

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

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

9:30am Rāpare Thursday, 9 Whiringa ā-rangi November 2023
Ngake (16.09), Level 16, Tahiwi
113 The Terrace
Pōneke | Wellington



MEMBERSHIP

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

Have your say!

You can make a short presentation to the Councillors, Committee members, Subcommittee members or Community Board members at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-499-4444, emailing public.participation@wcc.govt.nz, or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

AREA OF FOCUS

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

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

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

Quorum: 9 members

TABLE OF CONTENTS

9 NOVEMBER 2023

Business	Page No.
<hr/>	
1. Meeting Conduct	7
1.1 Karakia	7
1.2 Apologies	7
1.3 Conflict of Interest Declarations	7
1.4 Confirmation of Minutes	7
1.5 Items not on the Agenda	7
1.6 Public Participation	8
2. General Business	9
2.1 Citizens' Assembly 2023	9
2.2 Quarter 1 Performance Report	101
2.3 CCO 23/24 Quarter 1 Report	167
2.4 2024-34 LTP - Level of service Recommendations	205
2.5 Balance Sheet Review	255
2.6 Council submission on the Draft National Policy Statement for Natural Hazard Decision-making	275
2.7 Submission on Regional Policy Statement Variation 1	301
2.8 Actions Tracking and Forward Programme	317
3. Public Excluded	323
3.1 CCO Board Appointments	325

1. Meeting Conduct

1.1 Karakia

The Chairperson will open the hui with a karakia.

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

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

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

1.2 Apologies

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

1.3 Conflict of Interest Declarations

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

1.4 Confirmation of Minutes

The minutes of the meeting held on 1 November 2023 will be put to the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for confirmation.

1.5 Items not on the Agenda

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

Matters Requiring Urgent Attention as Determined by Resolution of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

The Chairperson shall state to the hui:

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

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

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

The Chairperson shall state to the hui that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent hui of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for further discussion.

1.6 Public Participation

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

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

2. General Business

CITIZENS' ASSEMBLY 2023

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides information to the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee on the implementation and outcome of Phase 3 of the 2024 Long-term Plan community engagement programme - the Citizens' Assembly.
2. The Citizens' Assembly initiative occurred across four Saturdays in September and October. What occurred, why and the outcome is explained in detail in the report and its attachments. The attachments cover:
 - **Attachment One:** Advice to Council: Report from the Citizens' Assembly, including background to the assembly.
 - **Attachment Two:** Report about the sortition process from Global Research.
 - **Attachment Three:** Information Pack for Citizens' Assembly participants

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- | | |
|--|---|
| Strategic alignment with priority objective areas from Long-term Plan 2021–2031 | <ul style="list-style-type: none"><input checked="" type="checkbox"/> Sustainable, natural eco city<input checked="" type="checkbox"/> People friendly, compact, safe and accessible capital city<input checked="" type="checkbox"/> Innovative, inclusive and creative city<input checked="" type="checkbox"/> Dynamic and sustainable economy |
| | <ul style="list-style-type: none"><input checked="" type="checkbox"/> Functioning, resilient and reliable three waters infrastructure<input checked="" type="checkbox"/> Affordable, resilient and safe place to live<input checked="" type="checkbox"/> Safe, resilient and reliable core transport infrastructure network<input checked="" type="checkbox"/> Fit-for-purpose community, creative and cultural spaces<input checked="" type="checkbox"/> Accelerating zero-carbon and waste-free transition<input checked="" type="checkbox"/> Strong partnerships with mana whenua |

Relevant Previous decisions

The LTP Communications and Engagement Plan was endorsed by the LTP Committee on 23 March 2023.

The Committee then noted the detailed process to be used for the Citizens' Assembly at the LTP Committee meeting on 17 August 2023. This included resolving the following recommendations:

- **Note** that a key driver of community confidence in the Citizens' Assembly process is Elected Member commitment to give due consideration to the feedback from the Assembly as part of the development of the LTP.
- **Note** that feedback will be provided to the Citizens' Assembly on how their advice was used in the Council's decision-making process.

Significance

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

Financial considerations

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

3. Costs associated with engagement were part of the business-as-usual budget for Long-term Plan development programme.

Risk

☐ Low ☒ Medium ☐ High ☐ Extreme

4. The Citizens' Assembly (CA) is one of many channels for public engagement in the LTP Community engagement programme, and aims to expand community reach, involvement and contribution to the development of the LTP.
5. This was the first time Wellington City Council has used this engagement method and as such it was to be treated as a pilot for the future and a full evaluation is underway.
6. Key risks relate to the perceived independence (by the community) of the Assembly and its operation and, as with any other form of community feedback, the extent to which Council is perceived to have given due consideration to the Assembly's feedback that is contained in this report and included as **Attachment One**.
7. The key mitigations of these risks were:
- Independent selection of the CA (by Global Research) and independent facilitation of the hui. This is detailed in **Attachment Two**.
 - An explicit commitment by Elected members at the 17 August LTP Committee meeting to give due consideration to the Assembly's feedback and report back to the CA on how the feedback informed the development of the LTP. The process for this is detailed in this report.

Authors	Amy Brannigan, Senior Advisor Planning and Reporting Lexy Seedhouse, Engagement Manager
Authoriser	Baz Kaufman, Manager Strategy and Research Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

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

- 1) Receive the information.
- 2) Accept the Report of the Citizens' Assembly.
- 3) Note that officers will incorporate the Assembly's advice into the Long-term Plan throughout the development of the plan.
- 4) Note the Levels of Service paper at this Committee meeting includes items that relate to the advice of the Assembly.
- 5) Agree to report back to the Citizens' Assembly on how their advice is incorporated into the Long-term Plan at key points in the development, including before and after formal consultation, and after adoption of the final plan.
- 6) Note the evaluation of the Citizens' Assembly will be completed by the Council's Research and Evaluation team and reported back to this committee.
 - a. The first phase will look at the process and immediate benefits and impacts
 - b. The second phase will look at the longer-term impact on how the advice is or is not implemented and the impact on the community.

Whakarāpopoto | Executive Summary

8. As endorsed by the LTP Committee on 23 March 2023, there are five phases of community engagement in the 2024-34 LTP development programme. They cover:
 - Outcomes and Priorities (April-May 2023, complete)
 - Rating Policies Review (Sept-Oct 2023, underway)
 - **Citizens' Assembly (Sept-Oct 2023)**
 - Participatory Budgeting (2024)
 - Formal Consultation (2024).
9. The key focus for this engagement phase- the Citizens' Assembly, was to provide some current feedback from the public ahead of decisions on the Levels of Service, which in turn supports the budgeting phase of the Long-term Plan.
10. The information pack that was provided to Assembly Participants at the beginning of the process is included as **Attachment Three**.
11. The proposals for the Levels of Service decisions are a separate paper for this meeting of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.
12. The Citizens' Assembly advice to the Council is attached to this report. It was prepared by the Assembly participants over four Saturdays in September and October.
13. At the end of the Citizens' Assembly hui the report was presented by the participants to the Mayor, Councillors and ELT members.

Takenga mai | Background

14. It takes about 18 months to build the LTP. Including community engagement along the way enables:
 - a community that is aware, informed and engaged in the development of the programme; and
 - provides the Council with community views on the LTP to inform all stages of the LTP deliberations and decisions.
15. Formal community engagement on the key proposals for the final LTP is conducted according to the Special Consultative Procedure in the Local Government Act. Formal consultation is the last phase of community engagement in the LTP engagement programme.
16. The Citizens' Assembly pilot was trialled as part of the LTP engagement programme as a means of providing independent and considered community input to the review of levels of service stage of the LTP development.
17. Previous experience by other entities indicated the key benefits associated with the Citizens' Assembly approach included:
 - increasing participant knowledge about issues, resulting in more informed, considered views being shared,
 - cultivating trust between Council and communities,
 - building civic capacity and capability in the community,
 - increasing general reach of public engagement and participation in key decision-making processes.
18. This was the first time the Council held a Citizens' Assembly.
19. The selection process was managed by an independent organisation to ensure the integrity of the process. For this Assembly, the call for Expressions of Interest (Eoi) and the selection of participants was managed independently by Global Research.

Kōrerorero | Discussion

Overview

20. Citizens' Assemblies are a form of deliberative democracy. They focus on generating collaborative input to decision making by bringing together a cross section of the community.
21. Citizens' Assemblies typically consider (or deliberate) and provide informed feedback to decision makers on complex issues, often where there is significant public interest. The focus is not on finding a perfect solution, but reaching an end point that everyone in the group can 'live with', and any trade-offs are considered and understood.
22. A key recommendation of the recent [Review into the Future for Local Government](#) was that 'local government and councils develop and invest in democratic innovations, including participatory and deliberative democracy processes'.
23. The use of a Citizens' Assembly in the LTP community engagement programme is consistent with this recommendation.

Selection and sortition process

24. The call for Expressions of Interest and the selection of participants was managed independently by Global Research. The detailed demographics of the participants and analysis of the sortition process is in **Attachment Two**.
25. Expressions of Interest (EoI) were sent out to 10,000 Wellington addresses in the week beginning 17 July. Those interested had until 18 August to respond.
 - The sortition process selected Wellington residents across the following demographics and personal characteristics:
 - Suburb
 - Gender
 - Age group
 - Ethnicity
 - Highest educational attainment
 - Home ownership
 - Family type (dependent children, or no dependent children)
 - Who lives within the household (e.g. siblings, children)
 - Living with a disability
 - Sexual orientation
26. 786 people responded, which is a response rate of 7.86%. Based on our experience of mailouts and global trends, we expected a 4-5% response rate to the Eols.
 - These 786 were then sent a second survey to understand how closely those who showed an interest in the process represented the total Wellington population. These factors were not part of the selection process.
 - Born in New Zealand or overseas
 - Languages in which respondents can hold a conversation (English, Māori, New Zealand Sign Language, Samoan, Other)
 - Employment/occupational status
 - Previously participated in a local or central government consultation, or not

27. 42 participants confirmed their involvement and participated in the Assembly. The selected participants closely aligned with the demographic make-up of Wellington. The key differences are outlined in the report from Global Research (**Attachment Two**).

Hui process

28. Prior to the first hui, participants were provided with an information booklet, which outlined the key issues in the LTP and what Council does. This is included as **Attachment Three**.
29. The hui process focused on supporting participants to develop consensus feedback. Hui included presentations, exercises and conversations with experts (both internal Council staff and external experts), and activities that supported the collective exploration and assessment of options on the issues before the Assembly.
30. The Level of Service scenario information that was presented to Councillors was not available at the time of the Assembly, and so the hui focused on Council services at a high level.
31. Participants were asked to deliberate the question *'We need to find a balance between what WCC could deliver (do), and what resource it has available, which is fair to everyone. How could we do this?'*
32. The process included guidance on how to listen and understand different perspectives, recognise bias, and make trade-offs.
33. The hui was independently facilitated by Māori and Pākehā co-facilitators. Facilitation focused on supporting participants' comfort and safety during the hui.
34. The WCC Engagement Team supported facilitators to host the event.
35. Copies of the PowerPoint presentations delivered during the hui, and answers to participant questions are being put on our [Let's Talk LTP hub](#).
36. More information about the hui process is in Attachment One as an introduction to the Citizens' Assembly report.

Report to Council

37. Assembly participants have written a report for Councillors to consider. This was provided to the Mayor, Chair of the LTP Committee, Councillors and members of ELT on the final day of the Assembly.
38. The Assembly provided 10 articles of advice to Council on the following six topics:
- New revenue sources
 - Capital expenditure programme
 - Open space
 - Housing
 - Community funding
 - Process
39. The 17 August meeting resolved that feedback will be given to the Citizens' Assembly on how their advice was considered in the Council's decision-making process on the LTP.

Evaluation

40. To assess the value of the Citizens' Assembly pilot, an evaluation of the impact and benefits flowing from the exercise will be completed by Council's Research and Evaluation team.
41. There will be two phases to the evaluation: the first focuses on the process, i.e. how the Assembly sessions were designed and delivered, as well as immediate benefits and learning from those directly involved. Data collection involves:
 - Surveys collected from participants at the beginning and conclusion of the Assembly to gauge their experience of the process, and to assess any learning or change of opinion in relation to engaging with WCC and government more generally.
 - Survey/ interviews with Council staff and external people involved as experts, a debrief session with the WCC host team to learn from the engagement, as well as a separate session with the facilitators.
 - The data collected allows for triangulation of information across everyone involved to see how different perspectives and experiences align.
42. The second phase is an impact evaluation and will look longer-term at how the recommendations are received, to what extent they are implemented by Council and any longer-term engagement with Assembly members.
43. The evaluation will include an assessment of the impact on community:
 - understanding of the issues facing Council and the city
 - perceptions of the quality and accessibility of Council engagement; and
 - process effectiveness, lessons learned and areas for improvement.
44. Two external researchers also attended the hui- one from Victoria University, and the other from the Public Service Commission.

Kōwhiringa | Options

45. N/A

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

46. The Long-term Plan sets the direction for the Council. This engagement will contribute to the development of the final 2024-34 Long-term Plan.

Engagement and Consultation

47. This paper is specifically about the outcome of Phase 3: Citizens' Assembly of the engagement and consultation process and activities for the Long-term Plan.

Implications for Māori

48. The hui were designed to be as bicultural as possible, centring kōrero as the basis of decision making and using a Māori creation story to guide the format. The hui programme was co-designed and co-facilitated by experienced Māori and Pākehā facilitators.

49. Te Tiriti and how it is incorporated into local government decision making was one of the topics at the hui and consideration of this appeared in the Report of the Citizens' Assembly.
50. 17% of the participants identified as Māori.

Financial implications

51. It is intended that the Report of the Citizens' Assembly contributes to the LTP development programme and informs decisions on the LTP ahead of wider community engagement in 2024.

Legal considerations

52. N/A

Risks and mitigations

53. The key risks relate to the perceived independence (by the community) of the Assembly and its operation and, as with any other form of community feedback, the extent to which Council is perceived to have given due consideration to the Assembly's feedback.
54. The key mitigations of these risks were:
- Independent selection of the CA (by Global Research)
 - An explicit commitment on 17 August by Elected members to give due consideration to the Assembly's feedback; and
 - The Council reporting back to the CA on how the advice informed the development of the LTP.

Disability and accessibility impact

55. The disability and accessibility impacts relating to the Citizens' Assembly process and its participants is a key focus for independent programme management.
56. 21% of Assembly members identified themselves as living with a disability (with an additional 21% preferring not to give information).
57. A key focus of the Assembly was removing the barriers to participation. Those selected were spoken to before the hui to ascertain any accessibility requirements and appropriate steps were taken to ensure they could participate fully.
- This included access physical needs, childcare arrangements and dietary needs among other things.

Climate Change impact and considerations

58. Climate change remains a priority through this LTP and was mentioned by the Assembly in some of their advice to Council, especially in the topics of open and green spaces.

Communications Plan

59. The communication programme includes active messaging for each stage of the Citizens' Assembly process.
60. As with other LTP communications material, Citizens' Assembly materials, including the report, are being published on the LTP website hub here: [Long-term Plan 2024-34 | Let's Talk | Wellington City Council](#). Key information and updates will be shared via our usual channels, including media, social media, web and newsletters.
61. An important aspect is ongoing communication with Assembly participants throughout the remainder of the planning process, keeping them up-to-date with how their advice is being considered and incorporated into LTP decision-making.




Health and Safety Impact considered

62. The Health and Safety of the Citizens' Assembly process and participants was a key focus for the programme management.

Ngā mahinga e whai ake nei | Next actions

63. The Long-term Plan engagement programme will continue until after the adoption of the final plan in June 2024. It includes the following next steps
 - Communication with the Assembly participants on the development of the plan at key stages.
 - Participatory budgeting exercise in early 2024 – including with key stakeholders
 - Formal consultation in April

Attachments

Attachment 1.	Long-term Plan Citizens' Assembly Report ↓ 	Page 18
Attachment 2.	Global Research - Wellington sortition process ↓ 	Page 34
Attachment 3.	Citizens' Assembly Information Handbook ↓ 	Page 82

Citizens' Assembly Long-term Plan 2024-34

Advice to Council

October 2023

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Background to the Citizens' Assembly

Citizens' assemblies are a form of deliberative democracy – this means they focus on shared discussion and decision-making. Citizens' assemblies are being used successfully around the world and bring together diverse groups who represent the population of a particular area. They provide the opportunity to think about, discuss, and make an informed decision on a complex topic where there is a lot of public interest. The focus is not on finding a perfect solution, but finding a position everyone in the group can broadly agree on or live with.

In September and October 2023, a citizens' assembly of 42 Wellingtonians met to deliberate on the following question and provide their perspectives to feed into Councillor decisions about the Long-term Plan:

We need to find a balance between what WCC could deliver, and what resource it has available, which is fair to everyone. How might we do this?

Sessions were facilitated to ensure all perspectives were heard, and subject matter experts were called upon to answer participants' questions and provide information to support the Assembly in developing its advice. During the final session, the Citizens' Assembly's advice to Council was presented to the Mayor, Councillors and members of the Council's Executive Leadership Team.

This is Wellington City Council's first citizens' assembly. The project will be evaluated as part of broader efforts to improve the Council's engagement processes, participation rates and accessibility.

Key issues

There are some key issues surrounding the creation of the Long-term Plan 2024-34 which have been kept in mind and shaped discussions throughout the Citizens' Assembly:

- Local governments across the country are facing financial constraints. The cost of providing public services and infrastructure is increasing substantially due to inflation, interest rates, and high insurance costs.
- In Wellington we are also faced with key infrastructure challenges.
 - Our water infrastructure has performance issues.
 - Many of our facilities/venues are earthquake prone.
 - We have significant exposure to insurance costs increases and lack of insurance availability.
 - Significant investment is required in our transport network.
- Wellington's population is forecast to grow by 50,000 – 80,000 over the next 30 years.





Participant selection

During July 2023, letters inviting people to express an interest in being part of the Citizens' Assembly were sent to 10,000 randomly selected postal addresses. Participation was open to New Zealand citizens and residents, as long as they lived in Wellington City. People who expressed an interest in joining the Citizens' Assembly were asked to complete two short surveys.

From these, roughly 50 people were selected who represent and closely match Wellington's population in terms of age (16+), gender, ethnicity, education, whether they have dependent children, experience of disability, sexual orientation and home ownership. The final number of participants who confirmed their attendance was 42. Although participants were not chosen on this basis, it is interesting to note that Assembly members also closely matched the make-up of Wellington City in terms of languages spoken, employment/occupation status and whether they were born in Aotearoa New Zealand or overseas.

The expressions of interest, survey and selection processes were managed by independent agency Global Research.

Creating this report

The advice to Council (pages 4-14) was written by the Citizens' Assembly. The information in this introduction section (pages 2-3) was provided by Wellington City Council.

Prior to the Assembly starting, participants were given information about Council services and their costs (see pages 10-25 of the Citizens' Assembly participant handbook at wcc.nz/citizens-assembly) and had the option of attending an online 'meet and greet' session. During the Assembly, participants met in person over four consecutive Saturdays, plus one online session. Over this period, they built their understanding of the financial context of the Long-term Plan and the breadth of services Council offers, hearing from and asking questions of subject matter experts, and developing the advice in this report. More information about the structure of these hui is on page 8 of the Citizens' Assembly participant handbook.



More information on
Wellington City Council's
website here:

wcc.nz/citizens-assembly

Summary of Citizens' Assembly advice to Council

1. We advise that the Council:

- needs to increase diversity of revenue streams – current and new – with the end goal of reducing the percentage of funding from rates
- advocates to Central Government for changes to legislation to enable the Council to access alternative revenue streams
- considers investments and partnerships so as to best use resources to supplement rates revenue.

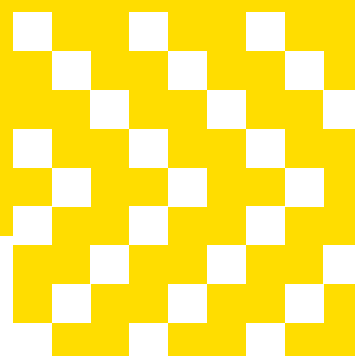
2. We advise that the Council review its capital expenditure programme by prioritising spend and spreading capital expenditure over a longer period based on availability of funds.

3. We advise that, within funding constraints, the Council prioritises:

- looking after the assets we've got before building or acquiring new
- the most cost-effective way to look after their existing assets.

4. We advise that when the Council is repurposing Council buildings and land in urban areas that they prioritise green space where suitable and practical. (Consider underutilisation and long-term disuse, high insurance and high depreciation, high refurbishment cost.)

5. We advise that the Council use community-based help to maintain and utilise Council-owned open spaces and when creating and improving existing open spaces (road reserves, parks, walkways etc.). Increase tree coverage and biodiversity (indigenous and foreign species).



6. We advise that the Council re-evaluate the criteria for heritage buildings and spaces to prioritise sustainability, safety, and population growth as well as buildability and utility.

7. We advise that the Council prioritise and advocate for infrastructure development that supports medium to high density housing.

8. We advise that the Council:

- has closer relationships with groups receiving funding, enabling Council to better allocate funding, and increase funding in areas needed
- advocates for increases of funding/ changes that need to happen at a Central Government level
- puts resources towards information brokering between community groups applying for same/similar output and those groups working together
- publicises community services more, particularly those funded by the Council.

9. We advise that the Council continue to support and maintain grant funding in line with the cost of living/inflation for community groups and ensure that as part of the decision-making process Tā kai Here partners (mana whenua) are part of the committee to ensure it delivers a bi-cultural aspect to honour Te Tiriti o Waitangi.

10. We advise that the Council develop a more deliberate process which effectively engages, includes and inspires and reduces the costs of poor planning and re-work.





Advice to Wellington City Council

The Citizens' Assembly has deliberated and decided to provide advice to Wellington City Council on its 2024-34 Long-term Plan in the following areas:

Investigating alternative revenue streams	8
Capital expenditure	9
Open space	11
Housing	12
Community funding	13
Process	14



Investigating alternate revenue streams

1. We advise that the Council:

- Needs to increase diversity of revenue streams – current and new – with the end goal of reducing the percentage of funding from rates.
- Advocates to Central Government for changes to legislation to enable the Council to access alternative revenue streams.
- Considers investments and partnerships so as to best use resources to supplement rates revenue.

Considerations

In forming this advice, we considered the following:

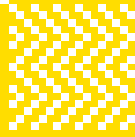
- Forward thinking, taking account of the future generations
- Affordable for residents and Council
- Immoral for Central Government not to pay rates
- Diversification of revenue sources

How?

This advice could be implemented through the following ideas:

- Legislative changes empowering Council to raise revenue
- Revenue drawn from non-Wellington City residents such as port and airport fee (tourist tax)
- Diversify risk by investing outside the Wellington region
- Optimise utilisation of Council assets on a business model.





Capital expenditure

2: We advise that the Council review its capital expenditure programme by prioritising spend and spreading capital expenditure over a longer period based on availability of funds.

Considerations

In forming this advice, we considered the following:

- Create a capital expenditure programme for a 10-year period
 - What is committed to continue e.g. Town Hall
 - Prioritised based on utility (usage/volume of people), safety, access
 - Cost/benefits realisation
 - Looking at existing assets and reallocating across the asset portfolio

How?

This advice could be implemented through the following ideas:

- Identify assets which can be excluded from the 10-year plan
- Identify assets that have similar use and prioritise one and defer others

3: We advise that, within funding constraints, the Council prioritises:

- Looking after the assets we've got before building or acquiring new
- The most cost-effective way to look after their existing assets

Considerations

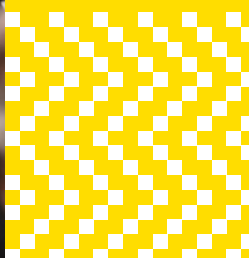
In forming this advice, we considered the following:

- Look after what we've currently got, and look at the total value over the life of the asset, to do what is best
- Safety and accessibility are paramount
- Multifunctional sites should be prioritised over single use sites
- Exceptions can be made to incorporate pragmatic approach to population growth e.g. water pipes
- The lowest whole-of-life cost and desired broader outcome should take precedence e.g. chip seal over asphalt for roads, result is the same
- Incorporating Māori and mana whenua view when looking after assets
- This is intended to exclude investment assets

How?

This advice could be implemented through the following ideas:

- Capital expenditure programme will identify major spends then prioritise the existing projects e.g. roads
- Continuing fully funding depreciation to renew assets







Open space

4: We advise that when the Council is repurposing Council buildings and land in urban areas that they prioritise green space where suitable and practical.

- Consider underutilisation and long-term disuse, high insurance and high depreciation, high refurbishment cost.

Considerations

In forming this advice, we considered the following:

- Council-owned site when they decide a building needs work or is unused to prioritise adding green spaces.
- Health and climate change benefits
- Higher density of micro green spaces
- Following proper processes of review and engagement

How?

This advice could be implemented through the following ideas:

- A single tree
- Green roofs
- Knocking down a whole building and putting in multipurpose open space
- Squares of bushes and trees
- Depending on space, considerations will be needed for what is possible
- Prioritising nature in Council building developments
- Where: small pockets of unused land, berms

5: We advise that the Council use community-based help to maintain and utilise Council-owned open spaces and when creating and improving existing open spaces (road reserves, parks, walkways etc.). Increase tree coverage and biodiversity (indigenous and foreign species).

Considerations

In forming this advice, we considered the following:

- Extend Council use of volunteers to other areas
- Bringing community together to help with gardening, planting, cleaning, general upkeep
- Local residents being able to make decisions about their parks and green spaces, giving local ownership
- Extends the service provision, without increasing labour costs, but not replacing council jobs
- Providing work experience
- Health and safety

How?

This advice could be implemented through the following ideas:

- Use various avenues already in use in the town belt to build up community networks in other areas:
 - To connect with community around suburban parks and areas
 - To enhance maintain and develop in a manner that meets community needs

(Open spaces: Road reserves, parks, walkways, recreation areas, berms)



Housing

6: We advise that the Council re-evaluate the criteria for heritage buildings and spaces to prioritise sustainability, safety, and population growth as well as buildability and utility.

Considerations

In forming this advice, we considered the following:

- To recognise Wellington's unique cultural identity
- To make the most of our limited space
- Buildings like Gordon Wilson Flats (leaking and not sustainable) currently act as a barrier to housing
- Start with areas close to good transport and infrastructure and in the longer term, work in areas with lower levels of public infrastructure

How?

This advice could be implemented through the following ideas:

- Prioritise the review of character areas e.g. buildings that are protected based on how they look
- Review sites, buildings and spaces as a priority as part of Resource Management reforms
- Consider climate change and earthquake resilience when evaluating whether to keep heritage sites

7: We advise that the Council prioritise and advocate for infrastructure development that supports medium to high density housing.

Considerations

In forming this advice, we considered the following:

- Some areas are already set up for higher density living, others are not.
- Council needs to prioritise immediate support for the areas that are already well set up e.g. turning empty office spaces into residential apartments

How?

This advice could be implemented through the following ideas:

- Re-purpose empty / under-utilised offices and other buildings
- WCC to advocate to Central Government for funding to go towards housing
- Start with areas close to good transport and infrastructure and in the longer term, work in areas with lower levels of public infrastructure



Community funding and services

8: We advise that the Council:

- Has closer relationships with groups receiving funding, enabling Council to better allocate funding, and increase funding in areas needed
- Advocates for increases of funding/ changes that need to happen at a Central Government level.
- Puts resources towards information brokering between community groups applying for same/similar output and those groups working together
- Publicises community services more, particularly those funded by the Council

Considerations

In forming this advice, we considered the following:

- Encourage partnership between groups receiving funding and Council
- Efficient use of funds for good outcomes
- Accessible to a wider range of people
- Helping communication between groups to serve the communities better
- Not doubling up when funding could be better spent supporting more people
- Raising awareness to increase benefit to the community and avoid double up of services

How?

This advice could be implemented through the following ideas:

- Spending a bit on staff liaising with groups receiving funding. However, ideally, saving by funding being spent in the best places
- A feedback round when applications are submitted. This could be when working together is recommended

9: We advise that the Council

continue to support and maintain grant funding in line with the cost of living/ inflation for community groups and ensure that as part of the decision-making process Tākai Here partners (mana whenua) are part of the committee to ensure it delivers a bi-cultural aspect to honour Te Tiriti o Waitangi.

Considerations

In forming this advice, we considered the following:

- Alternative funding sources
- Donations
- Equity for all
- Increased community need
- Accountability and performance following the receipt of the grant
- Alignment to Council strategies and priorities



Process

10: We advise that the Council develop a more deliberate process which effectively engages, includes and inspires and reduces the costs of poor planning and re-work.

Considerations

In forming this advice, we considered the following:

- Community engagement
- Financial gains by avoiding reworks
- Our current ways are not achieving enough community engagement

How?

This advice could be implemented through the following ideas:

- Community Assembly
- Continue to support Council's Advisory Groups
- Kaitiaki from Citizens' Assembly to advocate for recommendations for the LTP
- Slow it down





Information on Positively Pōneke pattern design

Our Positively Pōneke design work includes pattern design by Kohe Webster (Ngāti Toarangatira, Ngāti Raukawa Te Au ki te Tonga). A brief description of the pattern meaning is below.

Kaokao

This pattern represents protection. It is the shape of the arm/armpit when you embrace someone. It is the shape of ribs which protect vital organs. They are often placed at four corners of a house representing protection of all within the house.

Pātiki

This pattern is based on the diamond shape of the flounder fish. Its significance relates to being able to provide for everyone.

**Absolutely Positively
Wellington City Council**

Me Heke Ki Pōneke

J017006



Global Research
Turning Information Into Insight

Wellington City LTP Citizens' Assembly Sortition process description and review

September 2023

Prepared by Global Research Ltd

For

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Contents

Introduction.....	2
Overview of project requirements	2
Sortition selection details.....	4
Stage 1: Request for expressions of interest.....	4
Stage 2: Additional information collected.....	5
Stage 3: Assembly selection.....	6
Summary of sortition outcome: actual and interested Assembly members, compared to Wellington population	7
Sortition selection variables.....	7
Non-selection variables.....	8
Key differences between Assembly members, those who expressed interest and Wellington City residents.....	9
Process review and recommendations.....	11
Overall – outcome, and approach	11
Initial invitations	11
Assembly member invitations and completion	12
Response rates	13
Inclusion of the suburb variable	14
The sortition selection process.....	14
Timeframes and expectations.....	14
Balancing confidentiality and future contact	15
Appendices	16
Appendix 1: Original and follow up sortition selection profiles.....	16
Appendix 2: If Wellington City was 42 people: ~ Assembly members compared with target of 45 Wellington City Citizens.....	18
Appendix 3: Those interested in participating, compared to Wellington population	29
Appendix 4: Guiding principles, informed by academic literature.....	45

Introduction

This document describes the Wellington City Council's 2023 Long Term Plan Assembly sortition process. The aim of the sortition process was to gather a microcosm of the Wellington City community to form the Assembly and make collective decisions to inform Wellington's Long Term Plan.

The pages below detail the steps taken, the outcomes of the process, and a review of what could be done differently or improved if a similar process was run in the future.

The approach taken was informed by academic and industry literature, personal comments from the manager of Auckland Water's recent sortition process, and existing knowledge. Global Research pragmatically applied the approach to deliver the desired outcomes for Wellington City Council's Citizens' Assembly.

This is the first Wellington City Citizens' Assembly, and subsequent sortition process. This document contains: an overview of project requirements; sortition selection details – three stages; summary of outcomes – selection and non-selection variables, compared to Wellington; process overview and four appendices – sortition selection profiles, Assembly members compared to target population; those who expressed interest compared to the Wellington population; and guiding principles of the process.

Overview of project requirements

The Assembly was intended to be a group of 40 - 45 people representing the demographic characteristics of Wellington City as closely as possible. All statistics are modelled on the Wellington City population.

Process outline

OBJECTIVE

1. In September and October 2023, Wellington City Council hosted a Citizen's Assembly to identify priorities for Wellington's upcoming Long Term Plan.
2. A sortition process was completed to select 40 - 45 Wellington residents who represent the community across the following demographics and personal characteristics:
 - a. Suburb
 - b. Gender
 - c. Age group
 - d. Ethnicity
 - e. Highest educational attainment
 - f. Home ownership
 - g. Family type (dependent children, or no dependent children)
 - Who lives within the household (e.g. siblings, children)
 - h. Living with a disability
 - i. Sexual orientation

Other characteristics were also collected in the second survey wave to understand how closely those who showed interest in the process represented the total Wellington population. These factors were not part of the selection process:

- a. Born in New Zealand or overseas
- b. Languages in which respondents can hold a conversation (English, Māori, New Zealand Sign Language, Samoan, Other)
- c. Employment/occupational status
- d. Previously participated in a local or central government consultation, or not

The process was successful, evidenced by the close match between the 42 selected sortition members and Wellington City. Additionally, feedback from the first Assembly meetings has been that the selected Assembly members all attended, were engaged, collaborative and passionate about the kaupapa. The final Assembly results will be further evidence of the success of the process.

Overview of the process

1. The first action was to define Wellington City's overall demographic profile, consistent with the 2018 Census. The aim of the sortition process was to match, as closely as possible, Wellington's demographic profile with the citizens who were randomly selected to participate in the Assembly.
 2. The profile (apart from 'suburb' requirements) was prepared by the Wellington City Council Research team - (see Appendix 2: *If Wellington City was 42 people*, p.16).
 3. The percentages of respondents invited to complete the expression of interest survey (EOI) was consistent with the percentage of people who live in each suburb. Responses received generally matched the distribution of invitations per suburb, and so interest was relatively evenly spread across all suburbs. See the appendix for more detail – Page 27.
 4. To promote participation, as many barriers as possible were removed to enable a high participation rate, including covering travel and childcare costs, and offering a koha of \$800 for participation.
 5. A three-stage process identified Assembly member participants that as a group matched Wellington's population characteristics as closely as practically possible:
 - a. **Stage 1 request for expressions of interest:** From a sample frame which was as large as practically possible, participants were invited to indicate their desire and availability to participate (10,000 people). Their demographic characteristics were also recorded via an online survey.
 - b. **Stage 2 Additional information collected:** A second survey was emailed to those who expressed interest at Stage 1 which collected more detailed information from respondents.
 - c. **Stage 3 Assembly selection:** From the pool of people who indicated their desire to participate, a random selection was made of 45 people who reflected the Wellington community demographic profile.
- Stage 3a:** The initial invitation to 45 people resulted in 35 people agreeing to participate. A second selection process was run to find 10 replacements. Seven further invitees agreed to participate resulting in an Assembly of 42 invited members.

The details of these stages are described in detail below.

Sortition selection details

Stage 1: Request for expressions of interest

1. A letter was drafted by Wellington City Council and Global Research to send as an Expression of Interest (EOI) request to Wellington residents, including:
 - a. Explanation of the purpose of the Citizen's Assembly to inform the 10-year plan.
 - b. Explanation that a cross-section of around 45 Wellington residents would be selected.
 - c. Details of the compensation provided to participants, such as payment for attending plus compensation for childcare and travel, if required.
 - d. Explanation of the requirements of the process – days and times etc., what information would be provided to members to inform their decision-making.
 - e. Instructions on how to complete the application survey:
 - i. Request for the person with the next birthday in the household to complete the survey, to enhance the randomness of selection.
 - ii. Instruction that the respondent must be 16 years or older.
 - iii. Instructions to either scan the QR code or use the web address:
www.globalresearch.nz/survey
 - iv. Instructions to call or email Global Research if further information is required — email and phone number provided.
2. The Wellington City Council GIS Team selected 41,022 city addresses and provided them in a spreadsheet to Global Research. The spreadsheet included: address; suburb; and postcode. To create their list, the GIS team applied this address selection process:
 - a. Individual properties at an address were selected.
 - b. Where there were multiple addresses in the same building (e.g., in an apartment building) the property data had one row for the building (e.g., 1 Main Street) and then subsequent rows for each unit (Apartment A, Apartment B, etc.). The list included the addresses for the apartment units.
 - c. The address list included addresses that had been flagged as 'some' or 'all' residential units.
 - d. Vacant buildings and units were removed from the list.
3. Global Research calculated the percentage that each suburb made up of the total number of addresses in Wellington. Thus, the 10,000 addresses selected to send invites were proportional to the percentage of addresses in each suburb.
 - d. For example, Newtown comprised 2.62% of the suburban addresses extracted from WCC's GIS database, as there were 1,076 Newtown addresses in the total list of 41,022 addresses. So, 262 Newtown randomly selected addresses were part of the 10,000 distributed invites.
4. To select respondents from each suburb, a random selection process was completed by generating unique random numbers from 1 to 900,000. The random numbers were sorted

from lowest to highest for each suburb, and the lowest numbers in the range, up to the quota, were selected.

5. A distribution list of 10,000 addresses was sent to the WCC printing team, who completed a mail merge and sent an initial batch of 5,000 EOI letters to the selected addresses on 21 July 2023.
6. Advice was provided by Campbell Guy (Auckland Water) that a 4% response rate could be expected, which aligned with previous Global Research experience with Council processes, where a 5% response rate has been achieved with posted survey invites.
7. A unique password was generated and attached to each survey so that survey completion could be linked to suburbs and to stop uninvited people accessing the survey.
8. A second batch of 5,000 invites was sent on 28 July 2023.
9. Each batch resulted in a spike of up to 93 responses in a day. On average, for the first 10 days, 52 responses were completed each day. After 10 days, 531 surveys had been completed, which was a 5.31% response rate.
10. The final response was 786 completed surveys, a response rate of 7.86%.

Stage 2: Additional information collected

1. The first stage of the process resulted in a response rate nearly twice the estimate, which enabled additional information to be collected in the selection process, via an emailed survey. If only 400 potential participants had been contacted, the additional variables would have made selecting representation across all the identified variables significantly more difficult.
2. To add more selection variables, and to find out how respondents who responded to the EOI represented the Wellington population, a second survey was emailed to the 780 Stage 1 respondents who had provided an email address as their preferred form of contact (99% of respondents). Global Research's Qualtrics software was used to distribute the second survey. Note that five respondents who didn't provide an email address were still eligible to be selected in the process.
3. The second survey was distributed for one week and asked about these topics:
 - a. **Variables included in the sortition selection process:** Living with a disability; Sexual orientation.
 - b. **Variables not included in the sortition process:** Born in New Zealand or overseas; Languages respondents could hold a conversation in (English, Māori, New Zealand Sign Language, Samoan, Other); Employment/occupational status; Previously participated in a local or central government consultation.
4. The second survey was completed by 620 respondents, a response rate of 79%.
5. The two variables which formed part of the sortition selection process were added to the full data set: Living with a disability; Sexual orientation.
6. The other variables were used to compare the overall profile of those who had expressed interest in the sortition process with the total Wellington population.

Stage 3: Assembly selection

1. The third stage of the Assembly selection process was completed following the close of the second survey on 28 August 2023.
2. Global Research used the New Democracy: Stratified Random Selection Tool: <https://selection.newdemocracy.com.au/> to select the Assembly members. The tool is an effective and popular sortition selection tool.
3. Instructed by criteria set by Global Research staff, the selection tool randomly selected 45 potential Assembly members, as closely proportional to the demographic profile of all Wellington residents as the data in the expressions of interest allowed.
 - a. The candidate profile used for the New Democracy selection, prepared by Global Research, is provided in Appendix 1: *Original and follow up selection profile* (page 16).
 - b. The Demographic profile of Wellington City was modelled on 45 people, and the actual profile of the selected respondents is outlined in Appendix 2: *If Wellington City was 42 people: ~ Assembly members compared with target of 45* (page 18).
4. The contact details of the 45 selected potential Assembly members were sent to the Wellington City Council Team to ask for their commitment to the Assembly in the coming weeks. Wellington City Council staff then contacted all of the potential participants. Specialist teams contacted some groups, such as for ethnicities and age groups.
5. The first wave of contacts resulted in 35 of the 45 people on the selected list agreeing to participate.

Stage 3a

6. A second sortition selection process was then run to find replacements. The second selection process attempted to match the replacement member demographic characteristics as closely as possible to those who had withdrawn. The New Democracy tool was used again to select from the list of people who hadn't been selected in the first wave. An additional eleven people were provided to WCC to contact.
7. Seven of the eleven people in the second wave agreed to participate, resulting in an agreed Assembly member group of 42 Wellingtonians.

Summary of sortition outcome: actual and interested Assembly members, compared to Wellington population

The two tables below present the results of the sortition process. The first table presents the variables that were used for selection, and how closely they match the Wellington population. The second table includes variables that weren't used for selection but were used to measure how closely those who expressed interest in participating represented the Wellington population.

Sortition selection variables

The next table presents the sortition selection variables. The columns include:

- > **Variable:** the categories of demographic data used to define the population.
- > **Value:** the values which make up each variable.
- > **Assembly #:** the number of selected Assembly members who have the particular variable and value characteristics.
- > **Assembly %:** the percentage of selected Assembly members who have the particular variable and value characteristics.
- > **Interested %:** the percentage of those who expressed interest in participating who have the particular variable and value characteristics.
- > **Wellington %:** the percentage of Wellingtonian City residents who have the particular variable and value characteristics, based on 2018 Census data.

* For the Non-binary variable under *gender*, one person was included who was non-binary (2%). This is because the population model was built using 2018 Census data, and only male and female genders have been included in Census gender questions prior to the 2023 census. 2023 statistics were not available at the time of creating the model.

Variable	Value	Assembly #	Assembly %	Interested %	Wellington %
Age	16 to 17 years of age	2	5%	2%	3%
	18 to 24 years of age	7	17%	9%	16%
	25 to 34 years of age	7	17%	16%	22%
	35 to 49 years of age	6	14%	27%	24%
	50 to 59 years of age	8	19%	18%	15%
	60 to 69 years of age	4	10%	15%	10%
	70 to 84 years of age	4	10%	13%	8%
	85 years or older	2	5%	0.4%	1%
	No information	2	5%	4%	0%
Gender	Female	18	42%	49%	49%
	Male	22	51%	47%	49%
	Non-binary*	1	2%	3%	2%

Variable	Value	Assembly #	Assembly %	Interested %	Wellington %
Ethnicity	New Zealander/ NZ European	29	69%	74%	67%
	Māori	7	17%	6%	8%
	Pacific	5	12%	3%	5%
	Asian	7	17%	14%	16%
	MELAA	3	7%	22%	3%
	Other	2	5%	8%	1%
Education	L1 overseas	2	5%	2%	6%
	PhD (L10)	2	5%	5%	2%
	Masters (L9)	5	12%	18%	9%
	Degree & Hons (L7 & L8)	13	31%	44%	35%
	Post-school (non-Uni, L4-6)	6	14%	12%	13%
	School qual. (L1-3)	11	26%	17%	27%
	No qualification	2	5%	2%	9%
	Prefer not to say	1	2%		0%
Home ownership	Home not owned	19	45%	31%	41%
	Home owned	23	55%	69%	59%
Family type	Total dependent children	11	26%	33%	29%
	Total no dependent children	31	74%	67%	71%
Living with a disability	No	24	57%	88%	78%
	Yes	9	21%	12%	22%
	No information	9	21%	—	—
Sexual orientation	LGBTQ+	3	7%	17%	7%
	Non LGBTQ+	28	67%	83%	93%
	No information	11	26%	—	—

Additional detailed analysis is contained in *Appendix 2: If Wellington City was 42 people – Assembly members compared with target of 45 people*, Page 18.

Non-selection variables

This table presents the sortition selection variables. The columns include:

- > **Variable:** the categories of demographic data used to define the population.
- > **Value:** the different values which make up each variable.
- > **Interested %:** the percentage of those who expressed interest in participating who have the particular variable and value characteristics.
The *Previous engagement participation* variable also includes the number of respondents. The result for this variable isn't known for all Wellingtonians.
- > **Wellington %:** the percentage of Wellingtonian City residents who have the particular variable and value characteristics.

Variable	Value	Interested %	Wellington %
Place of birth	New Zealand	66%	66%
	Overseas	34%	34%
Languages spoken	English	99.7%	96.0%
	Māori	1.9%	2.2%
	New Zealand Sign Language	1.0%	0.6%

Variable	Value	Interested %	Wellington %
	Samoan	0.6%	1.8%
	Other languages	23.7%	15.0%
Occupation	Full time paid employment (20 hours or more per week)	56.4%	56.8%
	Part time paid employment (less than 20 hours per week)	11.6%	15.0%
	Unemployed	4.4%	3.2%
	Under-employed, would like to work more	4.1%	1.8%
	Retired	16.2%	5%
	Student	9.2%	27%
	Stay at home parent	2.5%	—
Previous government engagement participation	Yes	17.0% (105)	—
	No	75.3% (464)	—
	Unsure	5.0% (31)	—
	Other	2.6% (16)	—

Note that the results for the suburbs respondents were from is on page 27.

Key differences between Assembly members, those who expressed interest and Wellington City residents

The most significant differences between the Assembly members and the Wellington City population were:

AGE

- > There were ten percentage points fewer Assembly members than the total Wellington City population for ages 35 to 49 year olds; and 6 percentage points fewer Assembly members in the 25 to 34 years age groups.

GENDER

- > Females were seven percentage points underrepresented, and males two percentage points overrepresented when compared to the Wellington City population.
The underrepresentation of females was a result of three females declining participation in the second stage selection.

ETHNICITY

Some people identify with more than one ethnicity, resulting in ethnicity overall adding to greater than 100%. The largest over-representations of Assembly members compared to the total Wellington City population were:

- > Māori: 17% of the Assembly members, compared to 8% of the Wellington City population.
- > Pacific people: 12% of the Assembly members, compared to 5% of the Wellington City population.

The most significant differences between those who expressed interest in participating and the Wellington City population were:

ETHNICITY

- > MELAA respondents were overrepresented by 19 percentage points (22% interested and 3% Wellington).

EDUCATION ~ HIGHEST QUALIFICATION

- > Masters Graduates were over represented by 9 percentage points (Masters: 18% interested and 9% Wellington City). PhD Graduates were also overrepresented – 5% of interested respondents, while only 2% of the Wellington population.

PEOPLE LIVING WITH A DISABILITY

- > 12% of those who expressed interest in participating live with a disability, compared to 22% of the total Wellington population – a 10 percentage point difference.

SEXUAL ORIENTATION

- > 17% of those who expressed interest in participating are members of the LGBTQ+ community, compared to 7% of the Wellington population – a 10 percentage point difference.

Process review and recommendations

The process followed and actions taken were noted throughout. Below are the key lessons learnt along the way.

Overall – outcome, and approach

- > The final result was successful, evidenced by the close match between the 42 selected sortition members and the Wellington population, the initial goal. Additionally, feedback from the first Assembly meeting was that the selected Assembly members all attended and were lovely, engaged, and passionate about the kaupapa.
- > A clear, well-planned, simple approach is recommended.
- > Using networks and taking advice from those who have recently completed a similar process, in this case Cambell Guy at Auckland Water, is recommended.
- > There are a number of stages that need to be completed, so working back from the date when Assembly members need to be confirmed and working out the tasks and time available is a good way to plan the timing of each stage. Inclusion of contingency time for unanticipated events is recommended.
- > A very collaborative approach was taken between the Wellington City Council team and the Global Research team. This resulted in each party checking each other's tasks for accuracy, quality and completeness. In such a fast-paced process, this improved the quality of each task and the overall outcome. For example, Global Research reviewed WCC's media release and WCC reviewed the Global Research survey design.
- > There were some questions raised about the approach being taken by elected members, primarily focused on the level of detail in representing Wellington that could be achieved. Variables such as representing those who are experiencing homelessness or the commercial sector were suggested, plus a number of other examples of groups within the community. These questions may have been a result of not fully understanding the intentions of the process, and what was practically possible. These questions may be more easily responded to now the first Assembly and sortition process has been successfully completed, but making clear advice available ahead of time is recommended.

Initial invitations

- > The first step was to find as large as possible citizen distribution list. The WCC GIS team completed this task by selecting addresses. While it didn't contain individual names, this approach was still successful.
- > It is best that the actual invite comes from a WCC address for recognition, but Global Research completed the selection of addresses to avoid perceptions of bias.
- > The initial mailed invite was posted to 10,000 addresses, randomly selected from a total Wellington address list of 41,022 addresses provided by the Wellington City GIS team. These numbers worked out well, and with the relatively high response rate there were enough responses to include a high number of respondent variables in the selection process.
- > To increase efficiency, the distribution list provided by the GIS team should be checked with the postal team to ensure that it is appropriate for creating a distribution list, and printing addresses appropriately. This includes glitches that Excel includes with some files by including irregular characters – these should be checked for and avoided if possible.
- > While postage had to be paid for, which incurs significant cost, this was considered a cost-effective approach to connect with such a wide group of potential participants. The alternative approach, hand delivery, is likely to cost a significant amount, especially when not

all addresses in a street are being delivered to, but instead just a random selection across most streets in Wellington.

- > There was consideration of sending initial expression of interest invitations via more than just the postal channel. This would have added significantly more complexity, and, in the time available to complete the process, was not considered a practical or robust approach. As it was, the sample of respondents represented a very good cross-section of the Wellington community.
 - o If there was more time, and if considered necessary in a future process, alternative invitation methods may reach those who may not be reached via a mailed approach. To achieve this, face-to-face invitations in places where known target groups are known to congregate may be a good alternative approach, such as on a university campus to connect with students, or at a sports training to connect with young people or particular ethnic groups. These approaches would introduce their own biases so would need to be well-managed to not compromise the overall outcome.
- > There was an option to email invitations to a distribution list of around 2,000 people who were engaged with Wellington's Long Term Plan. This option wasn't taken up because the aim was to reach people who don't normally engage with the council and are considered a random cross section of the community. Selection of addresses from a comprehensive city address list was considered a way to avoid engaging with people who WCC has already engaged with. Not using this approach also avoided passing on email addresses to a third party (Global Research). While legal advice considered this acceptable, it may not have been perceived to be appropriate, and so it was good to avoid this potential issue.

Assembly member invitations and completion

- > There were clear parameters calculated for the target Assembly demographic characteristics, based on Census variables. The questions asked in the surveys were in most cases exactly the same as Census questions. This made it possible to make direct comparisons between Wellington's actual population and those who expressed interest in participating, and the final group selected. This approach is recommended to be followed in the future.
- > The mailed-out letter invitation containing information about the process and a link to an online survey worked well. The relatively high response rate is testament to this. However, around 20 calls were received by Global Research from people who required assistance. Some wanted simple questions answered about the process, whereas others sought assistance in completing the survey. For this second group, Global Research staff members were able to complete the survey over the phone. While this will not have overcome all accessibility issues, having a phone option did increase the reach of the survey and this option was taken up by a small but significant number of people. One person who called suggested that it should be stated on the invite that the survey can be accessed from any device type such as phone, tablet or PC. This was assumed, rather than included, and is a good instruction to include.
- > The password protection of the survey preserved the validity of results. Also, passwords could only be used once, so it stopped people biasing their selection options by completing the survey multiple times, or forwarding it to a network, or more than one person in a household completing the survey. The data was checked for violations and there were no signs that passwords had been guessed. While not proven, it is a possibility that the passwords increased response rates because people felt that they had been selected from many, and weren't just part of a mass distribution list.

- > The use of the rule that the next person having a birthday out of those in the household was intended to increase randomness and representation, but this couldn't be enforced.
- > Accessing the online survey via the Global Research website was considered an effective approach. There were very few issues with people not being able to access the appropriate page, or follow the process. In fact, one person contacted Global Research to state that their password didn't work, but we were able to check the data and inform them that they had in fact completed the survey but they had just forgotten.
- > The online survey used high quality software, Qualtrics, which made accessing the survey as simple and pleasant as possible. Key features utilised in this process were: adapted display dependent on the type of device used by the respondent, the ability to include unique passwords, and to start, stop and return to an incomplete survey without losing one's place. The option was also used to prompt completion of each question once, so none were accidentally skipped, however, respondents could then move on without answering. This meant that a respondent could answer all but one or a few questions and still be very useful for the process, which was to ensure that a person who has relatively uncommon demographic characteristics wasn't excluded because they didn't want to answer one of the questions. This is evidenced by respondents who didn't provide their age or gender, but were still selected as Assembly members.

Response rates

- > There was a high response rate from Wellingtonians, being nearly twice what had been estimated. Between 4% and 5% expressions of interest were anticipated, but the final result was a 7.86% response rate.
- > A media release was distributed and some news articles featured the Assembly process and the sortition, which seemed to increase interest and response rates.
- > The high response rate to the expression of interest invitation made it possible to add additional variables to the selection process, and so a second step was added to identify respondents living with a disability and sexual orientations. There were a few things learnt from this refinement of the process.
 - o A quick decision was made to collect this secondary information via an online survey, and this was turned around in less than one week from making the decision, to collecting the final responses. This evidenced the value of agile, decisive, decision making.
 - o This step wouldn't have been required if these variables had been included in the initial invitation. The reason they weren't was that, based on the estimated response rate, it was felt that there were already enough identified variables, and having to consider more in the selection process would have created too much complexity and the selection may not have been effective. One of the principles followed in the initial invitation was to only collect information from the community that was going to be used in the selection process. However, adding a second survey to collect additional sortition selection information is time consuming and requires additional resources, so if possible, ensuring that every necessary variable is included in a first survey is recommended.
 - o Another factor that influenced decision making was that prior to 2023 sexual orientation had not been asked in the New Zealand Census and so there was not an official statistic to model proportions by – 2023 census results were not yet available. This is also the case for *non-binary*, under gender which was included as a census response option for the first time in 2023. With sexual orientation included in

the Census 2023 questions, in future there will be an official statistic to use for modelling.

- Note also that the disability figure used for modelling was not taken from the New Zealand Census but from the 2023 New Zealand Disability Survey. A decision also needs to be made if only New Zealand Census figures will be used to create the population model, or what other data sources will be used.
- In hindsight, a different approach could have been taken and additional variables could have been included. Some variables would only be added to the selection process if a set number of responses was achieved, and those that weren't used could then be used only to compare the demographic profile of those who expressed interest with the total Wellington population. This was effectively what was achieved, but it took two steps rather than potentially one.
- Another factor to consider is that if the initial expression of interest survey is considered too long, or the questions asked not relevant, the initial completion rate may decline.

Inclusion of the suburb variable

- > The suburb variable was included differently to other variables. Instead of selecting sortition members proportional to the Wellington population at the second stage, suburb was a known variable at stage 1 and so was included there. Letters asking for expressions of interest proportionally matched the total number of people living within each suburb. This meant a relatively even and proportional distribution of invitations across the whole city. The expressions of interest that were returned from each suburb were consistent in proportions to the invitations sent. The suburb inclusion in the final selection was then left to pure random selection rather than stratified random selection relative to suburb size. Because there were more suburbs than actual total respondents required, and due to the difficulty in achieving proportionality, it was considered pragmatic to not include suburb as a variable in the sortition selection process, beyond stage one.
 - An alternative approach would have been to group suburbs and so make selection proportional to geographic regions or wards.

The sortition selection process

- > Once the New Democracy: Stratified Random Selection Tool was understood, it was a very effective and efficient selection tool <https://selection.newdemocracy.com.au/>. It saved a significant amount of time and selected respondents in a highly effective, unbiased way. The use of this software, combined with other high-quality survey design and distribution process, was key to success.

Timeframes and expectations

- > It is important to move through each stage as quickly as possible and to be clear with the community about timeframes and keep to those timeframes. Some people put trips away or other activities on hold on the off-chance that they would be selected for the Assembly. This is known because some of those who had made expressions of interest got in touch to enquire about how the process was progressing. To ensure citizens are keen to be involved again in the future, it is important that the experience is as streamlined and as pleasant as possible for participants.
- > Those who were and weren't selected were all contacted. This is good practice to ensure that the community feels valued for their willingness to participate.

Balancing confidentiality and future contact

- > Keeping arm's length between Global Research, the organisation completing the sortition process, and the Council was important for the validity of the process. This ensured that the community was confident that the selection was random and the process was not biased towards people who agreed with Council policies and actions. It was made clear that personal information would not be shared between Global Research and WCC. This was followed closely, but the downside was that the council lost the opportunity to re-engage with a broad range of people who often don't engage with the Council. To overcome this, an option could be made available to select if respondents approved of their contact details and name being passed to the Council so that contact could be made if similar processes were run in the future.
- > In future the privacy statement re data sharing should be closely considered and worded in a way that better balances confidentiality and use. Wellington City Council reported Assembly participants questioning why they needed to complete demographic data for WCC again, and why couldn't the data be sourced from Global Research? Perhaps the confidentiality statement could have stated that personal information of the final assembly members will be shared with WCC, or something similar that was more practical when operationalised. With the privacy statement that was used stating no personal info would be shared, that resulted in WCC having very little information about Assembly members. So thought needs to be put in to ensuring that the confidentiality agreement is worded in the best possible way to reflect how information is actually wanted to be used.

Appendices

Appendix 1: Original and follow up sortition selection profiles

Below is the variable and values list with the minimum and maximum number of respondents for each value, and the actual number selected, for the initial selection of 45 Assembly members and then a replacement 11 Assembly members. This was the information imported into the New Democracy: Stratified Random Selection Tool to select participants. Definitions of factors:

- > **Variable:** the seven variables used to match the Assembly members to the total Wellington population.
- > **Value:** the values of each variable.
- > **# Requested:** the first number is the minimum number to be selected of each value and the second number is the maximum number to be selected.
- > **# Selected:** the actual number selected of each value.

Wave 1: selection of 45 Assembly members

Variable	Value	# Requested	# Selected
Gender_and_age	Male - 16 to 17 years of age	1 – 2	1
	Male - 18 to 24 years of age	3 – 5	3
	Male - 25 to 34 years of age	4 – 6	4
	Male - 35 to 49 years of age	4 – 6	4
	Male - 50 to 59 years of age	3 – 4	3
	Male - 60 to 69 years of age	2 – 3	2
	Male - 70 to 84 years of age	2 – 3	2
	Male - 85 years or older	1	1
	Female - 16 to 17 years of age	1 – 2	1
	Female - 18 to 24 years of age	3 – 5	3
	Female - 25 to 34 years of age	4 – 6	4
	Female - 35 to 49 years of age	4 – 6	4
	Female - 50 to 59 years of age	3 – 4	4
	Female - 60 to 69 years of age	2 – 3	2
	Female - 70 to 84 years of age	2 – 3	3
	Female - 85 years or older	1	1
	Non-binary	1 – 2	1
Ethnicity	Asian	5 – 7	5
	AsianMELAA	1	1
	AsianOther	0 – 1	0
	AsianPacific	1	1
	MELAA	1	1
	NZ European	24	24
	NZ EuropeanAsian	1	1
	NZ EuropeanMELAA	0 – 1	1
	NZ EuropeanOther	1	1
	NZ EuropeanPacific	1	1
	Other	1 – 2	1
	Pacific	2	2
	PacificOther	0 – 1	0
	MaoriPacific	0 – 1	0
	NZ EuropeanMaoriPacific	1	1
	MaoriAsian	0 – 1	0
	MaoriMELAA	0 – 1	0
	NZ EuropeanMaoriOther	0 – 1	0
	MaoriOther	0 – 1	0
	NZ EuropeanMaori	2 – 5	3
	Maori	2 – 3	2

Education	L1 overseas	2	2
	PhD (L10)	1 – 2	2
	Masters (L9)	4 – 5	5
	Degree & Hons (L7 & L8)	15 – 17	15
	Post-school (non-Uni, L4-6)	5 – 7	5
	School qual. (L1-3)	11 – 13	11
Home_ownership	No qualification	3 – 5	3
	Home not owned	17 – 21	18
Family_type	Home owned	24 – 27	27
	Includes dependent children	12 – 14	14
Disability	No dependent children	29 – 33	31
	No	25 – 27	27
	Yes	9 – 11	9
Sexuality	No information	9 – 11	9
	LGBTQ+	3 – 4	4
	Non LGBTQ+	30 – 32	30
	No information	9 – 11	11

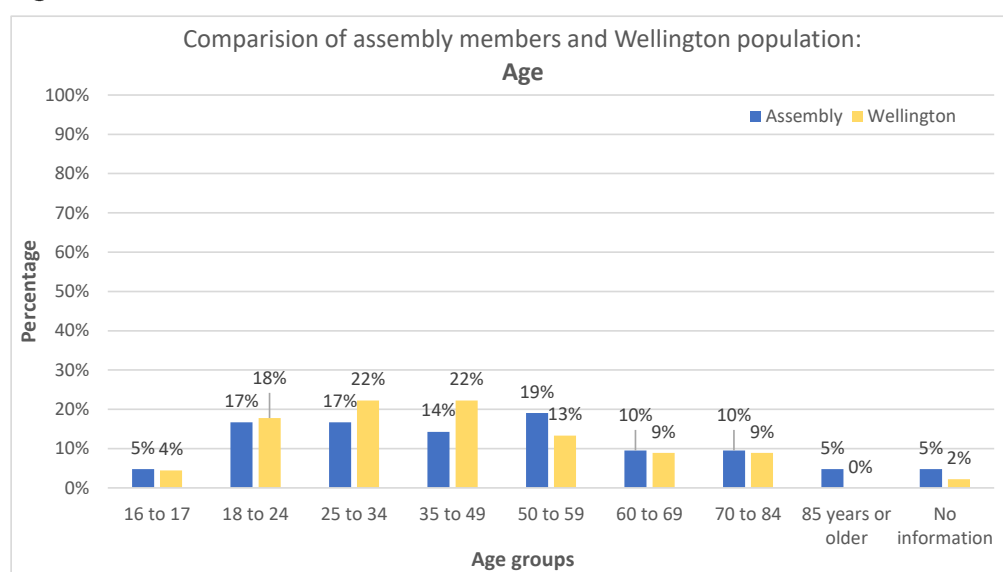
Wave 2: selection of 11 replacement Assembly members

Variable	Value	# Requested	# Selected
Gender_and_age	Male - 18 to 24 years of age	1 – 2	1
	Male - 25 to 34 years of age	1 – 2	1
	Male - 35 to 49 years of age	2 – 4	3
	Male - 60 to 69 years of age	1 – 2	1
	Male - 70 to 84 years of age	1 – 2	1
	Female - 18 to 24 years of age	2 – 3	2
	Female - 25 to 34 years of age	1 – 2	1
	Non-binary	1 – 2	1
Ethnicity	NZ European	5 – 6	6
	NZ EuropeanAsian	1 – 2	1
	NZ EuropeanMaoriPacific	1 – 2	1
	NZ EuropeanMaori	3 – 4	3
Education	Masters (L9)	1 – 2	2
	Degree & Hons (L7 & L8)	3 – 5	3
	Post-school (non-Uni, L4-6)	1 – 2	2
	School qual. (L1-3)	3 – 5	3
	No qualification	1	1
Home_ownership	Home not owned	3 – 5	5
	Home owned	6 – 8	6
Family_type	Includes dependent children	4 – 6	4
	No dependent children	5 – 7	7
Disability	No	5 – 7	5
	Yes	1	1
	No information	3 – 5	5
Sexuality	LGBTQ+	1	1
	Non LGBTQ+	5 – 7	5
	No information	3 – 5	5

Appendix 2: If Wellington City was 42 people: ~ Assembly members compared with target of 45 Wellington City Citizens

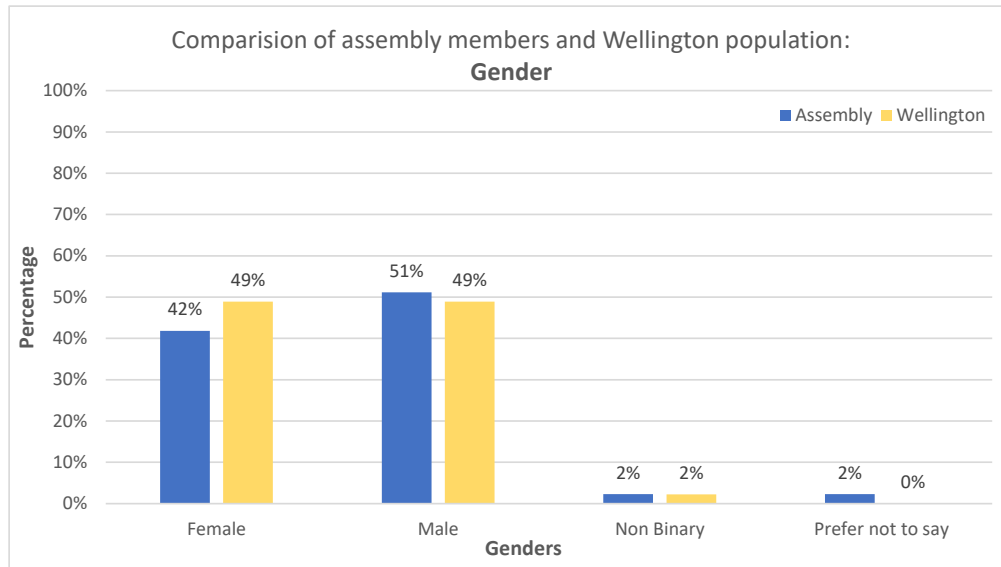
This section contains charts and tables presenting the selected Wellington Citizens' Assembly members. For each variable, the 42 members (final Assembly group size) who have agreed to participate in the Assembly are compared with the profile that was created for the target of 45 Wellington City respondents created by Wellington City Council.

Age



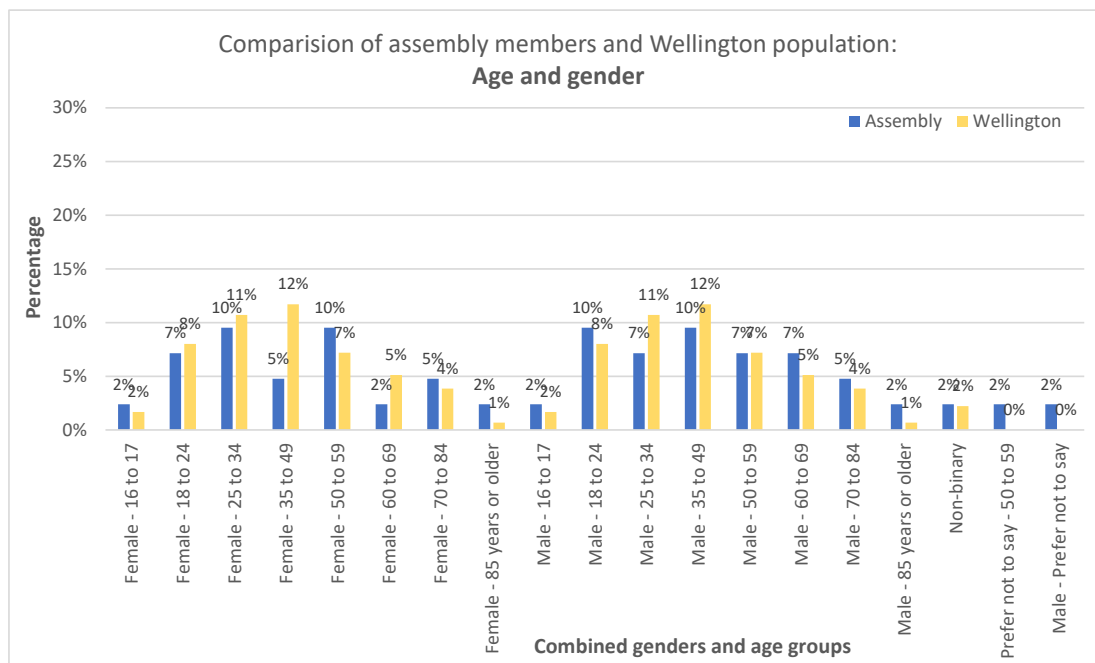
Age	Assembly	Assembly	Wellington	Wellington
16 to 17 years	2	5%	4%	2
18 to 24 years	7	17%	18%	8
25 to 34 years	7	17%	22%	10
35 to 49 years	6	14%	22%	10
50 to 59 years	8	19%	13%	6
60 to 69 years	4	10%	9%	4
70 to 84 years	4	10%	9%	4
85 years or older	2	5%	0%	0
No information	2	5%	2%	1
Total	42			45

Gender



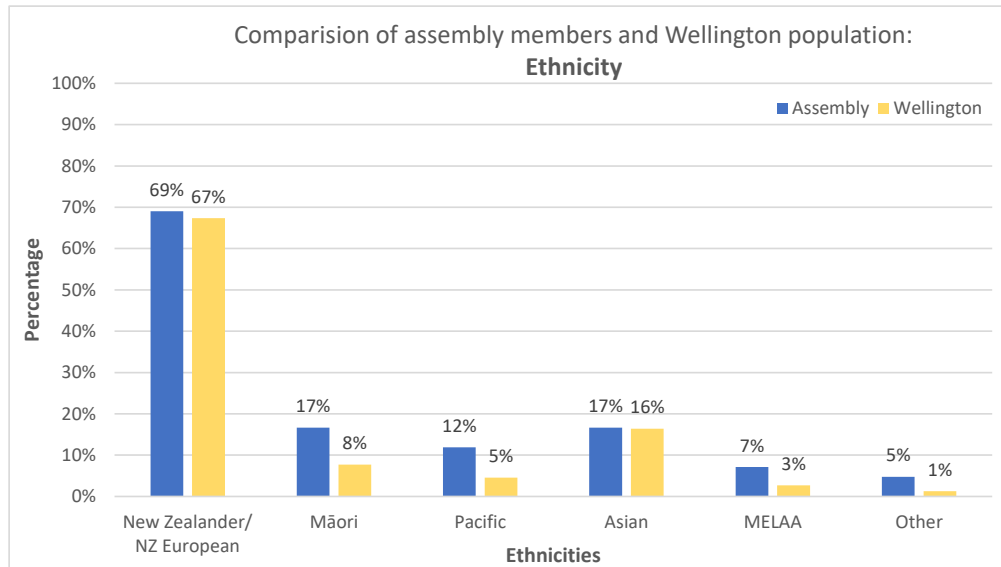
Gender	Assembly	Assembly	Wellington	Wellington
Female	18	42%	49%	22
Male	22	51%	49%	22
Non-binary	1	2%	2%	1
Prefer not to say	1	2%	0%	0
Total	42			45

Age and gender



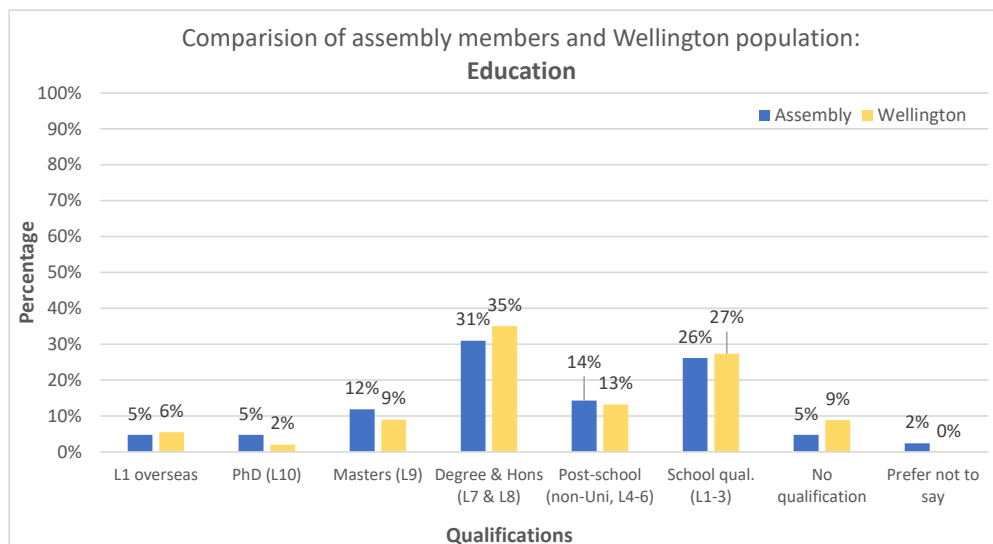
Age and Gender	Assembly	Assembly	Wellington	Wellington
Female - 16 to 17 years	1	2%	2%	1
Female - 18 to 24 years	3	7%	8%	4
Female - 25 to 34 years	4	10%	11%	5
Female - 35 to 49 years	2	5%	12%	5
Female - 50 to 59 years	4	10%	7%	3
Female - 60 to 69 years	1	2%	5%	2
Female - 70 to 84 years	2	5%	4%	2
Female - 85 years or older	1	2%	1%	0
Male - 16 to 17 years	1	2%	2%	1
Male - 18 to 24 years	4	10%	8%	4
Male - 25 to 34 years	3	7%	11%	5
Male - 35 to 49 years	4	10%	12%	5
Male - 50 to 59 years	3	7%	7%	3
Male - 60 to 69 years	3	7%	5%	2
Male - 70 to 84 years	2	5%	4%	2
Male - 85 years or older	1	2%	1%	0
Non-binary - any age	1	2%	2%	1
Prefer not to say - 50 to 59 years	1	2%	0%	0
Male - Prefer not to say	1	2%	0%	0
Total	42			45

Ethnicity



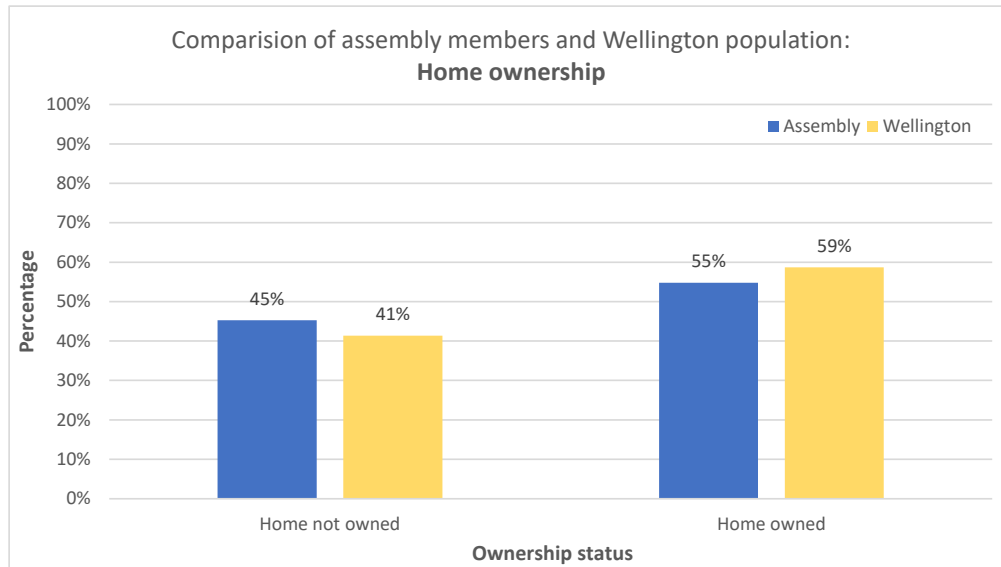
Ethnicity	Assembly	Assembly	Wellington	Wellington
New Zealander/ NZ European	29	69%	67%	30
Māori	7	17%	8%	3
Pacific	5	12%	5%	2
Asian	7	17%	16%	7
MELAA	3	7%	3%	1
Other	2	5%	1%	1
Total	42			45

Education ~ Highest qualification



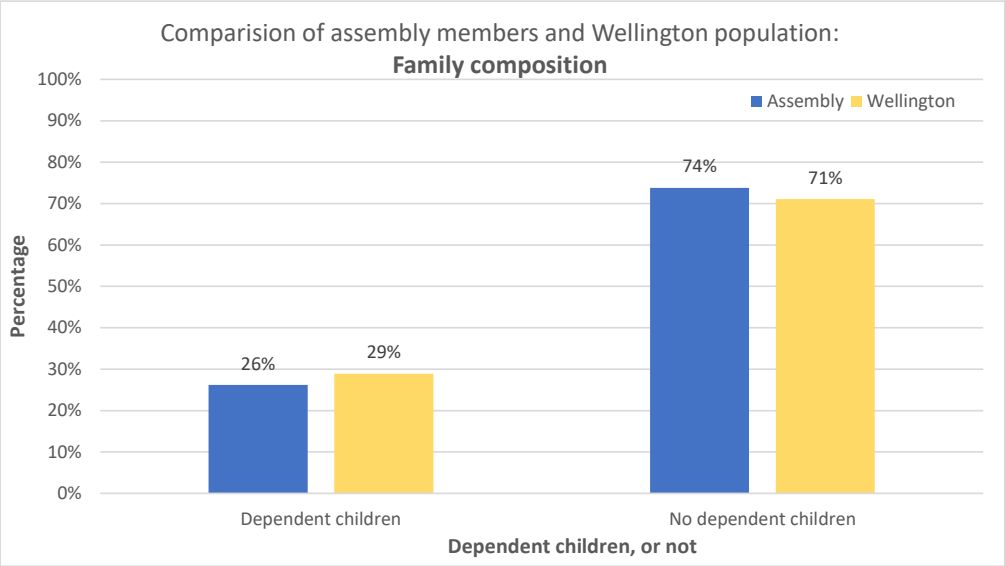
Education	Assembly	Assembly	Wellington	Wellington
L1 overseas	2	5%	6%	2
PhD (L10)	2	5%	2%	1
Masters (L9)	5	12%	9%	4
Degree & Hons (L7 & L8)	13	31%	35%	16
Post-school (non-Uni, L4-6)	6	14%	13%	6
School qual. (L1-3)	11	26%	27%	12
No qualification	2	5%	9%	4
Prefer not to say	1	2%	0%	0
Total	42			45

Home ownership



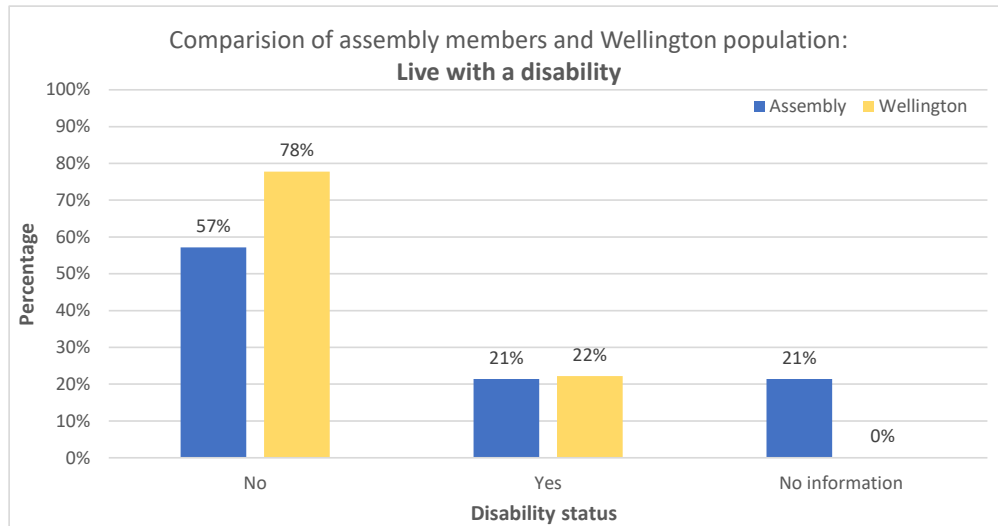
Home ownership	Assembly	Assembly	Wellington	Wellington
Home not owned	19	45%	41%	19
Home owned	23	55%	59%	26
Total	42			45

Family composition



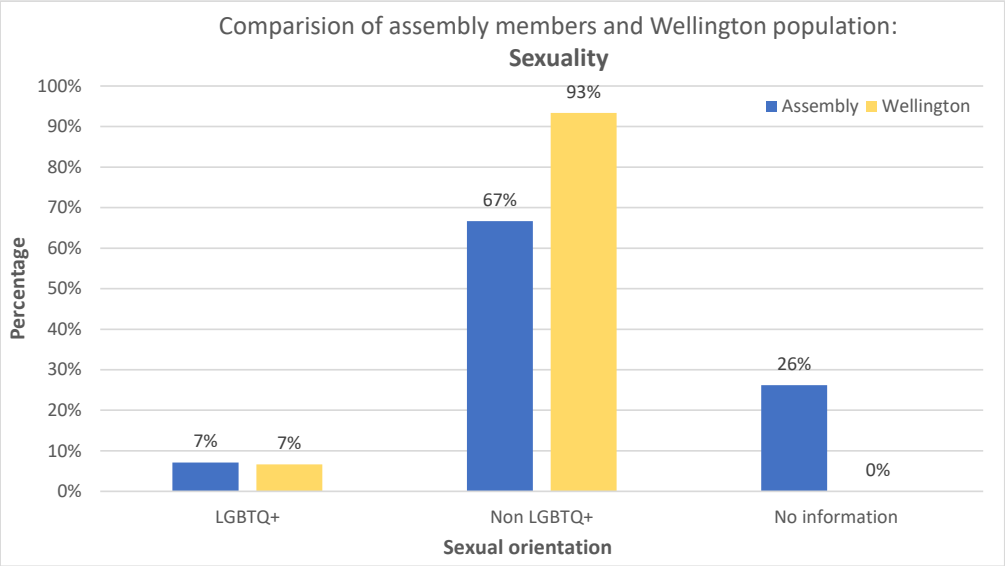
Family composition	Assembly	Assembly	Wellington	Wellington
Total dependent children	11	26%	29%	13
Total no dependent children	31	74%	71%	32
Total	42			45

People living with a disability



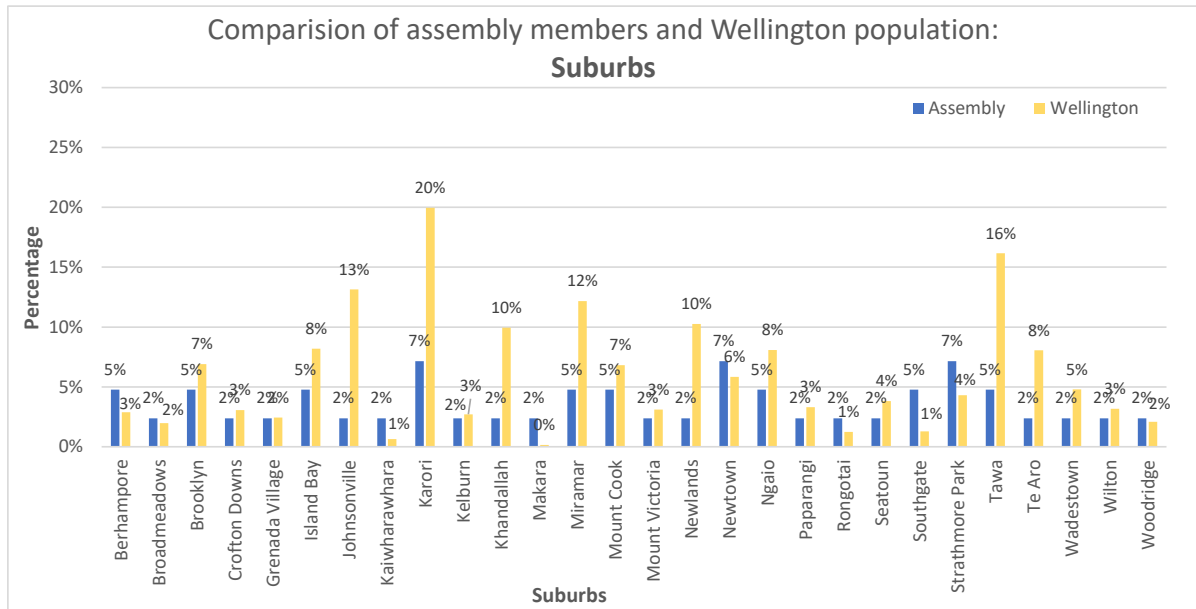
Disability	Assembly	Assembly	Wellington	Wellington
No	24	57%	78%	35
Yes	9	21%	22%	10
No information	9	21%	0%	0
Total	43			45

Sexual orientation



Sexuality	Assembly	Assembly	Wellington	Wellington
LGBTQ+	3	7%	7%	3
Non LGBTQ+	28	67%	93%	42
No information	11	26%	0%	0
Total	42			45

Suburb respondent resides in



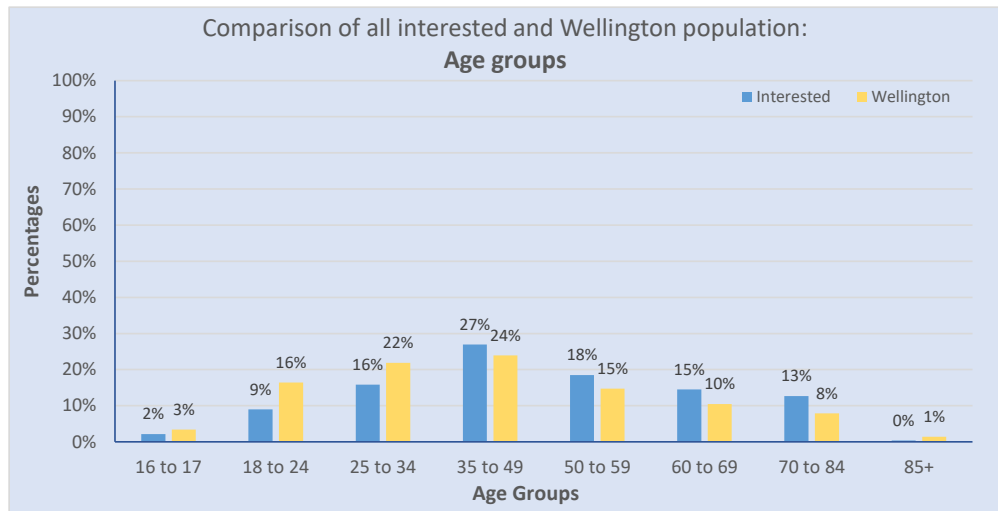
Suburbs	Assembly #	Assembly %	Wellington %	Wellington #
Berhampore	2	5%	3%	1.3
Broadmeadows	1	2%	2%	0.9
Brooklyn	2	5%	7%	3.1
Crofton Downs	1	2%	3%	1.4
Grenada Village	1	2%	2%	1.1
Island Bay	2	5%	8%	3.7
Johnsonville	1	2%	13%	5.9
Kaiwharawhara	1	2%	1%	0.3
Karori	3	7%	20%	9.0
Kelburn	1	2%	3%	1.2
Khandallah	1	2%	10%	4.5
Makara	1	2%	0%	0.1
Miramar	2	5%	12%	5.5
Mount Cook	2	5%	7%	3.1
Mount Victoria	1	2%	3%	1.4
Newlands	1	2%	10%	4.6
Newtown	3	7%	6%	2.6
Ngaio	2	5%	8%	3.6
Paparangi	1	2%	3%	1.5
Rongotai	1	2%	1%	0.6
Seatoun	1	2%	4%	1.7
Southgate	2	5%	1%	0.6
Strathmore Park	3	7%	4%	1.9
Tawa	2	5%	16%	7.3
Te Aro	1	2%	8%	3.6
Wadestown	1	2%	5%	2.2
Wilton	1	2%	3%	1.4
Woodridge	1	2%	2%	0.9
Total	43			45

SUBURBS NO ASSEMBLY MEMBERS WERE FROM

Suburbs	Assembly	Assembly	Wellington	Wellington
Aro Valley	0	0%	2%	0.9
Breaker Bay	0	0%	0%	0.2
Churton Park	0	0%	10%	4.4
Glenside	0	0%	1%	0.4
Grenada North	0	0%	0%	0.1
Hataitai	0	0%	8%	3.6
Highbury	0	0%	1%	0.3
Horokiwi	0	0%	0%	0.0
Houghton Bay	0	0%	1%	0.6
Karaka Bays	0	0%	1%	0.3
Kilbirnie	0	0%	3%	1.4
Kingston	0	0%	2%	0.8
Lyal Bay	0	0%	4%	1.9
Makara Beach	0	0%	0%	0.1
Maupuia	0	0%	2%	0.9
Melrose	0	0%	1%	0.4
Moa Point	0	0%	0%	0.0
Mornington	0	0%	1%	0.7
Ngauranga	0	0%	0%	0.0
Northland	0	0%	5%	2.1
Ohariu	0	0%	0%	0.0
Oriental Bay	0	0%	1%	0.6
Owhiro Bay	0	0%	1%	0.6
Pipitea	0	0%	1%	0.7
Roseneath	0	0%	2%	0.8
Takapu Valley	0	0%	0%	0.0
Thorndon	0	0%	3%	1.4
Vogeltown	0	0%	2%	0.7
Wellington Central	0	0%	3%	1.1

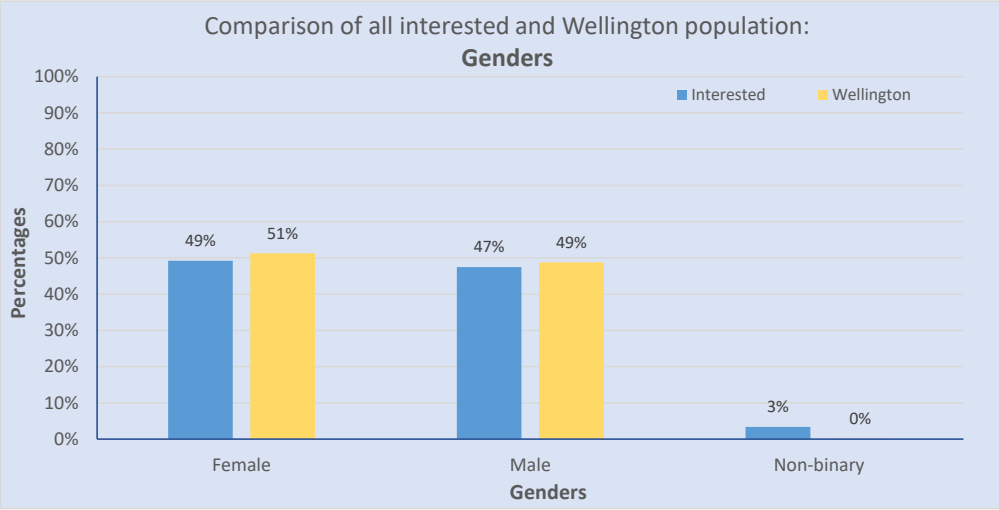
Appendix 3: Those interested in participating, compared to Wellington population

Age groups



Age groups	Interested	Interested	Wellington
16 to 17	16	2%	3%
18 to 24	68	9%	16%
25 to 34	120	16%	22%
35 to 49	204	27%	24%
50 to 59	140	18%	15%
60 to 69	110	15%	10%
70 to 84	96	13%	8%
85+	3	0%	1%

Genders

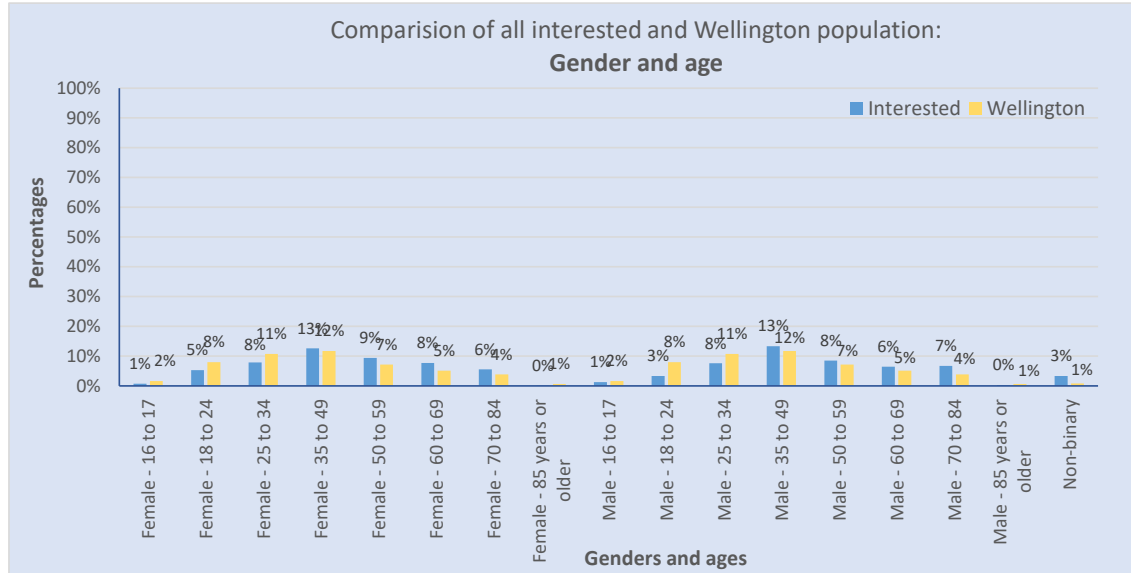


Gender	Interested	Interested	Wellington
Female	384	49%	51%
Male	370	47%	49%
Non-binary	26	3%	0%

NOTE: The gender figures used for modelling were not exactly the same as the 2018 New Zealand Census figures, which were 51% female and 49% male (included above) because up until 2023 only those two options could be selected by respondents. In the 2023 census these response options were included: male, female, another gender (please state).

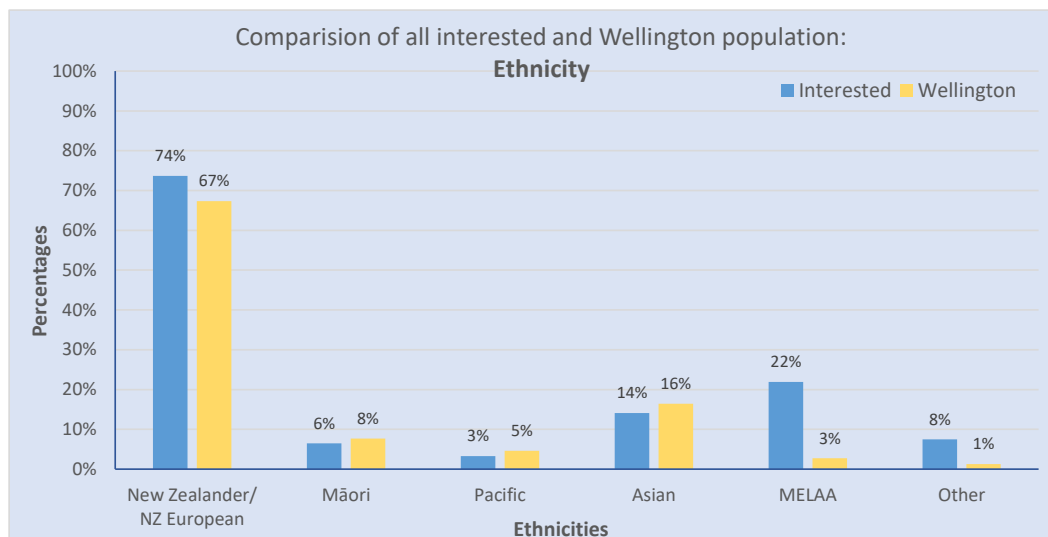
So the percentages above differ slightly from the selection model, which was 49% female, 49% male and 2% non-binary.

Age and gender



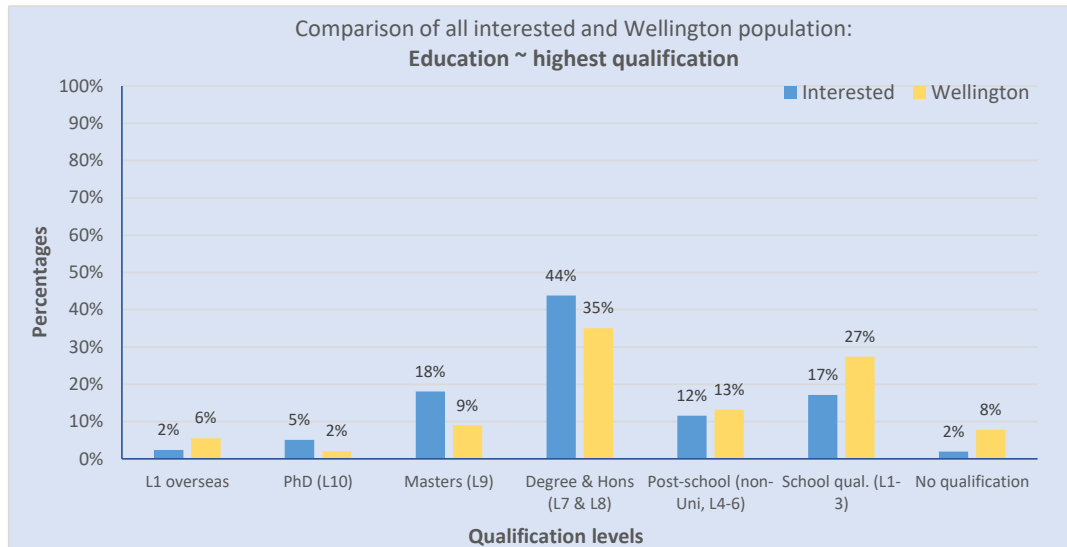
Age and genders	Interested	Interested	Wellington
Female - 16 to 17 years of age	6	1%	2%
Female - 18 to 24 years of age	41	5%	8%
Female - 25 to 34 years of age	61	8%	11%
Female - 35 to 49 years of age	98	13%	12%
Female - 50 to 59 years of age	73	9%	7%
Female - 60 to 69 years of age	60	8%	5%
Female - 70 to 84 years of age	43	6%	4%
Female - 85 years or older	1	0%	1%
Male - 16 to 17 years of age	10	1%	2%
Male - 18 to 24 years of age	26	3%	8%
Male - 25 to 34 years of age	59	8%	11%
Male - 35 to 49 years of age	104	13%	12%
Male - 50 to 59 years of age	66	8%	7%
Male - 60 to 69 years of age	50	6%	5%
Male - 70 to 84 years of age	52	7%	4%
Male - 85 years or older	2	0%	1%
Non-binary	26	3%	1%

Ethnicity



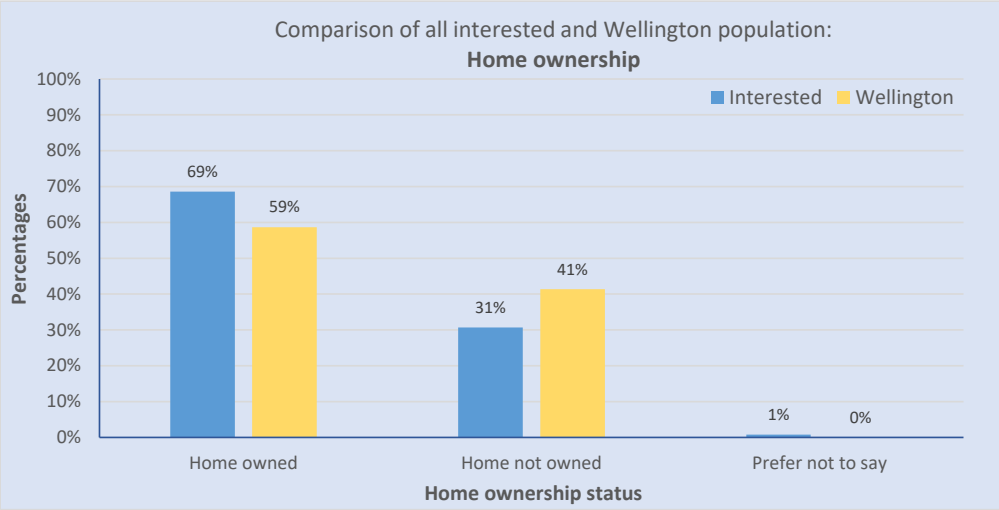
Ethnicity	Interested	Interested	Wellington
New Zealander/ NZ European	579	74%	67%
Māori	51	6%	8%
Pacific	26	3%	5%
Asian	111	14%	16%
MELAA	172	22%	3%
Other	59	8%	1%

Education ~ highest qualification



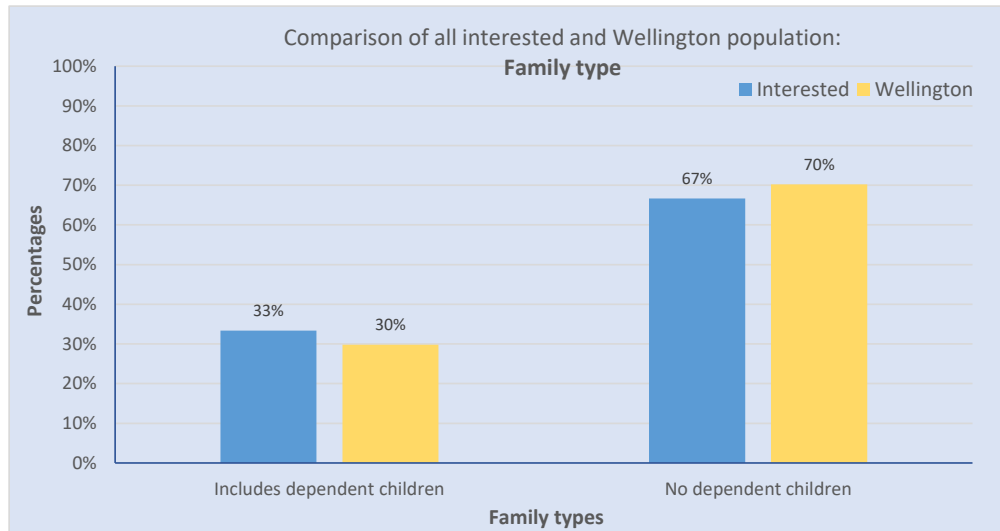
Highest qualification	Interested	Interested	Wellington
L1 overseas	18	2%	6%
PhD (L10)	39	5%	2%
Masters (L9)	139	18%	9%
Degree & Hons (L7 & L8)	337	44%	35%
Post-school (non-Uni, L4-6)	89	12%	13%
School qual. (L1-3)	132	17%	27%
No qualification	15	2%	8%

Home ownership



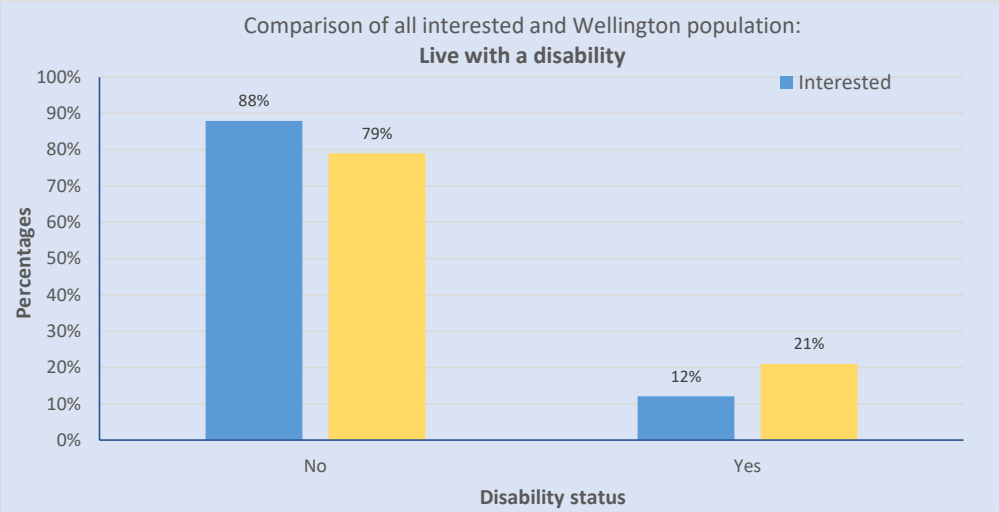
Home ownership	Interested	Interested	Wellington
Home owned	539	69%	59%
Home not owned	241	31%	41%
Prefer not to say	6	1%	0%

Family composition



Family type	Interested	Interested	Wellington
Includes dependent children	262	33%	30%
No dependent children	524	67%	70%

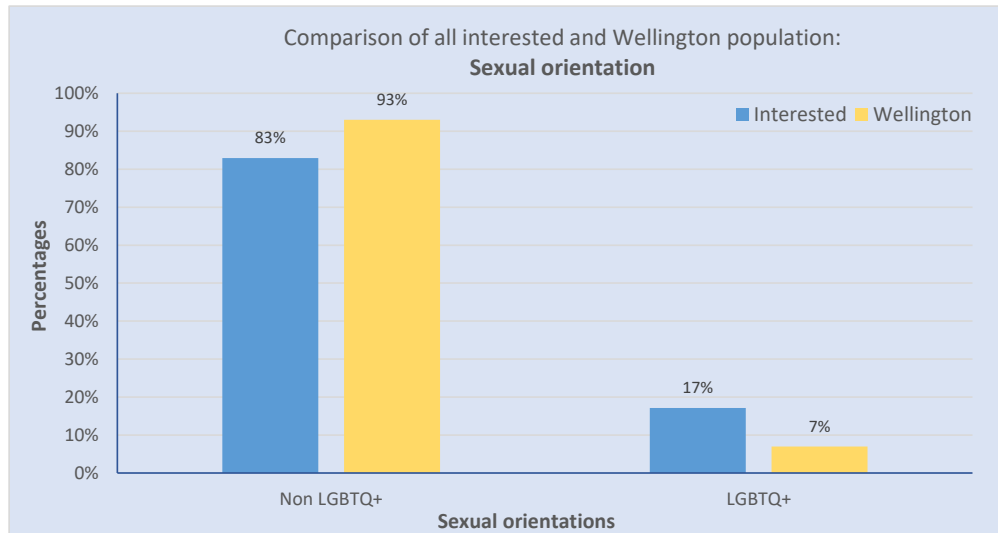
People living with a disability



Disability	Interested	Interested	Wellington
No	532	88%	79%
Yes	73	12%	21%

* No information: 181

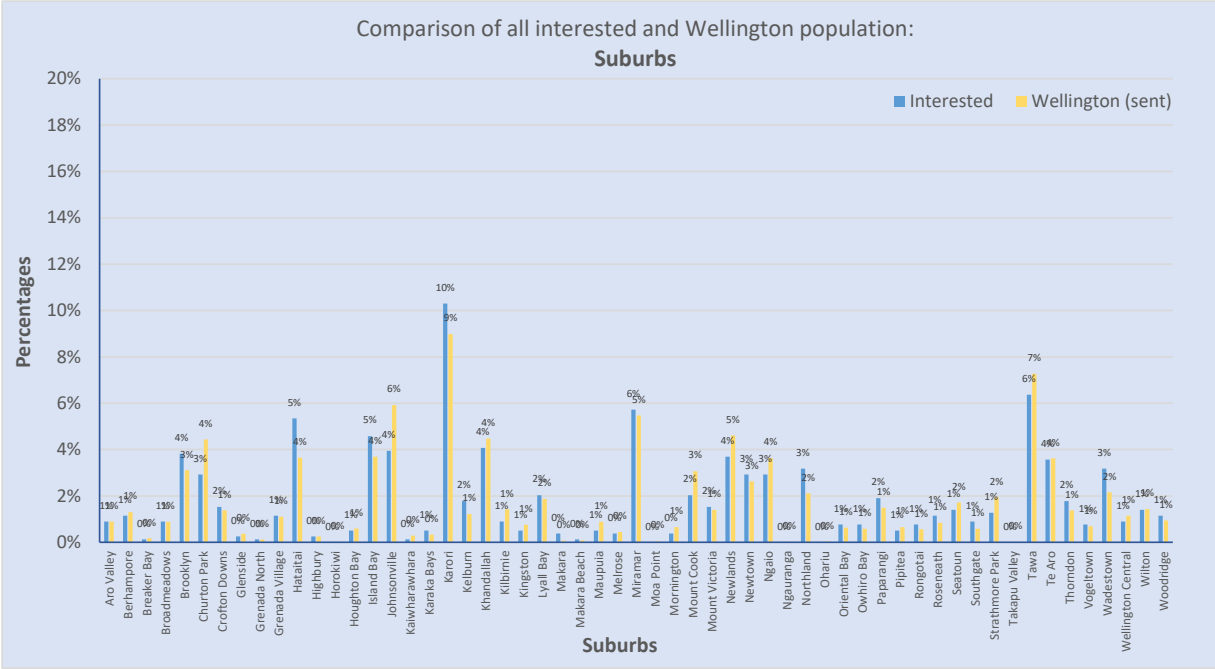
Sexual orientation



Sexual orientation	Interested	Interested	Wellington
Non LGBTQ+	485	83%	93%
LGBTQ+	100	17%	7%

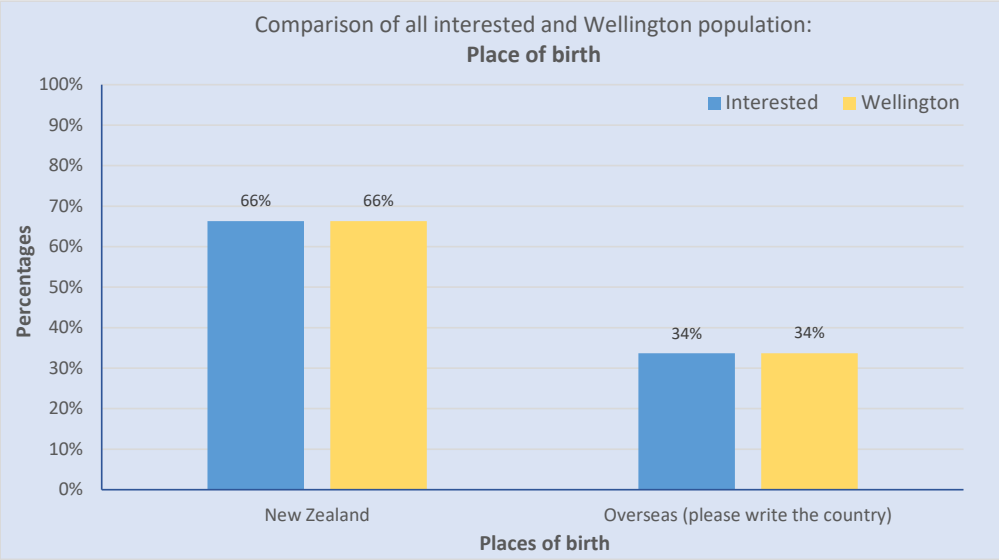
* No information: 201

Suburbs



Suburbs	Interested	Interested	Wellington (sent)	Variation
Aro Valley	7	1%	1%	0%
Berhampore	9	1%	1%	0%
Breaker Bay	1	0%	0%	0%
Broadmeadows	7	1%	1%	0%
Brooklyn	30	4%	3%	1%
Churton Park	23	3%	4%	-2%
Crofton Downs	12	2%	1%	0%
Glenside	2	0%	0%	0%
Grenada North	1	0%	0%	0%
Grenada Village	9	1%	1%	0%
Hataitai	42	5%	4%	2%
Highbury	2	0%	0%	0%
Horokiwi	0	0%	0%	0%
Houghton Bay	4	1%	1%	0%
Island Bay	36	5%	4%	1%
Johnsonville	31	4%	6%	-2%
Kaiwharawhara	1	0%	0%	0%
Karaka Bays	4	1%	0%	0%
Karori	81	10%	9%	1%
Kelburn	14	2%	1%	1%
Khandallah	32	4%	4%	0%
Kilbirnie	7	1%	1%	-1%
Kingston	4	1%	1%	0%
Lyal Bay	16	2%	2%	0%
Makara	3	0%	0%	0%
Makara Beach	1	0%	0%	0%
Maupuia	4	1%	1%	0%
Melrose	3	0%	0%	0%
Miramar	45	6%	5%	0%
Moa Point	0	0%	0%	0%
Mornington	3	0%	1%	0%
Mount Cook	16	2%	3%	-1%
Mount Victoria	12	2%	1%	0%
Newlands	29	4%	5%	-1%
Newtown	23	3%	3%	0%
Ngaio	23	3%	4%	-1%
Ngauranga	0	0%	0%	0%
Northland	25	3%	2%	1%
Ohariu	0	0%	0%	0%
Oriental Bay	6	1%	1%	0%
Owhiro Bay	6	1%	1%	0%
Paparangi	15	2%	1%	0%
Pipitea	4	1%	1%	0%
Rongotai	6	1%	1%	0%
Roseneath	9	1%	1%	0%
Seatoun	11	1%	2%	0%
Southgate	7	1%	1%	0%
Strathmore Park	10	1%	2%	-1%
Takapu Valley	0	0%	0%	0%
Tawa	50	6%	7%	-1%
Te Aro	28	4%	4%	0%
Thorndon	14	2%	1%	0%
Vogeltown	6	1%	1%	0%
Wadestown	25	3%	2%	1%
Wellington Central	7	1%	1%	0%
Wilton	11	1%	1%	0%
Woodridge	9	1%	1%	0%

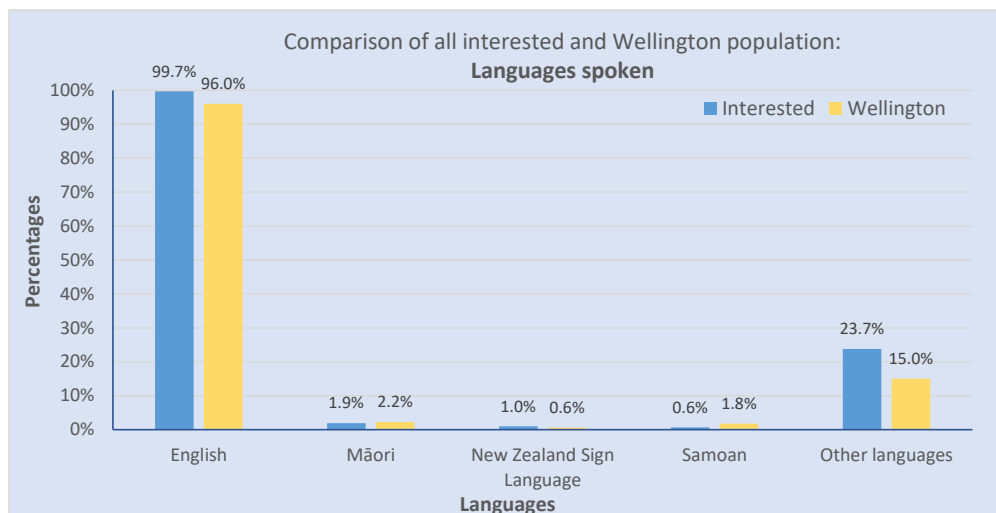
Place of birth



Place of birth	Interested	Interested	Wellington
New Zealand	408	66%	66%
Overseas	207	34%	34%

* No information: 171

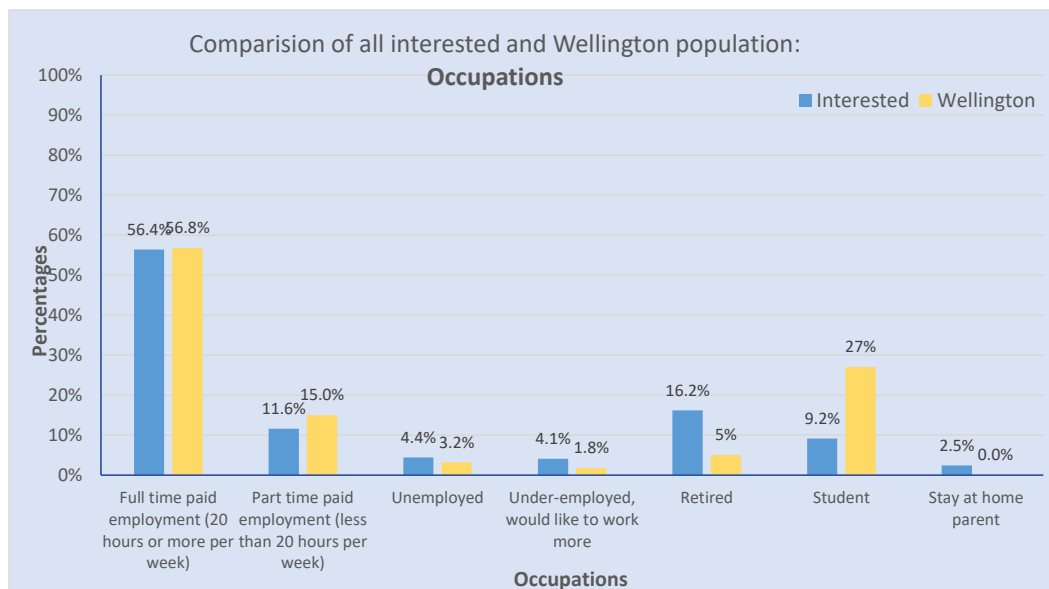
Languages spoken



Languages spoken	Interested	Interested	Wellington
English	617	99.7%	96.0%
Māori	12	1.9%	2.2%
New Zealand Sign Language	6	1.0%	0.6%
Samoan	4	0.6%	1.8%
Other languages	147	23.7%	15.0%

* No information: 167

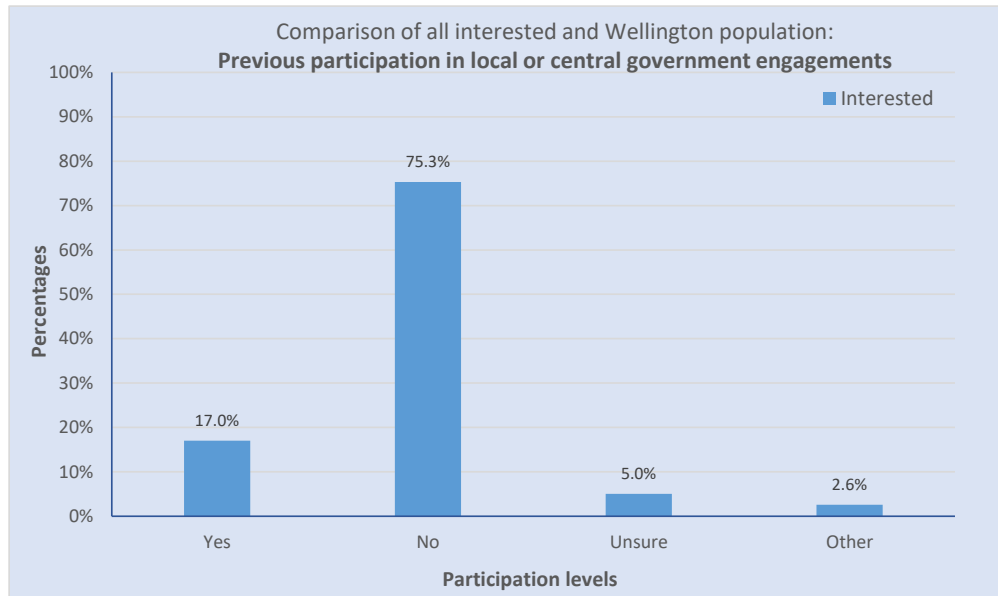
Occupation



Occupation	Interested	Interested	Wellington
Full time paid employment (20 hours or more per week)	345	56.4%	56.8%
Part time paid employment (less than 20 hours per week)	71	11.6%	15.0%
Unemployed	27	4.4%	3.2%
Under-employed, would like to work more	25	4.1%	1.8%
Retired	99	16.2%	5%
Student	56	9.2%	27%
Stay at home parent	15	2.5%	—

* No information: 174

Previous engagement and consultation participation



Participation in local or central government	Interested	Interested
Yes	105	17.0%
No	464	75.3%
Unsure	31	5.0%
Other	16	2.6%

* No information: 170

Demographic profile: If Wellington City was 45 people

This was the target population profile that the sortition selection was informed by.

Total Group size		45
Breakdown age/sex	Percentage	Number
Males		22
16 to 17	3%	1
18 to 24	16%	4
25 to 34	22%	5
35 to 49	24%	5
50 to 59	15%	3
60 to 69	10%	2
70 to 84	8%	2
85+	1%	0
Female		22
16 to 17	3%	1
18 to 24	16%	4
25 to 34	22%	5
35 to 49	24%	5
50 to 59	15%	3
60 to 69	10%	2
70 to 84	8%	2
85+	1%	0
Non-binary		
Any age	1	2

Across these age/sex groups above would be looking for approximately the following number for:		
Ethnicity	Percentage	Number
New Zealander/ NZ European	67%	30
Māori	8%	3
Pacific	5%	2
Asian	16%	7
MELAA	3%	1
Other	1%	1
Education	Percentage	Number
L1 overseas	6%	2
PhD (L10)	2%	1
Masters (L9)	9%	4
Degree & Hons (L7 & L8)	35%	16
Post-school (non-Uni, L4-6)	13%	6
School qual. (L1-3)	27%	12
No qualification	8%	4
Home ownership	Percentage	Number
Home not owned	41%	19
Home owned	59%	26
Family types	Percentage	Number
Total dependent children	30%	13
Total no dependent children	70%	32

Appendix 4: Guiding principles, informed by academic literature

A brief literature search was completed to inform a best practice approach for Wellington's first sortition process. A 2003 article by Gąsiorowska¹ provided good overall guidance and described principles to follow to ensure a robust and high-quality outcome was achieved. Key principles for an effective sortition process were identified in the article. These have been adapted for the WCC process below:

- > **Randomness**—the sample should be as random as possible, while attempting to overcome these unavoidable limitations as well as possible:
 - o **Incomplete register**—Those not included on a WCC rates database were excluded, so additional selection approaches were also required to ensure as many Wellingtonians as possible had a chance to participate.
 - o **Self-selection**—Participation was voluntary, and the invited citizens could choose to not participate; consequently, the selected group was not a completely random cross-section of the population, and based on academic research, was likely be more politically active and more highly educated than the general population.
 - o **Stratified sampling**—Because simple random selection can lead to underrepresentation of minority groups, stratified sampling instead of simple sampling was used. This is linked with the need to provide not only a random selection, but also an LTP Assembly which represents the community.
- > **Representation**—the aim was for the participant group to be a cross-section of the population, considering various demographic characteristics such as sex, age, ethnicity, and any other characteristics WCC wanted to identify within the population (that robust population-wide data is available for).
 - o It was not practically possible to achieve the desired quotas by randomly selecting from the whole population, as an impractically high number of potential respondents would need to be invited, so a targeted approach was required.
 - o It is estimated that between 2-5% of the population was likely to agree to participate in the LTP process based on previous similar initiatives, so a two-step selection process was required. The first step was to identify within the total population a pool of people who meet the demographic criteria. The second step was selecting the proportions of respondents from the first group who met the target demographic criteria.
 - o Oversampling of some target groups wasn't required to ensure that the desired diversity is achieved.
- > **Equality**—the aim was to ensure Wellingtonians have an equal chance of being chosen to participate. This was achieved by using random selection methods from population cohorts that are as comprehensive as possible.

¹ Gąsiorowska, A., (2003) "Sortition and its Principles: Evaluation of the Selection Processes of Citizens' Assemblies", Journal of Deliberative Democracy 19(1). doi: <https://doi.org/10.16997/jdd.1310>

- > Not that due to social inequalities, equality of outcomes could not be guaranteed during the selection process. This is another reason why oversampling was used to ensure the representation of traditionally underrepresented populations. This will be achieved at the first selection stage, by ensuring that each population subgroup of respondents that agree to participate is proportionally the same as the total population, even if this requires greater effort to meet the quota for some groups.

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Global Research
Turning **Information** Into **Insight**

**Nau mai,
haere mai
ki te**

**Citizens'
Assembly
Long-term
Plan 2024–34**

A warm welcome to



Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke



Nau mai, haere mai! **Welcome**

We are delighted to welcome you to Wellington City Council's Citizens' Assembly for the Long-term Plan 2024-34.

Thank you for showing interest and being willing to commit your time to this important work – we really appreciate it. We received over 785 Expressions of Interest to take part, and you are one of only 40 Wellingtonians randomly selected to be part of this diverse and representative group.

The Citizens' Assembly represents a new way of engaging with the community and gives Wellingtonians an opportunity to have more influence on Council decisions. We are really looking forward to meeting you and working through some important challenges together.

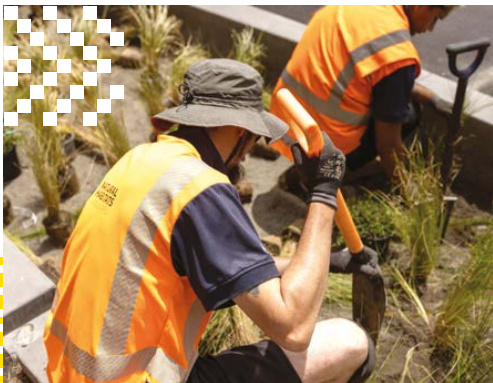


4

What's in this pack?

This information pack will answer many of the questions you might have and will be a helpful guide for you throughout this Citizens' Assembly journey. We are available to answer any other questions you can't find the answers to here.

Ngā wā, ngā rā me ngā wāhi o ngā hui Whakaemi Kirirarau	6
Times, dates and location of the Citizens' Assembly hui	
He whakatakinga ki Te Kaunihera o Te Whanganui-a-Tara	10
An introduction to Wellington City Council – Te Kaunihera o Pōneke	
Ngā ratonga ā Te Kaunihera o Whanganui-a-Tara	14
The services Wellington City Council – Te Kaunihera o Pōneke provides	
Mō te Tō mātou mahere ngahuru tau 2024–34	22
About the Long-term Plan 2024–34	
Whakapā mai	26
How to contact us	



5

So, what happens next?

- Read this information pack**
We are happy to answer any questions you have about the information in this pack or the Citizens' Assembly. See our contact details below or at the back of this pack.
- Come along to the first online 'meet and greet'**
This first online 'meet and greet' hui (meeting) will be held on **13 September 2023** (times to be confirmed) – this is **optional** and will give you the chance to ask any questions you may have, meet the team running the Citizens' Assembly, and meet some of the other participants. See 'More information about the venues' (page 6) for support using Zoom.
- Reach out to us if you need anything**
You should have already received a phone call from one of our team to discuss any queries and concerns you may have, confirm your dietary requirements, and check any access needs.
If you haven't heard from us, please let us know. If there is anything else you need, please contact us any time.

Email us at citizensassembly@wcc.govt.nz
Phone, text or WhatsApp us on **021 224 5368**

Ngā wā, ngā rā me ngā wāhi o ngā hui Whakaemi Kirirarau

Times, dates and location
of the Citizens' Assembly hui

When and where will the Citizens' Assembly meet?

The Citizens' Assembly will meet six times in total – two online and at four in-person hui. Please keep all of these dates free, as your experience and the results of the Citizens' Assembly will be best when you can come to all of the hui. If you're not sure that you can make a date, please let us know as soon as you can.

- **Wednesday 13 September**
Meet and greet' optional online hui
 - Times to be confirmed
 - To join, go to zoom.us/join and type in the Meeting ID 275 206 9599
- **Saturday 16 September**
First in-person hui
 - 10am–2.30pm
 - two/fiftyseven
Level 2, 57 Willis Street, Wellington
- **Saturday 23 September**
Second in-person hui
 - 10am–4pm
 - two/fiftyseven
Level 2, 57 Willis Street, Wellington
- **Wednesday 27 September**
Mid-way online hui
 - Times to be confirmed
 - To join, go to zoom.us/join and type in the Meeting ID 275 206 9599
- **Saturday 30 September**
Third in-person hui
 - 10am–4pm
 - two/fiftyseven
Level 2, 57 Willis Street, Wellington
- **Saturday 7 October**
Fourth and final in-person hui
 - 10am–4pm
 - two/fiftyseven
Level 2, 57 Willis Street, Wellington

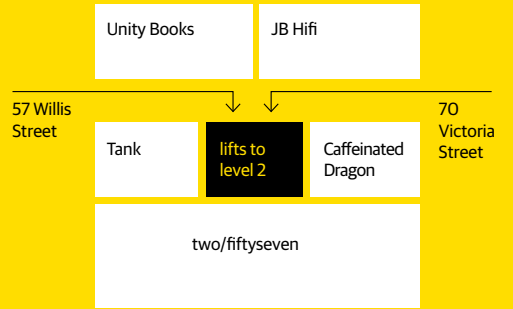
More information about the venues

Accessibility and meeting your needs

The venue is physically accessible – this means if you use a wheelchair, walker, or other mobility aid, you will be able to enter the building and access all areas of the building that you need to access. There will be spaces available to take a break, pray, breastfeed, and for any other needs you may have. Contact us at any time to discuss access needs.

How to find the venues easily

two/fiftyseven is located on Willis Street and is opposite Shoe Clinic. It is the big building with FINDEX Wellington on – you can enter through the glass sliding doors to the right of Unity Books. On the right of the corridor, you will find the lifts to take to level 2.



Getting to the events

We encourage you to take public transport to the event, but if you need to park, you can use Wilson Parking at **50-60 Boulcott Street** and **80 Boulcott Street** or **Secure Parking** at **39 Boulcott Street**. During our call, we will discuss your specific transport costs and needs.

Using Zoom for online hui

Online hui will be held via Zoom. If you need help using Zoom, please contact us and we will support you.

What is a citizens' assembly?

Citizens' assemblies are a form of deliberative democracy – this means they focus on shared discussion and decision-making. Citizens' assemblies are being used successfully around the world and bring together diverse groups who represent the population of a particular area (in this case, Wellington). They provide the opportunity to think about, discuss, and make an informed decision on a complex topic where there is a lot of public interest. The focus is not on finding a perfect solution, but finding a position everyone in the group can broadly agree on or live with.

What is the Long-term Plan Citizens' Assembly?

This Citizens' Assembly focuses on the Council's 10-year plan and budget which is being developed and will be finished in June 2024. As a group, you will be asked to give a collective view about which Council services should be prioritised over the next 10 years, balancing community benefits with the cost of delivering these services.



Wellington City Council

Citizens' Assembly Long-term Plan 2024

What will happen in each hui?

- **Optional online 'meet and greet' hui**
 - Get to know each other
 - Hear a brief introduction to the process
 - Time for a Q&A
- **First in-person hui**
 - Introduction to the purpose of the Citizens' Assembly
 - Build connections with each other
 - Hear from a range of subject matter experts
 - Agree on some rules/tikanga for the next three hui
- **Second in-person hui**
 - Understand the different perspectives of participants
 - Have conversations with a range of subject matter experts and identify other people you would like to hear from
 - Start the process of exploring common ground
 - Consider how to communicate findings to Councillors
- **Second online hui**
 - Q&A with experts (this session will be recorded to listen to at a later date if you can't attend)
- **Third in-person hui**
 - Further Q&A with subject matter experts
 - Clarify group perspectives and build common ground
 - Clarify and develop findings for Councillors
- **Fourth in-person hui**
 - Continue to clarify and develop findings for Councillors
 - Write up the findings and agree clear wording
 - A ceremony to hand the conclusions to the Council
 - Feedback on your experience of the process

Who will be running the hui?

The hui will be led by Tihou and Anne, two experienced and friendly facilitators who do not work for Wellington City Council. The reason we have chosen facilitators who are external to the Council is because they are not involved in day-to-day Council work and they focus on running a fair process that considers all perspectives.



Anne Cunningham
Anne (she/her) has been working in public participation for almost 30 years. Her work started in the context of place-based change in Scotland, shortly after the formation of the Scottish Parliament. She has worked on a diverse range of projects – often facilitating hard conversations, designing processes that respond to challenging dynamics, or providing training and supervision for engagement specialists. In Anne's current work, she continues to explore how our relationship with place influences how we do public participation.



Tihou Weepu
Tihou (he/him) carries a decade of facilitation experience, starting with guiding young Māori aged 16-30 in capacity building. His recent work centers on fostering equitable outcomes in communities, collaborating across agencies and organisations. Tihou's journey includes diverse projects, often in diverse groups, where he designs engagement processes to promote shared understanding and contribution. He was born and raised in the Wellington region, but has spent the last decade in Hokitika and recently moved back to Wellington to focus on a few projects he has in the public service where he works as a coach, facilitator and programme coordinator.

As well as Tihou and Anne, some staff from Wellington City Council and the venue will be there to help out and make sure everyone is well-fed and looked after.



Is this process comfortable and fair? How will we make sure every person is heard?

The process has been designed to make sure that everyone has a fair chance to contribute. There will be lots of ways to share your opinions during the hui. We know that some people like to think out loud, whereas others prefer more time to think through their ideas, and we will make time for both. Most of the time during the hui, you will be chatting and working in small groups. What's most important to us is you feel able to share during the hui. However, you will probably find the process challenging at times too as you will hear from others whose opinions may be different from your own. Although opinions may differ, our facilitators always make sure that they create a space that is respectful and safe.

What happens if I need to take a break during a hui?

The venue will have areas for taking a break, which you are free to use at any time, for any reason. Throughout the hui, we encourage you to do what you need to do to be comfortable – having some kai or a cuppa, going to the bathroom, or having a breather. We will support you in any way that we can.

What should I wear?

Whatever feels comfortable to you. There is no dress code. You don't need to dress formally unless you'd like to.

Who else will be in the Citizens' Assembly?

The Citizens' Assembly participants have been deliberately selected by a third-party organisation to make sure they represent our city, so this means the Citizens' Assembly will be made up of a diverse group of roughly 40 people.

Do I need to have knowledge of the topic to take part?

You don't need any special knowledge to take part. Members of the Citizens' Assembly will be presented with information to allow for an informed discussion. This process is about building your knowledge and coming to your own conclusions so you can advise Councillors – you will be able to ask for the information you need to do this. Equally important is that everyone will bring their own perspective and experience to the discussions.

When will I receive the reimbursement?

You will receive an \$800 gift card at the end of the four hui, and you will need to have attended each one to receive the card. Unfortunately, we won't be able to provide partial payment for attending some hui unless there are really special circumstances. Please chat to us if you have any questions about this.

What happens if I am contacted by the media?

We know it's important that participants in Citizens' Assemblies don't talk to the media during the process of the assembly. This is to protect people's privacy and the space for effective deliberation and discussion. We know there will be media interest but we will manage that on your behalf – if a journalist contacts you, you can suggest they email media@wcc.govt.nz. You are more than welcome to talk to the media once the Citizens' Assembly process is complete.

He whakatakinga ki Te Kaunihera o Te Whanganui-a-Tara

An introduction to Wellington City Council – Te Kaunihera o Pōneke

Local government versus central government

Local government organisations, such as Wellington City Council, focus on issues and opportunities specific to local areas, like cities or districts. Central government, on the other hand, focuses on broader issues that impact all New Zealanders.

There are two types of local government organisation: **territorial authorities** (for example, Wellington City Council) and **regional councils** (for example, Greater Wellington Regional Council). There is sometimes an understandable confusion between the services provided by Wellington City Council and Greater Wellington Regional Council. Below, you can see an example of the different services offered by these two organisations (services provided by Wellington City Council are explored in more detail on page 14).

Wellington City Council	Greater Wellington Regional Council
Community services, like libraries and recreation centres	Regional parks and forests
Regulatory services, like building consents and rates collection	Environmental monitoring and research
Environmental services, like landfill sites and rubbish collection	Co-ordinating Metlink buses and trains



About the Councillors and the Mayor

Every three years, there are 15 people elected as Councillors and one elected as Mayor. Together, these 16 people represent the city's residents and ratepayers in the Council. They have the job of shaping the city and working with the community. Additionally, two representatives of our Tā kai Here partners, Liz Kelly and Holden Hohaia, are appointed to Council committees and have voting rights for the 2022-2025 triennium (Tā kai Here is our partnership agreement with local iwi).

Residents in Tawa and in Mākara/Ōhāriu also vote to elect six members to their local community board. Since 2022, voters on the Māori roll were able to vote in the new Māori ward.

The Mayor and Councillors are responsible for things like preparing and adopting the Long-term Plan, setting rates and considering the views of the community.

Together with Māori

Working with our Tā kai Here Partners

Through the signing of Tā kai Here (the Council's partnership agreement with local iwi), we have forged stronger iwi partnerships in Te Whanganui-a-Tara. This partnerships agreement allows for a stronger governance relationship and sets out the principals, values, and priorities for the way in which we work together. The signing of the document took place 182 years to the day that Te Tiriti o Waitangi was signed in Te Whanganui-a-Tara, acknowledging the creation of a new partnership. Through Tā kai 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

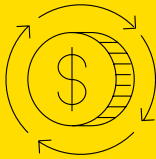
We acknowledge Te Tiriti o Waitangi

We recognise that Te Tiriti o Waitangi forms the underlying foundation of the Council's relationships with Māori, and that the Council acts in accordance with Te Tiriti o Waitangi principles.



Wellington City Council

Citizens' Assembly Long-term Plan 2024



How the Council funds services

Wellington City Council raises money **via rates, user charges** (for example, swimming pool charges, venue hire), **fees and licences** (for example, alcohol licence), **leases** (in other words, renting out spaces or buildings), **subsidies** and **grants** from central government, **development contributions** (charges on developers to help fund roads or other infrastructure), and **borrowing**.

To decide how to fund services, the Council **takes each service we deliver** (see these on page 14), **identifies how the service benefits the community**, and **decides how to pay** for this service. To decide how to pay for the service, the Council can ask, 'Is it for public good (everyone can use it, like a footpath) or for private good (something that you can pay for and use as an individual, like venue hire)?'. The Council also considers whether a service should be paid for now by ratepayers or through borrowing money, which will be paid off over a long period by future generations.

This process of deciding what to fund and how happens through the decisions the Councillors make in the Long-term Plan – these decisions are informed by a range of information, for example from community feedback, subject matter expert guidance, our existing strategies and priorities, and financial planning.

More resources about rates



You can view a short video about rates here
wcc.nz/rates-video



You can read more about rates here
wcc.nz/where-your-rates-go



Ngā ratonga ā Te Kaunihera o Whanganui-a-Tara

The services Wellington City Council – Te Kaunihera o Pōneke provides

This information provides an introduction to the services that the Council provides and how much they cost.

Operating costs means the everyday cost of keeping these services running. **Non-rates revenue** is the money the Council makes when the public pay to use the service. **Operating grants** is money paid to support a Council-controlled organisation like Wellington Zoo or WellingtonNZ.

Note, all costs are approximate and based on 2023/24 Annual Plan



Arts and culture

Our city is recognised as the cultural capital of New Zealand. This is reflective of the presence of national arts organisations in the city, funding support from the Council, the sense of a supportive citizenry, and a reputation for edgy and interesting arts in the city.

Examples	Cost
• Free public events (for example, Matariki, New Years' Eve celebrations)	\$27m operating costs and grants
• Funding community events (for example, Khandallah Fair)	\$1m non-rates revenue
• Funding the Wellington Museums' Trust	

Building and development

By regulating building and developments we ensure buildings are safe and do not threaten environmental quality or public health. We also ensure developments are safe, sustainable and meet public expectations. This activity group summary also includes the Council's public health regulatory roles.

Examples	Cost
• Building consents	\$40m operating costs
• Resource consents	
• Assessing earthquake-prone buildings	\$23m non-rates revenue
• Food and alcohol licencing	
• Dog registration	



Conservation organisations

The Wellington Zoo Trust and Zealandia Te Māra a Tāne (Karori Sanctuary Trust) are both Council-controlled Organisations (CCOs) and are part-funded by the Council.

These places tell stories about our past and our special wildlife. They attract visitors to our city and inform and educate about conservation and biodiversity. They play a key role in the conservation of biodiversity of our city and beyond.

Examples	Cost
• Investment that supports the Wellington Zoo to attract visitors and inform and educate about the importance of conservation and biodiversity	\$9m operating grants paid by the Council
• Investment that supports Zealandia to attract visitors, educate, and protect flora and fauna, improving biodiversity for the benefit of our natural environment	

Parking

The Council manages on-street parking and enforcement services across both the city and surrounding suburbs that allow people to have reasonable access to primarily on-street parking to shop, access businesses and access recreation activities in line with the objectives of the 2020 Parking Policy.

Examples	Cost
• Enforce metered public parking spaces	\$20m operating costs
• Support events that take place across the city through the provision of dedicated parking enforcement	\$41m non-rates revenue
• Provide electric vehicle chargers on Council-owned land	

Governance

The Council's objective is to manage local elections, inform residents about the city and the issues or challenges it faces, listen to residents' views and make decisions in the best interests of Wellingtonians.

We also operate the City Archives, where the public can access historic information on Wellington, and property information.

Examples	Cost
• Accurate and professional advice, research and administrative support to elected members and community board	\$27m operating costs
• Organise local body elections	\$1m non-rates revenue
• Contact centre and Fixit	
• Manage archival information in line with legislation	
• Facilitate community engagement and consultation	
• Set strategies, policies and bylaws	





Community facilities and services

By providing libraries, community centres and social housing we foster diverse and inclusive communities and enable people to connect with information and each other.

We provide a wide range of facilities forming part of the city's 'hard' social infrastructure supporting community wellbeing. These include libraries, community spaces and social housing, public toilets and cemeteries.

Examples	Cost
<ul style="list-style-type: none">14 libraries around Wellington and online library presenceCommunity spaces, including over 25 community centresSupport for Wellington's diverse community groupsSubsidised rental for low-income WellingtoniansClimate and Sustainability FundAccessible clean and safe public toilets and changing rooms/pavilionsTwo cemeteries, including providing cremation services	<p>\$80m operating costs</p> <p>\$16m non-rates revenue</p>

16

City promotions and business support

To maintain a prosperous city that provides a high quality of life for its residents, we need to stimulate and maintain a dynamic and growing economy.

Examples	Cost
<ul style="list-style-type: none">Support development of the city's Economic Strategy and includes projects and initiatives that drive investment in our economyPromote Wellington to domestic and international visitors to encourage the growth of the tourism sectorSupport high-quality events, such as World of Wearable Art, which generate cultural and economic benefits for the city	<p>\$57m operating costs and grants</p> <p>\$25m non rates revenue (from Council venues)</p>

Community support

Delivering services to build a strong social infrastructure for diverse, inclusive and resilient communities. We provide a wide range of services that support community wellbeing and harm reduction, include community services, advocacy, grants, emergency management and city safety.

Examples	Cost
<ul style="list-style-type: none">Provide services directly, through partnerships and as a funder that reduce harm, improve community and city safety, and improve social wellbeingSupport connected, tolerant and resilient communities who know their neighboursWork with external agencies and support outreach programmes to end street homelessness and address beggingCoordinate and deliver the Pōneke Promise programme of workCo-ordinate the multi-agency response to a major shock event that affects the city	<p>\$13m operating costs</p>

Parks, beaches and open spaces

The city's parks, gardens and coastlines are precious resources integral to the health of the city and its people. To ensure these spaces continue to contribute to a high quality of life for all Wellingtonians, we invest to protect, maintain and develop these areas. The work we do makes the city's environment greener and more pleasant for all Wellingtonians – it improves our quality of life and sense of pride in the city. These spaces also make Wellington an attractive place to visit.

Examples	Cost
<p>Manage and maintain around:</p> <ul style="list-style-type: none">4,305 hectares of parks, reserves and beachesthe Wellington Botanic Garden and other Wellington gardens160 buildings located in parks, reserves or beach areas for community use367km of recreational walking and mountain bike tracks42 coastal structures including boat ramps, wharves and seawalls	<p>\$60m operating costs</p> <p>\$4m non-rates revenue</p>



Transport

An efficient transport network that gives our people choices about how to get where they need to go is critical to the city's economy and quality of life.

Examples	Cost
<ul style="list-style-type: none">Plan our future transport system, hand in hand with our urban development planningManage and maintain our existing transport network, which is made up of 970km of footpaths and access ways, 700km of roads, and two kilometres of bridges and tunnelsSupport the city's public transport network by providing space for the network to run and encouraging people to use it	<p>\$124m operating costs</p> <p>\$16m non-rates revenue</p>

17



Recreation facilities and services

The purpose of this activity is to provide a range of recreation and leisure facilities to encourage active and healthy lifestyles and enable participation in sporting and other group activities. Through the promotion and support of recreation opportunities we contribute to the development of strong, healthy communities and a high quality of life for Wellingtonians.

Examples	Cost
Manage, maintain or service:	\$54m operating costs
• Seven pool facilities, four community recreation centres and the Ākau Tangi Sports Centre	\$14m non-rates revenue
• 44 natural and 11 artificial sports turfs, which provide year-round venues for recreation and competitive sport	
• 107 playgrounds	
• Other Council-owned recreational facilities, including marinas, the Berhampore golf course, tennis, netball and basketball half courts, skateparks, a mountain bike park and network of walking and biking tracks	

Waste

We manage and influence Wellington's waste system, including landfill operations, and composting waste at the Southern Landfill, undertake domestic recycling and rubbish collection services, and limit the environmental impact of closed landfills. We also undertake programmes to educate residents on how to manage and minimise waste effectively.

Examples	Cost
• Domestic recycling, rubbish collection and facilities for disposing of general household waste	\$32m operating costs
• Green waste disposal and composting facilities	\$31m non-rates revenue
• Education and advocacy for greater waste minimisation practices in the homes and businesses of Wellingtonians	
• A recycling drop-off facility, including a shop for the sale of reusable goods	

Urban planning

Wellington, with its combination of compact urban form, heritage buildings, public art, capital city status and other features gives the city a unique look and feel. With a growing population there are demands placed on our urban planning, heritage and public spaces development. Our work aims to ensure this growth happens in ways that make efficient use of land and transport and doesn't compromise the qualities that make Wellington special.

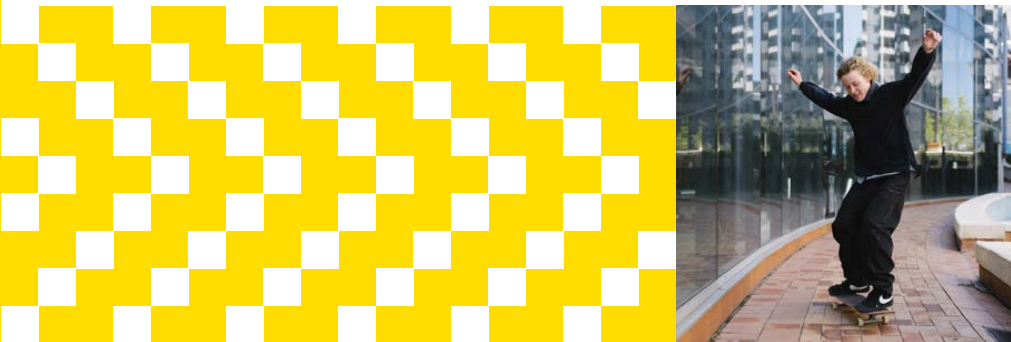
Examples	Cost
• Carry out urban planning work to guide how the city will grow over time	\$27m operating costs
• Review the District Plan to ensure the city grows in line with our agreed plans	\$9m non-rates revenue
• Ensure infrastructure is in place to provide for current and future housing and business demand	
• Maintain Wellingtonians' sense of place and pride by embracing the city's character heritage and public spaces, including the waterfront	
• Ensure residents can live, work and play without travelling long distances by car	

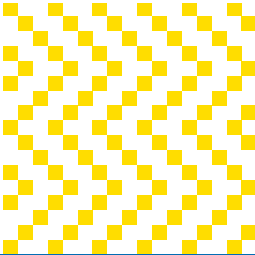
Drinking water, wastewater and stormwater

The Council manages Wellington's three waters networks and performs regular improvements through Wellington Water.

Wellington Water is owned by the Hutt, Porirua, Upper Hutt and Wellington city councils, South Wairarapa District Council and Greater Wellington Regional Council. The councils are all equal shareholders. The role of Wellington Water is to manage the drinking water, wastewater and stormwater services of its shareholder council owners.

Examples	Cost
• Ensure high-quality water is available at all times for drinking and other household and business uses and for firefighting purposes.	Water \$81m operating costs
• Monitor drinking water quality to ensure it complies with New Zealand Standards	Wastewater \$90m operating costs
• Collect, treat and dispose of wastewater in ways that protect our waterways from harmful effects	\$1m non-rates revenue
• Manage stormwater flows, while minimising the risk of flooding and the impact of run-off on the environment	Stormwater \$42m operating costs

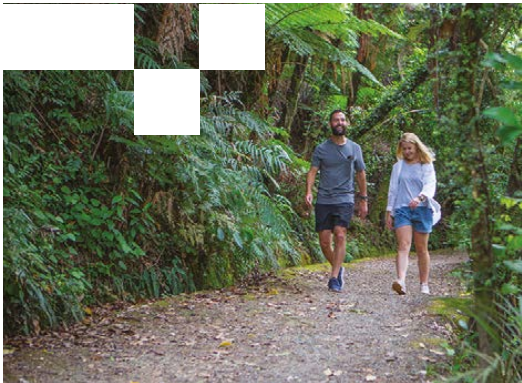




Draft priorities identified during the earlier stages of the Long-term Plan

As you can see, the Council offers many services! Nine priorities have been identified for the Long-term Plan 2024-34. These priorities can help guide which services the Council offers and how they offer them. They were developed through various sources: an online survey and community engagement events (reaching 3000+ people); research and monitoring data; looking at global trends; reviewing existing Council strategies; and by taking into consideration Wellington's unique needs and existing services. The priorities will help guide the work during the Citizens' Assembly.

- Increase access to good, affordable housing to improve the wellbeing of our communities
- Revitalise the city and suburbs to support a thriving and resilient economy and support job growth
- Transform our waste system to enable a circular economy
- Celebrate and make visible te ao Māori across our city
- Nurture and grow our arts sector
- Transform our transport system to move more people with fewer vehicles
- Fix our water infrastructure and improve the health of waterways
- Collaborate with our communities to mitigate and adapt to climate change
- Invest in sustainable, connected and accessible community and recreation facilities.



What is not part of the Citizens' Assembly's work?

Greater Wellington Regional Council Services

Some services delivered by GWRC are understandably mistaken for being WCC services. As these are not WCC services, they will not be part of the discussion during the hui. These include:

- regional parks and forests
- pest management for landowners
- environmental monitoring and research
- biodiversity management
- flood protection
- coordinating Metlink buses and trains.

Let's Get Wellington Moving

The Let's Get Wellington Moving (LGWM) programme is not part the discussions in this Long-term Plan and Citizens' Assembly. This is because shorter-term actions in LGWM (like the Golden Mile) are already agreed and funded and will be beginning to be delivered before the Long-term Plan is finalised.

In addition, the longer-term transformational aspects of LGWM (for example, mass rapid transit) are still being analysed and won't be ready until after the adoption of the Long-term Plan. This means that there isn't sufficient detailed information available for the Citizens' Assembly to consider.

However, it is expected that when this information is available, further public consultation will happen. Following consultation and consideration by Councillors, a formal amendment to our 2024-34 Long-term Plan may be required. Also, there is a lot of uncertainty about LGWM because of the general election in October. We think a sensible way to move ahead with planning Council activities is to put LGWM to the side for this exercise.



Mō te Tō mātou mahere ngahuru tau 2024-34

About the Long-term Plan 2024-34

What is the Long-term Plan?

The Council creates plans to make sure we are working towards the best future for our city.

The Long-term Plan sets the direction for the next 10 years, and outlines priorities, how much it all costs, and where the money might come from. Importantly, through public engagement, reviewing the Long-term Plan is an important chance for the community to have a say on the future of our city.

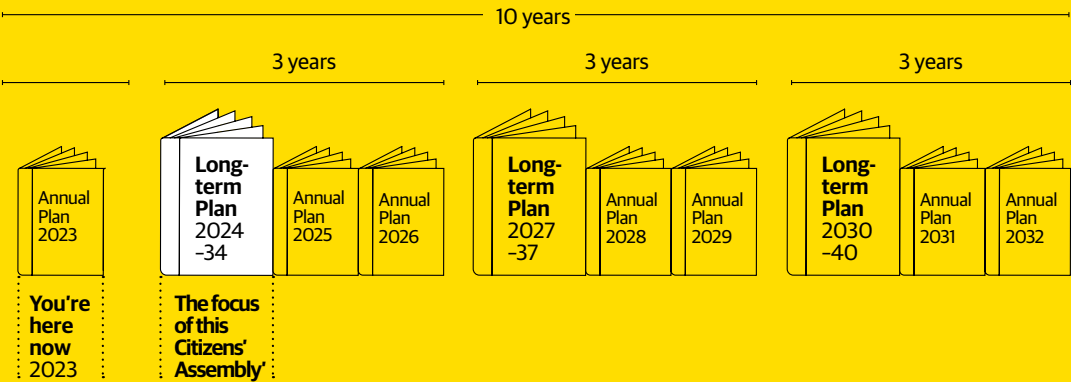
Every 3 years, the Council reviews the Long-term Plan to make sure it is still relevant for the city's needs. This is because the world can change a lot in 3 years, and we need to check we are still heading in the direction the city wants.

In between, Annual Plans are created which focus on year-to-year projects – but the focus of this Citizens' Assembly is the Long-term Plan.



You can view a short video about Long-term Plan here
wcc.nz/understanding-the-ltp

Long-term Plan timeline review

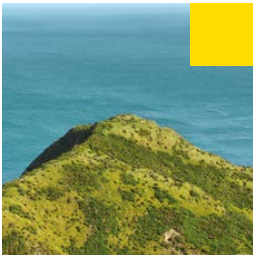


The Long-term Plan 2024-34

As we draft the next Long-term Plan, we will need to make some hard decisions, balancing spending with affordability, and ensuring we keep up our momentum by focusing on what is most important to Wellingtonians.

The stages of the Long-term Plan

Here you can see the stages of the Long-term Plan 2024-34. Within these stages, there are five phases of community engagement.



From February 2023 Setting the direction

Workshops with staff and the Councillors to set the draft direction and determine outcomes and priorities that will shape the Long-term Plan. We also did early workshops on our plans for our budgets and physical infrastructure like buildings and roads.

Engagement phase 1 April to May 2023 Priorities

Engagement with the community to understand their priorities for the Long-term Plan, including an online survey and series of in-person public workshops.

Outcome and how this informs the plan

The results of this phase can be viewed on the Long-term Plan page: wcc.nz/ltp-2024-34. They will help us with the decisions we need to make in the creation of the Long-term Plan by providing guidance on the direction we need to focus on.

Who contributed?

More than 3000 people from our community, including young people, hapori Māori, businesses, and the Councillors.

February to late-2023 Getting clear on the financial context

Making sure the financial information we are using to create the Long-term Plan makes sense and is accurate. This information will inform our Finance Strategy, Infrastructure Strategy and Revenue and Financing policies that are the backbone of the Long-term Plan.

Engagement phase 2 September to October 2023 Citizens' Assembly hui

Hui where a group of Wellingtonians provide findings on community expectations about the levels of Council services provided given their costs.

Outcome and how this informs the plan

Your feedback will help the Councillors to make decisions about the services the Council provides.

Who will contribute?

The Citizens' Assembly (you!)
Subject matter experts

Wellington City Council



Engagement phase 3
September to October 2023

Review of rating policies
Consultation on the review of rating policies, which will look at how the overall rates bill is divided up.

Outcome and how this informs the plan
This phase decides the proportion each property owner pays towards Council services.

Who will contribute?
The community
Council financial experts
The Councillors



December 2023 to March 2024
Checking the budget (the draft Long-term Plan)
Bringing everything together from the previous phases and checking that the budget works and makes sense.

Engagement phase 4
Participatory budgeting: Residents are provided with budgetary information and options and can have a direct say in how their rates are used to address the needs and priorities of their communities.

Outcome and how this informs the plan
The budget eventually becomes the Long-term Plan.

Who will contribute?
The community
The Councillors
Council financial experts

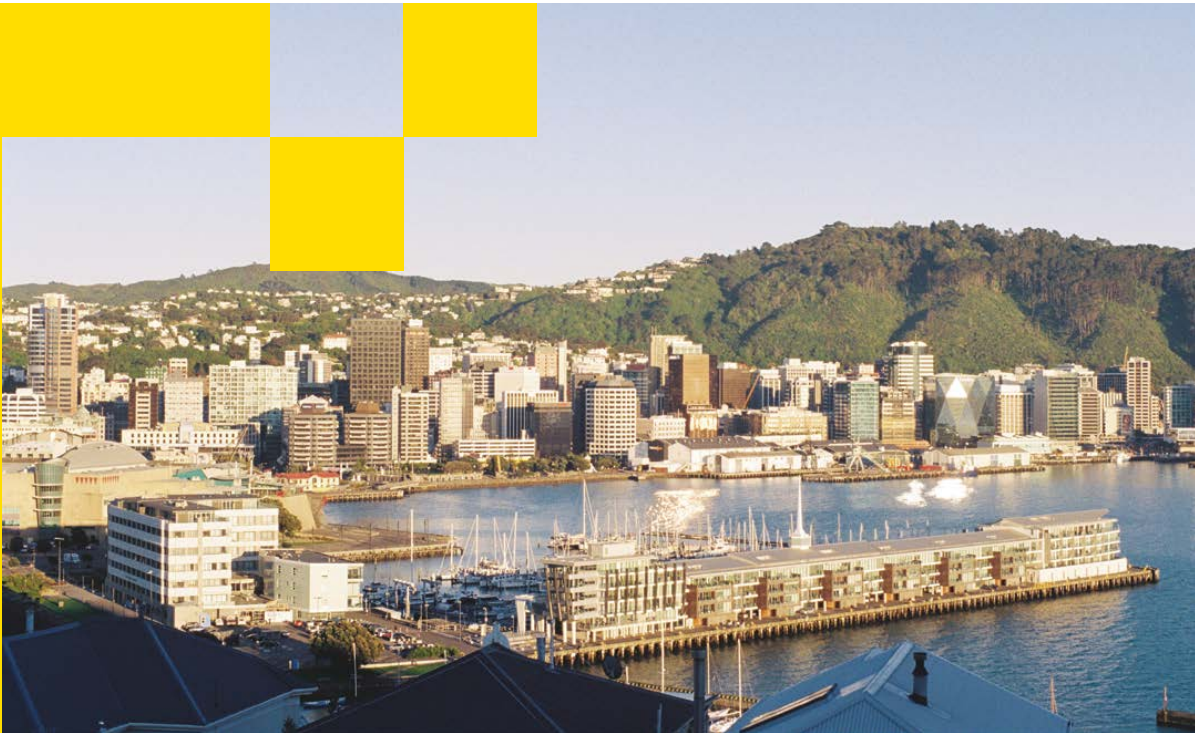
Engagement phase 5
April 2024
Formal consultation
Formal consultation, where residents can provide final submissions on the draft Long-term Plan for 2024-34.

Outcome and how this informs the plan
Final feedback is gathered on the plan before it's adopted in June. Changes are made based on community feedback and discussions with Councillors.

Who will contribute?
The community
Subject matter experts
The Councillors

May to June 2024
Councillor decision-making
Councillors will deliberate (consider) the feedback received and make final decisions on the content of the Long-term Plan. The plan is then formally adopted on 30 June 2024 and in place on 1 July.

Throughout the Long-term Plan, you will be able to find updates and information on the website (wcc.nz/ltip-2024-34) and via our social media channels.



What will the Long-term Plan process achieve this time?

The Long-term Plan 2024-34 will bring together future needs of the city into a balanced 10-year plan. This includes thinking about how we will invest money to support the growth of the city, to deliver the city improvements prioritised by the community, and to maintain and renew the Council's current facilities and infrastructure.

There are many demands but there is limited money. This balancing act is where the Citizens' Assembly is critical – you can bring your experiences, priorities and recommendations to help us to make these hard decisions.

A note on the shifting role of councils

Today, we see a number of increasing pressures on communities and the government – climate change, population growth, an ageing population, and decades of neglected infrastructure. To find effective solutions which meet the needs of the community, the role of local government must shift. Things need to be done differently, including how we fund services, and how we work with the community.

We need to take a more citizen-centred approach to local democracy where the community have a greater role in decision-making. The relationships built through this way of working can lead to an increased sense of trust and confidence in local government.

Working in this way with communities, like through this Citizens' Assembly, shifts some of the power to the communities themselves and so we can work together to tackle the big issues we are facing.

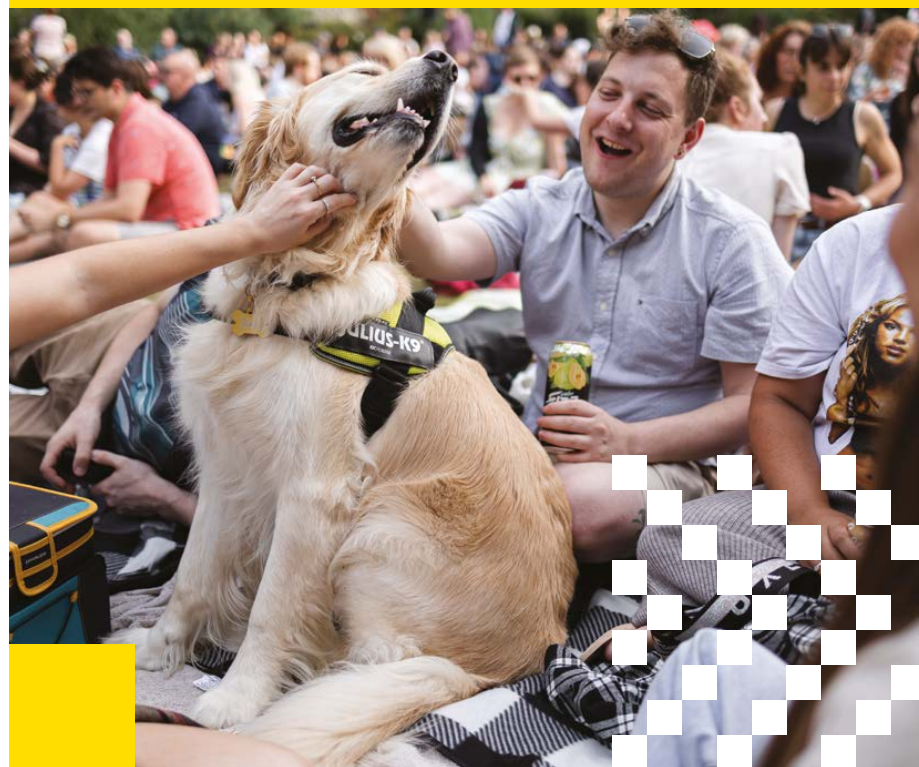
Whakapā mai How to contact us

We will chat to you before the first hui to talk about your preferred way of keeping in contact with us. This could be phone call, email, text or WhatsApp.

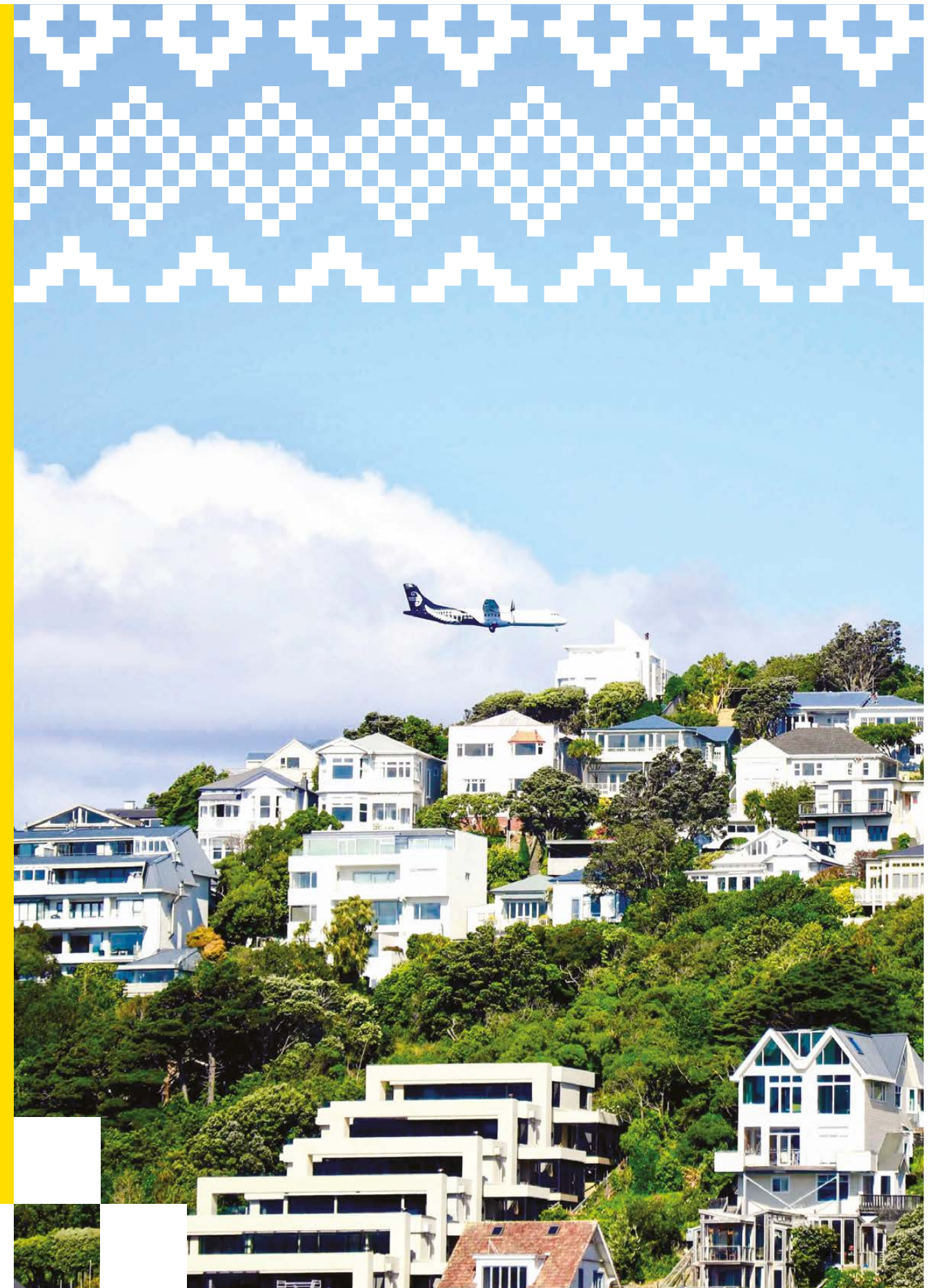
If you would like to get in contact with us at any point, use the details below.

Email
citizensassembly@wcc.govt.nz

Text/phone call/WhatsApp
021 224 5368



26



Information on Positively Pōneke pattern design

Our Positively Pōneke design work includes pattern design by Kohe Webster (Ngāti Toarangatira, Ngāti Raukawa Te Au ki te Tonga). A brief description of the pattern meaning is below.

Kaokao

This pattern represents protection. It is the shape of the arm/armpit when you embrace someone. It is the shape of ribs which protect vital organs. They are often placed at four corners of a house representing protection of all within the house.

Pātiki

This pattern is based on the diamond shape of the flounder fish. Its significance relates to being able to provide for everyone.

**Absolutely Positively
Wellington City Council**

Me Heke Ki Pōneke

J01735

QUARTER 1 PERFORMANCE REPORT

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee provides performance information for Quarter One of the 2023-24 Annual Plan and aspects of the 2021-31 Long-Term plan (LTP). The report provides a governance and monitoring oversight of the delivery of the Annual Plan and current LTP. Oversight relates to the quarterly monitoring of financial and non-financial aspects of the:
 - LTP strategic direction i.e. tracking the delivery of key programmes supporting LTP priorities;
 - Key strategies and their action plans;
 - Budget performance; and
 - Strategy area performance e.g. delivery key performance indicators.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

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

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

Relevant Previous decisions

Te Kāinga - Kōrau Tūāpapa Environment and Infrastructure Committee - 8 December 2022 - Capital rephasing and carry forward process approved a reduction in Wellington Water Limited's LTP Capex budget from \$65m to \$50m.

Significance

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

Financial considerations

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

2. This report, and the attached Quarter 3 Performance Report, outlines the year-to-date (YTD) financial and non-financial position of the organisation as at quarter one

Risk

☒ Low ☐ Medium ☐ High ☐ Extreme

Authors	Kat Gourley, Senior Advisor Planning and Reporting Jocelyn Anton, Senior Advisor Planning & Reporting Lloyd Jowsey, Team Leader, Planning and Reporting
Authoriser	Baz Kaufman, Manager Strategy and Research Stephen McArthur, Chief Strategy & Governance Officer Andrea Reeves, Chief Financial Officer

Taunakitanga | Officers' Recommendations

Officers recommend that the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. **Receive** the Quarter 1 (Q1) Performance Report on the 2021-31 Long-term Plan (LTP) and 2023-24 Annual plan;
2. **Note** the key headlines covered in the executive summary and in each section of the report;
3. **Approve the** recommended variations (a) - (e) below to the 2023-24 Annual Plan Budget:

Wellington Water Limited

- (a) Increase revenue due to insurance proceeds for Bell Street Tawa and Arlington Street Mt Cook storm water \$2.3m insurance claim.
- (b) Increase capital expenditure budget by \$2.3m for 3rd party damage done to Storm Water assets at Bell Street - Tawa (\$1.406m) & Arlington Street - Mt Cook (\$0.888m). Funded through an insurance recovery with no cash impact.

Subsurface Asset Data project plan

- (c) Recommend to reduce the existing operating expenditure budget for the Subsurface Asset Data Project by \$1.225m. This balance will be moved to capital expenditure and was approved as part of the carry forwards paper. There is no cash impact from this change.

NZTA Capex subsidy reduction:

- (d) Decrease operating revenue budget for NZTA capital expenditure roading subsidies by \$3.357m as a result of reducing the Speed Management Upgrades capital expenditure budget in the 2023/24 financial year and receiving lower NZTA roading Subsidies. The reduced capital expenditure spend in 2023/24 was rephased and increased in the 2024/25 capital expenditure budget by \$6.583m as part of the Capex Carry-forward paper approved by Council. There is no cash impact from this change.

Newtown Community Centre Upgrade

- (e) Increase capital expenditure budget for activity 5.2 by \$0.3m for the completion of the Newtown Community Centre Upgrade Project. The project had an approved budget of \$2.2m.
4. **Note** this report supports the governance and monitoring) oversight of the LTP by the Kōrau Tōtōpū | Long-Term-Plan, Finance and Performance Committee (the LTPF&P Committee).

Whakarāpopoto | Executive Summary

3. In summary performance for the first quarter is similar to the performance in the same quarter in the previous financial year. Financial performance is on track with a positive net position against the budget. The Council's non-financial KPI performance is similar to the Quarter 1 (Q1) 2022/23 result, although recognising that the first quarter is early in the annual cycle.
4. The large capital works programme supporting Council's strategic priorities is running behind schedule. However, in quarter one delivered more of the programme than in the same quarter the previous year, indicating that pace of delivery has increased.
5. The significant investment report highlights that the majority of projects are on time and on budget, with much progress being made. Key decisions on the capital carry forward programme and the Town Hall are outside of the reporting period and are therefore not reflected in the Q1 report.
6. Over the coming months key decisions relating to the 2024-34 LTP will be made. This work is occurring in a tight economic environment where the long tail of pandemic related impacts (e.g., supply chain constraints) linger, legislative reform uncertainty, tight economic conditions (cost inflation in particular) are issues that will be addressed.
7. Budget pressures are being closely managed by the Council's leadership team.

Takenga mai | Background

8. This report covers Q1 performance in relation to the 2021-31 LTP and 2023-24 Annual Plan. The period covered 1 July to 30 September 2023. The actual date of receipt of the Quarterly report by Elected Members reflects both the time required to compile report information from across the Council and, the Committee meeting cycle.
9. In keeping with good practice performance reporting information is generally reported as year-to-date (YTD).
10. Any key changes to KPI performance is recorded on an exception basis. In general the target performance status (RAG status) for KPIs is represented as follows:
 - a. Green = 0%-4.99% off target;
 - b. Amber = 5%-9.99% off target;
 - c. Red = ≥10% off target;

Project performance report use a similar colour coded RAG status, however the meaning of the colours in general reflect project specific performance dimensions e.g. scope, communications, health and safety.

11. The content structure, presentation of information and document layout is continuously improved to enhance readability and understanding. There is an on-going focus on developing the 'so what this means' from performance data to give an informed understanding overall of organisational performance. Developments for this report include expanding the Executive Summary and use of Appendices for more detailed information.

12. The Quarterly report content is organised as follows:

- Part A: The Executive summary
- Part B: Selected work programme featured update -
- Part C: Key Performance Reports covering LTP strategic priorities work programme; Strategy Area financial and non-financial performance; financial and treasury performance; community outcomes; and
- Part D: Detailed performance information (Appendices). This includes updates on five key strategies - Tūpiki Ora Māori Strategy; Te Atakura First-to-Zero; Children and Young Persons Strategy; Aho Tini – 2030 Arts, Culture & Creative Strategy; and He Rautaki Ōhanga Oranga Economic Wellbeing Strategy

Kōrerorero | Discussion

LTP Strategic Priority Work Programmes: (for details see Part (C) of the Q1 report)

13. On-going change in the number of programmes (and their underlying projects) continues as they move through their delivery phases. There are 12 projects starting, 24 on-going and 5 finishing during the current year.
14. The total current year Q1 result for strategic priority work programmes was under budget. There was a similar Q1 trend in previous years.
15. The combined impact of a tight operating environment, cost pressures and project specific issues (i.e. budget, scope, risks) are having a material impact on the delivery of some projects for example the Town Hall project (material cost escalations) and Wellington Water's network continuity and upgrade programme.

Significant Investment programme (for details see Part (C) section 2 of the Q1 report)

16. Of the 17 significant projects (a subset of the larger LTP work programme) the majority are in the planning (6 projects) or delivery (7 project) phases. The main movements in projects since Q4 22/23 are Frank Kitts Park Playground restarting, Bike Network Programme re-baselining in September resulting in rephasing forward of forecast spend and an improved Newtown to City Transitional Project status with opening of Kent/Cambridge cycleway section in July.
17. The mix of health statuses across the project portfolio is 12 GREEN, 4 AMBER and 1 RED. There are material unfavourable project health statuses for the Town Hall Redevelopment Project (cost forecasts) and Te Ngakau Programme in relation to the reset of the next phase of civic precinct delivery and other linked projects.
18. The significant investment portfolio budget is showing a forecast full year favourable variance of \$19.1m. However, on a whole-of-project cost basis there is a forecast unfavourable variance of \$28.2M at the end of the quarter. In the prevailing constrained economic and inflationary input conditions we expect there to be ongoing pressures on project budgets requiring rigorous scope, cost and schedule risk management.

Non-financial Performance: (for details see Part (C) pages 17-34 of the Q1 report)

19. Overall, 59% of KPIs were achieved for the quarter, which is a 2-percentage point decrease in performance for the same quarter in the previous year. This was driven by one KPI moving from green to amber.
20. The work programmes for reported strategies (e.g. Tūpiki Ora – Māori Strategy, Te Atakura - Fist to zero etc.) are largely going according to plan. Specific strategy challenges are not expected constrain progress over subsequent quarters. The overall health (across 11 project indicators) of the majority projects in significant project portfolio is green. However, some projects (e.g. the Town hall) have project health indicators with an unfavourable (AMBER / RED) statuses.

Financial Performance: (for details see Part (C) pages 35-39 of the Q1 report)

21. At the end of the first quarter, the Council has a deficit of \$9.4m. This is a favourable variance to the 2023-24 Annual Plan budget of \$2.5m or 21%.

	Year-to-date (\$000s)			Full Year
	Actual	Budget	Op Var	Budget
	\$000's	\$000's	\$000's	(\$000s)
Revenue	198,948	194,818	4,130	882,440
Expenditure	208,352	206,722	(1,631)	817,610
Net Operating Expenditure	(9,404)	(11,903)	2,499	64,840
Net Capital Expenditure	107,240	136,968	(29,728)	561,330

22. Revenue is ahead of budget by \$4.1m largely due to additional growth in overall capital values increasing rates revenue; an increase in rates penalties; and an increase in interest revenue. This is offset by a lack of roading subsidies from Waka Kotahi related to the Cycling/Transport programs, which was not completed at the rate anticipated in the budget.
23. Expenditure also exceeds budget by \$1.6m, which is made up of several movements, including increased depreciation and interest.
24. Net debt as at 30 September is \$1.23b. The liquidity ratio is 115% which is in line with our treasury policy. The LFGA requires a liquidity ratio of 110%. We are compliant with all counterparty covenants.
25. Net debt has increased \$94m to fund our capital program and cash needs. The gross debt has increased an additional \$132.5m due to the prefunding of large up and coming debt maturities. The prefunded amounts have been invested in term deposits that match the maturing debt (to reduce liquidity risk).
26. Full year forecasting will be completed for Q2 and will be reported in the next quarterly report.

Annual Plan budget change requests:

27. The following variations to the 2023-24 Annual Plan budget are recommended.

Wellington Water Limited

- Increase revenue due to insurance proceeds for Bell Street, Tawa and Arlington Street Mt Cook stormwater \$2.3m insurance claim.
- Recommend to Council to increase capital expenditure budget for activity 2.5 by \$2.294m for 3rd party damage done to storm water assets at Bell Street - Tawa (\$1.406m) & Arlington Street - Mt Cook (\$0.888m). Note that 100% of this budget increase will be funded through an insurance recovery. There is no cash impact from this change.

Subsurface Asset Data project plan

- Recommend to reduce existing operating expenditure budget for activity 6.1 for the Subsurface Asset Data Project by \$1.225m. This balance will be moved to capital expenditure and was approved as part of the capital carry-forward paper approved by Council. There is no cash impact from this change.

NZTA Capex subsidy reduction:

- Recommend to Council to decrease operating revenue budget for activity 10.1 for NZTA capital expenditure roading subsidies by \$3.357m as a result of reducing the Speed Management Upgrades capital expenditure budget in the 2023/24 financial year and receiving lower NZTA roading subsidies. Note that the reduced capital expenditure spend in 2023/24 was rephased and increased in the 2024/25 capital expenditure budget by \$6.583m as part of the capital carry-forward paper approved by Council. There is no cash impact from this change.

Newtown Community Centre Upgrade

- Recommend to Council to increase the capital expenditure budget for activity 5.2 by \$0.3m for the completion of the Newtown Community Centre Upgrade Project. The project had an approved budget of \$2.2m. The required increase in costs was caused by Covid delays, inflationary pressures and unexpected issues. These costs have already been committed by the Council project team, COO management are working on improved reporting to identify and escalate where necessary at-risk projects.

Community Outcomes (Wellbeing) Indicator Trends: (for details see page 41)

28. The Q1 report also contains the published community outcome indicator trends to June 2023. Further longer-term trend data will be included in the 2023-24 Annual Report.

Kōwhiringa | Options

10. Committee has the option to accept the Officer recommendations included and discussed throughout this report.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

11. The Quarterly performance report is a key governance tool for monitoring performance and progress against Council's strategies and policies.

Engagement and Consultation

12. No impact

Implications for Māori

13. Strong partnerships with Mana Whenua is an LTP strategic priority that is monitored via this quarterly report

Financial implications

14. The financial implications of the additional budget request are outlined in the discussion section of this report

Legal considerations

15. No impact

Risks and mitigations

16. No impact

Disability and accessibility impact

17. No impact

Climate Change impact and considerations

18. An accelerating zero carbon and waste free transition is another LTP strategic priority that is monitored via this quarterly report.

Communications Plan

19. No impact


Health and Safety Impact considered.

20. No impact

Ngā mahinga e whai ake nei | Next actions

21. Quarterly performance reporting will be reported next in quarter two (Q2) in the 2023/24 financial year.

Attachments

Attachment 1. 2023-24 Q1 Quarterly Report [!\[\]\(c15650232aa6660c9deb34f3b82dcb72_img.jpg\)](#) 

Page 108

Quarterly Performance Report Te Pūrongo ā-Hauwhā

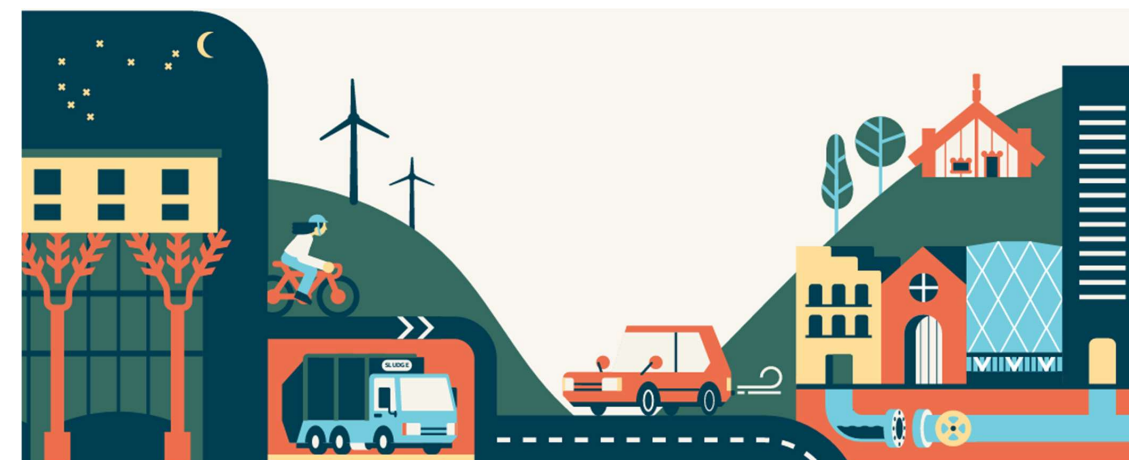
Quarter 1 2023/24

(YTD 01-07-2023 to 30-09-2023)

Nau mai haere mai | Welcome

This report provides governance oversight of Wellington City Council's quarterly year-to-date performance against its current Long-term Plan.

The Council's Long-term Plan is published on the Council's website (www.wcc.govt.nz) with details on our outcome indicators, service delivery key performance indicators, strategic priorities and supporting priority projects.



Contents

PART (A): EXECUTIVE SUMMARY	3
1. Overview	3
2. LTP strategic priority work programmes (full details Part C, Section 1)	3
3. Significant projects portfolio (full details Part C, Section 2)	3
4. Non-financial performance (full details Part C, in Section 3)	3
5. Financial performance (full details Part C, Section 4)	4
6. Wellington City Council Strategies (full details, Appendix 1)	4
7. LTP community outcomes (full details Part C, Section 5)	5
PART (B): FEATURED UPDATE	6
Upgrading our central city streets	7
PART (C): KEY PERFORMANCE REPORTS	8
SECTION 1. LTP STRATEGIC PRIORITIES WORK PROGRAMME	9
SECTION 2. LTP SIGNIFICANT INVESTMENT PORTFOLIO	12
2.1 Portfolio Status of the LTP significant investments	13
2.2 Portfolio Financial performance of the LTP significant investments	15
SECTION 3: STRATEGIC ACTIVITY AREA FINANCIAL AND NON-FINANCIAL PERFORMANCE	16
3.1 Overview - KPI results by strategic activity area	16
3.2 Mana Whakahaere Governance	18
3.3 Taiao Environment	19
3.4 Whanaketanga ōhanga Economic Development	23
3.5 Oranga ahurea Cultural Wellbeing	25
3.6 Pāpori me te hākinakina Social and Recreation	27
3.7 Tāone tupu ora Urban Development	30
3.8 Waka Transport	33
SECTION 4: FINANCIAL PERFORMANCE REPORT	35
4.1 Financial Performance	36
4.2 Treasury report	37
4.3 Rates and General Debt	38
SECTION 5. COMMUNITY OUTCOMES	40
PART (D) APPENDICES: DETAILED PERFORMANCE INFORMATION	41
APPENDIX 1: STRATEGY UPDATES	42
APPENDIX 2: PROJECT HEALTH DETAILS FOR SIGNIFICANT INVESTMENTS PORTFOLIO	49
APPENDIX 3: WELLINGTON WATER LIMITED (WWL) QUARTER ONE REPORT	52
APPENDIX 4: SUSTAINABLE DEVELOPMENT	57
APPENDIX 5: HOW WE REPORT	59

Part (A): Executive summary

1. Overview

- Performance for the first quarter is similar to the performance in the same quarter in the previous financial year.
- Financial performance is on track with a positive net position against the budget.
- The Council’s non-financial KPI performance is similar to the Q1 2022/23 result, although at the first quarter being early in the annual cycle.
- The large capital works programme supporting strategic priorities is running behind schedule, but has delivered more of the programme than in the same quarter in the previous year indicating that pace of delivery has increased.
- The significant investment report highlights that the majority of projects are on time and on budget, with much progress being made. Key decisions on the capital carry forward programme and the Town Hall are outside of the reporting period and are therefore not reflected in the Q1 report.
- Over the coming months key decisions relating to the 2024 LTP will be made. This work is occurring in a tight economic environment where the long tail of pandemic related impacts linger (e.g., supply chain constraints), legislative reform uncertainty, and tight economic conditions (cost inflation in particular) are issues that will be addressed.
- Work continued across the eight 2024 LTP workstreams. This included early public engagement in the development of the 2024-34 LTP through the Citizens Assembly - a first for Wellington.

2. LTP strategic priority work programmes (full details Part C, Section 1)

- At the start of the quarter for programmes supporting the 2021 LTP priorities there were 12 projects starting, 23 are on-going, and 5 are finishing during the current year. This will continue to change as project move through their delivery phases.
- The combined impact of the above operating environment pressures and project specific issues (i.e. budget, scope, risks) are having a material impact on the delivery of some projects for example the Town Hall project (material cost escalations) and Wellington Water’s network continuity and upgrade programme.

3. Significant projects portfolio (full details Part C, Section 2)

- The majority of the 17 significant projects in the portfolio are in the plan (6 projects) or delivery (7 projects) phase. The 17 projects are a subset of the larger LTP work programme. The main movements in projects in Q1 are Frank Kitts Park Playground restarting, Bike Network Programme re-baselining in September resulting in rephasing forward of forecast spend, and an improved Newtown to City Transitional Project status with opening of Kent/Cambridge cycleway section in July.

4. Non-financial performance (full details Part C, in Section 3)

KPI results and Strategy work programmes

- 59% of KPIs were achieved for the quarter. The 2-percentage point decrease in performance for Q1 last year is driven by one KPI moving from green to amber from Q1 last year.

				Reported quarterly	Reported annually
This quarter (Q1)	33	5	18	56	37
	59%	9%	32%		
Q1 last year (FY22/23)	34	3	19	56	39
	61%	5%	34%		
Result FY22/23	58	-	37	-	95
	61%	-	39%		

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; * Not Reported
**EOFY results are reported as Green = 0%-9.99% off target and Red = ≥10% off target

Note: Two City Housing KPIs relating to tenant occupancy rates and tenant satisfaction were reported for the last time in FY22-23. These relate to the establishment of the Community Housing Provider – Te Toi Mahana Community Housing during the 2022–23 financial year.

- The work programmes strategies in this report (e.g. Tūpiki Ora – Māori Strategy, Te Atakura - First to zero etc.) are largely going to plan. Individual strategy challenges are not expected to constrain progress over subsequent quarters.

KPI changes of note from Q1 in 2022-23

- **Governance:** Contact Center KPI moved from red in Q1 (FY22/23) to green this quarter.
- **Economic Development:** Three WellingtonNZ KPIs moved from green in Q1 (FY22/23) to amber this quarter. This reflects lower-than-expected revenue, planned events being weighted more heavily towards Q2-Q4.
- **Urban Development:** Building consents (%) issued within 20 workings days moved from green in Q1 (FY22/23) to red this quarter. Limited structural engineering capacity and in-house and contractor capacity coupled with a tight employment market are driving this change in delivery.
- **Transport:** Customer service requests relating to roads and footpaths moved from amber in Q1 (FY22/23) to red this quarter. It’s expected to improve next quarter with a consistent focus from the team.

5. Financial performance (full details Part C, Section 4)

- At the end of the first quarter of FY 2023/24, the Council has a deficit of \$9.4m. This is a favourable variance to plan of \$2.499m or 21%.
- Treasury performance was fully compliant.

Budget Performance Q1 (\$000s)

	Year-to-date (\$000s)			Full Year
	Actual	Budget	Op Var	Budget
	\$000's	\$000's	\$000's	(\$000s)
Revenue	198,948	194,818	4,130	882,440
Expenditure	208,352	206,722	(1,631)	817610
Net Operating Expenditure	(9,404)	(11,903)	2,499	64840
Net Capital Expenditure	107,240	136,968	(29,728)	561,330

The key drivers of this result are:

- Revenue being ahead of budget by \$4.1m largely due to additional growth in overall capital values increasing rates revenue; an increase in rates penalties; and an increase in interest revenue. This is offset by a lack of roading subsidies from Waka Kotahi related to the Cycling/Transport programs, which was not completed at the rate anticipated in the budget.
- Expenditure also exceeds budget by \$1.6m, which is made up of several movements, including increased depreciation and interest.

We are paying particular attention to the following areas:

- Given the challenging economic conditions and high inflation environment we are monitoring the level of late payment and default across debtor profile. This has the potential to impact our cash and liquidity positions.
- We will continue to closely manage our key treasury positions and ensure compliance with council policies.
- We will continue to closely monitor financial performance.
- A full year forecast will be completed for Q2 reporting.

6. Wellington City Council Strategies (full details, Appendix 1)

Tūpiki Ora Māori Strategy
Vision: <i>Kia mauri ora te taiao, kia mauri ora te whānau, kia mauri ora te ao Māori</i> The vitality of our environment is nourished, the wellbeing of our whānau is fostered, te ao Māori is embraced and celebrated
Summary status: Overall health and progress status is reported as GREEN.

The Tūpiki Ora work programme is an all-of-Council work programme. Accountability for projects and initiatives resides with multiple business units and groups which is reported through their non-financial performance. The team is working across Council to bring together projects that align to similar outcomes e.g., all projects that support housing aspirations; all projects that support enhancing and promoting Te Ao Māori, all projects that support lifting capability.

Te Atakura – First to Zero

Goal: Wellington is a net zero emission city by 2050

Summary status:

Reduce City emissions by 57% between 2020 and 2030, and net zero by 2050 – Q1 status is GREEN:

- Annual total gross emissions decreased by 1.4% from FY22 to FY23 driven by a reduction in the emissions intensity of national electricity generation which meant that electricity was 44% less carbon intensive per unit consumed than in FY22. Maintaining momentum on delivering the projects with greatest potential impact (the transport system and creating higher urban density) will be an on-going focus for the coming quarters.

Reduce Council's emissions to net zero by 2050 – Q1 status is GREEN:

- A significant reduction in emissions from the landfill that has reduced Council emissions by about a third. The Council Emissions Reduction Plan is currently under development.

Create a resilient city and Council – status is AMBER:

- Adaptation work programme is on track. Central government passing the Climate Change Adaptation Act, clarity on supporting policy, funding and financing is required to enable further progress.

Children & Young Persons Strategy

Vision: We support the wellbeing of children and young persons in Wellington through the unique features of our place and qualities of our people. We want our children and young people to feel connected to Pōneke with a strong sense of belonging – helped by visible stories of mana whenua and Māori and celebrating the diverse Pacific and other cultures and communities living here.

Summary status:

The majority (47) of the 72 actions in the Children and Young Persons Action Plan, are on track.

- There have been some significant milestones reached in this reporting period (e.g. the completion of “Drinking Behaviors in Courtney Place” study, and a cycle route ride through and engagement session with year 10 students for feedback on ways to make cycleways safer for rangatahi).
- The majority of the actions outlined in the action plan are however expected to be completed by August 2024. The main exception is construction of physical spaces (e.g., Te Matapihi) that are likely to be completed beyond this timeframe.

Aho Tini – 2030 Arts, Culture & Creative Strategy

Vision:

What we will see – The rich cultural traditions and identity of our capital city inspire our exciting and innovative arts, culture and creativity. Wellingtonians can access and participate in arts and culture and explore their

creativity. Together, in partnership with the arts, culture and creative sectors and with mana whenua and Māori, creativity, collaboration and innovation are woven through everything we do.
<p>Summary status:</p> <p>The overall status is AMBER.</p> <ul style="list-style-type: none">While some projects are tracking green, aligning the investment programme with the 2024 LTP has meant that the delivery of some projects have slowed.
<p>He Rautaki Ōhanga Oranga Economic Wellbeing Strategy (adopted June 2022)</p> <p>Vision: Wellington is 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</p> <p>Summary status:</p> <p>Work developing the action plans for the six 10-year strategic outcomes for the city continued during the quarter. The main focus was on on developing the action plans for the three priority areas in the strategy:</p> <ul style="list-style-type: none">Outcome 2: Transitioning to a zero-carbon circular economy.Outcome 3: A Business-Friendly CityOutcome 6: A dynamic city heart and thriving suburban centers

7. LTP community outcomes (full details Part C, Section 5)

Ongoing improvement the underlying data to reflect the work the city is currently delivering and as well as the draft LTP outcomes continued during the quarter. The full set of community outcomes are available in the 2022/23 Annual Report.

Part (B): Featured update

The featured update provides a spotlight on a work programme(s) / achievements during the Quarter.
This update profiles the city streets programme.



Upgrading our central city streets

Background

The Swan Lane and Garrett Street public space upgrade, is one of Council’s spaces upgraded via the Laneway Upgrade Program Work began in 2018 with public engagement, including public surveys both online and in person 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 completed in December 2022. The project was completed in two stages to allow time for the Cuba Dupa festival in March 2022 to proceed with no roadworks.

Streetscape upgrades

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 site lighting to highlight 8 new street trees, lighting of Swan Lane and heritage buildings, plus new seating and bike racks.

The work also included the installation of two 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, upgrading 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.

Street art

Two new public 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 tells 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.

Part (C): Key Performance Reports

Contents

PART (C): KEY PERFORMANCE REPORTS..... 8

SECTION 1. LTP STRATEGIC PRIORITIES WORK PROGRAMME..... 9

SECTION 2. LTP SIGNIFICANT INVESTMENT PORTFOLIO 12

2.1 Portfolio Status of the LTP significant investments..... 13

2. 2 Portfolio Financial performance of the LTP significant investments..... 15

SECTION 3: STRATEGIC ACTIVITY AREA FINANCIAL AND NON-FINANCIAL PERFORMANCE 16

3.1 Overview - KPI results by strategic activity area. 16

3.2 Mana Whakahaere | Governance..... 18

3.3 Taiao | Environment 19

3.4 Whanaketanga ōhanga | Economic Development..... 23

3.5 Oranga ahurea | Cultural Wellbeing 25

3.6 Pāpori me te hākinakina | Social and Recreation 27

3.7 Tāone tupu ora | Urban Development..... 30

3.8 Waka | Transport 33

SECTION 4: FINANCIAL PERFORMANCE REPORT..... 35

4.1 Financial Performance..... 36

4.2 Treasury report..... 37

SECTION 5. COMMUNITY OUTCOMES..... 39

Section 1. LTP strategic priorities work programme

This section of the quarterly report provides a year-to-date, high-level overview of the delivery of the Capital work programme supporting the strategic priorities in the current (2021) LTP. This is a sub-set of the total Capital spend.

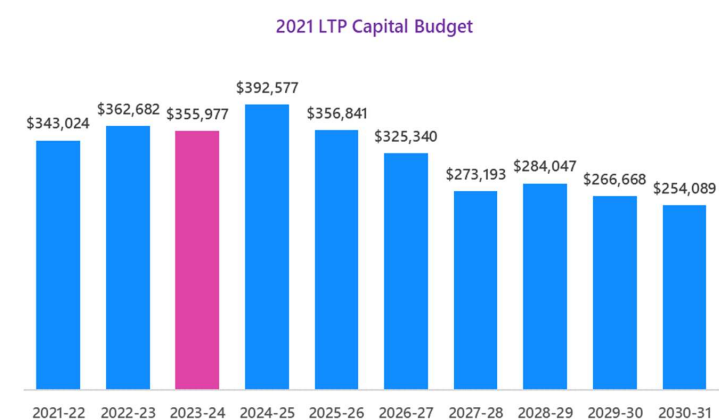
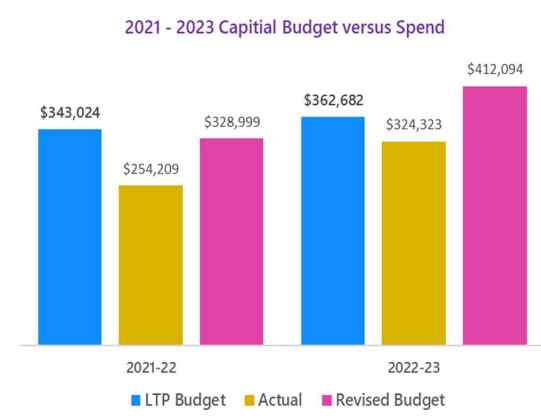
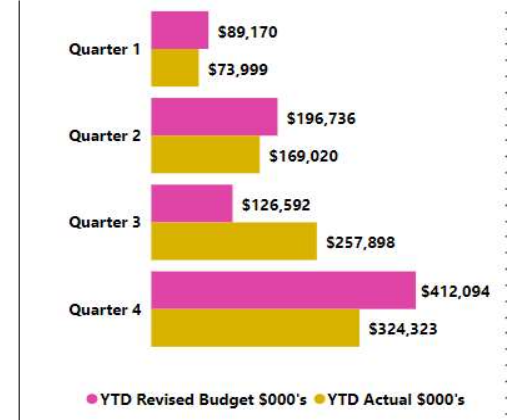
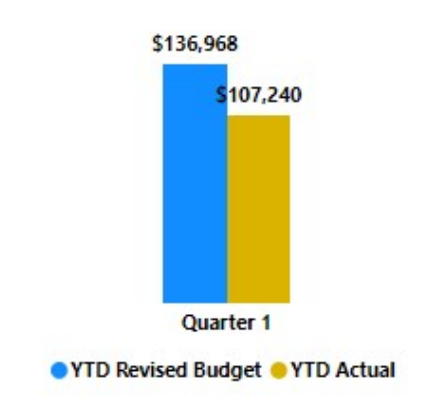
Where capital spend is less closely connected to a strategic priority (e.g., renewals or changes to BAU services) it is not reported as part of the strategic priority work programme. The performance of some this spend is reflected in Section 3.

At the start of the 2021 LTP there were 52 work programmes with 114 projects contributing to the 2021 LTP priorities. A subset of these projects is classified as significant projects, of which there are 16, these are reported by exception in Section 2.

The strategic priorities are:

- Priority 1:** A functioning, resilient, reliable three waters infrastructure
- Priority 2:** Wellington has affordable, resilient and safe housing
- Priority 3:** The city’s core transport infrastructure is a safe, resilient, reliable network
- Priority 4:** The city has resilient and fit-for-purpose community, creative and cultural spaces
- Priority 5:** An accelerating zero-carbon and waste-free transition
- Priority 6:** Strong partnerships with mana whenua.



Programmes contributing to the 2021-31 LTP Strategic Priorities																																																											
<p>The 2021 LTP contained an ambitious capital programme. This section covers capital spend for programmes / projects that have a material contribution to the 5 strategic priorities in the LTP. While this spend on these programmes is significant, there is also capital spend in other strategy areas which is covered later in the report.</p> <p>During the quarter on-going change in the number of programmes (and their underlying projects) starting, continuing or finishing as they move through their delivery phases. While the total capital works programme is running behind schedule - due to timing differences - given the increased size of the capital programme compared to last year, the pace of delivery has increased.</p> <p>As in the previous year, a constrained economic environment and rising project input cost inflation continues to pressure capital budgets of most programmes contributing to strategic priorities.</p>																																																											
2021 10-year LTP Capital budget		Strategi Priority Capital Spend 2021-23	Previous year Quarterly Budget vs Actual trend (all priorities)	Current Year Q1 Budget vs Actual (all priorities)																																																							
<p>2021 LTP Capital Budget</p>  <table><caption>2021 LTP Capital Budget</caption><tr><th>Year</th><th>Budget (\$)</th></tr><tr><td>2021-22</td><td>\$343,024</td></tr><tr><td>2022-23</td><td>\$362,682</td></tr><tr><td>2023-24</td><td>\$355,977</td></tr><tr><td>2024-25</td><td>\$392,577</td></tr><tr><td>2025-26</td><td>\$356,841</td></tr><tr><td>2026-27</td><td>\$325,340</td></tr><tr><td>2027-28</td><td>\$273,193</td></tr><tr><td>2028-29</td><td>\$284,047</td></tr><tr><td>2029-30</td><td>\$266,668</td></tr><tr><td>2030-31</td><td>\$254,089</td></tr></table>		Year	Budget (\$)	2021-22	\$343,024	2022-23	\$362,682	2023-24	\$355,977	2024-25	\$392,577	2025-26	\$356,841	2026-27	\$325,340	2027-28	\$273,193	2028-29	\$284,047	2029-30	\$266,668	2030-31	\$254,089	<p>2021 - 2023 Capital Budget versus Spend</p>  <table><caption>2021 - 2023 Capital Budget versus Spend</caption><tr><th>Year</th><th>LTP Budget (\$)</th><th>Actual (\$)</th><th>Revised Budget (\$)</th></tr><tr><td>2021-22</td><td>\$343,024</td><td>\$254,209</td><td>\$328,999</td></tr><tr><td>2022-23</td><td>\$362,682</td><td>\$324,323</td><td>\$412,094</td></tr></table>	Year	LTP Budget (\$)	Actual (\$)	Revised Budget (\$)	2021-22	\$343,024	\$254,209	\$328,999	2022-23	\$362,682	\$324,323	\$412,094	 <table><caption>Quarterly Budget vs Actual trend (all priorities)</caption><tr><th>Quarter</th><th>YTD Revised Budget \$000's</th><th>YTD Actual \$000's</th></tr><tr><td>Quarter 1</td><td>\$89,170</td><td>\$73,999</td></tr><tr><td>Quarter 2</td><td>\$196,736</td><td>\$169,020</td></tr><tr><td>Quarter 3</td><td>\$126,592</td><td>\$257,898</td></tr><tr><td>Quarter 4</td><td>\$412,094</td><td>\$324,323</td></tr></table>	Quarter	YTD Revised Budget \$000's	YTD Actual \$000's	Quarter 1	\$89,170	\$73,999	Quarter 2	\$196,736	\$169,020	Quarter 3	\$126,592	\$257,898	Quarter 4	\$412,094	\$324,323	 <table><caption>Current Year Q1 Budget vs Actual (all priorities)</caption><tr><th>Category</th><th>Value (\$)</th></tr><tr><td>YTD Revised Budget</td><td>\$136,968</td></tr><tr><td>YTD Actual</td><td>\$107,240</td></tr></table>	Category	Value (\$)	YTD Revised Budget	\$136,968	YTD Actual	\$107,240
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Change in strategic priority work Programmes and Capital spend		2023-24 Annual Plan work programme overview																																																									
<table><tr><th rowspan="2">Priority</th><th colspan="2">% of Work Programmes</th><th colspan="2">% of Strategic Priority Capital Budget</th></tr><tr><th>LTP Start</th><th>YTD (Q1)</th><th>LTP Start</th><th>YTD (Q1)</th></tr><tr><td>A functioning, resilient, reliable 3 waters infrastructure</td><td>14.2%</td><td>16%</td><td>16%</td><td>24.7%</td></tr><tr><td>Affordable, resilient and safe housing</td><td>12.4%</td><td>8%</td><td>11%</td><td>9.6%</td></tr><tr><td>Core transport infrastructure is a safe, resilient, reliable network</td><td>23.9%</td><td>27%</td><td>21%</td><td>30.2%</td></tr><tr><td>Resilient and fit-for-purpose community, creative and cultural spaces</td><td>37.2%</td><td>49%</td><td>42%</td><td>30.9%</td></tr><tr><td>Accelerating zero-carbon and waste-free transition</td><td>1.4%</td><td>3%</td><td>10%</td><td>4.7%</td></tr></table> <ul style="list-style-type: none">The number of projects has changed from 114 in 2021 to 92 at the start of Q1 2023-24.Since the adoption of 2021 LTP there has been additional capital spend in 3 waters to focus on network continuity.		Priority	% of Work Programmes		% of Strategic Priority Capital Budget		LTP Start	YTD (Q1)	LTP Start	YTD (Q1)	A functioning, resilient, reliable 3 waters infrastructure	14.2%	16%	16%	24.7%	Affordable, resilient and safe housing	12.4%	8%	11%	9.6%	Core transport infrastructure is a safe, resilient, reliable network	23.9%	27%	21%	30.2%	Resilient and fit-for-purpose community, creative and cultural spaces	37.2%	49%	42%	30.9%	Accelerating zero-carbon and waste-free transition	1.4%	3%	10%	4.7%	<table><tr><td>Starting: (12 programmes)</td><td>Tūpiki Ora Māori Strategy, Ian Galloway Park Planning and public toilets, Kilbirnie Park Master Plan and Rec Centre, Grenada North Park Master planning, Shed 5, Karori Pool, Parking management plans, Speed management plan, Water programme - Watermain Renewal Programme, Newlands and Johnsonville, Wastewater Network Renewals – Newtown</td><td rowspan="3">Significant investments: Paneke Pōneke - Bike Network Plan :<ul style="list-style-type: none">The Island Bay Parade safety improvements & town centre upgradeNewtown to City Transitional CyclewayBike network programme(Significant project details - see section 2 page 14)</td></tr><tr><td>Continuing: (24 programmes)</td><td>Begonia House Precinct, Khandallah Swimming Pool, Frank Kitts Park redevelopment and Fale Malae, Southern Landfill, Healthy Homes, Te Ngākau Civic Square (Council buildings, Te Matapihi Central Library), Council Emissions Reduction Plan, Climate Change Adaptation, Climate action support, Sludge minimisation project, District Plan, Te Kāinga programme, Huetepara Park, Pōneke Promise, Former Workingmen's Bowling Club Newtown, Three Waters transition, Central city water upgrades, Wastewater pump station and watermain programme, Frederick Street Urban Park, Cuba Street playground, Let's Get Wellington Moving (Transformational programme, Golden Mile, People Friendly City Streets, Thorndon Quay and Hutt Road). 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Quarterly Performance Report | Quarter 1 2023/24

Priority snapshot: Affordable, resilient & safe housing		Priority snapshot: The transport infrastructure is safe, resilient & reliable		Priority snapshot: Functioning, resilient, reliable 3 Waters infrastructure	
Q1 current & previous Year (2022-23) capital budget vs actual spend		Q1 current & previous Year (2022-23) capital budget vs actual spend		Q1 current & previous Year (2022-23) capital budget vs actual spend	
<p>2023-24 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>	<p>2022-23 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>	<p>2023-24 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>	<p>2022-23 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>	<p>2023-24 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>	<p>2022-23 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>
<ul style="list-style-type: none"> Includes priority Investments: Includes Housing Upgrade Programme (HUP2), Healthy Homes. Of the six projects contributing to this strategic priority all were under budget at the end of Q1, the housing renewals programme accounted for the most of underspend at the end of Q1. 		<ul style="list-style-type: none"> Includes priority investments: Paneke Pōneke - Bike Network Programme, transport network development, Cycleways programme, Let's Get Welly Moving, Cycleways Connections and Island Bay programmes. Programmes in Q1 includes LGWM (early delivery, city streets), network access and renewals (including footpaths, retaining walls, seawalls), streetlight renewals and upgrades), Bike network planning and transitional pilots. 		<ul style="list-style-type: none"> Includes priority investments: Central city water upgrades, Wastewater pump station and watermain programme, Taranaki Street New Pump Station. There has been increased additional capital (and Opex) spend over the 2021 budget in the 3 waters programme to support a focus on network continuity. The Wastewater network renewal programme (pump stations, rising mains), drinking water reservoir programme accounted for most of the Q1 3 waters spend. 	

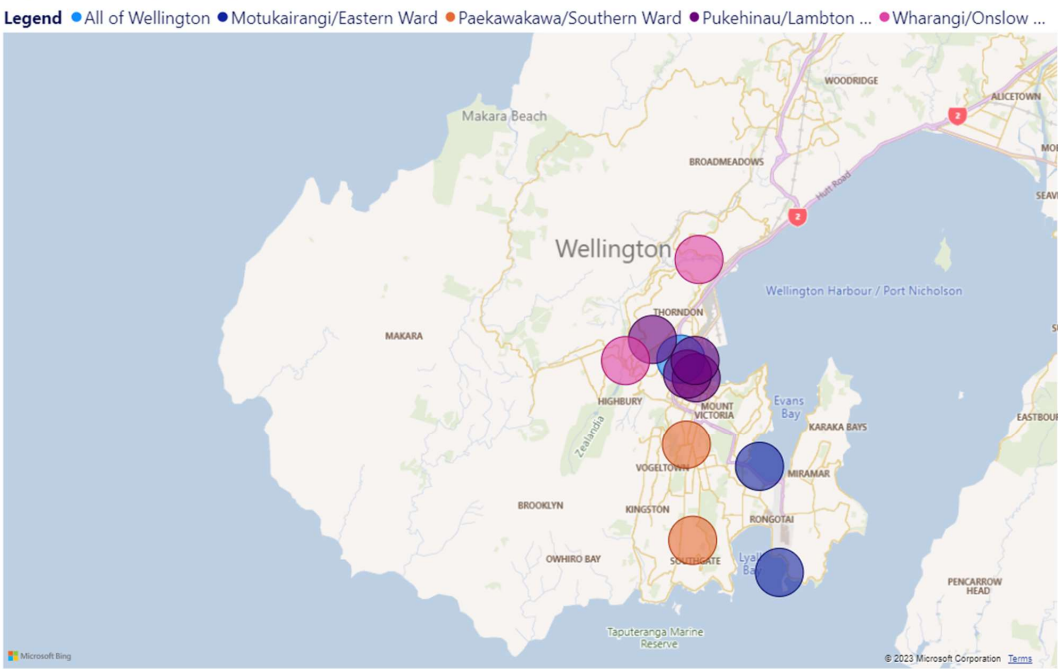
Priority snapshot: An accelerating zero carbon & waste free transition		Priority snapshot: Resilient, fit-for-purpose, community, creative cultural spaces		Q1 Summary
Q1 current and previous Year (2022-23) capital budget vs actual spend		Q1 current & previous Year (2022-23) capital budget vs actual spend		Strategic priority spend
<p>2023-24 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>	<p>2022-23 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>	<p>2023-24 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>	<p>2022-23 Year Quarter 1 Budget versus Actual \$000s</p> <p>Quarter 1</p> <p>● YTD Revised Budget ● YTD Actual</p>	<ul style="list-style-type: none"> Ongoing pandemic resource and supply chain impacts, input cost inflation pressures, water reform and project specific issues are having a material impact (i.e. budget, scope or delivery) on some significant projects for example: <ul style="list-style-type: none"> The Town Hall project - significant cost escalations. Wellington Water's network continuity and upgrade programme Despite these pressures, the delivery of the 2021 LTP capital programme supporting strategic priorities continues. <p>2024 LTP work programme</p> <ul style="list-style-type: none"> The LTP work programme (8 work streams) remains largely of track. The Audit and Risk Committee have provided oversight of the programme assurance mechanisms, process, and management. The LTP steering group is meeting weekly providing stewardship across the work programme. Milestones at the end of the quarter included early public engagement (the Citizens assembly), draft strategic outcomes and priorities, forecasting assumptions established; levels of Service workshops with elected members commenced.
<ul style="list-style-type: none"> Includes priority investments: Residual Waste - Southern Landfill, Sludge Minimisation Facility; the Zero waste programme (sludge). Most of the current year Q1 spend related to the Sludge Minimisation Facility as part of the Zero Waste programme. 		<ul style="list-style-type: none"> Includes priority Investments: Town Hall; Te Matapihi Central Library, Healthy Homes (HUP2); Frank Kits Park Programme. The Town Hall redevelopment project (part of the Te Ngākau programme) and playground upgrades accounted for most of the current year Q1 spend. Other Activity for this priority included suburban centers upgrades, Community centers and halls (upgrades & renewals), sportsfields synthetic turf renewals. 		

Section 2. LTP significant investment portfolio

This section of the quarterly report provides a summary of the LTP significant projects (investments) portfolio including positioning on the Investment Delivery Framework (IDF) and health status overview. The IDF is a gateway process for the project / programme delivery timeline from early conception to closeout.

Significant investments are a subset of the larger LTP work programme (Section 2) and are considered priority pieces of work.

Significant Projects by Ward



2.1 Portfolio Status of the LTP significant investments

Detailed individual project performance commentary is contained [Appendix 2](#)

Quarter one summary

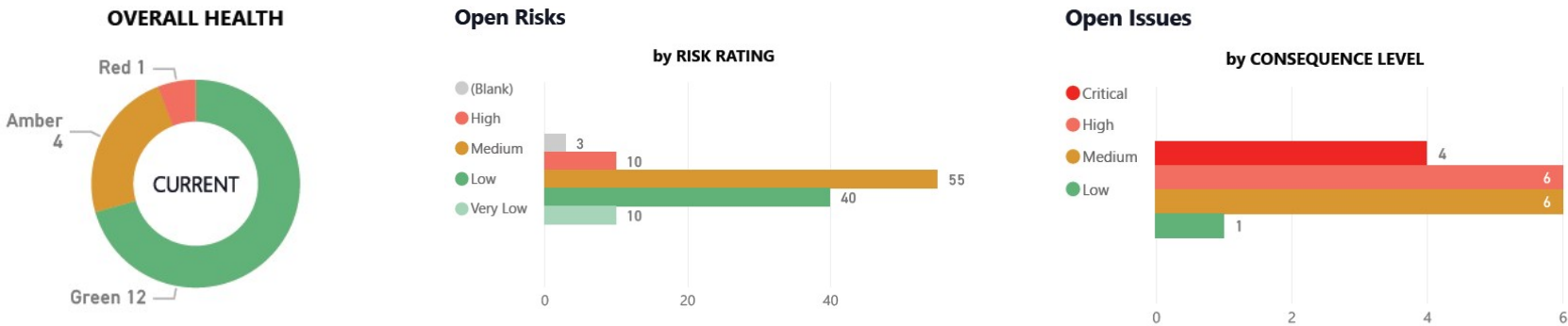
The significant investments portfolio are a subset of the larger LTP work programme. There are 5 programmes of work comprising of 12 projects.

Movements in projects since Q4 22/23:

- Frank Kitts Park Playground project was restarted following council approval in August. Remains GREEN status.
- Street Light Remediation contracts signed, and work commenced in August. Remains GREEN status.
- Bike Network Programme re-baselining exercise in September resulted in \$14M of forecast spend being moved from FY23/24 to subsequent years, due to contractor availability, internal capacity constraints and underspend on Island Bay. Programme forecast currently \$31m for FY 22/23. Remains AMBER status.
 - Newtown to City Transitional Project status changed from AMBER to GREEN with opening of Kent/Cambridge cycleway section in July. Post-opening review is underway.

Portfolio health:

The overall portfolio health remains as green and portfolio risk profile as low to medium. While open issues are being managed at a project level the potential impact of those issues is low to high. The Te Ngākau and Bike network programmes feature in the open risk and issues (see project portfolio below).



Material project health issues:

- The Town Hall Redevelopment Project was reporting RED status at end of Q1 due to costs being likely to exceed forecast. Cost increase was confirmed in early Q2 and will be covered in the Q2 report. Town Hall remains RED.
- The Te Ngākau Programme remains as AMBER status regarding reset for the next phase of civic precinct delivery, including confirmation of Town Hall progress and other related projects.

LTP significant projects by IDF stage



Programme	Overall	Schedule	Scope	Benefits	Budget	Dependencies	Issues	Risks	Resources	Stakeholders	Change Control	Health & Safety
Frank Kitts Park Playground	●	●	●	●	●	●	▲	●	●	●	●	●
Street Light Remediation	●	●	●	●	●	●	●	▲	●	●	●	●
Bike Network Programme (BNP)												
Bike Network Programme (BNP)	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
Botanic Garden to City Transitional Cycleway	●	●	●	●	●	●	●	●	●	●	●	●
Evans Bay Parade Cycleway Stage 1 - Part 3	●	●	●	●	●	●	▲	●	●	●	●	●
Evans Bay Parade Cycleway Stage 2	●	▲	●	●	▲	▲	●	●	●	●	●	●
Newtown to City Transitional Cycleway	●	●	●	●	●	●	●	●	●	▲	●	●
The Parade IB Safety Improvement & Town Centre Upgrade	●	●	●	●	▲	●	▲	▲	●	●	●	●
Frank Kitts Park Programme												
Frank Kitts Park Programme	●	●	●	●	●	●	●	●	●	●	●	●
Housing Upgrade Programme 2 (HUP2)												
Housing Upgrade Programme 2 (HUP2)	●	▲	●	●	▲	●	●	▲	▲	●	●	●
Te Ngakau Programme												
Te Matapihi ki te Ao Nui	●	●	●	●	●	●	▲	▲	▲	●	●	●
Te Ngakau Programme	▲	▲	▲	▲	▲	▲	▲	◆	▲	▲	▲	●
Town Hall Redevelopment Project	◆	▲	●	●	◆	▲	▲	▲	▲	▲	▲	●
Transport & Infrastructure Capital Works Programme												
Chaytor Street, Karori - Safety Improvement	●	▲	●	●	●	●	●	●	●	●	●	●
Zero Waste Programme (ZWP)												
Residual Waste - Southern Landfill - SLEPO	▲	●	●	●	▲	●	▲	●	●	●	●	●
Sludge Minimisation Facility	●	▲	●	●	●	●	▲	▲	●	●	●	●
Zero Waste Programme (ZWP)	▲	●	●	●	▲	●	●	●	●	●	●	●

2. 2 Portfolio Financial performance of the LTP significant investments

The portfolio budget is showing a forecast full year favourable variance of \$19.1M. On a whole of project cost basis however this there is at the end of the quarter a forecast unfavourable variance of \$28.2M. In the prevailing constrained economic and input inflationary conditions we expect there will be ongoing pressures on project budgets with requiring rigorous scope, cost and schedule risk management.

This informantion reflects project specific budget information only and does not include recent decisions made on carry forwards or the Town Hall.

Financial year cost:

Programme/Project Name	FY Total Actual	FY Total Budget	FY Total Forecast	Variance
Bike Network Programme (BNP)	\$2,256,157	\$34,110,323	\$31,089,698	(\$3,020,625)
Botanic Garden to City Transitional Cycleway	\$42,549	\$0	\$300,000	\$300,000
Chaytor Street, Karori - Safety Improvement	\$10,477	\$1,413,000	\$1,413,000	\$0
Evans Bay Parade Cycleway Stage 1 - Part 3	\$634,751	\$6,746,500	\$6,370,278	(\$376,222)
Evans Bay Parade Cycleway Stage 2	\$242,208	\$11,186,906	\$2,261,968	(\$8,924,938)
Frank Kitts Park Playground	\$228,596	\$3,500,000	\$3,500,000	\$0
Frank Kitts Park Programme	\$0	\$400,000	\$0	(\$400,000)
Housing Upgrade Programme 2 (HUP2)	\$418,125	\$6,000,000	\$2,848,482	(\$3,151,518)
Newtown to City Transitional Cycleway	\$358,780	\$0	\$883,317	\$883,317
Residual Waste - Southern Landfill - SLEPO	\$173,050	\$2,022,917	\$2,022,917	\$0
Sludge Minimisation Facility	\$23,750,000	\$126,243,000	\$126,243,000	\$0
Street Light Remediation	\$0	\$4,000,000	\$4,000,000	\$0
Te Matapihi ki te Ao Nui	\$16,922,000	\$75,256,089	\$75,256,089	\$0
Te Ngakau Programme	\$0	\$7,244,277	\$1,000,000	(\$6,244,277)
The Parade IB Safety Improvement & Town Centre Upgrade	\$47,881	\$6,069,899	\$3,790,200	(\$2,279,699)
Town Hall Redevelopment Project	\$12,519,390	\$36,540,551	\$40,635,208	\$4,094,657
Zero Waste Programme (ZWP)	\$303,508	\$1,240,198	\$1,240,198	\$0
Total	\$57,907,473	\$321,973,660	\$302,854,356	(\$19,119,304)

Whole of Project Cost (WOPC):

Programme/Project Name	WOPC Total Actual	WOPC Total Budget	WOPC Total Forecast	Variance
Bike Network Programme (BNP)	\$27,304,505	\$220,607,472	\$231,092,527	\$10,485,055
Botanic Garden to City Transitional Cycleway	\$2,614,516	\$2,871,914	\$3,171,914	\$300,000
Chaytor Street, Karori - Safety Improvement	\$160,897	\$1,563,000	\$1,563,000	\$0
Evans Bay Parade Cycleway Stage 1 - Part 3	\$3,895,810	\$15,007,861	\$14,415,818	(\$592,043)
Evans Bay Parade Cycleway Stage 2	\$1,333,583	\$12,762,045	\$12,765,568	\$3,523
Frank Kitts Park Playground	\$3,763,904	\$7,035,308	\$7,035,308	\$0
Frank Kitts Park Programme	\$534,016	\$934,016	\$534,016	(\$400,000)
Housing Upgrade Programme 2 (HUP2)	\$3,778,891	\$279,000,000	\$279,000,000	\$0
Newtown to City Transitional Cycleway	\$4,058,926	\$4,801,299	\$5,684,615	\$883,317
Residual Waste - Southern Landfill - SLEPO	\$173,050	\$2,022,917	\$2,022,917	\$0
Sludge Minimisation Facility	\$51,583,285	\$202,391,000	\$188,494,000	(\$13,897,000)
Street Light Remediation	\$0	\$6,200,000	\$6,200,000	\$0
Te Matapihi ki te Ao Nui	\$60,975,734	\$216,815,868	\$216,815,868	(\$0)
Te Ngakau Programme	\$0	\$23,050,329	\$20,577,369	(\$2,472,960)
The Parade IB Safety Improvement & Town Centre Upgrade	\$2,359,363	\$8,713,808	\$5,098,992	(\$3,614,816)
Town Hall Redevelopment Project	\$134,181,121	\$182,400,000	\$215,000,000	\$32,600,000
Zero Waste Programme (ZWP)	\$303,508	\$1,240,198	\$1,240,198	\$0
Total	\$297,021,110	\$1,187,417,035	\$1,210,712,111	\$23,295,076

Section 3: Strategic Activity Area - financial and non-financial performance

3.1 Overview - KPI results by strategic activity area.

Activity area	This quarter (Q1)			Q1 last year (FY22/23)			Result FY 22/23**	
Governance	3	-	-	2	-	1	4	3
Environment	16	1	9	16	1	9	18	18
Economic development	3	-	3	6	-	-	8	1
Cultural wellbeing	1	-	-	1	-	-	3	-
Social & Recreation	4	1	4	4	1	4	12	5
Urban Development	5	-	3	4	-	4	6	5
Transport	1	-	2	1	1	1	7	5
Total	33	5	18	34	3	19	58	37
	59%	9%	32%	61%	5%	34%	61%	39%

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target;

* Not Reported

**EOFY results are reported as Green = 0%-9.99% off target and Red = ≥10% off target

Note: Two City Housing KPIs relating to tenant occupancy rates and tenant satisfaction were reported for the last time in FY22-23. These relate to the establishment of the Community Housing Provider – Te Toi Mahana Community Housing during the 2022–23 financial year.

Summary of Non-Financial performance:

In Q1 59% (33) of the 56 KPIs reporting quarterly have met their target. This is 2-percentage point decrease from both the year end FY22/23 results and results in Q1 last year (61%). The changes in performance for this quarter is attributed to;

- **Governance:** Contact Center KPI moved from red in Q1 (FY22/23) to green this quarter.
- **Economic Development:** Three WellingtonNZ KPIs moved from green in Q1 (FY22/23) to amber this quarter. This is a result of lower-than-expected revenue, planned events being weighted more heavily towards Q2-Q4, and one is yet to have all data incorporated into the results but is expected to move to green.
- **Urban Development:** Building consents (%) issued within 20 workings days moved from green in Q1 (FY22/23) to red this quarter, which is due to limited structural engineering capacity, and limited in-house and contractor capacity because of a tight employment market and insurance constraints.
- **Transport:** Customer service requests relating to roads and footpaths moved from

amber in Q1 (FY22/23) to red this quarter. It's expected to improve next quarter with a consistent focus from the team.

Despite some strategy areas facing budgeting challenges (details follow in each strategy area), public events delivered during Q1 include:

- Matariki Ahi Kā
 - The event also diverted 99% of waste generated from the landfill due a redesign of the food truck placement and staffed waste stations.
- FIFA Women's World Cup
 - Our Sportsfields Team were heavily involved in supporting the FIFA competition. With 3 training fields to maintain across Newtown and Martin Luckie Parks, it was very successful with positive feedback received from the teams and the coaches for both parks
 - Our closing night fireworks display drew a crowd of around 20,000 to the waterfront.
 - Zealandia's tours experienced its best ever July with numbers up 70%, and visitor numbers overall up 25% year on year.
 - The Cable Car saw 73,721 visitors through its gates including multiple global film crews and the Swedish football team – taking it to 22.9% over its target for the period.
- Tulip Sunday at Botanic Garden and the Ōtari-Wilton's Bush open day both had great visitor numbers.
- Te Wiki o te Reo Māori 2023 saw events across our libraries and community centers.
- Cuentacuentos! - monthly story-times in Spanish at Karori library kicked off in September, as well as the Reading to Kūri trial at Ruth Gotlieb (Kilbirnie) branch library.
- Successful transition into Tākina operations
 - Our partners have delivered 49 conference events hosting 17,103 people to 30 September (delivering over 33,000 delegate days) and Jurassic World by Brickman finished with over 92,000 tickets sold.

Summary of financial performance

- **Governance:** Favourable variance due to a continuation of the lower-than-expected remuneration costs arising from vacancies, and professional costs due to the timing of the work programmes in Māori Initiatives and Climate Change Response.
- **Environment:** Favourable variance for Waste Operations (fees budget) due to higher than anticipated contaminated soil received at Landfill, and due to \$3.2m lower than budgeted interest allocation for Three Waters activities.
- **Economic Development:** Revenue unfavourable for Venues - revenue \$0.5m to budget, also Tākina revenue budget phasing spread evenly during year, however revenue for exhibitions will only be recognised at end of each exhibition.
- Expenses are a favourable variance in cost of goods sold (COGS) following on from lower revenue, this is offset by unfavourable variance of grants, and contributions due to FIFA Women's World Cup of \$1.5m - unbudgeted spend from ringfenced City Growth Fund.
- **Cultural Wellbeing:** Favourable variance year to date with the City Events expenses below budget, and a temporary year to date saving across Capital of Culture grants and additional expenses expected in City Events.

Quarterly Performance Report | Quarter 1 2023/24

- **Social and Recreation**
- Unfavourable variance is driven by \$1.4m additional spend in City Housing on Building and Infrastructure maintenance and \$0.5m additional spend on Contracts & Services.
- **Urban Development:** Unfavourable variance due to lower than planned revenues in both building and resource consents.
- **Transport:** Revenue overall favourable with LGWM vested asset of \$3.7m offsetting unfavourable variance with NZTA Roding subsidy of \$0.9m reflecting seasonal Opex spend on roading (~\$2.4m behind budget). This is expected to recover later in year. Parking revenues \$1.3m unfavourable to budget, as utilisation still not recovering post Covid 19 lockdowns.
- Expenses overall are unfavourable to budget, however roading maintenance is \$ 3.2m favourable due to seasonal lower delivery and slowdown of works in City during FIFA Women’s World Cup. This is expected to recover during summer months.
- Insurance \$0.7m and depreciation \$0.9m unfavourable to budget mainly due to increase in asset values after prior year revaluation. Internal interest allocation \$3.8m unfavourable to budget.

3.2 Mana Whakahaere | Governance

Mana Whakahaere is responsible for seven LTP KPIs. Of these KPIs three report quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
This quarter (Q1)	3	-	-	3	4
Q1 last year (FY22/23)	2	-	1	3	4
Result FY 22/23	4	-	3	-	7

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; * Not Reported

There were no KPI adverse exceptions for this period

Key highlights and challenges

- A by-election for the Tawa Community Board, with Liz Langham elected as a new member following the resignation of Janryll Fernandez.
- The induction 25 new members for our advisory groups following a recruitment round in the previous quarter.
- The launch Tāhuna ā-Tara, an internal intranet for Councilors. This virtual hub is a one-stop-shop for access to key documents, news, events, and internal systems such as payroll and IT support.
- Conducted Citizens Assembly for the 2024-34 Long-term Plan was held on four Saturdays in September and October. The report will be presented to Council on 9 November 2023.

Governance Q1 Financial summary as at 30 Sept 2023

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Governance	Revenue	(159)	(224)	(224)	(65)	(896)	(896)	0	Unfavourable due to timing delays in grants received through Climate Change Response.
	Expenditure	6,896	7,808	8,310	912	32,848	32,848	0	Favourable YTD, due to lower-than-expected remuneration costs arising from vacancies (\$0.4m) and professional costs (\$0.3m). This is impacting on the timing of the work programmes in Māori Initiatives and Climate Change Response.
	Net Surplus/(Deficit)	6,736	7,584	8,086	847	31,952	31,952	0	

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Governance	Revenue	0	0	0	0	0	0	0	
	Expenditure	180	404	404	224	1,615	1,615	0	Under budget due to the EV Fleet transformation programme being behind plan.
	Net Surplus/(Deficit)	180	404	404	224	1,615	1,615	0	

3.3 Taiao | Environment

Taiao is responsible for 36 LTP KPIs. Of these KPIs 26 report quarterly with the balance reporting annually. Taiao has responsibility for Wellington Water Ltd (WWL), performance for this suite of KPIs is shown on the next page.

Non-financial KPI results				Reported quarterly	Reported annually
This quarter (Q1)	16	1	9	26	10
Q1 last year (FY22/23)	16	1	9	26	10
Result FY 22/23	18	-	18	-	36

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; * Not Reported

Key highlights and challenges

Public consultation

On 14th September the E&I committee agreed to undergo LTP consultation on the following initiatives:

- Redesign the city’s kerbside collections and introduce an Organics collection service
- Setup an Organics Processing Facility to divert organics from landfill
- Establish a Resource Recovery Network in Wellington to make it easier for the community to recycle and reuse products

These cornerstone initiatives are vital to delivering the Zero Waste Strategy in support the Te Atakura – First to Zero plan.

Resource recovery

- The 3 year partnership with the Sustainability Trust Forrester’s Lane site as the first ‘spoke’ pilot commenced. This will support the community resource recovery sector build capability to recover, recycle and reuse products.

Waste Management and Minimisation Plan

- Following public consultation in August 2023, officers are compiling feedback to take the final plan (WMMP) to Joint Committee for adoption in December 2023. The new WMMP will come into effect early next year once adopted by all Wellington region councils. The WMMP, aligned with Wellington City’s Zero Waste Strategy and Ministry for Environment’s Waste Strategy will and supports resource recovery change to divert waste from landfill and reduce emissions.

Southern Landfill Extension (Piggyback Option)

- The Southern Landfill Extension (Piggyback Option) remains on track. GWRC’s consultation on the resource consent application closed on 19 October, with good support from the community. The next milestone is the GWRC SLEPO Resource Consent Hearing which is scheduled to take place from 12th – 14th December.

Emergency Management

- The Emergency Management team facilitated two Council-wide exercises, focusing on a scenario that centered around the immediate response to an earthquake and the crucial need to rapidly establish situational awareness after an event. The voluntary turnout of WCC staff was the highest we have ever experienced, with approximately 70 people participating in both exercises.

LTP KPI exception report - including Wellington Water (WW)

LTP Activity area		KPI description	Target	2023/24	2022/23		Comment
				This period (Q1)	This period last year (Q1)	Year-end result	
Environment		Volume of waste diverted from landfill	5000	3,653	3,919	3,952	<p>We have recently become involved in supporting the management of another waste contract that sits with the roading team as its CBD collections, and we are now receiving data on volumes from collections. The contractor is currently not able to provide glass volumes which would positively impact our result and are hopeful the contractor will find a way to report this through. We're also assessing whether we can adequately measure the weight of monthly sales of goods from the tip shop which will add to the diversion total.</p> <p>We expect the indicator to remain amber or red until we are satisfied with the methodology for calculating this data we hope to receive.</p>
Wellington Water	Environment	Number of complaints about the drinking water's clarity, taste, odour, pressure or flow, continuity of supply, and supplier responsiveness, expressed per 1000 connections	<5	5.6	3.5	4.8	The network is ageing, and the associated fault volumes are increasing. Wellington Water are battling with ageing pipes that are prone to bursts or in need of repairs.
	Environment	Median response time for attendance for water network urgent call outs (minutes)	60	135	55	66	Wellington Water continue to target leaks based on several factors, including risk to the public and the quantum of leakage, as opposed to age. The number of leaks making up the backlog of current works continues to exceed available funding and resources. The number of leaks naturally declines over winter as they are less visible, however the overall trend is that the backlog will continue to grow. WW anticipate that we will reach a record number of open leaks this summer.
	Environment	Median response time for resolution for water network urgent call outs (hours)	4	11.8	1.8	2.1	As above.
	Environment	Median response time for attendance for water network non-urgent call outs (hours)	36	862	48	75	Non-urgent works were undertaken at a slower rate than previous quarters in order to keep within the investment provided for this financial year. This has led to an increased backlog and higher times to resolve these jobs. WW anticipate this trend will continue throughout the year, and peak in summer. WW continue to target leaks based on volume of leakage and risk to the public.
	Environment	Median response time for resolution for water network non-urgent call outs (days)	5	59	2	3.6	As above.
	Environment	Average drinking water consumption per resident/day	365	412	391	407	Per capita consumption across all councils in the metro area has continued to increase primarily due to leakage, but also in part due to high residential use relative to other cities in NZ. WW continue to promote increased investment in water loss activities and network renewals to bring down water loss to more sustainable levels, together with investment in universal smart metering and additional source capacity work in the near future to better manage the increasing supply/demand balance risk. WW are focusing on developing a strategy to respond to a possible acute water shortage this summer.

Quarterly Performance Report | Quarter 1 2023/24

LTP Activity area		KPI description	Target	2023/24	2022/23		Comment
				This period (Q1)	This period last year (Q1)	Year-end result	
	Environment	Dry weather wastewater overflows, expressed per 1000 connections	0	0.68	1.6	1.4	Dry-weather sewerage overflows continue to be within the targets proposed by Wellington Water.
	Environment	Median response time for wastewater overflows (attendance time minutes)	60	90	108	120	Although an improve on previous results, Wellington Water continue to exceed targets in the wastewater space due to an increase in work volume and funding and resourcing constraints.
	Environment	Monitored sites (%) that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	91%	86%	72%	78%	The Human Health Mitigation project is underway and targeting environmental health improvements at catchments across Wellington City Council.

Wellington Water - KPI performance Q1

Wellington Water Limited (WWL) is responsible for 25 LTP KPIs. Of these KPIs 23 report quarterly with the balance reporting annually.

WWL’s detailed quarterly three reporting is contained in [Appendix 3](#)

Non-financial KPI results – Wellington Water				Reported quarterly	Reported annually
This quarter (Q1)	14	1	8	23	2
Q1 last year (FY22/23)	14	1	8	23	2
Result FY 22/23	11	-	14	-	25

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; * Not Reported

Environment Q1 Financial summary as at 30 Sept 2023

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Environment	Revenue	(9,608)	(8,448)	(8,448)	1,160	(36,203)	(36,203)	0	Favourable Waste Operations - fees budget due to higher than anticipated contaminated soil received at Landfill.
	Expenditure	74,731	78,343	78,635	3,612	313,423	313,423	0	Favourable due to \$3.2m lower than budgeted Interest allocation for Three Waters activities.
	Net Surplus/(Deficit)	65,123	69,896	70,187	4,772	277,221	277,221	0	

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Environment	Revenue	41	0	0	(41)	0	0	0	
	Expenditure	43,725	49,072	63,488	5,346	209,592	209,592	0	PSR - Unfavourable due to timing issue of land acquisition and budget phasing with carry forward approval. This will be resolved in Q2. Sludge Minimisation Project \$4.4m behind budget, delays in signing of contracts expected to catch up in coming months. Waste ops - Southern Landfill extension \$2.6m behind budget, budget spend phasing not aligned with actual, will correct later in year.
	Net Surplus/(Deficit)	43,766	49,072	63,488	5,306	209,592	209,592	0	

3.4 Whanaketanga ōhanga | Economic Development

Whanaketanga ōhanga is responsible for nine LTP KPIs. Of these KPIs six report quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
This quarter (Q1)	3	3	-	6	3
Q1 last year (FY22/23)	6	-	-	6	3
Result FY 22/23	8	-	1	-	9

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; * Not Reported

Key Highlights and challenges

Highlights:

- Tākina operations:** our partners have delivered 49 conference events hosting 17,103 people to 30 September (delivering over 33,000 delegate days) and Jurassic World by Brickman finished with over 92,000 tickets sold. We have announced our second exhibition - MARVEL: Earth's Mightiest Exhibition running 14 Dec 2023 – 28 Apr 2024, and secured our third exhibition planned for winter 2024.
- Courtenay Place precinct plan:** we have completed engagement with businesses and residents in Courtenay Place and identified priorities to help guide actions going forward. This gives us a strong footing to work in collaboration across Pōneke Promise partners, businesses and residents to build an agile action plan that aligns with these aspirations and utilises our different levers and relationships.
- FIFA Women's World Cup:** Wellington Regional Stadium very successfully hosted 9 matches for a total attendance of 231 262 spectators, an average of 25,696 fans per match. A number of our CCOs saw a huge boost in their winter visitor numbers. For example, Zealandia’s tours experienced its best ever July with numbers up 70%, and visitor numbers overall up 25% year on year. The Cable Car saw 73,721 visitors through its gates including multiple global film crews and the Swedish football team – taking it to 22.9% over its target for the period.

Challenges

- The current tight economic environment is impacting discretionary income, which has impacts across CCOs, events, tourism and Tākina, making it more challenging to achieve target outcomes.
- Cost pressures continue to be a challenge for CCOs and Tākina. This was acknowledged through the annual plan operating grant funding review and living wage assistance support for CCOs. Cost pressures however remain - particularly staff remuneration. Cost control within CCOs and Tākina will be monitored closely with the support of the WCC Finance Team. There is some risk around our sales targets for Tākina in the out-years which may have an impact on budgets.

LTP KPI exception report

LTP Activity area	KPI description	Target	2023/24	2022/23		Comment
			This period (Q1)	This period last year (Q1)	Year-end Result	
Economic Development	WREDA KPI7: Funding diversification % of revenue from commercial/non council funding and commercial activity (combined WNZ & CHQ)	30%	27.8%	36%	25%	Revenue from commercial/non council funding is lower due to some pipelined revenue, including at Creative HQ being delayed. Expected to be on track next quarter
Economic Development	WREDA KPI1: Direct economic impact of Wellington NZ's activities and interventions (\$m)	\$32.50	\$29.57	\$ 132.50	\$6.47	Major Events data is not included within these results, they are independently assessed which results in a lag in reporting, this means FIFA, WOW, Eat, Drink, Play, and Beervana are not yet reflected in this KPI. Once Major Events data is included the performance for this KPI will be well above target. The performance in the next quarter will be above target once Major Events data is included.
Economic Development	WREDA KPI2: Number of different business engagements in WellingtonNZ programmes	-	445	618	2,200	Business planned business engagements are weighted more heavily for quarters 2 to 4.
This reporting is by exception only, and the table represents those KPIs which did not meet their target this quarter						

Q1 Financial summary as at 30 Sept 2023

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Economic Development	Revenue	(3,618)	(6,132)	(6,132)	(2,514)	(24,528)	(24,528)	0	Unfavourable Venues revenue \$0.5m to budget, Tākina revenue budget phasing spread evenly during year, but Revenue for exhibitions will only be recognised at end of each exhibition \$1.7m.
	Expenditure	13,164	13,467	14,251	303	56,932	56,932	0	Favourable COGS following on from lower revenue, this is offset by unfavourable Grants & contributions due to FIFA Women's World Cup - \$1.5m unbudgeted spend from ringfenced City Growth Fund.
	Net Surplus/(Deficit)	9,546	7,335	8,119	(2,211)	32,403	32,403	0	

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Economic Development	Revenue	0	0	0	0	0	0	0	
	Expenditure	586	1,604	1,604	1,018	6,418	6,418	0	Venues Upgrades - Opera House EQ strengthening and refurbishment budget \$1.1m - works only expected to start later in year following finalisation of scoping and design.
	Net Surplus/(Deficit)	0	0	0	0	0	0	0	

3.5 Oranga ahurea | Cultural Wellbeing

Oranga ahurea is responsible for three LTP KPIs. Of these KPIs one reports quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
This quarter (Q1)	1	-	-	1	2
Q1 last year (FY22/23)	1	-	-	1	2
Result FY 22/23	3	-	-	-	3

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; * Not Reported

Key Highlights and challenges

Infrastructure

- Following a thorough engagement phase, Toi Pōneke has had an Indicative Business Case prepared canvassing potential options for a contemporary future service. Mana whenua have indicated strong interest in a future collaboration.
- In partnership with The Hannah Playhouse Trust, in Q1 the Playhouse had 13 projects in development and hosted 15 performances to a total audience of 2,200. The Playhouse bar has been redeveloped to make it suitable for use as another smaller 40-seat performance space. However, it faces heating issues brought to light in hosting a Baroque musical ensemble.
- At Toi Pōneke the programme of ongoing residencies includes Sound Artist resident Ben Leonard’s commencement. 9,473 gallery visitors and users attended Toi Pōneke in this period.
- Te Matapihi (Central Library) continues to move ahead apace. Multiple workstreams are underway including the next stage of artists’ commissions, including a site walkthrough by mana whenua with lead artist and collaborator Rangi Kipa.
- Creative Capital supports work on the Wellington Town Hall and involvement with Te Ngākau planning.
- Two pilot e-bike tours were supported by Creative Capital to mural works across the city and to sites of interest to the rainbow community. The Lightbox project in Courtenay Place delivered a collaboration between the students of Te Kura Kaupapa Māori o Ngā Mokopuna with Shannon Te Ao (Ngāti Tūwharetoa, Ngāti Wairangi, Pāpaka-a-Māui) and Hendrix Hennessy-Ropiha (Ngāti Kahungunu, Ngāti Raukawa), named Kura Huna.

Programme delivery

- The Matariki Ahi Kā event generated 687kgs of waste from the kai court as 20,000 people flocked to the city to celebrate, eat, and drink during the four-day event. Due to a redesign of the food truck placement, and staffed waste stations, 99 percent of the event waste was able to be diverted from the landfill according to a waste audit.
- FIFA Women’s World Cup closing-night fireworks on the waterfront played to a crowd of 20,000.
- In conjunction with the Royal New Zealand Ballet and creative company Clicksuite, Creative Capital’s Cinderella projection on the St James received a prestigious award for outstanding design and innovation in Australia’s top Good Design awards.

Partnerships

- Through Aho Hononga, Creative Capital has provided programme support directly to runanga of Taranaki Whānui and Ngati Toa, who have also expressed interest in contributing to the future Toi Pōneke.
- Partnership with Victoria University of Wellington’s Design School continues to support emerging Māori designers working in digital fields.

There were no LTP KPI exceptions for Q1.

Q1 Financial summary as at 30 Sept 2023

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Cultural Wellbeing	Revenue	(217)	(256)	(256)	(38)	(1,023)	(1,023)	0	Unfavourable variance of \$0.04m.
	Expenditure	7,470	8,058	6,774	588	27,091	27,091	0	Favourable YTD due to timing difference with some Events and Sponsorships. The timing of the payment of the Regional Amenities Fund Grant was changed to a later date than previous years.
	Net Surplus/(Deficit)	7,253	7,802	6,519	550	26,069	26,069	0	

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Cultural Wellbeing	Revenue	0	0	0	0	0	0	0	
	Expenditure	759	304	304	(456)	1,216	1,216	0	Over budget \$0.7m on Tākina due to carry-forward of budget requested through Capex Forward paper approved by Council in October.
	Net Surplus/(Deficit)	0	0	0	0	0	0	0	

3.6 Pāpori me te hākinakina | Social and Recreation

Pāpori me te hākinakina is responsible for 16 LTP KPIs. Of these KPIs 9 report quarterly with the balance reporting annually.

Table with 7 columns: Non-financial KPI results, Not reported, Reported quarterly, Reported annually. Rows include: This quarter (Q1), Q1 last year (FY22/23), Result FY 22/23.

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; * Not Reported

The following City Housing KPIs were closed at the end of FY22/23 due to the establishment of Toi Te Mahana, and will not be reported on via the LTP for 2023/24;

- Occupancy rate (%) of available housing facilities
- Tenant satisfaction (%) with services and facilities

Key Highlights and challenges

Highlights

- The masterplan for Kilbirnie Park is in development. The long-term vision, key moves, and two concept options for the locations of the refreshed play space and destination skate park have been socialised with the community. We received feedback with common themes relating to safety and accessibility, with tension between open space provision and carparking.
- Our Sportsfields team were heavily involved in supporting the FIFA competition. With 3 training fields across Newtown and Martin Luckie Parks, our teams undertook hours of maintenance, during the day and night to meet the teams and referees training requirements. Overall, positive feedback received from the teams and the coaches for both parks.
- Maintenance and upgrade projects were completed across our recreation facilities. The Ākau Tangi Sports Centre court lighting was replaced, Freyberg Pool’s 6 yearly maintenance renewal was finished which included an upgrade of the spa/sauna facilities and a new main reception. New electronic gates will be installed soon, enabling customers to access the facility more quickly. The replacement of the upstairs gallery windows over the past 18 months at the Wellington Regional Aquatic Centre was completed.
- The official ceremony Tulip Sunday occurred during the Quarter. Ōtari open day had steady flow of visitors, walks and talks were well attended, along with stalls from Predator Free Wellington, Porirua City Council nursery, the Animal Control team and the Ōtari-Wilton’s Bush Trust. Traditional Māori games were a hit with children and adults alike.
- The first composting hub officially launched in Te Aro, with more opening shortly as part of the Community Composting Hubs trial.
- During Te Wiki o te Reo Māori 2023 we held several bilingual storytimes in Te Reo Māori and English, including our popular Nohinohi Reorua, which we also extended to our community centres. In September, we began Cuentacuentos! - monthly story-times in Spanish at Karori library. In August we launched the Scholefield papers online on Wellington City Recollect. Dr Guy Scholefield assembled over 6000 pages of letters, family trees & shipping lists which detailed the genealogy of thousands of individuals descending from early European settlers of the Wellington Province.
- A Reading to Kūri trial at Ruth Gotlieb (Kilbirnie) branch library was delivered at the end of September. Bookings for tamariki aged 5+ wanting to practice their reading were fully subscribed. We are planning to extend this beyond the trial into after-school programmes.

Challenges

- Th main project challenges experienced during the quarter were mainly due to contractor and sub-contractor availability. Some jobs are taking longer than expected, with reduced Labour and capacity due to staff illness. Escalating construction costs have triggered a review of options for the Begonia House refurbishment, we’re working through the impact of this and have nominally pushed the start date back from July 2024 to May 2025.

LTP KPI exception report

This table represents those KPIs which did not meet their target this quarter.

LTP Activity area	KPI description	Target	2023/24	2022/23		Comment
			This period (Q1)	This period last year (Q1)	Year-end Result	
Social and Recreation	Food registrations - premises (%) inspected within Food Act regulation required timeframes (new business and existing businesses)	100%	59%	33%	42%	KPI not met reflecting a temporary loss of capacity due to staff resignations. Replacement staff are currently being recruited however achieving accreditation to undertake premises inspections requires considerable time and training. It is expected that the backlog will be cleared by year end, and the KPI will be achieved in subsequent quarters (subject to ongoing staff availability).
Social and Recreation	Graffiti removal – response time frames (%) met	80%	65%	Not reported	79%	The KPI result shows that the contractor removed graffiti within the prescribed timeframe in 65% of cases of graffiti reported on private property. This is an average across three priority categories; urgent/offensive, high, and low. The proactive approach we have adopted ensures that offensive tags and those in high priority areas continue to be our focus. Proactively removed tags are not reflected in the data, and therefore reduces the overall KPI result in the high priority area (17.82%). In this quarter significantly more offensive tags than were reported to Council were removed because of this proactive approach. Officers will continue to improve methodology to reflect changes in approach and how this impacts on levels of graffiti vandalism in the city.
Social and Recreation	Public toilets - response timeframes (%) met	95%	63%	66%	69%	Performance remains around the 60-65%. Sub-contractor availability continues to be the main issue. It's expected this KPI will not meet year-end target.
Social and Recreation	Alcohol Licences - premises inspected within target timeframes (%)	100%	0%	0%	32%	KPI not met due to the highly seasonal approach to high-risk premises inspections. These are concentrated in summer months, reflecting the prevalence of alcohol harm. We expect KPI compliance to reflect prior year patterns, with lulls in the cooler months and high level of performance (reflecting concentration of inspections) in the warmer months.
Social and Recreation	Dog control - response timeframes (%) met	100%	94%	98%	98%	KPI not met due to a small number of incidents (3) with unique characteristics that required specialist support. This KPI result is due to unusual and unique circumstances that are unlikely to be replicated. We expect performance to be above the KPI in future quarters.

Quarterly Performance Report | Quarter 1 2023/24

Q1 Financial summary as at 30 Sept 2023

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Social and Recreation	Revenue	(8,415)	(8,422)	(8,422)	(7)	(33,513)	(33,513)	0	Revenue in line with expectations.
	Expenditure	43,385	41,368	39,033	(2,017)	156,097	156,097	0	Unfavourable variance is driven by \$1.4m additional spend in City Housing on Building and Infrastructure maintenance and \$0.5m additional spend on Contracts & Services.
	Net Surplus/(Deficit)	34,970	32,946	30,611	(2,024)	122,584	122,584	0	

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Social and Recreation	Revenue	0	0	0	0	0	0	0	
	Expenditure	6,515	12,206	12,206	5,691	48,823	48,823	0	Under budget due to delays in undertaking City Housing renewals \$3.0m caused by material shortages. \$0.5m underspend on Te Aro Park Safety delayed construction of public toilets until Wellington Water Taranaki Rising Mains project has been completed. Underspend of \$0.8m on aquatic and recreational facilities due to budget phasing differences which are expected to align by year end.
	Net Surplus/(Deficit)	6,515	12,206	12,206	5,691	48,823	48,823	0	

3.7 Tāone tupu ora | Urban Development

Tāone tupu ora is responsible for 11 LTP KPIs. Of these KPIs eight report quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
This quarter (Q1)	5	-	3	8	3
Q1 last year (FY22/23)	4	-	4	8	3
Result FY 22/23	6	-	5	-	11

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; * Not Reported

Key highlights and challenges

Highlights

- The new Business Improvement and Assurance team in City Consenting & Compliance are making a strong positive contribution to operations. Their data and insights capacity will drive the business unit towards more informed performance management.
- All 8 of our strategic projects (as identified in our 2023-24 Business Plan) are progressing as planned. Collectively these projects will provide us with a strong foundation for ongoing business and operational improvements. We will now review the scope of the projects and refocus activity for the coming quarters.
- We have reporting improvements in performance against KPIs which measure key regulatory processes (building consent and resource consents) relative to Q4 2023. This reflects a concerted approach to deliver improvements and efficiencies across our regulatory service lines.
- City Design has had a relatively quiet first quarter of the 23/24 financial year. Highlights included the completion and opening of the Newtown to City Paneke Pōneke Project, continuation of construction of the Evan Bay project and kick off of the engagement and concept design development for the new Central City park on the corner of Frederik and Taranaki Streets.

Challenges

- Our systems remain a key risk to ongoing performance and continue to limit our ability to deliver exceptional regulatory services. Goget, our process management system, remains extremely slow and has significantly impacted outputs for all users of this system with an approximate 13% decrease in efficiency of Code Compliance reviews. Reporting on advisor response times require manual checking within the Teamwork system, absorbing significant time. We continue to work with Smart Council to ensure our improvement projects are prioritised. We have advocated for LTP funding that would enable us to ‘fix what is broken’ and develop and implement a comprehensive improvement plan that would set us up for regulatory excellence over the long term. In the absence of this funding, performance will decline.
- The availability of structural engineering capacity continues to impact building consent timelines. External engineering firms are limiting the uptake of work due to ongoing high workload and insurance limitations. We have established a project to explore ways we can create additional capacity.
- We continue to monitor changes to legislation and regulation which is likely to impact future workloads and expectations of Council functions, the most recent of which is the update from the Minster for Building and Construction and MBIE following the Loafers Lodge fire.

LTP KPI exception report

This table represents those KPIs which did not meet their target this quarter.

LTP Activity area	KPI description	Target	2023/24	2022/23		Comment
			This period (Q1)	This period last year (Q1)	Year-end result	
Urban Development	Building consents (%) issued within 20 workings days	100%	81%	49%	64%	<p>The capacity to review consents with a structural engineering item is continuing cause the bulk of delays on consent processing times and the team's ability to meet the 20-working day requirement, as well as some internal process issues.</p> <p>Changes to a select contract has now included minimum KPI levels, which has previously not been included, and is not included in any other contract. This has been in play over September and has seen a reduction in the amount of consent on the allocation list being picked up over 20 working days. There is a significant project being undertaken with the IT department to develop an allocation list that will automate process. This is anticipated to significantly reduce the human error factor if not remove it and is currently in the testing phase. It's expected that this KPI will improve next quarter.</p>
Urban Development	Code of compliance certificates (%) issued within 20 working days	100%	81%	89%	85%	<p>CCC timeliness has been increasingly affected due to inability to suspend the clock for lack of final inspections or for fees owing following actioning IANZ corrective actions. This is in respect of IANZ/MBIE Strict requirement to align with the Building Act as to what a complete CCC application consists of, and what the statutory clock can be suspended for. Now following when a complete CCC application is received, the clock cannot be suspended when fees are unpaid, or a final is outstanding. Fees and Finals are not items that the clock can be suspended for in accordance with the Building Act.</p> <p>It's expected that this KPI will improve for next quarter.</p>
Urban Development	Resource consents (non-notified) (%) issued within statutory time frames	100%	83%	61%	60%	<p>KPI not achieved but has improved significantly from the previous quarter and year. We are working with external advisors to improve the timeliness of their inputs and continue to work with Smart Council for an 'allocations app' which will improve our ability to project manager external advisors. We expect performance to hold steady, potentially with some further improvements.</p>

Q1 Financial summary as at 30 Sept 2023

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Urban Development	Revenue	(5,856)	(6,735)	(6,735)	(879)	(27,454)	(27,454)	0	Unfavourable due to lower than planned revenues in both building and resource consents. Timing regarding the release of revenue for the sub-surface project is also a factor.
	Expenditure	16,280	14,716	14,856	(1,564)	59,366	59,366	0	Unfavourable due to the costs associated with the Shelly Bay fire and subsequent clean-up. These costs are expected to continue to be incurred for a number of months.
	Net Surplus/(Deficit)	10,424	7,982	8,122	(2,442)	31,912	31,912	0	

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Urban Development	Revenue	0	0	0	0	0	0	0	
	Expenditure	13,273	16,173	16,173	2,900	64,692	64,692	0	Under budget due to budget phasing across a number of projects with the largest variances being in the Housing Investment programme (\$1.1m), Waterfront Renewals (\$0.5m), Poneke Promise (\$0.6m) and the Great Harbour Way (\$0.6m, removed through the Carry Forward process). Offsetting to some extent is the earthquake mitigation work, currently overspent by \$0.9m.
	Net Surplus/(Deficit)	13,273	16,173	16,173	2,900	64,692	64,692	0	

3.8 Waka | Transport

Waka is responsible for 12 LTP KPIs. Of these KPIs three report quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
This quarter (Q1)	1	-	2	3	9
Q1 last year (FY22/23)	1	1	1	3	9
Result FY 22/23	7	-	5	-	12

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; * Not Reported

Key Highlights and challenges

Highlights

- The streetlight spigot removal is ahead of program, and we have engaged another contractor to help deliver this. We will keep the contract completion the same as we progress thorough the project and then look at reassessing once we meet the midway point.
- The structures team are working with a tight budget as the increase in budget only just covers the forward work of this year. This team will need considerably more budget in the next few years to truly deal with the damaged caused by the 2022 slips.
- We now start to focus on the renewal of a combined Streetlight and Signals maintenance contract, and we start focusing on the road maintenance contract due in 2025.
- Capital delivery continue with the projects around the city but due to the volume of works happening in the city progress has been harder than expected.

Challenges

- The road Maintenance contract enters into the first of a 2-year rollover. As expected, rates were significantly increased with some in excess of 150%.
- Due to the increased rates and this being the last year of the LTP the ability to deliver the entire works program with a reduced budget will see less work delivered from previous years.

LTP KPI exception report

This table represents those KPIs which did not meet their target this quarter.

LTP Activity area	KPI description	Target	2023/24	2022/23		Comment
			This period (Q1)	This period last year (Q1)	Year-end result	
Transport	City parking peak occupancy (% utilisation)	75%	53%	54%	53%	Both Cumulative and Peak Average Occupancy for Q1 was 52.61%. This is only slightly lower and consistent with the cumulative peak average for last FY which was 53%. Parking services are in the process of implementing a new pay by plate parking system which will better manage occupancy and turnover of remaining parking spaces. This will be operational Early Jan 2024.
Transport	Customer service requests (%) relating to roads and footpaths that are responded to within timeframe. (urgent within 2 hours and non-urgent within 15 days)	98%	87%	88%	89%	The 87% quarter 1 result is 11% under the target of 98%. It will require a consistent focus to attain the target in the coming quarters to make up the shortfall, this may be difficult to achieve.

Q1 Financial summary as at 30 Sept 2023

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Transport	Revenue	(15,267)	(14,302)	(14,302)	966	(57,206)	(57,206)	0	Favourable LGWM vested asset \$3.7m offsetting unfavourable NZTA Roothing subsidy \$0.9m due to seasonalisation of Opex spend on roading (~\$2.4m behind budget), expected to recover later in year. Also parking revenues \$1.3m unfavourable to budget as utilisation still not recovering post Covid 19 lockdowns. Actual occupancy of parking spaces 52% vs budgeted 75%.
	Expenditure	37,612	35,992	36,117	(1,619)	143,969	143,969	0	Favourable roading maintenance \$ 3.2m favourable to budget due to seasonal lower delivery and slowdown of works in City during FIFA world cup, expected to recover during summer months. Insurance \$0.7m and depreciation \$0.9m unfavourable to budget mainly due to increase in asset values after prior year revaluation. Internal interest allocation \$3.8m unfavourable to budget.
	Net Surplus/(Deficit)	22,344	21,691	21,816	(654)	86,763	86,763	0	

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Transport	Revenue	0	0	0	0	0	0	0	
	Expenditure	21,112	32,076	32,076	10,964	128,456	128,456	0	Over budget in Parking due to parking meters project \$1.9m, carry forward 2022/23 budget approved in October. Transport underspend \$12.8m due to budget not seasonalised, many roading projects in City slowed or halted during FIFA world cup, expected to catch up to budget over summer months. Cycling network \$5.1m behind budget - seasonalisation, expected to recover later in year. Speed management budget \$2.4m mostly to be carried forward to 2024/25 financial year as approved by Council in October.
	Net Surplus/(Deficit)	21,112	32,076	32,076	10,964	128,456	128,456	0	

Section 4: Financial Performance Report

This section of the quarterly report provides the financial performance for the quarter.

	Year-to-date (\$000s)			Full Year
	Actual	Budget	Op Var	Budget
	\$000's	\$000's	\$000's	(\$000s)
Revenue	198,948	194,818	4,130	882,440
Expenditure	208,352	206,722	(1,631)	817610
Net Operating Expenditure	(9,404)	(11,903)	2,499	64840
Net Capital Expenditure	107,240	136,968	(29,728)	561,330

At the end of the first quarter of FY 2023/24, the Council has a deficit of \$9.4m. This is a favourable variance to plan of \$2.499m or 21%.

The key drivers of this result are:

- Revenue being ahead of budget by \$4.1m largely due to additional growth in overall capital values increasing rates revenue; an increase in rates penalties; and an increase in interest revenue. This is offset by a lack of roading subsidies from Waka Kotahi related to the Cycling/Transport programs, which was not completed at the rate anticipated in the budget.
- Expenditure also exceeds budget by \$1.6m, which is made up of several movements, including increased depreciation and interest.

We are paying particular attention to the following areas:

- Given the challenging economic conditions and high inflation environment we are monitoring the level of late payment and default across debtor profile. This has the potential to impact our cash and liquidity positions.
- We will continue to closely manage our key treasury positions and ensure compliance with council policies.
- We will continue to closely monitor financial performance.
- A full year forecast will be completed for Q2 reporting.



4.1 Financial Performance

Consolidated Performance 1 July 2023 – 30 September 2023

	YTD			FY
	Actual \$000's	Budget \$000's	Op Var \$000's	Budget \$000's
Rates & Levies Revenue	124,375	120,277	4,097	481,110
Revenue from Operating Activities	42,710	43,012	(301)	174,798
Investment Revenue	2,977	2,882	95	22,427
Finance Revenue	2,590	3	2,587	13
Other Revenue	24,712	27,769	(3,058)	186,710
Development Contribution Revenue	1,585	875	710	3,500
Fair Value Movement on Investment Property Revaluation	0	0	0	13,883
Total Income	198,948	194,818	4,130	882,440
Personnel	44,081	44,442	361	177,768
Contracts, Services, Materials	68,251	70,637	2,386	273,261
Professional Costs	3,712	4,821	1,109	19,284
General Expenses	27,773	27,028	(745)	108,111
Depreciation and amortisation	51,250	49,117	(2,133)	196,468
Interest Expense	16,427	15,243	(1,184)	60,972
Internal Recharge and Recoveries	(3,141)	(4,566)	(1,425)	(18,264)
Total Expenditure	208,352	206,722	(1,631)	817,601
NET SURPLUS/(DEFICIT) BEFORE ALLOCATIONS	(9,404)	(11,903)	2,499	64,840
Allocations	0	0	(0)	0
Total Allocations	0	0	(0)	0
COUNCIL NET SURPLUS/(DEFICIT)	(9,404)	(11,903)	2,499	64,840

At the end of the first quarter, the Council has a deficit of \$9.4m. This is a favourable variance to plan of \$2.499m or 21%.

The following comments provide context to significant and relevant variances:

Revenues Up \$4.1m

- Rates and Levies Revenue is ahead of budget by \$4.1m (3%). This is driven by General Rates being up \$2.6m due to the additional growth in overall capital values between the rates resolution and rates strike (an overstrike) and Penalties, up by \$1.5m.
- Finance Revenue is ahead of budget by \$2.6m. This is due to interest revenue being a component of the net interest position, which is budgeted in the expense line. The net interest expense is \$1.4m lower than budget.
- Other Revenue is below budget by \$3.1m (11%) largely because of lower than planned roading subsidies from Waka Kotahi related to the Cycling/Transport programmes. This is a consequence of the work not being completed at the rate assumed in the Annual Plan. Expenditure is lower than planned but expected to recover during the summer months.

Expenses Underbudget by \$1.6m

- Contracts, Services and Materials is under budget by \$2.4m (3%). The main areas of underspend is in
 - Let's Get Wellington Moving (\$2.2m) with the outlook for future expenditure currently under review ,
 - the timing of Grants in Creative Capital (\$1.1m),
 - Offsetting these, is over expenditure through costs associated with the Shelly Bay fire (currently \$1.5m and growing).
- Professional costs are underspent by \$1.1m (23%). This variance is spread across the organisation with the bulk sitting in Planning & Environment \$0.6m (Strategic Planning and Climate Change Response owing to timing in the delivery of the work programme, expected to catch up later in the year) and Customer & Community \$0.3m (Parks, Sport & Recreation).
- Depreciation is \$2.1m over budget as a result of higher than expected asset values from the recent revaluation process.

Financial performance by individual strategic activity areas including financial commentaries is outlined in Section 3.

4.2 Treasury Report

Debt funding activity

Table with 3 columns: Category, Current, YTD Change. Rows include Gross Borrowing and Net Debt.

The net debt has increased \$94m to fund our capital program and cash needs. The gross debt has increased an additional \$132.5m due to the prefunding of large up and coming debt maturities. The prefunded amounts have been invested in term deposits that match the maturing debt (to reduce liquidity risk).

Policy Compliance

Table with 3 columns: Risk Area, Compliance Status, Plain Language Meaning. Rows include Liquidity Risk, Funding Risk, Interest Rate Risk, and Counterparty Risk.

- The Council complies with liability management policy as at the end of September. During the quarter (August month end) we were non-compliant with our liquidity ratio, achieving 114% vs policy of 115%. This self-corrected the following day (1 September) with a significant increase in cash due to \$40m rates received that day.
- Our liability management policy is more conservative than the LGFA requirements which means we did not breach any of our counterparty covenants. Our policy allows temporary noncompliance for 90 days. In this instance we were non-compliant for one day.
- Liquidity management is challenging in the current environment with increasing debt driving a need for a corresponding increasing level of liquid assets required to comply with this self-imposed policy. Liquid assets (for treasury management purposes) include cash in bank, standby bank facilities and term deposits maturing within 30 days of measurement date.
- Officers are currently negotiating a new working capital facility through the ANZ to manage cash flow requirements relating to the sludge management facility, this will relieve some of the pressure for the liquidity ratio as this will be counted towards our liquid asset portfolio.

Funding and Interest Rates

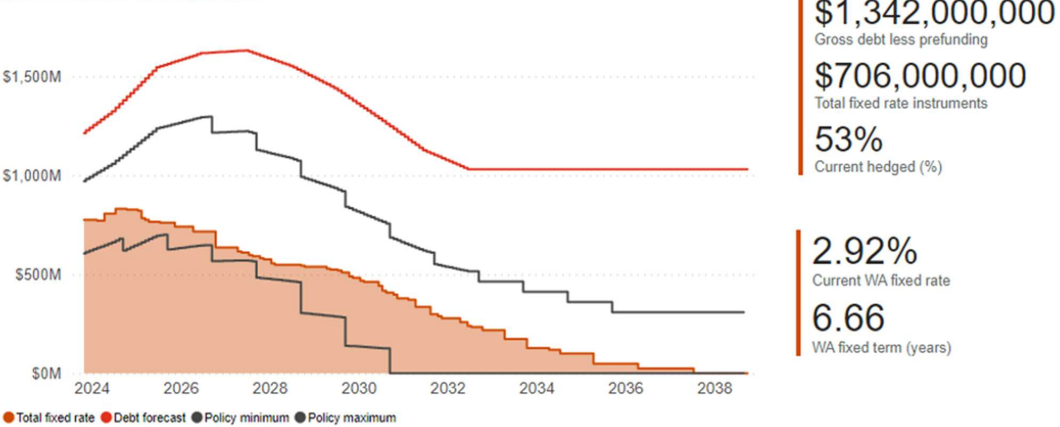
Council’s interest rate risk is managed to reduce the volatility of interest costs from year to year. Our effective interest rate is forecast to reduce from 4.76% in FY24 to 4.53% in FY26.

Projected cost of funds

Table with 2 columns: Financial Year (June), Total cost of funds (FY average). Rows include FY24, FY25, and FY26.

Most existing Council debt has been fixed for at least the next three years and 53% of our debt is currently hedged. The below table displays our level of hedging over our debt maturity horizon.

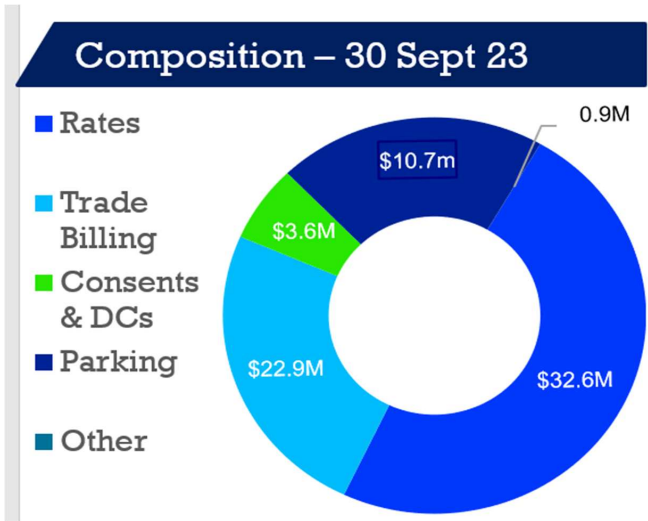
Interest rate risk timeline



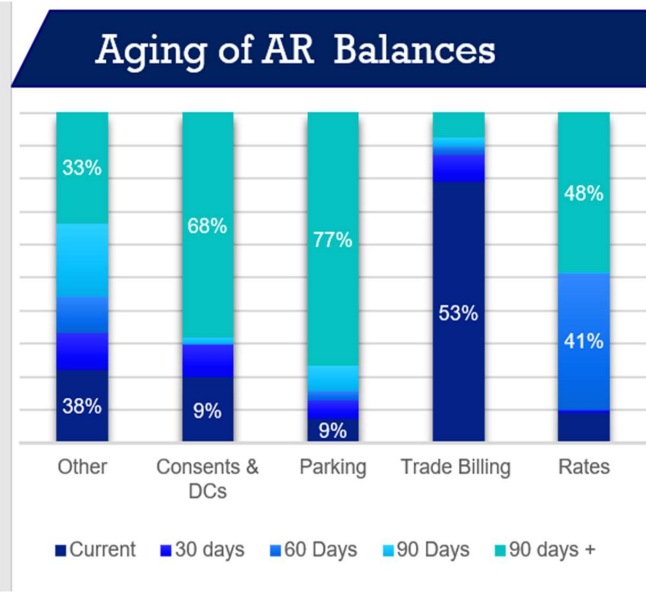
4.3 Rates and General Debt

Total Debtors is \$71.0m, higher than the same period last year i.e., \$64.8m. The main driver of the increase is in outstanding debtors is coming from Rates. This correlates to the increase in rates of 12.31% after growth. There was other increase in money owing to Council notably Parking (\$0.7m) & Other debtors (\$1.3m).

The rates debtor balance of \$32.6m is made up of \$26.9m rates debt and \$5.7m of water rates. \$13.6m of the rates balance remains outstanding from prior year of which \$7.2m is secured (properties with mortgages) which will be recovered by the mortgagee process and \$6.3m is unsecured which will require proactive actions to recover.



Rates Debt Summary (excludes Water Rates)	Current	Prior Year	Total
Balance as at 30 September 2023	\$ 13.3m	\$ 13.6m	\$ 26.9m
Debt Related to Mortgaged Properties (Secured)	\$ (9.0m)	\$ (7.3m)	\$ (16.3m)
Unsecured Debt	\$ 4.3m	\$ 6.3m	\$ 10.6m
Less: Payment Arrangements	\$ (0.3m)	\$ (0.3m)	\$ (0.6m)
Current unsecured debt considered low risk.	\$ (3.8m)	\$ 0m	\$ (3.8m)
Debt at risk	\$ 0.2m	\$ 6.0m	\$ 6.2m
Current Doubtful Debt Provision related to rates.			\$ 3.3m



Section 5. Community outcomes

We track a suite of outcome indicators to understand how the Council and city is changing and monitor progress towards our vision and community (wellbeing) outcomes. Meeting these outcomes is not just the work of Council but also of the city as a whole. The aim is to track meaningful indicator changes over to inform our planning.

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

Ongoing improvement the underlying data to reflect the work the city is currently delivering and as well as the draft LTP outcomes continued during the quarter.



Summary observations



Environmental wellbeing

A sustainable city, there are indications that we’re making early progress, for example and increase in the use of solar energy and increase in food rescue. Residents have a high awareness of the current state of our environment, including issues related to pollution and waste which is an enable of behaviour change (source: RMS 2023)



Social wellbeing

While city safety remains 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 (source: RMS 2023)



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. (source: RMS 2023)



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. (source: StatsNZ)

Snapshot of Emerging indicator 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% over the past five years.
- City greenhouse gas emissions fell by 9% 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 the area, but an increase in positive perceptions of the city
- Fewer residents feel it’s 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 remains low, although confidence has increased from last year’s results, and we expect this metric will lift as changes are made in the way the Council engages with the community

Part (D) Appendices: Detailed performance information

Contents

APPENDIX 1: STRATEGY UPDATES	ERROR! BOOKMARK NOT DEFINED.
APPENDIX 2: PROJECT HEALTH DETAILS FOR SIGNIFICANT INVESTMENTS PORTFOLIO.....	ERROR! BOOKMARK NOT DEFINED.
APPENDIX 3: WELLINGTON WATER LIMITED (WWL) QUARTER ONE REPORTING INFORMATION: .	ERROR! BOOKMARK NOT DEFINED.
APPENDIX 4: SUSTAINABLE DEVELOPMENT.....	ERROR! BOOKMARK NOT DEFINED.
APPENDIX 5: HOW WE REPORT.....	ERROR! BOOKMARK NOT DEFINED.



Appendix 1: Strategy Updates

Tūpiki Ora Māori Strategy
<p>Vision: Kia mauri ora te taiao, kia mauri ora te whānau, kia mauri ora te ao Māori The vitality of our environment is nourished, the wellbeing of our whānau is fostered, te ao Māori is embraced and celebrated</p>
<p>Summary status:</p> <p>Overall health and progress status is reported as GREEN.</p> <ul style="list-style-type: none">The Tūpiki Ora work programme is an all-of-Council work programme. Accountability for projects and initiatives resides with multiple business units and groups which is reported through their non-financial performance.Rather than take a project-by-project approach, we are working toward engaging as an organisation to bring together projects that align to similar outcomes e.g., all projects that support housing aspirations; all projects that support enhancing and promoting Te Ao Māori, all projects that support lifting capability.A joined-up way of working ensures we take time to build enduring connections and fully explore opportunities to be more efficient in our delivery in the longer term. We’ve made positive inroads in this foundational work, and we look forward to sharing the detail on individual projects and funding as this investment comes to fruition in quarter two. <p>Background:</p> <p>2023-24 is when all Tūpiki Ora planning, monitoring, and reporting elements in place. This includes the 10-year strategy, the 3–5-year action plan and the monitoring and reporting framework.</p> <ul style="list-style-type: none">Council has also agreed on a work programme that identifies the projects and initiatives that impact Tūpiki Ora actions and our Tākai Here partner priorities. While many other projects across the Council still contribute to realising Tūpiki Ora – the agreed work programme is our focus for monitoring and reporting. <p>Quarter 1 update:</p> <p>The work programme includes 47 projects and initiatives from across the organisation. The focus is on existing projects i.e., that continue from 2022-23 and/or are already planned for 2023-24 and working within existing service levels.</p> <p>Activity during the quarter:</p> <ul style="list-style-type: none">Wellington Design Manual - including priority mana whenua narratives to support existing and future design projects across our city.Defining projects that support more joined-up approaches within Council to enable more efficient delivery.A significant opportunity in this area is a project that establishes the coordination of opportunities across the organisation for Māori imagery/iconography to be incorporated into permanent fixtures (e.g., art, murals, place markings, facades). This will reduce project-by-project engagement and procurement, provide a holistic view of this work and investment and create a more cohesive and connected city scape.Including projects that meet multiple key Strategy outcomes. 64% of the work programme aligns to other key Council strategies.One focus area will be the District Plan updates that define and include provisions for papakāinga which aligns to the Housing Action Plan. Another opportunity is the setting of progressive procurement targets which aligns to the Economic Wellbeing Strategy.

Te Atakura – First to Zero

Goal: Wellington is a net zero emission city by 2050

Summary status:

- Reduce City emissions by 57% between 2020 and 2030, and net zero by 2050 – status is green: Annual total gross emissions decreased by 1.4% from FY22 to FY23 driven by a reduction in the emissions intensity of national electricity generation which meant that electricity was 44% less carbon intensive per unit consumed than in FY22. We need to maintain momentum and focus on delivering the projects with greatest potential impact (the transport system and creating higher urban density).
- Reduce Council’s emissions to net zero by 2050 – status is green: A significant reduction in emissions from the landfill that has reduced Council emissions by about a third. The Council Emissions Reduction Plan is currently under development.
- Create a resilient city and Council – status is amber: Adaptation work programme on track, however Councils are still waiting for the Climate Change Adaptation Act. Central government clarity on policy, funding and financing is required to make further progress.

Background:

Council declared a climate and ecological emergency in June 2019 and adopted *Te Atakura – First to Zero*, which addresses both how we prevent climate change from getting worse, and how we adapt to the impacts of climate change that can’t be avoided. When surveyed, 92% of Wellingtonians are a little, a lot or very worried about climate change. The strategy responds to the need to take urgent collective climate action to protect the people, places and lifestyle we love, and outlines the role of Council as a local government organisation in responding to this challenge.

Quarter 1 update:

Implementation plan progress


Action areas	Purpose	Programme / activity	Q1 Progress	Comments	Contribution to carbon reduction targets	
					2030	2050
Te Ao Māori and climate action						
Aligning with Tūpiki Ora	Partner with Mana Whenua and Māori to achieve equitable and sustainable change	Te Ngutu Kākā (CCR’s Māori Partnerships and Engagement Strategy)		Relationship building with mana whenua on the topic of climate action is going well.	✓	✓
Become a net zero-carbon city						
Transport and urban form	Create a city where you can live close to where you want to go, and get there safely and reliably using zero-carbon transport options.	Proposed District Plan		Enables significantly increased urban density, currently in the approvals process.		✓
		Let’s Get Wellington Moving		Significantly increases public transport capacity, and improves active transport infrastructure. Currently in the Detailed Business Case phase.		✓
		Paneke Pōneke		In Q1 two early central city projects were completed and four further projects in the Eastern suburbs, Ngaio and Southwest started delivery. Changes to public road space allocation require significant community engagement and a strong focus on the “why”.	✓	
		EV charging stations		2 chargers installed in Q1. Note that the easy locations have been progressed first, and future sites may be more challenging.	✓	✓
		Practical support to shift travel habits, from advice to minor works		Continued mahi in progress with existing programmes including working with schools and workplaces team working collaboratively with GWRC to deliver on LGWM SSBC. Ongoing support to the roll out of Paneke Pōneke made possible through DIA Better Off funding.	✓	

Quarterly Performance Report | Quarter 1 2023/24

Building energy	Support building owners to upgrade to a higher standard than the Building Code, creating warmer, drier homes that use less energy.	Home Energy Saver		Requests for assessments are down, reflecting current economic conditions. Working with Rewiring Aotearoa on a new approach.	✓	
		Environmental and Accessibility Performance Fund		Three current applications for \$2.5m in total	✓	✓
City-wide initiatives	Inspire and encourage businesses, communities and individuals to take climate action. Partner with mana whenua on climate action.	Supporting community and business led climate action planning		Let’s Talk Shop pilot evaluated, with plans to run three more cohorts in Q3/Q4. Zero Together – cohort of 12 potential facilitators finished in July, Hataitai community course underway with 11 people. Feedback is positive but getting enough registrations can be challenging - planning a shorter version (one hr sessions) aimed at workplaces etc. Also planning follow-up sessions at request of participants.	✓	
		Support for sector transition planning		Scoping out approach to business sectors to support the transition of Wellington’s economy to a zero-carbon circular economy (Outcome 2 of the Economic Wellbeing Strategy).	✓	✓
		Climate action education campaign		Social marketing campaign delayed to February 2024. Working on integration with other key Council comms and engagement activities.	✓	
Advocacy	Encourage stronger climate action from central and regional government	Submissions		No submissions on central govt policy this quarter. Focus on growing relationships with officials. Gave feedback to NZGBC on proposal to improve their certification.	✓	✓
		Regional projects		The regional emissions reduction project is making good progress, as are the other two projects also looking at regional transport emissions. Reaching agreement across the regional leadership committee members is key to success.	✓	✓
Become a net-zero carbon Council						
Council	Integrate climate considerations into Council decision-making	Carbon accounting		Quality of Council’s carbon accounting improved, with a full value chain approach and a new software system. FY21 and FY22 inventories are complete and audited. Timing of carbon accounting now aligned to financial reporting timeframes. Emissions Reduction Plan (ERP) drafted.		
		EV Fleet		69 of Council’s 78 passenger vehicles are now EVs or PHEVs (89%).		
		Carbon forestry				
		Climate Smart Buildings and Infrastructure		Project being incorporated into Council ERP.		
Adapt to the impacts of climate change						
Understanding the problem	Develop the insights required in order to plan next steps for Council assets and broader City adaptation.	Wellington Regional Climate Change Impact Assessment		Delivery of the final report has been delayed, expected now in Q2. Mana whenua engagement and regionally consistent data for the assessment has been challenging.		
		Climate-related Disclosures (Council’s risks and opportunities)		Draft report received. On track for incorporation of key insights into the 2024 Long-term Plan.		
Council’s strategic approach to adaptation	Develop a strategic approach that allows us to respond proactively and with agility to a fast-changing context	Internal policy work building on the Resilience Strategy		On hold due to capacity issues. Some aspects captured by the climate smart buildings and infrastructure project, and the Climate Adaptation Community Engagement Roadmap.		
		LGWM Adaptation Workstream		Workstream established, lack of clarity on next steps.		

Working with communities	Enable community participation adaptation decision-making	Bloomberg Project		Prototype developed, testing of prototype planned for Q2. Project won an award in Seoul for city innovation.
		Climate Adaptation Community Engagement Roadmap		Approved in April 2023. Phase 2 is being delivered as part of Community Climate Conversations.
		Community Climate Conversations		Webinar held end of July. Conversations started with a variety of community groups in Wellington City, Linden, Vogelmorn, and Ngaio, as well as with universities, the theatre sector, and rangatahi groups.
Advocacy	Encourage the faster development of policy clarity for adaptation	Influence government policy		EDS working papers complete and published. No submissions due this quarter.

Children & Young Persons Strategy
<p>Vision: We support the wellbeing of children and young people in Wellington through the unique features of our place and qualities of our people. We want our children and young people to feel connected to Pōneke with a strong sense of belonging – helped by visible stories of mana whenua and Māori and celebrating the diverse Pacific and other cultures and communities living here.</p>
<p>Summary status:</p> <p>Implementation of the 72 actions of the Children and Young Persons Action Plan is progressing, with some delays due to alignment with the LTP process and global construction challenges. Despite these challenges, there have been some exciting milestones reached in this reporting period, such as the completion of “Drinking Behaviours in Courtney Place” study, and a cycle route ride through and engagement session with year 10 students for feedback on ways to make cycleways safer for rangatahi. The majority of the actions, 47, are on track (four complete and 43 in progress and on schedule), with eleven delayed (six actions delayed and five not yet started) and 14 on hold or yet to be assigned.</p> <p>Based on current feedback, we can expect the majority of the actions outlined in the action plan to be completed by August 2024 with the exception of actions that specifically involve construction of physical spaces (e.g., Te Matapihi) that are expected to be completed beyond this timeframe. It is worth noting that many of the Children & Young People Strategy actions are not able to be marked as complete as the intention of the action is that there are ongoing changes in the Council's work and how we operate, for example “work in partnership with tertiary institutions to attract domestic students to Wellington”.</p> <p>Overall the work in the focus areas is on track.</p> <p>Delivery and milestones by focus area</p> <p>Many actions continue to be marked as in progress, however, there have been significant milestones reached for each focus area. Below indicates the status of the actions and notes significant milestones for each focus area.</p> <p>Focus Area 1: Our Central City – “All children and young people feel safe in the city at any time of day”</p> <p>9 Actions Total – 5 in progress, 1 not started, 3 no update</p> <ul style="list-style-type: none">Milestone 1 – A “Drinking Behaviours in Courtney Place” study has been undertaken by Police, Te Whatu Ora and WCC. This gives us a strong evidence base to collaborate on to ensure children and young people feel safe in our central city. A holistic approach is agreed by police and WCC and this document will be a key piece of research contributing to the Courtenay place precinct plan.Milestone 2 – We commissioned a report through VIVITA Aotearoa to help us understand how to best improve Pōneke to be a more child-friendly city, with three key recommendations: to build experiences around existing infrastructure, create playful art installations and design and build play assets with kids. These recommendations will inform our upcoming work. <p>Focus Area 2: Hauora across the City – “Delivering spaces, places and programmes support the wellbeing of children and young people”</p> <p>22 Actions Total – 18 in progress, 2 on hold, 2 to be started</p>

Children & Young Persons Strategy	
<ul style="list-style-type: none">Milestone 1– On the 15th of September, WCC worked with the Wellington East Girls College Enviro Club to hold a route ride through and engagement session with 38 year 10 students. The students were led by Pedal Ready instructors on guided rides along the cycleway from the Basin Reserve to Oriental Bay, using Flamingo e-bikes. They then provided their feedback on what they enjoyed about the experience and what could be improved to make the cycleway even better, and will be incorporated into the Newtown to City design as well as the design of future transitional cycleways.Milestone 2 – PSR has applied for and won \$10k funding to be used for Play activations this summer. The community partnerships team will work with key play community champions to deliver a series of summer play events in the community.	
<p>Focus Area 3: The Basics – “Working with others to ensure access to food, safe and healthy housing and wrap-around support for homelessness”</p> <p>10 Actions Total – 6 in progress, 2 not yet started, 2 no update</p> <ul style="list-style-type: none">Milestone 1 – We continue to fund community initiatives that build connections and promote food security such as seeds to feeds that aims to strengthen community food ecosystems through facilitating community-led events and leading collaborations in the community food ecosystems.	
<p>Focus Area 4: You belong – “Wellington welcomes, celebrates and includes the diversity of all children and young people”</p> <p>12 Actions Total - 4 complete, 5 in progress, 2 on hold, 1 no update</p> <ul style="list-style-type: none">Milestone 1 – The news story about Thorndon School students Charlotte, Violet, and Ana’s mission to play at all 107 playgrounds and play areas across the city got 2003 page views and promotes Pōneke as a great play location for families.Milestone 2 – In the 2022/23 year, Capital E’s National Theatre for Children engaged 9,500 ākonga, tamariki and whānau and Story Studio Live Aotearoa went into 21 schools through digital technology. The digital content was developed by ākonga aged 8-13 years-old to tell their own stories. Te reo Māori and NZSL was integrated into the performances to increase access to a wide range of audiences.	
<p>Focus Area 5: Pathways – “Building life-long learners”</p> <p>8 Actions Total – 1 complete, 6 in progress, 1 on hold</p> <ul style="list-style-type: none">Milestone 1 – Our support, along with business and non-profits, for Young Enterprise and Festival for the Future have enabled more than 15,500 young people to engage with innovation and have critical conversations about our future.	
<p>Focus Area 6: Participating in Change – “Young people taking on the world”</p> <p>11 Actions Total – 9 in progress, 2 no update</p> <ul style="list-style-type: none">Milestone – Wellington City Council’s first ever citizens assembly on the Long-term Plan has helped to champion the voices of rangatahi in future planning. Nine young people (under 24) participated, making up 21% of the total group, including two rangatahi under the age of 18, with positive feedback reported so far. The advice of the assembly will be presented to councillors to inform Long-term Plan decision making.	
<p>Key Issues: One fifth of the reported actions (13) encountered issues with implementation which included, capacity, and available budget. The 2024 LTP may include prioritising the actions to the highest impact areas contributing to the Children and Young People Strategy.</p> <p>Overall health of the strategy: The establishment of a baseline during quarter three, has indicated that a number of actions would be integrated into BAU. therefore new reporting of milestones have been established to capturing the breadth of work in each focus area.</p>	

Aho Tini – 2030 Arts, Culture & Creative Strategy
<p>Vision: What we will see - The rich cultural traditions and identity of our capital city inspire our exciting and innovative arts, culture and creativity. Wellingtonians can access and participate in arts and culture and explore their creativity. Together, in partnership with the arts, culture and creative sectors and with mana whenua and Māori, creativity, collaboration and innovation are woven through everything we do.</p>
<p>Quarter 1 update:</p> <ul style="list-style-type: none">• In the quarter the Creative Capital team continues to progress a workplan shaped by the four aspects of the four-strand Aho Tini strategy. Creative Capital works to the funded areas of the Aho Tini 2030 strategy and action plan, with an emphasis on key projects as well as delivery of the City Events and City Arts programmes. Aho Tini is also delivered through the Council’s grants to organisations, agencies and individuals who make major contributions to Wellington’s creative landscape. \$1,469,714 has been distributed in the first Quarter to 13 multi-year funded organisations as guided by Aho Tini principles.• Major projects delivering Aho Tini 2030 include Te Matapihi (Central Library), Reimagining Toi Pōneke, the Venues Review (in conjunction with Economic and Wellbeing) and the Te Ngākau development. Creative Capital has also made sustained input into Te Awe Māpara (Community Facilities Network Plan). <p>Aho Tangata</p> <ul style="list-style-type: none">• Aho Tangata (diversity and inclusivity) aspects of Aho Tini have been advanced through staff training and the call for applications of the 2024 d/Deaf disabled residencies in Q1. Te Matapihi’s design has engaged internal and external experts to ensure our approach is accessible, inclusive; obstacles and barriers to inclusion will be reduced. <p>Aho Hononga</p> <ul style="list-style-type: none">• There has been significant development in Aho Hononga (working with mana whenua and Māori artists) including development with mana whenua representatives and community collaborators, around the Reimagining Toi Pōneke project and in research into mana whenua advisory frameworks. In the City Events, there has been exploration of how mana whenua aspirations on Puanga/ Matariki celebrations can be supported and the educational aims be incorporated into future Matariki Ahi Kā content. Both City Arts and City Events continue to deliver significant commissions and employment for Māori and mana whenua artists. <p>Aho Mahi</p> <ul style="list-style-type: none">• Residencies in the current Toi Pōneke have grown the range of pathways for artists. This includes the callout for both Sound and Screen residencies. Investment in the Hannah Playhouse as a laboratory for new work, aimed at mid to senior career artists, has resulted in 13 projects in development and 15 performances to a total audience of 2,200 in Q1.• At Toi Pōneke the programme of ongoing residencies includes Sound Artist resident Ben Leonard’s commencement. 9,473 gallery visitors and users attended Toi Pōneke in this period.• The conceptual work underpinning Reimagining Toi Pōneke is based on the role of this centre in providing a resource for emerging artists. <p>Aho Whenua</p> <ul style="list-style-type: none">• Te Matapihi (Central library) construction is well underway, with support for the creative sector as a hub one of the founding principles mandated by Council. Phase one of the Venues Review (workstreams one and two) is completed. Creative Capital continues active involvement with the Town Hall development and the National Music Centre. The Tāwhiri/Te Whaea new mid-sized performing arts venue at Te Whaea is underway and has hosted WOW and Taki Rua rehearsals; it will open for the Festival next year.• The digital infrastructure and activation project is setting up the programme for next year, considering how technology can best interface with the physical cityscape to create future possibilities.

He Rautaki Ōhanga Oranga Economic Wellbeing Strategy
Vision: Wellington is 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
Summary status: The Economic Wellbeing strategy was adopted in June 2022 and includes six strategic outcomes for the city to focus on for the next 10 years. The three priority areas of focus for the team are: Outcome 2: Transitioning to a zero-carbon circular economy Outcome 3: A Business-Friendly City Outcome 6: A dynamic city heart and thriving suburban centres
Reporting: The Let’s Talk Shop pilot with SME’s reported very positive outcomes in helping businesses practically understand and create action plans to measure waste and emissions. All 100% of businesses involved are making plans to reduce their impact, are more likely to talk about climate change, and feel more connected to each other and to Wellington City Council. Expansion of this pilot is subject to funding availability. Business engagement continues to grow with the appointment of the Central City Manager and ongoing engagement. Alongside this, the Consenting and Compliance team have introduced a new Alcohol Licensing Officer role for case management, and a data-informed business improvement and assurance team for performance management. As part of the City in Transition approach, the Development Response Plan is now operationalised with funding secured from contributing partners WCC, LGWM, GWRC and WellingtonNZ enabling a business support service to be established. Operating via WellingtonNZ, this service aims to provide practical support for businesses on the Golden Mile who may experience disruption due to city works. A new information campaign Positively Pōneke has commenced with physical hoardings and online content underway to help communicate works across the city. A successful Business Improvement District summit was held at Tākina in September, bringing together all BIDs for a day of workshops aimed at fostering collaboration and connecting, and identifying economic growth opportunities for suburban town centres. Economic funds continue to support the outcomes of the Economic Wellbeing Strategy, with investment in a number of initiatives, including Festival of the Future, Young Enterprise, In the Cloud tech student event, an E2E programme, Screen Sector support, and tourism sustainability.

Appendix 2: Project health details for significant investments portfolio

Programme	SRO	Business Owner	PM/Lead	Start	Finish	Prev Q3	Prev Q4	Overall	Schedule	Scope	Budget	OVERALL COMMENTARY
Transport & Infrastructure Capital Works Programme												
Chaytor Street, Karori - Safety Improvement	Brad Singh;	Brian Russell;	Patrick Padilla	1/02/2023	10/01/2025	●	●	●	▲	●	●	GREEN The Transport Engineering team are developing: - construction plans for the electronic driver speed feedback sign, and - concept designs for the traffic calming safety improvements, scheduled for completion by the end of October 2023, including reviews and construction estimates. The Delivery Team are scheduling works for the approved Traffic Resolutions, to be confirmed by 13 October 2023.
Frank Kitts Park Playground	Phil Becker;	Paul Andrews;	Brennan Baxley	1/08/2023	7/03/2025	▲	▲	●	●	●	●	GREEN: Project now in construction. Contract has been signed. Project is on schedule, minor issues being dealt with design team and contractors.
Street Light Remediation	Brad Singh;	Brian Russell;	John Kandralides	11/04/2023	28/11/2024	▲	▲	●	●	●	●	GREEN. Fulton Hogan and Northpower now both providing work crews as contracted.
Bike Network Programme (BNP)												
Botanic Garden to City Transitional Cycleway	Vida Christeller;	Brad Singh;	Jacob Wahry	16/02/2023	14/08/2023	●	●	●	●	●	●	GREEN Project in Post Installation engagement phase. Preparing adaptation designs for tender to contractor panel. Moving the Bowen/Tinakori bus stop kerbside in response to Karori connections designs discussion has landed on leaving the bus stop in lane and monitoring the situation once Karori is installed.
Evans Bay Parade Cycleway Stage 2	Vida Christeller;	Brad Singh;	Michael Talebi	8/03/2018	28/11/2025	●	●	●	▲	●	▲	The review of the 90% detailed design is complete, and the consultant is incorporating feedback into the design." -The 90% detailed design drawings have been sent to Stantec for a Road Safety Audit." - The consultant and QS are working on value engineering options and cost. - A consultant has been engaged to do the heritage consent application.
The Parade IB Safety Improvement & Town Centre Upgrade	Vida Christeller;	Brad Singh;Paul Andrews;	Brennan Baxley	20/01/2023	29/04/2024	●	●	●	●	●	▲	GREEN - Awaiting confirmation from Mana Whenua on involvement. Key issue addressed by accepting limited opportunity for narrative and mitigating the reputational concern with clear messages from Mataaho Aronui. Construction date is now January 2024. Need final cost for project from contract for works. Current DRAFT contract indicates a significantly lower cost. General-Project finances are reflective of both the Town Centre Upgrades and Parade Safety Improvements.
Bike Network Programme (BNP)	Liam Hodgetts;	Brad Singh;	Hazel Durkin	25/10/2022	24/11/2038	●	▲	▲	▲	▲	▲	AMBER due to majority of health indicators being amber. Five-year Plan to deliver 64km of the network: 52.5km Transitional network (by 24/25) 11.5km Transform network (by 25/26) 5.8km Transform detailed design (by 25/26). Governance Attention Required for: Schedule Pressures / prioritisation of projects for current FY - proposed tranches and prioritisation criteria LTP 24 - 34 Scenarios Central city gap and endorsement over approach for better integration with LGWM
Evans Bay Parade Cycleway Stage 1 - Part 3	Vida Christeller;	Brad Singh;	Michael Talebi	28/11/2022	14/12/2022	▲	▲	●	●	●	●	The consultant is preparing the TR draft drawing based on the board's approval for the installation of a zebra crossing at Weka Bay and the removal of approved TR carparks at the base of Pahia St steps." -Jacobs has completed the minor design changes for the Balaena Bay seawall and has submitted it for the Building Consent (BC). -CHP has provided improved engineering options for the old seawall in Little Karaka Bay to reinforce and remediate the existing seawall, with a 100-year design life
Newtown to City Transitional Cycleway	Vida Christeller;	Brad Singh;	Jacob Wahry	21/11/2022	12/01/2024	▲	▲	●	●	●	●	Starting post-installation engagement phase. Feedback survey opened Sep 24th until Nov 13th, with successful launch events the weekend of September 22.

Quarterly Performance Report | Quarter 1 2023/24

Programme	SRO	Business Owner	PM/Lead	Start	Finish	Prev Q3	Prev Q4	Overall	Schedule	Scope	Budget	OVERALL COMMENTARY
Te Ngakau Programme												
Te Ngakau Programme	James Roberts;	Iestyn Burke;	Farzad Zamani	27/01/2023	15/02/2023	●	▲	▲	▲	▲	▲	AMBER as programme is being reset. SRO is planning to set up a Governance Board. The programme finances is being reconsidered through LTP process. RLB is costing all elements of the programme.
Town Hall Redevelopment Project	James Roberts;	Iestyn Burke;	Bede Crestani	26/01/2023	23/04/2025	●	▲	◆	▲	●	◆	RED due to programme and cost expected to exceed June 23 advice. Structure: auditorium screw piling is 30% complete; water ingress issue around E1 existing lift pit has a controlled mechanism in place; overlay walls 95% complete; West Hall L2 progressing well. Architectural/Heritage: facade refurbishment approach agreed, awaiting test plan from NL; gib installation commenced within E1. Services: AUD roof space and undercroft are progressing well.
Te Matapihi ki te Ao Nui	James Roberts;	Kym Fell;	Andrea Thomas	7/02/2023	24/06/2026	●	●	●	●	●	●	SP3/SP4 pricing tenders have been received - in excess of project budget. VE is underway in attempt to bring within budget constraint. Budget and programme are under pressure. Concrete and reinforcing works are progressing well through the central area of the ground floor at 22% complete and propping is progressing in the South West.CBF installation has progressed ground level ahead of concrete works. Basement plinths and mass wall completed on Grid B/2-4. Diaphragm strengthening has commenced on Level 4 and enabling works and demolition are progressing ahead of the Level 4 extension steel commencing in the next period.
Frank Kitts Park Programme												
Frank Kitts Park Programme	Phil Becker;		Katrina Gaston	22/02/2023	1/08/2024	●	●	●	●	●	●	Councillors approved first stage of landowner approval for the Fale Trust and the wider Development Plan for Frank Kitts Park meaning that Council will now commence further design development ready for Resource Consent submission by end of 2023/ early 2024.
Housing Upgrade Programme 2 (HUP2)												
Housing Upgrade Programme 2 (HUP2)	Siobhan Procter;	Iestyn Burke;Peter Mora;	Mario Venter	9/11/2022	22/03/2033	▲	●	●	▲	●	▲	Deed of Grant quantity requirements confirmed with Ministry of Housing. Formal amendments to the Deed to reflect this to occur as part of the acceptance process of the work programme. Te Pu units due to lack of tenant interest (leasing cost less tenant rent cost currently being funded by HUP2). HUP2 will bear no further costs from end of October 2023. New HUP2 Project Director now in place. Draft cost estimate received. Currently under review. Commissioning of remaining seismic assessments continues.

Programme	SRO	Business Owner	PM/Lead	Start	Finish	Prev Q3	Prev Q4	Overall	Schedule	Scope	Budget	OVERALL COMMENTARY
Zero Waste Programme (ZWP)												
Residual Waste - Southern Landfill - SLEPO	Siobhan Procter;	Chris Mathews;	George Fietje	14/11/2022	30/06/2026	●	●	▲	●	●	▲	AMBER due to the tunnel resilience issue. Tunnel resilience and strengthening project: 20th Sept. workshop confirmed preferred option (4a, b & c) in principle to recommend. An updated draft Tunnel Performance and Risk assessment Report now due mid-October. This will be further updated after tunnel investigation works have been completed in early November. The draft reports will be used to consult with the SLEPO Community Working Group and Mana Whenua. Once all feedback has been received the report will be finalised and used to support the SLEPO hearing process. The SLEPO Resource Consent was notified on 21st Sept. and the Hearing confirmed for 12th - 14th Dec. Council will host at Tahiwī. We will have 8 expert witnesses presenting evidence. In March 2023 the Programme provided a response to Taranaki Whānui and Ngāti Toa outlining how it would address concerns and considerations raised in the Cultural Values Assessment. Ngāti Toa has responded to this positively, Taranaki Whānui did not respond as yet. This has been escalated to Mataaho Aronui. GWRC will meet with both Iwi as part of its usual process. Stage 2 Leachate - owing to delayed repair of a cut power cable, key data from the leachate reduction pumps has not been produced. This data is required to validate that pumps are able to maintain a low leachate level for the SLEPO consent hearing. This is being addressed as a matter of priority. Procurement has started to secure approx. 17,000 plants for wetland and stormwater ponds. Procuring now will ensure a supply is secured for May 2025. This cost is provided for as part of the SLEPO budget. The SLEPO detailed design phase begins in October.
Sludge Minimisation Facility	Siobhan Procter;	Iestyn Burke;	Janet Molyneux	13/02/2023	1/07/2026	●	●	●	▲	●	●	Project remains at GREEN status. Site Progress: hillock deconstruction continues with rock being reused at three different sites; Slope stabilisation has commenced and progressing well; Work on the existing Inlet Pump Station has commenced. Construction Contract: The Stage 2 Construction Contract was signed on 8 September, on schedule; Design Progress: Two design packages are waiting on information from WWL and are now overdue; Works to agree and sign the variation to Beca's agreement continue. Consents: The building consent (BC) process is running behind and continues to be a programme risk. The BC packages due for submission by December are currently on track. Programme: A draft construction programme was received on 13 September and a number of queries sent back to the JV; A number of workshops have been held to finalise the integrated master programme. The first project update report for CIP was submitted as scheduled.
Zero Waste Programme (ZWP)	Siobhan Procter;	Chris Mathews;	Adam Dearsley	14/11/2022	30/09/2027	▲	▲	▲	●	●	▲	AMBER due to the outstanding SLEPO tunnel integrity issue. Priorities for the programme in September: On 14th September the E&I Committee approved the: Collections & Processing Business Case, and the Resource Recovery Network Expansion Indicative Business Case Public consultation of the draft Wellington Region WMMP 2023-29 (31 July – 1 September) and oral submissions on 18th September successfully completed. Agreement between the three councils (PCC, HCC, WCC) that Wellington will lead on the Organics Processing Facility procurement. Successful reengagement with Ngāti Toa thanks to our collaboration in the region on the WMMP. Zero Waste Strategy published online.

Appendix 3: Wellington Water Limited (WWL) Quarter One Report



Q1 Performance Report 2023/24

This quarterly consolidated report draws together information from established reporting and dashboards. The purpose of this report is to provide the Wellington City Council (the Council) with a high-level overview of Wellington Water's quarterly performance.

Non-financial performance

Compliance with Drinking Water Standards

Taumata Arowai's new compliance rules took effect in November 2022. We now report on the Bacteriological and Protozoal requirements of the Drinking Water Quality Assurance Rules.

These new rules introduced by Taumata Arowai require an increase to a value known as a 'Ct' (Contact Time) that is determined from the amount of chlorine added to drinking water and the time that it must spend in contact with the water before reaching consumers. The change means the water supplied from the Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households.

Wellington Water was advised recently that we will not receive an exemption from Taumata Arowai on this. Significant investment is required to return to compliance. Note that for the purposes of DIA reporting for Wellington City, we are reporting compliant as there is sufficient contact time for all customers except those nearest the treatment plant in Lower Hutt.

Reporting to Taumata Arowai, and the company's Statement of Intent measure, considers the whole scheme, including all 4 metropolitan councils and the bulk network managed by Greater Wellington Regional Council. As such, the company will be reporting that the metropolitan scheme (including Porirua, Upper Hutt and Wellington City) is non-compliant.

Performance against Long-term Plan

As at the end of Q1 (1 July – 30 September 2023) our performance against the targets set in the Long-Term Plan was:

- 13 of 25 are on track to be **achieved**.
- 1 measure is **not achieved** for the year.
- 8 measures are **off track**.
- 2 measures are not due for reporting.
- 1 measure is not reported by WWL (customer satisfaction with stormwater).

For detailed information on measures that are off track or not achieved refer to the table below.

Measure	YTD result	Commentary
Median response time for urgent (drinking water) callouts*	135 mins	The number of leaks making up the backlog of current works continues to exceed available funding and resources. We continue to target leaks based on volume of leakage and risk to the public.
Median resolution time for urgent (drinking water) callouts*	11.8 hours	
Median response time for non-urgent (drinking water) callouts*	862 hours (36 days)	Non-urgent works were undertaken at a slower rate than previous quarters in order to keep within the investment provided for this financial year. This has led to an increased backlog and higher times to resolve these jobs. We anticipate this trend will continue throughout the year, and peak in summer. We continue to target leaks based on volume of leakage and risk to the public.
Median resolution time for non-urgent (drinking water) callouts*	59 days	
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	5.6 per 1000 connections`	The network is ageing, and the associated fault volumes are increasing. We are battling with ageing pipes that are prone to bursts or in need of repairs.
Median response time for wastewater callouts*	90 mins	We continue to exceed targets in the wastewater space due to an increase in work volume and funding and resourcing constraints.
Average drinking water consumption per resident per day (includes leakage)	412L	Per capita consumption across all councils in the metro area has continued to increase primarily due to leakage, but also in part due to high residential use relative to other cities in NZ. We continue to promote increased investment in water loss activities and network renewals to bring down water loss to more sustainable levels, together with investment in universal smart metering and additional source capacity work in the near future to better manage the increasing supply/demand balance risk. We are focusing on developing a strategy to respond to a possible acute water shortage this summer.
Percentage of monitored freshwater sites that have a rolling twelve month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	86%	The Human Health Mitigation project is underway and targeting environmental health improvements at catchments across Wellington City Council.
Dry-weather sewerage overflows	0.68/1000 connections	Dry-weather sewerage overflows continue to be within the targets proposed by Wellington Water.

*Last year, we corrected an error in applying the DIA guidance to the methodology used to measure the attendance and resolution times for water supply and wastewater. Notably, duplicate jobs have been excluded which, due to their treatment, had very low response times.

Quarterly Performance Report | Quarter 1 2023/24

Performance against Statement of Intent

Wellington Water sets performance measures through its Statement of Intent to address regional priorities for the Wellington Water Committee and the company. This year there are 16 measures.

As at the end of Q1 (1 July – 30 September 2023) company performance was:

- 10 are on track to be **achieved**.
- 2 are not achieved.
- 3 are off track.
- One is not due to be reported until the end of Q2.

For detailed information on measures that are at risk or not achieved refer to the table below.

Measure	YTD result	Commentary
Customers rate their experience of our performance as 'Satisfied' or better.	64%	64% is an increase on Q4, and the same as Q3 23FY. Time to repair is the primary driver of dissatisfaction, and we expect similar results as we continue to target leaks based on their impact over their age.
Compliance with Drinking Water Quality Assurance Rules (Treatment) for Metro Wellington	Non-compliant	See "Compliance with Drinking Water Standards" section above.
Compliance with Drinking Water Quality Assurance Rules (Treatment) for South Wairarapa	Non-compliant	South Wairarapa needs additional investment to meet the new treatment rules. They require Log 4 (99.99%) treatment and have Log 3 (99.9%) capability.
The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve	N/A	We will report on this measure every six months, in line with commercial meter reads.
Ratio of planned to reactive maintenance increases	\$0.25:\$1	The Q1 spend is down on the figure of \$0.36:\$1 for the full year in 2023. This is primarily due to the increase in reactive activity to attempt to mitigate the risk and impact of a water supply shortfall this summer.
Staff feel as if they understand water reform (staff survey)	53%	We have seen an increase in staff's feeling of support from the organisation, and a dip in the feeling of understanding water reform. This is likely due to uncertainty created by the general election and likely change in government.

Financial performance

At the end of September, the Council's capital programme is tracking below the capital range (between \$51m and \$75m) with a forecast delivery of \$59m for the year.

Year to date actuals are \$15m against a budget of \$20m, the majority of this variance (\$4m) is in wastewater, with \$2.6m relating to the CBD Wastewater Pump Station and Rising Main programme due to re-scheduling of works.

Year to date operational spend is 3% (\$0.4m) over budget, primarily due to increased waste disposal costs associated with the Moa Point Wastewater Treatment Plant as we work towards getting the plant back to a stable state.

Wellington Water is committed to delivery of our services within the approved budgets. Work is underway to bring forecasts back to budget and to provide more clarity and assurance for council.

Note that reducing that volume of work to stay within approved budgets will lead to an increased backlog and have a consequential impact on the non-urgent response and resolution times above (36 and 60 days). The large jump this quarter is largely attributed to works being deferred in Q4 last year, which have been pushed into this quarter.

For more detailed information see the attached financial dashboards and Major Projects Report.

Other information

Risks

The water supply risk has moved further up within the current extreme scale over the quarter. The company reviewed its position noting that the current controls are insufficient to fully mitigate the consequence of a Level 4 scenario this summer.

The council risk dashboard will be provided in the first week of November.

Customer

There are a record number of customer jobs, with budget constraints and a tight labour market meaning that we are unable to address all issues in our network in a timely manner. At the end of September 2023, we had 4,652 open jobs across all councils (all water types), and 2,916 jobs across all three waters in Wellington City.

Jobs, and leaks, are principally a problem of the age of the pipes. There is a significant backlog of renewals (replacing old pipes) across the region as investment into replacing pipes has historically not kept pace with the number of pipes nearing and exceeding the end of their operational lives.

The pipes in the region are aging at a faster rate than they are being replaced, and while that is the case, leaks and bursts will happen more frequently. When coupled investment that cannot deal with the existing backlog, the number of open jobs will continue to increase at an accelerating pace. Deferring works increases the size of the backlog, while falling behind in renewals accelerates the speed at which that backlog builds up.

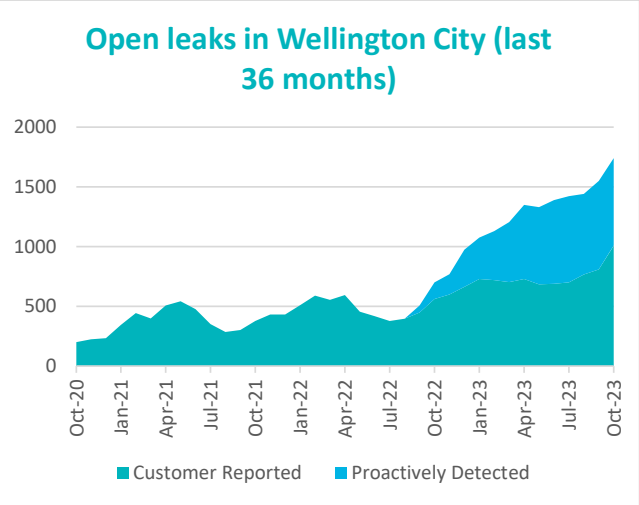
Customer satisfaction this quarter was 64%. This is slightly higher than in Q4, and the same as Q3 2023, and remains in line with expectations as we continue to prioritise leaks by impact rather than age.

Quarterly Performance Report | Quarter 1 2023/24

Leakage management

The number of open leaks in Wellington City grew to 1,550 by the end of the quarter, and is 1,742 as of 25 October 2023. The number continues to grow exponentially as the aging network of pipes deteriorates faster than the rate of pipe renewals. This has a direct impact on the ability of WWL to fix every leak that is reported. While we continue to prioritise jobs based on the volume of water being lost through leaks and the impact on the public, attending to the growing number of leaks will result in lower-priority leaks remaining open indefinitely. Coupled with longer periods of dry weather due to climate change, water loss has long-term implications for future water supply in the region.

Of note is that this year we did not see the usual drop in the backlog of customer reported leaks over the winter period, however this is in part due to the addition of proactive leak detection. It does mean that the number of open leaks is nearly nine times the number three years ago leading into summer.



Transition to the new entity

Following the results of the general election, we are awaiting the formation of a new government and confirmation of a path forward. We continue to work closely with the Regional Establishment Group (REG) on the next steps. Positively, staff’s feeling of support from the organisation has continued to trend upwards, even if the election has caused some uncertainty and understanding of the reforms has declined slightly.

Business improvements

For the last year or more, Wellington Water’s rolling business planning process was focused on identifying and supporting the delivery of core services and preparing for the transition. The focus now is on working across the business to ensure we are adequately prepared for the water supply risk and preparing investment advice as part of councils long-term planning for 2024-34.

Health and Safety

For our work in Wellington City during Q1, there were a total of 385 reports received, of which 330 were proactive. There were 80 critical risk related reports with the most reported being Vehicles/Mobile Equipment (31). There were two medical treatment injuries, two first aid injuries, one no treatment injury and four proactive intervention reports, no lost time injuries were reported. There were a total of 45 near miss reports, of which one was rated moderate.

Water Wastewater Treatment Plant and Water Treatment Plant Programme dashboards

Wellington Metropolitan Water Treatment Plants – September 2023

Water Treatment plants	Comments	Safe drinking water	Fluoride
Waterloo*	Taumata Arowai’s new Assurance Rules commenced on the 15 th Nov. An exemption has been sought to meet new bacterial compliance criteria. This issue does not affect drinking water safety. Waterloo achieved 98% compliance with the MoH’s recommended fluoridation levels.	Not compliant with necessary regulatory requirements	Compliant – we are meeting the necessary regulatory requirements
Wainuiomata	Taumata Arowai’s new Assurance Rules commenced on the 15 th Nov. Wainuiomata achieved 96% compliance with the MoH’s recommended fluoridation levels.	Compliant – we are meeting the necessary regulatory requirements	Compliant – we are meeting the necessary regulatory requirements
Te Marua	Taumata Arowai’s new Assurance Rules commenced on the 15 th Nov. Te Marua achieved 99% compliance with the MoH’s recommended fluoridation levels.	Compliant – we are meeting the necessary regulatory requirements	Compliant – we are meeting the necessary regulatory requirements
Gear Island	Taumata Arowai’s new Assurance Rules commenced on the 15 th Nov. Gear Island achieved 83% compliance with the MoH’s recommended fluoridation levels due the ongoing fluoride plant upgrades and commissioning.	Compliant – we are meeting the necessary regulatory requirements	Not compliant with necessary regulatory requirements

*Due to changes in the assurance rules, the capability of the existing Waterloo treatment plant facilities, and the layout of the network, a significant treatment plant upgrade and/or additional network infrastructure is required to achieve compliance with the rules as written. Taumata Arowai have been requested to consider granting dispensation in this instance.

Supply and long-term drought resilience - September 2023

Supply risk	Comments	Risk level
Short term supply	The storage lakes are full and river sources at healthy levels. The Wellington Region moved to Level 1 restrictions on the 24th September.	Medium risk of not being able to meet demand or likely to need water restrictions
Long term supply (drought resilience)	Increased leakage and the impacts of climate change will likely lead to severe water restrictions in the years to come e.g. Level 4, which would mean asking people to reduce indoor use.	High risk of not being able to meet demand and high likelihood of severe restrictions

Moa Point Wastewater Treatment Plant performance

Update – September 2023



Current status: Non-compliant

Commentary:

The plant became non-compliant for excessive suspended solids (90-day, 90th percentile limit) on 20 September due to higher than optimum levels of solids in the process. Greater sludge production is reducing these levels although it will take time. Compliance is expected in November. GWRC have been informed.

Discharges:

Moa Point had two unconsented short outfall discharges on 27 & 30 September following heavy rain, due to pumping performance issues at the Inlet Pump Station (IPS) and repair works that have commenced in the IPS.

Please Explain letter issued:

GWRC has asked for explanations of the two short outfall discharges in late September. Veolia and WWL will provide a response to the letter within the required timeframe.

Odour:

No odour complaints in September.

Items of significance:

Inlet Pump Station (IPS)

Contractors begin the physical works to replace pipework in the first week of October and work is expected to take 5-6 weeks to complete. This work will improve pumping capacity at the IPS to reduce the risk of untreated wastewater discharges via the short outfall during high inflows.

Western Wastewater Treatment Plant performance

Update – September 2023



Current status: Non-compliant

Commentary:

The plant became non-compliant for Biochemical Oxygen Demand (BOD) on 15 September (Geomean limit). This was caused by large, unexpected increases in the solids loads entering the plant. Increased sludge production has not been able to keep up with this loading. GWRC have been informed.

Current environmental issues:

The main outfall pipe will continue to discharge fully treated effluent into Karori Stream until the outfall repair is completed. Regular stream testing and ecological assessments are being undertaken.

Discharges:

The plant had one consented discharge of partially treated wastewater to the Karori Stream on 27 September due to heavy rain within the catchment area.

Items of significance:

Outfall Repair:

The completion date for the main outfall pipeline has been delayed with work currently on hold due to a dispute with a nearby landowner. Discussions continue with the landowner and a resolution is expected in October.

The unusually high solids inflows are being investigated further. Work to upgrade the Karori Tunnel is believed to have contributed to the high loading. Work has been completed and we expect solids loading to fall to average levels. BOD Geomean falling and compliance with this condition is expected in November.

Seaview Wastewater Treatment Plant performance

Update – September 2023



Current status: Non-compliant

Commentary:

The plant became non-compliant for faecal coliforms (90-day, 80th percentile limit) on 30 September. This was due to mechanical issues affecting sludge de-watering and drying. This in turn caused higher than optimal mixed liquor suspended solids (MLSS) in the effluent, which decreased the effectiveness of UV disinfection. The operators are working to reduce MLSS, but it will be sometime before compliance is achieved. GWRC have been informed.

Discharges:

The plant had two consented discharges to the Waiwhetu Stream on 27 & 30 September due to high flows during wet weather events, discharging fully treated effluent.

Odour complaints:

No odour complaints in September.

Items of significance:

Biofilter remedial works

Biofilter media replacement works were delayed while the methodology and contractor scope was worked through. Care has been taken to assess the correct biofilter media formula is used. Testing of current media is required for landfill disposal assurance and these results are expected in October. Physical works to remove and replace the media are expected to commence late in October and take 2-3 weeks to complete.

Seaview Wastewater Treatment Plant performance – Odour Treatment

Period – September 2023

What has been completed:

The planned odour survey and odour control system assessment report has been completed with several recommendations made.

A project brief for the renewal of the odour control system of the site has also been completed, incorporating the recommended actions from the investigation reports. The project is in response to the Abatement Notice that was issued by GWRC in April. The project has been assigned to Wellington Water’s Major Projects Team to manage.

What is currently in progress:

WWL’s Major Projects Team have assigned the project via the consultant panel. Project planning is underway.

Biofilter media replacement works were delayed while the methodology and contractor scope was worked through. Care has been taken to assess the correct biofilter media formula is used. Testing of current media is required for landfill disposal assurance and these results are expected in October. Physical works to remove and replace the media are expected to commence late in October and take 2-3 weeks to complete.

DRAFT

Appendix 4: Sustainable Development

The following table provides an overview of the alignment of Council's current LTP strategic activity areas with the relevant dimensions of Sustainable Development - a key element of Te Atakura and the circular economy priority in the Economic development strategy. The purpose of this alignment is to provide a framework for tracking changes across the city and informing decisions / actions that enable sustainable development.

Sustainable Development (SD), Goals and Activity line-of-sight

A key focus for sustainable development includes addressing pressing community challenges, that include climate change, environmental degradation and related social and economic factors. Establishing line of sight between the Council's activities and relevant SD goals provides a framework to track local progress. These goals provide a comprehensive framework for promoting sustainable development across economic, social, and environmental aspects in relation to key WCC policies / strategies e.g. Te Atakura. The SDGs serve as both a blueprint and compass, guiding local action.

Council's role - descriptors

- Provider** - delivering services and managing assets
- Advocate** - promoting the interests of the community to other decision makers and influencers
- Funder** - Funding other organisations and individuals to deliver services
- Regulator** - Regulating some activities through legislation

Activity area	Sub activity area	Activity area purpose	Sustainable development goals (SDG) and contributing Council Activities	Likely Council's role	Scope
1. Governance	1.1 Governance, Information and Engagement	Facilitate democratic decision making to build trust and confidence	strong institutions Ensuring responsive, inclusive, participatory, and representative decision making at Wellington City Council.	Primary role: Provider Secondary role: Advocate	City
	1.1 Governance, Information and Engagement	Provide open access to information to build trust and confidence	strong institutions Ensure public access to information and protect freedoms of association at least in accordance with national legislation.	Primary role: Provider Secondary role: Advocate	City
	1.2 Maori and mana whenua partnerships	Develop, maintain and inspire meaningful relationships so that our partnerships with mana whenua, tangata whenua and Māori within our community are mana enhancing	Sustainable cities and communities Protecting and safeguarding Te ao Māori and te reo Māori.	Primary role: Regulator* Secondary role: Provider** <i>* Regulator - WCC has control of city signs and interpretation</i> <i>** Provider because of WCC's responsibilities under Tākaia Here</i>	City and Region
2. Environment	2.1 Gardens, beaches and green open spaces	Provide access to green open spaces and enhance biodiversity to improve the quality of our natural environment	Life on Land Integrating ecosystem and biodiversity values into local planning and development processes, and advocate for their integration at regional and national levels Sustainable cities and communities Providing access to safe, inclusive and accessible, green and public spaces for all, including women and children, older persons and persons with disabilities.	Primary role: Provider Secondary role: Advocate Primary role: Provider Secondary role: N/A	City and Region City and Region
	2.2 Waste reduction and energy conservation	Reduce our impact on the environment by minimising and managing the disposal of waste and by reducing our carbon footprint	Responsible consumption and production Reducing waste generation through prevention, reduction, recycling and reuse.	Primary role: Provider Secondary role: Funder	City
	2.3 Water network	Increase the security of potable and stored water	Clean water and sanitation Achieving universal and equitable access to safe and affordable drinking water for all.	Primary role: Regulator Secondary role: Funder	City and Region
	2.4 Wastewater	Provide safe and sanitary removal of wastewater	Clean water and sanitation Integrated water resources management at all levels, (including through transboundary e.g. regional) cooperation as appropriate.	Primary role: Regulator Secondary role: Funder	City and Region
	2.5 Stormwater	Protect people, property and the environment from flooding and storm runoff	Sustainable cities and communities Sustainable urbanisation and a quality built urban environment.	Primary role: Regulator Secondary role: Funder	City and Region
	2.6 Conservation attractions	Protect flora and fauna through conservation and biodiversity	Life on land The conservation, restoration and sustainable use of terrestrial and freshwater ecosystems and their services, in line with obligations under international agreements.	Primary role: Regulator Secondary role: Funder	City and Region

Activity area	Sub activity area	Activity area purpose	Sustainable development goals (SDG) and contributing Council Activities	Likely Council's role	Scope
3. Economic development	3.1 City promotions and business support	Grow tourism spend and economic returns from events that bring visitors and extra spending to the city	Decent work and economic growth <ul style="list-style-type: none">Developing economic productivity and growth through a particular focus on innovation in creative, knowledge, and visitor economies that support a low-carbon economy.Sustainable tourism that creates local jobs and promotes local culture and products.	Primary role: Funder Secondary role: N/A Primary role: Funder Secondary role: N/A	City and Region City
	4.1 Arts and cultural activities	Build and maintain a sense of place and identity	Sustainable cities and communities <ul style="list-style-type: none">Ensuring human settlement planning and management is inclusive, integrated and participatory.Protect and safeguard Te ao Māori and te reo Māori.	Primary role: Regulator Secondary role: Provider Primary role: Regulator Secondary role: Provider	City City
5. Social and Recreation	5.1 Recreation promotion and support	Encourage active and healthy lifestyles important for people's health and wellbeing	Health and wellbeing Warning, risk reduction and management of health risks e.g pandemics.	Primary role: Provider* Secondary role: Funder * Provider of community leisure facilities e.g. swimming pools and recreation centres, using key health messaging to encourage higher levels of physical activity	City
	5.2 Community support	Foster diverse communities and enable people to connect with information and each other	Reduced inequalities Social, economic, and political inclusion, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	Primary role: Provider Secondary role: Funder	City
	5.3 Public health and safety	Maintain public health standards and promote individual wellbeing, safe neighbourhoods, and a safe inner city	Good health and wellbeing Protecting and safeguarding public health and safety in urban areas	Primary role: Regulator Secondary role: Provider	City
6. Urban development	6.1 Urban planning, heritage and public spaces development	Help protect, restore, and develop the city's heritage and character assets	Sustainable cities and communities Protect and safeguard cultural and natural heritage.	Primary role: Regulator Secondary role: Funder	City
	6.2 Building and development control	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	Sustainable cities and communities Sustainable urbanisation and a quality built urban environment	Primary role: Regulator Secondary role: Provider	City
7. Transport	7.1 Transport	Deliver an accessible, safe and reliable transport network	Sustainable cities and communities Access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	Primary role: Provider Secondary role: Funder	City
	7.2 Parking	Manage parking in line with the aims and objectives of the 2020 parking policy	Sustainable cities and communities Sustainable urbanisation and a quality built urban environment	Primary role: Regulator Secondary role: Provider	City

Appendix 5: How we report

Purpose

The information in this report supports governance oversight and service delivery performance monitoring of the current Long-term Plan (LTP).

Oversight includes:

- LTP strategic direction and risks to overall progress
- Programmes supporting LTP priorities, strategies, action plans and key projects; and
- Monitoring of service delivery key performance indicators

The report informs three key questions:

- Is the LTP progressing as expected
- Are the responses to risks sufficient to mitigate undesirable impacts, and;
- Is service performance on track

The Quarterly report is provided to the Council’s Kōrau Tōtōpū | Long-Term-Plan, Finance and Performance Committee (the LTPF&P Committee)

What we report

The Quarterly Report provides a year-to-date performance story covering progress against LTP objectives, priorities and strategies. This includes progress against the six LTP priority objectives (LTP priorities) and their supporting work programmes.

The report covers the top two tiers of the monitoring and reporting framework as shown in figure 1 below, and includes LTP amendments and Annual Plan variations.

Figure 1: Monitoring and Reporting framework



How we report

Performance data

Financial and non-financial results are reported quarterly. Results which are reported on an annual basis, for example the annual residents’ monitoring survey, are published in the Council’s Annual Report. Programme information focuses on overall progress, programme health and risks to progress. Where possible actual and forecast information is provided.

Exception reporting

Only those indicators with a status of red are reported which allows a focus on under performance. Red is used for financial reporting where a variance is >\$500k AND >10% off target. For non-financial reporting red is used where a variance is >10% off target.

Risks are reported using the Council’s Risk and Assurance framework.

Where we get our data

The Information in this report is sourced from the Council’s business units including Finance, Risk and Assurance, the Project Management Office and CCOs.

1. CCO 23/24 QUARTER 1 REPORT

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee provides the Committee with a review of the 23/24 financial year first quarter reports submitted by Council-controlled Organisations.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

Relevant Previous decisions

Financial considerations

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

Risk

- | | | | |
|---|---------------------------------|-------------------------------|----------------------------------|
| <input checked="" type="checkbox"/> Low | <input type="checkbox"/> Medium | <input type="checkbox"/> High | <input type="checkbox"/> Extreme |
|---|---------------------------------|-------------------------------|----------------------------------|

2. This paper is assessed as low risk using the enterprise risk framework. The paper is not expected to introduce or exacerbate any risks to WCC.

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

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

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

1. **Receive** the information.
2. **Note** the contents of the report.

Whakarāpopoto | Executive Summary

1. Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee is tasked with monitoring the performance of our Council-controlled Organisations (CCOs). Quarter one (Q1) reports have been received from all our CCOs apart from the Wellington Regional Stadium Trust who report on a six-monthly basis.
2. Our CCOs strong performance during Q1 was boosted by the very successful hosting of the FIFA Women's World Cup led by WellingtonNZ and the Wellington Regional Stadium. The Stadium hosted nine matches for a total attendance of more than 230,000 spectators. A number of our CCOs saw a huge boost in their winter visitor numbers. For example, Zealandia's tours experienced its best ever July with numbers up 70%, and visitor numbers overall up 25% year on year. The Cable Car saw 73,721 visitors through its gates during July including multiple global film crews and the Swedish football team – taking it to taking it to 22.9% over its target for the period.
3. The tracking of CCOs KPI performance is reported on in Wellington City Council's overall Q2 report. Performance to date is in line with expectations. CCOs have a total of 15 KPIs, 11 of which are reported quarterly. Of the 11 that are reported quarterly all but two met their target this quarter.
4. Highlights from Q1 include:
 - Successful hosting of the FIFA Women's World Cup. Wellington Regional Stadium very successfully hosted 9 matches for a total attendance of 231,262 spectators, an average of 25,696 fans per match.
 - Zealandia visitor numbers up 80% on target during the quarter.
 - Experience Wellington visitor numbers up 71% on target for the quarter.
 - Cable Car passenger numbers of 188,567 (17% above target) and fare revenue of \$636k (25% above target).
 - Zoo visitor numbers of 59,124 (exceeded target by 8,700 and 16,479 more than Q1 last year) and total retail sales of \$199k (exceeded target by \$88k and \$85k more than Q1 last year).
 - WellingtonNZ's lead North American campaign, 'Escape to Wellington' has been a significant success resulting in more than 3.5 million video views, 3300+ expressions of interest, and more than \$NZ15m equivalent advertising value in media coverage (versus a target of 1.5 million).
 - The upgrade of the picket fence at the Basin Reserve is almost complete.

Takenga mai | Background

5. Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee is tasked with monitoring the performance of the following entities:
 - Basin Reserve Trust
 - Karori Sanctuary Trust (trading as Zealandia)
 - Wellington Cable Car Limited
 - Wellington Museums Trust (trading as Experience Wellington)
 - Wellington Regional Economic Development Agency Ltd (trading as WellingtonNZ)
 - Wellington Regional Stadium Trust (trading as Sky Stadium)
 - Wellington Zoo Trust
6. Wellington Regional Economic Development Agency Ltd is jointly owned (80%/20%) by the Wellington City Council and the Greater Wellington Regional Council respectively.
7. In terms of a Court of Appeal Judgement (CA164/04) on 6 September 2005 between the Commissioner of Inland Revenue and the Wellington Regional Stadium Trust, it was established that Sections 5 and 6, Schedules 8 and 9 and Part 5 of the Local Government Act 2002 do not apply to the Wellington Regional Stadium Trust and accordingly the Trust is not a CCO.
8. In recognition of the Council's original investment in the Wellington Regional Stadium Trust and the non-recourse loan from Council to the Trust that was fundamental in the establishment of the Trust and the building of the stadium, the relationship operates as if the Trust was a CCO. This approach is consistent with the Greater Wellington Regional Council's relationship with the Trust. As agreed between the Councils the Trust reports on a six-monthly basis.

Kōrerorero | Discussion

9. Quarterly reports have been received from the following entities for consideration by the Committee and are attached as appendices:
 - Basin Reserve Trust
 - Karori Sanctuary Trust (trading as Zealandia)
 - Wellington Cable Car Limited
 - Wellington Museums Trust (trading as Experience Wellington)
 - Wellington Regional Economic Development Agency Ltd (trading as WellingtonNZ)
 - Wellington Zoo Trust
10. The Q1 reports have been reviewed by Council Officers to assess any risks or issues and where any significant issues were identified these have been discussed with the relevant entity.

Operating context / trading environment

11. *Constrained economic environment:* the current economic environment is impacting discretionary income, which has impacts across CCOs, events and tourism making it more challenging to achieve target outcomes.

12. *Cost Escalation:* Cost pressures continue to be a challenge for CCOs. This was acknowledged through the annual plan operating grant funding review and living wage assistance support for CCOs. Cost pressures however remain - particularly staff remuneration. Cost control within CCOs will be monitored closely with the support of the WCC Finance Team. All CCOs are proactively looking at ways to reduce costs and increase revenue generation.

























CCO 23/24 Q1 Summaries

13. The upgrade of the **Basin Reserve** picket fence is almost complete. The quarter also saw confirmation of the Basin Reserve as the host of the premier international test match between the Blackcaps and Australia – 29 February to 4 March.
14. **Karori Sanctuary Trust (Zealandia)** welcomed more than 25,000 visitors in Q1 (80% up on target). The unseasonal increase in visitation was predominately due to the FIFA Women's World Cup and the opening of Tākina. In August Zealandia received a new pair of takahē, Waitaa and Bendigo.
15. **Wellington Museums Trust (Experience Wellington)** had 154,036 visitors during Q1 across its sites (71% up on target). The hugely successful pop-up exhibition, *The Barbie Collector*, tapped into the international craze for all things Barbie, bringing a remarkable 47,376 manuhiri through the doors of Wellington Museum in just 11 weeks.
16. With challenging targets set for FY23-24, the **Wellington Cable Car's** key performance metrics still exceeded SOI targets with Q1 passenger numbers of 188,567 (17% above target) and fare revenue of \$636k (25% above target). The Cable Car successfully decommissioned Snapper services and have seen a positive response from locals transferring to Cable Car multi trip and membership products. A 'locals' rate' is being offered as a transition tool to Snapper users who are caught out whereby they can pay the same \$3.75 fare at the ticket box for a single journey.
17. **Wellington Regional Economic Development Agency Ltd's (WellingtonNZ)** lead North American campaign, 'Escape to Wellington' featuring a giant yellow escape key placed in central Manhattan New York has been a significant success resulting in more than 3.5 million video views, 3300+ expressions of interest, and more than \$NZ15m equivalent advertising value in media coverage (versus a target of 1.5 million). In addition to the successful delivery of the FIFA Women's World Cup, events continue to produce strong results for Wellington, including WOW™ selling nearly 60,000 tickets (63% out of region) and the Wicked musical selling more than 28,000 tickets (40% out of region) which represents Wellington's largest 3-week musical season ever.
18. **Wellington Regional Stadium Trust (Sky Stadium)** very successfully hosted 9 FIFA Women's World Cup matches – at a total attendance of 231,262 spectators, an average of 25,696 fans per match.
19. **Wellington Zoo welcomed** more than 59,000 visitors (exceeded target by 8,700 and 16,479 more than Q1 last year), and achieved total retail sales of \$199k (exceeded target by \$88k and \$85k more than Q1 last year). The Zoo enjoyed success at the recent 2023 Rainbow Excellence Awards winning the Z Energy SME Rainbow Inclusivity Award, the Rainbow Tick Non-Commercial Sector Award and placing second for the Supreme Award. Chief Executive Karen Fifield has been elected as the first New Zealander to be President of the World Association of Zoos and Aquarium.

Ngā mahinga e whai ake nei | Next actions

20. Not applicable

Attachments

Attachment 1.	BRT_Q1 Report_202324  	Page 172
Attachment 2.	EW Statement of Financial Performance_Q1_202324  	Page 174
Attachment 3.	EW Statement of Financial Position_Q1_202324  	Page 175
Attachment 4.	EW_Q1 Report_202324  	Page 176
Attachment 5.	KST Balance Sheet_Q1_202324  	Page 179
Attachment 6.	KST_Profit and Loss_Q1_202324  	Page 180
Attachment 7.	KST_Statement_of_Cash_Flows_Q1_202324  	Page 181
Attachment 8.	WCCL_Financial Performance Q1_202324  	Page 182
Attachment 9.	WCCL_Q1 Report-202324  	Page 187
Attachment 10.	WellingtonNZ_Q1 Report_202324  	Page 190
Attachment 11.	WZT_Q1 Report_202324  	Page 197
Attachment 12.	KST_Q1 Report_202324  	Page 203



Basin Reserve Trust
Report to the Wellington City Council LTP, Finance & Performance Committee
First Quarter ending 30 September 2023

Highlights
<ul style="list-style-type: none"> · Good progress on the picket fence replacement · Progress on the security review with WCC including planning for new cameras · Installation of hand dryers in the toilet blocks and maintenance works in progress in R A Vance stand - Heritage Plan almost complete

Challenges
The delay on the capital projects,site-screens (likely to now be installed May 2024) and storage facility (likely to be constructed during the 23/24 season)

Performance Measures (KPIs) in the SOI 2023/24					
Performance Measures (Quarterly Targets)					
Measure	Annual Target	YTD	Q1 Target	Q1 Actual	Comments
Cricket Events	55	0	0	0	The season commences on the 20 th Oct
Other Sports Events	24	0	8	0	Winter sport has been unable to resume due to outfield and picket fence upgrades
Community Events	2	0	0	0	Community Events yet to start
Functions	60	12	15	12	Functions tracking well
Performance Measures (Annual Targets)					
Measure	Annual Target	YTD	Comments		
Practice Facility Usage	100	17	Pre-season underway		
Numbers Attending Events	55,000	0			
Event Income	\$465,820	0			



	Council Operating Grants	\$735,000	\$735,000		
	Cash Subsidy (per attendance)	13.36	0		

Coming Up

- Commencement of the summer of cricket including Plunket Shield, Halyburton Johnson, Ford Trophy and Super Smash Games
- Beers at the Basin – 25th Nov
- Black and Gold Conferences and Events
- Completion of the picket fence and commencement of the storage shed works
- Proposed painting of the groundsmen house
- Further discussions regarding the broadcast towers and the Monstavisision screen

Statement of Financial Performance - variance report

Experience Wellington

For the month ended 30 September 2023

Account	Month Actual	Month Budget	Variance	YTD Actual	YTD Budget	Variance	Full Yr Budget	2022/2023 YTD
Trading Income								
Trading Income								
201 - Retail Sales	66,784	88,417	(21,633)	205,543	265,251	(59,708)	1,061,000	151,404
202 - Bar	3,264	1,450	1,814	8,198	4,350	3,848	17,400	5,815
203 - Site Tours - Visitor Services	152	833	(681)	2,293	2,499	(206)	10,000	0
204 - Admissions	33,979	26,478	7,501	136,934	79,434	57,500	317,730	101,529
205 - Membership	648	167	481	2,848	501	2,347	2,000	2,001
206 - Venue Hire	28,253	24,242	4,011	90,453	72,726	17,727	290,900	127,116
207 - Royalties Other	0	0	0	0	0	0	0	3,000
208 - Royalties - Planaterium	0	208	(208)	0	624	(624)	2,500	0
200 - Income - Holding Account	0	0	0	(0)	0	(0)	0	(472)
Total Trading Income	133,081	141,795	(8,714)	446,269	425,385	20,884	1,701,530	390,394
Partnerships & Sponsorships								
215 - Grants - Other	0	43,581	(43,581)	24,514	130,743	(106,229)	522,975	1,291
217 - City Gallery Wellington Foundation	0	4,167	(4,167)	0	12,501	(12,501)	50,000	0
219 - Fundraising Events	306	2,083	(1,777)	306	6,249	(5,943)	25,000	0
220 - Partnerships & Sponsorships	300	6,667	(6,367)	750	20,001	(19,251)	80,000	0
221 - Donations - General	11,001	15,274	(4,274)	32,780	45,822	(13,042)	183,293	11,552
222 - Donations - Major Donors	0	4,333	(4,333)	0	12,999	(12,999)	52,000	0
Total Partnerships & Sponsorships	11,607	76,105	(64,499)	58,350	228,315	(169,965)	913,268	12,843
Public Programmes								
240 - Public Programmes Event Ticket Sale	13,156	10,000	3,156	25,954	30,000	(4,046)	120,000	0
241 - Public Programmes Tours	0	333	(333)	209	999	(790)	4,000	0
242 - Public Programmes Other Income	1,469	0	1,469	1,469	0	1,469	0	0
Total Public Programmes	14,625	10,333	4,292	27,631	30,999	(3,368)	124,000	0
Learning								
244 - Learning - School Admission Charges	12,518	10,250	2,268	28,593	30,750	(2,157)	123,000	24,947
245 - Teacher PLD Charges	0	167	(167)	0	501	(501)	2,000	0
209 - Grants - ELC	27,139	27,139	(0)	81,416	81,417	(1)	325,665	81,416
Total Learning	39,657	37,556	2,101	110,009	112,668	(2,659)	450,665	106,363
LIVE								
248 - LIVE Tickets & Admissions	10,919	3,417	7,502	14,399	10,251	4,148	41,000	0
210 - Grants - CNZ	59,415	34,173	25,242	90,639	102,519	(11,880)	410,081	132,250
Total LIVE	70,334	37,590	32,744	105,038	112,770	(7,732)	451,081	132,250
WCC Operating Grant								
211 - WCC Operating Grant	756,488	756,488	0	2,269,465	2,269,464	1	9,077,860	2,101,339
212 - WCC Rental Subsidy	147,415	147,415	0	442,245	442,245	0	1,768,980	442,245
216 - Grants - Living Wage	36,619	8,333	28,286	36,619	24,999	11,620	100,000	0
263 - WCC Underwrite	0	0	0	353	0	353	0	0
Total WCC Operating Grant	940,522	912,236	28,286	2,748,682	2,736,708	11,974	10,946,840	2,543,584
Investment Income								
270 - Interest Received	9,685	4,727	4,958	32,403	14,181	18,222	56,721	8,813
Total Investment Income	9,685	4,727	4,958	32,403	14,181	18,222	56,721	8,813
Other Income								
230 - Leasing Income	7,034	6,984	50	21,045	20,952	93	83,804	13,624
260 - Other Revenue	2,517	1,400	1,117	2,834	4,200	(1,366)	16,800	18,826
261 - Wages/Contractors On-charged	16,684	7,579	9,105	29,253	22,737	6,516	90,950	686
Total Other Income	26,234	15,963	10,271	53,131	47,889	5,242	191,554	33,136
Total Revenue	1,245,746	1,236,305	9,441	3,581,513	3,708,915	(127,402)	14,835,659	3,227,383
Cost of Sales								
Cost of Sales (Trading Income)	33,208	58,102	(24,894)	123,748	174,306	(50,558)	685,533	142,591
Total Cost of Sales	33,208	58,102	(24,894)	123,748	174,306	(50,558)	685,533	142,591
Net Revenue	1,212,538	1,178,203	34,334	3,457,765	3,534,609	(76,844)	14,150,126	3,084,792
Operating Expenses								
Exhibitions & Project Delivery	67,069	84,583	(17,514)	117,353	253,749	(136,396)	1,015,000	77,225
Art & Heritage	14,047	14,400	(353)	16,328	43,200	(26,872)	172,800	53,160
CYPCE	67,643	64,044	3,599	110,099	192,132	(82,033)	768,525	256,704
Marketing & Promotions	33,051	38,712	(5,661)	88,112	116,136	(28,024)	464,545	142,911
Operations	5,987	900	5,087	8,054	2,700	5,354	10,800	15,417
Ta ao Maori	0	7,500	(7,500)	0	22,500	(22,500)	90,000	0
Employee Costs	811,448	708,145	103,303	2,154,763	2,124,435	30,328	8,497,741	1,732,342
Occupancy Costs	223,091	230,802	(7,711)	641,670	692,406	(50,736)	2,769,629	639,844
Communication Costs	5,088	0	5,088	16,818	0	16,818	0	15,941
Technology Costs	13,546	8,333	5,213	40,277	24,999	15,278	100,000	48,411
Professional Fees	7,520	17,500	(9,980)	13,166	52,500	(39,334)	210,000	53,809
Administration Fees	23,726	24,189	(463)	74,050	72,567	1,483	305,651	54,302
Depreciation	8,453	28,008	(19,555)	25,361	84,024	(58,663)	336,099	53,894
Total Operating Expenses	1,280,669	1,227,116	53,553	3,306,051	3,681,348	(375,297)	14,740,790	3,143,960
Net Surplus/(Deficit)	(68,131)	(48,913)	(19,219)	151,714	(146,739)	298,453	(590,664)	(59,169)

Statement of Financial Position

Experience Wellington
As at 30 September 2023

	30 SEP 2023	30 JUN 2023
Assets		
Fixed Assets		
Property, plant and equipment	574,346	594,066
Collections and Artefacts	2,338,816	2,338,816
Intangible assets	-	215
Total Fixed Assets	2,913,162	2,933,097
Non-Current Asset		
Legacy Investment with Nikau Foundation	291,088	291,088
Total Non-Current Asset	291,088	291,088
Current Assets		
Inventory	299,984	277,962
Trade and other receivables	199,489	255,785
Cash and Cash equivalents	3,766,257	1,849,420
Total Current Assets	4,265,730	2,383,167
Total Assets	7,469,980	5,607,351
Liabilities		
Current Liabilities		
Trade and other payables	3,365,414	1,558,556
Employee benefits	542,154	638,962
Total Current Liabilities	3,907,567	2,197,518
Non-current Liabilities	46,992	46,817
Total Liabilities	3,954,559	2,244,335
Net Assets	3,515,421	3,363,016
Equity		
Tagged Funds	139,031	139,031
Reserves (non-cash)		
Acquisition Funds	34,327	33,637
Capital Reserve (non-cash)	2,122,961	2,122,961
City Gallery Reserves/Nikau Foundation Endowment (non-cash)	291,088	291,088
WM - Plimmers (non-cash)	83,000	83,000
Total Reserves (non-cash)	2,531,376	2,530,686
Retained earnings		
Current Year Earnings	151,714	(629,472)
Retained Earnings	693,299	1,322,771
Total Retained earnings	845,013	693,299
Total Equity	3,515,421	3,363,016

Report to Wellington City Council

Finance & Performance Committee
First Quarter ending 30 September 2023



Highlights

Financial Sustainability

- An exceptional commercial start to the year saw Experience Wellington generate more than \$400,000 from admission tickets, venue hire and retail sales. A special Marilyn from the Seven Year Itch Barbie doll, donated by a supporter, was auctioned to fund more rainbow programming. This was a powerful catalyst to raise awareness of our charitable status and diverse programming.

Nairn Street Cottage

- Nairn Street Cottage has undergone extensive refurbishment including maintenance and repair works to the exterior of the cottage - new flashings, re-painting, and repairing broken and cracked windows.

Nōku te Ao/Capital E

- The National Theatre for Children's final show *The Grumpiest Child in the World*, peppered with te reo Māori and a song in New Zealand Sign Language kicked off to excellent reviews and our school leg nearly booked out.

Te Ara Whānui Ki Te Rangi Space Place:

- There was a huge appetite for *Science Bites*, our new STEM hands on workshop for the school holidays at Space Place with all four sessions sold out, bringing in \$2k revenue for September.
- Our new "Space is my Jam" merchandise, designed by our in-house team is proving popular.
- Our *Pink Floyd – Dark Side of the Moon* Planetarium show had a sell-out rate of 91% and over \$18,000 in ticket sales.

Te Waka Huia o Ngā Taonga Tuhu Iho, Wellington Museum

- Our hugely successful pop-up exhibition, *The Barbie Collector*, tapped into the international craze for all things Barbie, bringing a remarkable 47,376 manuhiri through the doors of Wellington Museum in just 11 weeks. Showcasing almost 500 dolls from Barbie Collector Patsy Carlyle, the show celebrated a passion for collecting. Our in-house designed Barbie postcards and bookmarks, generated \$5,424 in revenue, contributing to the \$75,130 taken in retail sales at the museum during the show's run.
- Our Von Kohorn Room was jam-packed for the opening of the seventh Wellington Children's Art Exhibition, a vibrant showcase of the creative talents of Wellington's tamariki, held by Capital E and the Wellington Sakai Association.

Te Whare Toi/City Gallery Wellington

- City Gallery's shop has had a beautiful makeover with carefully curated keepsakes championing local and Māori makers on offer for visitors.
- Te Whare Toi buzzed with families exploring, creating, and learning at *Family Day* at the end of Quarter 1. Over 500 visitors joined in the fun with more than 100 raffle tickets sold, an opportunity for our fundraising team to highlight our role as a charity.

Challenges

Te Whare Toi, City Gallery Wellington

- City Gallery Wellington Te Whare Toi changed its weekday opening hours from 10am to 5pm to 4pm to 7.30pm to continue to bring art to the heart of Wellington during construction in Te Ngākau Civic Square.

2024 Long Term Plan

Senior Officers have discussed with the Chair and Chief Executive the financial challenges faced by Council, and the need for CCOs to prioritise revenue generation and cost savings. For the upcoming LTP, Experience Wellington's priorities are:

- An ongoing Annual Grant increase;
- Asset Management plans for the buildings we occupy, including deferred maintenance at City Gallery and ongoing repairs and replacements at other Council-owned sites;
- Support for commercial initiatives;
- And surety for the Wellington Museum Project.

In the meantime, Experience Wellington will continue to sharpen its focus on raising third-party revenue via retail, venue hire and admissions, and fundraising.

Performance Measures (KPIs) in the SOI 2023/24

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

Green = On track or target met
Orange = At risk of not achieving target
Red = will not reach target

	2023/24 Quarter 1		2023/24 Annual	
Visitor Numbers	Actual	Target	Actual (YTD)	2023/24 Target
City Gallery Wellington	23,499	12,500	23,499	50,000
Wellington Museum	54,952	30,000	54,952	100,000
Capital E	16,204	10,000	16,204	50,000
Cable Car Museum	46,305	30,000	46,305	160,000
Space Place	13,066	7,500	13,066	45,000
Nairn St Cottage	10	100	10	600
Experience Wellington Total	154,036	90,100	154,036	405,600

*Nairn Street Cottage was closed in Quarter 1 for building maintenance.

Children & Young People Visiting for a Learning Experience: The number of students as part of a booked group visiting institutions for learning experiences. The delivery of ELC (Enriching Local Curriculum) is part-funded by the Ministry of Education.

*Learning Experience Visitors	2023 YTD Result	2023 Target
Experience Wellington Total	9,627	23,100

* This reporting covers the 2023 Calendar year. The missed target is a result of teacher confidence being slow to return since the start of the pandemic, and the changes to the National Theatre for Children Arts Festival being adapted for a post-pandemic audience, and LIVE tours.

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

Notifiable Health and Safety Incidents	2023/24 YTD Result	2023/24 Target
Experience Wellington Total	0	0

Social & Virtual Visitation: the numbers are derived from the monthly digital audience summary and includes website and social media activity.

Social Media Profile	2023/24 YTD Result	2023/24 Target
City Gallery Wellington	49,845	49,970
Wellington Museum	19,142	*17,000
Capital E	12,117	11,870
Space Place	13,912	12,470
Nairn St Cottage	805	790
Experience Wellington Total	92,100	107,600
Virtual Visitation	2023/24 YTD Result	2023/24 Target
City Gallery Wellington	28,037	105,000
Museums Wellington	62,041	109,000
Capital E	13,670	40,000
Experience Wellington Total	103,748	254,000

*Error corrected from SOI

Financial Performance Measures

Financial Performance Summary	Year to Date (\$000's)			Full Year (\$000's)		
	Actual	Budget	Variance	Forecast	Budget	Variance
Net Revenue	3,458	3,535	-77	-	14,836	-
Expenditure	3,306	3,681	-375	-	14,740	-
Net Surplus/Deficit	152	-147	298	-	-591	-

Non-Council Revenue: The total amount of revenue (net of costs) generated from non-Council sources:

Trading includes admissions, retail, venue hire, sub-letting, and interest. Fundraising includes donations, sponsorships, other grants, and cultural grants (excludes Creative New Zealand & Ministry of Education for ELC). Retail sales and venue hire are significantly reduced in line with forecast visitation.

Measure	2023/24 YTD Result	2023/24 Target
Non-Council Revenue (\$'000)	833	3,763
Fundraising (\$'000)	58	390
Spend per Visit (\$)	2.90	4.20
Subsidy per Visit (\$)	14.73	22.38

Coming Up

Cable Car Museum

- A refresh of Cable Car Museum is underway, putting our best foot forward for the next cruise ship season. We took nearly \$300,000 in revenue during the last season.

Nairn Street Cottage

- Nairn Street Cottage will be running a Beekeeping basics workshop in November.

Nōku te Ao | Capital E

- 'Tamariki Harbourside Markets' is the theme of our new Play HQ opening in November 2023 at Capital E. Our youngest audiences can learn about where our food comes from, unearth vegetables from planter boxes, organise them by colour in the sorting bins, and navigate around bustling food stalls at the marketplace.

Te Ara Whānui ki te Rangi | Space Place

- The exhibition renewal at Space Place is being sequenced over the next two years to minimise disruption to the visitor experience, with the Tūhura Module currently being upgraded.

Te Waka Huia o Ngā Taonga Tuku Iho | Wellington Museum

- Wellington Museum is preparing for *Te Ohonga: The Awakening*, an exhibition of new work by contemporary Māori artists from Te Upoko o te Ika a Māui that embrace orphaned taonga in the Museum collection.

Te Whare Toi, City Gallery Wellington

- A number of new exhibitions open in Quarter 2 including the ground-breaking photography of *Diane Arbus in A Box of Ten Photographs*, wondrous scenes of atmospheric and celestial phenomena in *Angela Lane's: Phosphene*, and the folk-horror-infused art of Julia Robinson and Don Driver in *Eerie Pageantry*.

Balance Sheet

Karori Sanctuary Trust Inc.
As at 30 September 2023

30 SEP 2023

Assets

Current Assets

Bank	5,265,616
Accounts Receivable	96,039
Prepayments	40,439
Stock on Hand	131,109
Investments	130,555
Total Current Assets	5,663,757

Fixed Assets	3,309,912
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Total Assets	8,973,669
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Liabilities

Current Liabilities

Accounts Payable and Accruals	414,924
GST	19,610
Holiday Pay Accrued	192,154
Income in Advance	861,970
Total Current Liabilities	1,488,658

Non-current Liabilities	1,504,681
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Total Liabilities	2,993,339
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Net Assets	5,980,331
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Equity

Accumulated Funds	5,980,331
Total Equity	5,980,331

Profit and Loss

Karori Sanctuary Trust Inc.
For the 3 months ended 30 September 2023

JUL-SEP 2023

Income	
Trading Income	
Admissions	209,588
Membership	103,516
Other trading revenue	671,357
Total Trading Income	984,460
Other Operating Income	478,042
Non-Operating Income	70,128
Total Income	1,532,629
Operating Expenses	
Salaries and Wages	1,102,971
Cost of Goods Sold	175,517
Other Operating Expenses	160,901
Trustee Expenses	32,500
Administration Costs	102,657
Interest Expense	12,230
STAPP Loan adjustment	7,548
Total Operating Expenses	1,594,323
Net Surplus/(Deficit) before Depreciation and Tax	(61,694)
Other Expenses/(Income)	
Depreciation Expense	64,353
Total Other Expenses/(Income)	64,353
Net Profit	(126,047)

Statement of Cash Flows

Karori Sanctuary Trust Inc.

For the 3 months ended 30 September 2023

JUL-SEP 2023

Operating Activities

Receipts from customers	1,927,019
Payments to suppliers and employees	(1,496,965)
Interest received	106,114
Cash receipts from other operating activities	11,355
Net Cash Flows from Operating Activities	547,524

Investing Activities

Payment for property, plant and equipment	(120,223)
Net Cash Flows from Investing Activities	(120,223)

Net Cash Flows	427,300
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Cash and Cash Equivalents

Cash and cash equivalents at beginning of period	4,838,315
Cash and cash equivalents at end of period	5,265,616
Net change in cash for period	427,300



Quarterly Report to WCC

Wellington Cable Car Limited

For the 3 months ended 30 September 2023

Compilation Report

Wellington Cable Car Limited For the 3 months ended 30 September 2023

Compilation Report to the Directors of Wellington Cable Car Limited.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the quarterly financial statements of Wellington Cable Car Limited for the quarter ended 30 September 2023.

These statements have been prepared in accordance with the notes as detailed in the latest Annual Report.

Responsibilities

The Directors are solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.



Director
BDO Wellington Limited
Level 1, 50 Customhouse Quay
Wellington

Dated: 18 October 2023



Profit and Loss

Wellington Cable Car Limited

For the 3 months ended 30 September 2023

	Q1 - Actual	Q1 - SOI	Variance to SOI	Q1 - Reforecast	Variance to reforecast
Trading income					
Cable Car Income	636,365	507,300	129,065	507,300	129,065
Net Merchandise Income	2,983	750	2,233	750	2,233
Total Trading income	639,348	508,050	131,298	508,050	131,298
Cost of Sales					
Cable Car Operations	81,904	95,851	(13,947)	95,851	(13,947)
Cable Car Maintenance	96,015	103,380	(7,365)	103,380	(7,365)
Cable Car Wages	322,145	339,598	(17,453)	341,082	(18,937)
Depreciation	80,080	77,894	2,186	77,894	2,186
Administration expenses	214,097	257,975	(43,878)	220,478	(6,381)
Total Cost of Sales	794,241	874,698	(80,457)	838,685	(44,444)
Operating Surplus/(Loss)	(154,893)	(366,648)	211,755	(330,635)	175,742
Sundry Income					
Interest Income	70,257	45,000	25,257	45,000	25,257
Total Sundry Income	70,257	45,000	25,257	45,000	25,257
Total Operating Surplus/(Loss) before Grant	(84,637)	(321,648)	237,011	(285,635)	200,998
Grant Income					
WCC LTP Funding grant	121,265	125,000	(3,735)	125,001	(3,736)
Total Grant Income	121,265	125,000	(3,735)	125,001	(3,736)
Surplus/(Loss) before Tax	36,629	(196,648)	233,277	(160,634)	197,263
Taxation					
Income Tax Expense	39,044	0	39,044	0	39,044
Surplus/(Loss) after Tax	(2,415)	(196,648)	194,233	(160,634)	158,219

Balance Sheet

Wellington Cable Car Limited As at 30 September 2023

	30 SEP 2023	30 JUN 2023
Assets		
Current Assets		
Bank accounts	2,142,123	1,909,784
Term deposits	2,505,753	2,905,753
Inventories	24,474	11,859
Accounts Receivable	48,346	16,440
Sundry debtors & prepayments	479,817	67,642
Income Tax Receivable	29,429	11,928
Total Current Assets	5,229,941	4,923,406
Non-Current Assets		
Cable car equipment	5,342,787	5,391,185
Cable car tracks & wires	2,583,268	2,441,378
Cable car spare parts	498,901	501,026
Furniture & fittings	29,715	25,017
Computer equipment	40,540	16,644
Computer software	10	617
Work in progress	-	2,890
Total Non-Current Assets	8,495,222	8,378,756
Total Assets	13,725,163	13,302,163
Liabilities		
Current Liabilities		
Trade & other payables	296,350	381,504
GST Payable	5,680	132
Income in Advance	5,016	5,773
Total Current Liabilities	307,046	387,409
Non-Current Liabilities		
Deferred Tax	1,183,212	1,144,168
LTP Funding	671,354	204,619
Total Non-Current Liabilities	1,854,565	1,348,787
Total Liabilities	2,161,611	1,736,196
Net Assets	11,563,552	11,565,967
Shareholder's Funds		
Ordinary shares	7,434,846	7,434,846
Retained Earnings	4,131,121	2,831,392
Current year earnings	(2,415)	1,299,728
Total Shareholder's Funds	11,563,552	11,565,967



Statement of Cash Flows

Wellington Cable Car Limited
For the 3 months ended 30 September 2023

	JUL-SEP 2023	APR-JUN 2023
Statement of Cash Flows		
Net cash flows from Operating Activities		
Receipts from grants	588,000	-
Receipts from operations	610,744	730,049
Payments to suppliers and employees	(1,220,410)	(534,803)
Income tax refunded/(paid)	(17,501)	(10,321)
Net GST	5,548	(32,343)
Total Net cash flows from Operating Activities	(33,619)	152,582
Net cash flows from Investing Activities		
(Payment for)/receipt from property, plant and equipment	(196,545)	(308,060)
(Payment for)/receipt from investments	462,503	(63,596)
Total Net cash flows from Investing Activities	265,958	(371,656)
Net Cash Flows	232,339	(219,074)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	1,909,784	2,128,858
Net change in cash for period	232,339	(219,074)
Cash and cash equivalents at end of period	2,142,123	1,909,784



WELLINGTON CABLE CAR LTD
Report to the Wellington City Council LTP, Finance & Performance Committee
FY24 - First Quarter ending 30 September 2023

Highlights

- With challenging targets set for FY24, our key performance metrics still exceeded SOI targets with Q1 passenger numbers of 188,567 (17% above target) and fare revenue of \$636k (25% above target).
- Year to date revenue for 2024 is also significantly higher than same time last year (\$636k vs \$384k for FY23 Q1). Casual fares increased 79%, whilst commuter fares increased 41%.
- Our Annual Maintenance Shutdown (AMS) was successfully undertaken 14-20 August. Alongside our usual annual bogie change, inspections, tests and checks, we also completed key seismic resilience work in the Lambton Quay terminal where approximately 30 steel brackets were fitted to improve the seating of the reinforced concrete beams in the roof space.
- We fully embraced FIFA with decals on the cars, terminal decorations and tunnel lights, and received excellent coverage from the four international broadcasters we hosted at the Cable Car during the tournament.
- We welcomed our first ever Gateway students with two students undertaking a WCCL-curated 5-week programme.
- We successfully decommissioned Snapper services and have seen a positive response from locals transferring to WCCL multi trip and membership products. A 'locals' rate' is being offered as a transition tool to Snapper users who are caught out whereby they can pay the same \$3.75 fare at the ticket box for a single journey.
- We worked with the Council on a Matariki activation including special tunnel light artwork by David Hakaraia, a dedicated audio script, website updates, socials and EDM.
- Our Ekos Carbon Zero application was approved, and certification maintained.

Challenges

- In FY23's Q4 report we noted that we were investigating the applicability of the Passenger Ropeway Regulations to the Wellington Cable Car. In Q1 a letter was written to Worksafe, and we are still awaiting a response. Given that WCCL has a safety case approved by Waka Kotahi pursuant to the Railways Act, and that WCCL is actively seeking confirmation from WorkSafe on its status with respect to the Passenger Ropeway Regulations, our lawyers consider that the risk to both WCCL and its officers is low.
- We received the initial assessment of the seismic resilience of our three bridges and the cost estimates to remediate (circa \$6.7m). Progressing with detailed seismic assessment and detailed design will help us better understand the risks and opportunities to manage/reduce these. Our ideal position is to have a table of risks for each bridge element, like we do for our tunnels, and we can then clearly identify the highest risk elements to strengthen.
- Our annual audit highlighted a prior period error relating to Cable car spare parts where they have erroneously been classified as inventories instead of PPE despite having service lives of more than one reporting period. Certain cable car spare parts from the 2016 upgrade had also been added back into the inventory system at nil cost. Management have committed to fully investigating the capabilities of our Computerised Maintenance System (Fiix) to more accurately track the values of inventory and PPE, the residual life of parts when used, and how Fiix and Xero work together to ensure accurate reporting.



- The auditors also highlighted that WCCL and WCC do not have a current lease agreement for the land leased and noted it as a 'necessary finding' to rectify.
- The results of our asbestos survey noted areas of low-risk asbestos in the Lambton Terminal. Accessible areas were rectified during the AMS and an Asbestos Management Plan is now in place.

Performance Measures (KPIs) in the SOI 2024/25

QUARTERLY MEASURES

MEASURE	ACTUAL (FY24 Q1)	SOI TARGET (FY24 Q1)	ACTUAL (YTD)	SOI TARGET (YTD)	TRACKING
Tickets sold	188,567	161,000	188,567	161,000	On track
Fare revenue	\$636,365	\$507,300	\$636,365	\$507,300	On track

ANNUAL MEASURES

MEASURE	ACTUAL (YTD)	SOI TARGET (YTD)	TRACKING
Achieve Carbon Zero accreditation	Achieved	Achieve	On track
Waste minimisation reduction		5% YOY	On track
Rail Safety Licence		Maintain	On track
Active management of Health and Safety		Maintain	On track
NPS equal to or better than CXI benchmark		Maintain	On track
Google rating		4.2 or higher	On track
TripAdvisor rating		4.2 or higher	On track
Cable Car reliability		>99%	On track

Financial Performance Summary

	Year to Date (\$000s)			Full Year (\$000s)		
	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue	710	553	157	710	553	157
Expenditure	794	875	(81)	794	875	(81)
Net Surplus/Deficit before Grants	(84)	(322)	238	(84)	(322)	238
WCC Grants	-	-	-	-	-	-
Recognition of LTP Grant utilised	121	125	(4)	121	125	(4)
Net Surplus/Deficit after Grants	37	(197)	(234)	37	(197)	(234)

Coming Up

- In October we will complete phase two of the Feather Friendly® installation at the Kelburn Terminal making us the largest bird strike prevention project/building in the country.
- As we are a small team with limited resources, we are drafting a digital content strategy to help plan, create and share content as deliberately, effectively, and efficiently as possible. The work will define goals, objectives, audiences, content buckets, channels, and tactics, as well as formalise key messages and the organisation's tone of voice.



- We are exploring ways to assist our CCO partners to reach our Cable Car audience including offering free advertising areas in our Kelburn Terminal.
- We are reviewing and developing a future plan for accessibility at the Cable Car including mobility, visual and auditory. This includes working alongside Be (previously Be Accessible) and WCC
- Our inaugural 'Dogs of the Cable Car' 2024 Calendar will go on sale with all proceeds to the Blind Low Vision Guide Dogs NZ programme.

WellingtonNZ

WellingtonNZ (Wellington Regional Economic Development Agency Ltd)
Report to the Wellington City Council LTP, Finance & Performance Committee
First Quarter ending 30 September 2023

MISSION Creating a thriving Wellington region for all		
MORE Businesses succeeding & employing more people	MORE Locals & visitors participating in events & experiences	MORE Collaboration & investment across the region
JOBS FOR THE FUTURE	PLACEMAKING	COLLABORATION & ENGAGEMENT
Support businesses to grow, innovate & meet future workforce needs.	Enhance Wellington's reputation as New Zealand's creative heart	Work in partnership to support investment in the region to unlock opportunities
Highlights		
JOBS FOR THE FUTURE – support business to grow, innovate and meet future workforce needs <ul style="list-style-type: none"> As part of our one-to-many capacity building programme we are running a series of monthly education events for startup founders and their teams. These events have included speakers from Australia and the US and regularly get audiences in excess of 100. We plan to continue to grow this programme in 2024. We are also working to attract major tech events to Wellington including Sunrise and Electrify Aotearoa in 2024, the latter is a programme to inspire / educate around 500 female founders as well as to provide a smaller number with a programme to help launch their businesses. This will form part of our equity programme for 2024. Through the incubator programme at CHQ we provide bespoke support to a small number of companies who we think could become major employers in the future. Recent successes in our incubator include NextWork who have just signed a term-sheet, a major milestone in obtaining investment, from high profile Australian and NZ investors, LitMaps who have are also in the process of closing a major funding round, and Virtue who are expanding to Australia. A Summer of Tech 'Meet and Greet' event in Wellington attracted 500+ students with slightly fewer employers than previous years. However the number of engineering employers listing roles for the Summer of Engineering has increased, signalling an increased demand in this space. Our pilot programme to connect intermediate school children in Porirua with mentors from Victoria University ran in term 2 this year in partnership with Ngāti Toa. The aim of the programme was to inspire young people to think about careers in STEM before they reach high school (a critical age). The pilot was for 4 classes at Te Kura and Titahi Bay Intermediate. It was deemed to be a success by all and Ngāti Toa are looking to expand it in 2024. Regional Business Partner Network has allocated \$41,852 over Q1 (of a \$96,000 target) from the MBIE management capability development fund, distributed amongst 13 businesses. These are 50/50 funded interventions, so the total management capability investment is \$83,704. Additionally they have 24 actively Engaged Businesses (of a 64 business target). While both measures are behind on their Q1 targets this is reflected by a new team currently building skill in this space. Callaghan Innovation grants (facilitated through the WNZ team) have shown a strong Q1 with 49 innovator companies assisted on a target of 30. WellingtonNZ's newly appointed Business Transition Manager has been actively meeting stakeholders, businesses and establishing the business support programme since his commencement in August. This included a hui at the Chamber of Commerce on 12 September with LGWM and the business community. The Business Transition Manager is currently being cross trained in existing supports and systems while developing bespoke assistance options for businesses affected by the City infrastructure works. 		

WellingtonNZ

PLACEMAKING – enhance Wellington's reputation as New Zealand's creative heart

- FIFA WWC 2023 was successfully delivered across Australia and NZ - Wellington hosted 9 matches and 11 of the 32 teams in the tournament trained and played here in Wellington, leaving with their own unique Wellington story. Wellington welcomed 231,000 attendees as well as tens of thousands through the jam-packed Fan Festival. Over July and August guests and residents experienced the opening ceremony, citywide activations like Wellington Wāhine and the extended Matariki celebrations. We are currently working through our full suite of reporting on the impact of the event.
- The lead North American campaign, 'Escape to Wellington' featuring a giant yellow escape key placed in central Manhattan New York has been a significant success in respect of the reach and awareness it has achieved. Resulting in more than 3.5 million video views across paid and organic media, and more than 3300 people having submitted detailed expressions of interest on the campaign landing page. The campaign has generated more than \$NZ15m equivalent advertising value in media coverage. Our pre-campaign objectives were a reach of 1.5 million and an estimated equivalent advertising value of \$2-3m. As a PR led fame moment, there are always risks as to the level of interest such an activation can create, however EAV results in excess of 5x the target has demonstrated the success of this campaign. We are now focussed on engaging directly with the database and working with them so they can experience Wellington firsthand.
- The 'Are you Ready to Wellington' campaign headlined by Karen O'Leary, targeted the West Coast of America and engaged 'soccer' audiences featured a paid social campaign directly with the LA Times amongst other channels. Total figures into California and beyond for this 5-part video series and consumer competition (not counting numbers on Karen O'Leary's own channels) were ~2.3M video views, ~2M reach, ~4M impressions and ~1.4M engagements. The LA Times provided positive feedback commenting on the interest and engagement in Wellington as a result of a "creative, delightful way to promote tourism to a key audience."
- We welcomed WOW back to Wellington September/October with nearly 60,000 tickets sold to a 63% out of region audience. This year we focussed on activations to emphasise the CBD with participation from over 70 businesses across hospitality, tourism, and retail with each providing a special offering. Through this and other consumer and digital based activations, we increased the vibrancy of the CBD, created a buzz about WOW and show goers being in town, and built on the audience development work we assisted with last show season. Meg Williams, formally of Tawhiri / NZ Festival, has started as the new CEO at WOW.
- Jurassic World by Brickman has now wrapped with over 92K tickets having been sold. Strong opening sales were followed by a slower sale period; at this time WNZ transited the campaign messaging and ramped up the promotion programme resulting in over 20K of the tickets sold taking place in the last month of the exhibition.
- The world premiere of a new Marvel exhibition in Tākina over summer was successfully announced and planning on the delivery of this is well advanced, with plans on track for the December 14th opening. Sales of Marvel are underway with the launch of two pre-sales to Comic-Con audiences and the second to our KNOW/LIVE in Wellington and Marvel AU/NZ databases. The next major phase of the sales launch is an extensive PR campaign, targeting New Zealand and Australian media. We have also appointed a Tākina Exhibitions Marketing Advisor who is responsible for the implementation of the marketing and sales strategies.
- The Wicked musical wrapped up on 3 Sept and as previously outlined, with more than 28k tickets sold, was the largest 3 week musical theatre season in Wellington ever. An incredible 40% of sales were from out of region, many of which can be attributed to our 'A little bit' campaign activity early in the year where we focused outside of Wellington to target drivetime, Auckland and city centres. Alongside Wicked performance highlights included the return of the Wiggles, NZSO's Bluebeard, The Simon & Garfunkel Story, Paris Gobbels' 'The Royal Family Dance crew', Orchestra Wellington's Prophecy, Postmodern Jukebox and more all enjoying high volume sales.

WellingtonNZ

- In the Screen Sector; Annecy / Wellington Animation Event – The French Embassy and WellingtonNZ hosted an event to celebrate the creative relationship and artist exchange between the two cities. Annecy in France holds the world’s largest Animation Film Festival – and we are now in talks to host an Annecy ‘pop-up’ Festival in Wellington – the first time out of it’s home city.
- The NZ Game Developers conference was a huge success with more than 450 delegates attending over 3 days. The public showcase of games in development including AR/VR and other interactive games and media was hugely popular. The ‘screen convergence’ day focused on the crossover of film/gaming with delegates engaged in demonstrations from WētāFX, some of the biggest films and tv series (Guardians of the Galaxy, Avatar, The Last of Us), documentarians using game and VR technology to engage people on humanitarian issues such as nuclear disarmament!

COLLABORATION AND ENGAGEMENT – work in partnership to support investment in the region to unlock opportunities

- The Wairarapa Economic Development Strategy (WEDS) FY23/24 workplan is now approved by all three Wairarapa Councils. Key initiatives, including Digital Training, Agri-Tourism Workshops, Capital Raising education, and Food Innovation Forums tailored to the Wairarapa, are in progress following the August 2023 WEDS Forum. WEDS is actively collaborating with GWRC to implement the Wairarapa Water Resilience Strategy (WWRS). This involves creating a new water governance entity and developing a WWRS program manager’s role. WEDS has been successful in obtaining \$1.75M for water infrastructure at Waingawa Estate through Kānoa.
- The Regional Economic Development Plan (REDP) annual summary, showcasing year one highlights and an updated regional snapshot, was approved by the Wellington Regional Leadership Committee (WRLC) on September 19. The summary is available to view on [WellingtonNZ\(hyperlink\)](#) and has been shared with WRLC stakeholders including iwi representatives, central government officials, and elected members from the ten councils across the region. In the upcoming year, we’ll focus on advancing initiative delivery and conducting a brief review of the REDP’s issues, opportunities, and initiatives for approval in June 2024, reflecting changing circumstances since its creation.
- The Wellington & Wairarapa International Marketing Alliance has been represented at Tourism New Zealand’s KiwiLink South East Asia event by our Tourism Trade Manager. Over 200 agents in Malaysia, Singapore, Kuala Lumpur and Jakarta have been trained and there remains a great deal of market interest in the return of the Singapore Airlines flight to Wellington.
- WellingtonNZ worked with the Ōtaki and Porirua Trusts Board to access additional funding from MPI to complete a land use feasibility study to support the transition away from dairy farming.
- Strategic planning on Iwi economic aspirations in the Wairarapa has continued. A suitable partner has been identified and planning discussions are underway.
- The insights on WellingtonNZ’s Rautaki Māori/Māori Strategy were shared with CHQ as part of whanaungatanga and deepening connections. The hui was attended by Karepa Wall from WCC and a cultural expert who shared some insights about Iwi engagement. There are benefits to working on a framework together that will continue to be explored.

WellingtonNZ

Performance Measures (KPIs) in the SOI 2023/2024

WellingtonNZ is delivering direct value / ROI on our shareholder investment

KPI: Direct Economic Impact of WellingtonNZ's activities and interventions

Target 23/24	Q4	Q3	Q2	Q1
\$150m				\$29.57m*

*Major Events data is **not** included within these results, they are independently assessed which results in a lag in reporting, this means FIFA, WOW, Eat, Drink, Play, and Beervana are not yet reflected in this KPI.

WellingtonNZ is shaping and amplifying the regional destination/brand story

KPI: Equivalent Advertising Value (EAV) from media activity

Target 23/24	Q4	Q3	Q2	Q1
\$30m				\$15.91m

KPI: Value of Expenditure generated by events

Target 23/24	Q4	Q3	Q2	Q1
\$110m				\$3.80m*

*Major Events data is **not** included within these results, they are independently assessed which results in a lag in reporting, this means FIFA, WOW, Eat, Drink, Play, and Beervana are not yet reflected in this KPI.

KPI: The number of Wellington Region Residents that attend events

Target 23/24	Q4	Q3	Q2	Q1
550,000				54,604*

*Major Events data is **not** included within these results, they are independently assessed which results in a lag in reporting, this means FIFA, WOW, Eat, Drink, Play, and Beervana are not yet reflected in this KPI.

WellingtonNZ is supporting businesses to upskill and grow

KPI: Number of different business engagements in WellingtonNZ Programmes

Target 23/24	Q4	Q3	Q2	Q1
2,300				445

KPI: Number of different Māori business engagements in WellingtonNZ Programmes

Target 23/24	Q4	Q3	Q2	Q1
Establish a baseline				91

WellingtonNZ

KPI: Number of different Pasifika business engagements in WellingtonNZ Programmes

Target 23/24	Q4	Q3	Q2	Q1
Establish a baseline				1*

* In collaboration with Porirua City Council, we hosted a community Talanoa (27/09/23) with Pacific business owners and community leaders to discuss challenges facing Pacific entrepreneurship in Porirua. Insights will lead on to support development of other projects within the 'Pacific Business Enablement' initiative. 17 businesses and stakeholders were represented.

Internal – Financial Health

KPI: Budget on track – income, expenditure, and surplus

Target 23/24	Q4	Q3	Q2	Q1
To budget				To budget

KPI: % of revenue from non-council funding and commercial activity (WellingtonNZ group)

Target 23/24	Q4	Q3	Q2	Q1
34%				27.80%

Internal – Employee Health

KPI: Employee Engagement

Target 23/24	Q4	Q3	Q2	Q1
78%				NA

Measured annually in February of each year.

Internal – Stakeholder Relation Health

KPI: Stakeholder Satisfaction

Target 23/24	Q4	Q3	Q2	Q1
90%				NA

KPI: Māori Business Satisfaction

Target 23/24	Q4	Q3	Q2	Q1
Establish a baseline				NA

KPI: Pasifika Business Satisfaction

Target 23/24	Q4	Q3	Q2	Q1
Establish a baseline				NA

The satisfaction measures will be reported annually in Q4 of each year.

WellingtonNZ

Q1 2023/24 Financial Summary

Wellington Regional Economic Development Agency Ltd (t/a WellingtonNZ)

STATEMENT OF FINANCIAL PERFORMANCE	YTD Actual 30-Sep-23	YTD Budget 30-Sep-23	FY Budget 30-Jun-24	FY SOI 30-Jun-24
Revenue				
Revenue from Shareholders	7,057,929	9,239,942	25,368,804	24,849,995
Other income	2,765,011	3,617,896	9,663,739	9,493,648
Total Revenue	9,822,939	12,857,838	35,032,543	34,343,643
Expenditure				
Personnel Costs	4,091,705	3,724,217	16,282,292	16,037,200
Investments in Projects and Events	4,063,253	2,948,348	16,507,645	15,623,602
Other Expenditure	722,878	652,613	2,742,174	3,182,841
Total Expenditure	8,877,836	7,325,178	35,532,111	34,843,643
Net Surplus/(Deficit)	945,103	5,532,660	(499,569)	(500,000)

Note that budget figures are slightly different from SOI figures due to budgets being finalised after SOI deadlines.

- Shareholder revenue is under budget due to timing of Major Event and Fifa expenditure, which is released to revenue as expended. Additionally budget timing was slightly earlier than now anticipated.
- Other revenue is lower due to some pipelined revenue, including at CreativeHQ, being delayed.

STATEMENT OF FINANCIAL POSITION	Actual 30-Sep-23	Actual 30-Jun-23	SOI 30-Jun-24
Assets			
Current Assets	16,259,884	13,004,541	7,400,000
Investments	1,695,904	1,695,904	1,900,000
Other Non-Current Assets	1,051,743	1,393,280	100,000
Total Assets	19,007,532	16,093,725	9,400,000
Current Liabilities	14,731,396	12,872,755	7,000,000
Net Assets	4,276,136	3,220,970	2,400,000

- Personnel costs are higher than anticipated due to timing of roles being filled and a lower turnover rate than budgeted. Some additional costs are being recouped from WCC under secondment agreements for staff currently on secondment to WCC. Additionally annual leave accruals have been higher than budgeted over winter. Active plans are in place to ensure that personnel costs remain within budget and any additional personnel revenue received.
- Current Assets higher than June due to invoices raised for quarterly funding.
- Accounts Payable lower than 30 June due to 30 June containing invoices for Fifa activation.
- The organisation has sufficient funds to meet all liabilities as they fall due. There are no issues with debt control.

WellingtonNZ

- WellingtonNZ matches its financial expenditure on programmes with revenue earned. Although our bottom line is running lower than budget, this is timing only between revenue earned and expenditure incurred and there are no current concerns about WellingtonNZ not being able to meet its financial targets.

Challenges – Summary of the key quarter challenges

- Contracted events for the 2023/24 FY are continuing to lag against budget, performance events are picking up and are on track, however business events still slow. The trend of late confirmation and short lead times is continuing; however, we are starting to see some longer lead time bookings with events contracting for the end of 2024 and into 2025.
- Screen Attraction, while the writer's strike has concluded the actor's strikes continue to impact the pipeline of larger international productions to NZ. Recent insight from the bidding process has emphasised the sustainability prioritisation in screen attraction which has seen long-haul destinations as having additional hurdles to overcome. Screen Wellington is ahead in this space with strong activity in the Asia-Pac market and in weightless exports – Animation, Special FX and gaming.

Coming Up – priority on delivering key programmes in WCC's Economic Wellbeing Plan, Destination Pōneke Plans and The Regional Economic Development Plan

- Major Events welcomes Semi-Permanent Aotearoa in November and On a Good Day in December. Looking into the first half of 2024, the Foo Fighters concert in January, Aotearoa NZ Festival of the Arts in Feb/March, NZ vs Australia T20 & Test Cricket (Feb) and Homegrown in March, headline a strong events calendar.
- In conjunction with Oho we are continuing our engagement with Te Atiawa and Ngāti Toa on the brand proposition, having recently shared the proposed rautaki and positioning of Te Whanganui a Tara as 'a place of and for change'. Initial feedback has been very positive and we are now focussed on ensuring the final document reflects consistent and agreed elements of the Wellington ahi kaa story. We will shortly commence engagement with our key partners and stakeholders with the work. We note that engagement on the rautaki with other manawhenua from the Wellington region will occur at a future date when relationships have been established.
- Project planning with Tourism Industry Aotearoa on TRENZ 2024 delivery is underway with two major workstreams. The first is realising Wellington priorities and partner benefits in the event contract and the second is working with tourism businesses on famil activities so that we present an irresistible programme to international Buyers when they begin to register.
- With a recent flurry of announcement we were involved in the launches of some fantastic upcoming shows, with highlights including the previously mentioned musical 'We Will Rock You', theatre show 'The Best Exotic Marigold Hotel', The Music is Bond, Kraftwerk, Peter Hook of Joy Division, Tami Neilson, Bill Bailey, Dara O Briain, Luke Kidgill, Beth Orton, The Phoenix Foundation, Dai Henwood, and of course our headline shows for both the Tawhiri Wellington Jazz Festival and Aotearoa New Zealand Festival of the Arts.
- The winter 2024 exhibition for Tākina has been contracted. We are currently in positive discussions for the 2024/25 summer exhibition content, with an aim to have this contracted by December.



Wellington Zoo Trust
Report to the Wellington City Council LTP, Finance & Performance Committee
First Quarter ending 30 September 2023

Highlights

- Wellington Zoo enjoyed success at the recent 2023 Rainbow Excellence Awards winning the Z Energy SME Rainbow Inclusivity Award, the Rainbow Tick Non-Commercial Sector Award and placing second for the Supreme Award.
- Chief Executive Karen Fifield has been elected as the first New Zealander to be President of the World Association of Zoos and Aquarium in September which will be ratified at the Annual Conference in San Diego in October 2023.
- We have been awarded Qualmark Gold in the Sustainable Tourism Business category. This is a new category which focuses on protecting what makes New Zealand unique and special.
- A very successful annual Gold Agouti Awards evening to celebrate our colleagues' successes was held in September.
- Total Q1 Visitation – 59,124 (exceeded our target by 8,700 and 16,479 more than Q1 last year).
- Total Q1 Retail Sales – \$199k (exceeded our target by \$88k and \$85k more than Q1 last year). We launched our online retail shop on 28 August.
- Retail Capture Rate YTD 13.8% (exceeded our target of 10%).
- Our Director Safety, Assets & Sustainability, Chris Jerram, has been appointed as co-convenor of the newly created Zoo and Aquarium Association Australasia (ZAA) Safety Specialist Advisory Group (SAG). Chris was instrumental in setting up this group which will provide a forum for other zoo health and safety managers in the region to share ideas.
- Confirmed the Conservation Fund Staff Grants for 2023: two staff members will travel to Nepal to work with our conservation partner, Red Panda Network; another will go to Dunedin Wildlife Hospital to help with hoiho chick rearing, and our Conservation Manager will be assisting partner Kea Conservation Trust organise and analyse data they have collected.
- We welcomed students from Te Kunenga ki Pūrehuroa Massey University and Te Herenga Waka Victoria University for Free Entry Student Days.
- "Retail for a Purpose" was launched in September. Each month a different "hero" soft toy will be sold in the shop with the proceeds going to the conservation partner related to that animal – in September it was the sun bear for Free the Bears. Not only does this raise funds for our partners, it also provides an opportunity for us to message our conservation work.
- Staff participated in workshops: two 2-day *Kanohi Kitea* cultural competency workshops for new staff; and two Rainbow Tick Active Allyship workshops.
- Pub Charity awarded us a \$186,902 grant towards the Giraffe House extension work. We also received a \$8,500 grant from Brian Whiteacre Trust to support the work of Te Kōhanga The Nest.
- Management and key staff attended the ZAA Conference in Christchurch in August. At the Gala Dinner, two staff members were acknowledged: one for the Australasian Employee of the Year Award and the other a ZAA Meritorious Award. Wellington Zoo also won the Team Spirit Award for our \$1,196 contribution to the "Tea and Tails" fundraiser for Ukrainian zoos.
- The new permanent glass doors have been installed in Kamala's which will provide a selling point for the venue moving into the summer season.
- We hosted the Minister for Conservation, Hon Willow-Jean Prime in July, showing her the conservation work we do at Te Piringa Iti, Te Hononga and Te Kōhanga.
- Our MoU agreement with Pacific Radiology has been re-signed for a further three years.
- Wellington Zoo has introduced a "Supporting Success" programme for all staff which enables managers and their team members to work together to set goals and learning aspirations each year.
- Wellington Zoo's Master Plan 2023-43 was confirmed and forwarded to WCC Officers to be submitted for WCC's next LTP.
- Welcome Weekends during July were sold out and raised nearly \$36,000 for Wellington Zoo's Partners in Conservation Fund.
- We received 414 responses for our community climate action survey with respondents largely positive about how they can be involved in conservation initiatives.

Challenges

- High levels of staff sickness, particularly during the school holidays presented a challenge when ensuring rosters were fully staffed.
- Zoetis, our supplier of COVID-19 animal vaccine is no longer producing this due to US regulation changes. The lack of future supply is of concern given the Australian-based vaccine cannot be brought into New Zealand as it does not have MPI approval.

2

Performance Measures (KPIs) in the SOI 2023/24					
WCC Performance Measures	Target 2023.24	Quarter 1 as at 30.09.23		YTD as at 30.09.23	
Visitors	265,815	59,124	●	59,124	●
Student & Education Visits	21,000	7,017	●	7,017	●
Council Operating Grant per Visitor	\$15.67	\$17.59	●	\$17.59	●
Full Cost to Council (annual WCC measure)	Not yet available	Annual Measure			
Trading Revenue per Visit (ex. Grants & Interest)	\$17.93	\$21.88	●	\$21.88	●
Non-Council donations and Funding	\$364k	\$74k	●	\$74k	●
Percentage of Operating Costs Generated by Trust	53%	54%	●	54%	●
Trust Generated Income as % of the Council Grant	125%	124%	●	124%	●
Additional WZT Performance Measures	Target 2023.24	YTD as at 30.09.23			
Measure Visitor Feedback and Satisfaction	80%	94%		●	
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National List) at the Zoo	25	30		●	
Percentage of native animals released to the wild after triage and treatment by The Nest Te Kōhanga (TNTK)	50%	72%		●	
WZT UN SDG targets met	80%	Annual measure		●	
Number of field conservation projects supported for vulnerable, endangered or critically endangered species (IUCN Red List and DOC National List) at the Zoo	12	13		●	
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieved	Achieved		●	
Maintain Toitū net carbonzero certification	Achieved	Achieved		●	
Implementing <i>Kanohi Kitea</i> cultural competency programme	Achieved	Ongoing		●	
Achieve and maintain Rainbow Tick certification	Achieved	Achieved		●	
Health, Safety & Wellbeing Committee meeting attendance	80%	86%		●	
Emergency drill or incident debriefs summary delivered	8	1		●	
Volunteer engagement survey completed	1	Annual Measure		●	
Staff recognition initiative complete	1	Achieved		●	
Staff learning and development initiatives completed	10	10		●	

● On track or target met

● At risk of not achieving target

● Will not reach target

WZT First Quarter, 2023/24 Report to WCC

Financial Performance Summary						
	Year to Date (\$000s)			Full Year (\$000s)		
	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue	2,386	2,152	235	9,305	9,305	0
Expenditure	2,437	2,469	(32)	10,001	10,001	0
Net Surplus/Deficit	(51)	(318)	(267)	(696)	(696)	0

Coming Up
<ul style="list-style-type: none"> • Expecting the arrival of a giraffe calf, potentially from late October. • 110 delegates from 28 countries have registered to attend the Wellington Zoo-hosted IZE Conference 2023 in October. The organisation of this conference has been led by our Director Communications, Experience & Conservation, Amy Hughes. • With the restrictions of COVID now behind us, Wellington Zoo will be trialling a new Lion Encounter and a Native Animals Tour during the IZE Conference delegates visit on 18 October. • The recipients of the regional Local Conservation Grants will be announced in October. • Preparations are underway to complete the annual Toitū net carbonzero audit in November. • Chief Executive (and now WAZA President) will attend the WAZA Conference 2023 in San Diego in October. • Chief Operating Officer (and Treasurer, Madagascar Fauna & Flora Group) will be hosting the Madagascar Fauna & Flora Group's Annual Meeting at Wellington Zoo in November 2023. The first time this annual meeting has been held in Australasia. • The next phase of the <i>Kanohi Kitea</i> cultural programme will see the implementation of a Zoo rōpū to begin the development of our Zoo-specific Tikanga Māori over the next year.

4

Appendix 1 – Financial Statements

CCO: Wellington Zoo Trust			
Quarter One 2023/24			
\$NZ000's			
Actual 30-Jun-23	INCOME STATEMENT	Actual 30-Sep-23	Budget 30-Sep-23
	Revenue		
5015	Trading Income	1222	1016
4099	WCC Grants	1051	1042
92	Other Grants	21	21
362	Sponsorships and Donations-Operational	53	70
1499	Sponsorships and Donations-Capital	187	0
67	Investment Income	22	3
102	Other Income	17	0
11,236	Total Revenue	2,573	2,152
	Expenditure		
6,665	Employee Costs	1744	1774
3,096	Other Operating Expenses	693	646
	Depreciation	0	0
	Interest		
1,568	Vested Assets		50
11,329	Total Expenditure	2,437	2,469
(93)	Net Surplus/(Deficit)	136	(318)
(24)	Operating Surplus/(Deficit) <i>(excluding Capital income)</i>	(51)	(268)
-0.2%	Operating Margin	-2.0%	-12.4%

WZT First Quarter, 2023/24 Report to WCC

Actual 30-Jun-23	STATEMENT OF FINANCIAL POSITION	Actual 30-Sep-23	Budget 30-Sep-23
	Shareholder/Trust Funds		
1,568	Restricted Funds	1,567	1758
242	Accumulated Funds	354	(431)
1,810	Total Shareholder/Trust Funds	1,921	1,328
	Current Assets		
4,989	Cash and Bank	1,955	3299
678	Accounts Receivable	678	130
146	Other Current Assets	273	100
5,813	Total Current Assets	2,906	3,529
	Investments		
0	Deposits on Call	1,750	0
0	Other Investments	0	0
0	Total Investments	1,750	0
	Non-Current Assets		
0	Fixed Assets	0	0
0	Other Non-current Assets	0	0
0	Total Non-current Assets	0	0
5,813	Total Assets	4,656	3,529
	Current Liabilities		
2,863	Accounts Payable and Accruals	506	848
444	Provisions	442	0
696	Other Current Liabilities	1,787	1354
4,003	Total Current Liabilities	2,735	2,202
	Non-Current Liabilities		
0	Loans - WCC	0	0
0	Loans - Other	0	0
0	Other Non-Current Liabilities	0	0
0	Total Non-Current Liabilities	0	0
1,810	Net Assets	1,921	1,328
1.5	Current Ratio	1.1	1.6
31.1%	Equity Ratio	41.3%	37.6%

6

Actual 30-Jun-23	STATEMENT OF CASH FLOWS	Actual Sep-23	Budget Sep-23
	<i>Cash provided from:</i>		
11,339	Operating Revenue	3,937	3,190
67	Interest Received	22	3
(621)	Net GST Cashflow	(78)	0
10,785		3,882	3,193
	<i>Cash applied to:</i>		
(6,469)	Payments to Employees	(3,608)	(1,774)
(3,016)	Payments to Suppliers	(1,558)	(646)
0	Term investments	(1,750)	0
(9,485)		(6,916)	(2,419)
1,300	Movement	(3,034)	774
3,689	Cash balance at beginning	4,989	2,525
4,989	Cash balance at end	1,955	3,299

Zealandia Te Māra a Tāne

Report to the Wellington City Council LTP, Finance & Performance Committee

First Quarter ending 30 September 2023

Highlights
<ul style="list-style-type: none"> • New takahē pair: In August we received a new pair of takahē, Waitaa and Bendigo, from the Burwood Takahē Centre. A small group that included sanctuary whānau who whakapapa Kai Tahu, Kati Mamoe and Waitaha attended the release in the upper valley. The Hem of Remutaka Jobs for Nature project team represented Taranaki Whānui and Ngāti Toa Rangitira to officially receive the takahē. The milestone received significant media coverage including this Radio New Zealand story and the news also made it on the BBC. The release of this pair reflects Zealandia's ongoing support of national threatened species conservation. • Matariki Puanga: Zealandia delivered a successful public programme in July to celebrate Matariki. This year we acknowledged Puanga (Rigel), following lead by mana whenua and Wellington City Council. A highlight was having Māori artists Regan Balzer (Te Arawa, Ngāti Ranginui) and Horomona Horo (ngāpuhi, Taranaki Whānui, Ngati Porou) perform. Regan painted a mural live while Horomona played taonga pūoro (traditional Māori instruments) and told Māori myths and legends. Regan gifted the stunning artwork to Zealandia which now proudly hangs in our visitor centre. • Conservation Week: The theme for Conservation Week was "take action for nature". Throughout the week we featured social media content on caring for wildlife in your backyard, building a haven for lizards at home, and where to find information to join local community conservation groups. We visited Nature at Your Place schools and delivered tracking tunnels for tamariki to use around their school. In honour of the arrival of our new takahē pair, we also focused on takahē conservation and advocacy including stories of the takahē that have called Zealandia home over past years. • Social media growth: Engagement on social media channels significantly increased with a breadth of fresh new content; we have had substantial growth particularly of younger audiences on Instagram and TikTok. • Freshwater findings: Spring monitoring has shown the highest numbers of banded kokopu, a native fish, ever detected at Zealandia, as well as many different sizes of koura/freshwater crayfish and the first observation of the recently translocated toitoi/common bully, guarding eggs – an indicator of success of the translocation earlier this year. These incredible outcomes are due to the world-first lake restoration work that was carried out in 2021. • An exceptional first quarter: Unseasonal visitation to Zealandia due to the FIFA world cup and the opening of Tākina has provided for an exceptional first quarter, we welcomed more than 25,000 visitors.
Challenges
<ul style="list-style-type: none"> • Unproductive costs continue to rise, with a significant increase in insurance and audit costs this financial year. • The Tanglewood House build has been slower than predicted due to long processing time periods for WCC Building and Resource Consent amendments, but is progressing well again now. Foundations are being laid in October.



Performance Measures (KPIs) in the SOI 2023/24

Non-Financial Performance Measures (Quarterly Targets)

Measure	2023/24 Quarter 1		2023/24 Annual		Tracking
	Actual	Target	Actual (YTD)	Target (YTD)	
Visitation	25,142	14,000	25,142	14,000	On track
Education Visits ¹	2,078	1,000	2,078	1,000	On track

¹Sanctuary visits by schools, tertiary, early childhood, school holiday programme, and outreach. Sanctuary education visits (not outreach) are included in total Visitation numbers above.

Non-Financial Performance Measures (Annual Targets)

Measure	Actual (YTD)	2023/24 Annual Target	Tracking
Individual Members	15,649	16,500	On track
Number of Volunteers	526	>500	On track
Volunteer Satisfaction Survey ²	TBC	80%	
Percentage of Satisfied Visitors	97.7%	>95%	On track.

²Annual volunteer satisfaction survey due to be completed in quarter four.

Financial Performance Measures

Measure	Actual (YTD)	Annual Target 2023/24	Tracking
Average subsidy per visit (Total WCC operating grant/all visitors) ³	\$14.74 including Living Wage funding	\$11.56	On track (the majority of visitors come over summer, which lowers the measure)
Average revenue per visitation (excludes Council & Government grants)	\$37.45	\$28.38	On track
Non-Council Donations/Funding	\$107,574	\$200,000	On track
Non-WCC grant revenues as a % of overall revenue	75.8%	>75%	On track
Membership subscription revenue	\$103,516	\$400,000	On track

³Additional Living Wage funding was not included in the calculation of this Target in the SOI; Zealandia considers this more ambitious target achievable based on 2022/23 results.

Coming Up

- **Partnerships for nature:** Zealandia is working closely with Predator Free Wellington and other partners to explore how we can ensure Wellington remains globally recognised for leadership in biodiversity. We see an opportunity for positioning the city as an innovation hub for nature-based solutions for cities.
- The summer season will be busy with cruise ship bookings now being confirmed.
- The Sanctuary to Sea Kia Mouriora te Kaiwharawhara Every Business Restoring Nature Project is moving into its second year of operation. This is a highly effective programme that reconnects Kaiwharawhara businesses with the catchment.
- The final phase of operationalising Zealandia's new CRM will enable more effective and engaging connection with all Zealandia stakeholders in coming months.

2024-34 LTP - LEVEL OF SERVICE RECOMMENDATIONS

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee (Committee) seeks the Committee's agreement to the capital programme and proposed level of service settings which will inform the first phase of the draft 2024-34 Long-Term Plan budget.
2. This report includes indicative financial impacts only, and more detailed work will be completed on the proposed changes ahead of the budgeting phase in December 2023. Full financial impacts of service level changes outlined in this report will be presented for consideration at deliberations on the draft LTP budget on 7 February 2024.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

☒ Sustainable, natural eco city

☒ People friendly, compact, safe and accessible capital city

☒ Innovative, inclusive and creative city

☒ Dynamic and sustainable economy

☒ Functioning, resilient and reliable three waters infrastructure

☒ Affordable, resilient and safe place to live

☒ Safe, resilient and reliable core transport infrastructure network

☒ Fit-for-purpose community, creative and cultural spaces

☒ Accelerating zero-carbon and waste-free transition

☒ Strong partnerships with mana whenua

Relevant Previous decisions

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

Previous decisions are outlined in the body of this paper, with recommendations provided.

Significance

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

Financial considerations

- ☐ Nil

☒ Budgetary provision in Annual Plan / Long-term Plan

☐ Unbudgeted \$X

3. All financial considerations are outlined in the body of the committee report.

Risk

- ☐ Low

☐ Medium

☒ High

☐ Extreme
4. All level of risk factors are outlined in the body of the paper.

**KŌRAU TŌTŌPŪ | LONG-TERM PLAN,
FINANCE, AND PERFORMANCE
COMMITTEE
9 NOVEMBER 2023**

**Absolutely Positively
Wellington City Council**
Me Heke Ki Pōneke

Authors	Raina Kereama, Manager Financial Planning and Policy Baz Kaufman, Manager Strategy and Research Matthew Deng, Senior Advisor Geoffrey Coe, Principal Advisor Corporate Planning Lloyd Jowsey, Team Leader, Planning and Reporting
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer Andrea Reeves, Chief Financial Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

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

- 1) **Receive** the information.
- 2) **Note** that this report presents a range of options on levels of service and the capital programme to ensure the proposed programme of work for the next ten years fits within prudent budget parameters.
- 3) **Note** that the financial impacts presented in this report are indicative only and further work will be required to finalise these, and this will be completed as part of the budgeting process in December and February.
- 4) **Note** that the options presented in this paper still results in high projected debt levels for years 1-7 of the 2024-34 LTP, and further work will be required on phasing of the capital programme over the ten years of the plan. This will be completed ahead of the LTP deliberations in February 2024.
- 5) **Note** that the proposed rates limit is an average of between 5-8% over the ten years of the 2024/34 LTP. Based on current planning assumptions it is likely that higher than the average rates increases will be required in the first few years.
- 6) **Note** that the proposed debt to revenue ratio is a self-imposed limit of 225% (this includes \$272m of insurance headroom). Based on the indicative financial impacts of the proposed service level changes in this report, this limit is forecasted to be exceeded in some of the ten years of the 2024-34 LTP. The forecasted debt to revenue ratio operates within the LGFA debt to revenue ratio of 280%. Further work is required to rephase some of the planned capital works programme over the ten years of the plan to remain within the proposed debt to revenue ratio.
- 7) **Note** as the draft budget is developed between November and February further work to review Council operating budgets will be undertaken to identify opportunities to reduce operating costs and increase revenue.
- 8) **Agree** the proposed changes to levels of service and the indicative capital programme to be used as the basis for development of a draft LTP and budget for deliberations on 7 February 2024 as outlined in Attachment 1 including:
 - a. Arts and culture
 - b. City promotions
 - c. Parks, beaches and open spaces
 - d. Recreation facilities and services
 - e. Community facilities and services
 - f. Conservation attractions
 - g. Governance and engagement
 - h. Transport
 - i. Parking
 - j. Urban planning
- 9) **Note** that further work is being done on options for levels of service for three waters and this will be brought back as part of the budgeting process in December 2023 and February 2024.

Whakarāpopoto | Executive Summary

5. This LTP is being built in a period of time when there are significant demands on Council's budget, while cost of living increases has meant affordability of council services is front of mind for many Wellingtonians.
6. The cost pressures that the Council faces arise from the need to look after existing infrastructure and assets which is costing significantly more in this inflationary environment, investing in aging infrastructure like three waters and earthquake prone buildings, as well as funding work that supports the city to deliver a high quality of life for all residents in the future.
7. The overall approach outlined in this paper to the 2024-34 LTP is to take a balanced and prudent approach. This would see Council continue to resolve the challenges we face, invest in the future of the city, but balance that with reprioritising and rescoping some of our capital works, phasing upgrades of work over a longer period of time, and making some modest changes to budgets and levels of service where practicable.
8. While some of these changes will be difficult, some level of adjustment is required to achieve the proposed budget parameters that have been proposed for the 2024-34 LTP. These include operating within an average rate increase range of 5-8 percent per year over the ten years and remaining within Council existing self-imposed debt ceiling of 225 percent debt to income ratio.
9. The options presented in this paper will move the budget closer to the desired level, but it must be noted that further work will still be required as we move into the budgeting phase to achieve the budget parameters that have been set.

Takenga mai | Background

Context

10. Council delivers over 400 services to a high level and our services offer value for money – around \$11 per person per day in operating costs. Many of our services enjoy high levels of community satisfaction, and they have steadily grown to meet the demands from population growth, changes to standards set by central government and demand for improved services from the community.
11. As part of the 2021-31 LTP process, Council agreed to significantly increase investment in the city to deal with sewage sludge, three waters infrastructure challenges, resilience challenges, and supporting more people to move with fewer vehicles.
12. In 2022, council's pre-election report noted that there were significant cost pressures that needed to be managed as part of the 2024-34 LTP process, and that choices would need to be made. The report outlined that Council would need to consider:
 - How to manage risks better
 - Opportunities to recycle investments into priority areas
 - Advocate for new financing tools
 - Prioritise and phase expenditure.

13. This LTP is being developed in an environment of high inflation and where the cost of living has increased significantly for our community. Council's cost pressures and overall affordability issues will be a key factor in the development of this Long-term Plan.
14. Recent rates increases have been material in the last few years, and while household incomes are on average high in the city, community and business ability to absorb further material increases has diminished in this high inflationary environment. Overall cost of living issues have come to the fore in recent times. Examples of this include:
 - The Affordable Sports review is based on clear feedback that costs of Council recreation services are over affordability tolerances;
 - There is growing feedback through consultation on the need to reduce rates imposed on community and the cost of accessing some services; and
 - A number of suburbs at or near to 5% household income going toward rates
15. In addition, a soft recession is forecasted with Wellington GDP forecast to contract 0.3% to mid-2024 followed by weak recovery.

Increasing cost pressures

16. Increasing inflationary pressure on budgets and growing insurance and interest costs means the cost of delivering the basics has become more expensive. Council is a service organisation, largely delivered through infrastructure. With over \$10b of infrastructure, any inflationary changes also impact operating costs, with depreciation forecast to be 51% of rates revenue by 2030.
17. In addition to this, several significant cost pressures not previously included in forecast financials will come through the 2024-34 LTP. This includes:
 - Ongoing increasing demand for investment in three waters infrastructure;
 - Te Ngākau Civic Square investment requirements (to address earthquake prone buildings, including the square itself);
 - Other venues investment needs, particularly in relation to earthquake prone issues;
 - Forecast significant increases in the costs of our major Housing Upgrade programme; and
 - Investment required to adapt to the effects of climate change across our services and infrastructure.

Financial Position

18. The 2021-31 Long term Plan included an average 5.5 percent rates (after growth) increase over ten years and an increase to Council's debt to revenue ratio from 175% to 225%.
19. Since then, new and inflationary cost pressures mean that forecast starting position for the 2024-34 Long-term Plan will likely be higher, and this will be worked through in more detail as part of the budgeting process. In addition to that, to operate within the 225% debt to income ratio level for the 2024-34 LTP, Council will need to prioritise and rephase its capital programme which is a key focus of this paper.

20. In addition, Council's financial risk profile has deteriorated as the cost and availability of insurance has worsened. The level of financial risk Council is now exposed to in terms of a significant earthquake is higher than when the 2021-31 LTP was set, and as such debt levels need to be managed more tightly to reflect this risk.
21. While Council's overall financial position is healthy with its AA+ credit rating, we are on a negative watch with credit agencies reflecting the tight financial environment the Council is operating in and the need for the Council to respond to this changing environment.
22. Reflecting the environment Council is operating in, in developing the 2024-34 LTP officers are working toward broad financial parameters of maintenance of Council's current 225% debt limit and for rates increases to sit at 5-8% per year on average over ten years.
23. Given significant forecast cost pressures, these limits will entail tight prioritisation of Council spending, and the package of service level changes recommended in this report reflect the nature of limits on Council spending that may be required.

Kōrerorero | Discussion

24. The review of Council service levels follows on from the agreement of Community Outcomes and Priorities for the 2024-34 LTP agreed by Committee on 17 August 2023.
25. The review of Council levels of service is a key component of the development of the 2024-34 LTP, aligning with the development of the draft Financial and Infrastructure Strategies to establish key parameters for the development of the 2024-34 LTP draft budget.
26. Review of service levels is also a key driver to the development of consultation issues to be presented in the Consultation Document.
27. The levels of service and overall work programme has to recognise the financial context facing the Council and the community. To achieve that the following approach has been used.
 - Reprioritise and rephase the capital programme as follows:
 - **Complete works underway** – examples include things like the Town Hall, Te Mataphi, parking enforcement technology roll-out etc
 - **Deliver what is legislatively / contractually required** – examples include Housing Upgrade Programme phase 2, multi-year contracts, earthquake strengthening etc
 - **Infrastructure deficit / challenge** – Invest in areas where there are material infrastructure challenges e.g. three waters
 - **Reprioritise and rephase** – rephase, reprioritise and rescope the remainder of the capital works programme so that it is evenly distributed over the ten years of the plan and fits within the available budget parameters
 - Maintain financial capacity for the future
 - **Investment portfolio** – explore whether the current investment portfolio can be better utilised and targeted towards dealing with the city's natural hazard risks and insurance costs pressures.

- **Renewals** - update renewal programme to reflect better asset data that has been developed
- **Revenue** - Increase revenue / explore alternative funding sources where appropriate
- **Levels of service** – explore adjustments to levels of service over time
- Adjust to external cost pressures
 - **Pause and reset** – a number of venues are earthquake prone (Opera House, the MFC, and the Bond Store (Wellington Museum)). The 2024-34 LTP will include financial provision to enable the Council to develop a clear strategy for dealing with the Council's earthquake prone buildings. This will enable robust decisions on these venues to be made as part of the 2027-37 LTP.
 - **Integrated delivery** – ensure there is better integration and trade-offs between existing work programmes to drive efficiencies
 - **Work within tight budget parameters** – this means operating within set inflation envelopes for key areas, requiring business units and some CCOs to take a more commercial approach / secure external funding to improving baseline funding position

Kōwhiringa | Options

Proposed service levels

28. Attachment 2 provides an overview of the 2024 Long-term Plan. Attachment 1 lays out the detail of proposed service level changes for the 2024-34 Long-term Plan. An overview of these changes and the overall impacts and risks are laid out in the body of this report.
29. These level of service proposals are presented now to get agreement on the direction on which the draft 2024-34 LTP budget and Consultation Document should be developed. The draft budget, based on these service levels (and financial and infrastructure settings) will then be deliberated on 7 February 2024.
30. The proposals are based on draft options presented in level of service workshops in early October but have been updated after feedback from the Mayor and elected members on the draft options.
31. Overall, the proposed changes to service levels across Council's Activity Groups focus on several common themes:
 - Increased investment in core infrastructure to address known critical performance issues across Council networks. This includes funding for upgrades in three waters infrastructure and enhancing the resilience of the Council's transport network;
 - A stronger focus on delivering a smaller set of key capital upgrades across the city to address key city priorities, such as the Golden Mile and Sludge Treatment. This involves reducing the scope and/or pacing of other minor capital upgrade programmes across Council activities;
 - A greater emphasis on sourcing non-rates revenue to fund services. This includes introducing new fees and charges for users of Council services, as well as raising expectations for Council Controlled Organisations (CCOs) to operate more commercially where appropriate;
 - Increased prioritisation of Council spending programmes to focus on activities with a higher impact on Council's Long term Plan priorities and community outcomes; and

- Rephasing the capital programme and reducing the scope of some capital programmes to manage costs while maintaining delivery against the core objectives of the work. This includes reviewing the scope of the bike network expansion to achieve the same network expansion with a lower level of civil works and therefore lower cost.

Renewals

32. Proposed service level changes include a deferral of planned asset renewal spending over the 10 years of the LTP to manage debt pressures. This does not include renewal spending on three waters assets. Additional renewal spending will be required in later years in order to 'catch-up' on these deferred renewals. Collectively this would result in \$175m of deferred capital expenditure on renewals, and a reduction of \$19.2m compared to the 2021-31 LTP.

Three Waters

33. Wellington Water Limited (WWL) initial advice identifies significant additional capital and operating investment requirements over the ten years of the 2024-34 LTP. Officers and WWL are currently reviewing options for three waters and advice on options will need to outline an assessment of the service impacts and risk.
34. This advice is not available for this report and will instead be brought back to committee through an LTP workshop in November.

Waste

35. Proposed service level changes for Council Waste services are not included in the scope of this report and they have been reviewed through the Environment and Infrastructure committee on 14 September 2023. Decisions from that meeting included:
- that options for new waste collection service configuration be presented through the 2024-34 Long-term Plan consultation document, including a change to the Revenue and Financing Policy to introduce a new targeted rate to fund organics and rubbish collection starting in 2026/27; and
 - that Council will work toward implementing a hub and spoke model of resource recovery centres across Wellington city over the next 10 years.
36. The impacts of these decisions are included in the advice in this report on the financial impact of the level of service proposals.

Building and development control and public health

37. Regulatory functions of Council, including building and development control and public health activities are not included in Attachment 1 as no changes are proposed to service levels given this is a statutory function of Council.

Other matters impacting the LTP - Committee resolutions related to LTP service levels

38. There are a number of other committee resolutions that could impact Council service levels in the 2024-34 Long-term Plan, some of which have been included in the scope of recommendation in this report. These resolutions are outlined in the table below.

39. In some cases, further work on the impacts of these resolution is required and so have not been included in the scope of advice in this report. These resolutions will come back to the respective Council committee in the coming months for decision making on their inclusion or otherwise into the draft 2024-34 LTP.

Committee Paper	Resolution	Advice
Te Awe Māpara Community Facilities Plan <i>Social, Cultural, and Economic Committee</i> 28 June 2023	Agree to endorse the action plan (included in the draft Plan) in principle noting that the financial implications and prioritisation of the actions will take place as part of the Long-term Plan processes.	Te Awe Māpara Community Facility Network Plan to be presented to Social, Cultural, and Economic Committee on 23 November 2023,
Sport Facilities Fees and Charges Review <i>Council</i> 1 June 2023	Agree to complete the review into Council's sport facilities fees and charges	Affordable Sports Field review is due to report back to the Social, Cultural and Economic Committee in April / May 2024.
Fossil Fuel Free Central City <i>Environment and Infrastructure Committee</i> 11 October 2021	Agree to open up Dixon Street (Taranaki Street – Victoria Street) as budgeted in the Pōneke Promise and agree to open up Cuba Street (Ghuznee Street – Vivian Street) to people by limiting private vehicle access, for consideration in the LTP 24-34 process.	This project is tied to the future of the City Streets Programme in LGWM, and further clarity will develop as the new government begins implementation of their policy platform.
Future Access Road between Strathmore and Moa Point <i>Environment and Infrastructure Committee</i> 15 September 2022	Agree that Council includes the acquisition and construction of a public road in the 30 Year Infrastructure Strategy for consultation through, and consideration at, the next LTP.	Funding for this future road provision will be included in the 30-year financial forecasts of Council's Infrastructure Strategy. It is not, however, proposed that inclusion of this financial provision will form a feature of Council's consultation on the 2024-34 LTP given it is allocated out beyond the 10 years of the LTP.
Major slip events of July & August 2022 <i>Environment and Infrastructure Committee</i> 16 March 2023	Note that Officers will undertake a review of the available budgets for resilience activities in time for the next LTP with a view on ensuring that funds are deployed into climate change adaption strategies as well as mitigation.	Funding for resilience activities has been considered in the development of proposed service level changes and proposals include increased upgrades of retaining walls to improve resilience
Climate Adaptation Community Engagement Roadmap <i>Environment and Infrastructure Committee</i> 27 April 2023	Agree to recommend to Kōrau Tōtōpū Long-term Plan, Finance, and Performance Committee that priority is given to funding parts 4 to 6 of the programme in the Long-term Plan in order to speed up implementation of the Adaptation Roadmap.	This LTP proposal includes implementation of phases 2-6 of the Roadmap, with a scaled back version of phases 4-6 to meet financial constraints (1-2 community adaptation plans over three years, rather than the 4-6 community plans over three years that were originally planned)
Wellington City Council Housing Action Plan 2023 – 2025 <i>Environment and Infrastructure Committee</i> 8 June 2023	Planning for Growth f) Request officers bring advice on how to implement the Urban Design Panel that include recommendations on who pays, as part of the LTP 2024.	The establishment of an Urban Design Panel has been investigated and included in proposed service changes.
Proposed Rating Policy changes for consultation to inform the 2024/34 Long-Term Plan <i>Long-term Plan, Finance, and Performance Committee</i> 17 August 2023	Agree to consider targeted rates for climate action and resilience as part of the LTP and signal this intent in the Statement of Proposal for consultation.	This has been considered through the rating review project and was not proposed for introduction alongside the 2024 LTP, but is to be considered for future LTPs.
Wellington Central City Green Network Plan Update <i>Environment and Infrastructure Committee</i> 12 May 2022	Note that officers are developing a business case as input into the 2024/25-34 LTP.	Investment options for the Green Network implementation have been developed as part of the development of service level advice in this report and proposals in this report include commencing greening work in line with the Green Network Plan.

KōRAU TŌTŌPŪ | LONG-TERM PLAN, FINANCE, AND PERFORMANCE COMMITTEE 9 NOVEMBER 2023

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Committee Paper	Resolution	Advice
Wellington City Council Housing Action Plan 2023 – 2025 <i>Environment and Infrastructure Committee</i> 8 June 2023	Rental Housing a) Direct officers to report back to the Kōrau Tūāpapa Environment & Infrastructure Committee on the pilot programme agreed with MBIE to inspect rental properties in 2024 in time for Long Term Plan discussions to assess whether additional resourcing is needed to run the scheme on a permanent basis.	A report back on a rental inspection service is scheduled to Environment and Infrastructure committee alongside Housing Action Plan update on 30 November 2023
Natural Environment Fund - July 2022 <i>Grants Subcommittee</i> 31 August 2022	Recommend that the next Grants Subcommittee recommend to the next Annual Plan and LTP to seek officers' advice on an increase in the Natural Environment Fund.	Given cost constraints facing the 2024 LTP, no increases in the Natural Environment Fund is proposed in this report. Officers recommend this can be reconsidered in next annual plan. The proposals in this report include reviewing and prioritising grant pools in alignment with outcomes, priorities, and strategies. The result of this review could lead to changes to the mix of funding across different grant pools.
Approval of 30-year Spatial Plan <i>Environment and Infrastructure Committee</i> 24 June 2021	Request officers report back on the capacity to implement the National Policy Statement on Indigenous Biodiversity once it is released, as well as options for incentivising maintenance of Significant Natural Areas (SNAs), such as a rates rebate on the percentage of private land designated as a Significant Natural Area.	A report back on this resolution is planned to be presented to Environment and Infrastructure committee on 30 November 2023
Approval of Proposed District Plan for Public Notification <i>Environment and Infrastructure Committee</i> 23 June 2022	Agree that a 'grey water reuse incentives programme' be considered as part of the 2024-2034 Long Term Plan, to assist affected landowners with the retention and reuse of grey water. This will be done with Wellington Water and Greater Wellington Regional Council and give particular emphasis to Mana Whenua with respect to water reuse.	Investigation into a 'grey water reuse incentives programme' has not been progressed in time to inform the 2024 LTP. This is a result of uncertainty surrounding central government's three waters reform and Council's ongoing role in waters as well as a lack of available resources to undertake the work. Work on investigating a programme remains on the Council's Strategy and Policy work programme and, unless changes to the three waters reform programme create further change, is forecast to be undertaken in time to inform the 2025/26 Annual Plan.
Wellington City Council Housing Action Plan 2023 – 2025 <i>Environment and Infrastructure Committee</i> 8 June 2023	Homelessness n) Develop a new strategy to end homelessness by the beginning of 2024 for approval by Kōrau Mātinitini Social, Cultural and Economic Committee. This work would be undertaken in part to enable the development of business cases for new initiatives to end homelessness in time for the Long-Term Plan that do not duplicate any work currently being undertaken	A draft homelessness action plan is scheduled for Social, Cultural, and Economic Committee on 23 November 2023
Future of the former Workingmen's Bowling Club Site, Wellington Town Belt <i>Social, Cultural, and Economic Committee</i> 4 February 2022	Agree that officers report to the Pāroro Maherehere Annual Plan / Long-term Plan Committee about the outcome of this process.	Included in the scope of Te Awe Māpara - the Community Facilities Plan which guides the Council's provision and decision-making about community facilities for the next 30 years. Plan to be presented to Social, Cultural, and Economic Committee on 23 November 2023.
Wellington City Council Housing Action Plan 2023 – 2025 <i>Environment and Infrastructure Committee</i> 8 June 2023	Affordable Housing r) Direct officers to provide advice on how to scale up the Warm Up Wellington and the Home Energy programmes to improve the environmental performance of more Wellington homes in time for the Long-term Plan.	Given Council financial constraints, it is not proposed that these programmes are scaled up as part of the 2024 LTP. Officers recommend cancelling the Home Energy Saver programmes given it has reached peak uptake and has now tapered off indicating the market has been serviced.

Committee Paper	Resolution	Advice
Adoption of Te Whai Oranga Pāneke - Open Space and Recreation Strategy Social, Cultural, and Economic Committee 28 June 2023	Note that Council officers will report back to Councillors in September about an Open Space Investment Plan which will identify investment options and priorities for consideration through the Long-term Plan process.	Investment options were developed as part of the development of service level advice in this report including briefings for councillors on the development of the investment plan in August and September. Provision for investment in Te Whai Oranga Pāneke is included in the service level change proposals in Appendix A of this report.
Proposed Rating Policy changes for consultation to inform the 2024/34 Long-Term Plan <i>Long-term Plan, Finance, and Performance Committee</i> 17 August 2023	Agree to consider targeted funds for a Golden Mile transition fund and Affordable housing fund as part of the 2024/34 Long-term Plan.	Targeted rates for these purposes were considered through the rating policy review but were not proposed.
Petition: Call for public toilets at Carrara Park, Newtown <i>Social, Cultural, and Economic Committee</i> 12 October 2023	Direct officers to investigate options for the low-cost provision options of toilets at Carrara Park in the 2024-34 Long-Term Plan.	Investigating options for Carrara Park toilet have now been included as part of the Newtown Facility Provision action (a very-short term action) in Te Awe Māpara Community Facility Network Plan. The plan, and its financial impacts, will be presented to Social, Cultural, and Economic Committee on 23 November 2023, following which will be included into the draft 2024-34 LTP.
2.3 2023/24 Annual Plan - Draft Budget <i>Long-term Plan, Finance, and Performance Committee</i> 23 February 2023	In alignment with the above approach, agree to defer the following funding cost increase matters to the 2024 Long-term Plan for consideration: a) Additional \$1.1m increase for CCO operating grants (over and above 4% already included in draft 2023/24 budget) b) Additional funding for events (\$320k OPEX) c) Additional funding for grants (\$200k OPEX) d) Additional funding for the Natural Environment Fund (\$100k OPEX) (covered in action above) e) Funding for a feasibility study for the Great Harbour Way - Shelly Bay Road f) Funding for the Significant Natural Areas Incentive Programme (covered in action above) g) Funding for additional Town Centre Upgrades (beyond what is currently programmed).	Given Council financial constraints, it is not proposed that these increases are included in the service level changes for the 2024-34 LTP.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

40. An overview of how the package of service level proposals in this report performance against the nine 2024-34 LTP priorities agreed to on 17 August 2023 is provided below.

Increase access to good, affordable housing to improve the wellbeing of our communities.

41. Existing programmes of housing work are proposed to continue for the 2024-34 LTP including progressing the planned expansion of the Te Kainga programme and social housing upgrade programme, with further funding proposed for continuing the Housing Upgrade Programme. Further consideration of new service level offerings, in respect to rental property inspection and homelessness are due to be reported back to upcoming November committee meetings.

Revitalise the city and suburbs to support a thriving and resilient economy and support job growth

42. Achievement of this priority will be through prioritisation of existing funding and programmes of work, for example leveraging the city growth fund or delivering central city revitalisation through leveraging planned spending on Golden Mile improvements through LGWM.

Transform our waste system to enable a circular economy

43. This priority is supported through the proposed changes to Waste services, which was subject to decision making in a 14 September 2023 Environment and Infrastructure committee report.

Celebrate and make visible te ao Māori across our city

44. Existing increased level of service and funding for Māori partnerships and Council capability that was agreed in 2021-31 LTP is proposed to continue. Achievement of increased visibility of te ao Māori across our city will be reliant on integration into existing programmes of renewal and upgrade work. No separate funding for te ao Māori public space upgrades is proposed.

Nurture and grow our arts sector

45. The significant building issues with performance venues and Wellington Museum, which are proposed to be reviewed over the coming three years of the LTP, are likely to lead to some level of uncertainty as this work is undertaken. Further achievement of outcomes of Aho Tini, Council's Arts and Culture strategy will be reliant on reprioritisation of existing programmes and spending to achieve outcomes as no new funding is proposed for Arts and Culture activities, apart from a small top up to arts grants.

Transform our transport system to move more people with fewer vehicles

46. This priority continues to be a feature of the 2024-34 LTP service levels through a continued financial provision for key transport programmes of work. This includes city transport projects such as:
- Golden Mile and City Streets;
 - the Paneke Pōneke Bike Network;
 - advancing the bus network in conjunction with the rollout of Paneke Pōneke Bike network through the Bus Priority Action plan;
 - supporting commercial operators to provide micro-mobility;
 - car sharing and EV charging facilities; and
 - providing residents with practical support to take up new transport options.

Fix our water infrastructure and improve the health of waterways

47. The alignment of LTP service proposals and this this priority will be reported on when three waters investment options are reported back to committee in later in November 2023.

Collaborate with our communities to mitigate and adapt to climate change

48. For mitigation, the Zero Together programme (workshops with community members on climate actions) would continue, along with the Climate and Sustainability Fund. In order to supported increased adaptation work, we plan to reprioritise spending currently directed to collaboration with, and support for, the business community. Adaptation collaboration with the community would include creating 1-2 community adaptation plans over the first three years of the LTP.

Invest in sustainable, connected and accessible community and recreation facilities

49. Service level impacts on this priority will be examined through the Community Facility Network Plan proposals in a separate report on 23 November 2023. However, overall proposals are to continue investment in key facility projects underway, including Town Hall and Te Matapihi Central Library. Some level of facility review is proposed to enable a long term fit for purpose and financially affordable network of community facilities.

Engagement and Consultation

50. Council has undertaken three main pieces of community engagement leading into the development of this report:
- Phase 1: Community Outcomes and LTP Priorities (April – May)
 - Phase 2: Rating Policies Review (Sept – Nov)
 - Phase 3: Citizen's Assembly (Sept – Oct)
51. There are two further phases of engagement planned for 2024, including the formal consultation in April. More information about these phases will be presented in December.

Community Outcomes and LTP Priorities

52. Feedback on draft outcomes and priorities agreed by Committee in March 2023 was sought from the public over April to May 2023. Six general public workshops and seven targeted sessions were held with the community as well as the receipt of 2,722 response to online public survey.
53. This feedback supported the finalisation of Community Outcomes and LTP priorities by Committee in August 2023. LTP priorities have then been used to review level of service change proposals against within this report.

Rating Policies Review

54. The Rating Policies Review is being managed through a separate process and paper.

Citizens' Assembly

55. A Citizens' Assembly was held over four Saturdays in September and October 2023.
56. A representative group of 42 Wellingtonians developed recommendations to help inform Committee deliberations on LTP choices.
57. A separate report on this Committee meeting agenda presents the recommendations of the Assembly.

58. Key areas of focus of the Assembly's recommendations relate to:

- Investigating new non-rates revenue sources
- capital programme prioritisation
- open space service levels;
- community funding levels and priorities;
- heritage and support for medium density housing supply; and
- Council process.

Implications for Māori

59. As noted in the alignment to strategies and policies section above, the existing increased level of service and funding for Māori partnerships and Council capability that was agreed in 2021-31 LTP is proposed to continue.
60. Achievement of Tūpiki Ora Māori Strategy and Takai Here will continue as drivers of Council activity and ways of working.

Financial implications

61. The financial strategy draft parameters to guide the development of the 2024-34 LTP is an average rates increase of between 5-8% over the 10 years, and a debt to revenue ratio limit of 225% (including insurance headroom of \$272m).
62. The proposed average rates increase is exclusive of the sludge levy. The levy is a further increase of approximately 4% on average over the 10 years.
63. The financial impacts of the levels of service recommendations are forecasted to breach the self-imposed 225% debt to revenue ratio limit in some years of the Long-Term Plan period. The forecasted debt to revenue ratio operates within the LGFA debt to revenue ratio of 280%.
64. Further work is required to phase the capital programme over the period of the LTP in line with the debt to revenue limit of 225%.
65. There is capacity in our debt headroom to make significant investment in the city over the ten years.
66. These financial impacts are high level and have not been run through our financial budgeting system.
67. A draft budget will be presented at a briefing on 12 December 2023 which will include the impact of these approved recommendations.

Legal considerations

68. There are statutory requirements in relation to making significant changes to Council services. Section 97 of the Local Government Act 2002 requires that "a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity", only be taken if provided for in the long-term plan.

69. The relevant service level changes proposed for the 2024-34 LTP are in relation to changes to Waste services, particularly the proposed establishment of an organics collection services. These changes will be a feature of consultation through the 2024-34 LTP Consultation Document.

Risks and mitigations

70. Risks in relation to each activity group of Council are outlined in Attachment 1. Overall, the package of proposed service level changes create and mitigate a number of areas of risk for the Council:

Financial risk

71. A clear package of service change that responds to the financial constraints of Council is a key mitigation to Council's strategic financial risk. The absence of such a package of change would create additional risk to Council finances and credit outlook, as credit agencies look for tangible planning for managing the cost pressures facing Council.
72. Proposals to pause and reset in areas with significant cost pressures, like earthquake prone buildings, will help to manage risk of further cost escalation compared to ongoing review and approval of building investments on a case-by-case basis.
73. There is also however, additional financial risk taken on by the Council through the proposed service changes. Extending renewal cycles for some assets to minimise capital renewal spending will lead to higher repair cost and maintenance risks if assets fail earlier than expected. Also deferral of other areas of capital spending creates risk of higher costs in the future. These risks are managed through careful review and decision making on asset investment decisions during the life of the LTP underpinned by good understanding of asset condition.

Health and safety risk

74. The proposed service changes include additional investment in some key areas of health and safety risk including increased investment in resilience of the transport network, continued street light replacement programme and continued earthquake strengthening works.
75. There is also however, some potential Health and Safety risk from longer renewal cycles for some assets, however this is proposed to be minimised through careful management of renewal funding decisions based on asset criticality.

Reputational risk

76. The proposed package of changes is likely to increase Council reputational risks with a number of stakeholders as the package will entail some reduction in scope or speed of previously committed programmes of change and investment. Prioritisation of Council activities to work within funding levels will create impacts on a range of community, arts and sporting groups. There is also more general reputational risks with the community in relation to the slower than desired level of change in relation to community priorities.
77. It should be noted that these negative reputational risks are to a degree balanced by the avoidance of reputational risk that would otherwise be created through higher levels of rates. Alongside strong community support for progress on city priorities, community feedback has also been in support of lower increases to Council rates and greater consideration of resident affordability.

Risks to community wellbeing

78. Finally, and importantly the package of service changes requires some level of rationalisation of funding and services for community and sector groups. This will create risks to those groups' financial sustainability and in turn the community wellbeing outcomes that those groups work toward.

Disability and accessibility impact

79. Accessibility improvements will continue through ongoing improvements to the delivery of existing Council activities and programmes of work; for example accessibility improvements are prioritised in the transport minor works budget, public space, bike network and LGWM projects.
80. An Accessibility Strategy is due to be developed and presented to Council for approval, it will work through proposed approach to improving accessibility across Council services.
81. The proposed service changes may lead to some reduction in the level of planned improvements for accessibility as a result of reductions and deferrals of planned capital upgrades. Footpath condition is overall at a higher level than other parts of the transport network and has therefore been identified as area with opportunity for reduction in level of planned investment over the 2024-34 LTP from what has previously been planned, this will, however, lead to some decrease in available funding for footpath improvements to address accessibility issues.
82. Other planned deferral of community facility upgrades will also result in deferral of associated accessibility improvements to those facilities, meaning current accessibility issues in those facilities will continue for longer.

Climate Change impact and considerations

83. The proposed service level package maintains Council's significant investments in the following action areas of Te Atakura: "Transport and Urban Form", "The Council itself" (reducing Council emissions) and "Advocacy" (regional and central govt). This includes substantial investment in city transport mode shift, including transport projects developed as part of the LGWM programme and the full Pāneke Pōneke cycleways. Including bus and pedestrian priority projects (at a reduced level of civil works). It also includes investments in reducing the Council's emission profile, such as ongoing sludge treatment improvements and expanding waste minimisation services through organics collection and resource recovery.
84. Combined, these reflect a significant level of investment towards achieving targets set in Te Atakura.
85. With recent extreme weather events around New Zealand, it will be important to also focus on adaptation. In order to fund additional activity in Council and community climate adaptation, some rationalisation of mitigation actions in Te Atakura will be required.

86. Increased adaptation activity focuses on the first three adaptation action areas outlined in the 2022 Te Atakura Update:
- Building our understanding of the challenge through planning and technical assessments;
 - Advocating for central government policy to support us to increase city resilience; and
 - Developing our strategy and policy for both Council and city adaptation).
87. A moderate increase in levels of community engagement on local community adaptation is proposed given financial constraints (developing 1-2 local community adaptation plans in the first three years of the LTP). This will mean that the Community Adaptation Roadmap adopted by Committee in April 2023 will be partially delivered.
88. Overall, Te Atakura, due for review in 2024, has three key objectives: a city emissions reduction target of 57% from 2020 to 2030; a Council commitment to net zero by 2050; and a commitment to increase city and Council resilience. Under this proposal:
- Substantial activity to address Council's emissions reduction would progress through investments in sludge treatment and organics diversion, and projects to transition pool heating from natural gas to electricity.
 - Council and city resilience would improve through investments in our infrastructure, and an uplift in our adaptation work as described above. Further investment will be required from the 2027 LTP onwards.

Communications Plan

89. An overarching LTP Communications and Engagement plan has been developed, with detailed plans for each of the five engagement phases as per the 'Engagement and consultation' section above.
90. Communications objectives include increasing public participation in the LTP, with a focus on targeting diversity in submitters to get a broad view; building public understanding of the issues and opportunities facing the Council, what decisions are needed, and what the impact of these decisions will be; and ensuring information is as accessible as possible, clear, accurate, timely, and available through a variety of channels.
91. An 'LTP Hub' on the Council's website (wcc.nz/ltip-2024-34) is a one-stop area for key LTP information throughout the process. Key updates are provided via website news stories, media releases/briefings, social media updates, e-newsletter and Our Wellington content. Additional channels are used to promote engagement phases as they open, such as posters and digital screens, direct email and post, events, and paid advertising where appropriate.
92. In some instances, specific elements and projects related to the LTP will require more detailed project-based communications, including targeted stakeholder engagement. Top-line LTP messaging will be incorporated where relevant across all Council communications.

Health and Safety Impact considered

93. Health and safety risks are outlined in the risk section earlier in this report.

Ngā mahinga e whai ake nei | Next actions

- 94. Levels of service changes agreed will be updated in the draft budget and presented during the committee workshop in December 2023.
- 95. The finalised draft budget will be presented in February 2024, where deliberations on the content of proposals for community consultation takes place.
- 96. Level of service changes agreed in this meeting will be assessed for alignment with the Citizens Assembly report and presented back to the draft LTP budget deliberations meeting in February 2024 meeting.

Attachments

Attachment 1.	Level of Service by Activity Group ↓ 	Page 223
Attachment 2.	2024-34 Long-Term Plan Overview ↓ 	Page 253

Arts and Culture

Purpose

- Our city is recognised as the creative capital of New Zealand. This reflects a mix of factors, including the presence of national and local arts organisations, as a centre of major arts tertiary education in the city, funding support from the Council, the sense of a supportive citizenry, and a reputation for edgy and interesting arts in the city.

Services we provide

- Providing infrastructural support to the sector through management of Toi Pōneke, Hannah Playhouse and governance overview of civic venues managed on council's behalf by WellingtonNZ
- Delivering a wide variety of signature free public events throughout the year (e.g.: New Years Eve, Matariki: Ahi Kā Festival, Anzac Day), supporting major cultural events (e.g. Diwali) advising, funding and logistical support for a range of community events)
- Supporting, delivering and commissioning a range of public art around Wellington (e.g. Mason's Lane and Courtenay Place lightboxes, Waituhi flags, art on walls, support for Sculpture Trust,
- Managing the city's art collection of over 600 works
- Grants programme, which provides direct grants support to creative sector organisations, agencies and projects at professional and community levels. This includes support for events and festivals.
- Regional amenities fund
- Providing support and facilitating career pathways for artists and arts organisations; advocating for creative value in Wellington City.
- Funding Experience Wellington which provide a vibrant programme of free and charged for public programmes and learning experiences across EW sites:
 - Wellington Museum
 - City Gallery Wellington
 - Cable Car Museum
 - Nairn Street Cottage
 - Space Place at Carter Observatory
 - Capital E
 - Experience Wellington also cares for the Wellington Collection at the Ngauranga Gorge Collection store.

Overall approach

Arts and culture are an important foundation stone in Wellington's offering – it's a point of difference that the city has and one that all Wellingtonians are proud of. Our overall approach a part of the 2024 long term Plan is to continue making investments that secure foundational arts and culture facilities in the city. This will allow the sector to thrive over the long term. Many of our arts and culture facilities are earthquake prone and require substantial investment in the years ahead. This will be the primary focus over the next three years with most of the capital costs increases for this activity area going into the Town Hall.

We will also do master planning on other arts and culture facilities that are earthquake prone like the MFC, the Opera House and the Bond store and have that sufficiently advanced to make a decision as part of the 2027-37 Long term Plan.

To deal with the cost pressures facing the Council and the community, we will need to look at how we can deliver our services more efficiently for arts and culture services. This means operating more commercially where possible, living within our means, and making some savings where we can. While some changes are necessary to help ease the cost pressures we face, we understand the importance of the sector to the city, and therefore our broad approach is to make the big strategic investments that are needed, and make small reductions in a limited number of areas where possible rather than wholesale change.

Risks with this approach

There are a number of risks associated with the overall approach outlined above and detailed below. This includes:

- Cost escalations associated with any capital investments we make
- The ambition outlined in our overall strategy for the sector articulated through Aho Tini will take longer to deliver
- The city's reputation as the home of creativity and the arts could be impacted which could have a flow on affect to the size and health of the sector

More detailed risk analysis will be undertaken once options are agreed in principle to go to the next stage – draft budgeting.

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Complete works underway			
AC1	• Earthquake strengthening of the Town Hall	• Re-opening of Town Hall following strengthening	• \$133m additional budget as per 25 October Town Hall Council paper
AC2	• Complete projects that have a synergy with the Town Hall opening (such as the Basement and Capital E building).	• Re-opening of Town Hall following strengthening	• \$240m Capex provision
AC3	• Other minor upgrade work is scheduled, including HVAC systems for TSB, minor strengthening works on the Bond Store and façade strengthening work on the Opera House.	• Enable continued operation of facilities	• Increase of approx. \$1.5m Capex in year 1 (Bond store strengthening impact to be confirmed)
Revenue			
AC4	• Require Experience Wellington over time to take a more commercial approach to their service offering (greater focus on exhibitions that are commercially viable). May involve additional up-front costs but have a greater revenue stream through the introduction of fees. Overall, this means an expectation for them to return to covering 35% of their operating costs.	• The commercial emphasis for Experience Wellington will likely lead to some change in the nature its offering.	• Any additional revenues from the proposals have not yet been quantified or fully assessed in terms of feasibility.
Underperforming assets			
AC6	• Toi Pōneke 2.0: explore alternative venue options and scope the service redesign to operate within existing funding parameters.	• Shifting to a more appropriate venue will upgrade the service even within existing level of Opex funding	• Relocating would result in additional fit out cost depending on the new location. Fit out costs are estimated at

2

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
			\$5.8m capex; one off operating cost increase of \$0.7m to cover short term dual lease costs and the assumption is that existing operating costs would continue.
Work within tight operating budgets			
AC7	<ul style="list-style-type: none"> Grant provision – proposal is to review grant savings opportunities from national organisations that have opportunities for alternative funding elsewhere in order to deliver an increase in funding to help stimulate local arts programmes 	<ul style="list-style-type: none"> Reduction or removal of funding for National organisations Increase in funding for local arts 	<ul style="list-style-type: none"> Up to \$2.25M Opex pa reduction Potential \$0.6m opex increase for local arts
AC8	<ul style="list-style-type: none"> Operate within tight budgetary parameters for the remainder of services. Will require savings within business-as-usual work programme so it can deliver its core services within existing budget parameters. 	<ul style="list-style-type: none"> Maintaining existing funding levels likely to lead to a reduced number of events and programmes as inflationary pressures will have to be met from existing level of funding. The delivery of the full Aho Tini strategy would be constrained i.e. no new resource to progress strategy initiatives / actions particularly arts and cultural initiatives for a period of time 	<ul style="list-style-type: none"> No change to baselines other than the small increase in funding for local arts as per AC7
Pause and reset			
AC9	<p>Venues, museums and Te Ngākau programme.</p> <ul style="list-style-type: none"> A number of venues are earthquake prone (Opera House, the MFC, and the Bond Store (Wellington Museum)). Decisions on these venues is interdependent with the works required across Te Ngākau Civic Square. Propose pausing to explore various building options, including Te Ngākau's design and planning. This allows us to strategically plan for the square's future. During this period, we can consider multiple options such as demolition, sale, reconstruction, market testing, and seeking central government or alternative funding. In the 2027-37 LTP we will provide a clear proposal options, including a preferred option for 	<ul style="list-style-type: none"> Investigations may lead to recommendations for change across Te Ngākau Civic Square 	<ul style="list-style-type: none"> \$120m Capex provision

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
	dealing with the earthquake prone buildings. The proposal will be part of the 2027-37 LTP consultation document for engagement with the community.		

City Promotions

Purpose

- To maintain a city that is prosperous and facilitates a high quality of life for its residents, we need to stimulate and maintain a dynamic and growing economy.
- To do this we fund tourism promotions, visitor attractions and Wellington venues, support WellingtonNZ, the Wellington region's economic development agency, deliver significant economic development projects, and maintain relationships with other agencies, domestically and internationally, to foster economic growth.

Services we provide

- Supporting development of the city's Economic Wellbeing Strategy and projects and initiatives that drive investment in our economy
- Promoting Wellington to domestic and international visitors to encourage the growth of the tourism sector
- Supporting high-quality events, such as World of Wearable Art, which generate cultural and economic benefits for the city
- Improving the city's national and international connections
- Attracting and supporting business activity across Wellington
- Operating civic venues for entertainment, performances, and business events
- Delivering programmes that support businesses to deliver innovation, create and retain jobs, increase the rating base, support economic growth in target sectors and transition to a circular economy

Overall approach

Council services in City Promotions are proposed to largely continue, the Economic Wellbeing Strategy being the central guiding document for prioritisation of Council spending and programmes. Increased emphasis will go into city revitalisation in line with the Strategy and LTP priorities, and this will need to be delivered through increased coordination of Council spending across transport and public and open spaces to deliver improved economic and social outcomes. Faster delivery of economic wellbeing outcomes could be achieved through increased level of spending, however given Council cost constraints prioritisation of existing spending is proposed rather than increased level of Council spend.

Risks with this approach

There are a number of risks associated with the overall approach outlined above and detailed below. This includes:

- Risks around stakeholder dissatisfaction with the pace of change through this approach, in terms of the ambitions outlined in our Economic Wellbeing Strategy, may be balanced through avoidance of increased level of spending and rates that would otherwise be required.
- Deferral of renewal works also risks increased maintenance costs and cost increases when renewals are undertaken in the future.

More detail on proposed changes to service levels are outlined in the table below

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Review Levels of Service and Role			
CP1	<ul style="list-style-type: none"> • Reduced destination marketing grant spending – will see marketing solely focused on domestic market 	<ul style="list-style-type: none"> • Would reduce Wellington's marketing presence in New Zealand and Australia, and could lead to 	<ul style="list-style-type: none"> • \$1.0m operating saving p.a from year 1

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
		reduced brand awareness and visitation, with flow on impact for spend in local businesses.	
Maintain financial capacity			
CP2	<ul style="list-style-type: none"> Review all CCO operating models in time for the 2027 LTP to ensure that Council is maximising the balance sheet benefit of the CCO model. 	<ul style="list-style-type: none"> No impact on services 	<ul style="list-style-type: none"> To be considered in 2027-37 LTP
Review of capital programme			
CP3	<ul style="list-style-type: none"> Stadium capital requirements- allocate funding to address any health and safety concerns 	<ul style="list-style-type: none"> Funding of Seismic Resilience Project works Delaying funding for other areas of critical plant replacement plumbing, mechanical, sound system, fire protection, CCTV, electrical works, light towers etc. 	<ul style="list-style-type: none"> \$16.8m Opex increase over 10 years
CP4	<ul style="list-style-type: none"> Cable car bridge strengthening - undertake detailed seismic assessment and design works to understand the risks and opportunities to manage 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Potential capital costs of \$6.7m to be programmed for the later part of the LTP pending more detailed understanding of seismic risk.
Work within tight operating budgets			
CP5	<ul style="list-style-type: none"> Hold the level of funding for City Growth fund to deliver on the LTP priority to revitalise the central city via precinct planning and safety initiatives, beginning with Courtenay Place. 	<ul style="list-style-type: none"> Spend will be leveraged to attract additional private sector investment. 	<ul style="list-style-type: none"> No change to baseline (avoidance of cost escalation)

Parks, Beaches and Open Spaces

Purpose

- The city's parks, gardens and coastlines are a precious resource that are integral to the health of the city and its people. One-eighth of Wellington's area is reserve, much of which has been protected for generations. Open spaces contribute to a diverse city environment with a wide range of inter-related benefits, including amenity value, biodiversity and landscape protection, recreation and social opportunities, ecosystem services, contribution to the health and wellbeing of residents, and both direct and indirect economic benefits.
- They support the city's response to climate change by acting as a carbon sink and supplement the stormwater network especially in severe weather events.
- To ensure these spaces continue to contribute to a high quality of life for all Wellingtonians, we invest to protect, maintain and develop these areas.
- The work we do makes the city's environment greener and more pleasant for all Wellingtonians – it improves our quality of life and sense of pride in the city. These spaces also make Wellington an attractive place to visit

Services we provide

- Managing and maintaining around:
 - 4,305 hectares of parks, reserves and beaches
 - the Wellington Botanic Garden and other Wellington gardens
 - 160 buildings located in parks, reserves or beach areas for community use
 - 367 kilometres of recreational walking and mountain bike tracks
 - 42 coastal structures including boat ramps, wharves and seawalls.

Overall approach

In the Parks, Beaches and Open Spaces activity, we seek to manage and restore our natural areas. This includes providing quality accessible green open spaces, maintaining and managing walking and biking tracks, ensuring our Wellington Gardens are cared for, and enhancing Wellington's biodiversity, including supporting extensive trapping through Predator Free Wellington. Parks, Beaches and Open Spaces services are proposed to largely remain at current levels for 2024-23 LTP. This involves a reduction in the level of previously planned upgrades across the activities in this grouping, to instead hold current level of provision and amenity of parks and open spaces to their current levels. Proposals also include the review of a number of buildings in the activity, particularly waterfront commercial buildings to assess potential for future savings. A range of other critical renewal and upgrade work is proposed to continue, such as safety initiatives on the waterfront, and some potential areas of non-rates revenue opportunities are identified for review.

Risks with this approach

There are a number of risks associated with the overall approach outlined above and detailed below. This includes:

- A number of deferrals of planned upgrades and capital renewals beyond the ten years of the 2024-34 LTP, deferral of capital works comes with some risk to service delivery and also financial risk in terms of increasing reactive maintenance needs.
- Risk of community dissatisfaction with a lower level of planned improvements to the City's Parks, Beaches and Open Spaces than the level that has been expressed as desired through recent community engagements.

More detailed risk analysis will be undertaken once options are agreed in principle to go to the next stage – draft budgeting.

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Underperforming assets			
PO1	<ul style="list-style-type: none"> Include additional funding for critical renewals across Parks and Open spaces. This includes the waterfront range of wharfs, seawalls and buildings that have significant asset performance challenges that need to be funded. New capital pressures for waterfront edge protection and seawalls also included as are safety issues. Undertake critical works on Begonia House in years 2 & 3, and rephase other upgrades to later years 	<ul style="list-style-type: none"> Continued operation of critical assets, including waterfront buildings and open space and Begonia House Continue to safely host events and activities on the waterfront 	<ul style="list-style-type: none"> Begonia House upgrades would be considered in the later part of the LTP and this is anticipated to be circa \$12m in funding Waterfront Health and Safety – lighting and edge protection approx. \$7M additional over years 1-4 Waterfront seawalls \$4.4M additional over 10 years
Revenue			
PO2	<ul style="list-style-type: none"> Pursue revenue opportunities, while small overall, to contribute additional revenue. Including looking at paid parking at some venues, donations for Makara Peak Mountain bike park, payments for use of the boat ramp at Evans Bay. 	<ul style="list-style-type: none"> Introduction of new charges for users of some facilities 	<ul style="list-style-type: none"> Revenue impact will be identified as options are investigated.
Review Levels of Service and Role			
	<ul style="list-style-type: none"> Removal of planned upgrade spending on: 		
PO3	<ul style="list-style-type: none"> Otari Landscape Plan 	<ul style="list-style-type: none"> Maintain current service levels (No further improvement to facilities) 	<ul style="list-style-type: none"> \$13m Capex reduction over 10 years
PO4	<ul style="list-style-type: none"> Dog park upgrades (unless included with revenue assumption through dog licence fees) 	<ul style="list-style-type: none"> Maintain current service levels (No further improvement to facilities) 	<ul style="list-style-type: none"> \$0.13m Capex reduction over 10 years
PO5	<ul style="list-style-type: none"> Coastal beautification 	<ul style="list-style-type: none"> Maintain current service levels (No further improvement to facilities) 	<ul style="list-style-type: none"> \$0.84m Capex reduction over 10 years
Rescope or rephase			
PO6	<ul style="list-style-type: none"> Phase the capital and operational pressure for growth for Te Whai Oranga Pōneke (Open Space & Recreation Strategy) over a longer period of time. 	<ul style="list-style-type: none"> Phased in approach to investing in parks and open spaces to accommodate growth, respond to community needs, and ensure facilities are fit for purpose. 	<ul style="list-style-type: none"> \$36.16m Capex increase over 10 years \$3.86m Opex Increase
	<ul style="list-style-type: none"> Rephasing of other planned development contribution funded growth Capex: 		

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
PO7	<ul style="list-style-type: none"> Bellmont Gully Lincolnshire Farms Reserve Property Purchase 	<ul style="list-style-type: none"> Maintain current service levels (No development of land/facilities in new developed/subdivision areas) 	<ul style="list-style-type: none"> Deferral of approx. \$6.7m Capex into later years of LTP.
PO8	<ul style="list-style-type: none"> Reserves Management Plan Development 	<ul style="list-style-type: none"> Maintain current service levels (No improvement to facilities) 	
PO9	<ul style="list-style-type: none"> Town Belt and Reserves Upgrades 	<ul style="list-style-type: none"> Maintain current service levels (No improvement to facilities) 	
PO10	<ul style="list-style-type: none"> Review recent annual plan decision for \$1.3m to support the development of Huetepara Park in Lyall Bay. Investigate any opportunity to reduce the scope of this work. 	<ul style="list-style-type: none"> Scope of improvements to be confirmed. 	<ul style="list-style-type: none"> Potential for \$1.7m Capex reduction in Year 1 of LTP
Pause and reset			
PO11	<ul style="list-style-type: none"> Conduct a comprehensive review of options for Evans Bay marina given significant performance challenges. Include - short-term renewal investment will continue to be needed until future options are decided. 	<ul style="list-style-type: none"> Ongoing operation of marina in the short-term. Continued asset risks 	<ul style="list-style-type: none"> No change to baseline
Work within tight operating budgets			
PO12	<ul style="list-style-type: none"> Manage within existing budget levels through tactical reductions in service levels in some areas. 	<ul style="list-style-type: none"> For example reduction in mowing areas through revegetation, moving into more reactive maintenance of assets rather than planned programmes. Ad hoc maintenance if more is left to volunteers to manage when they can, and to their own standards. Gradual reduction in asset condition to poor or very poor assets), leading to increased costs to renew/upgrade. 	<ul style="list-style-type: none"> Financial impacts of capital renewal deferrals are discussed in the body of the report.
Build capacity for the future			
PO13	<ul style="list-style-type: none"> Investigate divestment of commercially leased assets on the waterfront to generate revenue and/or remove a future liability. This includes: Shed 5, Shed 1 and Shed 3, the first two being overdue for renewal investment. The ability to realise divestment of these assets may be limited given their condition and underlying wharf conditions. 	<ul style="list-style-type: none"> Ongoing current asset performance challenges continue while investigations are undertaken 	<ul style="list-style-type: none"> The extent of benefits relating to asset disposals is difficult to determine until detailed analysis is undertaken regarding market demand and potential sale prices, as well as associated disposal costs.

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
PO14	<ul style="list-style-type: none"> As part of carrying out the Community Facilities Network Plan investigations, consider whether there are other assets across Parks and Open Space – such as leased buildings in reserves and the Town Belt, that may have reached the end of their useful life or whether there are optimisations to increase efficiencies of the portfolio. Consideration should also be given to limitations in the use of Wellington Town Belt and reserve land). 	<ul style="list-style-type: none"> Ongoing current asset performance challenges continue while investigations are undertaken 	<ul style="list-style-type: none"> The extent of benefits relating to asset disposals is difficult to determine until detailed analysis is undertaken regarding market demand and potential sale prices, as well as associated disposal costs. Noting the restrictions of both Wellington Town Belt and reserve land.

Recreation facilities and services

Purpose

- To provide a range of recreation and leisure facilities to encourage active and healthy lifestyles and enable participation in sporting and other group activities.
- Through the promotion and support of recreation opportunities we contribute to the development of strong, healthy communities and a high quality of life for Wellingtonians.

Services we provide

- Managing, maintaining and servicing seven pool facilities, four community recreation centres and the Ākau Tangi Sports Centre
- Managing and maintaining outdoor sports facilities in the city, including 44 natural and 11 artificial sports turfs (two in partnership with schools), which provide year-round venues for recreation and competitive sport
- Managing and maintaining 107 playgrounds
- Maintaining other Council owned recreational facilities, including marinas, the Berhampore golf course, croquet facilities, tennis, netball and basketball half courts, playgrounds and skateparks
- Managing about 30 premises leases, 100+ ground leases to a range of recreation, sporting and community organisations.
- Supporting the Basin Reserve Trust, a CCO that manages and operates the Basin Reserve to continue to attract national and international events to Wellington.
- Activities and services not proposed for change will continue to be delivered as status quo.

Overall approach

Recreation facilities and services activity is used to encourage active and healthy lifestyles and enable participation play, active recreation and sporting activities. The activity will remain largely at current levels for 2024-34 LTP. This involves a reduction in the level of previously planned upgrades across the activities in this grouping, to instead hold current level of provision to their current levels (for example in playground and skateparks). A key feature for this activity grouping over the coming ten years will be the adoption of the Council's Community Facility Network Plan. The plan sets out the future approach to guide the Council's provision and decision-making about community facilities. It includes a number of facility investigations to be undertaken in partnership with the community, taking a holistic view across the city and different facility types. The aim is to be smarter and maximise the benefits of community facilities, and this plan may lead to changes to the mix of future facilities.

Risks with this approach

There are a number of risks associated with the overall approach outlined above and detailed below. This includes:

- a number of deferrals of planned upgrades and capital renewals beyond the ten years of the 2024-34 LTP, deferral of capital works comes with some risk to service delivery and also financial risk in terms of increasing reactive maintenance needs.
- risk of community dissatisfaction with a lower level of planned improvements to the City's Parks and Open Spaces than the level that has been expressed as desired through recent community engagements.

More detailed risk analysis will be undertaken once options are agreed in principle to go to the next stage – draft budgeting.

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Complete works underway			
RF1	• Completion of Frank Kitts playground	• Reopening of the playground	• No change to baseline (already included in budgets)
RF2	• Completion of other minor upgrade works underway and extending into 2024/25.	• Planned upgrades delivered	• No change to baseline (already included in budgets)
Deliver what is legislatively required or contracted			
RF3	• Remediating Kilbirnie Recreation Centre given earthquake prone and requiring remediation by 2028. Short term action for Kilbirnie Community Provision in Te Awe Māpara Community Facilities Network Plan.	• Enable continued operation of facility	• No change to baseline
Underperforming assets			
RF4	• Invest in Swimming pools decarbonisation through conversion of heating away from gas. To be included, alongside other Emission Reduction actions.	• None – improvement to environmental performance of pools	• Approximate \$25m Capex increase with potential operating savings p.a.
Review Levels of Service and Role			
RF5	• Removal of planned skate upgrades at Ian Galloway and Waitangi Parks and accept current level of service. (Planned Kilbirnie skate park upgrade continues)	• No change to current service levels	• \$0.54m Capex reduction - Ian Galloway • \$0.57m Capex reduction - Waitangi
RF6	• Removal of planned provision of new playgrounds, not filling gaps in the network as planned.	• No change to current service levels (current playground network remains)	• \$1.03m Capex reduction over 10 years
RF7	• Remove upgrade funding for Khandallah pool upgrade given increased cost forecast, noting ongoing consultation with Community Reference Group on future of the pool.	• No upgrade to Khandallah pool • Further engagement with community around the future of the site required.	• Avoidance of cost escalations (Site technical reports have highlighted constraints and quantity survey costing has identified the budget is insufficient by 45% (\$3.7m).)
Rescope or rephase			
RF8	• Grenada North Park sport fields – the planning work is planned for year 2 and the delivery of the project in years 3 and 4. Further rephasing of the capital programme will be required to accommodate it.	• Improvement to sportsfield provision in Grenada North	• No change to baseline, some rephasing of capital programme to accommodate it.
Work within tight operating budgets			

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
RF9	<ul style="list-style-type: none"> Manage within existing budget levels through tactical reductions in service levels in some areas, for example reducing operational support for some sporting codes (e.g. croquet) and have codes manage own maintenance. 	<ul style="list-style-type: none"> Stop / reduce supporting for some sporting codes. They must manage and maintain their own services (e.g. croquet) Remove end of life assets and do not replace (e.g. lighting, seating) 	<ul style="list-style-type: none"> Additional operational savings because of capital programme changes, including interest and other general expenditure, have not yet been quantified. Other factors, such as inflation or decisions on associated matters (for example the removal of sports turf fees) will impact on the level of operational expenditure savings over the LTP.
RF10	<ul style="list-style-type: none"> Renewal spending – limit size of renewal spending through ‘sweating’ of non-critical assets (for example extending length of time for playground renewals). 	<ul style="list-style-type: none"> Deterioration of sportsfields condition over time, leading to poorer playing services, less utilisation Lengthen time between playground renewals Gradual reduction in asset condition (more poor or very poor asset conditions), leading to increased costs to renew/upgrade. 	<ul style="list-style-type: none"> Financial impacts of capital renewal deferrals are discussed in the body of the report.

Community facilities and services

Purpose

- By providing libraries, community centres and social housing we foster diverse and inclusive communities and enable people to connect with information and each other.
- We provide a wide range of facilities forming part of the city's 'hard' social infrastructure that support community wellbeing. These include libraries, community spaces, social housing, public toilets and cemeteries.
- We also deliver services that assist in building a strong social infrastructure that supports diverse, inclusive and resilient communities. We provide a wide range of services that support community wellbeing and harm reduction, include community service, advocacy, grants and city safety.

Service we provide

- Access for all Wellingtonians to a wide array of books, magazines, DVD, e-books, e-audio, online journals, streaming media and e-music tracks through the 13 libraries around Wellington and online library presence.
- Access to community spaces, including a citywide network of over 25 community centres
- Support for community groups, ensuring Wellington's diverse population is supported and embraced by an inclusive, caring and welcoming community
- Provision of lease properties (over 1,900 units) to Te Toi Mahana Community Housing Provider
- Facilitation of affordable rental housing in the city through the Te Kainga programme of CBD apartment conversions
- Subsidised Home Energy Saver assessments for Wellington homeowners
- Climate and Sustainability Fund to support community groups wanting to take climate action locally
- Ensuring accessible clean and safe public toilets and changing rooms/pavilions
- Managing and maintaining two cemeteries, including providing cremation services
- Reduces harm, improve community/city safety and improve social wellbeing
- Support connected tolerant and resilient communities that know their neighbours
- An effective CDEM welfare response and social recovery and co-ordination of the multi-agency response to a major shock event that affects the city.
- Ensuring Wellington is a safe and inclusive city where people know their neighbours and are safe
- To provide technical input into natural hazard planning to avoid the risks in the first place.
- Delivers a city-wide network of effective community spaces that meet the community's needs
- Ensures residents can participate in communities of choice, accessing support through a variety of mechanisms, including community grants
- Work with external agencies and support outreach programmes to end street homelessness and address begging, providing a visible presence in the community
- Provide leadership across activities and link with interagency programmes, such as alcohol harm reduction, management of graffiti, support for the city's youth, and programmes that eliminate sexual violence and addressing food insecurity.

Overall approach

Community facilities and services activity aims to develop highly liveable, safe and inclusive communities by providing community support initiatives, access to housing for those in need, and operate community facilities such as community centres and libraries to support overall quality of life. To achieve this, most of the services are to largely remain at current levels for 2024-34 LTP. The opening of Te Matapihi will be a significant increase to the provision of community facilities in the central city. The continuation of planned upgrade of social housing stock is also a key service improvement in this activity.

A key feature for this activity grouping over the coming ten years will be the adoption of Te Awe Māpara | The Community Facilities Network Plan. The plan will guide the Council's provision and decision-making on community facilities. A key direction for the plan is to evolve community facilities to maximise the benefits, and making more holistic and smarter facility decisions. The plan includes a number of facility and delivery investigations across all facility types and the city. Implementation of these actions may lead to changes to the mix of future facilities.

14

Risks with this approach

There are a number of risks associated with the overall approach outlined above and detailed below. This includes:

- Community funding levels are proposed to be held at current levels and this will entail a level of prioritisation of funding as cost pressures increase. This will come with funding competition between recipient organisations and risks to the ongoing provision of some community led programmes reliant on Council funding.
- Cost escalations associated with any capital investments we make
- Managing reprioritisation without community involvement would erode loss of community goodwill, cooperation and ability to partner with the Council

More detailed risk analysis will be undertaken once options are agreed in principle to go to the next stage – draft budgeting.

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Complete works underway			
CF1	<ul style="list-style-type: none"> • Te Matapihi (continuing project will involve some significant increases in operating costs not previously budgeted for the building and services within) 	<ul style="list-style-type: none"> • Opening of Te Matapihi in 2026 	<ul style="list-style-type: none"> • Significant operational costs pressures exist for Te Matapihi which include a net \$10m (assumes L3/4 commercial rental plus cafe) of building related costs (insurance, rates, facilities costs) and \$45.9m (over 10 years) operational costs (including transition costs, increased cost to deliver existing level of service and some expected increase in levels of service in relation to the Council mandate). These are currently unbudgeted as the 2021-31 LTP provided Opex costs for Te Matapihi for the first three years only. • Additional Capex relating to renewal of Library equipment & shelving of \$1m in year 2.
CF2	<ul style="list-style-type: none"> • Housing Upgrade Programme 	<ul style="list-style-type: none"> • Continued delivery of the upgrade programme 	<ul style="list-style-type: none"> • \$130m Capex increase as a result of inflationary pressures on the programme
CF3	<ul style="list-style-type: none"> • Complete Community centres that have approved projects underway 	<ul style="list-style-type: none"> • Upgrades completed 	<ul style="list-style-type: none"> • No change to baseline
CF4	<ul style="list-style-type: none"> • Youth Hub 	<ul style="list-style-type: none"> • Youth Hub opened • We meet our commitment for provision of young people space as per the 'Children and Young People' strategy. 	<ul style="list-style-type: none"> • No change to baseline
CF5	<ul style="list-style-type: none"> • Existing funded multi-year grants. 	<ul style="list-style-type: none"> • Continued funding of existing grants 	<ul style="list-style-type: none"> • No change to baseline
Rescope or rephase			
	<ul style="list-style-type: none"> • Some rescoping and rephasing would happen to the remainder of the capital programme: 		

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
CF7	<ul style="list-style-type: none"> Removal of renewal funding for library system replacement 	<ul style="list-style-type: none"> Continuation of current service 	<ul style="list-style-type: none"> \$5.14m Capex reduction in year 3 and year 8
CF8	<ul style="list-style-type: none"> Pause further works on Karori Event Centre (Community Hall) and investigate a potential sale of the facility 	<ul style="list-style-type: none"> Currently the Centre is not operational; no loss of service against current baseline Reputational impact with invested stakeholders 	<ul style="list-style-type: none"> \$1.7m Capex reduction (fitout)
CF9	<ul style="list-style-type: none"> Minor deferral of Makara cemetery works 	<ul style="list-style-type: none"> No community impact 	<ul style="list-style-type: none"> Deferral of \$2.81m Capex from year 1 & year 2 to year 3 and year 4
Work within tight operating budgets			
CF10	<ul style="list-style-type: none"> Review and prioritise multi-year grants, with a focus on maintaining or reducing grants in alignment with outcomes, priorities, and strategies. This may involve discontinuing funding for larger community organisations with alternative funding sources. 	<ul style="list-style-type: none"> Reduction in funding non-priority programmes or larger organisations with legitimate alternative sources of funding Improve current funding structure by eliminating multiple and inequitable funding sources i.e. Some community centres funded through Social & Recreation fund, and others received LTP funding May result in recipients making combined funding bids to address related needs 	<ul style="list-style-type: none"> No change to baseline (avoidance of cost escalation)
CF11	<ul style="list-style-type: none"> Renewal spending – limit size of renewal spending through ‘sweating’ of non-critical assets 	<ul style="list-style-type: none"> Deterioration of facility condition over time 	<ul style="list-style-type: none"> Financial impacts of capital renewal deferrals are discussed in the body of the report.

Conservation organisations

Purpose

- This activity group focuses on two organisations: The Wellington Zoo Trust and Zealandia Te Māra a Tāne (Karori Sanctuary Trust). Both are Council-controlled Organisations (CCOs) and are part-funded by the Council.
- These places tell a story of our past, our future and of our special wildlife. They attract visitors to our city and inform and educate about conservation and biodiversity. They play a key role in the conservation of biodiversity of our city and beyond.

Services we provide

- Investment that supports the Wellington Zoo to attract visitors, and to inform and educate on the importance of conservation and biodiversity and protection of our planet through the kaupapa of Me Tiaki, Kia Ora!
- Investment that supports Zealandia Te Māra a Tāne to attract visitors, educate, and protect flora and fauna, improving biodiversity for the benefit of our natural environment
- Both organisations are Toitū net carbon zero certified and engage in discussion of sustainable living with visitors.
- Both organisations are global leaders in conservation, sustainability and visitor experience.

Overall approach

The Wellington Zoo and Zealandia will continue to provide conservation attraction to the public. Council continues to investment support to the two organisations to help attract visitors and investment support for maintenance and health and safety upgrades. There are few proposed changes to activities in this group other than a proposed improvement in Wellington Zoo in the form of delivery of their master plan capital improvements over the next 20 years. There is an expectation for the CCOs to increasingly manage operating cost pressures through non-Council revenue, and this will create risks if revenue is not able to be achieved or costs managed.

Risks with this approach

There are a number of risks associated with the overall approach outlined above and detailed below. This includes:

- Deferring renewals will lead to financial risk in the future – higher maintenance and cost
- Cost escalation on projects if deferred
- No changes in operating grants over the next three years may result in unmet cost pressures, potentially creating a risk of staff turnover and impacting the Zoo service experience

Proposed changes to service levels are outlined in the table below

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Review of capital programme			
CO1	• WCC contribution to Zoo master plan prioritised to core Health and Safety investments.	• Continued delivery of current service levels with some immediate aspects of Zoo master plan meet.	• \$13.8m Capex increase from year 5 to year 10

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
CO2	<ul style="list-style-type: none"> Zealandia capital funding requirements delayed or required to be self-funding. 	<ul style="list-style-type: none"> Delays to some planned capital works 	<ul style="list-style-type: none"> \$3.7m Capex increase from year 5 to year 8
Maintain financial capacity			
CO3	<ul style="list-style-type: none"> Review all CCO operating models in time for the 2027 LTP to ensure that Council is maximising the balance sheet benefit of the CCO model. 	<ul style="list-style-type: none"> No impact on services 	<ul style="list-style-type: none"> To be considered in 2027-37 LTP
Work within tight operating budgets			
CO4	<ul style="list-style-type: none"> No operating grant changes for CCOs over the first three years of the LTP 	<ul style="list-style-type: none"> CCOs and Council's operating grant review has identified that current grant levels are inadequate to support CCO operations, particularly for the Zoo. Will lead to some change to operations in order to manage cost pressures 	<ul style="list-style-type: none"> No change to baseline (avoidance of cost pressure)
CO5	<ul style="list-style-type: none"> Direction to CCOs to pursue alternative revenue opportunities in the 2024 Letters of Expectations 	<ul style="list-style-type: none"> May result in changes to level of admission charging for facilities 	<ul style="list-style-type: none"> No change to baseline (avoidance of cost pressure)

Governance and Engagement

Purpose

- The Council's objective is to managing local elections, informing residents about the city and the issues or challenges it faces, listening to residents' views and making decisions in the best interests of Wellingtonians.
- We also operate the City Archives, where the public can access historic information about Wellington, and property information.

Services we provide

- Accurate and professional advice, research and administrative support to elected members and community boards
- Local body elections including organising, and encouraging all Wellingtonians to have their say on who will govern their city
- A contact centre and website providing 24/7 access to information and a place to log service faults
- Management of archival information in line with legislation
- Targeted services to access and use archival records, including the Building Consent Search Service
- Facilitating community engagement and consultation on key decisions facing the city, including facilitating input from Council advisory groups
- Setting strategies, policies and bylaws, carrying out planning and budgeting and reporting our performance
- Providing insights, data and analysis to engage the City on the challenge of climate action
- Supporting communities to plan for climate change impacts

Overall approach

Our governance work includes all of the activities that support Council decision-making and ensure we are accountable to the people of Wellington. This includes: running local elections; holding meetings; informing residents about the city and our work; and seeking input from residents and engaging them in our decision-making. These functions will remain status quo as it is a statutory requirement. The Wellington City Archives services continues to hold physical and digitised records including providing building permits, consents and other property information to the community when requested.

While most core services remain unchanged, we are seeking some minor cost savings through ceasing a service in Archives and reduction on action area in our climate change strategy (reprioritising the focus on core mitigation activities and adaptation planning and engagement). Although city services will remain unaffected, the future of Archives building will need to be discussed and decided on the next steps.

Risks with this approach

There are a number of risks associated with the overall approach outlined above and detailed below. This includes:

- Dissatisfaction with Council's level of effort in supporting the city to respond to climate change and not reaching the city's emission target by 2030.
- Dissatisfaction from community groups that are expecting their archival material to be made publicly available.

More detailed risk analysis will be undertaken once options are agreed in principle to go to the next stage – draft budgeting.

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Complete works underway			
GE1	<ul style="list-style-type: none"> Continue with the digitisation project (City Archives <u>but not</u> Community Archives) 	<ul style="list-style-type: none"> Ongoing digitisation to make high-use records digitally available for public access. Stop accepting Community Archives, no real service impact from existing Community Archives service delivery, other than no longer providing an appropriate place to store them. 	<ul style="list-style-type: none"> \$13.32M Capex (\$8.52m over years 1 – 2, & \$0.6m for each following year) No impact on Opex
Deliver what is legislatively required or contracted			
GE2	<ul style="list-style-type: none"> Future of Archives building will be included within the Corporate Accommodation paper scheduled to be discussed with Council late November 2023. 	<ul style="list-style-type: none"> Will be discussed in the Corporate Accommodation paper. 	<ul style="list-style-type: none"> Will be discussed in the Corporate Accommodation paper.
Work within tight operating budgets			
GE3	<ul style="list-style-type: none"> Reprioritisation of Te Atakura actions and funding to enable both mitigation and adaptation actions. 	<ul style="list-style-type: none"> Increase in adaptation activity (increased focus on technical assessments, planning, and advocating and development of 1-2 local community adaptation plans by end FY27). Removal of some mitigation initiatives e.g. Home Energy Saver, business support initiatives 	<ul style="list-style-type: none"> No change to baseline, further costs for adaptation will need to be included in future LTPs.

Transport

Purpose

- The Council's objective is to provide an efficient and connected transport network that gives our people safe low carbon choices about how to get where they need to go which is critical to meeting the cities Te Atakura targets, the city's economy and Wellingtonians quality of life.
- Council adopted the Sustainable Transport Hierarchy together with Te Atakura, which places walking, cycling and public transport as the top of the transport hierarchy for the city. To implement this and reduce our carbon emissions, the city's transport programmes and projects focus on system change to enable active and public transport solutions through investment in new infrastructure and our rolling maintenance and renewals programmes

Services we provide

- Planning, delivering, maintaining and operating our transport system
- Operating and maintaining our existing transport network, which is made up of 970 kilometres of footpaths and access ways, 40 km of bike lanes, bus priority lanes, 700 kilometres of roads, and 2 kilometres of bridges and tunnels, and which enables Wellingtonians, workers from the wider region and visitors to move around the city every day
- Supporting the city's public transport network by providing space for the network to run efficiently and encouraging people to use it
- Enhancing the attractiveness of walking or cycling around the city, through urban design, new infrastructure and promotion of active transport
- Ensuring our transport network is safe for all users by making ongoing improvements and educating and promoting safe behaviours
- Supporting Wellington Cable Car Limited – a CCO that owns, operates and maintains the Cable Car and associated track, plant, tunnels, bridges and buildings

Overall approach

The transport activity aims to create a more liveable city by enhancing accessibility and easing commuting needs through an effective transport network for the community. The network includes vehicles lanes, footpaths and cycleways. The activity also provides services to maintain structures such as tunnels and seawalls, to keep the network safe.

The overall approach includes significant continued investment in Wellington's transport network as changing Wellington's transport network remains a focus on Council activity and spending over the next ten years. This includes continued delivery of the city wide Paneke Pōneke bike network, and increasing investment in improving the resilience of the network through retaining wall and structure strengthening. Investment in the LGWM programme is also included with Golden Mile and City streets projects that will improve connections for people on buses, bikes or walking in the Central City and on key routes between the central city and suburban centres. Transformational investment in Mass Rapid Transport is also provisioned for in the latter years of this LTP, decision making on this will happen in 2024/25 once the detailed business case on the project is completed.

Risks with this approach

There are some areas of prioritisation in planned capital spending compared with the 2021 Long-term Plan to phase out other upgrade and renewal spending to manage the tighter financial settings of this LTP. There are a number of risks associated with this approach. This includes:

- Cost escalations associated with any capital investments we make
- Quality and conditions of the network would deteriorate faster, which may escalate cost
- Networks may be unable to support / meet the growth of the city
- Risk to scale of uptake of cycling may be compromised through lower level of separation of bike lanes from road.
- Risks to community reputation through reduced level of investment in bike network and safety upgrades.

More detailed risk analysis will be undertaken once options are agreed in principle to go to the next stage – draft budgeting.

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Complete works underway			
T1	<ul style="list-style-type: none"> Thorndon Quay and Hutt Road, Golden Mile works and other existing committed projects, such as stage 1 of Evans Bay cycle way continue. 	<ul style="list-style-type: none"> Upgrades delivered as planned 	<ul style="list-style-type: none"> Currently no known or anticipated increase for any of these projects from 2023/24 base.
Deliver what is legislatively required or contracted			
T2	<ul style="list-style-type: none"> Deliver investments required in respect to legislation and health and safety. This includes continued replacement of streetlamps at current planned pace 	<ul style="list-style-type: none"> Upgrades delivered as planned 	<ul style="list-style-type: none"> No change to baselines
Review Levels of Service and Role			
	Bike Network:		
T3	<ul style="list-style-type: none"> Progressing the full scope of the programme building on the approach taken to deliver the transitional cycleways. This delivers a full network at the same planned pace and with an increased quality of materials (compared to the transitional projects) but will see a reduction in the level of envisioned civil works that would have been needed for the long term street transformations - likely to deliver the network at around 85% of costs. 	<ul style="list-style-type: none"> Full roll out of network. Lower level of grade separation of bike and vehicle lanes Less use of temporary and changeable solutions Reduction in significant road width changes to allow for introduction of bike lanes. More permanent removal of on-street parking to provide space dedicated for active and public transport modes. Increased pedestrian and bus improvements implemented together with bike lanes. 	<ul style="list-style-type: none"> The LTP 21-31 approved \$226m (for 76km) for cycleways. Nearly 3 years on the remaining budget is \$147m dollars. When inflationary indexation is applied this amounts to \$191m in 2023 dollars. This proposal involves a \$81m reduction to this figure down to \$110m, but delivers the whole 111km network as per the adopted Pāneke Pōneke strategy.
Rescope or rephase			
T4	<ul style="list-style-type: none"> Review of the timing and need for currently budgeted Port and Ferry access upgrade budget allowance based on revised understanding of timing requirements and review of if WCC versus central government/KiwiRail should be funder of works. 	<ul style="list-style-type: none"> No impact to the community in the short to medium term, but potential to have an impact in the long term if current evaluations of iRex designs prove to be incorrect. 	<ul style="list-style-type: none"> Reduction in budgets to nil due to current placeholder amounts being stripped out. \$11.8m Capex reduction from year 1 to year 3.
Work within tight operating budgets			

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
	Manage necessary renewal spending by maximising asset utilisation (sweating assets), accepting underperformance in certain areas for an extended period, and prioritising critical safety and resilience needs. This could include:		
T5	<ul style="list-style-type: none"> Defer road surface renewals – last year we completed 55 km – we could reduce this to 40km per year and do more chipseal than Asphalt 	<ul style="list-style-type: none"> Amenity and condition of road corridor will deteriorate over time, higher risk of increasing maintenance spend over time to deal with resulting potholes. 	<ul style="list-style-type: none"> \$26m Capex reduction over 10 years, remaining budget \$73.9m Increasing Opex activities to cover off response to potholes of \$500k per year. Loss of income from Waka Kotahi subsidy of \$13m
T6	<ul style="list-style-type: none"> Increase upgrades of retaining walls to improve resilience - 	<ul style="list-style-type: none"> Improved network resilience 	<ul style="list-style-type: none"> Additional \$48m capex increasing budget to \$92.4m over ten years Increased revenue from Waka Kotahi of \$24m
T7	<ul style="list-style-type: none"> Reduce Footpath upgrades (existing footpaths) 	<ul style="list-style-type: none"> Current condition of footpaths is good, so little risk in short to medium term but trip hazards could emerge over the long term (~4 years plus) 	<ul style="list-style-type: none"> \$13 m capex saving over ten years reducing budget to \$37.9m Loss of income from Waka Kotahi subsidy of \$7m
T8	<ul style="list-style-type: none"> Reduce Investment on Walking Network upgrades 	<ul style="list-style-type: none"> No change to current service 	<ul style="list-style-type: none"> \$33 m capex saving reducing the budget to 9.2m over ten years Loss of income from Waka Kotahi subsidy of \$17m
Build capacity for the future			
T9	<ul style="list-style-type: none"> Kiwi Point Quarry capital works budget to be retained as will deliver an ongoing a source of revenue. 	<ul style="list-style-type: none"> Extension of the life of Kiwi Point Quarry through opening of the south face. 	<ul style="list-style-type: none"> No change to baseline capital budget as already allowed Additional revenue of \$1.0m in year one, increasing to \$10m p/a by year 4: with total new revenue estimated at \$79.0m over 10 years as not currently accounted for in current baseline.

Parking

Purpose

- Council manages on-street parking and enforcement services across both the city and surrounding suburbs that allow people to have reasonable access to primarily on-street parking to shop, access businesses and access recreation activities in line with the objectives the 2020 Parking Policy.

Services we provide

- Enforcement of metered public parking spaces in central Wellington and other forms of parking primarily located in the central city including Taxi Stands Loading Zones, mobility parking, bus stops and other designated parking areas.
- Monitor and enforce parking restrictions (including residents and coupon parking zones) in the inner-city suburbs
- Monitor and enforce parking restrictions in all suburbs and respond to parking related requests for service from the public
- Manage off-street parking where available, including by operating the Clifton Terrace carpark and off-street parks in the Century City Parking building
- Support events that take place across the city through the provision of dedicated parking enforcement.
- Electric vehicle chargers on Council-owned land
- Supporting the roll-out car sharing services (currently Mevo and CityHop)

Overall approach

Our parking activity provides parking services and facilities for the community to make accessing the city and suburbs easy and safe. It is also one of Council's revenue streams. Our overall approach a part of the 2024 -34 LTP is to continue provide and manage parking services, and enforcement within the city, including implementing the 19 Parking Management Plans which are currently being developed.

While most core services remain unchanged, some changes are proposed in how we deliver these services. This includes introducing new technology to enhance the parking service experience and enforcement, it also includes an increased level of Parking enforcement activity in suburban centres as well as the central city. We have also presented options aiming to maintain available parking for the public while other projects that affect road and parking layouts are in progress. This aligns with the Te Atakura strategy seeks to reduce carbon emissions in the city, resulting in fewer cars within the city.

Risks with this approach

There are a number of risks associated with the overall approach outlined above and detailed below. This includes:

- Satisfaction type measures for parking are likely to be negatively impacted in the coming years through the reducing availability of parking.
- Removing on-street parking space will lead a reduction of revenue to the Council.
- Continuous trend of low-level satisfaction with the fairness of enforcement action

More detailed risk analysis will be undertaken once options are agreed in principle to go to the next stage – draft budgeting.

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Complete works underway			
P1	<ul style="list-style-type: none"> Roll-out of New Pay-by Plate parking Meters – due to go live early January 2024 	<ul style="list-style-type: none"> Improved parking service experience 	<ul style="list-style-type: none"> No change to baseline
P2	<ul style="list-style-type: none"> Roll-out of a network of Static Cameras on key Bus Lanes – from February 2024 	<ul style="list-style-type: none"> Improved level of bus lane enforcement 	<ul style="list-style-type: none"> No change to baseline
	<ul style="list-style-type: none"> Continue public EV charger roll out 	<ul style="list-style-type: none"> Increase in available public EV chargers 	<ul style="list-style-type: none"> No change to baseline
Investigate the following options for potential LTP consideration			
	Investigate the feasibility of the following options for consideration for inclusion in the LTP:		
P3	<ul style="list-style-type: none"> Introduce paid parking / time restrictions in key suburbs when current occupancy of car parks is consistently high, turnover is low and non-compliance with time restrictions is high 	<ul style="list-style-type: none"> Ensure that the parking in the suburbs meets the needs of each local community going forward and provide opportunity for people to find a park in a suburban centre when required. 	<ul style="list-style-type: none"> \$3.2m Capex increase for year 1. Changes could collectively result in additional \$5.5m p.a. revenue Work will be undertaken to confirm additional revenue from the recommended options as part of the ongoing development of the LTP.
P4	<ul style="list-style-type: none"> Provide more off-street parking options in the central city through the acquisition of additional off-street parking assets 	<ul style="list-style-type: none"> Increased level of Council owned off-street carparking 	
P5	<ul style="list-style-type: none"> Options to replace existing coupon parking areas with paid parking with significantly increased time restrictions 	<ul style="list-style-type: none"> Less long-period parking 	
P6	<ul style="list-style-type: none"> Options around applying a rate hourly rate of \$5 across the city – so removing the existing \$3 and \$4 options 	<ul style="list-style-type: none"> Increased parking charges 	
P7	<ul style="list-style-type: none"> Implement Demand Based Pricing (Current expectation is the 2027/28 financial year) once occupancy is at a level that warrants it 	<ul style="list-style-type: none"> Change to parking charges 	
P8	<ul style="list-style-type: none"> Ensure that sports and recreational carparks as well as motorcycle parking areas are time restricted and potentially charged 	<ul style="list-style-type: none"> Increased enforcement and charging to ensure turnover and ensure that these parking areas are being used for the purpose that they are provided for 	

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
P9	<ul style="list-style-type: none"> Complete developing 19 Parking Management plans 	<ul style="list-style-type: none"> Help to progress the implementation of the Council's 2020 Parking Policy (supporting reduced reliance on the private vehicle in favour of other transport options) 	
P10	<ul style="list-style-type: none"> Investigate options for taking enforcement action against private parking areas where the relevant land use consent has lapsed or has been cancelled 	<ul style="list-style-type: none"> If progressed, increased level of enforcement 	

Urban Planning

Purpose

- Wellington with its combination of compact urban form, heritage buildings, public art, capital city status and other features give the city a unique look and feel. With a growing population there are demands placed on our urban planning, heritage and public spaces development. Our work aims to ensure this growth happens in ways that make efficient use of land and transport and doesn't compromise the qualities that make Wellington special.

Services we provide

- Carrying out urban planning and urban regeneration work to guide how the city will grow over time
- Reviewing the District Plan to ensure the city grows in line with our agreed plans
- Ensuring infrastructure is in place to provide for current and future housing and business demand
- Maintaining Wellingtonians' sense of place and pride by embracing the city's heritage and public spaces, including the waterfront
- Conserving the city's heritage for future generations by assisting building owners to strengthen at-risk heritage buildings and storytelling of Wellington's cultural heritage in new developments.
- Ensuring Wellingtonians have sustainable choices to move around our city as well as an attractive and well-functioning mixed neighbourhoods to live, work and recreate in.

Overall approach

Urban Planning is a crucial activity group responsible for designing the suburban and city's appearance and optimising space utilisation to meet community needs and accommodate growth. Our overall approach as part of the 2024 -34 LTP is to continue making investments that shape the city to meet the continuous growing population. We will continue to deliver core statutory spatial and urban planning activities as well as delivering the Te Kāinga affordable rental programme, reaching up to 1,000 properties available to the medium to lower income earners. The 2024 LTP proposals also include significant planned investment in public space development through key LGWM projects of Golden Mile and Mass Rapid Transport from the city centre to Island Bay. These projects will include significant public realm investment along these corridors in the central city and to the south.

To deal with the cost pressures facing the Council and the community, we will need to look at how we can deliver our services more efficiently for Urban Development. This means we need to operate within the already tight budget for some of the services we provide. This includes prioritising our capital programmes to focus urban development works within existing planned project delivery and holding off other public space upgrades for an extended period of time.

Risks with this approach

There are a number of risks associated with the overall approach outlined above and detailed below. This includes:

- Cost escalations associated with any capital investments we make
- The 'Green Network Plan' will need to be delivered through leveraging existing projects and programmes rather than having new dedicated spending to progress, meaning likely delay in achieving full intent of the plan.
- Community dissatisfaction as public space investment focuses on central city and key transport corridors.
- There is also uncertainty on the LGWM programme's major urban planning projects due to new Government.

More detailed risk analysis will be undertaken once options are agreed in principle to go to the next stage – draft budgeting.

Proposed level of service changes

Reference	Proposal	Service impact (what does this mean for the community)	Financial impact (level of reduction or increase from 2023/24 base)
Complete works underway			
UP1	<ul style="list-style-type: none"> Complete current projects underway, this includes Frederick Street Park and urban design requirements in relation to Golden Mile works (comes with it significant public space upgrades through the CBD). 	<ul style="list-style-type: none"> Opening of Frederick Street Park Significant public space development through Golden Mile and MRT corridor delivery 	<ul style="list-style-type: none"> No change to baseline
UP2	<ul style="list-style-type: none"> Continued delivery of Te Kainga programme and targets 	<ul style="list-style-type: none"> Continued delivery of Te Kainga programme and targets 	<ul style="list-style-type: none"> No change to baseline
Work within tight operating budgets			
UP3	<ul style="list-style-type: none"> Progress urban development works within existing planned project delivery, particularly through Golden Mile and other LGWM projects. Deferral of other public space upgrades, accepting ongoing levels of service for an extended period of time. 	<ul style="list-style-type: none"> Minimal other upgrades to public space for 10 years. Suburban centres wait extended period-progressive degradation of amenity of public spaces Impacts on city vibrancy, no additional public space improvements to support city safety priorities. 	<ul style="list-style-type: none"> \$2.58m Capex reduction over 10 years Te Aro Park Capex will be deferred from year 1 and spread across year 2 and 3.
UP4	<ul style="list-style-type: none"> Progressing an urban greening programme in the Central City to commence delivery of the Green Network Plan 	<ul style="list-style-type: none"> Commences delivery of the green network plan 	<ul style="list-style-type: none"> \$4.2m additional funding over ten years
UP5	<ul style="list-style-type: none"> Rescope the criteria of the Environmental and Accessibility Performance Fund toward a Climate Resilience and Accessibility. 	<ul style="list-style-type: none"> Rescope the criteria of the fund to better achieve climate resilience and accessibility outcomes in the city. Once the Accessibility Strategy is complete, a portion of this fund could be used to implement some of its priorities. 	<ul style="list-style-type: none"> No change to baseline funding levels, but broader criteria will allow for greater uptake across a broader range of Council priorities.
UP6	<ul style="list-style-type: none"> Establishment of an urban design panel in response to Environment and Infrastructure committee resolution requesting advice on how to implement a Panel. 	<ul style="list-style-type: none"> Urban design panel established and operationalised to support densification and new district plan. 	<ul style="list-style-type: none"> Increase in funding required to establish and operate Urban Design panel. \$0.24m Opex (years 1-3) 100% funded option. Could also consider options where panel is partially user pays.

2024 Long-term Plan: Overview

Vision and priorities

The 2024 Long-term Plan is guided by a new vision and priorities

Vision

Pōneke – the creative capital where people and nature thrive.

Priorities

- » Transform our transport system to move more people with fewer vehicles
- » Fix our water infrastructure and improve our waterways
- » Increase access to good, affordable housing to improve the wellbeing of our communities
- » Transform our waste system to enable a circular economy
- » Nurture and grow our arts sector
- » Celebrate and make visible te ao Māori across our city
- » Collaborate with our communities to mitigate and adapt to climate change
- » Revitalise the city centre and suburbs to support a thriving and resilient economy and support job growth
- » Invest in sustainable, connected, and accessible community and recreation facilities

These priorities were developed in partnership with the community over a period of months earlier in 2023.

We will continue to invest strongly in the city

Transform the city

We will spend circa \$3.5 billion of capital costs over ten years (around \$350m per year) to make improvements and transform the city. This includes:

- » Continue to invest in Three Waters
- » Continue to transform our transport system to support more people moving with fewer vehicles
- » Earthquake strengthen our buildings to support the community. This includes the Town Hall and Te Matapihi
- » Revitalise the Courtenay Place precinct and the CBD to increase safety and vibrancy
- » Transform our waste system, including completing the new sludge minimisation facility
- » Reduce our city emissions and adapt to climate change
- » Improve our community facilities and housing facilities.

400 different services

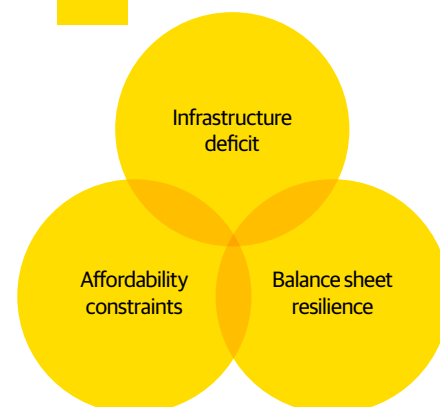
We will also continue to look after 400 different services that Wellingtonians rely on and enjoy every single day.

Everything from libraries, swimming pools, recreation centres and sports fields, through to festivals, footpaths and our many regulatory services. This costs circa \$800m a year in operating costs.

The challenge

We have significant infrastructure challenges which need investment, and we need to invest in facilities and infrastructure to meet community demand and support projected growth in population. The inflationary pressures we face at the moment means the cost of delivering our services and investing in the future has increased significantly.

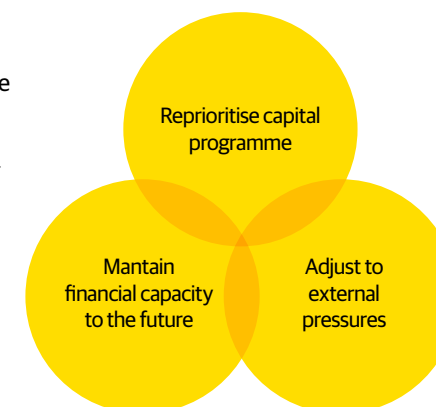
These same external inflationary pressures means community ability to pay these increasing costs is becoming more difficult. We have to be financially prudent and operate within sensible budget parameters, and this means we have to make choices about when and where we invest as part of this Long-term Plan.



The way we will deal with this challenge

At its simplest we:

1. Need to continue to invest in the city, but rephase and reprioritise our capital programme of works over a longer period of time. At the moment we have too much programmed in the early years of the Long-term Plan and this needs to be spread more evenly over the 10-year plan.
2. Make efficiencies and some reductions in levels of service to manage immediate cost pressures so we have capacity for the future.
3. Make better use of our investments so they deal with our risks and external costs pressures more effectively.



Overall approach

Reprioritise and rephase capital programme

- » **Complete works underway**
Examples include things like the Town Hall, Te Matapihi, parking enforcement technology roll-out, Thorndon Quay and Hutt Road improvements.
- » **Deliver what is legislatively/contractually required**
Examples include HUP 2, multi year contracts, earthquake strengthening, health and safety aspects of work.
- » **Infrastructure deficit/challenge**
Invest in areas where there are material infrastructure challenges eg Three Waters.
- » **Reprioritise and rephase**
Rephase, reprioritise and rescope the remainder of the capital works programme so that it is evenly distributed over the ten years of the plan and fits within the available debt ceiling.

Maintain financial capacity for the future

- » **Investment portfolio**
Explore whether the current investment portfolio can be better utilised and targeted towards dealing with the city’s natural hazard risks and insurance costs pressures. This could be through the development of a new resilience fund.
- » **Renewals** – update renewal programme to reflect better asset data that has been developed.
- » **Revenue** – increase revenue/explore alternative funding sources where appropriate.
- » **Levels of service** – make adjustments to levels of service over time.

Adjust to external pressures

- » **Pause and reset**
A number of venues are earthquake prone (Opera House, the MFC, and the Bond Store (Wellington Museum). Decisions on these venues will be made as part of the 2027 Long-term Plan.
- » **Integrated delivery**
Ensure there is better integration and trade-offs between existing work programmes to drive efficiencies. Examples include: corridor investment alignment – ensure better integration between footpaths, bus priority and cycleways investment programmes in the future to encourage mode shift.
- » **Work within tight budget parameters**
This means operating within set inflation envelopes for key areas, requiring business units and some CCOs to take a more commercial approach/secure external funding to improving baseline funding position.

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The budget we plan to work within

Rates, debt and capital programme

Rates
It is too early to determine what the rates will be for the 2024–34 Long term Plan. What we are working towards is a rates rise (after growth in the ratepayer base) on average across the ten years of between **5 and 8 percent**.
This will be very challenging in the current economic climate and with all the funding challenges that Council has. Based on current planning assumptions it is likely that higher than the average rates increases will be required in the first few years.
That will require some choices to be made and the ideas being considered on 9 November will be a step towards getting closer to this average. It is important to note that the ideas are draft and final decisions will only ever be made after the community has had an opportunity to have their say.

Debt
Our current debt to revenue ratio is set at **225%**. This includes \$272m of insurance headroom. This amount has not been drawn down as debt but is “earmarked” in case the Council needs to respond to a significant event. We are developing a draft capital works programme to fit within the ratio limits. We have the capacity to make significant investment – **at least \$3.5 billion over the ten years** – in the city.

Timeline

Council has undertaken community engagement leading into the development of this approach.

2023						2024					
April	September	November	December	March	April	April	September	November	December	March	April
» Community Outcomes	» Rating Policy Review	» Key decisions on levels of service	» Draft Budget	» Finalisation Draft Consultation Document and Budget	» Formal Community Consultation						
» Long Term Priorities	» Citizens’ Assembly										

BALANCE SHEET REVIEW

Kōrero taunaki | Summary of considerations

Purpose

1. This report discusses the risks associated with existing Council-owned income-generating assets and recommends consulting on diversifying the portfolio to reduce risk, including insurance risk, and better align investment with Council's strategic objectives.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

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

Relevant Previous decisions

The Pūroro Tahua - Finance and Performance Committee considered balance sheet rationalisation at its 21 October 2021 meeting. The Committee did not agree to consult with the public on the sale of Council's 34% holding in Wellington International Airport Limited. Further it noted the ground lease portfolio provides a source of long-term, secure, and relatively predictable income and opportunities to influence city-shaping outcomes so it agreed not to proceed with the sale of any of its interests in ground leases except where: a. the lease is a significant impediment to planned development that aligns with Council's objectives and policies; and b. there are significant advantages, which would accrue to Wellington from the sale; and c. the sale will not materially impact the integrity of the ground lease portfolio, unless there is a compelling opportunity to leverage wider outcomes for the city.

Significance

The decision is **rated high significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy. While the scope of this decision is only to set the preferred options that will be drafted into the 2024-34 long-term plan consultation document, as WIAL is a strategic asset under section 5 of the Local Government Act 2002, this decision is likely to generate a high level of interest and will ultimately have a significant impact on Council's financial capacity and capability.

Financial considerations

**KŌRAU TŌTŌPŪ | LONG-TERM PLAN,
FINANCE, AND PERFORMANCE
COMMITTEE
9 NOVEMBER 2023**

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☒ Nil

☐ Budgetary provision in Annual Plan / Long-term Plan

☐ Unbudgeted \$X

Risk

☐ Low

☒ Medium

☐ High

☐ Extreme

Authors	Raina Kereama, Manager Financial Planning and Policy Sarah Houston-Eastergaard, Treasurer
Authoriser	Andrea Reeves, Chief Financial Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

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

1. Receive the information.
2. **Note** that the Council commissioned a review of the balance sheet constraints being experienced by the Council which recommended immediate action to mitigate the constraints. The recommendations for action included:
 - a. Reviewing non-rates revenue, service levels & capex phasing or prioritisation;
 - b. Considering rationalising the WCC investment portfolio; and
 - c. Reviewing insurance & internal covenant settings.
3. **Note** that a review of non-rates revenue, service levels and capital phasing or prioritisation is being considered as part of the preparation of the 2024-34 Long-term plan budgets, with the intent of managing rates affordability; managing the impact of increasing operating costs, such as interest, insurance and depreciation; and keeping debt at prudent and affordable levels.
4. **Note** that through the Balance sheet review risks associated with the Council's current investment portfolio were raised, including:
 - a. The lack of diversification;
 - b. Geographic concentration exposing the investments to the same risks and economic cycles as all other Council assets;
 - c. Exposure to climate change and natural hazards;
 - d. Relatively illiquid and undiversified portfolio; and
 - e. Poor alignment in some cases with the Council's strategic objectives.
5. **Note** that through the Balance sheet review, risks associated with the Council's ability to insure its assets were highlighted including:
 - a. The insurance market is reducing its exposure to Wellington, causing difficulties in obtaining coverage;
 - b. Building and infrastructure revaluations have increased the cost to replace assets, increasing premiums;
 - c. The release of the new National Seismic Hazard Model has further increased the Probable Maximum Loss from a major event for many of the Council's assets; and
 - d. Recent weather events across New Zealand have highlighted the reality of climate issues and increased the implied risk to New Zealand cities and their residents, this is playing out in increased premiums.
6. **Agree**, as part of the 2024-34 Long-term plan consultation, to consult with the public, with Council's preferred option being the establishment of a perpetual investment fund, initially funded through asset recycling, to:
 - a. Ensure sufficiently liquid funds are available to mitigate any losses or assist recovery from natural disasters;
 - b. Tailor holdings to reflect Council's risk tolerance;
 - c. Reduce geographic concentration of assets (meaning not all assets are subject to the same disaster risks);
 - d. Introduce new revenue sources;

-
- e. Better achieve social or environmental outcomes as the Council sets parameters for what the perpetual investment fund will invest in; and
 - f. Improve intergenerational wellbeing through the building of investment wealth and reduced reliance on future borrowing.
 7. **Agree** in order to provide capital to establish a perpetual investment fund, Council's preferred option (for consultation through the 2024-34 Long Term Plan) will be:
 - a. the sale of Council's 34% holding in Wellington International Airport Limited; and
 - b. the sale of some or all of Council's ground lease portfolio.
 8. **Agree** that the proposal for consultation specifies that the proceeds of any sale of WIAL shares and ground leases would not be used to paydown debt or fund operating expenses as these uses do not meet the Council's objectives in recommendation 6 above and may simply exacerbate long-term balance sheet issues.
 9. **Note** that the consultation document for the 2024-34 Long Term Plan will be drafted using these preferred options (together with an analysis of all of the reasonably practicable options), for approval by Council in early 2024.
 10. **Note** that other Councils have successfully established perpetual investment funds (e.g., New Plymouth District Council and Dunedin City Council) so the Council can be confident there are good precedents to follow.
 11. **Note** that, while the Council has recently considered the issue of sale of WIAL shares in 2021, the deterioration of the Council's insurance and wider balance sheet position since then necessitates reconsidering this issue.
 12. **Note** that if the Council does not decide to establish a perpetual investment fund, for the purposes set out in recommendation 6 above, then the risks identified in recommendations 4 and 5 above would remain and be accepted by the Council.
 13. **Note** that a detailed plan to undertake any possible sale and investment process would not take place until the Council has received and considered feedback as part of the 2024-34 long-term plan process.
 14. **Note** that in addition to the above sale and investment process, officers will propose a property acquisition and divestment policy to provide a framework for the future acquisition or disposal of Council property.

Whakarāpopoto | Executive Summary

15. In an environment of increasing affordability pressures and escalating costs, officers are developing its financial strategy as one of the key inputs of the 2024-34 Long-term Plan to be adopted by 30 June 2024.
16. One of the key challenges to cover in the Council's financial strategy is the need to manage its balance sheet resilience.
17. Council commissioned KPMG to undertake a review of its balance sheet and to provide options for addressing any constraints identified. This balance sheet picture has been building for some time and the Council has commissioned similar reviews on previous occasions which have made similar recommendations. With recent new information on the Council's insurance position and an increasingly constrained balance sheet, KPMG has identified similar challenges to previous reviews set out below and has recommended immediate action. The challenges are:
 - a. risks associated with the Council's current investment portfolio, including:
 - i. The lack of diversification;
 - ii. Geographic concentration exposing the investments to the same risks and economic cycles as all other Council assets;
 - iii. Exposure to climate change and natural hazards;
 - iv. Relatively illiquid and undiversified portfolio; and
 - v. Poor alignment in some cases with the Council's strategic objectives.
 - b. the Council's ability to insure its assets, including:
 - i. The insurance market is reducing its exposure to Wellington, causing difficulties in obtaining coverage;
 - ii. Building and infrastructure revaluations have increased the cost to replace assets, increasing premiums;
 - iii. The release of the new National Seismic Hazard Model has further increased the Probable Maximum Loss from a major event for many of the Council's assets; and
 - iv. Recent weather events across New Zealand have highlighted the reality of climate issues and increased the implied risk to New Zealand cities and their residents, this is playing out in increased premiums.
18. To mitigate these risks this report seeks approval to consult with the public with Council's preferred option being rationalising Council's investment assets focusing on the 34% shareholding in WIAL and some or all ground lease assets, with the proceeds from the sale of these assets being invested in a perpetual investment fund.
19. A perpetual investment fund would enable the Council to achieve comparable or better financial returns while:
 - a. Having funds available to be deployed at relatively short notice to mitigate any losses or assist recovery from natural disasters;
 - b. Tailor holdings to reflect the Council's risk tolerance;
 - c. Reduce geographic concentration of assets (meaning not all assets are subject to the same disaster risks and returns are decoupled from the performance of Wellington CBD);

-
- d. Introduce new revenue sources;
 - e. Better achieve social or environmental outcomes as the Council sets parameters for what the perpetual investment fund will invest in; and
 - f. Improving intergenerational wellbeing through the building of investment wealth and reduced reliance on future borrowing.
20. The Council has an intergenerational objective to protect and maintain long term gains in the real capital value of Council's investments for the benefit of future as well as current generations of ratepayers. The Local Government Act 2002 also requires Councils, in making decisions, to take into account the interests of future as well as current communities. In consulting on this proposal it will be explicit that proceeds from any sale of the Council's investment portfolio, including 34% holding in WIAL, would not be used to pay down debt or fund annual operating expenses.
21. Other Councils have successfully established perpetual investment funds like the one proposed, in particular New Plymouth District Council and Dunedin City Council. These funds have had real benefits for other local authorities which are discussed further in this paper and provides Council with confidence that a similar fund for Wellington will provide the desired outcomes and benefits under the appropriate investment structure.
22. In the medium to long-term and pending the development of Council's insurance roadmap, there may be an option to establish a captive insurance vehicle which would increase the Council's access to insurance while also generating returns through investment. A captive insurance vehicle is essentially a Council-owned primary insurance company/fund which then is reinsured through the international reinsurance market. This could ultimately facilitate improved coverage of some of Council's other risks, such as building consenting liability.
23. If the Committee resolves to proceed with the recommendations in this paper, the proposals will be prepared into consultation material and be consulted on as part of the 2024-34 Long-term plan. The Committee will have the opportunity to review the consultation material early next year prior to it being released for feedback as part of the 2023-34 long-term plan consultation document.

Takenga mai | Background

24. In January 2023 the Council commissioned KPMG to undertake a review of its balance sheet. The purpose of the review was to consider the balance sheet constraints being experienced by the Council and to identify options that could be explored further to mitigate these constraints.
25. As part of the first phase of its review, KPMG identified the following options available to the Council to mitigate the constraints it currently faces:
 - a. Review non-rates revenue, service levels and capital expenditure phasing or prioritisation.
 - b. Consider rationalising the Council investment portfolio.
 - c. Utilise Infrastructure Funding and Financing (IFF) to fund and finance infrastructure.
 - d. Review insurance and internal covenant settings.
26. Importantly, the review concluded that the challenges the Council faces are serious, but manageable, subject to taking immediate steps to address. In particular, the changing insurance picture means the Council now has a significantly underinsured portfolio which means the Council will have few choices in the event of a major disaster. This aspect of the review is the subject of this paper.
27. A review of non-rates revenue, service levels and capital phasing or prioritisation is being considered as part of the development of the 2024-34 long-term plan budgets. This is specifically looking at managing rates affordability, managing the impact of increasing operating costs, such as interest, insurance and depreciation; and keeping debt at prudent and affordable levels.
28. KPMG identified risks associated with the Council's current investment portfolio, including:
 - a. The lack of diversification;
 - b. Geographic concentration exposing the investments to the same risks and economic cycles as all other Council assets;
 - c. Exposure to climate change and natural hazards;
 - d. Relatively illiquid and undiversified portfolio; and
 - e. Poor alignment in some cases with the Council's strategic objectives.
29. This led to the conclusion by KPMG that there was an opportunity to reshape the Council's investment portfolio, through the recycling of current investment assets into a new fund.
30. The balance sheet review and other work completed by officers also recognise risks associated with the Council's ability to insure its assets, including:
 - a. The insurance market is reducing its exposure to Wellington, causing difficulties in obtaining coverage - while we will continue to make every effort to maintain our traditional insurance coverage, we need to prepare for the likelihood that this will continue to get harder and more expensive to purchase;
 - b. Building and infrastructure revaluations have increased the cost to replace assets, increasing premiums - a significant capital programme that continues to add to

our asset base will exacerbate this, further pointing to the need for alternative risk management tools;

- c. The release of the new National Seismic Hazard Model has further increased the Probable Maximum Loss from a major event for many of the Council's assets; and
- d. Recent weather events across New Zealand have highlighted the reality of climate issues and increased the implied risk to New Zealand cities and their residents, this is playing out in increased premiums.

31. Council officers requested that KPMG, as part of the second phase of the balance sheet review, consider the Council's investment portfolio to determine whether it remained fit-for-purpose given the Council's strategic objectives and current financial position, and the need to manage to better manage risk, in particular Council's insurance risk. The review focused on:

- a. Investment properties, which are properties primarily held to earn lease revenue and/or generate capital growth, consists of ground leases and other land and buildings; and
- b. Investment in associates and joint ventures, which includes Chaffers Marina and Wellington International Airport Limited (WIAL). In addition to the above, WCC has a range of operating assets and controlled entities, which were not considered in this assessment.

32. KPMG concluded that the shareholding in WIAL and the portfolio of ground leases provide the strongest opportunities for recycling of capital, in particular for sale and reinvestment into a perpetual investment fund. They concluded that divesting WIAL shares and ground leases would allow the Council to utilise proceeds to:

- a. target higher returns through an alternative investment vehicle,
- b. increase the diversity of the current investment portfolio,
- c. reduce geographic concentration, exposing the investments to the same risks and economic cycles as all other Council assets, which will be beneficial to Wellington in the event of a natural disaster.

33. Council's investment portfolio has developed due to historical reasons as follows:

- a. Wellington Airport dates from 1928, with WIAL established in 1990 with 66% Crown ownership (sold to Infratil in 1997) and 34% Council ownership.
- b. Ground leases that date from the 19th century, with land reclaimed from the Harbour foreshore (Wellington Reclaimed Land Act 1871).

34. The Council has taken a largely passive approach to date on the management of these holdings. The establishment of a fund through the proceeds of sale of these assets creates the ability for the Council to be a much more active future asset manager through the recycling of assets over time.

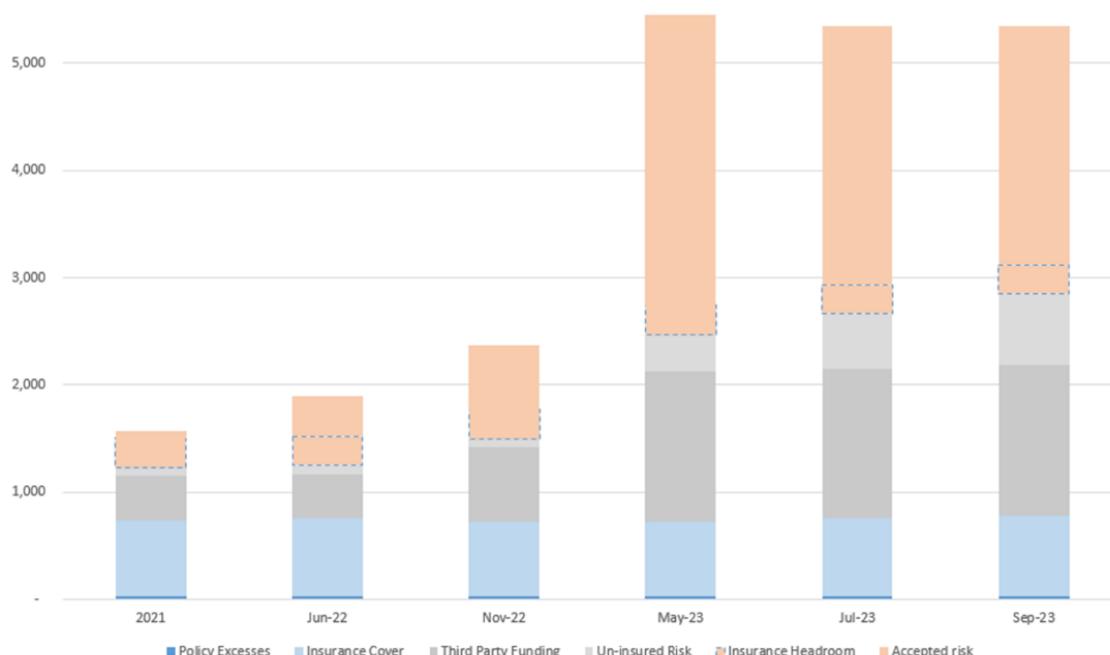
35. The review did not consider wider community assets (e.g., libraries, community facilities, venues, social housing etc) for potential asset recycling and officers have not considered this further. However, this is an area that could be considered, should the Council wish to do so.

36. The review also recommended further future use of the IFF as a tool to enable the Council to undertake investment in new capital assets off balance sheet. Council has utilised the IFF to fund the Sludge treatment plant at Moa Point. At this point further infrastructure to fund via the IFF has not been identified but it remains an important balance sheet management tool which should be utilised further when suitable opportunities present.

Kōrerorero | Discussion

Insurance – Council's risk

37. Wellington's insurance risk has always been defined by its location – situated in a seismically active location at/near sea level, largely on reclaimed land susceptible to natural perils. It is now assumed to be highly exposed to the impacts of climate change.
38. Due to Wellington's risk profile, the Council has always had to have an active approach to insurance management and the Council has been, and continues to be, successful in maintaining appropriate levels of insurance coverage even as international markets have changed over time in response to New Zealand insurance events.
39. Council's 2015 Insurance and Risk Management Strategy was noted by the Local Government sector as good collateral for solving the insurance constraints of the time. Through that strategy, Council identified tools for better insurance management, including lifting deductible levels, consolidating assets within group policies to align with the appetite of the insurance market, holding a small insurance reserve to 'self insure' against small claims, working directly with London markets rather than relying on expensive and restrictive offerings from New Zealand based insurers. These actions put the Council in a good position when insurance prices began to rise.
40. In 2021 Council included notional insurance headroom within its debt headroom, reserving capacity against the large and growing risk facing the city. This was consulted on and approved through the 2021-31 Long-term plan process.
41. Understanding of insurance risk has continued to develop overtime. Recently released updates in GNS modelling in 2022 has had major implications for the Council's insurance risk [NSHM - National Seismic Hazard Model - GNS Science | Te Pū Ao](#).
42. The release of this model resulted in an almost doubling of the risk associated to the Wellington area leading insurers to rework their models to include these risks. As a result, the ability to obtain insurance for Council's assets is challenging and where insurance can be obtained it is significantly more expensive. This trend is expected to continue.
43. During the last two years the Council has experienced a 68% increase in the cost of insurance premiums for a decreasing proportion of insurance cover of its assets.
44. The chart below demonstrates how the assumed insurance risk has evolved since the 2021-31 Long-Term Plan. At that time, Council had relatively good coverage for a 1-1000 year event through the combination of purchased insurance and dedicated debt headroom of \$272m, should there be a significant event that impacted the City.

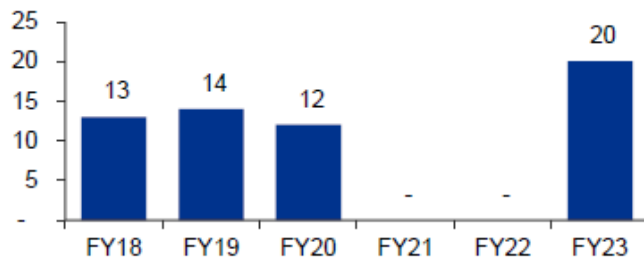


45. Council staff are currently working on a roadmap with its insurance partner, Aon, to continue to improve its insurance management. However, traditional insurance transfer and other minor adjustments to the insurance programme will no longer provide Council with the incremental benefits of previous years to give comfort that we have “enough insurance”. The work with Aon is leading to similar conclusions the KPMG review that new investment and risk management tools will be needed in the foreseeable future.
46. In the event of a disaster, the Council will need access to capital. This could include bank facilities, investment funds and investment income. While there is some capacity for the Council to borrow, it does not have sufficient other liquid funds available. As the Council continues to pursue a significant capital programme, future debt or borrowing capacity is more limited. Council’s investment holdings are sizable but lack diversification and are relatively illiquid. In the event of a major disruption Council would be unable to release equity from these investments quickly, and the value of the assets could be significantly impaired. This applies to both the WIAL investment, and the ground lease portfolio.

Diversifying the Council’s investment portfolio

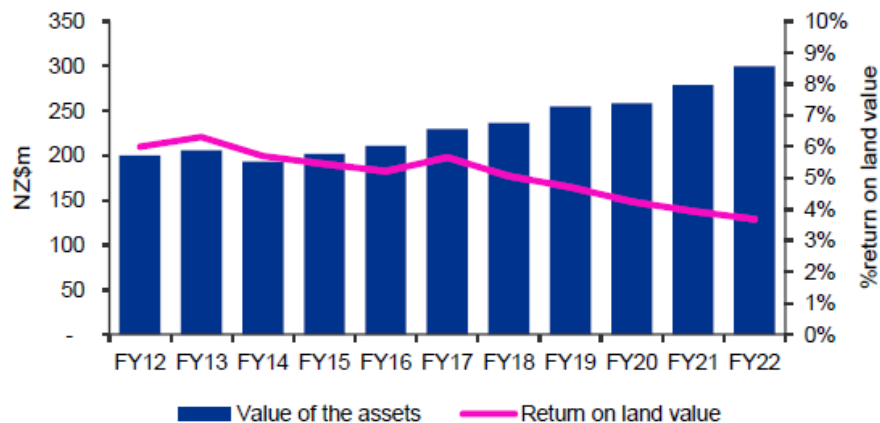
47. Council’s share in WIAL and its ground lease portfolio provide a return made up of capital gains (only realisable upon sale of the assets) and cash yields (in the form of rent or dividends). Cash yields play an important role in reducing ratepayer contributions required.
48. WIAL returns have been subdued in recent years, most notably during the Covid-19 period where no dividends were returned to Council. As a result, Council borrowed money to fund its activities, which would normally be funded through investment revenue.

Dividend income from WIAL (NZ\$m)



49. WIAL paid Council an average dividend of \$13.1m between FY10 and FY20. Dividends to Council from WIAL plateaued from 2016 despite EBITDA increasing by 23% over the same period. No dividend was paid in FY 2021, nor FY2022 with a strong rebound in FY2023 where Council received (unbudgeted) \$20.4m on the back of a stronger than expected airport performance in that year.
50. The Council is forecasting future dividends to be similar to pre-pandemic levels.
51. From 2020, up until 30 June 2022 WIAL's two shareholders agreed to jointly provide an equity underwrite to WIAL of up to \$75.76m. Council's share of this was \$25.76m - in line with its 34% shareholding. This was to ensure that funding could be quickly accessed by the airport and provided comfort to the airport and its lenders that the shareholders would support the company where necessary. This obligation was extinguished at the end of 30 June 2022. However, it is possible that another underwrite could be requested in the future in order for WIAL to proceed with their extension plans other than through debt.
52. Although stable, ground leases generate relatively low cash returns relative to their capital value or potential development value. Many of the leases are only reviewed every 21 years, which means while leases may generate good returns in the early stages of a 21 year cycle, they will often be underperforming from a cash return towards the end of the cycle.
53. Between FY12 and FY22 Council's return from the ground lease portfolio has reduced while the value of the land has increased.

Investment property return on land value



54. The ground lease portfolio has historically provided the Council with consistent lease revenues and balance sheet benefits from positive revaluations (\$214m in 2020 to \$246m in July 2023). Ground leases are relatively low-risk assets that have minimal carrying costs.

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55. The returns from WIAL and the ground lease portfolio are important revenue streams to the Council. However, the Council's current investment portfolio has effectively two assets. It is not well diversified and is highly exposed to situations like the Covid-19 pandemic. The investment portfolio could not be easily utilised in a disaster, such as a significant seismic event.
56. This is the primary reason why Officers are recommending Council consult with the community on its ongoing ownership in WIAL and some or all ground leases with a view to releasing funds to be invested into a perpetual investment fund.
57. A perpetual investment fund would enable the Council to achieve comparable financial returns while:
- a. Having funds available to be deployed at relatively short notice to mitigate any losses or assist recovery from natural disasters;
 - b. Tailor holdings to reflect the Council's risk tolerance;
 - c. Reduce geographic concentration of assets (meaning not all assets are subject to the same disaster risks and returns are decoupled from the performance of Wellington CBD);
 - d. Introduce new revenue sources;
 - e. Better achieve against social or environmental outcomes as determined by Council through the choice of investment objectives; and
 - f. Improve intergenerational wellbeing through the building of investment wealth and reduced future borrowing.
58. Under the Council's current investment and liability management policy, the proceeds of surplus funds (e.g., from asset sales) should be used to pay down debt or fund annual operating expenses. If Council, following consultation, did resolve to sell assets it would be important that proceeds from the sale of assets was reinvested in suitable funds rather than erode the value of assets held by the Council.
59. The Council has an intergenerational objective to protect and maintain long term gains in the real capital value of Council's investments for the benefit of future as well as current generations of ratepayers.
60. In consulting on this proposal it will be explicit that if the proposal proceeds surplus funds from any sale of the Council's investment portfolio, including 34% holding in WIAL, would not be used to pay down debt or fund annual operating expenses.

Examples of other Councils' approaches to investment

61. In 2019 Hawkes' Bay Regional Council sold 45% of Napier Port for \$234m and invested ~\$108m of this in to managed investment funds. The purpose of this was to increase investment diversification and liquidity.
62. In 2004, New Plymouth District Council sold its share in Powerco and used the proceeds to establish a Perpetual Investment Fund (PIF). The purpose was to spread their investments, reduce risk, and seek annual returns the same or higher than the dividends received from Powerco. The PIF was managed by Taranaki Investment Management Limited, a Council-Controlled Organisation. In 2017 the management of the PIF was fully

outsourced to Mercer (NZ) Limited. In 2023, Parliament passed a dedicated Act setting out the principles for managing the fund, while dictating safeguards to ensure that independent financial managers make best-practice investment decisions to maintain or increase the value of the fund. The total return of the portfolio for the past five years has averaged 7.9% per annum.

63. In 1995 Taupo Electricity Limited and Taupo Generation Limited were sold and the proceeds invested in the 'TEL Fund', which is now worth \$63.6m (as at 30 June 2022). The fund has improved Taupo District Council's (TDC) S&P credit rating thanks to the high level of liquidity that the fund offers. In the event of a natural disaster the TEL fund means that TDC can fund asset replacement without having to pay a significant insurance premium (though it is not set up as an insurance company).
64. In 1994 Thames Coromandel District Council (TCDC) created the Power New Zealand Reserve using proceeds from the sale of its Power NZ shares. In 2022 the fund was worth ~\$25.5m. The reserve is an asset that TCDC has a responsibility to maintain for the benefit of both current and future ratepayers.
65. The Council of the City of Gold Coast operates a wholly owned captive insurance company which was established for the cost-effective financing of selected Council risks. In 2002, insurance premiums and claims were costing the City millions of dollars each year, and some types of insurance cover could not be purchased. In late 2006, the Council authorised the CEO to establish and operate a captive insurance company domiciled in Guernsey. The City of Gold Coast has benefited from better risk management, better oversight of its risks, reduced premiums and better insurance cover. The captive insurance company has also delivered significant financial returns through its investments.
66. Auckland Council recently put aside a sum of \$20m in the form of a Self-Insurance Fund which was invested by an external provider with the aim to generating a fund to protect the Council from a natural disaster. It was set up with specific criteria for investment so that it would not be used for a general 'rainy day fund' with a Steering Group made up of Council officers and an independent broker. The fund had a formal charter outlining approved use of the fund, was audited and provided quarterly reporting to a relevant committee. This fund was not well established when the Auckland Anniversary floods and Cyclone Gabrielle struck early in 2022 and this fund was wiped out by those events due to its nature.
67. These examples demonstrate how various councils have treated this decision and demonstrate some of the options that might be available to Wellington City Council in deciding how to manage a similar opportunity should it become available from asset sales.

Wellington International Airport Limited ownership

68. The shareholding in WIAL is a strategic asset of Councils under section 5 of the Local Government Act 2002 (the Act). The Act requires that any decision that transfers ownership or control of a strategic asset to or from the Council must be explicitly provided for in the Long-term Plan and can only be consulted on in the Long-term Plan, in accordance with section 93E of the Act.
69. WCC's 34% share in WIAL was recorded at a book value of \$278m at the end of FY23; however, there is potential that the market value is higher.
70. Should the Council decide, post consultation to sell its equity share in WIAL, the most appropriate sales process would need to be determined. The first prudent step would be

to appoint an advisor to perform a strategic review of WCC's minority holding. This will provide WCC with clear guidance on what to expect during a divestment process, having regard to:

- a. Objectives - Does WCC have specific requirements of a process?
 - i. Confidentiality
 - ii. Maximising Value
 - iii. Specific Acquirer requirements given public interest in the Airport
- b. Timing - Is it the right time to sell?
 - i. Balance sheet capacity required
 - ii. Macroeconomic / industry / business readiness factors
 - iii. Shareholder agreement planned?
- c. Buyer indication - Who would be interested in purchasing?
 - i. Logical acquirers (e.g. industry/asset experience, meet WCC objectives, logical financial sponsors, iwi, other etc.)
 - ii. Appetite / capacity (recent M&A activity, financial capacity)

71. Council could determine to dispose of all or some of its WIAL shareholding. An analysis of each option is included below.

	Advantages	Disadvantages
Option 1: Retain 34% holding (not officer preferred option)	<ul style="list-style-type: none"> - Retain future dividend payments - Retain option to sell in the future 	<ul style="list-style-type: none"> - Relatively illiquid asset with significant risks relating to natural hazards, climate change, and pandemics - Council unable to realise opportunities from divesting and reinvesting proceeds from sale - Demands for further investment in WIAL to fund development
Option 2: Sell a portion of WIAL shareholding (not officer preferred option)	<ul style="list-style-type: none"> - Realising some funding to reinvest in a diversified investment portfolio - Council retains some control over WIAL - Council continues to receive dividend payments (albeit adjusted for the Council's shareholding) 	<ul style="list-style-type: none"> - Same issues as retaining 34% holding plus additional below - WIAL valuation may improve as travel outlook improves - Demands for further investment in WIAL to fund development
Option 3: Sell 34% WIAL shareholding (officer preferred option)	<ul style="list-style-type: none"> - Realise investment to reinvest in a diversified investment portfolio - Removes Council's exposure to a relatively illiquid asset with resilience risks - Avoids any perceived conflict of interest risks as regulator of WIAL 	<ul style="list-style-type: none"> - WIAL valuation may improve as travel outlook improves - May be perceived as a loss of confidence in investment in Wellington

Ground lease portfolio

72. The ground lease portfolio provides a source of long-term, secure and relatively predictable income, and opportunities to influence city-shaping outcomes.
73. Some ground leases are subject to the Wellington Reclaimed Land Act 1871 and are therefore held in trust for the purposes of public utility. This means that there is a regulatory process to follow (including the notification of certain ministers) that needs to be followed to enact a sale.
74. Council, through the Property and Capital Projects team have responsibility for sixty-two ground leases, the majority of which are centred in the Wellington CBD. These sixty-two ground leases have a current market value of \$245,534,000 providing Council a current income of \$818,120.00 per month or \$9,817,440 per annum. The ground leases are identified in the following map.



75. A number of ground leases could be candidates for divestment on the basis of:
- Where the ground lease sits within the 21-year cycle,
 - The ability to attract an acceptable offer,
 - Impact on the parcel of land that the ground lease sits on; and
 - Revenue stream that the ground lease provides.
76. The Council does not currently have a property acquisition and divestment policy that provides a framework for the future acquisition or disposal of Council property. Such a policy will be developed to support any divestment of ground leases and other Council property.
77. Unlike the WIAL, these ground leases are not a strategic asset. However, Officers recommend that the proposal to sell ground leases for inclusion a perpetual investment fund be consulted on as part of the Councils financial strategy for inclusion in the 2024-34 Long-term plan.

Steps in setting up a perpetual investment fund

78. Should Council decide to set up a perpetual Investment Fund, Council would need to consider (with independent advice):

- a. The use of a Statement of Investment Policy and Objectives (SIPO). A SIPO is a document that sets out the investment governance and management framework, philosophy, strategies and objectives of a managed investment scheme and its investment funds or portfolios. This provides guidance on how and where funds should be invested, in line with Council policy and objectives.
- b. Determination of an appropriate asset allocation.
- c. Who would administer the portfolio. This would depend on the value and complexity of the fund but could include the use of a professional portfolio manager, or could take the form of a CCO with full governance requirements.

79. In the medium to long-term and pending the development of Council's insurance roadmap, there may be an option to establish a captive insurance vehicle which would increase the Council's access to insurance (which could include insurance of other risk carried by Council, such as building consenting authority risks) while also generating returns through investment. A captive insurance vehicle is essentially a Council-owned insurance company/fund which is then reinsured through the international reinsurance market. By virtue of the fact that the Council essentially provides 'first loss' cover through the captive, reliance on the wider insurance market is primarily on reinsurance cover.

Kōwhiringa | Options

80. In determining how best to protect and maintain long term gains in the value of Council's investments for the benefit of future as well as current generations of ratepayers, Council's primary options are to:

- a. diversify its asset portfolio through the establishment of a perpetual investment fund; or
- b. maintain the current investment portfolio.

81. If a perpetual investment fund was to be established, Council's primary options in order to provide capital for that fund are to:

- a. Sell all of the Council's shareholding in WIAL;
- b. Sell some of the Council's shareholding in WIAL; and / or
- c. Sell some or all of the Council's ground lease portfolio.

An analysis of these options have been included in this paper.

82. If Council agrees to the recommendations in this paper, this will form the basis of the preferred options to be included in the consultation document for the 2024-34 Long Term Plan, together with an analysis of these options.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

83. The proposals in this paper provide the Council with greater opportunity to align its investment portfolio with the Council's strategies and policies. Where relevant, this has been discussed through the paper.

84. If agreed, the decisions in this paper will be included in the Council's consultation document for the 2024-34 long-term plan and integrated into Council's proposed financial strategy.

Engagement and Consultation

85. If the Committee resolves to proceed with the recommendations the proposals, including the preferred options, will be consulted on as part of the 2024-34 Long-term plan.

Implications for Māori

86. The proposal to sell Council's 34% holding in WIAL, sell ground leases and establish a perpetual investment fund, will be consulted on as part of the 2024-34 long-term plan. This will include specific engagement needs with relevant stakeholders, including but not limited to, mana whenua partners.
87. The sale of ground leases may be subject to Right of First Refusal in favour of iwi. This would be reviewed as part of any proposed sale of ground leases. No sales are proposed in this paper.

Financial implications

88. Recommended sale of Council's 34% shareholding in WIAL to reinvest in a diversified portfolio of income generating assets of the same current value. Opportunity to reduce or potentially eliminate the need for headroom of \$272m to cover uninsured risk, allowing this to be used for other purposes at Council's discretion.
89. Other financial implications have been discussed throughout the paper and will continue to be developed through the consultation period, should the recommendations be approved by Council.

Legal considerations

90. Legal implications have also been discussed throughout the paper and will continue to be developed through the development of consultation material and during the consultation process should the recommendations be approved.

Risks and mitigations

91. The current portfolio of investment assets is exposed to a number of risks included:
- a. The lack of diversification;
 - b. Geographic concentration exposing the investments to the same risks and economic cycles as all other Council assets;
 - c. Exposure to climate change and natural hazards;
 - d. Relatively illiquid and undiversified portfolio; and
 - e. Poor alignment in some cases with the Council's strategic objectives.
92. This paper is the initial step in addressing these risks through the proposed consultation of the proposed sale of Council's 34% shareholding in WIAL and reinvestment of the proceeds into a diversified portfolio of income generating assets.

93. Other risk has been discussed throughout the report and include:

- a. There may not be public support for either selling Council's shareholding in WIAL or reinvesting the proceeds into a diversified fund (rather than using to mitigate expected rates increases). This will be addressed through engagement and consultation process, with a focus on there being an intergenerational objective to protect and maintain long term gains in the real capital value of Council's investments for the benefit of future as well as current generations of ratepayers.
- b. Perception that the Council is not supporting the region through divestment of its shareholding in WIAL. Emphasis will be placed in the consultation and engagement process that the divestment is not related to any loss in confidence in WIAL but a rebalancing of Council's investment portfolio to reduce risk exposure and better meet Council strategic objectives.
- c. Continued ownership of assets (ground leases) which are susceptible to climate change and natural hazards – accepted risk, providing Council with a degree of control around (re)development of the area. Council ownership and retention of the portfolio demonstrates confidence in Wellington City.

94. Risk mitigations will continue to be developed through the consultation period, should the recommendations be approved by Council.

Disability and accessibility impact

95. None identified.

Climate Change impact and considerations

96. Considered as part of proposals to diversify the Council's investments from assets that are vulnerable to sea level rise (ground leases and WIAL) and support carbon intensive activity (WIAL), to investments aligned with climate change objectives.

97. The level of influence Council has over WIAL's activities will not change materially through not retaining a shareholding in WIAL and may increase as a result of removing any potential conflict with Council's role as a regulator.

Communications Plan

98. This will be covered through the engagement and consultation process of the 2024-34 Long-term plan.

Health and Safety Impact considered

99. None identified.

Ngā mahinga e whai ake nei | Next actions

100. Next actions, providing the recommendations are approved, will be to develop consultation material to be brought back to Council through the Council's 2024-34 Financial Strategy / Long term plan process.

Attachments

Nil

COUNCIL SUBMISSION ON THE DRAFT NATIONAL POLICY STATEMENT FOR NATURAL HAZARD DECISION-MAKING

Kōrero taunaki | Summary of considerations

Purpose

1. This report This report to the Kōrau Tōtōpū | Long-term Plan. Finance and Performance Committee seeks approval for submissions to the Ministry for the Environment on the draft Proposed National Policy Statement for Natural Hazard Decision-making (NPS-NHD).

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

Significance

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

Financial considerations

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

2. There are no direct financial considerations until such time as the NPS-NHD becomes operative.

Risk

- | | | | |
|---|---------------------------------|-------------------------------|----------------------------------|
| <input checked="" type="checkbox"/> Low | <input type="checkbox"/> Medium | <input type="checkbox"/> High | <input type="checkbox"/> Extreme |
|---|---------------------------------|-------------------------------|----------------------------------|

Author	Jamie Sirl, Senior Planning Advisor
Authoriser	Michael Duindam, Manager District Planning Sean Audain, Manager Strategic Planning Liam Hodgetts, Chief Planning Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

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

- 1) Receive the information.
- 2) Approve the attached submission on the draft Proposed National Policy Statement for Natural Hazard Decision-making (Attachment 1).
- 3) Note that the closing date for receiving submissions is 13 November 2023.
- 4) Note that Councillors will be briefed on the Independent Hearings Panel recommendations for natural hazard recommendations as part of the Proposed District Plan decisions in February 2024.

Whakarāpopoto | Executive Summary

1. The Ministry for the Environment (MfE) have called for feedback on the [draft Proposed National Policy Statement for Natural Hazard Decision-making](#) (draft NPS-NHD) (Attachment 2).
2. The purpose of the draft NPS-NHD is to provide direction to decision-makers on the appropriate weight to attach to natural hazard risk in planning decisions relating to new development under the Resource Management Act 1991 (RMA).
3. It is intended that it be confirmed in early 2024.
4. In a broad sense, the draft NPS-NHD reflects the risk-based approach to natural hazard management of the Proposed District Plan (PDP).
5. Officers have identified aspects where further consideration and changes to the draft NPS would be beneficial to increase clarity, effectiveness, and workability.
6. It may be necessary to amend the natural hazards provisions of the PDP by way of future plan change once the NPS-NHD is confirmed.

Takenga mai | Background

Council has responsibilities under the RMA to manage the risks of natural hazards.

7. Local authorities have responsibilities under the RMA to manage the risks of natural hazards (s6 and s31) and effects of climate change (s7).
8. Under the RMA, natural hazards mean “any atmospheric or earth or water related occurrence (including earthquake, tsunami, erosion, volcanic and geothermal activity, landslip, subsidence, sedimentation, wind, drought, fire, or flooding) the action of which adversely affects or may adversely affect human life, property, or other aspects of the environment”.
9. Development that is not adapted to the risks of natural hazards has the potential to directly affect the health and wellbeing of people and the communities when these risks are realised. Land Use Planning can help our communities adapt to these risks and assist in limiting the damage and loss of a natural hazard event over the long term.

10. At present a range of non-statutory guidance already exists to assist councils to understand and plan for the risks of natural hazards. There is however a lack of statutory Government direction. This has led to an inconsistent approach in how natural hazard risk is managed within many district plans.

The NPS-NHD is a response to a lack of present direction.

11. The MfE has developed and released a draft NPS-NHD for feedback to address this lack of direction and inconsistency in the way natural hazard risk is understood and addressed through District and Regional Plans. This variation in approach has been highlighted by the effects of recent natural hazard events in Aotearoa. The release of the draft NPS-NHD has been accompanied by a discussion document that provides the wider context and explanation of the draft NPS-NHD.
12. The aim of the draft NPS-NHD is to provide direction to decision-makers on the appropriate weight to attach to natural hazard risk in making planning decisions.
13. The draft NPS-NHD has been signalled by [MfE](#) (page 5) as an interim measure intended to be developed and implemented by early 2024, with comprehensive national direction on natural hazard risk to follow.

Kōrerorero | Discussion

14. The Council submission (Attachment 1) provides feedback on the draft NPS-NHD to improve clarity, certainty, and effectiveness.
15. It builds upon previous Council submissions which have highlighted the importance of addressing the impacts of climate change in managing the risks of natural hazards.
16. The key areas of support for the proposals of the draft NPS-NHD in the submission are:
 - a. The need for national direction on natural hazard risk under the RMA or like legislation;
 - b. The incorporation of a risk-based approach that considers both the likelihood and potential severity of consequences from natural hazard events; and,
 - c. Giving effect to the principles of Te Tiriti o Waitangi and recognition of tangata whenua values and aspirations.
17. The key issues and opportunities for refinement highlighted by the submission are:
 - a. The use of the concept of 'tolerance', and the lack of a definition or clarity on how a decision-maker is to determine tolerance;
 - b. That the definition of 'new development' needs to be amended to ensure it appropriately covers development or activities that are susceptible to the impacts of natural hazard events; and,
 - c. Greater clarity on timing and process to implement the NPS-NHD.

Alignment with the PDP process

18. The PDP makes a step-change in natural hazard risk management from the current Operative District Plan, incorporating a risk-based approach. In a broad sense, the PDP is well-aligned with the draft NPS-NHD.
19. The PDP hearing for the Natural and Coastal Hazards provisions was held in August 2023, with recommendations of the Independent Hearings Panel scheduled to be decided upon by Council in March 2024.

20. There are proposals within the draft NPS-NHD that do not align with the PDP. Once a final NPS-NHD is confirmed, staff will be able to assess and advise whether a plan change is required to achieve consistency with it. It is also noted that the draft NPS-NHD provides for council to make minor updates to the district plan to simply update terminology to achieve alignment with the NPS-NHD. Consideration of the need to do this can be made once the final NPS-NHD is confirmed.

Kōwhiringa | Options

Option 1 – Approve the attached submission on the Draft NPS-NHD (recommended)

21. Lodgement of this submission provides the Council with an opportunity to influence the final NPS-NHD. A range of changes have been recommended which, if accepted, will help the implementation of the NPS-NHD and increase the alignment with the approach of the PDP.

Option 2 – Do not approve the attached submission on the Draft NPS-NHD (not recommended)

22. The Council could decide not to make a submission on the NPS-NHD. This is not the recommended option as it limits the Council's opportunity to constructively influence the final NPS-NHD.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

23. The submission and its content are in alignment with Council's strategies and policies as set out below:
- Wellington Resilience Strategy 2017
 - Central City Spatial Vision
 - Our City Tomorrow – He Mahere Mokowā mō Pōneke - A Spatial Plan for Wellington City 2021
 - Wellington City Council Proposed District Plan 2022

Engagement and Consultation

24. No specific engagement and consultation have been undertaken with the public in the preparation of the submission other than internal consultation with business units.

Implications for Māori

25. The submission supports the draft NPS-NHD providing for tangata whenua values and aspirations and ensuring that Te Tiriti o Waitangi is given effect to in resource management decision making. No specific comment has been sought from our Tākai Here mana whenua partners to inform the submission. However, a copy of the draft submission has been circulated for their information.

Financial implications

26. There are no financial implications relating to approving this submission.
27. In time there may be financial and resourcing obligations with respect to giving effect to the NPS-NHD, but these will be reduced if the feedback provided by the submission is incorporated in the confirmed NPS-NHD.

Legal considerations

28. There are no legal implications resulting from approval of this submission.

Risks and mitigations

29. There are no reputational or other risks resulting from approval of the submission.

Disability and accessibility impact

30. There are no impacts on disability or accessibility resulting from approval of the submission.

Climate Change impact and considerations

31. The need to address the climate emergency is inherently addressed in the submission.

Communications Plan

32. A communication plan has not been prepared for the release of this committee paper and associated submission.



Health and Safety Impact considered.

33. There are no health and safety impacts arising from the submission.

Ngā mahinga e whai ake nei | Next actions

34. Following approval of the submission and any amendments approved by the Committee, the submission will be formally lodged with the Ministry for the Environment, no later than 13 November 2023.
35. Councillors will be briefed on the natural hazard recommendations of the PDP Independent Hearings Panel in February 2024.
36. Officers are also preparing a council submission on the National Planning Framework which is to be presented to the Social, Cultural and Economic Committee on the 23 November. As the NPS-NHD is intended to be transitioned into the National Planning Framework (NPF) as part of resource management reform, natural hazard risk content of the submission on the NPF will draw from the council's NPS-NHD submission.

Attachments

Attachment 1.	WCC submission - Draft Proposed National Policy Statement for Natural Hazard Decision-Making ↓ 	Page 281
Attachment 2.	Draft Proposed National Policy Statement for Natural Hazard Decision-making ↓ 	Page 292

WELLINGTON CITY COUNCIL SUBMISSION

Draft Proposed National Policy Statement

September 2023

Council Approval and Reference

This submission was approved (under delegated authority) by the Wellington City Council's LTP, Finance and Performance Committee (as resolved at the Council's LTP, Finance and Performance Committee meeting of 9 November 2023).

INTRODUCTION

1. The Wellington City Council (the Council) welcomes the opportunity to provide feedback on the government's draft proposed National Policy Statement for Natural Hazard Decision-making (Draft NPS-NHD).
2. The Council support all efforts from the government to provide direction to decision-makers that will result in a reduction in the likelihood of loss and damage suffered by property owners and any exposure to decision-makers to possible future litigation based on unreliability of hazard data upon which decisions are based.
3. Recent events across Aotearoa have further highlighted the impacts of climate change on the frequency and severity of natural hazard events. The Council commends the development of national direction with respect to the management of natural hazard risks to communities, property and infrastructure, and supports further national direction on natural hazard risk management and climate adaptation through the National Planning Framework.
4. The Council declared a climate change emergency in 2019. Natural hazard risk management and climate change adaptation is a Council priority. The Council are currently partway through a full review of the WCC District Plan. This has involved a step-change in how the Plan manages risks associated with natural hazards and takes a risk-based approach.

STRUCTURE OF SUBMISSION

5. General comments with respect to the draft NPS-NHD are provided in the General Feedback section. Feedback on the specific sections of the NPS-NHD is set out in a table contained in Appendix A to this submission.

GENERAL FEEDBACK

Risk-based approach to natural hazards

6. The Council supports a risk-based approach to the management of natural hazard risk and considers that the level of risk should be determined based on the likelihood and consequence of a natural hazard event. We note that a risk-based approach has been incorporated into the Proposed Wellington District Plan 2022.
7. We support an approach that requires natural hazard risk to be given greater priority in decision-making but also retains an appropriate level of flexibility for council's and communities to determine how best to respond to natural hazard risk.
8. We note that there is lack of standardisation of natural hazard risk assessment methodologies, and that until this is resolved it is likely that there will continue to be variability in the incorporation of climate risk into land use planning.

Gaps in national direction

9. As highlighted by the discussion document released in support of the draft NPS-NHD we understand that the draft NPS-NHD is an interim 'stop-gap' direction that is intended to be superseded by comprehensive National Direction in the next 1-2 years. Consequently, our comments with respect to the need for more detailed direction on natural hazard identification modelling (including consistent use of climate change scenarios and sea level rise) and mapping standardisation, and what constitutes 'significant risk' in accordance with s6(h), are not extensive. However, we note that if the comprehensive National Direction takes a lot longer than signalled, or is not developed at all, the draft NPS-NHD is not fit for purpose in its current state to provide the policy direction needed for councils to identify and manage natural hazard risk in a consistent and effective way.
10. Overall, although we agree with natural hazard risk is the result of likelihood of a natural hazard event or events occurring, and the consequences of the event on people and property, there remains a lack of consistent direction with respect to natural hazard modelling and mapping for land use planning purposes, in particular the incorporation of the effects of climate change.

Implementation

11. We suggest that the draft NPS should explicitly require the identification of areas at risk from natural hazards by a specific date to ensure the management of natural hazard risk through District Plans is prioritised, supported by guidance material to ensure consistency in the identification of hazard risk areas. We acknowledge that this requirement may be included in the signalled comprehensive National Direction along with guidance on standardised methods for identification, but recommend this is prioritised.
12. We understand that some councils will have budgetary constraints and competing priorities that impact their ability to undertake the work required to identify areas susceptible to natural hazards and the risk associated with these events, and suggest that Central Government consider financial support to fast-track this process across the Country.
13. While we appreciate what the government is trying to achieve with the draft-NPS-NHD, most councils will not have the right kind of data, risk modelling and tolerability thresholds in place by 2024 (when the draft NPS-NHD is signalled to be finalised) or the estimated two year period during which this NPS is supposed to be act as an interim 'gap filler'.

Concept of tolerance

14. Council supports the general intent of introducing the concept of tolerance into direction on natural hazard risk management, however the lack of definition in the draft NPS-NHD is problematic and results in uncertainty. The concept of tolerance is complex and highly subjective. Tolerance can vary across different societies, cultures, and individuals. Therefore,

decisions regarding risk tolerance involve complex trade-offs and require considering multiple perspectives, scientific knowledge, ethical considerations, and political priorities.

15. There are different approaches to risk tolerance assessment and therefore there is the need for standardisation of this assessment process and we are pleased that this guidance will be provided. However, it is important to note that implementing a standardised natural hazard risk tolerance assessment methodology can be complex and resource intensive. It requires expertise, data collection, analysis, and on-going monitoring, which may pose challenges for smaller organisations/councils with limited resources or technical capacity.
16. Our preference is for hazard risk areas to be identified as a result of likelihood and consequence, with limited value judgement applied (tolerance level) at the identification stage, with tolerance being incorporated through the policy and rule framework in a district plan.
17. In principle, we support an approach that provides for exceptions to a general avoidance approach in high hazard risk areas where the risks to new development are tolerable due to the well-being benefits this provides and ability to prioritise large scale hazard mitigation measures to protect an area from the impacts of natural hazards. For example, Wellington's City Centre Zone which is susceptible to coastal inundation and tsunami inundation including the effects of sea level rise.
18. However, the proposed approach in Policy 5, which provides for new development in high natural hazard risk areas (defined as areas where risk is intolerable) where the resulting risk is tolerable is too enabling and uncertain in our view. It is conceivable that tolerance to natural hazard risk in areas highly susceptible to natural hazard events will change over time and in some cases very quickly post-event.
19. In a general sense we support an approach that would enable levels of tolerance to be determined at a policy and plan-making stage through processes that involve extensive public consultation. However, if the NPS is to inform decision-making at a resource consent stage (particularly where a District Plan is deficient in how it manages natural hazard risk) determining tolerance at an individual site scale at resource consent level will be challenging, particularly without very clear direction. A clear definition of tolerance is therefore needed.
20. Consequently, given the complexity and subjectivity our view is that the current approach of incorporating tolerance in the draft NPS-NHD does not work.
21. As an alternative to embedding the concept of tolerance into the definitions of risk areas, it could be introduced as a second step following the identification of natural hazard risk areas (informed by likelihood and consequence). For example, either through district plan provisions established by the plan-making process including early consultation particularly with respect to areas most likely to be impacted by natural hazards or (less preferred, but likely necessary in the interim) through decision-making on resource consents and designations. This approach would provide greater consistency in the identification of areas at risk from natural hazard, whilst still providing for a nuanced approach that reflects a community's tolerance to natural hazard risks.

This approach also doesn't blur the likelihood and consequence of a natural hazard event, with a community's tolerance established at a point in time and subject to change – which is common following an event.

22. MfE highlight¹ the relationship between local adaptation planning and hazard risk assessment and management, particularly with respect to understanding the communities tolerance to natural hazard risk. We consider that clear direction on determining the level of tolerance to natural hazard risk is required, and note that this is signalled to be provided in future. As it stands, the direction provided in the draft NPS-NHD with respect to determining tolerance is lacking which will lead to challenges for implementation, particularly at the resource consenting stage. We are also concerned that an overreliance on risk tolerance could lead to poor outcomes where a communities tolerance levels support further development until such time that a natural hazard event occurs which then results in a change in tolerance levels, but at a stage too late.

Relationship with adaptation and retreat

23. We emphasise the importance of ensuring that the approach to development in areas susceptible to natural hazards needs to not hinder future community-led retreat in areas where retreat may be determined to be the most appropriate option. We also consider that councils are well-placed to understand the needs of their communities and establishing an understanding of tolerance to natural hazard risks. However, strong direction and collaboration at a regional scale will be required to ensure consistency with respect to natural hazard risk management including adaptation and retreat.

Tangata whenua

24. The Council supports specific recognition and provision for tangata whenua values, interests and aspirations with respect to decision-making on natural hazard risk and Māori land.

NPS-NHD CONTENT

DEFINITIONS

high natural hazard risk, moderate natural hazard risk and low natural hazard risk

25. The high natural hazard risk, and moderate natural hazard risk definitions rely on the concept of tolerability (intolerable or tolerable). There is no definition of tolerance or clear guidance on how a decision-maker is to determine tolerance outside of Policy 2(b). This approach appears to rely on determining the willingness and capability of those who will be potentially impacted by a natural hazard to accept a certain level of risk. It is unclear how the tolerance of future residents, occupants and owners, or future generations are to be considered in determining overall tolerance.

¹ Ministry for the Environment. 2023. Community-led retreat and adaptation funding: Issues and options. Wellington: Ministry for the Environment.

26. It appears that the definition of high natural hazard risk is circular as it relies on tolerability, with Policy 5 stating that new development should be avoided in high-risk areas unless the risk is reduced to "tolerable" levels. The high natural hazard risk definition and policy appear to conflict. We of a view that the identification of high natural hazard risk areas should not incorporate intolerability if the policy direction then provides for activities where risk is tolerable.
27. It is noted that the low natural hazard risk definition does not incorporate the tolerability concept and refers to a hazard risk that is 'generally acceptable'. We suggest that this could lead to an unintended lack of clarity between risk that is 'tolerable' and risk that is generally 'acceptable'. If the difference is simply that 'acceptable' is a category of activity or development that does not require any form of mitigation to reduce risk to a tolerable level, then it is assumed that if low risk hazard was incorporated into district plans it would be only to clarify that new development is permitted.

Specific Relief Sought

28. Amend the definition of 'high natural hazard risk', 'moderate natural hazard risk' and 'low natural hazard risk' as follows:

high natural hazard area risk means an area highly susceptible to a natural hazard event that would likely result in potential loss of life, serious injury, adverse effects on the environment, or potential serious damage to property and infrastructure;

moderate natural hazard area risk means an area susceptible to a natural hazard event that without the incorporation of mitigation measures would likely result in potential loss of life, serious injury, adverse effects on the environment, or potential serious damage to property and infrastructure

low natural hazard area risk means an area susceptible to a natural hazard event where the risk is generally acceptable without the incorporation of mitigation measures

new development

29. This definition should include all new buildings and infrastructure and should not provide an exclusion for new buildings or new infrastructure on land with existing development as most sites in urban environments will have existing buildings, structures or infrastructure located on it. If the intention is for the NPS-NHD to be only managing natural hazards in greenfield areas (land with no buildings, structures or infrastructure) then this should be much more explicit.
30. The proposed new development definition could result in a perverse outcome of enabling further development in areas susceptible to natural hazards without the need to consider risk and necessary mitigation. For example, it is unclear why an additional residential dwelling on a site would not be included in the definition of new development and consequentially the natural hazard risk not managed by the direction of Policy 4 and Policy 5 of the draft NPS-NHD. It is also

unclear why the definition would exclude new buildings and infrastructure on sites with existing and buildings and infrastructure, but includes the extension of existing buildings which would seem to present a lower risk profile.

31. This definition should also be amended to include any conversion for new activities in existing buildings, particularly where the conversion or new activity in an existing building is a 'new hazard-sensitive development'. For example, it is unclear why the NPS-NHD would not seek to control the conversion of a building that involved an existing building used for logistics or storage being converted for childcare centre, where the hazard sensitivity of the activity results in an increase in risk.
32. It is also unclear how (a2) is intended to work with existing use rights with there being an apparent conflict in this regard. We consider given the limitation of territorial authorities under the RMA with respect to the cancellation of existing use rights, that (b) is amended to provide for like-for-like replacement of an existing building, structure or infrastructure until such time that territorial authorities have the ability to extinguish existing use rights.

Specific relief sought

33. Amend the definition of 'new development' as follows:

new development means development:

- (a) of new buildings, structures, or infrastructure ~~on land that currently does not have buildings, structures, or infrastructure located on it~~; or*
(ab) that is the conversion, or extension ~~or replacement~~ of existing buildings, structures, or infrastructure.

new hazard-sensitive development

34. We support the inclusion of a definition for 'new hazard-sensitive development' and recommend that it is amended to include major hazardous facilities due to the potential significant consequences of locating within an area susceptible to natural hazards and visitor accommodation, which has a similar risk profile as residential activities.

Specific relief sought

35. Amend the definition of 'new hazard-sensitive development' as follows:

new hazard-sensitive development means a new development relating to any of the following:

- (a) residential dwellings, including papakāinga and retirement villages:*
(b) marae:
(c) educational facilities:
(d) emergency services:
(e) hospitals and other health care facilities:
(f) community facilities:
(g) major hazardous facilities:

(h) Visitor accommodation.

less hazard-sensitive development

36. We recommend the inclusion of a definition for 'less hazard-sensitive development' that can be used to provide an exception to new development within high natural hazard areas to ensure those activities that are not hazard sensitive can be enabled to ensure policy direction is effective and efficient.

Specific relief sought

37. Include a definition of 'less hazard-sensitive development' as follows:

less hazard-sensitive development means a new development relating to any of the following:

- a. Accessory buildings used for non-habitable purposes
- b. Buildings associated with marina operations (above MHWS)
- c. Maritime emergency facilities
- d. Informal recreation activities and organised sport and recreation activities within the Sport and Active Recreation Zone, including those for maritime purposes in the Evans Bay Marine Recreation Area
- e. Parks Facilities
- f. Parks Furniture
- g. Quarrying activities

OBJECTIVE

38. We agree with the direction to require new development to minimise risk as low as practicable as this ensures that new development is resilient to natural hazards, and allows for a reduction of existing risk or slight increase in risk where all practicable options to minimise risk have been incorporated.
39. The reference to 'environment' seems unnecessary and results in duplication within the objective given the RMA definition of 'environment'. We suggest deleting 'environment'.

Specific relief sought

40. Amend the Objective as follows:

Objective: The risks from natural hazards to people, communities, ~~the environment~~, property, and infrastructure, and on the ability of communities to quickly recover after natural hazard events, are minimised.

POLICIES

Policy 2

41. With respect to 2(b) we reiterate our concerns with respect to 'tolerable' and consider that determining a collective ability to bear the risk and how this willingness or tolerance justifies approval for new development will be a challenging exercise, particularly without greater guidance on how to determine tolerance.

Policy 3

42. We note our concern that where information or understanding of natural hazard risk is limited that taking a precautionary approach could result in decision-making, for example declining a resource consent application, that is not supported by evidence.
43. Policy 3(b) seems superfluous and potentially adds uncertainty. It is unclear how a view on tolerability could be established where natural hazard risk is uncertain, unknown or little understood. Consequently, we suggest that Policy 3(b) is deleted.

Specific relief sought

44. Amend the Policy 3 as follows:

Policy 3: Decision-makers ~~must~~ should use the best information available ~~adopt a precautionary approach~~ when determining natural hazard risk, and adopt a precautionary approach if: to the extent that the information is uncertain, unknown, or little understood.

~~(a) the natural hazard risk is uncertain, unknown, or little understood; and~~

~~(b) the natural hazard risk could be intolerable.~~

Policy 4

45. To avoid any misinterpretation or inconsistent implementation of this policy prior to a district plan being updated to give effect to this policy, we suggest that the draft NPS-NHD specify when District Plans are required to be updated by (similar to the removal of minimum car parking requirements directed by the NPS-UD) and that these changes must be made without using a process in Schedule 1 of the Act.

Specific relief sought

46. Amend the implementation requirements for Policy 4.

Policy 5

47. The provision for activities in high natural hazard areas where risk is tolerable appears on face value to conflict with the definition of 'high natural hazard risk' which are areas where the level of natural hazard risk is intolerable.
48. The intent of the draft NPS-NHD appears to be that the natural hazard risk definitions relate to areas that are to be spatially defined, and that Policy 5 relates to the management of new development in these areas. However, this seems to result in considering tolerance to risk when identifying these areas and then again when determining risk tolerance of a development

proposal, such as whether the risk associated with a new development in a high natural hazard risk is tolerable.

49. We note our suggested amendments to the definitions for the hazard risk areas which recommend removing tolerance from these definitions may resolve this issue.
50. Council notes its support for an approach that provides for exceptions with respect to new development in the high natural hazard risk area. However, we suggest that the current approach is unclear and appears to leave the door wide open to further development within all high natural hazard areas which seems counterintuitive with how these areas are defined, and contrary to a commonly accepted principle to avoid any increase in hazard risk in areas most susceptible to natural hazards.
51. We note that the recommended amendment below with respect to Policy 5(a)(iv) is subject to a definition and / or guidance on tolerable being provided, and the changes sought to the hazard area definitions to remove reference to tolerable / intolerable.

Specific relief sought

52. Amend Policy 5 as follows:

Policy 5: Planning decisions must ensure that:

(a) in areas of high natural hazard risk, new development is avoided unless ~~the level of risk is reduced to at least a tolerable level or:~~

(i) the new development is ~~not~~ a ~~new~~ less hazard-sensitive development; ~~and or~~

(ii) there is a functional or operational need for the new development to be located in the area of high natural hazard risk, and

(iii) there are no practicable alternative locations for the new development; and

(iv) risk is reduced to as low as reasonably practicable; or

(v) the new development is a hazard-sensitive development and the level of risk is reduced to at least a tolerable level; and

(b) in areas of moderate natural hazard risk, mitigation measures are taken to reduce natural hazard risk to new development as low as reasonably practicable; and

(c) in areas of low natural hazard risk, new development is enabled.

Policy 6

53. With respect to new development, we note that for the most part mitigation measures in response to non-coastal hazards will primarily involve site-specific methods including building design (raised floor levels, internal layout) and materials, and on-site stormwater management. Although we support the intent of this policy, it seems to reflect hazard mitigation of a scale and nature more associated with greenfield development or protection measures for already urbanised areas.

54. A definition of 'nature-based solutions' would improve clarity and is recommended.

Specific relief sought

55. Include a definition of 'nature-based solutions'.

PART 4: TIMING

56. We note that the logical order for implementing the NPS-NHD through changes to policy statements and plans, would be for the regional policy statements to be amended first followed by district plans as this would reflect the hierarchy of these documents under the Act. We recommend that 4.1(2) is amended to require that regional policy statements are updated first to give effect to this national policy statement, and district plans required to be updated following the regional policy statement update.

57. We support 4.2(3) which provides a pragmatic option for local authorities to align plans where this can be achieved through changing wording or terminology without any material change in application of the plan provisions.

58. We consider that the NPS-NHD should specify that District Plans should be amended to give effect to Policy 4 by a certain date, and that local authorities should be provided the option to make these changes without using a process in Schedule 1 of the Act.

Specific relief sought

59. Amend Policy 4.1 as follows:

(3) Territorial authorities must make any changes to their district plan required to give effect to Policy 4 without using a process in Schedule 1 of the Act, no later than 12 months after the commencement date of this National Policy Statement.

FURTHER INFORMATION AND OPPORTUNITY TO DISCUSS OUR SUBMISSION

60. Should the Ministry for the Environment require clarification of the submission from Wellington City Council, or additional information, please contact Jamie Sirl (Senior Planning Advisor), email Jamie.sirl@wcc.govt.nz in the first instance.

61. Wellington City Council would welcome the opportunity to discuss the content of our submission in more detail with the Ministry for the Environment.

CONSULTATION DRAFT – NOT GOVERNMENT POLICY

Proposed National Policy Statement for Natural Hazard Decision-making 2023



Ministry for the
Environment
Manatū Mō Te Taiao



Te Kāwanatanga o Aotearoa
New Zealand Government

Authority

This National Policy Statement was approved by the Governor-General under section 52(2) of the Resource Management Act 1991 on [to come], and is published by the Minister for the Environment under section 54 of that Act.

CONSULTATION DRAFT – NOT GOVERNMENT POLICY

Contents

Part 1: Preliminary provisions	4
1.1 Title	4
1.2 Commencement	4
1.3 Application	4
1.4 Interpretation	4
1.5 Application to intensification planning instruments	5
1.6 Relationship with New Zealand Coastal Policy Statement 2010	5
Part 2: Objective and policies	6
2.1 Objective	6
2.2 Policies	6
Part 3: Implementation	8
3.1 Outline of Part	8
3.2 Tangata whenua involvement	8
3.3 Best information	8
Part 4: Timing	9
4.1 Timing	9
4.2 Existing policy statements and plans	9

Part 1: Preliminary provisions

1.1 Title

- (1) This is the National Policy Statement for Natural Hazard Decision-making 2023.

1.2 Commencement

- (1) This National Policy Statement comes into force on [to come].

1.3 Application

- (1) This National Policy Statement applies only to planning decisions that result in or enable new development.

1.4 Interpretation

- (1) In this National Policy Statement:

Act means the Resource Management Act 1991

commencement date means the date on which this National Policy Statement comes into force, as identified in clause 1.2

decision-maker means any person exercising functions or powers under the Act

high natural hazard risk means a risk from natural hazards that is intolerable

low natural hazard risk means a risk from natural hazards that is generally acceptable

moderate natural hazard risk means a risk from natural hazards that is more than a low risk, but is not intolerable

natural hazard has the meaning in the Act and includes, without limitation, natural hazards arising from the effects of climate change

new development means development:

- (a) of new buildings, structures, or infrastructure on land that currently does not have buildings, structures, or infrastructure located on it; or
- (a) that is the extension or replacement of existing buildings, structures, or infrastructure.

new hazard-sensitive development means a new development relating to any of the following:

- (a) residential dwellings, including papakāinga and retirement villages:
- (b) marae:
- (c) educational facilities:
- (d) emergency services:
- (e) hospitals and other health care facilities:
- (f) community facilities.

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planning decision means a decision on any of the following:

- (a) a resource consent:
- (b) a regional policy statement or proposed regional policy statement:
- (c) a regional plan or proposed regional plan:
- (d) a district plan or proposed district plan:
- (e) a designation:
- (f) a change to a plan requested under Part 2 of Schedule 1 of the Act.

specified Māori land means land that is any of the following:

- (a) Māori customary land and Māori freehold land (as defined in Te Ture Whenua Māori Act 1993):
- (b) land set apart as a Māori reservation under Part 17 of Te Ture Whenua Māori Act 1993 or its predecessor, the Māori Affairs Act 1953:
- (c) land held by or on behalf of an iwi or a hapū if the land was transferred from the Crown, a Crown body, or a local authority with the intention of returning the land to the holders of mana whenua over the land:
- (d) land vested in the Māori Trustee that is constituted as a Māori reserve by or under the Māori Reserved Land Act 1955, and remains subject to that Act:
- (e) land that forms part of a natural feature that has been declared under an Act to be a legal entity or person (including Te Urewera land within the meaning of section 7 of the Te Urewera Act 2014):
- (f) the maunga listed in section 10 of the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014:
- (g) Treaty settlement land, being land held by a post-settlement governance entity (as defined in the Urban Development Act 2020) where the land was transferred or vested and held (including land held in the name of a person such as a tipuna of the claimant group, rather than the entity itself):
 - (i) as part of redress for the settlement of Treaty of Waitangi claims; or
 - (ii) by the exercise of rights under a Treaty settlement Act or Treaty settlement deed.

1.5 Application to intensification planning instruments

- (1) In order to minimise disruption and complexity for local authorities, nothing in this National Policy Statement applies to a specified territorial authority (as defined in section 2 of the Act) when it is preparing an intensification planning instrument under section 80F of the Act.

1.6 Relationship with New Zealand Coastal Policy Statement 2010

- (1) The provisions of the New Zealand Coastal Policy Statement prevail over the provisions of this National Policy Statement if there is a conflict between them.

Part 2: Objective and Policies

2.1 Objective

Objective: The risks from natural hazards to people, communities, the environment, property, and infrastructure, and on the ability of communities to quickly recover after natural hazard events, are minimised.

2.2 Policies

Policy 1: When making planning decisions, decision-makers are to determine the level of natural hazard risk as high, moderate, or low.

Policy 2: When determining natural hazard risk, decision-makers are to consider:

- (a) first, the likelihood of a natural hazard event occurring (either individually or in combination) and the consequences of the natural hazard event occurring, including potential loss of life, serious injury, adverse effects on the environment, and potential serious damage to property and infrastructure; and
- (b) second, tolerance to a natural hazard event, including the willingness and capability of those who are subject to the risk (such as a community, Māori, or the Crown) to bear the risk of that natural hazard (including its cost) and any indirect risks associated with it.

Policy 3: Decision-makers must adopt a precautionary approach when determining natural hazard risk if:

- (a) the natural hazard risk is uncertain, unknown, or little understood; and
- (b) the natural hazard risk could be intolerable.

Policy 4: Natural hazard risk must be a:

- (a) matter of control for any new development that is a controlled activity; and
- (b) matter of discretion for any new development that is a restricted discretionary activity.

Policy 5: Planning decisions must ensure that:

- (a) in areas of high natural hazard risk, new development is avoided unless the level of risk is reduced to at least a tolerable level or:
 - (i) the new development is not a new hazard-sensitive development; and
 - (ii) there is a functional or operational need for the new development to be located in the area of high natural hazard risk, and
 - (iii) there are no practicable alternative locations for the new development; and
 - (iv) risk is reduced to as low as reasonably practicable; and
- (b) in areas of moderate natural hazard risk, mitigation measures are taken to reduce natural hazard risk to new development as low as reasonably practicable; and
- (c) in areas of low natural hazard risk, new development is enabled.

CONSULTATION DRAFT – NOT GOVERNMENT POLICY

Policy 6: The most effective natural hazard mitigation measures are adopted to reduce natural hazard risk over the life of any proposed new development, provided the natural hazard mitigation measures do not exacerbate natural hazard risks in other areas, and where possible:

- (a) nature-based solutions are preferred over hard-engineering solutions; and
- (b) comprehensive area-wide measures are preferred over site-specific solutions.

Policy 7: Māori and, in particular, tangata whenua values, interests, and aspirations are recognised and provided for, including through early engagement, when making decisions on new development on specified Māori land where there is a high or moderate natural hazard risk.

Part 3: Implementation

3.1 Outline of Part

- (1) This Part sets out a non-exhaustive list of things that local authorities must do to give effect to the objective and policies of this National Policy Statement, but nothing in this Part limits the general obligation under the Act to give effect to that objective and those policies.

3.2 Tangata whenua involvement

- (1) Natural hazard risk is a matter that must be discussed with tangata whenua in accordance with existing requirements under the RMA.

3.3 Best information

- (1) In giving effect to this National Policy Statement, decision-makers must use the best information available at the time, which means, if practicable, using complete and scientifically robust data.
- (2) In the absence of complete and scientifically robust data, the best information may include information obtained from modelling, as well as partial data, local knowledge, and information obtained from other sources, but in this case decision-makers must:
 - (a) prefer sources of information that provide the greatest level of certainty; and
 - (b) take all practicable steps to reduce uncertainty (such as through monitoring or the validation of models used).
- (3) A local authority:
 - (a) must not delay making decisions solely because of uncertainty about the quality or quantity of the information available; and
 - (b) if the information is uncertain, must interpret it in the way that will best give effect to this National Policy Statement.

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Part 4: Timing

4.1 Timing

- (1) From the date on which this National Policy Statement comes into force, decision-makers must have regard to it when making decisions on:
 - (a) resource consent applications;
 - (b) designations; and
 - (c) a change to a plan requested under Part 2 of Schedule 1 of the Act.
- (2) As soon as reasonably practicable, every local authority must give effect to this National Policy Statement by updating their policy statements and plans.

4.2 Existing policy statements and plans

- (1) To the extent that policy statements and plans already (at the commencement date) give effect to this National Policy Statement, local authorities are not obliged to make changes to wording or terminology merely for consistency with it.
- (2) In case of dispute, the onus is on the local authority to show that, despite the different wording or terminology used, their policy statement or plan does implement this National Policy Statement.
- (3) However, if a local authority chooses to amend an operative policy statement or plan by merely changing wording or terminology for consistency with this National Policy Statement, the amendment is to be treated as the correction of a minor error (and therefore, under clause 20A of Schedule 1 of the Act, the amendment can be made without using a process in that Schedule).

SUBMISSION ON REGIONAL POLICY STATEMENT VARIATION 1

Kōrero taunaki | Summary of considerations

Purpose

1. This report to the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee seeks approval to submit to Greater Wellington Regional Council on the Proposed Variation 1 to the Regional Policy Statement.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

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

Relevant Previous decisions

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

Significance

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

Financial considerations

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

2. There are no direct financial considerations until the NPS-NHD becomes operative.

Risk

- ☒ Low ☐ Medium ☐ High ☐ Extreme

Author	Maggie Cook, Advisor Planning
Authoriser	Michael Duindam, Manager District Planning Sean Audain, Manager Strategic Planning Liam Hodgetts, Chief Planning Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

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

- 1) Receive the information.
- 2) Approve the attached submission on Proposed Variation 1 to the Regional Policy Statement (Attachment 1).
- 3) Note that the closing date for receiving submissions is 13 November 2023.

Whakarāpopoto | Executive Summary

3. Greater Wellington Regional Council have called for submissions on Variation 1 to Proposed Change 1 to the Regional Policy Statement.
4. The purpose of variation 1 is to insert long-term freshwater visions giving effect to clause 3.3 of the National Policy Statement - Freshwater Management.
5. The proposed freshwater visions are generally supported, but some changes are suggested to improve interpretation and recognise that meaningful improvements in water quality outcomes will take time and significant resources to realise.

Takenga mai | Background

Regional Policy Statement

6. The Regional Policy Statement (RPS) for the Wellington Region provides an overview of the resource management issues of the Wellington Region and sets out the policies and methods to achieve integrated resource management of the natural and physical resources of the whole region. Wellington Regional Council notified Proposed Change 1 to the RPS on 19 August 2022.
7. The proposed changes to the RPS were focused on implementing and supporting National direction and addressing issues related to freshwater, urban development, climate change, indigenous biodiversity in the Wellington Region.
8. Proposed Change 1 to the RPS is now at the stage of hearings. The hearings process for the RPS is expected to conclude in March 2024.

Variation 1 to the Regional Policy Statement

9. Variation 1 to Proposed Change 1 to the RPS is related to hearing stream topic 5: Freshwater/Te Mana o te Wai. Variation 1 seeks to compliment this topic. It seeks to insert long-term freshwater visions to give effect to clause 3.3 of the National Policy Statement - Freshwater Management.

How Variation 1 will affect other planning documents

10. Variation 1 alters the policy direction that the proposed Natural Resources Plan Change 1 (NRPC1) relies upon to regulate freshwater. The Natural Resources Plan is a planning document that sits at a level below the RPS. Natural Resource Plans set rules that trigger resource consents. For example, the need to obtain resource consents for stormwater discharges into waterways.

11. NRPC1 was notified on 30 October 2023 and is currently being consulted on. It focuses on:
 - Management of freshwater and coastal water within Whaitua Te Whanganui-a-Tara and Te Awarua-o-Porirua Whaitua to implement the National Policy Statement for Freshwater Management 2020 within those whaitua.
 - Amendments to the air quality rules.
 - Amendments to the beds of lakes and rivers rules.
 - New sites with significant indigenous biodiversity values.
12. NRPC1 includes objectives and policies, rules, and other methods to manage activities such as earthworks, stormwater discharges including from new urban development, wastewater discharges, and rural land use to achieve water quality and ecological health objectives within Whaitua Te Whanganui-a-Tara and Te Awarua-o-Porirua Whaitua.
13. NRPC1 also implements Whaitua recommendations for Te Awarua-o-Porirua and Te Whanganui-a-Tara.
14. Council officers are currently preparing a submission on NRPC1, which is scheduled to come to the Kōrau Tūāpapa | Environment and Infrastructure Committee for approval on 30 November 2023.

Kōrerorero | Discussion

15. The Council submission (Attachment 1) notes support for the long-term freshwater visions proposed (Attachment 2) and suggests minor amendments to improve workability.
16. Variation 1 contains a year 2100 target for achieving the freshwater visions. This timeframe is supported in the submission, as it is recognised that it will take a concerted effort and require significant investment from local government and other parties to be successfully realised. The submission cautions against reducing the timeframes, as it is unlikely to be practicably achievable.

Kōwhiringa | Options

Option 1 – Approve the attached submission (recommended)

Lodgement of this submission provides the Council with an opportunity to influence the final RPS.

Option 2 – Do not approve the attached submission (not recommended)

17. The Council could decide not to make a submission on the Variation 1 to the RPS. This is not the recommended option as it limits the Council's opportunity to constructively influence the final RPS.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

18. The submission and its content are in alignment with Council's strategies and policies as set out below:

- Our City Tomorrow – He Mahere Mokowā mō Pōneke - A Spatial Plan for Wellington City 2021
- Wellington City Council Proposed District Plan 2022

Engagement and Consultation

19. No specific engagement and consultation have been undertaken with the public in the preparation of the submission other than internal consultation with business units.

Implications for Māori

20. The Regional Council have engaged with our Tā kai Here partners to ensure that they have had an opportunity to input and help shape the policy.
21. Variation 1 to the RPS specifically seeks to achieve the following outcomes by year 2100:
- *Mahinga kai are abundant, healthy, diverse and can be safely gathered by Taranaki Whānui and Ngāti Toa Rangatira and served to Taranaki Whānui and Ngāti Toa Rangatira uri and manuhiri to uphold manaakitanga*
 - *Are taken care of in partnership with Taranaki Whānui and Ngāti Toa Rangatira giving effect to the rights, values, aspirations and obligations of Ngāti Toa and Taranaki Whānui that respects the mana of Te Whanganui-a-Tara and the whakapapa connection with Taranaki Whānui and Ngāti Toa Rangatira*

Financial implications

22. There are no direct financial implications relating to approving this submission.

Legal considerations

23. There are no legal implications resulting from approval of this submission.

Risks and mitigations

24. There are no reputational or other risks resulting from approval of the submission.

Disability and accessibility impact

25. There are no impacts on disability or accessibility resulting from approval of the submission.

Climate Change impact and considerations

26. The submission does not directly relate to climate change.

Communications Plan

27. A communication plan has not been prepared for the release of this committee paper and associated submission.



Health and Safety Impact considered

28. There are no health and safety impacts arising from the submission.

Ngā mahinga e whai ake nei | Next actions

29. Following approval of the submission and any amendments approved by the Committee, the submission will be formally lodged with the Greater Wellington Regional Council, no later than 13 November 2023.
30. Officers are also preparing a Council submission on the Natural Resources Plan Change 1, which is to be presented to the Kōrau Tūāpapa | Environment and Infrastructure Committee on the 30 November.

Attachments

- | | | |
|---------------|--|----------|
| Attachment 1. | Wellington City Council Submission on Variation 1 to the
Proposed Regional Policy Statement ↓  | Page 306 |
| Attachment 2. | Variation 1 to the Proposed Regional Policy Statement ↓  | Page 311 |

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13 November 2023

Attention:
Greater Wellington Regional Council
100 Cuba Street
Te Aro
Wellington 6011

**Wellington City Council Submission on Proposed Change 1 to the Regional
Policy Statement for the Wellington Region**

Thank you for the opportunity to make a submission on Variation 1 to Proposed Regional Policy Statement Change 1 for the Wellington Region.

Overall, Wellington City Council (WCC) is supportive of the proposed Variation and the visions for freshwater that are seeking to be inserted in the Regional Policy Statement (RPS).

Alignment of the RPS and WCC's approach to urban growth and protection of the environment is crucial. The need for freshwater improvements is well known and the intent in the RPS is positive. The freshwater visions will be challenging to achieve, requiring significant investment by Central Government, Councils and private developers. This is at a time when many Territorial Authorities in the region, including WCC, have funding constraints that limit our opportunity to make swift changes. The achievement of the visions will take time and a concerted effort.

Yours sincerely,

Barbara McKerrow
Chief Executive
Wellington City Council

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Submission on Proposed Change 1 to the Regional Policy Statement for the Wellington Region

WCC generally supports the proposed variation to the RPS. It sets out a bold and aspirational vision for freshwater outcomes in Te Awarua-o-Porirua and Te Whanganui-a-Tara catchments (which are both partially within the Wellington City Council's jurisdiction).

WCC recognises that significant changes to approaches for managing land-use and investment in infrastructure will be required to achieve the freshwater visions. WCC supports the long-term intent of the freshwater visions and notes that for practical reasons, it will take many decades to progress towards achieving the aspirational outcomes proposed.

WCC wish to be heard in support of our submission at a hearing and would consider presenting a joint case at the hearing with others who make a similar submission.

WCC does not consider that it could gain an advantage in trade competition through this submission.

Relevant provisions subject to this submission:

1. Objective TAP: Long-term freshwater vision for Te Awarua-o-Porirua
2. Objective TWT: Long-term freshwater vision for Te Whanganui-a-Tara

Support/Oppose

Support-in part.

Decision Sought:

1. That Variation 1 to Plan Change 1 to the RPS is approved, subject to changes suggested in the relief sought below:

Note: proposed amendments are shown in **underline and bold** for additions and ~~strikethrough~~ for deletions.

Objective TAP: Long-term freshwater vision for Te Awarua-o-Porirua:

By the year 2100 Te Awarua-o-Porirua harbour, awa, wetlands, groundwater, estuaries and coast are healthy, wai ora, accessible, sustainable for future generations, and:

1. *The practices and tikanga associated with Te Awarua-o-Porirua are revitalized and protected; and*

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2. *Mahinga kai are abundant, healthy, diverse and can be safely gathered by Ngāti Toa Rangatira and served to Ngāti Toa Rangatira uri and manuhiri to uphold manaakitanga; and*
3. *Have restored and healthy ecosystems that support an abundance and diversity of indigenous species, and have a natural water flow and energy that demonstrate kei te ora te mauri (the mauri of the place is intact); and*
4. *Provide for safe access for people and communities to enjoy a range of recreational activities including fishing, fostering a strong connection to these waterbodies; and*
5. *Are taken care of in partnership with Ngāti Toa Rangatira giving effect to the rights, values, aspirations and obligations of Ngāti Toa as kaitiaki for the mana of Te Awarua-o-Porirua as a taonga; and*
6. *Are resilient to the impacts of climate change; and*
7. *The use of water and waterways provide for social and economic use benefits, provided that such use ~~does not compromise~~ **sustainably manages** the health and well-being of waterbodies and freshwater ecosystems or the take and use of water for human health needs.*

Objective TWT: Long-term freshwater vision for Te Whanganui-a-Tara:

By the year 2100 a state of wai ora is achieved for Te Whanganui-a-Tara in which the harbour, rivers, lakes, wetlands, groundwater, estuaries and coast are healthy, accessible, sustainable for future generations, and:

1. *The practices and tikanga associated with Te Whanganui-a-Tara are revitalized and protected; and*
 2. *Mahinga kai are abundant, healthy, diverse and can be safely gathered by Taranaki Whānui and Ngāti Toa Rangatira and served to Taranaki Whānui and Ngāti Toa Rangatira uri and manuhiri to uphold manaakitanga; and*
 3. *Have mauri/mouri that is nurtured, strengthened and able to flourish and restored natural character, have a natural water flow, and ecosystems that support an abundance and diversity of indigenous species; and*
 4. *Provide for the safe access and use of all rivers, lakes, wetlands, estuaries, harbours, and the coast for a range of recreational activities including fishing, fostering an appreciation of and connection to these waterbodies; and*
 5. *Are taken care of in partnership with Taranaki Whānui and Ngāti Toa Rangatira giving effect to the rights, values, aspirations and obligations of Ngāti Toa and Taranaki Whānui that respects the mana of Te Whanganui-a-Tara and the whakapapa connection with Taranaki Whānui and Ngāti Toa Rangatira; and*
 6. *Are resilient to the impacts of climate change; and*
 7. *The use of water and waterways provide for social and economic use benefits provided that such use ~~does not compromise~~ **sustainably manages** the health and well-being of waterbodies and freshwater ecosystems or the take and use of water for human health needs.*
2. Provide further or other consequential relief as may be necessary to fully give effect to the relief sought.

Reason:

Wellington City Context

The proposed RPS visions are consistent with the Strategic Vision for Wellington ([Wellington Towards 2040: Smart Capital](#)) to be a climate-friendly, affordable, and welcoming eco-city to live for generations to come.

Collectively, WCC's Three Waters network (drinking water, wastewater and stormwater) includes 2,653 km of pipes, 65 reservoirs, 103 pump stations, three treatment plants. WCC manages the global stormwater and wastewater discharge consents for the district and is thereby responsible for managing land-use and the stormwater and wastewater networks for Wellington.

Infrastructure

While active steps have been taken in improving the health and well-being of the environment within the WCC district, it should be noted that WCC has practical constraints in the management of its three waters network. As the network's infrastructure ages it requires higher levels of maintenance, which is also exacerbated by earthquake damage, as well as historical pressures on water infrastructure funding and uncertainty in future legislative requirements for the management of three waters infrastructure. WCC has funding constraints that will make it difficult to achieve significant improvements to network infrastructure quickly.

Urban Development

Wellington is projected to need an additional 30,407 dwellings over the next 30 years to satisfy urban growth demands. This will require significant infrastructure upgrades, which will be expensive and take years to undertake. A long-term approach will be needed to renew existing assets, provide for growth and ensure enhanced water quality outcomes can be delivered. It is important that both urban growth and water quality outcomes can be achieved. In this regard, a year 2100 target for achieving the proposed objectives of Variation 1 is supported. WCC would caution against reducing the vision's timeframes, as it is unlikely to be practicably achievable, for the previous stated reasons.

Wellington City water quality improvements

In the meantime, WCC is already engaging in multiple statutory and non-statutory processes to achieve water quality improvements, including:

- Prioritised water infrastructure upgrades;
- Development of a Green Network Plan to deliver the many ecological, social, economic, cultural and public health benefits to the central city;
- Introduced requirements for Water Sensitive Urban Design into the WCC Proposed District Plan;

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- Introduced requirements for Hydraulic Neutrality into the WCC Proposed District Plan; and
- Wellington Water (on behalf of WCC) has developed a draft stormwater management strategy.

Proposed amendments

WCC considers that the use of the terminology “does not compromise” is potentially inconsistent with 3.3(2)(b)&(c) of the National Policy Statement – Freshwater Management. Using “does not compromise” is potentially fraught, as it could be argued that even minor environmental effects could result in a compromising of water quality. If a literal or officious interpretation of “does not compromise” is enforced or informs future lower order Resource Management Act documents, such as the Natural Resources Plan, then this could have significant unreasonable implications for the take and use of freshwater. WCC considers that a more reasonable approach is the use of the term “sustainably manages”. WCC is open to other terminology considerations which would more readily cater for reasonable use.

Variation 1 to Proposed Change 1 to the Regional Policy Statement for the Wellington Region

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Proposed amendment to Chapter 3.4: Fresh water (including public access)

Summary

This section is explanatory only and does not form part of the RPS Variation.

The amendment of the Fresh water chapter is proposed to achieve the following purpose:

1. To insert long-term freshwater visions for Te Awarua-o-Porirua Whaitua and Te Whaitua Whanganui-a-Tara, as required by clause 3.3 of the National Policy Statement for Freshwater Management 2020. These long-term freshwater visions will give effect to Te Mana o te Wai and the hierarchy of obligations in clause 3.2 of the National Policy Statement 2020.


The following is a summary of proposed amendments to the Chapter.

Provision reference	Summary of amendments
New section	Insertion of new section titled “Long-term freshwater visions”
New objective TAP	Insertion of a new long-term freshwater vision for Te Awarua-o-Porirua is required by the National Policy Statement for Freshwater Management 2020. This vision is required to be included as an Objective in the RPS. This objective will sit in the “Long-term freshwater visions” section.
New objective TWT	Insertion of a new long-term freshwater vision for Te Whanganui-a-Tara was required by the National Policy Statement for Freshwater Management 2020. This vision is required to be included as an Objective in the RPS. This objective will sit in the “Long-term freshwater visions” section.
New figure 3.4	Insertion of new map showing whaitua boundaries for Te Awarua-o-Porirua and Te Whanganui-a-Tara.


Insert new section heading after the chapter introduction as follows:

3.4.A: Long-term freshwater visions FW

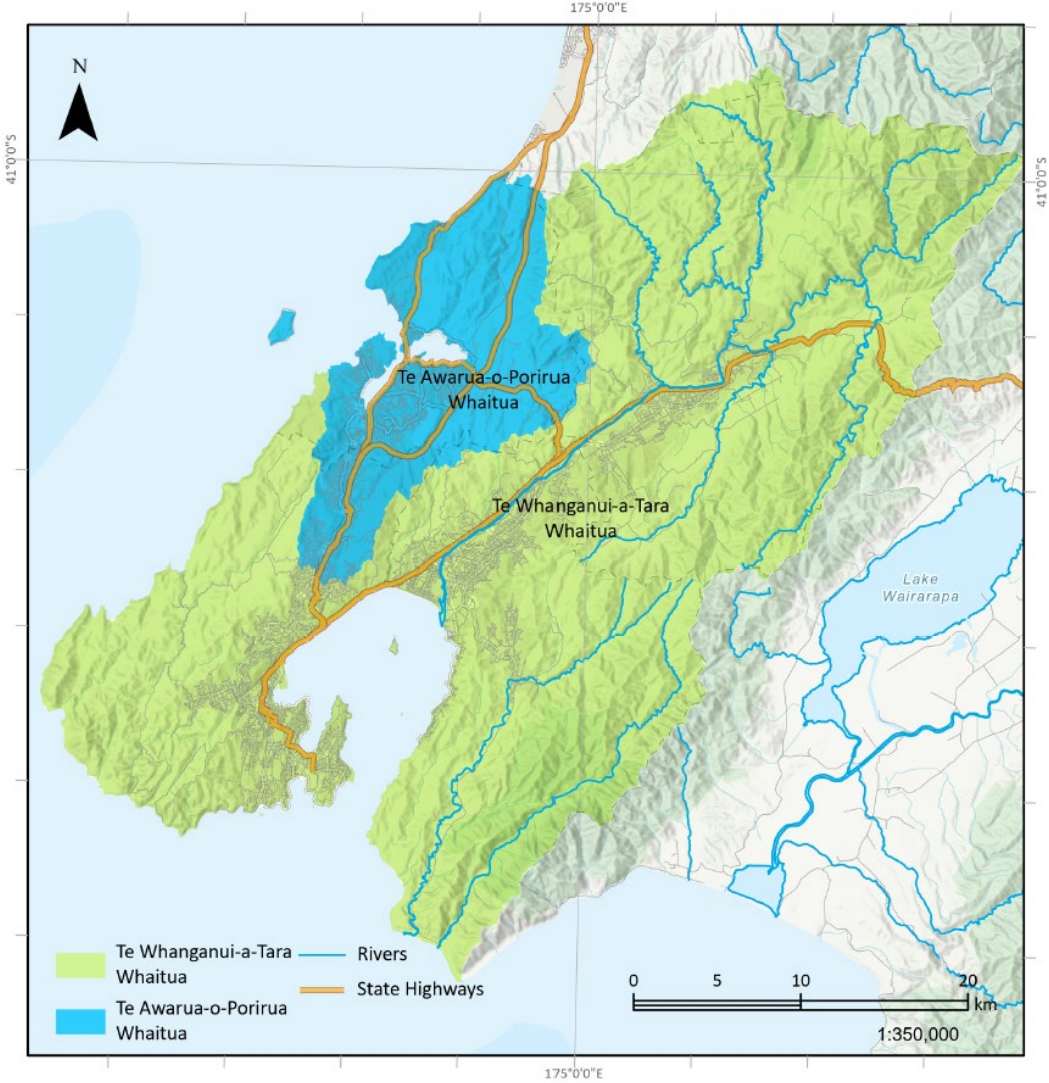
Insert new Objective TAOP as follows:

Objective TAP: Long-term freshwater vision for Te Awarua-o-Porirua	
<p>By the year 2100 Te Awarua-o-Porirua harbour, awa, wetlands, groundwater, estuaries and coast are healthy, wai ora, accessible, sustainable for future generations, and:</p> <ol style="list-style-type: none"> 1. <u>The practices and tikanga associated with Te Awarua o Porirua are revitalized and protected; and</u> 2. <u>Mahinga kai are abundant, healthy, diverse and can be safely gathered by Ngāti Toa Rangatira and served to Ngāti Toa Rangatira uri and manuhiri to uphold manaakitanga; and</u> 3. <u>Have restored and healthy ecosystems that support an abundance and diversity of indigenous species, and have a natural water flow and energy that demonstrate kei te ora te mauri (the mauri of the place is intact); and</u> 4. <u>Provide for safe access for people and communities to enjoy a range of recreational activities including fishing, fostering a strong connection to these waterbodies; and</u> 5. <u>Are taken care of in partnership with Ngāti Toa Rangatira giving effect to the rights, values, aspirations and obligations of Ngāti Toa as kaitiaki for the mana of Te Awarua-o-Porirua as a taonga; and</u> 6. <u>Are resilient to the impacts of climate change; and</u> 7. <u>The use of water and waterways provide for social and economic use benefits, provided that such use does not compromise the health and well-being of waterbodies and freshwater ecosystems or the take and use of water for human health needs.</u> 	

Insert new Objective TWT as follows:

Objective TWT: Long-term freshwater vision for Te Whanganui-a-Tara	 FW
<p>By the year 2100 a state of wai ora is achieved for Te Whanganui-a-Tara in which the harbour, rivers, lakes, wetlands, groundwater, estuaries and coast are healthy, accessible, sustainable for future generations, and:</p> <ol style="list-style-type: none"> 1. <u>The practices and tikanga associated with Te Whanganui-a-Tara are revitalized and protected; and</u> 2. <u>Mahinga kai are abundant, healthy, diverse and can be safely gathered by Taranaki Whānui and Ngāti Toa Rangatira and served to Taranaki Whānui and Ngāti Toa Rangatira uri and manuhiri to uphold manaakitanga; and</u> 3. <u>Have mauri/mouri that is nurtured, strengthened and able to flourish and restored natural character, have a natural water flow, and ecosystems that support an abundance and diversity of indigenous species; and</u> 4. <u>Provide for the safe access and use of all rivers, lakes, wetlands, estuaries, harbours, and the coast for a range of recreational activities including fishing, fostering an appreciation of and connection to these waterbodies; and</u> 5. <u>Are taken care of in partnership with Taranaki Whānui and Ngāti Toa Rangatira giving effect to the rights, values, aspirations and obligations of Ngāti Toa and Taranaki Whānui that respects the mana of Te Whanganui-a-Tara and the whakapapa connection with Taranaki Whānui and Ngāti Toa Rangatira; and</u> 6. <u>Are resilient to the impacts of climate change; and</u> 7. <u>The use of water and waterways provide for social and economic use benefits, provided that such use does not compromise the health and well-being of waterbodies and freshwater ecosystems or the take and use of water for human health needs.</u> 	

Insert new Figure 3.4 as follows:



ACTIONS TRACKING AND FORWARD PROGRAMME

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides an update on past actions agreed by the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee (the Committee), or its equivalent, at its previous meetings (hui).
2. Additionally, this report provides a list of items that are scheduled to be considered at the next two hui of the Committee.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

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

Relevant Previous decisions

Not applicable.

Financial considerations

☒ Nil

☐ Budgetary provision in Annual Plan / Long-term Plan

☐ Unbudgeted \$X

Risk

☒ Low

☐ Medium

☐ High

☐ Extreme

Author	Alisi Folaumoetu'i, Senior Democracy Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

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

1. Receive the information.

Whakarāpopoto | Executive Summary

Actions Tracking

3. The Committee passed 2 resolutions in Whiringa-ā-nuku October 2023:
 - Both are complete.
4. The Committee had 9 in progress actions carried forward from previous action tracking reports:
 - 5 are now complete and 4 are still in progress.

Forward Programme

5. The following items are scheduled to go to the Committee's next two hui:

Rāpare Wednesday, 7 Hakihea December 2023:

- CCO Annual Reports FY22/23 (Chief Strategy and Governance Officer)
- Rating Policy Review (Chief Financial Officer)
- Statements of Expectation to Council-controlled organisations (Chief Strategy and Governance Officer)
- LGNZ Position on the Future for Local Government (Chief Strategy and Governance Officer)
- CCO Board Appointments (Chief Strategy and Governance Officer)

Rāpare Thursday, 8 Hui-tanguru February 2024:

- Financial Policies (Chief Financial Officer)
- LTP 2024 - Deliberations (Chief Strategy and Governance Officer)

Takenga mai | Background

Actions Tracking

6. Attachment 1 lists clauses agreed by the Committee that are still in progress or have been completed since actions were last reported on.
7. For public excluded resolutions, individual clauses will not be reported on in a public hui. An overall status for the item will be given and it will remain in progress until all clauses are complete.
8. Actions will be removed from the list once they have been reported as complete.
9. Where applicable, this report contains actions carried over from the equivalent committee(s) of previous trienniums.

10. The purpose of the actions tracking report is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. The Committee could resolve to receive a full update report on an item, if it wishes.

Forward Programme

11. The forward programme sets out the reports planned for to go to the Committee for consideration in the next two hui.
12. It is a working document and is subject to change on a regular basis.

Attachments

Attachment 1. Actions Tracking [!\[\]\(c3d993ca47bfe2a953c700506ce31fa0_img.jpg\) !\[\]\(c468cde8f04e2e2a6ba3c2a373e05c45_img.jpg\)](#)

Page 320

Date	ID	Title	Clause number	Clause	Status
Thursday, 17 June 2021	296	4.1: Chaffers Marina Limited Options		All clauses	In progress
Thursday, 18 November 2021	304	2.8 Te Upoko o Te Ika a Māui Commitment	3	Note that spend targets are yet to be developed and will brought back to the Committee for approval.	Completed
Wednesday, 31 May 2023	1641	2.2 Quarter 3 Performance Report	4	Recommend to Council an increase to the project Capex budget for the Ngaio Gorge project by \$3.1m from \$10.3m to \$13.4m to cater for the total variation costs of contract works, professional services and labour; and	Completed
Thursday, 29 June 2023	1752	2.2 Report Back on Councillor Young's Taiwan Visit and Report on Wellington Mayoral Delegation to Asia	4	Note that carbon credits for this travel have been included in the estimated costs.	Completed
Thursday, 29 June 2023	1753	2.2 Report Back on Councillor Young's Taiwan Visit and Report on Wellington Mayoral Delegation to Asia	5	Note that a number of senior business representatives will travel with the Mayor Whanau as part of the business delegation, and they will meet their own costs.	Completed
Thursday, 29 June 2023	1754	2.2 Report Back on Councillor Young's Taiwan Visit and Report on Wellington Mayoral Delegation to Asia	6	Note that with a Mayoral business delegation of this size, a senior member of staff will accompany Mayor Whanau in addition to support from the International Relations team. These costs will be met by the Council business units.	Completed
Thursday, 17 August 2023	1860	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	2	Agree to delay the review of the rating base (Land value or Capital value) until after the 2024/34 Long-term Plan. Recommendations following the review of the rating base will be used to inform the 2027/37 Long-term Plan.	In progress

Thursday, 17 August 2023	1869	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	11	Agree to consider targeted funds for a Golden Mile transition fund and Affordable housing fund as part of the 2024/34 Long-term Plan.	In progress
Thursday, 17 August 2023	1871	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	13	Agree to consider targeted rates for climate action and resilience as part of the LTP and signal this intent in the Statement of Proposal for consultation.	In progress
Wednesday, 25 October 2023	2376	2.1 Actions Tracking and Forward Programme	1	Receive the information.	Completed
Wednesday, 25 October 2023	2377	3.1 Report of the Unaunahi Māhirahira Audit and Risk Committee Meeting of 11 October 2023	1	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	Completed
Wednesday, 1 November 2023	2429	2.1 Long-term Plan Rating Policies Review - Oral Submissions	1	Receive the information and thank the oral submitters.	Completed

3. Public Excluded

Recommendation

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

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
3.1 CCO Board Appointments	7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

2. Direct officers to consider the release of the public excluded information in Item 3.1 CCO Board Appointments immediately following the meeting.
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