial building consents	Increasing	Research - Infometrics / QV	\$469m	\$275m	\$367m	
Healthy housing stock – residents who report their home is insulated (floor and ceiling)	Increasing	WCC RMS 2019	Adequate insulation in: ceiling (66%); under floor (46%)	Adequate insulation in: ceiling (66%); under floor (45%)	Adequate insulation in: ceiling (71%); under floor (54%)	Positive trend. See supplementary tables
Healthy housing stock – residents who report their home is warm and dry	Increasing	WCC RMS 2019	Never or rarely: Cold (31%); Damp (58%);	Never or rarely: Cold (36%); Damp (62%);	Never or rarely: Cold (47%); Damp (70%);	Positive trend. See supplementary tables
Growth and density						
Proportion of houses within 100 metres of a public transport stop	Increasing	WCC GIS	45%	44.8%	42.3%	Negative trend. The result would have changed given the changes to the bus network.

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Urban Development	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
City population, central city population, and proportion of new development in the city	Increasing	Research - Infometrics / QV	2016: Wellington City: 207,900 (2.0% growth); Wellington CBD: 21,970	2017: Wellington City: 212,700 (2.3% growth); Wellington CBD: 23,250	2018: Wellington City 216,300 (1.7% growth); Wellington CBD 24,180	Positive trend Positive trend
High-quality urban form						
Residents' perceptions of the city centre as an easy place to get to, use and enjoy	Increasing	WCC RMS 2019		New	Get to (74%); Use (81%); Enjoy (82%)	Based on answers on a 5 point scale
New Zealanders' perceptions that Wellington is an attractive destination	Increasing	Research Wellington National Reputation Survey	78%	80%	76%	
Residents' perceptions of urban design/urban form safety issues (ie graffiti, vandalism, poorly-lit public spaces etc.)	Increasing	WCC RMS 2019	Improvements perceived against graffiti and vandalism	some improvements perceived	Concerns increased across all reported areas	Negative trend. See supplementary tables
Residents' perceptions of the attractiveness of the central city and their local suburbs	Increasing	WCC RMS 2019	City (88%); Suburb (50%)	City (85.8%); Suburb (48.4%)	City (80.4%); Suburb (55.3%)	Negative trend
Residents' perceptions of safety – feelings of safety in the city at night and during the day; in home after dark; in the city centre during the day; walking alone in their neighbourhood at night; in the city centre after dark.	Increasing	WCC RMS 2019	In city centre after dark 81%	In city centre after dark 75.8%	In city centre after dark 76%, during day 98%; night 82%	See supplementary tables
Heritage protection						
Residents' perceptions that heritage items contribute to the city and local communities' unique character	Increasing	WCC RMS 2019	City (91%); Community (71%)	City (92.5%); Community (75.4%)	City (92%); Community (75.8%)	
Resilience						
Proportion of residents who feel safe in the event of a moderate earthquake at home, at workplace/place of education/other daily destination	Increasing	WCC RMS 2019		New	Home (85%); Work (69%); Place of education (76%)	

Urban Development	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Proportion of residents who have checked their dwelling or taken action to improve its seismic resilience in the past year	Increasing	WCC RMS 2019		New	Checked (27%); Taken action (14%)	
Number of earthquake-prone buildings.	Number of EQP buildings decreasing	WCC-Resilience		New	593 building listed, down from 717	
Number of earthquake-prone buildings and lifeline routes	Number strengthened – increasing	WCC-Resilience		New	54/593 are identified as priority.	
Residents who recall receiving Wellington-specific resilience information in the past year (eg earthquake preparedness via digital, media or community channels)	Increasing	WCC RMS 2019		New	22%	
Residents (%) who believe that Wellington City Council is making adequate progress on addressing building resilience-related issues in the city	Increasing	WCC RMS 2019		New	42.1%	
Seismic resilience index (new indicator combining measures of household readiness, community connectedness, residential housing stock, commercial building stock).	Increasing	Research / WCC RMS 2019/ resilience team			No result to report	See supplementary tables. There are 10 indicators selected to give an overall perspective on our progress against resilience improvements for our residents and our city. This is the first year a number of these indicators have been collected. Indicator results are used to monitor our city over time and provide information on trends that may influence our performance including those outside our control. Over the years to come, we will continue to monitor these indicators to see resilience improvements for our city.
What this tells us:						
These indicators, if they track in a positive direction, will give us confidence that we are living in a city that is thriving; Wellingtonians have access to affordable housing; our city is growing at a sustainable rate; we have the necessary infrastructure; and we are protecting the natural beauty and heritage of our city.						

Performance data – Council performance measures

The following section outlines Council performance measures for our Urban Development services. It includes data for the last 3 years to show trends, and includes variances explanations for relevant areas.

Performance measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Tāone tupu ora Urban development							
6.1 Urban planning, heritage and public spaces development							
High-quality development							
Residents (%) who agree that new buildings constructed in the city maintain or enhance the city's attractiveness		New	61%	Baseline			
Residents (%) who agree that regeneration of areas of the city adds to its vibrancy (e.g. laneways)		New	89%	Baseline			
Residents (%) who agree that the public areas of their suburban centre - encourage use, feel safe and are well designed		New	Use 71.4%; feel safe 73.9%; well-designed 43.2%	Baseline			
Economic impact of urban regeneration projects		New	NA				There have not been any urban regeneration projects delivered within reporting period.
Protecting heritage							
Residents (%) who agree heritage items are adequately valued and protected in the city	66%	70%	63%	65%	-3%	mostly met	
Number of heritage-listed buildings that are earthquake prone		New	143	Baseline			
Residents (%) who agree that the character of historic suburbs is adequately retained		New	63%	70%	-10%	mostly met	
6.2 Building and development							
Effective planning							
Residents' agreement that our building and development control settings strike the right balance between allowing		new	48%	Baseline			

Performance measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
development and preserving the character of the city							
Timeliness							
Building consents (%) issued within 20 workings days	87%	91%	89%	100%	-11%	not met	Performance of the Consents team was impacted by significant staff turnover and Requests for Information (RFI) resulting in longer processing times. Strategies are being put in place to address these challenges.
Code of compliance certificates (%) issued within 20 working days	96%	96%	88%	100%	-12%	not met	The volume of inspections requests and staff turnover has impacted on the team's ability to issue CCC within a timely manner. Strategies are being put in place to address these challenges.
Land Information Memorandums (LIMs) (%) issued within 10 working days	96%	100%	58%	100%	-42%	not met	Performance of the LIM team was impacted by staff turnover, on-going sickness and a higher number of applications in March - June 2019. Strategies are being put in place to address these challenges.
Resource consents (non-notified) (%) issued within statutory time frames	99.8%	99.2%	95%	100%	-5%	mostly met	
Resource consents (%) that are monitored within 3 months of project commencement	93.5%	94.5%	96%	100%	-4%	mostly met	
Subdivision certificates – Section 223 certificates (%) issued within statutory timeframes	100%	100%	99%	100%	-2%	mostly met	
Noise control (excessive noise) complaints (%) investigated within 1 hour	96.7%	95%	96%	90%	7%	met	
Customer focus							
Customers (%) who rate building control service as good or very good	74%	74%	65%	70%	-7%	mostly met	
Customers (%) who rate resource consent service as good or very good		New	91%	Baseline	0%	met	
Compliance							
Building Consent Authority (BCA) accreditation retention	Retained	-	Retained	Retain	0%	met	Accreditation occurs every two years.

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Supplementary performance tables

1. Healthy housing stock – residents who report their home is insulated (floor and ceiling): Question: What level of insulation does your home have in the following areas:

What level of insulation does your home have in the following areas...		No insulation	Poor insulation	Adequate insulation	Don't know
Exterior walls	2017 n=759	23%	17%	40%	19%
	2018 n=966	24%	13%	40%	23%
	2019 n=508	24%	12%	47%	17%
Interior walls	2017 n=753	34%	13%	31%	22%
	2018 n=963	30%	12%	34%	24%
	2019 n=508	31%	10%	37%	23%
Ceiling	2017 n=762	10%	11%	66%	14%
	2018 n=978	8%	10%	66%	16%
	2019 n=508	8%	9%	71%	12%
Under floor	2017 n=759	23%	13%	46%	18%
	2018 n=971	22%	13%	45%	21%
	2019 n=508	19%	10%	54%	17%
Source: Wellington City Council Residents' Monitoring Survey					

2. Healthy housing stock – residents who report their home is warm and dry

Is your home ...		Always	Often	Sometimes	Rarely
Cold	2015 n=757	3%	12%	44%	30%
	2016 n=994	6%	13%	40%	30%
	2017 n=761	8%	22%	40%	23%
	2018 n=983	7%	17%	40%	26%
	2019 n=507	4%	14%	36%	33%
Damp	2015 n=755	3%	7%	21%	36%
	2016 n=991	4%	8%	19%	35%
	2017 n=761	5%	12%	25%	34%
	2018 n=973	4%	9%	25%	31%
	2019 n=504	4%	4%	22%	38%
Hard to heat	2015 n=741	5%	9%	29%	33%
	2016 n=963	9%	10%	24%	33%
	2017 n=761	9%	12%	28%	29%
	2018 n=972	8%	12%	28%	26%
	2019 n=503	5%	8%	29%	29%

Source: Wellington City Council Residents' Monitoring Survey

3. Residents' perceptions of urban design/urban form safety issues (i.e. graffiti, vandalism, poorly-lit public spaces etc.) Question: Which of the following, if any, are particularly concerning in Wellington at present?

	2015 n=760	2016 n=994	2017 n=766	2018 n=988
Poorly lit or dark public areas such as streets, paths and parks	61%	63%	59%	55%
Begging (new in 2018)				56%
Vandalism such as broken windows in shops and public buildings	26%	27%	17%	17%
Graffiti	34%	32%	16%	16%
Poorly maintained or dangerous public areas such as streets, paths and parks	34%	37%	32%	26%
Traffic, including busy roads and lack of pedestrian facilities	34%	33%	33%	36%
Dangerous driving including speeding, drunk drivers and so on	29%	30%	33%	33%
Alcohol and drug problems	51%	49%	46%	46%
Car theft or vandalism, and theft from cars	36%	32%	29%	27%
Threatening people and/or people behaving dangerously	48%	51%	46%	35%

Source: Wellington City Council Residents' Monitoring Survey

4. Residents' perceptions of safety – feelings of safety in the city at home and in your neighbourhood. (This is a new question in 2019). Please rate how safe you feel in the following situations:

2019: Please rate how safe you feel in the following situations:		Very unsafe	Somewhat unsafe	Reasonably safe	Very safe
In your own home after dark	2019 n=508	0.10%	2%	20%	77%
In your neighbourhood after dark	2019 n=508	2%	7%	50%	42%
Walking alone in your neighbourhood at night	2019 n=508	3%	15%	47%	34%
In Wellington's CBD during the day	2019 n=508	1%	1%	17%	81%
In Wellington's CBD after dark	2019 n=508	4%	19%	59%	17%
<i>Source: Wellington City Council Residents' Monitoring Survey</i>					
2018 question - How safe or unsafe do you feel in the following situations?		Very unsafe	Somewhat unsafe	Reasonably safe	Very safe
In your city centre after dark	2015 n=731	2%	22%	62%	14%
	2016 n=966	5%	22%	60%	14%
	2017 n=733	2%	17%	61%	20%
	2018 n=964	3%	21%	59%	17%

5. Seismic resilience index (new indicator combining measures of household readiness, community connectedness, residential housing stock, commercial building stock). This is the first year these measures have been gathered.

Proportion of residents who feel they could rely on their neighbours for support following a natural disaster or other significant event: 69.6%
Social capital - residents' response to "I have strong social or community networks that I can draw on in Wellington": 63.6%
Residents with access to emergency items at home and workplace/place of education/other daily destination:
<ul style="list-style-type: none"> At home: 83.6%; At work: 77.3%; At place of education: 45.6%; In motor vehicle: 33.2%; Other daily destination: 10.1%
Proportion of residents who feel safe in the event of a moderate earthquake at home, at workplace/place of education/other daily destination:
<ul style="list-style-type: none"> Home: 85.3% Work: 68.5% Place of education: 76.3%
Proportion of residents who have checked their dwelling to improve its seismic resilience in the past year - % checked: 26.7%
Proportion of residents who have taken action to improve its seismic resilience in the past year:
<ul style="list-style-type: none"> Taken action: 14.4%
Residents who recall receiving Wellington-specific resilience information in the past year (eg earthquake preparedness via digital, media or community channels): 22%
Residents (%) who believe that Wellington City Council is making adequate progress on addressing building resilience-related issues in the city: 42.10%
Number of earthquake-prone buildings: 593 down from 717 last year.
Number of earthquake-prone buildings and lifeline routes: 54

Creating a new home for ballet

The professional performing arts sector relies on Council-owned facilities to showcase their talent. However, many of the buildings are old, earthquake-prone and heritage listed.

We knew we needed creative urban development solutions to ensure our arts sector thrived while we completed the work to retain our iconic venues for future generations.

In May 2018, the \$34 million strengthening work on the 107-year-old St James Theatre was scheduled to start. It involves strengthening the theatre to 67 percent of the New Building Standard upgrading staging, lighting, sound and rigging systems, as well as the fire protection, mechanical and electrical systems.

The theatre, in the heart of the CBD's creative district, is a much-loved venue and home to the Royal New Zealand Ballet (RNZB) and NZ Festival.

RNZB has called Wellington home for more than 60 years. It is a key national institution that delivers high-quality dance performances across New Zealand.

For the ballet company to continue in Wellington during construction, it required a large dance studio to accommodate rehearsals for the full company of dancers, a smaller dance studio, locker rooms, offices, and space for physiotherapy, as well as an area for a wardrobe and costume department.

The issue was that there was no suitable space available. The original plan was to refurbish the School of Dance and Drama studios at Te Whaea in Mt Cook. However following a public tender process, the cost came in \$2 million over budget.

So Council came up with a solution that would ensure the RNZB was housed in the central city, while being prudent to ratepayers.

This year, a prefabricated building was built on the Michael Fowler Centre carpark, only one block away from the Opera House where the company performs. The purpose-built dance studio has large windows on the northern side allowing passers-by to watch the dancers rehearsing. Large graphics are displayed on the exterior elevations to create visual interest and design work creates a visual link to the pōhutukawa trees in the area.

Council paid for the building and its design means it will be able to be reused, moved or sold once RNZB moves back into St James Theatre in 2021.

RNZB executive director Lester McGrath says the solution is a new approach and has resulted in a greater connection between Wellingtonians and the ballet.

"Since we moved in June, it has been exciting to see how Wellingtonians of all ages are taking the opportunity to watch the dancers at work through the studio windows," Lester says.

"It's also been a pleasure to welcome visitors into the studio and our costume facility since we moved in, including our professional development seminars for dance teachers from throughout New Zealand and Australia, held during the July school holidays.

"The partnership approach Wellington City Council takes to supporting arts, culture and creativity in Wellington is one of the reasons why Wellington a great place to live, work and visit.

"We simply couldn't have continued to deliver the same level of ballet performances to towns and cities across New Zealand without this assistance."

The strengthening of St James Theatre is underway and isn't expected to be completed until late 2021. This means it won't be available for the February 2020 NZ Festival.

Council is also working closely with WellingtonNZ and the NZ Festival to ensure there are alternate arrangements for the 2020 Festival.



7 Waka - Transport

This chapter explains what we did and how we performed in our Transport portfolio of activities. This includes transport and parking.

[These figures to be inserted as “snapshots” of the activity area. A mix of facts, KPIs and Outcomes.

- 60 spaces at covered bike rack on Grey St
- 10,582 average walking trips into CBD on weekday
- 78% Residents satisfied with street lighting in CBD
- 35% residents perception that peak traffic volumes are acceptable
- 1,170,932 Cable Car trips
- 49% School children walk to school at least once a week]

Introduction

We manage, maintain and improve the city's transport network so that people can access places easily and safely. We look after hundreds of kilometres of city accessways, footpaths, bike paths and lanes, and roads, including bus lanes, parking facilities, traffic signs and signals, street lighting and pedestrian crossings. Wellington Cable Car Limited is a Council Controlled Organisation and operates the iconic Wellington Cable Car which runs from Lambton Quay to Kelburn.

We aim to invest in a high-quality and resilient transport network that helps reduce congestion and pollution, makes commuting easier, and encourages active and public modes of transport.

One of the biggest challenges we currently face is to make sure our transport network can cater to Wellington's rapidly growing population. We need to manage morning and evening peak demand and encourage a greater take-up of active and public transport modes that are healthier and more sustainable.

Highlights for the year included the consenting of seven new bus interchange stations, with the construction project-managed by GWRC in some instances and Wellington City Council in others. We also completed strengthening of the Northland Tunnel and 1648-square metres of new retaining walls were built to ensure our roading network remains resilient. Progress was also made on the new bike paths and routes programme with the completion of the Oriental Bay and Kilbirnie routes.

Transport performance story

Parking unhappiness, but transport plans under way

Residents' perception that our transport system allows easy access to the city declined 27 percentage points this year. As Wellington's population grows, so do congestion issues. These and the dissatisfaction with the bus network changes has likely had an impact on this measure and others of a similar nature. However, the announcement of the \$6.4bn Let's Get Wellington Moving package will hopefully mean increases in Transport performance in coming years.

The performance measures in our parking area also didn't meet targets this year. Occupancy in the weekend and weekdays was only 57%, and satisfaction with the availability was also down, but in line with other years. Perception of enforcement fairness was also down 10 percentage points to 43%, under the target of greater than 50%.

Performance summary

The following table is a summary of how well we performed against our agreed outcome indicators and key performance measures for this activity area.

	Not met	Mostly met	Met	Exceeded	Baseline	Total Measures
7. Waka - Transport						
7.1 Transport network	7	15	8	1	1	32
7.2 Parking	5		1			6
Total measures	12	15	9	1	2	38

7.1 Waka - Transport

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- 415/1323 bus stops have a shelter
- Tunnels - structures % in serviceable (average) condition or better]

What we did

Let's Get Wellington Moving

LGWM's partners (Wellington City Council, Greater Wellington Regional Council, and the NZ Transport Agency) have agreed a shared vision for Wellington's future – a great harbour city, accessible to all, with attractive places, shared streets, and efficient local and regional journeys.

To realise this vision, we need to move more people with fewer vehicles. In late 2018 LGWM developed and agreed a Recommended Programme of Investment that was a starting point for engagement with central government on the way to developing a fundable package.

In May 2019, after discussion between the Mayor, the Chair of Greater Wellington Regional Council and transport ministers, the government announced a \$6.4 billion indicative package for Wellington's transport future and an estimated \$4 billion for projects in the wider region.

The multi-decade plan for LGWM includes a walkable central city, a connected cycleway network, and public transport improvements such as mass transit between the central city and the airport. It also includes grade separation between north-south and east-west movements at the Basin Reserve, and an extra Mt Victoria Tunnel with widening of Ruahine Street and Wellington Road.

In June and July 2019, LGWM's next steps were supported by all three programme partners. These include:

- Early improvements to bus reliability, walking and cycling on the Golden Mile, Thorndon Quay and Hutt Road, safer speeds in the central city and State Highway 1 to the east of Mt Victoria, and a new walking and cycling crossing on Cobham Drive
- Business cases for the larger programme elements, such as mass transit, the Basin Reserve, and an extra Mt Victoria tunnel
- A new partnership agreement to deliver the LGWM plan

Bike paths and lanes

Developing safer routes and connections so more people of all ages and abilities can choose to make some trips by bike is part of making sure Wellington remains a great place to live as the population grows.

About 80,000 Wellingtonians live within a 15-minute bike ride of the central city, so getting places by bike is a thing a lot more of us could be doing with the right improvements. Along with walking more and taking public transport, it's a good way to make fewer car trips and help reduce emissions that cause climate change.

Like other local authorities, we are continuing to work in partnership with the Government and NZ Transport Agency, to plan and roll out changes that will make this possible.

The new walking and bike paths along Hutt Road were completed in the second half of 2018. This key route from the north will be further improved in late 2019 with the widening of the bridge over the Kaiwharawhara Stream. We're also upgrading the off-road section of Wakely Road to improve this connection to Newlands.

We created more space for people on the narrowest section of Oriental Parade between Herd Street and Freyberg Pool, including a new 350m-long two-way bike path (see case study page at the end of this chapter).

We made a series of improvements in the central city, including a new protected bike lane on Rugby Street, more bike-friendly connections to the waterfront, an extension to the bike lanes on Featherston Street, and installation of the city's first public two-tier bike rack in Grey Street, which has covered space for 60 bikes.

Following several years of community engagement, we made it safer for people to bike between Kilbirnie and Newtown with new protected uphill bike lanes on Crawford Road and the top of Constable Street. Safer routes were also developed in Rongotai Road and Evans Bay Parade in Kilbirnie.

Work is in full swing on Cobham Drive, and at Pt Jerningham, to create Tahitai – the new coastal connection. When complete, it will allow people to travel the 7km between the Miramar cutting and city without having to ride on the road.

Community engagement to plan safer connections between the south coast and the city through Newtown, Berhampore and Mt Cook is continuing, and will be looked at in conjunction with changes to improve bus journey times. A Government funding bid for work in this area will include the redesign work planned for Island Bay.

LED street lighting

To date, 14,409 LED lights have been installed out of a total of 14,500. The remaining lights on road reserve are ones that need maintenance (broken outreach arm, pole replacements and

infill lights). The lights were installed, suburb by suburb, at 50 percent brightness to avoid issues with glare.

A small number of people, mainly from the Eastern Suburbs who were the first to get the LEDs, told the Council that the lights were not bright enough on some streets. In these cases, the lights can be adjusted remotely by the Council via its Central Management System. The lights will last longer than the old lights, will use less power and are more cost effective. The LED lighting programme is being prioritised to take advantage of 85 percent funding from NZTA.

Public transport

Wellington City Council had a communications challenge in this area this year because of the misconception it was responsible for the bus network changes implemented in July 2018. Wellington City Council maintains the road reserve, bus stops, and some bus shelters, while Greater Wellington Regional Council (GWRC) is responsible for the bus network.

We have worked closely with GWRC to help fix the issues that impacted the new buses and routes. We presented feedback received from residents to the regional council and were required to attend two select committee hearings at Parliament on the issues with the new network.

We worked on a joint programme of improvements to the bus network to provide better access to bus stops to assist both operators and passengers and eliminate the causes of obstruction to the new double decker buses from kerb side infrastructure, vegetation etc.

In partnership with GWRC, work has commenced to identify, prioritise and implement bus prioritisation throughout the city.

Bus stops

During the year we consented seven new bus passenger interchange transfer locations at Newtown Hospital; Miramar; Karori Tunnel; Brooklyn; Kilbirnie; Courtenay Place and Johnsonville. The construction was project-managed by GWRC in some instances and by Wellington City Council in others. We also built 15 new bus shelters as part of our ongoing programme to provide a shelter at most inbound bus stop. We continued to maintain the Lambton Bus Interchange.

Cable car

Wellington Cable Car Limited (WCCL) operates the Cable Car and managed the overhead bus electrical network prior to its decommissioning in 2018.

Overhead electrical bus network: WCCL started decommissioning the trolley bus electrical network in October 2017 after operational services ceased, and the project was successfully completed in October 2018. The remaining poles and building anchors network infrastructure was transferred to Council. The decommissioning was completed on-schedule and under budget, being a great achievement by all parties involved.

Cable Car operations: The 2018/19 year has shown continued growth in Cable Car passenger numbers and revenue boosted by strong cruise ship passenger numbers visiting Wellington. The Cable Car fare revenue exceeded \$3.5m for the year which is the first time this has been achieved.

A challenge this year has been the planning and scope of the full replacement of the Cable Cars in the coming years, and ensuring that the funding for these is in place as soon as possible but also that the appropriate maintenance is completed on the existing cars until their replacement, which given their age can cause unplanned outages.

Network maintenance/renewal

We resurfaced 400,000 square metres of road carriageway with a variety of surfacing materials. We also replaced 43 sumps, 55 metres of sump leads and 23 metres of culvert pipe. We renewed 23 kilometres of footpaths and 9 kilometres of kerb and channel. We installed nine kilometres of handrails, 180 litter bins, 45 cycle racks, 100 bollards, and maintained or renewed 12,881 signs. We renewed 82 kilometres of centre line road markings, 2,294 symbols/letters/arrows, and 8,540 reflective raised pavement markers. We installed/refurbished or relocated 150 seats.

Network operations

We carried out a wide range of transport network operational tasks. These included:

- 4673 traffic management plans (TMPs) required for contractors to carry out work on our roads, approved by our traffic management coordinator. This does not include the ones that we reviewed and declined.
- 4517 corridor access requests (CARS) to work on our roads. Of these, 2396 were inspected by the compliance officers and signed into warranty.
- Processing 2080 confirm enquiries for works on the road corridor.
- Managing the city's 136 traffic lights and 57 CCTV cameras to ensure road users are able to move safely and conveniently around the city
- Providing attendance at major events like the Wellington Marathon, Matariki Sky Show, Capital City Duathlons and Triathlons, Cuba Dupa, Orange School Patrol Day, Graduation Parades and A Very Welly Christmas that required monitoring from the Council's Traffic Operations Centre (WCCTOC).

Resilience

We are working on resilience on a regional level, through the Regional Transport Committee and the Lifelines Groups, engaging with NZTA, Ministry of Civil Defence and the other Councils of the Wellington region. Our risk management approach aims to keep our road network assets serviceable and to improve the resilience of our critical routes and assets.

Tunnels: Completed the earthquake strengthening of Northland Tunnel portals. Completed design works, issued RFT for the construction of the earthquake strengthening of the Seatoun Tunnel portals and retaining wall at Strathmore side and awarded the contract. Construction works are planned for 2019/20. A full condition assessment was completed for all bridges, tunnels and subways.

Bridges: We recently completed all design works to strengthen Happy Valley road bridge, issued expression of interest from qualified contractors for construction work which is planned for year 2019/20. We also completed design of strengthening works for Ruahine Street pedestrian bridge with construction planned for year 2019/20. Progressed work and design options for Allington Road bridge culvert. We continued biannual inspections for Aotea Quay Overbridge and completed screening checks on all our vehicle bridges and their load carrying capacity for the overweight permits.

Retaining Walls & Sea Walls: Heavy rains in 2017/18 caused a number of slips on Wellington's roads, with the biggest one at Ngaio Gorge closing the road for several weeks. There were 230 slips in the 1 January to June 30 2018 period. Strengthening work was carried out on the downhill side of the Ngaio Gorge road. In 2018/19 there were 988 slip clean up requests. In response to the slips, we have continued to construct several retaining

walls to support embankments. We constructed 15 new walls this year and did maintenance on 18. We also carried out geotechnical investigations of Ngaio Gorge slips

New retaining walls were built at Grove Rd, Main Rd, Tawa, Mairangi Rd, Malvern Rd, Rosehaugh Ave, The Drive, Wallace Street, Bell Road, Buckingham Street, Happy Valley Road, Houghton Bay Road, Nevay Road, Otaki Street, Sutherland Road and Takarau Gorge. Total walls face area built was 1648-square-metres.

We replaced retaining walls and seawalls at Bruce Ave, Takarau Gorge Rd, Barnard Street, Takapu Road, Awarua Street, Fortification Road (three walls), Hawker Street, Karaka Bay Road (2 Seawalls), Massey Road, Melbourne Road, Owhiro Bay Road, Shelly Bay Road, Stanley Street, Sutherland Road, Whau St. The total walls face area renewed was 2616-square-metres.

Pedestrian & Cycle Networks: We maintain footpaths, access ways, cycle ways, pedestrian bridges, access way retaining walls, handrails, steps, lighting & drainage assets on the footpaths & access ways. These networks provide an alternative route for people movements if roadways were unavailable after a natural disaster event, and access ways are a quick route to higher ground in a tsunami.

Vehicle Network: We maintain pavements, road surface, road marking, drainage, signage, street lighting, guardrails, sight rails, traffic islands etc. to ensure the network is available for use. We have vegetation trimming and street cleaning operations to ensure continued access and storm clean ups of slips and debris after events is part of our maintenance contract.

Reactive Maintenance

Significant additional reactive maintenance work was carried out during the year as part of the emergency response resulting from natural hazard events as well as business as usual response. The 5707 street clean up requests included: 802 road and channel cleaning requests; 1603 graffiti and poster clean ups; 478 instances of fouling, chemical spills blood, glass/broken bottles; 93 CBD recycling and rubbish collections; and 2015 footpath cleaning requests, which includes uncollected suburban rubbish and recycling bags. We also fixed 4439 misaligned signs and 4406 damaged ones, had 2,021 Emergency Hazard responses, 1,039 responses to footpath trip hazards, 572 street furniture repairs and 1358 drainage cleaning requests.

7.2 Tūnga waka - Parking

[KPIs/Outcomes to be highlighted (pull quotes/figures) in chapter

- Residents % who perceive parking enforcement is fair
- Residents % satisfaction with availability of on-street parking – weekend]

What we did:

City Parking

During the 2018/19 year the Council operated approximately 3,200 on-street parks across the city with a further approximately 890 parks located off-street. The majority of the off-street parks are located in the Clifton Parking area located off the Terrace which is managed by the Council on behalf of NZTA.

In addition the Council manages a number of Resident and Coupon Parking Zones across the city and enforces parking restrictions and parking related bylaws in surrounding suburbs.

The introduction of parking sensors, coupon and permit price increases and previous hourly rate increases have all contributed to increased turnover of parking spaces across the city making it easier for people to find a park when they visit the city.

During the year a number of parking spaces were closed. These included the Michael Fowler Car Park which had 96 parks and was closed to provide a temporary rehearsal space for the Royal New Zealand Ballet.

The Te Ngākau Civic Square car park with 58 parks was also closed alongside the closure of the central library.

Miramar Parking Scheme

In September 2017, a 24-hour time restricted parking scheme was implemented. It is designed to mitigate parking pressure in local residential streets resulting from Airport-related non-resident parking. The scheme was monitored following implementation and found to have resulted in considerably fewer vehicles being parked both during daytime and at night in the restricted area. This returned the streets to the environment residents previously enjoyed.

A report on the performance of the scheme was presented to City Strategy Committee on 20 September 2018 when the Committee noted the positive results and agreed that the scheme would continue to operate unchanged, noting also the 2019 parking policy review which may influence future decisions on the scheme.

Weekend Parking Charges

As part of our 10 year Plan we consulted on the introduction of paid weekend parking. Paid weekend parking was introduced in September 2018 and replaced the downtown targeted rate that was paid by businesses in the Central Business District.

Overall the introduction of paid weekend parking has been a success. There has been a noticeable increase in the availability of parking spaces across the city.

In summary people are parking for shorter periods and thereby freeing up parks for others to use throughout the weekend and making it easier for people to visit the city during the weekends.

Transport finances

How it was funded

Services in this activity area are funded through a mixture of general rates, fees and charges and grants and subsidies received from NZTA for transport related activities.

What it cost (operating expenditure \$000)

Transport	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Actual (\$000s)	2018 LTP Budget (\$000s)	LTP Budget Variance (\$000s)	Variance commentary
7.1 Transport						
Expenditure	49,859	55,186	59,966	62,858	2,892	Under budget due to lower than planned depreciation and organisational costs.
Revenue	(9,706)	(9,974)	(14,509)	(7,161)	7,348	Over budget due to unplanned vested asset income and higher than expected NZTA subsidies and Adshel advertising income.
Net Expenditure	40,152	45,212	45,457	55,697	10,240	
7.2 Parking						
Expenditure	12,542	14,294	14,593	15,450	856	
Revenue	(26,858)	(26,992)	(29,036)	(30,923)	(1,887)	Unfavourable due to lower than budgeted metering and enforcement revenue. Partially offset by lower than expected administration and other general expenses.
Net Revenue	(14,316)	(12,698)	(14,443)	(15,473)	(1,031)	
Transport Total						
Expenditure	62,401	69,480	74,559	78,308	3,748	
Revenue	(36,564)	(36,966)	(43,545)	(38,084)	5,461	
Net Expenditure	25,836	32,514	31,014	40,223	9,209	

What it cost (capital expenditure \$000)

	2016/17 Actual (\$000s)	2017/18 Actual (\$000s)	2018/19 Long- term Plan (\$000s)	2018/19 Revisions (\$000s)	2018/19 Actual (\$000s)	2018/19 Revised budget (\$000s)	2018/19 Variance to revised budget (\$000s)	Variance Commentary
Transport								
7.1 Transport								
Expenditure	33,837	55,166	73,301	1,129	53,492	74,430	20,938	Under budget due to delays in the work programme affecting a number of projects including the Seatoun Tunnel renewal and Ngaio Gorge resilience work. The Let's Get Wellington Moving programme has also been delayed due to the delay in the launch of the project.
7.2 Parking								
Expenditure	481	299	1,024	-	821	1,024	203	
Transport Total	34,318	55,465	74,324	1,129	54,313	75,454	21,141	

Transport performance

The following section outlines our performance data: outcome indicators, performance measures and supplementary tables.

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including those outside our control.

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans.

The Council undertakes the Residents' Monitoring Survey (RMS) on an annual basis. The survey has a margin of error of +/- 4.4% percent.

Performance data – outcome indicators

The following section outlines outcome indicators for the Transport activity area. Outcome indicators do not have targets – only trend data.

Transport	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Network efficiency and reliability						
Residents' perceptions that peak traffic volumes are acceptable	Increasing	WCC RMS 2019	42%	38%	35%	Negative trend
Residents' perceptions that the transport system allows easy access to the city	Increasing	WCC RMS 2019	62%	64%	37%	Negative trend
Residents (%) who agree the transport system allows easy movement around the city – vehicle users and pedestrians	Increasing	WCC RMS 2019	Easy to: Cycle (37%)	Easy to: Cycle (31%)	Easy to: Drive (39%); Cycle (29%); Walk (93%); Public Transport (44%)	Negative trend: more people driving. See supplementary tables
Mode of resident travel – daily commute car	Commute by car — decreasing	WCC RMS 2019	Car: 27%	Car: 25%	Car: 30%	See supplementary tables
Mode of resident travel – daily commute (motorbike, bus, train, bicycle, walk, scooter)	Commute by other modes – increasing	WCC RMS 2019	28% bus, and 24% walk and 10% bike	31% bus, 24% walk and 12% bike	28% bus, 24% walk and 10% bike	See supplementary tables
Active mode promotion and public transport support						
Residents' perceptions that cycling is safe in the city: 1) for themselves; 2) for their children (if applicable)	Increasing	WCC RMS 2019		New	Myself (25.2%); My Children (7.3%)	See supplementary tables
Residents' perceptions of quality, reliability and affordability of public transport services	Increasing	WCC RMS 2019		New	Reliability (16.4%); Affordability (38.2%); Quality (22.3%)	Is has been evident throughout the year that public transport has been challenging for Wellingtonians and we continue to work with GWRC to address issues sustainably.
Proportion of school children walking, cycling or scooting to school (at least once a week)	Increasing	Research / Parks, Sport and Recreation	Walk (73%); Cycle (9%)	Walk (67%); Cycle (8%)	Walking (49%); Cycle (6%); Skate/scooter (16%)	Negative trend. See Supplementary Tables.
Environmental impact and safety						

Transport	Desired Trend	Source	2016/17	2017/18	2018/19	Comments
Air quality monitoring (i.e nitrogen dioxide, carbon monoxide and particulate matter peaks)	Increasing	Greater Wellington Regional Council	no days in excess of monitoring guidelines	no days in excess of monitoring guidelines	no days in excess of monitoring guidelines	See supplementary tables
Personal risk of serious injury or fatality for all road users (number resulting from road crashes)	Decreasing	WCC city networks	Total 78	Total 70	Total 87	See supplementary tables
Change from previous year in the number of road crashes resulting in fatalities and serious injury*	Decreasing	WCC city networks	NA	Down 8	Up 17	Negative trend. See supplementary tables
Residents' perceptions of transport-related safety issues (ie issues of most concern)	Decreasing	WCC RMS 2019	Traffic or busy roads: 33%	Traffic or busy roads: 36%	Traffic or busy roads (39%); Car theft or vandalism (29%); Poorly lit or dark public areas (61%); Dangerous driving (40%)	Negative trend. See supplementary tables

*denotes mandatory indicators

What this tells us:

Positive trends in the results of these outcome indicators will give us assurance that people are able to get around the city safely, efficiently and reliably and that they have a choice of viable modes by which to travel. A successful transport system is one that facilitates a healthy and happy Wellington.

Performance data – Council performance measures

The following section outlines Council performance measures for our Transport services. It includes data for the last 3 years to show trends, and includes variances explanations for relevant areas.

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Waka Transport							
7.1 Transport network							
Network condition and maintenance							
Roads (%) which meet smooth roads	74%	74%	73%	70%	4%	met	The result is for all roads including high volume and

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Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
standards - all roads							regional roads.
Structures (%) that have been condition rated in the past five years - walls	New	48%	69%	100%	-31%	not met	Although behind target this year, performance has significantly improved. We were able to complete approximately three times the number of assessments and continue to prioritise this important maintenance work.
Structures (%) that have been condition rated in the past five years - bridges and tunnels		New	100%	100%	0%	met	
Structures (%) in serviceable (average) condition or better - walls		New	90%	97%	-7%	mostly met	
Structures (%) in serviceable (average) condition or better - tunnels		New	75%	100%	-25%	not met	We have 4 tunnels, Karori, Northland, Hataitai Bus & Seatoun. The Karori, Northland, Hataitai Bus tunnels have all been strengthened since 2011-12. The overall performance of these tunnels under normal loading is 100%. Until the strengthening of the Seatoun tunnel is complete, under seismic loading the overall performance of the tunnels is 75%.
Structures (%) in serviceable (average) condition or better - bridges		New	100%	100%	0%	met	
Residents (%) satisfied with street lighting in the central city	81%	84%	78%	85%	-8%	mostly met	
Residents (%) satisfied with street lighting in suburbs	60%	62%	60%	75%	-20%	not met	Although in line with previous year's results, resident comments have been around the brightness of the new LED lighting and the light pollution they believe it has caused.
Requests for service (%) response rate - urgent within 2 hours*	89%	89%	96%	98%	-2%	mostly met	
Requests for service (%) response rate - non-urgent within 15 days*	94%	94%	96%	98%	-2%	mostly met	
Footpaths (%) in average condition or better (measured against WCC condition standards*)	96%	98%	99%	96%	3%	met	

Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
Sealed local road network (%) that is resurfaced*	6%	7%	7%	target range 8.9-9.9%	-21%	not met	This years' programme included a high proportion of Asphalt Concrete surfaces (44%) and 2-3Coat seals (33%), which provide a higher level of service for road users & cyclists through a smoother and quieter road surface. The cost of these treatments is higher hence the lower % of the network was resurfaced.
Residents (%) satisfaction with the condition of local roads in their neighbourhood	65%	73%	72%	75%	-4%	mostly met	
Active modes promotion							
Number of pedestrians entering and leaving the CBD (weekdays 7-9am)	14,819	14,924	14,569	Trend		mostly met	
Number of pedestrians entering the CBD	10,226	10,952	10,582	Increase on last year	-3%	mostly met	
Number of pedestrians leaving the CBD	4,593	3,972	3,987	Trend		mostly met	
Number of cyclists entering and leaving the CBD (weekdays 7-9am)	2,150	2,264	2,360	Trend		mostly met	
Number of cyclists entering the CBD	1,846	1,914	2,064	Increase on last year	8%	met	
Number of cyclists leaving the CBD	304	350	296	Trend		mostly met	
Network safety							
Residents (%) who are satisfied with walking on the transport network		New	87%	75%	16%	exceeded	Residents' comments include the preference to walk rather than drive in the central city but concern of shared footpaths with scooters and cyclists.
Residents (%) who are satisfied with cycling on the transport network		New	33%	75%	-56%	not met	Residents' comments include safety concerns but also expressed gratitude for the improvements already made to accommodate cyclists in the city.
Network efficiency and congestion							
Residents (%) who think peak travel times are acceptable	42%	38%	35%	majority	-30%	not met	"Peak travel volumes acceptable" is used as proxy question for peak travel times. Out of 291 answers, 48% No, 18% don't know. Residents' comments include "at capacity", "gridlock", and "unresolved congestion". This is as expected and supports the

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Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
							priority placed on Let's Get Wellington Moving.
Peak travel times between CBD and suburbs (Kaori, Johnsonville, Island Bay and Miramar)		New	98%	Each route <25min	-2%	mostly met	See supplementary tables
Enabling passenger transport							
Bus stops (%) that have a shelter (co-delivered with GWRC)		New	31%	Baseline			
Wellington Cable Car Limited							
Total passenger trips	970,336	114,5278	1,170,932	1,135,246	3%	met	
Cable car user satisfaction survey - tourist (%) satisfaction (respondents who provide a rating greater than 6 on a 1-10 scale)		New	82%	91%	-10%	Mostly met	
Total income (\$000)	\$7,274	\$8,623	\$5,304	\$6,282	-16%	not met	Total income is down because funding from GWRC for the decommissioning of the trolley-buses has concluded.
Fare revenue (\$000)	\$2,481	\$3,035	\$3,582	\$3,521	2%	met	
Cable Car reliability (%)	>99%	99.83%	89.53%	99%	-10%	mostly met	
Non-Council revenue earned (\$)	\$6,831	\$4,445	\$4,115	Trend		mostly met	The grant revenue is that from GWRC for the decommissioning project
Council capital grant (\$)	\$443	\$4,178	\$969	Trend		mostly met	
Total cost to Council incl. grant + property costs (\$000)	\$443	na	Nil	Trend		met	
7.2 Parking							
Efficiency							
Gross profit (%) used to fund wider transport services		New	100%	100%	0%	met	
Equity							
Residents (%) who perceive that parking enforcement is fair	50%	53%	43%	>50%	-14%	not met	This result was not unexpected as the impact of removing free weekend parking took effect. Resident comments included an understanding of why the fee was introduced, but concern that strong

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Performance Measure	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Target	% Var.	Icon	Comments
							alternatives - such as good public transport were not in place.
Availability							
City parking occupancy during weekdays (08:00-18:00)		New	57%	<85% changes to range 65-85%	-12%	not met	Operating changes such as the installation of parking sensors, coupon and permit price increases and previous hourly rate increases have all contributed to increased turnover of parking spaces across the city. It is important to note that this result includes parks that are not available for periods of the day – These include clearways and parks located on the outskirts of the city where occupancy may be lower.
City parking occupancy during weekends (08:00-18:00)		New	57%	<85% changes to range 65-85%	-12%	not met	Paid weekend parking was introduced on 8 September 2018 and average occupancy rates since then have decreased when compared with previous years. The weekend occupancy rates have been consistent since paid parking was introduced. The previous methodology used to measure occupancy by way of a manual survey has overstated occupancy in the past.
Residents (%) satisfaction with the availability of on-street car parking (weekdays)	27%	26%	26%	70%	-63%	not met	The target for this measure was increased from 50% to 70% for the 2018/19 year. Although this target was not met satisfaction levels remain consistent with previous year's results.
Residents (%) satisfaction with the availability of on-street car parking (weekend)	31%	35%	27%	70%	-61%	not met	The target for this measure was increased from 50% to 70% for the 2018/19 year. A lower level of satisfaction for this year may relate to the introduction of weekend parking in September 2018.

Supplementary performance tables

1. Residents (%) who agree the transport system allows easy movement around the city. (This is a new question in 2019). Three tables.

a.

Thinking about moving around the city, how easy is it to...

		Very difficult	Quite difficult	Neither difficult nor easy	Quite easy	Very easy	Reported result
Drive around in the city	2019 n=443	5.1%	28.6%	27.5%	32.7%	6.2%	38.9%
Cycle around in the city	2019 n=247	14.2%	37.9%	18.9%	23.5%	5.4%	28.9%
Walk around in the city	2019 n=457	0.1%	1.6%	5.8%	40.1%	52.4%	92.5%
Get around on Public Transport*	2019 n=442	13.5%	21.0%	21.7%	31.6%	12.2%	43.8%

Source: Wellington City Council Residents' Monitoring Survey

b.

<i>How easy is it to cycle around in the city?</i>	2017 n=397	2018 n=591	2019 n=247
Very difficult	10%	11%	14%
Quite difficult	34%	39%	38%
Neither easy nor difficult	20%	20%	19%
Quite easy	27%	25%	24%
Very easy	10%	6%	5%
Reported result	37%	31%	29%

Source: Wellington City Council Residents' Monitoring Survey

c.

<i>How easy it is to walk around the city?</i>	2015 n=684	2016 n=673	2017 n=665	2018 n=961	2019 n=457
Very difficult	1%	1%	0%	0%	0%
Quite difficult	2%	3%	1%	2%	2%
Neither easy nor difficult	10%	7%	6%	5%	6%
Quite easy	43%	46%	36%	42%	40%
Very easy	44%	45%	57%	51%	52%
Reported result	87%	91%	93%	93%	92%

Source: Wellington City Council Residents' Monitoring Survey

2. What is your main method of travelling to Wellington on these occasions?

	2015	2016	2017	2018	2019
	n=450	n=440	n=450	n=657	n=291
Car	33%	32%	27%	25%	29.5%
Motorbike	2%	2%	1%	1%	1.5%
Bus	27%	30%	28%	31%	28.2%
Train	3%	3%	6%	4%	3.0%
Bicycle	8%	8%	10%	12%	10.0%
Walk	23%	23%	24%	24%	24.1%
Scooter	3%	1%	3%	1%	0.3%
Other (specify)	1%	2%	2%	2%	3.2%
Ferry					0.3%

Source: Wellington City Council Residents' Monitoring Survey

3. Residents' perceptions that cycling is safe in the city (This is a new question in 2019)

Please rate your level of agreement with the following statements: Cycling in the city is safe for...

		Very dissatisfied	Dissatisfied	Neither satisfied or dissatisfied	Satisfied	Very satisfied	2019 Measure
Myself	2019 n=278	13%	33%	29%	22%	4%	25.2%
My children	2019 n=225	37%	39%	17%	6%	2%	7.3%

Source: Wellington City Council Residents' Monitoring Survey

4. Please rate your level of agreement with the following statements... perceptions of public transport (This is a new question in 2019)

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Reported result
Public transport in Wellington is...							
Reliable	2019 n=437	28.30%	39.20%	16.10%	14.90%	1.50%	16.4%
Affordable	2019 n=441	9.20%	29.80%	22.90%	34.70%	3.50%	38.2%
Of high quality overall	2019 n=444	21.20%	28.30%	28.20%	19.90%	2.40%	22.3%

5. Proportion of school children walking, cycling or scootering to school (at least once a week). Three tables:

a.

<i>On average, how often do the children aged 13 or under in your household walk to and from school?</i>	2015	2016	2017	2018	2019
	n=135	n=213	n=111	n=150	n=89
Everyday	39%	32%	53%	34%	22%
3-4 days a week	11%	15%	11%	11%	16%
1-2 days a week	16%	18%	9%	22%	11%
Less often	11%	13%	10%	6%	22%
Never	23%	22%	18%	27%	30%

Source: Wellington City Council Residents' Monitoring Survey

b.

<i>On average, how often do the children aged 13 or under in your household cycle to and from school?</i>	2017	2018	2019
	n=111	n=146	n=88
Everyday	1%	0	2%
3-4 days a week	5%	2%	1%
1-2 days a week	3%	5%	3%
Less often	4%	15%	11%
Never	87%	78%	83%

Source: Wellington City Council Residents' Monitoring Survey

c.

<i>On average, how often do the children aged 13 or under in your household scooter or skateboard to and from school? (This is a new question in 2019)</i>	2019
	n=89
Everyday	7%
3-4 days a week	3%
1-2 days a week	6%
Less often	18%
Never	67%

Source: Wellington City Council Residents' Monitoring Survey

6. Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide and particulate matter peaks)

Data taken for NO2 and CO was average for one hour. This report summarises the key results from the air quality monitoring programme for the period 1 January to 31 December inclusive.

This programme includes:

- i) continuous monitoring of air quality indicators using reference methods and selected meteorological variables at six sites across the Wellington Region; and
- ii) traffic-related air quality monitoring based on nitrogen dioxide measured by passive diffusion tubes.

Air Quality Indicators		2015	2016	2017	2018
NO2 (µg/m3)	max	66	61.5	67.9	63.8
NES-AQ threshold <200	mean	N/A	14	14.1	12.6
CO (mg/m3)	max	1	1.78	1.49	1.21
NES-AQ threshold <10	mean	N/A	0.22	0.19	0.15
Particulate matter (PM10) (µg/m3)	max	32	26	25	25
NES-AQ threshold <50	mean	N/A	11.3	11.3	12.6

Source: Greater Wellington Regional Council, Air quality monitoring programme annual data report 2018 (2019 report at available at time of publication)

7. Air quality standards and guidelines

We use air quality standards and guidelines sourced from Greater Wellington Regional Council's - Air quality monitoring programme annual data report 2018. Thresholds are set to monitor quality against each of the indicators for example nitrogen dioxide. These thresholds are included in the data result table above and for further information refer to air quality standards and guidelines below.

Indicator	Standard or Guideline	Threshold concentration	Averaging period	Permissible exceedances per year
PM10	NES-AQ	50 µg/m3	24-hour	1
	NAAQG	20 µg/m3	Annual	NA
PM2.5	WHO Guideline	25 µg/m3	24-hour	3

	WHO Guideline	10 µg/m3	Annual	NA
Carbon monoxide (CO)	NES-AQ	10 µg/m3	8-hour moving	6
	NAAQG	30 µg/m3	1-hour	0
Nitrogen Dioxide (NO2)	NES-AQ	200 µg/m3	1-hour	9
	NAAQG	100 µg/m3	24-hour	0
	WHO Guideline	40 µg/m3	Annual	NA

8. Personal risk of serious injury or fatality for all road users (number resulting from road crashes)

In 2019 measure was changed to report as financial years rather than YTD against calendar year.	2017	2018	2019
Fatal crash	2	1	4
Serious crash	76	69	83
Minor crash	309	329	360
Non injury Crash	1259	1256	923
Reported result Fatal and Serious crashes	78	70	87

Source: CAS database from New Zealand Transport Authority (NZTA)

9. Change from previous year in the number of road crashes resulting in fatalities and serious injury

In 2019 measure was changed to report as financial years rather than YTD against calendar year.	2017	2018	2019
Fatal crash	2	1	4
Serious crash	76	69	83
Minor crash	309	329	360
Non injury Crash	1259	1256	923
Reported result Fatal and Serious crashes	78	70	87

Source: CAS database from New Zealand Transport Authority (NZTA)

10. Residents' perceptions of transport-related safety issues (ie issues of most concern)

	2015	2016	2017	2018	2019
Traffic or busy roads	34%	33%	33%	36%	39%
Car theft or vandalism	36%	32%	29%	27%	29%
Poorly lit or dark public areas	61%	63%	59%	55%	61%
Dangerous driving	29%	30%	33%	33%	40%

Source: Wellington City Council Residents' Monitoring Survey 2018

11. Peak travel times between CBD and suburbs (Kaori, Johnsonville, Island Bay and Miramar)

	Number of timed runs	>25min	Results
Island Bay	96	0	100%
Johnsonville	96	2	98%
Karori	96	0	100%
Miramar	192	7	96%
	480	9	98%

Creating Space for All

Big changes were made to the most congested part of Oriental Bay this year to create more safe space for people to enjoy.

The project involved widening and relieving pressure on the 350m section of promenade between Herd Street and Freyberg Pool which, at busy times, was too narrow to safely accommodate the large numbers of people walking, biking, running and sightseeing.

The new layout – developed and refined through a long engagement process – involved using the road space in a different way.

It includes a new two-way bike path, which is proving very popular with people who ride or scoot to and from the city. An electronic counter recorded 158,180 bike trips in the first 6 months.

City Design and Place Planning manager Anna Harley says the improvements are designed to balance the diverse needs of the thousands of people with an interest in this part of the city.

As with other projects in the eastern suburbs, the Council worked with mana whenua and also established a working group to explore options for Oriental Bay. The group included local resident and business groups including the Oriental Bay Residents Association, Cycle Wellington, walking advocates Living Streets Aotearoa, the NZ Transport Agency and Greater Wellington Regional Council.

In a series of two to three-hour workshops, the group pored over plans, asked questions, looked at things from a range of different perspectives, debated the pros and cons, grappled with challenges and trade-offs and whittled down the alternatives to come up with the most practical options to go out to the wider public.

Through the public engagement that followed, it was clear people preferred defined and separate spaces for people on bikes and on foot rather than a shared path.

The final design was a modified version of the more popular of the two options that Wellingtonians gave their thoughts on.

The new bike path and extra footpath space adjacent to the parking spaces were created by reducing the width of the traffic lanes and painted median strip. This freed up more space for pedestrians on the original section of path adjacent to the seawall, which was previously a very busy shared path.

"In this part of the city, we were fortunate to have enough space so it was possible to retain all the angle parking and a narrow median strip for turning traffic – something that won't always be possible in other locations," Anna says.

Like the work under way around Evans Bay and on Cobham Drive, the Oriental Bay improvements form part of an improved coastal link from the east called Tahitai – a name gifted by Taranaki Whānui which means one tide, one journey.

This wider project involves developing new foot and bike paths that will make it safer and easier to walk, run, scoot and ride between Miramar and the central city. In particular, it will make it possible to make the very scenic 7km journey around the coast without having to ride on the road.

Anna says helping meet the needs of our growing population and reducing the emissions that cause climate change, means we need a transport system that can move more people with fewer cars.

"An important part of this is working in partnership with the Government and NZ Transport Agency to develop safer routes and connections so more people of all ages and abilities can choose to make more trips on foot, bike or scooter," she says.

Long-term, Tahitai will form part of Te Aranui o Pōneke/The Great Harbour Way – the regional vision for a walking and biking route all the way around Te Whanganui-a-Tara/Wellington Harbour.

8 Ngā rōpū e here ana ki te Kaunihera - Council-Controlled Organisations

[One page per CCO – with a picture relevant to the CCO]

These are organisations that undertake activities on behalf of the Council and are each governed by an independent board. Council-Controlled Organisations (CCOs) enable the Council to manage Council assets or deliver Council services, using specialist expertise.

There are seven CCOs plus the Wellington Regional Stadium Trust:

- **Basin Reserve Trust**, manages and promotes the Basin Reserve for recreation, leisure, and games domestic and international cricket
- **Karori Sanctuary Trust**, trades as Zealandia and manages ongoing conservation and restoration work at its sanctuary in Karori
- **Wellington Cable Car Ltd**, maintains and operates Wellington's iconic Cable Car
- **Wellington Museums Trust**, trades as Experience Wellington and manages educational and cultural facilities and experiences
- **Wellington Regional Economic Development Agency Ltd (WREDA)**, trades as WellingtonNZ and is the city and region's economic development organisation
- **Wellington Regional Stadium Trust**, owns, operates and maintains the stadium as a high-quality multi-purpose sporting and events venue
- **Wellington Water**, manages all Wellington, Hutt, Upper Hutt, and Porirua councils' drainage and water services
- **Wellington Zoo Trust**, manages the zoo, provides experiences and education and supports conservation initiatives

Sections 5 and 6, Schedules 8 and 9 and Part 5 of the Local Government Act 2002 do not apply to the Wellington Regional Stadium Trust. The Trust is not a Council Controlled Organisation, however its relationship with Council is conducted in a similar manner and is reported here for this reason.

The following pages explain what the organisations do.

FURTHER READING: For details on the performance of each entity, please refer to their respective annual reports.

Basin Reserve Trust



The Basin Reserve Trust is a partnership between Council and Cricket Wellington with a governing body of four trustees, established to manage, maintain and operate Wellington's Basin Reserve. The management function is carried out by Cricket Wellington under a management agreement with the Trust.

The Basin Reserve is Wellington's first-class cricket ground. It is the only first-class cricket ground in the region and is one of the most well-utilised sporting venues in New Zealand. In addition to hosting international cricket matches, the ground also hosts a full domestic cricket programme and a range of community and business events. Recently the ground hosted Council's vigil of support for the victims of the 15th March 2019 mosque attacks in Christchurch.

The Basin Reserve is the home of Cricket Wellington and the home ground for the Wellington Blaze (women) and Wellington Firebirds (men) cricket teams.

The Basin Reserve is also a busy route for commuters on cycles, riding scooters and walking to and from the city year round.

The Basin Reserve is the home of the New Zealand Cricket Museum, which has been temporarily displaced while seismic strengthening and refurbishment of the Museum Stand is carried out as part of the overall redevelopment programme.

The board of trustees is:

- Alan Isaac (Chair) (Council appointee)
- Councillor Fleur Fitzsimmons (Council appointee)
- Mike Bayley (Cricket Wellington appointee)
- John Greenwood (Cricket Wellington appointee)

For information on the activities of the Basin Reserve Trust, see the Social and Recreation section.

For full details on the trust's performance please refer to its annual report.

Karori Sanctuary Trust



The Karori Sanctuary Trust is a not-for-profit community-led organisation and trades as Zealandia. It is the world's first fully-fenced urban ecosanctuary, with a 500-year vision to restore Wellington's forest and freshwater ecosystems as close as possible to their pre-human state. The 225 hectare Zealandia sanctuary is a ground-breaking conservation project that has reintroduced more than 20 species of native wildlife back into the area, and as a result of 'spill-over' beyond the fence, has significantly changed the birdlife of Wellington as a whole.

Coupled with its sanctuary-based restoration and conservation work, Zealandia aims to foster a nature-rich future for all Wellingtonians. The organisation has a significant engagement, education and empowerment programme. Zealandia is the city's largest provider of environmental education outside the classroom, and supports academic research across diverse disciplines. It also has a number of projects outside the sanctuary. For example, Sanctuary to Sea *Kia mouriara te Kaiwharawhara*, which coordinates efforts to restore the mauri (life force) of the Kaiwharawhara Stream. Zealandia also aims to connect the 130,000+ visitors it receives each year with insights into conservation and what it means for people.

The governance structure for the Trust is somewhat unique with a governing board of trustees and a separate board for the guardians of the sanctuary. The structure originates from its establishment as a community initiative and membership based organisation.

The trustees are appointed by Wellington City Council with guidance from the Guardians of the Sanctuary. The Chief Executive is Paul Atkins.

The board of trustees is:

- Phillip Meyer (FAIM, Life FNZIM, CF Inst D, F Fin), (Chair)
- Professor David Bibby (CNZM, PhD, DSc)
- Jo Breese
- Dr Libby Harrison
- Pete Monk
- Russell Spratt

The Guardians provide a long-term strategic perspective on the sanctuary's evolution and have an active interest in the long term future of the Trust.

The Guardians of the Sanctuary are:

- Roy Sharp (Chair)
- Julia Bracegirdle
- John Burnet
- Dr Peter Gilberd
- Jim Lynch, QSM
- Kevin Mason
- Dr Nicola Nelson

For details on the activities of the Karori Sanctuary Trust, see the Environment section.

For full details on the trust's performance please refer to its annual report.

Wellington Cable Car Limited



Wellington Cable Car Ltd owns and operates the city's iconic funicular railway between Lambton Quay in the CBD and Kelburn, a hill suburb overlooking the city and harbour. The journey rises 120 metres vertically and takes about 5 minutes, with cars leaving every 10 minutes. It is fully accessible to wheelchairs, mobility scooters and pushchairs.

The Cable Car is one of Wellington's most well visited attractions and records more than 1 million passenger journeys a year comprising of commuters, students and residents as well as the many visitors to Wellington. The cruise ship season in Wellington is a particularly busy time for the Cable Car.

The first journey was taken on 22 February 1902. In 1933 electricity replaced steam as the power for the cable car. The original 1902 cable cars were replaced in September 1978 and new replacements are planned for about 2025.

Views from the Kelburn precinct are some of the most photographed in Wellington. The precinct contains the Cable Car Museum and is a gateway to Space Place, the Botanic gardens, the Kelburn village and the free shuttle service to Zealandia.

Wellington Cable Car Ltd is wholly owned by the Council and directors appointed to the board are Council officers. The Chief Executive is Simon Fleisher.

The board of directors is:

- Andy Matthews (Chair)
- Hayley Evans

For information on the activities of Wellington Cable Car Ltd, see the Transport section.

For full details on the company's performance, refer to its annual report.

Wellington Museums Trust



The Wellington Museums Trust, which trades as Experience Wellington, operates six institutions on behalf of the Council. These are Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, the Cable Car Museum, and Wellington Museum. In addition to operating these diverse activities the Trust manages the Plimmer's Ark display in Old Bank Arcade, the recovered Plimmer's Ark timbers in storage, Wellington city's heritage collections, Hannah Playhouse and provides support to the New Zealand Cricket Museum.

In managing these institutions and artefacts, the Trust's main activities include:

- delivering a divers programme of events and exhibitions.
- working with national and international artists.
- conserving and caring for the objects of its collections.
- delivering education experiences for children and young people.

The board of trustees is:

- Jackie Lloyd (Chair)
- Rachel Farrant
- Peter Jackson
- Jane Wrightson
- Peter Johnson
- Councillor Diane Calvert

The Chief Executive is Pat Stuart.

For information on the activities of the Wellington Museums Trust, see the Cultural wellbeing section.

For full details on the trust's performance please refer to its annual report.

**Wellington Regional
Economic Development
Agency Ltd (WREDA)**



The Wellington Economic Regional Development Agency Ltd, which trades as WellingtonNZ, combines the economic development activities of the Wellington region. Wellington City Council owns 80 percent of the company and the balance is owned by Greater Wellington Regional Council on behalf of the Region.

The Wellington region is made up of eight district and city council areas. These are, in order of largest to smallest population:

- Wellington City
- Lower Hutt City
- Porirua City
- Kapiti Coast District
- Upper Hutt City
- Masterton District
- South Wairarapa District
- Carterton District

WellingtonNZ's stated purpose is to make the Wellington region "Wildly Famous as the best place in New Zealand to live, work, study, visit and play". Its main activities include:

- marketing Wellington as a destination for visitors, businesses, students and investors
- helping businesses grow and innovate and advocating for Wellington's economy
- start-up incubation, acceleration and innovation services via CreativeHQ
- tourism development and destination management
- attracting and promoting major events, conferences and performance events to Wellington
- film attraction, permitting and facilitation
- managing civic venues in Wellington

The board of directors is:

- Tracey Bridges (Chair)
- Matt Clarke
- Thomas Pippas
- Wayne Mulligan
- Professor Grant Guilford
- Kylie Archer
- Steve Maharey

The Chief Executive is Lance Walker

For related further details on the activities WellingtonNZ, see the Economic Development section.

For full details on the company's performance please refer to its annual report.



Wellington Regional Stadium Trust

The Trust owns, operates and maintains the Westpac Stadium (soon to be known as the Sky Stadium) as a high-quality multi-purpose sporting venue. Highlights of some of the sporting and other events that were held at the Stadium during the year are listed in the front section of this report and in the Economic Development section.

The Stadium was opened in 2000 and in the past 18 years it has hosted more than 50 event days each year plus community events. Although it is primarily a sporting venue, it also hosts a wide range of non-sporting events.

The Stadium hosts a variety of domestic and international sporting events. It is home to the Hurricanes and the Wellington Lions rugby teams, the Wellington Phoenix football team, and regularly hosts the New Zealand national men's and women's teams in rugby, football and cricket.

The Trust is part way through a programme of upgrades to the stadium to ensure the venue is better able to meet the needs of its diverse programme of events and the growing expectations of sports fans.

The board of trustees are jointly appointed by the Council and Greater Wellington Regional Council.

The board of trustees is:

- John Shewan (Chair)
- Tracey Bridges
- Steven Fyfe
- Mark McGuinness
- Rachel Taulelei
- Dame Therese Walsh
- Councillor Simon Marsh (for Wellington City Council)
- Councillor David Ogden (for Greater Wellington Regional Council)

The Chief Executive is Shane Harmon.

For details on the activities of the Wellington Regional Stadium Trust, see the Economic Development section.

For full details on the trust's performance please refer to its annual report.



Wellington Water Ltd is jointly owned by the Hutt, Porirua, Upper Hutt and Wellington City councils and Greater Wellington Regional Council. The councils are all equal shareholders.

The company provides water services to customers in Wellington, Lower Hutt, Upper Hutt and Porirua, and maintains the water, wastewater and stormwater infrastructure for the Wellington, Hutt, Upper Hutt and Porirua city councils.

Wellington Water's main activities include:

- managing water treatment and supply
- managing stormwater and wastewater service delivery in the Wellington region
- promoting water conservation and sustainability.

The shared service approach delivers benefits to Wellingtonians across the region through cost savings, resilience and expertise that each Council could not achieve on its own.

Wellington Water does not own any drinking water, stormwater, wastewater or bulk water assets. Nor does it set policies or control rates or user charges. These functions remain with the local councils and Greater Wellington Regional Council.

The board of directors is:

- David Wright (Chair)
- Cynthia Brophy
- Geoff Dangerfield
- Philip Barry

A representative from each territorial authority sits on the Wellington Water Committee that provides overall leadership and direction for the company.

The Wellington Water Committee is:

- David Bassett (Chair) – for Hutt City Council
- Wayne Guppy (Deputy Chair) – for Upper Hutt City Council
- Iona Pannett – for Wellington City Council
- Mike Tana – for Porirua City Council
- Jenny Brash – for Greater Wellington Regional Council

The Chief Executive is Colin Crampton.

For information on how Wellington Water performed, see the Environment section.

For further details on its budget and performance, refer to the annual report for Wellington Water Ltd.



Wellington Zoo was New Zealand's first zoo, opening in 1906. It is nestled in Wellington's green belt, occupying 13-hectares of land that is dedicated to more than 100 species from across the globe. Wellington Zoo has local and global influence in animal welfare, sustainability initiatives, community engagement and conservation outcomes.

The Zoo is a member of the World Association of Zoos and Aquariums and follows its commitments to excellence in animal welfare, sustainability and conservation. It is also an animal welfare accredited member of the Zoo and Aquarium Association Australasia - which manages the coordination of breeding programmes and sets the level of professional standards and practice for members. The Zoo has been a not-for-profit charitable trust since 2003. For more than 10 years, Council has invested in upgrading and renewing the Zoo's assets and enclosures and today it is the world's first CarboNZero certified zoo and a popular attraction for tourists and locals.

The board of trustees is;

- Craig Ellison (Chair)
- Raewyn Bleakley
- Michael Potts
- Benjamin Bateman
- Nina Welanyk Brown
- Councillor Peter Gilbert

The Chief Executive is Karen Fifield MNZM.

For information on the Zoo's activities, see the Environment section.

For further details on its budget and performance, refer to the Wellington Zoo Trust's annual report.

Section 4: Governance and Management

In this section

This section describes the City's democratic and corporate governance arrangements and presents information relating to our elected members, committees, directorates, organisational structure and staff.

Our Council

The essence of the role elected councillors have is to set the direction and priorities for the city, and provide oversight of the organisation.

Wellington City Council is made up of 14 Councillors and a Mayor. Along with 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. The Councillors are elected by voters from their respective geographical areas (wards). The next election is on October 12, 2019, and will be held under the single transferable vote system (STV).

Setting the direction

Elected councillors have the responsibility to set the direction and priorities for the city, and provide oversight of the organisation. The Council then appoints the chief executive to deliver the services needed to fulfil its direction.

Under the Local Government Act 2002, certain powers are reserved for the elected Council. They include setting bylaws and rates, setting the city's budget through long-term and annual plans, making decisions about borrowing money and buying or selling assets, setting up and giving powers to Council committees, determining how council meetings will be run, setting a Councillor code of conduct, and adopting annual reports.

Subject to these powers, day-to-day management of Council services and operations is delegated to the chief executive, with councillors monitoring progress.

Community advocates

Councillors are responsible for looking after those from the geographical area (ward) they are elected to. This involves meeting people and organisations and advocating on their behalf or addressing any issues they may face.

However, when councillors come together to make decisions in the Council or a council committee or subcommittee, they are required to put aside local interests and exercise their powers in the best interests of the city as a whole.

Making the hard decisions

Whatever decisions councillors make, some people will like it better than others – that's the nature of democracy. In addition, Council decisions are made in a climate where public

organisations are scrutinised more than ever before, and trust in public organisations is generally declining.

Before councillors make any decision, they – with advice from council staff – examine it from every angle. They will think about the wellbeing and collective needs and aspirations of Wellington's people, legal requirements and contractual obligations, how it fits with the Council's strategic direction and policies, and whether it's a sensible use of ratepayer funding.

Councillors will often ask for information to be presented to them such as: How much will it cost? How can it be funded? Will someone else do the work if we don't? Will the benefits be significantly less or the costs significantly greater if we wait? And are there any risks involved?

We also engage with our community on most decisions we are making, ensuring they are able to have their say and contribute and influence how their city is shaped.

Altogether, we strive to ensure our decision-making processes are fair and robust.

Standing committees and subcommittees

The Council conducts its business at open and publicly-advertised meetings.

The Mayor (as required by section 41A of the Local Government Act 2002) put in place the current structure of committees and subcommittees following the 2016 election. The Council retains the power to revisit the structure.

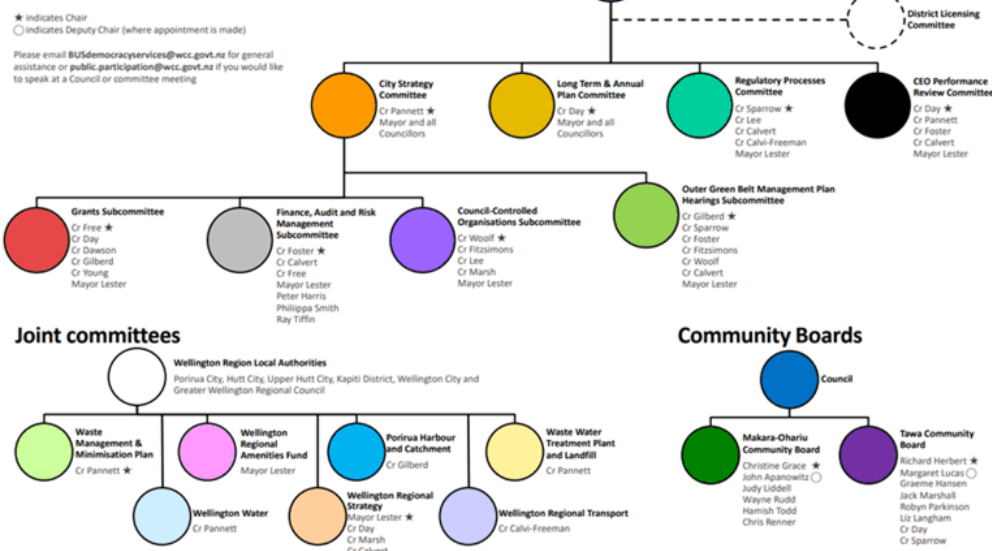
The Council's committee structure ensures that all decisions take account of the wider issues facing the city. All services are linked, so it makes good sense to consider them all together. For example, urban development decisions affect the transport network and the environment. Our decision-making structure – with the City Strategy Committee playing a lead role – ensures that all councillors are aware of the full range of issues facing the city. The beginning of each meeting is set aside for members of the public to have their say.

The structure adopted for the 2016-2019 triennium is based on two committees of the whole – City Strategy and Long-term and Annual Plans. The membership of these committees comprises of the Mayor and all Councillors. The City Strategy Committee meets three times a month and is chaired by Councillor Iona Pannett. The Long-term Plan and Annual Plan Committee is chaired by the Deputy Mayor. The Council meets monthly. There are also several other committees and subcommittees. Examples include the District Licensing Committee, the Finance, Audit & Risk Management Subcommittee and the Grants Subcommittee.

At 30 June 2019, there were five committees, four subcommittees, and seven joint regional committees. The Mayor is an ex-officio member of all Wellington City Council committees.

Council governance structure

2016–2019 triennium



Mayor and Councillors

All Councillors are members of the City Strategy Committee and Long Term and Annual Plan Committee. Each Councillor has one or more portfolios and is a member of committees or subcommittees related to those portfolio areas. Councillors are able to attend and speak at any Council committee, but can only vote if they are a member of the committee.

Councillors also have responsibilities in the wider Wellington region. They sit as Council-appointed representatives on various trusts and organisations that Council has an interest in, on Council Controlled Organisation boards and on committees that have members from the region's other territorial local authorities.

See Note 37 in the Financial section for details of Councillor and Community Board member remuneration on pg X.



Mayor Justin Lester
Citywide

Justin was elected Mayor in 2016. He joined Wellington City Council as a Northern Ward Councillor in 2010 and

then served as Deputy Mayor from 2013 until 2016.

As Mayor, Justin is Chair of Council meetings and an ex-officio member of all committees and subcommittees.

He is also chair of the Wellington Regional Strategy Committee, a member of the Wellington Regional Amenities Fund Joint Committee, and represents Council on a variety of trusts. He is the Presiding Delegate over LGNZ Zone 4 and a member of the LGNZ National Council.

Portfolio Leader: Arts and Culture, Major City Projects

Contact: 04 499 4444
mayor@wcc.govt.nz



Deputy Mayor Jill Day
Takapū Northern Ward

Jill was elected to the Takapū Northern Ward in 2016 and appointed Deputy Mayor in 2017 after former Deputy Mayor Paul Eagle was elected to Central Government.

She is the chair of the Long-term and Annual Plan Committee and CEO Performance Review Committee.

She is also a member of the Grants Subcommittee, Wellington Regional Strategy Committee, Tawa Community Board, and is a Council-appointed representative on Te Wharewaka o Pōneke Trust and Youth Council.

She is an alternate representative for the Mayor on the Wellington Regional Amenities Fund Joint Committee.

Portfolio Leader: Children and Young People, Governance, Māori Partnerships

Contact: 04 801 3102
jill.day@wcc.govt.nz



Councillor Diane Calvert
Wharangi Onslow-Western Ward

Diane was elected to the Wharangi Onslow-Western Ward in 2016.

She is a member of Council's CEO Performance Review Committee, Regulatory Processes Committee, and the Finance, Audit and Risk Management Subcommittee.

She is also Council's board appointee on the Wellington Museums Trust, a representative on the Wellington Regional Strategy Committee and a liaison for the Wellington Multicultural Council.

Portfolio Leader: Community Planning and Community Engagement

Contact: 029 971 8944
diane.calvert@wcc.govt.nz



Councillor Chris Calvi-Freeman
Motukairangi Eastern Ward

Chris was elected to the Motukairangi Eastern Ward in 2016.

He is a member of Council's Regulatory Processes Committee and chairs the Safe and Sustainability Transport Forum.

He is one of Council's board members on the Joe Aspell Trust, and Council's representative on the Wellington Regional Transport Committee.

Portfolio Leader: Transport Strategy and Operation

Contact: 027 803 0015
chris.calvi-freeman@wcc.govt.nz



Councillor Brian Dawson
Pukehinau Lambton Ward

Brian was elected to the Pukehinau Lambton Ward in 2016.

He is a member of Council's Grants Subcommittee and the Councillor representative on the Pacific Advisory Group.

Portfolio Leader: Housing, Social Development (excluding City Safety)

Contact: 027 413 5809
brian.dawson@wcc.govt.nz



Councillor Fleur Fitzsimons
Paekawakawa Southern Ward

Fleur was elected to the Paekawakawa Southern Ward in the 2017 by-election, which was triggered when former Deputy Mayor Paul Eagle was elected to Central Government.

She is a member of Council's CEO Performance Review Committee, and Council Controlled Organisations Subcommittee.

She is also Council's board appointee on the Basin Reserve Trust.

Portfolio Leader: Living Wage, Social Development (City Safety), Recreation, City Safety, Community Facilities

Contact: 027 803 0515
fleur.fitzsimons@wcc.govt.nz



Councillor Andy Foster
Wharangi Onslow-Western Ward

Andy was elected to the Wharangi Onslow-Western Ward in 1992.

He is the chair of the Finance, Audit and Risk Management Subcommittee, and a member of Council's CEO Performance Review Committee, and District Licensing Committee.

He is also Council's representative on the Wellington International Airport Ltd board and LGNZ Zone 4, and the alternate representative on Wellington Regional Strategy Committee and the Accessibility Advisory Group.

Portfolio Leader: Urban Development, Finance, Predator Free Wellington, Karori Framework

Contact: 021 227 8537
andy.foster@wcc.govt.nz



Councillor Sarah Free
Motukairangi Eastern Ward

Sarah was elected to the Motukairangi Eastern Ward in 2013.

She is the chair of the Grants Subcommittee, and a member of Council's Finance, Audit and Risk Management Subcommittee.

She is also Council's alternate representative for the Safe and Sustainable Transport Forum, Wellington Regional Transport Committee, the Wellington Regional Strategy Committee, and the Pacific Advisory Group.

Portfolio Leader: Walking, Cycling, and Public Transport (Infrastructure).

Contact: 022 121 6412
sarah.free@wcc.govt.nz



Councillor Peter Gilbert
Takapū Northern Ward

Peter was elected to the Takapū Northern Ward in 2016.

He is a member of Council's Grants Subcommittee.

He also sits as Council's representative on the Guardians of Karori Sanctuary (Zealandia), Wellington Zoo Trust Board, Porirua Harbour and Catchment Community Trust, Te Awarua-o-Porirua Harbour and Catchment Joint Committee, Whaitua Te Whanganui-a-Tara Committee, Te Wharewaka o Pōneke Trust Board, Environmental Reference Group, LGNZ Zone 4, and is a liaison with the Wellington Multicultural Council.

Portfolio Leader: City Scientist, Natural Environment

Contact: 027 614 1416
peter.gilbert@wcc.govt.nz



Councillor David Lee
Paekawakawa Southern Ward

David was elected to the Paekawakawa Southern Ward in 2013.

He is a member of the Council Controlled Organisations Subcommittee and Regulatory Process Committee.

He also sits as Council's representative on the Accessibility Advisory Group. He is the

alternate representative for the Waste Forum -Wellington Region.

Portfolio Leader: Technology, Innovation & Enterprise, Climate Change

Contact: 021 220 2357
david.lee@wcc.govt.nz



Councillor Simon Marsh
Motukairangi Eastern Ward

Simon was elected to the Motukairangi Eastern Ward in 2010.

He is a member of the Council Controlled Organisations Subcommittee.

He is also Council's board member on the Wellington Regional Stadium Trust (Westpac Stadium) and a representative on the Wellington Regional Strategy Committee.

Portfolio Leader: Economic Development, Events, Small Business (joint)

Contact: 021 922 196
simon.marsh@wcc.govt.nz



Councillor Iona Pannett
Pukehinau Lambton Ward

Iona was elected to the Pukehinau Lambton Ward in 2007.

She is chair of the City Strategy Committee and a member of the CEO Performance Review Committee.

She is also the chair of the Wellington Region Waste Management and Minimisation Plan Joint Committee, a representative for Council on the Wastewater Treatment Plant and Landfill Joint Committee, and Wellington Water Committee.

She is the alternate representative on the Environmental Reference Group, Waste Forum - Wellington Region and the Wellington Regional Strategy Committee.

Portfolio Leader: Infrastructure and Sustainability

Contact 021 227 8509
iona.pannett@wcc.govt.nz



Councillor Malcolm Sparrow
Takapū Northern Ward

Malcolm was elected to the Takapū Northern Ward in 2013.

He is chair of the Regulatory Process Committee and a member of the Tawa Community Board.

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

Portfolio Leader: Community Resilience

Contact 027 232 2320
malcolm.sparrow@wcc.govt.nz



Councillor Simon Woolf
Wharangi Onslow-Western Ward

Simon was elected to the Wharangi Onslow-Western Ward in 2013.

He is chair of the Council Controlled Organisations Subcommittee. He is also the alternate representative for Youth Council.

Portfolio Leader: Wellington Ambassador Tourism, Small Business (joint), Sport

Contact 027 975 3163
simon.woolf@wcc.govt.nz



Councillor Nicola Young
Pukehinau Lambton Ward

Nicola was elected to the Pukehinau Lambton Ward in 2013.

She is a member of the Grants Subcommittee.

She is one of Council's board members on the Joe Aspell Trust, a representative on LGNZ Zone 4, an alternate representative for the Mayor on the Art Collection Group, and an alternate representative on the Wellington Regional Strategy Committee.

Portfolio Leader: Arts and Culture (associate), Central City Projects, Education Partnerships

Contact: 021 654 844
nicola.young@wcc.govt.nz

Councillor meeting attendance

	Meetings held of which the Councillor is a member	Meetings Attended		Full Council (10)	City Strategy Committee (27)	Long-term and Annual Plan Committee (5)	Regulatory Processes (13)	CEO Performance Review (4)	District Licensing Committee (8)	Council Controlled Organisations Subcommittee (3)	Finance, Audit & Risk Subcommittee (4)	Outer Green Belt Management Plan Hearings Subcommittee (2)	Grants Subcommittee (8)	Wellington Region Waste Management and Minimisation Plan (joint committee) (1)	Wellington Regional Amenities Fund (joint committee) (2)
Mayor Justin Lester	78	70	90%	10	26	5	9	4		2	3	2	7		2
Diane Calvert	65	57	88%	9	24	5	10	4			3	2			
Chris Calvi-Freeman	55	53	96%	10	27	5	11								
Brian Dawson	50	50	100%	10	27	5							8		
Jill Day	54	50	93%	10	24	5		4					7		
Fleur Fitzsimons	51	50	98%	10	27	5		3		3		2			
Andy Foster	53	51	96%	10	26	4		4	1		4	2			
Sarah Free	54	51	94%	10	26	5					3		7		
Peter Gilbert	52	51	98%	10	27	5						2	7		
David Lee	58	50	86%	8	22	4	13			3					
Simon Marsh	45	43	96%	10	25	5				3					
Iona Pannett	47	46	98%	10	26	5		4						1	
Malcolm Sparrow	57	56	98%	10	26	5	13					2			
Simon Woolf	47	46	98%	10	26	5				3		2			
Nicola Young	50	48	96%	9	26	5							8		
Total meetings held	80			10	27	5	13	4	1	3	4	2	8	1	2

Notes

- The meeting attendance figure relates to Council, committee (excluding City Strategy pre-meeting sessions) and subcommittee meetings of which the councillor is a member. Councillors are also appointed to Council-controlled organisations, community boards, working parties, advisory groups and other external bodies (including Council representation at LGNZ). The meeting attendance figures provided do not include Councillors' attendance at these meetings. Such meetings can conflict with Council meeting times.
- There were 8 hearing days for District Licensing Committee however Cllr Foster was only appointed to one committee meeting and attended.
- Excluded: Committees administered by other Councils: Porirua Harbour and Catchment (joint committee), Waste Water Treatment Plant and Landfill (joint committee). For more information, see Council and Committee meetings – Porirua City.

Community boards

Wellington City Council has two community boards – Tawa Community Board and Makara/Ōhāriu Community Board. These boards are constituted under section 49 of the Local Government Act 2002 to:

- represent and act as an advocate for the interests of their community
- consider and report on any matter referred to it by the Council and any issues of interest or concern to the community board
- make an annual submission to the Council on expenditure in the community
- maintain an overview of services provided by the Council within the community
- communicate with community organisations and special interest groups
- undertake any responsibilities delegated by the Council.

Both community boards have six members elected triennially by the electors in the respective communities.

In addition to its six elected members, Tawa Community Board has two appointed members. These members are appointed by the Council and must be Councillors who have been elected by the electors of the ward in which the community board is located (Northern Ward for Tawa Community Board). The Makara/Ōhāriu Community Board does not have any appointed members. The boards elect their own chairpersons at their first meeting after the election.

The Council last reviewed its community board structures in 2018 as part of its review of representation arrangements for the 2019 local authority elections. Apart from some minor boundary changes for the Makara/Ōhāriu Board, the Council decided not to make any changes to the existing structure or to establish any new community boards at that stage.

Tawa Community Board

Chair: Richard Herbert. Deputy Chair: Margaret Lucas. Members: Graeme Hansen, Richard Herbert, Liz Langham, Jack Marshall, and Robyn Parkinson. Council Appointed Members: Cr Malcolm Sparrow and Deputy Mayor Jill Day.

The Tawa Community Board met nine times in 2018/19. The committee discussed a wide range of matters affecting the community, including among other things: the Tawa Community Board Service Award, Mervyn Kemp Library and Tawa Community Centre, Tawa Swimming Clubrooms Development Project, the recipient of the annual award granted by the Tawa Borough Scholarship Trust, and the Planning for Growth city-wide engagement.

The committee was also regularly updated on allocations of the Tawa Community Board Discretionary fund, resource consent applications and approvals, as well as current or upcoming council consultations and surveys affecting Tawa.

Tawa Community Board Grants Subcommittee

The Tawa Community Board Grants Subcommittee met once in 2018/19. The committee has approximately \$15,000 available to allocate per year and for 2018/19 approved the allocation of \$15,000 on 15 projects to benefit the community. The top three beneficiary organisations were: Tawa Community Patrol Charitable Trust (\$3,500 for patrol car operating expenses); Tawa Youth and Families Trust Board (\$2,500 to provide two 24-7 youth workers

to support at risk and struggling students at Tawa College); and Tawa Progressive and Ratepayers Association Inc. (\$2,000 towards the Spring into Tawa Festival).

Makara/Ohariu Community Board

Chair: Christine Grace. Deputy Chair: John Apanowicz. Members: Hamish Todd, Chris Renner, Wayne Rudd, Judy Liddell.

The Makara/Ohariu Community Board met 7 times in 2018/19. The committee discussed a wide range of matters affecting the community, including among other things: community-led climate adaption, roading/traffic updates, security issues, and emergency management.

The committee was also regularly updated on resource consent applications and approvals, as well as current or upcoming council consultations and surveys affecting Makara/Ohariu.

Working with our Community

Every day the Council engages with our community on city-wide and local issues from the delivery of front-line services to plans for the future, for example the development of our Annual Plan. This partnership with our community is so important in collectively achieving our aspirations for the city.

In 2018/19 we continued consulting on council decisions, working jointly on community projects, providing grants for community initiatives and actively engaging with stakeholder groups as part of work with the community.

Listening to your views

To help Council make sound decisions, it seeks input and advice from the city's communities.

We can only make sound decisions if we have a good understanding of the needs and wishes of the people affected by those decisions. We seek input from anyone interested or affected – whether that's an individual, a group, a neighbourhood or the entire city.

One of the more common ways you help with our decision-making is when you have your say on a proposal we are consulting on. This year, we consulted formally on more than 50 proposals, including our Zero Carbon blueprint, town centre plans, changes to traffic rules, changes to bylaws, policy and strategy reviews, and our Annual Plan. Altogether, we heard from more than 7500 people.

People also share their views at public meetings, make contact with our Call Centre, social media channels, and have informal chats with a councillor or staff members. We also seek public input through surveys and focus groups.

The type of consultation depends on the decision being made.

All Wellingtonians can have input on our overall direction, our budgets and priorities for each year, decisions about bylaws, and any other significant decisions affecting the city and its people.

On decisions that affect specific locations or groups of people, all stakeholders can have a say. The stage at which we ask for input from different people and groups depends on the extent to which they are affected by or interested in the issue we're considering.

Decisions on consultation are determined by: the requirements of the Local Government Act 2002; our Significance and Engagement Policy; the level of public interest in the matter; the potential impact on affected and interested parties; the urgency of the matter; and the extent to which the views of the community are already known to the Council.

Advisory Groups

Forums and advisory groups help specific sectors of the community to have their say and guide us in our work.

Our advisory groups consist of members of the community with specialist knowledge in a specific area of council responsibility. Their role is to help their communities to understand Council processes and participate in the Council's decision-making processes, and to help

the Council understand the needs of their particular communities and how those needs may be addressed.

Our five advisory groups are: the Pacific Advisory Group; Accessibility Advisory Group; Safe and Sustainability Transport Forum; Environmental Reference Group; and the Youth Council.

Accessibility Advisory Group (AAG)

Co-chairs: Tristram Ingham and Rachel Noble. Members: Erikka Helliwell, Rosie MacLeod, Stuart Mills, and Alan Royal

Purpose: To advise Council on how to help grow a great and accessible city, where barriers to people with impairments are minimised. Bring lived experience and knowledge to Council around accessibility issues in the context of Council's roles and priorities. The AAG is not seen as representing all views on accessibility in the city.

AAG met nine times in the 2018/19 year and provided feedback and advice to Council on a range of matters including: accessibility action plan, accessibility awards, advisory group review, FIXIT App, Frank Kitts Park children's playground, Keith Spry Pool, mobility parking, new customer service centre in Manners Street, the Wellington Convention and Exhibition Centre and the Basin Reserve Museum Stand.

Environmental Reference Group (ERG)

Chair: Mark Fenwick. Members: Mark Ashby, Mike Britton, Lynn Cadenhead, Chris Paulin, Martin Payne, Paula Warren, Chris Watson, and Andrew Wilks

Purpose: To advise Council on the best ways to improve Wellingtonian's quality of life environmentally, socially, culturally and economically by protecting and enhancing the local environment. Bring knowledge and insight into Council around the environment, including water, energy, waste, biodiversity, urban design and transport management, in the context of Council's roles and priorities. The ERG is not seen as representing all views on the environment in the City.

ERG met 11 times in the 2018/19 year and provided feedback and advice to Council on several matters including the Te Atakura – First to Zero low carbon capital plan, the draft Outer Green Belt Management Plan, the Smoke Free Action Plan, and Planning for Growth.

Pacific Advisory Group (PAG)

Chair: Jocelyn Kua. Deputy Chair: Anthony Carter. Members: Mino Cleverley, Natalia Fareti, Aseri Kua, Sunia Foliaki, Kira (Christine) Hundleby, Ofania Ikiua, Sai Lealea, Merio Marsters, Alvin Mitikulena, and Llisapeti (Lisa) Pouvalu

PAG has specific membership requirements to ensure it represents a broad range of the Pasifika communities in Wellington. It includes up to 17 members. Three members will be from Samoan communities. Two members will be from each of the following communities: Cook Islands, Tonga, Fiji, Niue, Tokelau and Tuvalu. One member will be from a Melanesian community and one member will be from a Micronesian community.

Purpose: To advise Council on how to help grow a great city, where Pasifika peoples thrive and contribute to Council's priorities. Bring knowledge and extra insight into Council about how the different needs of Wellington's Pasifika communities can be addressed in the

context of Council's roles and priorities. The PAG is not seen as representing all Pasifika people in the City.

PAG met 10 times in the 2018/19 year and provided feedback and advice to Council on several matters including Housing, Youth Engagement Framework, Economic Development Priorities for Council and WellingtonNZ, Planning for Growth, Outer Green Belt Management Plan, Pacific Financial Literacy Plan, and the Smoke Free Wellington Action Plan.

Youth Council

Chair: Brad Olsen until April, then Shine Wu. Deputy Chair: Oliver Michie until April, then Freja Cook. Members: Carl Bennett, Watene Campbell, Raihaam Dalwai, Sarah Gardenier, Liam Davies, Neesha Dixon, Ella Flavell, Bethany Kaye-Blake, Jackson Lacy, Melania Lui-Fai, Teri O'Neill, Timothy Rutherford, Dexter Smith, and Laura Somerset.

Purpose: To assist and advise the City Council on how to help grow a great City where young people thrive and contribute to the City Council's priorities. Bring extra insight to Council (a youth perspective) to solve problems facing a changing world. Develop the capabilities of its members (including leadership and engaging wider youth). The Youth Council is not seen as representing all young people in the City.

Youth Council met 20 times in the 2018/19 year and provided feedback and advice to Council on several matters including the Annual Plan 2019/20, the Youth Engagement Framework, the Alcohol Control Bylaw and alcohol management strategy, the Service Centre redesign, the Central Library closure, the Outer Green Belt Management Plan, transport issues (including e-scooters), a draft Social Wellbeing framework, Aho Tini (arts and culture strategy), and Te Atakura – First to Zero (low carbon capital blueprint).

Members also assisted Council to plan and deliver its community engagement on Planning for Growth, Te Atakura – First to Zero, and the 2019 local government election.

Youth Council also provided feedback and advice to Parliament and government departments on mental health, the minimum wage, the New Zealand Qualifications Framework review, online voting, the Zero Carbon Bill, and state care.

Safe and Sustainability Transport Forum (SASTF)

Members: Representatives from 10 organisations and agencies interested in road safety and/or sustainable transport are invited to participate in the quarterly SASTF meetings including: Greater Wellington Regional Council, Living Streets Wellington, Cycle Aware Wellington, New Zealand Transport Agency, New Zealand Police, Automobile Association, Accident Compensation Corporation, Regional Public Health, Bikers' Rights Organisation of New Zealand (BRONZ) and Wellington City Councillors Chris Calvi-Freeman and Sarah Free.

Purpose: to advise on the development and implementation of relevant road safety and sustainable transport projects, programmes and policies. Advise on community concerns and expectations associated with road safety and sustainable transport in Wellington City. Assist the Transport Safety, Choice and Sustainability co-ordinators in their role. Help develop projects that are included in the Council's Long Term Plan and Annual Plan. The group will not have an independent budget to commission work or undertake activities outside of this advisory role.

Stakeholders

While Council has a several roles in progressing our long-term vision for the Wellington community, we are unable to do it alone and it is not always our responsibility to implement or resource all of the aspirations identified in Our 10-Year Plan.

It is important to work in partnerships with other stakeholders, such as central government agencies, not-for-profit organisations, business, community groups and individuals, because they have a role to play in delivering our vision for the city.

Our stakeholders contribute in numerous ways, many of which are mentioned in this report, including as contributors of ideas and views on proposed projects or service levels, formal partners in delivering specific outcomes, or as the deliverers of outcomes on behalf of Council.

Further Reading: Significance and Engagement Policy <https://wellington.govt.nz/your-council/plans-policies-and-bylaws/policies/significance-and-engagement-policy>

The important relationship between Council and our stakeholders is illustrated below.

(To be made into an infographic/illustration by Design)

Council's Role	Helped by	Local:
Lead	Regional/National:	Other Councils
Facilitate	Central Government	Local Businesses
Advocate	Other Councils	Advisory Groups
Educate	Regional Organisations	Volunteers
Regulate	Businesses	Community Groups
Deliver	Visitors	Central Government Departments
	Suppliers	Non-Profit Organisations
		Employees
		Visitors
		Suppliers

Grants

Grants provide the Council with the ability to support community resilience, encourage innovation, diversity and creativity as well as support the city's social, cultural and environmental infrastructure.

During the year our Grants Subcommittee allocated 192 grants to community projects from six main funds.

- Arts and Culture Fund: 84 applications funded, total \$385,065, average grant size \$4,584, largest \$15,000, smallest \$600. In 2018/19 this also included the Professional Performing Arts Fund.
- Social and Recreation Fund: 64 applications funded, total \$537,158, average grant size \$8,393, largest \$30,000, smallest \$430.
- Natural Environment Fund: 19 applications funded, total \$82,804, average grant size \$4,358, largest \$9,600, smallest \$804.
- Built Heritage Incentive Fund: 18 applications funded, total \$550,000, average grant size \$30,555, largest \$168,500, smallest \$3,000.
- Sportsville Partnership Feasibility Fund: two grants totalling \$35,259.
- Waste Minimisation Seed Fund: six applications funded through the fund for larger (over \$2,000 grant fund delegated to the Grants subcommittee), total \$54,000, average \$9,000, largest \$10,000, smallest \$4,820.

For the Arts and Culture and Social and Recreation funds, the majority of funding is allocated through ongoing multi-year contracts with established organisations that deliver programmes, services and activities for Wellingtonians. These are reviewed every three years. In 2018/19 there were 75 organisations supported through multi-year funding contracts across the arts, social and environmental sectors.

We also award grants through Tawa Community Board Grants Subcommittee (Tawa Community Grants), make recommendations to the trustees of the CH Izard Bequest and allocate funding through the Discretionary Grant Fund, which supports projects outside the timing of our funding rounds.

We administer the Creative Communities Funding Scheme in partnership with Creative New Zealand and allocated a total of \$140,356 to 47 projects through two funding rounds during the year.

Through our partnership with other councils in the region, via the Wellington Regional Amenities Fund, five grants totalling \$970,000 were allocated to larger scale events or programmes in the region.

Further Reading: A full list of grant recipients are listed on the funding pages of the Wellington City Council website

Making Ourselves Accountable

Our decision-making is open and transparent.

The Local Government Official Information and Meetings Act 1987 is the legislation that ensures our community can access official information, participate in meetings and influence local decision making. It also ensures as a public organisation we promote good local government by being transparent in our work, accountable and open to public, independent authorities and media scrutiny.

All meeting agendas and reports are publicly available two days before meetings in our libraries, at Arapaki and online at www.wellington.govt.nz. The minutes of our meetings are made available on our website and we also live stream our full Council meetings.

While the provisions of the Local Government Official Information and Meetings Act allows us to exclude the public from meetings on special grounds (e.g. commercial sensitivity), we seek to make use of these provisions as infrequently as possible.

We also ensure any decisions are communicated effectively to the community – through media releases, social media, web alerts, and our website.

We also make ourselves accountable in many ways. This annual report is one. It explains what we did during 2018/19, how our work contributed to the city, what it cost, and whether our performance met the expectations we set ourselves.

Its contents have been thoroughly scrutinised by Audit New Zealand to ensure they fairly reflect our financial performance and position, and the services we've provided. We also produce quarterly reports which are available to members of the public and media.

Managing Risk

Risk is a challenge because it is inherent in everything we do. Our Risk Management programme of work is designed to ensure that we understand what risks we are facing in our activities, how we're managing and monitoring them.

Through our Finance, Audit and Risk Management Subcommittee, we have undertaken a programme of refreshing the Council's risk matrix, which is the reference point we use to ensure we are seeing the relativity of our risks, and identifying the Council's strategic risks.

Operationally, we undertook an assessment against the All-of-Government (AoG) Enterprise Risk Maturity Assessment Framework to establish a baseline maturity against which we will continue to measure ourselves in coming years, and which underpins our programme of work. Two of the key risks we identified this year were our project management and insurance.

Case studies

Project Governance

In identifying our strategic risks, we recognised the organisation needed to have strong project governance and project management frameworks in place. We used this insight to establish our Project Governance team who are establishing an Investment Delivery

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Framework for Council. This framework will ensure risks are managed in our significant portfolio of projects, and all projects are monitored and reported on regularly to Council committees.

Insurance

Insurance is an increasingly challenging area for Council in the current market. This year, we have retained more risk in our portfolio rather than purchasing cover. There are two reasons for this. The first is cost. Insurance premiums have increased to higher than they were after the Christchurch earthquake. The second is capacity in the market. Council has not been able to purchase cover at the same levels as before because the market does not have the capacity to carry that risk. In terms of the risk Council retains, Council maintains a self-insurance fund, and is supported by a robust balance sheet.

Our Organisation

The Mayor and Councillors employ and delegate the management and delivery of Council services to the chief executive.

The chief executive has the delegated authority to manage Wellington City Council under approved annual and long term plans, legislation, policies and guidelines. The chief executive is responsible for the efficient and effective implementation of the Council's decisions within agreed parameters. The chief executive employs the Council's 1803 staff to help with these responsibilities.

The chief executive is also responsible for providing independent and impartial advice to the elected council before decisions are made. All advice is tested amongst council staff and reviewed by the Executive Leadership Team to ensure all realistic options have been considered and any risks have been identified and assessed before the advice is presented to the mayor and councillors for further consideration and decision.

The chief executive ensures the Council has effective systems to monitor financial and service level performance and recommend changes where appropriate.

Executive team and structure

The chief executive's performance is monitored by the Council's Performance Review Committee.

The committee is chaired by the Deputy Mayor and includes three councillors and the Mayor. The Committee meets regularly to review the chief executive's performance.

Kevin Lavery has been Wellington City Council's chief executive for six years. See Note 37 in the financial statements on page XX for details of the chief executive's remuneration package.

The Executive Leadership Team (ELT) supports the chief executive in leading our staff. This year ELT was made up of the chief executive and five directors. Two directors left during the year and an acting director was appointed while the recruitment process was carried out. Two new directors started on July 1, 2019 and a new Director of Legal and Risk position was created, bringing the director total to six for the 2019/20 year.

The ELT structure reflects the full breadth of council activities. This ensures that all points of view are considered before advice is given and operational decisions made.



Kevin Lavery

Chief Executive

Kevin has a Bachelor of Arts degree from the University of Manchester and a PhD from the University of Kent at Canterbury. He has also been a Harkness Fellow at the University of Southern California.

Kevin was appointed Chief Executive in March 2013 after holding a number of CE positions in the UK, where he was known for delivering successful economic growth projects.

Kevin has decades of local government experience as well as working for a range of private sector organisations. He was a consultant with Price Waterhouse Coopers, a managing director with BT and Enterprise PLC and CE roles at Agilisys and Serco.

Over the past six years he has focused on urban growth, renewal and resilience in Wellington. His approach takes inspiration from the way transport investments have facilitated sustainable urban growth and development in some of the most successful cities around the world.



David Chick

Chief City Planner

David has a Bachelor of Environmental Design and a Graduate Diploma in Landscape Architecture.

He was appointed as Council's Chief City Planner in April 2016.

David's local government and integrated design experience spans almost 20 years throughout Australia and now New Zealand.

His current responsibilities cover consenting and compliance, resilience and sustainability, transport and infrastructure, heritage and urban development, land use and transport planning, urban design and waste management.

David already considers himself a passionate Wellingtonian and thrives on the exciting challenges and opportunities facing us, especially the way we design and shape our city to respond to the future shocks and stresses; such as climate change, population growth and seismic risk in a way that enhances our way of life and celebrates the very things that make Wellington one of the world's most liveable cities.

**Barbara McKerrow****Chief Operations Officer**

Barbara is responsible for more than 1200 staff and a diverse range of services including city housing, parks, sport and recreation, libraries, community services, parking, ICT, digital, smart city, business transformation, customer service, and city arts and events.

Barbara has been an executive leader in local government for more than twenty years and was previously the Chief Executive of New Plymouth District Council from 2008 to 2017. Barbara is committed to driving excellent customer service, and contributing to Wellington's future as New Zealand's creative city.

Barbara has served in several senior governance roles including a three year term as the national President of the Society of Local Government Managers (SOLGM).

**Kane Patena****Director Strategy and Governance**

Kane has a Bachelor of Law with honours from the University of Auckland. He also has a Graduate Certificate in Compliance Management from the GRC Institute.

Kane Patena is responsible for managing the Mayor's Office and elected member support, International Relations, Treaty Relations, Legal, Audit, Risk, Official Information and Privacy and complaints.

Prior to joining the council he was a partner at law firm, Meredith Connell, and has worked in corporate and governance roles in both the private and public sectors.

Kane left Council in April to be General Manager Regulatory at NZTA.

Head of Legal and Risk Hayley Evans was appointed as acting director.

Stephen McArthur was appointed the new director and started on July 1.



Andy Matthews

Chief Financial Officer

Andy is Chief Financial Officer and Director Finance and Business which incorporates financial strategy and planning, treasury, procurement, financial performance, accounting and reporting along with management of Council's corporate property.

Originally from an agri-business background Andy has over 20 years of experience in local government finance and funding. He has been Chief Financial Officer at Wellington City Council for the past six years.



Nicola Brown

Director Human Resources

Nicola worked for Wellington City Council for 7 year and 5 months, first as a change manager and then as the Director of Human Resources. Her directorate covers Human Resources, Organisational Development, Health and Safety, Leading Organisational Change and SmartCouncil.

Prior to Wellington City Council, Nicola spent six years as General Manager of Human Resources at KiwiRail at the time when it was merged with Toll, United Group Rail and Transfield Services.

She is passionate about people capability and building a constructive work force culture and believes the future success of Local Government depends on its ability to attract, retain and build careers for everyone, but in particular young people.

Nicola moved to England in June 2019. New director Meredith Blackler, started on July 15.

Organisational Chart and Directorates

To be inserted –Org Chart and list of Business Units.

Our Staff

Wellington's economy is growing and unemployment is low. In this climate, staff retention becomes more challenging. The job market continues to have strong competition for qualified people.

We've taken steps to make the Council a more attractive place to work and to support the retention of our people. We have implemented an organisation development programme focusing on building a constructive culture and this has been well subscribed to by all levels this year.

In 2018/19 we implemented our new vision and values that were created with input from all staff. These are visible throughout the building and are being referenced in how we work. The engagement from staff in the values has been strong. These are highlighted on page XX of this report.

We have also implemented a diversity and inclusion programme. This acknowledges the rich mix of people who work at the Council and the positive impact this has on our work culture and productivity.

The graphs in this section show the directorates our staff work in, their gender and type of employment. The division with the greatest number of staff is Customer and Community, which includes all our parks and recreation staff.

Breakdown of staff numbers by directorate and contract type

Directorate	Permanent		Fixed Term		Casual	Contractor	Headcount	FTE
	Full-Time	Part-Time	Full-Time	Part-Time				
City Planning	267	26	26	5	16	0	340	318.18
Customer and Community	549	478	33	7	156	1	1,225	797.64
Finance and Business	77	9	3	0	0	1	90	85.62
Human Resources	26	7	7	0	0	0	40	37.66
Strategy and Governance	80	9	11	3	1	4	108	100.41
Wellington City Council	1,000	529	80	15	173	6	1,803	1,339.51

Staff numbers by contract type

Staff Numbers by Employee Type	Number	% of total
Full-Time	1,080	60%
Part-Time	544	30%
Casual	173	10%
WCC headcount*	1,797	100%
*excludes contractors		

Of our 1803 staff, 85 percent are permanent employees and 15 percent are on other contract types.

Breakdown of staff by contract type

Staff Numbers by Employee Class		Ratio
Permanent	1,529	85%
Fixed Term	95	5%
Casual	173	10%
WCC headcount*	1,797	100%
*excluding contractors		

Breakdown of staff by Directorate and contract type

Directorate	Permanent Full-Time	Permanent Part-Time	Total of Permanent staff	Ratio of Permanent staff
City Planning	267	26	293	19%
Customer and Community	549	478	1,027	67%
Finance and Business	77	9	86	6%
Human Resources	26	7	33	2%
Strategy and Governance	80	9	89	6%
Wellington City Council	1,000	529	1,529	100%

Diversity and Inclusion

The Council's Diversity and Inclusion strategy 'Mō te katoa – For everyone, for all' launched in October 2018. The aim is to create an organisation that supports all people to thrive and grow. Having a more diverse and inclusive workforce will help Council to respond to specific organisational needs including:

- Delivering an ambitious Long Term Plan and programme of work
- To 'build the team we need' to deliver on our organisational priorities
- Building a highly collaborative and productive culture
- Embedding our refreshed organisational values and behaviours

To help us achieve this, the strategy is focused on four key areas:

1. Education and awareness
2. Leadership
3. Workforce equity
4. Data collection and integrity

Actions taken since the strategy was launched include:

- Established a Diversity and Inclusion (D&I) Steering group, chaired by the CE, Kevin Lavery which provides leadership and direction to the D&I work programme.
- Formed a D&I committee, made up of staff who have a passion for D&I who are a sounding board for D&I initiatives and who have taken on responsibility for formalising our staff groups and developing and running a D&I event calendar.
- Gathered diversity and inclusion information through our annual Korero Mai (business improvement) survey.

- Started planning for how we implement flexible working into the organisation and how we build diversity and inclusion practices into our leadership and management development programmes.

From our recent Korero Mai survey it was found that people on the whole feel that Council is doing good work to build a more diverse and inclusive workplace, but agree there is still much room for improvement. We will monitor this in the next survey for improvement.

Between 1 July 2018 and 30 June 2019, there were in general, a similar number of females and males in tiers 1 to 3 of the organisation and 20 more females than males in tier 4. Tier 1 is the chief executive and tier 4 in general covers team leader roles. When all 1,803 employees across the organisation are taken into account, there are 197 more females than males. Women make up 55 percent of our workforce.

Te Tauihu and Te Tiriti o Waitangi

In June 2018 Council adopted its Te Tauihu te reo Māori policy to help the revitalisation of the language. Part of the policy was "Te Reo for Wellington City Council", which aims to create an organisation where everyone understands the importance of te reo Māori and feels support in learning and using it. Being familiar with te reo, Māori aspirations, values and cultural customs helps us to acknowledge our unique cultural heritage and identity, build stronger te reo communities and serve the people of Wellington more equitably. We also have a vision of Wellington being a reo rua city by 2040.

We know there is work to do in this area. Only 5.4 percent of staff reported as Māori, 99 out of 1803. However, this year there has been an increase in te reo and te Ao Māori offerings and participation from staff. In this financial year there were 131 enrolments Council's te reo Māori language courses, including 44 at the beginner level. Also, 69 people completed our Te Rito te reo Māori modules. Some staff members completed more than one te reo Māori course.

Council also has a kapa haka rōpū that performs throughout the year and practices weekly. Staff participated in the Te Wiki o te reo Māori street parade, attended Te Matatini (the national kapa haka festival) and the Te Rā o Waitangi festival, and have adopted bilingual Māori and English internal values. There is also increased te reo signage in our offices, including Māori names for meeting rooms.

Wellington City Council also has Te Tiriti o Waitangi legislative obligations and considerations, which are reflected in how we work on a day-to-day basis. Some of the key documents that aid our approach include:

- Iwi Memoranda of Understanding to work together, including providing cultural advice and activities.
- Mahi Tahi agreement to work closely with Te Taura Whiri i te Reo Māori (Māori Language Commission) to revitalise the language.
- Spatial (Growth) Plan and the District Plan
- Arts and Culture Strategy
- Our community grants and funding criteria
- Reserve Management Plans
- Open Space Naming Policy: Kaupapa Whakaingoa Whenua Māhorahora
- Road Naming Policy
- Te Mahana Homelessness Strategy

- Three Waters Strategy
- Terms of reference and delegations that enable our two iwi mana whenua partners to sit as members of the City Strategy and Annual Plan/ Long-term Plan Committees.

Staff diversity profiles

Staff composition – gender

Gender	Permanent	Fixed Term	Casual	Contractor	Grand Total
Female	55%	61%	57%	50%	55%
Male	45%	39%	43%	50%	45%

Gender by organisation level

Tier Level	Female	Male	Grand Total
1		1	1
2	3	4	7
3	17	16	33
4	79	54	133
5	180	142	322
6	262	262	524
7	427	297	724
8	32	27	59
Wellington City Council	1,000	803	1,803

Breakdown by age profile

Age Brackets	Female	Male	Grand Total
< 25yrs	274	186	460
25 - 40yrs	326	279	605
41 - 55yrs	263	200	463
56 - 60yrs	65	63	128
61yrs+	72	75	147
Grand Total	1,000	803	1,803

Breakdown by length of service (LOS)

LOS (years)	Female	Male	Grand Total
0 - 1 yr	258	167	425
1 - 2 yrs	180	119	299
2 - 5 yrs	239	213	452
Over 5 yrs	323	304	627
Grand Total	1,000	803	1,803

Staff Ethnicity

Ethnicity	Female	Male	Grand Total
African	2	1	3
Asian	40	58	98

European	348	252	600
Latin American	7		7
Maori	55	44	99
Middle Eastern	5	3	8
Other European	87	45	132
Pacific Peoples	24	19	43
New Zealander	106	96	202
Not Indicated	326	285	611
Grand Total	1,000	803	1,803

Continuous learning and development

We continue to invest in learning and development including for: leadership and management development; using Council IT systems; and learning that will help build a highly constructive culture.

This year the Organisational Development team provided 44 courses to staff. This doesn't include training that was provided by individual business units. Overall Council spent \$1,921,892 on training (Business Unit: \$1,039,313, OD: \$882,579). This equates to an average of \$1,183.43 per employee.

This year continued the strong uptake in our leadership programme, with 116 people attending which has four levels Personal Leadership, Emerging Leaders, Leading Teams and Leading Leaders.

There has also been 104 staff through Managing Actual and Perceived Aggression training, 69 completed our Te Rito te reo Māori modules and several staff were trained as Health and Safety Representatives.

Through the refresh of our Performance, Career and Development plan, more focus is now required in development the knowledge and skill of our staff. To support this we have created a new organisation core capability framework that provides expectations of capability required across the organisation at seven levels. Managers and staff can use these capabilities to focus their development to deliver their performance expectations and to support growth related to their career aspirations.

We received a good score in our Korero Mai survey related to the statement 'WCC provides opportunities for me to develop my skills and competencies and actively encourages career development' which was 68%. Our overall index for training and development was 68% which tells us we have some room for improvement.

We are in the process of updating our learning strategy that will identify the levers to support us to create a learning culture at Council.

Health and Safety

The Council's Health & Safety Steering group has convened regularly throughout the year and is made up of the Council's Directors, senior managers from high risk Health & Safety areas and nominated Health & Safety representatives who represent Councils workers.

The purpose of the group is to provide governance and oversight of Health, Safety & Wellbeing operations and activities, and to positively influence health, safety and wellbeing outcomes for Councils workers.

As such the Safety, Security and Wellbeing business units have provided the steering group with monthly and quarterly statistical reporting, significant incident - investigation reporting and the reporting of the progress of key activities that are outlined in the Councils Safety, Security and Wellbeing biennial work plan.

This oversight has formed a key component of the Council's Officers due diligence throughout the year. Following on, summarised quarterly reports have been provided to Councillors through the Finance Audit Risk Management Subcommittee (FARMS) and also the City Strategy Committee (CSC) as part of Councillors due diligence activity.

The Monthly and Quarterly Safety, Security and Wellbeing reports have included a number of key lag and lead indicators. Lag indicators have included workplace injury statistics and incident statistics and this year there has been a decrease in the number of reported incidents in relation to the Councils critical H&S risks from 1000 to 836.

Council takes bullying and harassment seriously, and as such, our strategy for supporting a safe working environment is focused on a series of actions across the organisation.

At the organisational level, we have refreshed our code of conduct to be clearer about how we can prevent bullying and harassment at Council, we have rolled out manager training on how to manage employment issues, with a focus on early intervention before they escalate into bullying and harassment situations. And, at a staff level we are investing in communications campaigns to provide staff with clear definitions about what bullying and harassment is and support and reporting mechanisms when they feel they have been bullied and harassed.

Through our Korero Mai staff survey we have created an index that collates score for statements that when combined give us a sense around whether there is a culture of undesirable behaviour (this includes bullying and harassment).

Our organisational score in our March survey was 72% which is a good score. Most of the interventions detailed above were developed and launched only slightly before or after the survey was undertaken.

A broad range of lead indicators have included updates on activities undertaken to strengthen the controls in place for the Council's 'Nasty Nine Critical' risks. Staff health, safety and wellbeing training has been undertaken, we do health monitoring, health and safety observations, have early intervention programmes for injuries and several wellbeing initiatives that have been provided to our workers throughout the year, for example increased numbers accessing the seasonal flu vaccination with 61 more staff accessing the vaccination.

In relation to overall performance the results of the Councils Korero Mai staff survey in March 2019 have indicated that 79% of responders agree with the Health & Safety assertion that 'WCC places an emphasis on the health and safety of its employees and customers'.

Volunteers

One of the greatest assets of our city is our people. We are privileged to have hundreds of people willing to donate their time to ensuring the city is a better place for all. Without all the help from these wonderful people, Wellington would not look or feel the same. Our network of volunteers is essential and many of them have worked in their own time for the city for decades.

Environmental volunteers

We continue to expand our network of volunteer trappers through the city helping us maintain low pest animal numbers. We currently have 27 groups trapping on public land and maintaining a network of 3500 traps. Many of these groups also have residential backyard trappers and there are an additional 16 groups trapping on backyards alone.

We also continue to work with community nurseries to produce eco-sourced native plants and our restoration volunteers have planted 50,072 trees over the last year.

Our volunteers have contributed a total of 70,230 hours to revitalising Wellington's natural environment and they are vital in our dream of restoring out native bush covered hills and abundant native wild and bird life. These volunteers include those who work in our Wellington Gardens and at the Berhampore Nursery.

- Wellington Gardens: 6048 hours
- Berhampore Nursery: 2032 hours
- Community volunteers: 62150 hours

These hours include various activities across a range of sites, from beach clean ups to planting trees to guiding people around our amazing Wellington Gardens.

Libraries

In our libraries volunteers work in three areas. Without this help our libraries would likely need additional staff resourcing. The volunteers are a valued part of the libraries network.

Shelving volunteers

Staff in our libraries are often assisted by volunteers to shelve books, tidy the library, sticker and box withdrawn items, clean book covers, and children's toys. There are about 5 volunteers at any one time, doing an hour of work per week, specifically working in the South East Libraries. Most of these volunteers are doing activities such as Duke of Edinburgh, or are unable to take on employment for some other reason, such as a disability.

Housebound carriers

These volunteers deliver books to and from library members who are housebound and unable to visit the library themselves for various mobility reasons. We currently have 40 volunteers who deliver and uplift book deliveries every six weeks, but this number varies depending on demand. These volunteers are essential to the housebound library service operation. We recognise the work and contribution that housebound carriers do through writing thank you letters, and offering free reserves (more latterly by a concession card of their choice).

We have also arranged thank you morning teas in the past and have occasionally highlighted their contribution in publicity.

Event presenters

This year we engaged 20 people to present information talks within Libraries and Community Spaces. Most of these volunteers contributed on a single occasion only. These presenters allow us to provide a variety of events to the public. These events are usually arranged as a partnership with the presenter and there is a benefit to the presenter in the promotion of the topic and/or their organisation through the event and the event publicity on Council promotional channels.

Heritage

Council hosts student placements from the post-graduate Victoria University Museum and Heritage Studies programme. We have had two in two years: both for five weeks of supervised research into an agreed heritage topic relevant to the Council's work.

Anti-Graffiti Programme

We support individuals and communities who want to remove graffiti vandalism. The programme provides coordination of community-based clean-up activities, advice and support on the best ways to remove tagging, and resources and equipment for clean-up projects. We have 90 volunteers currently registered.

Homai te pakipaki – A round of applause

Some of the awards won by Wellington City Council projects and staff this year.

July 2018

Local Government New Zealand Awards, Excellence Award for Environmental Impact: for Our Natural Capital programme.

Esri User conference, Award for Special Achievement in Geographic Information Systems: for innovation in the fields of emergency management and resilience.

September

Designers Institute of New Zealand Best Design Awards:

- Silver in Environmental Graphics: for Our 10-Year Plan projections.
- Gold in Public and Institutional Spaces: for North Kumutoto Pavilion.

NZ Wood Resene Timber Design Awards 2018, Exterior Innovation and Infrastructure award winner, North Kumutoto Pavilion.

November

2018 NZ Law Awards, In-House Team of the Year: for Legal Services team.

2018 Ngā Tohu Reo Māori Awards, Te Toa Reo Māori Te Tohu Kairangi, for Te Tauihu te reo Māori policy.

Annual Local Government and Information Management Conference (ALGIM), Finalist for GIS work relating to the pre-1930s character areas (Inner Suburbs).

April 2019

New Zealand Planning Institute Awards, Best Practice in District Planning: for Pre-1930s Character Area Review.

New Zealand Sport and Recreation Awards, Future Leaders Scholarship finalist, Sarah Murray.

May

NZ Institute of Architects Wellington Branch Awards:

- Best Multi-Unit Housing: for Te Mara social housing apartments.
- Best Public Architecture: for North Kumutoto Pavilion.
- Resene Colour Award: for North Kumutoto Pavilion.

2019 Linked Organisation of Local Authority ICT Societies, International Award winners, for GoShift (Simpli) consenting project.

June

IPWEA NZ Excellence Awards, Best Public Works Project less than \$5m: Dixon St Pump Station and Rising Main

Property Council New Zealand Awards, Multi Unit Residential Property Award, Merit in category for Te Mara Apartments

Smart Seeds Wellington, Judges Award winner, Team Up (Clyde Monteiro, Ellie Fromont and Olivia Stevens)

RiskNZ Awards of Excellence:

- Risk Professional of the Year: for Duncan Stuart.
- Governance and Leadership in Risk Management: for Risk team.

Staff Awards

Our annual awards programme recognises the achievements of our people who are living Council's values and helping us realise our vision, *Kia mahi ngātahi mā Pōneke mā tōna ā āpōpō: Working together for Wellington's future.*

Winners of the 2019 awards

He Tangata Award: Recognising exceptional achievement in customer service, working with the community, or in demonstrating care and respect for others.

- **Winner: Gillian Christian, Wellington Regional Aquatic Centre Fitness Consultant.** Gillian was recognised for her efforts to encourage the health and wellbeing of Wellington's senior citizen community through the Activate programme.

Mahi Ngātahi Award: Recognising innovative thinking that challenges the way we do things or improves our business processes.

- **Winner: Lloyd Pallesen, Business Development & Improvement Officer, Business Compliance and Consents.** Lloyd was recognised for leading the development of a Quality Management System in City Consenting and Compliance – influencing other Councils who have adopted it.

Whakapai Ake Award: Recognising innovative thinking that challenges the way we do things or improves our business processes.

- **Winner: Nadine Dodge, Senior Advisor Transport Strategy.** Nadine was recognised for her championing of evidence-based decision making and innovative thinking, particularly on Let's Get Wellington Moving.

Mana Tiaki Award: Recognising an exceptional contribution towards making Wellington a great place to live, work and play.

- **Winner: Karin van der Walt, Conservation & Science Advisor.** Karin was recognised for her work to conserve our natural heritage, and as a leader in her field, working at a national level with the response to myrtle rust, representing Wellington Gardens and NZ Botanic Gardens on the national working group.

Emerging Leader Award: Recognises individuals who have demonstrated leadership potential.

- **Winner: Hasitha Darshaka – Lead Enterprise App Support Analyst.** Hasitha was recognised as a dedicated, passionate and highly driven emerging leader, respected by peers and customer alike, who is living and breathing the behaviours critical to achieving a Smarter City.

Leadership Award: Recognises individuals who positively influence others by demonstrating good leadership. The award is open to anyone - not just managers.

- **Winner: Vikki Muxlow, Business Support & Performance Manager.** The judging panel said of Vikki: "this leader is really well-known across the organisation as an exceptional leader and contributor."

People's Choice: This award is voted by Council staff out of the shortlisted nominees.

- **Winner: Kevin Ward, Tahiwi Reception.** Comments from Kevin's Council colleagues included that he was helpful, welcoming, a great face for the organisation, and a source of excellent 'dad jokes'.

Chief Executive's Award: This award is the Chief Executive's opportunity to recognise any one of the shortlisted entries with a special award.

- **Winner: Lucy Lang, Team Leader Libraries.** CE Kevin Lavery said: "It was a really difficult decision, because as you've seen there's been so many outstanding people. But the things I saw and heard about this person made her an obvious choice."

Section 5: Financial Statements

In this section

This section includes the statements of Compliance and Responsibility, Revenue and Expense, the Financial Position, Changes in Equity, and Cash Flow, along with other disclosures for Wellington City Council for the year ended 30 June 2019.

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Statement of Compliance and Responsibility

Reporting entity

Wellington City Council is a territorial local authority governed by the Local Government Act 2002.

The primary purpose of the Council and Group is to provide goods or services for community or social benefits rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity for financial reporting purposes.

The reported Council figures includes the results and operations of Wellington City Council and the Council's interests in the joint ventures as disclosed in Note 35: Jointly controlled assets (page X).

The reported Group figures includes the Council (as defined above), its controlled entities as disclosed in Note 19 (page X) and the Council's equity accounted interest in the associates and a jointly controlled entity as disclosed in Note 20 (page X). A structural diagram of the Council and Group is included on the following page.

Compliance

The Council and management of Wellington City Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, including the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) have been complied with.

The financial statements have been prepared to comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity¹ and were authorised for issue by the Council on 25 September 2019.

Responsibility

The Council and management accept responsibility for the preparation of the annual financial statements and judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management, the Annual Report for the year ended 30 June 2019 fairly reflect the financial position, results of operations and service performance achievements of Wellington City Council and Group.

Justin Lester

Mayor

25 September 2019

Kevin Lavery

Chief Executive

25 September 2019

Andy Matthews

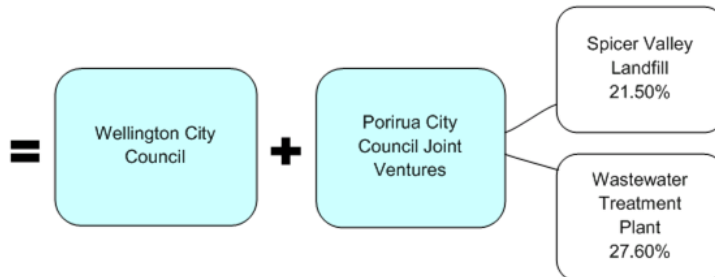
Chief Financial Officer

25 September 2019

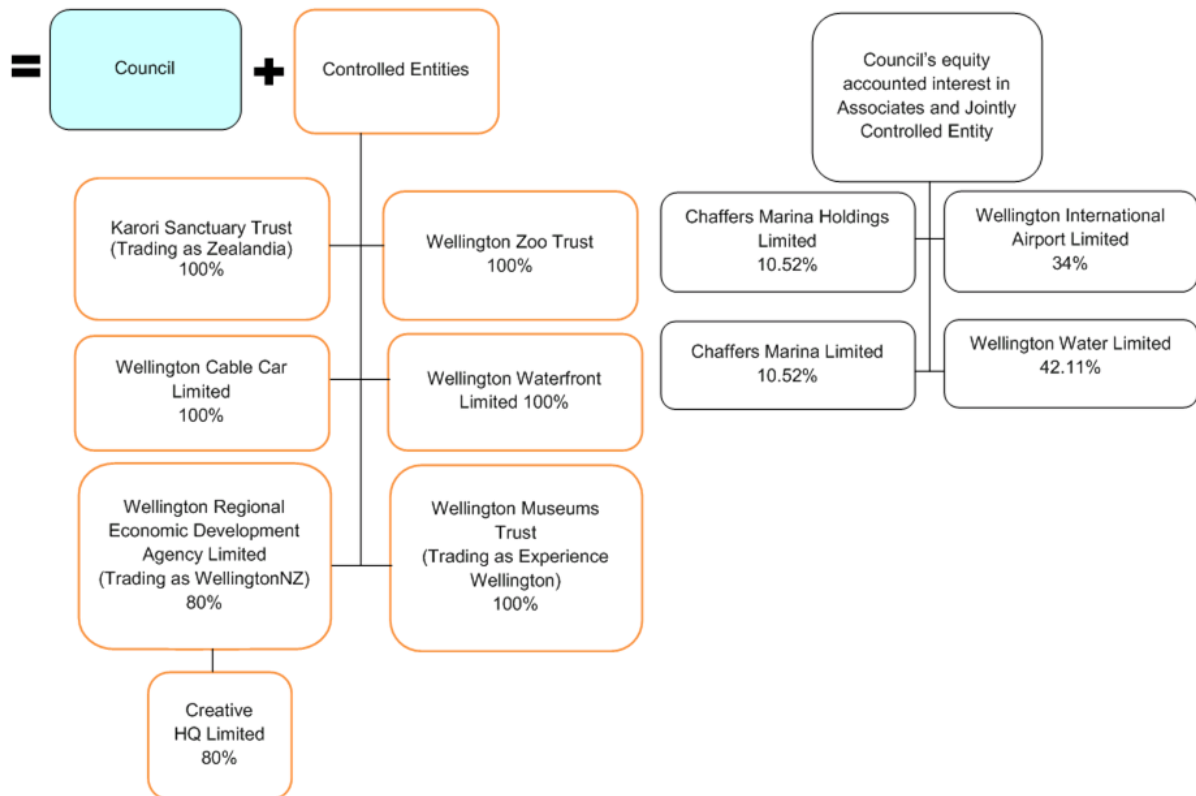
Note: A Tier 1 entity is defined as being either, publicly accountable or large (ie. expenses over \$30m). Council exceeds the expenses threshold.

Council and Group Structure

Wellington City Council Reporting Entity (Council)



Wellington City Council Group Reporting Entity (Group)



All entities included within the Group are domiciled in Wellington, New Zealand

The percentages represent the Council's interest and/or ownership (for accounting purposes) in each of the entities in the Group. Refer to Notes 19 and 20 (pages X and X) for more information.

Basis of Consolidation

Joint ventures

Joint ventures are binding contractual arrangements with other parties to jointly control an undertaken activity. The accounting treatment can vary according to the structure of the venture concerned. The two structure types are either a jointly controlled asset or a jointly controlled entity.

For a jointly controlled asset the Council has a liability in respect of its share of joint ventures' operational deficits and liabilities, and shares in any operational surpluses and assets. The Council's proportionate interest (ie. 21.5% of the Spicer Valley landfill) in the assets, liabilities, revenue and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

For a jointly controlled entity the Council chooses to use the equity accounting treatment option available as it better reflects its investment in the joint venture. The investment is initially recognised at cost, and adjusted thereafter for the post-acquisition changes in the Council's share of net assets/equity of the entity. The Council's share of the surplus or deficit of the entity is included in the Group's surplus or deficit on a single line.

Controlled entities

Controlled entities are entities that are controlled by the Council. In the Council financial statements, the investment in controlled entities are carried at cost. In the Group financial statements, controlled entities are accounted for using the purchase method where assets, liabilities, revenue and expenditure are added on a line-by-line basis. Where a non-controlling interest is held by another party in a Council controlled entity, the controlled entity is consolidated as if it was fully controlled and the share of any surplus or deficit attributable to the non-controlling interest is disclosed within the Statement of Comprehensive Revenue and Expense.

All significant transactions between Group entities, other than rates, are eliminated on consolidation. Rates are charged on an arm's length basis and are not eliminated to ensure that reported costs and revenues are consistent with the Council's Annual Plan.

Associates

Associates are entities where the Council has significant influence over their operating and financial policies but they are not controlled entities or joint ventures. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

Council Controlled Organisations

The Council has established several Council Controlled Organisations (CCO's) and Council Controlled Trading Organisations (CCTO's) to help it achieve its goals for Wellington. These organisations were set up to independently manage Council facilities, or deliver specific services and developments on behalf of Wellington residents. A report on these organisations is found on page X. Council has made appointments to other organisations, which make them Council Organisations (as defined in the Local Government Act 2002) but they are not Council controlled or part of the Group.

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2019

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2019	2019	2018	2019	2018
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	1	309,887	310,705	296,409	309,887	296,409
Revenue from operating activities						
Development contributions	2	2,897	2,000	3,305	2,897	3,305
Grants, subsidies and reimbursements	2	38,496	40,708	50,643	49,217	64,501
Other operating activities	2	143,878	142,965	142,450	163,983	162,266
Investments revenue	3	25,946	24,196	24,362	12,065	11,752
Vested assets and other revenue	4	17,460	1,100	9,740	17,682	9,741
Fair value gains	5	18,458	4,262	6,941	18,890	6,947
Finance revenue	6	2,879	13	1,603	3,158	1,864
Total revenue		559,901	525,949	535,453	577,779	556,785
Expense						
Finance expense	6	(25,719)	(24,918)	(24,082)	(25,725)	(24,094)
Expenditure on operating activities	7	(391,406)	(366,116)	(371,749)	(419,327)	(402,525)
Depreciation and amortisation expense	8	(116,121)	(117,158)	(107,415)	(117,619)	(109,048)
Total expense		(533,246)	(508,192)	(503,246)	(562,671)	(535,667)
Operating surplus before Civic Precinct impairment		26,655	17,757	32,207	15,108	21,118
Civic Precinct impairment	7	(50,522)	-	-	(50,522)	-
Share of equity accounted surplus/(deficit) from associates and jointly controlled entity	9	-	-	-	16,332	16,243
Net surplus / (deficit) before taxation		(23,867)	17,757	32,207	(19,082)	37,361
Income tax credit/(expense)	10	-	-	-	(187)	(429)
NET SURPLUS / (DEFICIT) for the year		(23,867)	17,757	32,207	(19,269)	36,932
Net surplus / (deficit) attributable to:						
Wellington City Council and Group		(23,867)	17,757	32,207	(19,553)	36,648
Non-controlling interest		-	-	-	284	284
		(23,867)	17,757	32,207	(19,269)	36,932

The notes from pages X to X form part of the Financial Statements and should be read in conjunction with them

Statement of Comprehensive Revenue and Expense - continued

For the year ended 30 June 2019

	Refer	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2019	2019	2018	2019	2018
		\$000	\$000	\$000	\$000	\$000
Net surplus / (deficit) for the year		(23,867)	17,757	32,207	(19,269)	36,932
Other comprehensive revenue and expense ¹						
Items that will be reclassified to surplus/(deficit)						
Cash flow hedges:						
Fair value movement - net	SCIE ²	(42,776)	-	(4,079)	(42,094)	(4,380)
Fair value through other comprehensive revenue and expense						
Fair value movement - net	SCIE	546	-	856	492	1,615
Items that will not be reclassified to surplus/(deficit)						
Non-controlling interest:						
Movement in non-controlling interest		-	-	-		-
Revaluations:						
Fair value movement - property, plant and equipment - net	SCIE	(3,256)		180,413	(3,256)	180,413
Share of other comprehensive revenue and expense of associates and jointly controlled entity:						
Fair value movement - property, plant and equipment - net	SCIE	-	-	-	4,761	20,588
Total other comprehensive revenue and expense		(45,486)	-	177,190	(40,097)	198,236
TOTAL COMPREHENSIVE REVENUE and EXPENSE for the year		(69,353)	17,757	209,397	(59,366)	235,168
Total comprehensive revenue and expense attributable to:						
Wellington City Council and Group		(69,353)	17,757	209,397	(59,650)	234,884
Non-controlling interest		-	-	-	284	284
		(69,353)	17,757	209,397	(59,366)	235,168

1. Other/ comprehensive revenue or expense is non-cash in nature and only reflects changes in equity.
2. Statement of Changes in Equity – see page X

The notes from pages X to X form part of the Financial Statements and should be read in conjunction with them.

Statement of Comprehensive Revenue and Expense - Major budget variations

Significant variations from budgeted revenues and expenses are as follows:

Revenues were \$33.952m higher than budgeted, major variances included:

- \$1.990m of additional city transport and infrastructure revenue due to a number of factors including NZTA operating subsidies being higher than budget
- \$1.437m of additional dividend revenue largely from the Council's investment in Wellington International Airport Limited
- \$0.897m of additional development contribution revenue
- \$13.411m of vested assets from developments
- \$14.196m higher than budgeted movement in investment property revaluations

Expenses were \$25.054 higher than budgeted, major variances included:

- \$13.000m release from the Housing NZ deed of grant to enable the long-term lease agreement for the Arlington development sites 1 and 3 to Housing New Zealand
- \$2.025m higher than budgeted IT and telecommunication costs
- \$1.790m related to the reassessment of the landfill provision
- \$2.794m for the increase in the Weathertight homes provision

Net finance expense was \$2.065m lower than budgeted reflecting the lower than planned capital expenditure, which is debt funded, resulting in lower interest charges.

In addition, Council made an unbudgeted impairment adjustment of \$50.521m in relation to the Civic Precinct. Refer to Note 18 – Property, Plant and Equipment for more detailed information (page X).

Note 1: Rates revenue

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
General rates	175,031	169,409	175,031	169,409
Targeted rates	118,168	111,151	118,168	111,151
Metered water supply	15,605	14,782	15,605	14,782
Penalties and adjustments	1,083	1,067	1,083	1,067
TOTAL RATES REVENUE	309,887	296,409	309,887	296,409

The total amount of rates charged on Council owned properties that have not been eliminated from revenue and expenditure is \$14.521m (2018: \$13.915m). For the Group, rates of \$14.604m (2018: \$13.981m) have not been eliminated.

The revenue from rates for Wellington City Council was billed on the following rating information held as at 30 June 2018.

The number of rating units: 78,724 (30 June 2017: 78,192).

	2019	2018
	\$000	\$000
Total capital value of rating units	56,296,956	55,577,812
Total land value of rating units	23,453,009	23,373,780

Relevant significant accounting policies

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and therefore meet the definition of non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate. However, as the rates charged are primarily based on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction. Revenue from water rates by meter is recognised on an accrual basis based on usage.

Rates remissions

Revenue from rates is shown net of rates remissions. The Council's Rates Remission and Postponement Policies provide for general rates to be partially remitted for rural open space; land used principally for games or sport and in special circumstances (where the rating policy is deemed to unfairly disadvantage an individual ratepayer). A remission of the Downtown targeted rate may also be granted to provide rates relief for downtown commercial property temporarily not fit for the purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown targeted rate. The Council committed itself at the start of the year to certain

remissions, which for the reporting period ended 30 June 2019 totalled \$1.331m (2018: \$0.888m).

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties are non-rateable. This includes schools, churches, public gardens and certain land vested in the Crown. This land is non-rateable in respect of general rates but, where applicable, is rateable in respect of sewerage and water. Non-rateable land does not constitute a remission under the Council's Rates Remission and Postponement Policies.

Note 2: Revenue from operating activities

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Development contributions	2,897	3,305	2,897	3,305
Grants, subsidies and reimbursements				
Operating	9,214	7,614	18,441	21,253
Capital	29,282	43,029	30,776	43,248
Total grants, subsidies and reimbursements	38,496	50,643	49,217	64,501
Other operating activities				
Fines and penalties	6,285	6,176	6,285	6,176
Rendering of services	130,740	129,686	145,758	144,969
Sale of goods	6,853	6,588	11,940	11,121
Total other operating activities	143,878	142,450	163,983	162,266
TOTAL REVENUE FROM OPERATING ACTIVITIES	185,271	196,398	216,097	230,072

For the Council, the principal grants and reimbursements are from the New Zealand Transport Agency (NZTA), which reimburses part of the Council's costs for maintaining the local roading and cycling infrastructure. The capital reimbursements recognised from NZTA of \$29.331m (2018: \$27.835m) and operating reimbursements of \$7.983m (2018: \$6.005m) are for costs already incurred and there are no unfulfilled conditions or other contingencies relating to the reimbursements.

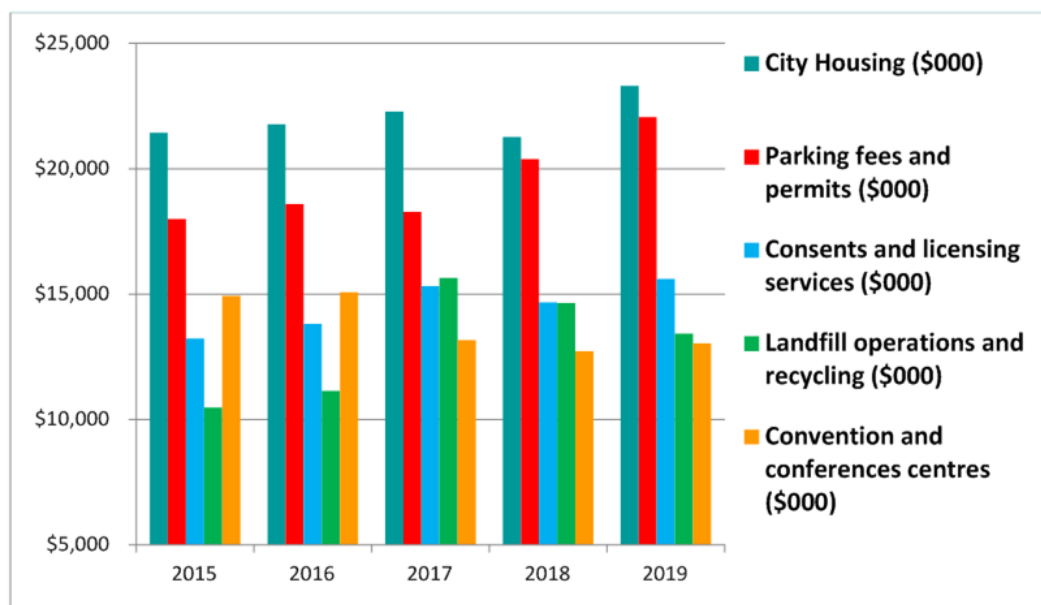
Previously, significant grant contributions were recognised from the Crown in relation to the upgrade of the Council's social housing stock. The recognition of the capital grant and operating grant in 2017/2018, being \$14.616m and \$0.555m respectively, fully extinguished the total grant received. There are no unfulfilled conditions or other contingencies relating to this utilised grant revenue apart from the overarching requirement for Council to maintain its investment and provision of social housing until 2037. Subject to the signing of the long-term lease agreement for Arlington development sites 1 and 3, to Housing NZ, a one-off enabling adjustment has been made to compensate for the previously received capital grant.

For the Group, the additional principal subsidy was \$0.967m (2018: \$4.194m) from Greater Wellington Regional Council to Wellington Cable Car Limited for the decommissioning of the overhead traction system that commenced on 1 November 2017. This subsidy ended part way through the 2018/19 period.

For other operating activities of Council, the main services provided were:

- City housing - \$23.310m (2018: \$21.261m)
- Parking fees and permits - \$22.067m (2018: \$20.386m)
- Consents and licensing services - \$15.609m (2018: \$14.670m)
- Landfill operations and recycling - \$13.422m (2018: \$14.645m) – including unbudgeted revenue from the joint ventures with Porirua City Council \$1.780m (2018: \$1.601m).
- Convention and conferences centres – \$13.037m (2018: \$12.723m)

The 5-year trend for these major revenue streams looks like this:



5-year Trend analysis

City Housing – Fairly consistent increases especially in light of lower levels of housing units available during the upgrade process.

Parking fees and permits – Reasonably consistent, but with increases in the last couple of years due to the increase of fees and introduction of weekend parking fees that ensures greater turnover and utilisation of car parking spaces in the CBD to support retail.

Consents and licensing services – A reasonably consistent upward trend.

Landfill operations and recycling – A big uplift in 2017 revenues primarily due to the extra demolition work resulting from the November 2016 Kaikoura earthquake.

Convention and conference centres – A decrease in revenues after 2016 due to lower venue capacity as a result of the earthquake strengthening related closure of the St James Theatre, and the Michael Fowler Car Park being closed for the temporary building for the NZ Ballet.

Relevant significant accounting policies

Revenue from operating activities is generally measured at the fair value of consideration received or receivable.

The Council undertakes various activities as part of its normal operations which generates revenue, but generally at below market prices or at fees and user charges subsidised by rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

See Note 13: Receivables and recoverables (page X), for an explanation of exchange and non-exchange transactions, transfers and taxes.

Development contributions

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Until such time as the Council provides, or is able to provide the service, development contributions are recognised as liabilities.

Grants, subsidies and reimbursements

Grants, subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the monies will be received and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (eg. NZ Transport Agency roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Fines and penalties

Revenue from fines and penalties (eg. traffic and parking infringements and library overdue book fines) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. In particular the fair value of parking related fines is determined based on the probability of collecting fines considering previous collection history and a discount for the time value of money.

Rendering of services

Revenue from the rendering of services (eg. building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Some rendering of services are provided at a market rate or on a full cost recovery basis (eg. Parking fees) and these are classified as exchange.

Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Note 3: Investments revenue

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Dividend from associates	13,881	12,610	-	-
Dividend from equity investments	537	104	537	104
Investment property revenues	11,528	11,648	11,528	11,648
TOTAL INVESTMENTS REVENUE	25,946	24,362	12,065	11,752

The dividend from associates was from Council's 34% holding in Wellington International Airport Limited.

The Council received a dividend (\$0.441m) from its equity investment in Civic Financial Services Limited, following the sale of its building, Civic Assurance House. The balance (\$0.096m) was from its equity investment in the LGFA.

The Council continues to maintain its current level of investment as it considers the dividend stream adds diversity to normal rates revenue. The investment portfolio is presently maintained as it is strategically, financially and economically prudent to do so.



For further information refer to Note 20: Investment in associates and jointly controlled entity (page X).

The revenues from investment properties are primarily from ground leases around the CBD and on the waterfront. The Council periodically reviews its continued ownership of investment properties by assessing the benefits against other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership and in terms of the most financially viable method of achieving the delivery of Council services.

For further information refer to Note 17: Investment properties (page X).

Relevant significant accounting policies

Dividends

Dividends from equity investments are recognised when the Council's right to receive payment has been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are recognised on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished

Note 4: Vested assets and other revenue

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Vested assets	13,411	8,087	13,411	8,087
Other revenue	4,049	1,653	4,271	1,654
TOTAL VESTED ASSETS AND OTHER REVENUE	17,460	9,740	17,682	9,741

Vested assets are principally infrastructural assets such as roading, drainage, waste and water assets that have been constructed by developers. As part of the consents process, ownership of these assets is transferred to the Council, and on completion they become part of the city's network. Although vested assets are non-cash in nature and represent a future obligation to the Council, as the Council will have the on-going costs associated with maintaining the assets, they are recognised as revenue in accordance with the applicable accounting standard.

The breakdown of principal vested assets received is:

- Drainage, waste and water - \$8.082m (2018: \$4.950m).
- (This includes \$3.161m from the Crown in relation to emergency water stations to add to the resilience of the city.)
- Roding - \$4.148m (2018: \$2.102m)
- Outer Greenbelt land - \$1.118m (2018: Nil)

Other revenue consisted of:

- Externally funded contributions for capital works \$2.011m
- Fuel tax - \$1.139m (2018: \$1.132m)

Relevant significant accounting policies**Donated, subsidised or vested assets**

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

Gains

Gains include additional earnings (ie. sale proceeds in excess of the book value) on the disposal of property, plant and equipment.

Donated services

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (eg. beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Note 5: Fair value movements

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Investment property revaluation	18,454	6,937	18,454	6,937
Amortisation of loans to related parties	4	4	10	10
Fair value gain on investments	-	-	426	-
Total fair value gains	18,458	6,941	18,890	6,947

Investment properties, which are revalued annually, are held primarily to earn lease revenue and/or for capital growth. These properties include the Council's ground leases and certain lands and buildings, including the waterfront's investment properties. For more information refer to Note 17: Investment properties (page X).

Relevant significant accounting policies

Gains

Gains include increases on the revaluation of investment property and in the fair value of financial assets and liabilities.

Investment properties

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Derivatives

Movements on derivatives at fair value through surplus or deficit represents the fair value movements on interest rate swaps that do not meet the criteria for hedge accounting. Movements in the Group's other derivatives that meet the criteria for hedge accounting, are taken to the cash flow hedge reserve and have no impact on the net surplus / (deficit) for the year.

Note 6: Finance expense

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Interest on borrowings	25,056	23,062	25,060	23,074
Interest on finance leases	-	-	2	-
Re-discounting of interest on provisions	663	1,020	663	1,020
TOTAL FINANCE EXPENSE	25,719	24,082	25,725	24,094
<i>Less</i>				
Finance revenue - interest earned	2,879	1,603	3,158	1,864
NET FINANCE COST	22,840	22,479	22,567	22,230

Relevant significant accounting policies**Interest on borrowings**

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Re-discounting of interest

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date). For further information refer to Note 24: Employee benefit liabilities and provisions (page X) and Note 25: Provision for other liabilities (page X).

Interest earned

Interest earned is recognised using the effective interest rate method.

Note 7: Expenditure on operating activities

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Governance and employment				
Elected member remuneration	1,649	1,559	1,649	1,559
Independent directors/trustees fees for controlled entities	-	-	451	437
Employee benefits expense:				
- Remuneration	92,056	86,778	119,804	113,945
- Superannuation contributions (including KiwiSaver)	2,701	2,505	3,321	3,059
Other personnel costs	4,501	4,025	5,374	4,981
Impairments				
Bad debts written off not previously provided for	132	175	136	175
Increase in provision for impairment of receivables and recoverables	497	167	497	167
Impairment of property, plant and equipment	50,603	4	50,603	4
Impairment of investments	49	-	95	153
Insurance				
Insurance premiums	15,528	12,181	16,105	12,609
Insurance reserve costs - net	1,709	2,750	1,709	2,750
General				
Administration Costs	6,269	6,477	20,373	20,600
Auditor's remuneration:	461	454	733	626
Contractors	4,633	5,267	7,728	8,209
Contracts, services and materials	147,962	134,741	149,466	139,289
Grants	38,516	37,068	13,193	11,881
Information and communication technology	16,336	16,342	17,343	17,326
Loss on disposal of intangibles	225	35	225	35
Loss on disposal of property, plant and equipment	766	1,573	833	1,576
Operating lease - minimum lease payments	4,460	2,043	5,672	3,208
Professional costs	20,856	16,250	21,446	16,855
Reassessment of weathertight provision	2,794	12,523	2,794	12,523
Utility costs	29,225	28,407	30,299	29,409
Total expenditure on operating activities including Civic Precinct impairment	441,928	371,749	469,849	402,525
Less: Civic Precinct impairments	(50,522)	-	(50,522)	-
TOTAL EXPENDITURE ON OPERATING ACTIVITIES	391,406	371,749	419,327	402,525

Governance and employment

Governance costs relate to the remuneration made to all elected members, comprising the Mayor, Councillors and Community Board members and also to directors appointed to boards of controlled entities.

Employment costs relate to the remuneration paid directly to staff, other employee benefits such as KiwiSaver and other associated costs such as recruitment and training.

During the year \$0.684m (2018: \$0.907m) of termination benefits were incurred by the Council and \$0.945m (2018: \$1.077m) by the Group. Termination benefits include all payments relating to the end of employment other than unpaid salary and leave entitlements. Termination benefits include both contractual (eg redundancy, in lieu of notice) and non-contractual (eg severance) payments.

For further information refer to Note 37: Remuneration and staffing levels (page X).

Impairments

The primary impairments relate to the Civic Precinct. For more detailed information on these impairments see Note 18: Property, plant and equipment (page X).

General

Auditor's remuneration:	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Audit services - Audit New Zealand - Financial Statements	301	300	499	406
Audit services - Audit New Zealand - LTP and LTP Amendment	148	143	148	143
Audit services - Audit New Zealand - other	12	11	12	11
Audit services - Other Auditors	-	-	74	66
	461	454	733	626

During the period Audit New Zealand provided other services to the Council, namely assurance services relating to the Clifton Terrace Carpark managed by the Council on behalf of the New Zealand Transport Agency and assurance services relating to Council's debenture trust deed compliance.

Direct costs are costs directly attributable to the rendering of Council services, including contracts, maintenance, management fees, materials and services.

Grants – general, include \$2.250m (2018: \$2.250m) towards the funding of the Museum of New Zealand, Te Papa Tongarewa.

Grants to controlled entities such as the Wellington Zoo Trust are for operational funding purposes. For details of the funding to these entities refer to Note 36: Related party disclosures (page X).

Operating lease minimum lease payments are for non-cancellable agreements for the use of assets such as buildings and specialised computer equipment.

For further information in relation to the Weathertight homes provision. Refer to Note 25: Provisions for other liabilities (page X).

Utility costs are those relating to the use of electricity, gas, and water. It also includes the payment of rates and water meter charges of \$14.521m (2018: \$13.915m) on Council owned properties.

Relevant significant accounting policies

Grants and sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (eg. cash or physical assets) to another entity or individual in return for compliance with certain

conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Cost allocation

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Performance). Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities

Research and Development

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

Note 8: Depreciation and amortisation

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Depreciation				
Buildings	30,938	21,490	31,091	21,861
Civic Precinct	2,732	2,675	2,732	2,675
Restricted buildings	1,578	1,621	1,578	1,621
Drainage, waste and water infrastructure	35,512	35,309	35,512	35,309
Landfill post closure	12	283	12	283
Library collections	2,142	1,767	2,142	1,767
Plant and equipment	9,909	11,178	11,145	12,352
Roading infrastructure	29,569	28,786	29,569	28,786
Total depreciation	112,392	103,109	113,781	104,654
Amortisation				
Computer software	3,729	4,306	3,838	4,394
Total amortisation	3,729	4,306	3,838	4,394
TOTAL DEPRECIATION AND AMORTISATION	116,121	107,415	117,619	109,048

Depreciation (amortisation) is an expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to 'intangible' assets such as software (as distinct from physical assets, which are covered by the term depreciation).

Relevant significant accounting policies**Depreciation**

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life.

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Amortisation

The amortisation of intangible assets is charged on a straight-line basis over the estimated useful life of the associated assets.

The estimated useful lives of the major classes of property, plant and equipment are as follows:

	2019
Asset Category	Useful Life (years)
Land	unlimited
Buildings	2 - 150
Civic Precinct	2 - 67
Plant and equipment	1 - 296
Library collection	4 - 11
Restricted assets (excluding buildings)	unlimited
Infrastructure assets:	
Land (including land under roads)	unlimited
Roading	2 - 266
Drainage, waste and water	7 - 402

The variation in the range of lives for infrastructural assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Computer software has a finite economic life and amortisation is charged to surplus or deficit on a straight-line basis over the estimated useful life of the asset. Typically, the estimated useful lives of these assets are as follows:

	2019
Asset Category	Useful Life (years)
Computer software	2 - 11

Note 9: Share of associates and jointly controlled entity's surplus or deficit

The Council's share of the results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited and Wellington Water Limited is as follows:

	Group	
	2019 \$000	2018 \$000
Associates		
Chaffers Marina Holdings Limited	(6)	(17)
Wellington International Airport Limited	16,327	16,270
Jointly controlled entity		
Wellington Water Limited	11	(10)
TOTAL SHARE OF ASSOCIATES' AND JOINTLY CONTROLLED ENTITY'S SURPLUS OR (DEFICIT)	16,332	16,243

Further information on the cost and value of the above investments is found in Note 20: Investments in Associates and Jointly Controlled Entity (page X).

Relevant significant accounting policies

Associates are entities where the Council has significant influence over their operating and financial policies but they are not controlled entities or joint ventures. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

For a jointly controlled entity the Council chooses to use the equity accounting treatment option available as it better reflects its investment in the joint venture. The investment is initially recognised at cost, and adjusted thereafter for the post-acquisition changes in the Council's share of net assets/equity of the entity. The Council's share of the surplus or deficit of the entity is included in the Group's surplus or deficit on a single line.

Note 10: Income tax expense

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current tax expense				
Current year	-	-	132	144
Prior period adjustment	-	-	(99)	183
Total current tax expense	-	-	33	327
Deferred tax expense				
Origination and reversal of temporary differences	3	(6)	154	-
Change in unrecognised temporary differences	(3)	-	-	102
Recognition of previously unrecognised tax losses	-	6	-	-
Total deferred tax expense	-	-	154	102
TOTAL INCOME TAX EXPENSE / (CREDIT)	-	-	187	429
Reconciliation of tax on the surplus / (deficit) and tax expense				
Surplus / (deficit) for the period before taxation	(23,867)	32,207	(19,082)	37,361
Prima facie income tax based on domestic tax rate - 28%	(6,683)	9,018	(5,343)	10,461
Effect of non-deductible expenses and tax exempt income	6,683	(9,024)	4,611	(11,491)
Effect of tax losses utilised	-	-	-	-
Current years loss for which no deferred tax asset was recognised	3	6	104	6
Recognition of prior year loss	-	-	3	0
Previously unrecognised tax losses now utilised	-	-	-	22
Change in unrecognised temporary differences	-	-	(84)	42
Prior period adjustment	(3)	-	(103)	88
Share of income tax of equity accounted associates	-	-	1,000	1,206
Under / (over) provision of income tax in previous period	-	-	-	95
TOTAL INCOME TAX EXPENSE / (CREDIT)	-	-	187	429
Imputation credits				
Imputation credits available in subsequent periods			281	154

Relevant significant accounting policies

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. Other members of the Group are subject to normal taxation unless they have tax exempt status as charitable trusts.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Statement of Financial Position

For the year ended 30 June 2019

		Council			Group	
EQUITY			Budget	Actual		Actual
			2019	2018		2018
Accumulated funds	Note	1,269,134	1,300,34	1,300,34	1,293,162	1,300,62
Retained earnings		3,795,806	3,842,083	3,819,629	3,799,312	3,818,478
Assets	27	1,854,208	1,716,629	1,857,464	2,017,583	2,016,078
Hedging reserve	28	(68,138)	-	(25,362)	(67,757)	(25,663)
Fair value through other comprehensive revenue and expense reserve	29	4,290	2,888	3,744	5,328	4,836
Cash and cash equivalents	31	-	440	95,936	-	106,836
Non-controlling interest	13	-	50,140	55,815	284	58,849
Receivables and recoverables	30	14,865	9,750	14,900	19,033	19,128
Restricted funds	14	-	-	-	-	-
Other financial assets		-	13,330	13,221	-	10,318
TOTAL EQUITY		6,870,165	6,840,484	6,939,518	7,066,945	7,126,311
Prepayments		-	-	-	-	-
TOTAL EQUITY AND LIABILITIES		7,781,101	7,600,958	7,705,507	7,989,671	7,901,587
Non-current assets classified as held for sale	15	19,744	-	-	19,744	-
Total current assets		237,473	65,084	178,832	256,087	193,972
Non-current assets						
Derivative financial assets	12	-	-	381	-	381
Other financial assets	14	14,844	14,315	12,201	16,983	14,231
Intangibles	16	25,204	31,072	25,678	25,458	25,800
Investment properties	17	255,478	241,013	236,905	255,478	236,905
Property, plant and equipment	18	7,223,566	7,224,938	7,226,974	7,239,892	7,242,418
Investment in controlled entities	19	5,071	5,071	5,071	-	-
Investment in associates and jointly controlled entity	20	19,465	19,465	19,465	195,773	187,880
Total non-current assets		7,543,628	7,535,874	7,526,675	7,733,584	7,707,615
TOTAL ASSETS		7,781,101	7,600,958	7,705,507	7,989,671	7,901,587
LIABILITIES						
Current liabilities						
Derivative financial liabilities	12	985	-	659	985	659
Exchange transactions and transfers payable	21	65,366	72,154	60,686	70,452	64,620
Taxes payable	21	6,599	-	6,113	6,780	6,375
Revenue in advance	22	14,073	14,388	16,184	17,395	18,511
Borrowings	23	125,039	125,000	131,058	125,068	131,058
Employee benefit liabilities and provisions	24	7,692	8,416	7,731	9,735	9,559
Provision for other liabilities	25	10,890	8,882	15,743	10,890	15,743
Total current liabilities		230,644	228,840	238,174	241,305	246,525
Non-current liabilities						
Derivative financial liabilities	12	67,153	-	25,083	67,153	25,083
Exchange transactions and transfers payable	21	231	630	630	231	630
Borrowings	23	563,917	506,309	451,086	563,965	451,086
Employee benefit liabilities and provisions	24	782	1,311	772	849	826
Provision for other liabilities	25	48,209	23,384	50,244	48,209	50,244
Deferred tax	26	-	-	-	1,014	882
Total non-current liabilities		680,292	531,634	527,815	681,421	528,751
TOTAL LIABILITIES		910,936	760,474	765,989	922,726	775,276

The notes from pages X to X form part of and should be read in conjunction with the financial statements

Statement of Financial Position - Major budget variations

		Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2019	2019	2018	2019	2018
	Note	\$000	\$000	\$000	\$000	\$000

Significant variations from budget are as follows:

Current assets are \$172.389m higher than budgeted, major variances included:

- \$133.000m of short-term deposits and \$9.000m of deposits with a term between 3 and 12 months are held due to certain favourable interest rates and liquidity requirements.
- \$19.744m of non-current assets classified as held for sale have been moved to current assets from property, plant and equipment relating to earthquake prone social housing and the long-term lease of Arlington sites 1 and 3 to Housing NZ.

Non-current assets are \$40.231m higher than budget, major variances included:

- \$14.465m of increase in investment properties primarily due to a revaluation increase reflecting commercial market returns
- \$31.105m of property, plant and equipment above budget. This is partly due to timing differences arising from the recognition of property, plant and equipment revaluations in 2017/18 as well as unbudgeted vested assets recognised in 2018/19 totalling \$13.411m. This is partially offset by lower than budgeted additions as well as the recognition of Civic Precinct impairments and transfers to non-current assets classified as held for sale.

Total liabilities are \$150.461m higher than budget, major variances included:

- \$67.153m, relating to derivative financial liabilities which are not budgeted for.
- \$26.833m relating to provision for other liabilities due to timing differences related to the weathertight homes and landfill provisions compared to budget.
- \$57.647m of additional borrowings compared to budget. Net borrowings, once cash and short term deposits are taken into account, is actually down on budget due to capital expenditure underspends as a result of the re-phasing of some projects over a longer period of time.
- \$6.599m of taxes payable which are not budgeted for, these largely relate to PAYE payable to the IRD and amounts due to GWRC for rates collected on their behalf.

Note 11: Cash and cash equivalents

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Cash at bank	2,229	1,976	12,201	11,288
Cash on hand	17	20	34	39
Short term bank deposits up to 3 months	133,000	94,000	136,854	95,529
TOTAL CASH AND CASH EQUIVALENTS	135,246	95,996	149,089	106,856

Bank balances that are interest bearing earn interest based on current floating bank deposit rates.

Short term deposits are made with a registered bank, with a credit rating of at least A, for varying periods of up to three months depending on the immediate cash requirements and short term borrowings of the Group, and earn interest at the applicable short term deposit rates.

Council holds short term deposits as part of its overall liquidity risk management programme. This programme enables Council to maintain its regular commercial paper programme and to pre-fund upcoming debt maturities. The combination of the commercial paper programme and holding short term deposits reduces Council's cost of funds.

Note 12: Derivative financial instruments

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Assets				
Non-current assets				
Interest rate swaps - cash flow hedges	-	380	-	380
Interest rate cap	-	1	-	1
Total non-current assets	-	381	-	381
TOTAL DERIVATIVE FINANCIAL INSTRUMENT ASSETS	-	381	-	381
Liabilities				
Current liabilities				
Interest rate swaps - cash flow hedges	985	659	985	659
Total current liabilities	985	659	985	659
Non-current liabilities				
Interest rate swaps - cash flow hedges	67,153	25,083	67,153	25,083
Total non-current liabilities	67,153	25,083	67,153	25,083
TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES	68,138	25,742	68,138	25,742

Derivative financial instruments are used by the Group in the normal course of business to hedge exposure to cash flow and fair value interest rate risk. The amounts shown above represent the fair values of these derivative financial instruments. Although these are managed as a portfolio, the Group has no rights to offset assets and liabilities and must present these figures separately.

Cash flow hedges are used to fix interest rates on floating rate debt (floating rate notes or commercial paper) or bank borrowings. Fair value hedges are used to convert interest rates on some fixed rate debt (bonds) to floating rates.

For further information on the Council's interest rate swaps please refer to Note 28: Hedging Reserve (page X) and Note 32: Financial instruments (page X).

Relevant significant accounting policies

Derivative financial instruments include interest rate swaps used to hedge exposure to interest rate risk on borrowings. Derivatives are initially recognised at fair value, based on quoted market prices, and subsequently remeasured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in active markets. Derivatives that do not qualify for hedge accounting are classified as non-hedged and fair value gains or losses are recognised within surplus or deficit.

Recognition of fair value gains or losses on derivatives that qualify for hedge accounting depends on the nature of the item being hedged. Where a derivative is used to hedge variability of cash flows (cash flow hedge), the effective part of any gain or loss is recognised within other comprehensive revenue and expense while the ineffective part is recognised

within surplus or deficit. Gains or losses recognised in other comprehensive revenue and expense transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

Note 13: Receivables and recoverables

Receivables and recoverables	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current	53,962	55,815	55,911	58,049
Non-Current	-	-	-	-
TOTAL RECEIVABLES AND RECOVERABLES - NET	53,962	55,815	55,911	58,049

Receivables and recoverables	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Trade receivables and recoverables - debtors - net	17,684	16,753	17,671	18,300
Trade recoverables - fines - net	3,782	3,630	3,782	3,630
Accrued revenue	10,692	12,287	11,652	12,352
Sundry receivables	4,075	6,365	4,641	6,987
GST recoverable	6,121	6,314	6,557	6,314
Rates recoverable	11,608	10,466	11,608	10,466
TOTAL RECEIVABLES AND RECOVERABLES - NET	53,962	55,815	55,911	58,049

Current trade, rates and sundry receivables and recoverables are non-interest bearing and receipt is generally on 30 day terms, therefore the carrying value approximates their fair value.

Provision for impairment of total receivables and recoverables	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Opening balance	6,952	6,960	6,952	6,960
New provisions made	497	165	497	165
Release of unused provision	(565)	(142)	(565)	(142)
Amount of provision utilised	(46)	(31)	(46)	(31)
Provision for impairment of total receivables and	6,838	6,952	6,838	6,952

The movement in the provision for impairment of total receivables and recoverables is analysed as follows:

Receivables and recoverables	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Receivables and recoverables from related parties				
- Controlled entities	1,113	210	-	-
- Associates and jointly controlled entity	212	308	212	308
Total receivables and recoverables from related parties	1,325	518	212	308

The ageing profile of total net receivables and recoverables at the reporting date is as follows:

Council	2019			2018		
	Gross \$000	Impaired \$000	Net \$000	Gross \$000	Impaired \$000	Net \$000
Trade and other receivables and recoverables						
Not past due	35,504	(223)	35,281	38,414	(183)	38,231
Past due 0-3 months	7,219	(62)	7,157	6,857	(55)	6,802
Past due 3-6 months	4,312	(250)	4,062	3,654	(193)	3,461
Past due more than 6 months	13,765	(6,303)	7,462	13,842	(6,521)	7,321
TOTAL RECEIVABLES AND RECOVERABLES	60,800	(6,838)	53,962	62,767	(6,952)	55,815
Group	2019			2018		
	Gross \$000	Impaired \$000	Net \$000	Gross \$000	Impaired \$000	Net \$000
Trade and other receivables and recoverables						
Not past due	37,248	(223)	37,025	40,225	(183)	40,042
Past due 0-3 months	7,407	(62)	7,345	7,271	(55)	7,216
Past due 3-6 months	4,328	(250)	4,078	3,655	(193)	3,462
Past due more than 6 months	13,766	(6,303)	7,463	13,850	(6,521)	7,329
TOTAL RECEIVABLES AND RECOVERABLES	62,749	(6,838)	55,911	65,001	(6,952)	58,049

The net receivables and recoverables past due for more than six months primarily relates to fines. Due to their nature, the collection pattern for fines is longer than for trade debtors.

Relevant significant accounting policies

Receivables from exchange transactions

Receivables from exchange transactions arise when the Council is owed by another entity or individual for goods or services provided directly by Council and will receive approximately equal value in a willing arm's length transaction (primarily in the form of cash in exchange). Examples of exchange transactions include parking services and metered water rates.

Recoverables from non-exchange transactions

Recoverables from non-exchange transactions arise when the Council is owed value from another party without giving approximately equal value directly in exchange for the value received. Most of the goods or services that Council provide are subsidised by rates revenue and therefore the exchange is unequal. Examples of non-exchange transactions include social housing rentals, parking fines and recreational centre activities. Non-exchange transactions are comprised of either taxes or transfers. Transfers also include grants that do not have specific conditions attached which require return of the grant for non-performance.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Note 14: Other financial assets

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Represented by:				
Current	9,320	10,515	10,570	11,948
Non-current	14,844	12,201	16,983	14,231
TOTAL OTHER FINANCIAL ASSETS	24,164	22,716	27,553	26,179
Comprised of:				
Financial assets at fair value through other comprehensive revenue and expense				
Equity investments:				
- Civic Financial Services Ltd	477	798	477	798
- NZ Local Government Funding Agency (LGFA)	6,156	5,339	6,156	5,339
- Creative HQ shareholdings	-	-	1,864	2,030
- Legacy investment - Wgtn Museums Trust	-	-	252	-
Loans and deposits				
Bank deposits - term greater than 3 months	9,000	10,000	10,250	11,401
LGFA - borrower notes	8,496	6,304	8,496	6,304
Loans to related parties	35	31	35	31
Loans to external organisations	-	244	23	276
TOTAL OTHER FINANCIAL ASSETS	24,164	22,716	27,553	26,179

Equity investments

Civic Financial Services Limited (formerly Civic Assurance) is the trading name for the New Zealand Local Government Insurance Corporation Limited. The Council holds a 4.78% (2018: 4.78%) shareholding in this entity and has no present intention to sell.

The New Zealand Local Government Funding Agency Limited (LGFA), which commenced in December 2011 is an alternative debt provider majority owned by and operated for local authorities. The Council holds an 8% shareholding of the paid-up capital and as a shareholder will benefit from a return on its investment and as a borrower from lower borrowing costs. The LGFA has an AA+ (domestic long term) credit rating from Standard and Poors.

Creative HQ, a controlled entity of Wellington Regional Economic Development Agency Limited (WREDA), has small shareholdings in various incubator and accelerator programme companies. These shares are held until the companies mature or cease operations.

Loans

The loans to related parties are concessionary in nature, since the loans have been granted on interest free terms. The movements in the loans are as follows:

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Loans to related parties				
<i>Wellington Regional Stadium Trust</i>				
<i>(nominal value \$15,394,893)</i>				
Opening balance	31	27	31	27
Amortisation of fair value adjustment	4	4	4	4
Closing balance at fair value	35	31	35	31
Loans to other external organisations				
Opening balance	244	263	276	304
Loan repayments received	(244)	(19)	(259)	(34)
Amortisation of fair value adjustment	-	-	6	6
Closing balance at fair value	-	244	23	276
TOTAL LOANS	35	275	58	307

The fair value movement on loans reflects the timing of their expected repayments and the interest free or other nature of the loan. Over the remaining life of the loans their fair value will be amortised back up to their full nominal value.

Wellington Regional Stadium Trust

Council holds a \$15m limited recourse loan to WRST, which is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished

The amortisation rate applicable to the Wellington Regional Stadium Trust loan is 12.710%.

On maturity of the initial WRST membership underwrite, the unpaid interest was converted to a \$0.395m advance repayable after all other advances made by the Council and Greater Wellington Regional Council. The current expected repayment of the loan and the advance back to the Council, as advised by WRST, is in 2070.

Loans to other external organisations

Loans to other external organisations are generally suspensory loan arrangements associated with economic development grants provided by Council to achieve defined outcomes.

All Council loans to other external organisations have now been repaid as at 30 June 2019

Further information on the related parties is disclosed in Note 36: Related party disclosures (page X).

Note 15: Non-current assets classified as held for sale

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Opening balance	-	-	-	-
Additions	19,744	-	19,744	-
Disposals	-	-	-	-
TOTAL NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	19,744	-	19,744	-

The additions to non-current assets classified as held for sale primarily relate to the Arlington sites 1 and 3 that are subject to a long term lease to Housing New Zealand pending final sign-off of the agreement expected early in the 2019/20 period. For accounting purposes this transaction is treated as a sale.

Relevant significant accounting policies

Non-current assets held for sale are valued at the lower of the carrying amount and fair value less costs to sell at the time of reclassification.

Non-current assets held for sale are separately classified as their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- a plan to sell the asset is in place and an active programme to locate a buyer has been initiated;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- the sale is expected to occur within one year or beyond one year where a delay has occurred which is caused by events beyond the Group's control and there is sufficient evidence the Group remains committed to sell the asset; and
- actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

A non-current asset classified as held for sale is recognised at the lower of its carrying amount or fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit.

Note 16: Intangibles

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Computer software				
Cost - opening balance	59,625	73,340	60,808	74,210
Accumulated amortisation	(38,534)	(49,435)	(39,595)	(50,220)
Computer software opening balance	21,091	23,905	21,213	23,990
Acquired by direct purchase	203	1,545	444	1,670
Amortisation	(3,729)	(4,306)	(3,838)	(4,394)
Net disposals	-	(60)	-	(60)
Transfer between classes	-	7	-	7
Total computer software - closing balance	17,565	21,091	17,819	21,213
Cost	59,825	59,625	60,753	60,808
Accumulated amortisation	(42,260)	(38,534)	(42,934)	(39,595)
Total computer software - closing balance	17,565	21,091	17,819	21,213
Work in progress				
Computer software	3,543	1,723	3,543	1,723
Total work in progress	3,543	1,723	3,543	1,723
Carbon credits				
Cost - Opening Balance	2,864	1,983	2,864	1,983
Additions	1,490	1,231	1,490	1,231
Net disposals	(258)	(350)	(258)	(350)
Total Carbon credits - closing balance	4,096	2,864	4,096	2,864
TOTAL INTANGIBLES	25,204	25,678	25,458	25,800

Disposals and transfers are reported net of accumulated amortisation.

Carbon credits

As part of the Emissions Trading Scheme (ETS) the Council receives carbon credits from Central Government in recognition of the carbon absorbed by a portion of the Council's green belt. For the year ending 30 June 2019 the Council received 986 credits (2018: 1,044).

The Council purchased 41,800 credits (2018: 62,057) in the market to cover the expected liabilities associated with landfill operations. Due to upward movements in the market price for carbon credits a decision was made to use the fixed price payment method to meet the Council's ETS obligations for the 2018 calendar year. As a result no credits were surrendered in 2019 (2018: 32,715).

A further 17,000 credits (2018: 3,900) were purchased to offset sales made to Air New Zealand for them to offer as credits to offset their passenger air miles.

Due to previously over estimated carbon forest estimates, which are performed 5-yearly, Council was required to repay 40,543 units to the Crown.

During the period, 6,900 units were sold to Air New Zealand.

At 30 June 2019 the total liability relating to landfill carbon emissions is \$0.928m (2018: \$0.359m), with \$0.215m of this relating to a technical monitoring understatement in the 2017 calendar year.

More information on carbon credits can be found in the Statements of Service Provision under activity 2.2: Waste reduction and energy conservation (page X).

The movement in units held is as follows:

	Council		Group	
	2019	2018	2019	2018
	Units	Units	Units	Units
Opening balance	382,017	347,731	382,017	347,731
Additions - Allocated from the Crown	986	1,044	986	1,044
Additions - Purchases	58,800	65,957	58,800	65,957
Disposals - Surrendered to the Crown	-	(32,715)	-	(32,715)
Disposals - Repayments to the Crown	(40,543)	-	(40,543)	-
Disposals - Sales	(6,900)	-	(6,900)	-
TOTAL CARBON CREDITS	394,360	382,017	394,360	382,017

Relevant significant accounting policies

Computer software

Acquired computer software is measured on initial recognition at the costs to acquire and bring to use and subsequently less any amortisation and impairment losses.

Typically, the estimated useful lives of these assets are as follows:

Asset Category	2019
	Useful Life (years)
Computer software	2 - 11

Carbon Credits

Carbon credits comprise either allocations of emission allowances granted by the Government related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits allocated as a non-exchange transaction are initially recognised at fair value, which then becomes the deemed cost. Carbon credits that are purchased are recognised at cost.

Gains and losses arising from disposal of intangible assets are recognised within surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within surplus or deficit.

Note 17: Investment properties

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Ground leases, other land and buildings				
Opening balance	236,485	229,306	236,485	229,306
Additions by acquisition	73	201	73	201
Disposals	-	-	-	-
Fair value revaluation movements taken to surplus/(deficit)	18,454	6,937	18,454	6,937
Transfer to property, plant and equipment	-	41	-	41
Total ground leases, other land and buildings	255,012	236,485	255,012	236,485
Work in progress				
Other land and buildings	466	420	466	420
Total work in progress	466	420	466	420
TOTAL INVESTMENT PROPERTIES	255,478	236,905	255,478	236,905

Wellington City Council's investment properties including the waterfront investment properties were valued as at 30 June 2019 by an independent valuer, William Bunt (FNZIV, FPINZ), registered valuer and Director of Valuation Services for CBRE Limited.

The Council's total investment properties comprise ground leases of \$205.192m (2018: \$192.693m) and land and buildings (including work in progress) of \$49.820m (2018: \$44.212m) held for investment purposes.

Investment properties are properties which are held primarily to earn lease revenue and/or for capital growth. These properties include the Council's ground leases and certain land and buildings.

Ground leases are parcels of land owned by the Council in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the leases are charged on a commercial market basis.

Investment properties exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the lease revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment.

Relevant significant accounting policies

The basis of valuation varies depending on the nature of the lease. For sites that are subject to a terminating lease the approach is to assess the value of the lease revenue over the remaining term of the lease and add the residual value of the land at lease expiry. For sites subject to perpetually renewable leases values have been assessed utilising a discounted cash flow and arriving at a net present value of all future anticipated gross lease payments.

Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Certain ground leases on the waterfront and within the CBD 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 Council ownership, Council will begin to incrementally re-recognise the value of the asset. The amortisation of the estimated future value will reflect the prevalent economic situation and will be more relevant in terms of both the estimated value and materiality.

Note 18: Property, plant and equipment

Summary	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Property, plant and equipment - Opening balance	7,226,974	6,972,168	7,242,418	6,988,405
Additions	198,241	87,742	200,251	88,270
Disposals	(4,562)	(876)	(4,835)	(877)
Depreciation expense	(112,392)	(103,109)	(113,781)	(104,654)
Impairment losses	(50,602)	(4)	(50,602)	(4)
Revaluation adjustment	-	(413)	-	(413)
Revaluation movement	-	181,386	-	181,386
Transfer between asset classes	-	(48)	-	(48)
Transfer to non-current assets held for sale	(19,744)	-	(19,744)	-
Movement in work in progress	(14,349)	90,128	(13,815)	90,353
TOTAL PROPERTY, PLANT AND EQUIPMENT	7,223,566	7,226,974	7,239,892	7,242,418

Relevant significant accounting policies

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, the landfill post-closure asset, buildings, the Civic Precinct, the library collection, and plant and equipment.

Restricted assets include art and cultural assets, zoo animals, restricted buildings, 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 (for example, land declared as a reserve under the Reserves Act 1977.) The use of the asset may also be restricted such as the donated Basin Reserve land which must be retained for the purposes of providing a cricket and recreation ground with no permitted thoroughfare.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks, service concession arrangement assets and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Vested assets are those assets where ownership and control is transferred to the Council from a third party (eg. infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council and Group recognises these assets within these financial statements to the extent their value can be reliably measured.

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (eg. vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are

directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight line depreciation applied to bring the replacement cost to a fair value.

Specific measurement policies for categories of property, plant and equipment are shown below:

Library Collections

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in *Valuation Guidance for Cultural and Heritage Assets*, published by the Treasury Accounting Team, November 2002.

Operational Land & Buildings

Operational land and buildings are valued at fair value on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Where the information is available, land and buildings are valued based on market evidence. The majority of Council's land and buildings are of a 'non-tradeable' or specialist nature and the value is based on the fair value of the land plus the optimised depreciated replacement cost of the buildings.

For earthquake prone buildings that are expected to be strengthened, the estimated cost to strengthen the building has been deducted from the optimised depreciated replacement cost.

Buildings that comprise the Social Housing portfolio have been valued on market based approach with the associated land value being established through analysis of sales and market evidence.

Restricted assets

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. Zoo animals are stated at estimated replacement cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by independent registered valuers. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

Infrastructure assets

Infrastructure assets (the roading network, water, waste and drainage reticulation networks including service concession arrangement assets (waste water treatment plants)) are valued at optimised depreciated replacement cost on a regular basis 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 Council's best information reflected in its assets management plans. The costs are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers

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% to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

Other Assets

Plant and equipment and the Civic Precinct are measured at historical cost and not revalued.

Impairment

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets. Property, plant and equipment assets, measured at fair value, are not required to be reviewed and tested for impairment.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are recognised within surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Work in progress

Work in progress represents the cost of capital expenditure projects that are not financially complete. The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and is then subject to depreciation.

The movements according to the individual classes of assets are as follows:

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Operational assets				
Land				
Land - at cost - opening balance	-	21,862	-	21,862
Land - at valuation - opening balance	293,414	222,243	293,414	222,243
Total land - opening balance	293,414	244,105	293,414	244,105
Additions	259	1,297	259	1,297
Revaluation movement	-	49,035	-	49,035
Revaluation adjustment	-	(563)	-	(563)
Transfer between asset classes	-	(460)	-	(460)
Transfer to non-current assets held for sale	(13,803)	-	(13,803)	-
Total land - closing balance	279,870	293,414	279,870	293,414
Land - at cost - closing balance	259	-	259	-
Land - at valuation - closing balance	279,611	293,414	279,611	293,414
Total land - closing balance	279,870	293,414	279,870	293,414
Buildings				
Buildings - at cost - opening balance	-	46,914	-	55,457
Buildings - at valuation - opening balance	746,623	561,635	754,983	561,635
Total cost/valuation	746,623	608,549	754,983	617,092
Accumulated depreciation	-	(43,793)	(4,235)	(47,840)
Total buildings - opening balance	746,623	564,756	750,748	569,252
Additions	58,390	15,663	58,829	15,663
Depreciation expense	(30,938)	(21,490)	(31,091)	(21,861)
Disposals	(3,697)	(390)	(3,706)	(390)
Impairment	(53)	-	(53)	-
Revaluation movement	-	132,351	-	132,351
Transfer between asset classes	1,545	55,733	1,545	55,733
Transfer to non-current assets held for sale	(4,969)	-	(4,969)	-
Total buildings - closing balance	766,901	746,623	771,303	750,748
Buildings - at cost - closing balance	58,390	-	58,390	-
Buildings - at valuation - closing balance	739,656	746,623	749,010	754,983
Total cost/valuation	798,046	746,623	807,400	754,983
Accumulated depreciation	(31,145)	-	(36,097)	(4,235)
Total buildings - closing balance	766,901	746,623	771,303	750,748
Landfill post closure costs ¹				
Landfill post closure - at cost - opening balance	4,174	4,561	4,174	4,561
Accumulated depreciation	(2,997)	(2,834)	(2,997)	(2,834)
Total landfill post closure costs - opening balance	1,177	1,727	1,177	1,727
Depreciation expense	(12)	(283)	(12)	(283)
Transfer between asset classes	-	(152)	-	(152)
Movement in post closure costs	3,843	(115)	3,843	(115)
Total landfill post closure costs - closing balance	5,008	1,177	5,008	1,177
Landfill post closure - at cost - closing balance	8,017	4,174	8,017	4,174
Accumulated depreciation	(3,009)	(2,997)	(3,009)	(2,997)
Total landfill post closure costs - closing balance	5,008	1,177	5,008	1,177

1. The Council's share of the joint venture with Porirua City Council relating to the Spicer Valley landfill is included in this asset class.

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Civic Precinct				
Civic Precinct - at cost - opening balance	163,833	161,576	163,833	161,576
Accumulated depreciation	(66,524)	(63,902)	(66,524)	(63,902)
Total Civic Precinct - opening balance	97,309	97,674	97,309	97,674
Additions	3,210	2,327	3,210	2,327
Depreciation expense	(2,732)	(2,675)	(2,732)	(2,675)
Disposals	-	(13)	-	(13)
Impairment	(50,522)	-	(50,522)	-
Transfer between asset classes	-	(4)	-	(4)
Total Civic Precinct- closing balance	47,265	97,309	47,265	97,309
Civic Precinct - at cost - closing balance	167,043	163,833	167,043	163,833
Accumulated depreciation and impairment	(119,778)	(66,524)	(119,778)	(66,524)
Total Civic Precinct- closing balance	47,265	97,309	47,265	97,309
Plant and equipment				
Plant and equipment - at cost - opening balance	175,029	239,658	192,696	257,450
Accumulated depreciation	(101,311)	(109,549)	(112,824)	(120,540)
Total plant and equipment - opening balance	73,718	130,109	79,872	136,910
Additions	21,620	13,011	23,191	13,539
Depreciation expense	(9,909)	(11,178)	(11,145)	(12,352)
Disposals	(303)	(161)	(567)	(162)
Impairment	(28)	(4)	(28)	(4)
Transfer between asset classes	(1,382)	(58,059)	1,218	(58,059)
Total plant and equipment - closing balance	83,716	73,718	92,541	79,872
Plant and equipment - at cost	194,261	175,029	214,846	192,696
Accumulated depreciation	(110,545)	(101,311)	(122,305)	(112,824)
Total plant and equipment - closing balance	83,716	73,718	92,541	79,872
Library collections				
Library collections - at cost - opening balance	2,629	-	2,629	-
Library collections - at valuation - opening balance	14,841	14,841	14,841	14,841
Total cost/valuation	17,470	14,841	17,470	14,841
Accumulated depreciation	(1,767)	-	(1,767)	-
Total library collections - opening balance	15,703	14,841	15,703	14,841
Additions	2,080	2,629	2,080	2,629
Depreciation expense	(2,142)	(1,767)	(2,142)	(1,767)
Total library collections - closing balance	15,641	15,703	15,641	15,703
Library collections - at cost - closing balance	4,709	2,629	4,709	2,629
Library collections - at valuation - closing balance	14,841	14,841	14,841	14,841
Total cost/valuation	19,550	17,470	19,550	17,470
Accumulated depreciation	(3,909)	(1,767)	(3,909)	(1,767)
Total library collections - closing balance	15,641	15,703	15,641	15,703
Total operational assets	1,198,401	1,227,944	1,211,628	1,238,223

Disposals and transfers are reported net of accumulated depreciation

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Infrastructure assets				
Drainage, waste and water				
Drainage, waste and water - at cost - opening balance	16,748	-	16,748	-
Drainage, waste and water - at valuation - opening balance	2,973,091	1,466,792	2,973,091	1,466,792
Total cost/valuation	2,989,839	1,466,792	2,989,839	1,466,792
Accumulated depreciation	(1,539,435)	-	(1,539,435)	-
Total drainage, water and waste - opening balance	1,450,404	1,466,792	1,450,404	1,466,792
Additions	45,754	16,748	45,754	16,748
Depreciation expense	(35,512)	(35,309)	(35,512)	(35,309)
Disposals	-	(6)	-	(6)
Revaluation adjustment	-	(457)	-	(457)
Transfer between asset classes	16	2,636	16	2,636
Total drainage, water and waste - closing balance	1,460,662	1,450,404	1,460,662	1,450,404
Drainage, waste and water - at cost - closing balance	62,502	16,748	62,502	16,748
Drainage, waste and water - at valuation - closing balance	2,973,091	2,973,091	2,973,091	2,973,091
Total cost/valuation	3,035,593	2,989,839	3,035,593	2,989,839
Accumulated depreciation	(1,574,931)	(1,539,435)	(1,574,931)	(1,539,435)
Total drainage, water and waste - closing balance	1,460,662	1,450,404	1,460,662	1,450,404
Roading				
Roading - at cost - opening balance	33,365	-	33,365	-
Roading - at valuation - opening balance	1,452,141	1,014,334	1,454,741	1,016,934
Total cost/valuation	1,485,506	1,014,334	1,488,106	1,016,934
Accumulated depreciation	(465,735)	-	(465,735)	-
Total roading - opening balance	1,019,771	1,014,334	1,022,371	1,016,934
Additions	60,283	33,366	60,283	33,366
Depreciation expense	(29,569)	(28,786)	(29,569)	(28,786)
Disposals	(479)	-	(479)	-
Revaluation adjustment	-	44	-	44
Transfer between asset classes	(179)	813	(2,779)	813
Total roading - closing balance	1,049,827	1,019,771	1,049,827	1,022,371
Roading - at cost - closing balance	93,648	33,365	93,648	33,365
Roading - at valuation - closing balance	1,451,232	1,452,141	1,451,232	1,454,741
Total cost/valuation	1,544,880	1,485,506	1,544,880	1,488,106
Accumulated depreciation	(495,053)	(465,735)	(495,053)	(465,735)
Total roading - closing balance	1,049,827	1,019,771	1,049,827	1,022,371
Infrastructure land				
Infrastructure land - at cost - opening balance	-	-	-	-
Infrastructure land - at valuation - opening balance	39,256	38,793	39,256	38,793
Total infrastructure land - opening balance	39,256	38,793	39,256	38,793
Transfer between asset classes	-	463	-	463
Transfer to non-current assets held for sale	(727)	-	(727)	-
Total infrastructure land - closing balance	38,529	39,256	38,529	39,256
Infrastructure land - at cost - closing balance	-	-	-	-
Infrastructure land - at valuation - closing balance	38,529	39,256	38,529	39,256
Total infrastructure land - closing balance	38,529	39,256	38,529	39,256

Disposals and transfers are reported net of accumulated depreciation

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Land under roads				
Land under roads - at cost - opening balance	2,955,803	2,956,261	2,955,803	2,956,261
Additions	87	194	87	194
Disposals	(83)	(57)	(83)	(57)
Transfer between asset classes	-	(595)	-	(595)
Transfer to non-current assets held for sale	(191)	-	(191)	-
Land under roads - closing balance	2,955,616	2,955,803	2,955,616	2,955,803
Total infrastructure assets	5,504,634	5,465,234	5,504,634	5,467,834
Restricted assets ²				
Art and cultural assets				
Art and cultural assets - at cost - opening balance	8,872	8,730	11,211	11,069
Additions	21	178	21	178
Transfer between asset classes	-	(36)	-	(36)
Art and cultural assets - closing balance	8,893	8,872	11,232	11,211
Restricted buildings				
Restricted buildings - at cost - opening balance	42,198	42,294	42,198	42,294
Accumulated depreciation	(13,648)	(12,408)	(13,648)	(12,408)
Total restricted buildings - opening balance	28,550	29,886	28,550	29,886
Additions	94	921	94	921
Depreciation expense	(1,578)	(1,621)	(1,578)	(1,621)
Disposals	-	(249)	-	(249)
Transfer between asset classes	-	(387)	-	(387)
Restricted buildings - closing balance	27,066	28,550	27,066	28,550
Restricted buildings - at cost - closing balance	42,292	42,198	42,292	42,198
Accumulated depreciation	(15,226)	(13,648)	(15,226)	(13,648)
Total restricted buildings - closing balance	27,066	28,550	27,066	28,550
Parks and reserves				
Parks and reserves - at cost - opening balance	210,673	216,333	210,673	216,333
Additions	2,600	1,399	2,600	1,399
Transfer between asset classes	-	(7,059)	-	(7,059)
Transfer to non-current assets held for sale	(54)	-	(54)	-
Parks and reserves - closing balance	213,219	210,673	213,219	210,673
Town Belt				
Town Belt - at cost - opening balance	89,232	81,486	89,232	81,486
Additions	-	124	-	124
Transfer between asset classes	-	7,622	-	7,622
Town Belt - at cost	89,232	89,232	89,232	89,232
Zoo animals - at cost	500	500	500	500
Total restricted assets	338,910	337,827	341,249	340,166

2. For restricted assets, valuation at cost means they are not subject to revaluation. Please refer to the relevant significant accounting policies above for a more detailed explanation.

Disposals and transfers are reported net of accumulated depreciation

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
<i>Work in progress</i>	181,621	195,970	182,381	196,196
TOTAL PROPERTY, PLANT AND EQUIPMENT	7,223,566	7,226,974	7,239,892	7,242,418

Disposals and transfers are reported net of accumulated depreciation

Revaluation of property, plant and equipment

The Council's operational land and buildings were valued as at 30 June 2018, and infrastructural land as at 30 June 2017 by William Bunt (FNZIV, FPINZI), registered valuer and Director of Valuation Services for CBRE Limited.

Library collections were valued as at 30 June 2017 by the Council's library staff. The revaluation was carried out in accordance with guidelines outlined in Valuation Guidance for Cultural and Heritage Assets published by the Treasury Accounting Team, November 2002.

The drainage, waste and water infrastructure and roading networks and the service concession assets were valued as at 30 June 2017 by John Vessey (MIPENZ), Partner of Opus International Consultants Limited.

Assets are valued at regular intervals by independent registered valuers or whenever the carrying amount differs materially to fair value. In the years which an asset class is not revalued, the Group assesses whether there has been any material change in the value of that asset class. The movement in asset values between 30 June 2017 and 30 June 2019 for infrastructural network and infrastructural land assets were assessed using appropriate indices. The increase in asset value of 2.2% of Total Assets was not considered material by management and accordingly the assets were not revalued at 30 June 2019.

Further information on revaluation reserves and movements is contained in Note 27: Revaluation reserves.

Significant acquisitions and replacements of assets

In accordance with the provisions of Schedule 10 of the Local Government Act 2002, information in respect of significant acquisitions and replacements of assets is reported within the Statements of Service Provision.

Core Assets

Included within the infrastructure assets above are the following core Council assets:

Council	2019			
	Closing book value	Additions		Replacement Cost
		Constructed	Vested	
	\$000	\$000	\$000	\$000
Water supply				
- treatment plants and facilities	-	-	-	-
- other assets	352,610	12,346	4,039	942,263
Sewerage				
- treatment plants and facilities	168,751	113	-	241,523
- other assets	516,079	13,055	1,292	1,119,042
Stormwater drainage	423,223	12,158	2,751	874,802
Flood protection and control works	-	-	-	-
Roads and footpaths	1,050,017	56,136	4,148	1,640,049
TOTAL CORE ASSETS	2,510,679	93,808	12,229	4,817,680
Council	2018			
	Closing book value	Additions		Replacement Cost
		Constructed	Vested	
	\$000	\$000	\$000	\$000
Water supply				
- treatment plants and facilities	-	-	-	-
- other assets	348,289	4,328	1,772	900,660
Sewerage				
- treatment plants and facilities	171,857	695	-	234,835
- other assets	514,476	4,786	1,163	1,074,607
Stormwater drainage	415,782	1,990	2,015	836,471
Flood protection and control works	-	-	-	-
Roads and footpaths	1,019,771	31,264	2,102	1,511,737
TOTAL CORE ASSETS	2,470,175	43,062	7,052	4,558,310

Drainage, waste, water and roads assets were revalued for the year ending 30 June 2017 by Opus International Limited as part of the normal revaluation cycle.

Service concession arrangements

The service concession arrangement assets consists of the Moa Point, Western (Karori) and Carey's Gulley waste water treatment plants which are owned by the Council but operated by Veolia Water under agreement. These assets are included in the infrastructure assets class and are valued consistently with other waste infrastructure network assets.

The carrying value of these service concession assets for the Group is \$148.632m (2018: \$151.431)

The Moa Point sewerage treatment plant is owned by the Council and operated by Veolia Water under a design, build and operate contract. Veolia Water also operates the Council owned Western (Karori) and Carey's Gully treatment plants. The plants and building assets are included in the infrastructure assets class above.

Veolia Water is required to fund all renewals and repairs and return the plants to the Council in 2020 with a future life expectancy of at least 25 years.

As asset owner, the Council incurs all associated operating expenses, namely management fees, depreciation and finance costs. In accordance with section 100 of the Local Government Act 2002, the Council does not fully rates fund the plant's depreciation expenditure.

Veolia's monthly management fee is determined in accordance with annually adjusted tariffs. The contract terminates either on the expiry of the 25 year term (2020) or on the occurrence of a contract default event by either party. The contract's right of renewal resides with the Council.

Insurance of assets

	Council	
	2019	2018
	\$000	\$000
Total value of property, plant and equipment	7,223,566	7,226,974
less assets (primarily land) excluded from insurance contracts	(3,758,087)	(3,784,347)
Value of assets covered by insurance contracts	3,465,479	3,442,627
The maximum amount to which assets are insured under Council insurance policies	1,074,000	1,144,000

In addition to Council's insurance, in the event of natural disaster it is assumed that Central Government will contribute 60% towards the rebuild or repair of essential Council owned infrastructure (drainage, waste and water assets) subject to eligibility considerations. Also, the New Zealand Transport Agency will contribute approximately 55% towards the restoration of qualifying roading assets.

The Council is not covered by any financial risk sharing arrangements in relation to its assets.

An insurance reserve of \$11.198m (2018: \$11.406m) exists to meet the cost of claims that fall below deductible limits under Council insurance policies. The reserve is funded annually through rates by \$1.500m (2018: \$1.500m). The net cost of claims applied to the reserve during the year amounted to \$1.708m (2018: \$2.750m). Of this, \$1.064m (2018: \$2.026m) was related to earthquake repairs and relocation costs.

Civic Precinct impairment

The Civic Precinct is made up of a number of different buildings situated around Civic Square -Te Ngākau. The primary functions of these buildings have been to house and

provide various Council services such as Council Administration, library services, art and cultural event venues and Civic Chambers for the Mayor and Councillors.

There are a number of buildings in the Civic Precinct that need varying degrees of work to make them safer when future earthquakes occur. Some of this work was already known before the Kaikoura earthquake in November 2016 and some has arisen either directly because of this event or because of new guidelines issued from the Ministry of Business, Innovation and Employment (MBIE) in November 2018 on pre-cast concrete flooring systems.

An impairment is recognised when the fair value of a building is less than its carrying value in the financial statements. Every year Council reviews and assesses its assets for impairment as per its accounting policy. For assets that are held at revalued amounts which are considered impaired, impairments would generally be recognised in the revaluation reserve within equity. However, the Civic Precinct assets are a class of assets that are not revalued and therefore any impairment must be recognised in the Statement of Comprehensive Revenue and Expense. This expense is non-cash in nature and does not affect rates in the current year.

The Civic Precinct buildings that have been impaired in previous years are: the Town Hall and the Civic Administration building (CAB), with the latter occurring after it was damaged during the Kaikoura earthquake in November 2016 and was subsequently vacated.

During the 2018/19 period a full review of the Civic Precinct assets has been performed and the following have been impaired:

- Central Library and underground car park: impairment of \$30.210m which brings the book value down to zero. This has arisen due to their closure in March 2019 following an engineering report which identified structural vulnerabilities that mean it may not perform well in the event of a significant earthquake. Council is considering its options with the Central Library as part of a review of the whole Civic Precinct and the likely cost to rectify structural issues.
- Town Hall: further impairment of \$7.213m which brings the book value down to zero. Once the strengthening work on the Town Hall has been completed the full project value of \$112.400m will be capitalised as an asset.
- Municipal Office Building (MOB): building has been impaired by \$10.177m. The MOB building is being vacated due to the strengthening work on the Town Hall.
- CAB: further impairment of \$0.655m which brings the book value down to zero. The CAB building is still subject to an insurance claim and its future is undecided
- Capital E: an impairment of \$2.267m which brings the book value down to zero.

Note 19: Investment in controlled entities

The cost of the Council's investment in controlled entities is reflected in the Council's financial statements as follows:

Investment in controlled entities	Council	
	2019	2018
	\$000	\$000
Wellington Cable Car Limited	3,809	3,809
Wellington Regional Economic Development Agency Limited (WREDA)	1,262	1,262
TOTAL INVESTMENT IN CONTROLLED ENTITIES	5,071	5,071

The equity investment represents the cost of the investment to the Council and includes all capital contributions made by the Council to controlled entities. The Council has only made equity investments as shareholders as noted in the table above. Nominal settlement amounts (i.e. \$100) made in respect of Trusts, for which Council is the settlor, have not been recognised due to their materiality or are considered as equity investments.

Information on inter-company transactions is included in the Note 36: Related party disclosures (page X).

The following entities are controlled entities of Council:

Controlled entities	Accounting Interest 2019	Accounting Interest 2018	Nature of business
Karori Sanctuary Trust (Trading as Zealandia)	100%	100%	Owns and manages the activities of the urban eco-sanctuary in Karori.
Wellington Cable Car Limited	100%	100%	Owns and manages the Cable Car.
Wellington Museums Trust (Trading as Experience Wellington)	100%	100%	Administers the Cable Car Museum, Capital E, the City Gallery, the Nairn Street Cottage, the Space Place (Carter Observatory), the Wellington Museum and the NZ Cricket Museum
Wellington Regional Economic Development Agency Limited (WREDA) (Trading as WellingtonNZ) - Creative HQ Limited	80%	80%	Manages the Wellington Venues Project and creates economic and social benefit by marketing the city with the private sector as a tourism destination.
	80%	80%	Business incubators
Wellington Waterfront Limited	100%	100%	Acts as bare trustee for the Waterfront project
Wellington Zoo Trust	100%	100%	Manages and guides the future direction of the Wellington Zoo.

The reporting period end date for all controlled entities is 30 June. Full copies of their financial statements can be obtained directly from their offices. Further information on the structure, objectives, the nature and scope of activities, and the performance measures and targets of the entities can be found in the relevant sections of the Statements of Service Provision.

Note 20: Investment in associates and jointly controlled entity

The cost of the Council's investment in associates and a jointly controlled entity is reflected in the Council financial statements as follows:

Investment in associates and jointly controlled entity	Council	
	2019 \$000	2018 \$000
Chaffers Marina Holdings Limited	1,290	1,290
Wellington International Airport Limited	17,775	17,775
Wellington Water Limited	400	400
TOTAL INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY	19,465	19,465

The Council has a significant interest in the following:

Associates and Jointly controlled entities	Accounting Interest 2019	Accounting Interest 2018	Nature of business
Chaffers Marina Holdings Limited	10.52%	10.52%	Holding company for Chaffers Marina Limited.
- Chaffers Marina Limited	10.52%	10.52%	Owns and manages the marina.
Wellington International Airport Limited	34%	34%	Owns and manages Wellington International Airport facilities and services.
Wellington Water Limited (Previously Capacity Infrastructure Services Limited)	42.11%	42.11%	Manages all water services for Wellington, Lower Hutt, Upper Hutt and Porirua City Councils and the Greater Wellington Regional Council.
Basin Reserve Trust	0% (See below)	0%	Manages, operates and maintains the Basin Reserve
Wellington Regional Stadium Trust	0% (see below)	0%	Owns and manages the Westpac Stadium.

Full copies of the separately prepared financial statements can be obtained directly from their respective offices.

Associates

Chaffers Marina

Chaffers Marina Holdings Limited and Chaffers Marina Limited have a reporting period end date of 30 June. The shares in Chaffers Marina Holdings Limited are held by Wellington Waterfront Limited in a fiduciary capacity. As at 30 June 2019 Council held a 10.52% interest in Chaffers Marina Holdings Limited (2018: 10.52%) which has been recognised in the

Group financial statements on an equity accounting basis reflecting the special rights (as set out in Chaffers Marina Limited's Constitution) which attach to the golden share that it holds in Chaffers Marina Limited.

Wellington International Airport Limited

Wellington International Airport Limited has a reporting period end date of 31 March. The ultimate majority owner, Infratil Limited, has determined a different end of reporting period to Council, which is legislatively required to use 30 June. The Council owns 34% of the company, with the remaining 66% owned by NZ Airports Limited (which is wholly owned by Infratil Limited).

Basin Reserve Trust

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve. The Trust was jointly created with Cricket Wellington Incorporated (CWI). Wellington City Council and CWI each appoint two of the four trustees. Wellington City Council has significant influence over the Trust through the appointment of trustees, and receives benefits from the complementary activities of the Trust.

The Council no longer considers the Trust meets the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on an equity accounted basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of an equity investment the Council believes it is no longer appropriate to include the Trust in the Group financial statements.

Wellington Regional Stadium Trust

Wellington Regional Stadium Trust was jointly created with Greater Wellington Regional Council and Wellington City Council has significant influence over the Wellington Regional Stadium Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust.

The Council no longer considers the Trust meets the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on an equity accounted basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of an equity investment the Council believes it is no longer appropriate to include the Trust in the Group financial statements.

Jointly controlled entity

Wellington Water Limited

Jointly created with Hutt City Council on 9 July 2003 the company has expanded its operations and ownership to include Upper Hutt and Porirua City Councils from 1 November 2013 and Greater Wellington Regional Council from 16 September 2014.

The company has a reporting period ending 30 June and has a dual share structure comprising A class shares (voting rights) and B Class shares (financial entitlements).

The structure is as follows:

	Class A shares (voting rights)	Class B Shares (financial entitlements)	Ownership interest
Wellington City Council	150	200	42%
Hutt City Council	150	100	21%
Upper Hutt City Council	150	40	8%
Porirua City Council	150	60	13%
Greater Wellington Regional Council	150	75	16%
Total shares on issue	750	475	100%

The Class A shares represent voting rights and are split evenly between the five Councils. The Class B shares confer the level of contributions and ownership benefits of each council. Council classifies this entity as jointly controlled because of the equal sharing of voting rights conferred through the Class A shares and the shareholder's agreement, which constitutes a binding arrangement.

Wellington City Council chooses to use equity accounting to recognise its 42.11% ownership interest as determined by the proportionate value of Class B shares held.

Summary of Financial Position and Performance of associates and jointly controlled entity

The Council's share of the assets, liabilities, revenues and surpluses or deficits of its associates and jointly controlled entity are as follows:

	Assets	Liabilities	Revenues	Surplus/(Deficit)
	2019	2019	2019	2019
	\$000	\$000	\$000	\$000
Associates				
Chaffers Marina Holdings Limited	592	191	176	(6)
Wellington International Airport Limited	428,568	223,321	46,882	16,327
Jointly controlled entity				
Wellington Water Limited	8,870	8,147	57,315	11
	Assets	Liabilities	Revenues	Surplus/(Deficit)
	2018	2018	2018	2018
	\$000	\$000	\$000	\$000
Associates				
Chaffers Marina Holdings Limited	591	184	132	(17)
Wellington International Airport Limited	403,591	204,600	43,737	16,270
Jointly controlled entity				
Wellington Water Limited	9,388	8,676	11,340	(10)

Value of the investments

The investment in associates and the jointly controlled entity in the Group financial statements represents the Council's share of the net assets of the associates and the jointly controlled entity. This is reflected in the Group financial statements as follows:

Investment in associates and jointly controlled entity	Group	
	2019 \$000	2018 \$000
Chaffers Marina Holdings Limited		
Opening balance	855	872
Change in shares during the year	-	-
Change in equity due to changed shareholding	-	-
Equity accounted earnings of associate	(6)	(17)
Closing balance - investment in Chaffers Marina Holdings Limited	849	855
Wellington International Airport Limited		
Opening balance	186,313	162,366
Dividends	(13,881)	(12,610)
Equity accounted earnings of associate	16,327	16,270
Share of net revaluation of property, plant and equipment - movement	4,760	20,588
Share of hedging reserve - movement	682	(301)
Closing balance - investment in Wellington International Airport Limited	194,201	186,313
Wellington Water Limited		
Opening balance	712	722
Change in equity due to changed shareholding	-	-
Equity accounted earnings of jointly controlled entity	11	(10)
Closing balance - investment in Wellington Water Limited	723	712
TOTAL INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY	195,773	187,880

The Council's share of the operating surplus or deficit results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited and Wellington Water Limited is outlined in Note 9: Share of Associates' and Jointly Controlled Entity's surplus or deficit (page X).

Note 21: Exchange transactions, transfers and taxes payable

Exchange transactions, transfers and taxes payable	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current				
Exchange transactions and transfers payable	65,366	60,686	70,452	64,620
Taxes payable	6,599	6,113	6,780	6,375
Non-current				
Exchange transactions and transfers payable	231	630	231	630
TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE	72,196	67,429	77,463	71,625

Comprised of:

Exchange transactions and transfers payable	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Trade payables and accruals	56,177	52,752	61,168	56,686
Interest payable	3,805	3,231	3,805	3,231
Sundry payables	5,615	5,333	5,710	5,333
Total exchange transactions and transfers payable	65,597	61,316	70,683	65,250
Taxes payable	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
GWRC rates	4,290	4,539	4,290	4,539
Other	2,309	1,574	2,490	1,836
Total taxes payable	6,599	6,113	6,780	6,375
TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE	72,196	67,429	77,463	71,625

Exchange transactions, transfers and payable to related parties	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Controlled entities	379	570	-	-
Associates and jointly controlled entity	1,754	2,267	1,754	2,267
Total exchange transactions, transfers and payable to related parties	2,133	2,837	1,754	2,267

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date. Most of Council's payables are exchange transactions as they are directly with another party on an arm's length basis and are of approximately equal value. Non-exchange payables are classified as either taxes (eg. PAYE) or transfers payable (eg. Council grants).

Note 22: Revenue in advance

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Exchange				
Lease rentals	2,300	2,569	2,300	2,569
Other	-	-	858	425
Taxes				
Rates	1,239	1,423	1,239	1,423
Transfers				
Wellington Venues operations	1,218	1,182	1,218	1,182
Inspection and licensing fees	4,084	3,770	4,084	3,770
Other	1,252	1,058	1,894	1,585
Liabilities recognised under conditional transfer agreements	3,980	6,182	5,802	7,557
TOTAL REVENUE IN ADVANCE	14,073	16,184	17,395	18,511

Relevant significant accounting policies**Liabilities recognised under conditional transfer agreements**

Council and the Group have received non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they are not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

These liabilities relate to various naming rights agreements that Council has with third parties for buildings.

Note 23: Borrowings

The Council maintains a prudent borrowings position in relation to our equity and annual revenue. Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets that are approved through the Annual Plan and Long-Term Plan processes.

Gross Borrowings

The gross borrowings are comprised as follows:

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Current				
Bank loans - term	39	58	39	58
Commercial paper	85,000	85,000	85,000	85,000
Debt securities - fixed rate bonds	5,000	5,000	5,000	5,000
Debt securities - floating rate notes	35,000	41,000	35,000	41,000
Finance leases	-	-	29	-
Total current	125,039	131,058	125,068	131,058
Non-current				
Bank loans - term	5,417	4,586	5,417	4,586
Debt securities - fixed rate bonds	40,000	15,000	40,000	15,000
Debt securities - floating rate notes	518,500	431,500	518,500	431,500
Finance leases	-	-	48	-
Total non-current	563,917	451,086	563,965	451,086
TOTAL GROSS BORROWINGS	688,956	582,144	689,033	582,144

Net Borrowings

When the cash position of Council and the Group is taken into account the net borrowings position is comprised as follows:

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Total gross borrowings	688,956	582,144	689,033	582,144
Less				
Cash and cash equivalents (see Note 11)	(135,246)	(95,996)	(149,089)	(106,856)
Term deposits > 3 months < 12 Months	(9,000)	(10,000)	(10,250)	(10,000)
TOTAL NET BORROWINGS	544,710	476,148	529,694	465,288

The Council's borrowing strategy is to minimise liquidity risk by avoiding concentration of debt maturity dates and to ensure there is long term access to funds. Further information on the liquidity and market risks associated with borrowings is contained in Note 32: Financial instruments (page X).

The following table shows the utilisation of the borrowing facilities available to the Group at the end of the reporting period. The table also indicates the current applicable maturity and interest rate ranges.

Group	Available \$000	Utilised \$000	Maturities	Rates %
Bank overdraft - committed	1,500	-		
Bank facilities - short term - uncommitted	5,000	-		
Bank facilities - long term - committed	120,000	-		
Bank loans - term	5,456	5,456	2041	7.00
Commercial paper	100,000	85,000	2019	1.63 - 1.89
Debt securities - fixed rate bonds	45,000	45,000	2033	3.55 - 5.37
Debt securities - floating rate notes	553,500	553,500	2033	1.95 - 2.74
Finance leases	77	77		
Total	830,533	689,033		

In addition to the above facilities, Council operates purchase cards to efficiently facilitate the purchase of goods and services. The cards are paid in full on a monthly basis. An aggregate bank limit of \$2.000m for all cards applies across Council.

Security

Borrowings are secured by way of a Debenture Trust Deed over the Council's rates revenue.

Internal Borrowings

Council borrows on a consolidated level and as such does not use internal borrowing and therefore does not prepare internal borrowing statements.

Ring fenced funds

The Council holds \$42.755m (2018: \$45.796m) of funds that may only be used for a specified purpose. These funds are not held in cash but are utilised against borrowings until required. The specified uses for these funds are as follows:

Housing upgrade project

As part of the agreement with the Crown for the Housing Upgrade Project an amount of \$32.556m (2018: \$34.502m), representing the accumulated surpluses and deficits from the Housing activity, has been ring fenced for future investment in the Council's social housing assets.

Waste reduction and energy

An amount of \$10.199m (2018: \$11.294m) related to accumulated surpluses and deficits from the Waste Reduction and Energy Conservation activity which, under the Waste Minimisation Act 2008, must be ring fenced for future investment in waste activities. Council is committed to a number of waste minimisation projects that will utilise these funds.

Note 24: Employee benefit liabilities and provisions

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current				
Short-term benefits				
Payroll accruals	2,152	1,984	2,851	2,530
Holiday leave	5,521	5,527	6,865	6,809
Total short-term benefits	7,673	7,511	9,716	9,339
Termination benefits				
Other contractual provisions	19	220	19	220
Total termination benefits	19	220	19	220
Total current	7,692	7,731	9,735	9,559
Non-current				
Long-term benefits				
Long service leave provision	-	-	67	54
Retirement gratuities provision	782	772	782	772
Total long-term benefits	782	772	849	826
TOTAL EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS	8,474	8,503	10,584	10,385

Relevant significant accounting policies - general

A provision for employee benefit liabilities (holiday leave, long service leave and retirement gratuities) is recognised as a liability when benefits are earned but not paid.

Holiday leave

Holiday leave includes: annual leave, long service leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

Movements in material employee benefit provisions above are analysed as follows:

Retirement gratuities provision	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Opening balance	772	889	772	889
Movement in required provision	27	31	27	31
Release of unused provision	-	(29)	-	(29)
Rediscounting of interest	13	22	13	22
Amount utilised	(30)	(141)	(30)	(141)
Retirement gratuities - closing balance	782	772	782	772

Background

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years' service will, on retirement, be entitled to a payment based on years of service and current salary. This entitlement has not been offered to Council employees since 1991. Based on the age of remaining participants the provision may not be extinguished until 2037, assuming retirement at age 65.

Relevant significant accounting policies - specific

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

Estimation

The gross retirement gratuities provision (inflation adjusted at 1.86%) as at 30 June 2019, before discounting, is \$0.897m (2018: \$0.917m). The discount factor of 4.30% is based on the Treasury risk-free rate.

Other contractual provisions	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Opening balance	220	274	220	274
New provision	19	220	19	220
Release of unused provision	-	(19)	-	(19)
Amount utilised	(220)	(255)	(220)	(255)
Other contractual provisions - closing balance	19	220	19	220

Background

The above provision is to cover estimated redundancy costs as at 30 June 2019 resulting from current restructuring within the Council.

Relevant significant accounting policies - specific

Other contractual provisions include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Note 25: Provisions for other liabilities

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current				
Landfill post closure costs	1,518	1,556	1,518	1,556
Weathertight homes	9,372	13,646	9,372	13,646
Unreinforced masonry grants	-	541	-	541
Total current	10,890	15,743	10,890	15,743
Non-current				
Landfill post closure costs	19,459	17,615	19,459	17,615
Weathertight homes	28,750	32,629	28,750	32,629
Total non-current	48,209	50,244	48,209	50,244
TOTAL PROVISIONS FOR OTHER LIABILITIES	59,099	65,987	59,099	65,987

Relevant significant accounting policies - general

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Movements in material provisions above are analysed as follows:

Landfill post closure costs	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Opening balance	19,171	17,713	19,171	17,713
Movement in provision	2,312	981	2,312	981
Re-discounting of interest	649	999	649	999
Amount utilised	(1,155)	(522)	(1,155)	(522)
Landfill post closure costs - closing balance	20,977	19,171	20,977	19,171
Current	1,518	1,556	1,518	1,556
Non-current	19,459	17,615	19,459	17,615
Landfill post closure costs - closing balance	20,977	19,171	20,977	19,171

Background

The Council operates the Southern Landfill (Stage 3) and has a 21.5% joint venture interest in the Spicer Valley Landfill. It also manages a number of closed landfill sites around Wellington. The Council has responsibility for the closure of its landfills and to provide ongoing maintenance and monitoring of the landfills after they are closed.

As part of the closure of landfills, or landfill stages, the Council's responsibilities include:

- final cover application and vegetation;
- incremental drainage control features; and
- completing facilities for post closure responsibilities.

Post closure responsibilities include:

- treatment and monitoring of leachate;
- ground water and surface monitoring;
- gas monitoring and recovery;
- implementation of remedial measures such as needed for cover and control systems; and
- on-going site maintenance for drainage systems, final cover and vegetation.

The management of the landfill will influence the timing of recognition of some liabilities – for example, the Southern Landfill operates in stages. A liability relating to any future stages will only be created when the stage is commissioned and when refuse begins to accumulate in this stage.

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure.

Relevant significant accounting policies - specific

A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The Council's provision for landfill post-closure costs includes the Council's 21.5% proportionate share of the Spicer Valley landfill provision for post-closure costs.

Estimations

The long term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using known improvements in technology and known changes to legal requirements. Future cash flows are discounted using the Treasury risk free rate of 2.65%. The gross provision (inflation adjusted at 2.68%), before discounting, is \$24.393m (2018: \$23.396m). This represents the Council's projection of the amount required to settle the obligation at the estimated time of the cash outflow.

Stage 3 of the Southern Landfill has an estimated remaining capacity of 554,940m³ (2018: 453,130m³) and is expected to close in 2022. These estimates have been made by the Council's engineers based on expected future and historical volume information.

The Council's provision includes a proportionate share of the Spicer Valley Landfill provision for post closure costs. The Spicer Valley Landfill has a remaining life out to 2052.

Weathertight homes	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Opening balance	46,275	39,435	46,275	39,435
Additional or increased provision made	2,794	12,523	2,794	12,523
Amount utilised	(10,947)	(5,683)	(10,947)	(5,683)
Weathertight homes - closing balance	38,122	46,275	38,122	46,275
Current	9,372	13,646	9,372	13,646
Non-current	28,750	32,629	28,750	32,629
Weathertight homes - closing balance	38,122	46,275	38,122	46,275

Background

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weathertightness.

A provision has been recognised for the potential net settlement of all known claims, including those claims that are being actively managed by the Council as well as claims lodged with WHRS but not yet being actively managed. The provision also includes an amount of \$11.906m (2018: \$14.234m) as a provision for future claims relating to weathertightness issues not yet identified or not yet reported.

Movement in the provision

During the year \$10.947m was paid as either part or full settlement of claims. An additional \$2.794m was added to the provision after an actuarial re-assessment of the likely future costs to be incurred as explained below. The current / non-current split above reflects the expected timing of payments but is reassessed each year to take account of delays in claim negotiations and any mediation outcomes.

Estimation

The Council has provided for the expected future costs of reported claims. The provision for active claims is based on the best estimate of the Council's expected future costs to settle these claims and is reviewed on a case by case basis. The estimate for claims which have been notified and are not yet actively managed and unreported claims is based on actuarial assessments and other information on these claims. The nature of the liability means there are significant inherent uncertainties in estimating the likely costs that will be incurred in the future. This represents the Council's best estimate of the amount required to settle the obligation at the estimated time of the cash outflow. Future cash flows are inflation adjusted and discounted using the Treasury's risk-free rate. The provision is net of any third-party contributions including insurance, where applicable.

The provision is based on best estimates and actuarial assessments and therefore actual costs incurred may vary significantly from those included in this provision, especially for future claims relating to weathertightness issues not yet identified or not yet reported.

The significant assumptions used in the calculation of the weathertight homes provision are as follows:

Amount claimed

Represents the expected amount claimed by the homeowner and is based on the actual amounts for claims already settled.

Settlement amount

Represents the expected amount of awarded settlement and is based on the actual amounts for claims already settled.

Amount expected to be paid by the Council

Represents the amount expected to be paid by the Council out of any awarded settlement amount and is based on the actual amounts for claims already settled. This figure has been increasing over the last few years as it is becoming more common for the other parties involved in a claim to be either in liquidation or bankrupt, or have limited funds and be unable to contribute to settlement.

Percentage of homeowners who will make a successful claim

Historical data collected on the number of claims lodged has enabled assumptions to be made on the percentage of homes built in the last 10 years which may experience weathertightness problems and therefore the percentage of homeowner who may make a successful claim.

Sensitivity

The table below illustrates the potential impact on surplus or deficit of changes in some of the assumptions listed above.

Council and Group	2019 \$000	
	+10%	-10%
Assumption	Effect on Surplus or Deficit	
Amount claimed	3,812	(3,813)
Settlement level award	3,812	(3,813)
Council contribution to settlement	3,812	(3,813)
Change in percentage of homeowners who will make a successful claim	1,191	(1,191)
	+2%	-2%
Assumption	Effect on Surplus or Deficit	
Discount rate	(2,085)	1,620

Funding of weathertight homes settlements

Council uses borrowings in the first instance to meet the cost of settlements with the associated borrowings subsequently being repaid through rates funding. To ensure that the funding of weathertight homes is fully transparent the associated settlement costs, borrowings and rates funding is reported annually.

Funding for weathertight homes liability	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Opening balance	(31,132)	(30,966)	(31,132)	(30,966)
Rates funding for weathertight homes liability	7,447	7,227	7,447	7,227
Total amounts paid	(10,947)	(5,683)	(10,947)	(5,683)
Interest allocation	(1,404)	(1,710)	(1,404)	(1,710)
Closing balance funded through borrowings	(36,036)	(31,132)	(36,036)	(31,132)

Note 26: Deferred tax*Recognised temporary differences and tax losses*

Deferred tax asset / (liability)	Group	
	2019 \$000	2018 \$000
Opening balance		
Property, plant and equipment	(1,071)	(1,084)
Intangible assets	(22)	(8)
Employee entitlements	188	377
Other provisions	14	10
Tax losses	9	0
Total opening balance	(882)	(705)
Charged to surplus or deficit		
Property, plant and equipment	(135)	13
Intangible assets	2	(14)
Employee entitlements	5	(189)
Other provisions	(1)	4
Tax losses	(3)	9
Total charged to surplus or deficit	(132)	(177)
Closing balance		
Property, plant and equipment	(1,206)	(1,071)
Intangible assets	(20)	(22)
Employee entitlements	193	188
Other provisions	13	14
Tax losses	6	9
TOTAL CLOSING BALANCE	(1,014)	(882)

As at 30 June 2019, the Group has a deferred tax liability of \$1.014m (2018: \$0.882m)

Unrecognised tax losses

Under current income tax legislation, the unrecognised tax losses do not expire.

The unrecognised deferred tax asset in respect of the tax losses for the Council is \$0.038m (2018: \$0.034m).

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the benefit of the losses can be utilised.

Relevant significant accounting policies

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Statement of Changes in Equity

For the year ending 30 June 2019

		Council			Group	
		Actual	Budget	Actual	Actual	Actual
	Note	2019	2019	2018	2019	2018
		\$000	\$000	\$000	\$000	\$000
EQUITY - Opening balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,819,629	3,825,080	3,793,827	3,818,478	3,788,286
Revaluation reserves		1,857,464	1,716,629	1,677,312	2,016,078	1,815,338
Hedging reserve		(25,362)	-	(21,283)	(25,663)	(21,283)
Fair value through other comprehensive revenue and expense reserve		3,744	2,888	2,888	4,836	3,221
Non-controlling interest		-	-	-	284	284
Restricted funds		14,909	8,996	8,243	19,136	12,135
TOTAL EQUITY - Opening balance		6,939,518	6,822,727	6,730,121	7,126,311	6,891,143
CHANGES IN EQUITY						
Retained earnings						
Net surplus / (deficit) for the year		(23,867)	17,757	32,207	(19,269)	36,932
Transfer to restricted funds		(3,267)	(3,269)	(13,018)	(4,300)	(13,701)
Transfer from restricted funds		3,311	2,515	6,352	4,403	6,700
Transfer from revaluation reserves		-	-	261	-	261
Revaluation reserves	27					
Fair value movement - property, plant and equipment - net		(3,256)	-	180,413	1,505	201,001
Transfer to retained earnings		-	-	(261)	-	(261)
Hedging reserve	28					
Movement in hedging reserve		(42,776)	-	(4,079)	(42,094)	(4,380)
Fair value through other comprehensive revenue and expense reserve	29					
Movement in fair value - Equity investments		546	-	856	546	856
Movement in fair value - Available for sale equities		-	-	-	(54)	759
Non-controlling interest						
Movement of non-controlling interest		-	-	-	-	-
Restricted funds	30					
Transfer to retained earnings		(3,311)	(2,515)	(6,352)	(4,403)	(6,700)
Transfer from retained earnings		3,267	3,269	13,018	4,300	13,701
Total comprehensive revenue and expense		(69,353)	17,757	209,397	(59,366)	235,168
EQUITY - Closing balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,795,806	3,842,083	3,819,629	3,799,312	3,818,478
Revaluation reserves		1,854,208	1,716,629	1,857,464	2,017,583	2,016,078
Hedging reserve		(68,138)	-	(25,362)	(67,757)	(25,663)
Fair value through other comprehensive revenue and expense reserve		4,290	2,888	3,744	5,328	4,836
Non-controlling interest		-	-	-	284	284
Restricted funds		14,865	9,750	14,909	19,033	19,136
TOTAL EQUITY - Closing balance		6,870,165	6,840,484	6,939,518	7,066,945	7,126,311

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2019	2019	2018	2019	2018
	\$000	\$000	\$000	\$000	\$000
Total comprehensive revenue and expense attributable to:					
Wellington City Council and Group	(69,353)	17,757	209,397	(59,650)	234,884
Non-controlling interest	-	-	-	284	284
	(69,353)	17,757	209,397	(59,366)	235,168

The notes on pages X to X form part of and should be read in conjunction with the financial statements

Statement of changes in equity – Major budget variations

Significant variations from budgeted changes in equity are as follows:

Opening equity is \$116.791m over budget. This is largely due to timing differences arising from the recognition of property, plant and equipment revaluations in 2017/18. These revaluations were only finalised after the Annual Plan budget for 2018/19 was approved by Council.

Closing equity is \$29.681m higher than budget due to:

- Recognition of a net deficit for the year of \$23.867m compared to a budgeted surplus of \$17.757m. Difference of \$41.624m is largely due to the \$50.522m impact of the Civic Precinct impairments.
- \$42.776m decrease in the hedging reserve due to unfavourable changes in swap interest rates.

Equity

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is broken down and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive revenue and expense reserve and restricted funds which comprise special funds, reserve funds and 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 Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Equity management

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has asset management plans in place for major classes of assets, detailing renewal and programmed maintenance. These plans ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Note 27: Revaluation reserves

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Land - opening balance	203,103	155,091	203,103	155,091
Revaluation recognised in other comprehensive revenue and expense	-	49,035	-	49,035
Transfer between classes	-	(463)	-	(463)
Revaluations adjustment	-	(560)	-	(560)
Land - closing balance	203,103	203,103	203,103	203,103
Buildings - opening balance	362,445	230,355	362,445	230,355
Revaluation recognised in other comprehensive revenue and expense	-	132,351	-	132,351
Impairment taken from revaluation reserve	(3,256)	-	(3,256)	-
Transfer to retained earnings on disposal of assets	-	(261)	-	(261)
Buildings - closing balance	359,189	362,445	359,189	362,445
Library collections - opening balance	8,392	8,392	8,392	8,392
Library collections - closing balance	8,392	8,392	8,392	8,392
Drainage, waste and water - opening balance	764,153	764,610	764,153	764,610
Prior year revaluation adjustments	-	(457)	-	(457)
Drainage, waste and water - closing balance	764,153	764,153	764,153	764,153
Infrastructure land - opening balance	18,858	18,395	18,858	18,395
Transfer between classes	-	463	-	463
Infrastructure land - closing balance	18,858	18,858	18,858	18,858
Roading - opening balance	500,513	500,469	500,513	500,469
Prior year revaluation adjustments	-	44	-	44
Roading - closing balance	500,513	500,513	500,513	500,513
Associates' revaluation reserves - opening balance	-	-	158,614	138,026
Revaluation recognised in other comprehensive revenue and expense	-	-	4,761	20,588
Associates' revaluation reserves - closing balance	-	-	163,375	158,614
Total revaluation reserves - closing balance	1,854,208	1,857,464	2,017,583	2,016,078

These revaluation reserves are represented by:

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Opening balance	1,857,464	1,677,312	2,016,078	1,815,338
Revaluation recognised in other comprehensive revenue and expense	-	181,386	4,761	201,974
Impairment taken from revaluation reserve	(3,256)	-	(3,256)	-
Transfer to retained earnings on disposal of assets	-	(261)	-	(261)
Prior year revaluation adjustments	-	(413)	-	(413)
Revaluations adjustment	-	(560)	-	(560)
TOTAL REVALUATION RESERVES	1,854,208	1,857,464	2,017,583	2,016,078

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes. The impairment of buildings relates to two earthquake prone Social Housing sites and Arlington site 1, which is subject to the signing of a long-term lease agreement and subsequent redevelopment by Housing NZ.

For the period ending 30 June 2019 Council has revalued its investment properties, which are revalued annually – refer to Note 17 – Investment properties, for more information.

Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

Relevant significant accounting policies

The result of any revaluation of the Group's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, and with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Any impairment in a revalued class of asset is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of 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

Note 28: Hedging reserve

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Opening balance	(25,362)	(21,283)	(25,663)	(21,283)
Cash flow hedge net movement recognised in other comprehensive revenue and expenses	(42,776)	(4,079)	(42,094)	(4,380)
TOTAL HEDGING RESERVE	(68,138)	(25,362)	(67,757)	(25,663)

The hedging reserve shows accumulated fair value changes for interest rate swaps which satisfy the criteria for hedge accounting and have operated as effective hedges during the period.

The Council uses interest rate swaps to fix interest rates on floating rate debt (floating rate notes and commercial paper) to give it certainty over interest costs.

The Council uses hedge accounting to recognise any fair value fluctuations in these swaps through this reserve within equity. Using hedge accounting prevents any significant movement in interest rate exposure significantly affecting the Council's ability to meet its balanced budget requirements

The Group movement reflects the hedging related to Wellington International Airport Limited.

Note 29: Fair value through other comprehensive revenue and expense reserve

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Opening balance	3,744	2,888	4,836	3,221
Movements:				
Civic Financial Services Limited	(272)	(8)	(272)	(8)
Local Government Funding Agency	818	864	818	864
Creative HQ shareholdings - available for sale	-	-	(54)	759
TOTAL FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE	4,290	3,744	5,328	4,836

This reserve reflects the accumulated fair value movement in the Council's investment in Civic Financial Services Limited (Civic) and the Local Government Funding Agency. The decrease in the Civic investment is due to the payment of a special dividend following the sale of Civic Assurance House. For further information on equity investments refer to Note 14: Other financial assets (page X).

In the Group, Creative HQ, a controlled entity of WREDA, has small shareholdings in incubator and accelerator programme companies. These shareholdings are fair valued annually and any movement is held within this reserve until the disposal of the shares.

Note 30: Restricted funds

Restricted funds are comprised of special reserves and funds that Council holds for specific purposes and trusts and bequests that have been bestowed upon the Council for the benefit of all Wellingtonians.

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Special reserves and funds	14,387	14,448	17,629	17,753
Trusts and bequests	478	461	1,404	1,383
TOTAL RESTRICTED FUNDS	14,865	14,909	19,033	19,136

Special reserves and funds	Opening Balance	Additional Funds	Funds Utilised	Closing Balance
	2019	2019	2019	2019
	\$000	\$000	\$000	\$000
Council				
City growth fund	2,260	1,750	(1,603)	2,407
Reserve purchase and development fund	782	-	-	782
Insurance reserve	11,406	1,500	(1,708)	11,198
Total Council	14,448	3,250	(3,311)	14,387
Controlled entities' reserve funds	3,305	137	(200)	3,242
Total Group - Special reserves and funds	17,753	3,387	(3,511)	17,629

Nature and purpose, funding and utilisation**City growth fund**

This fund is part of an integrated approach to fostering growth in the economy. Funding of \$1.75m (2018: \$3m) was provided from previous surpluses and \$1.603m was utilised during the year.

Reserve purchase and development fund

This fund is used to purchase and develop reserve areas within the city. During the year no purchases were made.

Insurance reserve

This reserve came into effect in 2001 and allows the Council to meet the cost of claims that fall below deductible limits under Council's insurance policies. Annual additions to the reserve of \$1.500m (2018: \$1.500m) are funded through rates as identified in the Annual Plan. During the year \$1.708m (2018: \$2.750m) was used to meet under-excess insurance costs. Of this, \$1.064m (2018: \$2.026m) related to earthquake repairs and relocation costs

Controlled entities' reserve funds

The restricted funds of the controlled entities relate to the Wellington Museums Trust and the Wellington Zoo Trust:

- The Wellington Museums Trust has six reserves; a Capital reserve, a Capital E reserve, a Nairn Street Cottage collection reserve, a Wellington Museums collection reserve, a City Gallery reserve and a Wellington Museum Plimmer reserve. The two collection reserves are for the purpose of future museum acquisitions.
- The Wellington Zoo Trust has two reserves; an Animal Transfer Fund specifically for the transfer of animals and a Conservation Fund to specifically support field conservation.

Analysis of movements in trusts and bequests

Additional Funds and utilisation

Trusts and bequests receiving additional funds during the year were only those where interest totalling \$0.017m (2018: \$0.018m) has been applied in accordance with the original terms and conditions. No funds were utilised during the year.

Nature and purpose

The Council's bequests and trusts have been generally provided for library, educational or environmental purposes.

The Wellington Zoo Trust has a number of bequests, trusts and capital grants made to it for specific purposes, which are held as restricted funds until utilised. Further information on these can be found in the Wellington Zoo Trust annual report published on their website – <https://wellingtonzoo.com/about-us/about-our-zoo/>

Charles Plimmer Bequest

This bequest is held and administered by the Public Trust and is primarily used for major beautification projects. As the sole beneficiary, Wellington City Council applies for distribution of available funds for particular projects after consultation with the Plimmer family. The receipt and use of these funds is disclosed separately to record the generous contribution the bequest makes to the benefit of the city.

The value of the funds held by the Public Trust is approximately \$16.680m (2018: \$16.303m) but the distributions to the beneficiary are only available from an agreed percentage of revenue generated. The distributions are only drawn down as required.

During the year:

- Distributions recognised as revenue - \$nil
- Funds utilised towards the Newlands Park upgrade - \$nil, but \$1.530m is expected to be spent over the next two years.

Statement of Cash Flows

For the year ending 30 June 2019

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2019	2019	2018	2019	2018
	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from rates - Council	308,800	321,022	295,301	308,800	295,301
Receipts from rates - Greater Wellington Regional Council	67,067	64,436	63,284	67,067	63,284
Receipts from activities and other revenue	150,295	132,378	148,467	192,299	180,802
Receipts from grants and subsidies - Operating	9,214	6,673	8,635	4,822	17,004
Receipts from grants and subsidies - Capital	30,201	34,035	27,039	31,004	27,185
Receipts from investment property lease rentals	11,528	11,215	11,648	11,528	11,648
Cash paid to suppliers and employees	(357,388)	(333,722)	(324,275)	(417,168)	(385,572)
Rates paid to GWRC	(67,488)	(64,436)	(62,304)	(67,488)	(62,304)
Grants paid	(38,516)	(38,777)	(37,068)	(11,722)	(10,814)
Income tax paid	-	-	-	(123)	(535)
Net GST (paid) / received	(938)	-	(3,630)	(1,196)	(4,261)
NET CASH FLOWS FROM OPERATING ACTIVITIES	112,776	132,824	127,097	117,824	131,738
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received	14,418	12,981	12,714	14,418	12,714
Interest received	2,879	13	1,603	3,110	1,792
Loan repayments	244	-	19	259	34
Proceeds from sale of property, plant and equipment	814	2,000	234	818	236
Proceeds from sale of Intangibles	195	-	-	195	-
(Increase) / decrease in investments	(1,192)	-	(11,616)	(1,261)	(13,017)
Purchase of investment properties	(73)	-	(548)	(73)	(548)
Purchase of intangibles	(3,092)	(6,918)	(3,456)	(3,268)	(3,476)
Purchase of property, plant and equipment	(170,049)	(239,010)	(170,339)	(172,119)	(171,192)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(155,856)	(230,934)	(171,389)	(157,921)	(173,457)
CASH FLOWS FROM FINANCING ACTIVITIES					
New borrowings	154,742	250,815	101,324	154,742	101,324
Repayment of borrowings	(47,930)	(126,000)	(15,000)	(47,930)	(15,168)
Interest paid on borrowings	(24,482)	(26,915)	(22,943)	(24,482)	(22,947)
NET CASH FLOWS FROM FINANCING ACTIVITIES	82,330	97,900	63,381	82,330	63,209
Net increase/(decrease) in cash and cash equivalents	39,250	(210)	19,089	42,233	21,490
Cash and cash equivalents at beginning of year	95,996	650	76,907	106,856	85,366
CASH AND CASH EQUIVALENTS AT END OF YEAR	135,246	440	95,996	149,089	106,856

The cash and cash equivalents balance above equates to the cash and cash equivalents balance in the Statement of Financial Position.

The notes from pages X to X form part of and should be read in conjunction with the financial statements.

Wellington City Council acts as a collection agency for Greater Wellington Regional Council (GWRC) by including additional rates and levies in its own billing process. Once collected, the monies are passed to GWRC. The budget assumes that the inflows and outflows will offset each other and are shown as nil accordingly.

The Council has ring fenced funds of \$42.755m (2018: \$45.796m) relating to the housing upgrade project and waste activities. For more information see Note 23: Borrowings (page X).

Cash and cash equivalents for the purposes of the cash flow statement comprises bank balances, cash on hand and short term deposits with a maturity of three months or less. The statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled-over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial revenue sources of the Council and Group and record the cash payments made for the supply of goods and services.

Investing activities relate to the acquisition and disposal of assets and investment revenue. Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

Statement of cash flows – Major budget variations

Cash flow budgeting is performed using various assumptions around the timing of events and any departure from these timings will affect the outcome against budget.

Significant variations from the cash flow budgets are as follows:

Net cash flows from operating activities were \$20.048m lower than budget, variances include:

- \$7.346m from increased revenue compared to budget including additional payments from NZTA of \$3.000m
- Lower than expected capital grant receipts (\$3.834m) arising from NZTA capital grants being under budget due to some programmes (largely cycleways) being rephased
- General expenses (excluding finance costs and depreciation) are \$9.584m over budget

Net cash flows from investing activities were \$75.078m lower than budget, variances include:

- \$72.787m of lower capital expenditure
- \$2.866m of interest received – see the comment below

Net cash flows from financing activities were \$15.570m lower than budget mainly because

- Gross borrowings are \$18.003m below budget and the level of cash and cash equivalents is higher than anticipated due to pre-funding requirements and has led to net borrowings on the Statement of Financial Position being \$77.159m below budget. Interest costs on borrowings are \$2.433m below budget and in addition the Council received \$2.866m of unbudgeted interest on deposits. These variances are related to timing of debt repayments and lower debt funding needed for the capital programme which was also underspent.

Note 31: Reconciliation of net surplus / (deficit) to net cash flows from operating activities

The net surplus / (deficit) from the Statement of Comprehensive Revenue and Expense is reconciled to the net cash flows from operating activities in the Statement of Cash Flows as follows:

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Net surplus / (deficit) for the period	(23,867)	32,207	(19,269)	36,932
Add/(deduct) non-cash items:				
Vested assets	(13,110)	(8,087)	(13,110)	(8,087)
Bad debts written off not previously provided for	132	152	136	154
Depreciation and amortisation	116,121	107,415	117,504	109,047
Impairment of property, plant and equipment	50,603	3	50,603	3
Fair value changes in investment properties	(18,454)	(6,937)	(18,454)	(6,937)
Other fair value changes	46	(4)	116	143
Movement in provision for impairments of doubtful debts	(114)	27	(114)	27
Tax expense/(credit)	-	-	250	(151)
Non-cash movement in provisions	1,111	11,049	1,104	11,235
Total non-cash items	136,335	103,618	138,035	105,434
Add/(deduct) movement in working capital: ¹				
Exchange receivables and non-exchange recoverables	781	(7,049)	2,483	(4,121)
Prepayments	(2,982)	(1,209)	(3,491)	(1,058)
Inventories	287	(136)	215	(118)
Exchange transactions, taxes and transfers payables	5,976	6,018	4,656	4,535
Revenue in advance	(2,111)	(12,738)	(426)	(12,315)
Employee benefit liabilities	(197)	(197)	188	(490)
Provision for other liabilities	(9,306)	(3,503)	(9,235)	(3,429)
Total working capital movement	(7,552)	(18,814)	(5,610)	(16,996)
Add/(deduct) investing and financing activities:				
Net (gain)/loss on disposal of property, plant and equipment	613	1,459	458	1,458
Net (gain)/loss on disposal of intangibles	225	-	225	-
Net (gain)/loss on disposal of investment property	(163)	-	(163)	-
Dividends received	(14,418)	(12,714)	(537)	(104)
Interest received	(2,879)	(1,603)	(3,025)	(1,671)
Tax paid and subvention receipts	-	-	(356)	(53)
Interest paid on borrowings	24,482	22,944	24,482	22,948
Share of equity accounted surplus in associates	-	-	(16,416)	(16,210)
Total investing and financing activities	7,860	10,086	4,668	6,368
NET CASH FLOWS FROM OPERATING ACTIVITIES	112,776	127,097	117,824	131,738

1. Excluding non-cash items

Other disclosures

Note 32: Financial instruments

Financial instruments include financial assets (loans and receivables or recoverables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

Relevant significant accounting policies

Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Group.

Financial Assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive revenue and expense.

- Loans and receivables comprise cash and cash equivalents, receivables or recoverables and loans and deposits.
- Cash and cash equivalents comprise cash balances and bank deposits with maturity dates of three months or less.
- Receivables and recoverables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor, and has no intention of trading the receivable or recoverable.
- Loans and deposits include loans to other entities (including controlled entities and associates), and bank deposits with maturity dates of more than three months.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Receivables or recoverables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, rates penalties and water meter charges, no provision has been made for impairment in respect of these receivables or recoverables.

Financial assets at fair value through other comprehensive revenue and expense primarily relate to equity investments that are held by the Group for long-term strategic purposes and therefore are not intended to be sold. Within the Group, small shareholdings are held in start-up companies, which are available for sale, until the companies mature or cease operations. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Financial Liabilities

Financial liabilities include payables under exchange transactions, taxes, transfers and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

The following tables provide an analysis of the Group's financial assets and financial liabilities by reporting category as described in the accounting policies:

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Financial assets				
Loans and receivables				
Cash and cash equivalents	135,246	95,996	149,089	106,856
Receivables and recoverables	53,962	55,815	55,911	58,049
Other financial assets	17,531	16,579	19,056	18,012
Total loans and receivables	206,739	168,390	224,056	182,917
Financial assets at fair value through other comprehensive revenue and expense				
Other financial assets	6,633	6,137	8,497	8,167
Total financial assets at fair value through other comprehensive revenue and expense	6,633	6,137	8,497	8,167
Hedged derivative financial instruments				
Derivatives designated as cash flow hedges	-	381	-	381
Total hedged derivative financial instruments	-	381	-	381
Total financial assets	213,372	174,908	232,553	191,465
Total non-financial assets	7,567,729	7,530,599	7,757,118	7,710,122
TOTAL ASSETS	7,781,101	7,705,507	7,989,671	7,901,587
Financial liabilities				
Financial liabilities at amortised cost				
Exchange transactions and transfers payable	65,597	61,316	70,683	65,250
Taxes payable	6,599	6,113	6,780	6,375
Borrowings	688,956	582,144	689,033	582,144
Total financial liabilities at amortised cost	761,152	649,573	766,496	653,769
Derivative financial instruments				
Derivatives designated as cash flow hedges	68,138	25,742	68,138	25,742
Total derivative financial instruments	68,138	25,742	68,138	25,742
Total financial liabilities	829,290	675,315	834,634	679,511
Total non-financial liabilities	81,646	90,674	88,092	95,765
TOTAL LIABILITIES	910,936	765,989	922,726	775,276

Fair value

The fair values of all financial instruments equate or are approximate to the carrying amount recognised in the Statement of Financial Position.

Fair value hierarchy

For those financial instruments recognised at fair value in the Statement of Financial Position, the fair values are determined according to the following hierarchy:

Level 1 - Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.

Level 2 - Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

Group	Level 1 \$000	Level 2 \$000	Level 3 \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000
Financial assets						
Financial assets at fair value through other comprehensive revenue and expense	-	-	8,749	-	-	8,167
Derivative financial instruments						
- Cash flow hedges	-	-	-	-	381	-
Financial liabilities						
Derivative financial instruments						
- Cash flow hedges	-	68,138	-	-	25,742	-
Reconciliation of fair value movements in Level 3						
				Council	Group	
				2019	2018	2019
				\$000	\$000	\$000
Financial assets at fair value through other comprehensive revenue and expense						
- Equity investments						
Opening balance - 1 July			6,137	5,281	8,167	6,622
Purchases			-	-	252	95
Disposals			-	-	(95)	(110)
Impairment			-	-	(46)	(168)
Gains or losses recognised in other comprehensive revenue and expense			496	856	471	1,728
Closing balance - 30 June			6,633	6,137	8,749	8,167

The level 3 equity investments comprise the Group's shareholdings in the Local Government Funding Agency \$6.156m (2018: \$5.339m), Civic Assurance \$0.477m (2018: \$0.798m), the Creative HQ shareholdings \$1.864m (2018: \$2.030m) and a legacy investment by

Wellington Museum's Trust of \$0.252m. Refer to Note 14: Other financial assets (page X) for more details.

Financial risk management

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Group's exposure to these risks and the action that the Group has taken to minimise the impact of these risks is outlined below:

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, thereby causing a financial loss. The Group is not exposed to any material concentrations of credit risk other than its exposure within the Wellington region. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position and the face value of financial guarantees to related parties (refer Note 34: Contingencies (page X)). There is currently no liability recognised for these guarantees as the Group does not expect to be called upon for payment.

The Group's maximum exposure to credit risk at the end of the reporting period is:

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Financial instruments with credit risk				
Cash and cash equivalents	135,246	95,996	149,089	106,856
Derivative financial instrument assets	-	381	-	381
Receivables and recoverables	53,962	55,815	55,911	58,049
Other financial assets				
- Bank deposits - term > 3 months	9,000	10,000	10,250	11,401
- LGFA borrower notes	8,496	6,304	8,496	6,304
- Loans to related parties - other organisations	35	31	35	31
- Loans to external organisations	-	244	23	276
Total financial instruments with credit risk	206,739	168,771	223,804	183,298

Receivables and recoverables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group is exposed to credit risk as a guarantor of the LGFA's borrowings. Further information about this exposure is explained in Note 34: Contingencies (page X).

Credit quality of financial assets

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to Standard and Poor's credit ratings.

Counterparties with credit ratings	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Cash - registered banks				
AA-	2,229	1,976	12,201	11,288
Short term deposits - registered banks				
AA-	121,000	94,000	124,854	94,000
A	12,000	-	12,000	-
Term deposits (greater than 3 months) - registered banks				
AA-	9,000	10,000	10,250	11,401
Term deposits - borrower notes - NZ LGFA				
AA+	8,496	6,304	8,496	6,304
Derivative financial instrument assets				
AA-	-	381	-	381

Liquidity risk

Liquidity risk refers to the situation where the Group may encounter difficulty in meeting obligations associated with financial liabilities. The Group maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Liability Management Policy to ensure the Group is able to access required funds.

Contractual maturity

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities include the nominal amount and interest payable.

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Contractual cash flows of financial liabilities excluding derivatives				
0-12 months	210,370	205,502	215,665	209,436
1-2 years	79,430	52,911	79,478	52,911
2-5 years	260,958	239,930	260,958	239,930
More than 5 years	271,870	240,407	271,870	240,407
Total contractual cash flows of financial liabilities excluding derivatives	822,628	738,750	827,971	742,684
Represented by:				
Carrying amount as per the Statement of Financial Position	761,151	643,460	766,494	647,394
Future interest payable	61,477	95,290	61,477	95,290
Total contractual cash flows of financial liabilities excluding derivatives	822,628	738,750	827,971	742,684

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a net cash flow basis. Contractual cash flows for derivative financial liabilities are the future interest payable.

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Contractual cash flows of derivative financial liabilities				
0-12 months	10,894	8,194	10,894	8,194
1-2 years	10,698	7,368	10,698	7,368
2-5 years	27,468	11,914	27,468	11,914
More than 5 years	24,146	34	24,146	34
Total contractual cashflow of derivative financial liabilities	73,206	27,510	73,206	27,510
Represented by:				
Future interest payable	73,206	27,510	73,206	27,510
Total contractual cash flows of derivative financial liabilities	73,206	27,510	73,206	27,510

In addition to cash to be received in 2019/20 the Group currently has \$120.000m (2018: \$120.000m) in unutilised committed bank facilities available to settle obligations as well as \$205.000m (2018: \$164.905m) of cash, cash equivalents and receivables and is expected to have sufficient cash to meet all contractual liabilities as they fall due.

The Group is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its obligations when they fall due. Information about this exposure is explained in Note 34: Contingencies (page X).

The Group mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within the following maturity limits:

Liquidity funding risk			
Period	Minimum	Maximum	Actual
0 - 3 years	15%	60%	38%
3 - 5 years	15%	60%	28%
More than 5 years	15%	60%	34%

Market risk

Market risk is the risk that the value of an investment will decrease or a liability will increase due to changes in market conditions. The Group uses interest rate swaps in the ordinary course of business to manage interest rate risks. A Treasury Committee, headed by senior management personnel and the Council's treasury management advisors (presently PwC), provides oversight for financial risk management and derivative activities and ensures any activities are in line with the Liability Management Policy which is formally approved by the Council as part of the Long-Term Plan (LTP).

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will decrease due to changes in market interest rates. The Group is exposed to interest rate risk from its interest-earning financial assets and interest-bearing financial

liabilities. The Group is risk averse and seeks to minimise exposure arising from its borrowing activities primarily by entering into interest rate swap arrangements to fix interest rates on its borrowings.

The Group manages its cash flow interest rate risk by using interest rate swaps. These have the economic effect of converting borrowings from floating rates to fixed rates. The Council uses interest rate swaps to maintain a required proportion of borrowing between fixed and floating interest rates, using a corridor policy, as specified in the liability management policy.

The proportion of gross borrowing at a fixed interest rate for the period ending 30 June 2019 is 74%.

The table below shows the effect of the interest rate swaps at reducing the Council's exposure to interest rate risk:

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Financial instruments subject to interest rate volatility - before effect of interest rate swaps				
Cash and cash equivalents	135,246	95,996	149,089	106,856
Bank deposits - term greater than 3 months	9,000	10,000	10,250	11,401
Commercial paper	(85,000)	(85,000)	(85,000)	(85,000)
Debt securities - floating rate notes	(553,500)	(472,500)	(553,500)	(472,500)
Total financial instruments subject to interest rate volatility - before effect of interest rate swaps	(494,254)	(451,504)	(479,161)	(439,243)
Effect of interest rate swaps in reducing interest rate volatility				
Effect of Cash flow interest rate swaps - hedged	459,000	365,500	459,000	365,500
Effect of Cash flow interest rate swaps - non-hedged	-	60,000	-	60,000
Total effect of interest rate swaps in reducing interest rate volatility	459,000	425,500	459,000	425,500
Total financial instruments subject to interest rate volatility - after effect of interest rate swaps	(35,254)	(26,004)	(20,161)	(13,743)

These interest rate swaps have a nominal value which represents the value of the debt that they are covering (included above). This amount is not recorded in the financial statements; instead the fair value of these interest rate swaps is recognised. This represents the difference between the forecast current floating interest rate and the fixed swap interest rate discounted back to present value. At 30 June 2019 the fair value of the interest rate swaps was -\$68.138mm (2018: -\$25.362m). The liability represents the forecast extra cash flows the Council is expected to pay from locking in fixed interest rates higher than current market rates

Given that the interest rate swaps have terms that match with the borrowings (short term bank facilities, commercial paper and debt securities), it is appropriate to include the effect of the interest rate swaps on the borrowings interest rate and present the net effective interest rates for the underlying borrowings:

Weighted effective interest rates	Council		Group	
	2019 %	2018 %	2019 %	2018 %
Investments				
Cash and cash equivalents	2.16	2.33	2.06	2.17
Bank deposits - term	2.57	3.20	2.64	3.22
LGFA - borrower notes	2.31	2.50	2.31	2.50
Loans to related parties	-	-	-	-
Loans to external organisations	-	4.00	-	4.00
Borrowings				
Bank loans	7.00	7.00	7.00	7.00
Commercial paper	1.75	2.06	1.75	2.06
Debt securities - fixed	3.91	4.84	3.91	4.84
Debt securities - floating	2.36	2.63	2.36	2.63
Derivative financial instruments - hedged	3.83	4.30	3.83	4.30
Derivative financial instruments - non-hedged	-	3.50	-	3.50

The related party loan to the Wellington Regional Stadium Trust is on interest free terms.

Sensitivity analysis

While the Group has significantly reduced the impact of short-term fluctuations on the Group's earnings through interest rate swap arrangements, there is still some exposure to changes in interest rates.

The tables below illustrate the potential surplus or deficit impact of a 1% change in interest rates based on the Group's exposures at the end of the reporting period:

Group		2019 \$000			
		+1%	-1%	+1%	-1%
Interest rate risk	Note	Effect on Surplus or Deficit		Effect on Other Comprehensive Revenue and Expense	
Financial assets					
Cash and cash equivalents	a	1,369	(1,369)	-	-
LGFA - borrower notes		85	(85)	-	-
Term deposits > 3 months		103	(103)	-	-
Financial liabilities					
Derivatives - interest rate swaps - hedged	b	-	-	40,892	(45,639)
Debt securities - floating rate notes	c	(1,740)	1,740	-	-
Debt securities - fixed rate bonds	d	-	-	-	-
Bank term loans	e	-	-	-	-
Commercial paper	f	(100)	100	-	-
Finance leases		(1)	1	-	-
Total sensitivity to interest rate risk		(284)	285	40,892	(45,639)

a. Cash and cash equivalents

Group funds are in a number of different registered bank accounts with interest payable on the aggregation of all accounts. A movement in interest rates of plus or minus 1% has an effect on interest revenue of \$1.369m accordingly.

b. Derivatives - hedged interest rate swaps

Derivatives include hedged interest rate swaps with a fair value totalling -\$68.138m. A movement in interest rates of plus 1% has an effect on increasing the unrealised value of the hedged interest rate swap liabilities by \$40.892m. A movement in interest rates of minus 1% has an effect on reducing the unrealised value of the hedged interest rate swap liabilities by \$45.639m.

c. Debt securities – floating rate notes

Debt securities at floating rates total \$553.500m. The full exposure to changes in interest rates has been reduced because the Group has \$379.5m of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$3.795m accordingly.

d. Debt Securities – fixed rate bonds

The Group has \$45.000m of fixed rate bonds which are not exposed to interest rate changes.

e. Bank Loan

The Group, through the Council's joint ventures with Porirua City Council has a bank term loan of \$5.465m. This loan consists of various loans provided to the joint venture through Porirua City Council borrowing. The interest rate applied is fixed at 7% for the joint venture partners and is not subject to interest rate risk.

f. Commercial paper

The Group has a Commercial Paper programme which is subject to floating rates and totals \$100.000m of which only \$85.000m is presently utilised. The full exposure to changes in interest rates has been reduced because the Group has \$75.000m of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$0.100m accordingly.

Note 33: Commitments

Capital commitments	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Approved and contracted - property, plant and equipment	182,950	61,577	182,950	61,577
Approved and contracted - investment properties	-	-	-	-
Approved and contracted - intangibles	-	-	-	-
Approved and contracted - share of associates	-	-	4	14,004
Approved and contracted - share of joint ventures	-	-	-	-
TOTAL CAPITAL COMMITMENTS	182,950	61,577	182,954	75,581

The capital commitments above represent signed contracts in place at the end of the reporting period.

The contracts will often span more than one financial year and may include capital expenditure carried forward from 2018/19 to future years.

Lease commitments

Operating leases – Group as lessee

The Group leases certain items of plant, equipment, land and buildings under various non-cancellable operating lease agreements.

The lease terms are between 2 and 21 years and the majority of the lease agreements are generally renewable at the end of the lease period at market rates.

The amount of minimum payments for non-cancellable operating leases is recognised as an expense in Note 7: Expenditure on operating activities (page X).

Relevant significant accounting policies

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

The future expenditure committed by these leases is analysed as follows:

Non-cancellable operating lease commitments as lessee	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Plant and equipment				
Not later than one year	-	19	135	80
Later than one year and not later than five years	-	4	154	92
Later than five years	-	-	-	-
Land and buildings				
Not later than one year	4,774	4,052	7,138	6,481
Later than one year and not later than five years	13,304	17,147	16,246	24,430
Later than five years	75	1,100	75	4,039
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSEE	18,153	22,322	23,748	35,122

Operating leases – Group as lessor

The Group has also entered into commercial property leases of its investment property portfolio and other land and buildings.

The land and buildings held for investment purposes are properties which are not held for operational purposes and are leased to external parties.

Ground leases are parcels of land owned by the Group in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the leases are charged on a commercial market basis.

The land and buildings not held for investment purposes are either used to accommodate the Group's operational activities or are held for purposes such as road widening, heritage, or are being monitored for compliance reasons. In some cases, parts of these assets are leased to external parties on a commercial basis. The terms of these commercial leases generally range from 1 to 15 years.

Relevant significant accounting policies

Rental revenue is recognised on a straight-line basis over the lease term.

The committed revenues expected from these lease portfolios are analysed as follows:

Non-cancellable operating lease commitments as lessor	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Investment properties				
Not later than one year	10,391	10,209	10,391	10,209
Later than one year and not later than five years	35,488	36,070	35,488	36,070
Later than five years	52,012	56,684	52,012	56,684
Land and buildings				
Not later than one year	5,683	2,407	5,683	2,455
Later than one year and not later than five years	10,204	6,392	10,204	6,392
Later than five years	10,401	5,338	10,401	5,338
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSOR	124,179	117,100	124,179	117,148

Commitments to related parties

The Council and Group have no commitments to key management personnel beyond normal employment obligations.

Note 34: Contingencies

Contingent liabilities	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Uncalled capital - LGFA	1,866	1,866	1,866	1,866
Other legal proceedings	299	495	299	522
Share of associates' and jointly controlled entity's contingent liabilities	-	-	-	27
Share of joint ventures' contingent liabilities	-	-	-	-
TOTAL CONTINGENT LIABILITIES	2,165	2,361	2,165	2,415

Contingent assets

The Council and Group have no contingent assets that can be quantified as at 30 June 2019 (2018: \$Nil)

Relevant significant accounting policies**Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

NZ Local Government Funding Agency Limited (LGFA)

Council is one of 64 local authority shareholder, borrower and guarantor councils of the LGFA. Any non-shareholder council that borrows in aggregate NZ\$20m or more from LGFA must be a guarantor. In this regard Council has uncalled capital of \$1.866m. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2019, LGFA had borrowings totalling \$9,531m (2018: \$8,272m).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that we are not aware of any local authority, which is a member of the LGFA, that has had debt default events in New Zealand; and local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required. Council considers that even if it was called upon to contribute the cost would not be material.

Other legal proceedings

Other legal proceedings are current claims against the Council and Group as a result of past events which are currently being contested. The amounts shown reflect potential liability for financial reporting purposes only and do not represent an admission that any claim is valid. The outcome of these remains uncertain at the end of the reporting period. The maximum exposure to the Group is anticipated to be less than \$0.299m.

Unquantified contingent liabilities

Defective product

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Wellington City Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The Councils were partially successful in having parts of the claims struck out. The MOE's claim against CHH is for 833 school buildings, 27 of which are located within Wellington City. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

Structural defect claim

In February 2019, Council entered into a standstill agreement in respect of a large claim alleging a breach of duty to a tenant of a commercial building.. A claim was filed in August 2019. Due to the nature of the issues, the uncertainty of the outcome and the novel legal claim, Council is unable to conclude on potential liability and claim quantum, if any.

Other claims

There are various other claims that the Council and Group are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which the Council and Group have a responsibility to the claimant. The possibility of any outflow in settlement in these cases is assessed as remote.

Unquantified contingent asset

As at 30 June 2019, the Council had a contingent asset for insurance recoveries. The insurance claim related to the Civic Administration Building (CAB), which covers both the repair costs and the relocation costs, is still in progress. The Council's preliminary assessment of earthquake repairs is in the region of \$36.6m. However, the Council continues to investigate the damage in the building to prepare options for repair. The indemnity value of CAB under Council's insurance value is \$48.7m. The insurance policy has a deductible of \$5.0m. While an estimate of the repair costs has been obtained by the Council and provided to the insurer there are still a significant number of uncertainties in the numbers and it is still subject to discussion and agreement with the insurer. This means that the amount that the Council will receive cannot be reliably measured.

Note 35: Jointly controlled assets

The Council has significant interests in the following joint ventures:

Joint Venture	Interest 2019	Interest 2018	Nature of business
Wastewater treatment plant – Porirua City Council	27.60%	27.60%	Owns and operates a wastewater treatment plant and associated trunk sewers and pumping stations that provide services to Wellington City's northern suburbs.
Spicer Valley Landfill – Porirua City Council	21.50%	21.50%	Owns and operates a sanitary landfill that provides services to Wellington City's northern suburbs.

The end of the reporting period for the joint ventures is 30 June. Included in the financial statements are the following items that represent the Council's and Group's interest in the assets and liabilities of the joint ventures.

Relevant significant accounting policies

For a jointly controlled asset the Council has a liability in respect of its share of joint ventures' operational deficits and liabilities, and shares in any operational surpluses and assets. The Council's proportionate interest (ie. 21.5% of the Spicer Valley landfill) in the assets, liabilities, revenue and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

Share of Net Assets - Porirua City Council Joint Ventures (PCCJV)	2019 \$000	2018 \$000
ASSETS		
Current		
Inventory	22	22
Receivables and recoverables	3,379	2,516
Non-current		
Property, plant and equipment	25,726	24,183
Share of total assets	29,127	26,721
LIABILITIES		
Non-current		
Borrowings	5,456	4,644
Provisions for other liabilities	3,427	2,497
Share of total liabilities	8,883	7,141
SHARE OF NET ASSETS	20,244	19,580

The Council's and Group's share of the joint ventures' current year net surplus / (deficit) and revaluation movements (after elimination) included in the financial statements are shown below.

Share of Net Surplus and Revaluation Movements - PCCJV	2019	2018
	\$000	\$000
Operating revenue	1,829	1,601
Operating expenditure	(1,166)	(1,298)
Share of net surplus or (deficit)	663	303
Share of current year revaluation movement	-	(14)

The Council's and Group's share of the joint ventures' capital commitments is \$Nil (2018: \$Nil) and contingent liabilities is \$Nil (2018: \$Nil).

Note 36: Related party disclosures

Relevant significant accounting policies

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (controlled entities, associates and joint ventures) and key management personnel.

Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive and all members of the Executive Leadership Team, being key advisors to the Council and Chief Executive.

Key management personnel

In this section, the Council discloses the remuneration and related party transactions of key management personnel. The remuneration payable to key management personnel of the Group's other entities is disclosed separately within their individual financial statements and is not included in the following table

Remuneration paid to key management personnel	Council	
	2019	2018
	\$	\$
Council Members		
Remuneration	1,611,660	1,493,628
Chief Executive and Executive Leadership Team		
Remuneration	2,017,449	2,176,138
TOTAL REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL	3,629,109	3,669,766

As at 30 June 2019 key management personnel comprised of 21 individuals: 15 elected members or 15 fulltime equivalents (2018: 15) and 6 executive leaders or 6 fulltime equivalents (2018: 6).

For further disclosure of the remuneration payable to the Mayor, Councillors and the Chief Executive refer to Note 37: Remuneration and staffing (page X).

Material related party transactions – key management personnel

During the year key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services.

A member of key management personnel purchased their Council vehicle following the decision to remove all full private use vehicles from the Council's fleet. The vehicle was purchased for its market value.

These transactions were on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group.

The Mayor and Councillor's disclose their personal interests in a register available on the Council website.

There are no commitments from Council to key management personnel.

Material related party transactions – other organisations

Basin Reserve Trust (BRT)

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve. The Trust was jointly created with Cricket Wellington Incorporated (CWI). Wellington City Council and CWI each appoint two of the four trustees. Wellington City Council has significant influence over the Trust through the appointment of trustees, and receives benefits from the complementary activities of the Trust.

The Council considers the Trust does not meet the requirements of PBE IPSAS 7 Investments in Associates to enable continued consolidation on an equity accounted basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of an equity investment the Council believes it is not appropriate to include the Trust in the Group financial statements.

During the year ending 30 June 2019 Council contributed \$0.417m (2018: \$0.399m) to fund the core operations of the Trust and \$0.250m (2018: \$0.250m) for turf management services.

NZ Local Government Funding Agency Limited (LGFA)

The LGFA was incorporated on 1 December 2011 and was established to facilitate the efficient, and cost effective, raising of debt funding for local government authorities. There are currently 30 regional, district and city councils throughout New Zealand that own 80% of the issued capital, with the Government holding the remaining 20%. The Council became an establishment shareholder in this Council Controlled Trading Organisation (CCTO) and currently has an investment of \$1.866m representing 8.3% of paid-up capital.

Wellington Regional Stadium Trust (WRST)

Wellington Regional Stadium Trust was jointly created with Greater Wellington Regional Council and Wellington City Council has significant influence over the Wellington Regional Stadium Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust.

The Council considers the Trust does not meet the requirements of PBE IPSAS 7 Investments in Associates to enable continued consolidation on an equity accounted basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of an equity investment the Council believes it is not appropriate to include the Trust in the Group financial statements.

Council holds a \$15m limited recourse loan to WRST which, is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished. On maturity of the initial WRST membership underwrite, the unpaid interest was converted to a \$0.395m advance repayable after all other advances made by the Council and Greater Wellington Regional Council.

During the year ending 30 June 2019 Council transacted directly with WRST to the amount of \$0.840m (2018: \$0.330m) as part of the original \$5.000m funding grant recognised in 2016/17 for the upgrade of the concourse. To date Council has paid \$1.670m.

Intra group transactions and balances

During the year the Council has entered into transactions with its joint venture partner Porirua City Council. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

Intra group transactions and balances - Jointly controlled assets	2019	2018
	\$000	\$000
Expenditure incurred by the Council to fund the operation and management of:		
Porirua - waste water treatment plant	2,016	1,922

During the year the Council has entered into transactions with its controlled entities. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

Intra group transactions and balances - Controlled entities		2019	2018
		\$000	\$000
Revenue received by Council for services provided to:			
Karori Sanctuary Trust		42	30
Wellington Cable Car Limited		172	55
Wellington Museums Trust		1,440	1,729
Wellington Regional Economic Development Agency		117	431
Wellington Zoo Trust		908	260
		2,679	2,505
Grant funding paid by Council for the operations and management of:			
Karori Sanctuary Trust		1,007	980
Wellington Museums Trust		9,110	8,759
Wellington Regional Economic Development Agency		12,178	11,928
Wellington Zoo Trust		3,320	3,240
		25,615	24,907
Expenditure payments made by Council for services provided by:			
Karori Sanctuary Trust		17	16
Wellington Cable Car Limited		71	57
Wellington Museums Trust		68	587
Wellington Regional Economic Development Agency		5,383	6,490
Wellington Zoo Trust		1,902	723
		7,441	7,873
Current receivables and recoverables owing to the Council from:			
Karori Sanctuary Trust		2	2
Wellington Cable Car Limited		52	-
Wellington Museums Trust		156	-
Wellington Regional Economic Development Agency		1	4
Wellington Zoo Trust		902	204
		1,113	210
Current payables owed by the Council to:			
Karori Sanctuary Trust		-	9
Wellington Cable Car Limited		27	58
Wellington Museums Trust		5	235
Wellington Regional Economic Development Agency		238	87
Wellington Zoo Trust		109	181
		379	570

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Payments to controlled entities

The total payments to controlled entities are \$33.056m (2018: \$32.780m) when the grant funding of \$25.615m (2018: \$24.907m) and expenditure for services provided to Council of \$7.441m (2018: \$7.873m) are combined.

During the year the Council has entered into several transactions with its associates and jointly controlled entity. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

Intra group transactions and balances - Associates and jointly controlled entity		2019	2018
		\$000	\$000
Dividend received from:			
	Wellington International Airport Limited	13,881	12,610
Revenue received by Council for services provided to:			
	Wellington International Airport Limited	89	65
	Wellington Water Limited	839	1,083
		928	1,148
Expenditure payments made by Council for services provided by:			
	Wellington International Airport Limited	32	244
	Wellington Water Limited	57,965	36,437
		57,997	36,681
Current receivables and recoverables owing to the Council from:			
	Wellington International Airport Limited	-	1
	Wellington Water Limited	212	307
		212	308
Current payables owed by the Council to:			
	Wellington Water Limited	1,754	2,267

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Note 37: Remuneration and staffing

Mayoral and Councillor Remuneration

Relevant significant accounting policies

Remuneration of elected members comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, during the reporting period but does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cell phones and laptops.

Remuneration

The following people held office as elected members of the Council's governing body, during the reporting period. The total remuneration attributed to the Mayor and Councillors during the year from 1 July 2018 to 30 June 2019 was \$1,611,660m (2018: \$1,493,628) and is broken down and classified as follows:

Council Member	Monetary Remuneration		Non-monetary Remuneration	Total 2019
	Salary	Allowances		
	\$	\$	\$	\$
Lester, Justin (Mayor)	175,810	-	4,125	179,935
Calvert, Diane	95,747	400	4,125	100,272
Calvi-Freeman, Chris	95,747	400	4,125	100,272
Dawson, Brian	95,747	400	4,125	100,272
Day, Jill	116,325	400	4,125	120,850
Fitzsimons, Fleur	95,747	400	4,125	100,272
Foster, Andy	95,747	400	4,125	100,272
Free, Sarah	95,747	400	4,125	100,272
Gilberd, Peter	95,747	400	4,125	100,272
David, Lee	95,747	400	4,125	100,272
Marsh, Simon	95,747	400	4,125	100,272
Pannett, Iona	103,086	400	4,125	107,611
Sparrow, Malcolm	95,747	400	4,125	100,272
Woolf, Simon	95,747	400	4,125	100,272
Young, Nicola	95,747	400	4,125	100,272
TOTAL REMUNERATION PAID TO COUNCIL MEMBERS	1,544,185	5,600	61,875	1,611,660
		Total monetary remuneration		1,549,785
		Total non- monetary remuneration		61,875

Salary

The Remuneration Authority is responsible for setting the remuneration levels for elected members (Clause 6, Schedule 7 of the Local Government Act 2002). The Council's monetary remuneration (salary) detailed above was determined by the Remuneration Authority. As permitted under the Authority's guidelines the Council has chosen for its elected members to receive an annual salary for the 2018/19 financial year rather than the alternative option of a combination of meeting fee payments and annual salary.

Allowances – internet services and mobile phones

Councillors are able to choose either of the following two options:

- The payment of a communication allowance of \$400 per annum (applicable from the start of the new triennium) or the reimbursement of any Council related communication costs, over and above any communication costs they would normally incur, payable on receipt of the appropriate documentation required under the provisions of the Remuneration Authority's determination.
- The level of all allowances payable to the Council's elected members has been approved by the Remuneration Authority and is reviewed by the Authority on an annual basis. The Remuneration Authority does permit Council to provide the Mayor with a vehicle for full private use, which would be a taxable benefit; however the current Mayor has declined to take up this option.

Non-monetary

In addition, the Mayor and Councillors receive non-monetary remuneration (benefit) in relation to car parking spaces provided, regardless of whether they elect to use these or not. With the relocation of Council offices from the Civic Precinct to 113 The Terrace, the cost of carpark provision has increased and has been pro-rated accordingly for the year ending 30 June 2019.

The Councillors have shared office and working space available for use, and access to phones and computers. Professional indemnity and trustee liability insurance is also provided to Councillors against any potential legal litigation which may occur while undertaking Council business.

Community Boards

The Council has two community boards – the Tawa Community Board and the Makara/Ohariu Community Board. Remuneration paid to the elected members of these boards is as follows:

Community Board Member	Salary	Allowances	Other	Total 2019
	\$	\$	\$	\$
TAWA COMMUNITY BOARD				
Herbert, Richard (Chair)	18,441	540	-	18,981
Lucas, Margaret (Deputy Chair)	9,220	-	-	9,220
Hansen, Graeme	9,220	-	-	9,220
Langham, Liz	9,220	-	-	9,220
Marshall, Jack (includes Youth Council attendance fee)	9,220	-	150	9,370
Parkinson, Robyn	9,220	-	-	9,220
Day, Jill (see Councillor remuneration above)	-	-	-	-
Sparrow, Malcolm (see Councillor remuneration above)	-	-	-	-
MAKARA-OHARIU COMMUNITY BOARD				
Grace, Christine (Chair)	9,429	540	-	9,969
Apanowicz, John (Deputy Chair)	4,716	-	-	4,716
Liddell, Judy	4,716	-	-	4,716
Renner, Chris	4,716	-	-	4,716
Rudd, Wayne	4,716	-	-	4,716
Todd, Hamish	4,716	-	-	4,716
TOTAL REMUNERATION TO COMMUNITY BOARD MEMBERS	97,550	1,080	150	98,780

A technology allowance of \$45 per month is available to the chair of both the Tawa and Makara/Ohariu Community Boards. This allowance can be taken as either an allowance or as an actual expense reimbursement.

Chief Executive's remuneration

The Chief Executive of the Council was appointed in accordance with section 42 of the Local Government Act 2002.

The table below shows the total remuneration of the Chief Executive paid or payable for the year ended 30 June 2019.

Under the terms of his agreement, the Chief Executive of the Council chooses how he wishes to take his remuneration package (salary only or a combination of salary and benefits).

Remuneration of the Chief Executive	Council	
	2019	2018
	\$	\$
Short-term employee benefits		
Kevin Lavery		
Salary	425,160	425,160
Motor vehicle park	3,000	3,000
TOTAL REMUNERATION OF THE CHIEF EXECUTIVE	428,160	428,160

Severances

In accordance with Schedule 10, section 33 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions or other contractual entitlement.

For the year ending 30 June 2019 the Council made severance payments to 19 employees totalling \$444,991 (2018: 21 employees, \$405,695).

The individual values of each of these severance payments are: \$18,000; \$16,456; \$33,258; \$6,720; \$52,839; \$61,900; \$5,165; \$35,427; \$61,160; \$12,818; \$9,558; \$13,858; \$12,227; \$13,553; \$1,004; \$6,576; \$13,007; \$69,467; \$2,000.

Employee numbers and remuneration bands

The following table identifies the number of full time employees as at the of the reporting period and the full time equivalent number of all other part-time, fixed term and casual employees. The table further identifies the breakdown of remuneration levels of those employees into various bands.

	Council	
	2019	2018
Full-time and full-time equivalent employee numbers		
Full-time employees (based on a 40 hour week) as at 30 June	1,080	1,038
Full-time equivalents for all other non full-time employees	260	264
Remuneration bands		
The number of employees receiving total annual remuneration of less than \$60,000	1,050	1,106
Of the 1,050 employees in this band, 678 are part-time or casual		
The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000		
\$60,000 - \$79,999.99	260	272
\$80,000 - \$99,999.99	223	182
\$100,000 - \$119,999.99	116	91
\$120,000 - \$139,999.99	70	53
\$140,000 - \$159,999.99	35	36
\$160,000 - \$179,999.99	19	12
\$180,000 - \$199,999.99	10	9
\$200,000 - \$239,999.99*	6	9
\$240,000 - \$339,999.99*	6	8
\$340,000 - \$419,999.99*	2	2
TOTAL EMPLOYEES	1,797	1,780

Of the 1,797 (2018: 1,780) individual employees, 717 (2018: 742) work part-time or casually.

Total annual remuneration has been calculated to include any non-financial benefits and other payments in excess of normal remuneration such as the employer KiwiSaver contribution.

*If the number of employees for any band was 5 or less then we are legally required to combine it with the next highest band. This means that some rows span different bands across the two years shown.

Council has resolved that in addition to legislative requirements to disclose the above bandings it has also included the 2 lowest remuneration grades.

Grade	Salary Range	2019
	(1 July 2018 – 30 June 2019)	
Q (Living Wage)	\$42,861.43	375
9	\$42,861.43 - \$56,969	403

The current living wage rate for WCC is \$20.55. Each year the living wage rate for WCC will be reviewed in accordance with the latest Living Wage rate announced/published by Living Wage Aotearoa.

Note 38: Events after the end of the reporting period

There are no events after the end of the reporting period that require adjustment to the financial statements or notes to the financial statements.

Other Significant Accounting Policies

The following accounting policies are additional to the disclosures and accounting policies that are included within the relevant specific Notes forming part of the financial statements.

Basis of preparation

Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in the accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate.

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

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Exchange and non-exchange transactions

Revenue from exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's length transaction (primarily in the form of cash in exchange).

Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction

Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally considered as an arm's length commercial transaction between a willing buyer and willing seller. Some goods or services that Council provides (eg. the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by Council operate on a full user pays (eg. Parking), 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 Council provides, for a fee, are subsidised by rates (eg. The cost to swim in a Council pool) and therefore do not constitute an approximately equal exchange. Accordingly most of Council's revenue is categorised as non-exchange.

Change of accounting policies

There have been no elected changes in accounting policies during the financial period.

Changes to PBE accounting standards

There have been no new accounting standards issued with mandatory effect for the accounting period.

Standards, amendments and interpretations issued but not yet effective and not early adopted

Standards, amendments and interpretations issued but not yet effective and not early adopted which are relevant to the Group are:

- In April 2017, the XRB issued *Impairment of Revalued Assets*, which now scopes in revalued property, plant and equipment into the impairment accounting standards PBE IPSASs 21 and 26, which will require Council to assess at each reporting date whether there is any indication that an asset may be impaired. However, where an impairment loss is recognised for an asset, or group of assets, that is revalued, an entity is not necessarily required to revalue the entire class of assets to which that impaired asset, or group of assets, belongs. This amendment is effective for periods beginning on or after 1 January 2019.
- In January 2017, the XRB issued new standards for interest in other entities (*PBE IPSAS 34 - 38*). These new standards will replace the existing applicable standards (*PBE IPSAS 6 - 8*) and are effective for periods beginning on or after 1 January 2019.
- In January 2017, the XRB also issued *PBE IFRS 9 Financial Instruments* to replace *PBE IPSAS 29 Financial Instruments: Recognition and Measurement*. With an effective date for annual periods beginning on or after 1 January 2021, but with early adoption permitted, the intention is not to adopt at this stage while the effects on Council and the Group are more thoroughly assessed. The main changes under *PBE IFRS 9* are:
 - New financial asset classifications requirements for determining whether an asset is measured at fair value or amortised cost.
 - A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
 - Revised hedge accounting requirements to better reflect the management of risks.

- In November 2018, the XRB issued *2018 Omnibus amendments to PBE standards*. These amendments are not effective for reporting periods beginning before 1 January 2019.

Judgements and estimations

The preparation of financial statements using PBE accounting standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy or in the relevant note.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Goods and Services Tax (GST)

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

Budget figures

The Annual Plan budget figures included in these financial statements are for the Council as a separate entity. The Annual Plan figures do not include budget information relating to controlled entities or associates. These figures are those approved by the Council at the beginning of each financial year following a period of consultation with the public as part of the Annual Plan process. These figures do not include any additional expenditure subsequently approved by the Council outside the Annual Plan process. The Annual Plan figures have been prepared in accordance with GAAP and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy (There has been no change in the 2018/19 year).

Financial Prudence

The government has introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 which has a series of measures and benchmarks, disclosed in the following pages.

Readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wellington City Councils' results with other councils due to their size, location and provision of services.

During the 2018-28 Long-Term Plan process and with consultation with ratepayers, the Council revised the number of benchmarks and removed measures that were similar in nature and added no value in understanding of the measures to readers.

Annual Report disclosure statement for year ending 30 June 2019

What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Unless prescribed by the regulations the quantified limit for each benchmark is calculated using the financial information from the Council's 2018-28 LTP.

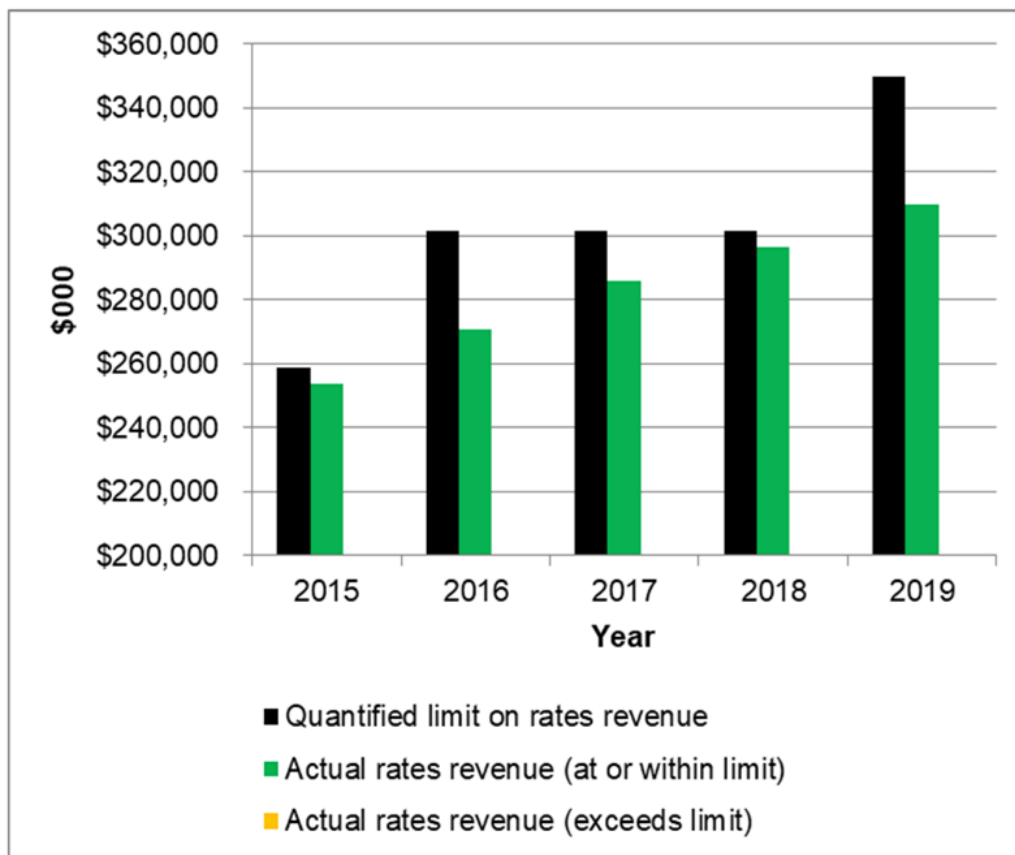
Rates affordability benchmark

The council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

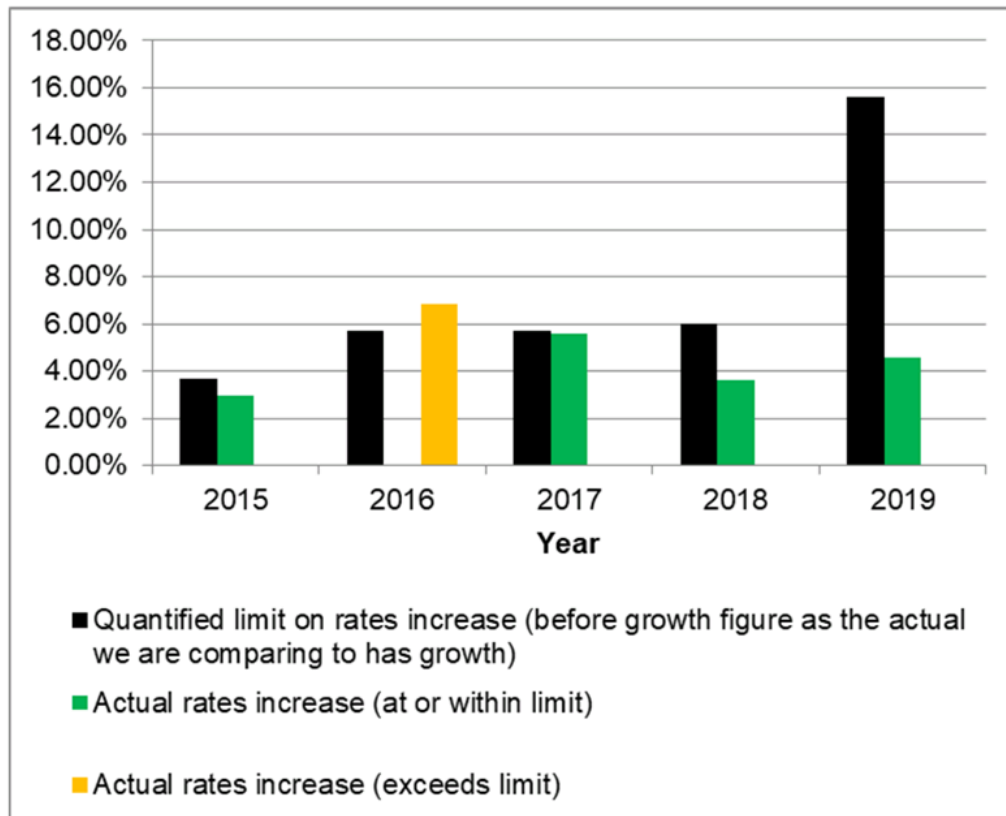
The following graph compares the council's actual rates increases with a quantified dollar limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit for the first three years of the 2018-28 LTP, which encompasses the financial years 2018/19; 2019/20 and 2020/21 is \$350,000,000. This means rates revenue should remain below this limit for each of these years.



Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the council's long-term plan.

The quantified limit for 2018/19 is 15.6% although the actual rates increase set for the 2018/19 year was significantly lower than this limit. The rates increase proposed in the 2018-28 LTP is equivalent to an average rates increase of 3.5% over the first three years, which encompasses the financial years 2018/19; 2019/20 and 2020/21.

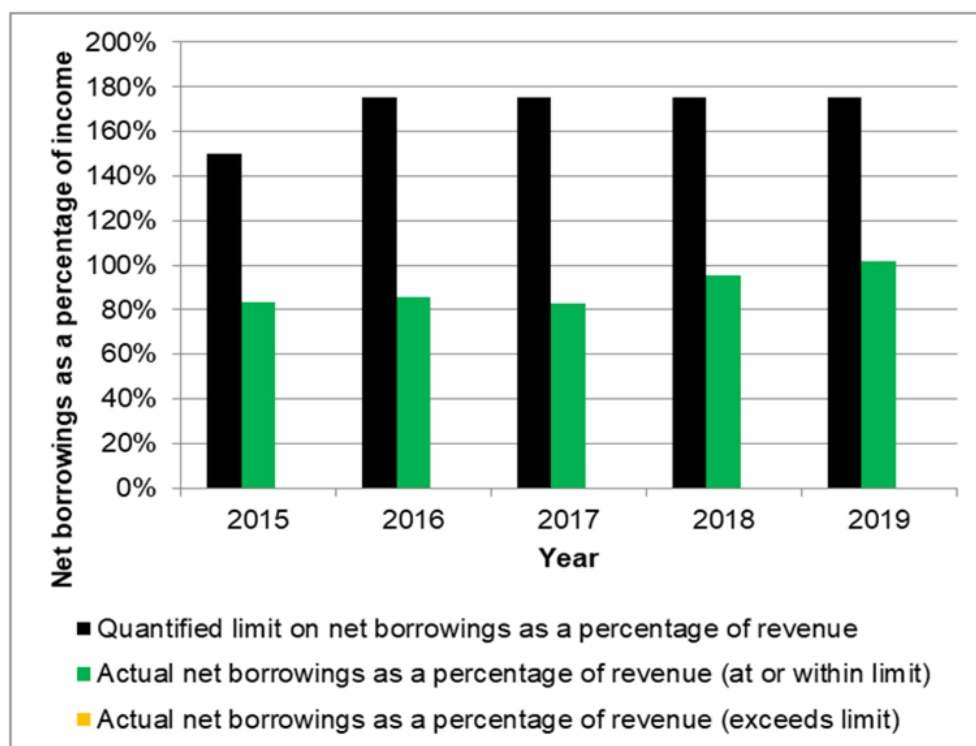


Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has seven measures for debt affordability and these are set out below. The suitability of these measures has been assessed by Council's professional advisers, PricewaterhouseCoopers Wellington.

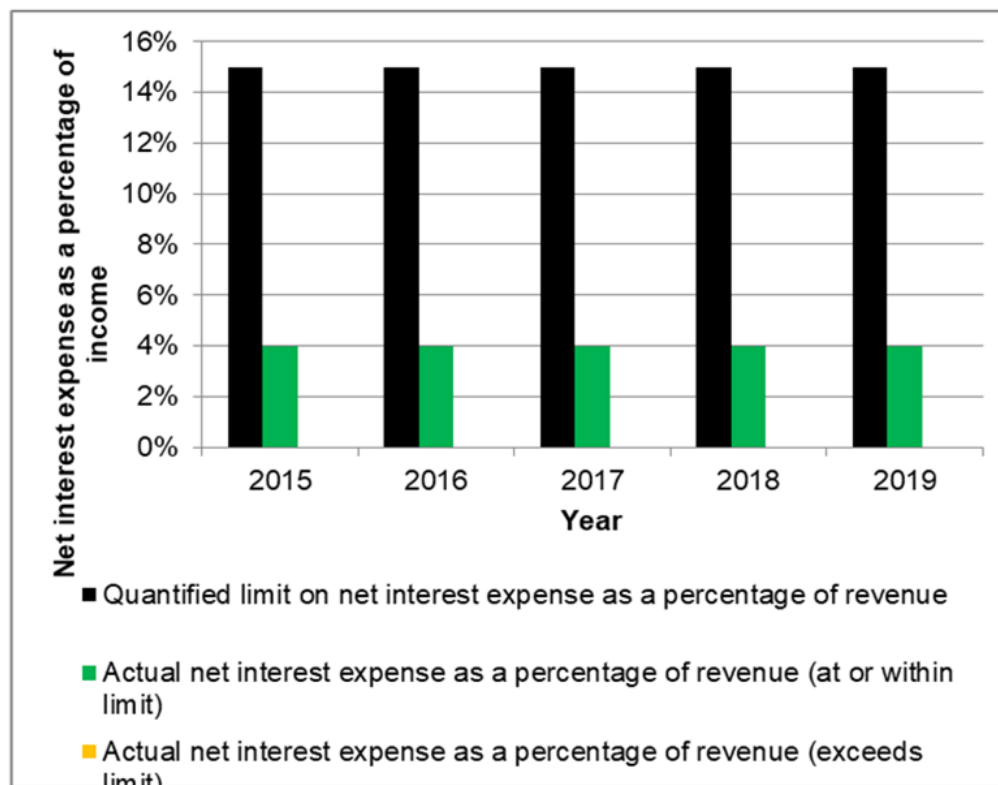
Net borrowing as a percentage of income¹

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 175% of income. For this measure income is defined as total revenue less vested assets and development contribution income.



Net interest as a percentage of income

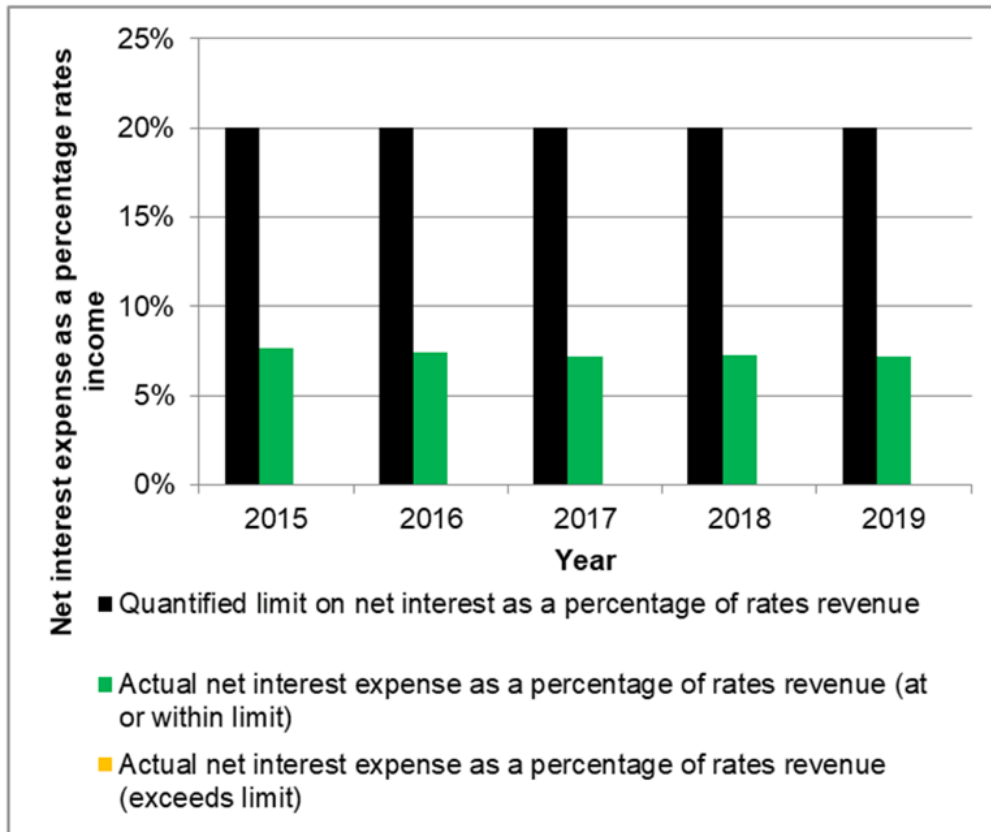
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net interest, defined as interest expense less interest income, being less than or equal to 15% of income. For this measure income is defined as total revenue less vested assets and development contribution income.



Note: The income figure used for this calculation of Net Borrowing as percentage of Income and Net Interest as a percentage of Income is Total Income less Vested Assets and Development Contribution Income. The Council has also deducted variable capital grants it receives for social housing from these calculations.

Net interest as a percentage of annual rates income

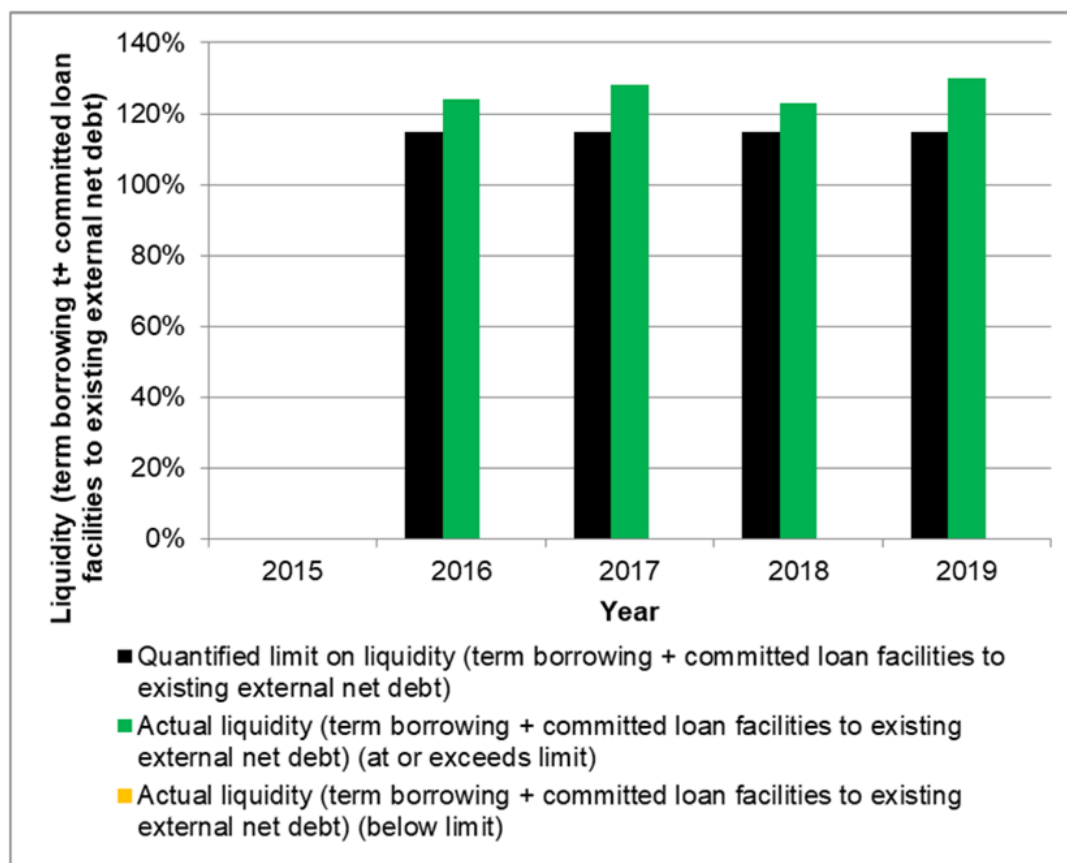
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net interest, defined as interest expense less interest income, being less than or equal to 20% of annual rates income.



Liquidity (term borrowing + committed loan facilities to existing external net debt)

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is liquidity being greater than or equal to 115%. For debt affordability, liquidity is the total of Councils existing external net debt. Net borrowings for debt affordability are defined as borrowings less cash and cash equivalents.

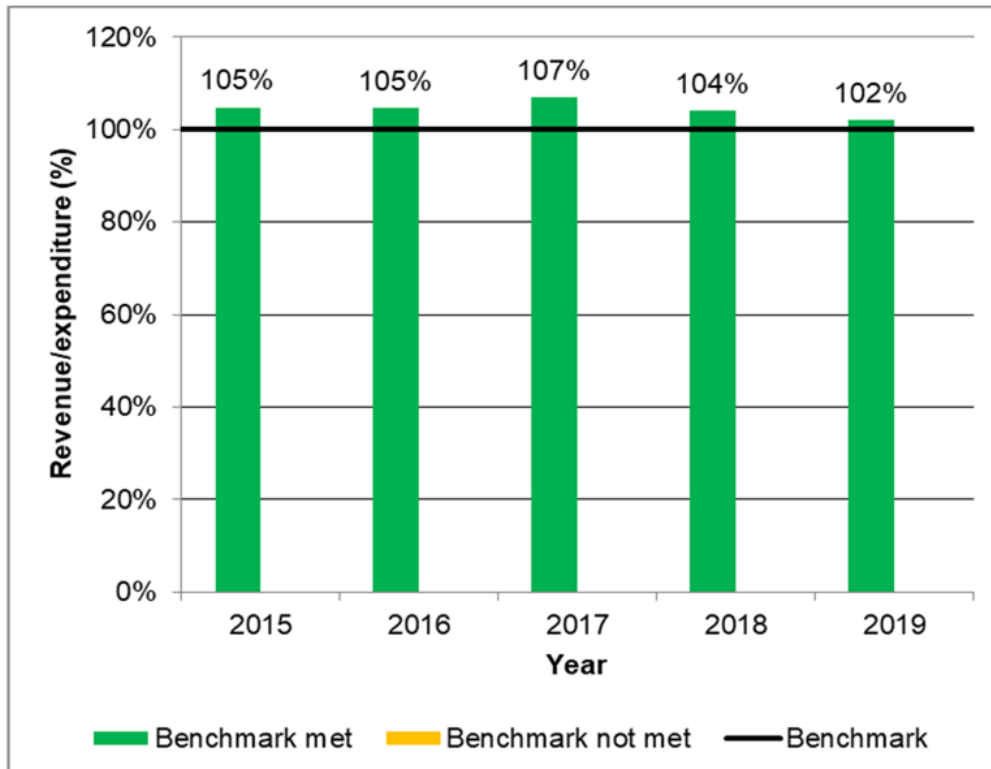
Note: this measure was introduced in the 2015/16 financial year.



Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

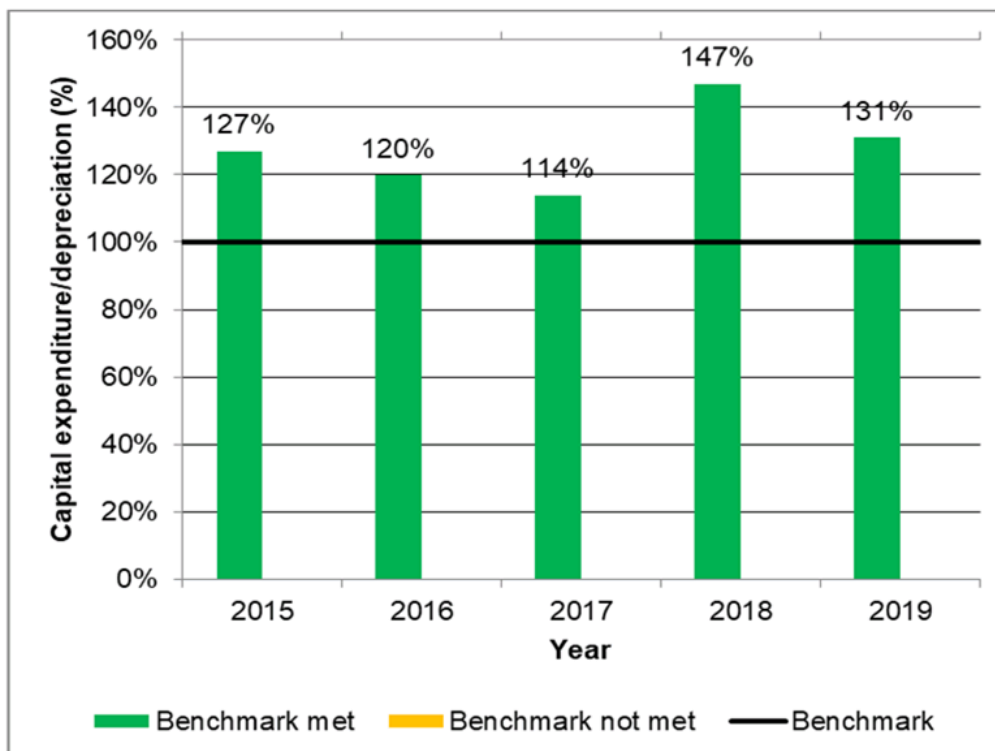
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

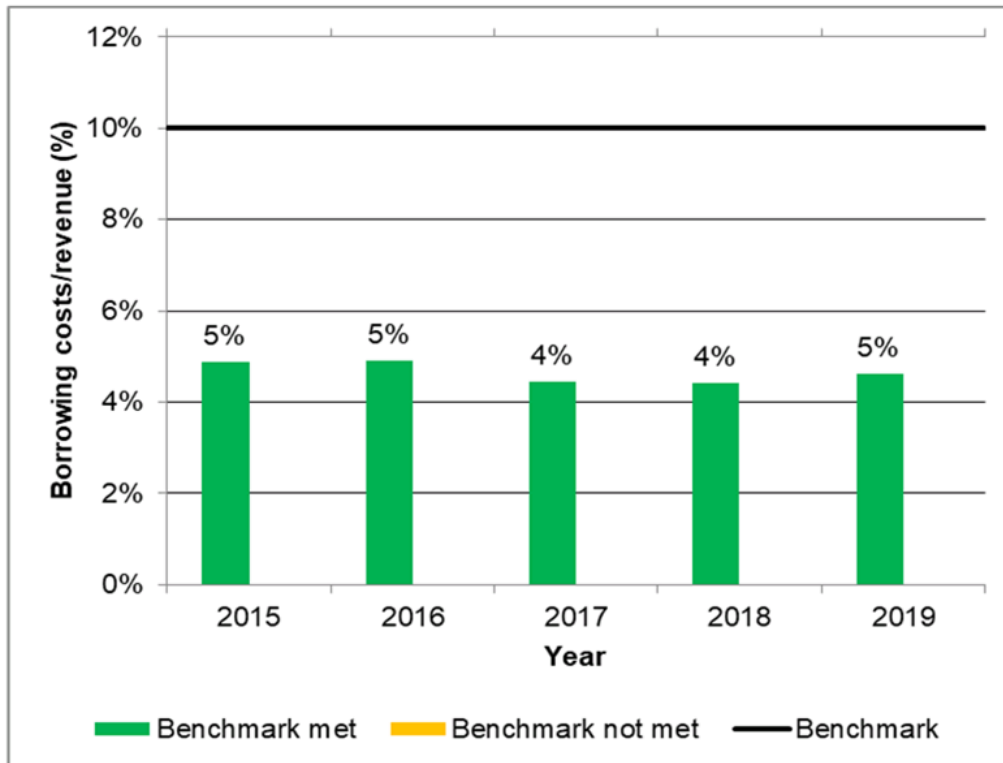
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

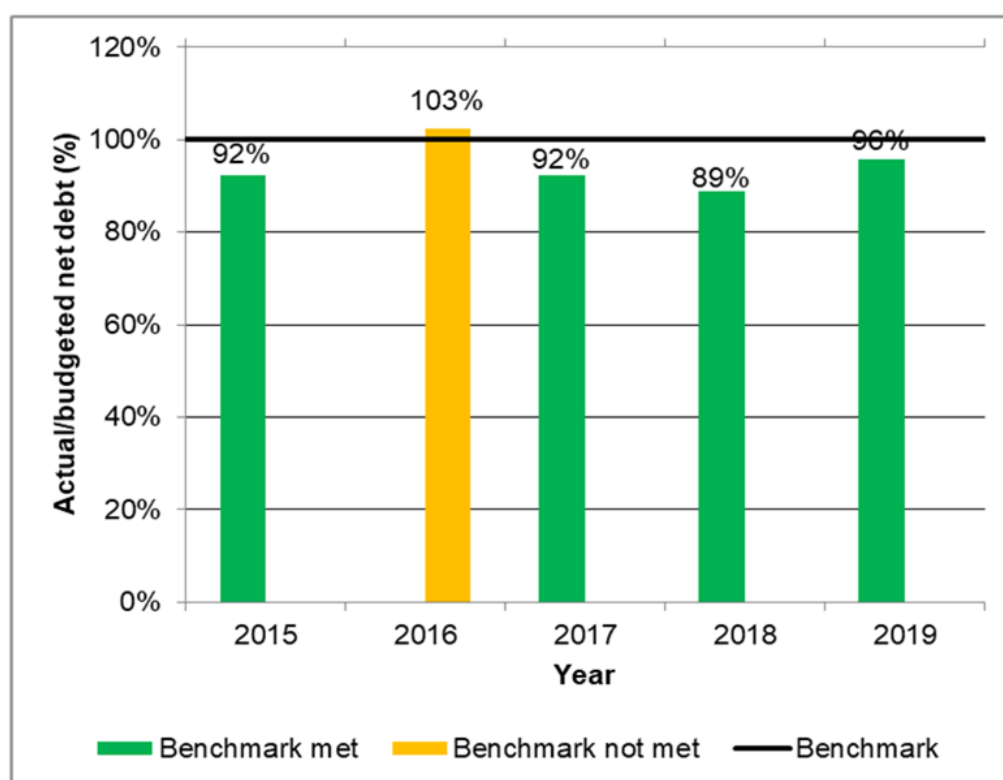


Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

The calculation of net debt includes derivative (non-cash) financial instruments, predominantly cash flow hedges. The 2015/16 net debt was impacted by the valuation of the Council's cash flow hedge liabilities being higher than planned as a result of interest rate volatility during the financial year. Actual net borrowings at \$396.5m were lower than planned net borrowings of \$415.0m and well below other benchmarks.

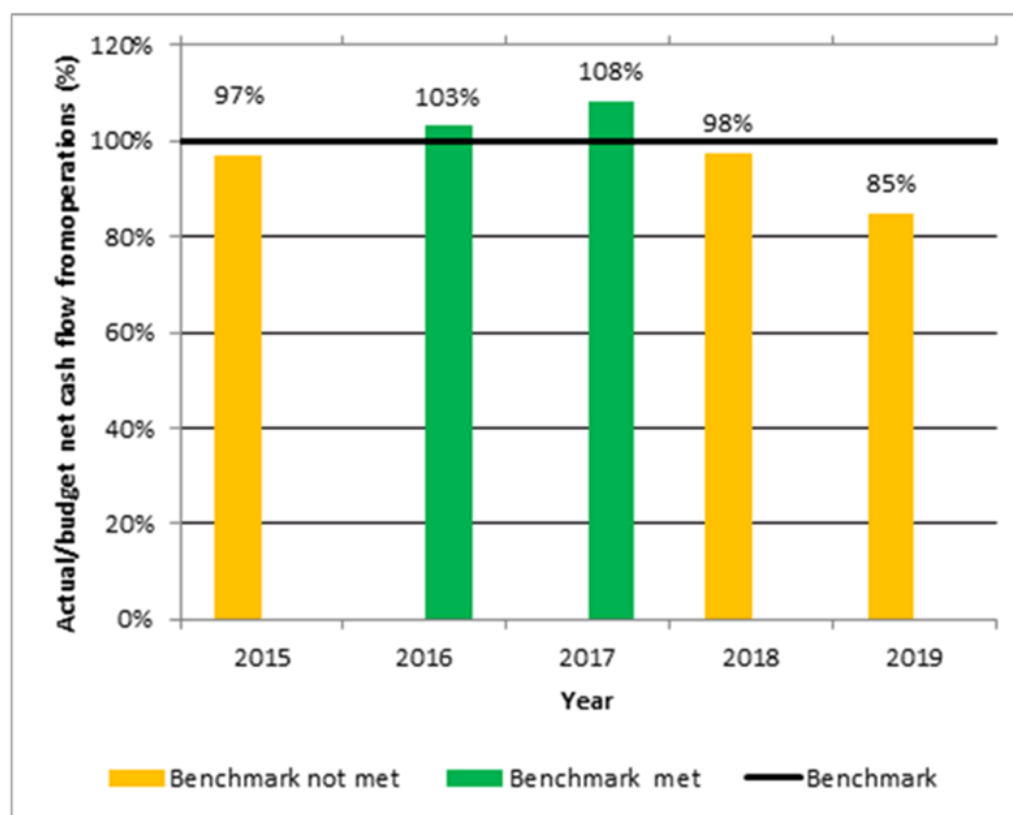


Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

A number of assumptions are made around the timing of events. Any departure from these assumptions can affect the outcome of this measure. The Council is satisfied that it is prudently managing operational cash flow, with variances in the 2014/15, 2017/18 and 2018/19 years explained by the timing difference in the receipt of revenues compared to budget that lead to the "not met" outcome for this measure.



Funding Impact Statements

Funding impact statement for 1 July 2018 to 30 June 2019 for Whole of Council					
	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	172,610	170,671	170,476	176,468	176,119
Targeted rates	129,872	126,135	125,933	134,237	133,768
Subsidies and grants for operating purposes	6,942	9,601	7,615	6,673	9,214
Fees and charges	128,271	134,003	131,425	146,430	134,274
Interest and Dividends from investments	11,113	11,294	14,315	12,994	17,188
Local authorities fuel tax, fines, infringement fees, and other receipts	9,679	8,963	8,064	8,850	8,291
Total operating funding (A)	458,487	460,667	457,828	485,652	478,854
Applications of operating funding					
Payments to staff and suppliers	289,293	302,602	307,439	327,074	335,275
Finance costs	32,365	25,420	23,765	24,918	25,411
Internal charges and overheads applied	41,891	39,653	38,975	39,276	34,469
Internal charges and overheads recovered	(41,891)	(39,653)	(38,975)	(39,276)	(34,469)
Other operating funding applications	43,112	45,889	51,818	39,042	42,094
Total applications of operating funding (B)	364,770	373,911	383,022	391,034	402,780
Surplus (deficit) of operating funding (A - B)	93,717	86,756	74,806	94,618	76,074
Sources of capital funding					
Subsidies and grants for capital expenditure	21,637	46,313	45,146	34,035	31,311
Development and financial contributions	2,000	2,000	3,305	2,000	2,898
Increase (decrease) in debt	55,232	50,522	19,025	94,144	69,985
Gross proceeds from sales of assets	18,350	10,350	146	2,000	820
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	97,219	109,185	67,622	132,179	105,014
Applications of capital funding					
Capital expenditure					
- to meet additional demand	8,126	1,810	410	1,843	1,775
- to improve the level of service	104,294	79,445	55,321	109,488	72,685
- to replace existing assets	93,876	101,217	117,209	131,989	97,242
Increase (decrease) in reserves	(15,360)	13,469	(30,512)	(16,523)	9,386
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	190,936	195,941	142,428	226,797	181,088
Surplus (deficit) of capital funding (C - D)	(93,717)	(86,756)	(74,806)	(94,618)	(76,074)
Funding balance ((A - B) + (C - D))	-	-	-	-	0
Expenses for this activity grouping include the following depreciation/amortisation charge	108,742	106,417	106,614	117,158	115,423

Funding impact statement for 1 July 2018 to 30 June 2019 for Governance, Information and Engagement					
1.1	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	17,175	18,122	18,122	17,209	17,209
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	528	536	497	535	511
Internal charges and overheads recovered	-	-	156	-	2
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	17,703	18,658	18,775	17,744	17,722
Applications of operating funding					
Payments to staff and suppliers	10,100	11,265	9,867	10,416	9,868
Finance costs	21	15	13	15	14
Internal charges and overheads applied	7,517	7,309	7,432	7,262	7,692
Other operating funding applications	10	10	11	10	11
Total applications of operating funding (B)	17,648	18,599	17,323	17,703	17,585
Surplus (deficit) of operating funding (A - B)	55	59	1,452	41	137
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(55)	(59)	(38)	10	(37)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(55)	(59)	(38)	10	(37)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	8	51	-
Increase (decrease) in reserves	-	-	1,406	-	100
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	-	-	1,414	51	100
Surplus (deficit) of capital funding (C - D)	(55)	(59)	(1,452)	(41)	(137)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	55	59	46	41	37

Funding impact statement for 1 July 2018 to 30 June 2019 for Maori and Mana Whenua partnerships					
1.2	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	296	300	300	306	306
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	4	-	45
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	296	300	304	306	351
Applications of operating funding					
Payments to staff and suppliers	281	272	275	277	327
Finance costs	1	1	1	1	1
Internal charges and overheads applied	12	15	25	16	31
Other operating funding applications	-	10	1	10	0
Total applications of operating funding (B)	294	298	302	304	359
Surplus (deficit) of operating funding (A - B)	2	2	2	2	(8)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(2)	(2)	(2)	(2)	(2)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(2)	(2)	(2)	(2)	(2)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	(10)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	-	-	-	-	(10)
Surplus (deficit) of capital funding (C - D)	(2)	(2)	(2)	(2)	8
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	2	2	2	2	2

Funding impact statement for 1 July 2018 to 30 June 2019 for Gardens, beaches and green open spaces					
2.1	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	32,087	35,994	35,994	38,056	38,056
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	764	671	870	966	1,133
Fees and charges	1,494	1,825	2,267	2,097	2,281
Internal charges and overheads recovered	5,311	5,287	4,914	5,719	4,834
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	1
Total operating funding (A)	39,656	43,777	44,045	46,838	46,305
Applications of operating funding					
Payments to staff and suppliers	20,249	20,806	21,480	22,553	23,144
Finance costs	2,716	2,443	1,964	2,818	2,136
Internal charges and overheads applied	12,635	13,528	13,777	14,454	14,465
Other operating funding applications	101	115	182	165	165
Total applications of operating funding (B)	35,701	36,892	37,403	39,990	39,910
Surplus (deficit) of operating funding (A - B)	3,955	6,885	6,642	6,848	6,395
Sources of capital funding					
Subsidies and grants for capital expenditure	50	-	215	-	18
Development and financial contributions	183	183	281	183	400
Increase (decrease) in debt	(315)	(2,931)	(2,959)	(314)	1,224
Gross proceeds from sales of assets	-	-	-	-	50
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(82)	(2,748)	(2,463)	(131)	1,692
Applications of capital funding					
Capital expenditure					
- to meet additional demand	395	-	-	-	-
- to improve the level of service	1,082	50	1,870	3,675	3,840
- to replace existing assets	2,396	4,087	2,265	3,042	2,605
Increase (decrease) in reserves	-	-	44	-	1,642
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	3,873	4,137	4,179	6,717	8,087
Surplus (deficit) of capital funding (C - D)	(3,955)	(6,885)	(6,642)	(6,848)	(6,395)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	3,955	7,058	6,598	6,670	8,632

Funding impact statement for 1 July 2018 to 30 June 2019 for Waste reduction and energy conservation					
2.2	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	499	982	882	708	708
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	25
Fees and charges	13,599	13,632	17,462	15,833	16,347
Internal charges and overheads recovered	-	-	-	-	252
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	8	-	1
Total operating funding (A)	14,098	14,614	18,352	16,541	17,333
Applications of operating funding					
Payments to staff and suppliers	12,814	12,786	15,280	14,104	17,259
Finance costs	663	665	1,048	742	739
Internal charges and overheads applied	25	544	1,070	1,054	1,612
Other operating funding applications	105	210	(15)	180	98
Total applications of operating funding (B)	13,607	14,205	17,383	16,080	19,708
Surplus (deficit) of operating funding (A - B)	491	409	969	461	(2,375)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	92	-	(77)
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	5,391	1,662	378	5,201	3,578
Gross proceeds from sales of assets	-	-	-	-	0
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	5,391	1,662	470	5,201	3,501
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	15	-	-
- to replace existing assets	5,882	2,071	2,429	5,662	1,396
Increase (decrease) in reserves	-	-	(1,005)	-	(270)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	5,882	2,071	1,439	5,662	1,126
Surplus (deficit) of capital funding (C - D)	(491)	(409)	(969)	(461)	2,375
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	491	409	648	461	640

Funding impact statement for 1 July 2018 to 30 June 2019 for Water					
2.3	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	42,493	41,713	41,713	45,330	45,330
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	36	35	72	37	61
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	42,529	41,748	41,785	45,367	45,391
Applications of operating funding					
Payments to staff and suppliers	25,234	24,257	24,059	25,783	25,731
Finance costs	2,712	2,039	2,029	2,342	2,152
Internal charges and overheads applied	1,406	1,912	1,720	1,923	2,268
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	29,352	28,208	27,808	30,048	30,151
Surplus (deficit) of operating funding (A - B)	13,177	13,540	13,977	15,319	15,240
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	671	671	761	671	677
Increase (decrease) in debt	1,562	1,319	(194)	2,436	(2,963)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	2,233	1,990	567	3,107	(2,286)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	639	501	-	-	-
- to improve the level of service	5,187	4,747	7,718	9,553	4,665
- to replace existing assets	9,584	10,282	7,264	8,873	7,504
Increase (decrease) in reserves	-	-	(438)	-	785
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	15,410	15,530	14,544	18,426	12,954
Surplus (deficit) of capital funding (C - D)	(13,177)	(13,540)	(13,977)	(15,319)	(15,240)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	13,177	13,540	14,415	15,319	14,456

Funding impact statement for 1 July 2018 to 30 June 2019 for Wastewater					
2.4	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	40,857	39,540	39,540	43,333	43,333
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	1,281	1,293	829	1,237	1,059
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	42,138	40,833	40,369	44,570	44,392
Applications of operating funding					
Payments to staff and suppliers	23,178	21,123	20,652	23,205	21,431
Finance costs	4,372	3,427	4,042	4,046	3,865
Internal charges and overheads applied	3,533	5,166	5,160	5,095	6,770
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	31,083	29,716	29,854	32,346	32,066
Surplus (deficit) of operating funding (A - B)	11,055	11,117	10,515	12,224	12,326
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	245
Development and financial contributions	549	549	876	549	720
Increase (decrease) in debt	1,715	3,826	1,504	(4,035)	(3,015)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	2,264	4,375	2,380	(3,486)	(2,050)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	319	375	-	-	-
- to improve the level of service	1,620	2,801	1,716	3,406	3,439
- to replace existing assets	11,380	12,316	12,182	5,332	6,068
Increase (decrease) in reserves	-	-	(1,003)	-	769
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	13,319	15,492	12,895	8,738	10,276
Surplus (deficit) of capital funding (C - D)	(11,055)	(11,117)	(10,515)	(12,224)	(12,326)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	14,439	14,470	13,428	14,134	13,467

Funding impact statement for 1 July 2018 to 30 June 2019 for Stormwater					
2.5	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	18,953	17,986	17,986	19,097	19,097
Subsidies and grants for operating purposes	148	131	139	153	127
Fees and charges	10	10	3	10	4
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	19,111	18,127	18,128	19,260	19,228
Applications of operating funding					
Payments to staff and suppliers	7,260	6,993	7,280	6,973	6,842
Finance costs	3,929	2,707	2,187	2,493	2,339
Internal charges and overheads applied	1,470	1,938	1,692	1,857	2,185
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	12,659	11,638	11,159	11,323	11,366
Surplus (deficit) of operating funding (A - B)	6,452	6,489	6,969	7,937	7,862
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	58	58	73	58	55
Increase (decrease) in debt	1,142	874	1,699	3,343	1,503
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	1,200	932	1,772	3,401	1,558
Applications of capital funding					
Capital expenditure					
- to meet additional demand	243	236	-	-	-
- to improve the level of service	4,660	4,524	5,218	7,729	3,151
- to replace existing assets	2,749	2,661	4,030	3,609	5,906
Increase (decrease) in reserves	-	-	(507)	-	363
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	7,652	7,421	8,741	11,338	9,420
Surplus (deficit) of capital funding (C - D)	(6,452)	(6,489)	(6,969)	(7,937)	(7,862)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	6,452	6,489	7,476	7,937	7,499

Funding impact statement for 1 July 2018 to 30 June 2019 for Conservation attractions					
2.6	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	6,899	6,970	6,970	6,829	6,829
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	2
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	6,899	6,970	6,970	6,829	6,831
Applications of operating funding					
Payments to staff and suppliers	225	187	194	171	178
Finance costs	1,000	721	609	627	604
Internal charges and overheads applied	289	-	2	-	1
Other operating funding applications	9,832	4,303	4,220	4,327	4,327
Total applications of operating funding (B)	11,346	5,211	5,025	5,125	5,111
Surplus (deficit) of operating funding (A - B)	(4,447)	1,759	1,945	1,704	1,720
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	5,290	(918)	(950)	(554)	236
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	5,290	(918)	(950)	(554)	236
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	843	841	720	1,150	1,896
Increase (decrease) in reserves	-	-	275	-	60
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	843	841	995	1,150	1,956
Surplus (deficit) of capital funding (C - D)	4,447	(1,759)	(1,945)	(1,704)	(1,720)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,553	1,759	1,670	1,704	1,660

Funding impact statement for 1 July 2018 to 30 June 2019 for City promotions and business support					
3.1	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,948	4,982	4,982	4,865	4,865
Targeted rates	16,115	15,253	15,253	14,160	14,160
Subsidies and grants for operating purposes	-	2,090	659	-	748
Fees and charges	14,925	13,587	413	14,643	346
Internal charges and overheads recovered	-	-	-	-	35
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	38,988	35,912	21,307	33,668	20,154
Applications of operating funding					
Payments to staff and suppliers	24,140	18,870	8,016	17,784	3,837
Finance costs	856	1,771	961	1,323	1,013
Internal charges and overheads applied	955	1,230	939	1,292	893
Other operating funding applications	12,298	20,013	12,549	14,252	14,384
Total applications of operating funding (B)	38,249	41,884	22,465	34,651	20,127
Surplus (deficit) of operating funding (A - B)	739	(5,972)	(1,158)	(983)	26
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	172	-	753
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	614	10,988	2,359	4,340	(323)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	614	10,988	2,531	4,340	430
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	2,777	-	-	-
- to replace existing assets	1,353	2,239	599	3,357	738
Increase (decrease) in reserves	-	-	774	-	(282)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	1,353	5,016	1,373	3,357	456
Surplus (deficit) of capital funding (C - D)	(739)	5,972	1,158	983	(26)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,814	1,628	1,705	1,713	1,808

Funding impact statement for 1 July 2018 to 30 June 2019 for Arts and Culture activities					
4.1	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	13,769	14,272	14,272	15,761	15,761
Targeted rates	5,474	5,599	5,599	5,979	5,979
Subsidies and grants for operating purposes	426	924	70	424	99
Fees and charges	600	599	676	602	711
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	0
Total operating funding (A)	20,269	21,394	20,617	22,766	22,550
Applications of operating funding					
Payments to staff and suppliers	4,269	5,195	4,635	6,359	5,954
Finance costs	574	260	224	260	270
Internal charges and overheads applied	1,075	1,208	1,308	1,385	1,516
Other operating funding applications	13,627	14,030	14,334	14,012	14,768
Total applications of operating funding (B)	19,545	20,693	20,501	22,016	22,508
Surplus (deficit) of operating funding (A - B)	724	701	116	750	42
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	9,311	557	(147)	156	4,573
Gross proceeds from sales of assets	-	-	1	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	9,311	557	(146)	156	4,573
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	10,024	1,247	443	759	4,130
- to replace existing assets	11	11	-	147	15
Increase (decrease) in reserves	-	-	(473)	-	470
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	10,035	1,258	(30)	906	4,615
Surplus (deficit) of capital funding (C - D)	(724)	(701)	(116)	(750)	(42)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	724	867	755	750	760

Funding impact statement for 1 July 2018 to 30 June 2019 for Recreation promotion and support					
5.1	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	25,655	27,963	27,963	29,449	29,449
Targeted rates	1,341	1,325	1,325	1,330	1,330
Subsidies and grants for operating purposes	208	187	232	184	203
Fees and charges	12,002	11,523	11,477	11,557	11,770
Internal charges and overheads recovered	1,160	1,192	1,046	1,076	1,158
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	40,366	42,190	42,043	43,596	43,910
Applications of operating funding					
Payments to staff and suppliers	19,047	19,955	20,118	20,365	20,319
Finance costs	3,814	3,330	2,694	2,748	2,651
Internal charges and overheads applied	9,478	10,336	11,352	11,308	11,949
Other operating funding applications	694	696	670	864	840
Total applications of operating funding (B)	33,033	34,317	34,834	35,285	35,759
Surplus (deficit) of operating funding (A - B)	7,333	7,873	7,209	8,311	8,151
Sources of capital funding					
Subsidies and grants for capital expenditure	-	50	71	50	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(1,644)	672	(1,827)	(434)	(1,984)
Gross proceeds from sales of assets	-	-	2	-	7
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(1,644)	722	(1,754)	(384)	(1,977)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,335	2,502	1,560	646	48
- to replace existing assets	4,354	6,093	4,968	7,281	7,140
Increase (decrease) in reserves	-	-	(1,073)	-	(1,014)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	5,689	8,595	5,455	7,927	6,174
Surplus (deficit) of capital funding (C - D)	(7,333)	(7,873)	(7,209)	(8,311)	(8,151)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	7,333	7,873	8,282	8,311	9,166

Funding impact statement for 1 July 2018 to 30 June 2019 for Community support					
5.2	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	26,687	24,653	24,653	26,086	26,086
Targeted rates	4,606	4,624	4,624	5,008	5,008
Subsidies and grants for operating purposes	937	937	570	-	19
Fees and charges	25,428	24,042	22,404	23,761	24,334
Internal charges and overheads recovered	600	917	317	450	459
Local authorities fuel tax, fines, infringement fees, and other receipts	526	516	497	545	322
Total operating funding (A)	58,784	55,689	53,065	55,850	56,228
Applications of operating funding					
Payments to staff and suppliers	26,914	26,821	26,939	28,136	40,017
Finance costs	(1,083)	(1,983)	(1,545)	(888)	(1,025)
Internal charges and overheads applied	12,392	11,592	13,696	13,714	14,117
Other operating funding applications	4,766	4,902	4,452	4,582	4,340
Total applications of operating funding (B)	42,989	41,332	43,542	45,544	57,449
Surplus (deficit) of operating funding (A - B)	15,795	14,357	9,523	10,306	(1,221)
Sources of capital funding					
Subsidies and grants for capital expenditure	200	11,790	14,636	-	-
Development and financial contributions	-	-	10	-	26
Increase (decrease) in debt	5,025	(397)	9,452	19,093	23,211
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	5,225	11,393	24,098	19,093	23,237
Applications of capital funding					
Capital expenditure					
- to meet additional demand	1,270	694	-	-	-
- to improve the level of service	9,802	7,641	3,271	13,978	13,260
- to replace existing assets	9,748	5,625	29,454	15,421	7,879
Increase (decrease) in reserves	200	11,790	896	-	877
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	21,020	25,750	33,621	29,399	22,016
Surplus (deficit) of capital funding (C - D)	(15,795)	(14,357)	(9,523)	(10,306)	1,221
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	17,594	17,259	13,526	16,624	17,144

Funding impact statement for 1 July 2018 to 30 June 2019 for Public health and safety					
5.3	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	10,045	11,765	11,765	12,246	12,246
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	26	-	12	-	14
Fees and charges	4,189	4,151	4,304	4,440	4,106
Internal charges and overheads recovered	690	687	629	705	583
Local authorities fuel tax, fines, infringement fees, and other receipts	40	39	22	79	23
Total operating funding (A)	14,990	16,642	16,732	17,470	16,972
Applications of operating funding					
Payments to staff and suppliers	9,438	9,917	9,840	9,418	9,572
Finance costs	118	128	119	135	134
Internal charges and overheads applied	4,528	5,767	6,077	6,669	6,401
Other operating funding applications	131	54	47	54	80
Total applications of operating funding (B)	14,215	15,866	16,083	16,276	16,187
Surplus (deficit) of operating funding (A - B)	775	776	649	1,194	785
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	1,346	1,354	(85)	1,172	486
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	1,346	1,354	(85)	1,172	486
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	253	44	100	603	271
- to replace existing assets	1,868	2,086	899	1,763	1,427
Increase (decrease) in reserves	-	-	(435)	-	(427)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	2,121	2,130	564	2,366	1,271
Surplus (deficit) of capital funding (C - D)	(775)	(776)	(649)	(1,194)	(785)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	775	776	1,084	1,194	1,212

Funding impact statement for 1 July 2018 to 30 June 2019 for Urban planning, heritage and public spaces development					
6.1	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	6,937	7,632	7,632	11,044	11,044
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	10	-	(10)
Fees and charges	21	21	49	21	173
Internal charges and overheads recovered	-	42	(1)	309	(1)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	6,958	7,695	7,690	11,374	11,206
Applications of operating funding					
Payments to staff and suppliers	2,438	4,137	4,336	7,961	6,813
Finance costs	20	14	14	15	15
Internal charges and overheads applied	3,439	2,483	2,314	2,907	2,925
Other operating funding applications	1,050	1,050	1,629	450	285
Total applications of operating funding (B)	6,947	7,684	8,293	11,333	10,038
Surplus (deficit) of operating funding (A - B)	11	11	(603)	41	1,168
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	1,850	141	15,427	12,222	6,000
Gross proceeds from sales of assets	3,250	3,250	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	5,100	3,391	15,427	12,222	6,000
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	383	1,585	1,219
- to improve the level of service	3,424	1,683	9,263	8,841	3,394
- to replace existing assets	1,687	1,719	2,637	1,837	1,433
Increase (decrease) in reserves	-	-	2,541	-	1,122
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	5,111	3,402	14,824	12,263	7,168
Surplus (deficit) of capital funding (C - D)	(11)	(11)	603	(41)	(1,168)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	11	11	45	41	46

Funding impact statement for 1 July 2018 to 30 June 2019 for Building and development control					
6.2	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	9,893	8,705	8,705	7,466	7,466
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	11,908	12,922	13,521	13,210	13,711
Internal charges and overheads recovered	-	-	-	191	-
Local authorities fuel tax, fines, infringement fees, and other receipts	25	24	1	24	10
Total operating funding (A)	21,826	21,651	22,227	20,891	21,187
Applications of operating funding					
Payments to staff and suppliers	12,538	13,254	13,341	12,549	12,484
Finance costs	2	3	-	2	0
Internal charges and overheads applied	8,979	8,114	7,547	8,165	7,797
Other operating funding applications	137	135	34	35	209
Total applications of operating funding (B)	21,656	21,506	20,922	20,751	20,490
Surplus (deficit) of operating funding (A - B)	170	145	1,305	140	697
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	54	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	25,938	17,227	7,021	31,867	8,431
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	25,938	17,227	7,075	31,867	8,431
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	26,108	17,372	5,901	19,090	6,698
- to replace existing assets	-	-	1,316	12,917	1,866
Increase (decrease) in reserves	-	-	1,163	-	565
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	26,108	17,372	8,380	32,007	9,129
Surplus (deficit) of capital funding (C - D)	(170)	(145)	(1,305)	(140)	(697)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	170	145	142	140	132

Funding impact statement for 1 July 2018 to 30 June 2019 for Transport					
7.1	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	37,015	37,626	37,721	39,479	39,479
Targeted rates	33	95	33	-	-
Subsidies and grants for operating purposes	4,433	4,576	5,033	4,946	6,828
Fees and charges	2,121	1,996	2,649	2,215	3,576
Internal charges and overheads recovered	-	0	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	43,602	44,293	45,436	46,640	49,883
Applications of operating funding					
Payments to staff and suppliers	12,253	13,842	14,251	16,013	17,350
Finance costs	6,854	5,232	5,523	6,491	5,930
Internal charges and overheads applied	6,317	6,742	7,013	7,515	7,682
Other operating funding applications	260	260	239	-	(9)
Total applications of operating funding (B)	25,684	26,076	27,026	30,019	30,953
Surplus (deficit) of operating funding (A - B)	17,918	18,217	18,410	16,621	18,930
Sources of capital funding					
Subsidies and grants for capital expenditure	21,387	34,473	29,463	26,110	30,370
Development and financial contributions	539	539	1,305	539	1,019
Increase (decrease) in debt	13,184	6,721	4,216	30,031	7,849
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	35,110	41,733	34,984	56,680	39,238
Applications of capital funding					
Capital expenditure					
- to meet additional demand	5,260	4	-	258	130
- to improve the level of service	24,572	18,793	16,463	38,317	19,206
- to replace existing assets	23,196	41,153	38,703	34,726	34,156
Increase (decrease) in reserves	-	-	(1,772)	-	4,677
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	53,028	59,950	53,394	73,301	58,169
Surplus (deficit) of capital funding (C - D)	(17,918)	(18,217)	(18,410)	(16,621)	(18,930)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	25,292	26,600	28,159	32,840	29,012

Funding impact statement for 1 July 2018 to 30 June 2019 for Parking					
7.2	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	(15,442)	(14,875)	(14,875)	(15,474)	(15,474)
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	21,023	21,385	21,345	23,821	23,080
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	8,038	7,334	6,404	7,102	6,795
Total operating funding (A)	13,619	13,844	12,874	15,449	14,401
Applications of operating funding					
Payments to staff and suppliers	10,776	10,970	10,257	11,044	11,271
Finance costs	770	4	12	18	13
Internal charges and overheads applied	2,013	2,816	3,192	3,581	3,716
Other operating funding applications	1	1	(12)	1	(364)
Total applications of operating funding (B)	13,560	13,791	13,449	14,644	14,636
Surplus (deficit) of operating funding (A - B)	59	53	(575)	805	(235)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	239	244	(546)	219	27
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	239	244	(546)	219	27
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	114	113	116	171	48
- to replace existing assets	184	184	183	853	773
Increase (decrease) in reserves	-	-	(1,420)	-	(1,030)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	298	297	(1,121)	1,024	(209)
Surplus (deficit) of capital funding (C - D)	(59)	(53)	575	(805)	236
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	59	53	845	805	794

Capital Expenditure by Strategy					
Strategy	2017/18 LTP \$000	2017/18 AP \$000	2017/18 Actual \$000	2018/19 LTP \$000	2018/19 Actual \$000
Governance:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	8	51	-
Governance Total	-	-	8	51	-
Environment:					
- to meet additional demand	1,596	1,112	-	-	-
- to improve the level of service	12,549	12,122	16,537	24,363	15,095
- to replace existing assets	32,834	32,258	28,890	27,668	25,376
Environment Total	46,979	45,492	45,427	52,031	40,471
Economic Development:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	2,777	-	-	-
- to replace existing assets	1,353	2,239	599	3,357	738
Economic Development Total	1,353	5,016	599	3,357	738
Cultural Well-being					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	10,024	1,247	443	759	4,130
- to replace existing assets	11	11	0	147	15
Cultural Wellbeing Total	10,035	1,258	443	906	4,145
Social and Recreation:					
- to meet additional demand	1,270	694	-	-	-
- to improve the level of service	11,390	10,187	4,932	15,227	13,580
- to replace existing assets	15,970	13,804	35,321	24,465	16,446
Social and Recreation Total	28,630	24,685	40,253	39,692	30,025
Urban Development:					
- to meet additional demand	-	-	383	1,585	1,219
- to improve the level of service	29,532	19,055	15,165	27,931	10,092
- to replace existing assets	1,687	1,719	3,953	14,754	3,299
Urban Development Total	31,219	20,774	19,501	44,270	14,610
Transport:					
- to meet additional demand	5,260	4	-	258	130
- to improve the level of service	24,686	18,906	16,579	38,488	19,253
- to replace existing assets	23,380	41,337	38,886	35,579	34,929
Transport Total	53,326	60,247	55,465	74,325	54,313
Council organisation					
- to meet additional demand	-	-	26	-	425
- to improve the level of service	16,113	15,151	1,666	2,720	10,535
- to replace existing assets	18,641	9,849	9,553	25,968	16,441
Council organisation Total	34,754	25,000	11,245	28,688	27,401
Total Council:					
- to meet additional demand	8,126	1,810	410	1,843	1,775
- to improve the level of service	104,294	79,445	55,321	109,488	72,685
- to replace existing assets	93,876	101,217	117,209	131,989	97,242
TOTAL COUNCIL	206,296	182,472	172,940	243,320	171,702

Appendices

Independent auditor's report

To come

Glossary

Annual Plan (AP). Our Annual Plan is our budget, showing the expected cost of running the city for the financial year, and how the costs will be funded. An Annual Plan is not prepared in years when a Long-term Plan is prepared (see Long-term Plan).

Capital expenditure. Capital expenditure, also referred to as CAPEX, is the money that we spend to buy, maintain, or improve our fixed assets, such as buildings, vehicles, equipment, or land.

Cash and cash equivalents. This includes cash as well as deposits which mature in three months or less.

Council-Controlled Organisations (CCOs). These organisations were set up to independently manage Council facilities, or to deliver significant services and undertake developments on behalf of the Wellington community.

Current asset. This is an asset that can be readily converted to cash or will be used to repay a liability within 12 months of balance date.

Current liability. This is a liability that is required to be discharged within 12 months of balance date.

Depreciation (amortisation). This is an expense charged each year to reflect the estimated cost of using our assets over their lives. Depreciation relates to physical assets such as buildings and amortisation relates to intangible assets such as software.

External funding for capital expenditure. This is funding recorded as revenue, but used to fund capital expenditure projects.

Fair value. Fair value essentially reflects the market value of assets or liabilities.

Investment properties. These are properties primarily held by the Council to earn rental revenue.

Liquidity/funding risk. This is the risk that the Council will not have access to the required funds to meet its present obligations.

Long-term Plan (LTP). This 10-year plan, revised every three years, shows the expected cost of running the city for the following 10 years, and how the costs will be funded. Also known as Our 10-Year Plan.

Net borrowings. These are total borrowings, less any funds held on deposit.

Net surplus/(deficit). This is the difference between total revenue and total expenses. It includes both operating revenue and operating expenditure, as well as other non-funded items of revenue and expenditure such as capital funding, vested asset revenue and fair value movements.

Operational expenditure. This is expenditure that is not capital expenditure (see capital expenditure).

Percentage (%) variance. The difference between the actual performance measure result and the target result is reported as the result's percentage above or below target. For example, the difference between an actual performance result of 20 percent and the target result of 40 percent is -50 percent. This is because the result is 50 percent less than the

target. While the numerical difference between the two figures is 20 percentage points, we do not report percentage point results unless otherwise stated.

Prudential limits. These are limits applied to the level of borrowings to ensure we are managing the Council's assets and liabilities prudently. These limits are outlined in the Investment and Liability Management Policy in the Long-term Plan.

Reported result icon. The icons provide a visual indication of the performance measure and outcome indicator results. For Key Performance Measures they show whether the reported result is in one of four categories:

- greater than 10% below target; or
- between zero percent and 10% below target; or
- between zero percent and +10% above target; or
- greater than 10% above target

We use a range of +/- 10% from target as it allows for fluctuations in performance across the year (e.g. seasonal changes). This is consistent with the reporting of other performance information during the year e.g. in Quarterly Reports.

Outcome Indicators are shown as trends over time with an icon that provides an indication of the trend direction. Where outcomes display a positive trend these will be shown with an up arrow, a negative trend with a downward arrow and no trend either blank or a dash.

Residents Monitoring Survey (RMS). This survey is undertaken annually by Council. The survey is conducted in two parts. The sample size for part 1 was 462 and for part 2 was 508. The standard margin of error was calculated at +/- 4.4% percent.

Ring-fenced funds. These are funds that can only be used for a specific purpose.

Total comprehensive revenue and expense. This is the net surplus/deficit adjusted for fair value movements of some of our assets including property, plant and equipment, and financial instruments such as cash flow hedges. These movements are non-cash in nature and reflect the changing fair value of assets owned by the Council.

Underlying funding surplus/deficit. The underlying surplus is the reported net surplus, less any government funding for capital projects, plus items not required to be funded by ratepayers this year and other adjustments that do not affect the rating requirements of Council.

Unfunded depreciation. This is the amount of depreciation not funded by rates. This relates mainly to roading assets funded by NZTA and waste water treatment assets where the operator has responsibility for asset renewal.

Vested assets. These are assets created by others and passed into Council ownership (for example roads built by a developer as part of a subdivision).