

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

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

9:30 am Rāapa Wednesday, 25 Whiringa ā-nuku October 2023
Ngake (16.09), Level 16, Tahiwī
113 The Terrace
Pōneke | Wellington



PRESENT

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

TABLE OF CONTENTS

25 OCTOBER 2023

Business	Page No.
1. Meeting Conduct	5
1.1 Karakia	5
1.2 Apologies	5
1.3 Conflict of Interest Declarations	5
1.4 Confirmation of Minutes	5
1.5 Items not on the Agenda	5
1.6 Public Participation	5
2. General Business	6
2.1 Actions Tracking and Forward Programme	6
3. Committee Reports	6
3.1 Report of the Unaunahi Māhirahira Audit and Risk Committee Meeting of 11 October 2023	6

1. Meeting Conduct

1.1 Welcome

The Chairperson declared the meeting (hui) open at 9.43am.

1.2 Apologies

Moved Councillor Matthews, seconded Councillor O'Neill

Resolved

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

1. Accept the apologies received from Councillor McNulty for absence.

Carried

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

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

1. Approves the minutes of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Meeting held on 6 September 2023, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

There were no requests for public participation.

2. General Business

2.1 Actions Tracking and Forward Programme

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

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

1. Receive the information.

Carried

3. Committee Reports

(Councillor McNulty joined the hui at 9.52am)

3.1 Report of the Unaunahi Māhirahira | Audit and Risk Committee Meeting of 11 October 2023

Moved Councillor Apanowicz, seconded Councillor Matthews

Resolved

The Unaunahi Māhirahira | Audit and Risk Committee recommends that the Kōrau Tōtōpū | Long-term Plan, Finance and Performance Committee:

1. Recommend that Te Kaunihera o Pōneke | Council:
 - a) Approve the Accounting Policies contained in the draft financial statements for adoption for the financial statements for the year ended 30 June 2023.
 - b) Approve the draft Financial Statements and Statements of Service Provision for Wellington City Council and Group within the draft Annual Report for the year ended 30 June 2023, subject to the resolution of any matters identified during the meeting and those arising from year-end and annual audit from Audit New Zealand.
 - c) Approve the draft Annual Report for Wellington City Council and Group for the year ended 30 June 2023.
 - d) Delegate to the Chair and Deputy Chair of the Audit and Risk Committee, Wendy Venter and Councillor John Apanowicz the authority to deal with any significant issues arising after this meeting that are under the delegations of the Committee, ensuring they are appropriately addressed through discussions with Officers and liaison with other Committee members if necessary.
 - e) Delegate to the Chief Executive Officer the authority to make minor editorial changes that may arise as part of the finalising the 2022/23 Annual Report.

Carried

A division was called for, voting on which was as follows:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Councillor Brown, Deputy Mayor Foon, Councillor Free, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera, Councillor Young

Against:

Councillor Calvert, Councillor Chung, Councillor Randle

Absent:

Councillor McNulty

Majority Vote: 14:3

Carried

Attachments

- 1 Annual Report Volume One
- 2 Annual Report Volume Two

The hui concluded at 10.38am.

Authenticated: _____
Chair

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

Minute item attachments

9:30 am Wednesday, 25 October 2023
Ngake (16.09), Level 16, Tahiwī
113 The Terrace
Pōneke | Wellington

Business

Page No.

3.1 Report of the Unaunahi Māhirahira | Audit and Risk Committee Meeting of 11 October 2023

- | | |
|-----------------------------|-----|
| 1. Annual Report Volume One | 2 |
| 2. Annual Report Volume Two | 172 |

Te Pūrongo ā-Tau

Annual Report

2022/23

*Volume 1: Performance Overview and
Service Statements*

Contents

Nau mai, haere mai – Welcome	3
Message from our Mayor and Chief Executive	6
Section 1: Our city	7
City profile	8
Section 2: Our leaders and strategic direction	10
Our strategic direction	11
Our role	14
Our Council	16
Section 3: Summary of our year	18
Our performance	19
Overview of our non-financial performance	23
Overview of our finances	27
Key projects and programmes	33
Section 4: Our performance in detail	36
How to read this section	36
1 Pārongo ā-tāone – Governance	37
2 Te Taiao me te hanganga – Environment & infrastructure	47
3 Whanaketanga ōhanga – Economic Development	67
4 Oranga ahurea – Cultural Wellbeing	76
5 Pāpori me te hākinakina – Social and recreation	84
6 Tāone tupu ora – Urban development	97
7 Ngā waka haere – Transport	107
Section 5: Our Council and organisation	120
Te Kaunihera o Pōneke Our Council	121
Our organisation	131
Making ourselves accountable	139
Our staff	142
Independent Audit Report	150
Appendices	151
Appendix 1: Greenhouse gas emissions performance measure disclosures	152
Appendix 2: Principles for service performance information	156

Nau mai, haere mai – Welcome

Nau mai ki tā mātou tirohanga rāpopoto o te tau 2022/23. Welcome to our report of the 2022/23 year.

<p>61% KPIs met targets (up from 51% last year)</p>	<p>\$(74.2)m Deficit result for the year ((\$87.4m surplus result last year)</p>
<p>38% Outcome indicators positively trending (36% increase from last year)</p>	<p>\$369.4m Total capital expenditure (27% increase from last year — \$290.4m)</p>
<p>2031 Total workforce (1,967 in 2021/22)</p>	<p>\$1.25b Total debt (17% increase from last year — \$1.07b)</p>
<p>\$425m Total rates collected (9% increase from last year — \$388.2m)</p>	<p>\$773.3m Total operational expenditure (24% increase from last year — \$622.4m)</p>

Our report

This Annual Report describes how Wellington City Council and the Council-controlled organisations (CCOs) performed in the 2022/23 financial year. Included in this report is our progress on delivering the key projects, programmes and services that will help Wellington to be the capital we want it to be.

The period covered is from 1 July 2022 to 30 June 2023. It reports against our 2021–31 Long-term Plan and fulfils our obligations under the Local Government Act 2002.

This Annual Report 2022/23 was adopted by the Council on 25 October 2023, and received an unmodified opinion on the audited information, except for the statement of service provision.

A qualified opinion was received for four performance measures, three relating to the total number of complaints received for our three waters network (page xx, xx, xx, and xx) and one was the measurement of our greenhouse gas emissions (pages xx-xx).

This report comprises two volumes – Volume 1 Performance Overview and Service Statements and Volume 2 Financial Statements for Council and Group.

- **Volume 1 includes:** An overview of our year including a summary of non-financial and financial performance, detailed service performance information, and the governance and organisational structures for Council. The Independent Auditor’s Report is also in this volume.
- **Volume 2 includes:** Our statement of compliance and responsibility, comprehensive revenue and expenses, financial position, changes in equity, and cash flows. Other disclosures, along with financial prudence and funding impact statements are also in this volume.

Copies of the full Annual Report and the summary are available at wellington.govt.nz.

In line with the Council’s ongoing commitment to sustainability, a limited number of hard copies of the Annual Report are produced. These can be viewed at our Arapaki Service Centre and any of our libraries. Alternatively, a copy of the report can be requested by calling the Contact Centre on (04) 499 4444.

Whanaungatanga – partnership, working together and collective spirit.

The theme for this year encapsulates an area that Council wanted to focus on and be better at – involving our iwi partners, our businesses and our public in our decision making. We want to build trust and confidence in the direction we are heading in.

Whanaungatanga is about building relationships through shared experiences which strengthen all members.

The city we are living in now has changed through the pandemic. There are increases in cost-of-living, climate change impacts are being felt and people are choosing to work and live in the city differently. We are also heading into a time of urban transformation that is going to cause disruption. Positive outcomes are on the way, but we need to make sure we plan right now so we transform our city with our residents.

This year was about joining together to celebrate the lifting of COVID-19 restrictions, working together with our arts sector and businesses to return some of the city's vibrancy that our residents treasure, communicating and consulting on the changes to come, and enacting our new partnership and strategy with mana whenua.

He whakawhanaungatanga ki Pōneke, ki te iwi, ki te Taiao – Establishing relationships with Wellington, the people and the environment.

We acknowledge mana whenua

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

Through Tākai Here, we work in partnership with:

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

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

We acknowledge Te Tiriti o Waitangi

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

Reporting entity and compliance

Wellington City Council is a territorial local authority governed by the Local Government Act 2002. It is a public benefit entity for financial and non-financial reporting purposes and is audited by the Office of the Auditor General.

The service performance information and financial statements within the Annual Report were prepared in accordance with and comply with New Zealand Generally Accepted Accounting Principles (GAAP) and comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity, including the new PBE FRS 48 standard for non-financial reporting.

The Council and management of the 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 reporting entity is the same for the financial and non-financial reporting as outlined in the Statement of Compliance and Responsibility in Volume 2: Financial Statements on page X.

The financial statements are denominated in New Zealand dollars.

Message from our Mayor and Chief Executive

The past year has posed its fair share of challenges, but we have also seen some positive developments in our city.

After several years of border closures, we saw the return of cruise ships and a resurgence in international visitor numbers, reaching the levels we had pre-COVID. Major events were successfully hosted, bars and restaurants enjoyed the absence of restrictions, and our attractions experienced a surge in popularity. All of this contributed to restoring the vibrancy that we sorely missed.

In our 2022/23 Annual Plan we noted that the operating environment continued to be challenging and impacted by the following conditions:

- COVID-19 restrictions and impacts
- Construction and supply chain pressures
- Increasing inflation and interest rates

While we expected high inflation and interest rates when setting our budget, the actual costs were still higher than anticipated, this resulted in increased costs to Council. Further, we incurred additional expenditure relating to unexpected weather-related events after record rainfall in July and August 2022.

The increase in expenditure was offset to some extent by higher than anticipated investment revenue and vested assets, including a \$20.4m dividend from Wellington Airport which is the first dividend since COVID-19 restrictions began.

Our overall result was an operating deficit of \$74.2m – this was planned. Due to a significant revaluation of water assets in the prior year the Council decided to change the approach of funding three waters depreciation from rates to debt funding an amount equal to the difference between depreciation and capital expenditure renewals. Over time we expect to move back towards fully funding three waters depreciation.

To take this prudent approach, as well as manage the challenges presented by the current economic conditions, we will need to continue to take a very careful approach to our finances.

That being said, we have successfully delivered several projects. Tākina, the Wellington Convention & Exhibition Centre, was completed and opened in June 2023 with its first exhibition proving popular with Wellingtonians and visitors. Strengthening work on Te Matapihi Central Library started in September 2022, and we've been steadily expanding Wellington's growing cycle network. These accomplishments are something we can take immense pride in.

Tory Whanau
Mayor of Wellington

Barbara McKerrow
Chief Executive

Section 1: Our city

[Te reo heading]

In this section

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

City profile

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

Its unique 289.91 square kilometre¹ landscape is the taonga of many Wellingtonians. It is actively protected, nurtured and restored. It features bush-covered hills, rivers and streams, a large natural harbour, rocky and sandy coastlines and a growing population of native wildlife.

Our community can discover walks and walkways, beaches and rock pools, parks and gardens, playgrounds and mountain bike tracks all within a short trip from the central city. The compact size provides many options for transportation. Although many drive private vehicles, many also enjoy walking, running, cycling, and using public transportation to get around the city.

Wellington at a glance

Our people ²	Our city
212,849 Wellington City population ²	2,096 Sunshine hours in 2022 ³
34.1 years Median age of population ⁴	98.9km Length of coastline
33.7% Population born overseas	381km Walking and biking tracks
10.1% Population of Māori descent	4073 hectares Open green space across the city
24.8% Population speaks more than one language	1500 (TBC)⁵ Houses powered each year by the Southern Landfill Power Station
46% Degree qualification or higher ⁶	303m Tinakori Hill, highest point of Town Belt
\$157,697 Average household income ⁷	113kmph Top wind gust ⁸
107 Play areas in Wellington ⁹	798 Places to eat

Our history

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

The region was slowly populated with peoples of Kurahaupō descent including Ngāi Tara, Mua-upoko, Ngāti Apa, Ngāti Rangitāne and Ngāti Tu-mata-kokiri who established hilltop pa (fortresses) on

¹ StatsNZ Geographic Boundary View

² From SensePartners in 2023 for [population as at 2022](#)

³ NIWA Annual Climate Summary 2021

⁴ Population breakdown figures from 2018 Census

⁵ WCC Southern Landfill Power Station

⁶ Median age, Overseas, Māori descent, language, qualification: [2018 Census place summary for Wellington, Stats NZ](#)

⁷ Infometrics Wellington City Economic Profile – Living Standard – [Household Income 2022](#)

⁸ [Weatherspark, Historical Weather Data](#), 11am 21 July 2022

⁹ WCC figures for Coastline, Tracks, Eateries and Playgrounds

strategic and sheltered sites around the Wellington harbour. In the 1820s, tribes from the Taranaki region also moved south to Te Upoko-o-te-Ika.

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

Wellington City Council met for the first time on 28 September 1870.

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

Our economy

Wellington is the creative heart of the Greater Wellington region with an economy vital to the economic wellbeing of the region and, as the capital city, to New Zealand as a whole. Our local economy sustains 169,300 jobs¹⁰ and our city is home to 27,700 businesses. Our local economy produced over \$30.3 billion (b)¹¹ this year in GDP with exports estimated at \$2.9b.¹²

The year has been a challenging one for the city, its businesses and people as the long tail of the global pandemic continues to have an impact along with inflation and cost of living pressures. New patterns of working have seen changes to city and suburban spending. However Wellington is starting to see green shoots with the opening of the Tākina Convention and Exhibition Centre and the success of its first exhibition, the return of international visitors and migrants, and the buzz and excitement of major events such as the FIFA Women's World Cup (July 2023).

Employment of Wellington residents grew 2.1 percent in the year to June 2023¹³ with growth in the health, education, and public sectors contributing to around a third of the annual growth in jobs. Employment growth has brought the city's unemployment rate down to a low of 3.2 percent¹⁴.

Our environment

Wellingtonians are proud that they are actively working to conserve, restore and enhance the natural flora and fauna of the city. Community programmes to eradicate pests and bring back native species are supported by the Council and residents, and are having good results.

Over the past 12 months 110,000 native plants were planted by staff, volunteers, and contractors as part of our ongoing revegetation programme. Wild kiwi have returned and are living in the Wellington hills, native bird counts are increasing, and our bush-clad hills are a sign that regeneration is possible.

Like many other regions in New Zealand, the city is already affected by climate change. For example, we are experiencing more frequent and intense weather events that are causing more flooding and disruption to services. In June 2019, we declared a climate and ecological emergency, which means our commitment to our environment becomes even more important to the wellbeing of the city.

¹⁰ Source: NZ Stats Geographic units by region and industry 2000-2022

¹¹ for the year to December 2022 (2022 prices) (Source Infometrics QEM Dec 2022)

¹² Source: modelled data using 54 components of [GDP by Infometrics](#)

¹³ [Stats NZ Business employment data June 2023](#)

¹⁴ [Infometrics employment comparison](#)

Section 2: Our leaders and strategic direction

[Te reo heading]

In this section

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

Our strategic direction

The key focus for local authorities is promoting the social, economic, environmental, and cultural wellbeing of their communities in a sustainable way, as required by the Local Government Act 2002.



Our long-term strategic vision of an inclusive, sustainable and creative capital is supported by four community outcomes that reflect each of the four dimensions of wellbeing. These outcomes are at the centre of our 2021–31 Long-term Plan. Our outcomes are the basis for all of our activities, with the rationale for each of our services being the contribution they make towards one or more of them.



The Long-term Plan identified six priority objectives to focus on. The priority objectives are a result of engagement with business groups, community groups, student, and the public, who told us that water, transport, and housing are particularly important.

Our key strategies guide how we will move forward in this strategic direction.

Overview of our strategic direction



2. Community Outcomes	
 <p>Environmental <i>A sustainable, natural Eco city</i></p> <p>A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is adapting to climate change – for now and future generations</p>	 <p>Cultural <i>An innovative, inclusive and creative city</i></p> <p>Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities and openly express, preserve and enjoy arts, culture and heritage.</p>

 <p>Social <i>A people friendly, compact, safe and accessible capital city</i> An inclusive, liveable and resilient city where people and communities can learn, are connected, well housed, safe and healthy.</p>	 <p>Economic <i>A dynamic and sustainable economy</i> The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards a sustainable future.</p>
--	---

3. Priority Objectives for the next three years		
<i>A functioning, resilient and reliable three waters infrastructure</i> – with improving harbour and waterway quality, and reducing water usage and waste		
<i>Wellington is an affordable, resilient and safe place to live</i> – with an accessible, connected, and compact city		
<i>The city’s core transport infrastructure is a safe, resilient, reliable network</i> – that supports active transport choices, and an efficient, productive and sustainable economy		
<i>The city has resilient and fit-for-purpose community, creative and cultural spaces</i> – including libraries, museums and community halls, where people connect, develop, and express their arts, culture and heritage		
<i>An accelerating zero-carbon and waste-free transition</i> – with communities and the city economy adapting to climate change, development of low carbon infrastructure and buildings, and increased waste minimisation.		
<i>Strong partnerships with mana whenua</i> – weaving Te Reo and Te Ao Māori into the social, environmental and economic development of our city and, restoring the city’s connection with Papatūānuku		

4. Key strategies		
<p>Aho Tini 2030: Arts, Culture and Creativity Strategy This strategy combines the review of the 2011 Arts & Culture Strategy, together with the original Aho Tini principles (2018), to give new direction for cultural wellbeing for the city.</p>	<p>Economic Wellbeing Strategy The goal of this strategy is to create a dynamic city with a resilient, innovative, low waste/low carbon, circular economy that provides opportunities for all and protects and regenerates our environment</p>	<p>Tūpiki Ora Māori This strategy reflects a shared commitment between Wellington City Council, mana whenua and Māori to support a Māori-led response to uplifting the state of wellbeing of whānau, anchored in the whakapapa relationships between people, place and nature.</p>
<p>Strategy for Children and Young People This strategy gives context and direction to the work of the Council about the wellbeing of children and young people in Wellington.</p>	<p>Te Atakura – First to Zero This is our blueprint to make Wellington City a zero carbon capital (net zero emissions) by 2050.</p>	

Our strategic direction is reviewed every three years. The last review was undertaken in April and May 2023. The result of this review will form the core direction for the upcoming 2024–34 Long-term Plan.

The 2021 Long-term Plan Strategic Direction, as outlined above, will continue to guide the Council for the 2023/24 year, with the new direction formally adopted on 30 June 2024.

Monitoring city and Council trends

Outcomes

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

Environmental	Cultural	Social	Economic
<ul style="list-style-type: none"> • Energy consumption, city greenhouse gas emissions • Eco-system health • Waste management & reduction • Sustainable living • Climate change impacts, adaptation • Three Waters quality, supply, customer satisfaction 	<ul style="list-style-type: none"> • City vibrancy • Cultural diversity • Artistic talent and expression • City heritage • Cultural infrastructure 	<ul style="list-style-type: none"> • Quality of life • Community sense of purpose and place • Community connection & participation • Community safety • Community engagement • Satisfaction with partnerships 	<ul style="list-style-type: none"> • Growth • Labour force participation • Household income • Public transport utilisation, reliability • City economic activity • Changes in business activity by sector • Consenting activity • Housing affordability

Service performance

We use a suite of Key Performance Indicators (KPIs) to track performance across the services we deliver. Some KPIs are required by statute and others monitor progress in key areas. In general, we report service performance against the targets we set in the 2021–31 Long-term Plan.

Section 4: Our performance in detail provides the detailed Statements of Service Provision which outline our performance within each of our seven strategic activity areas:

1. **Pārongo ā-tāone** – Governance
2. **Te Taiao me te hanganga** – Environment & infrastructure
3. **Whanaketanga ōhanga** – Economic development
4. **Oranga ahurea** – Cultural wellbeing
5. **Pāpori me te hākinakina** – Social and recreation
6. **Tāone tupu ora** – Urban development
7. **Ngā waka haere** – Transport

Our role

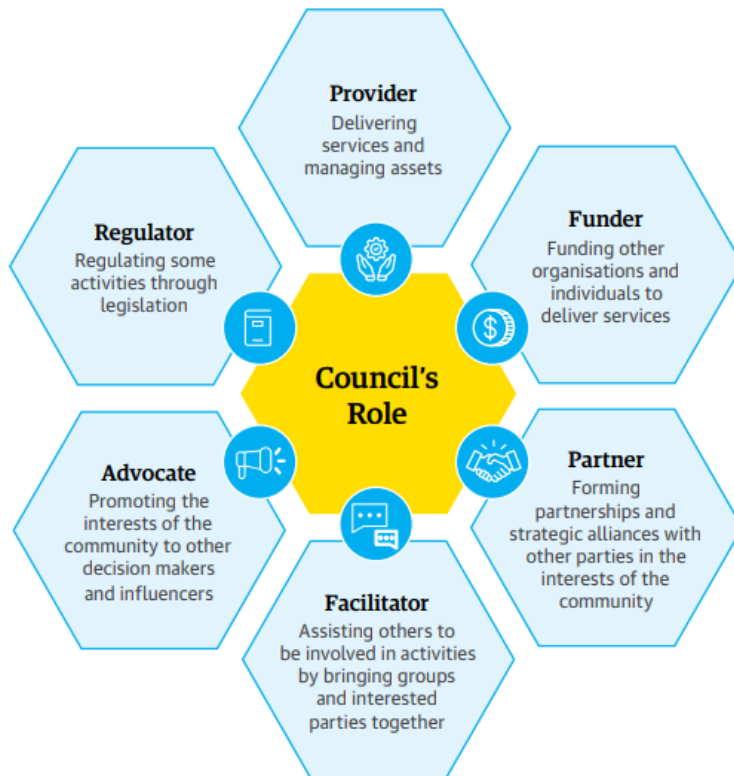
The Local Government Act 2002 sets our statutory role as being:

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

While the Council is involved in many aspects of the ongoing operation of the city, it cannot do this alone. The development of the city’s wellbeing is a partnership involving the whole Wellington community – including regional and central government.

The graphic below outlines some of the more significant roles for Council in the operation and development of the city. Through our Long-term Plan, we provide funding for the services and development projects that reflects these roles.

Council’s roles in the city



Role of government in Wellington

Wellington City Council is a local government organisation and focuses on issues and opportunities specific to our local area.

In New Zealand there are two types of local government organisations: **territorial authorities** and **regional councils**. We have both in Wellington – the Wellington City Council operates as the territorial authority for the city and Greater Wellington Regional Council operates on behalf of the wider Wellington region, including the Wairarapa and the Kāpiti Coast.

The services provided by Wellington City Council are explored in more detail in Section 4: Our performance in detail, page X.

Understandably, confusion sometime occurs between the services provided by Wellington City Council and Greater Wellington Regional Council.

Below, is an example of the differences between some of the services Wellington’s two councils offer in similar spaces.

Wellington City Council	Greater Wellington Regional Council
Maintenance of roads, bus lanes, cycleways and footpaths	Work with transport operators to deliver Wellington’s public transport network
Regulatory services, including building consents and rates collection	Regulatory services, including managing pollution and environmental incidents
Maintaining local reserves, tracks, beaches and parks	Maintaining regional parks and forests

Being the capital city, we also have a large central government presence in the city. About 27,600 people work as public servants in Wellington¹⁵.

Central government is made up of 120 elected members of Parliament, who oversee 32 institutions that give advice to the politicians and deliver services to the public. These are the organisations with ‘ministry’ or ‘department’ in the title such as the Ministry for the Environment, Ministry of Corrections and the Inland Revenue Department. There are also 27 Crown Entities – organisations such as Accident Compensation Corporation (ACC), Fire and Emergency NZ (FENZ), and Sport New Zealand.

Central government politicians, ministries, departments and crown entities focus on broader issues that affect all New Zealanders.

In other words – central government looks at the big picture. It makes sure all parts of the country are working as they should, while local government focuses on a particular area.

¹⁵ Public Service Commission, 30 June 2022

Our Council

The elected members

The essence of Te Kaunihera o Pōneke | Wellington City Council's role is to set strategic direction and priorities through policy decisions and the Long-term and Annual Plan processes, and to provide governance oversight of the organisation.

Every three years, 15 people are elected as Councillors and one is elected as Mayor. Together, these 16 people represent the city's residents and ratepayers in the Council and are the governors of the city.

The Mayor is elected 'at large', meaning by all the city's residents who are eligible to vote. The Councillors are elected by voters from their respective geographical areas (wards). The Deputy Mayor is appointed by the Mayor. Additionally, two representatives of our mana whenua partners are appointed to Council committees and have voting rights for the 2022-2025 triennium. Residents in Tawa and in Mākara/Ōhāriu also vote to elect six members to their local community boards.

The election held in October 2022 was the first in which voters on the Māori roll were able to vote in the new Māori Ward. This increased the number of Councillors from 14 to 15.

The current Council

Mayor Tory Whanau

Matairangi/Eastern Ward

- Councillor Tim Brown
- Councillor Sarah Free
- Councillor Teri O'Neill

Paekawakawa/Southern Ward

- Councillor Nureddin Abdurahman
- Deputy Mayor Laurie Foon

Pukehinau/Lambton Ward

- Councillor Iona Pannett
- Councillor Tamatha Paul
- Councillor Nicola Young

Wharangi/Onslow-Western Ward

- Councillor Diane Calvert
- Councillor Ray Chung
- Councillor Rebecca Matthews

Takapū/Northern Ward

- Councillor John Apanowicz
- Councillor Ben McNulty
- Councillor Tony Randle

Te Whanganui-a-Tara Māori Ward

- Councillor Nīkau Wi Neera

The profiles of elected members and details of committee roles are provided in Section 5: Our Council and organisation on page X.

For details of the Mayor's, Deputy Mayor's and Councillors' remuneration, see Note 38 in Volume 2: Financial statements on page X.

The organisation

Under the Local Government Act 2002, certain powers are reserved for the elected Council.

These powers include setting bylaws and rates, setting the city's budget and direction through long-term and annual plans, making decisions about borrowing money and buying or selling assets. They also include setting up and giving powers to Council committees and subcommittees, determining how Council meetings will be run, setting a code of conduct for elected representatives, and adopting annual reports.

The Council employs the Chief Executive to manage the day-to-day operation of the city and its services, who in turn employs the Council’s managers and staff. The Councillors have a governance function of monitoring their progress.

Councillors also engage with the community on most decisions being made, ensuring people can have their say, and contribute to and influence how their city is shaped.

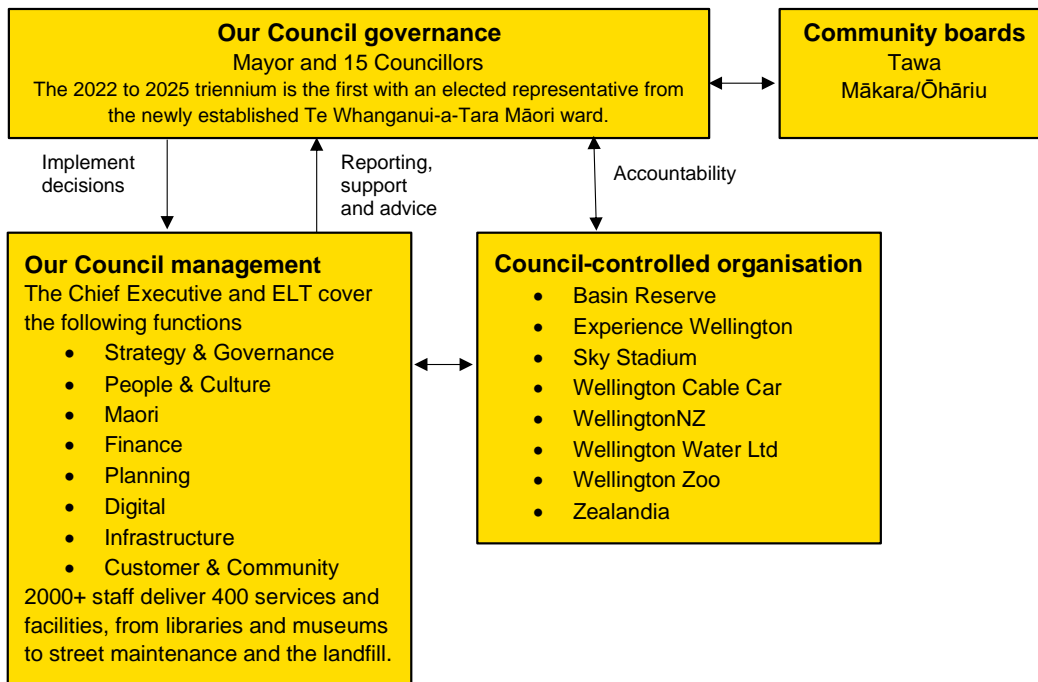
The Council as a whole strives to ensure our decision-making processes are fair, transparent and robust.

Wellington City Council also has eight Council-Controlled Organisations (CCOs) that independently manage some of the Council’s facilities, and deliver services and activities for residents and visitors to enjoy.

The profiles and responsibilities of our current Executive Leadership Team (ELT) are outlined in Section 5: Our Council and organisation on page X.

For details of ELT remuneration, see Note 37 in Volume 2: Financial statements on page X. The makeup of our staff is detailed in Section 5 from page X.

Governance structure



Wellington City Council does not have any statutory committees. Each incoming Council determines the committee structure that will work best for its term.

The current committee structure and the changes after the October 2022 election are detailed in Section 5: Our Council and organisation on page X.

A more detailed organisational structure including business units is also in Section 5 from page X.

Section 3: Summary of our year

[Te reo heading]

In this section

This section includes summaries of our performance, including some challenges and highlights of the 2021/22 year, and an overview of our core business.

Our performance

Introduction

This year we continued to deliver our services in a challenging operating environment, resulting in 61 percent of our performance measures tracking to target. Timeliness and satisfaction have been the greatest performance challenges. Positively, more than half of our key performance indicators (KPIs) reported improved performance this year.

Our financial result for the year was a \$74.2 million (m) deficit compared to a planned deficit of \$68.1m. Council's revenue and expenditure for the year were both higher than planned. Council received higher than anticipated dividend revenue and vested assets. Expenditure on insurance and weather-related events was higher than forecast. Inflation also contributed to higher than expected costs incurred by Council. Higher than forecast interest rates had an impact on both finance revenue and expenditure.

Challenges

To perform effectively and efficiently as a Council, we need to understand Wellington – not just our infrastructure, services and facilities, but also the changes the city and communities experience, and how these changes and the associated challenges will affect the future. We also need to understand the wider issues affecting New Zealand and how they will shape our city.

The challenges outlined below had significant impacts on the Council's performance during the 2022/23 year.

Upgrading our ageing infrastructure

The Council owns more than \$10b worth of assets, including tunnels, bridges, reservoirs, and retaining walls.

In the 2021 Long-term Plan, Council committed to upgrading much of the city's ageing infrastructure, particularly the water network, so it could manage the city's growth. Many councils across New Zealand are experiencing this problem.

We also reviewed and changed parts of our District Plan to account for where and how we envisioned this growth happening, and committed to the Let's Get Wellington Moving programme to provide more travel choices for Wellingtonians and to improve connections across the city.

These priorities increased our total capital expenditure for the 2021 Long-term Plan from \$2.3b to \$3.2b, putting pressure on our budgets at a time when traditional sources of non-rates revenue (such as the dividend from our airport shares) were declining or becoming less secure.

The size of the increase in the capital programme also meant a necessary change in how Council operated. Going from spending \$157m on capital expenditure per year in 2015/16 to \$369.4m this year required a fine balance between delivering our promised programme and considering the impact that would have on rates. It has also meant that the Council has strengthened its capability, to manage and deliver projects and programmes of work.

There was also pressure to deliver this programme at a time when the construction market was constrained and in a year of increasing costs, inflation and shortages due to the ongoing global effects of the COVID-19 pandemic. This meant that while we spent more this year on our capital programme and more than 80 percent of what was budgeted, part of this funding was needed to cover the increase in costs, and not necessarily to deliver more of the work. Our Project Management Office is tasked with making sure we are getting best value for money, delivering our projects and tracking progress more effectively.

Experiencing the impacts of climate change

In 2019, we declared a Climate and Ecological Emergency and adopted our climate action plan *Te Atakura – First to Zero*. It stated that the years leading up to 2030 were crucial for us if we were to have a chance of staying below 1.5°C of global warming. It set a target of reducing city emissions by 57 percent by 2030, being a net zero carbon capital by 2050, and supporting Wellington to adapt to the impacts of climate change.

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

Wellington City Council’s climate response and work towards a sustainable future cannot be delivered by one team or business unit alone – it is a whole-of-Council mission.

Direct impacts

The Wellington region experienced its wettest winter on record in 2022. This resulted in hundreds of slips, 26 households being displaced, and 12 road closures, with some of these closed for months. The clean-up of slips cost \$1.8m in 2022, a large increase from the \$0.3m spent in 2021. However, the full cost of repairing all the slip sites and protecting against future slips will be \$7.9m over the next two years. This is double what is currently budgeted and will need to be addressed in the 2024 Long-term Plan.

If Wellington continues to experience larger amounts of rain, then slips are likely to become more frequent and have an impact on general land stability.

In 2023, Wellington escaped unscathed from the wild weather that affected the north and east of the North Island. However, these events served as indicators of the need to rapidly reduce emissions and adapt to climate change.

More details about these events are included in our Transport activity area, on page X.

Climate change response

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

Te Atakura also includes initiatives that provide seed funding to leverage impact by businesses and community groups, supporting residents to be motivated to take action, advocating for supportive central government policies, and investigating other potential initiatives.

More information on how we responded to this challenge is included in:

- Providing insights and engaging residents on climate change, Governance, page X
- Council emissions reduction programme, Environment and Infrastructure, page X
- Support for community groups to leverage their impact, Social and recreation, page X
- District Plan review and proposal, Urban Development, page X
- Transport infrastructure changes, Transport, page X
- Support for residents to take up new transport habits, Transport, page X

Council also publishes an annual update on progress on the Te Atakura Implementation Plan. See our website for the latest update.

Increasing costs to run our city

In the 2022/23 year, the Council experienced increased costs in several areas that were significantly higher than what was expected in the Annual Plan:

- higher inflation than expected, impacting the cost of construction;
- increased interest rates; and
- higher insurance costs for the same level of cover, influenced by seismic and natural disaster events.

These were nationwide and global issues and resulted in the New Zealand economy going into a recession from June 2023.

This year, we also received more feedback from our community about the cost of living, the affordability of our rates and services and the need to cut spending. This was most notable in the Annual Plan 2023/24 engagement in April 2023.

More information about this challenge is included in our financial summary, page X and in Volume 2: Financial Statements.

Central government reforms

Over the past three years, central government has undertaken a significant reform programme that affects local government. The reforms outlined below could lead to fundamental changes to how the local government sector is structured and the services councils deliver.

As well as the three key reforms detailed below, central government has made amendments to the National Policy Statements on Urban Development and Fresh Water Management in the past three years that have affected how we plan our city. The biggest impact was the change to how high buildings could be in some areas and how much land could be used for urban development.

Affordable Water Reforms

The Government has passed legislation for New Zealand's three water services – drinking water, wastewater, and stormwater, to be managed by publicly owned water entities, replacing the services currently managed by 67 councils.

The 10 publicly owned water service entities are to be established via a 'staggered approach', with all entities fully operational by 1 July 2026. Entity A was expected to be formed by 1 July 2024, with Entity G (which includes the Wellington region) earmarked to be established next. However, the Government would confirm the order of establishment by December 2023.

More information on this is in Volume 2, Note 39, page X.

Resource Management reform

In February 2021, the Government announced that it would replace the Resource Management Act 1991 with a new legislative framework, reflecting that the RMA had not delivered the desired environmental and development outcomes, and did not consistently give effect to Te Tiriti o Waitangi.

This new legislative framework would include the Natural and Built Environments Act, Strategic Planning Act, and Climate Adaptation Act.

The purpose of the new framework was to support the protection and restoration of the environment, guide long-term regional spatial planning, and address issues associated with climate change adaptation.

Future for Local Government Review

In 2021, the Government appointed a panel to identify how our system of local democracy and governance needed to evolve over the next 30 years to improve the wellbeing of New Zealand communities and the environment, and actively embody the Treaty partnership.

The scope of this local government review covered all aspects of local government, including the functions, roles, and structures of local government; relationships between local government, central government, iwi, Māori, businesses, communities, and other organisations; the embodiment of Te Tiriti o Waitangi; and funding and financing arrangements.

The Future for Local Government Review Panel released its final report to the Minister of Local Government in 2023, with 17 recommendations. It can be viewed here:

futureforlocalgovernment.govt.nz

External awards and nominations

The Council received several significant awards and nominations in 2022/23. They acknowledge innovative work in key areas and our leadership role in the local government sector.

- The Council's Chief Executive Barbara McKerrow won the Distinguished Management Award at the Taituarā Local Government Excellence Awards in recognition of her 37-year career in local government.
- Ōtari-Wilton's Bush (6-stars) and Botanic Garden ki Paekākā (5-stars) were highly commended and ranked as Gardens of National Significance by the NZ Garden Trust.
- The Council was named one of 10 winning cities of the Bloomberg Initiative for Cycling Infrastructure, with \$650,000 prize money to create a nature-based, off-road bike network – an idea developed by the Trails Wellington community group. This is our second award from the global Bloomberg Philanthropies Council in the past two years.
- The Tahitai coastal walking and biking route between the city and Miramar Peninsula won a Te Kāhui Whaihanga New Zealand Institute of Architects (NZIA) award for the transformation of Ōmarukaikuru/Pt Jerningham. This is the third award for this route.
- The "When to put out your rubbish and recycling" section of the Council website won the People's Choice Award at the Plain Language Awards.
- The Council's *Annual Report 2021/22* received a Gold Award at the Australasian Reporting Awards (ARA). This is the seventh year the Council has participated in the awards, with two gold awards, four silver and one bronze.
- The Council collaborated with leading Wellington digital company ClickSuite, the Royal New Zealand Ballet and projection company Streamliner to bring the theatre to life with a spectacular video animation projection showcasing the Cinderella ballet. The projection received the prestigious Good Design Award Winner Accolade in the Communication Design category, in recognition of outstanding design and innovation.
- The transformation of Dixon Street received a highly commended award at the national Taituarā Local Governance Excellence Awards. Judges acknowledged that this was just the start of a wider programme focused on improving safety in our central city through the Pōneke Promise.

Overview of our non-financial performance

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

In Section 4: Our performance in detail outlines each activity area, including an overview of the highlights, challenges, performance information and what the activities cost. This 2022/23 Annual Report is a report against year two of the 2021–2031 Long-term Plan.

Community outcomes

Meeting our vision and community wellbeing goals is not just the work of Council, but also of the city, so we look to track meaningful changes to our outcomes over time.

This is the second year we are monitoring our outcome indicators for trends in community wellbeing.

We are continuing the journey to improve underlying data to reflect the work the city is currently delivering, and in anticipation of any changes to the outcomes through the work on the 2024 Long-term Plan.

Summary of outcome performance

Some of the underlying data sources we used in 2021/22 to report on our progress are not produced annually or are no longer available. As a result, there is some variation in sources, and these are noted in **Appendix X, from page X**.

Environmental wellbeing

Although there is still work to be done in becoming a more sustainable city, there are indications that we're making improvements. Residents have a high awareness of the current state of our environment, including issues related to pollution and waste.

Social wellbeing

Despite city safety being a concern, there is a strong feeling of being connected to the community for residents. Compared to previous years, there are positive improvements in housing affordability and healthy housing, with fewer residents reporting damp homes and many reporting improvements in home heating.

Cultural wellbeing

The city's cultural and arts sector is still in recovery mode from COVID-19. However, residents have expressed very strong support for arts and culture, and a sense of pride in the city.

Economic wellbeing

Permanent and long-term migration has significantly increased this year, and the economy shows great signs of recovery post COVID-19 with the return of international events, visitors and residents.

Emerging trends

Highlights

- A steady increase from the previous year in the capacity of solar as a renewable energy source, with solar energy installations rising 96 percent over the past five years.
- City greenhouse gas emissions fell by 9 percent between 2020 and 2022
- Positive trends in city food rescue and redirection, resulting in meals being provided to those in need and a reduction of CO2 emissions.
- Improvements in people's ability to contribute to, and be a part of, a community and to interact in society.
- Very positive increase in permanent and long-term migration to Wellington City.

- Steady increase in long term growth of GDP per capita, with improved housing affordability and wellbeing, and household income.

Challenges

- A slow decline in residents' perceptions of our rich and diverse arts scene, however there's high satisfaction with Council-run events attended by residents.
- A slight decrease in resident's sense of pride in their area, but an increase in positive perceptions of the whole city.
- Fewer residents feel it is easy to access the city, which is attributed to bus network issues and fewer parking options in the city.
- The proportion of residents who have confidence in Council's decision-making processes is still low, although confidence has increased from last year's results.

Performance measures (KPIs)

This is year two of reporting our performance against the 2021-31 Long-term Plan. The Council provides about 400 services to the city and we have 95 KPIs to gauge our performance across these services. This includes those related to Council-controlled Organisations (CCOs), which also have their own annual Statements of Intent that confirm their programmes for the year.

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

- **Met** (within 10% below target)
- **Not met** (greater than 10% below target)
- **Not reported** (where a performance result was not available at the time of publication).

Performance summary

<p>10 out of 19 satisfaction measures were met showing the impact from delays in providing our services.</p>	<p>6 out of 19 Timeliness measures were met showing delay experienced in providing our services</p>
<p>11 out of 25 measures relating to our delivery of the water network were met this year</p>	<p>49 of our 95 KPIs reported improved performance this year</p>

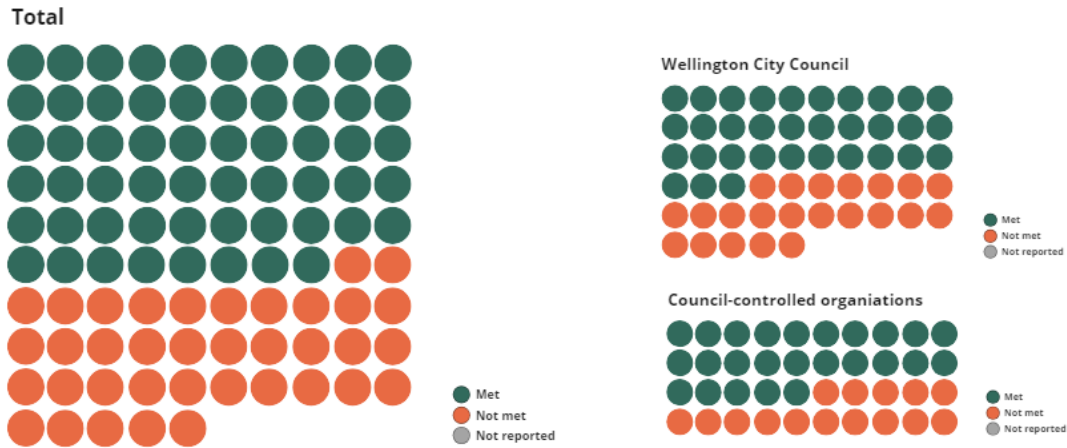
The Council has improved its performance against a backdrop of the challenges outlined earlier in this section (particularly material cost increases, contractor resourcing constraints and external advisory service delays). Our result of 61 percent of KPIs (58 out of 95) meeting their target is a good improvement on last year's result of 51 percent met.

The improvement came from a mixture of making internal processes better (for example Land Information Memorandums page XX and the Contact Centre page XX) and increases in positive perceptions and satisfaction with Council services.

Drilling down further, of the 58 KPIs which met their target, 31 of these have improved performance over last year's result. Of the 37 KPIs which did not meet their targets, 18 had improved results compared to last year.

We are continually working to improve the underlying systems and processes for our services, which will then flow on to improve the overall levels of satisfaction. However, this year we experienced delays in providing our services because of staff illness and turnover, and delays with external advisory services, which impacted performance.

The following graphs indicate the overall performance for all 95 KPIs. The result is also split to show the total performance for Council and the total performance for our CCOs.



A comparison of performance for the CCOs between this year (70%) and last year (58%) showed a significant improvement, mostly attributed to the return of tourists and visitors to the city.

The following table provides a summary of KPI results by Strategic Activity area. Results are ordered as per the service descriptions that outline what Council does in each area.

Strategic activity and service description	Met	Not met	Total
Governance	4	3	7
Facilitate democratic decision-making and open access to information to build trust and confidence	3	3	6
Develop, maintain and inspire meaningful relationships so that our partnerships with mana whenua, tangata whenua and Māori within our community are mana enhancing	1		1
Environment and infrastructure*	18	18	36
Provide access to green open spaces and enhance biodiversity to improve the quality of our natural environment	3	1	4
Reduce our impact on the environment by minimising and managing the disposal of waste and by reducing our carbon footprint	2	3	5
Increase the security of potable and stored water	2	8	10
Provide safe and sanitary removal of wastewater	2	4	6
Protect people, property and the environment from flooding and storm runoff	7	2	9
Protect flora and fauna through conservation and biodiversity	2		2
Economic development	8	1	9
Grow tourism spend and economic returns from events that bring visitors and extra spending to the city	8	1	9
Cultural wellbeing	3	0	3
Build and maintain a sense of place and identity	3		3
Social and recreation	12	5	17
Encourage active and healthy lifestyles important for people's health and wellbeing	3	2	5
Foster diverse communities and enable people to connect with information and each other	6		6
Maintain public health standards and promote individual wellbeing, safe neighbourhoods and a safe inner city	3	3	6
Urban development	6	5	11
Help protect, restore and develop the city's heritage and character assets	1		1

Strategic activity and service description	Met	Not met	Total
Provide building and development control and facilitation activities to protect public and environmental health and safety, and to protect future users of land and buildings	5	5	10
Transport	6	5	12
Deliver an accessible, safe, regulated and reliable transport network	7	3	10
Manage parking in line with the aims and objectives of the 2020 parking policy		2	2
Total			95

Notes:

1. Two of our KPIs in Social and Recreation are being reported for the last time. This relates to the establishment of Te Toi Mahana Community Housing during the 2022/23 financial year.
2. The KPIs relating to Wellington Water Ltd have impacted the overall performance in our Environment and Infrastructure activity area. Three water measures received a qualified Audit Opinion from our external auditors, which are all related to the number of complaints received. The results and variance explanations for the qualified measures are on pages X, X and X.
3. We have also received a qualification on our greenhouse gas emissions due to the inherent technical uncertainty in this area. For more information see our KPI measure on pages X and the Appendix on page X.

For more information on our 2022/23 performance measure results for each activity area see Section 4: Our performance in detail, from page X. That section includes commentary for met and not met variance results.

Overview of our finances

The Council budget is set through the Long-term Plan and updated in the Annual Plan if needed. It supports the delivery of our services and development projects to improve the city.

The 2021–31 Long-term Plan and budget, which set the Council's direction for the next 10 years, was developed and adopted in a time of high uncertainty. At the time, the ongoing impacts of the COVID-19 pandemic were unknown and there was a focus on city recovery. This is the second year of reporting against the Long-term Plan and any amendments made to the budget and plans in the 2022/23 Annual Plan.

This year, we have also dealt with ongoing supply chain blockages, increased costs, additional reactive work and clean ups due to weather events and the rising cost of inflation. See the challenges outlined on page X for more information.

\$(74.2)m Deficit – result for the year	\$(68.1)m Budgeted deficit in Annual Plan 2022/23
AA+ Credit rating issued Note – on negative watch	82.2% Revised capital programme budget spent

A balanced budget

\$773.3m Cost of running the city	\$9.95 Operational cost of Council services per resident per day
\$150.9m or 24.2% Increase in operating costs	\$6.1m or 9% Over Annual Plan budget

Under the Local Government Act 2002, councils are expected to operate a balanced budget. This means we want to achieve an end-of-year result where rates and other revenue equals our operating expenses. A balanced budget helps to ensure we are not passing on the cost of running the city today to future generations, and also guards against imposing costs now for projects that may not deliver benefits to Wellingtonians until the future. This means each generation pays its fair share.

As part of the 2020/21 Annual Plan and 2021–31 Long-term Plan, several items related to the impact of COVID-19 were funded through debt, such as the loss of our airport dividend revenue. The rates repayments for this debt are spread over 10 to 15 years to minimise the impact on rates in the short term.

During the period of consultation on the 2022/23 Annual Plan, additional information came to light that meant we needed to increase the value of our water, sewerage and stormwater networks by 80 percent. The flow-on effect was an increase of about \$60.1m in the depreciation cost we needed to budget for these assets. The depreciation would normally be fully funded by rates, but this would have meant an additional nine percent increase that hadn't been consulted on.

The Council therefore resolved that it would be prudent to budget for a deficit and fully fund only the renewal of the three waters assets for 2022/23 and 2023/24 financial years, rather than fully fund the increased level of depreciation. More information about this decision can be found here [\[insert link\]](#)

Key variances to budget

Our overall result is a \$6.1m difference in what was budgeted in the 2022/23 Annual Plan. The cost of delivering and running Council services and operating projects in 2022/23 was \$47.1m higher, but we also received \$41.0m more revenue than planned which helped to mitigate the rising costs.

The revenue and expenditure sections of this summary outline the key variances to the budget in more detail. However, the key changes are:

- We received a \$20.4m dividend from Wellington International Airport Ltd, which was not expected and budgeted for in the Annual Plan. This helped to decrease the overall deficit and mitigate increases in expenses.
- A \$14.1m higher spend on our operating activities due to increases in insurance, higher inflation than expected and costs related to the extreme weather-related events in 2022.
- A \$10.7m increase in the cost of paying interest on debt was due to interest rate increases.
- There was a \$8.7m increase in depreciation costs due to the revaluation of infrastructure assets in 2021/22, and \$13.3m fair value loss due to the revaluation of our investment properties.

Expenditure

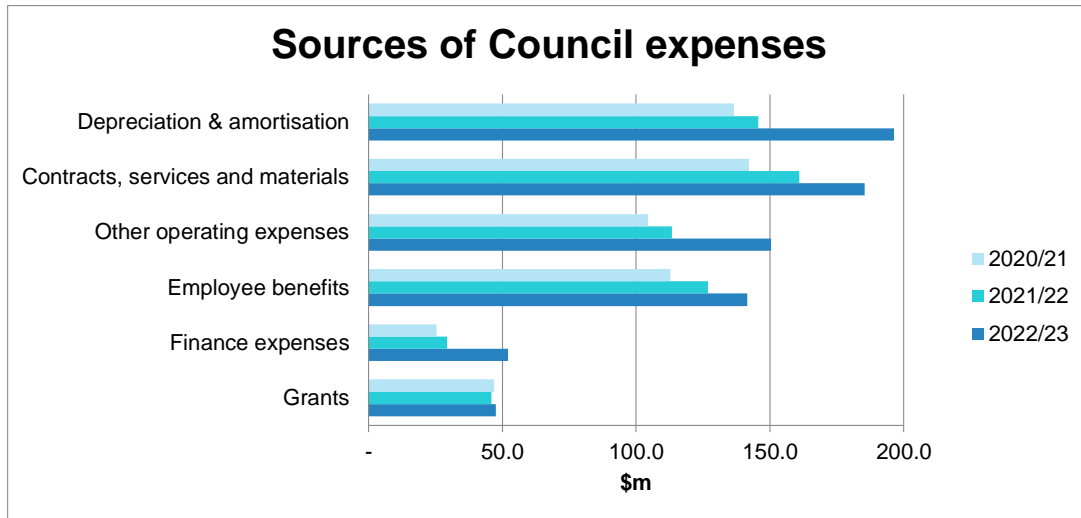
Operational spend

The 2022/23 Annual Plan forecast an operating cost of delivering Council services of \$726.2m. This was a significant increase on the previous year and related to increased depreciation due to new assets and the 2021/22 infrastructure assets revaluation, and inflation on contracts and personnel costs.

The operational expense this year totalled \$773.3m. The main area of spend was our Environment and Infrastructure activity (37%) with increases in the amount spent on our water network and increased depreciation as outlined above. Inflation also had an impact on costs across the Council.

The graph below shows the top five areas of operational spend, along with other operating expenses.

- **Contracts services and materials:** includes our maintenance and renewals programme, Government waste and landfill fees and levies, contracts, consumable materials and the cost of our consenting and compliance functions.
- **Employee benefits:** includes remuneration, training and development, superannuation and other personnel costs.
- **Other operating expenses:** includes as an example utility costs, insurance premiums, professional fees, information and communication technology and operating leases.



For the first year, depreciation & amortisation is the Council's biggest expense due to the increase in the three waters assets outlined earlier. This cost continues to grow each year, with \$49.8m more depreciation & amortisation expenditure this year than in 2021/22.

Contracts, services and materials cost was \$24.3m more than last year due to inflation, the cost of the reactive work needed after the major slips in 2022, increases in the waste levy per tonne, more expenses occurring in our venues with the lifting of COVID-19 restrictions, and increases in the Let's Get Wellington Moving programme.

More information about our operational expenses for the year is detailed in Note 7 to the financial statements, on page X of Volume 2.

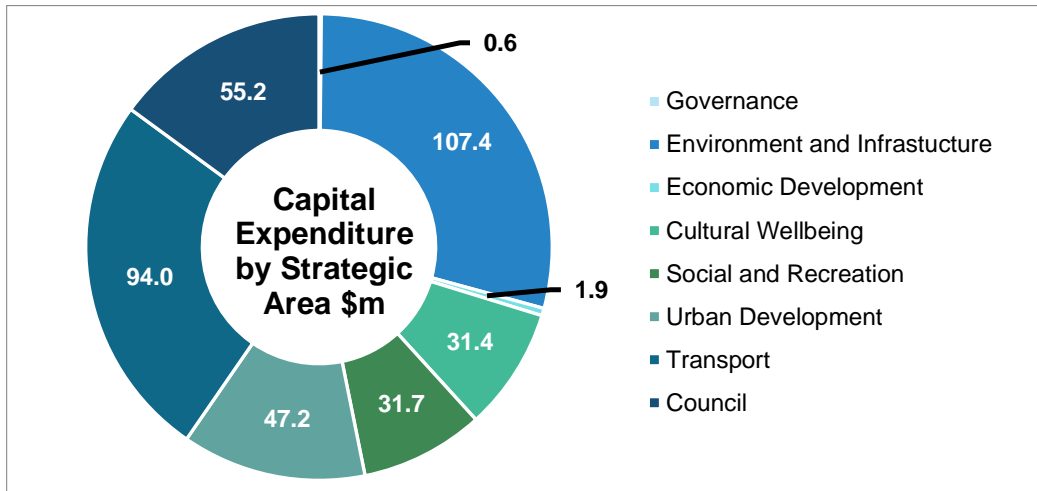
Capital spend

During 2022/23 we delivered capital projects totalling \$369.4m, this is the highest capital expenditure programme Wellington City Council has delivered. The revised capital expenditure budget includes changes approved during the year by the Council to the 2022/23 Annual Plan budget. In total, the revised budget was \$449.6m with an underspend of \$80.2m.

However, while we have spent a significant proportion of our revised capital budget, there were challenges with increases in materials, labour, contracts and delays in timing of projects throughout the year.

The key highlights and differences, to the revised budget are listed below:

- Significant investment was made in the three waters network, totalling \$91.5m of our total capital expenditure. This area was under budget by \$43.0m because the sludge minimisation project is behind schedule due to delays in signing the contacts. There was an overspend of \$5.4m from Wellington Water. More details on these areas can be found on page X.
- Allocation for the transport network, totalling \$80.1m of our total capital expenditure, was slightly overspent by \$1.0m, which is close to budget of \$80m. However, the work completed this year changed from what was planned because of the required slip remediation work. This resulted in large overspends in the Ngaio Gorge resilience upgrades, retaining wall upgrades and footpath upgrades.
- Council completed the construction of Tākina with capital expenditure for 2022/23 totalling \$30.2m.
- Supply chain issues and other factors caused delays in several projects, including the Frank Kitts Park upgrade, Te Ngākau Civic Square upgrades, our Housing Investment Programme, and renewals of community and recreation facilities.



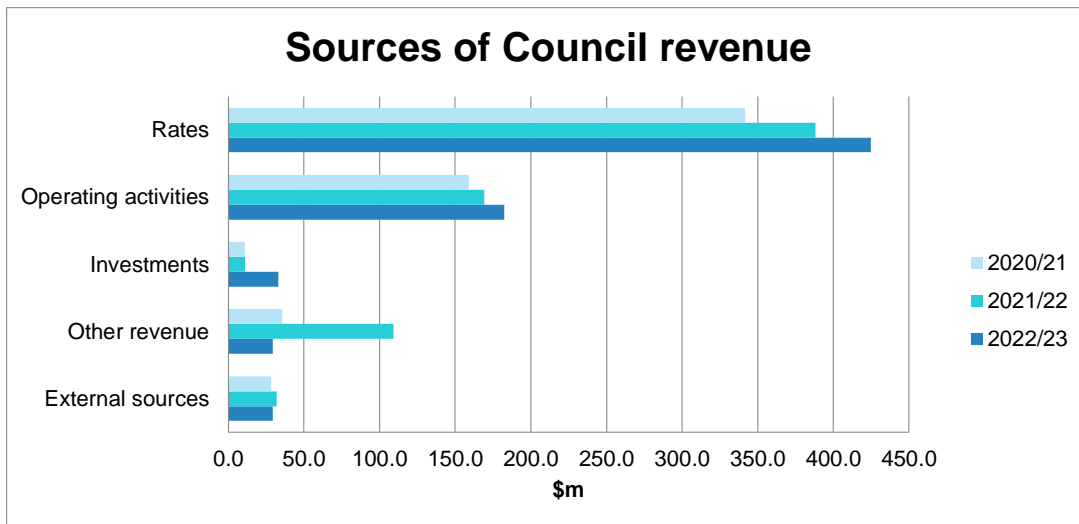
Revenue

Operational income

Our main source of funding is from rates – 60.8 percent of the total revenue of \$699.1m – with the next largest source being from operating activities including user fees at 26.1 percent. We also received revenue from other external sources (mainly from central government) to fund capital expenditure and from investment revenue.

The graph below shows the main sources of revenue for the Council.

Operating activities include the fees we charge for using Council services such as pools and the landfill.



Our revenue for the year was higher than budgeted due to the \$20.4m dividend from Wellington International Airport Ltd, a \$14.0m increase in vested assets and \$8.0m in higher interest revenue. Revenue from interest and from vested assets is not budgeted for in our Annual Plan.

For revenue from Council operating activities, the main sources are:

- City housing - \$27.0m (2022: \$27.4m)
- Landfill operations and recycling - \$31.1m (2022: \$23.4m) – including unbudgeted revenue of \$2.6m from the joint Spicer Landfill operation with Porirua City Council (2022: \$2.4m).

- Parking fees and permits – \$24.4m (2022: \$21.4m)
- Consents and licensing services – \$17.5m (2022 \$18.3m)
- Convention and conference centres – \$15.9m (2022: \$6.2m)

More information about these revenue sources is detailed in Note 2 to the financial statements, on page X of Volume 2.

Your rates at work

In the same way that our national taxes contribute to the running of the country, Council rates are important to ensure Wellington continues to function.

We set our rates in the Annual Plan based on the needs of the community, demand for services and affordability in rates. The money helps us deliver more than 400 day-to-day services and pays for the borrowings used to fund big capital projects across Wellington.

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

We collected \$425.0m (GST exclusive) of rates during 2022/23.

Some of the services and facilities Wellingtonians received this year through their rates were:

402 litres of drinkable water supplied per resident per day ¹⁶	110,000 native plants planted with the community	204,861 calls answered by our Contact Centre staff
824km stormwater pipes	1.9m physical items borrowed from our 14 libraries	191 sqm open space per Wellingtonian
1,083km wastewater pipes	407km walking and biking tracks	\$4.9m funding to community projects and organisations
968.5km footpaths	794,948 resources in City Archives	18,659 streetlights operated
108 play areas	36 free public events	9 new public murals

Capital income

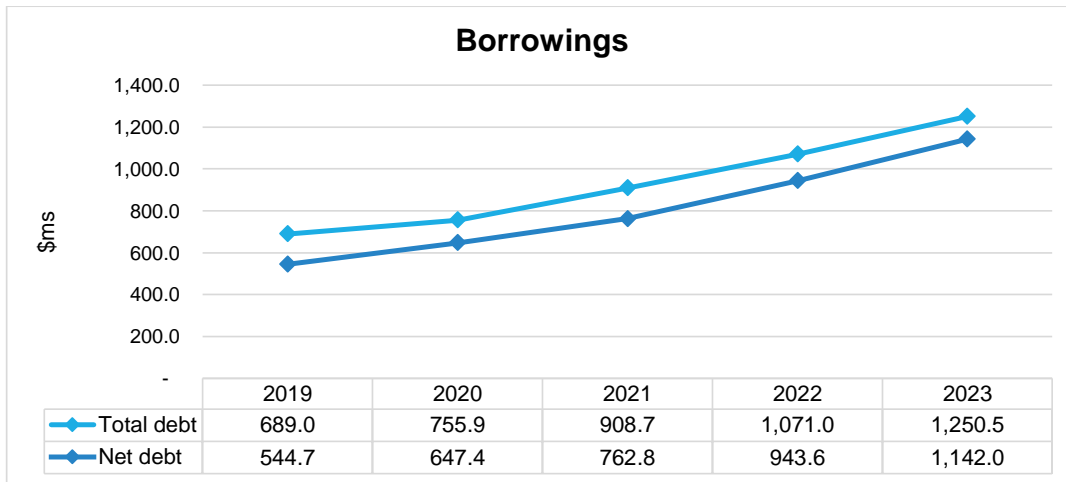
Our main source of funding for our capital programme is from borrowing. We also receive revenue from other external sources, mainly central government, to fund particular parts of our work. For example, Waka Kotahi NZ Transport Agency contributes towards the Paneke Pōneke cycleways network.

¹⁶ Not all of this water is used in a resident's home. Other users include industry, businesses, schools, hospitals, the fire service and councils.

\$1:\$0.75 Debt servicing costs to investment returns	\$198.4m Increase in net debt over 2021/22
---	--

Borrowing for the year

Total net borrowings increased by \$198.4m to fund the capital expenditure programme for the 2022/23 year. Net borrowing is made up of gross borrowings minus cash and term deposits. Net borrowing was \$1.14b at the end of the year. This compares to \$1.33b forecast in our 2022/23 Annual Plan. At the end of the year, the average borrowing per resident is \$5,365.



The ratio of debt servicing costs to investment returns is \$1:\$0.75. This means that every \$1 paid in interest costs is offset by 75c of investment income received. Before COVID-19, this ratio was \$1:\$1 or higher, but it dropped in 2020/21 and 2021/22 because we received no dividend from Wellington International Airport Ltd due to the impact of the pandemic. A dividend of \$20.4m was paid out by the Airport this year, which is an improvement in this ratio.

More information about our borrowing for the year is detailed in Note 24 to the Financial Statements, on page X of Volume 2.

Key projects and programmes

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

Key programmes

In our Long-term Plan we had agreed to complete some city-wide, multi-year programmes. They will contribute to significant change in much of the city's infrastructure for example transport, climate change mitigation and adaptation, mana whenua relationships, planning, and three waters (waste, drinking and storm water). More details are available about each of these projects:

- Mana whenua partnerships: page X
- Te Atakura – First to Zero: page X
- Sludge minimisation facility: page X
- Three waters work programme: page X
- Planning for growth: page X
- Council's Housing Action Plan: page X
- Let's Get Wellington Moving: page X

Key Long-term Plan and Annual Plan 2022/23 projects

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

- City Archives – Digitisation: page X
- 2022 local election: page X
- Southern Landfill extension: page X
- Tākina Convention and Exhibition Centre: page X
- St James Theatre strengthening: page X
- Te Matapihi ki te Ao Nui Central Library: page X
- Frank Kitts Park playground upgrade: page X
- FIFA Women's World Cup upgrades: page X
- City Housing transition: page X
- Te Ngākau Civic Precinct: page X
- Town hall strengthening: page X
- Karori Town Centre upgrade: page X
- Public space upgrades: page X
- Transport network resilience: page X

Wellington events 2022/23

The lifting of COVID-19 restrictions meant a full calendar of events was possible for the first time since the summer of 2019/20. These included the largest crowd ever for an event at the Sky Stadium, with 48,000 attending Ed Sheeran, the first Cuba Dupa in three years, the first World of WearableArt Show in two years and a bumper summer calendar.

The following is a snapshot of some of the events held during the year. These events were run by Council, run in partnership with the community, run by the community or organisations with support from Council, or held in Council-owned facilities or on Council land, including the Sky Stadium, the waterfront, theatres, sports centre, sportsfields and pools.

2022

July

- Mana Moana Waterscreen
- St James Theatre opening
- Wellington Ice Rink
- Beyond the Page – Children’s Literacy Festival
- Festival for the Future
- Eid al-Adha at Sky Stadium
- Māori All Blacks vs Ireland
- All Blacks vs Ireland

August

- Classical on Cuba
- Beervana
- Visa Wellington On a Plate
- NZ International Film Festival
- Les Miserables at St James Theatre
- AA Zone Basketball Premiership

September

- Te Wiki o te reo Māori
- Ahi Kā: I Noho Koniahi! Ki Ngā Taringa I Kite art installation
- Tama Iti exhibition – I will not speak Māori
- Rā Tūwhera ki Ōtari – Ōtari Open Day
- Art Splash
- Spring Festival
- NZ Chinese Language Week
- World of WearableArt Show
- NZ Handball Club Championships
- Queen’s death and King’s ascension events
- NZ Underwater Hockey Secondary Schools Nationals Tournament
- University & Tertiary Sport NZ Netball Tournament

October

- Spring into Tawa
- Namaste whānau friendly event
- Diwali Festival of Lights
- Truby King Park Open Day
- Oktoberfest
- Seniors’ Week
- Wellington Heritage Week
- Wellington Lions quarter and semi finals
- SIX60 Saturdays concert
- Mind Aid Festival
- Bowlzilla
- Boccia National Championships

November

- Lumino City Lantern Festival
- Senior Regional Games
- Pink Star Walk
- A Very Welly Christmas
- Black Caps vs India T20
- Beers at the Basin
- Polish Christmas Markets
- Verb Readers & Writers Festival

December

- NZ Futsal Youth Championships
- Tawa Christmas Parade
- Johnsonville Lions Christmas Parade
- Thorndon Fair
- Kilbirnie Santa Parade
- Khandallah Village Street Fair
- The Extravaganza Fair
- Armageddon Expo
- Guns N’ Roses
- Wine and Food Festival
- Wellington City Mission Silent Night
- White Ferns vs Bangladesh ODI
- New Year’s Eve
- NZ Water Polo 14 & Under National Championships

2023

January

- Gardens Magic
- NZ Cycle Classic
- Gindulgence
- Youthtown 3x3 quest basketball
- Swim the Lighthouse Ocean Swim
- Football Ferns vs USA
- Lunar New Year events
- Wellington Summer Sampler
- Artist in Residence

February

- Pasifika Festival
- Te Rā o Waitangi
- Round the Bays
- U R Here outdoor theatre
- Capital Enduro
- Black Caps vs England test match
- Tall Blacks vs Lebanon
- Island Bay Festival
- Whānau film night
- NZ Jet Sport Championships
- Wellington Fried Chicken Fest
- Performance Arcade
- NZ Fringe Festival
- Wellington Pickleball Cup
- Ed Sheeran concert
- Water Play in the Bay
- Black Sticks Women vs China and USA
- Bowlzilla
- New Zealand National Bowl Skating Championships
- Weta Workshop LOTR Costume Trail

March

- Pipes in the Park
- Newtown Festival
- Capital E's Children's Day
- St Patrick's Day Parade
- CubaDupa
- Park(ing) Day
- PRIDE Festival
- Dragon Boat Festival

- Homegrown
- NZ Futsal Secondary Schools Champs
- NZ Underwater Hockey InterZone Championships
- NZ Warriors vs Newcastle Knights
- All Whites vs China PR
- Dogs 'n' Togs
- Local Food Week
- Black Caps vs Sri Lanka test match
- NZ Gardens Trust Conference
- Ōtari Seminar Series
- Weetbix Tryathlon

April

- ANZAC Day Services
- NZ Futsal Super League Finals
- Armageddon Expo
- FIFA Unity Pitch
- Floorball Secondary School Competition

May

- Coronation tree planting
- UFBA National Combat Challenge
- Visa Wellington On a Plate events, Dine and Cocktails
- NZ Comedy Festival
- Eat Drink Play
- 2023 City Nature Challenge
- Botanic Garden Open Day
- Diving NZ North Island Championships
- Swimming NZ Division II Swim Meet

June

- Festival for the Future
- Loemis
- Wellington Marathon 2023
- NZ Art Show
- Eid al-Adha at Sky Stadium
- Jurassic World by Brickman
- Doc Edge Festival
- Artistic Swimming NZ North Island Championships
- NZ Canoe Polo National Grade C&D Finals

Section 4: Our performance in detail

In this section

This section is our Statement of Service Performance and describes in detail how we performed in each of the Council's seven strategic activity areas and our Council-controlled organisations (which are detailed on page X). Each activity area includes an overview of the activities from the year, and a summary of financial information and performance measures.

How to read this section

This year all local government entities have moved to providing a view on performance which meets the new reporting standards PBE FRS 48¹⁷. The purpose of the new standard is to provide readers of an organisation's main reporting documents with the information they need to fully understand performance. A full outline of how we monitor and report our performance is detailed in Appendix 2 from page X.

What's being reported?

This section of the report includes:

- **Overview of the year:** includes the summary of our financial and non-financial information.
- **Activity areas:** what we did and key projects from our work programme for the year.
- **Financial information:** capital expenditure and operational expenditure for each activity area.
- **Performance information:** includes detailed key information on our performance measures and targets.
 - We use a range of +/- 10 percent from target as this allows for fluctuations in performance across the year (e.g. seasonal changes). This is consistent with the reporting of other performance information during the year e.g. in Quarterly Reports.
 - All of the 95 KPIs this year have a reported result, which is either met or not met. Variance commentary is provided where a target has not been met and also where it is considered further detail would benefit the performance story.
 - Two KPIs relating to tenant occupancy rates and tenant satisfaction are being reported for the last time this year. This relates to the establishment of the Community Housing Provider – Te Toi Mahana Community Housing during the 2022–23 financial year.

¹⁷ The External Reporting Board (XRB) is an independent Crown entity whose purpose is to establish and maintain New Zealand's financial reporting strategy through the establishment of an accounting and assurance standards framework. PBE FRS 48 Service Performance Reporting standard applies to annual reports covering periods beginning on or after 1 January 2022 and is part of generally accepted accounting practice (GAAP).

1 Pārongo ā-tāone – Governance

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

Overview of the year

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

This year we developed and successfully adopted the 2023–24 Annual Plan (year three of the 2021 Long-term Plan), began the public engagement for the 2024–34 Long-term Plan, successfully planned the 2022 Local Body Elections, and produced the Pre-election Report, which was provided to candidates as background information and to help promote public discussion about the issues facing the Council.

Supporting business, community groups and residents to act was an important part of our climate change initiatives, which included advocacy for supportive central government policies. We also used our understanding of climate change to shape policies and programmes focused on a zero-carbon city, increased housing density and a low-carbon transport system.

Challenges

The main challenge in this area continued to be how we improve our community engagement to build trust and confidence in Council decision making and the relationship we have with our residents. This has been trending down in previous years.

Two performance measures for Governance showed improvements this year – those who think they have adequate opportunities to have their say in Council activities and the percentage of residents satisfied with the process by which Council makes decisions. However, the third performance measure, of satisfaction with decision making, is still very low at 17 percent against a target of 45 percent.

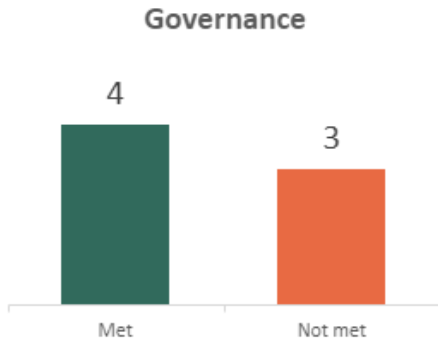
This challenge was the particular focus of the engagement plan for the 2024 Long-term Plan, which started six months earlier to include more community voice in the process. It is hoped that new processes will be learnt through the 18-month long engagement that can be applied to wider practices at Council to improve this area.

Performance Summary

This strategy area is responsible for delivering just over eight percent or seven of Council's performance measures.

Based on the Residents Monitoring Survey, only four of the seven measures in this area were met. Of the four measures which met the targets, two recorded an improvement in performance, and the other two had no change against the previous year. Of the three measures which did not meet the targets, all recorded an improvement against the previous year.

Key performance indicator results



Highlights

100%

Our two measures for ensuring meeting and committee agendas being publicly available and official information requests under the Local Government Official Information and Meetings Act both met their targets

Challenges

0 out of 4

None of our measures that record residents' satisfaction with decision making, community engagement, information accessibility and Council contact centre were met this year. We are working to identify how we can improve in this area to lift results in future years.

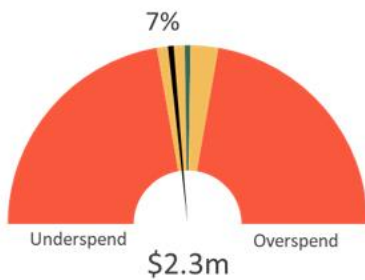
Financial summary

The operating expenditure result for Governance was favourable for the year due to lower than planned work programmes for Māori Initiatives and Climate Change Response. Vacancies across several areas also contributed to lower costs.

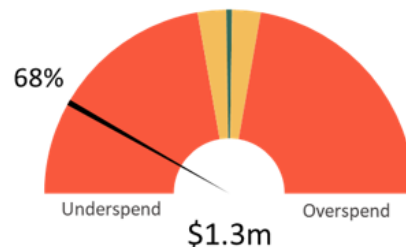
The capital expenditure tracked behind schedule due to delays in the Māori Initiatives and Climate Change Response work programmes. For example, delays in the conversion of our Council fleet to EVs and the installation of public EV charging stations.

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

Net operating expenditure



Capital expenditure



Pārongo ā-tāone – Governance activities

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

What we do:

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

In this area, we seek to be as transparent as possible to build public confidence in the way the Council operates. This means, clearly communicating the reasons for the things we do and encouraging public participation in the decision-making process. We prepare and run local body elections. We also provide insights, data and analysis to engage the city on the challenge of climate action, and support communities to plan for climate change impacts.¹⁸

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

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

Key projects or programmes

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

2022 Local Government Election

In October, a new Council was elected following the 2022 local elections, with a 45.41% voter turnout, the largest turnout increase in any non-rural Council and the fourth highest increase in New Zealand. The result was gained through the dedication of six different workstreams and the work of more than 10 per cent of Council staff.

More on the election is in the Spotlight at the end of this section, page X.

City Archives

A key focus for City Archives is to digitise all our holdings, which date back to 1842. We started the project in October 2020 to digitise key property records critical to supporting the Land Information Memorandum (LIM) process and the public Building Consent Search Service. This project has been extended to now finish in September 2024. In 2022/23, 7.5m pages were digitised. The total digitised to date is 13.7m pages, or 72 percent of the planned work.

As our digitisation project has progressed, we have shifted our focus more to protecting the taonga (treasure/precious items) we hold. A significant project has started to ensure all archives are packaged in the appropriate containers and that our collection management system (archivesonline.wcc.govt.nz) can be used to find every piece of the 10km of physical records we hold. In time, this will offer a better service to the city, both now and for generations to come.

Award-winning climate change engagement tool

We are building an interactive web-based engagement tool that will allow us to co-create how the city adapts to climate change with mana whenua, scientists, and residents. It combines Climate Change Adaptation Planning with our Digital City Model and will use gaming technology to provide hyper-realistic visualisations of Wellington's past, present and future, climate impacts and adaptation

¹⁸ Note that consideration of the city's carbon emissions and how they can be reduced doesn't sit in this activity alone. When we make decisions on transport, the landfill, and how and where the city grows, climate change impacts are considered. Te Atakura – First to Zero outlines how we will deliver on our emission reduction goals over time.

options. The tool will allow residents to share information and ideas with Council, which will permit critical and coordinated adaptation decisions to be made in line with community priorities.

In January 2022, this project was one of 15 winners of the prestigious Bloomberg Mayors Challenge, receiving USD\$1m prize money. It was chosen from more than 600 applicants from 99 countries. The relationship with Bloomberg Philanthropies was strengthened this year with a second prize (this time for Council's cycleways work), and the Mayor attended the Bloomberg Harvard City Leadership Initiative.

In April 2023, the Environment and Infrastructure Committee approved the Climate Adaptation Community Engagement Roadmap, which provided the context in which the tool will be used, and we successfully applied for Better Off Funding from the Department of Internal Affairs to undertake the first two phases of this Roadmap, to both increase our engagement with communities about climate change impacts, and support community groups to develop their own climate action plans.

Mana whenua and Māori

Last year was significant in the way the Council serves mana whenua and Māori. We embarked on a new partnership journey with Te Rangapū Ahikāroa, a new body of mana whenua partners representing Te Rūnanganui o Āti Awa ki te Upoko o te Ika a Māui, Taranaki Whānui ki te Upoko o te Ika and Te Rūnanga o Toa Rangatira. We also adopted Tūpiki Ora Māori Strategy with mana whenua and Māori across Te Whanganui-a-Tara. This is the first year of being accountable to those agreements.

Projects and initiatives delivered include:

- Approving the Tūpiki Ora Monitoring and Reporting Framework and producing the baseline report.
- Exhibiting with councils from across the region at a Careers Expo to engage rangatahi Māori about what councils do and the job opportunities. This was part of a wider programme to develop multiple entry points for rangatahi wanting to work for Council - from gardens and horticulture, sport and exercise, and tourism experiences, through to strategy and partnerships.
- Hosting a Long-term Plan engagement session with hāpori Māori in Eastern General Ward.
- Establishing a Pou Reo position to help us achieve our goal of being a bilingual city by 2040.
- Developed the Mahau reo Māori app alongside Ngāti Toa Rangatira and Taranaki Whānui. This is a free app to help residents and visitors to Wellington get started on their reo Māori journey, with a focus on Wellington destinations and place names. Mahau supports the revitalisation of the language and our goal of becoming a bilingual city by 2040.

Strategy, Policy and Research

An extensive programme of policy work was progressed during the year. This included the review and update of the Public Places Bylaw; introduction of a new Environment and Accessibility Performance Fund; reporting back on progress on the Children and Young Persons Strategy; adoption of a new Economic Wellbeing Strategy; and the completion of a new Open Space and Recreation Strategy.

In addition, work on the new Community Facilities Plan and an update to the Dog Policy, Animal Policy and Animal Bylaw are being progressed. Annual plan and quarterly reporting processes were conducted in accordance with legislative requirements and Council also made a range of submissions to central government on proposed legislative changes.

Long-term Plan 2024

The Council reviews the city's Long-term Plan every three years. This Plan sets the direction for the next 10 years, outlines priorities and costs, and identifies where the money might come from. The Council has begun the next review which will be adopted on 30 June 2024.

This time we are incorporating five phases of engagement to ensure the community's views are built into the Plan from the beginning. After each phase of engagement, Councillors will review the public's feedback and use it to make their decisions at each stage of building the Plan. They will make their final decision about what is or isn't included in the Plan in 2024.

The first engagement phase was in April and May 2023, when Council asked the public for feedback on the key priorities of the Plan through an online survey and in-person workshops. The details on both the outcome of this phase, and future opportunities to have a say, are available in the Long-term Plan hub - [wcc.nz/Long-term Plan-2024-34](https://wcc.nz/Long-term-Plan-2024-34)

Governance finances

How it was funded

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

Detailed information on funding is on pages 137–138 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
1.1 Governance, information and engagement						
Expenditure	23,747	27,055	25,873	27,360	(1,487)	Climate Change Response \$0.6m favourable due to work programme delivery not being at the level planned. Vacancies and lower contract costs resulted in favourable Smart Council expenditure \$0.4m
Revenue	(540)	(755)	(733)	(755)	22	
Net Expenditure	23,207	26,300	25,140	26,605	(1,465)	
1.2 Māori and mana whenua partnerships						
Expenditure	2,619	4,669	3,879	4,669	(790)	Favourable due to expenditure in the work programmes of Māori Initiatives not being at the level planned. Vacancies and reduced consulting and advice spend contributed to lower costs.
Revenue	0	0	(5)	0	(5)	
Net Expenditure	2,619	4,669	3,874	4,669	(795)	
1 Pārongo ā-tāone – Governance Total						
Expenditure	26,366	31,724	29,752	32,029	(2,277)	
Revenue	(540)	(755)	(738)	(755)	17	
Net Expenditure	25,826	30,969	29,014	31,274	(2,260)	

What it cost (capital expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
1.1 Governance, information and engagement expenditure						
Governance Total	1,188	1,789	625	1,950	(1,325)	Under budget through delays in both the EV Fleet Transformation and Public EV Charger programmes. Council proposes to carry forward the unspent budget.

Governance performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the Long-term Plan and its associated Annual Plans. The Council reports on an exception only basis, so where a KPI doesn't meet its performance target, a variance commentary is provided. To assist in telling our performance story, additional commentary may be provided even though a KPI may have met its target. Commentary is also provided for those KPIs which report a narrative rather than a numbers-based result.

Key to help understand our results: Met is within 10% of the target; and Not Met is >10% below target.

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
1. Mana Whakahaere Governance						
1.1 Mana Whakahaere, Pārongo me ngā mahi whai wāhi Governance, information, and engagement						
Service description: Facilitate democratic decision making to build trust and confidence in the Council.						
Facilitating democratic decision-making						
Meeting and committee agendas (%) made available to the public within statutory timeframes	100%	100%	Met	Note: The statutory timeframe is defined as at least two working days before every meeting as per the Local Government Official Information and Meetings Act 1987	100%	100%
Percentage of residents who have adequate opportunities to have their say in Council activities	37%	45%	Not met	While the decline seems to have slowed, it still suggests residents believe additional improvements are required. Council has made significant changes to the way we consult and engage with our community and look forward to the impact this has on our residents' perceptions in future reporting. For more detail visit the full Residents' Monitoring survey .	34%	37%
Percentage of residents satisfied with the process by which Council makes decisions	17%	45%	Not met	This year's result is an improvement on last year, however it is still low and there is continued opportunity for Council to improve the transparency of decision making. We have made improvements to the way residents are able to access Council decision-making activities and look forward to the impact this has on our residents' perceptions in future reporting. For more detail visit the full Residents' Monitoring survey .	12%	16%
Providing information and a point of contact						

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
Percentage of residents that can easily access Council information (via website, libraries, social media, newspapers etc)	49%	55%	Not met	The result this year is slightly above that of last year, suggesting the decline may have slowed. The Council has increased the channels we use to communicate with our residents and we look forward to further improvement in the performance of this KPI. For more detail visit the full Residents' Monitoring survey .	48%	52%
Contact Centre – Contacts responded to within target timeframes (all)	87%	90%	Met	Note: The target timeframes are defined as; <ul style="list-style-type: none"> % of calls handled answered within 240 seconds % of emails received responded to within 24 hours 	75%	new measure
Official information requests (%) handled within Local Government Official Information and Meetings Act legislative timeframe	95%	95%	Met	Note: The timeframe is defined as 10 working days.	92%	89%
1.2 Rangapū Māori/Mana Whenua Māori and mana whenua partnerships						
Service description: Develop, maintain and inspire meaningful relationships so that our partnerships with mana whenua, tangata whenua and Māori within our community are mana enhancing						
Customer focus						
Number of annual initiatives delivered that strengthen WCC relationships, presence, and intelligence so that Māori are engaged in Wellington's future	Achieved	Achieved	Achieved	This year a baseline report was completed to identify work underway in support of the Tūpiki Ora Māori Strategy and its Action Plan. A rich array of activity was identified consisting of a total of 83 projects and initiatives which supported Council progress toward the milestones described in the Action Plan including: <ul style="list-style-type: none"> 25 initiatives supporting the enhancement and promotion of te ao Māori; 24 initiatives helping lift the capability of Council mana whenua and Māori; 20 initiatives contributing to thriving and vibrant communities; 14 initiatives contributing to improving environmental outcomes. The collective change underway supports our commitment to the Tākai Here Mana Whenua Partnership Agreement	Achieved	new measure

Spotlight on: By the numbers – a successful election campaign

October 2022 marked the end of one triennium and the beginning of another as the 2022 local elections swept through Aotearoa New Zealand. For Wellington City Council, it was a banner year with a 10 per cent improvement on voter turn-out thanks in no small part to the efforts of the more than 180 Council kaimahi (staff) who worked on the campaign.

Local elections in New Zealand are decided by postal voting, which has made increasing voter turnout a challenge and meant we needed to think differently to deliver this good result for the city.

Accessibility was a key focus of the campaign, with general details about the election available in New Zealand sign language, audio, large print, and e-text formats. Candidate statements were available in multiple languages, large print, audio and braille files for the first time nationwide, with [Braille books](#) of candidate statements for the Council available at six public libraries and Blind Low Vision NZ.

For voter convenience, we provided giant, bright orange voting boxes at every Wellington supermarket, Council library and several other locations – and made sure they were all on a handy map so residents could vote when they shopped, walked the dog, got off the bus, or on the way to work. The aim of this campaign was to make it as easy as possible.

Wellington City Deputy Electoral Officer Jennifer Parker said it was a very busy campaign, and she was delighted with the community’s enthusiastic use of the orange ballot boxes.

“Participating in elections is a crucial function of our local democracy. We worked hard to ensure everyone could take part by making the process more accessible, engaging and user-friendly, and as such, allowed Wellingtonians to choose a good representative of them and their local community.

“We had a small army of staff who put in the hard mahi on this campaign – from Communications and Design, to Policy, IT, Democracy Services, and our Contact and Service Centres ... the list goes on. We mobilised all we could to make sure every vote counted.”

We organised a history-making inauguration at Pipitea Marae following the 2022 election. It was the first time the ceremony was held on a marae, with the inauguration of the first Māori mayor of Wellington, the first councillor in Te-Whanganui-a-Tara Māori ward, the first councillor from an African nation and the appointment of two mana whenua representatives from our Tākai Here partners.

The result

When you put together:

- 180 Council kaimahi
- 81 candidates across the Mayoralty, Council and community board elections
- 200 social media posts with a reach of more than 889,307 including 202,835 TikTok views
- 32 public engagements (presentations in local high schools, stalls at university club and market days, activations with City Housing, pop ups at the Sunday market and Ōtari-Wilton’s Bush etc)
- 25 stakeholder engagements
- 22 news and media stories

- 651 radio ads
- 7 billboard locations
- 188 billstickers
- 54 ballot box locations
- 6 voting stations electronically commissioned with display units and printers

You get:

- 45.41 percent voter turn-out (69,421 votes plus 3,621 special votes)
- 160,449 voting papers delivered
- 9,711 votes on the final day

2 Te Taiao me te hanganga – Environment & infrastructure

This chapter explains what we did and how we performed in our Te Taiao me te hanganga – Environment and infrastructure portfolio of activities.

Overview of the year

This area covers an extensive range of Council services, and includes everything from open spaces, waste reduction and energy conservation to water, wastewater and stormwater. Our conservation attractions Wellington Zoo and ZEALANDIA - Te Māra a Tāne, are also part of this portfolio.

This year, our funding of community programmes to eliminate introduced pests in our city reached a significant milestone. Capital Kiwi was able to re-introduce kiwi to the hills of Wellington near Mākara. This was possible after the establishment of 4,500 traps to eliminate pests across 23,000 hectares. This, and other measures, has led to an increased count of native birds and tree wētā.

We had a big win with our plan to reduce carbon emissions with a material decrease at the Southern Landfill. This meant an overall decrease in the city’s emissions for the year. After supply chain issues in 2022, we were able to begin the installation of public EV chargers across the city.

In addition, we welcomed snow leopards to Wellington Zoo and began the Tanglewood House upgrade at ZEALANDIA.

Challenges

The challenges outlined on page X have had a significant effect in this area – namely rising costs, climate change impacts and fixing our ageing infrastructure.

We increased the level of investment in our three waters network through the 2021–31 Long-term Plan to begin to address the issues in our water network. Since then, there were further challenges with the rising cost of materials and labour, interruption in the supply chain, and general capacity and capability limitations in the sector that limited how much progress we could make. This led to an increase in funding for Wellington Water this year in the Annual Plan.

While Wellington produces few emissions compared with other major cities in New Zealand and Australia, we need to do more to achieve our target of being a net zero emission city by 2050 as set out in Te Atakura – First to Zero, our blueprint for becoming a zero carbon capital. The Council is committed to being more sustainable and we have achieved good results this year. However, weather events across the country showed how vulnerable cities are to the impacts of climate change.

Performance summary

This strategy area is responsible for delivering about 37 percent, or 36, of Council’s performance measures, including all of the Wellington Water Ltd (WWL) measures. Wellington Water Ltd is responsible for the delivery of water services that are represented by 25 KPIs in this activity area.

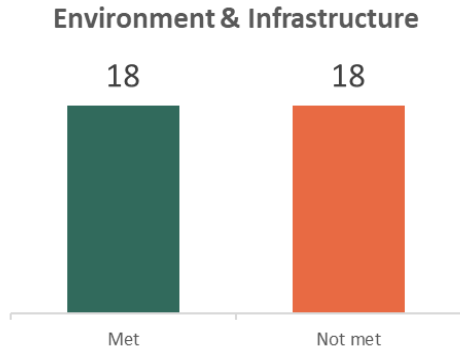
Key performance indicator results

Highlights

4 out of 4

measures relating to enhancing and managing our natural environment and the cost to

Key performance indicator results



Highlights

ratepayer for visits to the Botanic Gardens and Ōtari-Wilton’s Bush were met.

Challenges

0 out of 3

measures for recycling and waste collection and waste diverted from landfill were met due to COVID-19 interruptions to services.

Wellington Water Ltd (WWL) continues to struggle with the service demands of ageing infrastructure and this is again reflected in its performance. Of the 11 water KPIs which met the targets, seven of these had improved performance over last year’s result, three KPIs had reduced performance and one KPI had no change in relation to last year’s result. Of the 14 KPIs which didn’t meet the targets, five had improved performance, and nine had reduced performance in relation to the last year’s result.

Overall this means that WWL improved its performance in nearly half (48%) of its KPIs this year.

The Council-controlled organisations that support our natural environment (Wellington Zoo and ZEALANDIA) are responsible for delivering against the KPIs in its Statement of Intent. ZEALANDIA met all of its 10 KPIs, likewise the Wellington Zoo also had a strong result with all of its eight KPIs being met.

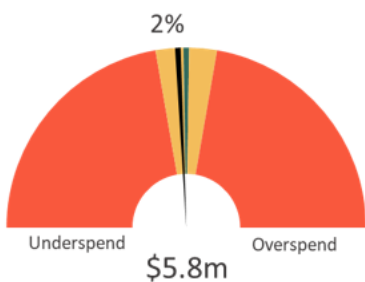
For the full set of outcomes, key performance indicators and variance explanations, please see pages 61–68.

Financial summary

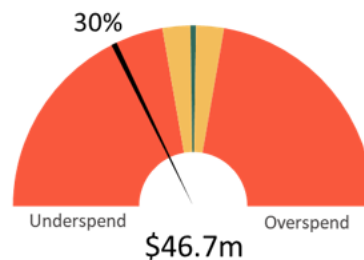
The net operating expenditure result for Environment and Infrastructure was favourable. Revenue favourable to budget, due to increased landfill fees \$5.0m and vested assets revenue \$2.3m. Expenses were unfavourable, with the landfill expenses in line with higher revenue and offset by emissions factors decreasing, meaning a reduced cost to the budget. Depreciation was unfavourable to budget by \$6.8m due to the impact of the 2021/22 asset revaluation increases in Three Waters. For more details on the Environment and Infrastructure budget and variance explanations, see page 59-61.

In capital expenditure the Sludge Minimisation Project was underspent by \$46.7m due to delays in contract signing.

Net operating expenditure



Capital expenditure



Te Taiao me te hanganga – Environment & infrastructure activities

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

What we do:

2.1 Gardens, beaches and green open spaces

In this area we seek to manage and restore our natural areas. This includes providing quality accessible green open spaces, maintaining and managing walking and biking tracks, ensuring the Wellington Gardens are cared for, and enhancing Wellington's biodiversity, including supporting extensive trapping through Predator Free Wellington.

2.2 Waste reduction and energy conservation

In this area we aim to reduce our impact on the environment by minimising and managing the disposal of waste, by making more efficient use of existing resources, measuring and reducing our carbon footprint, and by shifting toward renewable energy resources.

Note: Our performance measure on greenhouse gas emissions received a modified audit opinion. For detailed information on our greenhouse gas emissions, see our KPI measure on pages 62-63 and the Appendix on page xxx.

2.3 Water, 2.4 Wastewater & 2.5 Stormwater

In these three areas the regionally owned Council-controlled organisation Wellington Water Limited (WWL) is responsible for the provision, management and quality of clean, safe drinking water and efficient wastewater and stormwater services. This organisation is profiled on page 131 in the Council-controlled organisations section, including details of its board and governance structure.

Note: Three performance measure in the waters activity areas received a modified audit opinion. They all relate to customer complaints. See pages 63, 65, 66 and 68 for details.

2.6 Conservation attractions

The activities in this area are managed by two Council-controlled organisations – Wellington Zoo Trust and Karori Sanctuary Trust, which trades as ZEALANDIA. These organisations are profiled on pages 129 and 132 in the Council-controlled organisations section, including details of their board and governance structures.

Key projects or programmes

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

Ōtari-Wilton's Bush

New automatic doors were installed at the Ōtari Visitor Centre Whakapiripiri, and design work was completed on the entry walkway, with construction work planned for 2023/24. Work began to repair the slip on the service drive, which has prevented access to the service area of Ōtari. In addition, planning and applications for consents got underway for the rehabilitation of the Kaiwharawhara Stream, and for the track repairs and revegetation needed after the large slip that came down in Wilton Park in 2022.

The Ōtari horticulture and Lions-Ōtari Plant Conservation Laboratory staff continue to support threatened species collection, and propagation of local, regional and nationally threatened plant species. This is assisted by grants from private foundations, Lotteries, and the Department of

Conservation. We installed an emergency generator for the laboratory to keep the growing chambers and germplasm freezers operating in the event of a power outage.

Wharf upgrades

We continued our programme of restoration and renewal of coastal assets, which began in 2020/21. The upgrade of Seatoun Wharf, Karaka Bay Jetty and the partial removal of Patent Slipway Jetty were completed this year. Planning work to restore the Flying Boat Jetty at Cog Park is well underway and consented. This is programmed for restoration in 2024/25 and will be followed by further renewal work on other marine structures (jetties and ramps) in Evans Bay.

Impact of wet weather in parks and open space

We faced challenges throughout the year with the wet winter causing several slips across the parks estate, including the large slip in Wilton Park which fell into Ōtari, destroying part of the native bush, and washing tracks into the stream. It also meant the permanent closure of the sportsfield. With the rain continuing into summer, it remained challenging for staff to manage rampant grass and weed growth and to meet our service levels.

Council carbon reduction programme

One of the goals of our climate action plan *Te Atakura – First to Zero* is for Council to lead by example and reduce its greenhouse gas emissions.

Emissions are classified under three scopes.

- Scope 1 and 2 emissions include direct combustion of fuels (petrol and diesel purchases), natural gas use, refrigerants, purchased electricity and the emissions from the city wastewater and landfill managed by the Council.
- Scope 3 emissions encompass our broader value chain (purchased goods and services, external waste services, travel, and our investments) and includes emissions caused by others in undertaking services for us, and from customers or service recipients using goods and services that we provide.

Council's emissions are primarily from our ownership of the Southern Landfill (Scope 1 emissions as the waste in the landfill releases methane as it breaks down), and the Scope 3 emissions of our construction activities (building and maintaining water and transport infrastructure).

In the 2020/21 reporting year, the Council significantly changed the approach to reporting our greenhouse gas emissions. We made the decision to change how we define our organisational boundary and to report the full Scope 3 value chain of our Council activities – the full progress of any product or service from creation to completion.

The result for this financial year is reported in the KPI tables at the end of this chapter, on page XX. It shows a significant reduction, in large part thanks to methane capture improvements at the landfill. We are also making good progress in electrifying our fleet of vehicles, with 88% of Council's passenger vehicles now electric or plug-in hybrid.

The emissions result for Scope 3 has received a qualified audit opinion this year. This is because quantifying Scope 3 emissions involves higher levels of estimation, and we are unable to provide evidence of the reasonableness of some of the assumptions used in our estimations. More detailed information on our greenhouse gas emissions is available in the Appendix on page 151.

Zero Waste strategy

The Zero Waste Strategy was approved in late April. Zero waste is an ambitious target for Wellington. It signals a significant shift in how we as a city think about waste, the services and infrastructure we provide, and how businesses, residents and the Council can contribute to making a difference for our city's environmental, societal, and economic future. Collective responsibility and action is critical to deliver this strategy's objectives. We are now in the process of writing business cases for the key parts of the strategy and gaining mana whenua input. We also provided input into the draft Wellington Region Waste Management and Minimisation Plan which was consulted on in August 2023.

Southern Landfill extension

The consent for the current Southern Landfill runs out in 2026, and despite waste minimisation initiatives, the landfill is likely to be full by that time. After public consultation, it was decided that a new landfill will be constructed on top of the existing landfill, providing space for about 15–20 years of residual waste disposal, based on the current volumes.

The business case for the new landfill was approved in April. In the coming year Council will seek resource consent for the landfill from Greater Wellington Regional Council, with a decision expected in early 2024.

Moa Point Sludge Minimisation Facility

Work has started on the Sludge Minimisation Facility, which is the next important piece of infrastructure for Wellington. Sludge is a by-product of wastewater treatment, and is currently piped to the Southern Landfill where it is semi-dried then mixed with household waste and disposed of in the landfill. In December 2022, Council approved construction of the project which is being funded through the Infrastructure Funding and Finance Act 2020.

Work at the site will begin in 2023/24 and the facility is expected to be operational in 2026.

The new facility will use thermal hydrolysis and digestion, then a thermal dryer, to process sludge into a safe, non-odorous and stable product that is suitable for various re-use opportunities. It will reduce the amount of treated sludge produced by up to 80 percent, or the equivalent of 11 full Olympic-sized swimming pools per year. It's a critical part of our goal of reducing waste to landfill and becoming a zero-carbon capital by 2050. For more information visit wellington.govt.nz/sludge

Three Waters work programme

In the 2021–31 Long-term Plan we increased the level of investment in our three waters network to begin to address the issues with it. This was mainly about looking after existing infrastructure and completing targeted growth investments. The 2022/23 year was year two of this programme.

CBD Wastewater Pump Station and Rising Main Projects

The Wellington CBD's wastewater pumping stations and rising mains upgrade programme is a multi-year project to renew, upgrade and reconfigure a significant proportion of the Wellington CBD wastewater pressured pipe network and associated pump stations. This will increase capacity and resilience in the local network, minimise the risk of pipe failures, improve network redundancy, and help protect Te Whanganui-a-Tara from risk of wastewater overflows.

Works are underway on the Taranaki Street Pump Station project, with key ground works and structures milestones met. The start of Taranaki Street's rising main project was contracted with construction deferred to August 2023 due to the FIFA Women's World Cup. The first stage of the renewal in Victoria Street was also completed to support the seismic upgrade of Te Matapihi – Central Library, and in Wakefield Street a new pressured main was laid ahead of the opening of Tākina – Wellington Convention and Exhibition Centre. Both of these projects will be completed in the coming years.

Omāroro Reservoir

The new 35-million-litre Omāroro Reservoir project in Prince of Wales Park, Mount Cook was completed in December 2022. The reservoir is providing a significant increase in water storage for Wellington city. If pipes are disrupted, the reservoir will be able to supply 48 hours' worth of water to the CBD.

Work to backfill and landscape the site has started, using material excavated in the early stages of the project. The reservoir will be completely buried, and over five years restoration and maintenance will result in upgraded playing fields, and extensive native plantings will help restore biodiversity.

Leak management

The shortage of resources available to fix the leaks meant the Council committed a further \$2m towards Wellington Water's operations budget for additional resources to reduce the leak backlog. This year WWL fixed 3,254 leaks in the financial year, with a back log of nearly 1,500 leaks at the end of the year.

Compliance and maintenance

- **Drinking Water Fluoridation:** Wellington Water Ltd resumed fluoridation at all Metropolitan Water Treatment Plants during the first half of the financial year, after it was turned off at the Te Mārua and Gear Island Water Treatment Plants in 2021 due to health and safety issues. All treatment plants are currently fluoridating within the Ministry of Health guidelines and Wellington Water has maintained its commitment to be transparent when fluoridation has been temporarily paused or stopped.
- **Notifying incidents and overflows:** This year, WWL received three infringement notices from Greater Wellington Regional Council (GWRC), in its role as the environmental regulator, for letting sediment-laden water into the environment. The three infringement notices were received for two incidents where crews were repairing burst water pipes and water entered the stormwater drains and flowed into Tyers Stream and Chaffers Marina.
- **Moa Point wastewater clarifier:** Wellington Water replaced one of three wastewater clarifiers at the Moa Point wastewater treatment plant after a bearing in the drive assembly failed. There were significant delays to the repair because of international shipping and supply issues. This meant there were 18 discharges out to sea through the 1.8km long ocean outfall at Moa Point, with an additional discharge of partially treated wastewater due to a mechanical failure in the UV treatment system. Two infringement notices were received by Wellington City Council and WWL relating to these discharges. The clarifier returned to service in April 2023.
- **New water standards:** This year saw significant changes to the rules that govern how the safety of drinking water is measured and reported on, as Taumata Arowai (the new national regulator for water services) replaced the previous standards with new, more rigorous standards. These standards came into effect on 15 November 2022. Wellington Water Ltd has delivered safe drinking water, however, there were technical non-compliances with the old regulations (1 July 2022 – 14 November 2022). Details on performance is outlined on page xx.
- **Error in response times:** Wellington Water has corrected an error in applying the DIA guidance to the methodology used to measure the attendance and resolution times for water supply and wastewater. These changes relate to excluding records that were previously included, the most significant of which was the inclusion of duplicate records (where multiple people reported the same incident). Due to the treatment of this data, duplicate records were closed before jobs were completed, impacting the results. Wellington Water has also now removed additional jobs that were not strictly in line with the performance measure guidelines. The re-stated results include responses to call outs where there was no fault. The restated KPI results are in the tables at the end of this chapter on page X.

Wellington Zoo

This year Wellington Zoo had the highest visitation ever in the 117 years history of the Zoo. It welcomed 261,943 visitors for the year, with the highest ever April visitor numbers – the month the new Snow Leopards habitat opened. Our community, as well as people from further afield, were very excited about the Snow Leopards – with a reach of more than 250 million people through media in the first week after their arrival. This project was funded in part by the Council, and Wellington Zoo fundraised more than \$2m towards the costs.

The Zoo has a Master Plan for the next 20 years, which will set the agenda for the next growth period based on our kaupapa of Me Tiaki, Kia Ora! This is an exciting project for the Zoo and covers animal habitats, visitor experience, conservation initiatives, te ao Māori integration and environmental

sustainability. The 2023 calendar year is a milestone for the Trust as it is twenty years since Wellington Zoo became a charitable trust and a Council-controlled organisation.

ZEALANDIA – Te Māra a Tāne

The Council supports ZEALANDIA to create transformational change for nature and people across Wellington through the provision of funding and through operational partnerships. Council support ensures Zealandia remains resilient, and as a result the city has incredible birdlife unlike any other city in New Zealand.

ZEALANDIA has had a significant focus on freshwater over recent years, and most recently spearheaded the reintroduction of a native fish (common bully or toitoi) into the waterways within the Sanctuary. There have been very few fish translocation projects ever attempted in New Zealand, so this work is leading in its efforts to restore native wildlife. The efforts to restore freshwater extend beyond the fence through Zealandia's Sanctuary to Sea Kia Mouriora te Kaiwharawhara project. This collaborative community partnership project has a 100-year goal to restore the mauri, or life force, of the catchment. Key leaders of this project include mana whenua, the Council, Greater Wellington Regional Council, CentrePort, Department of Conservation, and local businesses.

Council support for the construction of Tanglewood House is also helping ensure Zealandia is well equipped for a high-impact future. This purpose-built facility for staff, researchers and volunteers will enhance collaboration across sectors. Despite the impacts of COVID-19 on the building industry, and on construction and consents processes, the build is up and running and is scheduled to be completed by the end of the 2023/24 financial year.

Environment & infrastructure finances

How it was funded

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

Detailed information on funding is on page 139-144 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
2.1 Gardens, Beaches and Open Spaces						
Expenditure	47,070	53,795	55,868	54,357	1,511	Depreciation \$1.5m and interest \$1.4m unfavourable to budget. Contract spend \$1.5m favourable to budget (mainly Street Cleaning and Town Belt Reserves Management contract favourable).
Revenue	(7,184)	(3,206)	(5,283)	(3,206)	(2,077)	Parks, sports and recreation Vested Assets revenue.
Net Expenditure	39,886	50,589	50,585	51,151	(566)	
2.2 Waste reduction and energy conservation						
Expenditure	29,649	28,705	29,079	28,710	369	
Revenue	(30,906)	(27,561)	(37,590)	(27,560)	(10,030)	Increase in Landfill revenues mainly due to increased fees.
Net Expenditure	(1,257)	1,144	(8,511)	1,150	(9,661)	
2.3 Water network						
Expenditure	59,812	74,755	70,798	75,724	(4,926)	Depreciation \$7.6m favourable offset by unfavourable WWL contracted spend and higher insurance charges.
Revenue	(4,863)	(47)	(997)	(47)	(950)	Vested Asset revenue.
Net Expenditure	54,949	74,708	69,801	75,677	(5,876)	
2.4 Wastewater						
Expenditure	62,289	75,605	86,405	78,329	8,076	Depreciation \$4.9m unfavourable, WWL contracted spend and higher insurance charges.
Revenue	(80,877)	(863)	(2,015)	(863)	(1,152)	Vested Asset revenue.
Net Expenditure	(18,588)	74,742	84,390	77,466	6,924	
2.5 Stormwater						
Expenditure	26,963	35,258	37,851	35,099	2,752	Depreciation \$2.4m & Insurance charges unfavourable
Revenue	(4,835)	(196)	(274)	(196)	(78)	Vested Asset revenue.
Net Expenditure	22,128	35,062	37,577	34,903	2,674	

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
2.6 Conservation attractions						
Expenditure	7,830	7,756	8,503	7,756	747	Increase in Zoo grant, depreciation and Interest unfavourable to budget.
Revenue	0	0	0	0	0	
Net Expenditure	7,830	7,756	8,503	7,756	747	
Environment Total						
Expenditure	233,613	275,874	288,504	279,975	8,529	
Revenue	(128,665)	(31,873)	(46,159)	(31,872)	(14,287)	
Net Expenditure	104,948	244,001	242,345	248,103	(5,758)	

What it cost (capital expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
2.1 Gardens, beaches, green open spaces	6,822	6,550	7,844	12,498	(4,654)	Under budget due to timing around the purchase of land - specifically the Frederick Street Park.
2.2 Waste reduction, energy conservation	1,019	4,351	2,960	4,361	(1,401)	Under budget due to delayed spending on the Southern Landfill Extension Project, expenditure to rollover into 23/24 financial year.
2.3 Water Network	35,531	25,817	29,607	23,379	6,228	The water network was overspent by \$6.2m. WWL has control of where it spends its budget and current year spend was different to the annual plan. This was offset by reduced spend in stormwater management.
2.4 Wastewater	28,156	54,052	56,609	100,925	(44,316)	Sludge Minimisation project \$46.7m behind schedule mainly due to delays in signing contracts. Spend to rollover into 2023/24 year.
2.5 Stormwater management	5,122	7,745	5,301	10,210	(4,909)	Stormwater management was underspent by \$4.9m. WWL has control of where it spends its budget and current year spend was different to the annual plan. This was offset by increased spend in wastewater and stormwater management.
2.6 Conservation visitor attractions	3,058	2,246	5,053	2,695	2,358	Zoo upgrade was co-funded by the Zoo through fundraising which represented \$2.5m of the total cost.
Environment Total	79,708	100,762	107,374	154,068	(46,694)	

Environment & infrastructure performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the Long-term Plan and its associated Annual Plans. The Council reports on an exception only basis, so where a KPI doesn't meet its performance target, a variance commentary is provided. To assist in telling our performance story, additional commentary may be provided even though a KPI may have met its target. Commentary is also provided for those KPIs which report a narrative rather than a numbers-based result.

Key to help understand our results: Met is within 10% of the target; and Not Met is >10% below target.

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
2. Taiao Environment						
2.1 Ngā māra, tātahi, whenua pārae, ngahere Gardens, beaches and green open spaces						
Service description: Provide access to green open spaces and enhance biodiversity to improve the quality of our natural environment						
Utilisation						
Residents (%) satisfied with the quality and maintenance of green open spaces (local parks and reserves, playgrounds, botanic gardens, beaches and coastal areas, walkways and trails, waterfront, forested areas and green belts)	71%	90%	Not met	Overall satisfaction has continued on a downward trend from 2019 with the range across green and open spaces (beaches and coastal areas; local parks and reserves; forested areas; botanic gardens including Ōtari-Wilton's Bush; walkways and trails; and the waterfront) sitting between 65% and 86%. The exception is streams increasing satisfaction with our streams, from 49% in 2022 to 56% this year. For more detail visit the full Residents' Monitoring survey .	76%	78%
Affordability						
Cost (\$) to the ratepayer per visitor to the Wellington Botanic Gardens and Ōtari-Wilton's Bush	\$4.70	\$7.00	Met		\$6.73	\$4.33
Protect and enhance our biodiversity						
Plant 3 million native plants by December 2030	2,209,577	2,213,000	Met		2,096,548	1,994,549
Hectares of high-value biodiversity sites covered by coordinated pest management	367.1	371	Met	Note: High-value biodiversity sites are defined as WCC reserves or open space which can have a lot of different species or ecosystem diversity, including plants and animals, a variety of ecosystem types and associated biological communities or habitats.	339	399
2.2 Tiaki pūngao, whakahere para Waste reduction and energy conservation						
Service description: Reduce our impact on the environment by minimising and managing the disposal of waste and by reducing our carbon footprint						
Waste minimisation activities						

Performance measures		2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
Volume of waste diverted from landfill		16,719	20,000	Not met	We are reviewing the waste system to better reflect the volumes being diverted. This includes incorporating the CBD recycling and a point -of-sale replacement for better diversion data from the Tip Shop. We expect to see a more accurate picture of waste diversion in next year's result	17,179	18,024
Residents (%) satisfied with kerbside recycling service		73%	85%	Not met	This year's result, while below target, sits within a range in the mid-70 percentile (72–76%) recorded since a low of 65% in 2019. This suggests residents' satisfaction is high and steady. Work was begun in this financial year to review the Council recycling service. For more detail visit the full Residents' Monitoring survey .	72%	76%
Users (%) satisfied with waste collection service		78%	90%	Not met	While not meeting the target, the result this year is an improvement on last year and is maintaining a higher 70 percentile rate of satisfaction. This suggests satisfaction is steady and high over time. For more detail visit the full Residents' Monitoring survey .	76%	79%
Greenhouse gas emissions reduction							
WCC Group greenhouse gas emissions (tCO ₂ -e decreasing)	Scope 1	48,978	Achieve 2050 target of net zero	Met	Note: 2020/21 and 2021/22 emission results have been restated to account for two changes in calculation methodology. <ul style="list-style-type: none"> Landfill emissions were using one emissions factor for the financial year, whereas these emissions factors change by calendar year. We updated the emissions factors from Motu for GHG per dollar spent to account for inflation. These changes are material, and enable more accurate comparisons between those years and FY23. In measuring our Scope 3 greenhouse gas emissions we have needed to rely on modelling and assumptions for some activities. Some of these models and assumptions have certain limitations. As a result, there could be significant differences between actual emissions and those measured. For more detailed information on our greenhouse gas emissions measure see the Appendix on page xxx which includes details of the limitations of this area.	58,330	87,882
	Scope 2	2,072				3,058	3,421
	Scope 3	47,742				54,276	54,528
	Total	98,791				115,664	145,831

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
<p>Qualified measure: A full carbon footprint accounts for emissions from Wellington City Council's complete value chain – the emissions caused by the full progress of any product or service from creation to completion. For several material scope 3 emission sources, due to current limited data, we have relied on emission factors estimated based on 2015 data. We are unable to provide sufficient evidence that these factors remain appropriate in 2022/23. For more detailed information on our greenhouse gas emissions measure see the Appendix on page xxx.</p> <p>Proposed remedial action: The Council will continue to work to further refine our models and assumptions as the industry allows. As the science evolves in this area the ability to measure greenhouse gas emissions more accurately will become available.</p> <p>Inherent uncertainty: There is a level of inherent uncertainty in reporting greenhouse gas emissions, due to the inherent scientific uncertainty in measuring emissions factors, as well as estimation uncertainty in the measurement of activity quantity data. For more detailed information see the Appendix on page X.</p>						
Climate insights and engagement						
Progress on achievement of Te Atakura implementation plan	Achieved	Achieved	Achieved	The progress update for Te Atakura implementation is based on the status of activities identified in the 2023 Te Atakura update document. A total of 42 activities were listed, and 34 of these were either underway, ongoing or completed in the 2022/23 year. Four were in scoping, or more research & development is required and three are on hold, delayed or awaiting funding. A further single activity has been absorbed into another different activity. Overall, Council is pleased with progress being made on this key strategy.	Achieved	New measure
2.3 Waimāori Water supply						
Service description: Increase the security of potable and stored water						
Clean and Safe						
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 4 bacterial compliance criteria)*	Non compliant	Compliant	Not met	Variance explanation outlined below.	100%	100%
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 5 protozoal compliance criteria)*	Non-compliant	Compliant	Not met	Variance explanation outlined below.	100%	100%
<p>Non-compliance with old standards: There was a period when Wellington Water Limited (WWL) could not demonstrate that certain sensors at the Te Marua Treatment Plant were recalibrated or replaced within a 12-month period, meaning WWL was non-compliant with the regulations (The Drinking Water Standards in effect up until 15 November 2022). When the sensors were recalibrated, it confirmed they were reading accurately, and the water was always safe to drink.</p> <p>Non-compliance with new standards: The new rules introduced by Taumata Arowai, the national regulator for water services, replaced the water quality standards from 15 November 2022. There was a technical non-compliance with the new protozoal rules on 12 January 2023 at the Wainuiomata Water Treatment Plant that supplies water to both Wainuiomata in Lower Hutt and parts of Wellington City. The new rules focus on ensuring that water passing through the treatment plant does not exceed a certain level of turbidity (cloudy water that is used as an indicator for the presence of bugs that could cause public health risk) for more than 72 minutes per day. On this occasion, as WWL was still in the process of adjusting operations to meet the new rules, the allowable level of turbidity was exceeded for a total of 18 minutes that day. However further investigations and monitoring showed that at no point was this water unsafe to drink.</p>						
Meeting customer expectations						

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
Number of complaints about the drinking water's clarity, taste, odour, pressure or flow, continuity of supply, and supplier responsiveness, expressed per 1000 connections* ¹	18.7	<20 per 1000	Met	The network is ageing, and the associated fault volumes are increasing. Wellington Water is battling with ageing pipes that are prone to bursts or in need of repairs. This situation increases the volume of complaints.	16.8	14.2
<p>Qualified measure: The number of customer complaints for each of the three-water services were unable to be accurately reported. A complete record of all complaints was not available. Consequently, WWL's auditor were unable to gain sufficient comfort over the completeness of complaints for the year. This measure was also qualified last year.</p> <p>Proposed remedial action: The Council manages its customer complaints system (both in business hours and after hours). Wellington Water will ask customers to make their complaints directly to the Council so that all complaints are recorded in the Council's system. This ensures there is one source of truth. Since 2019/20, the Council and WWL have participated in a DIA-led review to update the reporting rules for all DIA mandate measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. Any changes in this area is awaiting the outcome of Central Government three waters reform.</p>						
Continuity of water supply and resolution of faults						
Water supply interruptions (measured as customer hours)	0.4hours	<2 hours	Met		0.7 hours	0.85 hours
Median response time for attendance for urgent call outs* (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	132 minutes	≤60 minutes	Not met	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. Wellington Water continues to manage this by prioritising the highest risks and the available resources accordingly, which has an impact on the response times. Correction of misstated results for the 2021/22 financial year is made by showing the previously reported result and the restated result and the times for the 2020/21 have been excluded as these results cannot be confirmed. An explanation of the prior year errors is on page X.	66 minutes (reported) 114 minutes (restated)	Not available
Median response time for resolution for urgent call outs* (b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	13.4 hours	≤4 hours	Not met	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. Wellington Water continues to manage this by prioritising the highest risks and the available resources accordingly, which has an impact on the response times. Correction of misstated results for the 2021/22 financial year is made by showing the previously reported result and the restated result and the times for the 2020/21 have been excluded as these results cannot be confirmed. An explanation of the prior year errors is on page X.	1.8 hours (reported) 17.4 hours (restated)	Not available
Median response time for attendance for non-urgent call outs* (c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	654 hours	≤36 hours	Not met	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. Wellington Water continues to manage this by prioritising the highest risks and the available resources accordingly, which has an impact on the response times. Correction of misstated results for the 2021/22 financial year is made by showing the previously reported result and the	66.8 hours (reported) 334 hours (restated)	Not available

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
				repeated result and the times for the 2020/21 have been excluded as these results cannot be confirmed. An explanation of the prior year errors is on page X.		
Median response time for resolution for non-urgent call outs* (d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	40 days	≤5 days	Note met	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. Wellington Water continues to manage this by prioritising the highest risks and the available resources accordingly, which has an impact on the response times. Correction of misstated results for the 2021/22 financial year is made by showing the previously reported result and the restated result and the times for the 2020/21 have been excluded as these results cannot be confirmed. An explanation of the prior year errors is on page X.	3.1 days (reported) 22 days (restated)	Not available
Efficiency and sustainability						
The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). Calculated as a regional mean value ²	31%	<17%	Not met	It remains challenging to provide accurate water loss figures for the Wellington metropolitan region as residential water use is not universally metered. However, WWL has access to maturing data from 16 Small Area Monitors and 156 District Area Meters across metropolitan Wellington that measure residential night and day water use. This data tells us that the level of water lost through leaks continues to rise due to aging infrastructure and a growing backlog of work to repair and replace this infrastructure. This year WWL have improved their methodology so they can estimate water loss with more certainty. In using this improved methodology, the estimates show that water loss has increased from 26% to 31% in Wellington City.	26%	16%
Average drinking water consumption resident/day* The average consumption of drinking water per day per resident within the territorial authority district	402 litres	<365 litres	Not met	Per capita consumption across all councils in the metropolitan area has continued to increase primarily due to leakage, but also in part due to high residential use compared to other cities in New Zealand. Wellington Water continues to promote increased investment in water loss activities and network renewals to bring down water loss to more sustainable levels. This is in addition to investment in universal smart metering and additional source capacity work in the near future to better manage the increasing supply/demand balance risk.	389.5 litres	380 litres
* Department of Internal Affairs mandatory measure						
2.4 Waipara Wastewater						
Service description: Provide safe and sanitary removal of wastewater						
Compliance and sustainability						

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
Dry weather wastewater overflows, expressed per 1000 connections* The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system	5.5	0	Not met	Zero overflows continues to be unachievable, given resources and the condition of the network.	6.16	11.70
Compliance with the resource consents for discharge from the sewerage system, measured by the number of: a) abatement notices, b) infringement notices, c) enforcement orders and d) convictions received by the territorial authority in relation to those resource consents*	2	Nil	Not met	Two infringement notices were received by Wellington City Council and Wellington Water this year relating to non-compliant wastewater discharges from the Moa Point Wastewater Treatment Plant during the period when a clarifier was being repaired.	3 notices: 1 infringement, 2 abatements	1 infringement
Meeting customer expectations						
The total number of complaints received by the territorial authority about any of the following: sewage odour, sewerage system faults, sewerage system blockages, and the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system * 1	22.8	<30 per 1000	Met	The network is ageing, and the associated fault volumes are increasing. Wellington Water is contending with ageing pipes that are prone to bursts or in need of repairs. This situation increases the volume of complaints.	24.3	21.2
<p>Qualified measure: The number of customer complaints for each of the three-water services were unable to be accurately reported. A complete record of all complaints was not available. Consequently, WWL's auditor were unable to gain sufficient comfort over the completeness of complaints for the year. This measure was also qualified last year.</p> <p>Proposed remedial action: The Council manages its customer complaints system (both in business hours and after hours). Wellington Water will ask customers to make their complaints directly to the Council so that all complaints are recorded in the Council's system. This ensures there is one source of truth. Since 2019/20, the Council and WWL have participated in a DIA-led review to update the reporting rules for all DIA mandate measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. Any changes in this area is awaiting the outcome of Central Government three waters reform.</p>						
Continuity of service and resolution of faults						
Median response time for wastewater overflows* (attendance time) Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) attendance time: from the time that the territorial authority receives notification to	85 Minutes	≤60 minutes	Not met	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. Wellington Water continues to manage this by prioritising the highest risks and the available resources accordingly, which has an impact on the response times. Correction of misstated results for the 2021/22 financial year is made by showing the previously reported result and the restated result and the times for the 2020/21 have been	162 minutes (reported) 100 minutes (restated)	Not available

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
the time that service personnel reach the site				excluded as these results cannot be confirmed. An explanation of the prior year errors is on page X.		
Median response time for wastewater overflows* (resolution time) (b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	7.9 hours	≤6 hours	Not met	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. Wellington Water continues to manage this by prioritising the highest risks and the available resources accordingly, which has an impact on the response times. Correction of misstated results for the 2021/22 financial year is made by showing the previously reported result and the restated result and the times for the 2020/21 have been excluded as these results cannot be confirmed. An explanation of the prior year errors is on page X.	20.5 hours (reported) 17.7 hours (restated)	Not available
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	0.27	≤0.8	Met		0.39	0.56
2.5 Waiawhā Stormwater						
Service description: Protect people, property and the environment from flooding and storm runoff						
Continuity of service and resolution of faults						
Number of flooding events*	0	≤2	Met	There were no significant flooding events that affected the Council during the year.	4	2
Number of stormwater pipeline blockages per km of pipeline	0	≤0.5	Met		0.03	0.11
Number of habitable floors per 1000 connected homes per flooding event* For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.) * The regional consistency for habitable floors affected in a flooding event is 10 per event, however as the DIA measure is per 1000 properties connected, we have calculated this based on connections in 20/21.	0	<0.13	Met	There were no significant flooding events that affected the Council during the year.	1	0.03
Median response time to attend a flooding event* The median response time to attend a flooding event, measured from the time that the territorial authority receives notification	0 minutes	≤60 minutes	Met	There were no significant flooding events that affected the Council during the year.	3732 minutes	1620 minutes

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
to the time that service personnel reach the site.						
Compliance with the resource consents for discharge from the stormwater system, measured by the number of: a) abatement notices, b) infringement notices, c) enforcement orders and d) convictions*	Nil	Nil	Met		Nil	1 abatement
Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	98%	90%	Met		100%	94%
Monitored sites (%) that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	78%	90%	Not met	No improvement despite the Human Health Mitigation project being underway and targeting environmental health improvements at catchments across Wellington City.	79%	86%
Meeting customer expectations						
Number of complaints about stormwater system performance per 1000 connections* The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	14.5	≤20 per 1000	Met		8.9	11.07
<p>Qualified measure: The number of customer complaints for each of the three-water services were unable to be accurately reported. A complete record of all complaints was not available. Consequently, WWL's auditor were unable to gain sufficient comfort over the completeness of complaints for the year. This measure was also qualified last year.</p> <p>Proposed remedial action: The Council manages its customer complaints system (both in business hours and after hours). Wellington Water will ask customers to make their complaints directly to the Council so that all complaints are recorded in the Council's system. This ensures there is one source of truth. Since 2019/20, the Council and WWL have participated in a DIA-led review to update the reporting rules for all DIA mandate measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. Any changes in this area is awaiting the outcome of Central Government three waters reform.</p>						
Residents (%) satisfied with the stormwater system	34%	75%	Not met	Residents continue to indicate significant dissatisfaction with stormwater services. This is likely to continue until infrastructure renewals and water reform changes are completed. For more detail visit the full Residents' Monitoring survey .	39%	36%
<p>* Denotes Department of Internal Affairs mandatory measure For more information on performance results, refer to published Annual Reports via https://www.wellingtonwater.co.nz/resources/documents/document-library/</p>						
2.6 Ngā painga kukume papa atawha Conservation attractions						
Service description: Protect flora and fauna through conservation and biodiversity						
Wellington Zoo						

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
Achievement of measures within Wellington Zoo's Statement of Intent	Achieved (unaudited result)	Achieved	Achieved (unaudited result)	<p>[Unaudited result] 8 out of 8 KPIs achieved. The Zoo has had an excellent trading year, exceeding targets for: visitors, student and education visits, plus operating cost per grant and trading and donations revenue.</p> <p>Details of the Statement of Intent KPIs are as follows:</p> <ol style="list-style-type: none"> 1. Visitors (annual): Met 261,943 visitors; Target = 235,540 visitors. 2. Student & education visits (annual): Met 24,692 visits; Target = 21,000 visits. 3. Council operating grant per visitor (annual): Met \$14.32; Target = \$15.93. 4. Full cost to Council (annual): Met \$6.504m; Target = \$6.183m. 5. Trading revenue per visit (excl. grants & interest) (annual): Met \$19.20; Target = \$18.99. 6. Non-Council donations & funding (annual): Met \$394,739; Target = \$392,500. 7. Percentage operating costs generated by the Trust (annual): Met 53%; Target = 53%. 8. Trust generated income as % of the Council grant (annual): Met 134%; Target = 130%. <p>For more information on performance results, refer to published Annual Reports via https://wellingtonzoo.com/about-us/about-our-zoo/</p>	Not achieved	New measure
Zealandia – Te Māra a Tāne						
Achievement of measures within Karori Sanctuary Trust's (Zealandia – Te Māra a Tāne) Statement of Intent	Achieved (unaudited result)	Achieved	Achieved (unaudited result)	<p>[Unaudited result] 10 out of 10 KPIs achieved</p> <p>Zealandia has had an excellent trading year, exceeding targets for: visitors, student and education visits, membership and volunteers, plus visitor satisfaction. Operating cost per grant and trading and donations revenue also exceeded targets.</p> <p>Details of the Statement of Intent KPIs are as follows:</p> <ol style="list-style-type: none"> 1. Visitors (annual): Met 137,045 visitors; Target = 90,000 visitors. 2. Student & education visits (annual): Met 8,063 visits; Target = 4,000 visits. 3. Individual members (annual): Met 16,457 members; Target = 16,000 members. 4. Percentage of satisfied visitors (annual): Met 96% satisfaction; Target = >95%. 5. Volunteers (annual): Met 526 volunteers; Target = >500 volunteers. 	Achieved	New measure

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
				6. Council operating grant per visitor (annual): Met \$8.19; Target = \$12.47. 7. Full cost to Council (annual): Met \$1.902m; Target = \$1.955m. 8. Trading revenue per visit (excl. grants & interest) (annual): Met \$34.37; Target = \$27.55. 9. Non-Council donations & funding (annual): Met \$495,385; Target = \$200,000. 10. Membership subscription revenue (annual): Met \$523,507; Target = \$400,000. For more information on performance results, refer to published Annual Reports via https://www.visitzealandia.com/About/Reports-and-Awards		

Spotlight on: Climate action in motion

They say you can't beat Wellington on a good day – there's nothing better than a stroll or roll in the sunshine, taking in the sights of the waterfront. But these days we're also experiencing wilder weather, storm surges, sea level rise, and slips, due to the climate crisis.

The winter of 2022 was Wellington's wettest on record, and an increase in rainy days is going to be the new normal as climate change impacts our lives.

Wellingtonians have repeatedly told Wellington City Council they want action on climate change, so the Council adopted [Te Atakura – First to Zero](#) blueprint in 2019. The goal is to more than halve the city's emissions by 2030 and make Wellington city a net zero carbon capital by 2050.

Since the launch of Te Atakura, the city has taken action with several initiatives already in motion, including research into the impact of climate hazards on our city.

Our plan for our city meant that in this financial year Wellington was recognised by the Carbon Disclosure Project (CDP) with an A score for climate action - one of 122 cities across the globe that was taking bold leadership on environmental action and transparency.

To score an A, among other actions, a city must have a city-wide emissions inventory and have published a climate action plan. It must also complete a climate risk and vulnerability assessment and demonstrate how it will tackle climate hazards.

This year we celebrated the progress we made in transforming our transport system. We installed more than 4km of new cycleways, and at the same time improved bus priority and the experience for pedestrians, making it easier, safer and lower carbon to get around the city. And for those who still need to drive, we supported the shift to electric vehicles by installing the first of 60 council-owned chargers, so EVs can be charged by those who don't have private residential chargers.

These changes, combined with lifestyle shifts following Covid, have led to a 10% reduction in emissions over the last three years.

Community Climate Adaptation Programme

In May 2023, the Council adopted a new six-phase Climate Adaptation Community Engagement Roadmap that will, over the next six years, create local adaptation plans developed by and for communities at high risk of climate change impacts.

The 'roadmap' for the programme is a flexible approach to supporting the most affected communities in Pōneke prepare for and adapt to the unavoidable local impacts of climate change. Lessons from the Auckland floods and Cyclone Gabrielle recovery efforts and other community adaptation planning programmes around the motu will inform the Council's Programme, including the Government's proposed Climate Change Adaptation Act and National Adaptation Plan.

Council has started implementing the first three stages of the roadmap. Phase 1 includes developing the partnerships, frameworks, technical tools and assessments to support the delivery of the Programme. Phase 2 includes an ongoing suite of public education and engagement activities to raise awareness of localised climate change impacts and adaptation options through Community Climate Conversation events and developing a suite of digital community engagement tools as part of the Bloomberg Global Mayors Challenge. Phase 3 will include public consultation on the proposed approach for working with communities to develop the local adaptation plans.

The first three phases of the programme are funded through a \$700,000 grant from the Department of Internal Affairs' Better Off fund and \$50,000 from the \$US1 million prize money awarded to the Council when it won the Bloomberg Global Mayors Challenge.

Funding for subsequent phases will be informed through the Long-term Plan decisions in 2023/24.

3 Whanaketanga ōhanga – Economic Development

This chapter explains what we did and how we performed in our Whanaketanga ōhanga – Economic Development portfolio of activities.

Overview of the year

Our services in this section include city promotions and business support. Most of our performance measures under Economic Development are related to the work that the Council-controlled organisation Wellington Regional Economic Development Agency (WellingtonNZ) delivers on behalf of the city. This strategy area is also key to delivering several of the metrics for other performance indicators – for example economic growth, tourism, and international students.

This year, we completed the construction of Tākina, the Wellington Convention and Exhibition Centre, and reopened the St James Theatre after earthquake strengthening. We also had international visitors and big events return to the city, including cruise ships.

We began work on implementing our new Economic Wellbeing Strategy, which was adopted in June 2022. It is a step-change away from a traditional economic development focus towards a more holistic and inclusive approach that takes into consideration the four wellbeings: social, cultural, economic and environmental wellbeing.

Challenges

The past two years have had a big impact on this area of our organisation. Due to closed borders and Government restrictions, Wellington's Council-controlled organisations (CCOs) saw a decline in audience, visitors, and/or passenger numbers, which led to several CCOs experiencing an end of year deficit. The Council provided additional grant funding to help CCOs meet these financial deficits.

Wellington's tourism, hospitality and retail sectors were also impacted, with reduced tourism and more people working from home leading to reduced footfall and spend.

While COVID-19 restrictions lifted at the end of 2021/22, other challenges then arose including:

- changes to how people work, with more working from home and fewer returning to the central city
- global material shortages and shipping issues, which had an impact on several projects, including those in the planning and delivery stages
- labour shortages due to sickness and the continued COVID-19 isolation requirements
- more development planned in the central city that will cause disruption.

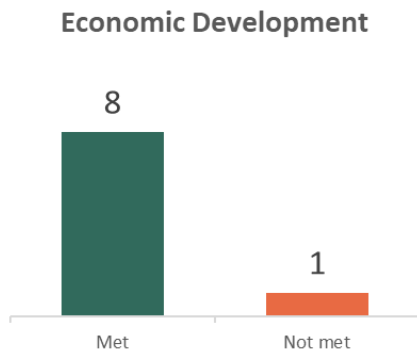
In light of this we established the City in Transition programme to step our business community through the next few years, including to support them during the transformation development planned in the central city, to support businesses to thrive in the new economic environment and to improve our relationship with the business sector.

Performance Summary

This strategy area is responsible for delivering about nine percent, or nine, of Council's performance measures. Of the eight measures which met their target, four recorded an improvement in performance, three had reduced performance, and one had no change against the

previous year. The one measure which did not meet its target had reduced performance against the previous year.

Key performance indicator results



Highlights
\$79.1m equates to a 68% increase in value of expenditure generated from events (including business, performance and major events) for WellingtonNZ
Challenges
615,181 Wellington regional residents who attend events was exceeded by a massive 293%. The very successful Ed Sheeran concert was a contributor to this

Wellington Regional Economic Development Agency, trading as WellingtonNZ, and Wellington Regional Stadium Trust both support economic development and are responsible for delivering seven of these KPIs.

WellingtonNZ achieved seven of its eight KPIs, with significantly improved performance in value of expenditure generated from events (68% improvement) and the number of Wellington region residents attending events (293% improvement). The opening of borders and removal of COVID restrictions has meant more local and international visitors. The Wellington Regional Stadium Trust achieved all of the KPIs in its Statement of Intent.

For the full set of outcome and key performance indicators and variance explanations, please see pages 76-77.

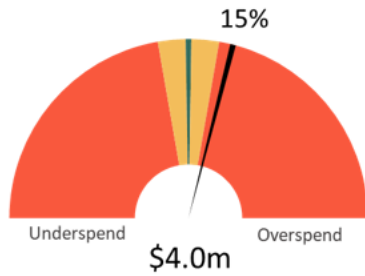
Financial summary

The net operating expenditure result was unfavourable for the year due to internal rates charges for Tākina being \$1.4m above budget (budget error) and the City Growth Fund being over budget due to initial costs relating to FIFA Women's World Cup. Depreciation is also \$1.0m unfavourable to budget. However, revenues were higher for the year in Wellington Venues.

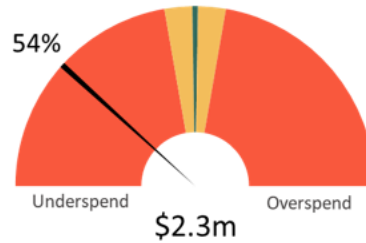
The capital expenditure for this activity behind budget in Venues property renewals and upgrades largely due to supply chain delays.

For more details on the Economic Development budget and variance explanations, see page 75.

Net operating expenditure



Capital expenditure



Whanaketanga ōhanga – Economic development activities

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

What we do:

3.1 Whakatairanga tāone – City promotions and business support

In this area we support Wellington’s economic growth by encouraging high-quality events and promoting tourism, attracting and supporting business activity, and delivering major economic development initiatives. Economic growth means Wellingtonians can continue to enjoy a high quality of life.

Some of the activities in this area are managed or supported by WellingtonNZ or operated by the Wellington Regional Stadium Trust (Sky Stadium). These organisations are profiled from page 129 in the Council-controlled organisations section, including details of their boards and governance structures.

Key projects or programmes

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

Tākina Wellington Convention & Exhibition Centre progress

Tākina, Wellington Convention & Exhibition Centre, was completed and opened on 1 June 2023. It will boost the city’s economy by an estimated \$70.4m between 2023–26 – with more than \$44m in the first 12 months. It is the first convention and exhibition centre in New Zealand to have been awarded a 5 Green Star Design Certification.

On the opening weekend 2,800 people attended WellyCon at Tākina; and Festival for the Future, a leadership, innovation and impact summit had 1,400 attendees each day over its two-day event. The first week saw 11,200 people visit the internationally acclaimed interactive Jurassic World by Brickman LEGO® exhibition – 6,200 of them on the opening weekend alone. There are already 118 multi-day conferences and events on the calendar, with Jurassic World open until October.

St James Theatre

The work to strengthen the St James Theatre to a minimum 67 percent of the New Building Standard started in April 2019 and was completed in June 2022. Other improvements to the building were made at the same time, including upgrades to staging, lighting, sound and rigging systems, as well as the fire protection, and mechanical and electrical systems.

An opening weekend was held on 2 July to enable the public to view the new space. The Theatre is again home to the Royal New Zealand Ballet, which returned to the building following upgrade works to its tenancy space and dance studios.

In July, under our Aho Tini 2030 Arts & Culture Strategy, the Council collaborated with leading Wellington digital company ClickSuite, the Royal New Zealand Ballet and projection company Streamliner to bring the theatre to life with a spectacular video animation projection showcasing the Cinderella ballet. The projection received the prestigious Good Design Award Winner Accolade in the Communication Design category in recognition of outstanding design and innovation.

Economic Wellbeing Strategy

A new Economic Wellbeing Strategy was developed and adopted by the Council in June 2022. This articulates a direction for a dynamic city with a resilient, innovative and low waste, low carbon circular economy that provides opportunities for all and protects and regenerates our environment. The strategy encompasses six key outcome areas and over 100 actions. Many of these actions are long term, however we're making solid progress against about a third of them.

Key initiatives include delivery of the City in Transition Plan - encompassing the Development Response Plan, Positively Pōneke communications campaign, and a business support package – which includes hiring a new Central City Manager and improved business relationships.

Sky Stadium

It was full steam ahead for Sky Stadium after several years of disruption due to the global pandemic.

The year kicked off with one of the most memorable test matches in recent times with Ireland defeating the All Blacks for their first ever series win in New Zealand. The Football Ferns also took on the USA in January and the All Whites played China in March.

It was big year of planning ahead of the FIFA Women's World Cup 2023. Major projects completed in preparation for this event included retrofitting pitch lighting with LED lights, upgrades of changerooms to gender neutral specifications, replacement of the turf and installation of new turnstiles. The Stadium secured Green Star Performance Certification for its work in improving sustainable building operations.

There were also three big music nights, with SIX60 (10,609) and Guns N' Roses (22,234), and the record-breaking Ed Sheeran concert (44,718) all held in the year.

WellingtonNZ

FIFA Women's World Cup 2023

In the lead-up to Wellington hosting nine matches in this year's FIFA Women's World Cup, WellingtonNZ executed its plan to make the most of the tournament for the city with several milestone events and announcements. The countdown and activities began with the launch of a "100 days to go" event at the waterfront featuring the FIFA Unity pitch at Queens Wharf where communities, organisations and officials played football to promote the tournament.

A new Regional Economic Development Plan

In August WellingtonNZ launched the Regional Economic Development Plan (REDP) that aims to guide the long-term direction of the economy and help drive high-impact economic initiatives and create jobs over the next 10 years.

It sets out the strategic direction, issues and opportunities, and guides where funding and support should go. The plan is about futureproofing the region and making sure it thrives economically as well as ensuring the Wellington-Wairarapa-Horowhenua region is a great place for everyone to live. The REDP aims to help create some of the 100,000 new decent jobs needed in our region over the next 30 years due to the expected population increase. It also aims to improve quality of

life by supporting our region to be more productive, resilient, inclusive and sustainable with thriving Māori and Pasifika communities.

Borders reopen, overseas visitors return

The welcome reopening of New Zealand's international border came in July 2022, three months ahead of schedule. The sights and sounds of international visitors back on Wellington streets marked a step change from COVID restrictions, but also meant some long hours getting processes back up and running to cater for our manuhiri (guests).

The multi-agency approach required to host about 150,000 cruise passengers over six months was smooth sailing - aided in part by a pre-season workshop organised by WellingtonNZ for businesses to help them prepare.

We welcomed the first cruise ship into the Harbour on 25 October, and by early April when the season wrapped up, 90 ships had docked in the city. Wellingtonians once again proved their reputation as great hosts, spearheaded by the army of volunteer Wellington City Ambassadors who assist passengers to find their way in the city.

Economic development finances

How it was funded

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

Detailed information on funding is provided on page 145 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
3.1 Economic Development						
Expenditure	34,485	37,699	47,893	37,713	10,180	Unfavourable due to the higher cost of goods sole (COGS), and services costs arising from increased Wellington Venues revenues. Tākina internal rates charges are unfavourable through a budget error (impacting, \$1.4m for the full year, corrected for 2023/24). The City Growth Fund is also over budget due to initial costs relating to FIFA Women's World Cup. Depreciation is \$1.0m unfavourable to budget.
Revenue	(6,718)	(10,661)	(16,818)	(10,661)	(6,157)	Favourable due to increased revenue across Wellington Venues.
Net Expenditure	27,767	27,038	31,075	27,052	4,023	

What it cost (capital expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022 /23 Actual	Revised budget	Variance to revised budget	Variance commentary
3.1 City promotions and business support	2,324	9,841	1,943	4,253	(2,310)	Under budget across Wellington Venues renewals and upgrades. Supply chain delays were a contributing factor to this position.
Total	2,324	9,841	1,943	4,253	(2,310)	

Economic development performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the Long-term Plan and its associated Annual Plans. The Council reports on an exception only basis, so where a KPI doesn't meet its performance target, a variance commentary is provided. To assist in telling our performance story, additional commentary may be provided even though a KPI may have met its target. Commentary is also provided for those KPIs which report a narrative rather than a numbers-based result.

Key to help understand our results: Met is within 10% of the target; and Not Met is >10% below target.

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
3. Whanaketanga ōhanga Economic development						
3.1 Whakatairanga tāone tautoko ā pākihi City promotions and business support						
Service description: Grow tourism spend and economic returns from events that bring visitors and extra spending to the city						
WREDA – Wellington NZ						
WellingtonNZ is delivering direct value/ROI on our shareholder's investment – direct economic impact of Wellington NZ's activities and interventions (\$m)	\$296.2m Provisional result	\$150m	Met	[Unaudited result]	\$105m	\$214m
WellingtonNZ is shaping and amplifying the regional destination/brand story						
Equivalent Advertising Value (EAV) from media activity (\$m)	\$20.4m Provisional result	\$20m	Met	[Unaudited result]	\$28m	\$50.6m
Value of expenditure generated from events, including business, performance and major events (\$m)	\$79.1m	\$75m	Met	[Unaudited result]	\$47m	\$52m
The number of Wellington region residents that attend events	615,181	500,000	Met	[Unaudited result]	156,561	442,595
WellingtonNZ is supporting businesses to upskill and grow						
Number of different business engagements in WellingtonNZ programmes	2,221	2,000	Met	[Unaudited result]	2,926	3,863
Financial health						

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
% of Revenue from commercial/non council funding and commercial activity (combined WellingtonNZ and CreativeHQ)	25%	30%	Not met	[Unaudited result] WellingtonNZ received some non-shareholder revenue during the year, which was treated as income in advance on its balance sheet instead of recording it in the profit and loss statement. The reason for this is that the money is yet to be utilised. The impact from this is that the percentage of non-shareholder revenue appears lower on the profit and loss statement, however as this is expended it will be released from the balance sheet to the profit and loss statement. An additional factors in the result is that WellingtonNZ subsidiary, Creative HQ, experienced a reduction in revenue primarily due to delays in pipelined sales revenue. Since its income mainly relies on non-shareholder commercial revenue, this decline has had a negative impact on the overall percentage when considering the entire group. These factors were balanced against the additional WCC revenue for FIFA Women's World Cup meaning this year's pool of Council funding required even greater non-Council funding and commercial activity to offset.	32%	New measure
Budget on track – income, expenditure and surplus	To budget	To budget	Met	[Unaudited result]	To budget	New measure
Stakeholder relations health						
Stakeholder satisfaction	92%	>80%	Met	Unaudited result For more information on performance results, refer to published Annual Reports via https://resources.wellingtonnz.com/pages/assets?tags=Document.Report	96%	New measure
Wellington Sky Stadium						
Achievement of measures within the Wellington Regional Stadium Trust Statement of Intent	Achieved	Achieved	Achieved	[Unaudited result] Annual Reports via https://www.skystadium.co.nz/contact-us/about-us/stadium-trust	Not achieved	New measure

Spotlight on: Ground-breaking Tākina Convention and Exhibition Centre opened

Tākina, the Wellington Convention & Exhibition Centre opened in June 2023, with its first conference and the internationally acclaimed LEGO® interactive exhibition *Jurassic World by Brickman®*.

It was the most significant new building to open in Wellington since Sky Stadium was built two decades ago.

The iconic building, located opposite Te Papa, will contribute \$44 million a year to the local economy, attracting hundreds of thousands of visitors each year to attend conferences and the large-scale exhibitions it will hold. It has three levels and is purpose-built for international and local conferences, with capacity for up to 1,600 attendees.

When it opened there were already 118 multi-day conferences and events on the calendar across the next three years.

The first exhibition, the internationally acclaimed interactive LEGO® brick exhibition, *Jurassic World by Brickman®*, had 11,200 people visit in the first week, with 6,200 of them on the opening weekend alone.

This exhibition will be open until mid-October and then followed by *Marvel: Earth's Mightiest* in December, bringing rare artefacts, memorabilia and immersive installations spanning Marvel's 85-year history to Wellington.

Tākina was awarded a 5 Green Star Design certification – the first convention centre in New Zealand to achieve this standard.

The certification awarded by the NZ Green Building Council is an important project milestone incorporating industry leading environmental sustainability design and practices in Tākina.

A 5-Star Green Star NZ Custom Tool Certified Rating represents New Zealand excellence for environmental sustainability and leadership in green building – designed, built and operated in a way that minimises negative impacts on the environment and the people visiting and working in the building.

Tākina's green star design features include a 66 percent carbon reduction and 60 percent energy savings when benchmarked against a comparable new build.

The Māori meaning of Tākina is to encounter and invoke, to connect and to bring forth. The name was bestowed by mana whenua to acknowledge and reflect the way that Wellington summons great winds, which are considered a metaphor for bringing magic, energy, ideas, and the sharing of knowledge.

Tākina is designed with accessibility in mind. Aside from accessible entrances and lifts, it has hearing assisting augmentation throughout the venue, which can be tuned into from personal devices through the building's Wi-Fi.

The construction has taken 6,000 cubic metres of concrete, 2.5 thousand tonnes of structural steel, 32 base isolators for earthquake protection, and has taken over 300 on-site workers to build.

4 Oranga ahurea – Cultural Wellbeing

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

Overview of the Year

Our services in this section are centred on people and places – delivering events and activities, city events and festivals, attractions, and galleries and museums.

It was a busy year for the Creative Capital team, which included implementing the Aho Tini 2030 strategy across City Events and City Arts, and for the Toi Pōneke Arts Centre as the arts sector emerged from the pandemic.

We were able to host or provide support to the majority of the free public events Wellingtonians enjoy each year, including the return of Gardens Magic, Cuba Dupa, street festivals and festive season celebrations.

The completion of the strengthening of the St James Theatre in June 2022, meant this important venue returned to operations this financial year. This had an impact on the cultural spine of the city from the waterfront to Courtenay Place. More details about our summer of arts and culture is provided at the end of this area overview, on page X.

Challenges

The past two years have had a big impact on this area of our organisation. Due to closed borders and government restrictions, Wellington’s Council-controlled organisations (CCOs) and our City Events had a decline in audience, as limiting restrictions meant events couldn’t be held and international events and visitors couldn’t enter the country.

While COVID-19 restrictions lifted at the end of 2021/22, other challenges then arose including:

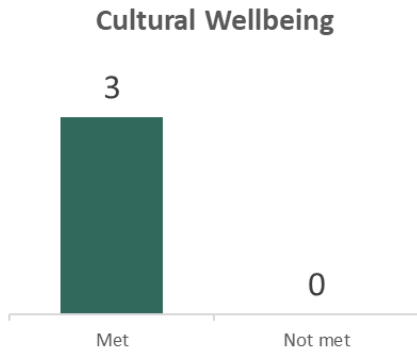
- changes to how people work with more working from home and fewer returning to the central city
- negative perceptions of city vibrancy and cleanliness
- labour shortages due to sickness and the continued COVID-19 isolation requirements
- increases in planned development in the central city that will cause disruption for the events and arts sectors.

Performance Summary

This strategy area is responsible for delivering about three percent, or three, of Council’s performance measures. The low representation of performance measures for this strategic area is acknowledged and will be addressed in the next Long-term Plan.

All three of the performance measures were met, with one recording an improvement against the previous year’s performance. The remaining two recorded no change.

Key performance indicator results



Highlights

92%

of visitors to Wellington Museum Trust venues rated their experience as good or very good

Challenges

560,883

visitors to Wellington Museum Trust venues which represents an increase of 263,372 against last year figures demonstrating a strong rebound from the impacts of COVID

Wellington Museums Trust, trading under Experience Wellington, is one of our Council-controlled organisations that supports cultural wellbeing. While the number of physical visits were impacted by COVID-19, virtual visits exceeded the KPI targets. Experience Wellington met five out of the eight KPIs in its Statement of Intent.

For the full set of outcome and key performance indicators and variance explanations, please see page 84.

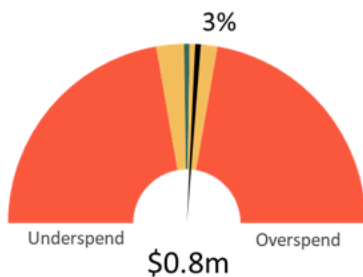
Financial summary

The net operating expenditure result was favourable to budget for the year. Revenues in Toi Pōneke and City Events were under budget for the year, approximately \$0.1m. Expenditure in Creative Capital and City Events was unfavourable to budget with overspends also occurring in Grants and contributions in the CCO space by \$0.5m.

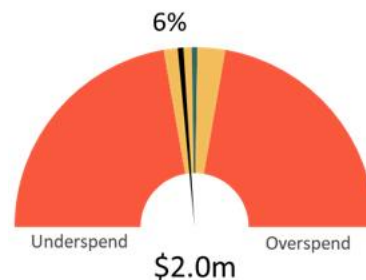
In capital expenditure the under expenditure was predominantly on the Tākina project (\$1.5m) with costs rolling over into 2023/24 financial year.

For more details on the Cultural Wellbeing budget and variance explanations, see page 83.

Net operating expenditure



Capital expenditure



Oranga ahurea – Cultural wellbeing activities

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

What we do:

4.1 Ngohe toi, ahurea hoki – Arts and cultural activities

In this area we provide opportunities to develop the city's cultural scene to build engaged and curious communities, as well as support for galleries and museums, community arts and cultural events, and arts partnerships. We develop and deliver a range of city events, and support community events.

Some of the activities in this area are managed by the Wellington Museums Trust which, trades as Experience Wellington, and is a Council-controlled organisation. This organisation is profiled on page 130, including details of its board and governance structure.

Key projects

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

Aho Tini is our Arts, Culture and Creativity Strategy, which was adopted in 2021. The strategy was developed in collaboration with the Wellington creative sector and provides direction for Council and CCOs in supporting cultural wellbeing. It will guide the shape of all our arts, culture and creative activities over the next 10 years.

Experience Wellington

Experience Wellington brought brilliance to Pōneke with *Reuben Paterson: The Only Dream Left*. Harnessing the magical and transformative properties of light, this exhibition featured 25 years of work from one of our leading Māori artists and brought more than 45,000 visitors from Aotearoa and the world to the City Gallery.

Our city's planetarium at Space Place is now brighter than ever after a new laser projection system was installed in March. This is the first step in a Council-funded \$1.5m dollar upgrade at Space Place. Further work is underway to develop our interactive galleries.

The Cable Car Museum is our most visited site, and welcomed more than 200,000 visitors. The Museum delivers a significant revenue injection which supports our financial sustainability, so commercial revenue is a strong focus. This year, our in-house design team developed successful bespoke ranges which featured alongside products from local makers and artists to offer quality keepsakes which were popular with our visitors.

Fund cultural and art projects and performances

We committed ongoing support for 20 organisations for the next three years through the Long-term Plan. As our key partners these organisations deliver activities in the theatre, visual and performing arts. This includes support for national and regional arts organisations such as the Royal New Zealand Ballet, Footnote New Zealand Dance, the New Zealand Symphony Orchestra and Orchestra Wellington.

Using Aho Tini principles, a total of \$548,382 in grants funding has been distributed this financial year, including \$200,000 for independent artists.

City events

In the first year of no pandemic restrictions we have delivered three strands of events, attended by more than 300,000 people.

- **Signature Events:** These are our large public free events: including Gardens Magic, New Year's Eve, Pasifika Festival and Te Ra o Waitangi, A Very Welly Christmas and the civic

ceremony for ANZAC Day. Note: there were no Matariki celebrations in this financial year due to the timing of the public holiday.

- **Partnership Events:** These are created with our communities, including Diwali and the Dragon Boat Festival.
- **Supported Community Events:** These are major festivals delivered by external organisations and producers, including Newtown Festival, NZ Fringe Festival, Performance Arcade, St Patricks Day, Out in the City, NZ Jet boat championships, Cuba Dupa and FIFA Unity Pitch.

We were also called upon to deliver a one-off special event with Department of Internal Affairs commemorating the death of Queen Elizabeth II and celebrating the coronation of the King.

Creative Capital highlights

Highlights this year have included:

- Reopening of the Hannah Playhouse for the sector
- A partnership with Victoria University Te Herenga Waka Design School on Te Whakaaturanga o Te Aro Pā, an annual programme of digital artworks in Te Aro Park by emerging Māori artists
- Completion of major artworks Shadow Windows by Andrew Beck as part of the Swan Lane and Garrett Street upgrade, and He Kura Tipua He Kura Kairangi by Pokau Te Ahuru as part of Te Tūhunga Rau (formerly Strathmore Park Community Centre).

City Arts highlights

- **Art on Walls:** We assisted with the commissioning of many large art on walls projects; most involving mana whenua artists on sites of significance such as the St James Theatre and the transitional cycle way on Bowen Street.
- **City Arts programmes:** This included supporting two Courtenay Place lightbox exhibitions, three new moving image commissions, five public art projects and nine murals.
- **International art exchanges:** Council supported two residencies with the Goethe Institut.
- **Make Visible Te Whanganui-a-Tara:** This project aimed to improve the wellbeing of the Rainbow and Takatāpui communities of Wellington. Across the year Make Visible delivered six art interventions and four significant projects by working with major organisations, including the Department of Internal Affairs, the Zoo and the National Library.

Re-imagining Toi Pōneke

A major project in this area was the Re-imagining Toi Pōneke project which engaged multiple users in re-energising the approach for our arts centre in Wellington. Ongoing research and public engagement included five public talks and sector wānanga to consider how the Arts Centre should develop beyond 2025. Currently, Toi Pōneke studios are rented to artists, dancers, theatre practitioners, musicians and other artists as well as being home to several local and national arts organisations, companies and individual practitioners.

Eight exhibitions and 18 events took place at Toi Pōneke Arts Centre this year. The Centre has also hosted five residencies for Visual Arts, Dance and Production Design Development, Screenwriter, d/Deaf or Disabled Development, and Sound Art. The inaugural Māori artist in residence won the Kiingi Tuheitia Portraiture award, which was a significant success for Toi Pōneke.

Cultural wellbeing finances

How it was funded

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

Detailed information on funding on page 146 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
4.1 Arts and cultural activities						
Expenditure	24,085	25,102	26,011	25,308	703	Creative Capital and City Events spend unfavourable to budget.
Revenue	(705)	(981)	(855)	(981)	126	
Net Expenditure	23,380	24,121	25,156	24,327	829	

What it cost (capital expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
4.1 Arts and cultural activities expenditure	54,622	32,855	31,439	33,423	(1,984)	Tākina (Wellington Exhibition and Convention Centre) is \$1.5m behind budget. Costs expected to rollover into 2023/24 year
Total	54,622	32,855	31,439	33,423	(1,984)	

Cultural wellbeing performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the Long-term Plan and its associated Annual Plans. The Council reports on an exception only basis, so where a KPI doesn't meet its performance target, a variance commentary is provided. To assist in telling our performance story, additional commentary may be provided even though a KPI may have meet its target. Commentary is also provided for those KPIs which report a narrative rather than a numbers-based result.

Key to help understand our results: Met is within 10% of the target; and Not Met is >10% below target.

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
4. Oranga ahurea Cultural wellbeing						
4.1 Ngohe toi, ahurea hoki Arts and cultural activities						
Service description: Build and maintain a sense of place and identity						
High quality experience						
Attendees (%) satisfied with Council-delivered arts and cultural festivals	85%	90%	Met	For more detail visit the full Residents' Monitoring survey	81%	86%
Wellington Museums Trust						
Achievement of measures within Wellington Museums Trust Statement of Intent	Achieved	Achieved	Met	[Unaudited result] 4 out of 7 KPIs achieved. Details of the SOI KPIs are as follows: 1. Visitors (annual): Met 560,883 visitors Target = 415,000 visitors 2. Student & education visits (annual): Not met 15,692visits Target = 41,800 visits. Teacher confidence has been slow to return as a result of the pandemic, and changes which reduced the scope and audience size of the National Theatre for Children Arts Festival resulted in less visitation 3. Council operating grant per visitor (annual): Not met \$14.99 Target = \$15.63 4. Full cost to Council (annual): Met \$12.448,240 no set target 5.Trading revenue per visit (excl. grants & interest) (annual): Met \$3.58 Target = \$3.42	Achieved	Achieved

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
				6. Non-Council donations & funding (annual): Not met \$1,054,000 Target = \$1,500,00. Constrained revenue generation environment alongside challenges in fundraising. For more information on performance results, refer to published Annual Reports via https://experiencewellington.org.nz/corporate-information/		
Experience Wellington						
Percentage of visitors who rate the quality of their experience (good or very good)	92%	90%	Met	[Unaudited result]	92%	89%

Spotlight on: Summer events after COVID-19 restrictions lift

After two years with limits on how many people can be in spaces, at events and social distancing rules, the COVID-19 restrictions lifted in July 2022. This meant a full summer calendar of events was able to be planned and enjoyed by Wellingtonians and visitors, see page X.

Some key highlights of this were the return of concerts, festivals, annual summer favourites and new offerings.

There were three big events at Sky Stadium making it a record for music at the facility, with SIX60 (attendance of 10,609), Guns N' Roses (attendance of 22,234) and Ed Sheeran (attendance of 44,718).

A Very Welly Christmas and Garden's Magic returned after being cancelled the previous year.

The festive season celebrations took over the central city for a weekend in November. Lambton Quay was pedestrianised for two days, and entertainment included Carols in Midland Park, an ice rink, a snowball igloo, street performances, face-painting, a foam pit, photo booths, and local sports stars.

This year was the 43rd edition of Gardens Magic and more than 25,000 people packed out the Botanic Garden ki Paekākā soundshell over the three-week festival.

February and March were packed full of ways to enjoy the city with more than 160,000 people attending some of Council's key events.

- **BOWLZILLA** was back for the eighth year in a row to showcase the best skating talent from home and away and included the New Zealand National Bowl Skating Championships at Waitangi Park on Saturday 18 February.
- The **Round the Bays** run was completed by more than 30,000 runners, walkers and wheelers across multiple distances.
- The always popular **Newtown Festival** returned after last year's hiatus and was once again, New Zealand's biggest and best free music festival and street fair.
- More than 22,000 people took over the waterfront for the annual **Homegrown** music festival, featuring all New Zealand artist.
- After three years of changes and cancellations, **CubaDupa** was back in it's full with art, music, theatre, dance, food and more than 1,200 artists in one weekend in March. IT was attended by more than 38,000 people.

We also continued our successful Parklet programme. The programme started in 2021 response to COVID-19 and the need for outdoor hospitality spaces.

Local businesses take over a parking space, or more than one, outside their restaurant or café and transform it into an outdoor dining area. They can also add more plants, art, seating, and bike or scooter parking. The idea increases the vibrancy of the city, while still leaving the footpath clear for people to pass.

After a few trials in the city, more business owners took up the option in 2022 after seeing how successful they were for other restaurants and cafes.

5 Pāpori me te hākinakina – Social and recreation

This chapter explains what we did and how we performed in our Pāpori me te hākinakina – Social and Recreation portfolio of activities.

Overview of the year

Our services in this area include everything from libraries and sportsfields to social housing, community centres, and our regulatory public health functions such as alcohol and food licensing, and dog registrations.

We progressed several key projects during the year, including transitioning our City Housing to a new provider and upgrading some of our sports facilities ahead of the FIFA Women’s World Cup.

Challenges

With the lifting of COVID-19 restrictions, we began to live with COVID-19 in the community and that affected our staff and services. In the past 12 months, we have seen some Council services either operating with reduced hours or being temporarily closed due to staff shortages caused by sickness, particularly for swimming pools, recreation centres, libraries, cemeteries, and community centres. We have also seen supply chain delays and the limited availability of contractors impact on some of our key projects.

Recruitment has been a focus for the year, particularly for recreation facilities, as we had to temporarily close Tawa Pool and some other services within the wider pool network due to insufficient staffing levels. Targeted campaigns for recruiting lifeguards have had some success.

We have been increasingly aware of the need to adapt to changing recreational patterns, and to balance rising community demands and expectations of services against the pressure on costs to ratepayers. One example is a move towards informal recreation such as mountain biking and away from some traditional team sports. There has also been an increased focus on the cost of sport in Wellington with the Affordable Sports Wellington community group calling for an independent review into the cost of sports ground fees charged by councils in the region. This review will take place from August 2023, reporting back to Council in November 2023.

We also need to address a rise in street begging and homelessness and the needs of an ageing and increasingly diverse population.

Performance Summary

This strategy area is responsible for delivering about 18 percent, or 17, of Council’s performance measures. Of the 12 measures which met their target, four recorded an improvement in performance, five had reduced performance and three had no change against the previous year. Of the five measures which did not meet their target, two recorded an improvement against the previous year while three had reduced performance against the previous year.

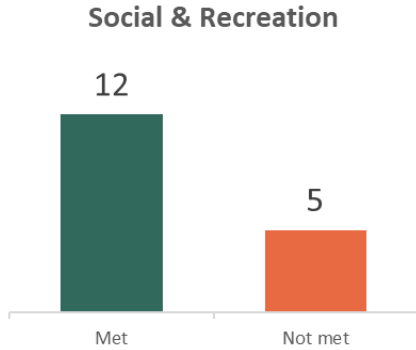
Key performance indicator results

Highlights

Satisfaction is up

Satisfaction with library services and sports fields were up, as were toilet cleanliness performance standards, graffiti removal

Key performance indicator results



Highlights

timeframes (exceeded) and dog control response timeframes.

Challenges

0 out of 2

measures for cost to ratepayer – subsidy to swim and cost per library transaction were not met due to reduced visitation because of COVID-19.

Satisfaction with services provided and utilisation are common performance indicators for the facilities and services in this area. All were impacted by COVID-19 restrictions, as discussed above. Inspection services for food registrations and alcohol licenses were temporarily suspended to reduce stress on already stressed businesses. These services have now resumed with strategies in place to ensure public safety.

For the full set of outcome and key performance indicators and variance explanations, please see pages 93-95.

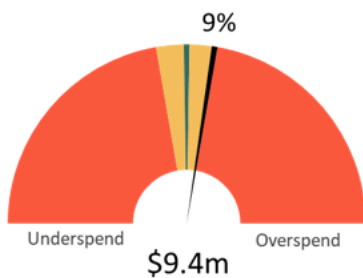
Financial summary

Operating revenue was largely on budget for the year. Variances did occur with City Housing being \$0.6m behind budget, however City Consenting & Compliance mitigates this through the Public Health area by \$0.3M. Overspending occurred in City Housing by \$1.9m, this is in part due to the Community Housing Provider set up costs and transition, swimming pool operations of \$2.5m, the administration of the Food and Alcohol activities of \$1.5m and Library services of \$1.6m.

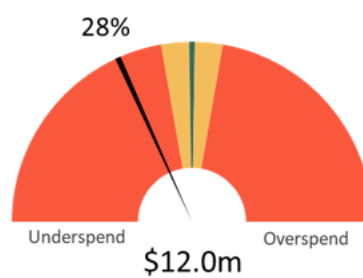
Capital expenditure was underspent in City Housing (\$4.5m) and Sportsfield (\$5.1m) projects as well as Aquatic facility projects (\$1.1m).

For more details on the Social and recreation budget and variance explanations, see pages 91-92.

Net operating expenditure



Capital expenditure



Kaupapa pāpori me ngā mahi a rēhia – Social and recreation activities

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

What we do:

5.1 Whakatairanga mahi ā rēhia – Recreation promotion and support

In this area we encourage active and healthy lifestyles and enable participation in play, active recreation and sporting activities. We support this by providing swimming pools, recreation centres, sportsfields, playgrounds and marinas, and delivering recreation programmes and events in our facilities and in the community.

Some services for this activity are delivered by the Basin Reserve Trust. This organisation is profiled on page 129 in the Council-controlled organisations chapter, including details of its board and governance structure.

5.2 Tautoko hāpori – Community support

In this area we aim to develop highly liveable, safe and inclusive communities by providing community support initiatives, and access to housing for those in need, and by operating community facilities such as community centres and libraries to support overall quality of life. We also support homeowners to have warmer, drier, healthier homes, and support community groups wanting to take local climate action.

5.3 Hauora/haumaru tūmatanui – Public health and safety

In this area we seek to address the city's public health and safety needs. This activity covers our public health regulatory functions, such as dog and animal control, and food premises and alcohol licensing. The activity also covers the city's public conveniences, and funding support for agencies in the city that work towards improving the health, safety and wellbeing of our communities.

Key projects

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2021/22 Long-term Plan (Year 1) as being areas of focus.

Frank Kitts Park playground upgrade

This project was reassessed this year following delays from the original contractor going into receivership and cost escalations. A proposal will be presented to Council in August 2023 so that a new contractor can be appointed, and work can restart.

The playground will be a downscaled, more modest design incorporating key elements from the previous plans but in a simpler and more cost-effective way. Weather permitting, the playground is scheduled to be completed by mid-summer with a full blessing ceremony planned around the finished project in February.

The spend to date is approximately \$3.6 million which includes most play equipment, park furniture, lighting elements, and some materials. An additional \$3.5 million has been approved by Councillors for the project to be completed by the new contractor Downer Group NZ.

It includes accessible play equipment such as a carousel, as well as a large net for climbing, accessible pathways, shaded picnic tables and benches. Two swing sets will be installed as well as the original lighthouse, which has been refurbished so children can climb up via an internal rope and slide down the iconic lighthouse slides.

City Housing – Te Toi Mahana

In June 2022, the Council decided to establish a new Community Housing Provider named Te Toi Mahana to take over the operation of the Council's social housing service. This decision was taken following community consultation in 2022 which indicated strong support for the change. The purpose of the change is to address the long-standing financial challenges associated with our social housing, to improve tenant rental affordability over time, and to grow the supply of social housing in Wellington.

In the 2022/23 year, the Council progressed the completion of the transfer of the social housing service to the new entity. From 1 August 2023, Te Toi Mahana will be responsible for tenancy management and maintenance work on the portfolio of approximately 1,780 properties, which the Trust leases from the Council.

This is the last year that we will report against the two KPIs associated with our social housing.

More information on the new community housing provider is in the spotlight article at the end of this chapter.

Te Whai Oranga Pōneke

This year we adopted Te Whai Oranga Pōneke, our new Open Space and Recreation Strategy, which will provide the overarching framework and strategic direction for the Council to manage its open space and its recreation facilities programmes and services over the next 30 years.

The strategy has five focus areas for our open space and recreation planning management and investment. They are: Integrated; Inclusive; Regenerating and Resilient; Re-indigenising; and Diverse.

It will be supported by the community facilities review which is underway now and due to be completed in 2023/24.

Ākau Tangi Sports Centre

We renamed the ASB Sports Centre in Kilbirnie to Ākau Tangi Sports Centre. Taking a collaborative approach, we engaged mana whenua key stakeholders and facility users to reach agreement on an appropriate name and then took the opportunity to tell the story of the name through interpretative panels and artworks in the centre foyer commissioned by local mana whenua artists.

Recreation facilities upgrades

We upgraded our facilities at Martin Luckie Park and Newtown Park, which were used as training grounds for the FIFA Women's World Cup. This included upgrades to the sportsfields and changing facilities to be welcoming for all genders, and the installation of lighting for the sportsfields. These will continue to be used to support community sport.

We completed a large capital delivery programme in this area, which included the renewal of the artificial turfs at Wakefield Park and the second turf at the National Hockey Stadium, the renewal of eight playgrounds, an upgrade to the Tawa Skate Park, and new LED lighting at Ākau Tangi Sports Centre.

We closed Freyberg Pool and Fitness Centre for its six yearly maintenance programme, which also included upgrading the spa and sauna facilities, the front of house area for customers coming into the facility, and improved staff facilities.

Basin Reserve Trust

The Cello Basin Reserve hosted several community events during the 2022/23 year, including domestic cricket, a multi-cultural day, a blind sports day and a sold-out Beers at the Basin. In total, the Reserve hosted 54 event days, 88 practice days and 90 functions, as well as two test match victories for the Black Caps against England and Sri Lanka. Once again the Basin Reserve pitch

received a good rating from the International Cricket Council (ICC), and New Zealand Cricket was pleased with the event delivery and venue presentation across all domestic matches.

Te Matapihi Central Library

This year, the Council has progressed from the spatial and architectural design to the detailed design phase and developed the operational model for the new facility. We also developed the programme plan.

The building was handed over to LT McGuinness in September 2022 to prepare the building for the enabling and strengthening works that will make the building ready for reconstruction. Work completed to date includes the piling plant and equipment being installed on the ground floor in early 2023, then all 49 piles completed by the end of the year. This is a significant milestone and will create the foundations for the base isolators. The piles went down as far as 21 metres deep before they hit rock.

Library highlights

We launched two new initiatives to support Tūpiki Ora: Nohinohi Reorua, our bilingual sessions for pre-school age children, which proved very popular with the 326 people who attended the sessions at six branches in May and June. We plan to extend the programme to other sites next year. Te Reo Kete bags, which contain 10 books to help everyone in the whānau start learning te reo words and grammar, were made available from four branches. We also started another six-week series of He Timotimo – Māori language taster sessions for adult beginners at Te Awe branch.

In June, we closed He Matapihi Molesworth, our interim branch in Thorndon. Since it opened, it welcomed more than 170,000 visitors of all ages and was a popular destination for use of the public internet or to pick up requested books.

Community Centre programmes

In early June we ran a free blanket and sock give away at Linden Community Centre, which was sponsored by the charity EKTA. The new blankets and socks were given away to members of the Linden community who expressed a need. Newlands Community Centre also started a free lunch of soup and bread on Tuesdays cooked by volunteers and made from donated food.

We completed the upgrades of Aro Valley Community Centre, Te Tūhanga Rau in Strathmore, and Te Whare Hapori o Ngā Puna Waiora Newtown Community Centre.

A persistent challenge is progressing the renewal and maintenance of several of our ageing facilities with services and/or structure failings. This includes leaks and heating systems. We also had delays in opening Te Tai Ohinga, our central city youth space, due to the delay in securing a suitable location and progressing the fit out. It is expected to open in early 2024.

Public health

The Council's ability to meet food venue and licensed venue inspection requirements has been significantly impacted by COVID-19. Inspections have been delayed due to staff turnover, requiring recruitment and extensive training of new staff to achieve verification certification. We expect the inspections backlog to reduce significantly in the coming year. We have been proactively building up our in-house capacity, particularly in the data and reporting space with a new Chief Licensing Officer role providing leadership and driving stakeholder engagement.

Climate action support

This was the Climate and Sustainability Fund's second year, with the full \$250,000 in grants awarded. Projects supported included a grant for Sustainability Trust to develop a climate action hub. Note that this project is not now going ahead, and this money is being returned to the Fund to be reallocated in future years.

We also launched two new programmes this year – Let’s Talk Shop for small businesses, and Zero Together for communities.

Social and recreation finances

How it was funded

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

Detailed information on funding is available on pages 147-149 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
5.1 Recreation promotion and support						
Expenditure	47,065	50,011	53,310	51,233	2,077	Overspend on salaries, utilities and overhead allocations.
Revenue	(10,101)	(12,189)	(12,216)	(12,189)	(27)	
Net Expenditure	36,964	37,822	41,094	39,044	2,050	
5.2 Community support						
Expenditure	76,531	83,440	88,128	83,553	4,575	Significant overspend in City Housing as part of the Community Housing Provider set up costs and transition. Other overspends occurred in personnel and security costs.
Revenue	(28,156)	(28,372)	(27,804)	(28,372)	568	City housing revenue behind budget.
Net Expenditure	48,375	55,068	60,324	55,181	5,143	
5.3 Public health and safety						
Expenditure	19,330	19,114	21,726	19,172	2,554	Overspends in Public Toilet Cleaning and Public Health registration.
Revenue	(4,360)	(4,028)	(4,334)	(4,030)	(304)	
Net Expenditure	14,970	15,086	17,392	15,142	2,250	
Social and Recreation Total						
Expenditure	142,926	152,565	163,164	153,958	9,206	
Revenue	(42,617)	(44,589)	(44,354)	(44,591)	237	
Net Expenditure	100,309	107,976	118,810	109,367	9,443	

What it cost (capital expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
5.1 Recreation promotion and support	11,594	18,361	13,744	16,910	(3,166)	Under budget in the delivery of Aquatic renewals (primarily Wellington Regional Aquatic Centre) and sportsfield upgrades.
5.2 Community support	7,293	35,303	14,820	22,711	(7,891)	Under budget in the delivery of the City Housing upgrade programme.
5.3 Public health and safety	1,250	5,090	3,087	4,041	(955)	Under budget, predominantly on Public Convenience renewals.
Social and Recreation Total	20,137	58,754	31,651	43,662	(12,011)	

Social and recreation performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the Long-term Plan and its associated Annual Plans. The Council reports on an exception only basis, so where a KPI doesn't meet its performance target, a variance commentary is provided. To assist in telling our performance story, additional commentary may be provided even though a KPI may have met its target. Commentary is also provided for those KPIs which report a narrative rather than a numbers-based result.

Key to help understand our results: Met is within 10% of the target; and Not Met is >10% below target.

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
5. Pāpori me te hākinakina Social and recreation						
5.1 Whakatairanga Mahi ā Rēhia Recreation promotion and support						
Service description: Encourage active and healthy lifestyles important for people's health and wellbeing						
High quality experience						
User satisfaction (%) – pools	77%	90%	Not met	There has been a decline from the previous year however the low sample sizes mean it is difficult to determine clear trends. For more detail visit the full Residents' Monitoring survey .	83%	90%
User satisfaction (%) – recreation centres including ASB Sports Centre	87%	90%	Met	For more detail visit the full Residents' Monitoring survey .	88%	89%
User satisfaction (%) – sportsfields	81%	85%	Met	For more detail visit the full Residents' Monitoring survey .	84%	New measure
Affordability						
Ratepayer subsidy per swim	\$22.41	<\$15.00	Not met	While attendance has increased post-Covid (1.06 million), increased expenses for resourcing and utilities has meant the subsidy is still over target.	\$24.27	\$14.25
Basin Reserve Trust						
Achievement of measures within Basin Reserve Trust's Statement of Intent	Achieved	Achieved	Achieved	[Unaudited result] Four out of eight KPIs achieved. The Basin Reserve had a mixed year with both outfield and picket fence upgrades restricting winter sports activity and weather impacting the season. However, cricket events and functions exceeded their targets with highly successful international cricket events between the Black Caps and both England and Sri Lanka. Details of the Statement of Intent KPIs are as follows: 1. Cricket event days: Met 56 days; Target = 55 days. 2. Functions: Met 90 days; Target = 45 days. 3. Other sports event days: Not met 8 days; Target = 20 days.	Achieved	New measure

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
				4. Community event days: Not met 2 days; Target = 31 days (these event days were reclassified as cricket events). 5. Practice facility usage days: Not met 88 days; Target = 100 days. 6. Numbers attending events: Not met 48,000 attendees; Target = 55,000 attendees. 7. Cash subsidy (grant) per attendance: Met \$15.31; Target of \$13.36. 8. Event Income: Met \$424,500; Target of \$465,820. For more information on performance results, refer to published Annual Reports via https://basinreserve.nz/about/basin-publications/		
5.2 Tautoko Hāpori Community support						
Service description: Foster diverse communities and enable people to connect with information and each other						
Affordability						
Cost to the ratepayer per library transaction	\$2.68	<\$2.79	Met		\$3.96	\$2.79
Utilisation						
Utilisation of Leisure card (increase in number of active users)	27%	Increase	Met		24%	New measure
Customer focus						
User satisfaction (%) of community centres and halls	84%	90% Baseline	Met	For more detail visit the full Residents' Monitoring survey .	81%	New measure
User satisfaction (%) with library services	88%	90%	Met	For more detail visit the full Residents' Monitoring survey .	85%	86%
Occupancy rate of available housing facilities	94%	95%	Met	This is the last year this measure will be reported due to the establishment of the Community Housing Provider Te Toi Mahana Community Housing which became active from 1 July 2023.	97%	97%
Tenant satisfaction (%) with services and facilities (includes neutrals)	91%	90%	Met	This is the last year this measure will be reported due to the establishment of the Community Housing Provider Te Toi Mahana Community Housing which became active from 1 July 2023.	Not reported	93%
5.3 Hauora/haumarū tūmatatanui Public health and safety						
Service description: Maintain public health standards and promote individual wellbeing, safe neighbourhoods and a safe inner city						
Timeliness						
Alcohol Licences – premises inspected within target timeframes (%)	31%	100%	Not met	Note: Target timeframes are defined as; <ul style="list-style-type: none"> All high-risk premises are to be inspected at least once a year with 25% of those inspections to be undertaken at peak times. Very high-risk premises to be inspected at least twice a year. 	29%	New measure

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
				While not achieving the target, there has been an improvement in performance over the last quarter and all 93 of the high-risk premises have been inspected. Council work in this area is concentrated in the summer months when the licensing environment is at its highest activity in the outdoor areas, to observe and control alcohol-related harm.		
Food registrations – premises (%) inspected within Food Act regulation required timeframes (new business and existing businesses)	34%	100%	Not met	Note: Target timeframes are defined as; <ul style="list-style-type: none"> New business: 6 weeks after registration is approved Existing business: Dependent on the outcome of previous verification (between 3 months – 3 years). Staff turnover and the subsequent need for training has exacerbated the backlog created by COVID-19. New staff require extensive training to achieve the required certification. This has been achieved and while newly certified staff are making significant progress on the backlog, the target was not achieved by year's end.	39%	32%
Graffiti removal – response time frames (%) met	79%	80%	Met	Note: Response timeframes are defined as <ul style="list-style-type: none"> Urgent/offensive: to be removed within 4 hours High: to be removed within 3 days. The graffiti ticket logging process has been centralised and streamlined to match the changing methods used to manage graffiti across the city. The reduction between last year and this year's results reflects these changes.	93%	92%
Dog control – response timeframes (%) met	97%	100	Met	Note: Response timeframes are defined as: <ul style="list-style-type: none"> 1 hour for urgent 24 hours for non-urgent For more information on our dog control work visit: https://wellington.govt.nz/dogs-and-other-animals/dogs/policies-bylaws-and-dog-control-reports/dog-control-reports	99%	New measure
Public toilets – response timeframes (%) met	63%	95%	Not met	Note: Response timeframes are defined as: <ul style="list-style-type: none"> P1 (urgent): Attend and make safe within 1 hour, completed within 1 business day P2 (high): Attend and make safe within 2 hours, completed within 2 business days P3 (medium): Attend and make safe within 1 business day, completed within 5 business days P4 (low): Attend and make safe within 10 business days, completed within 20 business days Contractor resourcing challenges continue to impact performance for this KPI. Council is continuing to work with contractors to find opportunities for improvement.	71%	New measure
Hygiene standard						

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
Toilets (%) that meet required cleanliness performance standards	97%	95%	Met		97%	96%

Spotlight on: End of an era for City Housing.

City Housing will be transferring from the Council to a new Community Housing Provider (CHP) on 1 August 2023. But what does this mean and how will it affect the Council's mahi (work) moving forward?

City Housing has been the Council's social housing provider for more than 60 years. It currently provides support to more than 3,000 Wellingtonians on low incomes and owns more than 1,900 residential properties across the city.

But this is changing...

The Council's social housing service, City Housing, had long-standing financial challenges in funding its operations. In June 2022, following extensive community consultation, the Council agreed to establish a CHP to help resolve these financial challenges.

A CHP enables:

- more new social housing to be built in Wellington through access to more central government funding
- access to the central government's Income Related Rent Subsidy (IRRS) for new, eligible tenants, improving tenant wellbeing
- long-term resolution of City Housing's financial challenges, at a lower cost to the Council and ratepayers.

A CHP is a regulated entity that provides social, affordable and/or community housing and is registered with the Community Housing Regulatory Authority (CHRA).

The CHP, which has been named 'Te Toi Mahana' (meaning 'the place of caring and nurturing'), will take over social housing services from the Council, looking after tenancy management, community development and minor maintenance.

The Council will still own the properties and lease them to Te Toi Mahana, who will regularly report to the Council on its performance. The tenants will stay in their homes and their leases will be transferred from the Council to Te Toi Mahana.

The Chief Executive of Te Toi Mahana is Angelique Jackson, who was the City Housing Manager for nearly three years. The Te Toi Mahana board of nine trustees, includes two Councillors, and will oversee the trust's operations. Broader information on the CHP is available at [Projects - Community Housing Provider - Wellington City Council](#).

Many of our City Housing staff applied for and will undertake similar roles with Te Toi Mahana. This includes tenancy advisors, the community development team, and the facilities maintenance team. Some City Housing staff applied for and will move to other roles within the Council.

The Council remains responsible for delivering the major housing upgrade programme (HUP2) that it has agreed with central government, and the implementation of Healthy Homes upgrades.

Supporting our tenants

Tenants of City Housing transferred over to Te Toi Mahana on their existing tenancy agreements and rent. Tenants will continue to have a tenancy advisor and access to the same supports and services that they received from City Housing.

The Council's core rental terms (including the Affordable Rent Limit subsidy, rent caps, and the 80+rent freeze) transferred across to Te Toi Mahana. A new tenant support fund will be set up, to help tenants who are experiencing financial hardship.

6 Tāone tupu ora – Urban development

This chapter explains what we did and how we performed in our Tāone tupu ora – Urban Development portfolio of activities.

Overview of the year

Our services include urban planning, heritage and public spaces development, and building and development control.

This year, we continued with strengthening of the Town Hall, upgraded Karori Town Centre, consulted on the upgrades for Berhampore and Island Bay, and carried out our regulatory building and development control functions. We also held hearings for the Proposed District Plan and continued our Laneways upgrade programme.

Challenges

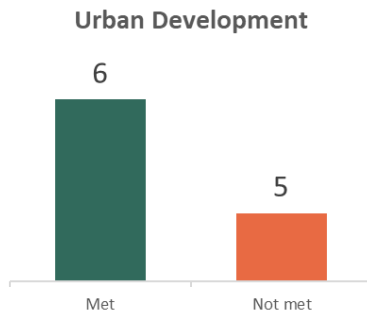
As with other areas, Urban Development was impacted by staff shortages due to illness once the COVID-19 restrictions were lifted. This meant delays in service levels and timeliness was unavoidable. Rostering and use of overtime in some service delivery areas was required to manage staff shortfalls.

Another flow-on impact of the COVID-19 restrictions was the shortage of building supplies (for example, plasterboard), price increases and global shipping delays. This increased the number of working days for processing building and resource consents. However, this increase in processing times is multi-faceted. Product substitution due to shortages of some products and systems can slow down both consent processing and inspections, but this is difficult to quantify outside of anecdotal evidence that there are more substitutions occurring. We also experienced some delays in the delivery of our public space projects. For example, the Swan Lane and Garrett St project was affected by supply chain delays in the delivery of materials such as paving.

Performance Summary

This strategy area is responsible for delivering about 12 percent, or 11, of Council's performance measures. Of the five measures which met their target, three recorded an improvement in performance, one had reduced performance and one had no change against the previous year. Of the six measures which did not meet their target, three recorded an improvement against the previous year while three had reduced performance against the previous year.

Key performance indicator results



Highlights

98%
of resource consents were monitored within 3 months of project commencement and

96%
of subdivision certificates were issued within statutory timelines.

Challenges

3 out of 7

measures relating to timeliness of building and resource consents, issuance of code of compliance and subdivision certificates, and noise control did not meet the targets. This is mainly due to a slow recovery in replacing staff capability after loss of staff members, delays in external advisor services and contractor resourcing constraints.

It continued to be challenging to achieve the timeliness targets in our consenting and compliance service delivery area, which has led to a decline in satisfaction with services. We have also experienced a further decline in customers who rate building control services as good or very good. The number of heritage buildings that are earthquake prone have decreased against the four heritage categories: Historic Place categories 1 and 2; Heritage under the District Plan; and listed under a Heritage Area. Our Land Information Memorandums (LIMs) performance has increased significantly from last year (100% in 2022/23 vs 58% in 2021/22) due to an improvement plan put in place at the end of the last financial year.

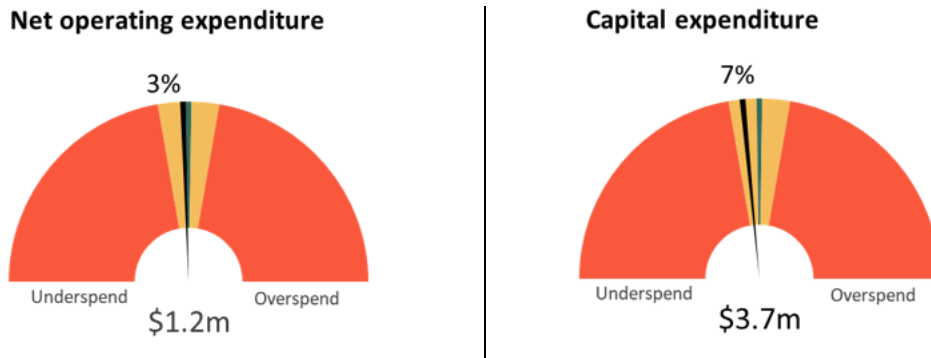
For the full set of outcome and key performance indicators and variance explanations, please see pages 105-106.

Financial summary

The Operating financial result for Urban Development was favourable for the year, due to lower expenses resulting from delays on the Housing Investment Programme (\$1.0m rent), Te Ngākau (\$1.9m) and Earthquake Building Risk projects (\$3.6m). However, revenues were also less than planned, with the delays impacting on occupancy in the Te Kainga buildings where rent was \$2.4m lower than budget. There were also lower income levels in the Building and Resource Consent areas (totalling \$2.9m) where application volumes were down 23% and 28% respectively on last year.

Capital expenditure was lower than planned due to delays on the Frank Kitts Park Playground project (\$3.8m) and the Housing Investment programme (\$1.3m). Earthquake Risk Mitigation work was \$1.8m ahead of plan.

For more details on the Urban Development budget and variance explanations, see pages 103-104.



Tāone tupu ora – Urban development activities

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

What we do:

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

In this area, we deliver on the vision for Wellington as a net zero carbon city with streets made for people, high-quality affordable homes, and thriving businesses. We are planning for the city we will need as the population grows and challenges around seismic risk and climate change increase. We also want to build on the city’s unique character and increase density, protect heritage, and improve its resilience. We carry out strategic planning and public space improvements to contribute to achieving these goals.

6.2 Whakahaere hanga whare – Building and development control

In this area, we undertake regulatory functions for the built environment, including issuing building and resource consents.

Key projects

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2021–2031 Long-term Plan as being areas of focus.

Planning for Growth – District Plan

The District Plan, which was started in 2021 and expected to be complete in the 2024 financial year, was notified on 18 July 2022. Hearings commenced before an Independent Hearings Panel on 21 February 2023. Four streams of hearings have been completed on the Intensification Streamlined Planning Process (ISPP), which is the fast-tracked portion of the Plan. The completed streams are – Strategic Direction, Residential, Heritage and Centres. Two streams remain to be heard – General District Wide Matters and the wrap up hearing for ISPP provisions.

A four-month extension of timeframes to the ISPP process has been sought from the Ministry for the Environment.

This will allow time for the final ISPP streams to be heard in full and for recommendations to be collated and brought back to Council by March 2024. The remainder of the Plan is being consulted on via the First Schedule process, and hearings are due to be completed in mid to late-2024.

Let's Get Wellington Moving

This programme is covered in detail in the Transport section of this report. It will deliver a significant level of urban development and transport changes to the central city and along key routes.

Town Hall strengthening

The Wellington Town Hall is a grade one listed heritage building and is nearly 120 years old. Since 2019, the Council has been reconstructing and redeveloping the building to make it resilient and meet current earthquake standards. When it re-opens, the Te Whare Whakarauika Town Hall will be a world-class musical and recording venue with improved rehearsal and performance space. It will be a base for civic and community events and part of a centre of musical excellence for New Zealand Symphony Orchestra (NZSO) and Te Herenga Waka—Victoria University of Wellington's New Zealand School of Music—Te Kōkī.

The crane that had been installed on the site since 2020 was removed in December 2022 marking the end of the 'heavy-lifting' stage of the project and meaning work could commence in the main auditorium. In the last financial year work focused on excavating the basement including de-watering, installing the piles including base isolators and general work to strengthen the building.

From its inception the project was considered highly complex with several known challenges. After the end of the financial year, further information primarily relating to the complexity of the ground works and challenges with the building due to its age has been obtained and it is anticipated this will impact the time and cost of the project.

Affordable housing supply

As a key priority of the Housing Action Plan, Council is increasing its delivery of affordable housing solutions in the city through programmes of work which are to be delivered at net neutral cost to Council.

In June 2023, Council reaffirmed its commitment to its target of 1,000 affordable rental units to be either under contract or delivered by 2026. Three buildings are now live within the programme and comprise 210 units, including several fully wheelchair accessible units. A fourth building with 78 units is due for completion in November 2023. This is the first new build in the programme and achieves a Homestar 6 certification. Negotiations are underway with several partners for the next tranche of supply. The current programme has 97% occupancy, with 97% of our tenants indicating they would recommend Te Kainga to their friends or family and 82% indicating they feel they are receiving good value for money.

Te Ngākau Civic Precinct

We conducted a review of the programme in early 2023 which has led to a reset of the programme. We produced Te Ngākau Programme Strategy to guide the Council on the future management of the site. One of the actions is to understand the extent and complexity of all the seismic, geotechnical and climate change risks associated with the precinct.

We have completed some of these assessments including a Detailed Seismic Assessment of the Municipal Office Building (MOB) and the Michael Fowler Centre. As a result, both buildings have been deemed earthquake prone, MOB with a 15% New Build Standards (NBS) rating and Michael Fowler Centre with a 20% NBS.

All other assessments are progressing and are due to be finalised by the end of 2023. These include detailed assessment of the civic basement and underground parking area (joining Te Matapihi Central Library and the Town Hall projects), the City to Sea bridge and the City Art Gallery. We also started discussions with developers regarding the redevelopment of the Citizens Advice Bureau (CAB) and MOB sites, and several parties are interested in participating in a formal tender process.

City consenting and compliance

This year we have performed well in certain parts of our business following process changes, with compliance in the delivery of LIMs, monitoring of resource consents, and issuing of subdivision certificates. These improvements have occurred despite many staff being deployed to assist other councils after the devastation caused by Cyclones Hale and Gabrielle, and also with the impacts of the Loafers Lodge fire.

We also completed our IANZ BCA accreditation visit and have retained our accreditation.

For building consents, performance has improved through the year due to new contractors, a new in-house engineer, and re-establishing resource sharing arrangements with other councils.

Public space upgrades

The Swan Lane and Garrett Street laneway project has improved walkability, increased safety, and offered a convenient and enjoyable way to cut across our city blocks. The upgrade on Swan Lane began in January 2022 and was completed in late 2022, while the Garrett Street upgrade began in mid-2022 and was completed in December 2022. The new space was officially opened in February.

Works included sewer renewal, new lighting in the walkway between Marion Street and Swan Lane, new plantation pits, water sensitive urban design systems, raised roading and new pavements. Two new art pieces have been installed – ‘Shadow Windows’ by local artist Andrew Beck, and the story of the Waimapihi stream by Māori artist and illustrator Izzy Joy. Nearby, Glover Park was also upgraded as part of the project.

Our work continued to garner high-level recognition, with the transformation of Dixon Street receiving a highly commended award at the national Taituarā Local Governance Excellence Awards. Judges acknowledged that this was just the start of the wider programme focused on improving safety in our central city through the Pōneke Promise.

Urban development finances

How it was funded

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

Detailed information on funding is available on pages 150-151 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
6.1 Urban planning, heritage and public spaces development						
Expenditure	15,828	24,627	21,650	24,852	(3,202)	Favourable due to delays on the Housing Investment Programme (rent) and Te Ngākau project.
Revenue	(1,768)	(5,643)	(3,814)	(5,643)	1,829	Unfavourable due to delays and lower than planned occupancy in Te Kainga buildings.
Net Expenditure	14,060	18,984	17,836	19,209	(1,373)	
6.2 Building and development control						
Expenditure	29,440	33,814	32,006	33,814	(1,808)	Favourable due to delays in the Earthquake Building Risk project.
Revenue	(18,062)	(18,335)	(16,308)	(18,333)	2,025	Lower revenue levels in the Building and Resource Consent areas where application volumes were down 23% and 28% respectively on last year.
Net Expenditure	11,378	15,479	15,698	15,481	217	
Urban Development Total						
Expenditure	45,268	58,441	53,656	58,666	(5,010)	
Revenue	(19,830)	(23,978)	(20,122)	(23,976)	3,854	
Net Expenditure	25,438	34,463	33,534	34,690	(1,156)	

What it cost (capital expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
6.1 Urban planning, heritage and public spaces development	9,229	23,306	12,150	17,614	(5,464)	Under budget due to ongoing delays in the Waterfront area, particularly the Frank Kitts Park Playground and progressing the revised project. There were also

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
						delays in the Housing Investment programme (Harrison Street).
6.2 Building and development control	45,917	33,258	35,011	33,201	1,810	Higher than planned expenditure on Earthquake Risk Mitigation (mainly St James Theatre).
Urban development total	55,146	56,564	47,161	50,815	(3,654)	

Urban development performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the Long-term Plan and its associated Annual Plans. The Council reports on an exception only basis, so where a KPI doesn't meet its performance target, a variance commentary is provided. To assist in telling our performance story, additional commentary may be provided even though a KPI may have meet its target. Commentary is also provided for those KPIs which report a narrative rather than a numbers-based result.

Key to help understand our results: Met is within 10% of the target; and Not Met is >10% below target.

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
6. Tāone tupu ora Urban development						
6.1 Whakamahere tāone whakawanake wāhi tuku iho tūmatanui Urban planning, heritage and public spaces development (including waterfront development)						
Service description: Help protect, restore and develop the city's heritage and character assets						
Protecting heritage						
Number of heritage-listed buildings that are earthquake prone	124	-10% reduction in overall number of EQP heritage buildings	Met	The number of heritage buildings in the city that are earthquake prone has decreased against the four heritage categories: Historic Place Category 1 or 2; Heritage under the District Plan; and listed under a Heritage Area.	132	128
6.2 Whakahere hanga whare Building and development control						
Service description: Provide building and development control and facilitation activities to protect public and environmental health and safety, and to protect future users of land and buildings						
Timeliness						
Building consents (%) issued within 20 workings days	60%	100%	Not met	Processing times have been impacted by both a slow recovery from re-building staff numbers and staff competency after the loss of existing staff at the end of last financial year, and a reduction in engineering contractor capacity. Recovery of in-house and contracted capability is underway and improvement is expected in the next financial year.	75%	90%
Code of compliance certificates (%) issued within 20 working days	86%	100%	Not met	Council is working through a backlog of historical reminders and time extension decisions which have impact on performance for this KPI.	75%	96%

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
Land Information Memorandums (LIMs) (%) issued within 10 working days	100%	100%	Met	The improvement plan put in place last financial year underpins the significant performance uplift this year.	58%	71%
Resource consents (non-notified) (%) issued within statutory time frames	60%	100%	Not met	Note: statutory timeframe is 20 working days. External advisor timeliness is responsible for the loss of performance for this KPI. We are actively seeking opportunities for improvement in the advisor processing service.	75%	90%
Resource consents (%) that are monitored within 3 months of project commencement	98%	100%	Met		91%	93%
Subdivision certificates – Section 223 certificates (%) issued within statutory timeframes	96%	100%	Met	Note: statutory timeframe is as per section 223 of the Resource Management Act 1991: https://www.legislation.govt.nz/act/public/1991/0069/latest/DLM237213.html	92%	97%
Noise control (excessive noise) complaints (%) investigated within 1 hour	79%	90%	Not met	Contractor resourcing challenges have significantly impacted performance for this KPI. Council is working with our security contractor to find opportunities for improvement.	92%	96%
Customer focus						
Customers (%) who rate building control service as good or very good	62%	70%	Not met	Poor performance in our building consent and code of compliance certificate services plus resource consent service are reflected in the results for this KPI (see above). Survey respondents identified lack of timeliness across these services as an issue, however there was positive feedback on staff and customer interactions. Improvement in the underpinning services will impact performance for this KPI.	61%	64%
Customers (%) who rate resource consent service as good or very good	83%	90%	Met	There has been a sharp decline from last year in the number of respondents who consider the service is good or very good primarily due to lack of timeliness with the resource consent external advisor process (see above). Improvement in the underpinning services will impact performance for this KPI.	93%	92%
Building Consent Authority (BCA) accreditation retention	Retained	Retain	Retained	The two-yearly Building Consent Authority accreditation assessment was completed in May this year with confirmation that accreditation has been retained in July 2023.	Retained	Retained

Spotlight on: Upgrading our central city streets

This year's big streetscape upgrade was in Cuba St, Swan Lane, Garrett St and at Glover Park and aimed to increase the area's attractiveness, walkability, and safety.

The upgrade included installation of two rain gardens to help collect and filter rainwater instead of sending it directly into the storm water pipes, new lighting to highlight trees, ground and heritage buildings, plus new seating and new bike racks.

The work also included the installation of raised pedestrian crossings which will reduce traffic speeds and prioritise pedestrians, while improving connectivity and accessibility in this busy part of the central city.

At Glover Park the upgrades included complete resurfacing through the centre of the park to increase accessibility and safety, replacing the lighting, installing new benches and rubbish bins and maintenance on the sculpture in the park.

The project is part of Wellington's Laneways strategy and Green Network Plan, which aims to transform the city centre into a greener, more inclusive and more walkable capital.

Work began in 2018 with a public survey, followed by workshops with residents, local businesses and landowners. This engagement helped inform the needs for the design of this space, and established design drivers that formed the basis for the final project.

Construction started in January 2022, and was completed and officially launched in February 2023. The project was completed in two stages to allow time for the Cuba Dupa festival in March 2022 to proceed with no roadworks.

Street art

Two new art pieces have been installed as part of these upgrades. 'Shadow Windows' by local Pōneke artist Andrew Beck, was inspired by the rich architectural history of the surrounding areas and the diverse history of the site.

Shadow Windows consists of a series of window shapes etched into the pavement surfaces along Swan Lane and Garrett Street.

Andrew's inspiration came from the rich architectural history of the surrounding areas and the diverse history of the site; the window forms of existing and erased heritage buildings acting as fragments of unseen histories that people can see.

The second piece is a mural by emerging Māori artist and illustrator, Izzy Joy (Kāi Tahu) which shows the story of the Waimapihi stream.

Murals are an opportunity to recognise and mark sites of significance. The Waimapihi was named after Māpihi, a rangatira of Ngāi Tara and Kāti Māmoe, who bathed in the stream.

Izzy painted Māpihi as a pou whenua, a wooden carved marker that is placed around significant sites and the edges of tribal territories – so that she acts as a marker for the buried awa (stream).

The mural aims to depict the story of the buried stream and bring it to life.

7 Ngā waka haere – Transport

This chapter explains what we did and how we performed in our Ngā waka haere – Transport portfolio of activities.

Overview of the year

Our transport services include everything from looking after traffic signals and retaining walls, and resurfacing roads, and footpaths, through to building new bike lanes and footpath connections to improve safety on our streets for everyone. We also operate and enforce on-street parking across the city and the suburbs, and in the Clifton Car Park on behalf of Waka Kotahi NZ Transport Agency.

During the year we finished the stabilisation and repairs at the Ngaio Gorge slip sites, continued to work on Let's Get Wellington Moving with our partner agencies, continued to roll out Paneke Pōneke – our bike network – including installing some key transitional cycleways in Newtown and from the Botanic Gardens to the city, and maintained our extensive transport network.

Challenges

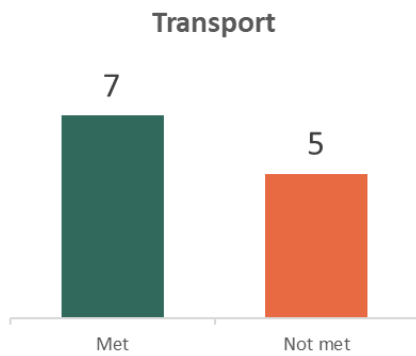
Outbreaks of winter illnesses and the backlog caused by the COVID-19 restrictions affected supply chains and contractors' availability. This affected the enabling work (essentially traffic signal equipment changes) on the Newtown to City transitional cycleway, where construction crews were not able to operate without key personnel such as a site foreman or traffic management resources.

Further delays were caused by wild weather and the volume of rain in July and August 2022, when more than 1000 slips occurred in six weeks. This meant more reactive maintenance and delays in some projects including the Ngaio Gorge slip sites where new material came down the hill and more work was needed. The number of slips and the mitigation needed will impact budgets and work in future years, as outlined in the challenges on page X.

Performance Summary

This strategy area is responsible for delivering about 13 percent, or 12, of Council's performance measures. Of the seven measures which met the targets, five recorded an improvement in performance, one had reduced performance and one had no change against the previous year. Of the five measures which did not meet their target, three recorded an improvement against the previous year, whereas one had reduced performance, and one had no change against the previous year.

Key performance indicator results



Highlights

94%
of Wellington’s footpaths are in average or better condition (measured against the Council condition standards) which is a 3% improvement on last year

Challenges

2 out of 3
Satisfaction measures relating to the condition of local roads and street lighting were not met. However there was an 8% increase in satisfaction with the transport network – walking, suggesting residents feel safer walking in the city.

Performance in this area has been mixed, typified by the sharp decline in satisfaction in the condition of local roads (-10%) versus increased satisfaction with the transport network – walking (+8%). Overall, we saw improvements in performance across customer service requests relating to roads and footpaths, footpaths in average or better condition, and a sealed local road network that is resurfaced, and structures in serviceable or better condition. This is regardless of whether the KPIs met their targets or not. Additionally, two areas which have experienced challenges – street lighting and parking – saw improved satisfaction. In particular, residents who perceive that parking enforcement is fair had a +14% improvement.

For the full set of outcome and key performance indicators and variance explanations, please see page 115-116.

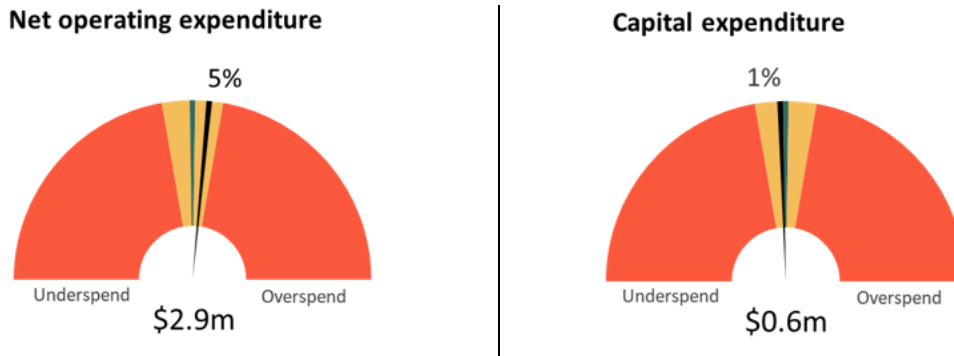
Financial summary

Revenue for this activity was \$1.6m unfavourable due to parking revenue yet to recover to pre-pandemic levels, down \$7.9m, and other fees and user charges were \$1.2m unfavourable to the budget. This was however offset by favourable vested assets for Let’s Get Wellington Moving (LGWM) by \$7.3m.

City Transport & Infrastructure expenditure was unfavourable by \$1.3m due to the spend required on slip remediation, and unfavourable depreciation charges due to significant increase in asset revaluation charges. This was offset by LGWM with a \$10.5m underspend to budget due to slower than anticipated start of projects.

Capital expenditure overspends on slip remediation investment was largely offset by Parking asset renewals spend being less than planned.

For more details on the Transport budget and variance explanations, see pages 113-114.



Waka – Transport activities

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

What we do:

7.1 Waka – Transport

In this area, we manage, maintain and improve the city’s transport network so that people can get to places easily and safely. We look after hundreds of kilometres of city accessways, footpaths and pedestrian crossings, bike paths and bike lanes, and roads, including bus lanes and bus stops, parking areas, traffic signs and signals, and street lighting.

Some of the activities in this area, including the cable car and associated bridges and buildings, are managed by the Council-controlled organisation Wellington Cable Car Limited. This organisation is profiled on page 130, including details of its board and governance structure.

7.2 Tūnga waka – Parking

In this area, we operate about 3,200 on-street parking spaces in the central city, and around 890 parking spaces in off-street locations. Most of the off-street parks are in the Clifton Car Park, which is managed by the Council on behalf of Waka Kotahi. In addition, the Council manages several resident and coupon parking zones across the central city and enforces parking restrictions and parking-related bylaws in surrounding suburbs.

Key projects or programmes

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

Let’s Get Wellington Moving

Let’s Get Wellington Moving (LGWM) is central to the Council’s work to encourage mode shift and reduce transport emissions, while delivering improved liveability, accessibility, safety, and resilience. Through investments in mass rapid transit and improving public transport, walking and cycling LGWM will provide the infrastructure to move more people with fewer vehicles, enabling the development of more housing, and lowering emissions from transport, while making the central city a more attractive place to live, work and play.

The programme has reached several milestones this year:

- **Mass rapid transit:** Due to the potential for new housing and neighbourhood growth, the programme partners selected light rail from the Railway Station to Island Bay as the

preferred option for mass rapid transit, while continuing to investigate bus rapid transit in further detail. The preferred programme includes improvements at the Basin Reserve, and an extra Mt Victoria Tunnel with additional walking and cycling facilities and public transport lanes, along with enhanced bus priority to Miramar and the airport. Detailed investigation of the preferred option is underway.

- **Golden Mile:** In April, the detailed designs for the transformation of the Golden Mile were consulted on with the public and in June the Council approved the traffic resolutions to improve bus reliability and the walking environment, including restricting access for private vehicles. Early work will start near Lambton Quay in September 2023, ahead of the main construction in 2024.
- **Northern connection improvements:** Construction of a new roundabout on Aotea Quay, to improve freight and traffic access to the ferry terminal and port, began in April and is due to be completed by late 2023/early 2024. The public was consulted on bus, cycling and walking improvements to Thorndon Quay in November and December 2022, with a traffic resolution approved by council in August 2023. Construction is scheduled to start in late 2023. Consultation on improvements Hutt Road improvements is scheduled for late 2023. These projects will significantly improve walking, cycling and public transport connections to and from the areas in the north of the city.
- **People-friendly City Streets programme:** LGWM has started walking and amenity improvements across the central city to ensure safer, quicker, and easier walking facilities, and is developing preferred options to improve connections for people on bikes, buses, and walking on key corridors between suburban centres and the central city.
 - Intersection upgrades to make the central city more walkable and easier to get around have been completed along Whitmore Street and Vivian Street.
 - Upgrades on the waterfront quays are scheduled for completion by Christmas.
 - A safe and accessible crossing of Cobham Drive, improving walking and cycling connections between Miramar and Kilbirnie, was completed in January 2023.

Transport network resilience

Over the course of this year, we continued to invest in strengthening essential transport infrastructure to make the transport system more resilient. The largest of these projects was the slope stabilisation work in Ngaio Gorge, which also included work to provide space for slope hazard mitigation work, a new uphill bike lane and a wider footpath. This multi-year project was successfully completed this year and the road reopened.

We experienced a record amount of rain in July and August 2022. The extreme weather, combined with Wellington's modified landscapes, resulted in a record number of landslips around the city.

Due to limited resources in both professional services and construction, the Council is currently working on a delivery model to spread the major remediation needed over a period of three to four years. Options to accelerate the delivery will be prepared for 2024 Long-term Plan discussions.

More information about this area and the weather impacts in the Spotlight article on page X.

Wellington Cable Car Ltd (WCCL)

The Cable Car celebrated 121 years of operation in 2023. Today it is the most iconic tourist attraction in Wellington. It is an experience that connects our people, spaces, places, and venues.

The reopening of New Zealand's borders saw the return of international manuhiri (guests) and a return to near pre-COVID levels of business. In an extraordinary year for the Cable Car, 922,959 passenger trips were taken. The return of cruise ships added significant revenue. This has allowed the Wellington Cable Car Ltd (WCCL) to return to financial autonomy and post a profit for the year. This year, WCCL completed the seismic strengthening of the middle tunnel upper portal and wall. In 2023 WCCL was accredited as a net zero carbon business, and was awarded Qualmark GOLD status as a visitor attraction.

Paneke Pōneke – Cycleways

The Bike Network team began implementing the next stage of Tahitai – the Evans Bay cycleway and seawall project. We also continued installation of three routes – Newtown to city, Aro Valley connections, and Ngaio connections. At the same time, traffic resolutions for a further two projects, Thorndon connections and Kilbirnie connections, were approved; and planning and design got underway for the next tranche of transitional and transformational routes. With all these projects, we have included improvements for buses and pedestrians as well as people on bikes. Therefore, the street changes we're making now will make it easier and safer for more people to have choices about they get around the city.

A highlight was having Wellington selected as one of 10 cities from around the world to be part of the Bloomberg Initiative for Cycling Infrastructure (BICI) programme, with a \$650,000 grant from Bloomberg Philanthropies. This grant will support our transitional programme and the Council's work with Trails Wellington to connect our on and off-street bike networks. Our team is also receiving support and expert guidance from world-leading practitioners and other cities around the world which have delivered these types of street transformations.

Streetlight adaptor fault

In 2018 the Council began changing all existing high-pressure sodium lights to more energy-efficient LEDs. This project had tight timeframes as the Council received an 85 percent subsidy from Waka Kotahi, saving the Council about \$15m, but only if it was completed by 30 June 2018.

There was some concern, due to Wellington's often hilly topography, that the brighter LEDs could cause glare issues, especially for property owners immediately adjacent to lamp posts.

To proactively address this issue, the Council contracted the construction of aluminium-alloy adaptors that connect the lamps to the pole for 17,000 streetlights – allowing a greater degree of tilt, thereby allowing for greater control over light spillage or glare.

In February 2023, the Council commissioned engineering laboratory WSP to stress-test a sample of the fixtures. The testing showed that, despite the adaptors being able to carry a static load of up to 60kg, they were unsuitable for Wellington's windy conditions and were fatiguing over time.

The testing also strongly indicated that, contrary to earlier assessments, all adaptors have the potential to fail, although the heavier adaptors in the city's windiest areas are most at risk. This issue received media and public attention this year after some adaptors failed and lights fell to the ground. The Council released information that 17 lights fell to the ground over the past four years.

The streetlighting spigot removal is underway, with the lights in the windiest parts of the city and the heaviest lights to be fixed first. All the high risk streetlights have now been resolved ahead of the forecasted date of end 2023. Furthermore more than 2,400 of the other lower risk lights have been remedied and work is ongoing to complete the rest as soon as possible. The removal is a top priority due to the safety concerns. The processes for these types of upgrades has been reviewed to avoid this situation happening in the future.

Parking

The Council started the work to replace its existing parking meters and other parking-related equipment. The new parking meters will be operational in late October 2023 and will include a move away from the existing pay-by-space arrangement to one that is based on pay-by-plate, which will provide greater flexibility as the city continues to change.

Electric vehicle charging

Charged Up Capital is an initiative in Te Atakura - First to Zero, our climate action strategy, with a plan to install 60 charging stations in five years, to support the 30% of Wellingtonians who don't have access to off-street parking. This year 12 charging stations have been installed.

Support for shifting transport habits

The Council has a range of initiatives that support Wellingtonians to take up new transport habits as options are created through infrastructure improvements. This work is done in partnership with Greater Wellington Regional Council (GWRC), and has been ramped up this year to support Paneke Pōneke and Let's Get Wellington Moving (LGWM), using external Better Off Funding from the Department of Internal Affairs, and funding from GWRC for the LGWM approved business case for travel demand management.

Transport finances

How it was funded

Services in this activity area are funded through a mixture of general rates, fees and charges, and grants and subsidies received from Waka Kotahi NZTA for transport related activities.

Detailed information on funding is provided on pages 152-153 of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
7.1 Waka – Transport						
Expenditure	71,664	94,249	98,074	95,505	2,569	City Transport & Infrastructure are unfavourable due to spending on slips remediation, with favourable LGWM \$6.2m spend due to slower than anticipated start of projects. Unfavourable depreciation charges of \$7.6m are due to a significant increase in asset revaluation charges.
Revenue	(13,973)	(11,181)	(18,279)	(11,181)	(7,098)	NZTA subsidy revenue and other fees and user charges are unfavourable to budget. This is offset by favourable vested assets for LGWM \$7.3m.
Net Expenditure	57,691	83,068	79,795	84,324	(4,529)	
7.2 Tūnga waka – Parking						
Expenditure	14,749	17,917	16,615	17,921	(1,306)	Personnel costs for Parking Officers significantly less than budget, lower spend on MOJ Court fees and Tow away costs due to lower ticketing volumes. Implementation of new metering contract delayed till next financial year meant underspend in contracts budget.
Revenue	(26,924)	(39,953)	(31,225)	(39,953)	8,728	Parking revenue has yet to recover to pre-pandemic levels, with Parking occupancy remaining down on budgeted numbers. Fines and penalties also significantly down on budget due to lower number of Parking Officers.
Net Expenditure	(12,175)	(22,036)	(14,610)	(22,032)	7,422	
Transport Total						
Expenditure	86,413	112,166	114,689	113,426	1,263	
Revenue	(40,897)	(51,134)	(49,504)	(51,134)	1,630	

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
Net Expenditure	45,516	61,033	65,185	62,292	2,893	

What it cost (capital expenditure \$000)

	2021/22 Actual	2022/23 Budget	2022/23 Actual	Revised budget	Variance to revised budget	Variance commentary
7.1 Transport	52,031	108,033	80,073	79,088	985	Overspend largely due to slips remediation investments
7.2 Parking	384	2,462	13,901	15,525	(1,624)	Parking asset renewals behind budget
Transport Total	52,415	110,495	93,975	94,613	(639)	

Transport performance

Key Performance Indicators

Key performance indicators (KPIs) allow us to track how well we are delivering services against the targets in the Long-term Plan and its associated Annual Plans. The Council reports on an exception only basis, so where a KPI doesn't meet its performance target, a variance commentary is provided. To assist in telling our performance story, additional commentary may be provided even though a KPI may have meet its target. Commentary is also provided for those KPIs which report a narrative rather than a numbers-based result.

Key to help understand our results: Met is within 10% of the target; and Not Met is >10% below target.

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
7. Waka Transport						
7.1 Waka Transport						
Service description: Deliver an accessible, safe and reliable transport network						
Network condition and maintenance						
Roads (%) which meet smooth roads standards*	69%	70%	Met		72%	72%
Residents (%) satisfaction with the condition of local roads in their neighbourhood	55%	75%	Not met	The decline beginning in 2019 is continuing however there has been a larger drop between last year and this year. For more detail visit the full Residents' Monitoring survey	61%	63%
Structures (%) in serviceable (average) condition or better	92%	97%	Met		91%	New measure
Customer service requests (%) relating to roads and footpaths that are responded to within timeframe (urgent within 2 hours and non-urgent within 15 days)	89%	98%	Met		88%	New measure
Footpaths (%) in average condition or better (measured against WCC condition standards)*	94%	96%	Met		91%	97%
Residents (%) satisfied with street lighting	62%	75%	Not met	Satisfaction with street lighting has remained at a similar level to last year. It is likely to have been influenced by the street lighting issue which occurred during the latter half of the financial year For more detail visit the full Residents' Monitoring survey	61%	New measure

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
Sealed local road network (%) that is resurfaced*	7.8%	9.4%	Not met	While not meeting the target, this year's result is an improvement upon last year. Membrane seals of 5.2km were installed beneath the top surfaces.	7.1%	6.7%
Active modes promotion						
Kilometres of cyclepaths and lanes in the city (increasing)	40km	>38.3km3 5.6km (baseline as at 30 June 2022)	Met	An audit of methodology for calculating the distance of cycleways identified a discrepancy in the way data relating to roadways, lanes and other areas with cyclepaths is collated between our road asset management system and the strategic bike network. The outcome is a change to the baseline value for previous years. The revised accrued value for the 2020-21 financial year is 35.3km (previously reported as 38.3km), and the value for the 2021-22 (first year of reporting this KPI) which forms the baseline for 2022-23 financial year is now 35.6km (previously reported as 39.5km).	39.5km (reported) 35.6km (restated)	New measure
Residents (%) who are satisfied with the transport network – walking	81%	75%	Met	While it is too early to link the changes in the city scape arising from the strategic bike network, the 2020 Parking Policy and the early transitional work on Let's Get Wellington Moving, the 8% performance increase in this KPI is encouraging.	75%	70%
Wellington Cable Car Company Limited						
Achievement of measures within Wellington Cable Car Limited's Statement of Intent	Achieved	Achieved	Achieved	[Unaudited result] Five of five KPIs met or exceeded targets across all five performance measures. Details of the KPIs in the Statement of Intent are as follows: 1. Quality Trip Advisor/Google: Met. Target>=4.2. 2. Quality: Met Qualmark target = Gold. 3. Reliability/timeliness: Met 99.74%. Target = 99%. 4. Visitation: Passenger trips: Met 922,956 passengers; Target = 922,959 passengers (exceeded target by 48%). 5. Fare revenue: Met \$3.23m; Target = \$2.02m (exceeded target by 60%). For more information on performance results, refer to published Annual Reports via https://www.wellingtoncablecar.co.nz/corporate-information	Achieved	New measure 2021/22
7.2 Tūnga Waka Parking						
Service description: Manage parking in line with the aims and objectives of the 2020 Parking Policy						
Availability						

Performance measures	2022/23 result	2022/23 target	Result	Variance commentary	2021/22 result	2020/21 result
City parking peak occupancy (utilisation)	53%	70-80%	Not met	An expectation of a rebound to pre-COVID levels of utilisation of on-street parking has not occurred. While there is no direct attribution, increased working from home during the pandemic and a related change in work habits may contribute to lower utilisation. Further implementation of the Council's Parking Policy with changes to road layout may result in an increase in parking occupancy in the next financial year	53%	New measure
Residents (%) who perceive that parking enforcement is fair	41%	>50%	Not met	This year's result is an improvement on last year but is still below the target. The nature of paid parking within the Central Business District is continuing to change as the implementation of the Council's Parking Policy progresses which affects availability of parking, with a flow on impact to perceptions of enforcement fairness. For more detail visit the Residents' Monitoring survey .	36%	41%

Spotlight on: Winter slips in 2022

In July and August of 2022, Wellington experienced a record amount of rain.

MetService stated that the monitoring site at Kelburn had 275.5mm of rain in August.

“It should be noted that these amounts were an accumulation of many events ...a long soak, rather than single high impact events.”

In Wellington, many of our hillsides have been modified to make way for housing and roads, through the cut and fill of the hilly topography. Earthworks can create or worsen the potential for hazards to occur such as flooding and land instability. For example, instability could be caused by excavations that result in bare hillsides and filling in parts of an overland water flow path can impede runoff and worsen flooding upstream.

The extreme weather last winter combined with Wellington’s modified landscapes, resulted in a record number of landslips around the city. Six weeks of increasing slip activity resulted in 26 displaced households and 12 road closures. At peak more than 1,100 slips were reported, ranging in scale from significant to those with little or no impact.

This is significantly more than in the same months in previous years:

- 2020 = 170 winter slips
- 2021 = 373 winter slips
- 2022 = 1,143 winter slips

Over the worst period we closed the following roads:

- The Terrace between Ghuznee Street and Buller Street
- Takarau Gorge Road between Johnsonville and Makara Beach
- Sutherland Crescent in Melrose
- Ngaio Gorge down to one lane
- Main Road Tawa
- Pass of Branda in Seatoun
- Tiotio Road in Miramar
- Laura Avenue in Brooklyn
- Kotinga Street in Kilbirnie
- Seatoun Tunnel
- Birdwood Street in Karori
- Horokiwi Road reduced to two-way stop/go

Slips occurred across different land ownership combinations, both public and private. This is generally a very complex situation involving multiple Council teams and members of the public (for example, private land owners, Geotech engineers, consenting teams, parks and reserve teams as well as the transport teams).

When a slip occurs, impacting or blocking a road or other Council land, the slipped material will be cleared to allow access along the road. An initial geotechnical report is usually sought, to give an initial assessment of the area and any likelihood of immediate risk. Further investigation may then be needed to inform any subsequent actions by Council.

Analysis shows that with sufficient budget and resource, slips impacting Council land from 2022 could be remediated within a two-year period at an cost of approximately \$7.9m. This initial estimate is double what is currently budgeted.

However, due to limited resources in both professional services and construction, officers are currently working on a delivery model that will instead see the work spread over a period of three to

Page | 118

four years. The options and full costings for the work in this area will form part of the Long-term Plan decisions in 2023/24.

Future slips

In 2006, NIWA conducted a study titled “Impacts of long-term climate change on weather and coastal hazards for Wellington City”. A key finding in that study was that high intensity rainfall events are likely to increase between 1 percent and 28 percent.

This means that future slip events are also likely to occur more frequently and potentially at a greater scale over the short-to-medium term and unless future increases in temperature are controlled could increase even more over the long term.

Slip events are not the only challenge predicted by the report for Wellington city, with increases in sea level rise, high wind events and storm surges also predicted as climate change increases its effects on the natural environment and weather patterns.

In addition to climate change mitigation efforts, adaptation steps will be critical to ensure that the city is resilient for future weather events. This will include increasing our capability and capacity levels in terms of emergency management as well as funding key resilience efforts.

Our climate change programme is featured on page X of the Environment and Infrastructure chapter.

Section 5: Our Council and organisation

[Te reo heading]

In this section

This section describes the Council's democratic and corporate governance arrangements and presents information relating to our elected members, committees, groups and business units, organisational structure and staff.

Te Kaunihera o Pōneke | Our Council

Te Kaunihera o Pōneke | Wellington City Council is made up of the Mayor and 15 Councillors, one of whom serves as Deputy Mayor. The profiles and responsibilities of the Council is below.

The Mayor is the leader of the Council and has the statutory role to lead the Councillors and people in the city. They lead the development of the Council's plans, policies and budgets for consideration by the Council. The Mayor is the primary Council spokesperson and leads central government liaison, supported by relevant councillors.

The role of our elected members is to set the direction of the city, approve the budgets which fund the city's services and facilities, and adopt bylaws, policies and plans to meet the needs of our diverse communities. Councillors are also responsible for representing those from the geographical area (ward) that elected them.

The elected members conduct their business and make decisions at open and publicly advertised council, committee and subcommittee meetings.

The Council also has elected Community Boards that make decisions for set areas in the city, and Advisory Groups that provide advice to elected members from the perspective of their specialist areas.

The next election will be held in October 2025.

Committee structure

The Mayor put in place the current structure of committees and subcommittees at the beginning of the triennium.

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

Committees of the whole

- Te Kaunihera o Pōneke | Council
- Kōrau Tōtōpu Long-term Plan Financial and Performance Committee
- Kōrau Mātinitini Social, Cultural and Economic Committee
- Kōrau Tūāpapa Environment and Infrastructure Committee

Additional committees and subcommittees

- Koata Hātepe | Regulatory Processes Committee
- Unauahi Māhirahira | Audit and Risk Committee
- Unauahi Ngaio | Chief Executive Performance Review Committee
- Pītau Pūmanawa | Grants Subcommittee

Hearing panels

- Environment and Infrastructure Hearings Panel

Two representatives of our Tākai Here partners have been appointed to most of Council's committees and subcommittees for the 2022-2025 triennium: Liz Kelly from Ngāti Toa Rangatira and Holden Hohaia from Taranaki Whānui ki te Upoko o te Ika.

Mayor Tory Whanau

Citywide

Contact: tory.whanau@wcc.govt.nz

Tory was elected Mayor in 2022 and is the Council's first wahine Māori Mayor.

As Mayor, Tory is Chair of Te Kaunihera o Pōneke | Council meetings and Unaunahi Ngaio | Chief Executive Performance Review Committee meetings, and a member of all committees and subcommittees.

Her external appointments include being member of Wellington Regional Leadership Committee; Tākai Here Leadership Forum, Joe Aspell Trust; Wellington International Airport Ltd; NZ International Arts Festival Trust; Thomas George Macarthy Trust; Wellington Regional Leadership Committee; Wellington Water Committee, and she is a Wellington City Council LGNZ Zone 4 representative.

Councillor Laurie Foon

Paekawakawa/Southern Ward

Contact: laurie.foon@wcc.govt.nz

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

Laurie is the Deputy Mayor, and deputy chair of Te Kaunihera o Pōneke | Council, and deputy chair of Unaunahi Ngaio | Chief Executive Performance Review Committee. She is a member of the Pītau Pūmanawa | Grants Committee.

Laurie is a member of the following external appointments: Local Government New Zealand Zone 4, Tākai Here Leadership Forum, and the Waste Forum - Wellington Region; and she is an alternate member of the Wellington Regional Leadership Committee and Wellington Regional Waste Management and Minimisation Plan Joint Committee.

Councillor Nureddin Abdurahman

Paekawakawa/Southern Ward

Contact: nureddin.abdurahman@wcc.govt.nz

Nureddin Abdurahman was elected to represent the Paekawakawa/Southern Ward in 2022.

Nureddin is deputy chair of Kōrau Matinitini | Social, Cultural, and Economic Committee. He is a member of the following: Kōrau Hātepe | Regulatory Processes Committee, and Environment and Infrastructure Hearings Panel.

Nureddin is a member of the Wellington Zoo Trust and an alternate liaison with the Wellington Multi-Cultural Council.

Councillor Sarah Free

Motukairangi/Eastern Ward

Contact: sarah.free@wcc.govt.nz

Sarah was first elected as a Motukairangi/Eastern Ward councillor in 2013, and served as Deputy Mayor from 2019–2022.

Sarah is the chair of the Kōrau Hātepe | Regulatory Processes Committee. She is a member of the Environment and Infrastructure Hearings Panel.

Sarah is a member of the following external appointments: Local Government New Zealand Zone 4, Pacific Advisory Group, and Safe and Sustainable Transport Forum.

Councillor Teri O’Neill

Motukairangi/Eastern Ward

Contact: teri.oneill@wcc.govt.nz

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

Teri is the chair of Kōrau Mānitini | Social, Cultural, and Economic Committee. She is a member of the following: Unaunahi Ngaio | Chief Executive Performance Review Committee, and Pītau Pūmanawa | Grants Subcommittee.

Teri is a member of the Creative Communities Local Funding Scheme and an alternate liaison for the Takatāpui Rainbow Advisory Council.

Councillor Tim Brown

Matairangi/Eastern Ward

Contact: tim.brown@wcc.govt.nz

Tim was elected into Council 2022 and is the chair of the Environment and Infrastructure Hearings Panel and the deputy chair of Kōrau Tūāpapa | Environment and Infrastructure Committee.

He is member of the Pītau Pūmanawa | Grants Subcommittee.

Tim is a member of the Wellington Community Housing Provider Trust and Joe Aspell Trust, and an alternate member of the Wellington Water Committee.

Councillor Diane Calvert

Wharangi/Onslow-Western Ward

Contact: diane.calvert@wcc.govt.nz

Diane Calvert was first elected as a Wharangi/Onslow-Western councillor in 2016.

She is a member of the Kōrau Hātepe | Regulatory Processes Committee.

Diane is a member of the Wellington Regional Stadium Trust.

Councillor Rebecca Matthews

Wharangi/Onslow-Western Ward

Contact: rebecca.matthews@wcc.govt.nz

Rebecca was first elected to represent the Wharangi/Onslow-Western Ward in 2019.

Rebecca is the chair of Kōrau Tōtōpū, Long-term Plan, Finance, and Performance Committee. She is a member of the following: Unaunahi Ngaio | Chief Executive Performance Review Committee, Pītau Pūmanawa | Grants Subcommittee, and the Environment and Infrastructure Hearings Panel.

Rebecca is a member of the Wellington Community Housing Provider Trust, the liaison for the Accessibility Advisory Group and an alternate liaison for the Pacific Advisory Group.

Councillor Ray Chung

Wharangi/Onslow-Western Ward

Contact: ray.chung@wcc.govt.nz

Ray was elected to Council in 2022.

He is a member of the following: Kōrau Hātepe | Regulatory Processes Committee, and Unaunahi Mahirahira | Audit and Risk Committee

Ray has been appointed to: Local Government New Zealand Zone 4, Guardians of Karori Sanctuary, and the Joe Aspell Trust, and he is also a liaison with the Wellington Multi-Cultural Council.

Councillor Ben McNulty

Takapū/Northern Ward

Contact: ben.mculty@wcc.govt.nz

Ben McNulty was elected to represent the Tākapū/Nothern Ward in 2022.

Ben is deputy chair of Koata Hātepe | Regulatory Processes Committee.

Ben is a member of the Tawa Community Board and Wellington Museums Trust, and is the liaison for Youth Council.

Councillor Tony Randle

Takapū/Northern Ward

Contact: tony.randle@wcc.govt.nz

Tony was first elected to Council in 2022 and is one of three councillors representing the Takapū/Northern Ward.

Tony is the Deputy Chair of Unaunahi Māhirahira | Audit and Risk Committee. He is a member of the Environment and Infrastructure Hearings Panel.

Tony is a member of the Tawa Community Board and an alternate member of the Regional Transport Committee.

Councillor John Apanowicz

Takapū/Northern Ward

Contact: john.apanowicz@wcc.govt.nz

John Apanowicz was first elected to represent the Takapū/Northern Ward in 2022, after having been a Mākara/Ōhāriu Community Board member since 2016.

John is the Deputy Chair of Kōrau Tōtōpū, Long-term Plan, Finance, and Performance Committee. He is a member of the following: Kōrau Hātepe | Regulatory Processes Committee, and Unaunahi Ngaio | Audit and Risk Committee.

John is a member of the Basin Reserve Trust, and an alternate member of the Environment Reference Group and the Safe and Sustainable Transport Forum.

Councillor Iona Pannett

Pukehīnau/Lambton Ward

Contact: iona.pannett@wcc.govt.nz

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

She is a member of the Unaunahi Ngaio | Audit and Risk Committee.

Iona is the chair of Wellington Regional Waste Management and Minimisation Plan Joint Committee, a liaison for the Takatāpui Rainbow Advisory Council, a member of the Regional Transport Committee, and an alternate for the Waste Forum – Wellington Region and Accessibility Advisory Group.

Councillor Tamatha Paul

Pukehīnau/Lambton Ward

Contact: tamatha.paul@wcc.govt.nz

Tamatha was first elected to Council in 2019, and is one of three Pukehīnau/Lambton Ward councillors.

Tamatha is the chair of the Kōrau Tūāpapa | Environment and Infrastructure Committee. She is a member of the following: Unaunahi Ngaio | Chief Executive Performance Review Committee, Kōrau Hātepe | Regulatory Processes Committee, and Environment and Infrastructure Hearings Panel.

Councillor Nicola Young

Pukehīnau/Lambton Ward

Contact: nicola.young@wcc.govt.nz

Nicola is a fourth-term city councillor for the central city Pukehīnau/Lambton Ward, having been first elected in 2013.

Nicola is the chair of Pītau Pūmanawa | Grants Subcommittee.

Nicola is a member of the Joe Aspell Trust, the Sheilah Maureen Winn Charitable Trust, and the Art Collection Group.

Councillor Nīkau Wi Neera

Te Whanganui-a-Tara Māori Ward

Contact: nikau.wineera@wcc.govt.nz

Nīkau Wi Neera (Ngāti Toa Rangatira, Kāi Tahu) was elected to Council as the first Te Whanganui-a-Tara Māori Ward councillor.

Nīkau is the deputy chair of Pītau Pūmanawa | Grants Subcommittee. He is a member of the Environment and Infrastructure Hearings Panel.

Nīkau has been appointed to the Creative Communities Local Funding Scheme, is a liaison for the Environmental Reference Group, and an alternate member of Youth Council and the Art Collection Group.

Mana whenua representatives

Holden Hohaia

Taranaki Whānui ki te Upoko o te Ika

Holden was appointed pouiwi to Council by the post settlement governance entity of his iwi, Taranaki Whānui ki te Upoko o te Ika, for the start of the 2022-25 triennium. He is a qualified lawyer and Māori language interpreter and has spent his career working in local and central government roles. He is currently the Chair of the Ngāti Maru Post Settlement Entity – Te Kāhui Maru, and is the immediate past Chair of Taranaki Whānui ki te Upoko o te Ika.

Liz Kelly

Ngāti Toa Rangatira

Liz is the previous Deputy Mayor and City Councillor of Porirua and was appointed as pouiwi for Ngāti Toa in 2021. She brings vast knowledge from her former local government roles, where she worked within Strategy and Finance, the District Plan Review, Employment and Economic Development, Joint Waste Water and Landfill and the Sister Cities portfolios. She is a former Certified Resource Management Commissioner, a current Justice of the Peace and remains the CEO for the Porirua Whānau Centre.

Code of Conduct and Conflicts of interest

The Code of Conduct for elected members provides guidance on the standards of behaviour that are expected from the mayor and other elected members.

Both the Code of Conduct and councillors' responsibilities to declare conflicts of interest are covered extensively as part of the induction programme after an election.

Code of Conduct Complaints

The Code of Conduct complaints process applies to all elected members in their dealings with each other, the chief executive, all staff, the media, and the general public.

Any alleged breach by a member of the provisions of the code for which there is not a process and penalty provided elsewhere shall be reported in a timely manner to the appropriate person.

Any allegation is considered in a manner that is fair to all parties involved, including ensuring that due process is respected. This includes ensuring that the elected member is given an opportunity to consider and respond to the allegation.

No Code of Conduct complaints were considered during 2022/23.

Conflict of Interest Declarations

At the start of the triennium, all councillors are asked to declare their interests. Follow-ups occur to ensure that Councillors comply with the provisions of the Local Government Act 2002 and Local Authorities (Members' Interest) Act 1968, which covers pecuniary interests as well as other requirements relating to non-pecuniary interests.

At meetings, members are asked to declare any conflicts of interest in relation to any items/reports on the agenda, whether pecuniary or non-pecuniary. If a member declares an interest, they will not vote on or speak to the item.

There were four conflicts of interests declared in committee meetings and three in Community Board meetings during 2022/23.

Councillor meeting attendance

The meeting attendance figures shown in the table below relate to Council, committees, and subcommittee meetings of which the councillor is a member.

The meeting attendance figures do not include Councillors' attendance at external meetings, including for boards of Council-controlled organisations, community boards, working parties, advisory groups and other external bodies.

Excluded from this list are committees administered by other councils such as the Wastewater Treatment Plant and Landfill Joint Committee, Wellington Regional Transport Committee, Wellington Region Leadership Committee, and the Let's Get Wellington Moving Governance Group. For more information on those external committees, see Council and Committee meetings at www.porirua.govt.nz or www.gw.govt.nz.

Pre-election

Elected members	Meetings held	Meetings Attended	
Mayor Andy Foster	18*	13	72%
Deputy Mayor Sarah Free	16	16	100%
Councillor Diane Calvert	14	14	100%
Councillor Jenny Condie	15	14	93%
Councillor Jill Day	15	15	100%
Councillor Fleur Fitzsimons	13	13	100%
Councillor Laurie Foon	14	13	93%
Councillor Rebecca Matthews	15	15	100%
Councillor Teri O'Neill	15	13	87%
Councillor Iona Pannett	17	16	94%
Councillor Tamatha Paul	13	11	85%
Councillor Sean Rush	15	13	87%
Councillor Simon Woolf	14	14	100%
Councillor Nicola Young	13	13	96%
Liz Kelly (Ngāti Toa Rangatira)	13	9	69%
Total meetings held:	19		

* Mayor is ex-officio on all Council committees and subcommittees; therefore, attendance percentage is not comparable with other elected members.

Post-election

Elected members	Meetings held	Meetings Attended	
Mayor Tory Whanau	34*	29	85%
Deputy Mayor Laurie Foon	25	23	92%
Councillor Nureddin Abdurahman	29	29	100%
Councillor John Apanowicz	24	23	96%
Councillor Tim Brown	24	22	92%
Councillor Diane Calvert	28	27	96%
Councillor Ray Chung	23	23	100%
Councillor Sarah Free	29	29	100%
Councillor Rebecca Matthews	26	26	100%
Councillor Ben McNulty	28	28	100%
Councillor Teri O'Neill	25	25	100%
Councillor Iona Pannett	25	25	100%
Councillor Tamatha Paul	31	30	97%
Councillor Tony Randle	25	24	96%

Elected members	Meetings held	Meetings Attended	
Councillor Nīkau Wi Neera	24	22	92%
Councillor Nicola Young	23	21	91%
Liz Kelly (Ngāti Toa Rangatira)	22	17	77%
Holden Hohaia (Taranaki Whānui)	22	19	86%
Total meetings held:	37		

* Mayor is ex-officio on all Council committees and subcommittees; therefore, attendance percentage is not comparable with other elected members.

Community boards

Wellington City Council has two community boards constituted under section 49 of the Local Government Act 2002 – Tawa Community Board and Mākara/Ōhāriu Community Board. Both community boards have six members elected triennially by the electors in the respective communities. The Tawa Community Board also has two Takapū Northern General Ward Councillors appointed as members.

Tawa Community Board

Chair: Jill Day

Deputy Chair: Tim Davin

Members: Rachel Allan, Janryll Fernandez (until May 2023), Jackson Lacy, Miriam Moore

Council Appointed Members: Cr Ben McNulty, Cr Tony Randle

The Tawa Community Board met nine times in 2022–23. It discussed matters affecting the community, including updates on: the Open Space and Recreation Strategy, Tūpiki Ora – 10-year Māori Outcomes Strategy, Pāneke Pōneke, and Tawa-specific projects such as the Kids Enhancing Tawa Ecosystems Programme, and events and activities in the Linden Community.

The Board was also regularly updated on allocations of the Tawa Community Board Discretionary Fund, resource consent applications and approvals, as well as current or upcoming Council consultations and surveys affecting Tawa.

Tawa Community Grants: Nine grants were made totalling \$15,000.

Mākara/Ōhāriu Community Board

Chair: Mark Reed

Deputy Chair: Darren Hoskins

Members: Christine Grace, Chris Renner, Wayne Rudd, and Hamish Todd.

Council Appointed Members: Cr John Apanowicz, Cr Rebecca Matthews

The Mākara/Ōhāriu Community Board met eight times in 2022–23. It discussed matters affecting the community, including: ongoing challenges with roading repairs and general maintenance in Mākara and Ōhāriu, the Open Space and Recreation Strategy, and the Mākara Bund Review.

Advisory Groups

Forums and advisory groups help specific sectors of the community to have their say and guide us in our work.

We have six advisory groups – Accessibility Advisory Group; Environmental Reference Group; Pacific Advisory Group; Rainbow Communities Advisory Group; Safe & Sustainable Transport Forum; and Youth Council.

Advisory groups consist of members of the community with specialist knowledge in a specific area of Council responsibility. Their role is to help their communities understand Council processes, participate in the Council decision-making processes, and help the Council understand the needs of their communities and how those may be addressed. They are not seen as representing all views on their specialist areas or communities in Wellington.

Accessibility Advisory Group (AAG)

Co-Chairs: Susan Williams, Erikka Helliwell

Members: Donna Fasavalu, Hannah Gibson, David Karl, Olivia Murphy, Rachel Noble, Renee Patete, Nick Ruane.

Council Appointed Members: Cr Rebecca Matthews, Cr Iona Pannett (alternate)

The AAG met 12 times and provided feedback and advice to Council on: Proposed District Plan, Wellington Design Manual, Lets Get Wellington Moving, City Housing Update, Reimagining Toi Pōneke, Housing Development Project, Frank Kitts Park, Long Term Plan and Annual Plan

Environmental Reference Group (ERG)

Co-Chairs: Michelle Rush, Shannon Wallace

Members: Steven Almond, Sally Faisandier, George Hobson, Clare Stringer, Summer Satterthwaite, Ben Zwartz, Spencer Clubb.

Council Appointed Members: Cr Nīkau Wi Neera, Cr John Apanowicz (alternate)

The ERG met 11 times and provided feedback and advice to Council on: the Draft District Plan, Annual Plan, Zero Waste Programme, Cultural Heritage Strategy, Biodiversity Strategy, Re-imagining Pōneke, Wellington Water and Reform Process, and the Dog Policy.

Pacific Advisory Group (PAG)

Co-Chairs: Anthony Carter and Natalia Fareti

Members: Gerron Ale, Jope Berwick Anthony, Maria Clark, Mino Cleverly, Sunia Foliaki, Kira Hundleby, Maikali Kilione, Jocelyn Kua, Lisa Pouvalu, Sandra Tisam, Tino Vaireka and Nia Bartley.

Council Appointed Members: Cr Sarah Free, Cr Rebecca Matthews (alternate)

The PAG has specific membership requirements to ensure it represents a broad range of the Pasifika communities in Wellington: Cook Islands, Fiji, Melanesia, Micronesia, Niue, Samoa, Tokelau, Tuvalu and Tonga, with up to 17 members.

The PAG met 12 times and provided feedback and advice to Council on: the Tukuihotanga Cultural Heritage Strategy, Community Facilities Review, and the Fale Malae proposal.

Takatāpui and Rainbow Advisory Council (TRAC)

Co-Chairs: Tyler Dunkel, Moko Mataa

Members: Rākau Buchannan, Mani Mitchell, Maggie Shippam, Sam Low, Vinod Bal, Tatyana King-Finau, Carew Paki, Alex Sawyer.

Council Appointed Members: Cr Iona Pannett, Cr Teri O'Neill (alternate)

Page | 129

The TRAC met 11 times and provided feedback on: Sexual Violence Prevention, Make Visible Wellington, Tūpiki Ora Action Plan, Cultural Heritage Strategy, Community Facilities Review, Queer Safety in the CBD, Rainbow Housing and the Annual Plan.

Safe & Sustainable Transport Forum (SASTF)

Members: Representatives from 12 organisations and agencies interested in road safety and/or sustainable transport are invited to participate in the quarterly SASTF meetings.

These organisations include Greater Wellington Regional Council, Living Streets Wellington, Cycle Wellington, Waka Kotahi New Zealand Transport Agency, New Zealand Police, Automobile Association, Equestrian Safety, Accessibility Advisory Group, Accident Compensation Corporation, Regional Public Health, Bikers' Rights Organisation of New Zealand (BRONZ) and Wellington City Councillors.

This forum met four times during 2021–22, either online or in person.

Youth Council

Chair: Anastasia Reid

Deputy Chair: Josh Taefu

Members: Andrew Ackerley, Artemis Crawford, Ashleigh Putt-Fallows, August Metherell, Ben Bridle, Caspar Levack, Ella Flavell, Finley Duncan, Henery Lockhart, Kady Saxon, Kalani Fransen, Keelan Cy Heesterman, Leandra Broughton, Nīkau Edmond-Smaill, Pūpūpaki Pūvalu, Teresa Ng.

Council Appointed Members: Cr Ben McNulty, Cr Nīkau Wi Neera (alternate)

The Youth Council met 21 times and provided feedback and advice to Council on: Cultural Heritage Strategy, District Plan, Frank Kitts Park, Zero Waste Strategy, Open Spaces and Recreation Strategy, Climate Campaign, Pōneke Promise and Kilbirnie Park Masterplan and Destination Skatepark.

Youth Council was particularly involved in developing the capabilities of its members including leadership and engaging with the wider youth community.

Our organisation

The Mayor and Councillors employ and delegate the management and delivery of Council services to the Chief Executive. The Chief Executive is the sole employee of the elected Council and is the employer of all other staff.

The Executive Leadership Team supports the Chief Executive to provide advice to the Council, manage the Council organisation and implement Council decisions. The team is made up of eight members who lead functional Groups based on key areas of focus.

Alongside the Council organisation, the Council has established several Council-controlled organisations to help it achieve its goals for Wellington. The governance structures and purposes of those organisations are profiled here. Any related performance information is detailed in Section 4: Our performance in detail.

Our Executive Leadership Team

The Chief Executive manages Wellington City Council under elected member approved annual and long-term plans, and relevant legislation, policies and guidelines. The Chief Executive is responsible for the efficient and effective implementation of the Council's decisions within agreed parameters. The Chief Executive employs the Council's 2,061 staff to help with these responsibilities.

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

Barbara McKerrow

Tumu Whakarae | Chief Executive Officer

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

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

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

Stephen McArthur

Tātai Heke Rautaki | Chief Strategy & Governance Officer

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

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

Meredith Blackler

Tātai Heke Tāngata | Chief People & Culture Officer

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

In her role, she is responsible for human resources, payroll, safety, security and staff wellbeing, organisational culture, staff engagement and building capability, including leadership development, and an internal organisational high-performance programme “Working Better Together”.

James Roberts

Tātai Heke Auaha | Chief Digital Officer

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

In his role, he is responsible for customer experience across customer channels, IT services for staff, IT innovation to support city strategies and policies, and developing an information and data-driven organisation

Kym Fell

Tātai Heke Hapori | Chief Customer and Community Officer

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

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

Sara Hay

Tātai Heke Tahua | Chief Financial Officer

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

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

Sara left her role in February 2023.

Andrea Reeves

Tātai Heke Tahua | Chief Financial Officer

Andrea was appointed as Chief Financial Officer in March 2023. She was previously in senior leadership roles at the Office of the Auditor General and Audit New Zealand.

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

Liam Hodgetts

Tātai Heke Maherehere | Chief Planning Officer

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

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

Siobhan Procter

Tātai Heke Waihanga | Chief Infrastructure Officer

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

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

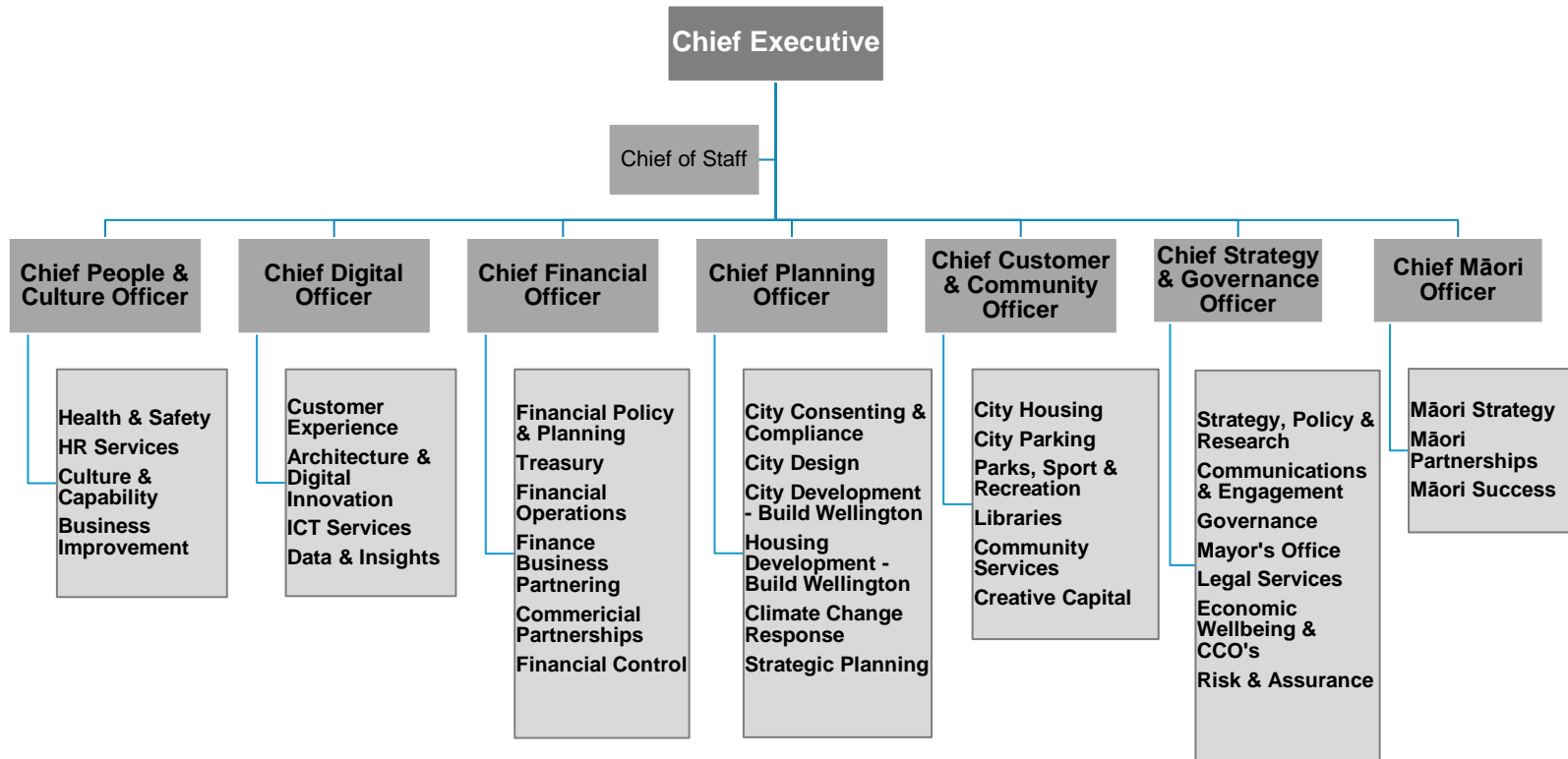
Karepa Wall,

Tātai Heke Māori | Chief Māori Officer

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

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

Organisation chart - Groups and business units



Our organisation’s unifying purpose

The Council’s Strategic direction is outlined on page X. It sets the direction for the city and helps shape the programme of work that is decided in the Long-term Plan.

We have a clear unifying purpose to ensure the Council operates effectively: Kia mahi ngātahi mō Pōneke mō tōna ā āpōpō: Working together for Wellington’s future.

We have four core values for how we work. The Council values are:

Ngā kaha
Our values



He tangata, he tangata,
he tangata

We put people at the heart of what we do

Whakapai ake
We’re always improving

Mahi ngātahi
We collaborate

Mana tiaki
We care for our places



- We anticipate our customers’ needs
- We support our colleagues
- We listen to our customers and each other
- We act with integrity and respect



- 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



- 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



- We protect our environment for future generations
- We are guardians of our city’s assets
- We nurture our communities
- We consider the impact of what we do

Council-controlled organisations

Alongside our seven groups and business units, Wellington City Council has seven Council-controlled organisations that undertake activities on behalf of the Council and are each governed by an independent board. Council-controlled organisations (CCOs) enable the Council to use specialist expertise to manage Council assets or deliver Council services.

The Wellington Regional Stadium Trust is not a Council-controlled organisation, however its relationship with Council is conducted in a similar manner so it is reported here in a similar fashion.

The organisations are:

- **Basin Reserve Trust** manages and promotes the Basin Reserve for recreation, leisure, and games of domestic and international cricket.
- **Karori Sanctuary Trust** trades as ZEALANDIA – Te Māra a Tāne and manages ongoing conservation and restoration work at its sanctuary in Karori.
- **Wellington Cable Car Ltd** maintains and operates Wellington’s iconic Cable Car.
- **Wellington Museums Trust** trades as Experience Wellington and manages educational and cultural facilities and experiences.
- **Wellington Regional Economic Development Agency Ltd (WREDA)** trades as WellingtonNZ and is the city and region’s economic development organisation.
- **Wellington Regional Stadium Trust** owns, operates and maintains the Sky Stadium as a high-quality multi-purpose sporting and events venue
- **Wellington Water** manages all three water services for Hutt, Porirua, Upper Hutt and Wellington City Councils, and South Wairarapa District Council.
- **Wellington Zoo Trust** manages the Wellington Zoo, provides experiences and education and supports conservation initiatives.

FURTHER READING: For details on the performance of each entity, please refer to Section 4: Our performance in detail, or their respective annual reports.

The governance arrangements for each of the organisations are outlined below.

Basin Reserve Trust

The Basin Reserve Trust is responsible for the operation and management of Wellington’s Basin Reserve. It is the home of Cricket Wellington and the home ground for the Wellington Blaze (women) and Wellington Firebirds (men) cricket teams. It is also a busy route for commuters on cycles, riding scooters and walking to and from the city.

The day-to-day operational activities are carried out by Cricket Wellington under a management agreement with the Trust. The Trust is comprised of four members, two elected by Wellington City Council including the chairperson and two members elected by Cricket Wellington.

The board of trustees is: Alan Isaac (Chair and Council appointee), [Councillor John Apanowicz](#) (Council appointee), Mike Horsley (Cricket Wellington appointee), and John Greenwood (Cricket Wellington appointee).

Karori Sanctuary Trust

The Karori Sanctuary Trust is a not-for-profit community-led organisation and trades as ZEALANDIA – Te Māra a Tāne. It is the world’s first fully fenced urban ecosanctuary, with a 500-year vision to restore Wellington’s forest and freshwater ecosystems as closely as possible to their pre-human state. The 225-hectare, renowned and popular conservation project has reintroduced more than 20 species of native wildlife back into the area, and as a result of ‘spill-over’ beyond the fence, has significantly changed the birdlife of Wellington. The organisation also has a significant engagement, education and empowerment programme.

The board of trustees is: Phillip Meyer (Chair), Professor Margaret Hyland, Jo Breese, Dr Libby Harrison, Pete Monk, Russell Spratt, and Councillor Teri O'Neill. The Chief Executive is Dr. Danielle Shanahan.

Wellington Cable Car Company Limited

Wellington Cable Car Company Ltd owns and operates the city's iconic funicular railway that runs between Lambton Quay and Kelburn, a hill suburb overlooking the city and harbour. The first journey was taken on 22 February 1902. The Cable Car is one of Wellington's most well visited attractions and records more than a million passenger journeys a year, comprising of commuters, students and residents as well as the many visitors to Wellington.

Wellington Cable Car Ltd is wholly owned by the Council and directors appointed to the board are Council officers. The Chief Executive is Tansy Tompkins, who joined the Cable Car Company in October 2022.

The board of directors is David Perks (Chair) and Danny McComb.

Wellington Museums Trust

The Wellington Museums Trust, which trades as Experience Wellington, operates six institutions on behalf of the Council. These are Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, the Cable Car Museum, and Wellington Museum.

In addition to operating these diverse facilities, the Trust manages the Plimmer's Ark display in Old Bank Arcade, the recovered Plimmer's Ark timbers in storage, and Wellington city's heritage collections, and provides support to the New Zealand Cricket Museum.

The board of trustees is: Jane Wrightson (Chair), Heather Galbraith, Suzanne Snively, Peter Jackson, Martin Matthews, Peter Johnson, and Councillor Ben McNulty. The Chief Executive is Sarah Rusholme.

Wellington Regional Economic Development Agency Ltd

The Wellington Regional Development Agency Ltd (trading as WellingtonNZ) supports economic performance across the region to enhance prosperity, vibrancy and liveability for the people who live and work in the region.

WellingtonNZ markets the Wellington region as a destination for visitors, migrants and investors; it helps businesses grow and innovate; it advocates for the region's economy, and attracts and promotes major events, and runs the Wellington City civic venues.

The board of directors is: Tracey Bridges (Chair), Jill Hatchwell, Wayne Mulligan, Jo Healey, Daphne Luke, David Wilks, Paul Retimanu and Kylie Archer. The Chief Executive is John Allen.

WellingtonNZ also reports regularly to the Wellington Regional Leadership Committee which oversees the implementation of the Wellington Regional Economic Development Plan.

Wellington Regional Stadium Trust

The Trust owns, operates and maintains the Sky Stadium as a high-quality multi-purpose sporting venue. The stadium, opened in 2000, also hosts musical and cultural sponsored events, a variety of trade shows, plus community events. The Stadium is home to the Hurricanes and Wellington Lions rugby teams, the Wellington Phoenix men's and women's football teams, and regularly hosts the New Zealand national men's and women's teams in rugby, football and cricket.

The board of trustees is jointly appointed by the Council and Greater Wellington Regional Council. The board of trustees is: Rachel Taulelei (Chair), Tracey Bridges, Steve Tew, Phillippa Harford, Owen Gibson, Nicola Crauford, Councillor Diane Calvert from Wellington City Council, and Councillor Phillippa Harford from Greater Wellington Regional Council. The Chief Executive is Shane Harmon.

Note: The Trust is not a Council-controlled organisation, however its relationship with Council is conducted in a similar manner so it is included here in a similar fashion for this reason.

Wellington Water Ltd

Wellington Water Limited is a council-controlled organisation owned by the Hutt, Porirua, Upper Hutt and Wellington City Councils, South Wairarapa District Council and Greater Wellington Regional Council. The councils are all equal shareholders.

The role of Wellington Water is to manage the drinking water, wastewater and stormwater services of its shareholder council owners. Wellington Water's main activities include:

- managing water treatment and supply
- managing stormwater and wastewater service delivery in the Wellington region
- promoting water conservation and sustainability.

Wellington Water does not own any drinking water, stormwater, wastewater or bulk water assets. Nor does it set policies or control rates or user charges. These functions remain with the local councils and Greater Wellington Regional Council.

The board of directors is: Lynda Carroll (Chair), Kim Skelton, Mike Underhill, Leanne Southey, Nick Leggett, and Alexandra Hare.

A representative from each territorial authority sits on the Wellington Water Committee that provides overall leadership and direction for the company.

The Wellington Water Committee is: Mayor Campbell Barry (Chair) – Hutt City Council, Wayne Guppy (Deputy Chair) – Upper Hutt City Council, Alex Beijen – South Wairarapa District Council, Mayor Andy Foster – Wellington City Council, Anita Baker – Porirua City Council, Josh van Lier – Greater Wellington Regional Council, Miria Pomare – Te Rūnanga O Toa Rangatira, and Lee Rauhina-August – Taranaki Whānui ki te Upoko o te Ika. The Chief Executive is Colin Crampton.

Wellington Zoo Trust

Wellington Zoo was New Zealand's first zoo, opening in 1906.

The Wellington Zoo Trust manages the progressive and award-winning 13-hectare Wellington Zoo, home to native and international animals, and is recognised locally and globally for leadership and expertise in animal welfare, conservation, visitor experience, animal habitat design and sustainability.

The Zoo delivers learning sessions to thousands of children a year to grow their understanding of animals and the natural world. It also partners with conservation organisations for at-risk species from New Zealand and around the world and to advocate for animals and save wildlife and wild places. Wellington Zoo treats hundreds of native animals a year at The Nest Te Kōhanga, the Wellington Zoo's animal hospital and centre for wildlife health services and is the world's first carbon zero-certified zoo.

The board of trustees is: Craig Ellison (Chair), Jane Diplock, Jamie Tuuta, Chris Roberts, Nina Welanyk Brown, and Councillor Nureddin Abdurahman. The Chief Executive is Karen Fifiel MNZM.

Making ourselves accountable

We make ourselves accountable in many ways. This Annual Report is one. It explains what we did during 2022/23, how our work contributed to the city, what it cost, and whether our performance met the expectations we set ourselves. Its contents have been independently scrutinised to ensure they fairly reflect our financial performance and position, and the services provided.

Transparency

The Local Government Official Information and Meetings Act 1987 ensures our community can access official information, participate in meetings and influence local decision making.

All meeting agendas and reports are made public at least two days before meetings. The minutes of our meetings are made available on our website and we live stream all of our committee and Council meetings.

We ensure any decisions are communicated effectively to the community – through media releases, social media, web alerts, and our website. We also produce quarterly reports which are available to members of the public and media.

We proactively publish responses to official information requests of note on our website, and include summary statistics of timeliness and other measures on how we manage requests.

Assurance Framework

The Council's Assurance Framework is based on the Institute of Internal Auditors 'Three Lines Model' to provide confidence to our ratepayers, communities and other stakeholders that the Council is well positioned to deliver its business objectives and outcomes.

Internal control systems at the Council define clear responsibilities and accountabilities across the organisation. Regular assurance is provided that these systems and processes are working as intended. The Council's internal audit programme of work is designed to provide an overview of the effectiveness of the Council's internal control environment. The Unaunahi Māhirahira | Audit and Risk Committee approves and oversees this work programme, with an update provided at every meeting.

We give confidence to our stakeholders that the Council is meeting its responsibilities and the public's expectations of accountability. We work together across the organisation to be a high performing organisation.

Some key work programmes for the year included:

- Nine internal audit engagements, three of which were responsive reviews.
- Staff Gift Register: We monitored the gifts received and declined. The internal policy was updated to ensure alignment with OAG guidance. Elected member gifts and hospitality declarations were also monitored and reported on.
- We completed eight integrity related investigations, monitored sensitive expenditure, gift declarations, and various other advisory engagements to support and strengthen our internal control system.
- A process was implemented to oversee the management of organisational conflicts of interest declared relating to resource and building consents, including governance pressure, as well as consents for property owned by the Council.

Managing risks

The Council conducts strategic risk assessments to identify the most significant external and internal challenges that could prevent us from functioning and delivering well. We follow the Joint Australian/New Zealand International Standard for Risk Management and use an evidence-based approach to determine the likelihood and severity of our risks.

We assess a range of threats from a major earthquake and tsunami, our response to climate change, cyberattacks, fraud and other risks to understand the impacts these could have on the Council. We do this so we can make informed decisions about how we manage risks and reduce potential harm to our organisation, our city, and its people.

Managing privacy

The Council takes seriously its obligations under the Privacy Act 2020. We have a privacy programme in place to lift training and awareness, to respond to privacy incidents and breaches, and to provide metrics and communications to Senior Leaders.

A privacy breach this year showed the Council can improve systems. We have completed our response to a significant data privacy breach involving an Excel spreadsheet calculating the costs and benefits of a Council proposal to lower traffic speed limits around the city under the 'Speed Management Plan. The full public notice on this breach can be viewed on our website here:

<https://wellington.govt.nz/news-and-events/news-and-information/our-wellington/2023/08/public-notice-around-privacy-breach>

Steps are being taken to restore trust in our systems of disclosure, including an independent review.

Unaunahi Māhirahira | Audit and Risk Committee

Unaunahi Māhirahira | Audit and Risk Committee has governance oversight of risk management systems, processes, and organisational risk management capability. It receives regular reports related to the efficacy of risk management practices, as well as an overview of the Council's strategic risk profile. Risk Appetite Statements have been developed and adopted by Council. The Risk Appetite Statements will provide guidance on how we intend to balance risks and opportunities in order to achieve strategic objectives.

The committee also oversees the work of the Council in the following areas:

- the integrity of financial statements, including confirming that financial statements and statements of service performance are supported by appropriate sign-off, and seeking assurance from external auditors.
- the implementation of the risk management programme of work, and the risk management framework including Council's strategic risks and that there are processes for managing risks within CCOs.
- whether management's approach to maintaining an effective internal control framework is sound and effective.
- the systems that manage compliance with regard to health and safety.

The committee met twice in the 2022/23 year.

Membership of the committee was: Mr Bruce Robertson (Chair, external), Councillor Tony Randle (Deputy Chair), Mayor Tory Whanau, Councillor John Apanowicz, Councillor Ray Chung, Councillor Iona Pannett, Pouwi Liz Kelly and Wendy Venter (external).

Prior to the local elections in October 2022, this work was undertaken by the Kāwai Māhirahira | Audit and Risk Subcommittee which met once in the 2022/23 year and had a membership of: Mr Page | 140

Bruce Robertson (Chair, external), Mayor Andy Foster, Councillor Jenny Condie, Pouiwi Liz Kelly, Councillor Iona Pannett, Councillor Tamatha Paul, Councillor Sean Rush, Linda Rieper (external) and Roy Tiffin (external).

The external appointments to committee are recruited based on relevant skills and experience which bring value to the Committee, including financial knowledge, experience in risk management and governance, and local government experience.

Our staff

Our people are our strength. We have many talented, hard-working staff across Council, and much to celebrate and be proud of. Through their efforts we are able to deliver on our promises to the community.

He tangata – People

Our people continue to enjoy working for an organisation that is delivering a tangible difference to the communities it serves. Even in a challenging labour market we know this aspect of working for the Council is what keeps people engaged and motivated to stay. This can be shown by internal appointments making up 40 percent of successful applications to roles and a 25 percent increase in job applications received.

Our staff have indicated a hard-won 3% increase in engagement on last year's result in our annual Kōrero Mai engagement. In this survey our people told us that they feel most proud of the services we provide to our communities, the culture of their teams, and how team members support each other, stay resilient and deliver high quality work that makes a positive difference.

Staff by group and employee class

Group	Permanent		Fixed Term		Casual	Total Headcount	FTE
	Full-Time	Part-Time	Full-Time	Part-Time			
Chief Executive's Office	11	0	1	0	0	12	12.00
Customer & Community	480	558	36	15	44	1133	610.71
Finance & Business	67	1	0	0	0	68	60.50
Infrastructure & Delivery	164	21	8	2	11	206	184.49
Mataaho Aronui	5	1	2	0	0	8	7.40
People & Culture	50	5	4	0	0	59	51.60
Planning & Environment	247	24	34	16	0	321	305.66
Smart Council	114	15	9	4	0	142	131.56
Strategy & Governance	94	10	4	4	0	112	106.75
Total Headcount	1232	635	98	41	55	2061	1,470.67

*excludes contractors

Staff by employee class

	# Staff	Ratio
Permanent	1,867	91%
Fixed Term	139	7%
Casual	55	3%
Total	2,061	100.00%

*excludes contractors

Staff by employee type

	# Staff	Ratio
Full-Time	1,330	65%
Part-Time	676	33%
Casual	55	3%
Total	2,061	100%

*excludes contractors

Staff by employee class and age

	< 25yrs	25 - 40yrs	41 - 55yrs	56 - 60yrs	61yrs+	Grand Total
Permanent	438	683	454	125	164	1864
Fixed Term	36	57	32	4	10	139
Casual	33	12	5	1	4	55
Total	507	752	491	130	178	2,058

*excludes contractors and unknown age

Staff by length of service by gender

Length of Service	Female	Male	Gender diverse	Grand Total
0 - 1 yr	336	280	12	628
1 - 2 yrs	247	163	4	414
2 - 5 yrs	234	186	0	420
5 - 10yrs	141	136	0	277
15 - 20yrs	53	40	0	93
20 - 25yrs	41	26	0	67
25 - 30yrs	55	62	0	117
30 - 35yrs	5	15	0	20
35 - 40yrs	4	12	0	16
40 - 45yrs	2	4	0	6
50 - 55yrs	0	2	0	2
Over 55 yrs	0	1	0	1
Total	1,118	927	16	2,061

*excludes contractors

Staff attrition

Reporting Period	Voluntary Attrition	Involuntary Attrition	Turnover (%)
1 July 2018 - 30 June 2019	20.9%	1.7%	22.6%
1 July 2019 - 30 June 2020	17.7%	1.4%	19.1%
1 July 2020 - 30 June 2021	19.0%	1.2%	20.2%
1 July 2021 - 30 June 2022	27.3%	0.9%	28.2%
1 July 2022 - 30 June 2023	27.6%	0.77%	28.4%

Turnover has been high for the Council since the first year of COVID-19 restrictions. While this is not unique to the Council, factors such as a tight and highly competitive Wellington labour market, opening of borders for overseas experiences which were delayed during restricted travel, and the cost of living have contributed towards this. Turnover is beginning to decline and several initiatives to retain and attract talent have been actioned or are underway to continue to support the employer value proposition and being an employer of choice.

Staff awards

We celebrated the achievements of our kaimahi (staff) in October 2022 at our fourth annual staff awards ceremony. These awards celebrate the achievements of our people and formally acknowledge the high performers who are living our values, demonstrating strong leadership, and helping deliver real progress for our city.

The awards are peer and leader nominated, and in 2022 we received 191 nominations under the following categories:

Values Awards

- **He tangata, he tangata, he tangata:** Recognises exceptional achievement in customer service, working with the community, or in demonstrating care and respect for others.
- **Mahi ngātahi:** Recognises excellence in collaborating with others inside and outside Council to achieve exceptional results.
- **Whakapai ake:** Recognises innovative thinking that challenges the way we do things or improves our business processes.
- **Mana tiaki:** Recognises an exceptional contribution towards making Wellington a great place to live, work and play.
- **Ngā Kaha:** Recognises teams who live 'Our Values – Ngā kaha' every day.

Leadership Awards

- **Emerging leader:** Recognises individuals who have demonstrated leadership potential.
- **Accountable Leader:** Recognises people leaders who demonstrate exceptional leadership skills and demonstrate Working Better Together.
- **Leadership:** recognises individuals who positively influence others by demonstrating good leadership.

Health and Safety Awards

- **H&S Rep of the Year:** Recognises Health and Safety Reps who demonstrate a positive approach to Health and Safety and representing other workers.
- **Best Health and Safety Initiative:** Recognises initiatives which have resulted in an improvement in Health, Safety or Security systems.

Mahi Ngātahi – We Collaborate

Diversity, Inclusion and Wellbeing

The Council is committed to building and nurturing an inclusive culture where everyone feels they belong. In November 2021, we launched our Inclusion Strategy: Kia oke tapatahi tātou (Together we thrive). This strategy documents our aspirations to build a diverse organisation, inclusive culture and to extend aroha by caring for and nurturing our people.

The strategy goals are focused on:

- Growing the capability of our people
- Creating an inclusive workplace
- Ensuring equity in our policies, processes, services and systems
- Providing care for our internal Council community (expanded on in the Wellbeing section)

Since the strategy was launched, we have progressed several key initiatives including:

- Completed our first two annual inclusion surveys to measure progress. In 2022, scores increased for all assertions except one.
- Supported neurodivergent staff through ADHD coaching and running a Harnessing Neurodiversity webinar.
- Procured two development programmes to lift cultural capability: Mana Āki to support capability building in intercultural awareness and Courageous Conversations to support the capability of staff to have effective and intentional conversations about race.
- Developed our Māori capability framework – Kōkiritia.
- Established of an inclusion advisory group – members are remunerated with an Extra Duties Allowance.
- Developed Takatāpui and Rainbow Communities inclusivity eLearning to increase understanding of Takatāpui and Rainbow communities and highlight the importance of ensuring rainbow kaimahi feel included.
- Drafted Inclusion Principles, an Inclusion Policy and supporting guidelines (including reasonable accommodation, religious accommodation, neurodiversity inclusion, Takatāpui and Rainbow Communities inclusion and gender affirmation).
- Redesigned our bullying and harassment policies and procedures to ensure zero tolerance for discriminatory behaviour is upheld.
- Continued work on understanding and mitigating gender and ethnic pay inequity.

Staff diversity profiles

In 2022/23, there were seven more females to males in Tiers 1 to 3 of the organisation and 15 more females than males in Tier 4 (two less than the previous period). Tier 1 is the Chief Executive, Tier 2 is Chief Officers, Tier 3 is Business Unit Managers and Tier 4 in general covers team leader roles.

When all 2,061 employees are considered, there are 230, or 12 percent, more females than males, with females making up 56 percent of our workforce.

In relation to ethnicity, approximately half of our workforce identifies as European, however since the previous period we have increased our Asian workforce by 1 percent and our Pacific Peoples workforce by 1 percent.

Staff by gender and organisation level

Gender	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7	Tier 8	Grand Total
Female	4	34	109	252	344	297	77	1,117
Male	5	27	90	193	227	294	92	927
Gender Diverse	0	0	1	0	7	7	1	16
Total	9	61	200	445	578	598	170	2,061

*excludes CEO and unknown gender

Staff by age and organisation level

Age Brackets	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7	Tier 8	Grand Total
< 25yrs	0	0	9	19	71	302	108	509
25 - 40yrs	1	18	71	195	278	146	45	754
41 - 55yrs	6	30	82	150	129	80	13	491
56 - 60yrs	1	9	21	38	33	27	1	130
61yrs+	1	4	18	43	74	48	4	177
Total	9	61	200	445	578	598	170	2,061

*excludes CEO

Staff ethnicity

Ethnicity	Female	Male	Gender Diverse	Grand Total
Asian	106	110	1	217
European	768	595	13	1,376
Māori	67	53	2	122
Middle Eastern/Latin American/African	22	22	0	44
Pacific Peoples	43	27	0	70
Not Recorded	112	120	0	232
Total	1,118	927	16	2,061

Wellbeing

Our inclusion strategy puts wellbeing at the core of a diverse and inclusive organisation. It prioritises building an integrated approach to wellbeing, focusing on support, protection, and promotion to ensure kaimahi are looked after.

To support this and in response to the wellbeing challenges of living and working with COVID-19, a holistic wellbeing framework, Being Well at WCC, was created and rolled out to staff in 2021. It has been rebranded, and has evolved during 2022/23 to become more fluid and accessible

A key part of the model has been the continued delivery of wellbeing interventions timed to align with annual processes or milestones and to reflect kaimahi needs including:

- Webinars with industry experts focused on healthy habits, financial wellbeing, nutrition, and menopause.
- Guidance for leaders on how to support their teams when bad things happen, such as natural disasters, injury or death in the workplace.

Through our annual engagement surveys, we have continued to improve our understanding of levels of mental wellbeing and to provide resources to support teams and managers to have safe and informed conversations alongside more formal interventions such as our Employee Assistance programme and Mirimiri and Romiromi (traditional Māori bodywork and healing).

We are in the process of developing an approach to wellbeing that weaves it through everything we do and talks to the shared responsibility of individuals, teams, and the Council in supporting wellbeing. Alongside this, we are designing a wellbeing brand that will create a narrative kaimahi will be able to relate to and connect with, further lifting the profile and importance of wellbeing at the Council.

Employee Assistance programme

	2020/2021	2021/22	2022/23	Difference
Total hours used	807.75	722	810	+88
EAP # New Referrals	243	183	164	- 19
Average # hours per referral	3.38	3.58	3.69	+0.11

Māori capability building for Council staff

Council is committed to increasing organisational capability in mātauranga Māori and cultural capability in order to deliver on our new strategy and support the achievement of our Long-term Plan goals.

In the past year we have:

- Continued developing Kōkiritia, our Māori capability framework to provide capability expectations for all Council staff in mātauranga Māori and cultural capability
- Continued to provide learning and development offerings in te reo Māori and cultural capability in which:
 - 218 kaimahi completed at least one module in Te Rito – an online, self-paced learning programme on history, iwi relationships, te reo Māori and knowledge of te ao Māori
 - 183 kaimahi completed at least one class in the beginner, intermediate or advanced classes in te reo Māori
 - 109 kaimahi have completed at least one workshop designed to build capability in pronunciation, basic phrases and to construct and confidently deliver their pepeha.

Courses	2020/21	2021/22	2022/23
Te Rito *	1377	534	508
Beginner te reo *	160	222	252
Intermediate te reo *	40	27	40
Advanced te reo *	6	3	10
Pepeha workshop	8	42	39
Phrases workshop	9	17	35
Pronunciation workshop	26	45	68

**This learning programme consists of separate classes/modules through the year. Staff often complete more than one class/module in the programme so some participants have been counted multiple times.*

Development of Mahau App

Mataaho Aronui launched Mahau during Te Wiki o te Reo in 2022. Mahau is a free, easy-to-use, interactive app to help people get started on their te reo journey. The app was developed alongside Ngāti Toa Rangatira and Te Āti Awa Taranaki Whānui to help beginners with te reo words and pronunciation of everyday phrases, as well as destinations and place names across Pōneke. Uptake of the app within Council has been high, with many sharing how useful the audio elements are to support strong pronunciation.

Council Kapa Haka Rōpū

The council has continued to offer kapa haka to all kaimahi weekly. Kapa haka is delivered by professional tutors and provides the opportunity for kaimahi to practice te reo Māori, sing waiata, and perform haka.

Mana tiaki – caring for our environment

Volunteers

One of the greatest assets of our city is our people. We are privileged to have hundreds of people willing to donate their time to ensuring the city is a better place for all. Without all the help from these wonderful people, Wellington would not look or feel the same. Our network of volunteers is essential and many of them have worked for the city in their own time for decades.

An example of the great work volunteers contribute to Wellington is from those in the Environmental sector.

Environmental volunteers

We continue to expand our network of volunteers throughout the city. This year they contributed a total of 58,161 hours across our parks and open space network.

Our volunteers undertake various activities including planting, weeding, guiding people, beach and litter clean ups, pest animal control and track building.

- Wellington Gardens: 5,699 hours
- Berhampore Nursery: 146 hours
- Community trapping: 8,878 hours
- Other community volunteering: 44,311 hours

Our volunteers make a massive contribution through the work they do, both in environmental restoration and in helping us towards our goal of being a net zero carbon capital by 2050. Our commitment to them ensures we make conservation easy and meaningful by connecting people, knowledge and landscapes.

Whakapai ake – Improving

Development and training

We have continued to invest in core learning and development (L&D) initiatives for our staff.

137 different courses offered to kaimahi across the Council	\$1.7m spent on training opportunities (Business Units: \$1.2m; Culture and Capability: \$0.5m)	\$830 per staff member spent on development and training
---	---	--

Over the past 12 months, Culture and Capability has invested in:

- Reviewing and developing onboarding material for kaimahi new to the Council with a new Grow My Team hub on our intranet Pokapū which includes acquire talent/recruitment, onboard and induction.
- Developing four customer service modules designed to give kaimahi tools to help them confidently handle and resolve challenging conversations with customers.
- Developing and rolling out of Takatāpui and Rainbow Communities inclusivity eLearning.
- Supporting business units to develop role and functional specific learning and learning pathways.
- Moving our orientation programme moved to a mix of online and face-to-face delivery once COVID-19 restrictions were relaxed, recognising the importance of connection.

We continue to receive a good score in our Kōrero Mai staff engagement survey related to the statement 'WCC provides opportunities for me to develop my skills and actively encourages career development', which was 73 percent, up 2 percent on last year's score and 6 percent above the Local Government benchmark.

Health and Safety

A new health and safety reporting system was launched in March 2023. The new system provides better access for reporting health and safety related matters, which provides the Council additional actionable information for continuous improvement of its safety practices across the organisation. It has had wide-reaching positive impacts on reporting and health and safety culture in the organisation already, which can be observed in the improved data and increased volume of reporting. The system will continuously evolve as the organisation becomes more familiar with the tool and identifies additional needs for health and safety reporting and records management.

Additionally, a long-term workplace health and safety strategy – A Safer Tomorrow – was signed off in June 2023. The Strategy sets a five-year vision for the Council to have a proactive safety culture by 2028. Over the next five years, the Council will execute a series of annual health and safety plans which will deliver on the projects outlined in the Strategy.

Reporting

We continue to report quarterly on health and safety, and the following is a summary of the lead and lag indicators we report on:

Workplace injury and incidents:

	2020/2021	2021/2022	2022/23	Difference
Total number of recorded health and safety events	3851	3648	3958	+310

	2020/2021	2021/2022	2022/23	Difference
Total number of recorded near miss events	1082	946	970	+24
Work related injury claims (ACC)	97	78	37	-41
Early intervention physiotherapy referrals (to alleviate pain and discomfort)	58	38	34	-4
Health and safety training delivered (individuals trained)*	440	454	632	+178

*These figures do not include mandatory health and safety induction, or the training campaign for the newly launched reporting system (which would significantly skew data in FY22/23).

Capability Building

Council remains committed to upskilling our employees to suit the building of a healthy and safe workplace and culture. Over the last 12 months:

- 65 staff have had training to manage actual or potential aggression so they can keep themselves safe when personal confrontation is experienced
- 33 new health and safety representatives were trained this financial year
- 130 people completed mental health first aid training, building collective resilience and awareness of psychosocial safety impacts (this is a significant increase from 39 last financial year).

Security

The Council has made substantial progress in implementing the Protective Security Requirements framework, a nationally mandated framework for central government agencies, which was adopted in February 2021. Notably, Wellington City Council has been at the forefront as the first local authority to formally embrace this security framework.

This framework enables greater levels of assurance on security performance and enhanced maturity and consistency of security practices. The first annual audit, which was independently conducted, was completed in March 2023, and assessed the Council as having improved in its maturity from the previous year's rating of Informal (1.5) to a level of Basic (2.0) on the scale.

To achieve Level 3 in the framework (Managed), security policies, standards and processes need to be well defined, understood and consistently followed and, as a result, produce the outcomes expected. It will also mean that Council's threat environment is monitored and informs regular reviews of security risk assessments, so that security risk management can be amended accordingly. To achieve this, a prioritised programme designed to mitigate identified risks and uplift protective security maturity has been developed and rolled out to the appropriate teams.

Independent Audit Report

Appendices

[Te reo heading]

In this section

This section includes the Council's Greenhouse gas emissions performance measure disclosures and the principles for our non-financial reporting and service information as per the new PBE FRS 48 standard.

Appendix 1: Greenhouse gas emissions performance measure disclosures

The following disclosures relate to our greenhouse gas emissions (GHG) KPI reported on page X-X of Section 4: Our performance in detail.

Organisational and operating boundaries

The Council's organisational boundaries were set with reference to the methodology described in the Greenhouse Gas Protocol.

The Council has applied an operational control consolidation approach. Under this approach, we measure GHG from sources over which it has operational control – Scope 1 and 2. Emissions from the Council's interests in other entities and assets are accounted for as Scope 3 (indirect) emissions. These are sources where the Council does not have any operational control of the entity or asset.

Significant assumptions, judgements, and methodological choices

The key sources of emission factors are:

- Romanos, Carl, Suzi Kerr and Campbell Will. 2014. "[Greenhouse Gas Emissions in New Zealand: A Preliminary Consumption-Based Analysis](#)," Motu Working Paper 14-05, Motu Economic and Public Policy Research. Wellington. Inflation adjustments are applied to these spend based emission factors given that the study was published several years ago.
- Unique Emission Factors (UEF) approved by EPA for landfill emissions. These are calculated by waste operations teams in line with the regulations and verified by an independent verifier.
- Emissions for wastewater are calculated in a 'Domestic Wastewater Treatment Emissions Model' for each treatment plant. The model is based on the 2019 IPCC refinements to the 2006 guidelines for the National Greenhouse Gas Inventories and Water New Zealand's Carbon accounting guidelines for wastewater treatment: CH₄ and N₂O, August 2021.
- Ministry for the Environment's (MfE) [2023 Detailed Guide for Measuring Emissions](#).

The Council selects factors that have the minimum number of assumptions associated with them whenever possible, having regard to our ability to collect relevant activity level data directly from suppliers or other third parties for many activities. The Council uses New Zealand emission factors for New Zealand based activity whenever possible.

Inherent uncertainty

There is a level of inherent uncertainty in reporting GHGs, due to the inherent scientific uncertainty in measuring emissions factors, as well as estimation uncertainty in the measurement of activity quantity data. We have described significant sources of uncertainty within significant assumptions and judgements disclosed here.

Motu spend-based emission factors

We have needed to rely on modelling and assumptions to measure emissions for some activities. To measure the emissions associated with purchased goods and services, and capital goods, we have developed a model which applies the Motu spend-based emission factors to the Council's spend activity based on the category of spending. This model has certain limitations:

- The Motu factors were developed through research which used measured emissions and spend data from 2014. Although adjusted for inflation, the factors used do not reflect any

changes in the underlying drivers of emissions, which may have occurred in the production of goods and services.

- The factors do not reflect any subsequent methodological changes that may have occurred in how greenhouse gas emissions or national expenditure data sets are measured since that date.
- Motu’s analysis assumes the carbon intensities of imports are the same as their domestic counterparts and does not consider the international transport emissions associated with importing goods to New Zealand.
- The model assumes that the output from each industry is homogeneous and hence has the same emissions content per dollar of output. This means any procurement decisions which take into consideration emissions are not reflected in this model.

As a result, there could be significant differences between actual emissions and those measured using this model. We are working to further refine this model by increasing the information we can obtain directly from suppliers about the emissions associated with their products and services, and by using more updated spend-based emissions factors when these become available.

Landfill emissions

The method used to calculate emissions from landfill accounts for the lifetime emissions potential in the year waste is deposited. Therefore, emissions from closed landfills and decomposition of landfill waste received in prior years are not reflected in subsequent emission inventories. Our methodology is consistent with ETS regulations, which only require measurement of methane emissions from facilities, not any other greenhouse gas emissions associated with landfills or other methods of waste disposal. There is a high degree of uncertainty in relation to the quantification of emissions from landfill waste. In measuring these emissions, we use landfill tonnage data collected from weighbridge systems, default waste compositions specified in the Climate Change (Unique Emissions Factors) Regulations 2009 and carry out regular testing to ensure our approved UEF remains appropriate.

Emissions from wastewater treatment are calculated in a ‘Domestic Wastewater Treatment Emissions Model’ for each treatment plant. The model is based on the 2019 IPCC refinements to the 2006 guidelines for the National Greenhouse Gas Inventories and Water New Zealand’s Carbon accounting guidelines for wastewater treatment: CH4 and N2O, August 2021.

Reporting boundary

A full carbon footprint accounts for emissions from Wellington City Council’s value chain. This means emissions from upstream goods and services received as well as downstream use of the goods and services provided are considered. It is currently not practicable to measure all these emissions with the data and systems currently available. Below we have disclosed the material sources that we are currently including and those that are currently excluded from the reported result.

Wellington City Council’s emissions included

For full details of the data source, methodology, data quality and uncertainty relating to our emissions sources please refer to our GHG inventory reports on our website.

The sources included are:

Category	GHG emissions source	Group Coverage
Scope 1 Emissions		
Stationary Combustion	LPG used as fuel	CCOs
	Natural Gas consumption (used mainly to heat buildings and pools)	WCC and CCOs

Category	GHG emissions source	Group Coverage
Mobile Combustion	Fuel (Petrol and Diesel) used in WCC and CCO owned vehicles and equipment	WCC and CCOs
Waste to landfill	Landfill emissions from waste at the Southern Landfill owned and operated by WCC	WCC
Water & Wastewater treatment	Emissions from the treatment of wastewater and sewage at the Moa Point and Western (Karori) plants	WCC
Enteric fermentation	Methane emissions from the enteric fermentation process in Beef Cattle, Deer, and Sheep	CCO: Zoo
Refrigerant emissions	The emission of gases from pressurised equipment due to leaks or unintended releases of gases. Most commonly from refrigerant leakage/top-ups across WCC and CCO operations	WCC and CCOs
Scope 2 Emissions		
Electricity Consumption	Electricity consumed across all of WCC and CCO operations and facilities	WCC and CCOs
Scope 3 Emissions		
Purchased goods and services (Category 1)	Goods and services purchased not otherwise included in the categories below	WCC
Capital goods (Category 2)	Extraction, production/construction, and transportation of capital goods purchased during the reporting year.	WCC
Fuel and energy related services (Category 3)	Transmission and Distribution (T&D) losses for Natural Gas and Electricity; Third-party electricity usage for water supply from Greater Wellington, and electricity used in WWTPs	WCC CCOs
Upstream transportation & distribution (Category 4)	WCC: transport of waste by third parties to the landfill. Zoo: Air, Land and Sea freight of purchases including animals to the Zoo.	WCC CCO: Zoo
Waste generated in operations (Category 5)	Glass recycling, landfilled LFGR, paper recycling	CCO: Zoo, Zealandia
Business travel (Category 6)	Employee air travel	WCC and CCOs
	Employee car travel by taxis, rental cars, and ride share providers	WCC and CCOs
Downstream transportation & distribution (Category 9)	Postage and Couriers services used in the post / parcels that WCC send out e.g. rates notices, dog licence letters, parking permits etc	WCC
Downstream leased assets (Category 13)	Tenant electricity in community housing properties owned by WCC and leased to the public.	WCC
Investments (Category 15)	WCC's investment in: Basin Reserve Trust (100%) Spicer Landfill (21.5%) Porirua WWTP (27.6%) Wellington Water Corporate (40%) Wellington Regional Stadium Trust (50%) Wellington International Airport (34% share)	WCC

Wellington City Council's emissions exclusions

For full details of the data source, methodology, data quality and uncertainty relating to our emissions sources please refer to our GHG inventory reports on our website.

The main sources excluded are:

Category	Activities / GHG Emission source	Reason for exclusion

Scope 1 Emissions		
Agriculture – Fertiliser used	Fertiliser used by various teams	There is lack of available data, but the use of fertiliser and associated emissions are deemed a minimum de-minimis.
Scope 2 Emissions		
Electricity Consumption	Partial electricity usage for 113 The Terrace and 79 Boulcott Street	Unable to obtain specific usage data of WCC’s portion of electricity consumption in communal areas of the building (such as lobby and lifts) as this is managed by landlord for the whole building. This is expected to be de-minimis.
Scope 3 Emissions		
Category 4	Working from home ¹⁹	WCC does not have access to data related to employees’ home energy usage, commuting habits, and remote work settings. Therefore, this source of emissions is excluded in the report.
Category 5	Waste generated in operations	This is relevant for WCC and CCOs however given that most if not all office waste goes to the Southern Landfill owned by WCC, the office waste across the group’s boundary is already being captured within scope 1.
Category 7	Employee commuting	This is relevant for WCC and its CCOs however there is lack of available data on employee commuting habits. For FY21, WCC have estimated these emissions using 2018 Census data on commuting habits in Wellington and apportioning this to staff numbers within the organisation along with assumptions on travel distance. This method is highly estimated and so has not been included in current year reporting. The estimation resulted in a figure less than 1% of total scope 3 emissions and so we do not consider the exclusion to be material. We have identified this area as an opportunity to improve our emissions reporting and will consider engaging with our employees through a survey in future reporting periods to determine a better way to calculate these emissions that is more robust.
Category 8	Upstream leased assets	WCC group lease office space in various properties, however the emissions from electricity consumption in these locations is included in Scope 2, emissions from natural gas where relevant are also included in scope 1, T&D losses are captured under category 3, and waste to landfill from these premises is technically captured by landfill emissions in scope 1.
Category 11	Use of sold products	The emissions associated with private and commercial vehicle use on Wellington’s City Council’s roading network are excluded. These are a major contributor to Wellington’s total emissions, however data was not available at the time of reporting.
Category 13	Downstream leased assets	WCC group leases many properties to third parties but does not maintain or have oversight for energy usage at all facilities, nor can this information be easily obtained. Where this can be estimated (city housing), or if WCC directly pays for electricity or natural gas this is included in Scope 3, Scope 2 and Scope 1, respectively.

Some other GHG sources were determined as *de minimis*²⁰ or not relevant and therefore excluded from our GHG inventory.

¹⁹ The Carbon Neutral Government Programme put Working From Home under the ISO category 4: <https://environment.govt.nz/assets/publications/Appendix-1-CNGP-guide.pdf>

²⁰ De minimis is defined as an issue that is insignificant to a GHG inventory, usually <1% of an organisation’s total inventory for an individual emissions source. Often there is a limit to the number of emission sources that can be excluded as de minimis

Appendix 2: Principles for service performance information

Service performance reporting changes

In November 2017, the New Zealand Accounting Standards External Reporting Board (XRB) issued a Standard for Service Performance Reporting: Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48). There were further amendments made in January 2019 ahead of it coming into effect for this financial year.

The board is an independent Crown entity whose purpose is to establish and maintain New Zealand's financial reporting strategy through the establishment of an accounting and assurance standards framework.

The PBE FRS 48 requirements apply to local governments and to annual reports covering periods beginning on or after 1 January 2022. It is part of generally accepted accounting practice (GAAP).

Our Statement of Service Performance from page X to X has been prepared in accordance with the requirements of the standard and the Local Government Act 2002, which includes the requirement to report on the level of service achieved for a group of activities against the performance target or targets for that group of activities. It reports on the entity described on page X.

This section explains how we measure our non-financial performance for our portfolio of activities. It provides guidance for the principles and judgements used to assess our performance and the background to our Resident's Monitoring Survey.

A: Disclosures for reporting results

The Council's service performance information is summarised in Section 3: Summary of our year and Section 4: Our performance in detail (the Statements of Service Performance section), which details the financial and non-financial information for each activity.

PBE FRS 48 emphasises the need for judgement when determining the extent of information to disclose concerning the current reporting period and progress toward long-term objectives.

The following should be noted when considering published results.

Service Performance context

1. The key projects and programmes presented are those outlined in the 2021-31 Long-term Plan as being of strategic and/or Community importance. They help us progress towards our Vision and Outcomes as stated on page X.
 - a. The summary of our Outcome Indicator trends that contribute towards our outcomes is on pg X
 - b. The overall summary of our performance information is in Section 3 from page x to X.
2. The Council presents the non-financial and financial information related to our activity areas together in the Annual Report [FRS 48 para 6] – under the Section 4: Our Performance in detail.
 - a. The detailed Funding Impact Statements for our activities are included in Volume 2: Financial Statements from page X to X.

3. The non-financial and financial information presented is for the same entity and same reporting period as the financial statements [FRS 48 para 11] - from 1 July 2022 to 30 June 2023.

Service performance results

1. The Council sets its KPI framework through the Long-Term Plan (LTP) process. This Annual Report is against the framework adopted in the 2021-31 Long-term Plan.
 - a. The following characteristics are considered when performance measures are developed: Relevance, Faithful Representation, Understandability, Timeliness, Comparability and Verifiability [FRS 48 para 7].
2. We use a range of +/- 10 percent from target as this allows for fluctuations in performance across the year (e.g. seasonal changes). This is consistent with the reporting of other performance information during the year e.g. in Quarterly Reports.
3. Comparative data, where available, is included for the current and previous two years.
4. Previous years' published results are not updated if revised information is available. This is to ensure continuity of year-on-year point in time comparisons, as the previous years' results were correct at the time of publication.
5. If there has been a change to the methodology of the measure, previously reported results will be updated to reflect that new methodology, where possible.
6. Baselines are established when we are confident that the reported data is stable enough to set a target (e.g. not influenced by extraordinary events).
7. Trends are only evident over multiple years of data.
8. If data is not available at the time of publication the result is shown as no result/not reported (NR). Missing data is revisited in the next year's Annual Report, if possible.
 - a. We do not have any not-reported results in this year's Annual Report.
9. Measures and targets for Council-controlled organisations are set in their annual Statement of Intent.
 - a. Results published in the Council's Annual report are subject to the final audits of those entities which are not always completed when the Council's report is adopted and published.
 - b. Previous years' results will be updated if needed in the next Annual Report.
10. Some key performance results are reported in Section 4, with no comparison to target when no target has been set or where data is not available to be reported.
11. Variance commentaries are included for performance when significant judgements have been made, the measure has not met target, clarification of the meaning or methodology is needed, or more information is required to have a full understanding of the result.

Community wellbeing outcome indicators

We monitor community wellbeing through outcome indicators that we track over a minimum timeframe (3–5 years) to identify trend directions.

Community wellbeing indicator results display a colour status which shows a positive, negative or steady trend. Indicators with no data will be blank.

Positive  Negative  Steady  No data 

No trend and no result/not reported is for several reasons, where:

- there are not enough data points for a trend to be derived;
- data points are non-comparable (e.g. a change in methodology, low sample size, data integrity limitations, impact of an extraordinary event like survey during COVID-19);
- or recent data points are not available (e.g. for measures that rely on Census data, last conducted in 2018).

Outcome indicators that reference residents' perceptions are sourced from the annual Resident's Monitoring Survey (RMS). For supplementary survey information refer to our website at <https://wellington.govt.nz/rms-survey-and-results>.

Outcome results that are sourced from the Quality of Life Survey are released every two years. The Annual Report results will be updated each year to include that latest available data for audited prior to adoption.

B: Residents Monitoring Survey (RMS)

Some of the reported non-financial results (Key Performance indicators and Community Wellbeing outcome indicators) are sourced from the Resident's Monitoring Survey.

This survey is undertaken annually by Council and was conducted in February 2023. It asks a representative sample of Wellington City residents about their engagement and satisfaction with the Council's and Council-controlled organisations' provision and delivery of services and facilities. The survey also asks residents about their behaviours and overall perceptions of Wellington.





The survey is conducted in two parts. This year, the surveys were sent to about 2,900 residents (with approximately a 37 percent response rate for each part). The final sample size for 2023 was 1,086 for part one and 1,079 for part two, which were post-weighted to be representative by age, gender and ward.

The maximum margin of error at 95 percent confidence level was 3.0 percent for both part one and two. This indicates that we can conclude with 95 percent confidence that the sample results reflect that of the population give or take 3.0percent.

More detail on the Residents' Monitoring survey is available online [here](#).

Appendix 3: Community wellbeing outcome indicators

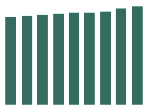

The following results are as at August 2023 and are supporting the annual report for this financial year. We're on a journey to improve the underlying data that supports the work the city is doing in anticipation of our next LTP and the new aligned outcomes, and additional metrics are noted in the table below as new.

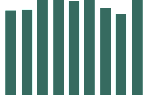


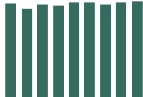
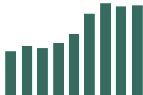
Trend status Positive  Negative  Steady  No data 

Environmental wellbeing

A sustainable, climate friendly eco capital

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

Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
Renewable energy total capacity installed MW (Wind, Solar, Fresh water, Biomass, Liquid fuel, other).	83.7	86.4	88.0		Positive increase is attributed to a 18% increase in solar energy installations from last year. Solar energy installations have risen 96% over the past 5 years. Data range for trend chart: 2015-23 Source: Electricity Authority- Te Mana Hiko
Total city greenhouse emissions	1,017,883	899,964	887,155		Goal: Achieve 57% reduction between 2020 and 2030. Total is gross excl. forestry. A 10% reduction from baseline between FY20 and FY23. Data range for trend chart: 2020-23 Source: AECOM consultancy for WCC


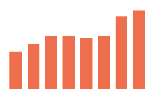
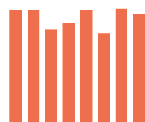

Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
Kilograms of waste to landfill per person	418	387	484		The 22% increase this year is attributed to contaminated soil being included in general waste as of July 2022, which has previously been diverted from the landfill. Data range for trend chart: 2015-23 Source: WCC Waste Operations internal data
Residents' perceptions that "Wellington's air pollution is a problem"	2020: 26%	2022: 24%	-		Survey is biennial – no data available for 2022/23 Wellington is ranked significantly lower than the 8-city total. Data range for trend chart: 2016-22 Source: Quality of Life Survey
Residents' perceptions that "Wellington's water pollution (including pollution in streams, rivers, lakes and in the sea) is a problem"	2020: 67%	2022: 67%	-		Survey is biennial – no data available for 2022/23 Wellington is ranked significantly higher than the 8-city total, ranked 2 nd behind Porirua. Data range for trend chart: 2016-22 Source: Quality of Life Survey
Open space land owned or maintained by the Council – square metres per capita	197	198	203		A 1% increase from 2022 due to 12 hectares of land purchased in the outer green belt, and new land in Woodridge. Data range for trend chart: 2015-23 Source: WCC Parks, Sport and Recreation internal data
Access to park or green space	81%	79%	80%		Usage is largely unchanged over previous 3 years. Local parks, reserves, and the waterfront were the most used green/open spaces by respondents. Around 8 in 10 said they use these spaces at least monthly. Data range for trend chart: 2015-23 Source: WCC Residents Monitoring Survey





Indicator	Previous results		2022/23	Trend	Comments	
	2020/21	2021/22				
NEW Kaibosh food rescue					2021 data was not reported, and 2023 data is not yet available. 2022 saw a drastic uplift in food rescue compared with 2014-20 which has resulted in more meals provided to those in need, and a 70% reduction in co2 emissions due to the food not being disposed of in the landfill. Data range for trend charts: 2015-20 and 2022 Source: Kaibosh	
	Kg's of food rescued and redirected	-	707,508	-		
	Meals provided	-	2,020,636	-		
	Carbon emissions reduced(co2)	-	211,545	-		
NEW Environment wellbeing	57.6	57.8	57.8		Score of 100. This metric highlights the human impact of living on the natural environment. The environment domain comprises of carbon dioxide emissions and waste diversion rate indicators. Wellington scores significantly lower compared to the NZ total (76.6), which is largely attributed to a lower score in proportion of waste diverted from landfill. Data range for trend chart: 2017-22 Source: Infometrics Regional Economic Profile - Wellbeing overview	

Social wellbeing

A people friendly, compact, safe and accessible capital city

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




Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
Youth participation in sport and recreation. 5–17-year-olds (surveyed on activity within last 7 days)	91%	91%	-		No change from previous year, Wellington is on par with the NZ total. Data range for trend chart: 2017-23 Source: Sport NZ - Active NZ: Changes in Participation survey
Housing Affordability Index	7.5	8.0	6.2		A 23% improvement from previous year, a lower index indicates improved affordability. The all of NZ ratio is 7.4, Wellington City is tracking well. Data range for trend chart: 2014-23 Source: Infometrics Regional Economic Profile
Healthy Housing stock - House is damp (never or rarely)	71%	68%	67%		Homeowners were more likely to answer 'never' or 'rarely' for all three attributes compared to renters (damp, hard to heat, cold). Note that there has been some level of variability in this measure since tracking and the timing of the survey (summer/winter) is likely to have played a role in this. Data range for trend chart: 2014-23 Source: WCC Residents Monitoring Survey
Percent of residents who have confidence in Council's decision-making	2020: 30%	2022: 20%	-		Survey is biennial – no data available for 2022/23 Wellington is ranked significantly lower than the 8-city total, ranking second to last ahead of Hutt City. Data range for trend chart: 2016-22 Source: Quality of Life Survey

Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
Percent of residents who have confidence in Council's decision-making	16%	12%	17%		Although an increase from last year's results, the main reason for dissatisfaction is "Don't listen to residents/ unhappy with consultation". It's expected this metric will lift as a result of the changes being made in the way we engage with the community in planning for change in the city. Data range for trend chart: 2019-23 Source: WCC Residents Monitoring Survey
Local government elections voter turnout	-	2022: 43.3%	-		Triennial – no data available for 2022/23 Data range for trend chart: 2014-22 Source: DIA Local Election Stats
Perception of overall quality of life	2020: 91%	2022: 89%	-		Survey is biennial – no data available for 2022/23 Data range for trend chart: 2016-22 Source: Quality of Life Survey
People's sense of community with others in their neighbourhood	2020: 45%	2022: 48%	-		Survey is biennial – no data available for 2022/23 Data range for trend chart: 2016-22 Source: Quality of Life Survey
REMOVED NZ Deprivation Index					Removed as data is only available every 5 years.

Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
NEW Social connections wellbeing	97.7	96.3	-		Score of 100. Highlights people's ability to contribute in, and be a part, of a community and interact in society. The Wellington City score is much higher than the NZ score (73.8) which indicates Wellington City residents feel a higher connection to their community compared to the rest of NZ. Data not yet available for 2023. Data range for trend chart: 2014-22 Source: Infometrics Regional Economic Profile - Wellbeing overview
NEW Housing wellbeing	42.8	48.4	53.3		Score of 100. Highlights people's ability to access and use suitable shelter, along with the extended benefits of satisfactory living conditions, including privacy, safety, personal space, and space for a family. The Wellington City score is higher than the NZ score (39.3) and has increased 10% from the previous year which indicates Wellington City residents feel a higher sense of housing wellbeing compared to the rest of NZ. Data range for trend chart: 2014-23 Source: Infometrics Regional Economic Profile - Wellbeing overview
NEW Safety wellbeing	96	93.7	-		Score of 100. Highlights people's ability to live a life free from threat, danger, crime, abuse and violence. The Wellington City score is much higher than the NZ score (74.3) which indicates Wellington City residents feel a higher sense of safety in the city compared to the rest of NZ. Data range for trend chart: 2014-22 Source: Infometrics Regional Economic Profile - Wellbeing overview

Cultural wellbeing

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

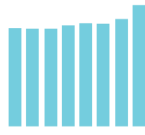
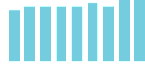
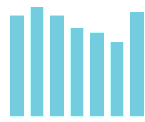
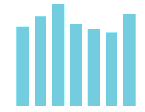
Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
Residents' perception that Wellington has a rich and diverse arts scene	86%	82%	81%		Although largely unchanged year on year, the agreement of "Wellington is the events capital of NZ" has continued to decline – down to 24% from 29% in 2022. Data range for trend chart: 2015-23 Source: WCC Residents Monitoring Survey
Acceptance of ethnic diversity – People accept and value me and others of my identity (e.g., sexual, gender, ethnic, cultural, faith)	New	2022: 71%	-		Survey is biennial – no data available for 2022/23 New survey question added in 2021, no historical data available. Source: Quality of Life Survey
People's sense of pride in the area (the way Wellington looks and feels)	60%	59%	56%		A slight decline in perceptions from last year. The attributes that are contributing to the decline in this metric is largely "An easy place to get to", over which time there has been ongoing disruptions of the public transport system, and changes to city parking. Data range for trend chart: 2014-23 Source: WCC Residents Monitoring Survey
People's perception of city (great place to live work and play)	76%	76%	79%		Slight increase in perceptions from last year. The attributes that are contributing to the increase in this metric is largely "An easy place to enjoy". Data range for trend chart: 2017-23 Source: WCC Residents Monitoring Survey

Indicator	Previous results		2022/23	Trend	Comments	
	2020/21	2021/22				
Residents' perceptions that heritage items contribute to the city's unique character	81%	77%	75%		Metric continues to decline since 2019. Additional data collected in 2022-23 indicates a high level of agreement that heritage items in Wellington are given too much value. Data range for trend chart: 2014-23 Source: WCC Residents Monitoring Survey	
Residents' perceptions that heritage items contribute to the community's unique character	59%	57%	53%		Metric continues to decline since 2019. Additional data collected in 2022-23 indicates a high level of agreement that heritage items in local communities are given too much value. Data range for trend chart: 2014-23 Source: WCC Residents Monitoring Survey	
NEW	Participation in Māori cultural activities in the last 12 months:				New metric set, 2022/23 data not yet available. Across all metrics, Wellington results are on par or higher than the NZ total, which indicates great interest and participation in local culture. Metrics are largely unchanged from 2017, except for "Sung a Māori song, performed haka, given a mihi or speech, or taken part in Māori performing arts or crafts" which has increased from 20% in 2017. Data range for trend charts: 2017 vs 2021 Source: Stats NZ Wellbeing survey	
	Used Māori phrases or words	56%	-	-		
	Watched a Māori television program	34%	-	-		
	Sung a Māori song, performed haka, given a mihi or speech, or taken part in Māori performing arts or crafts	28%	-	-		
	Been to a marae	24%	-	-		

Economic wellbeing

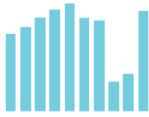
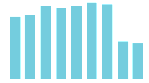
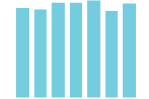
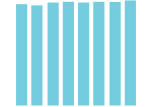
A dynamic and sustainable economy

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

Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
Economic diversity (HHI industry diversity)	67	75	76		This measures the level of diversification of the Wellington City economy. An index of 0 represents a diversified economy with economic activity evenly spread across all industries. The higher the index, the more concentrated economic activity is on a few industries. Trends indicate that Wellington's economy has become far less diverse in the past calendar year. Data range for trend chart: 2015-22 Source: Infometrics Industry Diversity Wellington City
Gross Domestic Product (GDP) per capita	126,166	139,151	142,552		2% increase from previous year for Wellington City. Growth was lower than expected for the wider Wellington region. Data range for trend chart: 2015-23 Source: Infometrics Quarterly Economic Monitor - GDP
Unemployment rate	5.1%	3.6%	-		2023 data not yet available. Wellington City is sitting on par with the NZ unemployment rate as at 2022, which saw a peak in 2021 and has now returned to pre-covid levels. Data range for trend chart: 2015-22 Source: Infometrics: Unemployment rate
Youth NEET (not in education, employment or training) – as a proportion of 15 to 24-year-olds	8.2%	8.1%	-		Although no real change from previous year, Wellington City is well below the all of NZ result of 11.7%. Data range for trend chart: 2015-22 Source: Infometrics Wellington City Economic Profile

Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
Average annual household income	149,639	157,692	165,949		Upward trend continues with a 5.2% increase from previous year. Data range for trend chart: Source: Infometrics Wellington City Economic Profile
Number of houses under construction	668	1112	717		Decrease from previous year. Figures are consents granted. High inflation and high interest rates will be contributing factors in the fewer number of new builds underway compared to previous year. Data range for trend chart: 2015-23 Source: WCC internal report
Number of building consents issued	1,005	937	1,157		Growth in the number of new dwelling consents in Wellington City is higher than the NZ total. Data range for trend chart: Source: Stats NZ Tatautanga Aotearoa
Residents' perceptions that the transport system allows easy access to the city	50%	50%	40%		Dramatic decrease from previous year, a similar level to 2019 when there was a significant public transport overhaul in Wellington. Continual bus service delays and driver shortages are likely to have influenced this result. Data range for trend chart: 2014-23 Source: WCC Residents Monitoring Survey
Residents' perceptions of public transport services (ease of access)	2020: 82%	2022: 79%	-		Survey is biennial – no data available for 2022/23 Data range for trend chart: 2016-22 Source: Quality of Life Survey
Residents' perceptions of public transport services (affordability)	2020: 52%	2022: 42%	-		Survey is biennial – no data available for 2022/23 Data range for trend chart: 2016-22 Source: Quality of Life Survey

Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
Residents' perceptions of public transport services (reliability)	2020: 45%	2022: 38%	-		Survey is biennial – no data available for 2022/23 Data range for trend chart: 2016-22 Source: Quality of Life Survey
Means of travel to work (active modes and public transport)	70%	73%	70%		Decrease from previous year and is likely linked to the continual bus service delays and driver shortages in which travellers revert to private transport. Data range for trend chart: 2014-23 Source: WCC Residents Monitoring Survey
Number of serious and fatal road accidents	77	65	65		Data is by financial year. No change in total accidents, however one fewer fatal accident from previous year. Data range for trend chart: Total fatal and serious accidents from 2018-23
<i>Serious:</i>	71	60	61		Source: Territorial Authority: Wellington City, Measure: Fatal and injury crashes
<i>Fatal:</i>	6	5	4		
Change from previous year in the number of road crashes resulting in fatalities and serious injury* Desired trend: improving	+24	-12	0		No change year on year. Data range for trend chart: 2016-23 Source: Territorial Authority: Wellington City, Measure: Fatal and injury crashes
REMOVED Projected net migration					Replaced with Permanent and long-term migration to Wellington City , as this metric better reflects current state with the Council's ambition to attract new residents to the city.

Indicator	Previous results		2022/23	Trend	Comments
	2020/21	2021/22			
NEW Permanent and long-term migration to Wellington City	1,819	2,290	6,152		Very positive increase of 169% from the previous year, likely to be driven by covid travel restrictions and vaccination rules being lifted in NZ. Data range for trend chart: 2014-23 Source: Stats NZ – Permanent and long-term migration
NEW Tourism filled jobs	5.1%	4.9%	-		Metric shows how tourism ranks as an employer in Wellington City. Levels have not yet return to pre-covid levels, which were 8-9% Data range for trend chart: 2014-22 Source: Infometrics – Tourism employment
NEW Jobs and earnings wellbeing	80.4	86.9	-		Score of 100. This metric highlights people's ability to secure a stable source of income to support an individual or their family, whanau, or household. 2022/23 data not yet available. Data range for trend chart: 2016-22 Source: Infometrics Regional Economic Profile - Wellbeing overview
NEW Knowledge and skills wellbeing	98.1	97.6	99.4		Score of 100. This metric highlights people's ability to acquire and use information to increase their wellbeing in other areas of life, particularly in the labour market. Small increase from previous year which shows a steady result. Data range for trend chart: 2014-23 Source: Infometrics Regional Economic Profile - Wellbeing overview

*Department of Internal Affairs mandatory measure

Te Pūrongo ā-Tau

Annual Report

2022/23

*Volume 2: Financial Statements for
Council and Group*

Ihirangi | Contents

Statement of Compliance and Responsibility	4
Council and Group structure	5
Basis of consolidation	6
Other significant accounting policies	7
Statement of Comprehensive Revenue and Expense	11
Statement of Comprehensive Revenue and Expense - Major budget variations	13
Note 1: Rates revenue	14
Note 2: Revenue from operating activities	16
Note 3: Investment revenue	19
Note 4: Vested assets and other revenue	20
Note 5: Fair value movements	21
Note 6: Finance revenue and expense	22
Note 7: Expenditure on operating activities	23
Note 8: Depreciation and amortisation	25
Note 9: Share of associates' and joint venture's surplus or deficit	27
Note 10: Income tax	28
Statement of Financial Position	29
Statement of Financial Position - Major budget variations	30
Note 11: Cash and cash equivalents	30
Note 12: Derivative financial instruments	32
Note 13: Receivables and recoverables	35
Note 14: Prepayments	38
Note 15: Other financial assets	38
Note 16: Non-current assets classified as held for sale	42
Note 17: Intangibles	44
Note 18: Investment properties	46
Note 19: Property, plant and equipment	48
Note 20: Investment in controlled entities	60
Note 21: Investment in associates and joint venture	61
Note 22: Exchange transactions, transfers and taxes payable	67
Note 23: Deferred revenue	68
Note 24: Borrowings	69
Note 25: Employee benefit liabilities and provisions	72
Note 26: Provisions for other liabilities	74
Note 27: Deferred tax	79

Statement of Changes in Equity.....	81
Statement of Changes in Equity – Major budget variations	82
Note 28: Revaluation reserves	84
Note 29: Hedging reserve	86
Note 30: Fair value through other comprehensive revenue and expense reserve	87
Note 31: Restricted funds	88
Statement of Cash Flows	90
Statement of Cash Flows – Major budget variations	92
Note 32: Reconciliation of cash flows	93
Other disclosures.....	95
Note 33: Financial instruments	95
Note 34: Commitments	107
Note 35: Contingencies	110
Note 36: Joint operations	112
Note 37: Related party disclosures	113
Note 38: Remuneration and staffing	119
Note 39: Events after the end of the reporting period	125
Note 40: Adoption of <i>PBE IPSAS 41 - Financial Instruments</i>	126
Financial prudence.....	127
Funding impact statements	141

Statement of Compliance and Responsibility

Reporting entity

Wellington City Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA 2002) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA 2002 and the Local Government (Rating) Act 2002.

The primary purpose of the Council 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 (PBE) for financial reporting purposes.

The reported Council figures include the results and operations of Wellington City Council and the Council's interests as disclosed in *Note 36: Joint operations* (pg X).

The reported Group figures include the Council, its controlled entities as disclosed in *Note 20: Investments in controlled entities* (pg X) and the Council's equity accounted interest in the associates and joint venture as disclosed in *Note 21: Investments in associates and joint venture* (pg X). A diagram of the Council and Group is included on page X.

Compliance

The Council and management of Wellington City Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the LGA 2002, including the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) have been complied with. Reporting obligations in relation to the Local Government (Financial Reporting and Prudence) Regulations 2014 have been met.

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 October 2023

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 period ended 30 June 2023 fairly reflects the financial position, results of operations and service performance achievements of Wellington City Council and Group.

Tory Whanau
Mayor
25 October 2023

Barbara McKerrow
Chief Executive
25 October 2023

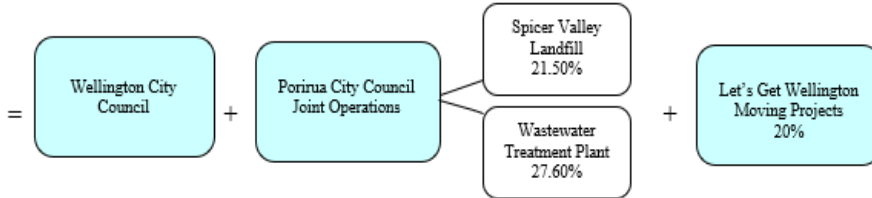
Andrea Reeves
Chief Financial Officer
25 October 2023

¹ A Tier 1 entity is defined as being either, publicly accountable or large (ie. expenses over \$30m). The Council exceeds the expenses threshold.

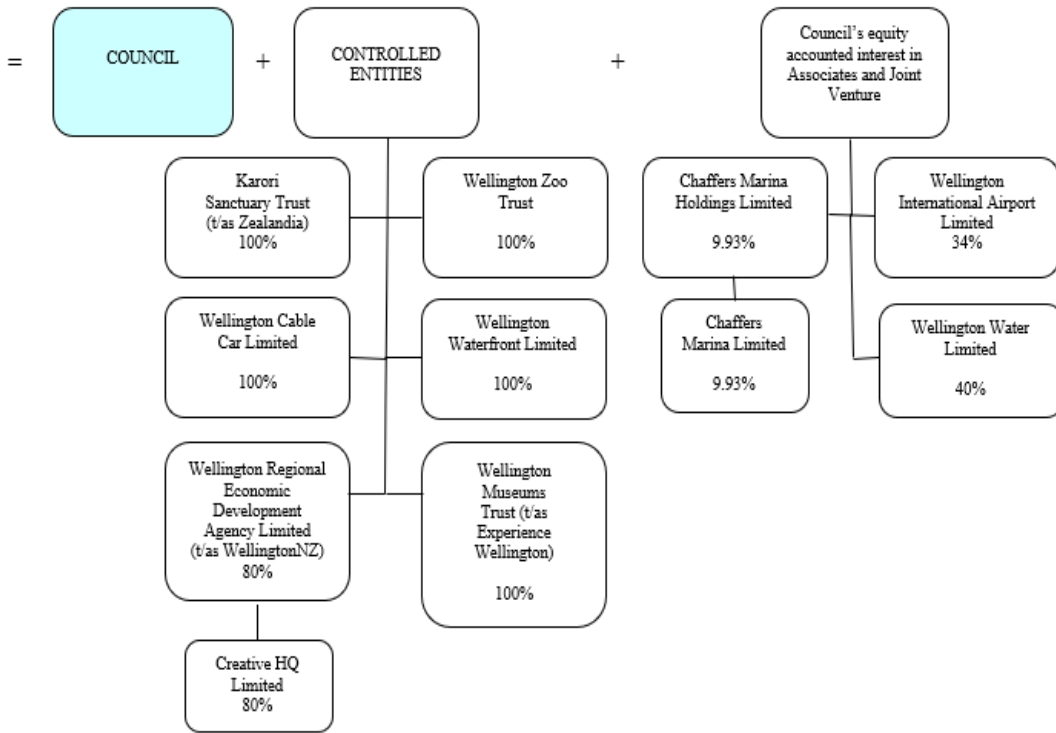
Council and Group structure

Figure 1: Reporting entity structures

Wellington City Council Reporting Entity (Council)



Wellington City Council Group Reporting Entity (Group)



All entities included within the Group are domiciled and operate in the Wellington region, New Zealand.

The percentages in the figures above, represent the Council's interest and/or ownership (for accounting purposes) in each of the entities in the Group. Refer to Notes 20, 21 and 36 (pg X, X and X) for more information.

Basis of Consolidation

Joint arrangements

Joint arrangements are arrangements where two or more parties have joint control. The accounting treatment can vary according to the structure of the arrangement. There are two types of joint arrangements, either a joint operation or a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In the Council's financial statements, the investments in joint ventures are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of joint ventures is included on an equity accounting basis as a single line.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. For a joint operation the Council has a liability in respect of its share of joint ventures' operational deficits and liabilities and shares in any operational surpluses and assets.

The Council's proportionate interest in the assets, liabilities, revenue and expenditure of joint operations is included in the financial statements of the Council and Group on a line-by-line basis.

Controlled entities

Controlled entities are entities that are controlled by the Council. Control exists where the Council is exposed, or has rights, to variable benefits (either financial or non-financial) and can affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council.

In the Council financial statements, the investments 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 Long-term Plan (LTP) or Annual Plan.

Associates

Associates are entities where the Council has significant influence over their operating and financial policies, but they are not controlled entities or joint ventures. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

Council-controlled organisations

The Council has established several Council-controlled organisations (CCO) and Council-controlled trading organisations (CCTO) to help it achieve its goals for Wellington. These organisations were set

up to independently manage Council facilities or deliver specific services and developments on behalf of Wellington residents. The performance of each CCO is reported on in Volume 1 of the report in Section 5: Our Council and organisation on page X to X. The Council has made appointments to other organisations, which make them Council organisations (as defined in the LGA 2002), but they are not Council controlled or part of the Group.

Other consolidated entities

Te Toi Mahana (TTM), a Community Housing Provider (CHP), was established by the Wellington City Council with the Trust Deed signed on 16 February 2023.

TTM is not a Council-controlled Organisation under the LGA 2002, however it does require consolidation into the Group under *PBE IPSAS 35 – Consolidated Financial Statements*. In the Group financial statements, TTM is accounted for using the purchase method where assets, liabilities, revenue and expenditure are added on a line-by-line basis.

Other significant accounting policies

The following accounting policies are additional to the disclosures and accounting policies included within the relevant specific Notes that form part of the financial statements.

Basis of preparation

Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in the accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate.

The consolidated financial statements are presented in New Zealand dollars (the functional currency), rounded to the nearest thousand dollars (\$000), unless stated otherwise.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Exchange and non-exchange transactions

Revenue from exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's-length transaction (primarily in the form of cash in exchange).

Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally considered as an arm's-length commercial transaction between a willing buyer and willing seller. Some goods or services that the Council provides (for example, the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by the Council operate on a full user pays (for example, parking services), cost recovery or breakeven basis and these are exchange transactions unless they are provided at less than active and open market prices.

Most of the services that the Council provides, for a fee, are subsidised by rates (for example, the cost to swim in a Council pool) and therefore do not constitute an approximately equal exchange. Accordingly, most of Council's revenue is categorised as non-exchange.

Foreign currency balances and transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Change of accounting policies

There are no accounting policies changes applicable for the current year other than changes to accounting standards as detailed below.

Changes to PBE accounting standards

Standards previously issued and now effective, and now adopted

The following accounting standards, having been issued with mandatory effect for this accounting period, are now adopted in these financial statements.

- *PBE FRS 48 – Service Performance Reporting*

The objective of this Standard is to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general-purpose financial report. There is no financial impact from the adoption of this standard.

- *PBE IPSAS 41 - Financial Instruments*

In March 2019, the External Reporting Board (XRB) issued *PBE IPSAS 41- Financial Instruments*, which supersedes both *PBE IFRS 9 - Financial Instruments* and *PBE IPSAS 29 - Financial Instruments: Recognition and Measurement*. The Council has adopted *PBE IPSAS 41* and the main changes between *PBE IPSAS 29* and *PBE IPSAS 41* are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses
- Revised hedge accounting requirements to better reflect the management of risks.

Information about the transition to *PBE IPSAS 41* is disclosed in *Note 40 – Adoption of PBE IPSAS 41 – Financial Instruments* (pg XX). The adoption will not result in any significant impact on the Group financial statements.

Standards issued and not yet effective, and not early adopted

- Disclosure of Fees for Audit Firm's Services (Amendments to *PBE IPSAS 1 – Presentation of Financial Reports*)

The amendments require an entity to describe the services provided by its audit or review firm and to disclose the fees incurred by the entity for those services. The mandatory adoption date is 1 January 2024. There will be no financial effect on the financial statements as the requirement is only for greater disclosure of incurred expenses.

Judgements and estimations

The preparation of financial statements using PBE accounting standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy or in the relevant note.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Goods and Services Tax (GST)

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

Budget figures

The 2022/23 Annual Plan (AP) budget figures included in these financial statements are for the Council as a separate entity. The AP 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 LTP or AP process. These figures do not include any additional expenditure subsequently approved by the Council outside the LTP process. The AP 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.

Statement of Comprehensive Revenue and Expense

Table 1: Statement of Comprehensive Revenue and Expense for the year ended 30 June 2023	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	1	424,990	426,357	388,176	424,990	388,176
Revenue from operating activities						
Development contributions	2	4,739	3,500	3,743	4,739	3,743
Grants, subsidies and reimbursements	2	38,463	40,277	53,636	47,533	62,604
Other operating activities	2	168,419	167,489	143,958	185,061	159,291
Investments revenue	3	33,040	12,294	11,109	12,640	11,109
Vested assets and other revenue	4	21,360	1,101	85,530	21,372	85,768
Fair value movements - gains	5	68	7,046	20,645	171	20,645
Finance revenue	6	8,041	13	2,991	8,869	3,166
Total revenue		699,120	658,077	709,788	705,375	734,502
Expense						
Fair value movements - losses	5	(13,607)	-	(35)	(13,607)	(40)
Finance expense	6	(52,085)	(41,375)	(29,296)	(52,097)	(29,305)
Expenditure on operating activities	7	(511,336)	(497,220)	(446,534)	(535,864)	(471,190)
Depreciation and amortisation expense	8	(196,318)	(187,605)	(146,488)	(197,032)	(147,615)
Total expense		(773,346)	(726,200)	(622,353)	(798,600)	(648,150)
Operating surplus/(deficit)		(74,226)	(68,123)	87,435	(93,225)	86,352
Share of equity accounted surplus/(deficit) from associates and joint venture	9	-	-	-	7,627	2,213
Net surplus/(deficit) before taxation		(74,226)	(68,123)	87,435	(85,598)	88,565
Income tax credit/(expense)	10	20	-	-	(304)	56
NET SURPLUS/(DEFICIT) for the year		(74,206)	(68,123)	87,435	(85,902)	88,621
Net surplus/(deficit) attributable to:						
Wellington City Council and Group		(74,206)	(68,123)	87,435	(85,811)	88,699
Non-controlling interest		-	-	-	(91)	(78)
		(74,206)	(68,123)	87,435	(85,902)	88,621

The notes on pg X to X form part of and should be read in conjunction with the financial statements.

Table 1: Statement of Comprehensive Revenue and Expense - continued	Refer	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$000	\$000	\$000	\$000	\$000
Net surplus/(deficit) for the year		(74,206)	(68,123)	87,435	(85,902)	88,621
Other comprehensive revenue and expense ¹						
<i>Items that will be reclassified to surplus/(deficit)</i>						
Cash flow hedges:						
Fair value movement - net	SCIE ²	15,556	-	104,646	15,556	104,646
Share of other comprehensive revenue and expense of associates and joint venture						
Fair value movement - net	SCIE	-	-	-	1,588	1,167
Fair value through other comprehensive revenue and expense:						
Fair value movement - net	SCIE	34	-	825	(205)	1,327
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Revaluations:						
Fair value movement - property, plant and equipment - net	SCIE	(59,615)	-	1,854,026	(59,615)	1,854,026
Share of other comprehensive revenue and expense of associates and joint venture						
Fair value movement - property, plant and equipment - net	SCIE	-	-	-	33,015	21,535
Total other comprehensive revenue and expense		(44,025)	-	1,959,497	(9,661)	1,982,701
TOTAL COMPREHENSIVE REVENUE and EXPENSE for the year		(118,231)	(68,123)	2,046,932	(95,563)	2,071,322
Total comprehensive revenue and expense attributable to:						
Wellington City Council and Group		(118,231)	(68,123)	2,046,932	(95,472)	2,071,400
Non-controlling interest		-	-	-	(91)	(78)
		(118,231)	(68,123)	2,046,932	(95,563)	2,071,322

1. Other comprehensive revenue and expense is non-cash in nature and only reflects changes in equity.
2. Statement of Changes in Equity – see pg X

The notes on pg X to X form part of and should be read in conjunction with the financial statements.

Statement of Comprehensive Revenue and Expense - Major budget variations

Budget figures are for Council only and not the Group.

Significant variations from budgeted revenues and expenses are as follows:

Revenues were \$41.043m higher than budgeted. The major variances included:

- Investment revenues were \$20.746m higher than budget. This is primarily due to the receipt of Wellington International Airport Limited dividend of \$20.400m.
- Vested assets and other revenues were \$20.259m higher than budget. This is primarily due to due to recognition of \$13.995m of unbudgeted vested assets. We recognised vested assets revenue for Let's Get Wellington Moving partnership contributions towards roading assets of \$7.347m, water assets of \$2.504m, other roading assets of \$1.864m and land assets of \$1.160m. We do not budget for vested asset revenue. See Note 4 for further information.
- Fair value movement gains were \$6.978m lower than budget. This is primarily due to the budgeted investment property revaluation increase. The actual result was a revaluation decrease.
- Finance revenues were \$8.028m higher than budgeted. This is due to unbudgeted interest revenue of \$8.041m. In the budget, net interest costs are recorded under finance expense.

Expenses were \$47.146m higher than budgeted. The major variances included:

- Fair value movement losses were \$13.607m higher than budget. This is primarily due to investment property revaluation decreases of \$13.341m. This was budgeted as a revaluation increase.
- Finance expenses were \$10.710m higher than budget. This is due to higher actual interest rates than budgeted.
- Expenditure on operating activities were \$14.116m higher than budgeted. This is due to a range of factors including higher than budgeted insurance, higher inflation than expected and expenditure relating to weather-related events.
- Depreciation and amortisation expenses were \$8.713 higher than budget. This is primarily due to the significant upward revaluation of infrastructure assets at the end of the prior year, after the 2022/23 budget was set, which resulted in higher actual depreciation than budgeted

Net finance expense was \$2.682m higher than budgeted reflecting higher interest rates.

Other comprehensive revenue and expense was \$44.025m lower than budgeted. The major variances included:

- \$15.556m of unrealised fair value gain on cash flow hedges due to higher floating interest rates compared to the fixed swap rates held via interest rate derivatives. We do not budget for this item.
- \$32.451m fair value movement losses due to the decrease in the revaluation of operational land and building assets which was originally scheduled for revaluation on 30 June 2024 and therefore not budgeted for in 2022/23.
- \$28.065m fair value movement losses due to impairment of water assets and revaluation adjustments on roading assets. We do not budget for this item.

Note 1: Rates revenue

Table 2: Rates revenue	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
General rates	267,087	226,129	267,087	226,129
Targeted rates	138,633	146,622	138,633	146,622
Metered water supply	17,441	15,026	17,441	15,026
Penalties and adjustments	1,829	399	1,829	399
TOTAL RATES REVENUE	424,990	388,176	424,990	388,176

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$17.191m (2022: \$14.353m). For the Group, rates of \$17.265m (2022: \$14.435m) have not been eliminated.

The revenue from rates for Wellington City Council was billed on the following rating information held at the end of the year immediately prior to the new rating year.

Table 3: Rates revenue billing basis	As at 30 June 2022	As at 30 June 2021
Number of rating units	81,155	81,030
Total capital value of rating units	\$123,408.750m	\$80,608.516m
Total land value of rating units	\$78,970.993m	\$41,041.846m

The property revaluations that occurred in September 2021 have been applied for the rates billed for the 2022/23 year.

Rates remissions

Revenue from rates is shown net of rates remissions. The Council's Rates Remission and Postponement Policies provide for general rates to be partially remitted for rural open space; land used principally for games or sport and in special circumstances (where the rating policy is deemed to unfairly disadvantage an individual ratepayer). A remission of the Downtown targeted rate may also be granted to provide rates relief for downtown commercial property temporarily not fit for the purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown targeted rate. The Council committed itself at the start of the year to certain remissions, which for the reporting period ended 30 June 2023 totalled \$2.223m (2022: \$1.320m).

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.

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 at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government (Ratings) Act 2002 and therefore meet the definition of non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate. However, as the rates charged are primarily based on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction. Revenue from water rates by meter is recognised on an accrual basis based on usage.

Note 2: Revenue from operating activities

Table 4: Revenue from operating activities	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Development contributions	4,739	3,743	4,739	3,743
Grants, subsidies and reimbursements				
Operating	9,244	21,667	17,020	29,602
Capital	29,219	31,969	30,513	33,002
Total grants, subsidies and reimbursements	38,463	53,636	47,533	62,604
Other operating activities				
Fines and penalties	6,532	4,962	6,532	4,962
Rendering of services	154,505	131,556	165,309	143,480
Sale of goods	7,382	7,440	13,220	10,849
Total other operating activities	168,419	143,958	185,061	159,291
TOTAL REVENUE FROM OPERATING ACTIVITIES	211,621	201,337	237,333	225,638

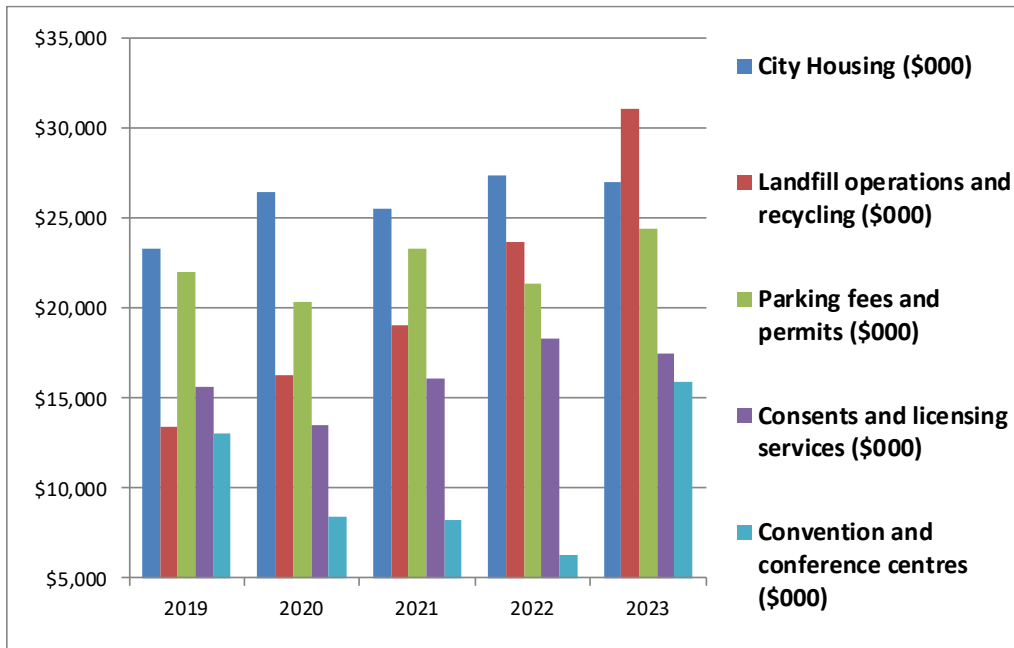
For the Council, the principal grants and reimbursements are from Waka Kotahi - NZ Transport Agency (Waka Kotahi), which reimburses part of the Council's costs for maintaining the local roading and cycling infrastructure. The capital reimbursements recognised from Waka Kotahi of \$26.272m (2022: \$23.032m) and operating reimbursements of \$6.963m (2022: \$7.951m) are for costs already incurred and there are no unfulfilled conditions or other contingencies relating to the reimbursements.

For revenue from other operating activities of the Council, the five major contributors were:

- City housing - \$26.988m (2022: \$27.416m)
- Landfill operations and recycling - \$31.120m (2022: \$23.654m) – including unbudgeted revenue from the joint operation with Porirua City Council \$2.613m (2022: \$2.395m).
- Parking fees and permits - \$24.412m (2022: \$21.360m)
- Consents and licensing services - \$17.461m (2022: \$18.284m)
- Convention and conference centres – \$15.913m (2022: \$6.246m)

See *Figure 2* for a five-year trend analysis of these major revenue streams.

Figure 2: 5-year trend for major revenue streams (\$000)



Five-year trend analysis commentary

City Housing

Historically, revenue trends have increased year on year, but in 2022/23 revenue has reduced by \$0.500m from 2021/22 levels primarily due to the loss of rental income on the Granville Flats leases which have ceased as at September 2022. The Granville Flats has been set for demolition in December 2023 which has resulted in the continued decanting of tenants from Granville. Additionally, there are Kainga Ora and Atareira leases which have ceased due to the transition to Te Toi Mahana.

For further information – refer to Section 4: Our performance in detail - strategy area 5.2 – Community support (Volume 1, page X).

Landfill Operations and Recycling

The revenue increase in 2022/23 was largely due to the increase in the fee per tonne for contaminated soil received at the landfill, which increased by 40 percent from 1 July 2022 and an additional 53 percent on 1 January 2023. Actual tonnage of contaminated soil delivered at site was ~ 20,000 tonnes less than the previous year.

For further information – refer to Section 4: Our performance in detail - strategy 2.2 – Waste reduction and energy conservation (Volume 1, page X).

Parking fees and permits

2019/2020 saw a reduction in Parking revenue mainly due to the COVID-19 pandemic. Revenue increased the following year to levels higher than pre-COVID-19 because the price per hour had been increased in 2020. In 2021/22 there was a 12 percent reduction in the number of parking bays available aligned to the LGWM campaign which resulted in a \$1.933m decrease in parking revenue compared to 2020/21. In 2022/23, despite the number of parking bays reducing by a further 15 percent, the effect of the \$0.50 per hour fee increase was the main driver of the \$3.052m increase in revenue to \$24.412m.

For further information – refer to Section 4: Our performance in detail - strategy area 7.2 – Parking (Volume 1, page X).

Consents and Licensing Services

Revenue has varied over the last five years, dropping in 2019/20 due to COVID-19 before picking up immediately following. Fee increases applied in 2021/22, drove the revenue higher. In 2022/23, revenue has decreased as volumes of Building Consents and Resource Consents declined by 23 percent and 28 percent respectively.

For further information – refer to Section 4: Our performance in detail - strategy area 6.2 – Building and development control (Volume 1, page X).

Convention and Conference centres

COVID-19 had significant impact on revenue in recent years as performances were reduced. Also impacting was the unavailability of the St James Theatre owing to its redevelopment. That trend has been reversed this year with revenue increasing significantly (up 155 percent on the previous year) to levels prior to COVID-19 as events and performances returned to venues.

For further information – refer to Section 4: Our performance in detail – strategy area 3.1 – City promotions and business support (Volume 1, page X).

Relevant significant accounting policies

Revenue from operating activities is generally measured at the fair value of consideration received or receivable.

The Council undertakes various activities as part of its normal operations which generates revenue, but generally at below-market prices or at fees and user charges subsidised by rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

See *Note 13: Receivables and recoverables* (pg 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 (for example, Waka Kotahi roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Fines and penalties

Revenue from fines and penalties (for example, traffic and parking infringements) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. The fair value of parking related fines is recorded as the amounts due, less an allowance for expected credit losses (ECL).

Rendering of services

Revenue from the rendering of services (for example, building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Some services are provided at a market rate

or on a full cost recovery basis (for example, parking fees) and these are classified as exchange revenue.

Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Note 3: Investment revenue

Table 5: Investment revenue	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Dividend from associates	20,400	-	-	-
Dividend from equity investments	91	64	91	64
Investment property revenues	12,549	11,045	12,549	11,045
TOTAL INVESTMENT REVENUE	33,040	11,109	12,640	11,109

Dividends

The 2022/23 dividend from the Council's 34 percent shareholding in Wellington International Airport Limited, was higher than budgeted. The Council continues to maintain its current level of investment as it considers the future dividend stream adds diversity to normal rates revenue. The investment portfolio is presently maintained as it is strategically, financially and economically prudent to do so.

For further information refer to *Note 21: Investment in associates and joint venture* (pg X).

Investment properties

The revenues from investment properties are primarily from ground leases around the central city and on the waterfront. The Council periodically reviews its continued ownership of investment properties by assessing the benefits against other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership and in terms of the most financially viable method of achieving the delivery of Council services.

For further information refer to *Note 18: Investment properties* (pg 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

Table 6: Vested assets and other revenue	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Vested assets	13,995	82,488	13,995	82,488
Other revenue	7,365	3,042	7,377	3,280
TOTAL VESTED ASSETS AND OTHER REVENUE	21,360	85,530	21,372	85,768

Vested assets are principally infrastructural assets such as roading, drainage, water and waste assets that have been constructed by developers. As part of the consents process, ownership of these assets is transferred to the Council, and on completion they become part of the city's network. Although vested assets are non-cash in nature and represent a future obligation to the Council, as the Council will have the ongoing costs associated with maintaining the assets, they are recognised as revenue in accordance with the applicable accounting standard.

The breakdown of principal vested assets received is:

- Roading - \$9.211m (2022: \$3.864m) – Includes LGWM vested asset revenue of \$7.347m representing Waka Kotahi's contribution to Wellington City Council's portion of the capital delivery programme.
- Drainage, water and waste - \$2.504m (2022: \$74.116m). The significant amount in the 2021/22 year was due to recognition of \$72.396m of wastewater lateral connections as Council assets. Previously, these laterals were considered as being the responsibility of building owners.
- Land - \$1.160m (2022: \$3.610m).
- Carbon credits - \$1.118m (2022: \$0.898m).

Other revenue consisted mainly of:

- Gains on disposal of assets - \$3.189m (2022: \$0.322m)
- Recovered capital expenditure \$3.141m (\$0.241m)
- Fuel tax - \$0.944m (2022: \$1.024m)

Relevant significant accounting policies

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

Gains

Gains include additional earnings (for example, sale proceeds in excess of the book value) on the disposal of property, plant and equipment.

Donated services

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (for example, beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements. More information on the network of volunteers can be found on page X of Volume 1.

Note 5: Fair value movements

Table 7: Fair value movements	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Investment property revaluation increase	-	20,614	-	20,614
Amortisation of loans to related parties	68	31	68	31
Fair value adjustment to loan	-	-	103	-
TOTAL FAIR VALUE MOVEMENTS - GAINS	68	20,645	171	20,645
<i>Less</i>				
Investment property revaluation decrease	13,341	-	13,341	-
Fair value adjustment to loan	-	35	-	40
LGFA - borrower note movement	266	-	266	-
TOTAL FAIR VALUE MOVEMENTS - LOSSES	13,607	35	13,607	40
TOTAL NET FAIR VALUE MOVEMENTS	(13,539)	20,610	(13,436)	20,605

Investment properties, which are revalued annually, are held primarily to earn lease revenue and/or for capital growth. These properties include the Council's ground leases and certain land and buildings, including the Wellington Waterfront investment properties. For more information refer to *Note 18: Investment properties* (pg X).

In May 2021, Wellington Regional Stadium Trust made an initial drawdown of a joint loan facility, between Wellington City Council and Greater Wellington Regional Council (GWRC), which was made available as part of a COVID-19 response. Two further drawdowns were made during 2021/22 to fully utilise the \$2.100m facility from the Council. As the initial two-year period was interest free, adjustments to reflect fair value were required for each drawdown. For more information refer to *Note 15: Other financial assets* (pg X).

Relevant significant accounting policies

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.

Note 6: Finance revenue and expense

Table 8: Finance revenue, expense and net finance cost	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Interest on borrowings	51,433	28,798	51,445	28,802
Interest on finance leases	-	-	-	5
Re-discounting of interest on provisions	652	498	652	498
TOTAL FINANCE EXPENSE	52,085	29,296	52,097	29,305
Less				
Interest earned	8,041	2,991	8,869	3,166
TOTAL FINANCE REVENUE	8,041	2,991	8,869	3,166
NET FINANCE COST	44,044	26,305	43,228	26,139

An increase in interest rates during the year, as a result of increases in the Official Cash Rate (OCR) totalling 3.5 percent, has increased average borrowing costs. Coupled with a higher level of borrowings, the interest expense has increased compared to the previous year. The Council's policy is to have a portion of borrowings on fixed interest rates to avoid total exposure to volatility in its interest expense as interest rates change. To achieve this, it uses interest rate swaps (which effectively changes floating rate debt to fixed rate debt) along with fixed rate debt.

Returns on investment deposits are also exposed to market movements, so have increased accordingly as interest rates have risen.

Relevant significant accounting policies

Interest on borrowings

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Re-discounting of interest

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date). For further information refer to *Note 25: Employee benefit liabilities and provisions* (pg X) and *Note 26: Provision for other liabilities* (pg X).

Interest earned

Interest earned is recognised using the effective interest rate method. All interest revenue is recognised in the period in which it is earned.

Note 7: Expenditure on operating activities

Table 9: Expenditure on operating activities	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Governance and employment				
Elected member remuneration	2,009	1,955	2,009	1,955
Independent directors/trustees fees for controlled entities	-	-	743	445
Employee benefits expense:	-	-	-	-
- Remuneration	132,897	118,767	165,685	148,407
- Superannuation contributions (including KiwiSaver)	4,012	3,560	4,819	4,279
Other personnel costs	4,609	4,501	5,977	5,899
Impairments				
Bad debts written off not previously provided for	180	133	180	133
Increase in provision for impairment of receivables and recoverables	2,616	205	2,616	206
Impairment of property, plant and equipment	377	4,414	377	4,414
Insurance				
Insurance premiums	21,205	16,585	22,107	17,431
Insurance reserve costs - net	1,068	605	1,068	605
General costs				
Administration costs	7,204	5,661	20,264	16,976
Auditor's remuneration	592	610	946	912
Contractors	7,440	5,086	9,221	7,838
Contracts, services and materials	185,439	161,099	182,782	163,086
Grants	47,596	45,947	16,559	16,362
Information and communication technology	18,112	16,101	19,763	17,670
Loss on disposal of intangibles	25	518	25	518
Loss on disposal of property, plant and equipment	352	2,713	944	2,746
Operating lease - minimum lease payments	15,703	10,292	17,031	11,524
Professional costs	18,755	11,286	20,481	12,300
Reassessment of weathertight provision	1,208	-	1,208	-
Utility costs	39,937	36,496	41,059	37,484
TOTAL EXPENDITURE ON OPERATING ACTIVITIES	511,336	446,534	535,864	471,190

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/trustees 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 \$0.559m (2022: \$0.394m) of termination benefits were incurred by the Council and \$0.611m (2022: \$0.610m) for the Group. Termination benefits include all payments relating to the end of employment other than unpaid salary and leave entitlements. Termination benefits include

contractual (for example, redundancy, in lieu of notice) and non-contractual (for example, severance) payments, but exclude retirement payments already provided for.

For further information refer to *Note 38: Remuneration and staffing* (pg X).

General costs

Table 10: Auditor's remuneration:	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Audit New Zealand - Financial Statements	514	380	514	582
Audit New Zealand - Long-term Plan amendment	-	130	-	130
Audit New Zealand - Wellington Waterfront Project	46	40	46	40
Audit New Zealand - Other assurances	20	14	20	14
Audit New Zealand - Other services	12	46	12	46
Other Auditors - Financial Statements	-	-	354	100
	592	610	946	912

During the period ending 30 June 2023, Audit New Zealand provided as included in Table above:

- Other assurances - assurance on the Council's debenture trust deed compliance and the Clifton Terrace Carpark managed by the Council on behalf of Waka Kotahi (2022: Council's debenture trust deed compliance and the Clifton Terrace Carpark managed by the Council on behalf of Waka Kotahi)
- Other services - probity assurance over the tender process for Tākina facilities maintenance (2022: Probity advice and assurance over procurement - Te Matapihi (Central Library) and assurance over City Housing tender process).

Direct costs are costs directly attributable to the rendering of Council services, including contracts, maintenance, management fees, materials and services.

Grants include the operating grants to the Council's controlled entities (refer to *Note 37: Related party disclosures*, for a breakdown (pg X)). Other major grants include the funding to the Museum of New Zealand Te Papa Tongarewa \$2.250m (2022: \$2.250m).

Operating lease minimum lease payments are for non-cancellable agreements for the use of office or other spaces in buildings.

Utility costs are those relating to the use of electricity, gas, and water. It also includes the payment of all rates and water meter charges of \$19.783m (2022: \$16.342m) 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 (for example, cash or physical assets) to another entity or individual in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations, which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Cost allocation

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Performance, for further information – refer to Section 4: Our performance in detail (Volume 1, pages X to X)).

Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

Research and Development

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

Note 8: Depreciation and amortisation

Table 11: Depreciation and amortisation	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Depreciation				
Buildings	32,558	31,461	32,683	31,646
Civic Precinct	1,429	1,254	1,429	1,254
Drainage, water and waste infrastructure	87,914	53,295	87,914	53,295
Landfill post closure	(3)	102	(3)	102
Library collections	2,278	2,057	2,278	2,057
Plant and equipment	18,733	16,854	19,307	17,751
Restricted buildings	2,052	1,854	2,052	1,854
Roading infrastructure	44,903	34,258	44,903	34,258
Total depreciation	189,864	141,135	190,563	142,217
Amortisation				
Computer software	6,454	5,353	6,469	5,398
TOTAL DEPRECIATION AND AMORTISATION	196,318	146,488	197,032	147,615

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, investment properties and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its remaining useful life. (See Table 12).

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill utilised.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its remaining useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised (See Table 13).

Table 12: Estimated remaining useful lives of property, plant and equipment assets		2023
		Remaining useful life (years)
Asset Category		
Operational assets		
Land		unlimited
Buildings:		
Structure		7 - 87
Roof		6 - 50
Interior		5 - 50
Services		5 - 47
Civic Precinct		5 - 66
Plant and equipment		5 - 100
Library collection		6 - 10
Infrastructure assets		
Land (including land under roads)		unlimited
Roading:		
Road pavement		10 - 46
Retaining / sea walls		5 - 198
Kerb and channel		5 - 36
Structures - other sea defences		100 - 250
Tunnels - structure and services		55 - 250
Bridges		5 - 104
Drainage, waste and water:		
Pipes		30 - 52
Reservoirs		30 - 140
Pump stations		48 - 91
Fittings		31 - 56
Restricted assets (excluding buildings)		unlimited

A small number of assets will have lives that extend past the range indicated above.

The variation in the remaining useful lives for infrastructure assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Table 13: Estimated remaining useful lives of intangible assets		2023
		Remaining useful life (years)
Asset Category		
Computer software		2 - 11

Note 9: Share of associates' and joint venture's surplus or deficit

The Council's share of the results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited (WIAL) and Wellington Water Limited is as shown in *Table 14*.

Table 14: Share of associates' and joint venture's surplus or deficit	Group	
	2023	2022
	\$000	\$000
Associates		
Chaffers Marina Holdings Limited	(20)	(44)
Wellington International Airport Limited	8,583	958
Joint venture		
Wellington Water Limited	(936)	1,299
TOTAL SHARE OF ASSOCIATES' AND JOINT VENTURE'S SURPLUS OR (DEFICIT)	7,627	2,213

Further information on the cost and value of the above investments is found in *Note 21: Investments in associates and joint venture* (pg 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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In the Council financial statements, the investments in joint ventures are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of joint ventures is included on an equity accounting basis as a single line.

Note 10: Income tax

Table 15: Income Tax	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current tax expense/(credit)				
Current year	-	-	32	28
Prior period adjustment	-	-	26	2
Total current tax expense/(credit)	-	-	58	30
Deferred tax expense/(credit)				
Origination and reversal of temporary differences	(20)	3	434	(86)
Change in unrecognised temporary differences	-	-	-	-
Recognition of previously unrecognised tax losses	-	(3)	-	-
Prior period adjustment	-	-	(188)	-
Total deferred tax expense/(credit)	(20)	-	246	(86)
TOTAL INCOME TAX EXPENSE/(CREDIT)	(20)	-	304	(56)

Table 16: Reconciliation of tax on the surplus/(deficit) and tax expense/(credit)	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Surplus/(deficit) for the period before taxation	(74,226)	87,435	(85,598)	88,565
Prima facie income tax based on domestic tax rate - 28%	(20,783)	24,482	(23,967)	24,798
Effect of non-deductible expenses and tax exempt income	20,757	(24,485)	26,538	(23,975)
Effect of tax losses utilised	-	-	-	(305)
Current years loss for which no deferred tax asset was recognised	6	3	-	3
Previously unrecognised tax losses now utilised	-	-	-	19
Prior period adjustment	-	-	(163)	(2)
Overseas withholding tax - non-reclaimable	-	-	32	26
Share of income tax of equity accounted associates	-	-	(2,136)	(620)
TOTAL INCOME TAX EXPENSE/(CREDIT)	(20)	-	304	(56)

Relevant significant accounting policies

The Council, as a local authority is only liable for income tax on the surplus or deficit for the year derived from any council-controlled trading organisations. Other members of the Group are subject to normal taxation unless they have tax exempt status as charitable trusts.

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Statement of Financial Position

Table 17: Statement of Financial Position as at 30 June 2023		Council			Group	
	Note	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000	Actual 2023 \$000	Actual 2022 \$000
ASSETS						
Current assets						
Cash and cash equivalents	11	68,529	26,481	26,575	87,707	40,727
Derivative financial assets	12	196	-	216	196	216
Receivables and recoverables	13	77,185	69,915	86,355	79,726	87,755
Prepayments	14	8,011	19,123	18,294	8,333	18,773
Other financial assets	15	42,744	112,500	102,856	46,815	109,556
Inventories		1,013	787	944	1,813	1,534
Non-current assets classified as held for sale	16	696	-	13,366	696	13,366
Total current assets		198,374	228,806	248,606	225,286	271,927
Non-current assets						
Derivative financial assets	12	72,984	7,821	58,191	72,984	58,191
Other financial assets	15	33,834	19,581	29,298	37,980	31,578
Intangibles	17	40,589	41,617	38,211	41,129	38,238
Investment properties	18	300,002	296,513	300,108	300,002	300,108
Property, plant and equipment	19	10,395,259	10,492,077	10,278,248	10,410,612	10,292,099
Investment in controlled entities	20	5,071	5,998	5,071	-	-
Investment in associates and joint venture	21	19,383	19,474	19,473	279,947	258,206
Total non-current assets		10,867,122	10,883,081	10,728,600	11,142,654	10,978,420
TOTAL ASSETS		11,065,496	11,111,887	10,977,206	11,367,940	11,250,347
LIABILITIES						
Current liabilities						
Derivative financial liabilities	12	-	1,798	260	-	260
Exchange transactions and transfers payable	22	113,309	71,886	84,963	117,018	84,503
Taxes payable	22	11,707	-	11,134	12,047	11,459
Deferred revenue	23	17,048	19,751	16,670	28,328	25,645
Borrowings	24	205,500	111,816	209,001	205,500	209,001
Employee benefit liabilities and provisions	25	8,929	13,116	7,840	11,114	10,033
Provision for other liabilities	26	6,007	5,551	5,481	6,007	5,481
Total current liabilities		362,500	223,918	335,349	380,014	346,382
Non-current liabilities						
Derivative financial liabilities	12	-	53,045	523	-	523
Exchange transactions and transfers payable	22	231	-	231	231	231
Borrowings	24	1,044,986	1,362,430	862,157	1,046,483	863,757
Employee benefit liabilities and provisions	25	676	1,246	624	723	662
Provision for other liabilities	26	35,358	44,727	37,696	35,358	37,696
Deferred tax	27	-	-	-	838	590
Total non-current liabilities		1,081,251	1,461,448	901,231	1,083,633	903,459
TOTAL LIABILITIES		1,443,751	1,685,366	1,236,580	1,463,647	1,249,841

Table 17: Statement of Financial Position as at 30 June 2023		Council			Group	
		Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000	Actual 2023 \$000	Actual 2022 \$000
	Note					
EQUITY						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,828,987	3,741,728	3,903,366	3,826,006	3,911,964
Revaluation reserves	28	4,424,407	4,437,653	4,484,022	4,677,956	4,704,556
Hedging reserve	29	73,180	(47,022)	57,624	75,316	58,172
Fair value through other comprehensive revenue and expense reserve	30	6,888	6,029	6,854	7,778	7,983
Non-controlling interest		-	-	-	718	797
Restricted funds	31	19,149	18,999	19,626	23,357	23,872
TOTAL EQUITY		9,621,745	9,426,521	9,740,626	9,904,293	10,000,506
TOTAL EQUITY AND LIABILITIES		11,065,496	11,111,887	10,977,206	11,367,940	11,250,347

The notes on pg X to X form part of and should be read in conjunction with the financial statements.

Statement of Financial Position - Major budget variations

Budget figures are for Council only and not the Group.

Significant variations from budget are as follows:

Current assets were \$30.432m lower than budgeted. The major variances included:

- Cash and cash equivalents were \$42.048m higher than budget.
- Prepayments were \$11.112m lower than budget, mainly due to timing of paying insurance invoices.
- Other financial assets were \$69.756m lower than budget, which is offset by a lower borrowings amount than budgeted.

Non-current assets were \$15.959m lower than budgeted. The major variances included:

- Derivative financial assets were \$65.163m higher than budget due to higher floating interest rates when compared to fixed swap rates held via interest rate derivatives.
- Other financial assets were \$14.253 higher than budget.
- Investment properties were \$3.489m higher than budget. This is due to purchase of new investment properties additions, partially offset by decrease from investment properties revaluation.
- Property, plant and equipment were \$96.818m lower than budget. This is due to the revaluation of operational land and buildings that was originally scheduled for 30 June 2024, other asset impairments and lower capital expenditure than budgeted.

Total liabilities were \$241.615m lower than budgeted. The major variances included:

- Exchange transactions and transfers payable were \$41.423m higher than budget. This is primarily due to current payables and the timing of invoicing for work completed.
- Derivative financial liabilities were \$54.843m lower than budgeted. The budget was struck when the fixed interest rate of the derivative financial instruments was higher than floating rates leading to a budgeted liability position. The actual result at reporting date resulted in an

- asset position because floating interest rates were, at that time, higher than the fixed rate under the derivative financial instruments.
- Borrowings were \$223.760m lower than budget. This is due to a range of factors including lower capital program delivery than budgeted and offset by lower other financial assets than budgeted.

Note 11: Cash and cash equivalents

Table 18: Cash and cash equivalents	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash at bank	48,514	6,560	66,618	19,189
Cash on hand	15	15	30	29
Short-term bank deposits of up to 3 months at acquisition	20,000	20,000	21,059	21,509
TOTAL CASH AND CASH EQUIVALENTS	68,529	26,575	87,707	40,727

Bank balances that are interest bearing earn interest based on current Official Cash Rates (OCR).

The Council holds short-term bank deposits as part of its overall liquidity risk management programme. This programme enables the Council to maintain its required liquidity buffer and to pre-fund upcoming debt maturities. The combination of the liquidity support and short-term bank deposits reduces the Council's cost of funds.

Relevant significant accounting policies

Cash and cash equivalents include cash at bank, cash on hand, and short-term bank deposits of up to 3 months at acquisition.

Foreign currency cash and cash equivalents are translated into NZD using the spot rates at balance date. (\$nil held at 30 June 2023).

Although cash and cash equivalents at balance date are subject to the expected credit loss requirements of *PBE IPSAS 41 – Financial Instruments*, no loss allowance has been recognised because the estimated allowance is trivial.

Note 12: Derivative financial instruments

Table 19: Derivative financial instruments	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Assets				
Current assets				
Interest rate swaps - cash flow hedges	196	216	196	216
Total current assets	196	216	196	216
Non-current assets				
Interest rate swaps - cash flow hedges	72,984	58,191	72,984	58,191
Total non-current assets	72,984	58,191	72,984	58,191
TOTAL DERIVATIVE FINANCIAL INSTRUMENT ASSETS	73,180	58,407	73,180	58,407
Liabilities				
Current liabilities				
Interest rate swaps - cash flow hedges	-	260	-	260
Total current liabilities	-	260	-	260
Non-current liabilities				
Interest rate swaps - cash flow hedges	-	523	-	523
Total non-current liabilities	-	523	-	523
TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES	-	783	-	783

Derivative financial instruments are used by the Group in the normal course of business to hedge exposure to cash flow and fair value interest rate risk. The amounts shown above represent the fair values of these derivative financial instruments. Although these are managed as a portfolio, the Group has no rights to offset assets and liabilities and must present these figures separately.

Interest rate swaps (cash flow hedges) are used to fix interest rates on floating rate debt (floating rate notes or commercial paper). The swaps are held until maturity and have no cash impact or effect on the rates requirements. The timing of the maturities of the active swaps, their nominal values and their weighted average fixed interest rates are shown in *Table 20*.

Table 20: Nominal value and weighted average fixed rate of live interest rate swaps	Council				Group			
	2023		2022		2023		2022	
	\$000	%	\$000	%	\$000	%	\$000	%
<i>Interest rate swaps - cash flow hedges</i>								
Not later than one year	47,000	4.24%	109,000	3.61%	47,000	4.24%	109,000	3.61%
Later than one year and not later than five years	172,500	3.88%	148,000	4.06%	172,500	3.88%	148,000	4.06%
Later than five years	336,500	2.69%	196,000	3.03%	336,500	2.69%	196,000	3.03%
Total interest rate swaps - cash flow hedges	556,000	3.19%	453,000	3.50%	556,000	3.19%	453,000	3.50%

The Council and Group also has forward start swaps with a total nominal value of \$183 million (2022: \$395 million) maturing later than five years. The weighted average fixed rate of all interest rate swaps (including forward starts) is 3.07% (2022: 3.14%).

The Council and Group currently have no fair value hedges.

For further information on the Council's interest rate swaps please refer to *Note 29: Hedging reserve* (pg X) and *Note 33: Financial instruments* (pg X).

Relevant significant accounting policies

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council's operational activities and interest rate risks arising from the Council's financing activities. In accordance with its Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

Cash flow hedges

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in surplus or deficit as part of "finance costs".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to surplus or deficit.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swaps match the terms of the fixed rate loan (ie. Notional amount, maturity, payment and reset dates). At inception of the hedge relationship the Council and Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The documentation includes its risk management objective and strategy for undertaking its hedged transactions.

Derivatives in hedge relationships are designated based on a hedge ratio up to 1:1. The Council and group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. To test the hedge effectiveness, the Council and Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

Hedge ineffectiveness

Hedge ineffectiveness in a hedge relationship can arise from:

- Differences in the timing of cash flows of the hedged items and hedging instruments.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

Note 13: Receivables and recoverables

Table 21: Receivables and recoverables	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current	77,185	86,355	79,726	87,755
Non-current	-	-	-	-
TOTAL RECEIVABLES AND RECOVERABLES - NET	77,185	86,355	79,726	87,755
Trade receivables and recoverables - debtors - net	19,335	23,448	20,593	24,613
Trade recoverables - fines - net	4,020	3,657	4,020	3,657
Accrued revenue	22,627	19,715	22,628	19,738
Sundry receivables	1,157	8,239	2,278	8,659
GST recoverable	5,787	5,052	5,948	4,844
Rates recoverable	24,259	26,244	24,259	26,244
TOTAL RECEIVABLES AND RECOVERABLES - NET	77,185	86,355	79,726	87,755

Current trade, rates and sundry receivables and recoverables are non-interest bearing and receipt is generally on 30-day terms, therefore the carrying value approximates their fair value.

Table 22: Receivables and recoverables from related parties	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Receivables and recoverables from related parties				
- Controlled entities	2,913	217	-	-
- Associates and jointly controlled entity	-	168	-	168
Total receivables and recoverables from related parties	2,913	385	-	168

Table 23: Movements in the allowance for expected credit losses	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Balance under <i>PBE IPSAS 29</i>	6,731	6,943	6,732	6,943
ECL adjustment due to adoption of <i>PBE IPSAS 41</i>	94	-	94	-
Opening balances for credit losses	6,825	6,943	6,826	6,943
New provisions made	2,616	205	2,618	206
Release of unused provision	(67)	(312)	(67)	(312)
Amount of provision utilised	(151)	(105)	(151)	(105)
Movements in the allowance for expected credit losses - closing balance	9,223	6,731	9,226	6,732

Relevant significant accounting policies

Receivables from exchange transactions

Receivables from exchange transactions arise when the Council is owed value by another entity or individual for goods or services provided directly by the Council and will receive approximately equal value in a willing arm's-length transaction (primarily in the form of cash in exchange). Examples of exchange transactions include parking services and metered water rates.

Recoverables from non-exchange transactions

Recoverables from non-exchange transactions arise when the Council is owed value from another party without giving approximately equal value directly in exchange for the value received. Most of the goods or services the Council provides are subsidised by rates revenue and therefore the exchange is unequal. Examples of non-exchange transactions include social housing rentals, parking fines and recreational centre activities. Non-exchange transactions are comprised of either taxes or transfers. Transfers also include grants that do not have specific conditions attached which require return of the grant for non-performance.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Expected credit losses

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and Group apply the simplified ECL model of recognising lifetime ECL for short-term receivables. Lifetime ECL result from all possible default events over the expected life of a receivable. The Council and Group use a provision matrix based on historical credit loss information upon initial recognition of a receivable, using reasonable assumptions and any available customer information.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Previous accounting policy

In the previous year, under *PBE IPSAS 29* the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

Rates receivable

The Council does not provide for ECL on rates receivable, except for abandoned properties where the debt is greater than 10 years past due and the likelihood of recovery is assessed to be remote. For all other rates receivables, Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances.

Other receivables

In measuring ECL, all receivables have been grouped based on shared risk characteristics and the days overdue. The ECL rates for other receivables at 1 July 2022 and 30 June 2023 are based on the payment profile of revenue on credit over the prior three years at balance date. A provision matrix is then established based on historical, current and forward-looking information specific to each class of debtors and the macroeconomic environment affecting the ability of customers to settle their debt.

There have been no changes since 1 July 2022 in the estimation methodology or significant assumptions in measuring the loss allowance.

The allowance for ECL on total receivables and recoverables based on Council and the Group's credit loss matrix is shown in Table 24.

Table 24: Debt aging profile and expected credit loss matrix	2023				2022			
	Gross	Expected Credit Loss Rate	Lifetime ECL	Net	Gross	Expected Credit Loss Rate	Lifetime ECL	Net
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
Council								
Receivables and recoverables								
Not past due	45,990	0.26%	(120)	45,870	49,338	0.31%	(152)	49,186
Past due 0-3 months	10,683	1.34%	(143)	10,540	17,460	0.45%	(79)	17,381
Past due 3-6 months	8,953	3.03%	(271)	8,682	8,193	0.61%	(50)	8,143
Past due more than 6 months	20,782	41.81%	(8,689)	12,093	18,095	35.65%	(6,450)	11,645
TOTAL RECEIVABLES AND RECOVERABLES	86,408		(9,223)	77,185	93,086		(6,731)	86,355
Group								
Receivables and recoverables								
Not past due	48,242	0.25%	(123)	48,119	50,646	0.30%	(153)	50,493
Past due 0-3 months	10,886	1.31%	(143)	10,743	17,537	0.45%	(79)	17,458
Past due 3-6 months	8,998	3.01%	(271)	8,727	8,208	0.61%	(50)	8,158
Past due more than 6 months	20,826	41.72%	(8,689)	12,137	18,096	35.64%	(6,450)	11,646
TOTAL RECEIVABLES AND RECOVERABLES	88,952		(9,226)	79,726	94,487		(6,732)	87,755

The net receivables and recoverables past due for more than six months includes fines, which after initial debt recovery attempts, are passed to the Courts to further pursue. Due to their nature, the collection pattern for such fines is longer than for trade debtors.

Note 14: Prepayments

Table 25: Prepayments	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Insurance	1,304	12,982	1,303	13,021
3 Waters reform stimulus funding	-	1,010	-	1,010
Information and communications technology	2,560	1,876	2,560	1,876
Waterfront operations	949	995	949	995
Property pre-sale costs	929	275	929	275
Other	2,269	1,156	2,592	1,596
TOTAL PREPAYMENTS	8,011	18,294	8,333	18,773

The Council's significant material damage insurance policies renew at the end of May each year. The payment for the 2023/24 insurance period did not occur until July 2023. Hence, the prepayment for insurance is considerably lower in the period ending 30 June 2023 compared to the previous period.

Note 15: Other financial assets

Table 26: Other financial assets	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Represented by:				
Current	42,744	102,856	46,815	109,556
Non-current	33,834	29,298	37,980	31,578
TOTAL OTHER FINANCIAL ASSETS	76,578	132,154	84,795	141,134
Comprised of:				
Equity investments:				
Civic Financial Services Limited	476	524	476	524
Local Government Funding Agency (LGFA)	8,756	8,674	8,756	8,674
Creative HQ shareholdings - available-for-sale	-	-	1,696	1,879
Endowment fund - Wellington Museums Trust	-	-	291	274
Gifted investment - Karori Sanctuary Trust	-	-	131	126
Debt securities investments				
LGFA - borrower notes	25,190	19,868	25,190	19,868
Deposits and loans				
Bank term deposits - greater than 3 months	40,000	101,000	46,098	107,700
Loans to related parties	2,156	2,088	2,156	2,088
Loans to external organisations	-	-	1	1
TOTAL OTHER FINANCIAL ASSETS	76,578	132,154	84,795	141,134

Equity investments

Civic Financial Services Limited is the trading name for the New Zealand Local Government Insurance Corporation Limited. The Council holds a 4.68 percent (2022: 4.68 percent) shareholding in this entity and has no present intention to sell. The fair value of the investment is determined by reference to the net equity amount from their most recent Annual Report.

The LGFA is an alternative debt provider majority owned by and operated for local authorities. The Council holds an 8.30 percent (2022: 8.30 percent) shareholding of the paid-up capital and as a shareholder will benefit from a return on its investment and as a borrower from lower borrowing costs. Refer to *Note 37: Related party disclosures*, for more information (pg X). The fair value of the investment is determined by reference to the net equity amount from their most recent unaudited fourth quarter report.

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.

Debt securities investments

Borrower notes

As part of the borrowing arrangements through the LGFA, the Council is required to leave 2.5 percent of any debt drawdown with the LGFA, as an investment, in the form of a borrower note. Borrower notes are subordinated convertible debt instruments, which will be repaid with interest to the Council once the related borrowing is repaid or no longer owed to the LGFA. The maturity profile of these notes matches the related debt maturity profile (1 February 2024 to 15 October 2033).

The fair value of borrower notes is determined by reference to the relevant interest rate curve.

Deposits and loans

Bank term deposits

Bank term deposits with maturities greater than three months are categorised as investments. These longer-term deposits are largely due to the early borrowing (pre-funding) for future debt repayments and generally mature in less than 12 months.

The carrying amount of term deposits approximates their fair value as no ECL has been recognised due to the continued low credit risk associated with these deposits, being held in NZ registered banks with A or better long-term investment grade credit ratings.

Loans to related parties

The loans to related parties are concessionary in nature since the loans have been granted on interest free terms for all or part of the life of the loan. The movements in the loans are shown in *Table 27*.

Table 27: Loans	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Loans to related parties				
<i>Wellington Regional Stadium Trust</i>				
<i>(Build and membership underwrite - \$15,394,893)</i>				
Opening balance	50	44	50	44
Amortisation of fair value adjustment	6	6	6	6
Closing balance at fair value	56	50	56	50
<i>Wellington Regional Stadium Trust</i>				
<i>(COVID-19 support - \$2,100,000)</i>				
Opening balance	2,038	848	2,038	848
Drawn down	-	1,200	-	1,200
Fair value adjustment	-	(35)	-	(35)
Amortisation of fair value adjustment	62	25	62	25
Closing balance at fair value	2,100	2,038	2,100	2,038
Loans to other external organisations				
Opening balance	-	-	1	15
New loan	-	-	-	1
Loan repayments received	-	-	-	(15)
Closing balance at fair value	-	-	1	1
TOTAL LOANS	2,156	2,088	2,157	2,089

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 (WRST)

The Council holds a \$15.000m limited recourse loan to WRST, which is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished.

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 GWRC. The current expected repayment of the loan and the advance back to the Council, as advised by WRST, is in 2070.

The amortisation rate applicable to the WRST loan is 12.71 percent.

Agreed in 2019/20, a new joint loan facility of \$4.200m shared between the Council and GWRC was further drawn down by WRST from the Council (\$1.200m) during 2021/22. The loan facility is to fund operating deficits resulting from the impact of COVID-19 and to provide funding for the capital works required to continue with the strengthening of the Fran Wilde walkway. The Council's share of the unsecured loan is \$2.100m with a fixed interest rate of 3.00 percent and was interest free for the first two years commencing from the date of the first drawdown in December 2020. The first six-monthly accrued interest payment was received in June 2023, with the loan due to be fully repaid by the end of the 2030/31 reporting period.

The Council does not hold any collateral for any of its loan assets.

Relevant significant accounting policies

Initial recognition

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost.
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Instruments in this category include term deposits, and loans to related parties.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and Group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Expected credit loss allowance (ECL)

The Council and Group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and Group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and Group's historical experience and informed credit assessment and including forward-looking information.

Previous accounting policy (summarised)

In the previous year, other financial assets were classified into the following categories:

- loans and receivables at amortised cost (included term deposits, related party loans, and community loans).
- held-to-maturity investments at amortised cost (included debt securities investments); and
- fair value through other comprehensive revenue and expense (included equity investments).

Note 16: Non-current assets classified as held for sale

Table 28: Non-current assets classified as held for sale	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Buildings	-	5,889	-	5,889
Land	696	7,477	696	7,477
TOTAL NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	696	13,366	696	13,366

Relevant significant accounting policies

Non-current assets are classified as held for sale if their carrying value will be recovered principally through a sale transaction, rather than through continuing use.

Non-current assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

A non-current asset is classified as held for sale where:

- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.
- a plan to sell the asset is in place and an active programme to locate a buyer has been initiated.
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- the sale is expected to occur within one year or beyond one year where a delay has occurred 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.

Note 17: Intangibles

Table 29: Intangibles	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Computer software				
Cost - opening balance	73,015	72,823	73,575	73,419
Accumulated amortisation	(55,420)	(50,870)	(55,953)	(51,392)
Carrying amount - opening balance	17,595	21,953	17,622	22,027
Acquired by direct purchase	7,916	1,517	8,452	1,517
Amortisation	(6,454)	(5,353)	(6,478)	(5,398)
Impairment	-	(3)	-	(3)
Net disposals	(25)	(518)	(25)	(521)
Total computer software - closing balance	19,032	17,595	19,572	17,622
Cost	80,110	73,015	80,959	73,575
Accumulated amortisation and Impairment	(61,078)	(55,420)	(61,387)	(55,953)
Total computer software - closing balance	19,032	17,595	19,572	17,622
Work in progress				
Computer software	8,373	7,645	8,373	7,645
Total work in progress	8,373	7,645	8,373	7,645
Carbon credits				
Cost - opening balance	12,971	14,049	12,971	14,049
Additions	1,118	898	1,118	898
Net disposals	(905)	(1,976)	(905)	(1,976)
Total carbon credits - closing balance	13,184	12,971	13,184	12,971
TOTAL INTANGIBLES	40,589	38,211	41,129	38,238

Disposals and transfers are reported net of accumulated amortisation.

Carbon credits

As part of the Emissions Trading Scheme (ETS) the Council receives carbon credit units from the Crown in recognition of the carbon absorbed by a portion of the Council's green belt.

The Council may also purchase units to cover the expected liabilities associated with landfill operation as required. The Council surrenders units to extinguish these liabilities.

At 30 June 2023 the total liability relating to landfill carbon emissions for the first six months of the 2023 calendar year is \$0.553m (2022: \$1.171m).

More information on carbon credits can be found in Section 4: Our performance in detail, under activity 2.2: Waste reduction and energy conservation (Volume 1, page X).

The movement in units held by the Council are shown in *Table 30*.

Table 30: Carbon credits	Council		Group	
	2023	2022	2023	2022
	Units	Units	Units	Units
Opening balance	539,385	601,177	539,385	601,177
Additions - Allocated from the Crown	13,171	14,004	13,171	14,004
Additions - Purchases	-	-	-	-
Disposals - Surrendered to the Crown	(29,125)	(75,796)	(29,125)	(75,796)
TOTAL CARBON CREDITS	523,431	539,385	523,431	539,385

Relevant significant accounting policies

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.

Computer software

Acquired computer software is measured on initial recognition at the costs to acquire and bring to use and subsequently less any amortisation and impairment losses.

Typically, the estimated useful life of these assets is between 2 to 11 years.

Carbon Credits

Carbon credits comprise either allocations of emission allowances granted by the Crown related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits allocated as a non-exchange transaction are initially recognised at fair value, which then becomes the deemed cost. Carbon credits that are purchased are recognised at cost.

Note 18: Investment properties

Table 31: Investment properties	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Ground leases, other land and buildings				
Opening balance	299,712	279,036	299,712	279,036
Additions by acquisition	13,123	-	13,123	-
Fair value revaluation movements taken to surplus/(deficit)	(13,341)	20,614	(13,341)	20,614
Transfer between asset classes	-	62	-	62
Total ground leases, other land and buildings	299,494	299,712	299,494	299,712
Work in progress				
Other land and buildings	508	396	508	396
Total work in progress	508	396	508	396
TOTAL INVESTMENT PROPERTIES	300,002	300,108	300,002	300,108

Wellington City Council's investment properties including the waterfront investment properties were valued as at 30 June 2023 by an independent valuer, William Bunt (FNZIV, FPINZ), registered valuer and Director of Valuation and Advisory Services for CBRE Limited.

Table 32: Investment property by type	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Ground leases	263,097	260,782	263,097	260,782
Other land and buildings (including WIP)	36,905	39,326	36,905	39,326
TOTAL INVESTMENT PROPERTIES	300,002	300,108	300,002	300,108

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 where 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 the discounted cash flow methodology and arriving at a net present value of all future anticipated gross lease payments.

Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Certain ground leases on the waterfront and within the central city have, for accounting purposes, been treated as sold assets due to the very long-term nature of the lease and peppercorn rentals.

At a future point in time, prior to the asset being returned to the Council ownership, the Council will begin to incrementally re-recognise the value of the asset. The amortisation of the estimated future value will reflect the prevalent economic situation and will be more relevant in terms of both the estimated value and materiality.

Note 19: Property, plant and equipment

Table 33: Summary of property, plant and equipment	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Property, plant and equipment - opening balance	10,278,248	8,203,230	10,292,099	8,217,301
Additions	380,657	209,157	382,671	210,025
Disposals	(1,180)	(6,846)	(1,209)	(6,946)
Depreciation expense	(189,863)	(141,135)	(190,563)	(142,217)
Impairment losses	(1,145)	(10,615)	(1,145)	(10,615)
Revaluation movement	(58,845)	1,859,025	(58,845)	1,859,027
Transfer between asset classes	-	(69)	-	(69)
Movement of non-current assets held for sale	12,669	1,336	12,669	1,336
Movement of work in progress	(25,282)	164,164	(25,065)	164,257
TOTAL PROPERTY, PLANT AND EQUIPMENT	10,395,259	10,278,248	10,410,612	10,292,099

Relevant significant accounting policies

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include: land, buildings, landfill post-closure asset, Civic Precinct, library collection, plant and equipment.

Restricted assets include: art and cultural assets, 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, drainage, water and waste 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.

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.

Vested assets are those assets where ownership and control are transferred to the Council from a third party (for example, infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (for example, vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by using the optimised depreciated replacement cost methodology.

Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight-line depreciation applied to bring the replacement cost to a fair value.

Specific measurement policies for categories of property, plant and equipment are shown below:

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 and Buildings

Operational land and buildings are valued at fair value on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Where the information is available, land and buildings are valued based on market evidence. Most of the Council's land and buildings are of a 'non-tradeable' or specialist nature and the value is based on the fair value of the land plus the optimised depreciated replacement cost of the buildings.

For earthquake prone buildings that are expected to be strengthened, the estimated cost to strengthen the building has been deducted from the optimised depreciated replacement cost.

Non-specialised properties that comprise the City Housing portfolio have been valued on a market-based approach with the associated land value being established through analysis of sales and market evidence.

Restricted assets

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by an independent registered valuer. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost. Since 2021/22, the value of Zoo animals were derecognised due to the difficulty of assigning a value.

Infrastructure assets

Infrastructure assets (the roading network, drainage, water and waste reticulation networks including service concession arrangement assets (wastewater treatment plants)) are valued at optimised depreciated replacement cost on a regular basis or, whenever the carrying amount differs materially to fair value, by an independent registered valuer. Infrastructure valuations are based on the physical attributes of the assets, their condition and their remaining lives based on the Council's best information reflected in its asset management plans. The costs are based on current quotes from

actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued on a regular basis or, whenever the carrying amount differs materially to fair value, by an independent registered valuer.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50 percent to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

Other Assets

Plant and equipment and the Civic Precinct are measured at historical cost and not revalued.

Impairment

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets. Property, plant and equipment assets, measured at fair value, are not required to be reviewed and tested for impairment.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets, and intangible 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 materially 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 on disposals are determined by comparing the proceeds from sale with the carrying amount of the asset. Gains and losses on disposal are reported net in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Work in progress

Work in progress represents the cost of capital expenditure projects that are not yet capable for use in the manner intended by management. The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and is then subject to depreciation/amortisation.

The movements according to the individual classes of assets are as shown in *Table 34*

Table 34: Property, plant and equipment by category and class of asset	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Operational assets				
Land				
Land - at cost - opening balance	3,202	3,161	3,202	3,161
Land - at valuation - opening balance	362,306	365,343	362,306	365,343
Total land - opening balance	365,508	368,504	365,508	368,504
Additions	-	41	-	41
Disposals	-	(2,425)	-	(2,425)
Impairment	(430)	-	(430)	-
Revaluation movement	(15,819)	-	(15,819)	-
Revaluation adjustment	-	605	-	605
Transfer between asset classes	(7,821)	-	(7,821)	-
Movements of non-current assets held for sale	6,342	(1,217)	6,342	(1,217)
Total land - closing balance	347,780	365,508	347,780	365,508
Land - at cost - closing balance	3,202	3,202	3,202	3,202
Land - at valuation - closing balance	344,578	362,306	344,578	362,306
Total land - closing balance	347,780	365,508	347,780	365,508
Buildings				
Buildings - at cost - opening balance	136,410	115,761	136,410	115,761
Buildings - at valuation - opening balance	1,006,704	1,009,833	1,015,328	1,019,356
Total cost/valuation	1,143,114	1,125,594	1,151,738	1,135,117
Accumulated depreciation and impairment	(363,996)	(327,406)	(368,938)	(332,782)
Total buildings - opening balance	779,118	798,188	782,800	802,335
Additions	225,154	19,816	225,207	19,868
Depreciation expense	(32,557)	(31,461)	(32,683)	(31,646)
Disposals	-	(2,211)	-	(2,543)
Impairment	(715)	(6,289)	(715)	(6,289)
Revaluation movement	(16,641)	-	(16,641)	-
Transfer between asset classes	15,288	1,277	15,288	1,277
Movements of non-current assets held for sale	5,889	(202)	5,889	(202)
Total buildings - closing balance	975,536	779,118	979,145	782,800
Buildings - at cost - closing balance	361,450	136,410	361,449	136,410
Buildings - at valuation - closing balance	1,089,401	1,006,704	1,098,025	1,015,328
Total cost/valuation	1,450,851	1,143,114	1,459,474	1,151,738
Accumulated depreciation and impairment	(475,315)	(363,996)	(480,329)	(368,938)
Total buildings - closing balance	975,536	779,118	979,145	782,800

Disposals and transfers are reported net of accumulated depreciation.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Landfill post closure costs ¹				
Landfill post closure - at cost - opening balance	3,851	4,404	3,851	4,404
Accumulated depreciation	(3,643)	(3,541)	(3,643)	(3,541)
Total landfill post closure costs - opening balance	208	863	208	863
Depreciation expense	3	(102)	3	(102)
Movement in post closure costs	(1,734)	(553)	(1,734)	(553)
Total landfill post closure costs - closing balance	(1,523)	208	(1,523)	208
Landfill post closure - at cost - closing balance	2,097	3,851	2,097	3,851
Accumulated depreciation	(3,620)	(3,643)	(3,620)	(3,643)
Total landfill post closure costs - closing balance	(1,523)	208	(1,523)	208
Civic Precinct				
Civic Precinct - at cost - opening balance	183,635	182,590	183,635	182,590
Accumulated depreciation and impairment	(133,378)	(132,317)	(133,378)	(132,317)
Total Civic Precinct - opening balance	50,257	50,273	50,257	50,273
Additions	2,719	1,425	2,719	1,425
Depreciation expense	(1,429)	(1,254)	(1,429)	(1,254)
Disposals	(62)	(187)	(62)	(187)
Total Civic Precinct- closing balance	51,485	50,257	51,485	50,257
Civic Precinct - at cost - closing balance	197,809	183,635	197,809	183,635
Accumulated depreciation and impairment	(146,324)	(133,378)	(146,324)	(133,378)
Total Civic Precinct- closing balance	51,485	50,257	51,485	50,257
Plant and equipment				
Plant and equipment - at cost - opening balance	311,883	295,203	332,129	315,162
Accumulated depreciation and impairment	(179,739)	(169,216)	(192,978)	(182,319)
Total plant and equipment - opening balance	132,144	125,987	139,151	132,843
Additions	20,454	25,931	22,414	26,747
Depreciation expense	(18,733)	(16,854)	(19,307)	(17,751)
Disposals	(527)	(728)	(556)	(496)
Transfer between asset classes	(13,967)	(2,193)	(13,967)	(2,193)
Total plant and equipment - closing balance	119,371	132,144	127,735	139,151
Plant and equipment - at cost	281,942	311,883	298,879	332,129
Accumulated depreciation and impairment	(162,571)	(179,739)	(171,144)	(192,978)
Total plant and equipment - closing balance	119,371	132,144	127,735	139,151

1. The Council's share of the joint venture with Porirua City Council relating to the Spicer Valley landfill is included in this asset class.

Disposals and transfers are reported net of accumulated depreciation.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Library collections				
Library collections - at cost - opening balance	1,718	1,569	1,718	1,569
Library collections - at valuation - opening balance	16,711	15,143	16,711	15,143
Total cost/valuation	18,429	16,712	18,429	16,712
Accumulated depreciation	(3,919)	(1,863)	(3,919)	(1,863)
Total library collections - opening balance	14,510	14,849	14,510	14,849
Additions	33	1,718	33	1,718
Depreciation expense	(2,278)	(2,057)	(2,278)	(2,057)
Revaluation movement	1,680	-	1,680	-
Total library collections - closing balance	13,945	14,510	13,945	14,510
Library collections - at cost - closing balance	33	1,718	33	1,718
Library collections - at valuation - closing balance	13,912	16,711	13,912	16,711
Total cost/valuation	13,945	18,429	13,945	18,429
Accumulated depreciation	-	(3,919)	-	(3,919)
Total library collections - closing balance	13,945	14,510	13,945	14,510
Total operational assets	1,506,594	1,341,745	1,518,567	1,352,434
Infrastructure assets				
Drainage, water and waste				
Drainage, water and waste - at cost - opening balance	109,934	79,225	109,934	79,225
Drainage, water and waste - at valuation - opening balance	7,531,028	3,944,936	7,531,028	3,944,936
Total cost/valuation	7,640,962	4,024,161	7,640,962	4,024,161
Accumulated depreciation	(4,143,089)	(2,132,975)	(4,143,089)	(2,132,975)
Total drainage, water and waste - opening balance	3,497,873	1,891,186	3,497,873	1,891,186
Additions	81,180	110,659	81,180	110,659
Depreciation expense	(87,914)	(53,295)	(87,914)	(53,295)
Revaluation movement	(11,630)	1,548,475	(11,630)	1,548,475
Transfer between asset classes	(2,061)	848	(2,061)	848
Total drainage, water and waste - closing balance	3,477,448	3,497,873	3,477,448	3,497,873
Drainage, water and waste - at cost - closing balance	79,564	109,934	79,564	109,934
Drainage, water and waste - at valuation - closing balance	7,634,605	7,531,028	7,634,605	7,531,028
Total cost/valuation	7,714,169	7,640,962	7,714,169	7,640,962
Accumulated depreciation	(4,236,721)	(4,143,089)	(4,236,721)	(4,143,089)
Total drainage, water and waste - closing balance	3,477,448	3,497,873	3,477,448	3,497,873

Disposals and transfers are reported net of accumulated depreciation.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Roading				
Roading - at cost - opening balance	38,203	50,828	38,203	50,828
Roading - at valuation - opening balance	2,470,888	1,904,216	2,470,888	1,904,216
Total cost/valuation	2,509,091	1,955,044	2,509,091	1,955,044
Accumulated depreciation	(908,212)	(651,020)	(908,212)	(651,020)
Total roading - opening balance	1,600,879	1,304,024	1,600,879	1,304,024
Additions	43,424	38,203	43,424	38,203
Depreciation expense	(44,903)	(34,258)	(44,903)	(34,258)
Revaluation movement	-	292,910	-	292,910
Revaluation adjustment	(16,435)	-	(16,435)	-
Transfer between asset classes	711	-	711	-
Total roading - closing balance	1,583,676	1,600,879	1,583,676	1,600,879
Roading - at cost - closing balance	43,424	38,203	43,424	38,203
Roading - at valuation - closing balance	2,474,101	2,470,888	2,474,101	2,470,888
Total cost/valuation	2,517,525	2,509,091	2,517,525	2,509,091
Accumulated depreciation	(933,849)	(908,212)	(933,849)	(908,212)
Total roading - closing balance	1,583,676	1,600,879	1,583,676	1,600,879
Infrastructure land				
Infrastructure land - at cost - opening balance	4,635	-	4,635	-
Infrastructure land - at valuation - opening balance	56,012	44,177	56,012	44,177
Total infrastructure land - opening balance	60,647	44,177	60,647	44,177
Additions	40	4,365	40	4,365
Impairment	-	(4,330)	-	(4,330)
Revaluation movement	-	17,038	-	17,038
Transfer between asset classes	-	12	-	12
Movements of non-current assets held for sale	595	(615)	595	(615)
Total infrastructure land - closing balance	61,282	60,647	61,282	60,647
Infrastructure land - at cost - closing balance	60,687	4,635	60,687	4,635
Infrastructure land - at valuation - closing balance	595	56,012	595	56,012
Total infrastructure land - closing balance	61,282	60,647	61,282	60,647
Land under roads				
Land under roads - at cost - opening balance	2,958,135	2,955,234	2,958,135	2,955,234
Additions	185	207	185	207
Disposals	(545)	(772)	(545)	(772)
Transfer between asset classes	47	123	47	123
Movements of non-current assets held for sale	(157)	3,343	(157)	3,343
Land under roads - closing balance	2,957,665	2,958,135	2,957,665	2,958,135
Total infrastructure assets	8,080,071	8,117,533	8,080,071	8,117,534

Disposals and transfers are reported net of accumulated depreciation

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Restricted assets ²				
Art and cultural assets				
Art and cultural assets - at cost - opening balance	8,893	8,872	11,232	11,211
Additions	8	34	8	34
Transfer between asset classes	-	(13)	-	(13)
Art and cultural assets - closing balance	8,901	8,893	11,240	11,232
Buildings on restricted land				
Buildings on restricted land - at cost - opening balance	51,164	47,381	51,164	47,381
Accumulated depreciation and impairment	(20,170)	(18,266)	(20,170)	(18,266)
Total buildings on restricted land - opening balance	30,994	29,115	30,994	29,115
Additions	6,721	3,729	6,720	3,729
Depreciation expense	(2,052)	(1,850)	(2,052)	(1,850)
Impairment	-	-	-	-
Total buildings on restricted land - closing balance	35,662	30,994	35,662	30,994
Buildings on restricted land - at cost - closing balance	57,857	51,164	57,857	51,164
Accumulated depreciation and impairment	(22,195)	(20,170)	(22,195)	(20,170)
Total buildings on restricted land - closing balance	35,662	30,994	35,662	30,994
Parks and reserves				
Parks and reserves - at cost - opening balance	209,648	213,309	209,648	213,309
Additions	2,475	3,579	2,475	3,579
Disposals	(46)	(10)	(46)	(10)
Transfer between asset classes	7,803	(7,257)	7,803	(7,257)
Movements of non-current assets held for sale	-	27	-	27
Parks and reserves - closing balance	219,880	209,648	219,880	209,648
Town Belt				
Town Belt - at cost - opening balance	96,353	89,232	96,353	89,232
Transfer between asset classes	-	7,121	-	7,121
Town Belt - at cost - closing balance	96,353	96,353	96,353	96,353
Zoo animals				
Zoo animals - opening balance	-	500	-	500
Disposals	-	(500)	-	(500)
Zoo animals - closing balance	-	-	-	-
Total restricted assets	360,796	345,888	363,135	348,227

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	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Work in progress				
Land	5,773	1,625	5,773	1,625
Buildings	194,809	291,894	195,849	292,718
Civic Precinct	2,015	3,945	2,015	3,945
Plant and equipment	135,985	71,745	135,985	71,745
Library collection	2,411	-	2,411	-
Drainage, water and waste	20,302	48,774	20,302	48,774
Roading	85,928	54,723	85,928	54,723
Other	575	374	576	374
Total work in progress	447,798	473,080	448,839	473,904
TOTAL PROPERTY, PLANT AND EQUIPMENT	10,395,259	10,278,248	10,410,612	10,292,099

Revaluation of property, plant and equipment

Operational land and buildings

The operational land and building assets were valued with effect from 30 June 2023 by William Bunt (FNZIV, FPINZI), registered valuer and Director of Valuation Services for CBRE Limited.

This revaluation would normally be performed in 2023/24 in line with the 3-yearly cycle. In late 2022, an initial assessment was performed which indicated a material change in the value of the assets. This resulted in the need to perform a full revaluation.

There was an uplift in values for operational buildings of approximately 22.6% and decrease in value for operational land of approximately 4.3%. The key factors that have contributed to the movements in fair value of these assets are as below:

- 1) Rapid interest rate rises instigated by central banks to combat high inflation and increased outgoings for multi-units have caused a decrease in value in the housing portfolio.
- 2) Construction price increases post COVID-19 and on-going shortage of input materials and specialised skilled overseas labour and supply chain disruptions have resulted in an increase in the value of specialised non-housing portfolio.
- 3) Significant new projects like Tākina, St. James and Araheke apartments have also contributed to the overall increase in value to the operational building asset class
- 4) Generally, land values for housing assets have also reduced in line with the reduction in values for the buildings, exceptions are where the land has been rezoned to a higher use or better development potential under the new zonings under the Proposed District Plan. In sub-urban locations there has been a higher value change due to new zoning allowing greater height limits.

Library collection

Library collections were valued as at 30 June 2023 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.

Infrastructure assets

Assets are valued at regular intervals by an independent registered valuer or whenever the carrying amount differs materially to fair value. In the years which an asset class is not revalued, the Group assesses whether there has been any material change in the value of that asset class.

The movement in the fair value of infrastructure assets between 30 June 2022 and 30 June 2023 were assessed by independent valuer WSP and the increase in value of these asset classes was not considered material by management and accordingly these assets did not require a revaluation for 30 June 2023.

Further information on revaluation reserves and movements is contained in *Note 28: Revaluation reserves* (pg X).

Significant acquisitions and replacements of assets

In accordance with the provisions of Schedule 10 of the LGA 2002, information in respect of significant acquisitions and replacements of assets is reported within the Statements of Service Performance (refer to Section 4: Our performance in detail (Volume 1, page X)).

Service concession arrangements

The Council's service concession assets consist of the Mōa Point treatment plant, including the sludge dewatering plant at Carey's Gully, and Western (Karori) wastewater treatment plant. These facilities are owned by the Council, and included within infrastructure assets, but operated by Veolia Water under a contract with Wellington Water Limited. The contract also covers the Porirua wastewater treatment plant which is operating under a joint operation with Porirua City Council.

The Council incurs all associated operating expenses through the on-charged costs paid to Wellington Water Limited.

The Council has a contract with Veolia Water, which covers the wastewater treatment plants of Wellington, Porirua and Hutt City councils. The contract expires 30 June 2030 with two rights of renewal for further subsequent terms of three and two years respectively.

The carrying value of these service concession assets for the Council and Group is \$146.085m (2022: \$155.062m).

Core Assets

Included within the infrastructure assets above (*Table 34*) are the Council's core assets as shown in *Table 35*.

Table 35: Council's core assets	2023			
	Closing book value	Constructed Additions	Vested Additions	Replacement Cost
	\$000	\$000	\$000	\$000
Water supply				
Treatment plants and facilities	-	-	-	-
Other assets	914,280	61,658	996	2,005,544
Sewerage				
Treatment plants and facilities	169,710	1,617	-	296,070
Other assets	1,253,818	11,757	1,366	3,062,431
Stormwater drainage	1,139,640	3,645	143	2,321,230
Flood protection and control works	-	-	-	-
Roads and footpaths	1,583,676	41,560	9,211	2,517,525
TOTAL CORE ASSETS	5,061,124	120,237	11,716	10,202,800
	2022			
	Closing book value	Constructed Additions	Vested Additions	Replacement Cost
	\$000	\$000	\$000	\$000
Water supply				
Treatment plants and facilities				
Other assets	876,576	9,765	503	1,943,886
Sewerage				
Treatment plants and facilities	177,583	2,674	-	296,070
Other assets	1,274,888	16,243	73,115	3,058,648
Stormwater drainage	1,168,826	7,701	661	2,317,584
Flood protection and control works	-	-	-	-
Roads and footpaths	1,600,879	37,369	834	2,509,091
TOTAL CORE ASSETS	5,098,752	73,752	75,112	10,125,278

Drainage, water, waste and roading assets were revalued for the prior period ending 30 June 2022, by WSP New Zealand Limited, as part of an off-cycle revaluation required due to estimated material movements in the fair value of the assets.

Insurance of assets

Table 36: Insurance of assets	Council	
	2023	2022
	\$000	\$000
Total value of property, plant and equipment	10,395,259	10,278,248
less assets (primarily land) excluded from insurance contracts	(4,130,758)	(4,163,371)
Value of assets covered by insurance contracts	6,264,501	6,114,877
Maximum amount to which assets are insured under Council insurance policies	724,195	728,260
Total value of assets that are self-insured	203,762	200,767

In addition to Council's insurance, in the event of natural disaster it is assumed that Central Government will contribute 60 percent towards the rebuild or repair of essential Council owned below ground infrastructure (drainage, water and waste assets) subject to eligibility considerations. Also, Waka Kotahi, will contribute approximately 55 percent towards the restoration of qualifying roading assets.

The Council is not covered by any financial risk sharing arrangements in relation to its assets.

An insurance reserve of \$14.262m (2022: \$13.835m) exists to meet the cost of claims that fall below deductible limits under the Council insurance policies. The reserve is funded annually through rates. For the year ending 30 June 2023 an amount of \$1.495m (2022: \$1.461m) was added to the reserve. The net cost of claims applied to the reserve during the year amounted to \$1.068m (2022: \$0.605m).

For insurance purposes, the Council take a "sum insured" approach to managing most risks, including for damage from a significant natural disaster. This approach recognises the wide-ranging location and type of assets in the portfolio.

We have policies in place for our three main asset classes:

- Below ground infrastructure (declared replacement value of \$3.0b (2022: \$4.0b),
- Above ground infrastructure (declared replacement value of \$8.9b (2022: \$2.3b)
- Housing (declared replacement value of \$1.0b (2022: \$0.8b).

The declared values are overlaid with the assessed GNS loss estimate for each asset subclasses for a 1–1000 year loss. The assessment is then used to assess the level of insurance required.

The required insurance values are met by cover in place from various sources, including purchased material damage insurance, the internal Insurance reserve (described above), balance sheet headroom (approved via the 2021-31 LTP) and a conservative level of assumed promissory allocation of Crown funded rebuild capacity.

Note 20: Investment in controlled entities

The cost of the Council's investment in controlled entities is reflected in the Council's financial statements as shown in *Table 37*.

Table 37: Cost of Investment in controlled entities	Council	
	2023	2022
	\$000	\$000
Wellington Cable Car Limited	3,809	3,809
Wellington Regional Economic Development Agency Limited (WREDA)	1,262	1,262
TOTAL COST OF INVESTMENT IN CONTROLLED ENTITIES	5,071	5,071

The equity investment represents the cost of the investment to the Council and includes all capital contributions made by the Council to controlled entities. The Council has only made equity investments as shareholders as noted in *Table 37*. Nominal settlement amounts (i.e. \$100) made in respect of Trusts, for which Council is the settlor, have not been recognised due to their materiality and are not considered as equity investments.

Information on inter-company transactions is included in the *Note 37: Related party disclosures* (pg X).

The controlled entities of the Council are listed as shown in *Table 38*.

Table 38: Controlled entities	Accounting Interest 2023	Accounting Interest 2022	Nature of business
Karori Sanctuary Trust (Trading as Zealandia)	100%	100%	Owns and manages the activities of the urban eco-sanctuary in Karori.
Wellington Cable Car Limited	100%	100%	Owns and operates the Cable Car.
Wellington Museums Trust (Trading as Experience Wellington)	100%	100%	Administers: Cable Car Museum, Capital E, City Gallery, Nairn Street Cottage, Space Place (Carter Observatory), Wellington Museum and the NZ Cricket Museum
Wellington Regional Economic Development Agency Limited (WREDA) (Trading as WellingtonNZ) - Creative HQ Limited	80%	80%	Manages 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. For further information – refer to Section 4: Our performance in detail (Volume 1, pages X to X).

Note 21: Investment in associates and joint venture

The cost of the Council's investment in associates and joint venture is reflected in the Council financial statements as shown in *Table 39*.

Table 39: Cost of investment in associates and joint venture	Council	
	2023	2022
	\$000	\$000
Chaffers Marina Holdings Limited	1,208	1,298
Wellington International Airport Limited	17,775	17,775
Wellington Water Limited	400	400
TOTAL COST OF INVESTMENT IN ASSOCIATES AND JOINT VENTURE	19,383	19,473

The Council has significant influence over the following entities as listed in *Table 40*. All of these are domiciled and operate in New Zealand.

Table 40: Associates and Joint venture	Accounting Interest 2023	Accounting Interest 2022	Nature of business
Chaffers Marina Holdings Limited	9.93%	10.72%	Holding company for Chaffers Marina Limited.
- Chaffers Marina Limited	9.93%	10.72%	Owns and manages the marina.
Wellington International Airport Limited	34%	34%	Owns and manages Wellington International Airport facilities and services.
Wellington Water Limited	40%	40%	Manages all water services for Wellington, Hutt, Upper Hutt and Porirua city councils, the South Wairarapa District Council and the GWRC.

Full copies of their 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 2023 the Council held a 9.93 percent (2022: 10.72 percent) interest in Chaffers Marina Holdings Limited which has been recognised in the Group financial statements on an equity accounting basis, reflecting the special rights (as set out in Chaffers Marina Limited's Constitution), which attach to the golden share that it holds in Chaffers Marina Limited.

Wellington International Airport Limited

Wellington International Airport Limited has a reporting period end date of 31 March. The ultimate majority owner, Infratil Limited, has determined a different end of reporting period to the Council, which is legislatively required to use 30 June. The Council owns 34 percent of the company, with the remaining 66 percent owned by NZ Airports Limited (which is wholly owned by Infratil Limited).

Joint venture

Wellington Water Limited

Wellington Water Limited was jointly created with Hutt City Council on 9 July 2003 to manage the drinking water, wastewater and stormwater assets of the councils. Since its inception it has gradually expanded its operations and now covers six councils in the Wellington region.

The company has a reporting period ending 30 June and has a dual share structure as shown in *Table 41*.

Table 41: Shareholding Councils	Class A shares (voting rights)	Class B Shares (financial entitlements)	Ownership interest
Wellington City	150	200	40%
Hutt City	150	100	20%
Upper Hutt City (from 1/11/2013)	150	40	8%
Porirua City (from 1/11/2013)	150	60	12%
Greater Wellington Regional (from 16/9/2014)	150	75	15%
South Wairarapa District (from 26/9/2019)	150	25	5%
Total shares on issue	900	500	100%

The Council classifies this entity as a joint venture because of the equal sharing of voting rights conferred through the Class A shares and the shareholder's agreement, which constitutes a binding arrangement.

The Class B shares confer the level of contributions and ownership benefits of each council. The Council uses equity accounting to recognise its 40 percent (2022: 40 percent) ownership interest.

Value of the investments

The investment in associates and the joint venture in the Group financial statements represents the Council's share of the net assets of the associates and the joint venture. This is reflected in the Group financial statements as shown in *Table 42*:

Table 42: Value of investment in associates and joint venture	Group	
	2023	2022
	\$000	\$000
Chaffers Marina Holdings Limited		
Opening balance	812	856
Change in shares during the year	-	-
Change in equity due to changed shareholding	(90)	-
Equity accounted earnings of associate	(20)	(44)
Closing balance - investment in Chaffers Marina Holdings Limited	702	812
Wellington International Airport Limited		
Opening balance	255,248	231,589
Dividends	(20,400)	-
Equity accounted earnings of associate	8,583	958
Share of net revaluation of property, plant and equipment - movement	33,016	21,535
Share of hedging reserve - movement	1,588	1,166
Closing balance - investment in Wellington International Airport Limited	278,035	255,248
Wellington Water Limited		
Opening balance	2,146	847
Equity accounted earnings of joint venture	(936)	1,299
Closing balance - investment in Wellington Water Limited	1,210	2,146
TOTAL VALUE OF INVESTMENT IN ASSOCIATES AND JOINT VENTURE	279,947	258,206

The Council's share of the operating surplus or deficit results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited and Wellington Water Limited is outlined in *Note 9: Share of Associates' and Joint Venture's surplus or deficit* (pg X).

Summary of Financial Position and Performance of associates

Financial information relating to the Council's associates is provided in *Tables 43 and 44*.

Table 43: Chaffers Marina Holdings Limited	2023	2022
	\$000	\$000
Council		
Investment in Chaffers Marina Holdings Limited (at cost)	1,208	1,298
Group		
Summarised financial information of associate		
Current assets	1,037	963
Non-current assets	4,929	5,050
Current liabilities	(204)	(235)
Non-current liabilities	(2,498)	(2,317)
Net assets	3,264	3,461
Revenue	1,833	1,773
Tax expense	-	-
Surplus / (deficit) after tax	(197)	(403)
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	(197)	(403)
Reconciliation to equity accounted carrying amount		
Net assets	3,264	3,461
Group's share %	9.93%	10.72%
Group's share \$000	323	371
Other consolidation adjustments	379	441
Equity accounted carrying amount	702	812
Risks associated with the Council's investment in the associate		
Share of contingent liabilities	-	-

Table 44: Wellington International Airport Limited	2023	2022
	\$000	\$000
Council		
Investment in Wellington International Airport Limited (at cost)	17,775	17,775
Group		
Dividends received	20,400	-
Summarised financial information of associate		
Current assets	148,155	55,975
Non-current assets	1,652,568	1,474,737
Current liabilities	(105,104)	(17,623)
Non-current liabilities	(818,012)	(762,496)
Net assets	877,607	750,593
Revenue	139,828	95,577
Tax credit /(expense)	(6,293)	(2,474)
Surplus / (deficit) after tax	25,243	3,043
Other comprehensive revenue and expense	101,771	75,048
Total comprehensive revenue and expense	127,014	78,091
Reconciliation to equity accounted carrying amount		
Net assets	877,607	750,593
Group's share %	34%	34%
Group's share \$000	298,386	255,202
Dividends received not in WIAL annual report	(20,400)	-
Difference on adoption of IFRS 9	-	46
Other consolidation adjustments	49	-
Equity accounted carrying amount	278,035	255,248
Risks associated with the Council's investment in the associate		
Share of contingent liabilities	-	-

Summary of Financial Position and Performance of joint venture

Financial information relating to the Council's joint venture is provided in *Table 45*.

Table 45: Wellington Water Limited	2023	2022
	\$000	\$000
Council		
Investment in Wellington Water Limited (at cost)	400	400
Group		
Summarised financial information of joint venture		
Current assets		
Cash and cash equivalents	31,871	21,241
Other current assets	28,172	34,309
Total current assets	60,043	55,550
Non-current assets	5,075	5,648
Current liabilities		
Financial liabilities (excluding accounts payable)	-	-
Other current liabilities	(62,069)	(55,724)
Total current liabilities	(62,069)	(55,724)
Non-current liabilities		
Financial liabilities (excluding accounts payable)	-	-
Other non-current liabilities	(25)	(111)
Total non-current liabilities	(25)	(111)
Net assets	3,024	5,363
Revenue, excluding interest	382,880	302,385
Interest revenue	1,031	214
Depreciation and amortisation	(1,619)	(1,252)
Interest expense	-	-
Tax expense	-	-
Surplus / (deficit) after tax	(1,894)	3,374
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	(1,894)	3,374
Reconciliation to equity accounted carrying amount		
Net assets	3,024	5,363
Group's share %	40%	40%
	-	-
Group's share \$000	1,210	2,145
Other consolidation adjustments	-	1
Equity accounted carrying amount	1,210	2,146
Risks associated with the Council's investment in the joint venture		
Shareholder funding commitments for the next three years	-	-
Share of contingent liabilities	-	-

Note 22: Exchange transactions, transfers and taxes payable

Table 46: Exchange transactions, transfers and taxes payable	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current				
Exchange transactions and transfers payable	113,309	84,963	117,018	84,503
Taxes payable	11,707	11,134	12,047	11,459
Non-current				
Exchange transactions and transfers payable	231	231	231	231
TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE	125,247	96,328	129,296	96,193

Comprised of:

Table 47: Exchange transactions and transfers payable	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Trade payables and accruals	93,891	74,358	97,605	73,898
Interest payable	9,523	5,262	9,523	5,262
Sundry payables	10,126	5,574	10,121	5,574
Total exchange transactions and transfers payable	113,540	85,194	117,249	84,734

Table 48: Taxes payable	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
GWRC rates	9,069	8,063	9,069	8,063
Other	2,638	3,071	2,978	3,396
Total taxes payable	11,707	11,134	12,047	11,459
TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE	125,247	96,328	129,296	96,193

Table 49: Exchange transactions, transfers and taxes payable to related parties	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Controlled entities	3,124	3,539	-	-
Associates and joint venture	10,145	2,763	10,145	2,763
Total exchange transactions, transfers and taxes payable to related parties	13,269	6,302	10,145	2,763

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and settled on terms varying between seven days and the 20th of the month following the invoice date. Most of the Council's payables are exchange transactions as they are directly with another party on an arm's-length basis and are of approximately equal value. Non-exchange payables are classified as either transfers payable (for example, Council grants) or taxes (for example, PAYE).

Note 23: Deferred revenue

Table 50: Deferred revenue	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Exchange transactions				
Lease rentals	2,060	2,051	2,060	2,051
Other	44	40	10,718	7,115
Transfers				
Wellington Venues operations	568	1,637	568	1,637
Inspection and licensing fees	6,172	5,983	6,172	5,983
Other	2,750	1,055	2,896	1,168
Taxes				
Rates	3,122	2,078	3,122	2,078
Liabilities recognised under conditional transfer agreements	2,332	3,826	2,792	5,613
TOTAL DEFERRED REVENUE	17,048	16,670	28,328	25,645

Relevant significant accounting policies

Liabilities recognised under conditional transfer agreements

The Council and the Group have received non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they were not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

These liabilities relate to:

- naming rights agreement that the Council has with third parties for buildings.
- various grants.

Note 24: Borrowings

The Council maintains a prudent borrowings position in relation to our equity and annual revenue. Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets that are approved through the AP and LTP processes.

Gross Borrowings

The gross borrowings, based on maturity, are comprised as shown in *Table 51*.

Table 51: Gross borrowings	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current				
Bank loans - term	-	1	-	1
Commercial paper	68,000	68,000	68,000	68,000
Debt securities - fixed rate bonds	5,000	-	5,000	-
Debt securities - floating rate notes	112,500	141,000	112,500	141,000
Debt securities - floating rate notes - GSS loans*	20,000	-	20,000	-
Total current	205,500	209,001	205,500	209,001
Non-current				
Bank loans - term	10,486	10,157	11,983	11,757
Debt securities - fixed rate bonds	100,000	105,000	100,000	105,000
Debt securities - floating rate notes	834,500	697,000	834,500	697,000
Debt securities - floating rate notes - GSS loans*	100,000	50,000	100,000	50,000
Total non-current	1,044,986	862,157	1,046,483	863,757
TOTAL GROSS BORROWINGS	1,250,486	1,071,158	1,251,983	1,072,758

*GSS loans are Green, Social and Sustainability loans. For the Council, these loans are linked to Takina as a 5-Star green building. Reporting obligations for these loans begin in the next reporting period. We receive a 5-basis point discount on this lending compared to a vanilla instrument.

Net Borrowings

When the cash position of the Council and the Group is considered, the net borrowings position is comprised as shown in *Table 52*.

Table 52: Net borrowings	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Total gross borrowings	1,250,486	1,071,158	1,251,983	1,072,758
<i>Less</i>				
Cash and cash equivalents (see Note 11)	(68,529)	(26,575)	(87,707)	(40,727)
Bank term deposits - greater than 3 months (see Note 15)	(40,000)	(101,000)	(46,098)	(107,700)
TOTAL NET BORROWINGS	1,141,957	943,583	1,118,178	924,331

The Council's borrowing strategy is to minimise liquidity risk by avoiding concentration of debt maturity dates and to ensure there is long-term access to funds. Further information on the liquidity and market risks associated with borrowings is contained in *Note 33: Financial instruments* (pg X).

Table 53 shows the utilisation of the borrowing facilities available to the Group at the end of the reporting period. The table also indicates the current applicable maturity and interest rate ranges.

Table 53: Group borrowing facilities	Available	Utilised	Maturities	Interest
	2023	2023		Rate Range
	\$000	\$000		%
Bank overdraft - committed	1,900	-		
Bank facilities - short-term - uncommitted	5,000	-		
Bank facilities - long-term - committed	130,000	-		
LGFA facilities - long-term - committed	80,000	-		
Bank loans - term	11,983	11,983	2025 - 2057	3.000
Commercial paper	100,000	68,000	9/08/2023 - 18/09/2023	5.675 - 5.740
Debt securities - fixed rate bonds	105,000	105,000	31/07/2023 - 14/04/2033	1.050 - 5.365
Debt securities - floating rate notes	947,000	947,000	1/02/2024 - 15/10/2033	5.740 - 6.595
Debt securities - floating rate notes - GSS loans	120,000	120,000	15/05/2024 - 30/06/2031	5.949 - 6.491
Total	1,500,883	1,251,983		

The bank overdraft facilities are \$1.500m for the Council and \$0.400m for WREDA.

In addition to the above facilities, the Council operates purchase cards to efficiently facilitate the purchase of goods and services. The cards are paid in full on a monthly basis. An aggregate bank limit of \$2.000m for all cards applies across the Council.

Security

Borrowings are secured by way of a Debenture Trust Deed over the Council's rates revenue.

Internal Borrowings

The Council borrows on a consolidated level and as such does not use internal borrowing and therefore does not prepare internal borrowing statements.

Ring-fenced funds

The Council holds \$88.630m (2022: \$80.486m) of funds that may only be used for a specified purpose. These funds are not held in cash but are utilised against borrowings until required. The main specified uses for these funds are as follows:

City Housing

As part of the agreement with the Crown for the Housing Upgrade Project an amount of \$67.644m (2022: \$66.806m), representing the accumulated surpluses and deficits from the City Housing activity, has been ring-fenced for future investment in the Council's social housing assets.

Waste reduction and energy

An amount of \$20.986m (2022: \$13.679m) related to accumulated surpluses and deficits from the Waste reduction and energy conservation - Activity 2.2, which under the Waste Minimisation Act 2008, must be ring-fenced for future investment in waste activities. The Council is committed to several waste minimisation projects that will utilise these funds.

Relevant significant accounting policies

Borrowings on normal commercial terms are initially recognised at amortised cost. Interest due on the borrowings is subsequently accrued.

Borrowings are classified as current liabilities unless the Council or Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Note 25: Employee benefit liabilities and provisions

Table 54: Employee benefit liabilities and provisions	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current				
Short-term benefits				
Payroll accruals	671	136	1,109	605
Holiday leave	8,205	7,704	9,952	9,428
Other contractual provisions	53	-	53	-
Total current benefits	8,929	7,840	11,114	10,033
Non-current				
Long-term benefits				
Long service leave provision	-	-	47	38
Retirement gratuities provision	676	624	676	624
Total non-current benefits	676	624	723	662
TOTAL EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS	9,605	8,464	11,837	10,695

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 specific employee benefit provisions above are analysed in *Tables 55 and 56*.

Table 55: Other contractual provisions	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Opening balance	-	-	-	-
New provision	53	-	53	-
Release of unused provision	-	-	-	-
Amount utilised	-	-	-	-
Other contractual provisions - closing balance	53	-	53	-

Background to Other contractual provisions

The above provision is to cover estimated redundancy costs, if any, as at 30 June 2023 resulting from current restructuring within the Council.

Relevant significant accounting policies – Other contractual provisions specific

Other contractual provisions include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Table 56: Retirement gratuities provision	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Opening balance	624	724	624	724
Movement in required provision	46	12	46	12
Release of unused provision	-	(4)	-	(4)
Rediscounting of interest	6	2	6	2
Amount utilised	-	(110)	-	(110)
Retirement gratuities provision - closing balance	676	624	676	624

Background to the retirement gratuity provision

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years' service, will on retirement, be entitled to a payment based on years of service and current salary. This entitlement has not been offered to the Council employees since 1991. Based on the age of remaining participants the provision may not be extinguished until 2037, assuming retirement at age 65.

Relevant significant accounting policies – retirement gratuities provision specific

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

Estimation

The gross retirement gratuities provision (inflation adjusted at 2.15 percent (2022: 1.90 percent) as at 30 June 2023, before discounting, is \$0.746m (2022: \$0.689m). The discount factor of 4.46 percent is based on the Treasury risk-free rate.

Note 26: Provisions for other liabilities

Table 57: Provisions for other liabilities	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current				
Landfill post-closure costs	997	728	997	728
Weathertight homes	5,010	4,753	5,010	4,753
Total current	6,007	5,481	6,007	5,481
Non-current				
Landfill post-closure costs	16,369	17,843	16,369	17,843
Weathertight homes	18,989	19,853	18,989	19,853
Total non-current	35,358	37,696	35,358	37,696
TOTAL PROVISIONS FOR OTHER LIABILITIES	41,365	43,177	41,365	43,177

Relevant significant accounting policies - general

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Movements in material provisions above are analysed in *Tables 58 and 59*.

Table 58: Landfill post-closure costs	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Opening balance	18,571	19,608	18,571	19,608
Movement in provision	(1,638)	(763)	(1,638)	(763)
Re-discounting of interest	647	495	647	495
Amount utilised	(214)	(769)	(214)	(769)
Landfill post-closure costs - closing balance	17,366	18,571	17,366	18,571

Background to the Landfill post-closure costs provision

The Council operates the Southern Landfill (Stage 3) and has a 21.5 percent joint venture interest in the Spicer Valley Landfill. It also manages several closed landfill sites around Wellington. The Council has responsibility for the closure of its landfills and to provide ongoing maintenance and monitoring of the landfills after they are closed.

As part of the closure of landfills, or landfill stages, the Council's responsibilities include:

- final cover application and vegetation.
- incremental drainage control features.
- 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.
- on-going site maintenance for drainage systems, final cover and vegetation.

The management of the landfill will influence the timing of recognition of some liabilities – for example, the Southern Landfill operates in stages. A liability relating to any future stages will only be created when the stage is commissioned and when refuse begins to accumulate in this stage.

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure.

Relevant significant accounting policies – Landfill post-closure specific

A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned, and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

Estimations

The long-term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using known changes to legal requirements and known improvements in technology. Future cash flows are discounted using the Treasury risk free rate of 4.58 percent for open landfills and between 4.37 and 4.47 percent depending on how long landfills have been closed. The gross provision (inflation adjusted at 1.98 percent for open landfills and between 2.05 and 2.14 percent for closed landfills, before discounting, is \$22.297m (2022: \$23.009m). 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 240,000m³ (2022: 357,614m³) and is expected to close in 2026 when its resource consent expires. These estimates have been made by the Council's contracted engineers based on expected future and historical volume information.

The Council's provision includes a 21.5% proportionate share of the Spicer Valley Landfill provision for post-closure costs. The Spicer Valley Landfill has a remaining life out to 2053.

Table 59: Weathertight homes	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Opening balance	24,606	33,161	24,606	33,161
Additional or increased provision made	1,208	-	1,208	-
Release of unused provision	-	(909)	-	(909)
Amount utilised	(1,815)	(7,646)	(1,815)	(7,646)
Weathertight homes - closing balance	23,999	24,606	23,999	24,606

Background to the Weathertight homes provision

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weathertightness.

A provision has been recognised for the potential net settlement of all known claims, including those claims that are being actively managed by the Council as well as claims lodged with WHRS but not yet being actively managed. The provision also includes a net amount of \$13.006m (2022: \$12.840m) as a provision for unreported claims relating to weathertight issues, which have not yet been notified to the Council.

Movement in the provision

During the year \$1.815m (2022: \$7.646m) was paid as either part or full settlement of claims. \$1.208m was added to (2022: \$0.909m was removed from) the provision after an actuarial re-

assessment of the likely future costs to be incurred as explained below. The current/non-current split in *Table 57* 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 weathertight homes provision was assessed as at 30 June 2023 by an independent actuary, Craig Lough, (Fellow of the NZ Society of Actuaries) for Melville Jessup Weaver.

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, 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 issues and therefore the percentage of homeowner who may make a successful claim.

Sensitivity

Table 60 illustrates the potential impact on surplus or deficit of changes in some of the assumptions listed above.

Table 60: Weathertight homes provision sensitivity		2023		2022	
		\$000		\$000	
		+10%	-10%	+10%	-10%
Assumption		Surplus or Deficit	Surplus or Deficit	Surplus or Deficit	Surplus or Deficit
Amount claimed		2,400	(2,400)	2,461	(2,461)
Settlement amount awarded		2,400	(2,400)	2,461	(2,641)
Council contribution to settlement		2,400	(2,400)	2,461	(2,641)
Change in percentage of homeowners who will make a successful claim		1,301	(1,301)	1,284	(1,284)
Assumption		+2%	-2%	+2%	-2%
Assumption		Surplus or Deficit	Surplus or Deficit	Surplus or Deficit	Surplus or Deficit
Discount rate		(1,851)	2,176	(1,847)	2,163

Funding of weathertight homes settlements

The Council uses borrowings in the first instance to meet the cost of settlements with the associated borrowings subsequently being repaid through rates funding. To ensure that the funding of weathertight homes is fully transparent the associated settlement costs, borrowings and rates funding is reported annually.

Table 61: Funding for weathertight homes liability	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Opening balance	(41,493)	(37,475)	(41,493)	(37,475)
Rates funding for weathertight homes liability	4,686	4,686	4,686	4,686
Total amounts paid	(1,815)	(7,646)	(1,815)	(7,646)
Interest allocation	(1,311)	(1,058)	(1,311)	(1,058)
Closing balance funded through borrowings	(39,933)	(41,493)	(39,933)	(41,493)

Note 27: Deferred tax

Recognised temporary differences and tax losses

Table 62: Deferred tax assets and liabilities	Group	
	2023	2022
	\$000	\$000
Opening balance		
Property, plant and equipment	(1,060)	(893)
Intangible assets	(4)	(8)
Employee benefits	191	169
Other provisions	6	9
Tax losses	277	43
Total opening balance	(590)	(680)
Charged to surplus or deficit		
Property, plant and equipment	(103)	(167)
Intangible assets	(147)	4
Employee benefits	19	22
Other provisions	7	(3)
Tax losses	(24)	234
Total charged to surplus or deficit	(248)	90
Closing balance		
Property, plant and equipment	(1,163)	(1,060)
Intangible assets	(151)	(4)
Employee benefits	210	191
Other provisions	13	6
Tax losses	253	277
TOTAL CLOSING BALANCE	(838)	(590)

Unrecognised tax losses

Under current income tax legislation, the unrecognised tax losses do not expire.

There is an unrecognised deferred tax asset in respect of the tax losses for the Council of \$0.126m (2022: \$0.108m).

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the benefit of the losses can be utilised.

Relevant significant accounting policies

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the

unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Statement of Changes in Equity

Table 63: Statement of Changes in Equity for the year ended 30 June 2023		Council			Group	
		Actual 2023	Budget 2023	Actual 2022	Actual 2023	Actual 2022
	Note	\$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		3,903,366	3,809,865	3,815,363	3,911,964	3,822,663
Effect of new accounting standard adoption - PBE IPSAS 41 *		(650)	-	-	(650)	-
Revaluation reserves		4,484,022	4,437,653	2,631,206	4,704,556	2,830,205
Hedging reserve		57,624	(47,022)	(47,022)	58,172	(47,641)
Fair value through other comprehensive revenue and expense reserve		6,854	6,029	6,029	7,983	6,656
Non-controlling interest		-	-	-	797	781
Restricted funds		19,626	18,985	18,985	23,872	23,358
TOTAL EQUITY - Opening balance		9,739,976	9,494,644	7,693,695	9,999,856	7,929,184
CHANGES IN EQUITY						
Retained earnings						
Net surplus / (deficit) for the year		(74,206)	(68,123)	87,435	(85,902)	88,621
Transfer to restricted funds		(3,444)	(3,439)	(3,359)	(3,874)	(3,462)
Transfer from restricted funds		3,921	3,425	2,718	4,389	2,948
Transfer from revaluation reserves		-	-	1,210	-	1,210
Transfer to non-controlling interest		-	-	-	79	(16)
Revaluation reserves	28					
Fair value movement - property, plant and equipment - net		(59,615)	-	1,854,026	(26,600)	1,875,561
Transfer to retained earnings		-	-	(1,210)	-	(1,210)
Hedging reserve	29					
Movement in hedging reserve		15,556	-	104,646	17,144	105,813
Fair value through other comprehensive revenue and expense reserve	30					
Movement in fair value - Equity investments		34	-	825	56	854
Movement in fair value - Available-for-sale equities		-	-	-	(261)	473
Non-controlling interest						
Transfer from retained earnings		-	-	-	(79)	16
Restricted funds	31					
Movements in restricted funds		-	-	-	3	-
Transfer to retained earnings		(3,921)	(3,425)	(2,718)	(4,389)	(2,948)
Transfer from retained earnings		3,444	3,439	3,359	3,871	3,462
Total comprehensive revenue and expense		(118,231)	(68,123)	2,046,932	(95,563)	2,071,322

Table 63: Statement of Changes in Equity for the year ended 30 June 2023 - continued		Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		Note	\$000	\$000	\$000	\$000
EQUITY - Closing balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,828,987	3,741,728	3,903,366	3,826,006	3,911,964
Revaluation reserves		4,424,407	4,437,653	4,484,022	4,677,956	4,704,556
Hedging reserve		73,180	(47,022)	57,624	75,316	58,172
Fair value through other comprehensive revenue and expense reserve		6,888	6,029	6,854	7,778	7,983
Non-controlling interest		-	-	-	718	797
Restricted funds		19,149	18,999	19,626	23,357	23,872
TOTAL EQUITY - Closing balance		9,621,745	9,426,521	9,740,626	9,904,293	10,000,506
Total comprehensive revenue and expense attributable to:						
Wellington City Council and Group		(118,231)	(68,123)	2,046,932	(95,472)	2,071,400
Non-controlling interest		-	-	-	(91)	(78)
		(118,231)	(68,123)	2,046,932	(95,563)	2,071,322

The notes on pg X to X form part of and should be read in conjunction with the financial statements.

*Due to the adoption of the accounting standard *PBE IPSAS 41 – Financial Instruments*, an adjustment to the opening fair value of LGFA borrower notes was required.

Statement of changes in equity – Major budget variations

Budget figures are for Council only and not the Group.

Significant variations from budgeted changes in equity are as follows:

Opening equity is \$245.332m higher than budgeted. The major variances included:

- Opening revaluation reserves were \$46.369m higher than budget. This is due to the increase in revaluation reserves as a result of the infrastructure asset revaluation in 2021/22.
- Opening hedging reserves were \$104.646m higher than budget due to the fair value movement gains on cash flow hedges in 2021/22.
- Opening retained earnings were \$93.501m higher than budget due to a higher net surplus than budgeted for 2021/22.

Changes in equity were \$50.108m lower than budgeted. The major variances included:

- Retained earnings decrease of \$5.592m mainly due to higher net deficit than budgeted.
- Revaluation reserve decrease of \$59.615m due to the revaluation of operational land and building assets and other asset impairment and revaluation adjustments.
- Hedging reserve increase of \$15.556m due to higher floating interest rates compared to the fixed swap rates held via interest rate derivatives.

Equity

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is broken down and classified into several components:

- accumulated funds and retained earnings
- revaluation reserves
- hedging reserve
- fair value through other comprehensive revenue and expense reserve; and
- restricted funds.

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Equity management

The LGA 2002 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 LGA 2002 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 LGA 2002 requires the Council to make adequate and effective provision in its LTP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA 2002 sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Note 28: Revaluation reserves

Table 64: Revaluation reserves	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Land - opening balance	288,226	288,200	288,226	288,200
Revaluation recognised in other comprehensive revenue and expense	(15,820)	-	(15,820)	-
Transfer to retained earnings due to disposal of assets	-	(579)	-	(579)
Revaluations adjustment	(430)	605	(430)	605
Land - closing balance	271,976	288,226	271,976	288,226
Buildings - opening balance	509,846	515,432	509,846	515,432
Revaluation recognised in other comprehensive revenue and expense	(16,631)	-	(16,631)	-
Revaluation adjustment	(349)	(4,955)	(349)	(4,955)
Transfer to retained earnings due to disposal of assets	-	(631)	-	(631)
Buildings - closing balance	492,866	509,846	492,866	509,846
Library collections - opening balance	8,592	8,592	8,592	8,592
Revaluation recognised in other comprehensive revenue and expense	1,680	-	1,680	-
Library collections - closing balance	10,272	8,592	10,272	8,592
Drainage, water and waste - opening balance	2,716,214	1,167,739	2,716,214	1,167,739
Revaluation recognised in other comprehensive revenue and expense	-	1,548,475	-	1,548,475
Revaluation adjustment	(11,630)	-	(11,630)	-
Drainage, water and waste - closing balance	2,704,584	2,716,214	2,704,584	2,716,214
Infrastructure land - opening balance	41,618	24,580	41,618	24,580
Revaluation recognised in other comprehensive revenue and expense	-	17,038	-	17,038
Infrastructure land - closing balance	41,618	41,618	41,618	41,618
Roading - opening balance	919,526	626,663	919,526	626,663
Revaluation recognised in other comprehensive revenue and expense	-	292,863	-	292,863
Revaluation adjustment	(16,435)	-	(16,435)	-
Roading - closing balance	903,091	919,526	903,091	919,526
Associates' revaluation reserves - opening balance	-	-	220,534	198,999
Revaluation recognised in other comprehensive revenue and expense	-	-	33,015	21,535
Associates' revaluation reserves - closing balance	-	-	253,549	220,534
Total revaluation reserves - closing balance	4,424,407	4,484,022	4,677,956	4,704,556

These revaluation reserve movements are represented by:

Table 65: Summary of revaluation reserve movements	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Opening balance	4,484,022	2,631,206	4,704,556	2,830,205
Revaluation recognised in other comprehensive revenue and expense	(30,771)	1,858,376	2,244	1,879,911
Revaluations adjustment	(28,844)	(4,350)	(28,844)	(4,350)
Transfer to retained earnings due to disposal of assets	-	(1,210)	-	(1,210)
TOTAL REVALUATION RESERVES	4,424,407	4,484,022	4,677,956	4,704,556

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes.

Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after considering the condition and remaining useful lives of the assets.

Relevant significant accounting policies

The result of any revaluation of the Group's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, and with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Any impairment in a revalued class of asset is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example, where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of the assets is not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

Note 29: Hedging reserve

Table 66: Hedging reserve	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Opening balance	57,624	(47,022)	58,172	(47,641)
Cash flow hedge net movement recognised in other comprehensive revenue and expense	15,556	104,646	17,144	105,813
TOTAL HEDGING RESERVE	73,180	57,624	75,316	58,172

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 volatility in interest rates significantly affecting the Council's ability to meet its balanced budget requirements.

The Group movement reflects the hedging related to Wellington International Airport Limited but adjusted to align with the Groups' accounting policies.

Note 30: Fair value through other comprehensive revenue and expense reserve

Table 67: Fair value through other comprehensive revenue and expense reserve	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Opening balance	6,854	6,029	7,983	6,656
Movements:				
Civic Financial Services Limited	(48)	17	(48)	17
Local Government Funding Agency (LGFA)	82	808	82	808
Creative HQ shareholdings - available-for-sale	-	-	(261)	473
Legacy investment - Wellington Museum Trust	-	-	17	13
Gifted investment - Karori Sanctuary Trust	-	-	5	16
TOTAL FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE	6,888	6,854	7,778	7,983

This reserve reflects the accumulated fair value movement in the Council's investment in Civic Financial Services Limited and the LGFA.

In the Group, Creative HQ, a controlled entity of WREDA, has small shareholdings in various incubator and accelerator programme companies. These shareholdings are fair valued annually and any movement is held within this reserve until the disposal of the shares.

Note 31: Restricted funds

Restricted funds are comprised of special reserves and funds that the Council holds for specific purposes and trusts and bequests that have been bestowed upon the Council for the benefit of all Wellingtonians.

Table 68: Restricted funds	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Special reserves and funds	18,635	19,131	21,941	22,188
Trusts and bequests	514	495	1,416	1,684
TOTAL RESTRICTED FUNDS	19,149	19,626	23,357	23,872

Table 69: Special reserves and funds	Opening	Additional	Utilised	Closing
	Balance	Funds	Funds	Balance
	2023	2023	2023	2023
	\$000	\$000	\$000	\$000
Council				
City Growth fund	4,514	1,930	(2,853)	3,591
Reserve purchase and development fund	782	-	-	782
Insurance reserve	13,835	1,495	(1,068)	14,262
Total Council	19,131	3,425	(3,921)	18,635
Controlled entities' reserve funds	3,057	430	(181)	3,306
TOTAL GROUP - SPECIAL RESERVES AND FUNDS	22,188	3,855	(4,102)	21,941

Nature and purpose, funding and utilisation

City Growth fund

The City Growth fund has a closing balance of \$3.591m (2022: \$4.514m) with funding for the year of \$1.930m (2022: \$1.885m) provided from rates. During the year \$2.853m (2022: \$2.113m) was utilised.

Reserve purchase and development fund

This fund is used to purchase and develop reserve areas within the city. During the year no purchases were made (2022: \$nil)

Insurance reserve

This reserve came into effect in 2001 and allows the Council to meet the cost of claims that fall below deductible limits under the Council's insurance policies. Additions to the reserve of

\$1.495m (2022: \$1.461m) were funded through rates as identified in the LTP. During the year \$1.068m (2022: \$0.605m) was used to meet under-excess insurance costs.

Controlled entities' reserve funds

The restricted funds of the controlled entities relate to the Wellington Museums Trust and the Wellington Zoo Trust:

- The Wellington Museums Trust has six reserves: Capital reserve, Capital E reserve, Nairn Street Cottage collection reserve, Wellington Museums collection reserve, City Gallery reserve and Wellington Museum Plimmer reserve. The two collection reserves are for the purpose of future museum acquisitions.
- The Wellington Zoo Trust has two reserves; Animal Transfer Fund specifically for the transfer of animals and 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 \$0.019m (2022: \$0.013m) has been applied in accordance with the original terms and conditions.

Nature and purpose

The Council's trusts and bequests have been generally provided for library, educational or environmental purposes.

The Wellington Zoo Trust has several trusts, bequests 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, Council applies for distribution of available funds for particular projects after consultation with the Plimmer family. The receipt and use of these funds are disclosed separately to record the generous contribution the bequest makes to the benefit of the city.

As at 31 August 2022, the value of the estate held by the Public Trust was \$20.203m (31 August 2021: \$20.852m), 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 - \$nil

Statement of Cash Flows

Table 70: Statement of Cash Flows for the year ended 30 June 2023	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2023	2023	2022	2023	2022
	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from rates - Council	427,236	427,313	378,439	427,236	378,439
Receipts from rates - GWRC	107,469	89,736	77,127	107,469	77,127
Receipts from activities and other revenue	184,431	169,761	134,206	204,656	152,128
Receipts from grants and subsidies - Operating	9,243	9,558	20,657	17,818	31,621
Receipts from grants and subsidies - Capital	27,793	32,014	32,396	31,222	32,845
Receipts from investment property lease rentals	12,549	10,394	11,045	12,549	11,045
Cash paid to suppliers and employees	(427,896)	(444,333)	(388,785)	(486,035)	(446,294)
Rates paid to GWRC	(106,463)	(89,736)	(77,621)	(106,463)	(77,621)
Grants paid	(47,596)	(48,944)	(45,947)	(14,057)	(17,215)
Income tax paid	-	-	-	(276)	(126)
Net GST (paid) / received	759	-	(797)	126	(1,014)
NET CASH FLOWS FROM OPERATING ACTIVITIES	187,525	155,763	140,720	194,245	140,935
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received	20,491	1,900	64	20,491	64
Interest received	8,041	13	2,991	8,808	3,150
Decrease in bank investments	-	-	-	4	235
Proceeds from sale of property, plant and equipment	4,197	5,400	5,749	4,236	5,753
Proceeds from sale of Investments	96	-	-	96	-
Loan advances made	-	-	(1,200)	-	(1,200)
(Increase) / decrease in investments	54,856	-	(44,466)	55,458	(50,137)
Purchase of investment properties	(13,123)	-	(62)	(13,123)	(62)
Purchase of intangibles	(8,856)	(5,038)	(5,053)	(9,392)	(5,053)
Purchase of property, plant and equipment	(343,429)	(399,420)	(291,758)	(345,991)	(292,658)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(277,727)	(397,145)	(333,735)	(279,413)	(339,908)
CASH FLOWS FROM FINANCING ACTIVITIES					
New borrowings	320,328	507,234	249,343	320,328	250,281
Repayment of borrowings	(141,000)	(209,000)	(86,837)	(141,000)	(86,858)
Interest paid on borrowings	(47,172)	(41,375)	(27,265)	(47,180)	(27,265)
NET CASH FLOWS FROM FINANCING ACTIVITIES	132,156	256,859	135,241	132,148	136,158
Net increase/(decrease) in cash and cash equivalents	41,954	15,477	(57,774)	46,980	(62,815)
Cash and cash equivalents at the beginning of the year	26,575	11,004	84,349	40,727	103,542
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	68,529	26,481	26,575	87,707	40,727

The notes on pg X to X form part of and should be read in conjunction with the financial statements.

The cash and cash equivalents balance above equates to the cash and cash equivalents balance in the Statement of Financial Position.

Council acts as a collection agency for GWRC by including additional rates and levies in its own billing process. Once collected, the monies are passed to GWRC. The budget assumes that the inflows and outflows will offset each other and are shown accordingly.

The Council has ring-fenced funds of \$88.630m (2022: \$80.486m) relating to the City Housing and Waste reduction and energy conservation activities. For more information see *Note 24: Borrowings* (pg X).

Cash and cash equivalents for the purposes of the Statement of cash flows comprises cash at bank, cash on hand and short-term deposits with a maturity of up to three months at acquisition. 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 \$31.762m higher than budget, including major variances of:

- \$17.733m higher cash inflows from receipts from rates collected on behalf of GWRC than budgeted.
- \$14.670m higher cash inflows from receipts from activities and other revenue particularly landfill operations & recycling and convention & conference centres activities.
- \$16.437m lower cash outflows from cash paid to suppliers and employees due to timing.
- \$16.727m higher cash outflows from rates paid to GWRC than budgeted.

Net cash flows from investing activities were \$119.418m lower than budgeted, including major variances of:

- \$18.591m higher cash inflows from dividends received than budgeted mainly relating to the investment in Wellington International Airport Limited.
- \$8.028m higher cash inflows from interest received due to increasing interest rates.
- \$54.856m lower cash outflows from lower investments.
- \$13.123m higher cash outflow from the purchase of investment properties mainly relating to the purchase of car parks at 140 Tory St.
- \$55.991m lower cash outflows from the purchase of property, plant and equipment due to lower capital expenditure than budgeted.

Net cash flows from financing activities were \$124.703m lower than budgeted, including major variances of:

- \$186.906m lower cash inflows on new borrowings partly due to lower budgeted capital expenditure.
- \$68.000m lower cash outflows on repayment of borrowings.

Note 32: Reconciliation of cash flows

Table 71: Reconciliation of net surplus / (deficit) to net cash flows from operating activities	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Net surplus/(deficit) for the period	(74,206)	87,435	(85,902)	88,621
Add/(deduct) non-cash items:				
Vested assets	(13,995)	(82,488)	(13,995)	(82,488)
Bad debts written off not previously provided for	186	133	186	133
Depreciation and amortisation	196,318	146,488	197,032	147,615
Impairment of property, plant and equipment	377	4,415	377	4,415
Fair value changes in investment properties	13,341	(20,614)	13,341	(20,614)
Other fair value changes	198	3	95	(375)
Movement in provision for impairments of doubtful debts	2,245	(317)	2,245	(317)
Tax expense/(credit)	(20)	-	346	(64)
Non-cash movement in provisions	1,163	(930)	1,071	(816)
Total non-cash items	199,813	46,690	200,698	47,489
Add/(deduct) movement in working capital: ¹				
Exchange receivables and non-exchange recoverables	7,483	(25,380)	10,685	(23,088)
Prepayments	10,283	3,043	10,487	2,874
Inventories	(69)	(157)	(277)	(141)
Exchange transactions, transfers and taxes payable	24,418	13,523	20,852	8,081
Revenue in advance	378	(4,214)	5,159	(486)
Employee benefit liabilities	606	668	901	1,110
Provision for other liabilities	(1,264)	(8,007)	(1,082)	(8,163)
Total movement in working capital	41,835	(20,524)	46,725	(19,813)
Add/(deduct) investing and financing activities:				
Net (gain)/loss on disposal of property, plant and equipment	(2,837)	2,391	(2,248)	2,424
Net (gain)/loss on disposal of intangibles	25	518	25	518
Net (gain)/loss on disposal of investments	(6)	-	(15)	-
Dividends received	(20,491)	(64)	(91)	(310)
Interest received	(8,041)	(2,991)	(8,869)	(3,165)
Tax paid and subvention receipts	-	-	104	110
Interest paid on borrowings	51,433	27,265	51,445	27,274
Share of equity accounted (surplus)/deficit in associates	-	-	(7,627)	(2,213)
Total investing and financing activities	20,083	27,119	32,724	24,638
NET CASH FLOWS FROM OPERATING ACTIVITIES	187,525	140,720	194,245	140,935

1. Excluding non-cash items

Table 72: Reconciliation of liabilities arising from financing activities	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Opening balance				
Current borrowings	209,001	154,523	209,001	154,544
Non-current borrowings	862,157	754,129	863,757	754,792
Hedges held against borrowings:				
- Interest rate swaps - cash flow hedges	57,624	(47,022)	58,172	(47,641)
Total opening balance	1,128,782	861,630	1,130,930	861,695
Cash flow movements - current				
Repayment of borrowings - current	(141,000)	(86,836)	(141,000)	(86,857)
New borrowings	-	-	-	-
Movement from non-current to current borrowings	137,499	141,313	137,499	141,313
Cash flow movements - non-current				
New borrowings	320,328	249,342	320,328	250,279
Movement from non-current to current borrowings	(137,499)	(141,313)	(137,499)	(141,313)
Total Cash movements	179,328	162,506	179,328	163,422
Non-cash flow movements				
- Interest rate swaps - cash flow hedges	15,556	104,646	17,144	105,813
- Fair value adjustment to borrowings	-	-	(103)	-
Total movements	194,884	267,152	196,369	269,235
Closing balance				
Current borrowings	205,500	209,001	205,500	209,001
Non-current borrowings	1,044,986	862,157	1,046,483	863,757
Hedges held against borrowings:				
- Interest rate swaps - cash flow hedges	73,180	57,624	75,316	58,172
Total closing balance	1,323,666	1,128,782	1,327,299	1,130,930

Other disclosures

Note 33: Financial instruments

For the purpose of measurement, the Council's and Group's financial assets and liabilities are classified into categories according to the purpose for which the financial assets and liabilities 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: amortised cost, fair value through surplus or deficit (FVTSD), or fair value through other comprehensive revenue and expense (FVTOCRE).

Amortised cost

Financial assets at amortised cost comprises cash and cash equivalents, receivables, recoverables and loans and deposits.

- Cash and cash equivalents include cash balances and bank deposits with maturity dates of three months or less at acquisition.
- 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 at acquisition.

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.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit comprise LGFA borrower notes, which are subsequently revalued through surplus or deficit, as LGFA has the ability to repay the investment before the original maturity date.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense primarily relate to equity investments that are held by the Group for long-term strategic purposes and therefore are not intended to be sold. Within the Group, small shareholdings are held in start-up companies, which are available for sale, until the companies mature or cease operations.

Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial Liabilities

Financial liabilities include payables under exchange transactions, transfers, taxes and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

Table 73 provides an analysis of the Group's financial assets and financial liabilities by reporting category as described in the accounting policies:

Table 73: Financial Instruments by category	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	68,529	26,575	87,707	40,727
Receivables and recoverables	77,185	86,355	79,726	87,755
Bank term deposits - greater than 3 months	40,000	101,000	46,098	107,700
Loans to related parties and external organisations	2,156	2,088	2,157	2,089
LGFA - borrower notes	-	19,868	-	19,868
Total financial assets at amortised cost	187,870	235,886	215,688	258,139
Financial assets at FVTSD				
LGFA - borrower notes	25,190	-	25,190	-
Total financial assets at FVTSD	25,190	-	25,190	-
Financial assets at FVTOCRE				
Interest rate swaps - cash flow hedges	73,180	58,407	73,180	58,407
Equity investments	9,232	9,198	11,350	11,477
Total financial assets at FVTOCRE	82,412	67,605	84,530	69,884
Total financial assets	295,472	303,491	325,408	328,023
Total non-financial assets	10,770,024	10,673,715	11,042,532	10,922,324
TOTAL ASSETS	11,065,496	10,977,206	11,367,940	11,250,347
Financial liabilities at amortised cost				
Exchange transactions and transfers payable	113,540	85,194	117,249	84,734
Taxes payable	11,707	11,134	12,047	11,459
Borrowings	1,250,486	1,071,158	1,251,983	1,072,758
Total financial liabilities at amortised cost	1,375,733	1,167,486	1,381,279	1,168,951
Financial liabilities at fair value through other comprehensive revenue and expense				
Interest rate swaps - cash flow hedges	-	783	-	783
Total financial liabilities at fair value through other comprehensive revenue and expense	-	783	-	783
Total financial liabilities	1,375,733	1,168,269	1,381,279	1,169,734
Total non-financial liabilities	68,018	68,311	82,368	80,107
TOTAL LIABILITIES	1,443,751	1,236,580	1,463,647	1,249,841

LGFA borrower notes changed classification to FVTSD for the 2022/23 period. In *Table 73* above the comparative has remained under Financial assets at amortised cost. See Note 40 – *Adoption of PBE IPSAS 41 – Financial instruments* (pg X) for further explanation. The value of the LGFA borrower notes for 2021/22 would be \$19.312m if FVTSD had applied.

Fair value

The fair values of all financial instruments equate to or are approximate to the carrying amount recognised in the Statement of Financial Position.

Fair value hierarchy

For those financial instruments recognised at fair value in the Statement of Financial Position, the fair values are determined according to the following hierarchy:

- **Level 1:** Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- **Level 2:** Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- **Level 3:** Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

Table 74: Group hierarchy	2023			2022		
	Level	Level	Level	Level	Level	Level
	1	2	3	1	2	3
	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets						
Financial assets at FVTSD						
- LGFA - borrower notes	-	25,190	-	-	-	-
Financial assets at FVTOCRE						
- Equity investments	-	-	11,350	-	-	11,477
- Interest rate swaps - Cash flow hedges	-	73,180	-	-	58,407	-
Financial liabilities						
- Interest rate swaps - Cash flow hedges	-	-	-	-	783	-

LGFA borrower notes changed classification to FVTSD for the 2022/23 period. The comparative has remained under Financial assets at amortised cost and is not shown in *Table 74* above. The value of the LGFA borrower notes for 2021/22 would be \$19.312m if FVTSD had applied.

Table 75 summarises the reconciliation of movements in Level 3 financial instruments

Table 75: Reconciliation of fair value movements in Level 3			Council		Group	
			2023	2022	2023	2022
			\$000	\$000	\$000	\$000
Financial assets at FVTOCRE						
- Equity investments						
Opening balance - 1 July			9,198	8,372	11,477	10,122
Purchases			-	-	-	158
Disposals			-	-	-	-
Impairment			-	-	-	-
Loss on investment			-	-	-	(53)
Gains/(Losses) recognised in other comprehensive revenue and expense			34	826	(127)	1,250
Closing balance - 30 June			9,232	9,198	11,350	11,477

The Level 3 equity investments comprise the Group's shareholdings in: LGFA \$8.756m (2022: \$8.674m), Civic Financial Services Limited \$0.476m (2022: \$0.524m), Creative HQ shareholdings \$1.696m (2022: \$1.879m), endowment fund investment for Wellington Museums Trust of \$0.291m (2022: \$0.274m) and a gifted investment for the Karori Sanctuary Trust of \$0.131m (2022: \$0.126m). Refer to *Note 15: Other financial assets* (pg X) for more details.

Financial risk management

As part of its normal operations, the Group is exposed to several financial risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Group's exposure to these risks and the action that the Group has taken to minimise the impact of these risks is outlined below:

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, thereby causing a financial loss. The Group is not exposed to any material concentrations of credit risk other than its exposure within the Wellington region. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position and the face value of financial guarantees to related parties (refer *Note 35: Contingencies* (pg 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 detailed in *Table 76*.

Table 76: Financial instruments with credit risk	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash and cash equivalents	68,514	26,560	87,677	40,698
Interest rate swaps - Cash flow hedges	73,180	58,407	73,180	58,407
Receivables and recoverables	77,185	86,355	79,726	87,755
Other financial assets				
- Bank term deposits - greater than 3 months	40,000	101,000	46,098	107,700
- LGFA borrower notes	25,190	19,868	25,190	19,868
- Loans to related parties and external organisations	2,156	2,088	2,157	2,089
Total financial instruments with credit risk	286,225	294,278	314,028	316,517

Receivables and recoverables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group is exposed to credit risk as a guarantor of the LGFA's borrowings. Further information about this exposure is explained in *Note 35: Contingencies* (pg 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 (or otherwise as stated) as shown in *Table 77*.

Table 77: Counterparties with credit ratings	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash - NZ registered banks				
AA-	48,514	6,560	66,618	19,189
Short-term deposits (3 months or less) - NZ registered banks				
AA (Fitch)	-	20,000	-	21,509
AA-	20,000	-	21,059	-
Interest rate swaps - NZ registered banks				
AA-	73,180	58,407	73,180	58,407
Term deposits (greater than 3 months) - NZ registered banks				
AA-	40,000	65,000	46,098	71,700
AA (Fitch)	-	36,000	-	36,000
Borrower notes - LGFA				
AAA	25,190	19,868	25,190	19,868

Liquidity risk

Liquidity risk refers to the situation where the Group may encounter difficulty in meeting obligations associated with financial liabilities. The Group maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Liability Management Policy to ensure the Group can access required funds.

Contractual maturity

The following maturity analysis in *Table 78* sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities include the nominal amount and interest payable.

Table 78: Contractual cash flows of financial liabilities excluding derivatives	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Contractual cash flows of financial liabilities excluding derivatives				
0-12 months	399,945	341,388	404,034	341,253
1-2 years	151,840	155,960	151,888	155,960
2-5 years	507,489	320,180	509,034	321,924
More than 5 years	621,068	578,307	621,068	578,307
Total contractual cash flows of financial liabilities excluding derivatives	1,680,342	1,395,835	1,686,024	1,397,444
Represented by:				
Carrying amount as per the Statement of Financial Position	1,375,733	1,167,486	1,381,279	1,168,951
Future interest payable	304,609	228,349	304,745	228,493
Total contractual cash flows of financial liabilities excluding derivatives	1,680,342	1,395,835	1,686,024	1,397,444

The following maturity analysis in *Table 79*, sets out the contractual cash flows for all financial liabilities that are settled on a net cash flow basis. Contractual cash flows for derivative financial liabilities are the future interest payable.

Table 79: Contractual cash flows of derivative financial liabilities	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Contractual cash flows of derivative financial liabilities				
0-12 months	-	1,586	-	1,586
1-2 years	-	84	-	84
2-5 years	-	44	-	44
More than 5 years	-	6	-	6
Total contractual cashflow of derivative financial liabilities	-	1,720	-	1,720
Represented by:				
Future interest payable	-	1,720	-	1,720
Total contractual cash flows of derivative financial liabilities	-	1,720	-	1,720

Due to favourable interest rate movements all derivatives (cash flow hedges) are assets at 30 June 2023.

In addition to cash to be received in 2023/24 the Group currently has \$210.000m (2022: \$210.000m) in unutilised committed bank facilities available to settle obligations as well as \$167.433m (2022: \$128.482m) of cash, cash equivalents and receivables and is expected to have sufficient cash to meet all contractual liabilities as they fall due.

The Group is exposed to liquidity risk as a guarantor of all LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its obligations when they fall due. Information about this exposure is explained in *Note 35: Contingencies* (pg X).

The Group mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within the following maturity limits as shown in *Table 80*.

Period	Maturing in period \$000	Minimum	Maximum	Actual
0 - 3 years	453,191	15%	60%	36%
3 - 5 years	250,098	15%	60%	20%
More than 5 years	547,197	15%	60%	44%
	1,250,486			

These profiles demonstrate how Council must spread and smooth repricing to avoid large concentrations of repricing risk in any given annual period.

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 Investment and Liability Management Policies, which are formally approved by the Council as part of the LTP.

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Council and group's exposure to changes in market interest rates primarily arises from borrowings issued at variable interest rates.

Generally, Council raises long-term borrowings at floating rates. The Liability management policy requires that at least 50% of borrowings are at fixed rates of interest. To achieve this, Council uses interest rate swaps. Interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates to provide longer term certainty of funding costs than what would be achievable under floating rates. Under the interest rate swaps, Council agrees with other parties to exchange at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

For material financial liability exposures, Council has policy settings within the liability management policy that determine how the repricing of interest rate risks must be managed. For the year ended 30 June 2023, the material exposures were Borrowings and Derivative financial instruments (interest rate swaps). Refer to *Note 12: Derivatives*, for further information (pg X)

The proportion of gross borrowing at a fixed interest rate for the period ending 30 June 2023 is 53 percent. (2022: 59 percent)

Table 81 shows the effect of the interest rate swaps at reducing the Council's and Group's exposure to interest rate risk:

Table 81: Interest rate volatility	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Financial instruments subject to interest rate volatility - before effect of interest rate swaps				
Cash and cash equivalents	68,529	26,575	87,707	40,727
Bank term deposits - greater than 3 months	40,000	101,000	46,098	107,700
Commercial paper	(68,000)	(68,000)	(68,000)	(68,000)
Debt securities - floating rate notes	(1,067,000)	(888,000)	(1,067,000)	(888,000)
Total financial instruments subject to interest rate volatility - before effect of interest rate swaps	(1,026,471)	(828,425)	(1,001,195)	(807,573)
Effect of interest rate swaps in reducing interest rate volatility				
Interest rate swaps - cash flow hedges	556,000	453,000	556,000	453,000
Total effect of interest rate swaps in reducing interest rate volatility	556,000	453,000	556,000	453,000
Total financial instruments subject to interest rate volatility - after effect of interest rate swaps	(470,471)	(375,425)	(445,195)	(354,573)

These interest rate swaps have a nominal value which represents the value of the debt that they are covering (included above). This amount is not recorded in the financial statements. Instead, the fair value of these interest rate swaps is recognised. This represents the difference between the forecast current floating interest rate and the fixed swap interest rate discounted back to present value. As at 30 June 2023, the fair value of the interest rate swaps was \$73.180m (2022: \$57.624m). The asset represents the forecast cost savings the Council is expected to receive from locking in fixed interest rates lower than current market rates over the period of the swap contracts versus floating rates.

Interest rate hedge effectiveness

Table 82: Interest rate hedge effectiveness	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Fair value of hedging instruments to determine hedge effectiveness	73,180	57,624	73,180	57,624
Fair value of hedged item to determine hedge effectiveness	73,180	57,624	73,180	57,624

As no designated forecast relationships were no longer expected to occur, there were no reclassifications.

Weighted effective interest rates

Given that the interest rate swaps have settlement dates that coincide with the dates on which interest is payable on the underlying debt (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 as shown in *Table 83*.

Table 83: Weighted effective interest rates	Council		Group	
	2023	2022	2023	2022
	%	%	%	%
Investments				
Cash and cash equivalents	5.39	2.23	4.51	0.59
Bank term deposits - greater than 3 months	5.89	1.99	5.68	1.98
LGFA - borrower notes	5.97	2.32	5.97	2.32
Loans to related parties	3.00	-	3.00	-
Borrowings				
Bank loans	3.00	3.00	3.00	3.00
Commercial paper	5.71	2.53	5.71	2.53
Debt securities - fixed rate bonds	2.02	2.02	2.02	2.02
Debt securities - floating rate notes	6.16	2.60	6.16	2.60
Interest rate swaps - cash flows hedges	3.19	3.50	3.19	3.50

The original related party loan to WRST for the Stadium construction and membership underwrite is on interest free terms.

The loan to WRST for COVID-19 support and further upgrade of the Fran Wilde walkway is at an interest rate of 3% p.a. and is now effective as the initial 2-year interest free period has expired.

Sensitivity analysis

While the Group has significantly reduced the impact of short-term fluctuations on the Group's earnings through interest rate swap arrangements, there is still some exposure to changes in interest rates.

Table 84 illustrates the potential surplus or deficit impact of a 2 percent change in interest rates based on the Group's exposures at the end of the reporting period:

Table 84: Sensitivity to interest rate risk		Group			
		2023			
		\$000			
		+2%	-2%	+2%	-2%
	Note	Effect on Surplus or Deficit		Effect on Other Comprehensive Revenue and Expense	
Financial assets					
Cash and cash equivalents	a	1,754	(1,754)	-	-
LGFA - borrower notes	b	(938)	795	-	-
Bank term deposits - greater than 3 months	c	922	(922)	-	-
Interest rate swaps - cash flow hedges	d	-	-	68,433	(81,844)
Financial liabilities					
Interest rate swaps - cash flow hedges	d	-	-	-	-
Debt securities - floating rate notes (incl GSS loans)	e	(11,240)	11,240	-	-
Bank loans	f	(240)	240	-	-
Commercial paper	g	(340)	340	-	-
Total sensitivity to interest rate risk		(10,082)	9,939	68,433	(81,844)

a. Cash and cash equivalents

Group funds of \$87.707m (2022: \$40.727m) are in several different registered bank accounts with interest payable on the aggregation of all accounts. While most of the funds are held on short-term deposit, they are subject to interest rate movement on any subsequent reinvestment. A movement in interest rates of plus or minus 2 percent has an effect on interest revenue of \$1.754m (2022: \$0.814m) accordingly.

b. LGFA borrower notes

The Group holds \$25.190m (2022: \$19.868m) of borrower notes which are investments held by LGFA as part of their lending policy. They are subject to quarterly interest rate resetting. A movement in interest rates of plus 2 percent has an effect on interest revenue of - \$0.938m. A movement in interest rates of minus 2 percent has an effect on interest revenue of \$0.795m. As these debt investments are now subject to fair value, the effect of discounting has a greater impact than the increase/decrease in interest earned. No comparative effect is included due to the change in valuation methodology.

c. Bank term deposits > than 3 months

Bank term deposits with maturities greater than 3 months \$46.098m (2022: \$107.700m) are subject to interest rate movement on any subsequent reinvestment. A movement in interest rates of plus or minus 2 percent has an effect on interest revenue of \$0.922m (2022: \$2.154m) accordingly.

d. Interest rate swaps – cash flow hedges

Interest rate swaps have a fair value totalling \$73.180m (2022: \$57.624m). A movement in interest rates of plus 2 percent has an effect on increasing the unrealised value of the interest rate swaps by \$68.433m (2022: \$75.938m). A movement in interest rates of minus 2 percent has an effect on reducing the unrealised value of the interest rate swaps by \$81.844m (2022: \$92.860m)

e. Debt securities – floating rate notes

Debt securities at floating rates total \$1,067.000m (2022: \$888.000m). The full exposure to changes in interest rates has been reduced because the Group has \$505.000m (2022: \$402.000m) of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 2 percent has an effect on the interest expense of \$11.240m (2022: \$9.720m) accordingly.

f. Bank loans

The Group, through the Council's joint operations with Porirua City Council has bank term loans of \$10.486m (2022: \$10.158m). These loans are provided to the joint operations through Porirua City Council borrowing. In addition Karori Sanctuary Trust has a \$1.497m (2022: \$1.600m) loan. A movement in interest rates of plus or minus 2 percent has an effect on the interest expense of \$0.240m (2022: \$0.204m) accordingly.

g. Commercial paper

The Group has a Commercial Paper programme which is subject to floating rates and totals \$100.000m of which only \$68.000m (2022: \$68.000m) is presently utilised. The full exposure to changes in interest rates has been reduced because the Group has \$51.000m (2022: \$51.000m) of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 2 percent has an effect on the interest expense of \$0.340m (2022: \$0.340m) accordingly.

Foreign exchange risk

Foreign exchange risk is the risk that costs materially exceed budget due to adverse movements in foreign exchange rates.

The Group is exposed to foreign exchange risk when it purchases equipment and services denominated in a foreign currency or has cash holdings denominated in a foreign currency.

As at 30 June 2023, the Council and Group does not hold any foreign denominated currency.

Risk management

The Group seeks to limit foreign exchange risk by holding foreign currency prior to material foreign currency denominated capital and operating expenditure. Foreign exchange exposure is recognised when the expenditure has been approved and a contract is expected to follow.

The Group does not receive foreign currency revenue in its normal course of business.

Note 34: Commitments

Table 85: Capital commitments	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Approved and contracted				
Property, plant and equipment	172,845	156,815	174,425	158,215
Investment properties	-	-	-	-
Intangibles	-	-	-	-
Share of associates	-	-	1,288	7,444
Share of joint ventures	-	-	-	-
TOTAL CAPITAL COMMITMENTS	172,845	156,815	175,713	165,659

The capital commitments in *Table 85* 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 2022/23 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 value of minimum payments for non-cancellable operating leases is recognised as an expense in *Note 7: Expenditure on operating activities* (pg 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 shown in *Table 86*.

Table 86: Non-cancellable operating lease commitments as lessee	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Plant and equipment				
Not later than one year	-	-	60	84
Later than one year and not later than five years	-	-	1,156	69
Later than five years	-	-	-	-
Land and buildings				
Not later than one year	17,097	10,815	18,057	13,170
Later than one year and not later than five years	49,289	30,054	54,953	30,722
Later than five years	144,467	47,487	144,652	47,487
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSEE	210,853	88,356	218,878	91,532

Operating leases – Group as lessor

The Group has 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 shown in *Table 87*.

Table 87: Non-cancellable operating lease commitments as lessor	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Investment properties				
Not later than one year	11,049	10,971	11,049	10,971
Later than one year and not later than five years	35,547	38,322	35,547	38,322
Later than five years	50,435	73,020	50,435	73,020
Land and buildings				
Not later than one year	2,256	5,849	2,256	5,849
Later than one year and not later than five years	2,816	4,173	2,816	4,173
Later than five years	8,175	9,093	8,175	9,093
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSOR	110,278	141,428	110,278	141,428

Commitments to related parties

The Council and Group have no commitments to key management personnel beyond normal employment obligations.

Note 35: Contingencies

Table 88: Contingent liabilities	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Uncalled capital - LGFA	1,866	1,866	1,866	1,866
Other legal proceedings	1,625	399	1,625	399
Share of associates' and joint venture's contingent liabilities	-	-	-	-
Share of joint operations' contingent liabilities	-	-	-	-
TOTAL CONTINGENT LIABILITIES	3,491	2,265	3,491	2,265

Local Government Funding Agency Limited (LGFA)

The Council is one of 30 local authority shareholder, borrower, and guarantor councils of the LGFA. Any non-shareholder council that borrows in aggregate \$20.000m or more from LGFA must be a guarantor. There are 71 guarantor Councils in total. In this regard the Council has uncalled capital of \$1.866m. When aggregated with the uncalled capital of other shareholders, \$20.000m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2023, LGFA had borrowings totalling \$17,684m (2022: \$15,789m).

Financial reporting standards require the Council to recognise the guaranteed liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis:

- that we are not aware of any local authority, which is a member of the LGFA, that has had debt default events in New Zealand.
- and local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

The Council considers that even if it was called upon to contribute, the cost would not be material.

Other legal proceedings

Other legal proceedings are current claims against the Council and Group as a result of past events which are currently being contested. The amounts shown reflect potential liability for financial reporting purposes only and do not represent an admission that any claim is valid. The outcome of these remains uncertain at the end of the reporting period. The maximum exposure to the Group is anticipated to be less than \$1.625m (2022: \$0.399m).

Structural defect claim

A large and novel claim alleging a breach of duty to a tenant of a commercial building was filed in August 2019. The claim is at an early stage. The Council does not estimate any further financial exposure for this claim as it is expected to be covered by insurance.

Unquantified contingent liabilities

Riskpool – winding up

Wellington City Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims, diminishes with each year as limitation periods expire.

However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Holidays Act 2023

A number of New Zealand's public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003 ("the Holidays Act"). During 2019/20, Council completed its own review of payroll processes which identified instances of non-compliance with the Holidays Act. This review resulted in Council establishing a project team to further look at system configuration and business processes to better understand the areas of non-compliance with the Holidays Act.

This is a significant undertaking and due to this Council decided that the project would be split into two phases; phase one is the rectification of known system configuration and business process issues while phase two is the remediation. Council is near to completing phase one of the project with a completion date estimated to be early 2024.

Council have engaged a third party to undertake the remediation phase of the Holiday Act Project. This is a significant undertaking to calculate all non-compliance. The remediation calculation model has been built and is undergoing user acceptance testing. Due to current progress on the testing, a reliable estimate of the liability cannot be determined at this time. Therefore no provision has been recognised at 30 June 2023. The completion date for Phase 2 is estimated to be mid-2024.

The Council has agreed to pay any remediation costs for Council Controlled entities where the Council was responsible for processing their payroll.

Council acknowledges that the potential liability could be significant as the issue affects current and past employees and covers a period going back six years plus one from October 2020.

Other claims

In June, there was a fire on Council-owned land causing reasonable damage and impact to the surrounding area. WCC has undertaken to complete clean up works with urgency, recognising the significant impact of this event. A reliable estimate of the potential financial exposure cannot be determined at this time and therefore no provision has been recognised at 30 June 2023.

There are various other claims that the Council and Group are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which the Council and Group have a responsibility to the claimant. The possibility of any outflow in settlement in these cases is assessed as remote.

Contingent assets

The Council and Group have no contingent assets as at 30 June 2023 (2022: \$Nil).

Relevant significant accounting policies

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

Note 36: Joint operations

The Council has significant interests in the following joint operations. These are domiciled and operate in New Zealand. Porirua City Council operates two of the joint operations under an agreement which provides that all assets of the joint operation are owned by the two councils as tenants in common. The remaining joint operations are part of Let's Get Wellington Moving (LGWM) which is a joint initiative between Wellington City Council, GWRC, and Waka Kotahi NZ Transport Agency.

Table 89: Joint operations	Interest 2023	Interest 2022	Nature of business
Wastewater treatment plant – Porirua City Council	27.60%	27.60%	Owns and operates a wastewater treatment plant and associated trunk sewers and pumping stations that provide services to Wellington City's northern suburbs. Ownership of the assets is in proportion to the capacity of the plant allocated to the two councils.
Spicer Valley Landfill – Porirua City Council	21.50%	21.50%	Owns and operates a sanitary landfill that provides services to Wellington City's northern suburbs. Ownership of the assets is in proportion to the ratio of the populations of Porirua City and the area of the former Tawa Borough.
LGWM Projects			
State Highway improvement	20.00%	20.00%	Joint initiative to develop a transport system that supports future aspirations for the look, feel, and function of Wellington City. These will support Wellington's growth while making it safer and easier to get around.
Mass Rapid Transport	20.00%	20.00%	
City Streets	0 - 49%	20.00%	
Early Delivery	0 - 49%	0 - 49%	
Travel Demand Management	20.00%	20.00%	
Integrated Delivery Vehicle	20.00%	20.00%	

The end of the reporting period for the joint operations is 30 June.

Relevant significant accounting policies

For joint operations the Council has a liability in respect of its share of joint operational deficits and liabilities, and shares in any operational surpluses and assets. The Council's proportionate interest (for example, 21.5 percent of the Spicer Valley landfill) in the assets, liabilities, revenue

and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

The Council's and Group's share of the joint operations' capital commitments is \$Nil (2022: \$Nil) and contingent liabilities is \$Nil (2022: \$Nil).

Note 37: Related party disclosures

Relevant significant accounting policies

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (controlled entities, associates and joint ventures) and key management personnel.

Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive, and all members of the Executive Leadership Team, being key advisors to the Council and Chief Executive.

Key management personnel

In this section, the Council discloses the remuneration and related party transactions of key management personnel. The remuneration payable to key management personnel of the Group's other entities is disclosed separately within their individual financial statements and is not included in *Table 90*.

Table 90: Remuneration paid to key management personnel	Council	
	2023	2022
	\$	\$
Council Members		
Remuneration	1,907,212	1,854,224
Chief Executive and Executive Leadership Team		
Remuneration	3,081,348	3,034,461
Termination benefits	-	73,644
TOTAL REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL	4,988,560	4,962,329

As at 30 June 2023 key management personnel comprised of 25 individuals: 16 elected members or 16 fulltime equivalents (2022:15) and 9 executive leaders or 9 fulltime equivalents (2022: 9).

The additional elected member is due to the new Te Whanganui-a-tara Māori electoral ward in the Local Government election on 8 October 2022.

Material related party transactions

Material related party transactions – key management personnel

During the year, key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services. These transactions were on normal commercial terms.

A related party of an Executive Leadership Team member provided training services, through a company, to the Council during the year. These services valued at \$23,500 were procured as arm's length transactions on normal commercial terms.

A related party of an Executive Leadership Team member provided sponsorship to the Council during the year. These services valued at \$50,000 were procured as arm's length transactions on normal commercial terms.

Except for these transactions no key management personnel have entered into related party transactions with the Group.

The Mayor and Councillor's disclose their personal interests in a register available on the Council website.

There are no commitments from the Council to key management personnel.

Material related party transactions – structured entities

Local Government Funding Agency Limited (LGFA)

The LGFA was incorporated on 1 December 2011 and was established to facilitate the efficient, and cost effective, raising of debt funding for local government authorities. There are currently 30 regional, district and city councils throughout New Zealand that own 80 percent of the issued capital, with the Crown holding the remaining 20 percent. The Council became an establishment shareholder in this Council Controlled Trading Organisation (CCTO) and currently has an investment of \$1.866m representing 8.3 percent of paid-up capital.

During the year ending 30 June 2023 the Council drew down new borrowings of \$320.000m and repaid \$116.000m. Interest expense is paid quarterly in arrears on all borrowings and interest revenue of \$0.279m was received on \$1.856m of maturing borrower notes. The Council borrowings from the LGFA are comprised of \$100.000m (2022:100.000m) of fixed rate bonds and \$1,067.000m (2022: \$863.000m) of floating rate notes, including \$120.000m (2022: \$50.000m) of green, social and sustainability (GSS) loans.

The Council holds a nominal \$26.012m (carrying value \$25.190m) (2022: \$19.868m nominal (carrying value \$19.312m)) of investment borrower notes. During the year Council received a shareholder dividend of \$0.091m (2022: \$0.064m)

Material related party transactions – unstructured entities

Financial information relating to the Council's interests in unstructured entities is provided in *Tables 91 and 92*.

Table 91: Basin Reserve Trust	2023	2022
	\$000	\$000
<i>Summarised financial information of unstructured entity</i>		
Total assets	851	913
Total liabilities	(561)	(309)
Net assets	290	604
Revenue	1,148	1,280
Expenses	(1,177)	(1,332)
Surplus/(deficit)	(29)	(52)

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). Council and CWI each appoint two of the four trustees. Council does not have an equity investment in the Trust but has influence over the Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust in alignment with the Council's objectives.

During the year ending 30 June 2023 the Council contributed \$0.735m (2022: \$0.718m) to fund the core operations of the Trust.

Table 92: Wellington Regional Stadium Trust	2023	2022
	\$000	\$000
<i>Summarised financial information of unstructured entity</i>		
Total assets	99,722	95,305
Total liabilities	(9,952)	(9,431)
Net assets	89,770	85,874
Revenue	21,296	7,654
Expenses	(17,399)	(12,354)
Surplus/(deficit)	3,897	(4,700)

Wellington Regional Stadium Trust (WRST)

Wellington Regional Stadium Trust was jointly created by Council and GWRC. Council does not have an equity investment in the Trust but has influence over the Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust in alignment with the Council's objectives.

The Council holds a \$15.000m limited recourse loan to WRST, which is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished. 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 GWRC.

During the period ending 30 June 2023, the Council transacted directly with WRST to the amount of \$nil (2022: \$1.500m).

In addition, WRST made the first six-monthly interest payment on the Council's share of the loan made available for COVID-19 impact support and additional concourse works. Refer to *Note 15: Other financial assets* (page X), for more information on this loan.

Intra Group transactions and balances

Intra Group transactions and balances – Joint operations

During the year the Council has entered into transactions with its joint operations partners Porirua City Council and Let's Get Wellington Moving. These transactions disclosed are within the normal course of business. The nature of these intra-Group transactions and the outstanding balances at the year-end are as shown in *Table 93*.

Table 93: Intra group transactions and balances - Joint operations		2023	2022
		\$000	\$000
Share of jointly incurred expenditure			
	Porirua City Council - wastewater treatment plant	3,349	2,620
	Let's Get Wellington Moving	13,369	6,660
		16,718	9,280
Current receivables and recoverables owing to the Council from:			
	Let's Get Wellington Moving	7,337	5,762

Intra Group transactions and balances – Controlled entities

During the year the Council has entered into transactions with its controlled entities. These transactions disclosed are within the normal course of business. The nature of these intra-Group transactions and the outstanding balances at the reporting date are as shown in Table 94.

Table 94: Intra group transactions and balances - Controlled entities		2023	2022
		\$000	\$000
Revenue received by Council for services provided to:			
	Karori Sanctuary Trust	46	37
	Wellington Cable Car Limited	80	103
	Wellington Museums Trust	1,458	1,457
	Wellington Regional Economic Development Agency Limited	161	41
	Wellington Zoo Trust	45	151
		1,790	1,789
Grant funding paid by Council for the operations and management of:			
	Karori Sanctuary Trust	1,127	1,496
	Wellington Cable Car Limited	1,642	-
	Wellington Museums Trust	10,624	9,940
	Wellington Regional Economic Development Agency Limited	16,924	12,515
	Te Toi Mahana	1,500	-
	Wellington Zoo Trust	3,752	3,639
		35,569	27,590
Funding paid by Council for COVID-19 support of:			
	Wellington Cable Car Limited	-	977
	Wellington Museums Trust	-	469
	Wellington Zoo Trust	-	509
		-	1,955
Expenditure payments made by Council for services provided by:			
	Karori Sanctuary Trust	15	10
	Wellington Cable Car Limited	2	99
	Wellington Museums Trust	205	81
	Wellington Regional Economic Development Agency Limited	5,100	3,883
	Wellington Zoo Trust	23	3,257
		5,345	7,330
Current receivables and recoverables owing to the Council from:			
	Karori Sanctuary Trust	-	6
	Wellington Museums Trust	145	165
	Wellington Regional Economic Development Agency Limited	68	-
	Wellington Zoo Trust	2,700	46
		2,913	217
Current payables owed by the Council to:			
	Te Toi Mahana	195	-
	Wellington Cable Car Limited	-	287
	Wellington Museums Trust	-	353
	Wellington Regional Economic Development Agency Limited	2,705	1,381
	Wellington Zoo Trust	224	1,518
		3,124	3,539

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Payments to controlled entities

The total payments to controlled entities were \$40.914m (2022: \$36.875m). Comprising grant funding of \$35.569m (2022: \$27.590m), COVID-19 support of \$Nil (2022: \$1.955m) and expenditure for services provided to the Council of \$5.345m (2022: \$7.330m).

Intra Group transactions and balances – Associates and Joint venture

During the year the Council has entered into several transactions with its associates and joint venture. These transactions disclosed are within the normal course of business. The nature of these intra-Group transactions and the outstanding balances at the year-end are as shown in Table 95.

Table 95: Intra group transactions and balances - Associates and joint venture		2023	2022
		\$000	\$000
Revenue received by Council for services provided to:			
Wellington International Airport Limited		1,446	102
Wellington Water Limited		293	571
		1,739	673
Expenditure payments made by Council for services provided by:			
Wellington International Airport Limited		1,167	87
Wellington Water Limited		110,681	107,628
		111,848	107,715
Current receivables and recoverables owing to the Council from:			
Wellington International Airport Limited		-	24
Wellington Water Limited		-	144
		-	168
Current payables owed by the Council to:			
Wellington Water Limited		10,145	2,763

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Note 38: Remuneration and staffing

Mayoral and Councillor remuneration

Remuneration

The following people held office as elected members of the Council's governing body, during the reporting period. The total remuneration was \$1,907,212 (2022: \$1,854,224) and is broken down and classified as shown in *Table 96*.

Table 96: Elected Council member remuneration	Monetary Remuneration					Non-monetary Remuneration	Total 2023
	Remuneration Authority determination effective from 1-Jul-22	Remuneration ¹ Authority determination applied from 15-Oct-22	Remuneration ¹ Authority determination effective from 17-Nov-22	Total Salary Pro-rated to 30-Jun-23	Allowances		
	\$	\$	\$	\$	\$	\$	\$
Current members							
Whanau, Tory (Mayor)	-	183,027	183,027	129,874	-	4,494	134,368
Foon, Laurie (Deputy Mayor from 17/11/2022)	121,293	105,283	126,650	123,162	-	6,292	129,454
Abdurahman, Nureddin	-	105,283	105,283	74,708	-	4,494	79,202
Apanowicz, John	-	105,283	105,283	74,708	-	4,494	79,202
Brown, Tim	-	105,283	105,283	74,708	-	4,494	79,202
Calvert, Diane	123,256	105,283	105,283	110,503	400	6,292	117,195
Chung, Ray	-	105,283	105,283	74,708	-	4,494	79,202
Free, Sarah (Deputy Mayor until 14/10/2022)	142,017	105,283	111,070	119,534	400	6,292	126,226
Matthews, Rebecca	123,256	105,283	116,361	117,362	-	6,292	123,654
McNulty, Ben	-	105,283	105,283	74,708	-	4,494	79,202
O'Neill, Teri	121,293	105,283	116,361	116,792	-	6,292	123,084
Pannett, Iona	123,256	105,283	105,283	110,503	400	6,292	117,195
Paul, Tamatha	121,293	105,283	116,361	116,792	-	6,292	123,084
Randle, Tony	-	105,283	105,283	74,708	-	4,494	79,202
Wi Neera, Nikau	-	105,283	105,283	74,708	-	4,494	79,202
Young, Nicola	121,293	105,283	105,283	109,932	400	6,292	116,624
Previous members							
Foster, Andy (Mayor)	183,027	-	-	53,153	-	1,800	54,953
Condie, Jenny	121,293	-	-	35,225	-	1,800	37,025
Day, Jill	123,256	-	-	35,795	150	1,800	37,745
Fitzsimons, Fleur	121,293	-	-	35,225	400	1,800	37,425
Rush, Sean	123,256	-	-	35,795	-	1,800	37,595
Woolf, Simon	121,293	-	-	35,225	150	1,800	37,175
TOTAL REMUNERATION PAID TO COUNCIL MEMBERS				1,807,824	2,300	97,088	1,907,212
				Total monetary remuneration			1,810,124
				Total non-monetary remuneration			97,088

1. Due to Local Government elections on 8 October 2022 and subsequent changes around the Council table, new Remuneration Authority determinations were enacted. The salaries payable to elected members have been calculated accordingly.

Salary

The Remuneration Authority is responsible for setting the remuneration levels for elected members (Clause 6, Schedule 7 of the LGA 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 2022/23 financial year rather than the alternative option of a combination of meeting fee payments and annual salary.

Mayoral car

The Remuneration Authority permits the Council to provide the Mayor with a vehicle for full private use, which is a taxable benefit. Mayor Whanau has chosen not to take up this option.

Non-monetary

In addition, the Mayor and Councillors receive non-monetary remuneration (benefit) in relation to on-site car parking spaces provided, regardless of whether they elect to use these or not.

The Councillors have shared office and working space available for use, and access to phones and computers. Professional indemnity and trustee liability insurance is also provided to Councillors against any potential legal litigation which may occur while undertaking Council business.

Relevant significant accounting policies

Remuneration of elected members comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, during the reporting period but does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cell phones and laptops.

Community Boards

The Council has two community boards – the Tawa Community Board and the Mākara/Ōhāriu Community Board. Remuneration paid to the elected members of these boards is as shown in *Table 97*.

Table 97: Community Board member remuneration	Salary to 14-Oct-22 \$	Salary from 15-Oct-22 \$	Total Salary Pro-rated \$	Allowances \$	Total 2023 \$
TAWA COMMUNITY BOARD					
Current members					
Day, Jill (Chair from 15/10/22, Councillor until 14/10/22)	-	19,359	13,737	-	13,737
Davin, Tim (Deputy Chair from 15/10/22)	-	9,680	6,869	-	6,869
Allan, Rachel	-	9,680	6,869	-	6,869
Fernandez, Janryll	9,546	9,680	9,641	-	9,641
Lacy, Jackson	9,546	9,680	9,641	-	9,641
Moore, Miriam	-	9,680	6,869	-	6,869
McNulty, Ben (Councillor - see remuneration above)	-	-	-	-	-
Randle, Tony (Councillor - see remuneration above)	-	-	-	-	-
Prior members					
Parkinson, Robyn (Chair)	19,092	-	5,545	135	5,680
Herbert, Richard (Deputy Chair)	9,546	-	2,772	-	2,772
Hansen, Graeme	9,546	-	2,772	-	2,772
Scott, Anna	9,546	-	2,772	-	2,772
MAKARA/OHARIU COMMUNITY BOARD					
Current members					
Reed, Mark (Chair from 15/10/22)	-	9,704	6,886	-	6,886
Grace, Christine (Deputy Chair until 14/10/22)	4,784	4,852	4,832	-	4,832
Hoskins, Darren (Deputy Chair from 15/10/22)	4,784	4,852	4,832	-	4,832
Renner, Chris	4,784	4,852	4,832	-	4,832
Rudd, Wayne	4,784	4,852	4,832	-	4,832
Todd, Hamish	4,784	4,852	4,832	-	4,832
Prior member					
Apanowicz, John (Chair until elected to Council from 15/10/22)	9,570	-	2,779	-	2,779
TOTAL REMUNERATION TO COMMUNITY BOARD MEMBERS			101,313	135	101,448

A technology allowance of \$45 per month is available to the Chair of both the Tawa and Mākara/Ōhāriu 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 LGA 2002.

Table 97 shows the total remuneration of the Chief Executive paid or payable for the year ended 30 June 2023.

Under the terms of the agreement, the Chief Executive of the Council chooses how they wish to take their remuneration package (salary only or a combination of salary and benefits).

The total remuneration package for the Chief Executive is detailed in Table 98.

Table 98: Remuneration of the Chief Executive	Council	
	2023	2022
	\$	\$
Barbara McKerrow		
Salary	499,000	454,130
KiwiSaver	14,970	13,624
TOTAL REMUNERATION OF THE CHIEF EXECUTIVE	513,970	467,754

Severances

In accordance with Schedule 10, section 33 of the LGA 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 2023 the Council made severance payments to 10 employees totalling \$318,554 (2022: 8 employees, \$148,068).

The individual values of each of these Council severance payments were: \$18,178; \$70,782; \$6,315; \$61,945; \$42,238; \$4,873; \$36,521; \$71,325; \$5,972; \$405.

Employee numbers and remuneration bands

Table 99 identifies the number of full-time employees as at the end of the reporting period and the full-time equivalent number of all other part-time, fixed term and casual employees.

Table 99: Employee numbers	Council	
	2023	2022
Full-time and full-time equivalent employee numbers		
Full-time employees (based on a 40 hour week)	1,312	1,251
Full-time equivalents for all other non full-time employees	172	295

Table 100 further identifies the breakdown of remuneration levels of those employees into various bands.

Table 100: Remuneration bands	Council
	2023
The number of employees receiving total annual remuneration of less than \$60,000	864
Of the 864 employees in this band, 655 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	368
\$80,000 - \$99,999.99	295
\$100,000 - \$119,999.99	195
\$120,000 - \$139,999.99	165
\$140,000 - \$159,999.99	76
\$160,000 - \$179,999.99	35
\$180,000 - \$199,999.99	23
\$200,000 - \$219,999.99	19
\$220,000 - \$239,999.99	6
\$240,000 - \$279,999.99	7
\$300,000 - \$379,999.99*	7
\$500,000 - \$519,999.99*	1
TOTAL EMPLOYEES	2,061

Of the 2,061 (2022: 1,967) individual employees, 731 (2022: 716) are part-time or casual.

Table 101: Remuneration bands		Council 2022
The number of employees receiving total annual remuneration of less than \$60,000		974
Of the 974 employees in this band, 649 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		294
\$80,000 - \$99,999.99		254
\$100,000 - \$119,999.99		178
\$120,000 - \$139,999.99		138
\$140,000 - \$159,999.99		52
\$160,000 - \$179,999.99		32
\$180,000 - \$199,999.99		19
\$200,000 - \$219,999.99		9
\$220,000 - \$259,999.99*		9
\$280,000 - \$339,999.99*		7
\$460,000 - \$479,999.99*		1
TOTAL EMPLOYEES		1,967

* If the number of employees for any band was five or less then we are legally required to combine it with the next highest band. This means that some rows span different bands across the two years shown.

Total annual remuneration has been calculated to include any non-financial benefits and other payments in excess of normal remuneration such as the employer KiwiSaver contribution.

The Council has resolved that in addition to legislative requirements to disclose the above bandings it has also included the two lowest remuneration grades as shown in *Table 102*.

Table 102: Lowest remuneration grades	Salary Range	2023	Salary Range	2022
	\$	Employees	\$	Employees
Q (Living Wage)	49,327	54	47,450	299
9	49,327 - 61,766	457	47,450 - 59,925	452

The current Living Wage rate for the Council was \$23.65 (2022: \$22.75) per hour for the period to 30 June 2023. Each year the living wage rate for the Council will be reviewed in accordance with the latest Living Wage rate announced/published by Living Wage Aotearoa.

Note 39: Events after the end of the reporting period

There are no events after the end of the reporting period that require adjustment to the financial statements or notes to the financial statements.

The following updates have been included due to their significance.

Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023

Sludge Minimisation Project

To address the issues identified with Wellington wastewater treatment, and achieve the objectives identified, Wellington City Council has entered into an Infrastructure Funding and Financing Administration Agreement (IFFFAAA) on the 2 August 2023. This will enable Wellington City Council to raise up to \$400.000m to fund the construction of the Sludge Minimisation Facility (SMF) at Moa Point.

The funding is provided by a special purpose vehicle (SPV) owned by Crown Infrastructure Partners. The finance raised will stay off Council's balance sheet, providing flexibility to fund other infrastructure and community amenity projects within existing borrowing limits.

The Council is responsible for the construction of the SMF and in July 2023 entered into a contract with a joint venture partnership between McConnell Dowell Constructors Limited and HEB Construction Limited to build the first stage of the sludge minimisation facility at Moa Point. The new facility will substantially reduce the wastewater treatment sludge volume discharged to the southern landfill. The SMF will play a key role in ensuring that the Council's waste management systems are effective and sustainable and is an important enabler of the Council achieving its emission reduction targets.

The Infrastructure Funding and Financing (Wellington Sludge Minimisation Facility Levy) Order 2023 has been made and became effective on the 1 October 2023. The order appoints Wellington City Council as the responsible levy authority. This will require Wellington City Council to assess, administer and collect Levy on behalf of the SPV. The levy applies to all properties within the Wellington City Council rating area, excluding protected Māori land. The Levy Period starts 1 July 2024 and ends on the close of 30 June 2057. The levy received will be passed on to the SPV.

Te Toi Mahana (Wellington Community Housing Provider Trust)

The Council made the decision to establish a Community Housing Provider (CHP) called Te Toi Mahana and this was incorporated on 28 April 2023. It received Community Housing Provider status from the Ministry of Housing and Urban Development on 26 July 2023.

On 1 August 2023, Wellington City Council entered into a lease agreement with Te Toi Mahana for the Council's City Housing properties. This allowed Te Toi Mahana to take over the operations of the City Housing division on the same day and Te Toi Mahana now manage the tenancies and maintenance of the building assets.

Note 40: Adoption of PBE IPSAS 41- Financial Instruments

In accordance with the transitional provisions in *PBE IPSAS 41*, the Council and Group have elected not to restate the comparative information. The comparative information continues to be reported under *PBE IPSAS 29* Financial instruments. Adjustments arising from the adoption of *PBE IPSAS 41* are recognised in opening equity at 1 July 2022 (the date of initial application).

The Council and Group transitioned to the hedge accounting requirements of *PBE IPSAS 41* on 1 July 2022. All existing hedge relationships at that date were regarded as continuing hedging relationships under *PBE IPSAS 41*. Hedge accounting documentation was updated for the revised documentation requirements of *PBE IPSAS 41*.

The accounting policies for the year ended 30 June 2023 have been updated to comply with *PBE IPSAS 41*. The main changes to the Council and Group's accounting policies are:

- *Note 13 - Receivables and recoverables* - This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified ECL model.
- *Note 15 - Others financial assets* - This policy has been updated to reflect:
 - the new classification categories.

On the date of initial of application of *PBE IPSAS 41*, the classification and carrying amounts of financial assets under *PBE IPSAS 41* and *PBE IPSAS 29* is outlined as shown in *Table 103*.

Table 103: Classification and carrying amounts of financial assets and liabilities	Measurement category		Value at 1 July 2022		Adjustment \$000
	Current treatment under PBE IPSAS 29	New treatment under PBE IPSAS 41	Original measurement under PBE IPSAS 29	New measurement under PBE IPSAS 41	
			\$000	\$000	
Financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	26,575	26,575	-
Bank term deposits- greater than 3 months	Amortised cost	Amortised cost	101,000	101,000	-
LGFA borrower notes	Amortised cost	FVTSD	19,868	19,312	(556)
Loans to related parties	Amortised cost	Amortised cost	2,088	2,088	-
Equity investment – Civic financial services	FVTOCRE	FVTOCRE	524	524	-
Equity investment – LGFA	FVTOCRE	FVTOCRE	8,674	8,674	-
Trade receivables and recoverables	Amortised cost	Amortised cost	58,401	58,401	-
Accrued revenue	Amortised cost	Amortised cost	19,715	19,715	-
Sundry receivables	Amortised cost	Amortised cost	8,239	8,239	-
Interest rate swaps – cash flow hedges	FVTOCRE	FVTOCRE	58,407	58,407	-
Total financial assets			303,491	302,935	(556)
Financial liabilities					
Borrowings	Amortised cost	Amortised cost	1,071,158	1,071,158	-
Trade payables and accruals	Amortised cost	Amortised cost	74,358	74,358	-
Interest payable	Amortised cost	Amortised cost	5,262	5,262	-
Sundry payables	Amortised cost	Amortised cost	5,574	5,574	-
GWRC rates	Amortised cost	Amortised cost	8,063	8,063	-
Other	Amortised cost	Amortised cost	3,071	3,071	-
Interest rate swaps – cash flow hedges	FVTOCRE	FVTOCRE	783	783	-
Total financial liabilities			1,168,269	1,168,269	-

Additional information in relation to subsequent measurement classification assessment

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to *PBE IPSAS 41* to subsequently measure at FVTOCRE if the equity investments are not held for trading. The Council has elected to subsequently measure all of its equity investments at FVTOCRE.

Financial prudence

The Crown has introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 which has a series of measures and benchmarks, disclosed in the following pages.

Readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wellington City Council's results with other councils due to their size, location and provision of services.

Annual report disclosure statement for year ended 30 June 2023

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the *Local Government (Financial Reporting and Prudence) Regulations 2014* (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Unless prescribed by the regulations the quantified limit for each benchmark is calculated using the financial information from the Council's 2021-31 LTP.

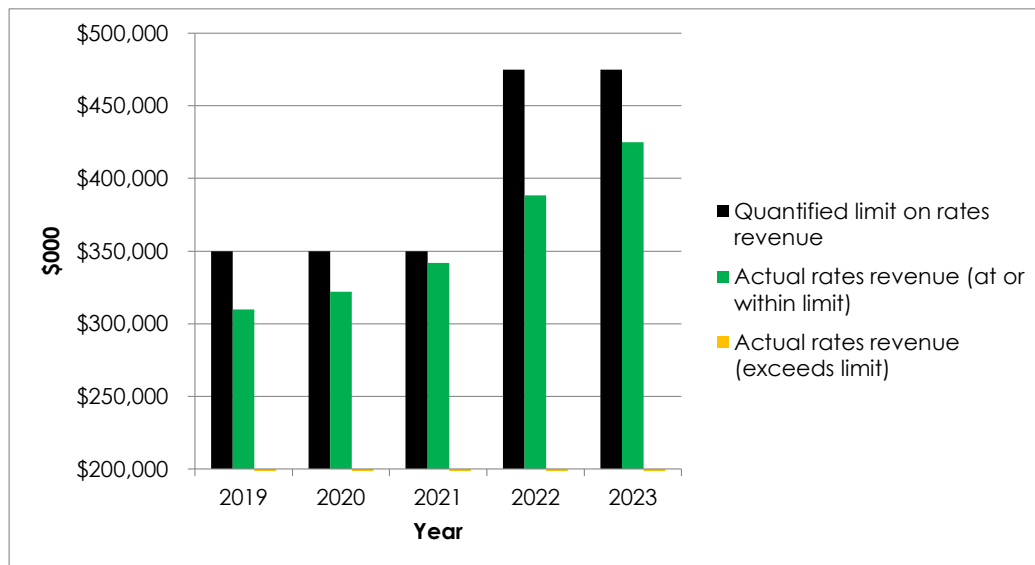
Rates affordability benchmark

The Council meets the rates affordability benchmark if —

- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (revenue) affordability

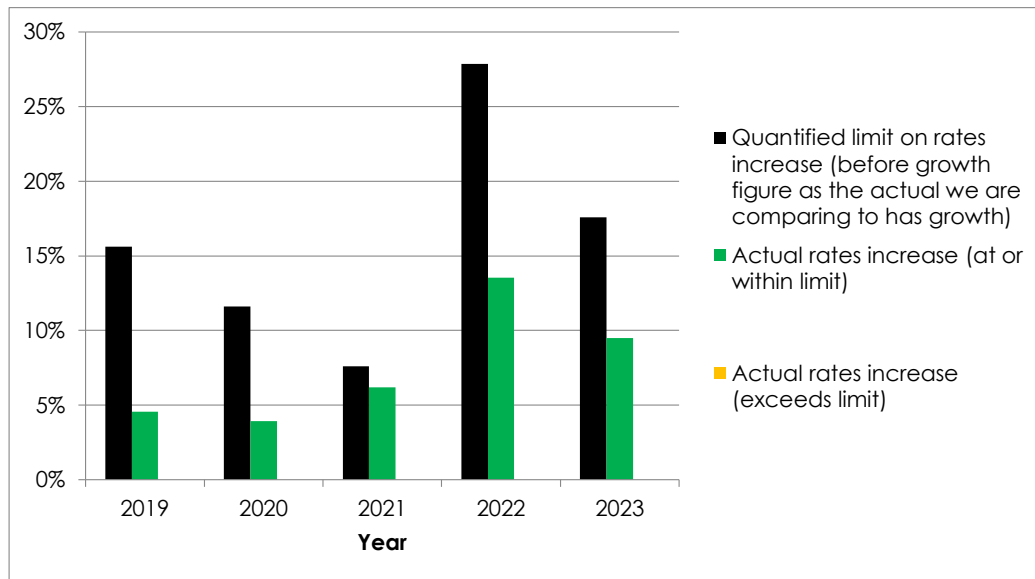
The following graph compares the Council's actual rates revenue with a quantified dollar limit on rates revenue included in the financial strategy in the Council's LTP. The quantified limit for the first three years of the 2021-31 LTP, which encompasses the financial years 2021/22; 2022/23 and 2023/24 is \$475,000,000. This means rates revenue should remain below this limit for each of these years.



Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the Council's LTP.

The quantified limit for 2022/23 is 17.6% percent although the actual rates increase set for the 2022/23 year was lower than this limit. The rates increase proposed in the 2021-31 LTP is equivalent to an average rates increase of 10.5 percent over the first three years, which encompasses the financial years 2021/22; 2022/23 and 2023/24.

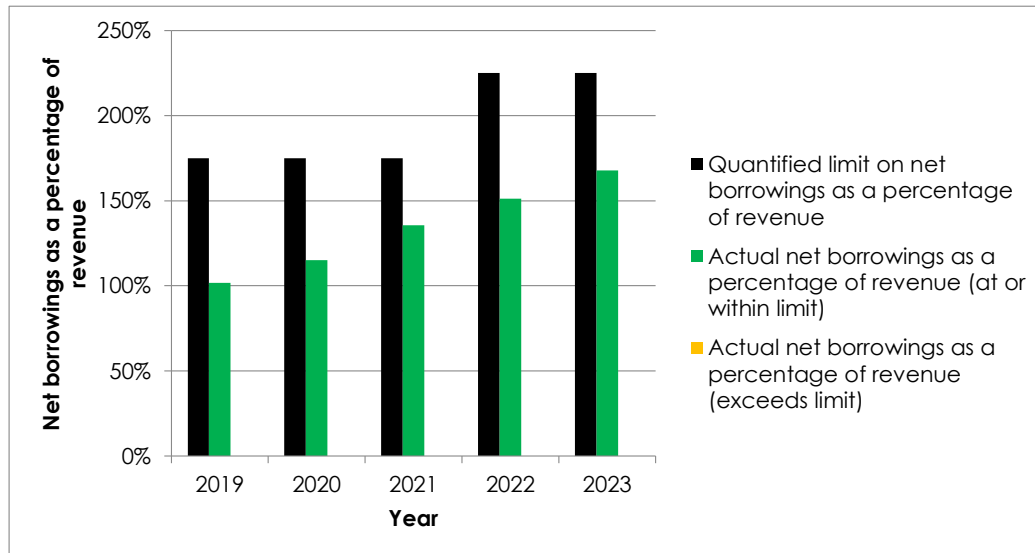


Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has seven measures for debt affordability and these are set out below. The suitability of these measures has been assessed by Council's professional advisers, PwC Wellington.

Net borrowing as a percentage of revenue²

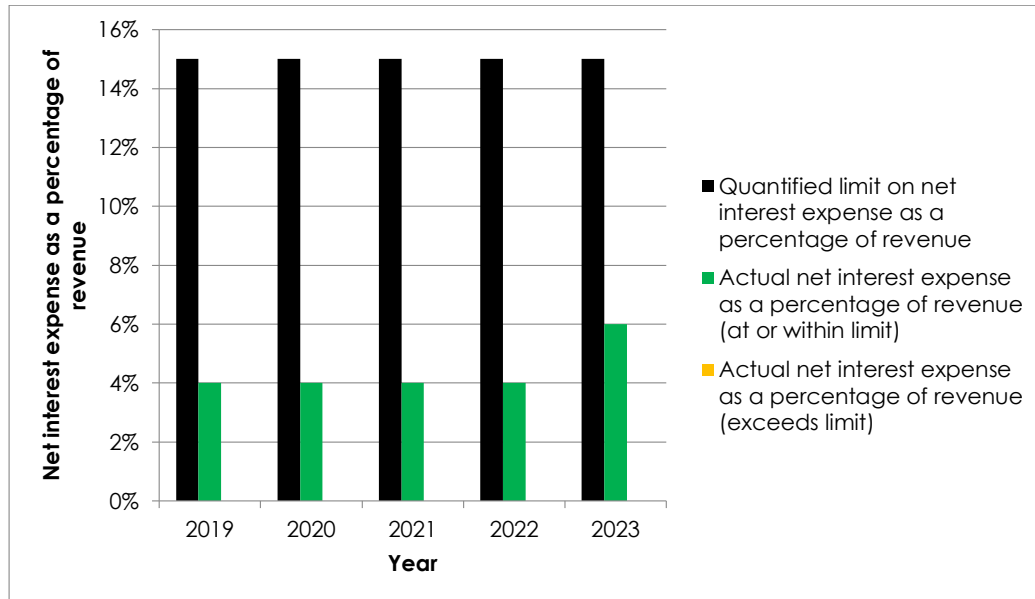
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 225 percent of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



² The revenue figure used for this calculation of Net Borrowing as percentage of Revenue and Net Interest as a percentage of Revenue is Total Revenue less Vested Assets and Development Contribution Revenue.

Net interest as a percentage of revenue³

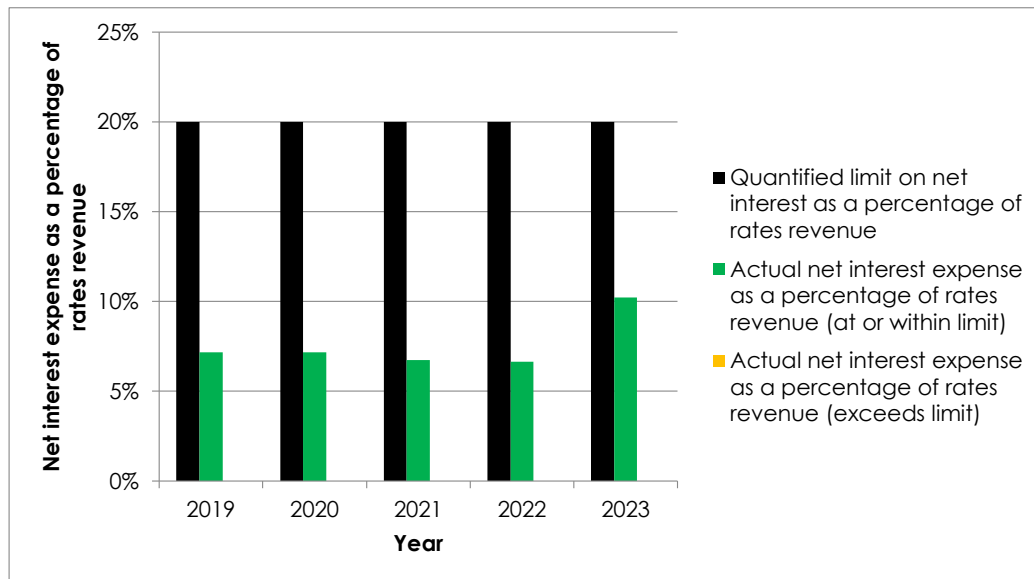
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 15 percent of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



³ The revenue figure used for this calculation of Net Borrowing as percentage of Revenue and Net Interest as a percentage of Revenue is Total Revenue less Vested Assets and Development Contribution Revenue.

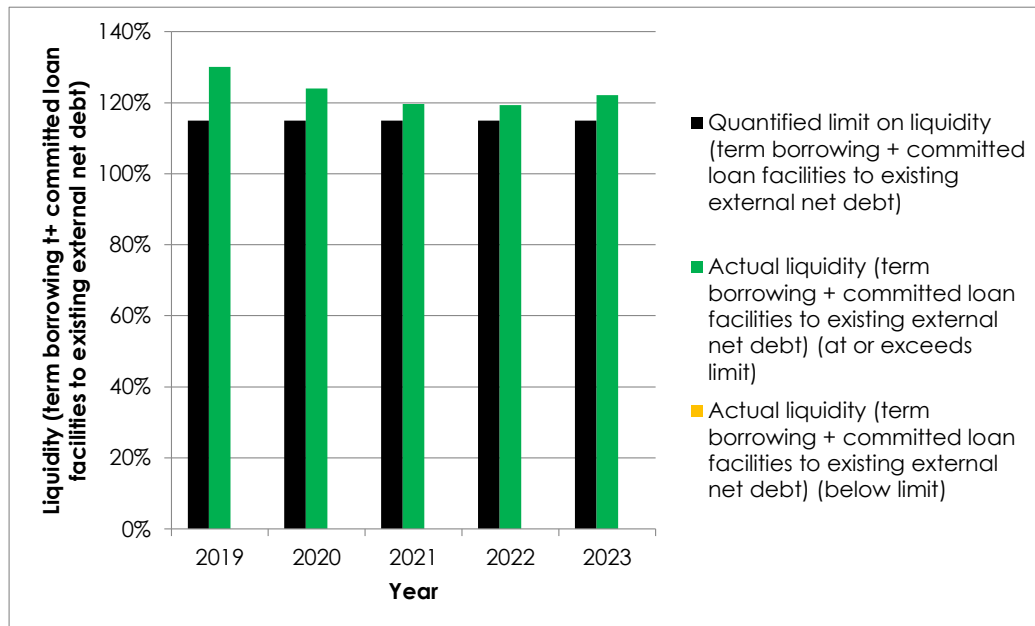
Net interest as a percentage of annual rates revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 20 percent of annual rates revenue.



Liquidity (term borrowing + committed loan facilities to existing external net debt)

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limit is liquidity being greater than or equal to 115 percent. For debt affordability, liquidity is the total of Council's existing external net debt. Net borrowings for debt affordability are defined as borrowings less cash and cash equivalents.



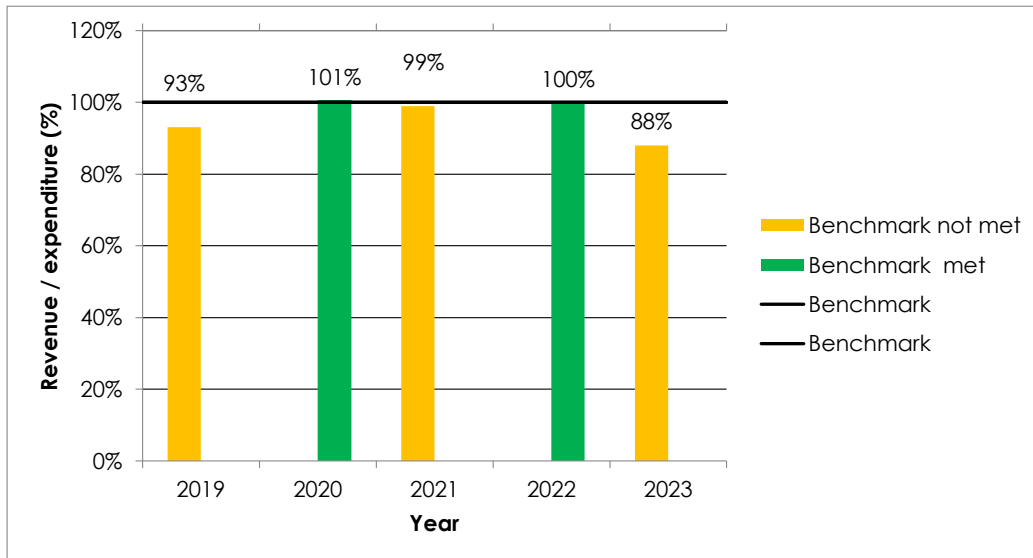
Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

For the purposes of this benchmark, impairments, which represent a non-cash movement in the valuation of assets, were included in the calculation. These unbudgeted impairments represent asset valuation movements relating to Civic Precinct buildings as disclosed in the financial statements. For 2019, 2020, 2021 and 2022 impairments of \$50.603m, \$10.183m, \$1.848m and \$4.414m and were included in the calculation. If these were excluded, the benchmarks for these four years would be 102 percent, 103 percent, 99 percent and 101 percent respectively.

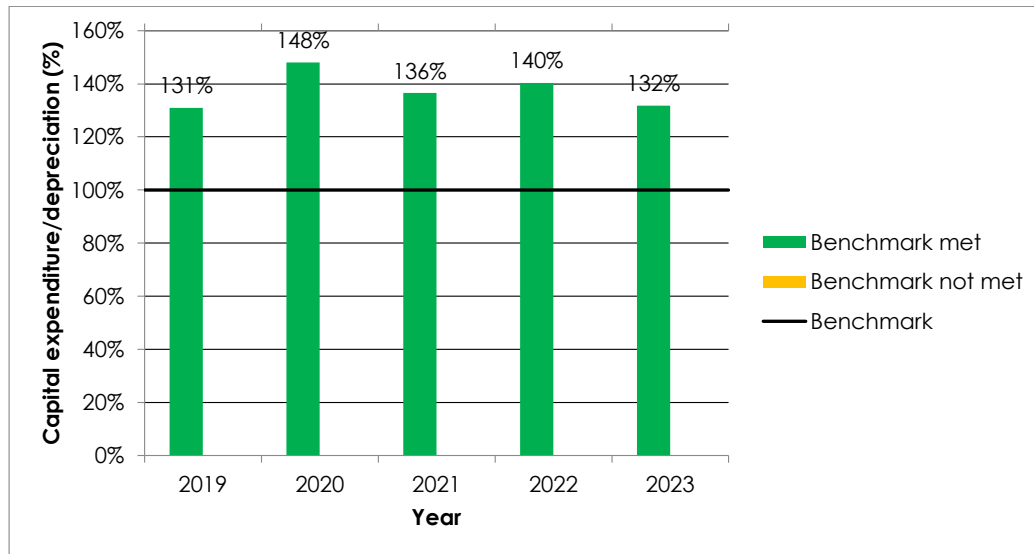
For 2023, the deficit is due to the change in the approach of funding “three waters” depreciation from rates to debt funding of this operational expenditure to an amount equal to the difference between depreciation and capital expenditure renewals. This change in rate funding approach has arisen from the revaluation of water assets which has increased significantly in value and that of depreciation expense. This change was included in and approved as part of the 2022/23 Annual Plan. If this additional depreciation was excluded, the benchmark for 2023 would be 99 percent.



Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

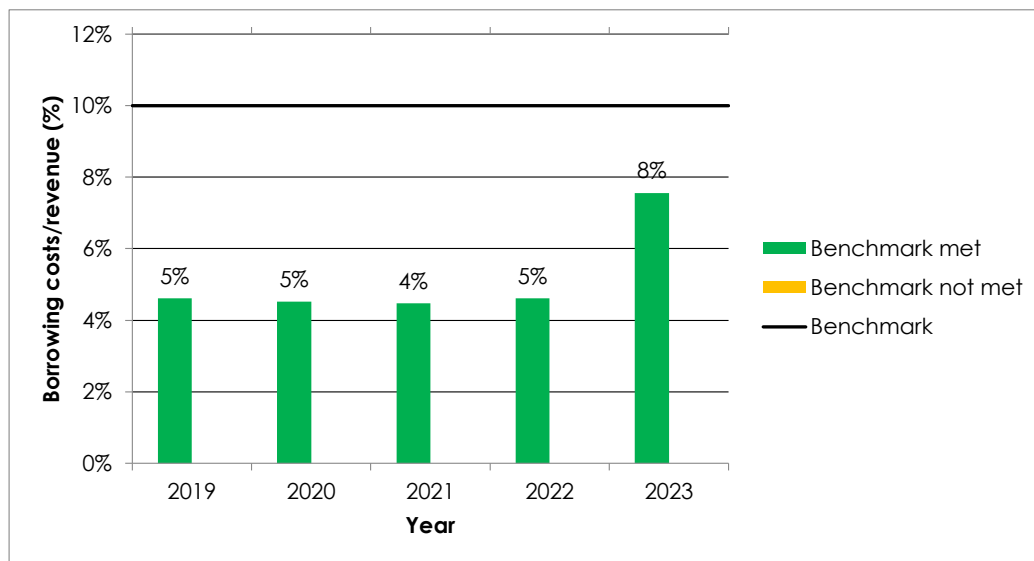
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10 percent of its revenue.

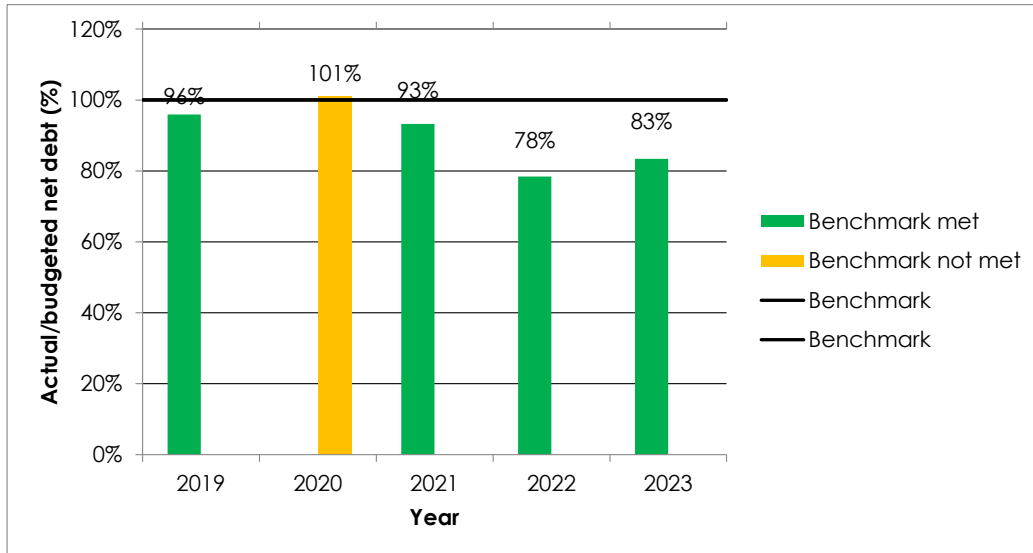


Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

The calculation of net debt in this benchmark includes derivative (non-cash) financial instruments, predominantly cash flow hedges. The 2019/20 net debt was impacted by the valuation of the Council's cash flow hedge liabilities being higher than planned as a result of interest rate volatility during the financial year.

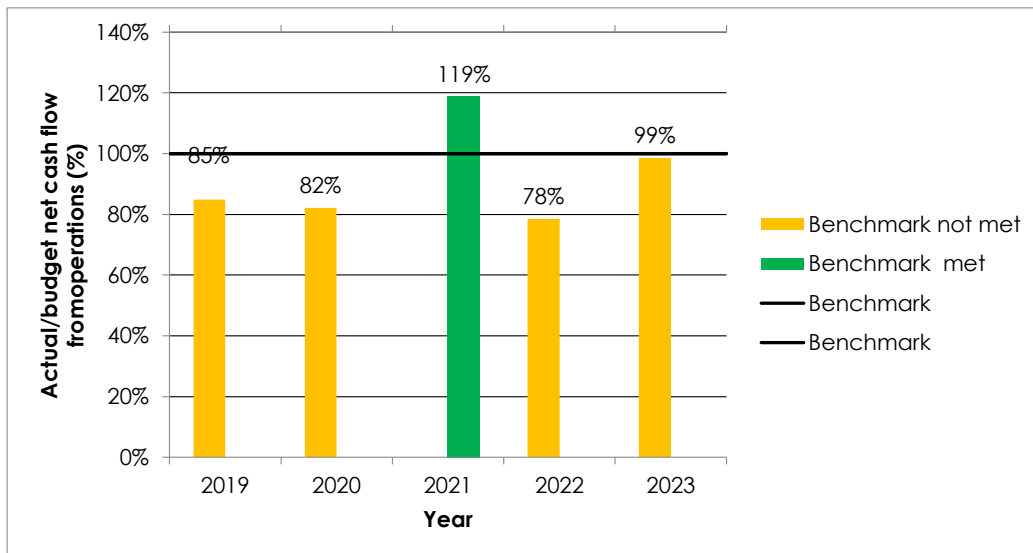


Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

Several assumptions are made around the timing of events. Any departure from these assumptions can affect the outcome of this measure. The Council is satisfied that it is prudently managing operational cash flow, with variances in the 2018/19, 2019/20 and 2021/22 years explained by the timing difference in the receipt of revenues compared to budget that led to the "not met" outcome for this measure. In 2019/20 and 2021/22 there were also significant revenue losses due to the COVID-19 lockdown which would have impacted this measure.



Funding impact statements

Annual report disclosure statement for year ended 30 June 2023

What is the purpose of these statements?

An annual report must include an audited funding impact statement for the financial year to which the report relates. The purpose of the Funding impact statements is to disclose the amount of funds produced from each source of funding, identify how the funds were applied and compare this information against the information included in the 2021/22 LTP.

One statement is prepared for the whole of the Council's activities and individual statements are prepared for each strategic activity.

The application of capital funding is summarised in an additional table on pg XX

Funding impact statement for 1 July 2022 to 30 June 2023 for Whole of Council					
	2021/22	2021/22	2022/23	2022/23	2022/23
	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	227,390	226,129	254,268	270,117	267,087
Targeted rates	165,415	162,047	175,720	156,236	157,903
Subsidies and grants for operating purposes	8,616	21,667	9,425	9,558	9,244
Fees and charges	155,430	140,472	163,541	167,109	155,949
Interest and Dividends from investments	140	3,017	1,913	1,913	28,472
Local authorities fuel tax, fines, infringement fees, and other receipts	10,662	6,674	11,874	11,874	8,395
Total operating funding (A)	567,653	560,006	616,740	616,807	627,050
Applications of operating funding					
Payments to staff and suppliers	387,684	384,963	431,251	448,360	444,871
Finance costs	23,323	29,000	38,328	41,375	51,497
Internal charges and overheads applied	37,952	36,719	48,893	49,085	44,095
Internal charges and overheads recovered	(37,952)	(36,719)	(38,694)	(42,820)	(44,095)
Other operating funding applications	49,187	46,217	38,694	42,820	50,665
Total applications of operating funding (B)	460,194	460,180	518,472	538,820	547,033
Surplus (deficit) of operating funding (A - B)	107,459	99,826	98,268	77,988	80,017
Sources of capital funding					
Subsidies and grants for capital expenditure	41,051	33,634	28,514	30,719	32,273
Development and financial contributions	3,500	3,742	3,500	3,500	4,739
Increase (decrease) in debt	188,802	166,711	268,881	307,566	249,832
Gross proceeds from sales of assets	2,000	(5,749)	15,400	2,000	4,293
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	235,353	198,338	316,295	343,786	291,137
Applications of capital funding					
Capital expenditure					
- to meet additional demand	42,822	28,645	50,956	61,756	54,846
- to improve the level of service	173,973	146,163	197,329	200,126	195,229
- to replace existing assets	126,228	115,710	166,198	160,040	119,264
Increase (decrease) in reserves	(212)	7,646	81	(148)	1,815
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	342,812	298,164	414,563	421,773	371,154
Surplus (deficit) of capital funding (C - D)	(107,459)	(99,826)	(98,268)	(77,988)	(80,017)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	146,736	145,732	153,004	187,605	195,568

Funding impact statement for 1 July 2022 to 30 June 2023 for Governance, information and engagement					
1.1	2021/22 LTP \$000	2021/22 Actual \$000	2022/23 LTP \$000	2022/23 AP \$000	2022/23 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	23,676	23,676	25,219	26,806	26,806
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	528	548	706	755	733
Internal charges and overheads recovered	-	239	70	180	253
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	24,204	24,463	25,995	27,741	27,792
Applications of operating funding					
Payments to staff and suppliers	15,131	13,377	16,769	17,542	16,248
Finance costs	11	16	19	21	30
Internal charges and overheads applied	8,475	8,073	8,333	9,305	9,580
Other operating funding applications	2,075	2,516	10	10	259
Total applications of operating funding (B)	25,692	23,982	25,131	26,878	26,117
Surplus (deficit) of operating funding (A - B)	(1,488)	481	864	863	1,675
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	2,675	2,677	926	926	114
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	2,675	2,677	926	926	114
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,187	1,188	1,655	1,655	625
- to replace existing assets	-	-	134	134	-
Increase (decrease) in reserves	-	1,970	0	(0)	1,164
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	1,187	3,158	1,790	1,789	1,789
Surplus (deficit) of capital funding (C - D)	1,488	(481)	(864)	(863)	(1,675)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	6	5	358	358	5

Funding impact statement for 1 July 2022 to 30 June 2023 for Maori and Mana Whenua partnerships					
	2021/22	2021/22	2022/23	2022/23	2022/23
1.2	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	3,717	3,717	5,185	4,669	4,669
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	5
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	3,717	3,717	5,185	4,669	4,674
Applications of operating funding					
Payments to staff and suppliers	3,067	1,981	4,155	3,709	3,182
Finance costs	-	1	1	1	1
Internal charges and overheads applied	625	636	1,008	938	695
Other operating funding applications	20	-	20	20	-
Total applications of operating funding (B)	3,713	2,618	5,183	4,667	3,878
Surplus (deficit) of operating funding (A - B)	4	1,099	2	2	796
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(4)	(1)	(2)	(2)	(1)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(4)	(1)	(2)	(2)	(1)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	1,098	-	0	795
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	-	1,098	-	0	795
Surplus (deficit) of capital funding (C - D)	(4)	(1,099)	(2)	(2)	(796)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	4	1	2	2	1

Funding impact statement for 1 July 2022 to 30 June 2023 for Gardens, beaches and green open spaces					
2.1	2021/22 LTP \$000	2021/22 Actual \$000	2022/23 LTP \$000	2022/23 AP \$000	2022/23 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	45,362	45,362	49,701	50,640	50,640
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	1,322	996	1,257	1,282	928
Fees and charges	1,844	1,701	1,924	1,924	2,049
Internal charges and overheads recovered	5,758	4,557	5,875	5,875	4,786
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	972
Total operating funding (A)	54,285	52,616	58,757	59,721	59,375
Applications of operating funding					
Payments to staff and suppliers	29,759	26,870	31,511	31,382	29,850
Finance costs	2,044	2,883	3,402	3,670	5,031
Internal charges and overheads applied	14,224	13,108	14,815	15,443	15,043
Other operating funding applications	167	194	167	167	131
Total applications of operating funding (B)	46,195	43,055	49,896	50,663	50,055
Surplus (deficit) of operating funding (A - B)	8,091	9,561	8,862	9,059	9,320
Sources of capital funding					
Subsidies and grants for capital expenditure	-	1,161	-	305	-
Development and financial contributions	320	353	320	320	1,313
Increase (decrease) in debt	(4,213)	(2,567)	(2,631)	(3,136)	(4,079)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(3,894)	(1,053)	(2,311)	(2,511)	(2,766)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	177	16	1,922	1,922	287
- to improve the level of service	408	1,102	576	576	2,465
- to replace existing assets	3,612	5,704	4,052	4,052	5,092
Increase (decrease) in reserves	-	1,686	-	(2)	(1,290)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	4,197	8,508	6,550	6,548	6,554
Surplus (deficit) of capital funding (C - D)	(8,091)	(9,561)	(8,862)	(9,059)	(9,320)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	8,787	8,572	8,808	9,008	10,557

Funding impact statement for 1 July 2022 to 30 June 2023 for Waste reduction and energy conservation					
	2021/22	2021/22	2022/23	2022/23	2022/23
2.2	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	815	815	1,026	914	914
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	22,337	28,511	26,621	27,560	34,917
Internal charges and overheads recovered	618	479	634	634	484
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	23,770	29,805	28,280	29,108	36,315
Applications of operating funding					
Payments to staff and suppliers	18,449	19,324	22,507	23,424	22,637
Finance costs	995	611	1,074	1,093	943
Internal charges and overheads applied	3,448	3,629	3,551	3,789	3,962
Other operating funding applications	6	(181)	191	281	-
Total applications of operating funding (B)	22,899	23,383	27,323	28,587	27,542
Surplus (deficit) of operating funding (A - B)	871	6,422	957	521	8,773
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	516	(475)	3,394	3,830	(5,362)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	516	(475)	3,394	3,830	(5,362)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	8
- to improve the level of service	-	-	-	-	-
- to replace existing assets	1,387	1,019	4,351	4,351	2,952
Increase (decrease) in reserves	-	4,928	0	1	451
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	1,387	5,947	4,351	4,351	3,411
Surplus (deficit) of capital funding (C - D)	(871)	(6,422)	(957)	(521)	(8,773)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	699	784	751	751	995

Funding impact statement for 1 July 2022 to 30 June 2023 for Water					
	2021/22	2021/22	2022/23	2022/23	2022/23
2.3	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	55,579	55,579	58,113	50,216	50,216
Subsidies and grants for operating purposes	-	4,031	-	-	-
Fees and charges	45	78	47	47	1
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	55,624	59,688	58,159	50,262	50,217
Applications of operating funding					
Payments to staff and suppliers	32,658	37,082	32,901	36,576	39,457
Finance costs	2,065	2,476	3,807	4,189	4,588
Internal charges and overheads applied	786	1,192	766	963	1,332
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	35,510	40,750	37,474	41,729	45,377
Surplus (deficit) of operating funding (A - B)	20,114	18,938	20,685	8,533	4,840
Sources of capital funding					
Subsidies and grants for capital expenditure	5,200	6,014	-	-	-
Development and financial contributions	1,175	916	1,175	1,175	337
Increase (decrease) in debt	7,481	12,354	3,958	16,108	63,784
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	13,856	19,284	5,132	17,283	64,121
Applications of capital funding					
Capital expenditure					
- to meet additional demand	24,389	22,349	13,625	13,625	12,698
- to improve the level of service	2,097	1,891	3,843	3,843	3,918
- to replace existing assets	7,485	11,291	8,350	8,350	12,991
Increase (decrease) in reserves	-	2,691	-	(0)	39,353
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	33,970	38,222	25,817	25,816	68,960
Surplus (deficit) of capital funding (C - D)	(20,114)	(18,938)	(20,685)	(8,533)	(4,840)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	19,929	19,062	20,500	33,027	25,422

Funding impact statement for 1 July 2022 to 30 June 2023 for Wastewater					
	2021/22	2021/22	2022/23	2022/23	2022/23
2.4	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	50,551	50,551	58,702	46,906	46,906
Subsidies and grants for operating purposes	-	4,804	-	-	-
Fees and charges	835	706	863	863	650
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	51,386	56,061	59,566	47,770	47,556
Applications of operating funding					
Payments to staff and suppliers	23,444	33,843	29,106	32,060	37,050
Finance costs	3,667	4,071	5,699	6,159	6,447
Internal charges and overheads applied	1,751	2,431	1,675	2,153	2,758
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	28,861	40,345	36,479	40,371	46,255
Surplus (deficit) of operating funding (A - B)	22,525	15,716	23,086	7,399	1,301
Sources of capital funding					
Subsidies and grants for capital expenditure	-	2,217	-	-	-
Development and financial contributions	961	786	961	961	114
Increase (decrease) in debt	1,219	1,785	19,205	45,694	14,921
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	2,180	4,788	20,166	46,655	15,035
Applications of capital funding					
Capital expenditure					
- to meet additional demand	3,951	1,940	4,646	15,446	9,125
- to improve the level of service	2,430	7,933	24,721	24,721	24,294
- to replace existing assets	18,325	18,283	13,885	13,885	23,190
Increase (decrease) in reserves	-	(7,652)	-	0	(40,272)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	24,706	20,504	43,252	54,052	16,337
Surplus (deficit) of capital funding (C - D)	(22,526)	(15,716)	(23,086)	(7,397)	(1,301)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	21,101	21,944	21,662	35,233	40,150

Funding impact statement for 1 July 2022 to 30 June 2023 for Stormwater					
	2021/22	2021/22	2022/23	2022/23	2022/23
2.5	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	28,420	28,420	26,726	29,001	29,001
Subsidies and grants for operating purposes	159	4,172	194	194	130
Fees and charges	3	2	3	3	2
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	28,582	32,594	26,922	29,198	29,133
Applications of operating funding					
Payments to staff and suppliers	13,728	11,562	9,923	10,435	10,750
Finance costs	2,591	2,745	4,638	5,104	5,086
Internal charges and overheads applied	644	848	635	736	600
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	16,964	15,155	15,196	16,274	16,436
Surplus (deficit) of operating funding (A - B)	11,618	17,439	11,726	12,923	12,697
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	102	79	102	102	-
Increase (decrease) in debt	(6,621)	(6,889)	(4,083)	(5,281)	(16,238)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(6,519)	(6,810)	(3,981)	(5,179)	(16,238)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	162	-	168	168	-
- to improve the level of service	1,115	1,691	3,566	3,566	2,553
- to replace existing assets	3,822	3,431	4,012	4,012	2,749
Increase (decrease) in reserves	-	5,507	-	(1)	(8,843)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	5,099	10,629	7,745	7,744	(3,541)
Surplus (deficit) of capital funding (C - D)	(11,618)	(17,439)	(11,726)	(12,923)	(12,697)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	11,494	11,808	11,602	18,984	21,416

Funding impact statement for 1 July 2022 to 30 June 2023 for Conservation attractions					
	2021/22	2021/22	2022/23	2022/23	2022/23
2.6	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,376	7,376	7,766	7,794	7,794
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	7,376	7,376	7,766	7,794	7,794
Applications of operating funding					
Payments to staff and suppliers	140	124	148	148	189
Finance costs	451	498	530	553	740
Internal charges and overheads applied	196	88	198	203	123
Other operating funding applications	5,112	5,126	4,874	4,874	5,233
Total applications of operating funding (B)	5,898	5,836	5,750	5,777	6,285
Surplus (deficit) of operating funding (A - B)	1,478	1,540	2,016	2,017	1,509
Sources of capital funding					
Subsidies and grants for capital expenditure	429	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	970	1,443	230	230	2,796
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	1,399	1,443	230	230	2,796
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,716	1,855	1,000	1,000	3,892
- to replace existing assets	1,161	1,203	1,246	1,246	1,160
Increase (decrease) in reserves	-	(75)	0	0	(747)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	2,877	2,983	2,246	2,246	4,305
Surplus (deficit) of capital funding (C - D)	(1,478)	(1,540)	(2,016)	(2,016)	(1,509)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	1,858	1,995	1,978	1,978	2,218

Funding impact statement for 1 July 2022 to 30 June 2023 for City promotions and business support					
	2021/22	2021/22	2022/23	2022/23	2022/23
3.1	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,800	7,800	11,288	8,015	8,015
Targeted rates	15,647	15,647	17,479	15,250	15,250
Subsidies and grants for operating purposes	-	200	-	-	74
Fees and charges	8,326	176	10,661	10,661	715
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	31,774	23,823	39,428	33,926	24,054
Applications of operating funding					
Payments to staff and suppliers	13,472	4,671	14,980	14,901	7,839
Finance costs	2,700	2,797	3,175	3,175	3,558
Internal charges and overheads applied	1,308	948	1,215	1,274	1,227
Other operating funding applications	15,461	15,945	15,817	15,819	16,694
Total applications of operating funding (B)	32,942	24,361	35,188	35,169	29,318
Surplus (deficit) of operating funding (A - B)	(1,168)	(538)	4,240	(1,243)	(5,264)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	3	-	1,900	45
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	5,000	5,060	10,391	9,184	2,158
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	5,000	5,063	10,391	11,084	2,203
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,000	100	2,050	2,050	46
- to replace existing assets	2,832	2,225	6,991	7,791	1,897
Increase (decrease) in reserves	-	2,200	5,590	0	(5,004)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	3,832	4,525	14,631	9,841	(3,061)
Surplus (deficit) of capital funding (C - D)	1,168	538	(4,240)	1,243	5,264
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	2,373	2,303	2,530	2,530	3,513

Funding impact statement for 1 July 2022 to 30 June 2023 Arts and cultural activities					
	2021/22	2021/22	2022/23	2022/23	2022/23
4.1	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	17,543	17,543	18,054	18,192	18,192
Targeted rates	5,966	5,966	5,963	5,968	5,968
Subsidies and grants for operating purposes	324	190	324	324	212
Fees and charges	643	515	657	657	643
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	24,476	24,214	24,998	25,141	25,015
Applications of operating funding					
Payments to staff and suppliers	5,768	5,232	5,541	5,532	5,248
Finance costs	54	66	60	64	90
Internal charges and overheads applied	1,809	2,054	1,747	1,844	2,660
Other operating funding applications	16,228	16,094	17,045	17,095	17,453
Total applications of operating funding (B)	23,859	23,446	24,394	24,536	25,451
Surplus (deficit) of operating funding (A - B)	617	768	604	605	(436)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	49,898	54,095	30,316	32,251	30,843
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	49,898	54,095	30,316	32,251	30,843
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	50,495	54,571	30,920	30,920	30,505
- to replace existing assets	20	51	-	1,935	935
Increase (decrease) in reserves	-	241	(0)	1	(1,033)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	50,515	54,863	30,920	32,856	30,407
Surplus (deficit) of capital funding (C - D)	(617)	(768)	(604)	(605)	436
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	729	639	566	566	559

Funding impact statement for 1 July 2022 to 30 June 2023 for Recreation promotion and support					
	2021/22	2021/22	2022/23	2022/23	2022/23
5.1	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	32,463	32,463	35,121	36,240	36,240
Targeted rates	2,283	2,283	1,931	1,955	1,955
Subsidies and grants for operating purposes	20	40	20	20	27
Fees and charges	12,232	10,060	12,169	12,169	12,189
Internal charges and overheads recovered	1,152	1,308	1,180	1,180	1,186
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	48,150	46,154	50,421	51,564	51,597
Applications of operating funding					
Payments to staff and suppliers	22,820	22,711	23,574	23,765	26,241
Finance costs	2,359	2,082	2,816	2,912	1,747
Internal charges and overheads applied	12,527	12,795	12,691	13,514	15,309
Other operating funding applications	915	953	932	932	1,004
Total applications of operating funding (B)	38,621	38,541	40,012	41,124	44,301
Surplus (deficit) of operating funding (A - B)	9,529	7,613	10,409	10,441	7,296
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(563)	1,388	4,852	7,920	3,176
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(563)	1,388	4,852	7,920	3,176
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	105	539	412	2,312	2,509
- to replace existing assets	8,861	11,055	14,849	16,049	11,235
Increase (decrease) in reserves	-	(2,593)	-	(0)	(3,272)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	8,966	9,001	15,261	18,361	10,472
Surplus (deficit) of capital funding (C - D)	(9,529)	(7,613)	(10,409)	(10,441)	(7,296)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	9,155	9,832	10,036	10,068	10,194

Funding impact statement for 1 July 2022 to 30 June 2023 for Community Support					
	2021/22	2021/22	2022/23	2022/23	2022/23
5.2	LTP	Actual	LTP	LTP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	33,651	33,651	34,804	35,536	35,536
Targeted rates	6,969	6,969	6,806	6,940	6,940
Subsidies and grants for operating purposes	-	246	-	-	71
Fees and charges	27,836	28,071	28,325	28,372	27,662
Internal charges and overheads recovered	870	675	924	924	751
Local authorities fuel tax, fines, infringement fees, and other receipts	407	(167)	-	-	53
Total operating funding (A)	69,733	69,445	70,860	71,772	71,013
Applications of operating funding					
Payments to staff and suppliers	36,054	35,375	38,445	38,815	42,500
Finance costs	(612)	(1,355)	315	393	(1,650)
Internal charges and overheads applied	16,008	16,256	16,022	16,888	20,406
Other operating funding applications	4,720	4,275	4,785	4,785	4,992
Total applications of operating funding (B)	56,170	54,551	59,567	60,881	66,248
Surplus (deficit) of operating funding (A - B)	13,563	14,894	11,292	10,891	4,765
Sources of capital funding					
Subsidies and grants for capital expenditure	300	-	-	-	-
Development and financial contributions	-	-	-	-	414
Increase (decrease) in debt	7,183	(8,123)	24,010	24,411	5,114
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	7,483	(8,123)	24,010	24,411	5,528
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	3,378	2,435	5,479	5,479	4,785
- to replace existing assets	17,668	4,858	29,823	29,823	10,035
Increase (decrease) in reserves	-	(522)	-	-	(4,526)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	21,046	6,771	35,303	35,303	10,294
Surplus (deficit) of capital funding (C - D)	(13,563)	(14,894)	(11,292)	(10,891)	(4,765)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	20,509	22,656	23,484	23,484	22,631

Funding impact statement for 1 July 2022 to 30 June 2023 for Public health and safety					
	2021/22	2021/22	2022/23	2022/23	2022/23
5.3	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	13,725	13,725	14,561	15,304	15,304
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	12	11	12	12	-
Fees and charges	4,824	4,321	3,994	3,994	4,246
Internal charges and overheads recovered	664	608	680	680	650
Local authorities fuel tax, fines, infringement fees, and other receipts	23	28	23	23	89
Total operating funding (A)	19,248	18,693	19,270	20,013	20,289
Applications of operating funding					
Payments to staff and suppliers	10,460	11,124	10,560	10,891	12,277
Finance costs	108	156	236	260	290
Internal charges and overheads applied	6,903	7,346	6,903	7,292	8,302
Other operating funding applications	56	15	56	56	167
Total applications of operating funding (B)	17,527	18,641	17,755	18,499	21,036
Surplus (deficit) of operating funding (A - B)	1,721	52	1,515	1,514	(747)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	1,118	263	2,771	3,575	1,525
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	1,118	263	2,771	3,575	1,525
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	51	(60)	58	863	1,244
- to replace existing assets	2,788	1,310	4,228	4,228	1,843
Increase (decrease) in reserves	-	(935)	-	(2)	(2,309)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	2,838	315	4,285	5,089	778
Surplus (deficit) of capital funding (C - D)	(1,720)	(52)	(1,515)	(1,514)	747
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,548	1,297	1,295	1,295	1,342

Funding impact statement for 1 July 2022 to 30 June 2023 for Urban planning, heritage and public spaces development					
	2021/22	2021/22	2022/23	2022/23	2022/23
6.1	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	14,173	14,173	14,902	17,200	17,200
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	547
Fees and charges	2,594	1,768	5,643	5,643	3,267
Internal charges and overheads recovered	574	402	647	731	264
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	17,340	16,343	21,191	23,573	21,278
Applications of operating funding					
Payments to staff and suppliers	14,074	11,358	26,897	20,012	15,481
Finance costs	(30)	(11)	(73)	(71)	(14)
Internal charges and overheads applied	3,366	4,284	4,529	4,795	5,890
Other operating funding applications	503	489	507	507	448
Total applications of operating funding (B)	17,913	16,120	31,860	25,243	21,805
Surplus (deficit) of operating funding (A - B)	(573)	223	(10,670)	(1,670)	(528)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	79	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	23,840	9,789	33,943	24,976	13,830
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	23,840	9,868	33,943	24,976	13,830
Applications of capital funding					
Capital expenditure					
- to meet additional demand	7,046	3,543	9,932	9,932	2,868
- to improve the level of service	9,521	4,425	7,169	7,202	7,068
- to replace existing assets	6,700	1,260	6,172	6,172	2,214
Increase (decrease) in reserves	-	863	-	(1)	1,152
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	23,267	10,091	23,274	23,306	13,302
Surplus (deficit) of capital funding (C - D)	573	(223)	10,670	1,670	528
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	177	110	114	114	104

Funding impact statement for 1 July 2022 to 30 June 2023 for Building and development control					
	2021/22	2021/22	2022/23	2022/23	2022/23
6.2	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	11,568	11,568	11,948	13,183	13,183
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	4	-	-	-
Fees and charges	17,809	18,057	18,232	18,324	16,279
Interest and Dividends from investments					29
Internal charges and overheads recovered	-	11	-	-	141
Local authorities fuel tax, fines, infringement fees, and other receipts	11	1	11	11	-
Total operating funding (A)	29,388	29,641	30,190	31,518	29,632
Applications of operating funding					
Payments to staff and suppliers	20,712	17,943	18,418	21,661	18,863
Finance costs	1	-	2	2	-
Internal charges and overheads applied	11,229	11,257	11,006	12,090	12,973
Other operating funding applications	21	221	21	21	242
Total applications of operating funding (B)	31,963	29,421	29,446	33,774	32,078
Surplus (deficit) of operating funding (A - B)	(2,575)	220	744	(2,257)	(2,446)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	40,533	48,484	32,514	35,514	37,237
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	40,533	48,484	32,514	35,514	37,237
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	33,657	29,324	33,058	33,058	33,801
- to replace existing assets	4,300	16,593	200	200	1,210
Increase (decrease) in reserves	-	2,787	0	(0)	(220)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	37,957	48,704	33,258	33,257	34,791
Surplus (deficit) of capital funding (C - D)	2,575	(220)	(744)	2,257	2,446
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge					
	21	28	40	40	69

Funding impact statement for 1 July 2022 to 30 June 2023 for Transport					
7.1	2021/22 LTP \$000	2021/22 Actual \$000	2022/23 LTP \$000	2022/23 AP \$000	2022/23 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	51,961	51,961	57,279	59,336	59,336
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	6,350	6,907	7,619	7,619	5,970
Fees and charges	3,530	3,202	3,562	3,562	3,096
Internal charges and overheads recovered	-	120	-	-	4,593
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	61,841	62,190	68,460	70,517	72,995
Applications of operating funding					
Payments to staff and suppliers	24,375	19,579	35,243	35,146	33,692
Finance costs	5,325	6,908	9,504	10,425	12,687
Internal charges and overheads applied	9,092	11,327	8,623	9,052	11,339
Other operating funding applications	2,647	81	1,642	1,642	1,666
Total applications of operating funding (B)	41,440	37,895	55,011	56,265	59,384
Surplus (deficit) of operating funding (A - B)	20,401	24,295	13,449	14,252	13,611
Sources of capital funding					
Subsidies and grants for capital expenditure	35,851	23,718	28,514	28,514	20,223
Development and financial contributions	942	1,608	942	942	59
Increase (decrease) in debt	28,379	5,436	65,068	64,324	37,966
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	65,173	30,762	94,524	93,781	58,248
Applications of capital funding					
Capital expenditure					
- to meet additional demand	7,097	797	20,662	20,662	16,647
- to improve the level of service	48,198	25,403	51,433	51,493	35,177
- to replace existing assets	30,277	25,831	35,878	35,878	28,249
Increase (decrease) in reserves	-	3,026	-	-	(8,214)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	85,574	55,057	107,973	108,033	71,859
Surplus (deficit) of capital funding (C - D)	(20,401)	(24,295)	(13,449)	(14,252)	(13,611)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	35,780	33,287	37,095	37,984	43,239

Funding impact statement for 1 July 2022 to 30 June 2023 for Parking					
7.2	2021/22 LTP \$000	2021/22 Actual \$000	2022/23 LTP \$000	2022/23 AP \$000	2022/23 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	(23,531)	(23,531)	(21,975)	(21,094)	(21,094)
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	33,136	21,824	29,212	29,212	24,862
Internal charges and overheads recovered	-	244	55	212	436
Local authorities fuel tax, fines, infringement fees, and other receipts	9,122	5,788	10,741	10,741	7,281
Total operating funding (A)	18,727	4,325	18,033	19,070	11,485
Applications of operating funding					
Payments to staff and suppliers	13,191	11,372	12,644	13,364	12,611
Finance costs	7	11	10	12	20
Internal charges and overheads applied	4,283	3,906	4,103	4,421	4,569
Other operating funding applications	2	20	2	2	449
Total applications of operating funding (B)	17,483	15,309	16,759	17,797	17,649
Surplus (deficit) of operating funding (A - B)	1,244	(10,984)	1,274	1,273	(6,164)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(53)	(369)	1,031	1,188	12,641
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(53)	(369)	1,031	1,188	12,641
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	13,181
- to improve the level of service	181	88	190	190	16
- to replace existing assets	1,009	296	2,115	2,272	705
Increase (decrease) in reserves		(11,737)	-	-	(7,425)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	1,190	(11,353)	2,305	2,462	6,477
Surplus (deficit) of capital funding (C - D)	(1,243)	10,984	(1,274)	(1,273)	6,164
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	353	372	332	332	319

Capital expenditure by Strategy					
	2021/22	2021/22	2022/23	2022/23	2022/23
	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Governance:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,187	1,188	1,655	1,655	625
- to replace existing assets	-	-	-	134	-
Governance Total	-	-	-	1,789	625
Environment:					
- to meet additional demand	28,679	24,305	20,361	31,161	22,118
- to improve the level of service	7,766	14,472	33,706	33,706	37,121
- to replace existing assets	35,792	40,931	35,895	35,895	48,134
Environment Total	72,237	79,708	89,962	100,762	107,373
Economic Development:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,000	100	2,050	2,050	46
- to replace existing assets	2,832	2,225	6,991	7,791	1,897
Economic Development Total	3,832	2,325	9,041	9,841	1,943
Cultural Well-being					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	50,495	54,571	30,920	30,920	30,505
- to replace existing assets	20	51	-	1,935	935
Cultural Wellbeing Total	50,515	54,622	30,920	32,855	31,440
Social and Recreation:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	3,534	2,914	5,949	8,654	8,538
- to replace existing assets	29,317	17,223	48,900	50,100	23,114
Social and Recreation Total	32,851	20,137	54,849	58,754	31,652
Urban Development:					
- to meet additional demand	7,046	3,543	9,932	9,932	2,868
- to improve the level of service	43,178	33,749	40,227	40,260	40,868
- to replace existing assets	11,000	17,854	6,372	6,372	3,424
Urban Development Total	61,224	55,146	56,532	56,564	47,160
Transport:					
- to meet additional demand	7,097	797	20,662	20,662	29,828
- to improve the level of service	48,379	25,490	51,623	51,683	35,193
- to replace existing assets	31,286	26,127	37,993	38,150	28,954
Transport Total	86,762	52,414	110,278	110,495	93,975
Council:					
- to meet additional demand	-	-	-	-	32
- to improve the level of service	18,434	13,679	31,199	31,199	42,334
- to replace existing assets	15,982	11,299	29,913	19,663	12,806
Council Total	34,416	24,978	61,112	50,862	55,172
Total Council:					
- to meet additional demand	42,822	28,645	50,956	61,756	54,846
- to improve the level of service	173,973	146,163	197,329	200,126	195,230
- to replace existing assets	126,228	115,710	166,063	160,039	119,264
TOTAL COUNCIL	343,023	290,518	414,347	421,920	369,340