

**Absolutely Positively**  
**Wellington City Council**

Me Heke Ki Pōneke

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

9:30 am Rāapa, 26 Pipiri 2024

9:30 am Wednesday, 26 June 2024

Ngake (16.09), Level 16, Tahiwī

113 The Terrace

Pōneke | Wellington





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## **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 Randle  
Councillor Rogers  
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](mailto: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](https://wellington.govt.nz/meetings).

**Quorum:** 9 members





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# 1. Meeting Conduct

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## 1.1 Karakia

The Chairperson will open the hui with a karakia.

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

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

<b>Unuhia, unuhia, unuhia ki te uru tapu nui</b>	Draw on, draw on
<b>Kia wātea, kia māmā, te ngākau, te tinana, te wairua</b>	Draw on the supreme sacredness
<b>I te ara takatū</b>	To clear, to free the heart, the body
<b>Koia rā e Rongo, whakairia ake ki runga</b>	and the spirit of mankind
<b>Kia wātea, kia wātea</b>	Oh Rongo, above (symbol of peace)
<b>Āe rā, kua wātea!</b>	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 30 May 2024 will be put to the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for confirmation.



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## **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](mailto: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

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# 2024-34 LONG-TERM PLAN RECOMMEND TO TE KAUNIHERA O PŌNEKE | COUNCIL FOR ADOPTION

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### Kōrero taunaki | Summary of considerations

#### Purpose

1. This report recommends that the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee make the recommendation to Council that it adopt the 2024-34 Long Term Plan. The final LTP reflects incorporation of the final decisions made by the Committee at the 30 May 2024 2024 Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee meeting.

#### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

#### Relevant Previous decisions

Long Term Plan, Finance and Performance Committee:

- 30 May 2024 – LTP Deliberation and final decision, including amendments (post consultation)
- 11 April 2024 – adoption of Consultation Document (post audit)
- 13 March 2024 – consideration of the LTP Consultation Document and consultation approach (pre audit)
- 15 February 2024 – Key decisions relating to Development of the CD including: Significant Forecasting Assumptions, Activity Group Statements, Infrastructure Strategy, Financial Strategy, Revenue and Financing Policy, Level of Service changes, Fees and User Charges changes, Capital and Operating budgets, options for consultation
- 9 November 2023 – Levels of service and balance sheet review



**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

2.      This report presents the 2024 LTP for recommendation to Council for adoption. The LTP includes the Financial Strategy, financial policies and the budget for the period 2024-2034.

**Risk**

☐ Low

☒ Medium

☐ High

☐ Extreme

3.      The risks are outlined in the body of the report.

Authors	Matthew Deng, Senior Advisor Planning and Reporting Amy Brannigan, Senior Advisor Planning and Reporting Lloyd Jowsey, Team Leader, Planning and Reporting Raina Kereama, Manager Financial Planning and Policy Baz Kaufman, Manager Strategy and Research Elizabeth Steel, Chief Advisor Strategy and Governance
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer Andrea Reeves, Chief Financial Officer

## **Taunakitanga | Officers' Recommendations**

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

- 1) Receive the information.
- 2) Note that the 2024-34 Long-term Plan (volumes 1-3) has been prepared based on the decisions and recommendations of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee meeting of 30 May 2024.
- 3) Note that the draft budget prepared for 2024/25 proposes using debt to offset operating expenditure and that this is inconsistent with Council's Revenue and Financing Policy. (See section 14 to 17 for details).
  - a. Note that under Section 80 of the Local Government Act 2002, the Council can make decisions inconsistent with Council policy provided the inconsistency is identified, the reason for the inconsistency is explained, and how the Council will accommodate the inconsistency or modify the policy in future is outlined.
  - b. Note the nature of the inconsistency, the reason for the inconsistency, and how Council will accommodate the inconsistency as outlined in section 14 to 17 of this report.
- 4) Agree that having regard to the requirements of section 100 of the Local Government Act 2002, the Council's significant forecasting assumptions and the Revenue and Financing Policy, it is financially prudent not to set a level of operating revenue that meets the projected operating expenses of Council.
- 5) Recommend that Te Kaunihera o Pōneke | Council:
  - a. Adopt the 2024-34 Long-term Plan (Attachments 1-3 (volumes 1-3))
  - b. Delegate to the Chief Executive and the Mayor the authority to make any minor editorial changes that may arise as part of the publication process.

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## **Whakarāpopoto | Executive Summary**

### *The process*

4. The Council's process for the development of 2024-34 Long-term Plan included:
- A series of preparatory and informing workshops with Councillors as well as Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee (committee) and Unaunahi Māhirahira | Audit and Risk Committee.
  - An extensive early engagement programme that included obtaining feedback on Long-term Plan (LTP) outcomes and priorities and the rating policy review, and holding a Citizens' Assembly, which all contributed to building understanding of the LTP key issues with stakeholders and the community.
  - Review of the Finance and Infrastructure strategies, financial management principles, the Council's funding and financial policies, asset management plans and performance measurement framework.
  - Audit of the LTP Consultation Document (CD), supporting information and proposals for community consultation.
  - In April and May, conducted formal community consultation on the key LTP decisions in the audited LTP CD using the Special Consultative Procedure as set out in the Local Government Act.
  - Oral hearings in May 2024.
  - Committee deliberations on 30 May 2024 on the decisions, community funding bids (submitted as part of formal community consultation), consideration of all community and stakeholder feedback, and budget changes for the preparation of the 2024-34 Long-term Plan for adoption.
  - Audit of the final LTP documents by the Council's external Auditors (Audit New Zealand on behalf of the Auditor-General).

### *Audit review*

5. The Audit of the 2024-34 LTP has occurred in two phases as below.
- a. Phase one audit of the CD. The Auditor's issued an unqualified opinion on the CD which included two emphasis of matters paragraphs.
  - b. Phase two audit of the final LTP documents (following Council deliberation decisions in May 2024).
6. The matters of emphasis in the CD drew the reader's attention to uncertainty and risks relating to:
- a. The planned renewal of three waters assets; and
  - b. Plans to defer renewals of transport and operational assets.
7. Since the May 2024 Committee deliberations, Audit New Zealand has been auditing the LTP and is scheduled to complete its work by 24 June. The Auditors will attend this meeting of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee to provide an update on the LTP Audit. The final audit opinion will be presented to Council on 27 June 2024 as part of the adoption process.

## **Takenga mai | Background**

8. The Long-term Plan is an important plan for the city. It sets out what we plan to achieve in Wellington over the next ten years and how we will pay for it. The LTP is a statutory document that must be adopted before 1 July 2024, and includes the following:
  - Strategic framework, including community outcomes and three-year priorities
  - Financial Strategy including disclosure statement for the period commencing 1 July 2024
  - Infrastructure and Financial Strategies
  - Statements of Service Provision (including performance measures and the activities of the Council's CCOs)
  - Significant Forecasting Assumptions
  - Significance and Engagement Policy (summary).
  - A schedule of changes to fees and charges
  - Forecast Financial Statements
  - Funding Impact Statements
  - Funding Impact Statement Rating Mechanisms
  - Statement concerning the balancing of the budget
  - Funding and Financial Policies (Revenue and Financing Policy, Investment and Liability Management Policies, Rates Remission Policy, Rates Postponement Policy, Rating Policy)
9. Council's 2024-34 Long-term Plan has been prepared through a comprehensive process over 2 years. This included the following steps:
  - a. An extensive series of councillor briefings and workshops to agree the strategic framework, levels of service, projects and budgets.
  - b. Four phases of community engagement over 12 months, including a Special Consultative Procedure in May 2024
  - c. Oral forums and oral hearings in April - May 2024
  - d. Committee consideration of all community / stakeholder feedback
  - e. Committee deliberation on changes and a recommendation to Council of a final 2024-34 Long-term Plan.
10. On 30 May deliberations the Committee made the required decision for the finalised LTP to be prepared (Volumes 1, 2 and 3 attached) and for the external audit to occur.
11. The process is now to recommend the formal adoption of the LTP by the Council, recognising that there is no scope for further changes to decisions (apart from minor editorial changes as part of the publishing process).
12. Any changes to the decisions upon which the LTP has been developed would trigger the development of a new budget, and a re-audit of the LTP by the external auditors.

## **Kōrerorero | Discussion**

### *Audit feedback*

13. Due to the timing of the audit process and the publication of this report, the auditor's feedback on the LTP will be verbally presented to the Committee by Audit NZ.

### *Balanced Budget*

14. Under section 100 of the Local Government Act 2002, Councils are required to set a balanced budget, where projected revenues are at a level sufficient to meet operating expenses. Large variances would indicate that ratepayers are either paying too much or too little rates which could lead to fairness and intergenerational issues over time.

15. For the first five years of the LTP the council has a balanced budget, and for years six to ten there is a minor imbalance of between 1%-2%.
16. Year 1 of the Long-term plan (2024/25) produces an underlying balanced budget with a surplus of \$80.6 million. This is mainly due to the recognition of significant capital revenue for the sludge minimisation facility.
17. Where council does not meet this benchmark, this is due to some of the planned operating expenditure being initially debt funded and in some cases is then rates funded to repay the debt for the purposes of inter-generational equity. Council has also forecasted to not fully fund the depreciation on water infrastructure assets (forecasted to be fully funded by 2028/29) and other assets which are unlikely to be replaced at the end of their useful lives.

#### *Financial Strategy – Debt limit*

18. The forecasted debt, inclusive of the \$272m headroom allowance, may exceed the financial strategy setting of 225% debt to revenue ratio in the first eight years of the LTP. From year nine the ratio gradually returns within the limit. Excluding the \$272m insurance headroom, the forecasted debt/revenue ratio is under the 225% limit set in the financial strategy.

#### *Financial strategy – Rates limit*

19. The rates increase limit in the financial strategy is an increase of between 5-8% (excluding sludge levy) on average over the ten years of the LTP.
20. There are higher increases forecasted in the early years of the LTP to continue to fund the current levels of service. The average rates increase forecasted over the ten years is 8%.

### **Kōwhiringa | Options**

21. There are no options in this paper as this paper reflects the LTP adoption phase of the process after final deliberations and audit processes have concluded.
22. In earlier stages of the LTP options were presented and considered.
23. As required by legislation the development of the LTP has included the development of options for key issues and for these to be consulted on with the community. These were developed and included in the Consultation Document for community feedback.
24. The Long Term Plan, Finance and and Performance Committee considered community feedback on the options presented in the Consultation Document, the committee then made final decisions on these options on the 30 May for what was to included in final 2024 LTP for audit review and then adoption at Council.

### **Whai whakaaro ki ngā whakataunga | Considerations for decision-making**

#### **Alignment with Council's strategies and policies**

25. Alignment with Council strategies and policies is outlined in the 30 May 2024-34 LTP Deliberation Paper.

## **Engagement and Consultation**

26. All strategies and policies alignment are outlined in the 30 May 2024-34 LTP Deliberation Paper.

## **Māori Impact Statement**

27. Māori Impact Statement are outlined in the 30 May 2024-34 LTP Deliberation Paper.

## **Financial implications**

28. The financial implications of the recommendations contained in this report are outlined in the body of the report, the 30 May 2024-34 LTP Deliberation Paper as well as in the 2024 LTP document (attached).

## **Legal considerations**

29. Legal has been part of the development of all aspects of the LTP process. This LTP has met with all requirements of legislation in terms of content and process.

## **Risks and mitigations**

30. The following risks are identified for this paper:

### *Timeframes for adoption*

31. The Council is required to adopt its LTP before the commencement of the first year to which it relates. This means the LTP needs to be adopted and the rates struck before 1 July 2024.
32. While the Local Government Act was amended to allow for a three-month extension to 30 September for councils to deal with the complexities of changes to three water reform, WCC endorsed the standard LTP timeframe requiring adoption by 1 July at their committee meeting of 15 February.

### *Risks for delayed adoption of LTP*

33. Should the committee agree to proceed with a delayed adoption of the LTP to revisit decisions at this late stage, there are several risks that should be considered:
- *Changes to the LTP* – if a three-month delay was to achieve substantial changes to the LTP from what was agreed at the 30 May deliberations, this could necessitate further consultation with the community. Depending on the scope of those changes (such as a significant cut to the capex program) an LTP style consultation / amendment may be required.

Further changes to the LTP would also require another audit that has not been scheduled, and this will also incur additional audit fees.

Substantial changes that require further consultation and audit review are also not achievable in a three-month period – particularly when a one month recess is scheduled for elected members in July.

If the LTP was not adopted by 30 September, this would put Council in breach of its statutory obligation to have an LTP in place at all times.

If elected members are seeking to achieve change to the LTP, the appropriate time to consider this is as part of the next annual plan process.



- *Impact on other statutory processes* – a three-month delay would impact other planning and reporting processes that have legislative timeframes. Staff that work on the LTP also work on the annual report and the annual plan. A delayed adoption would intersect these other projects and would necessitate bringing on extra staff at extra cost to carry out the work.
- *Impact on setting rates* – if the Council does not adopt the LTP by 30 June, then the Council can only collect rates based on the last quarter of the current year. This would significantly impact on revenue and the Council's work programme (see additional point below).
- *Impact on Sludge Levy* – The Council will be setting the sludge levy for the first time in the 2024/25 year alongside rates and we need to meet our obligations under the Infrastructure Funding and Financing Administration Agreement. We have set up our processes to bill the sludge levy within the rates invoice. To bill this separately we would need to get consent from Crown Infrastructure Partners (CIP) and we would also need to design a new invoice (we have not done that work). Moving out the invoicing dates might also ultimately increase interest costs. The modelling for the quarterly payments embedded in the agreement was based on our current collection profile. Shifting these dates will likely require pushing everything out, including the subsequent repayment that CIP would need to make.
- *Impact on work programme* – a delay of three months means that the existing 2021-31 LTP remains in force for that period. That means only those projects and spending provided for in the existing LTP would be permissible until 30 September 2024. Anything such as the Council's decision to increase spending on fixing water leaks and water renewals as part of the 2024-34 LTP would go on hold for three months or until the LTP was adopted. A number of other projects would also be affected. The increase in fees included in the LTP could not proceed for three months which would mean revenue would also be down for the year, and this coupled with a delay in striking the rates could create cashflow risks for the Council.

### **Disability and accessibility impact**

34. Disability and accessibility impact are outlined in the 30 May 2024-34 LTP Deliberation Paper and within the LTP.

### **Climate Change impact and considerations**

35. Climate Change impact and considerations are outlined in the 30 May 2024-34 LTP Deliberation Paper and within the LTP.

### **Communications Plan**

36. Once the Long-term Plan is published, its availability will be communicated through normal Council communication channels.

**Health and Safety Impact considered**

37. N/A

**Ngā mahinga e whai ake nei | Next actions**

38. Once the 2024-34 LTP has been recommended to Council for adoption, Council will:
- a. in accordance with section 23 of the Local Government (Rating) Act 2002, set the rates (as outlined in the 2024/25 Rates Setting paper for Council).
  - b. publish and distribute the final document; and
  - c. make it available online and in council libraries and service centres.
39. Publication will also include feedback to submitters on the final LTP.

**Attachments**

Attachment 1.	2024-34 Long-term Plan - Voume 1	Page 18
Attachment 2.	2024-34 Long-term Plan - Volume 2	Page 66
Attachment 3.	2024-34 Long-term Plan - Volume 3	Page 330

# **Tō mātou mahere ngahuru tau**

## **Our 10-year Plan**

Volume 1 – Summary of our plan

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# Wāhanga 1: te reo to come

## Section 1: Introduction

### Kia ora | Welcome

Ko tō mātou matawhānui mō te anamata o Pōneke: *te pokapū auaha e ora tōnui nei te tangata me te taiao*, e whai ana kia tāone tainekeneke, tāone toitū, tāone ngangahau anō hoki. Me whakatakoto e mātou ngā tūporo ināianei hei tūāpapa mō te anamata.

Ko tā te mahere pae tawhiti he whakatakoto i te ara e taea ai tēnei whāinga. Ka whakatakoto i ngā whakaarotau mō ngā tau 10 e haere ake nei, ko ngā mahi ēnā, me ngā moni e utua ai ēnā mahi.

Our vision for the future, *Poneke: the creative capital where people and nature thrive*, is about creating a dynamic, sustainable and vibrant city. We need to put the building blocks in place now to lay the foundations for this future.

A Long-term Plan sets out how we will do this. It states our priorities for the next 10 years, including what we will do, how much it will cost and how we will pay for it.

### What makes up the plan?

#### Volume 1

- Strategic priorities and overview of work programme
- Budget summary
- Financial strategy summary
- Infrastructure summary

#### Volume 2

- Statements of service provision
- Significant forecasting assumptions
- All financial policies and strategies that support this plan

#### Volume 3

- Full strategic framework
- Full infrastructure strategy
- Full financial strategy

# Mayor and Chief Executive's Welcome

We have a great capital city with a lot of heart. Art, nature and diverse communities – it's what makes the city such an amazing place to live, work and play.

But we've come to an important time in Wellington's history. We must develop into a new, more liveable and resilient city for the future while responding to our current economic environment.

So this next 10-year plan (our 2024–34 Long-term Plan) is hugely important. We've had to balance between investing in Wellington, so our communities thrive while also responding to tough economic conditions being felt by councils all over the country.

As a city, we've had to make some hard decisions about what to prioritise while also picturing what our city can look like in ten years' time and beyond. We have some major challenges, and we know times are tough for some right now. Our infrastructure is ageing – our water and transport networks need significant, ongoing and costly upgrades. We need to ensure our buildings are resilient, prepare for population growth with housing and transport, and act on climate change.

Over the next 10 years, we plan to spend \$4.9 billion in capital costs to make improvements in the city, and \$11.6 billion in operating costs providing the hundreds of services Wellingtonians use everyday – libraries, swimming pools, recreation centres and sports fields, through to festivals, footpaths and our many regulatory services.

We have created a budget that results in a rates increase in 2024/25 of 16.9% (after growth in the ratepayer base) and an average annual increase over the 10 years of the plan of 8%. The sludge levy, which is in addition to general rates, will be introduced from 2024/25 and is a further 1.6% increase (average annual increase of 0.6% over the 10 years of the plan).

A clear priority in this Long-term Plan is fixing our water infrastructure and pipes. In recent years, we've significantly increased funding in this area, and this Plan provides funding for Wellington Water of a record \$1.8 billion over the next 10 years. That's a 68% increase from our last Long-term Plan and includes funding to roll out water meters.

Our environment also needs care and attention, and this is reflected in the Council's Zero-Waste Strategy, as well as increased funding for climate resilience and tree coverage in our city centre. Our Zero-Waste Strategy aims to build a sustainable future through reusing, recycling and reducing waste. From xx, we'll be introducing an organics collection service and redesigning our rubbish and recycling collections to reduce landfill waste.

As with any Long-term Plan, we've also needed to consider our financial resilience. The increasing risk of earthquakes and climate change-related disasters, and the increasing difficulties getting insurance cover, has massively changed the insurance risk that Council faces. As a result, our public assets like libraries, pools and waste systems cannot be covered by insurance. As our current investment portfolio it is not diversified, most of our investment assets are exposed to the same kind of risk.

To mitigate these risks and build our city's resilience, we are selling our minority shareholding in Wellington Airport and using this money to set up a new perpetual investment fund that will make green, ethical investments to return a dividend to the city, reduce our insurance risk, and diversify our

investment portfolio. This fund will be better placed to provide cash to help rebuild Wellington after a climate change-charged weather event or a major earthquake.

This Long-term Plan represents a developing vision which will inform the next decade. Thank you to the thousands of Wellingtonians who participated in this process and provided feedback on our proposals. Together, we can ensure Pōneke continues to be a creative capital where people and nature thrive.

Tory Whanau

Mayor of Wellington

Barbara McKerrow

Chief Executive

# Tākai Here Partnership

In April 2022, Te Kaunihera o Pōneke and mana whenua in the Wellington rohe adopted Tākai Here - a collective partnership agreement with Taranaki Whānui ki te Upoko o te Ika, Te Rūnanga o Toa Rangatira, and Te Rūnanganui o Te Ātiawa ki te Upoko o te Ika a Māui. This collective agreement set the principles, values and priorities for our work together. The date of the signing was significant, in being the 182nd anniversary of the signing of the Treaty of Waitangi in Te Whanganui-a-Tara.

The partnership is expressed through the narrative and imagery of a waka. The role we all play is like that of a hoe (paddle) propelling the waka forward, creating a partnership that looks ahead and plans for the future of Wellington. It also refers to the binding, lashing, knotting and tying of the waka to ensure it is safe and fit for our shared purposes. This represents the way our shared values and tikanga ensure a strong relationship.

The Council is dedicated to strengthening our relationships with our Tākai Here partners as well as Māori communities. This looks like providing opportunities for meaningful input, contribution as well as leadership roles in the decision-making process for our city.

## Who are our Tākai Here partners?

### Taranaki Whānui ki te Upoko o te Ika

The Port Nicholson Block Settlement Trust was created in 2008 to receive the settlement package for Taranaki Whānui ki te Upoko o Te Ika (Taranaki Whānui). Taranaki Whānui represents people who whakapapa back to Te Āti Awa, Ngāti Ruanui, Taranaki, Ngāti Tama, Ngāti Mutunga and other iwi from the Taranaki area.

Taranaki Whānui ki Te Upoko o Te Ika is the collective group of individuals who descend from one or more of the ancestors of the following Iwi: Te Ātiawa; Ngāti Tama; Taranaki; Ngāti Ruanui; and other Taranaki iwi such as Ngāti Mutunga. The takiwā for Taranaki Whānui ki te Upoko o te Ika was recounted to the New Zealand Company by the Rangitira Te Wharepouri in 1839 and followed the Māori tradition of marking a takiwā by tracing from headland to headland. The eastern boundary was established by the kāinga at Mukamuka on the stream of the same name. The takiwā (areas) included are the catchments of the Orongorongo, Wainuiomata, Te Awakairangi (Hutt) Rivers and Makara Stream along with Te Whanganui-a-Tara and the three islands in the harbour. The western boundary was established at Pipinui Point and included the pā of Ngutu Kākā on the Northwestern side.

### Ngāti Toa Rangatira

Te Rūnanga o Toa Rangatira is the mandated iwi authority for Ngāti Toa Rangatira. It is the administrative body for their assets and interests.

There are two Ngāti Toa marae in Te Upoko o te Ika – Hongoeka Marae and Takapūwāhia Marae.

The Ngāti Toa Rangatira area of interest spans the Cook Strait. It covers the lower North Island from the Rangitikei in the north and includes the Kāpiti Coast, Hutt Valley, and Wellington areas, as well as Kāpiti and Mana Islands. It includes large areas of the Marlborough Sounds and much of the northern



South Island. The main areas of Ngāti Toa Rangatira occupation in the Wellington Region were the lands on the south-west coast of Wellington at Ōhariu, Porirua, Kāpiti Island and at locations on the Horowhenua coast.

## Te Āti Awa

Te Rūnanganui o Te Āti Awa ki te Upoko o Te Ika a Māui is based out of Te Māori in Waiwhetu.

There are three Te Āti Awa marae in the region, Waiwhetu marae, Pipitea Marae and Te Tatau o te Pō marae.

Within all these iwi are multiple hapū (sub-tribes) and whānau (families) to which we will work to establish formal partnerships with over coming years.

## Strategic priorities

To fulfil our vision of Pōneke being the creative capital where people and nature thrive, we need to ensure that these iwi and Māori from our wider community are contributing to the decision making in our city.

To ensure we successfully achieve this we will continue to work on the following shared strategic priorities with our Tākai Here partners and Māori communities:

- **Mauri Ora o te Tangata** – Wellbeing of People
- **Te Ao Māori and te reo Māori** – Wellbeing of culture, heritage, arts, and language
- **Kāinga me te Whenua** – Wellbeing of housing and land
- **Taiao** – Wellbeing of our Environment
- **Partnership**

Together with strong, open and transparent relationships, these priorities will provide the platform for further opportunities for Māori to participate in and create a positive future for Wellington.

We already have several strategic and operational commitments, which align to these priorities. Council staff will continue to work alongside Māori in our city to enhance effective engagement of Māori in decision-making, we have committed staff and other resources to support, advocate on behalf of, and guide the Council's interactions with Māori.

To further strengthen our capacity as an organisation to respond to the needs of our Tākai Here partners and Māori we are dedicated to building the staff capability and cultural intelligence of our organisation. This includes building staff capability in basic te reo Māori (language), tikanga (practices) and developing staff knowledge and understanding of Māori concepts, values, histories and experiences. It also includes enhancing staff confidence and skills in engaging with Māori to establish and manage effective relationships.

In October 2022, Council appointed two Pouwiwi, both of whom were nominated by our Tākai Here partners. These Pouwiwi have joined us for the 2022–2025 triennium, have full voting rights on all committees and sit on nearly all council committees and sub committees. Council also established the Te Whanganui-a-Tara, Māori ward at the 2022 election so that all Māori in the city have stronger representation. Increasing ways the Council involves Tākai Here partners and Māori in the formal governance of the Council are key steps toward achieving meaningful partnership with Māori in shaping the future of Wellington City.

## Our vision for the future

Wellington City Council is situated at the south-western tip of the North Island and is New Zealand’s Capital City. We provide various services to the community to achieve our vision:

Pōneke, te wāhi auaha e whitawhita ai ōna tāngata me tōna taiao | Pōneke, the creative capital where people and nature thrive.

Our commitment to our mana whenua partners grounds us in how we deliver on the vision.

We are committed to Te Tiriti o Waitangi and strong partnerships with mana whenua. Tākai Here and Te Tiriti o Waitangi lay the foundation for everything that the Council does.

Underpinning our vision are five intertwined community outcomes. These are aspirational statements and more detail on these is provided from page X.

<b>Cultural Wellbeing:</b> A welcoming, diverse and creative city	<b>Social Wellbeing:</b> A city of healthy and thriving whānau and communities	<b>Economic Wellbeing:</b> An innovative business friendly city	<b>Urban Form:</b> A liveable and accessible, compact city	<b>Environmental Wellbeing:</b> A city restoring and protecting nature
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To help us achieve these goals, we asked what priorities we should focus on now to make sure we make progress towards them. In March to May 2023, more than 3,000 Wellingtonians gave us feedback that led to the nine below:

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

These priorities have helped us shape this plan and make the hard decisions needed.

We are proud that this 10-year plan also embeds five approaches to help guide the Council in all parts of our work – meaning that going forward we are committed to putting te ao Māori, accessibility, the climate, community engagement and effective delivery at the heart of the Council and your city.

More information on these approaches is included from page X of this document and also in our Statements of service provision in Volume 2.

# Our plan for the next 10 years

We plan to invest **\$4.9 billion** of capital expenditure (capex) to improve our city over the next 10 years and **\$11.6 billion** of operating expenditure (opex) to run our services.

## Governance

- \$36.2m opex over the 10 years for protecting our history through the City Archive
- \$57.4m opex over the 10 years to provide help to our residents through the Service and Contact centres

## Environment and Infrastructure

- \$42.1 of capex on upgrading and renewing our Coastal, Town Belt and Reserves and Walkways infrastructure
- \$33.4m of capex on the Southern Landfill extension
- \$28.7m of opex on waste minimisation programmes

## Three Waters

- Total spending on the three waters network \$4.8b including:
  - \$1.85b of funding to Wellington Water Ltd: \$1.17b capex on three waters upgrades and renewals, and \$680.0m opex to deliver services and necessary repairs
  - \$274m (total project cost \$400m) capex on the Moa Point Sludge Minimisation Facility
  - \$2.7b on other operating costs e.g., depreciation and interest

## Economic Development and Cultural Wellbeing

- \$224.5m of capex on our venues, museums and galleries, including \$157.6m on the Town Hall.
- \$124.2m of opex over 10 years in grants for our arts, cultural and economic communities

## Social and Recreation

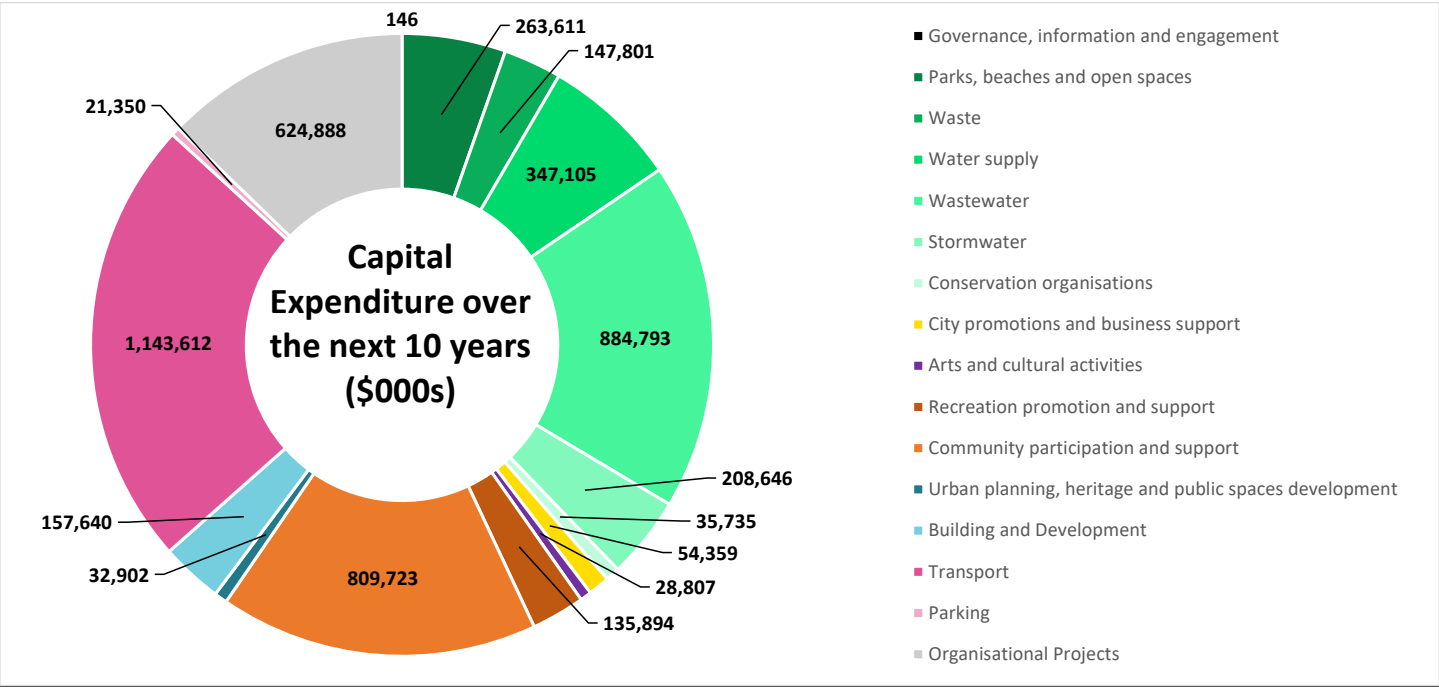
- \$106m of capex on our recreation facilities and services, including \$12.4m to upgrade Grenada North sportsfields
- \$104.4m of capex to finish construction of the new Te Matapihi Central Library
- \$57.3m of opex over 10 years in grants for our social and recreation communities
- \$325.3m opex on our social housing portfolio
- \$592.9m of capex on renewing and upgrading our social housing units

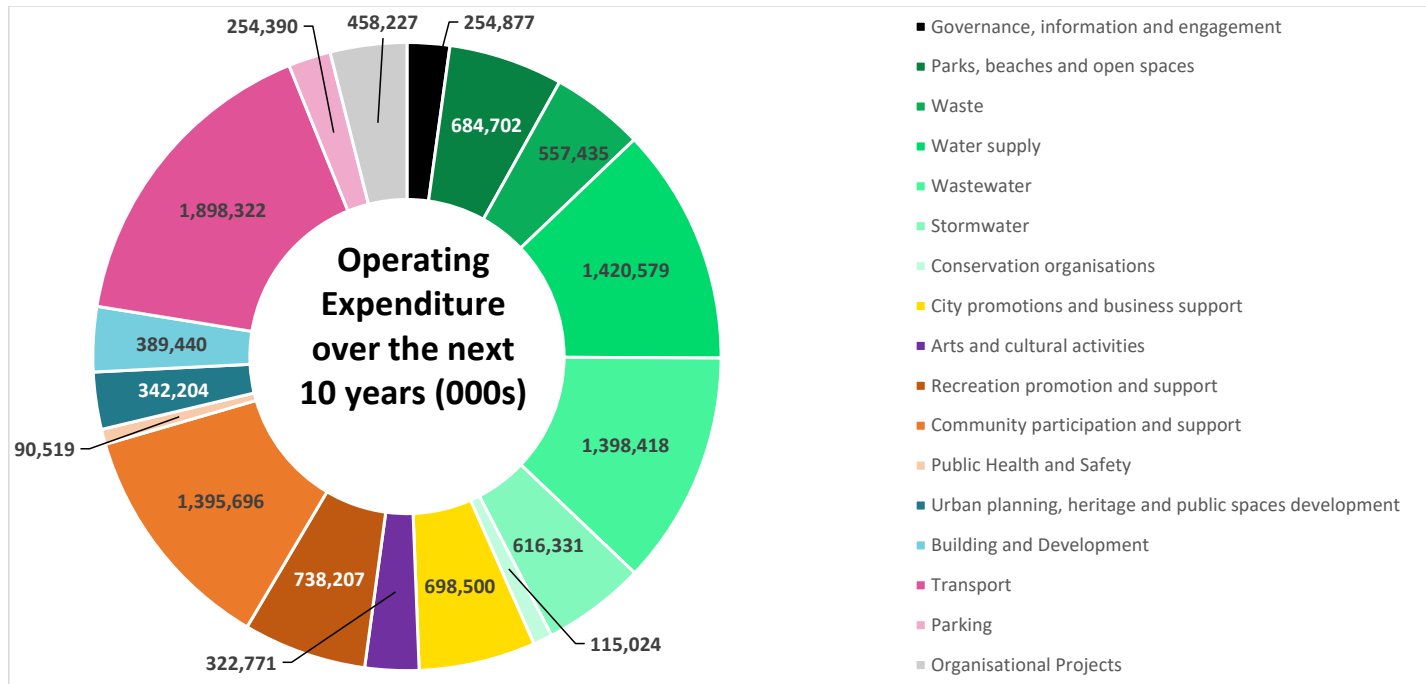
Urban Development

- \$62.4m opex on our public spaces, including the Green Network Plan
- \$112.9m capex on the Golden Mile

Transport

- \$1.1b capex on our transport network, including \$115.2m on sustainable street changes through the Paneke Pōneke, our bike network plan, and \$187.4m on our retaining walls, tunnels and bridges.





## Ā mātou i rongo ai | What we have heard

### How the community shaped our plan

The following section summarises the engagement on the 2024-34 Long-term Plan, the feedback we received and the decisions adopted by the Council following formal consultation.

We have built this plan with help from our community. In the past 18 months we have conducted specific Long-term Plan engagements on community outcomes and priorities in March – May 2023, on the review of our rating policies in September – October 2023, a Citizens’ Assembly in October 2023, and a final formal consultation phase in April – May 2024.

Summaries of the information we received on this Long-term Plan are below with more information on our website – [wcc.nz/ltp](http://wcc.nz/ltp).

### Priorities for the Long-term Plan

We received 2,722 responses in this early engagement – a huge increase on the 327 responses to the similar engagement for the 2021 LTP.

The priorities that were consistently ranked highly by the community were:

- Improve resilience of pipes, roads and other infrastructure
- Improve city safety at night
- More funding for the arts and cultural sectors
- Better public transport infrastructure
- Make our cultural diversity more visible
- Upgrade suburban town centres
- Shift to an economy that creates less waste
- Improve the health of our waterways
- Prepare to withstand and adapt to climate change

The feedback from this stage was used alongside data and research to develop the priorities for the Long-term Plan that are outlined on page 9 and this information informs our full strategic direction, which is summarised here from page X and in full in Volume 3.

The full report of this stage is available on our website.

## Rating Policy Review

As part of this Long-term Plan we conducted a review of our rating policies. This determines how we cut up the rates pie, not how much the rates are. We received 160 submissions during an engagement process where we asked about six changes to our rating policies:

- Decreasing the commercial rates differential from 3.70 to 3.25
- Introducing a general rates differential of 4.5:1 on vacant land /derelict buildings
- Increasing the value threshold for properties with more than one land use from \$800k to \$1.5m
- Introducing a remission of general rates for Earthquake-Prone-Buildings (EPB) and targeted rates for both residential and commercial not-fit-for-purpose buildings
- Removing the first home builder remission
- Extending the current Māori freehold land remission policy to all types of Māori Land.

After receiving the feedback, Council has made the followings changes to Rating Policies:

- Introducing a general rates differential of 5:1 on vacant land and for derelict buildings
- Increasing the value threshold for properties with more than one land use from \$800k to \$1.5m
- Increasing the rates remission for low-income ratepayers from \$700 (GST inclusive) to a maximum of \$800 (GST inclusive)
- Introducing a remission of general rates for Earthquake-Prone-Buildings (EPB) and targeted rates for both residential and commercial not-fit-for-purpose buildings
- Removing the rates remission for first home builders
- Extending the current Māori freehold land remission policy to all types of Māori Land.

More information is available on page 50, and all of the details are in the full policies in Volume 2 of this plan from page X.

## Citizens' Assembly

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

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

Sessions were facilitated to ensure all perspectives were heard, and subject matter experts were called upon to answer participants' questions and provide information to support the Assembly in developing its advice. During the final session, the Citizens' Assembly's advice to Council was presented to the Mayor, Councillors and members of the Council's Executive Leadership Team. The full advice is available **here**. It includes 10 pieces of advice across the following areas:

- Investigating alternative revenue streams
- Capital expenditure



- Open space
- Housing
- Community funding
- Process

Formal consultation

4,077 total submissions	298 oral hearing requests	3,799 downloads of the consultation document	4,013 comments across 2,367 website submissions	44 funding requests	27,000+ unique visitors to the LTP website homepage
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The formal consultation went live on Friday 12 April and ran until midnight 12 May. The public could submit via our Let’s Talk website, through posted or emailed submission forms or via direct email to [ltltp@wcc.govt.nz](mailto:ltltp@wcc.govt.nz). The aim was to accept feedback in as many forms as possible for as many audiences as possible. We received 4,077 submissions in the month, double the number received in 2021. Overall, there were 7,724 downloads of LTP information from our website. The consultation document was downloaded 3,779 times, and the additional individual files on the key proposals were downloaded 1,709 times. The third highest downloaded document was the information on fees and user charges which was downloaded 1,208 times.

We hosted 16 hui across the month of consultation, including a general public webinar, school workshops with 130 children, specific consultation with hapori Māori, businesses, and topic specific engagement on Khandallah Pool and Wadestown Community Centre.

Direct emails were sent to over 10,000 people, including all 83 primary and secondary schools in Pōneke and 87 community organisations, including 14 te ao Māori organisations. Our promotional campaigns on Council social media channels had 1,534,503 reach, 42,422 engagements, and 7,870 link clicks to the LTP website. Digital advertising had 1,375,158 impressions, with 8,102 clicks through to the website.

What was decided

The Council deliberated on the key proposals and all of the consultation feedback and other changes to the plan at the 30 May 2024 Long-term Plan committee meeting.

The three key proposals were adopted as consulted:

1. **Increased water network funding:** Investment of \$680m opex and \$1.2b capex, addressing some of the drinking water network issues in the short to long-term with additional operational funding for short-term work to address water leaks as well as initiatives, such as water meters, to address water supply over the medium to long-term. Our capital expenditure will be prioritised toward the most critical wastewater network risks.

2. **Waste collection changes:** The new services to be introduced from 2027 onwards are: a rates-funded rubbish wheelie bin that will be collected fortnightly, combined with a rates-funded weekly organics service for food scraps and garden waste; and a bigger 240L fortnightly recycling wheelie bin and retaining our 45L fortnightly glass service. In addition the Council will:
  - a. investigate how to implement collection trials for multi-unit developments and the central city
  - b. investigate how the current recycling bins can be repurposed or recycled as part of the implementation of the new services
  - c. review the size of the bins for the collection of rubbish 6 to 12 months after the implementation of the new services to ensure the collection meets the needs of households, including those with high and low waste needs.
3. **Investment and insurance:** The Council will sell its full holding of airport shares and create a new publicly owned financial asset by reinvesting the proceeds in a perpetual investment fund. Proceeds from future ground lease sales could also be transferred into the fund (if/when these leases were considered for sale).

## Key changes

### Parking

The council agreed not to include the additional parking revenue from the suburban parking proposal for the 2024/25 year in the LTP, and it will investigate and report back in time for the 2025/26 Annual Plan process on options for suburban parking where demand for parking is high and in accordance with the Parking policy. This will result in \$2m of lost revenue and a 0.4 percent increase in rates for the 2024/25 year.

It agreed to the motorcycle parking fees as per the consultation proposal, but noted that the fee is up to \$2.50 per hour but the specifics of the fee will be determined through a separate Traffic Resolution consultation process that will follow the LTP process. There will also be the option of a daily cap on the fees included as part of the traffic resolution process.

### Khandallah Pool

The Khandallah Pool will remain open for at least year 1 and a community advisory group will be established to be engaged with over 6 months. It will receive the findings of an engineering review that will identify if a cheaper fix for the pool is possible within the \$7.5m budget currently assigned. This group will include representatives from both the community, approved by the Mayor, and Council and be supported by council officers. To support this process, the Council will commission further technical and engineering expert advice, noting the health and safety imperatives of any preferred solution. Officers will report back to Council at the conclusion of process with all final decisions remaining with the Council. This process will cost \$80,000.

### Community requests

In summary, the Council decided that the final plan should include the following additional changes from the draft that was consulted on.

1. **Capital Kiwi:** Allocate \$100,000 per annum to the community organisation.

2. **Wellington NZ funding:** Reallocate \$500,000 per annum of funding from Te Papa to Wellington NZ. This results in a \$500,000 decrease in funding for WellingtonNZ, as opposed to the \$1m decrease proposed in the draft budget.
3. **National Music Centre:** The Council will providing the requested \$182,500 funding for the National Music Centre in Te Ngākau Civic Square, which it its portion of the centre's request that the region's councils provide \$500,000 of funding, with a funding proposal to be developed between officers and the centre. This funding will come from reprioritising the existing Creative Capital operational budget from the 2023/24 and 2024/25 financial year towards the National Music Centre.
4. **City safety:** the Council will develop a plan (including key measures), with relevant agencies, to reduce crime and improve safety in Wellington with a focus on the central city, including increasing social grants funding for safety initiatives by \$500,000 per annum from year 1.
5. **Arts sector:**
  - a. Retain ongoing commitment to support a Living Wage top up for events and artists and review options in the next 12 months for this to be achieved through existing fund criteria or continuation of specific top-up Living Wage funding.
  - b. Add a musicians' sector group to the Aho Tini Creative Sector working group(s) in line with the Aho Tini 2030 Arts, Culture and Creativity Strategy and Aho Tini action plan.
6. **Skate parks:** the Grants Subcommittee will allocate \$80,000 from the Sportsville fund in year two of the LTP for feasibility studies of upgrades for Waitangi Park and Ian Galloway skateparks.
7. **Living wage:** On top of the events and artists funding above, the Council will provide CCOs with additional top-up funding (at a cost of \$145,000) to pay the Living Wage in the 2024/25 financial year, with direction that CCOs will need to manage this within their budgets from year two onwards.

#### Other changes

1. **Climate initiatives:** \$14m from the Climate Resilience Fund will be allocated to degasify the pool network, reducing emissions and operating costs.
2. **Waste initiatives:** the Council will support community compost hub providers to educate the community and divert organics from the waste stream. This will be funded using (ring fenced) Waste Levy Funding of \$50,000 to \$150,000 per annum until the 2027/28 Long-term Plan. This will be reviewed to assess the continuation of this initiative.
3. **Capital programme:** If funding currently allocated against the Town Hall and Te Ngākau strengthening projects is not fully expended, officers will report to the Council as soon as possible with options to reallocate the money to the water network's capital projects. The capital work programme will be closely monitored for other opportunities to reallocate funding to the water network's capital projects.
4. **City Streets:** Officers will report back on all projects within the City Streets budget for a council decision on prioritisation by September 2024 with a focus on delivering the following central city projects within years 1 to 3 of the LTP:
  - a. Secondary bus corridor (bus spine on the Quays).
  - b. Cross-city cycle connection (connect Thorndon Quay to Cambridge Terrace).
  - c. Cuba St pedestrianisation infrastructure and activations (significant improvements beyond proposed footpath widening).
  - d. Dixon St upgrade (required as part of the Golden Mile design).
5. **Transport:** Once the Waka Kotahi National Land Transport Plan is finalised, officers will report back to the Council on the Paneke Pōneke Bike Network Plan and whether projects will require reprioritisation.

6. **EV chargers:** The year 1 funding for the installation of EV chargers already approved is retained within the LTP (bringing total installed to 34), but funding beyond this amount is removed, pending further advice on the costs and benefits of proceeding with installation of the remaining 26 chargers. We will also investigate the potential to sell existing EV chargers to recover the Council's investment.
7. **Golden Mile:** Officers will report back by September 2024 on how the Golden Mile design can be revised to provide higher prioritisation to pedestrian space including the connection to public transport.
8. **BIDs:** Officers will report back in time for the 2025/26 Annual Plan on options for further investment in areas with Business Improvement Districts to support more effective economic development.

# Wāhanga 2: te reo to come

## Section 2: Summary of our plan

### In this section

#### Te reo to come

This section includes summaries of our Finance strategy and Infrastructure strategy and an overview of our Strategic Framework. These documents underpin all of our planning and are available in full in Volume 3.

# Key strategy summaries

## Introduction

Our city is experiencing the impacts of earthquakes, the aftermath of the global pandemic, issues with our ageing three waters network, and climate change. Along with these are financial pressures, with higher inflation and increases in the cost of interest and insurance, as well as higher costs associated with asset ownership (for example, higher depreciation). We know our community faces many of the same cost pressures, meaning the ability to pay for these increasing costs is becoming more difficult. It is important for the Council to operate a sensible budget.

The biggest challenge for the Council is being realistic about what we can pay for and when. We own a lot of infrastructure that we need to maintain and upgrade (buildings, roads, pipes and more). We also need to keep our budgets affordable and to have money available for future risks, such as responding to a natural disaster. This means the list of what we need to pay for is growing faster than our ability to pay for it.

To make sure we continue to work towards our vision for the future, the Council has rephased and reprioritised the work in our capital programme, with a focus on completing projects that we have started, looking after our existing assets, and meeting our regulatory requirements.

The financial challenges we face are not limited to the 10 years of this plan. We also need to think about how we provide financial sustainability for the future. We are exposed because we cannot insure all our assets so if there is a natural disaster we will not have sufficient funding to repair damage and rebuild our city. Further, all our investments are concentrated in Wellington International Airport Ltd shares or ground leases. This means if something were to happen to those assets, we could lose our investment revenue. We will manage these risks through the establishment of a perpetual investment fund.

The following pages summarises our Financial Strategy and Infrastructure Strategy and how we are planning to face the current challenges to create a new, more liveable and resilient city for the future.

More detail is provided in our Financial Strategy and Infrastructure Strategy in Volume 3 of this plan.

## Financial strategy summary

### Affordability

Affordability is a challenge both the Council and residents of the city are facing. The economic and community operating environment has changed dramatically since the Council prepared its 2021–31 LTP. We are operating in an environment of high inflation and borrowing costs have also increased steeply since 2021. Insurance premiums continue to rise while access to insurance for many of Council's assets is becoming more difficult. Put simply, everything we do is costing more to deliver. For residents, the ability to pay more rates is limited, and the Council will need to find ways to deliver our services in a more constrained funding environment.

Our budget results in a rates increase in 2024/25 of 16.9% (after growth) and an average annual increase over the 10 years of the plan of 8%. The sludge levy, which is in addition to general rates, will be introduced from 2024/25 and is a further 1.6% increase (average annual increase of 0.6% over the 10 years of the plan). The Council has set an average rates increase limit of between 5-8% (excluding sludge levy) over the ten years of the Long-term Plan. However, the higher rates increases in the first four years of the Long-term Plan are necessary to continue to fund the current core levels of service. These include moving to fully fund three waters depreciation by 2028/29 and dealing with increasing operating costs, such as insurance and interest. The graph of the forecast rates increases for the 10 years of the plan is on page 25.

We have tried to forecast a fair and balanced budget for this plan that deals with the critical issues and keeps our city moving forward.

More information about our budget and how it was created is available in the Financial Strategy.

### Funding issues

#### Council revenue

Local government has a narrow range of tools for funding projects and every day costs. Most of our operating revenue comes from our residents through rates, or fees and user charges, and our capital investments are paid for through debt. We also receive some funding for projects from NZ Transport Agency Waka Kotahi (NZTA).

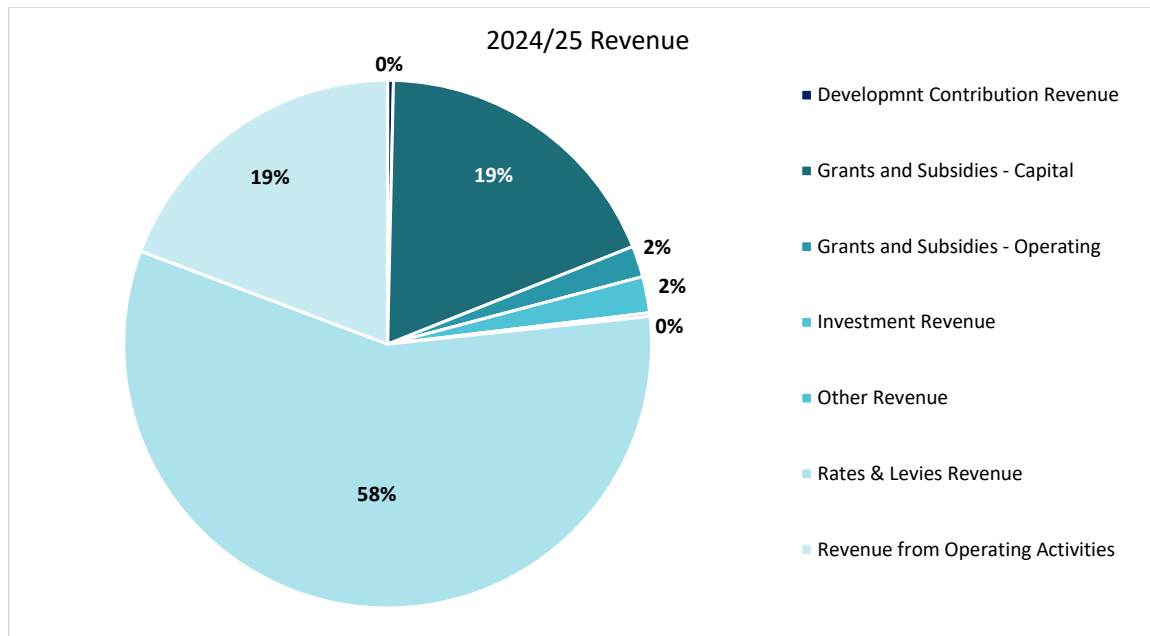
There is significant uncertainty about the level of funding from NZTA. In creating this plan, we have made some assumptions on the level of subsidy that may be available. This may need to be revised once the NZTA funding is finalised. If the funding is less than expected, we may need to look at altering our capital programme.

We have been able to access funding through the Infrastructure Funding and Finance Act 2020 for the new Moa Point Sludge Minimisation Facility. Getting a loan for this asset via this central government pathway means we don't increase our debt directly, but it will still impact ratepayers through a levy on rates bills from August 2024 (1.6% increase in 2024/25). More information about this project, including the levy and how it is funded, is available here: Projects – Moa Point sludge minimisation facility – Wellington City Council. The projected levy is included in the rates graph on page 25.

All of our budgets are linked – increasing our debt also increases the operating costs for paying it back, including the cost of interest. Therefore, we need to balance having a city we can all enjoy, with the ability of our residents to pay rates.

As part of this plan the Council reviewed its balance sheet (what we own and owe) and identified that it was not sufficiently resilient and was overly exposed to certain risks. Some of this is because of the limited sources Council has for funding. This has significant implications for our long-term financial position and action is required to address this. Part of the advice from the 2023 Citizens' Assembly was for Council to diversify revenue streams and to advocate to central government for changes to reduce the burden on ratepayers. This work is underway and the Council's decision to set up a Perpetual Investment Fund is part of this work. See our full Financial strategy I Volume 3 for more detail on our funding sources, from [page X](#).

Our Financial Strategy and budgets are based on operational money coming from the following areas:

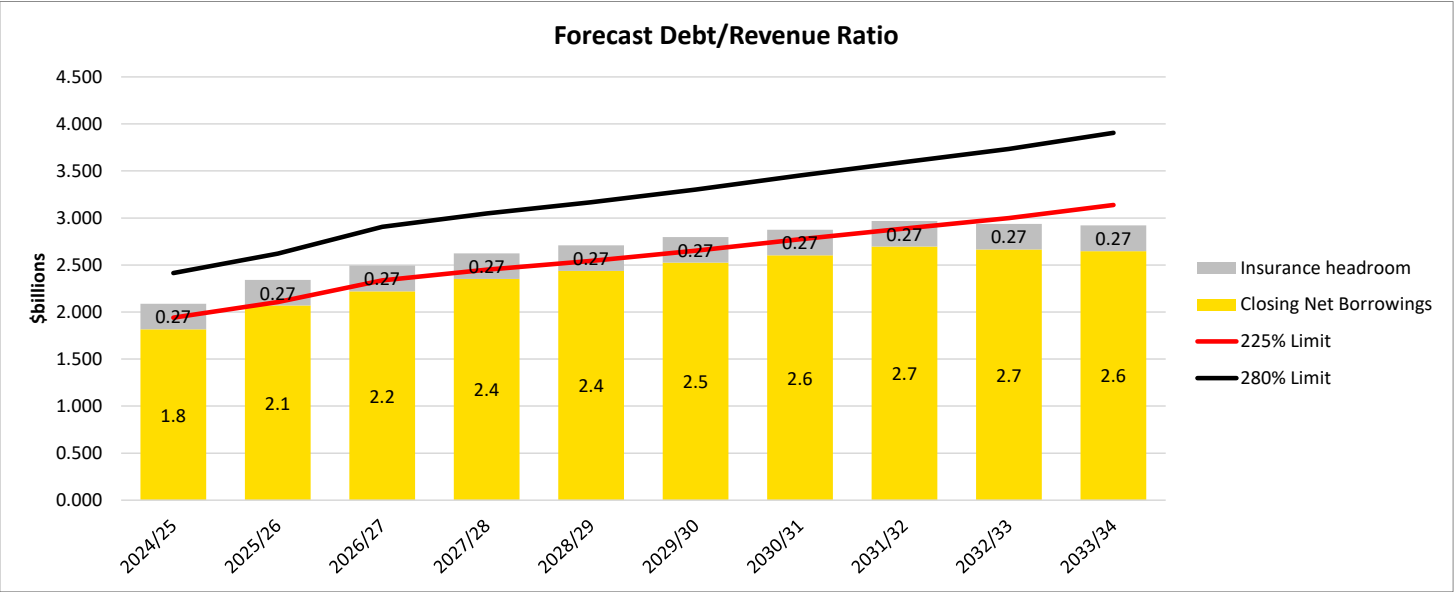




Council debt

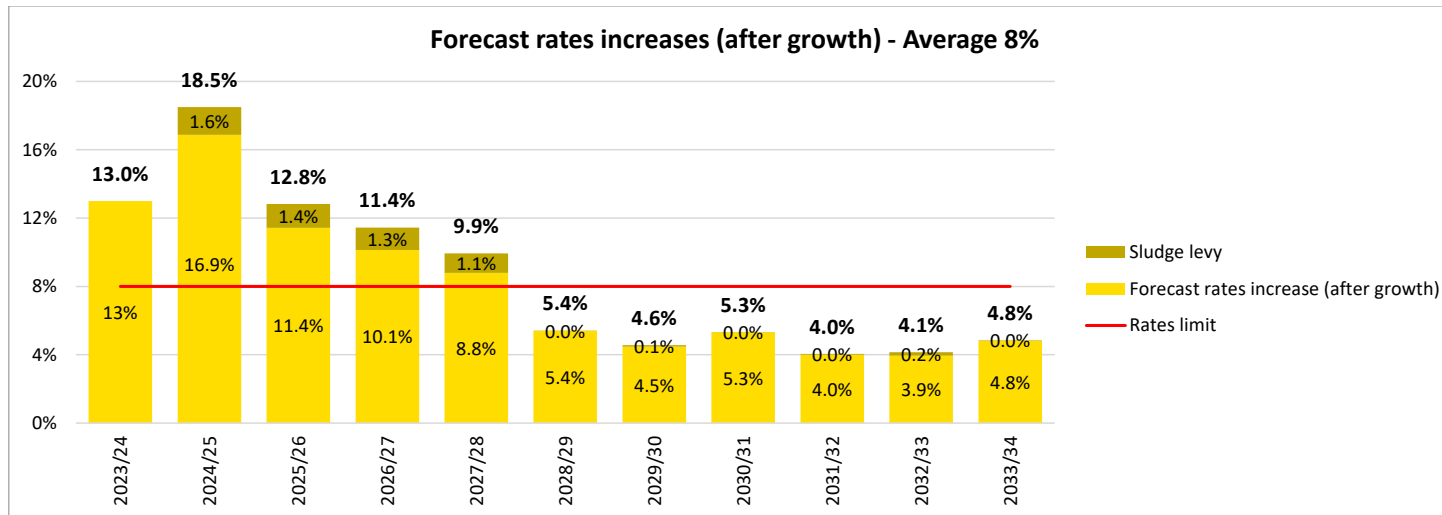
The Council’s net debt is expected to increase to \$2.9 billion (including insurance headroom of \$272m) by 2033/34. The forecast shows that the Council will exceed its debt to revenue limit, for the first eight years of the plan, however it gradually returns within its limit in year nine. However, if we exclude the insurance headroom and look at the debt forecast to be drawn down, then the debt to revenue limit is not exceeded.

This headroom amount was set in the 2021–31 LTP and reflected the gap in insurance coverage available to the Council. The current financial strategy retains the insurance headroom and from Year 3 assumes the establishment of the perpetual investment fund, which will mitigate some financial and insurance risks.



Ensuring fairness

Everyday costs should be paid for from everyday revenue. If we fail to achieve this, the everyday costs are funded by increasing debt. This means existing ratepayers are not paying for some of the services and amenities being provided to them. This is like using a loan to pay for everyday costs – sometimes it’s needed in an emergency, but it puts pressure on future budgets when the money needs to be paid back. This is neither prudent nor sustainable.



## Increasing costs

As mentioned in our Infrastructure Issues section on page 17, we have gone through the budgets included in this plan to make sure we are successfully delivering our important services. This has included initiatives to find cost savings, looking for where we can be more efficient and if we need to change the levels of service we provide. The review resulted in several changes to service levels to manage costs and the **key ones are detailed from page 44.**

Section 100 of the Local Government Act 2002 requires that a local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. For the first five years of the LTP the council has a balanced budget, and for years six to ten there is a minor imbalance. We consider this prudent as we only want to set rates to cover the depreciation costs (the cost of looking after our assets) for the assets we intend to replace in the future. We also don't collect rates for the assets that we expect to get third party funding for (for example NZTA funding).

To keep the costs to our residents down, we will not be using rates to fully fund depreciation on three water assets due to the revaluation on 30 June 2022 which saw a significant increase in the value of our water assets. We will move towards fully funding depreciation on water assets by 2028/29. We are also proposing to not fund depreciation costs on some of our other assets which are unlikely to be replaced. While the Council is forecasting a balanced budget in the first three years of the Long-term Plan, it is important to note the Council is recognising significant revenue in those years to fund the sludge minimisation project. If this funding was not included, the Council would not be setting a balanced budget for those years of the plan.

Insurance costs and investment risks

The Council has two financial challenges that it needs to manage: the increasing difficulty and cost to insure our assets means we are significantly underinsured, and the lack of diversification of our investment portfolio means all our investments are exposed to the same kinds of risk – in other words, all our eggs are in one basket. More information on these is available in our full Financial Strategy in Volume 3.

The scale of the challenges cannot be ignored – doing nothing leaves the Council exposed to unnecessary risk and any solution needs to address both the insurance and diversification problems. Therefore, we will set up a new Perpetual Investment Fund by selling our minority 34% shareholding in Wellington International Airport Ltd and reinvesting all the proceeds into the fund. We will also use money from the future sale of some property ground leases to further increase the fund. This will be a publicly owned fund that is intended to continue forever and support generations of Wellington ratepayers by ensuring funding is available to support the city’s recovery from natural disasters, including by covering an insurance gap. The proceeds from the sale of airport shares will not be used to pay for Council related projects or pay down debt and there will be mechanisms in place to ensure the fund is appropriately protected and used only for the purposes for which it is created. The fund will become a strategic asset in the Council’s Significance and engagement policy, meaning if significant changes were proposed, we will need to consult with the community.

Deferral of renewal spending

The Long-term Plan capital expenditure programme includes only a proportion of the required renewal investment for our infrastructure based on our asset planning. This will result in some assets not being renewed at the time they should be. This is a 10-year decision, with a need for a catch up to happen over years 11-20 of our asset management plans.

To reduce spending, we will seek value-for-money options through good procurement practices and we will review our programmes to identify more cost-effective options. For some areas there is low risk of this reduced spending resulting in a lower level of service, but in Transport, Property, Housing and other community assets we are planning to defer 25% of the renewals spend. This carries some risk that the levels of service experienced by the community will be lower than planned. For example, this could involve a greater use of chipseal rather than asphalt. This risk can be reduced by having confidence in the condition data of our assets. We will prioritise renewals where the greatest need is, such as, for safety and resilience reasons.

This approach has not been applied to the three waters network.

The table below shows the total cost of capital projects over the 10-year period of the 2024-34 Long-term Plan categorised by type of expenditure. We have split out our top four key areas of spend – the three waters network and our transport network. Further details are in Our plan for the next 10 years from page 12.

Capital expenditure	Renewals	Upgrades	Growth	Total
Activity Group	(\$000s)	(\$000s)	(\$000s)	(\$000s)
Water supply	168,264	177,164	1,677	347,105
Wastewater	394,367	482,698	7,729	884,793
Stormwater	53,014	153,954	1,677	208,646

Transport	434,038	309,306	400,268	1,143,612
Other Activity Groups	1,517,703	636,954	158,199	2,312,856
<b>Total Capital Expenditure</b>	<b>\$2,567,387</b>	<b>\$1,760,077</b>	<b>\$569,551</b>	<b>\$4,897,014</b>

Additional financial information

What are my rates?

The tables in this section show a selection of the indicative rates for residential, suburban commercial and downtown commercial ratepayers. These do not include the sludge levy.

They are for indicative purposes only and may vary from actual rates. Fuller tables are provided in Volume 2, from page X.

Indicative residential property rates inclusive of GST (for properties without a water meter)

Capital Values \$	2024/25 Total Rates (inc GST) \$	Increase over 2023/24
400,000	1,937	18.94%
800,000	3,365	18.57%
1,200,000	4,793	18.42%
1,600,000	6,221	18.34%
2,000,000	7,649	18.29%

Indicative suburban commercial property rates inclusive of GST (for properties with a water meter)

Capital Values \$	2024/25 Total Rates (inc GST) \$	Increase over 2023/24
1,000,000	11,268	15.12%
1,500,000	16,764	15.07%
2,000,000	22,260	15.05%
2,500,000	27,756	15.03%
3,000,000	33,252	15.02%
3,500,000	38,748	15.01%
4,000,000	44,244	15.01%
4,500,000	49,740	15.00%
5,000,000	55,236	15.00%

Indicative downtown commercial property rates inclusive of GST (for properties with a water meter)

Capital Values	2024/25 Total Rates (inc GST) \$	Increase over 2024/25
1,000,000	12,782	13.09%
1,500,000	19,034	13.03%
2,000,000	25,287	13.00%
2,500,000	31,539	12.98%
3,000,000	37,792	<b>12.97%</b>
3,500,000	44,044	12.96%
4,000,000	50,297	12.96%
4,500,000	56,550	12.95%
5,000,000	62,802	12.95%

### Sludge Levy

In July 2024, the Council will be collecting a new sludge levy to fund the cost of the new Moa Point Sludge Minimisation Facility, on behalf of Crown Infrastructure Partners. This was approved under the Infrastructure Funding and Finance Act 2020 (IFFA). We consulted on this option through 2021/2022 and received support from the New Zealand Government (Cabinet and the Minister of Housing) in August 2023.

The amount of the sludge levy is dependent on whether the property is classified as commercial or residential and where its wastewater is treated. The following examples outline the indicative sludge levy for a property with a Capital Value of \$1 million:

- Levy for commercial property with wastewater treated at Moa Point, Karori or the new Sludge Minimisation Facility: \$108.37
- Levy for residential property with wastewater treated at Moa Point, Karori or the new Sludge Minimisation Facility: \$83.03
- Levy for commercial property with wastewater not being treated in one of the above plants or not connected: \$31.72
- Levy for residential property with wastewater not being treated in one of the above plants or not connected: \$21.40

## Changes to Rating Policies

These policies are provided in full in Volume 2 of the Long-term Plan.

### Rating Policy, (Volume 2, page X)

This Long-term Plan we have made some changes to our Rating Policy. This impacts how we charge and who we charge rates.

Key changes are:

- A new general rates differential on vacant land and derelict buildings
- A targeted rate for recycling and organics collection (starting from Year 4 of the LTP)

### **Vacant Land and Derelict Building Differential**

The purpose of the differential on vacant land and derelict buildings is to promote development in the city and to ensure that owners of vacant sites and derelict buildings pay their fair share of costs.

A key community outcome the Council wants to achieve is a vibrant central city, and vacant land and derelict buildings can decrease the likelihood of this, and can have negative effects on retailers. Furthermore, vacant land and derelict buildings have a lower capital value (compared with similar land that is non-derelict or has improvements) and the benefits that owners (whether in the commercial or residential zone) receive from our general activities are disproportionate to the rates they pay, as compared to land which is fully developed and utilised. Also, the appearance of vacant land and derelict buildings can have a negative impact on the perceptions of the central city.

**Further details on the definition of vacant land and derelict buildings can be found in the Funding Impact Statement Rating Mechanism Section.**

### **Waste targeted rate**

This proposed targeted rate, starting from Year 4 of the LTP will pay for the rubbish and organics collections. The targeted rate will be a fixed charge per residential, serviceable rating unit. Further specifications of the targeted rate will be worked through and consulted on later. Non-serviceable rating units will be required to take care of rubbish and organics collections through private providers.

### **Rates Remission and Postponement Policy**

The Council has made some changes to the Rates Remission and Postponement Policy to provide support to ratepayers where really needed.

Key changes are:

- Increasing the low-income remission from \$700 to \$800
- Providing a remission of general rates for owners of earthquake prone buildings that undertake strengthening work.
- Clarifying that the remission of targeted rates for properties under development applies to both residential and commercial properties.
- Extending the remission on Māori freehold land to other types of Māori land
- Providing a remission for vacant land if the vacant land is 'activated'.

Further details on the policies can be found in our attached Rates Remission and Postponement policy.

## Changes to Fees and User Charges

Our Revenue and Financing Policy guides our decisions on how to fund council services. We consider who benefits from a service (for example, individuals, parts of the community or the community as a whole) to help determine how the service should be funded.

The policy also sets targets for each Council activity, stating what proportion should be funded from user charges, general rates, targeted rates and other sources of income.

As part of the plan, we have reviewed our fees and charges and have made some changes.

The following areas have **material fee increases** because of the alignment of fees with market rates or implementation of Council Policy:

- **Transport network control and management** – changes in fee structure to align with market rates to enable access to the road corridor
- **Parks & Reserves** – fee increases related to the implementation of the Temporary Trading & Events in Public Places policy.
- **Parking** – Introducing paid carpark for motorcycle parks, in line with the Council Parking Policy. More details are available in the Revenue and Financing Policy in Volume 2.

These **material fee increases** reflect the rising costs to Council to offer the services:

- **Waste minimisation services** – increased costs due to the increased Waste Minimisation Act levy
- **Building control and facilitation** – new fee charged as part of the Corridor Access Request application to recover the cost of the Wellington Underground Asset Map project.
- **Building control and facilitation, Development Control and Facilitation, Public Health Regulations** – increase in fees due to increasing costs associated with delivery, including operating costs to support ageing digital systems, support improvements to delivery, and costs associated with developing and maintaining staff competencies.
- **Cemeteries** – Fee increases for urns due to supplier price increases.

We are also introducing **new fees** in the following areas to streamline some Council booking processes or to offer new services:

- **Charged Up Capital** – The Charged Up Capital project is a Council initiative to increase the availability of publicly accessible electric vehicle charging facilities in Wellington. Fees will be charged both for charging (per kwh) and for parking on the spaces on which the chargers are located.
- **Parks & Reserves** – new fees related to the implementation of the Temporary Trading & Events in Public Places Policy.
- **Urban Planning & Policy** – new fee related to the Wellington Underground Asset Map project.
- **Wellington Gardens** – new fees related to the implementation of the Temporary Trading & Events in Public Places Policy, as well as for hiring Sexton's Cottage.
- **Marinas** – fees for Evans Bay boat ramp parking.

We also have **standard inflation increases** for the following areas:



- Swimming pools
- Recreation centres
- Golf course
- Cemetery
- Waterfront

## Infrastructure strategy summary

We all know that a city's infrastructure is crucial for residents to thrive and is often taken for granted. Poor infrastructure can have significant negative consequences on our city, affecting our environment, public health and safety, and community and business confidence.

However, dependable and future-proofed infrastructure is expensive and must be affordable, have benefits for future generations and meet the Council's other investment priorities.

In this Long-term Plan, we've prioritised funding towards three waters infrastructure, and are focusing our efforts on investigating our buildings and other assets to address significant earthquake prone issues and changing community demands.

We've identified five infrastructure challenges for this LTP, with more detail in our Infrastructure Strategy and Financial Strategy. These are significant problems that need long-term planning to solve them. There is no quick fix and these issues need funding across multiple years.

### Five infrastructure challenges

#### 1. Population growth and changing demand

We need to future-ready our infrastructure to serve our growing and changing population, so that we can foster liveable, safe, low-emission neighbourhoods and travel. Considerations include:

- Population growth and ageing demographic profile.
- Lack of growth capacity in transport and three waters systems.
- Changing community needs and service use patterns.

#### 2. Aging and declining condition of infrastructure

Much of the city's infrastructure was built in waves when parts of the city were urbanised, including a sizeable portion that was built after World War Two. This means a lot of our infrastructure will reach the end of its life in the next 30 years. Issues include:

- Some assets have exceeded their useful life.
- Historical lack of a coordinated, data-based approach to asset management, data maturity resulting in under investment in maintenance and renewals.

#### 3. Mitigation and adaptation to climate change

Our city's infrastructure, including transportation and waste systems, play a key role in where we live, how we move around, and the industries we support. However, as a steep coastal city with many of our emergency lifeline routes and other critical assets situated at or near sea level, the functioning of our city depends on our infrastructure adapting and being resilient to climate change. Issues include:

- Global warming.
- Increased frequency and intensity of extreme weather events.

- Coastal hazards.
- Climate adaptation costs.

#### **4. Earthquake hazards and earthquake prone buildings**

Wellington is built on shaky ground due to its location on an active tectonic boundary, and climate change makes things worse by causing land to sink and saturate the soil in low-lying areas. This combination increases the likelihood and severity of natural disasters in the city. Considerations include:

- Landslides.
- Earthquakes.
- Earthquake prone buildings.

#### **5. Affordability and deliverability**

The costs of maintaining, operating, renewing, and upgrading infrastructure are big and have been increasing quickly since the global pandemic. Obtaining the funds to improve our infrastructure is also becoming challenging as the costs increase. Local Government funding is therefore a pressing issue and Councils are working with Central Government to address the funding issues and find a sustainable system for the future. Challenges include:

- Limited funding tools.
- High inflation putting pressure on construction costs.
- Constrained capacity of the construction market to deliver.
- Increasing insurance costs

We also recognise that we have not always consistently delivered the planned infrastructure programme. So, to ease the increase in everyday costs, and have a programme that can be fully delivered, all the individual budgets included in the draft Long-term Plan have been scrutinised and refined. The focus has been on ensuring we're delivering core services. A key part of ensuring deliverability includes a focus on budgeting for 75% of renewal spending (refer to the Infrastructure Strategy in Volume 3 for more information).

### **Responding to the challenges**

Solutions to these challenges are not simple. There is also a better outcome if we think holistically. We can achieve this taking a consistent approach using sustainable principles in projects and collaborative and integrated planning. There are five principal options for addressing our infrastructure challenges in the long-term that are outlined in the Infrastructure Strategy:

#### **1. Prioritising growth areas**

- Phasing investment for growth and urban form.
- Coordinating land use and infrastructure for cost-effective growth.
- Priority areas: Tawa, Johnsonville, Central City, Newtown.

- Focus is on three waters network resilience and growth planning.
- 2. Targeting emissions reductions to the greatest gains and operational efficiency**
- We have set an objective of net-zero emissions by 2050 through Te Atakura: First to Zero Strategy, with a target of 57% reduction in city and council emissions by 2030.
  - We've made progress already, with 10% reduction in city emissions, and 44% reduction in council emissions.
  - We have an emissions reduction plan which focuses on decarbonisation through electrification and efficiency. Council actions include electrifying our vehicle fleet and degasifying facilities such as heated pools.
- 3. Grow our understanding of climate impacts and adaptation costs**
- Understanding climate risks and embedding resilience from the outset is critical to ensuring assets meet their objectives in terms of serviceability, financial return and social outcomes.
  - Base our planning for climate change on modelling by NIWA for the Wellington Region, to anticipate heightened risks.
  - Focus on gaining a systematic quantitative understanding of the localised impacts and developing adaptation plans, enabling us to plan for climate adaptation costs alongside future asset renewal cycles.
- 4. Strategic rationalisation to better manage the overall asset portfolio**
- Make sure our assets match what the community needs before spending on repairs or new ones. Consider selling or getting rid of some.
  - Taking a careful look at all assets, conducting strategic reviews, to ensure investments are financially sustainable and contribute to community outcomes.
  - Foster coordination and integration across the whole organisation and city.
  - Identifying inefficiencies and overlaps in operating models and infrastructure.
  - Accurate asset condition data to assess and manage the assets in an effective manner.
  - Remain abreast of technological advancements to address evolving community needs and enhance asset management practices.
  - Employ a balanced approach of reactive and proactive investment; prioritising longevity and cost-effectiveness.
  - Assess the necessity and potential for upgrades or replacements before undertaking asset renewal initiatives.
  - Target renewals at 75% of unconstrained forecasts for the first ten years, with the exception of the three waters network.
- 5. Prioritising the interventions and work programme for affordability and deliverability**
- Applying a hierarchy of interventions, considering lower cost interventions before higher cost interventions; integrated land use and infrastructure planning, managing demand, making best use of what we have, using best practice business casing.

- Reprioritise and rephase the capital programme to manage affordability.
- Maintain financial capacity for the future.
- Adjust to external cost pressures.
- Prioritise non-asset solutions to maximise the use of our assets and deliver value for money and operational efficiency.

We cannot afford to continue maintaining, operating, and renewing all our assets in as we have in the past e.g. adding more assets when affordability was less of an issue. This is now not sustainable. Therefore, we must pause and reset. This means taking a careful look at all our assets and conducting strategic reviews.

Financial affordability for both the Council and ratepayers means that we must focus on doing the right things at the right time in the most cost-effective way whilst deliberately managing risk. We will prioritise non-asset solutions to maximise the use of our assets and deliver value for money and operational efficiency.

The focus of the Infrastructure Strategy is addressing our infrastructure challenges. These challenges are heavily linked to the financial challenges, which are addressed in the Financial Strategy (in full in Volume 3), for example:

- Affordability constraints are challenges both the Council and residents of the city are facing. With higher interest rates, a greater proportion of rates income servicing our increasing debt, and with current high inflation, our money does not stretch as far. For residents, the ability to pay more rates is limited, and the Council's operations will need to find ways to deliver in a constrained funding environment.
- Balance sheet resilience addresses the challenges of managing our capital expenditure and investments to support long-term financial sustainability and resilience.

### Key infrastructure

- 2,757km of pipes across our three waters network
- 105 three waters pump stations
- Two wastewater treatment plants (Moa Point and Kārori)
- The Southern Landfill, Capital Compost, the Tip Shop and Recycle Centre
- 904km of footpaths
- 19,000 streetlights
- 700km of roads, with 40km of bike lanes, 8km of bus priority lanes and 2km of bridges and tunnels
- 200 seawalls
- Buildings and grounds for various cultural and sporting activities including the Town Hall, Tākina, TSB Bank Arena, Te Whaea National Dance and Drama Centre, Sky Stadium, Basin Reserve and City Gallery
- 275 social housing buildings
- 4,305ha of parks, reserves and beaches

- 387km of walking and biking tracks
- Botanic Gardens, Berhampore Golf Course, Berhampore Nursery, Clyde Quay Boat Harbour and Evans Bay Marina.
- 44 natural and 11 artificial sportsfields
- 4 cemeteries
- 108 playgrounds
- 7 Skate parks
- 277 community facilities including: 7 swimming pools, 12 libraries, 5 recreation centres, 25 community centres, 1 marae, 13 community spaces in Council housing buildings, and 83 public toilets

## Our strategic framework

The Community Outcomes and Strategic Priorities were identified with the Council and the Community by looking at the data and evidence relating to the LTP Outcomes and Priorities, as well as the commitments made through various strategies. Our community outcomes are our long-term goals, what we want for the city in the next 10+ years. The Council developed a set of strategic priorities, designed to look at what we want to achieve in the mid-term (3-10 years) which will support our journey to our community outcomes. These were then tested with the Community using online survey and community engagement hui in April and May 2023. These results of this mahi was reported on Let's Talk - Phase 1: Outcomes and Priorities | Let's Talk | Wellington City Council.

### Priorities

From this we have nine strategic priorities that will guide our investment and help us to measure the impact of this investment.

Four of the strategic priorities are focused on significant infrastructure investment:

- Fix our water infrastructure and improve the health of waterways
- Transform our transport system to move more people with fewer vehicles
- Invest in sustainable, connected and accessible community and recreation facilities
- Transform our waste system to enable a circular economy

Five of the strategic priorities are focused on ongoing efforts that require community engagement, partnerships, and efficient and effective regulation and service delivery:

- Collaborate with our communities to mitigate and adapt to climate change
- Revitalise the city and suburbs to support a thriving and resilient economy and support job growth
- Increase access to good, affordable housing to improve the wellbeing of our communities
- Nurture and grow our arts sector
- Celebrate and make visible te ao Māori across our city

## Strategic Approaches

Our five strategic approaches act as a lens and are embedded in everything we do.

<b>Integrating te ao Māori</b>	<b>Making our city accessible and inclusive for all</b>	<b>Embedding climate action</b>	<b>Engaging our community</b>	<b>Value for money and effective delivery</b>
We are building a future where Te Tiriti is honoured through robust relationships with our Tāka Here partners and Māori communities. By integrating Māori perspectives and thinking into every aspect of our work, we are maximising positive outcomes for Māori and fostering a more inclusive and equitable society for all.	We are creating a future where everyone can effortlessly find information, access our services, and engage in social and economic activities. Accessibility is for all – including those with mobility impairments, the neurodiverse, the elderly, children, individuals who are blind or have low vision, the d/Deaf community, non-English speakers, parents with pushchairs, and people with temporary injuries. By removing barriers, we are making inclusivity a reality for everyone.	We are proactively addressing the effects of climate change with urgency, supporting Wellingtonians to do the same. Through our continued efforts in biodiversity planning, we aim not only to minimise harm but to create positive environmental impacts. By acknowledging and preparing for future climate changes, we are committed to safeguarding and enhancing our environment for generations to come.	We are committed to engaging with Wellingtonians in ways that respect and reflect our diverse cultural contexts, ensuring every community voice is heard. By collaborating with communities to understand their aspirations for Wellington, we utilise a variety of methods to enhance the diversity, quality, and accessibility of our engagements. Our decision-making processes are evidence-informed, transparent, and focused on achieving the best outcomes for both current and future generations.	We are committed to using our resources efficiently and effectively to achieve the best possible outcomes, even within a constrained funding environment. By delivering high-quality, well-managed programmes and projects, we maximise value for our residents and our city. Additionally, we will actively seek innovative funding solutions, including advocating for central government support, to further enhance our initiatives and services.



## Cultural Outcome: A welcoming, diverse and creative city

For Wellington, A welcoming, diverse and creative city is one that:

- celebrates and uplifts te ao Māori, and
- champions the arts,
- embraces heritage, creativity, curiosity, and expression of our multi-cultural communities and identities.

We plan to:

- Bring the city to life with the possibility of art and culture around every corner.
- Integrate cultural heritage into our urban form.
- Enable built heritage to adapt and change to meet present and future needs such as accessibility, earthquake resilience and climate change.
- Support the arts, culture, and creative sector ecosystem through our activities.
- Celebrate our multi-cultural diversity by encouraging and enabling local events and festivals.
- Continue to work with Rainbow and Disabled communities to make their stories and histories visible and creating safe, accessible spaces.
- Increase the presence of te ao Māori by supporting a growing understanding and recognition of local iwi narratives, identities, histories, and landmarks.

### Investments to deliver on the Strategic Priorities

#### Celebrate and make visible te ao Māori across our city

- Shifting the focus of grant funding to local arts.
- Embedding Tūpiki Ora across Wellington City Council's services and activity areas. This will lead to a transformed city through:
  - An increasing number of streets, public spaces, and facilities with te reo Māori names
  - Urban design that reflects Māori histories and identities
  - Te Matapihi ki te Ao will demonstrate a narrative and perspective that is grounded in iwi history
  - Increased Māori capability across all of Council. An increased focus on Puanga in advance of Matariki celebrations, which centres the narrative and experience of local iwi.
  - Investment into Kaiwharawhara stream will enable the mauri to be restored and allow all communities to better understand the significance of the stream to our Tākai Here partners.
- Tākai Here partnerships programme provides ongoing contribution into infrastructure and community programmes.

### Nurture and grow our arts sector

- Shifting the focus of grant funding to local arts.
- Developing alternative venues options for Toi Pōneke, to support artists, dancers, theatre practitioners, musicians and other artists.
- The Wellington Town Hall, a Grade One listed heritage building, is nearly 120 years old. Since the 2013 Seddon earthquake, the Town Hall has remained closed. The Council has been engaged in planning and working to strengthen and reopen the building. The Town Hall is expected to reopen in 2026.
- Venues upgrades including, HVAC system for TSB, minor strengthening works on Bond Store, and façade strengthening work on the Opera House.
- Events we support, sponsor and deliver across the city continue to deliver a diverse range of cultural experiences for residents and visitors to the city.

## Social Outcome: A city of healthy and thriving whānau and communities

For Wellington, A city of healthy and thriving whānau and communities is:

- where people feel safe and connected
- that takes an equity approach to caring for its people and
- provides awesome, vibrant and diverse places to meet and play

Our priorities are to:

- Increase access to good, affordable housing to improve the wellbeing of our communities
- Invest in sustainable, connected and accessible community and recreation facilities

We plan to:

- Deliver equitable outcomes for people who need more āwhina (support).
- Create safe and interesting environments that encourage social connections.
- Evolve towards a more sustainable, resilient and cohesive community facilities network, for people to connect, have fun and belong.
- Deliver a flourishing network of parks and recreation opportunities, interwoven into everyday life, that supports Wellingtonians to live well and connect to nature and each other.
- Improve the systems and processes of our public health and safety regulations and enforcement to ensure safety in our city and to make it easier to do business.
- Continue to support emergency preparedness and response.

## Investments to deliver on the Strategic Priorities

### Increase access to good, affordable housing to improve the wellbeing of our communities

- Social Housing Upgrade Phase 2
- Continue our efforts towards the target of providing 1,000 Te Kāinga affordable rental apartments by 2026. To date, we have opened three apartment buildings along Willis Street, comprising 210 units, with a fourth building of 78 units about to open.

### Invest in sustainable, connected and accessible community and recreation facilities

- Design and engagement for the Grenada North Park sports field upgrades will begin, with the aim of initiating works in the early years of the LTP.
- New Kilbirnie skate park facility.
- Khandallah pool, [insert decision from consultation].
- Kilbirnie Recreation Centre is earthquake prone and requiring remediation by 2028
- Continue the work on Te Matapihi, central library, progressing toward the scheduled opening in 2026. This project has been substantial, involving the earthquake strengthening of the building foundation and the reconstruction and reconfiguration of the central library.
- 2 dog park upgrades to support the recent changes to the Dog Policy.
- Improve quality and provision of neighbourhood parks to support anticipated population growth (50,000-80,000 over 30 years).
- Create and enhance parks to ensure they are well-utilized, accessible, and fit-for-purpose.
- Overcome barriers such as lack of toilets, accessibility, and safety concerns.
- Meet increasing demand for quality, accessible, and resilient trails.

## Economic Outcome: An innovative business friendly city

For Wellington, an innovative business friendly city is:

- providing good jobs for people
- successfully operating in a dynamic zero-carbon circular economy
- with efficient and fit for purpose regulatory processes

Our priorities are to:

- Revitalise the city and suburbs to support a thriving and resilient economy and support job growth

We plan to:

- Build relationships with businesses and foster collaboration to improve city precincts and enhance the night-time economy.

- Work with businesses and tertiary education providers and deliver business capability programmes to support transitioning to a circular economy, job creation, career development and build skills for the future workforce.
- Refocus and redesigning regulatory services and interactions to be customer centric.
- Make procurement choices that support local business and employment ecosystems to thrive.
- Upgrade suburban town centres to improve the appeal of shopping and connecting with others locally.

## Investments to deliver on the Strategic Priorities

### Revitalise the city and suburbs to support a thriving and resilient economy and support job growth

- City Growth funding to revitalise the central city precinct, beginning with Courtenay Place.
- City Streets and Golden Mile projects are scheduled to progress as planned.
- Continue working on the new public park, Fredrick Street Park, situated alongside the Chinese Mission Hall and a new residential apartment block on Frederick Street.
- Over the next three years, we will investigate the best course of action for the Te Ngākau Civic Square area. This includes the former Capital E building, the basement supporting the Town Hall, Te Matapihi, and the 'City to Sea' bridge to the waterfront. Options under consideration may involve the possibility of demolishing these structures.
- We will also explore potential options for earthquake-prone venues, including the Michael Fowler Centre, Bond Store, and Opera House.
- To promote development in the city and ensure that owners of vacant sites and derelict buildings pay their fair share of costs, a new general rates differential on vacant land and derelict buildings is included in our rates policy.

## Urban Form: A liveable and accessible, compact city

For Wellington, A liveable and accessible, compact city has:

- affordable, warm, dry housing,
- zero-carbon accessible transport choices,
- resilient infrastructure fit for growth, and
- proudly visible te ao Māori and multicultural heritage

Our priorities are to:

- Transform our transport system to move more people with fewer vehicles
- Collaborate with our communities to mitigate and adapt to climate change

We plan to:

- Work with GWRC to urgently deliver bus priority improvements, that support reduced travel times, and increased reliability of the services.

- Improve accessibility, safety, and resilience when maintaining and improving our roads, cycle lanes and footpaths.
- Work closely with the community in delivery of cycle ways to support non-cyclists with alternative transport choices.
- Utilise the skills of Māori, mana whenua and local artists and creators to create a sense of place and identity when investing in infrastructure and placemaking.
- Ensure lighting and cleanliness of the city supports a high-quality experience across the city.
- Improve planning and logistics for emergency responses, including slips, ensuring we work closely with disabled individuals to meet their needs effectively during emergencies.
- Address earthquake resilience of council owned buildings and find creative ways to support private building owners to address their earthquake prone buildings.

### Investments to deliver on the Strategic Priorities

#### Transform our transport system to move more people with fewer vehicles

- Continued rollout of the Pōneke Bike Network Plan. We plan to maintain the current rollout pace but at 85% of the planned cost, utilising higher-quality materials, including those used during the trial.
- Progress the highest priority people friendly streets projects such as a second bus priority route through the central city and improvements on the routes between the CBD and Miramar for biking, walking and bus priority.
- Developing, completing, and implementing 19 parking management plans. We have already introduced small changes to Newtown East (hospital side of the suburb) regarding the parking scheme and time restrictions as part of the Newtown Parking Plan. We will monitor the scheme until mid-2025 before making further modifications and finalising it.
- Continue public EV charger roll out.
- Every second year, we commit to upgrading a town or suburban centre, aiming to enhance safety and access within the town centre and create an attractive and functional space for community activity.

#### Collaborate with our communities to mitigate and adapt to climate change

- Continued programme of renewal and upgrades of transport network resilience, including key routes and increased investment in retaining walls across the network.
- Progressing an urban greening programme in the Central City to commence delivery of the Green Network Plan.
- Development of local Climate Adaptation Plans to support the most affected communities, and prepare and adapt to the unavoidable impacts of climate change.
- Green the central city over the next 30 years.
- Develop 2 new urban parks, improve 20 existing urban spaces, and double the number of street trees (to 4,000) in the next 10 years.
- Respond to city growth and redevelopment by acquiring land for new parks and open spaces.

## Environmental Outcome: A city restoring and protecting nature

For Wellington, A city restoring and protecting nature includes:

- providing easy access to nature,
- with systems to reduce waste and
- thriving biodiversity and nature-based solutions in natural and urban environments

Our priorities are to:

- Transform our waste system to enable a circular economy
- Fix our water infrastructure and improve the health of waterways

We plan to:

- Weave biodiversity through our urban landscape and continue to regenerate, protect and preserve our native plants and animals, following a strong biodiversity plan.
- Maintain green spaces, and when investing in infrastructure, parks, and open spaces:
  - Reflect Te Tiriti o Waitangi, our Tā kai Here partnership and mātauranga Māori
  - Improve access to nature for all ages and abilities
  - Respond to the needs of the community
  - Adapt to climate change
- Improve the resilience of our roads and other infrastructure to reduce the risk of slips caused by heavy rainfall and climate change, including support the community to do the same.
- Establish infrastructure and systems to increase resource circularity.

### Investments to deliver on the Strategic Priorities

#### Transform our waste system to enable a circular economy

- Continue with the construction of the Sludge Minimisation facility at Moa Point. Construction began in May 2023 and the expected completion date is around mid-2026. This facility will reduce the amount of sludge currently created and being deposited to the Southern Landfill by 60%, by creating a stable, dry, odourless product that can be more easily transported, and used in productive ways such as a soil conditioner and fuel for industrial heat.
- Continue working on the creating a new landfill on top of an old one at the Southern Landfill. Resource consent was lodged in March 2023, decision by mid-2024, and construction is expected to begin in late 2024. The new landfill is expected to be completed and operating in June 2026, at the same time current landfill expires.

- Implementing the new kerbside collection system to include organics and increase the volume of recycling collected.

Fix our water infrastructure and improve the health of waterways

- Capital expenditure to fix our water infrastructure is significant, with several large capital projects, including seismic improvements at the Wrights Hill drinking water reservoir, 'Very high criticality assets' reservoir water quality renewals, stormwater improvements, CBD pump station rising main programme, renewal of rising main on Victoria St, remediation work on the Karori Effluent pipelines, Wastewater Renewals of some critical assets at the Moa Point and Western Wastewater Treatment Plants.
- Investigate and install water meters to make it easier to identify leaks and manage water loss throughout the network, and to reduce demand for water.

# Your Councillors

Wellington City Council is made up of 15 councillors and a Mayor. Like all other local authorities in New Zealand, the Council is elected every three years. The Mayor is elected “at large”, meaning by all the city’s residents. Councillors are elected by voters from their respective geographical areas (wards). The last election was on 8 October 2022, with a by-election on 17 February 2024 in the Lambton Ward. We also have two pouiwi representatives from our mana whenua partners who sit on our Council committees.

## Mayor Tory Whanau

Elected: 2022

**Chair:** Te Kaunihera o Pōneke | Wellington City Council, and Ngutu Taki | CEO Performance Review Committee

mayor@wcc.govt.nz

## Deputy Mayor Laurie Foon Paekawakawa Southern Ward

Elected: 2019

**Deputy Chair:** Te Kaunihera o Pōneke | Council and Unaunahi Ngaio | Chief Executive Performance Review Committee

laurie.foon@wcc.govt.nz

## Councillor Nureddin Abdurahman Paekawakawa Southern Ward

Elected: 2022

**Deputy Chair:** Kōrau Mātinitini | Social, Cultural, and Economic Committee

nureddin.abdurahman@wcc.govt.nz

## Councillor John Apanowicz Takapū Northern Ward

Elected: 2022

**Deputy Chair:** Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

john.apanowicz@wcc.govt.nz

## Councillor Tim Brown Motukairangi Eastern Ward

Elected: 2022

**Chair:** Kōrau Tūāpapa | Environment and Infrastructure Committee

tim.brown@wcc.govt.nz

## Councillor Diane Calvert Wharangi Onslow-Western Ward

Elected: 2016

diane.calvert@wcc.govt.nz

## Councillor Ray Chung Wharangi Onslow-Western Ward

Elected: 2022

ray.chung@wcc.govt.nz

## Sarah Free Motukairangi Eastern Ward

**Elected:** 2013, and served as Deputy Mayor 2019–2022

**Chair:** Koata Hātepe | Regulatory Processes Committee

sarah.free@wcc.govt.nz

## Councillor Rebecca Matthews Wharangi Onslow-Western Ward



Elected: 2019

**Chair:** Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

**Deputy Chair:** Kōrau Tūāpapa | Environment and Infrastructure Committee

rebecca.matthews@wcc.govt.nz

**Councillor Ben McNulty**  
**Takapū Northern Ward**

Elected: 2022

**Deputy Chair:** Koata Hātepe | Regulatory Processes Committee

ben.mcnulty@wcc.govt.nz

**Councillor Teri O’Neill**  
**Motukairangi Eastern Ward**

Elected: 2019

**Chair:** Kōrau Mātinitini | Social, Cultural, and Economic Committee

teri.oneill@wcc.govt.nz

**Councillor Iona Pannett**  
**Pukehinau Lambton Ward**

Elected: 2007

iona.pannett@wcc.govt.nz

**Councillor Geordie Rogers**  
**Pukehinau Lambton Ward**

Elected: 2024 (by-election)

geordie.rogers@wcc.govt.nz

**Councillor Tony Randle**  
**Takapū Northern Ward**

Elected: 2022

**Deputy Chair:** Unaunahi Māhirahira | Audit and Risk Committee

tony.randle@wcc.govt.nz

**Councillor Nikau Wi Neera**  
**Te Whanganui-a-Tara Māori Ward**

Elected: 2022

**Chair:** Pītau Pūmanawa | Grants Subcommittee

nikau.wineera@wcc.govt.nz

**Councillor Nicola Young**  
**Pukehinau/Lambton Ward**

Elected: 2013

**Deputy Chair:** Pītau Pūmanawa | Grants Subcommittee

nicola.young@wcc.govt.nz

**Holden Hohaia**  
Pouiri / Mana Whenua Representative

Contact: holden.hohaia@wcc.govt.nz

**Liz Kelly**  
Pouiri / Mana Whenua Representative

Contact: liz.kelly@wcc.govt.nz

# Independent Auditors Report

# **Tō mātou mahere ngahuru tau**

## **Long-term Plan**

2024–2034

Volume 2 – Our activities and financial information

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# Wāhanga 1: te reo to come

## Section 1: Council activity summaries

### In this section

#### Te reo to come

This section includes our Statements of service provision (what we do, how we do it and how it's funded), the Significant forecasting assumptions that underpin these statements and our plan, and the Summary of our Significance and engagement policy which outlines how we engage with our community.

# Statement of Service Provision

Each strategic area includes information about the work we do, the reasons for doing that work and our goals in relation to it, any new proposals and key projects, and outcomes we are working towards.

## Our key strategic areas

Our work is divided into seven strategic areas. These areas are groups of activities that cover the work of the Council which is guided by the long-term goals for the city in this 10-year plan:

- **Governance** – information, consultation and decision-making, and public engagement, including engagement with Māori residents and mana whenua partners
- **Environment and infrastructure** – gardens and beaches, green open spaces, waste reduction and energy conservation, environmental conservation attractions and the quarry, drinking water, wastewater, and stormwater
- **Economic development** – city promotions, events and attractions, and business support
- **Cultural wellbeing** – galleries and museums, community arts and cultural support, and arts partnerships
- **Social and recreation** – libraries, recreation facilities and programmes, housing and community support
- **Urban development** – urban planning and policy, heritage and character protection, and public spaces development
- **Transport** – transport planning and policy, transport networks and parking

This 10-year plan also embeds five 'strategic approaches' across the above activity areas which in turn guide how we will deliver all parts of this plan:

- **Integrating te ao Māori**
- **Making our city accessible and inclusive for all**
- **Embedding climate action**
- **Engaging our community**
- **Value for money**

# 1. Pārongo ā-tāone | Governance

Our governance work includes all the activities that support Council decision-making and ensure we are accountable to the people of Wellington.

## Overview

Our governance activities include managing local elections, informing residents about the city and the issues or challenges it faces, listening to residents’ views and making decisions in the best interests of Wellingtonians. This area also drives our focus on being open and talking with people who live in Wellington about the plans and decisions we make for our city. We also operate the City Archives, where the public can access historic information about Wellington, and property information. The Governance activity is responsible for the development of strategies, policies and plans.

The key groups of activities under this strategic area are below, along with their alignment to the Council’s strategic direction that is outlined in Volume 1, page X.

### Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all Council decision making, governance information and engagement activities. The Tūpiki Ora Māori Strategy priorities agreed with Tākai Here partners, includes that Council decision-making is underpinned by Te Tiriti o Waitangi and actively includes and considers Māori and mana whenua perspectives and values. More information on this commitment is in Volume 1 and on our website here: [\[LINK\]](#).

### Key activity groups

Activity Group	Community outcome	Strategic priority (where applicable)	Key strategies or plans
1.1 Governance, information and engagement	Social wellbeing: A city of healthy and thriving whānau and communities	Governance activities contribute to all of the strategic priorities through managing the decision-making processes.	<ul style="list-style-type: none"><li>Tūpiki ora Māori Strategy</li><li>Te Atakura   First to Zero – Zero Carbon Strategy</li><li>Infrastructure Strategy 2024</li><li>Finance Strategy 2024</li></ul>

### How we will embed Strategic Approaches in this activity

Strategic Approaches are about how we will deliver our work. They are important and will be applied to everything we do.

Integrating te ao Māori	Ensure the voices and perspectives of our Tākai Here partners hapori Māori, rangatahi, takatāpui and whānau hauā/ tangata whai kaha are uplifted, valued and embedded in decision-making. Support whānau wellbeing through Council activities, decisions, and planning.
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Making our city accessible and inclusive for all	Continue to work to improve the accessibility of our decision-making, information, services and how we communicate and engage with our communities. Ensure efforts are made to overcome barriers and address disparities in participation to everyday activities.
Embedding climate action	Through our actions and decisions, we support an approach to climate change solutions that ensures fairness and equity for all involved. We are committed to supporting community conversations and planning to mitigate the impacts of climate change.
Engaging our community	Focus on inclusive and transparent decision making and seeking community feedback on the effectiveness and satisfaction of our programmes.
Value for money	Make future focused, strategic and integrated decisions with sound information and research.

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

### Purpose

Our governance work includes all of the activities that support Council decision-making and ensures we are accountable to the people of Wellington. This includes:

- running local elections
- holding meetings;
- informing residents about the city and our work; and
- seeking input from residents and engaging them in our decision-making.

### Activities

Activities in this group	Services we deliver
1.1.1 City governance and engagement	<ul style="list-style-type: none"> <li>• Providing accurate and professional advice, research and administrative support to elected members and community boards</li> <li>• Organising local body elections, and encouraging all Wellingtonians to have their say on who will govern their city</li> <li>• A contact centre and website providing 24/7 access to information and a place to log service faults</li> <li>• Facilitating community engagement and consultation on key decisions facing the city, including facilitating input from Council advisory groups</li> <li>• Provide information to the public about our services and change proposals</li> </ul>
1.1.2 Civic Information	• Setting policy and bylaws, carrying out planning and budgeting and reporting our performance
1.1.3 City Archives	• Management of archival information in line with legislation



Rationale for Activities

- To ensure the Council meets the requirements of the Local Government Act and other statutory requirements.
- To ensure that residents of Wellington are actively involved in decision-making for the city and have access to information.
- To develop, maintain and inspire meaningful partnerships so that our partnerships with mana whenua, tangata whenua and Māori within our community are mana enhancing.
- To weave te ao Māori knowledge and research together so that Māori are empowered by Council to prosper and succeed as Māori.
- To provide Māori organisational leadership so that Māori are empowered to engage with the Council.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
1.1 Governance, information and engagement	We do not anticipate any significant negative effects associated with the provision of these services.	N/A

Statement of levels of service and performance measures

Activity – 1.1 Governance, information and engagement

Level of service statements

- Facilitate democratic decision making and provide open access to information to build trust and confidence.
- Reduce organisational greenhouse gas emissions.

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
(%) Meeting and committee agendas made available to the public within statutory timeframes <sup>1</sup>	Accessibility	100% (22/23 FY)	100%	Quarterly
% of residents who believe they have adequate opportunities to participate in city decision-making and have their say in Council activities	Accessibility	38% (RMS2024)	40%-45% <sup>2</sup>	Annual
(%) Residents who agree that Council information is easy to access (via website, libraries, social media)	Accessibility	49% (22/23 FY)	55%	Annual
Council's consultations are implemented in accordance with the principles of the Local Government Act 2002	Reliability	100% (April 2024)	100%	Quarterly
(%) Contact Centre contacts responded to within target timeframes <sup>3</sup>	Responsiveness	90% (22/23 FY)	90%	Quarterly
By 2027 overall channel reach will be more than 26 million	Accessibility	25,553,377 (Sept 2023)	>26 million	Annual

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
WCC Group greenhouse gas emissions (tCO <sup>2</sup> -e decreasing)	Sustainability	Total 98,791 (Scope 1 48,978; Scope 2 2,072; Scope 3 47,742) (FY22/23)	Achieve 2050 target of net zero	Annual

- 1 The statutory timeframe is defined as at least two working days before every meeting as per the Local Government Official Information and Meetings Act 1987
- 2 The target of 40-45% has been set using data from the 2021-31 LTP KPI and baseline results from the question relating to this KPI run in the 2024 Residents Monitoring Survey
- 3 The target timeframes are defined as; % of calls handled answered within 240 seconds; % of emails received responded to within 24 hours

## Key service level changes

### Affordability

While most core services remain unchanged, we will stop collecting community archives from the public at the City Archive. This is a cost neutral level of service change, which will reduce the longer-term requirements for both physical storage and resourcing to manage this material.

Additionally, we are reallocating resources from climate mitigation initiatives to enhance our focus on adaptation planning and engagement.

### Community Engagement

We will invest in an Ethnic Communities Forum and establish a new Ethnic Communities Advisory Group at a per year additional cost of \$130,000.

## What it will cost

### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
1.1.1 City governance and engagement	Expense	11,948,776	13,087,827	11,710,452	12,319,642	13,283,993	12,749,258	13,482,548	14,714,483	14,172,334	14,979,459
	Income	(26,781)	(221,901)	(27,945)	(28,531)	(236,176)	(29,655)	(30,218)	(249,895)	(31,347)	(31,911)
1.1.2 Civic information	Expense	7,526,393	7,766,777	7,699,220	8,055,816	8,304,889	8,449,094	8,762,291	9,115,671	9,339,992	9,641,872
	Income	(342,250)	(349,437)	(284,083)	(290,048)	(295,849)	(301,470)	(307,198)	(313,035)	(318,670)	(324,406)
1.1.3 City Archives	Expense	2,783,412	3,559,715	3,619,327	3,719,688	3,798,973	3,858,166	3,964,818	4,072,544	4,148,863	4,241,113
	Income	(147,748)	(150,851)	(154,169)	(157,407)	(160,555)	(163,606)	(166,714)	(169,882)	(172,940)	(176,053)
<b>Total</b>		<b>21,741,802</b>	<b>23,692,131</b>	<b>22,562,802</b>	<b>23,619,159</b>	<b>24,695,275</b>	<b>24,561,787</b>	<b>25,705,526</b>	<b>27,169,885</b>	<b>27,138,234</b>	<b>28,330,074</b>

Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
1.1.1 City governance and engagement	0	146,449	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>146,449</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Funding impact statement (\$000s)

<b>1.1 Governance Information and Engagement</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	22,248	24,198	23,069	24,125	25,201	25,068	26,212	27,176	27,144	28,336
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	517	722	466	476	693	495	504	733	523	532
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>22,765</b>	<b>24,920</b>	<b>23,535</b>	<b>24,601</b>	<b>25,894</b>	<b>25,563</b>	<b>26,716</b>	<b>27,909</b>	<b>27,667</b>	<b>28,868</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	13,898	15,263	14,149	14,579	15,470	14,963	15,517	16,401	15,863	16,487
Finance costs	30	33	36	38	40	43	47	54	55	56
Other operating funding applications	10	10	10	10	10	10	10	10	10	10
Internal charges	7,816	8,069	7,778	8,410	8,853	9,041	9,640	10,442	10,737	11,314
<b>Total applications of operating funding (B)</b>	<b>21,754</b>	<b>23,374</b>	<b>21,974</b>	<b>23,037</b>	<b>24,373</b>	<b>24,057</b>	<b>25,214</b>	<b>26,907</b>	<b>26,665</b>	<b>27,867</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,011</b>	<b>1,546</b>	<b>1,561</b>	<b>1,564</b>	<b>1,521</b>	<b>1,506</b>	<b>1,502</b>	<b>1,002</b>	<b>1,002</b>	<b>1,002</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(1,011)	(1,400)	(1,561)	(1,564)	(1,521)	(1,506)	(1,502)	(1,002)	(1,002)	(1,002)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0

<b>1.1 Governance Information and Engagement</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
Total sources of capital funding (C)	(1,011)	(1,400)	(1,561)	(1,564)	(1,521)	(1,506)	(1,502)	(1,002)	(1,002)	(1,002)
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	146	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(0)	(0)	(0)	0	(0)	(0)	(0)	0	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(0)</b>	<b>146</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,011)</b>	<b>(1,546)</b>	<b>(1,561)</b>	<b>(1,564)</b>	<b>(1,521)</b>	<b>(1,506)</b>	<b>(1,502)</b>	<b>(1,002)</b>	<b>(1,002)</b>	<b>(1,002)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenses for this activity grouping include the following depreciation/amortisation charge	505	1,040	1,055	1,058	1,015	1,000	996	996	996	996

## 2. Te reo to come | Environment and Infrastructure

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

### Overview

Pōneke boasts rich parks and open spaces that support active recreation, thriving ecosystems, and climate resilience. Wellington Zoo and Zealandia support indigenous plants and wildlife to thrive. Parks and open space assets, especially coastal assets, will require more investment due to climate change, increasing storm events, and sea level rise. During the period 2024-2027, detailed climate adaptation planning will be conducted for key parts of the city, and this will help inform investment choices for the 2027 LTP. The landfill generates approximately 80% of the Council's emissions. Big waste asset investments are needed to shift from a model that manages waste to a system that enables people to avoid waste going to the landfill in the first place. Where available we will seek central government funding that enables this transition.

Despite meeting health standards, the current water supply network faces material challenges and does not meet all service levels. Many assets have exceeded their expected lifespan, with 31% of drinking water lost through public pipes and an additional 10% on private property. Around 30% of the network is at or near the end of its life, and over 50% will need replacement within 30 years. Prioritising leak repairs over additional supply investment is crucial to increase water availability.

Compliance with the National Policy Statement-Freshwater Management (2020) by 2040 is essential. This aims to improve freshwater quality, protect public health, and respect community aspirations. Upgrading wastewater assets is necessary to meet service levels, including replacing poor-condition pipes and preventing sewage overflows during heavy rain. Completing the sludge minimisation facility and increasing network capacity to prevent stormwater overflow are priorities.

The stormwater system's purpose is to prevent flooding and associated health risks by draining rainwater through pipes, culverts, and sumps, as well as overland flow paths and open channels. However, variations in design standards across the city mean some areas are more prone to flooding than others.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page X.

### Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all nature and climate activities, including activities undertaken by Wellington Zoo Trust and Zealandia Te Māra a Tāne. The Tūpiki Ora Māori Strategy action plan outlines our priorities in its waypoint, Tiakina te taiao | Caring for our environment, including that water quality and quantity initiatives are aligned to mana whenua and Māori aspirations, and our waste programme is being delivered in partnership with our Tākai Here partners wherever possible and in ways that are culturally sensitive and responsive to the histories of our Tākai Here partners.

More information on this commitment is in Volume 1 and on our website here: [\[LINK\]](#).

## Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
2.1 Parks, beaches and open spaces	Social wellbeing: A city of healthy and thriving whānau and communities	Invest in sustainable, connected and accessible community and recreation facilities	<ul style="list-style-type: none"> <li>Te Whai Oranga Pōneke – Open Spaces and Recreation Strategy</li> <li>Our Natural Capital</li> </ul>
2.2 Waste	Environmental wellbeing: A city restoring and protecting nature	Transform our waste system to enable a circular economy	<ul style="list-style-type: none"> <li>Te Atakura   First to Zero – Zero Carbon Strategy</li> <li>Green Network Plan</li> <li>A zero waste future for Wellington – Zero Waste Strategy</li> <li>Wellington Regional Waste Management and Minimisation Plan</li> </ul>
2.3 Water network 2.4 Wastewater 2.5 Stormwater	Urban form – A liveable and accessible, compact city	Fix our water infrastructure and improve the health of waterways	<ul style="list-style-type: none"> <li>Spatial Plan – Our City Tomorrow</li> <li>District Plan 2024</li> <li>Infrastructure Strategy 2024</li> </ul>
2.6 Conservation organisations	Environmental wellbeing: A city restoring and protecting nature	Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	<ul style="list-style-type: none"> <li>Our Natural Capital</li> </ul>

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

### How we will embed Strategic Approaches in this activity

Strategic Approaches are about how we will deliver our work. They are important and will be applied to everything we do.

Integrating te ao Māori	We recognise the unique role that Mana Whenua play as kaitiaki for te taiao and grounding our approach to environmental wellbeing in mātauranga Māori. Wai is also a priority for mana whenua and Hapori Māori. We will seek opportunities for co-design with our Tākaia Here partners on initiatives that include our environment.
Making our city accessible and inclusive for all	Providing spaces in nature that are accessible and inclusive including by wheelchair and pushchair, as well as places to rest. We will encourage reuse, repurposing, recycling and processing by providing a network of services close to communities. We will seek to provide information that is accessible and easy to find and use so that the disabled community can find services and facilities that meet their individual needs. We will support the accessibility of parking spaces, and footpaths to enable everyone to access open spaces and attractions. We will continue to ensure everyone in Wellington has access to safe, clear water, and is serviced by wastewater and stormwater removal.
Embedding climate action	We will continue to embed climate change mitigation and adaption in all decisions and actions for our natural environment. We will utilise nature-based solutions to address infrastructure resilience and climate issues. We will continue to develop a waste system that reduces carbon emissions. We will ensure our city has the capacity and capability to manage and reduce its waste in extreme events and day-to-day operations. We will support the conservations organisations to work across the

	<p>region and with communities to protect and enrich our natural environment - our streams, bush and birds for the health and safety of our people, our resilience to impacts of climate change and for the health of te taiao.</p> <p>We are planning for two additional water reservoirs to increase resilience in the face of climate change related droughts. As we find and repair leaks in the wastewater pipe network, we will seek to understand the sea level rise issues and include any mitigation as we go. We will focus on understanding where the greatest flooding risks are and prioritise investment in nature-based solutions and flood containment in those areas.</p>
Engaging our community	<p>Providing ongoing education and opportunities for residents to participate in climate change mitigation and adaptation efforts, to promote community resilience and engagement in the process. We will continue to provide waste education programmes in schools and communities, and actively involve the community in design and delivery of resource efficiency systems, contributing to a culture shift towards reduction of waste. Our conservation organisations provide spaces for residents and visitors to Wellington to directly engage and connect with te taiao and our indigenous plants and animals. We will continue to communicate and actively involve our community in our overarching water strategies and decision making.</p>
Value for money	<p>Making future-focused decisions that benefit future generations and consider the impact on the environment and climate change. We will manage rates and borrowing affordability by planning a renewals programme funded at 75% of projected requirements, prioritising assets with the worst condition levels.</p> <p>For operational and financial efficiency and overall affordability Wellington Water has prioritised repairing and replacing highest criticality assets in a very poor and poor condition. We will prioritise investment in stormwater filtration and flood protect in conjunction with or ahead of transport infrastructure investment, public realm, or housing development.</p>

## 2.1 Ngā Māra, Tātahi, Whenua Pārae, Ngahere | Gardens, Beaches and Green Open Spaces

### Purpose

The city's parks, gardens and coastlines are what makes Pōneke a great place to live. They are integral to the health of the city and Wellingtonians by providing spaces to connect to te taiao, for recreation, community gatherings and events. One-eighth of Wellington's area is reserve and has been protected for generations. It is a vital and iconic part of Wellington's landscape and supports nature to thrive. Our open space and reserves are crucial to the city's response to climate change by acting as a carbon sink, supplementing the stormwater network, especially in severe weather events, and enhancing biodiversity in the city.

To ensure these spaces continue to contribute to a high quality of life for all Wellingtonians, we invest to protect, maintain and develop these areas.

The work we do makes the city's environment greener and more pleasant for all Wellingtonians – it improves our quality of life and sense of pride in the city. These spaces also make Wellington an attractive place to visit.

### Activities

Activities in this group	Services we deliver
2.1.1 Parks and reserves	<ul style="list-style-type: none"> <li>Managing and maintaining: <ul style="list-style-type: none"> <li>4,146 hectares of parks, reserves and beaches</li> <li>160 buildings located in parks, reserves or beach areas for community use</li> <li>A number of heritage features are among these assets, including waahi tapu sites, archaeological sites, historic gates and heritage trees</li> </ul> </li> </ul>
2.1.2 Wellington gardens	<ul style="list-style-type: none"> <li>Managing assets and maintaining the Wellington gardens <ul style="list-style-type: none"> <li>Over 200,000m<sup>2</sup> of formally maintained horticultural areas</li> <li>Four gardens: Wellington Botanic Garden; Ōtari Wilton's Bush; Truby King Park and Bolton Street Cemetery</li> </ul> </li> </ul>
2.1.3 Beaches and coast	<ul style="list-style-type: none"> <li>Managing and maintaining 42 coastal structures including boat ramps, wharves, slipways and seawalls</li> </ul>
2.1.4 Urban ecology	<ul style="list-style-type: none"> <li>Improving urban ecology through restoration planting and appropriate management of biosecurity issues and animal pests</li> <li>Supporting community environmental initiatives</li> </ul>
2.1.5 Trails	<ul style="list-style-type: none"> <li>Managing and maintaining 367 kilometres of recreational walking and mountain bike tracks</li> <li>Walk-able and ride-able surfaces catering for multiple use access, walking, buggies and mountain bikes unless specified otherwise.</li> </ul>
2.1.6 Waterfront public space	<ul style="list-style-type: none"> <li>Managing daily activity on the waterfront, including property management, parking, cleaning, security and general maintenance</li> </ul>



### Rationale for Activities

- To provide access to green open spaces. High quality natural and green environments contribute to off-setting our carbon emissions and enhance Wellington's sense of place – making it a great place to live, work and play.
- To provide public places to congregate. Accessible and high-quality open spaces encourage people to gather, share activities and connect with each other.
- To provide access to recreational opportunities. These activities provide high quality open spaces for a wide range of recreation activities, such as walking and mountain biking.
- Water sensitive urban design: The green network and spaces throughout the City are an important part of the stormwater network and will increasingly be used to supplement the underground network of pipes.

### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.1 Gardens, Beaches and Green Open Spaces	Recreational use of the city's green open spaces can have negative effects on the immediate environment. In most cases, these are not significant.	In our management of the city's green open spaces, we seek to balance recreation needs against environmental protection.
	Service delivery in a challenging natural environment and managing effects of climate change.	Further analysis and investigation needs to be undertaken to understand the effects over the next 11 to 30-year period. Assets at risk need to be identified and decisions made around reinforcing or removing these assets.

### Statement of levels of service and performance measures

#### Activity: 2.1 Gardens, Beaches and Green Open Spaces

**Level of Service Statement:** Provide access to green open spaces and enhance biodiversity to improve the quality of our natural environment.

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
(%) Residents satisfied with the quality and maintenance of open spaces (local parks and reserves, botanic gardens, beaches and coastal areas, walkways and trails, waterfront, forested areas, green belts)	Client Satisfaction	71% (22/23 FY)	80%	Annual
Cost (\$) to the ratepayer per visitor to the Wellington Botanic Gardens and Otari-Wilton's Bush	Affordability	\$4.70 (22/23 FY)	\$7.00	Annual
(%) Perception that types of open spaces are easy to access, including walkways and trails, local parks and reserves, forested reserves, beaches, and coastal areas	Accessibility	78% (RMS 2024)	80%	Annual

## Key service level changes

To manage affordability, Parks, beaches and open spaces services remain at current levels with no increases. This means a reduction in the previously planned upgrades across the activities in this grouping. We will review several buildings in the activity, particularly waterfront commercial buildings, to assess their potential for future savings. Over the next 10 years we will also prioritise critical renewal and upgrade work, such as safety initiatives on the waterfront. However, there is funding in the Long-Term Plan in years 3 (\$70,000) and 6 (\$70,000) for two additional fenced dog exercise areas.

Alongside GWRC, we will contribute \$100,000 per year to community organisation Capital Kiwi who will work with mana whenua and private landowners to continue to enhance landscape-level pest control, support biodiversity goals, and boosts tourism through the re-introduction of kiwi to the Wellington area.

The Begonia House upgrade will not be fully funded in this plan. The full budget required for the refurbishment and the preferred option for the facility is \$25m. The current budget in the LTP is \$7m for core maintenance work. We will do the minimum work to keep Begonia House operational within this budget.

## What it will cost

### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>2.1.1 Parks and Reserves</b>	Expense	24,181,489	26,202,893	27,785,118	29,453,379	30,855,295	32,826,560	34,758,596	37,124,017	38,700,953	40,523,989
	Income	(1,275,491)	(1,301,793)	(1,330,432)	(1,359,702)	(1,388,255)	(1,416,020)	(1,442,925)	(1,470,340)	(1,498,277)	(1,525,246)
<b>2.1.2 Wellington gardens</b>	Expense	7,690,175	8,046,130	8,344,895	8,840,251	9,140,316	9,511,981	9,972,719	10,443,625	10,810,415	11,497,126
	Income	(878,630)	(788,600)	(805,949)	(823,680)	(840,977)	(857,796)	(874,095)	(890,702)	(907,626)	(923,963)
<b>2.1.3 Beaches and coast</b>	Expense	1,800,156	1,772,814	1,867,312	1,996,515	1,983,505	2,065,463	2,167,551	2,294,605	2,374,205	2,434,010
	Income	(60,105)	(61,307)	(62,656)	(64,034)	(65,379)	(66,686)	(67,953)	(69,244)	(70,560)	(71,830)
<b>2.1.4 Urban Ecology</b>	Expense	5,137,204	5,094,249	5,178,118	5,348,473	5,498,979	5,827,489	5,989,116	6,106,220	6,234,752	6,395,081
<b>2.1.5 Trails</b>	Expense	1,439,380	1,460,269	1,470,957	1,474,806	1,415,282	1,645,784	1,634,520	1,621,833	1,604,802	1,616,565
<b>2.1.6 Wellington Waterfront</b>	Expense	17,287,103	17,643,891	17,864,212	16,835,451	16,202,718	16,678,244	17,730,230	18,171,760	18,141,243	18,487,483
	Income	(501,636)	(514,686)	(526,009)	(537,332)	(548,361)	(559,068)	(569,690)	(580,514)	(591,269)	(601,912)
<b>Total</b>		<b>54,819,646</b>	<b>57,553,861</b>	<b>59,785,567</b>	<b>61,164,129</b>	<b>62,253,123</b>	<b>65,655,951</b>	<b>69,298,069</b>	<b>72,751,259</b>	<b>74,798,638</b>	<b>77,831,303</b>

Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.1.1 Parks and Reserves	6,973,324	12,429,321	6,099,867	8,823,350	4,166,276	12,044,180	13,148,810	23,257,113	16,345,752	15,538,378
2.1.2 Wellington gardens	1,311,440	3,800,530	5,827,611	519,528	3,500,788	2,429,288	642,134	2,695,966	4,350,273	2,685,157
2.1.3 Beaches and coast	1,354,636	2,231,871	850,738	509,770	855,779	653,236	826,916	594,298	825,557	840,417
2.1.5 Trails	1,342,644	1,216,789	1,933,901	3,264,445	2,708,986	3,128,915	3,649,847	1,478,932	1,679,563	3,386,071
2.1.6 Wellington Waterfront	4,984,642	5,298,683	5,229,643	10,154,941	36,208,379	14,183,965	2,124,072	1,740,027	1,762,701	2,001,876
<b>Total</b>	<b>15,966,685</b>	<b>24,977,194</b>	<b>19,941,761</b>	<b>23,272,034</b>	<b>47,440,207</b>	<b>32,439,584</b>	<b>20,391,779</b>	<b>29,766,336</b>	<b>24,963,847</b>	<b>24,451,899</b>

Funding impact statement (\$000s)

2.1 Parks, Beaches and Open Spaces	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	52,063	57,707	59,939	61,317	62,406	65,809	69,451	72,903	74,950	77,983
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	190	87	89	91	92	94	96	98	100	102
Fees and charges	2,425	2,478	2,532	2,588	2,642	2,694	2,746	2,798	2,851	2,902
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>54,679</b>	<b>60,271</b>	<b>62,560</b>	<b>63,996</b>	<b>65,141</b>	<b>68,598</b>	<b>72,293</b>	<b>75,798</b>	<b>77,900</b>	<b>80,986</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	28,090	29,104	30,101	31,227	32,132	33,952	35,027	36,182	37,201	38,399
Finance costs	5,929	6,670	7,251	7,610	7,987	8,519	9,221	10,068	10,226	10,404
Other operating funding applications	170	170	170	170	120	120	120	120	120	120
Internal charges	10,495	10,816	10,721	11,484	12,055	12,562	13,254	14,068	14,417	15,075
<b>Total applications of operating funding (B)</b>	<b>44,685</b>	<b>46,761</b>	<b>48,243</b>	<b>50,491</b>	<b>52,293</b>	<b>55,153</b>	<b>57,621</b>	<b>60,438</b>	<b>61,964</b>	<b>63,998</b>

<b>2.1 Parks, Beaches and Open Spaces</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>9,994</b>	<b>13,511</b>	<b>14,317</b>	<b>13,504</b>	<b>12,847</b>	<b>13,445</b>	<b>14,672</b>	<b>15,360</b>	<b>15,936</b>	<b>16,988</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	6,520	2,768	0	0	0	0
Development and financial contributions	320	320	320	320	320	320	320	320	320	320
Increase (decrease) in debt	5,653	11,146	5,305	9,448	27,753	15,907	5,400	14,087	8,708	7,144
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>5,973</b>	<b>11,466</b>	<b>5,625</b>	<b>9,768</b>	<b>34,593</b>	<b>18,995</b>	<b>5,720</b>	<b>14,406</b>	<b>9,028</b>	<b>7,464</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	2,386	3,101	1,459	4,798	1,726	8,899	8,729	18,654	12,455	10,611
- to improve level of service	5,100	8,689	4,243	7,750	32,632	11,550	2,080	1,544	399	763
- to replace existing assets	8,481	13,187	14,240	10,724	13,082	11,990	9,582	9,568	12,110	13,077
Increase (decrease) in reserves	0	(0)	0	0	0	(0)	0	(0)	0	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>15,967</b>	<b>24,977</b>	<b>19,942</b>	<b>23,272</b>	<b>47,440</b>	<b>32,440</b>	<b>20,392</b>	<b>29,766</b>	<b>24,964</b>	<b>24,452</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(9,994)</b>	<b>(13,511)</b>	<b>(14,317)</b>	<b>(13,504)</b>	<b>(12,847)</b>	<b>(13,445)</b>	<b>(14,672)</b>	<b>(15,360)</b>	<b>(15,936)</b>	<b>(16,988)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>12,851</b>	<b>13,460</b>	<b>14,268</b>	<b>13,458</b>	<b>12,803</b>	<b>13,402</b>	<b>14,632</b>	<b>15,324</b>	<b>15,902</b>	<b>16,956</b>

2.2 Para | Waste

Purpose

Our goal is to achieve intergenerational sustainability by moving to a circular economy. In a circular economy, economic activity is disconnected from the use of finite resources. Products and materials are kept in use for as long as possible, and waste that can't be reused or recycled is safely managed.

Zero waste is an ambitious target for Wellington. It signals a significant shift in how we as city think about waste, the services and infrastructure we provide, and how businesses, residents and the Council can contribute to making a difference for our city's environmental, societal, and economic future. To deliver this strategy's objectives, collective responsibility and action is critical.

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

Activities

Activities in this group	Services we deliver
2.2.1 Waste minimisation, disposal and recycling management	<ul style="list-style-type: none"><li>Domestic recycling and rubbish kerbside collection and facilities for disposing of general household waste (<i>Note: the 2024 LTP includes the decision to make changes to this service and this is outlined in the Key service level changes below.</i>)</li><li>Diversion services, green waste disposal and composting facilities at the Southern Landfill</li><li>Education and advocacy for greater waste minimisation practices in the homes of Wellingtonians</li><li>Facilities for disposing of hazardous and industrial waste, waste from developments and construction activities, and waste from emergencies and disasters</li><li>A recycling facility, including a shop for the sale of reusable goods</li><li>Supporting programmes to reduce the organisation's carbon emissions.</li></ul>
2.2.2 Closed Landfills Aftercare	<ul style="list-style-type: none"><li>Mange closed landfills, including gas monitoring and management</li></ul>

Rationale for Activities

Managing and minimising waste is a legislative requirement. We aim to support the city to avoid unnecessary waste, make it easy for residents and businesses to sort their waste for reuse, recycling, and composting, recover and process materials to regain value from resources, and safely manage hazardous waste.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.2 Waste	Waste management has the potential to create leachates and gases.	The construction and management of the Southern Landfill is designed to minimise the impact of these. The service is subject to resource consent conditions and is monitored.
	Methane and carbon are products of the landfill.	We capture and destroy the methane which minimises the impact of the landfill on the environment and generates energy in the process. Some carbon is still released to the environment. We aim to reduce carbon emissions throughout the city and reduce the amount of waste generated through our Low Carbon Capital Plan.

## Statement of levels of service and performance measures

### Activity: 2.2 Waste

**Level of service statement:** Reduce our impact on the environment by minimising and managing the disposal of waste

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
Volume of waste diverted from landfill	Sustainability	16,719 Tonnes (22/23 FY)	20,000 Tonnes	Quarterly
Percentage of contamination in kerbside recycle collection	Sustainability	16% (May 2023)	Declining ≤ 10%	Quarterly

## Key service level changes

### Waste collection changes

We are working to implement our Zero Waste Strategy, which was adopted in April 2023, and the new Wellington Regional Waste Management and Minimisation Plan. A key part of this is making changes to our kerbside collection service. Rubbish collection will continue to be a bagged user pays collection in year 1 and 2 and there will be no changes to the two recycling collections. From year 3 we are changing our services to: a new organics collection service in wheelie bins, a wheelie bin collection for rubbish, larger 240L recycling wheelie bins, and no change to the 45L glass crate collection service. There will be a new targeted rate to fund the rubbish and organics changes. The recycling collection will continue to be funded through the landfill gate fees. We will also investigate implementation trials for the collection of waste at Multi-Unit Developments, and in the central city.

The Council will also support community compost hub providers to educate the community and divert organics from the waste stream, to be funded using (ring fenced) Waste Levy Funding of \$50,000 to \$150,000 per annum until the 2027/28 LTP.

What it will cost

Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.2.1 Waste minimisation, disposal and recycling	Expense	35,419,402	37,182,350	41,658,326	56,147,662	57,565,925	60,561,862	63,707,472	65,965,682	67,911,653	70,042,505
	Income	(32,592,014)	(35,002,798)	(36,536,737)	(32,855,386)	(35,202,499)	(36,801,774)	(38,824,515)	(40,848,077)	(42,926,292)	(45,049,450)
2.2.2 Closed landfills aftercare	Expense	510,652	66,309	71,116	75,081	78,767	83,345	88,618	94,850	99,373	103,991
Total		3,338,040	2,245,862	5,192,705	23,367,356	22,442,192	23,843,433	24,971,574	25,212,455	25,084,734	25,097,047

Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.2.1 Waste minimisation, disposal and recycling	15,334,088	24,327,410	35,839,807	28,987,460	11,159,975	5,059,459	5,438,921	6,951,295	7,181,157	7,521,200
Grand Total	15,334,088	24,327,410	35,839,807	28,987,460	11,159,975	5,059,459	5,438,921	6,951,295	7,181,157	7,521,200

### Funding impact statement (\$000s)

2.2 Waste	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	511	66	71	75	79	83	89	95	774	104
Targeted rates (other than a targeted rate for water supply)	0	0	0	21,341	19,863	20,254	20,893	21,581	21,462	22,739
Subsidies and grants for operating purposes	0	564	0	0	0	0	0	0	0	0
Fees and charges	32,592	34,439	36,537	32,855	35,202	36,802	38,825	40,848	42,926	45,049
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>33,103</b>	<b>35,069</b>	<b>36,608</b>	<b>54,271</b>	<b>55,145</b>	<b>57,139</b>	<b>59,806</b>	<b>62,524</b>	<b>65,163</b>	<b>67,892</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	29,576	30,948	33,276	45,579	45,276	46,039	48,000	49,333	50,634	51,955
Finance costs	791	845	911	949	989	1,046	1,122	1,237	1,261	1,292
Other operating funding applications	538	0	0	0	0	0	0	0	0	0
Internal charges	4,032	4,219	4,370	5,676	5,823	6,106	6,511	7,049	7,256	7,600
<b>Total applications of operating funding (B)</b>	<b>34,937</b>	<b>36,013</b>	<b>38,557</b>	<b>52,204</b>	<b>52,089</b>	<b>53,191</b>	<b>55,633</b>	<b>57,618</b>	<b>59,151</b>	<b>60,847</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1,834)</b>	<b>(943)</b>	<b>(1,950)</b>	<b>2,067</b>	<b>3,056</b>	<b>3,948</b>	<b>4,174</b>	<b>4,906</b>	<b>6,012</b>	<b>7,045</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	383	2,281	11,650	4,052	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	16,785	22,990	26,140	22,868	8,104	1,111	1,265	2,046	1,170	476
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0



<b>2.2 Waste</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Total sources of capital funding (C)</b>	<b>17,168</b>	<b>25,271</b>	<b>37,789</b>	<b>26,921</b>	<b>8,104</b>	<b>1,111</b>	<b>1,265</b>	<b>2,046</b>	<b>1,170</b>	<b>476</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	383	15,842	18,980	13,684	0	0	0	0	0	0
- to improve level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	14,951	8,485	16,859	15,303	11,160	5,059	5,439	6,951	7,181	7,521
Increase (decrease) in reserves	0	0	0	(0)	0	0	0	(0)	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>15,334</b>	<b>24,327</b>	<b>35,840</b>	<b>28,987</b>	<b>11,160</b>	<b>5,059</b>	<b>5,439</b>	<b>6,951</b>	<b>7,181</b>	<b>7,521</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>1,834</b>	<b>943</b>	<b>1,950</b>	<b>(2,067)</b>	<b>(3,056)</b>	<b>(3,948)</b>	<b>(4,174)</b>	<b>(4,906)</b>	<b>(6,012)</b>	<b>(7,045)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>993</b>	<b>1,236</b>	<b>3,172</b>	<b>4,018</b>	<b>5,556</b>	<b>7,454</b>	<b>8,163</b>	<b>8,442</b>	<b>8,860</b>	<b>9,300</b>

## 2.3 Wai | Water

### Purpose

A city needs a steady supply of clean, safe, drinkable water. Freshwater is a precious resource that's in limited supply. Before it can be supplied to Wellington households, it has to be gathered in rainwater catchments, stored and treated to ensure it's free of contamination. It is then piped to Wellington and distributed to every household and business through an extensive network. The city shares its water supply with the region's other main metropolitan areas utilising water collection, bulk storage, treatment and transportation assets owned by Greater Wellington Regional Council. This complete water supply service, including the bulk water, is managed, controlled and maintained for the councils by Wellington Water Limited, a Council-controlled organisation.

Our focus for the next ten years is also on managing the significant renewal requirements of the drinking water network, and ensuring it is resilient to earthquakes and the increasing extreme weather. The other key area of focus is our security of water supply to increase our resilience to the changing climate and meet demand from population growth.

### Activities

Activities in this group	Services we deliver
2.3.1 Water network	<ul style="list-style-type: none"><li>Ensuring high-quality water is available at all times for drinking and other household and business uses and for firefighting purposes</li><li>Maintaining 65 reservoirs, 34 pumping stations, 156,000 fixtures, including hydrants and 1200 kilometres of pipes across the city</li><li>Encouraging efficient, responsible use of water by providing information to residents and businesses, and through restrictions on sprinklers and garden hoses (as required)</li><li>Investing in key areas to support growth of the city and enhance resilience</li></ul>
2.3.2 Water collection and treatment	<ul style="list-style-type: none"><li>Monitoring drinking water quality to ensure it complies with New Zealand Standards</li></ul>

### Rationale for Activities

- To increase security of potable and stored water.
- A reliable, resilient, and adequate supply of clean and safe water is critical for the health, wellbeing and prosperity of all residents.

### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.3 Water Supply	Our population is growing over the long term and demand on water is increasing.	Investment during the 10 years of this plan will provide an additional water storage asset serving central Wellington and the CBD. An increased investment in network leakage and repair will have some impact on overall demand.

## Statement of levels of service and performance measures

### Activity: 2.3 Water

**Level of service statement:** Increase the security of potable and stored water

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
The extent to which the local authority's drinking water supply complies with Table 1 of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022: (a) Determinand – <i>Escherichia coli</i> *	Safety	Non-Compliant (YE22/23) <sup>1</sup>	Complaint	Quarterly
The extent to which the local authority's drinking water supply complies with Table 1 of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022: (b) Determinand – Total pathogenic protozoa*	Safety	Non-Compliant (YE22/23) <sup>1</sup>	Complaint	Quarterly
Number of complaints about the drinking water's clarity, taste, odour, pressure or flow, continuity of supply, and supplier responsiveness, expressed per 1000 connections*	Safety	18.7 (YE22/23)	<20 per 1000	Quarterly
Median response time for attendance for water network urgent call outs (minutes)* (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	Responsiveness	132 minutes (YE22/23)	≤60 minutes	Quarterly
Median response time for resolution for water network urgent call outs (hours)* (b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	Responsiveness	13.4 hours (YE22/23)	≤4 hours	Quarterly
Median response time for attendance for water network non-urgent call outs (hours)* (c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	Responsiveness	654 hours (YE22/23)	≤36 hours	Quarterly
Median response time for resolution for water network non-urgent call outs (days)* (d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	Responsiveness	40 days (YE22/23)	≤5 days	Quarterly

Water supply interruptions (measured as customer hours)	Reliability	0.4 hours ((YE22/23)	2 hours	Quarterly
Average drinking water consumption per resident/day* The average consumption of drinking water per day per resident within the territorial authority district	Accessibility	407 litres (YE22/23)	<365 litres	Quarterly
Percentage (%) of real water loss from networked reticulation system and description of methodology used* Calculated as a regional mean value	Reliability	31% (YE22/23)	17%	Quarterly

\*This KPI is mandatory as directed by the Department of Internal Affairs

1. There was a technical non-compliance with the water quality rules on 12 January 2023 at the Wainuiomata Water Treatment Plant that supplies water to both Wainuiomata in Lower Hutt and parts of Wellington City. The water quality rules requires that water passing through the treatment plant does not exceed a certain level of turbidity (cloudy water that is used as an indicator for the presence of bugs that could cause public health risk) for more than 72 minutes per day. On this occasion the allowable level of turbidity was exceeded for a total of 18 minutes that day. Investigations and monitoring showed that at no point was this water unsafe to drink.

### Key service level changes

We are making a significant increase in investment of our water supply network to address water leaks in the short-term, and water supply over the medium to long-term. This will include investment in water meters to make identifying leaks easier, and help reduce demand for water, overall managing the loss of water in the network.

- In year 1 we are funding from debt an additional \$3.3m for reactive water maintenance to clear the backlog of leak repairs in Wellington before the 2024/25 summer dry season.
- Over the next 10 years we will increase operational funding for this area.
- We will invest in Wrights Hill reservoir seismic improvements.
- Water meters: We will invest \$2.4m operational funding in the first year of the plan that will be ring-fenced for a regional business case on the design and implementation of water meters. There is also \$143.6m capital funding from year 4 to deliver the meters. How, or if, these will be implemented will be based on the business case and formal consultation with the community ahead of any decisions.
- From year 9 we will invest in new reservoirs at Bell Rd and Moe-i-te-Ra.

### What it will cost

#### Operating Expenditure

Activity Component Name	Income /Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Expense	477	491	500	512	528	536	549	563	572	583

2.3.1 Water Network	Income	(2,751,104)	(52,126)	(53,273)	(54,445)	(55,588)	(56,700)	(57,777)	(58,875)	(59,994)	(61,074)
Total		(2,750,627)	(51,635)	(52,773)	(53,933)	(55,060)	(56,164)	(57,229)	(58,312)	(59,422)	(60,491)

Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.3.1 Water Network	7,702,517	13,932,988	21,672,009	23,359,394	30,885,214	53,570,624	56,368,202	67,198,394	36,204,581	36,211,311
Total	7,702,517	13,932,988	21,672,009	23,359,394	30,885,214	53,570,624	56,368,202	67,198,394	36,204,581	36,211,311

Funding impact statement (\$000s)

2.3 Water Supply	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	83,152	94,062	111,194	120,987	132,453	143,071	155,468	168,707	182,212	199,819
Subsidies and grants for operating purposes	2,700	0	0	0	0	0	0	0	0	0
Fees and charges	51	52	53	54	56	57	58	59	60	61
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>85,903</b>	<b>94,114</b>	<b>111,247</b>	<b>121,041</b>	<b>132,509</b>	<b>143,127</b>	<b>155,526</b>	<b>168,766</b>	<b>182,272</b>	<b>199,880</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	67,121	67,306	73,167	79,657	86,656	94,162	103,678	113,068	123,490	134,856
Finance costs	7,471	6,799	7,712	8,448	9,126	9,803	10,503	11,513	11,669	11,863
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Internal charges	2,357	2,017	2,016	2,156	2,247	2,373	2,611	2,831	2,879	2,971
<b>Total applications of operating funding (B)</b>	<b>76,949</b>	<b>76,122</b>	<b>82,894</b>	<b>90,261</b>	<b>98,029</b>	<b>106,337</b>	<b>116,792</b>	<b>127,412</b>	<b>138,037</b>	<b>149,690</b>

<b>2.3 Water Supply</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>8,954</b>	<b>17,992</b>	<b>28,353</b>	<b>30,781</b>	<b>34,480</b>	<b>36,790</b>	<b>38,734</b>	<b>41,354</b>	<b>44,234</b>	<b>50,189</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Increase (decrease) in debt	(2,426)	(5,233)	(7,856)	(8,596)	(4,770)	15,606	16,460	24,670	(9,205)	(15,153)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(1,251)</b>	<b>(4,059)</b>	<b>(6,681)</b>	<b>(7,422)</b>	<b>(3,595)</b>	<b>16,780</b>	<b>17,634</b>	<b>25,844</b>	<b>(8,030)</b>	<b>(13,978)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	150	154	158	162	166	170	174	178	181	185
- to improve level of service	2,625	1,580	1,570	6,804	16,950	35,655	44,173	43,135	13,223	11,450
- to replace existing assets	4,927	12,199	19,944	16,394	13,769	17,746	12,021	23,886	22,801	24,577
Increase (decrease) in reserves	(0)	0	(0)	0	(0)	(0)	0	(0)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>7,703</b>	<b>13,933</b>	<b>21,672</b>	<b>23,359</b>	<b>30,885</b>	<b>53,571</b>	<b>56,368</b>	<b>67,198</b>	<b>36,205</b>	<b>36,211</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(8,954)</b>	<b>(17,992)</b>	<b>(28,353)</b>	<b>(30,781)</b>	<b>(34,480)</b>	<b>(36,790)</b>	<b>(38,734)</b>	<b>(41,354)</b>	<b>(44,234)</b>	<b>(50,189)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>26,447</b>	<b>28,078</b>	<b>29,255</b>	<b>31,313</b>	<b>33,520</b>	<b>35,830</b>	<b>38,434</b>	<b>41,054</b>	<b>43,934</b>	<b>50,189</b>

2.4 Wai | Wastewater

Purpose

The wastewater network, which carries about 30 million cubic metres of wastewater a year, protects human health and the environment by removing wastewater from homes and businesses and treating it to make it safe for disposal. The cleaned and treated wastewater is discharged into the ocean and the biosolids removed in the treatment process are currently disposed of in the Southern Landfill. Wellington is making significant investment into the new sludge minimisation plant. Once it’s completed in 2026, the biosolids will be treated and minimised, enabling it to be reused rather than being disposed in the Southern Landfill.

Our key aims are health, safety and sustainability – wastewater should be disposed of in ways that protect public health and don’t compromise ecosystems. Many parts of Wellington’s wastewater network are aging and in poor condition and susceptible to failures, blockages and overflows. A key focus needs to be on improving the network to minimise failures. The city’s anticipated population growth will also put pressure on this infrastructure.

Activities

Activities in this group	Services we deliver
2.4.1 Sewage collection and disposal network	<ul style="list-style-type: none"><li>Collecting, treating and disposing of wastewater in ways that protect our waterways from harmful effects</li></ul>
2.4.2 Sewage treatment	<ul style="list-style-type: none"><li>Monitoring and maintaining 1000 kilometres of pipes, 64 pump stations and three treatment plants</li></ul>

Rationale for Activities

For public and environmental health. The wastewater network is crucial to our city’s health. By providing safe and sanitary removal of wastewater and ensuring that the waste is disposed of in ways that minimise harm on the environment and protect public and environmental health.

Significant negative effects

Council activities are conducted to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.4 Wastewater	There is the risk of overflows into waterways during high rainfall events and from infrastructure failures.	The wastewater network is designed to minimise the impact of these overflows. The service is subject to resource consent conditions and is monitored. This LTP includes budget for a significant uplift in wastewater infrastructure renewals.

## Statement of levels of service and performance measures

### Activity – 2.4 Wastewater

**Level of service statement:** Provide safe and sanitary removal of wastewater

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
Dry weather wastewater overflows, expressed per 1000 connections* The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system	Reliability	5.3 (YE22/23)	0	Quarterly
Compliance with the resource consents for discharge from the sewerage system, measured by the number of: a. abatement notices; b. infringement notices; c. enforcement notices; and d. convictions received by the territorial authority in relation to those resource consents*	Safety	2 (YE22/23)	0	Quarterly
Number of complaints about the wastewater odour, system faults, blockages, and supplier responsiveness, expressed per 1000 connections to the territorial authority's sewerage system *	Client Satisfaction	22.8 (YE22/23)	<30 per 1000	Quarterly
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	Safety	0.27 (YE22/23)	<0.8	Quarterly
Median response time for wastewater overflows (attendance time minutes)* Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site	Responsiveness	85 minutes (YE22/23)	≤60 minutes	Quarterly
Median response time for wastewater overflows (resolution time hours)* (b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	Responsiveness	7.9 hours (YE22/23)	≤6 hours	Quarterly

\*This KPI is mandatory as directed by the Department of Internal Affairs

### Key service level changes

We are significantly increasing the investment in our wastewater network to address cost escalations at the three treatment plants, for monitoring and operations, as well as planned and reactive maintenance and renewals. Major projects include:



- Karori effluent pipeline remediation
- Wastewater renewals of critical assets at the Moa Point and Western Wastewater treatment plants
- Eastern Trunk Wastewater Main, Stage 1 cargo area pipe
- Airport wastewater interceptor contingency pipe

## What it will cost

### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.4.1 Sewage collection and disposal network	Expense	59,238,315	61,711,079	66,462,697	71,196,493	76,730,640	82,300,896	87,900,962	94,070,257	99,674,095	105,583,612
	Income	(948,265)	(967,230)	(988,509)	(1,010,256)	(1,031,472)	(1,052,101)	(1,072,091)	(1,092,461)	(1,113,217)	(1,133,255)
2.4.2 Sewage treatment	Expense	42,853,814	44,927,041	54,008,274	59,672,356	62,288,039	63,470,112	64,085,739	66,087,277	67,260,700	68,895,656
<b>Total</b>		<b>101,143,864</b>	<b>105,670,889</b>	<b>119,482,462</b>	<b>129,858,593</b>	<b>137,987,207</b>	<b>144,718,907</b>	<b>150,914,611</b>	<b>159,065,073</b>	<b>165,821,578</b>	<b>173,346,013</b>

### Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.4.1 Sewage collection and disposal network	50,378,454	43,949,865	37,256,545	80,142,520	62,510,137	60,640,267	54,071,012	54,303,723	55,784,530	111,764,934
2.4.2 Sewage treatment	116,429,404	140,936,583	16,625,494	0	0	0	0	0	0	0
<b>Total</b>	<b>166,807,858</b>	<b>184,886,448</b>	<b>53,882,040</b>	<b>80,142,520</b>	<b>62,510,137</b>	<b>60,640,267</b>	<b>54,071,012</b>	<b>54,303,723</b>	<b>55,784,530</b>	<b>111,764,934</b>

Funding impact statement (\$000s)

2.4 Wastewater	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	79,569	89,596	116,757	124,512	131,061	137,618	143,628	150,569	157,117	164,421
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	948	967	989	1,010	1,031	1,052	1,072	1,092	1,113	1,133
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>80,517</b>	<b>90,564</b>	<b>117,746</b>	<b>125,522</b>	<b>132,092</b>	<b>138,670</b>	<b>144,700</b>	<b>151,661</b>	<b>158,230</b>	<b>165,554</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	44,787	47,642	56,700	59,046	61,591	64,009	65,559	67,928	70,531	73,370
Finance costs	13,340	12,228	13,692	14,900	16,011	17,122	18,271	19,928	20,183	20,502
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Internal charges	2,560	3,046	3,650	4,469	4,729	5,067	5,343	5,841	6,004	6,322
<b>Total applications of operating funding (B)</b>	<b>60,688</b>	<b>62,916</b>	<b>74,042</b>	<b>78,415</b>	<b>82,331</b>	<b>86,199</b>	<b>89,173</b>	<b>93,698</b>	<b>96,718</b>	<b>100,195</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>19,829</b>	<b>27,647</b>	<b>43,704</b>	<b>47,107</b>	<b>49,761</b>	<b>52,471</b>	<b>55,527</b>	<b>57,964</b>	<b>61,512</b>	<b>65,359</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	116,893	140,862	16,725	0	0	0	0	0	0	0
Development and financial contributions	961	961	961	961	961	961	961	961	961	961
Increase (decrease) in debt	29,125	15,416	(7,508)	32,074	11,788	7,208	(2,417)	(4,621)	(6,689)	45,444
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0

<b>2.4 Wastewater</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Total sources of capital funding (C)</b>	<b>146,978</b>	<b>157,239</b>	<b>10,178</b>	<b>33,036</b>	<b>12,749</b>	<b>8,169</b>	<b>(1,456)</b>	<b>(3,660)</b>	<b>(5,727)</b>	<b>46,406</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	6,150	205	158	162	166	170	174	178	181	185
- to improve level of service	130,088	160,728	26,601	6,224	2,079	14,857	14,643	14,494	27,354	85,629
- to replace existing assets	30,570	23,953	27,123	73,757	60,265	45,613	39,254	39,632	28,249	25,951
Increase (decrease) in reserves	0	0	(0)	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>166,808</b>	<b>184,886</b>	<b>53,882</b>	<b>80,143</b>	<b>62,510</b>	<b>60,640</b>	<b>54,071</b>	<b>54,304</b>	<b>55,785</b>	<b>111,765</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(19,829)</b>	<b>(27,647)</b>	<b>(43,704)</b>	<b>(47,107)</b>	<b>(49,761)</b>	<b>(52,471)</b>	<b>(55,527)</b>	<b>(57,964)</b>	<b>(61,512)</b>	<b>(65,359)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>41,405</b>	<b>43,722</b>	<b>46,429</b>	<b>52,454</b>	<b>56,687</b>	<b>59,572</b>	<b>62,814</b>	<b>66,460</b>	<b>70,216</b>	<b>74,285</b>

## 2.5 Wai | Stormwater

### Purpose

Each year, Wellington's stormwater network carries about 80 million cubic metres of run-off through gutters and drains to the harbour, coastal waters and piped city streams. The drainage network, managed for the Council by Wellington Water, helps protect the city and personal property from flooding as well as protecting public health from the potentially adverse effects of stormwater run-off.

Contaminants that are hazardous to the ecosystems in our streams, harbour and coastal waters can enter the stormwater system from our streets, homes and businesses. We generally do not currently treat stormwater run-off, but we do monitor stormwater discharge at more than 80 sites to ensure it meets the required standards. A key focus needs to be on water quality including minimising contamination from the wastewater network.

As part of development planning and major renewal and upgrade work in the city, we also encourage and will adopt as a Council the implementation of water sensitive urban design solutions to minimise the impact of stormwater runoff and to improve the amenity of the city.

### Activities

Activities in this group	Services we deliver
2.5.1 Stormwater Management	<ul style="list-style-type: none"><li>Managing stormwater flows, while minimising the risk of flooding and the impact of run-off on the environment</li><li>Monitoring and maintaining the stormwater network, which includes 670 kilometres of pipes, one pump station and 870 culverts that allow stormwater to flow under roads and other infrastructure</li><li>Monitoring stormwater outfalls to ensure that any threats to public health and the environment are minimised</li></ul>

### Rationale for Activities

To protect people, property and the environment from flooding and storm runoff. A safe and reliable stormwater network prevents avoidable disruptions to community living and minimises the risk of injury, property damage and environmental damage.

### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.5 Stormwater	The network can carry containments, such as oil from roads or run-off from developments, into waterways.	The principal objective of the stormwater network has historically been to minimise the impact of flooding. It has not been designed to provide treatment. We want to reduce the contaminants that make it into waterways. We educate residents to change behaviours, such as pouring paint down drains, and will be adopting regulatory and non-regulatory measures to increase the uptake of water sensitive design in new developments.

Activity	Key negative effects	Mitigation
		The investment in stormwater network renewals is increasing, with a focus on critical assets and the CBD area.

## Statement of levels of service and performance measures

### Activity – 2.5 Stormwater

**Level of Service Statement:** Protect people, property and the environment from flooding and storm runoff

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
Number of flooding events*	Sustainability	0 (22/23FinYr)	≤2	Quarterly
Number of stormwater pipeline blockages per km of pipeline	Reliability	0 (22/23FinYr)	≤0.5	Quarterly
Number of habitable floors per 1000 connected homes per flooding event* For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.) * <sup>1</sup>	Sustainability	0 (22/23FinYr)	≤0.13	Quarterly
Median response time to attend a flooding event (minutes)* The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	Reliability	0 (22/23FinYr)	≤60minutes	Quarterly
Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	Safety	98% (22/23FinYr)	90%	6monthly
Monitored sites (%) that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	Safety	78% (22/23FinYr)	90%	Quarterly
Compliance with the resource consents for discharge from the stormwater system -total number of a. abatement notices; b. infringement notices; c. enforcement orders; d. convictions*	Safety	0 (22/23FinYr)	0	Quarterly
Number of complaints about stormwater system performance per 1000 connections*	Client Satisfaction	12.8 (22/23FinYr)	≤20 per 1000	Quarterly
Residents (%) satisfied with the stormwater system The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system	Client Satisfaction	34% (22/23FinYr)	75%	Annual

\*This KPI is mandatory as directed by the Department of Internal Affairs

<sup>1</sup> The regional consistency for habitable floors affected in a flooding event is 10 per event, however as the DIA measure is per 1000 properties connected, we have calculated this based on connections in 2020/21

## Key service level changes

We are making a small increase in investment of our stormwater network to prioritise investment in stormwater filtration and flood protection in conjunction with or ahead of transport infrastructure investment, public realm, or housing developments. We will continue delivering current levels of planned and reactive maintenance.

## What it will cost

### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.5.1 Stormwater management	Expense	46,094,907	47,699,074	51,447,075	55,131,255	58,851,268	62,642,185	66,719,608	71,287,536	76,037,592	80,420,945
	Income	(1,235,712)	(1,327,310)	(1,363,148)	(1,398,589)	(1,433,554)	(1,466,526)	(1,500,256)	(1,533,262)	(1,565,460)	(1,598,335)
Total		44,859,195	46,371,764	50,083,927	53,732,665	57,417,714	61,175,659	65,219,352	69,754,275	74,472,132	78,822,610

### Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.5.1 Stormwater management	3,721,115	3,789,440	13,323,494	7,813,959	11,546,955	26,641,005	57,854,535	53,406,632	17,463,525	13,085,681
Total	3,721,115	3,789,440	13,323,494	7,813,959	11,546,955	26,641,005	57,854,535	53,406,632	17,463,525	13,085,681

Funding impact statement (\$000s)

<b>2.5 Stormwater</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	32,963	37,308	47,429	51,617	57,418	61,176	65,219	69,754	74,472	78,823
Subsidies and grants for operating purposes	1,234	1,325	1,361	1,397	1,431	1,464	1,498	1,531	1,563	1,596
Fees and charges	2	2	2	2	2	2	2	2	2	2
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>34,199</b>	<b>38,636</b>	<b>48,793</b>	<b>53,016</b>	<b>58,851</b>	<b>62,642</b>	<b>66,720</b>	<b>71,288</b>	<b>76,038</b>	<b>80,421</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	14,609	15,688	16,932	18,072	19,293	20,516	21,867	23,096	24,605	26,071
Finance costs	9,101	8,283	9,395	10,291	11,117	11,942	12,794	14,025	14,215	14,451
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Internal charges	727	760	761	811	852	913	977	1,062	1,094	1,144
<b>Total applications of operating funding (B)</b>	<b>24,437</b>	<b>24,731</b>	<b>27,088</b>	<b>29,174</b>	<b>31,262</b>	<b>33,370</b>	<b>35,638</b>	<b>38,183</b>	<b>39,914</b>	<b>41,667</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>9,762</b>	<b>13,904</b>	<b>21,705</b>	<b>23,842</b>	<b>27,589</b>	<b>29,272</b>	<b>31,081</b>	<b>33,105</b>	<b>36,124</b>	<b>38,754</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	102	102	102	102	102	102	102	102	102	102
Increase (decrease) in debt	(6,142)	(10,217)	(8,483)	(16,129)	(16,144)	(2,733)	26,671	20,200	(18,762)	(25,770)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0

<b>2.5 Stormwater</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Total sources of capital funding (C)</b>	<b>(6,040)</b>	<b>(10,115)</b>	<b>(8,381)</b>	<b>(16,028)</b>	<b>(16,042)</b>	<b>(2,631)</b>	<b>26,773</b>	<b>20,302</b>	<b>(18,661)</b>	<b>(25,669)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	150	154	158	162	166	170	174	178	181	185
- to improve level of service	2,045	2,045	2,079	2,851	7,819	22,862	54,950	45,423	4,993	8,887
- to replace existing assets	1,526	1,591	11,087	4,801	3,562	3,609	2,731	7,806	12,289	4,014
Increase (decrease) in reserves	(0)	0	0	(0)	(0)	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>3,721</b>	<b>3,789</b>	<b>13,323</b>	<b>7,814</b>	<b>11,547</b>	<b>26,641</b>	<b>57,855</b>	<b>53,407</b>	<b>17,464</b>	<b>13,086</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(9,762)</b>	<b>(13,904)</b>	<b>(21,705)</b>	<b>(23,842)</b>	<b>(27,589)</b>	<b>(29,272)</b>	<b>(31,081)</b>	<b>(33,105)</b>	<b>(36,124)</b>	<b>(38,754)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	21,658	22,968	24,359	25,957	27,589	29,272	31,081	33,105	36,124	38,754



## 2.6 Ngā painga kukume Papa Atawha | Conservation organisations

### Purpose

The Wellington Zoo Trust and Zealandia (Karori Sanctuary Trust) are both Council-controlled organisations (CCOs) and are part-funded by the Council. These attractions tell a story of our past and of our special wildlife. They attract visitors to our city and inform and educate about conservation and biodiversity.

### Activities

Activities in this group	Services we deliver
2.6.1 Conservation visitor attractions	<ul style="list-style-type: none"><li>Investment that supports the Wellington Zoo to attract visitors and to inform and educate on the importance of conservation and biodiversity</li><li>Investment that supports Zealandia to attract visitors, educate, and protect flora and fauna, improving biodiversity for the benefit of our natural environment</li></ul>

### Rationale for Activities

- For conservation and biodiversity: these attractions inform and educate Wellingtonians and visitors about conservation and biodiversity.
- To attract visitors: these facilities aim to attract tourists to the city, contributing to the local economy.
- To protect flora and fauna: to strive to protect native and exotic flora and fauna, protecting our natural environment.

### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
2.6 Conservation organisations	We do not anticipate any significant negative effects associated with the provision of these services.	N/A

### Statement of levels of service and performance measures

#### Activity: 2.6 Conservation organisations

**Level of service statement:** Promoting biodiversity, conservation, sustainability and excellent animal welfare with high-quality education and visitor experiences.

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
Wellington Zoo - achievement of Statement of Intent (SOI) Note: 2024/25 SOI comprises of six KPIs with the following targets: 1. Number of visitors: 267,205 2. Student & education visits: 21,000 3. Percentage of satisfied visitors: 80% 4. Council operating grant per visitor: \$16.32 5. Trading revenue per visit (excl. grants & interest): \$19.14 6. Non-council donations and funding: \$384,000	Other	Achieved (8/8 KPIs YE22/23)	Achieved	Quarterly and Annual
Zealandia - achievement of Statement of Intent Note: 2024/25 SOI comprises of five KPIs with the following targets: 1. Number of visitors: 130,000 2. Percentage of satisfied visitors: >80% 3. Council operating grant per visitor: \$12.90 4. Trading revenue per visit (excl. grants & interest): \$37.52 5. Non-council donations and funding: >\$200,000	Other	Achieved (10/10 KPIs YE22/23)	Achieved	Quarterly and Annual

### Key service level changes

The Council continues to invest in the two organisations to help attract visitors and support for maintenance and health and safety upgrades. We are making a small increase in the funding for Wellington Zoo to deliver on the health and safety components of their 20-year master plan.

There is an expectation for the two CCOs to increasingly manage operating cost pressures through non-Council revenue, and this will create risks if revenue is not able to be achieved or costs managed.

### What it will cost

#### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.6.1 Conservation visitor attractions	Expense	9,926,084	10,037,067	10,316,581	10,638,581	11,023,403	11,415,750	11,852,812	12,380,112	13,369,167	14,064,763
Total		9,926,084	10,037,067	10,316,581	10,638,581	11,023,403	11,415,750	11,852,812	12,380,112	13,369,167	14,064,763

Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2.6.1 Conservation visitor attractions	1,311,000	1,341,976	1,406,364	1,823,297	2,601,118	3,912,877	7,456,873	10,276,934	2,554,272	3,050,562
<b>Total</b>	<b>1,311,000</b>	<b>1,341,976</b>	<b>1,406,364</b>	<b>1,823,297</b>	<b>2,601,118</b>	<b>3,912,877</b>	<b>7,456,873</b>	<b>10,276,934</b>	<b>2,554,272</b>	<b>3,050,562</b>

Funding impact statement (\$000s)

2.6 Conservation Organisations	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	9,964	10,075	10,355	10,677	11,061	11,454	11,891	12,418	13,369	14,065
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>9,964</b>	<b>10,075</b>	<b>10,355</b>	<b>10,677</b>	<b>11,061</b>	<b>11,454</b>	<b>11,891</b>	<b>12,418</b>	<b>13,369</b>	<b>14,065</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	409	431	459	483	508	532	558	583	611	640
Finance costs	922	954	1,007	1,042	1,089	1,162	1,242	1,383	1,416	1,450
Other operating funding applications	5,932	6,047	6,217	6,366	6,500	6,617	6,716	6,803	6,885	6,954
Internal charges	134	138	138	144	149	152	157	164	168	173
<b>Total applications of operating funding (B)</b>	<b>7,396</b>	<b>7,570</b>	<b>7,820</b>	<b>8,035</b>	<b>8,246</b>	<b>8,462</b>	<b>8,673</b>	<b>8,933</b>	<b>9,079</b>	<b>9,217</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,568</b>	<b>2,505</b>	<b>2,535</b>	<b>2,641</b>	<b>2,815</b>	<b>2,992</b>	<b>3,218</b>	<b>3,485</b>	<b>4,290</b>	<b>4,848</b>

2.6 Conservation Organisations	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(1,257)	(1,163)	(1,128)	(818)	(214)	921	4,239	6,792	(1,735)	(1,797)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(1,257)</b>	<b>(1,163)</b>	<b>(1,128)</b>	<b>(818)</b>	<b>(214)</b>	<b>921</b>	<b>4,239</b>	<b>6,792</b>	<b>(1,735)</b>	<b>(1,797)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	0	300	700	4,500	7,118	350	800
- to replace existing assets	1,311	1,342	1,406	1,823	2,301	3,213	2,957	3,159	2,204	2,251
Increase (decrease) in reserves	(0)	0	0	(0)	0	(0)	0	(0)	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1,311</b>	<b>1,342</b>	<b>1,406</b>	<b>1,823</b>	<b>2,601</b>	<b>3,913</b>	<b>7,457</b>	<b>10,277</b>	<b>2,554</b>	<b>3,051</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,568)</b>	<b>(2,505)</b>	<b>(2,535)</b>	<b>(2,641)</b>	<b>(2,815)</b>	<b>(2,992)</b>	<b>(3,218)</b>	<b>(3,485)</b>	<b>(4,290)</b>	<b>(4,848)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	2,530	2,467	2,497	2,603	2,777	2,954	3,180	3,447	4,290	4,848

### 3. Te reo to come | Economic development

The mahi for Economic development supports a thriving economic, employment and events sector.

#### Overview

Our Economic wellbeing strategy aims to provide equal opportunities for meaningful, fairly paid, and inclusive work, supporting the transition to a zero-carbon circular economy. We seek to be New Zealand's preferred city for businesses, investors, and developers, and a hub for creativity and innovation, with a dynamic CBD and thriving suburban centres.

Council services in City promotions will focus on inner-city revitalization, aligning with Economic wellbeing and LTP priorities. Enhanced coordination of Council spending across transportation, public spaces, and open areas is also crucial for improved economic and social outcomes. Given cost constraints, we will prioritise existing spending to maximize impact rather than increasing expenditure.

A significant investment is in venue ownership, requiring a strategic approach for affordable management. Collaboration with the Wellington Stadium through the Seismic Resilience Project will address the venue's health and safety concerns.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page X.

#### Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all economic and cultural activities. The Tūpiki ora Māori Strategy outlines priorities including that Wellington is a bilingual city by 2040 – Māori, mana whenua and the wider community have access to learning opportunities to use to reo Māori; and the local Māori economy is thriving in the city and is supported by deliberate efforts between the Council and partners to support mana whenua, Māori and businesses. More information on this commitment is in Volume 1 and on our website here: [\[LINK\]](#).

#### Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
3.1 City Promotions and business support	Economic Wellbeing – An innovative business friendly city	Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	<ul style="list-style-type: none"><li>Economic Wellbeing Strategy</li><li>Infrastructure Strategy 2024</li><li>Finance Strategy 2024</li></ul>

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

#### How we will embed Strategic Approaches in this activity

Strategic Approaches are about how we will deliver our work. They are important and to be applied to everything we do.

Integrating te ao Māori	We will support Māori-led initiatives that enable greater success for Māori business and employment and consider economic outcomes for Māori in our procurement decisions. We will support events and celebrations that give expression to a te ao Māori presence and ensure that ngā toi Māori and te reo Māori are highly visible in storytelling and streetscape.
Making our city accessible and inclusive for all	We will encourage safe and inclusive workplace environments and actively encourage employers in the city to be socially inclusive and accessible. This includes to hire people with disabilities and adjust workplace environments to meet their needs, paying decent wages and practicing what we preach.
Embedding climate action	We will work with businesses and organisations to better enable the transition to a zero-carbon circular economy. The carbon impact plays a significant role in decisions about what activities are supported and prioritised.
Engaging our community	We will ensure that businesses have early visibility on our major infrastructure projects and a voice at the table to ensure the disruption from infrastructure transformation is managed well. We will identify opportunities to co-create and shape initiatives that foster a sense of belonging and support resilient community, creative, and cultural spaces.
Value for money	We will make our resources work harder to get the best outcomes possible within a constrained funding environment. We will deliver high quality, well managed programmes and projects to maximise value for our residents and the city. This also means being more strategic with the funding we have available.

## 3.1 Whakatairanga Tāone / Tautoko ā Pākihi | City Promotions and business support

### Purpose

To maintain a prosperous city that ensures a high quality of life for residents, we support a dynamic economy by funding WREDA (WellingtonNZ), the Wellington region's economic development agency. WellingtonNZ provides tourism promotions, manages Wellington's public convention venues, and supports local businesses.

The Council also supports events, festivals, visitor attractions, operates Tākina, and maintains relationships with other agencies and cities, domestically and internationally, to foster economic growth.

## Activities

Activities in this group	Services we deliver
3.1.1 WellingtonNZ and Venues Wellington	<ul style="list-style-type: none"> <li>Promoting Wellington to domestic and international visitors to encourage the growth of the tourism sector</li> <li>Supporting high-quality events, such as World of Wearable Art, which generate cultural and economic benefits for the city</li> <li>Operating civic venues for entertainment, performances and business events</li> </ul>
3.1.2 Tākina Wellington Convention and Exhibition Centre	<ul style="list-style-type: none"> <li>We operate and maintain the new convention and exhibition centre.</li> </ul>
3.1.3 City Growth Fund	<ul style="list-style-type: none"> <li>Delivering programmes that support businesses to deliver innovation, increase the visibility of te ao Māori and mana whenua create and retain jobs, increase the rating base, support economic growth in target sectors and transition to a circular economy.</li> </ul>
3.1.4 Major Economic Projects	<ul style="list-style-type: none"> <li>Attracting and supporting business activity across Wellington</li> </ul>
3.1.5 International Relations	<ul style="list-style-type: none"> <li>Improving the city's national and international connections, including with our eight sister cities across the world</li> </ul>
3.1.6 Business Improvement Districts (BIDs)	<ul style="list-style-type: none"> <li>We provide support and funding to the BIDs for improvements to their local business districts.</li> </ul>

## Rationale for Activities

- To attract and retain talented residents. Attracting talent, visitors and jobs is critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive advantage.
- To grow tourism spend and economic returns from events. We aim to attract and support major events (cultural, sporting and business) that bring visitors and extra spending to the city.
- To grow inward investment and exports. Ensuring that the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.
- To sustain city vibrancy. City promotion and events build and retain city vibrancy. It is critical that Wellington remains vibrant and internationally relevant, and that people coming here have the best possible experience.
- To support businesses wanting to take climate action. Wellington has a reputation as a climate leader with a strong community of innovative sustainable businesses.

## Significant negative effects

Council activities are conducted to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
3.1 City Promotions and Business Support	The activities in this area facilitate and encourage growth in tourism and business, both of which result in more people in our city.	We are building on our skilled knowledge base, creative industries and services sector to capitalise on an economy that is becoming increasingly 'weightless' – with a focus on generating high-value, low-

Activity	Key negative effects	Mitigation
	<p>Tourism, and the influx of additional people into the city, can bring many economic and social benefits. However, these are also associated with negative effects.</p> <p>More people in the city places additional pressure on our infrastructure networks (water and wastewater, for example) and more people travelling into and out of our city results in increased carbon emissions.</p>	<p>carbon products and services. Our focus in these industries mitigates some of the negative effects associated with a growing economy.</p> <p>We support a range of initiatives to reduce the emission profile of the city and are working with partners on making the transport system more sustainable.</p> <p>We also dispose of waste in sustainable ways; we capture gas at the landfill and are working to reduce sewage sludge.</p>

## Statement of levels of service and performance measures

### Activity: 3.1 City Promotions and Business Support

**Level of service statement:** Grow tourism spend and economic returns to help shape the city and create a thriving Wellington region.

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
WREDA: (\$m) Direct economic impact of Wellington NZ's activities and interventions	Sustainability	\$246.6mm (YE22/23)	\$200m	Quarterly
WREDA: Number of businesses engaged by a WellingtonNZ intervention or programme	Accessibility	2,221 (YE22/23)	2,500	Quarterly
WREDA: (\$m) Equivalent Advertising Value (EAV) from media activity	Sustainability	\$20.4m (YE22/23)	\$20m	Annual
WREDA: (\$m) Value of expenditure generated from events (including business, performance and major events)	Sustainability	\$79.1m (YE22/23)	\$120m	Quarterly
WREDA: The number of Wellington region residents who attend events	Accessibility	615,181 (YE22/23)	625,000	Quarterly
WREDA: % Stakeholder engagement satisfaction	Client satisfaction	92% (YE22/23)	90%	Annual
WREDA: Māori business support: a. Number of Māori businesses and projects supported across WNZ b. Satisfaction of Māori businesses receiving support	a. Accessibility b. Client satisfaction	a. 75 (Mar24) b. 90% (Mar24)	a. 75 b. 90%;	6monthly
WREDA: Pasifika business support: a. Number of Pasifika businesses and projects supported across WNZ b. Satisfaction of Pasifika businesses receiving support	a. Accessibility b. Client satisfaction	a. 15 (Mar24) b. 90% (Mar24)	a. 15 b. 90%	6monthly
WREDA: Funding diversification (% of revenue from commercial/non council funding & commercial activity)	Sustainability	25% (YE22/23)	30%	Quarterly
Wellington Regional Stadium Trust - achievement of SOI <sup>1</sup>	Other	Achieved (22/23FinYr)	Achieved	Annual

<sup>1</sup> Wellington Regional Stadium Trust is not a Council Controlled Organisation and reports to the Council at Statement of Intent level only.



## Key service level changes

### Affordability

Council services in City promotions are expected to continue. While an accelerated delivery of economic wellbeing outcomes could be realised through increased spending, it is important to acknowledge the Council's cost constraints. Our approach prioritises the existing spending over increasing our expenditure, aiming to maximise the impact within the defined constraints.

We are looking at the significant investment we have in venues and will develop a plan to identify the city's future venue needs and the best approach. Any changes to levels of service will be considered in the 2027-37 LTP.

### WellingtonNZ

The Council continues investment support to WellingtonNZ, although we have reduced their budget by \$500,000, which will result in less international marketing of the city. The overall investment into WellingtonNZ is \$13.5million.

### Wellington Stadium

We have committed funding to address health and safety concerns at the Wellington Regional Stadium, which will result in improved levels of service.

## What it will cost

### Operating Expenditure

Activity Component Name	Income/ Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
3.1.1 WellingtonNZ and Venues Wellington	Expense	34,068,598	35,020,607	36,871,977	38,661,705	39,411,710	40,375,821	41,312,783	42,325,407	42,901,335	43,628,058
	Income	(13,664,864)	(13,938,317)	(14,244,960)	(14,558,187)	(14,863,743)	(15,160,849)	(15,448,905)	(15,742,434)	(16,041,361)	(16,330,105)
3.1.2 Tākina Wellington Convention & Exhibition Centre	Expense	20,135,177	20,870,055	21,745,300	22,577,584	23,441,247	24,268,257	25,192,400	26,099,917	27,095,599	28,066,722
	Income	(7,938,676)	(9,372,027)	(10,537,701)	(11,811,607)	(12,582,078)	(13,226,889)	(13,768,665)	(14,257,269)	(14,763,447)	(15,029,189)
3.1.3 City growth fund	Expense	3,010,270	3,045,111	3,050,557	3,093,670	3,126,295	3,158,150	3,201,934	3,255,180	3,287,072	3,329,244
3.1.4 Major Economic Projects	Expense	0	2,940,500	2,944,000	3,071,500	347,500	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
3.1.5 International relations	Expense	929,027	958,279	974,401	991,555	1,019,659	1,064,702	1,079,234	1,122,261	1,173,579	1,186,151

3.1.6 Business Improvement Districts	Expense	556,988	556,988	556,988	556,988	556,988	556,988	556,988	556,988	556,988	556,988
Total		37,096,519	40,081,194	41,360,561	42,583,208	40,457,578	42,536,180	43,625,769	44,860,050	45,709,765	46,907,869

#### Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
3.1.1 WellingtonNZ and Venues Wellington	-	-	-	3,196,124	3,260,047	3,321,987	3,385,105	-	-	-
3.1.2 Tākina Wellington Convention & Exhibition Centre	4,703,637	2,851,096	2,142,555	5,713,451	6,036,569	4,553,820	1,127,521	2,928,114	7,099,432	4,039,167
Total	4,703,637	2,851,096	2,142,555	8,909,575	9,296,616	7,875,807	4,512,626	2,928,114	7,099,432	4,039,167

#### Funding impact statement (\$000s)

3.1 City Promotions and Business Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	13,858	13,536	13,601	14,375	14,420	14,640	15,150	15,765	16,447	16,494
Targeted rates (other than a targeted rate for water supply)	18,360	18,500	18,646	18,136	18,917	19,143	19,436	19,725	20,008	19,710
Subsidies and grants for operating purposes	500	511	522	533	543	554	564	575	585	596
Fees and charges	21,104	22,800	24,261	25,837	26,902	27,834	28,653	29,425	30,220	30,764
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>53,822</b>	<b>55,346</b>	<b>57,030</b>	<b>58,881</b>	<b>60,782</b>	<b>62,170</b>	<b>63,804</b>	<b>65,489</b>	<b>67,260</b>	<b>67,563</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	29,561	30,633	31,789	32,810	33,862	34,869	35,924	36,959	38,119	38,997
Finance costs	3,724	3,671	3,620	3,572	3,527	3,484	3,438	3,399	3,353	3,307

<b>3.1 City Promotions and Business Support</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
Other operating funding applications	16,127	19,466	19,791	20,201	17,731	19,105	19,293	19,459	19,614	19,744
Internal charges	2,327	2,409	2,414	2,535	2,625	2,714	2,839	2,996	3,076	3,190
<b>Total applications of operating funding (B)</b>	<b>51,739</b>	<b>56,179</b>	<b>57,613</b>	<b>59,119</b>	<b>57,745</b>	<b>60,172</b>	<b>61,494</b>	<b>62,812</b>	<b>64,162</b>	<b>65,239</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,083</b>	<b>(833)</b>	<b>(583)</b>	<b>(238)</b>	<b>3,037</b>	<b>1,998</b>	<b>2,309</b>	<b>2,677</b>	<b>3,098</b>	<b>2,325</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	2,621	3,684	2,726	9,148	6,260	5,878	2,203	251	4,001	1,715
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>2,621</b>	<b>3,684</b>	<b>2,726</b>	<b>9,148</b>	<b>6,260</b>	<b>5,878</b>	<b>2,203</b>	<b>251</b>	<b>4,001</b>	<b>1,715</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	3,196	3,260	3,322	3,385	0	0	0
- to replace existing assets	4,704	2,851	2,143	5,713	6,037	4,554	1,128	2,928	7,099	4,039
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>4,704</b>	<b>2,851</b>	<b>2,143</b>	<b>8,910</b>	<b>9,297</b>	<b>7,876</b>	<b>4,513</b>	<b>2,928</b>	<b>7,099</b>	<b>4,039</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,083)</b>	<b>833</b>	<b>583</b>	<b>238</b>	<b>(3,037)</b>	<b>(1,998)</b>	<b>(2,309)</b>	<b>(2,677)</b>	<b>(3,098)</b>	<b>(2,325)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

3.1 City Promotions and Business Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Expenses for this activity grouping include the following depreciation/amortisation charge	6,961	7,212	8,530	9,834	10,158	10,752	11,349	12,048	12,353	13,029

## 4. Te reo to come | Cultural wellbeing

Arts and culture are an important foundation stone in Wellington’s offering – it’s a point of difference for the city and one that all Wellingtonians are proud of.

### Overview

Our overall approach as part of the 2024-34 LTP is to continue making investments that secure foundational arts and culture facilities in the city. This will allow the sector to thrive over the long term. Many of our arts and culture facilities are earthquake prone and require substantial investment in the years ahead. This will be the primary focus over the next three years with most of the capital costs increases for this activity area going into the Town Hall.

We will also do master planning on other arts and culture facilities that are earthquake prone such as the Michael Fowler Centre (MFC), the Opera House and the Bond Store to enable decisions on the way forward to be made as part of the 2027-37 LTP.

To address affordability pressures, we will explore more efficient delivery of arts and culture services, operating more commercially where possible, and identifying savings. Our strategic focus is on making essential investments and targeted adjustments to support the sector’s significance to the city while easing cost pressures.

The key groups of activities under this strategic area are below, along with their alignment to the Council’s strategic direction that is outlined in Volume 1, page X.

### Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all economic and cultural activities. The Tūpiki ora Māori Strategy outlines priorities including that Wellington is a bilingual city by 2040 – Māori, mana whenua and the wider community have access to learning opportunities to use te reo Māori; and Mana whenua and Māori narratives, identities, histories and landmarks are increasingly present and visible, and there is a growing understanding and recognition within the region through education and resource. More information on this commitment is in Volume 1 and on our website here: [\[LINK\]](#).

### Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
4.1 Ngohe Toi, Ahurea Hoki   Arts and Cultural Activities	Cultural wellbeing: A welcoming, diverse and creative city	<ul style="list-style-type: none"><li>Nurture and grow our arts sector</li><li>Revitalise the city and suburbs to support a thriving and resilient economy and support job growth</li><li>Celebrate and make visible te ao Māori across our city</li></ul>	<ul style="list-style-type: none"><li>Aho Tini   Arts, Culture, and Creativity Strategy</li><li>Infrastructure Strategy 2024</li><li>Finance Strategy 2024</li></ul>

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

#### How we will embed Strategic Approaches in this activity

Strategic Approaches are about how we will deliver our work. They are important and to be applied to everything we do.

Integrating te ao Māori	Support events and celebrations that give expression to a te ao Māori presence and ensure that ngā toi Māori and te reo Māori are highly visible in storytelling and streetscape.
Making our city accessible and inclusive for all	Reflect the increasing diversity of our communities, and encourage access, availability and participation in arts and culture. This includes supporting story telling of experiences and histories for our diverse communities.
Embedding climate action	Work with arts and creative organisations to better enable the transition to a zero-carbon circular economy. We will partner with the arts, creative, science and innovation sectors to explore complex issues, develop new solutions and show what's possible. The carbon impact plays a significant role in decisions around what activities are supported and prioritised.
Engaging our community	Ensure that creative thinking and arts practitioners are involved early in our major infrastructure projects to ensure the disruption from infrastructure transformation is managed well. We will identify opportunities to co-create and shape initiatives that foster a sense of belonging and support resilient community, creative, and cultural spaces.
Value for money	Focus on ensuring our resources work harder to get the best outcomes possible within a constrained funding environment. We will deliver high quality, well managed programmes and projects to maximise value for our residents and the city. This also means being more strategic with the funding we have available.

## 4.1 Ngohe Toi, Ahurea Hoki | Arts and Cultural Activities

### Purpose

Our city is recognised as the cultural capital of New Zealand. This reflects a mix of factors, including the presence of national arts organisations in the city, as a centre of major arts tertiary education in the city, funding support from the Council, a thriving community of Māori creatives, the sense of a supportive citizenry, and a reputation for edgy and interesting arts in the city.

### Activities

Activities in this group	Services we deliver
4.1.1 City Galleries and Museums	<ul style="list-style-type: none"> <li>Managing the city's art collection of more than 600 works, including the Wellington Collection at the Ngauranga Gorge collection store which is cared for by Experience Wellington</li> <li>Funding Experience Wellington to have free and charged for public programmes and learning experiences across its sites: <ul style="list-style-type: none"> <li>Wellington Museum</li> <li>City Gallery Wellington</li> </ul> </li> </ul>
4.1.2 Visitor attractions	

Activities in this group	Services we deliver
	<ul style="list-style-type: none"> <li>○ Cable Car Museum</li> <li>○ Nairn Street Cottage</li> <li>○ Space Place at Carter Observatory</li> <li>○ Capital E</li> <li>• Funding contribution to Te Papa</li> </ul>
4.1.3 Arts and cultural festivals	<ul style="list-style-type: none"> <li>• Advising on and supporting a range of community events, including the Newtown Festival and Chinese New Year</li> <li>• Delivering free public events throughout the year, including key Māori celebrations and events (e.g. Gardens Magic, New Years Eve, Matariki: Ahi Kā Festival, and Anzac Day)</li> <li>• Supporting major cultural events (e.g. Te Rā o Waitangi, Diwali, and Pasifika Festival)</li> <li>• Advising, funding and providing logistical support for a range of community events</li> </ul>
4.1.4 Cultural Grants 4.1.5 Access and support for community art 4.1.7 Regional Amenities Fund	<ul style="list-style-type: none"> <li>• Direct grants support to creative sector organisations, agencies and projects at professional and community levels. This includes support for events and festivals and grants that directly target Māori creatives.</li> <li>• Providing arts advice and support to arts organisations and maintaining an art collection of more than 600 artworks</li> <li>• Infrastructure support to the sector through management of Toi Pōneke (which houses a community of practitioners, arts organisations and creative businesses), Hannah Playhouse and governance overview of civic venues managed on council's behalf by WellingtonNZ</li> </ul>
4.1.6 Arts Partnerships	<ul style="list-style-type: none"> <li>• Supporting, delivering or commissioning a range of public art around Wellington, including some provision of public art by Māori and mana whenua artists (e.g. Mason's Lane and Courtenay Place lightboxes, Waituhi flags, art on walls, support for Sculpture Trust)</li> <li>• Facilitating career pathways for artists and arts organisations; advocating for creative value in Wellington City.</li> </ul>

#### Rationale for Activities

- For city vibrancy and cultural expression. The arts contribute to a vibrant city and provide opportunities for cultural expression, enhancing Wellington's vibrancy as a diverse, active and eventful place attractive to visitors.
- To build and maintain a sense of place and identity. Our museums, visitor attractions and events shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture, our shared history, science, ourselves and each other.
- To grow visitation and exposure to creativity and innovation. We aim to grow the numbers of visitors to our attractions, providing ideas and places where people can connect, share what is common and explore what is different and new.

#### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
4.1 Arts and cultural activities	We do not anticipate any significant negative effects associated with the provision of these services.	N/A

## Statement of levels of service and performance measures

### Activity – 4.1 Arts and Cultural Activities

**Level of service statement:** Build and maintain a sense of place and identity for our city

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
(%) Attendees satisfied with Council-delivered festivals and events	Client Satisfaction	86% (YE22/23)	90%	Annual
(%) Residents agree: a. The Council enables local events, activities and cultural activities b. I feel welcome and included in cultural events and activities in Wellington c. I see my community reflected in Wellington's cultural activities	Accessibility	a. 71% (RMS 2024) b. 69% (RMS 2024) c. 57% (RMS 2024)	a. 71% b. 69% c. 57%	Annual
By 2026 Toi Pōneke will deliver: a. At least 30% of programming across exhibitions and related public programmes from Māori, Pacific peoples and minority groups b. At least 30,000 visitors per annum	Accessibility	a. 57% <sup>1</sup> b. 19,910 (Dec 23)	a. ≥ 30% b. ≥ 30,000	6 monthly
By 2026 the Hannah Playhouse will deliver: a. At least 15% of the work in the house is developing tangata whenua and/or Pasifika practitioners b. At least 500 supported artists utilising the Hannah each year c. At least 6,000 audience attendance each year	Accessibility	a. 15% (Dec 23) b. 306 (Dec 23) c. 4194 (Dec 23)	a. ≥ 15% b. ≥ 500 c. ≥ 6,000	6 monthly
Number of total Council initiatives and events that have significant inclusion of te ao Māori	Sustainability	23	≥8 <sup>2</sup>	Annual
Wellington Museums Trust (Experience Wellington) - achievement of Statement of Intent (SOI)  Note: 2024/25 SOI comprises seven KPIs with the following targets: 1. Number of visitors: 470,500 2. Student & Education visits: 23,100 3. Council operating grant per visitor: \$20.71 4. Trading revenue per visit (excl. grants & interest): \$3.81 5. Non-council donations and funding: \$423,000 6. Non-council revenue as percentage of total revenue: 22% 7. Percentage (%) of visitors who rate the quality of their experience (good or very good): 87%	Other	Achieved (4/7 KPIs YE22/23)	Achieved	Quarterly



1. Baseline is calculated using the 23/24 pre-planned schedule
2. Target is less than Baseline due to constrained financial environment

## Key service level changes

### Affordability

To address affordability pressures affecting both the Council and the community, we will continue exploring ways to develop the efficiency of delivering arts and culture services. This includes operating more commercially where possible and identifying areas for savings to ease cost pressures. For example, we will no longer fund an annual fireworks display (such as for Matariki or special event). The New Years' Eve Display will continue.

While recognising the necessity of certain changes to ease cost pressures, we understand the sector's significance to the city. Recognising the Arts and Culture sector's importance to the city, our strategic focus for this LTP is prioritising targeted adjustments over wholesale changes to the levels of service. This involves making essential and strategic investments while implementing minor reductions in specific areas.

### Venues and facilities

- Over the next three years, we will investigate the best course of action for the Te Ngākau Civic Square area. This includes the former Capital E building, the basement supporting the Town Hall, Te Matapihi, and the City-to-Sea bridge to the waterfront. Options under consideration include the possibility of demolishing these structures.
- In 2026 we expect to re-open the Town Hall following major earthquake strengthening.
- We will explore potential options for earthquake-prone venues, including the Michael Fowler Centre, Bond Store, and Opera House. We will also investigate options for other earthquake prone venues that support arts and culture activities. Any changes to levels of service will be identified for the 2027 LTP.
- We are exploring venue options for Toi Pōneke. We are also looking at reshaping our service design so that it better meets Māori and other local arts community's needs.
- We are reviewing the grants funding, which will result in a reduction or removal of funding for national organisations and increased funding available for local arts.
- We will contribute to the National Music Centre establishment.

### Living Wage

We retain our ongoing commitment to support a Living Wage for events and artists and we will review options in the next 12 months for this to be achieved through existing fund criteria or the continuation of specific top-up Living Wage funding. For CCOs we will provide top-up funding for Year 1, with the expectation that this is managed within existing budgets from Year 2.

## What it will cost

### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
4.1.1 Galleries and museums (WMT)	Expense	11,381,801	11,862,770	12,319,892	12,612,391	13,243,486	13,612,669	13,829,320	14,025,809	14,212,398	14,377,113
4.1.2 Visitor attractions (Te Papa/Carter Observatory)	Expense	3,162,942	3,205,549	3,251,748	3,288,326	3,324,847	3,360,291	3,397,221	3,437,720	3,466,274	3,494,928
4.1.3 Arts and cultural festivals	Expense	5,413,622	5,524,613	5,473,394	5,599,804	5,710,698	5,808,502	5,930,143	6,065,893	6,405,787	6,291,888
	Income	(80,000)	(81,600)	(83,395)	(85,230)	(87,020)	(88,760)	(90,447)	(92,165)	(93,916)	(95,607)
4.1.4 Cultural grants	Expense	3,024,202	3,024,202	3,024,202	3,024,202	3,024,202	3,024,202	3,024,202	3,024,202	3,024,202	3,024,202
4.1.5 Access and support for community arts	Expense	2,650,270	2,748,791	2,775,951	2,860,984	2,927,579	2,941,927	2,981,515	3,074,379	3,130,631	3,204,840
	Income	(24,000)	(24,480)	(25,019)	(25,569)	(26,106)	(26,628)	(27,134)	(27,650)	(28,175)	(28,682)
4.1.6 Arts partnerships	Expense	2,816,322	3,270,426	2,759,780	3,265,974	3,480,127	3,541,599	3,618,982	3,705,998	3,767,032	3,821,973
	Income	(482,840)	(492,497)	(503,332)	(514,405)	(525,208)	(535,712)	(545,890)	(556,262)	(566,831)	(577,034)
4.1.7 Regional amenities fund	Expense	609,200	609,200	609,200	609,200	609,200	609,200	609,200	609,200	609,200	609,200
Total		28,471,520	29,646,973	29,602,422	30,635,677	31,681,806	32,247,290	32,727,114	33,267,123	33,926,601	34,122,820

### Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
4.1.1 Galleries and museums (WMT)	1,685,981	12,315,753	5,754,399	957,371	0	0	0	0	0	0
4.1.2 Visitor attractions (Te Papa/Carter Observatory)	353,751	0	0	0	0	0	0	0	0	0
4.1.4 Cultural grants	1,067,995	0	0	0	0	0	0	0	0	0
4.1.5 Access and support for community arts	119,820	76,575	78,260	79,903	81,501	83,050	84,628	86,236	87,788	89,368

4.1.6 Arts partnerships	275,000	3,350,000	2,085,000	95,000	0	0	0	0	0	0
<b>Total</b>	<b>3,502,547</b>	<b>15,742,328</b>	<b>7,917,659</b>	<b>1,132,275</b>	<b>81,501</b>	<b>83,050</b>	<b>84,628</b>	<b>86,236</b>	<b>87,788</b>	<b>89,368</b>

**Funding impact statement (\$000s)**

<b>4.1 Arts and Cultural Activities</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	20,426	21,451	21,260	22,195	23,057	23,506	23,906	24,368	24,961	25,096
Targeted rates (other than a targeted rate for water supply)	8,084	8,234	8,380	8,479	8,662	8,780	8,860	8,937	9,004	9,065
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	587	599	612	625	638	651	663	676	689	701
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>29,096</b>	<b>30,284</b>	<b>30,252</b>	<b>31,299</b>	<b>32,358</b>	<b>32,936</b>	<b>33,429</b>	<b>33,981</b>	<b>34,654</b>	<b>34,862</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	7,821	8,440	7,965	8,123	8,291	8,452	8,614	8,781	9,176	9,088
Finance costs	79	75	74	78	82	88	97	111	113	116
Other operating funding applications	18,675	19,198	19,687	19,987	20,255	20,490	20,689	20,865	21,029	21,167
Internal charges	1,772	1,843	1,786	1,919	2,008	2,071	2,197	2,354	2,422	2,534
<b>Total applications of operating funding (B)</b>	<b>28,347</b>	<b>29,556</b>	<b>29,512</b>	<b>30,107</b>	<b>30,635</b>	<b>31,101</b>	<b>31,597</b>	<b>32,110</b>	<b>32,740</b>	<b>32,905</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>750</b>	<b>728</b>	<b>740</b>	<b>1,192</b>	<b>1,723</b>	<b>1,835</b>	<b>1,831</b>	<b>1,871</b>	<b>1,913</b>	<b>1,957</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0

<b>4.1 Arts and Cultural Activities</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
Increase (decrease) in debt	2,753	15,015	7,177	(60)	(1,641)	(1,752)	(1,747)	(1,785)	(1,825)	(1,868)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>2,753</b>	<b>15,015</b>	<b>7,177</b>	<b>(60)</b>	<b>(1,641)</b>	<b>(1,752)</b>	<b>(1,747)</b>	<b>(1,785)</b>	<b>(1,825)</b>	<b>(1,868)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	2,266	15,742	7,918	1,132	82	83	85	86	88	89
- to replace existing assets	1,237	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	(0)	(0)	(0)	0	(0)	(0)	(0)	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>3,503</b>	<b>15,742</b>	<b>7,918</b>	<b>1,132</b>	<b>82</b>	<b>83</b>	<b>85</b>	<b>86</b>	<b>88</b>	<b>89</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(750)</b>	<b>(728)</b>	<b>(740)</b>	<b>(1,192)</b>	<b>(1,723)</b>	<b>(1,835)</b>	<b>(1,831)</b>	<b>(1,871)</b>	<b>(1,913)</b>	<b>(1,957)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>712</b>	<b>690</b>	<b>702</b>	<b>1,154</b>	<b>1,685</b>	<b>1,797</b>	<b>1,793</b>	<b>1,833</b>	<b>1,875</b>	<b>1,920</b>

## 5. Pāpori me te hākinakina | Social and recreation

The mahi for Social and Recreation is focused on the health and wellbeing of the community.

### Overview

Wellington's open space and recreation networks are crucial for the city's environmental, social, economic, and cultural wellbeing. The Open Spaces and Recreation Strategy envisions a network of parks and recreation facilities integrated into daily life, designed for flexible use to meet diverse needs.

The Council's Te Awe Māpara | The Community Facilities Plan outlines a 30-year framework with 58 prioritized actions to ensure thriving, accessible community facilities. These spaces aim to foster connection, fun, and belonging.

To reduce carbon emissions, the Council will invest in transitioning swimming pools away from gas, which currently contributes 45% of the Council's building emissions.

Community facilities and services aim to create liveable, safe, and inclusive communities through support initiatives, housing access, and facilities like community centres and libraries. Most services will remain at current levels for the 2024-34 LTP. The opening of Te Matapihi will enhance central city facilities, celebrating te ao Māori. Social housing upgrades continue to be a key improvement.

Over the next ten years, the adoption of Te Awe Māpara will guide the evolution of community facilities to maximize benefits and make smarter decisions. This includes investigating facility needs and potential changes to future facility mixes.

We continue to focus on processing of alcohol licenses, food safety certificates, dog registrations, gambling consents and health licenses for businesses and activities that could impact human health. We will also continue to operate animal control service and litter enforcement.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page X.

### Our Tā kai Here and Te Tiriti Commitment

Our commitment underpins all social and recreation activities, including by the Basin Reserve Trust. The Tūpiki Ora Māori Strategy outlines our priorities in its waypoint, He whānau toiora | thriving and vibrant communities including whānau Māori are in warm, quality, safe and affordable housing throughout the city. More information on this commitment is in Volume 1 and on our website here: [\[LINK\]](#).

### Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
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5.1 Recreation Facilities and Services	Social wellbeing: A city of health and thriving whānau and communities	<ul style="list-style-type: none"> <li>Invest in sustainable, connected and accessible community and recreation facilities</li> </ul>	<ul style="list-style-type: none"> <li>Te Whai Oranga Pōneke – Open Space and Recreation Strategy</li> <li>Te Awe Māpara – Community Facilities Plan</li> <li>Strategy for Children and Young People</li> <li>Infrastructure Strategy 2024</li> <li>Finance Strategy 2024</li> </ul>
5.2 Community Facilities and Services	Social wellbeing: A city of health and thriving whānau and communities	<ul style="list-style-type: none"> <li>Invest in sustainable, connected and accessible community and recreation facilities</li> <li>Increase access to good, affordable housing to improve the wellbeing of our communities</li> </ul>	<ul style="list-style-type: none"> <li>Te Whai Oranga Pōneke – Open Space and Recreation Strategy</li> <li>Te Awe Māpara – Community Facilities Plan</li> <li>Strategy for Children and Young People</li> <li>Homelessness Strategy</li> <li>Housing Strategy</li> <li>Infrastructure Strategy 2024</li> <li>Finance Strategy 2024</li> </ul>
5.3 Public Health and Safety	Social wellbeing: A city of health and thriving whānau and communities. Urban form: A liveable and accessible, compact city.	<ul style="list-style-type: none"> <li>Invest in sustainable, connected and accessible community and recreation facilities</li> <li>Revitalise the city and suburbs to support a thriving and resilient economy and support job growth</li> </ul>	<ul style="list-style-type: none"> <li>Enforcement and Compliance Policy</li> </ul>

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

#### How we will embed Strategic Approaches in this activity

Integrating te ao Māori	Work together with our Tākai Here partners on our strategic projects to uplift te ao Māori using language and design.
Making our city accessible and inclusive for all	As we upgrade our facilities, we will utilise Universal Design principles to ensure facilities are accessible and inclusive for all. We must also provide accessibility information online, on-site and in different mediums to help people know in advance which places are accessible to them and how they can use them.
Embedding climate action	Climate change adaptation planning will help inform future investment decisions, particularly for assets in coastal locations. Future community leases and renewals will take into account any impact of climate change and adaptation requirements. As we upgrade our facilities, we will address climate adaptation needs.
Engaging our community	Follow a robust process to work with the community, understand needs, test all options, determine the best response, and prepare a business case to provide clear justification for any investment to change a community facility. We will identify opportunities to co-create and shape initiatives that foster a sense of belonging and support resilient community, creative, and cultural spaces.

Value for money	In addition to the outcomes sought by the Community Facilities Plan and Te Whai Oranga Pōneke, strategic rationalisation will be a key factor for consideration in the investigations of each area's needs. We will make future focused decisions that provide best outcomes and value for money for the long term.
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5.1 TE REO | Recreation Facilities and Services

Purpose

To support the wellness of people to live and play, and the intrinsically connected health of the environment. Wellington City Council provides a range of recreation and leisure facilities to encourage active and healthy lifestyles and enable participation in sporting and other group activities. Through the promotion and support of recreation opportunities we contribute to the development of strong, healthy communities and a high quality of life for Wellingtonians.

People enjoy our open spaces and parks for exercising, socialising, relaxing, playing and connecting to nature. Our open spaces contain much of Wellington’s natural elements such as waterways, forests, shorelines and are home to our native biodiversity. They are also equipped with recreation facilities such as playgrounds and sports fields.

Activities

Activities in this group	Services we deliver
5.1.1 Swimming pools	<ul style="list-style-type: none"><li>Managing, maintaining and servicing seven pool facilities, including:</li><li>year-round facilities and two summer pools.</li><li>Two integrated fitness centres throughout the city and suburbs</li><li>‘Learn to Swim’ courses for children and adults</li></ul>
5.1.2 Sports fields	<ul style="list-style-type: none"><li>Managing and maintaining outdoor sports facilities in the city, including:<ul style="list-style-type: none"><li>44 natural and 11 artificial sports turfs (two in partnership with schools), which provide year-round venues for recreation and competitive sport</li><li>nine croquet lawns</li><li>Newtown Park running track</li><li>the velodrome</li><li>tennis and netball courts</li><li>Basin Reserve: refer to the CCO section on page X.</li></ul></li></ul>
5.1.3 Recreation Programmes 5.1.4 Recreation centres	<ul style="list-style-type: none"><li>Managing, maintaining and servicing four community recreation centres, croquet facilities, tennis, netball and basketball half courts, and the Ākau Tangi Sports Centre</li><li>Offer various community programmes through the facilities.</li></ul>

Activities in this group	Services we deliver
5.1.5 Recreation activations and partnerships	<ul style="list-style-type: none"> <li>Managing about 30 premises leases, 100+ ground leases to a range of recreation, sporting, marae and community organisations.</li> <li>Supporting the Basin Reserve Trust, a CCO that manages and operates the Basin Reserve to continue to attract national and international events to Wellington.</li> </ul>
5.1.6 Playgrounds	<ul style="list-style-type: none"> <li>Managing and maintaining 107 playgrounds and skateparks</li> </ul>
5.1.7 Marinas	<ul style="list-style-type: none"> <li>Maintaining other Council-owned recreational facilities, including <ul style="list-style-type: none"> <li>the Berhampore golf course</li> <li>two marinas, with financial support to groups providing publicly accessible facilities.</li> </ul> </li> </ul>
5.1.8 Golf course	
5.1.9 Leisure Card	<ul style="list-style-type: none"> <li>Delivery of programmes to those for who cost is a barrier to encourage participation in leisure activities</li> </ul>

#### Rationale for Activities

- To encourage active and healthy lifestyles. Our swimming pools, sports fields and other recreation centres provide access to sport and recreation opportunities, which are important for people's health and wellbeing.
- To enable participation in sporting and other group activities. Our recreation facilities give sporting and recreation groups a space to organise sport and recreation programmes.
- For social cohesion and connectedness. Our recreation facilities provide important community focal points and recreation opportunities that bring people together.

#### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
5.1 Recreation Facilities	There are negative effects from owning and managing buildings and other assets to deliver these services. These include waste, direct energy use to operate the buildings, indirect energy use, and emissions from people using private transport to access our facilities.	Our operations are managed so that waste is minimised or recycled, and energy and water is conserved. We also encourage the use of public transport, walking and cycling as a means of getting to places of recreation
	All the indoor pools are currently heated by gas. The negative effect is that it produces CO <sub>2</sub> and it is expensive to run.	We have agreed to allocate \$14m from the Climate Resilience Fund to degasify the pool network.

#### Statement of levels of service and performance measures

##### Activity: 5.1 Recreation Facilities and Services

**Level of service statements:** Maintain high quality sports amenities and recreational facilities, and encourage participation in leisure activities



Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
(%) User satisfaction with pools	Client satisfaction	77% (YE22/23)	80%	Annual
Ratepayer subsidy per swimming pool visit (\$)	Affordability	\$22.41 (YE22/23)	<\$22.50	Annual
(%) User satisfaction with recreation centres including Akau Tangi sports centre	Client satisfaction	87% (YE22/23)	85%	Annual
Ratepayer subsidy per recreational centre visit including Akau Tangi (\$)	Affordability	\$8.12 (YE22/23)	<\$9	Annual
(%) Perception that recreation facilities are easy to access	Accessibility	70% (RMS 2024)	70%	Annual
Utilisation of Leisure card (increase in number of active users)	Quality	27% (YE22/23)	28%	Annual
(%) User satisfaction with sports fields	Client satisfaction	81% (YE22/23)	80%	Annual
(%) Residents satisfied with the quality and maintenance of Playgrounds and Skateparks	Client satisfaction	61% (RMS2024)	70%	Annual
Basin Reserve - achievement of Statement of Intent Note: 2024/25 SOI comprises of four KPIs with the following targets: 1. Numbers attending events at the Basin Reserve: 40,000 2. Council operating grant per attendance: \$21.06 3. Event income: \$390,000 4. Activity days (comprising ticketed Cricket events, practice facility usage and functions): 192	Other	Achieved (4/8 KPIs YE22/23)	Achieved	Quarterly

## Key service level changes

### Recreation facilities

We will commence design and engagement of Grenada North Park sports field upgrades and commence works in Year 2. This will result in an improvement to sports field provision in Grenada North.

There may also be some tactical green space service level changes in response to managing within tighter financial constraints, such as to garden bedding displays or mowing. We have reduced support for some sporting codes such as croquet. They must now manage and maintain their own services. Some end-of-life assets will not be renewed.

We will construct a destination skate park at Kilbirnie Park. The skate park upgrades at Ian Galloway and Waitangi Park will not be funded. However, the Council's Grants Subcommittee will allocate \$80,000 from the Sportsville fund in year two of the LTP for feasibility studies of upgrades for Waitangi Park and Ian Galloway skateparks.

One significant service change is the proposal to close Khandallah Pool. The council has agreed to keep the pool open for at least one year and investigate feasibility of a possible fix within the \$7.5m budget allocated. An advisory group will be set up with representatives from community, Mayor and Council.

Technical and engineering expert advice will be sought. The Council has also agreed to allocate \$14m from the Climate Resilience Fund to degasify the full pool network.

### Te Awe Māpara

A key feature for this activity grouping over the coming ten years will be the adoption of the Council's Te Awe Māpara | Community Facility Plan. The plan sets out the future approach to guide the Council's provision and decision-making about community facilities. It includes several facility investigations to be undertaken in partnership with the community, taking a holistic view across the city, different facility types and consideration of facilities for whānau and hapori Māori. The aim is to be smarter and maximise the benefits of community facilities, and this plan may lead to changes to the mix of future facilities.

### Renewals

We will limit renewals spending to critical assets. This will result in the deterioration of sports fields condition over time, a longer time between playground renewals and the gradual reduction in asset condition (more poor or very poor asset conditions).

## What it will cost

### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.1.1 Swimming Pools	Expense	35,409,217	36,240,159	36,852,795	38,289,059	39,570,494	40,540,666	41,798,659	43,722,064	44,649,405	45,965,715
	Income	(8,900,453)	(9,170,978)	(9,372,739)	(9,410,696)	(9,838,292)	(9,747,970)	(10,210,461)	(10,353,726)	(10,438,580)	(10,652,810)
5.1.2 Sportsfields	Expense	7,885,518	8,068,113	8,708,328	9,564,569	9,874,181	10,098,494	10,327,578	10,664,314	10,717,667	11,085,510
	Income	(1,022,777)	(1,063,633)	(1,087,033)	(1,110,948)	(1,134,278)	(1,156,963)	(1,178,945)	(1,201,345)	(1,224,171)	(1,246,206)
5.1.3 Recreation Programmes	Expense	636,516	630,447	631,757	651,707	651,019	662,456	680,964	702,640	716,440	734,449
	Income	(105,000)	(61,200)	(62,546)	(63,922)	(65,265)	(66,570)	(67,835)	(69,124)	(70,437)	(71,705)
5.1.4 Recreation Centres	Expense	13,304,708	13,575,085	13,988,602	14,423,071	14,826,676	15,438,026	15,791,490	16,389,684	17,086,977	17,434,983
	Income	(2,762,816)	(2,844,569)	(2,907,150)	(2,971,107)	(3,033,500)	(3,094,170)	(3,152,959)	(3,212,866)	(3,273,910)	(3,332,840)
5.1.5 Recreation partnerships	Expense	2,691,399	2,824,739	2,964,898	3,087,242	3,219,991	3,398,223	3,733,031	4,033,935	4,247,909	4,426,618
5.1.6 Playgrounds	Expense	1,767,954	1,953,979	2,375,221	2,603,315	2,755,872	2,890,589	3,022,118	3,176,306	3,309,509	3,467,350
5.1.7 Marinas	Expense	976,085	1,000,493	1,021,908	1,106,337	1,158,115	1,249,116	1,296,882	1,394,510	1,405,947	1,457,520
	Income	(795,361)	(1,043,130)	(1,066,079)	(1,089,532)	(1,112,413)	(1,134,661)	(1,156,219)	(1,178,187)	(1,200,573)	(1,222,183)

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.1.8 Golf Course	Expense	290,952	290,250	298,015	309,350	318,910	326,554	337,127	348,843	356,973	366,237
	Income	(80,862)	(82,479)	(84,293)	(86,148)	(87,957)	(89,716)	(91,421)	(93,158)	(94,928)	(96,636)
5.1.9 LeisureCard	Expense	100,521	184,497	184,364	192,889	198,895	203,252	211,232	220,565	226,404	234,207
<b>Total</b>		<b>49,395,601</b>	<b>50,501,773</b>	<b>52,446,048</b>	<b>55,495,187</b>	<b>57,302,450</b>	<b>59,517,327</b>	<b>61,341,241</b>	<b>64,544,455</b>	<b>66,414,634</b>	<b>68,550,208</b>

Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.1.1 Swimming Pools	4,450,467	9,452,900	4,471,940	7,311,333	5,989,374	6,085,388	1,398,497	2,339,648	2,784,148	2,621,806
5.1.2 Sportsfields	2,489,526	6,544,339	8,767,191	450,926	1,039,539	1,848,538	1,985,705	479,966	2,286,937	4,271,007
5.1.4 Recreation Centres	239,972	754,687	2,962,197	132,148	550,192	431,913	138,024	1,181,929	1,589,548	8,478,656
5.1.5 Recreation partnerships	437,415	136,126	183,674	314,322	690,416	2,882,667	969,026	1,667,689	406,304	303,848
5.1.6 Playgrounds	2,699,070	7,525,416	1,878,183	3,196,121	2,080,217	1,852,197	1,759,234	2,081,627	2,700,016	2,002,479
5.1.7 Marinas	1,230,849	241,501	1,840,982	160,341	2,249,008	193,747	57,525	355,183	98,907	171,227
<b>Total</b>	<b>11,547,300</b>	<b>24,654,969</b>	<b>20,104,167</b>	<b>11,565,191</b>	<b>12,598,746</b>	<b>13,294,450</b>	<b>6,308,010</b>	<b>8,106,041</b>	<b>9,865,860</b>	<b>17,849,022</b>

Funding impact statement (\$000s)

5.1 Recreation Promotion and Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	47,077	48,050	49,854	52,781	54,456	56,492	57,982	60,884	62,540	64,497
Targeted rates (other than a targeted rate for water supply)	2,691	2,825	2,965	3,087	3,220	3,398	3,733	4,034	4,248	4,427
Subsidies and grants for operating purposes	15	15	16	16	16	17	17	17	18	18
Fees and charges	13,652	14,251	14,564	14,716	15,255	15,273	15,841	16,091	16,285	16,604
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>63,436</b>	<b>65,141</b>	<b>67,399</b>	<b>70,601</b>	<b>72,947</b>	<b>75,181</b>	<b>77,572</b>	<b>81,026</b>	<b>83,091</b>	<b>85,546</b>
<b>Applications of operating funding</b>										

<b>5.1 Recreation Promotion and Support</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
Payments to staff and suppliers	31,329	31,802	32,828	33,524	34,317	35,230	35,892	36,815	37,739	38,239
Finance costs	3,694	3,770	3,950	4,106	4,237	4,450	4,716	5,117	5,149	5,230
Other operating funding applications	1,047	1,077	1,101	1,123	1,142	1,159	1,173	1,186	1,198	1,208
Internal charges	14,491	15,080	15,173	16,158	16,864	17,499	18,430	19,722	20,215	20,992
<b>Total applications of operating funding (B)</b>	<b>50,560</b>	<b>51,729</b>	<b>53,052</b>	<b>54,911</b>	<b>56,560</b>	<b>58,338</b>	<b>60,211</b>	<b>62,839</b>	<b>64,300</b>	<b>65,669</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>12,876</b>	<b>13,412</b>	<b>14,347</b>	<b>15,690</b>	<b>16,387</b>	<b>16,843</b>	<b>17,361</b>	<b>18,187</b>	<b>18,791</b>	<b>19,877</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	500	2,040	1,042	0	0	0	1,696	1,152	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(1,829)	9,203	4,714	(4,125)	(3,789)	(3,548)	(12,749)	(11,233)	(8,925)	(2,028)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(1,329)</b>	<b>11,243</b>	<b>5,757</b>	<b>(4,125)</b>	<b>(3,789)</b>	<b>(3,548)</b>	<b>(11,053)</b>	<b>(10,081)</b>	<b>(8,925)</b>	<b>(2,028)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	8,185
- to improve level of service	2,160	17,869	11,620	4,964	3,753	4,024	0	159	609	165
- to replace existing assets	9,388	6,786	8,484	6,601	8,846	9,270	6,308	7,947	9,257	9,499
Increase (decrease) in reserves	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>11,547</b>	<b>24,655</b>	<b>20,104</b>	<b>11,565</b>	<b>12,599</b>	<b>13,294</b>	<b>6,308</b>	<b>8,106</b>	<b>9,866</b>	<b>17,849</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(12,876)</b>	<b>(13,412)</b>	<b>(14,347)</b>	<b>(15,690)</b>	<b>(16,387)</b>	<b>(16,843)</b>	<b>(17,361)</b>	<b>(18,187)</b>	<b>(18,791)</b>	<b>(19,877)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

5.1 Recreation Promotion and Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Expenses for this activity grouping include the following depreciation/amortisation charge	12,503	13,039	13,974	15,316	16,014	16,469	16,988	17,814	18,418	19,504

## 5.2 TE REO | Community Facilities and Services

### Purpose

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

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

We also deliver services that assist in building a strong social infrastructure that supports diverse, inclusive, and resilient communities. We provide a wide range of services that support community wellbeing and harm reduction, include community service, advocacy, grants, and city safety.

### Activities

Activities in this group	Services we deliver
5.2.1 Libraries	<ul style="list-style-type: none"> <li>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.</li> </ul>
5.2.2 Community advocacy	<ul style="list-style-type: none"> <li>Support for community groups, ensuring Wellington's diverse population is supported and embraced by an inclusive, caring and welcoming community.</li> <li>Work with external agencies and support outreach programmes to end street homelessness and address begging, providing a visible presence in the community.</li> </ul>
5.2.3 Grants (Social and Recreation)	<ul style="list-style-type: none"> <li>Ensures residents can participate in communities of choice, accessing support through a variety of mechanisms, including community grants.</li> <li>Climate and Sustainability Fund to support community groups wanting to take climate action locally.</li> <li>Home Energy Saver assessments for Wellington homeowners.</li> </ul>
5.2.4 Housing	<ul style="list-style-type: none"> <li>Provision of lease properties (over 1,900 units) to Te Toi Mahana Community Housing Provider</li> <li>Facilitation of affordable rental housing in the city through the Te Kāinga programme of CBD apartment conversions.</li> </ul>
5.2.5 Community centres and halls	<ul style="list-style-type: none"> <li>Access to community spaces and marae, including a citywide network of over 25 community centres and five community halls</li> <li>Delivers a city-wide network of effective community spaces that meet the community's needs.</li> </ul>
5.2.6 Cemeteries	<ul style="list-style-type: none"> <li>Managing and maintaining two cemeteries at Karori and Mākara, and providing cremation services at Karori Cemetery</li> <li>Partnership with our Tākai Here partners in the running of Opau Urupā.</li> </ul>
5.2.7. Public Toilets	<ul style="list-style-type: none"> <li>Ensuring the 94 public toilets and sports pavilions/beach changing rooms located across the city are accessible clean and safe.</li> </ul>
5.2.8 City Safety	<ul style="list-style-type: none"> <li>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.</li> <li>Ensuring Wellington is a safe and inclusive city where people know their neighbours and are safe.</li> </ul>

Activities in this group	Services we deliver
5.2.9 WREMO	<ul style="list-style-type: none"> <li>Reduces harm, improve community/city safety and improve social wellbeing.</li> <li>Support connected tolerant and resilient communities that know their neighbours.</li> <li>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.</li> <li>To provide technical input into natural hazard planning to avoid the risks in the first place.</li> </ul>

#### Rationale for Activities

- To foster diverse and inclusive communities. Our community facilities are places for groups to come together – strengthening social cohesion, celebrating diversity and making the city a more appealing and welcoming place to live.
- To enable people to connect with information and with each other. Our community facilities are places of discovery and learning that allow people to connect with others and exchange knowledge through events and other activities.
- To support warmer, drier, healthier homes. The quality of Wellington homes is improved.
- To support communities to take climate action Climate actions that can be undertaken by community groups are supported and enabled

#### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
5.2 Community Facilities and Services	There are negative effects from owning and managing buildings and other assets to deliver these services. These include waste and direct water and energy use to operate buildings.	We seek to minimise these negative effects by ensuring our operations are managed effectively, waste is minimised or recycled, and water and energy are conserved.

### Statement of levels of service and performance measures

#### Activity – 5.2 Community Facilities and Services

**Level of service statement:** Provide accessible, safe and inclusive community facilities and services

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
Cost to the ratepayer per library transaction (\$)	Affordability	\$2.68 (YE22/23)	<\$2.79	Annual
Toilets (%) that meet required cleanliness performance standards	Safety	97% (YE22/23)	95%	Quarterly
Percentage of public toilets across the city that are open and able to be used	Accessibility	95% (Mar2024)	95%	Quarterly
(%) User satisfaction with library services	Client Satisfaction	88% (YE22/23)	85%	Annual

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
(%) User satisfaction with community centres and halls	Client Satisfaction	84% (YE22/23)	85%	Annual
% of people who feel safe in the CBD a. During the day b. After dark	Accessibility	a. 86% (RMS 2024) b. 43% (RMS 2024)	a. 91% b. 60%	Annual

## Key service level changes

### Affordability and value for money

Most of the services are to largely remain at current levels for 2024-34 LTP. For affordability, we are deferring the renewal of non-critical assets, which may result in deterioration of facility condition over time.

We will review and prioritise multi-year grants, with a focus on maintaining or reducing grants in alignment with outcomes, priorities, and strategies. This may involve discontinuing funding for larger community organisations with alternative funding sources. There will be a reduction in funding for non-priority programmes or larger organisations with legitimate alternative sources of funding. We have also improved the current funding structure by eliminating multiple and inequitable funding sources, for example, some community centres are funded through the Social & Recreation fund, and others receive LTP funding.

### Community Facilities

The opening of Te Matapihi will be a significant increase to the provision of community facilities in the central city, and as a project that has been developed in partnership with our Tā kai Here partners, will significantly celebrate and uplift te ao Māori through the use of language and design. In anticipation of the opening, we will close the Arapaki Service centre and temporary library on Manners St 18 months earlier than previously planned. The Brandon St Te Awe Library will continue to operate until Te Matapihi the Central City Library reopens.

A key feature for this activity grouping over the coming ten years will be the implementation of Te Awe Māpara | The Community Facilities Network Plan. The plan will guide the Council's provision and decision-making on community facilities. A key direction for the plan is to evolve community facilities to maximise the benefits and making more holistic and smarter facility decisions. The plan includes 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.

We will sell the Wadestown Community Centre and it will not be replaced. We will engage with the local community on how to spend the proceeds of the sale.

### Housing

The continuation of planned upgrade of social housing stock is also a key service improvement in this activity.

We will continue to invest in the Te Kāinga affordable rental programme, reaching up to 1,000 properties available to the medium to lower income earners.



### City Safety

The council will increase levels of service for city safety, including developing a plan and working with relevant agencies to reduce crime and improve safety in Wellington with a focus on the CBD.

### What it will cost

#### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.2.1 Libraries	Expense	36,337,657	43,070,531	43,758,916	46,615,898	47,920,246	48,610,480	49,715,935	49,566,361	50,332,788	51,839,470
	Income	(386,851)	(298,814)	(305,415)	(312,163)	(318,748)	(325,155)	(331,367)	(337,396)	(343,337)	(349,517)
5.2.2 Community Advocacy	Expense	4,445,433	4,664,782	4,706,804	4,889,655	5,046,264	4,581,705	4,743,866	4,931,923	5,053,297	5,211,237
	Income	(136,739)	1,346	1,375	1,404	1,432	1,459	1,487	1,515	1,543	1,570
5.2.3 Grants (Social and Recreation)	Expense	5,857,854	5,423,022	5,503,692	5,504,689	5,505,596	5,506,531	5,507,519	5,508,654	5,509,452	5,510,375
5.2.4 Housing	Expense	39,311,264	44,710,702	49,362,726	50,515,193	52,403,632	56,234,376	58,733,562	60,760,844	63,835,942	66,986,679
	Income	(19,821,578)	(20,218,010)	(20,662,806)	(21,117,388)	(21,560,853)	(21,992,070)	(22,409,919)	(22,835,707)	(23,269,586)	(23,688,438)
5.2.5 Community centres and halls	Expense	7,207,083	7,841,635	8,103,308	9,599,215	9,949,488	10,328,762	10,171,524	10,793,255	11,274,914	12,436,857
	Income	(317,689)	(324,042)	(331,171)	(338,457)	(345,565)	(352,476)	(359,173)	(365,997)	(372,951)	(379,664)
5.2.6 Cemeteries	Expense	2,437,249	2,578,111	2,681,110	2,829,487	2,997,194	3,108,491	3,225,877	3,348,882	3,391,687	3,493,338
	Income	(1,151,381)	(1,185,793)	(1,211,881)	(1,238,542)	(1,264,551)	(1,289,842)	(1,314,349)	(1,339,322)	(1,364,769)	(1,389,335)
5.2.7 Public toilets	Expense	5,593,831	6,065,919	6,281,803	6,468,950	6,730,820	7,034,953	7,340,413	7,665,262	7,896,022	8,145,102
5.2.8 City safety	Expense	3,665,286	3,933,062	3,981,411	4,127,917	4,260,500	4,319,143	4,363,277	4,645,143	4,757,578	4,907,737
	Income	(234,000)	(238,914)	(244,170)	(249,298)	(254,284)	(259,115)	(264,038)	(269,055)	(273,898)	(278,828)
5.2.9 WREMO	Expense	3,614,229	3,732,386	3,833,027	3,980,876	4,100,530	4,177,030	4,313,474	4,462,502	4,568,681	4,695,638
	Income	(200,000)	(204,200)	(208,692)	(213,075)	(217,336)	(221,466)	(225,674)	(229,961)	(234,101)	(238,315)
Total		86,221,648	99,551,723	105,250,038	111,064,362	114,954,365	119,462,806	123,212,414	126,306,904	130,763,262	136,903,906

#### Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.2.1 Libraries	6,767,433	6,418,461	3,270,705	3,221,694	4,030,992	3,707,445	3,581,356	17,483,161	15,041,540	3,742,314
5.2.4 Housing	48,872,724	50,929,609	61,388,214	89,485,808	81,560,285	79,522,732	75,943,491	53,624,869	27,486,373	24,060,274

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.2.5 Community centres and halls	4,440,141	548,730	337,441	4,289,605	4,248,942	4,182,139	25,883,174	25,990,161	25,994,340	25,825,281
5.2.6 Cemeteries	338,930	1,018,694	2,412,891	2,441,494	1,236,365	684,623	522,058	448,563	632,098	363,056
5.2.7 Public toilets	1,418,371	642,890	2,067,162	1,882,295	2,329,889	1,242,630	801,883	807,365	1,266,488	867,913
5.2.8 City safety	2,244,826	121,794	124,474	127,212	129,883	132,481	134,998	144,510	147,255	149,906
5.2.9 WREMO	86,157	87,881	89,814	91,790	93,718	95,592	97,408	104,023	106,000	107,908
Total	64,168,582	59,768,059	69,690,700	101,539,898	93,630,073	89,567,642	106,964,368	98,602,652	70,674,095	55,116,651

### Funding impact statement (\$000s)

5.2 Community Participation and Support	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	53,678	63,340	64,535	67,980	69,925	71,126	72,603	73,293	74,512	76,607
Targeted rates (other than a targeted rate for water supply)	11,286	12,271	12,519	14,152	14,652	14,559	14,558	15,361	15,957	17,270
Subsidies and grants for operating purposes	161	23	24	24	25	25	26	26	27	27
Fees and charges	22,036	22,392	22,885	23,388	23,879	24,356	24,819	25,290	25,770	26,233
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	52	53	54	55	56	58	59	60	61	62
<b>Total operating funding (A)</b>	<b>87,212</b>	<b>98,080</b>	<b>100,016</b>	<b>105,599</b>	<b>108,536</b>	<b>110,124</b>	<b>112,064</b>	<b>114,030</b>	<b>116,326</b>	<b>120,200</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	49,458	54,247	51,279	53,340	54,867	55,797	56,676	58,252	59,844	61,321
Finance costs	3,237	5,199	7,582	10,129	12,366	13,659	13,965	14,127	13,900	13,581
Other operating funding applications	11,590	12,654	12,734	8,734	5,734	5,734	5,734	5,734	5,734	5,735
Internal charges	20,936	24,617	28,067	30,784	31,955	32,512	33,575	33,948	35,131	37,138
<b>Total applications of operating funding (B)</b>	<b>85,221</b>	<b>96,717</b>	<b>99,662</b>	<b>102,988</b>	<b>104,923</b>	<b>107,703</b>	<b>109,951</b>	<b>112,061</b>	<b>114,610</b>	<b>117,775</b>

<b>5.2 Community Participation and Support</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,991</b>	<b>1,364</b>	<b>354</b>	<b>2,611</b>	<b>3,614</b>	<b>2,422</b>	<b>2,113</b>	<b>1,968</b>	<b>1,716</b>	<b>2,426</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	62,178	58,405	69,337	98,929	90,016	87,146	104,851	96,634	68,958	52,691
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>62,178</b>	<b>58,405</b>	<b>69,337</b>	<b>98,929</b>	<b>90,016</b>	<b>87,146</b>	<b>104,851</b>	<b>96,634</b>	<b>68,958</b>	<b>52,691</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	671	701	2,292	2,215	767	0	0	0	0	0
- to improve level of service	2,710	379	86	3,844	3,852	3,860	25,491	39,142	36,623	25,503
- to replace existing assets	60,788	58,689	67,312	95,481	89,011	85,708	81,474	59,461	34,052	29,613
Increase (decrease) in reserves	0	0	0	0	(0)	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>64,169</b>	<b>59,768</b>	<b>69,691</b>	<b>101,540</b>	<b>93,630</b>	<b>89,568</b>	<b>106,964</b>	<b>98,603</b>	<b>70,674</b>	<b>55,117</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,991)</b>	<b>(1,364)</b>	<b>(354)</b>	<b>(2,611)</b>	<b>(3,614)</b>	<b>(2,422)</b>	<b>(2,113)</b>	<b>(1,968)</b>	<b>(1,716)</b>	<b>(2,426)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>23,249</b>	<b>25,304</b>	<b>28,550</b>	<b>31,544</b>	<b>33,992</b>	<b>36,199</b>	<b>38,165</b>	<b>39,622</b>	<b>42,011</b>	<b>45,452</b>

## 5.3 Hauora/Haumaru Tūmatanui | Public Health and Safety

### Purpose

The health and safety of our city are crucial to enabling our city and our people to thrive. We deliver services that support the health and safety of the city's communities. We continue to focus on processing of alcohol licenses, food safety certificates, dog registrations, gambling consents and health licenses for businesses and activities that could impact human health. We will also continue to operate animal control service and litter enforcement.

### Activities

Activities in this group	Services we deliver
5.3.1 Public Health Regulations	<ul style="list-style-type: none"> <li>Ensuring, through timely food and alcohol licencing and inspections, that Wellington's hospitality sector contributes to the health and safety of our community, including holding District Licensing Committee hearings</li> <li>Wellington consolidated bylaw, part 2 Animals – regulation of domestic animals and inspecting kennels, catteries, doggy daycare</li> <li>Trading and events in public places policy – issuing permits for parklets, outdoor dining, dog walking as a commercial activity</li> <li>Respond to incidents involving hazardous substances</li> <li>Trade waste – issuing consents</li> <li>Litter – issuing infringements in accordance with the Litter Act</li> <li>Health Act – responding to environmental complaints, dealing with hoarders and registering and compliance activities for hairdressers.</li> </ul>

### Rationale for Activities

- To maintain health standards. We promote and maintain health standards through public health regulations and maintenance of our own facilities, such as public toilets.

### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
5.3 Public Health and Safety	We do not anticipate any significant negative effects associated with the provision of these services.	N/A

Statement of levels of service and performance measures

Activity – 5.3 Public health and safety

**Level of service statements:** Maintain environmental health and safety standards through public health regulations to protect the public

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
(%) Food businesses verified within statutory timeframes <sup>1</sup>	Safety	34% (YE22/23)	80%	Quarterly
(%) New alcohol licenced premises inspected from the application acceptance date to the end of the public notice period <sup>2</sup>	Safety	67% (Nov23-May24)	90%	Quarterly

1. Statutory timeframe is defined as: New businesses – within 6 weeks after registration is approved; Existing businesses – the date determined by the performance-based verification step from previous verification (can be between 3months and 3years)
2. Public notice period for the intention of sale and supply of alcohol under the Sale and Supply of Alcohol Act 2023 is 25 days from date of acceptance

**Key service level changes**

There are no changes to the level of service.

**What it will cost**

Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.3.1 Public Health Regulations	Expense	8,528,654	8,219,877	8,213,370	8,557,660	8,819,437	8,988,313	9,312,650	9,689,280	9,937,735	10,252,007
	Income	(5,046,812)	(5,147,891)	(5,261,145)	(5,376,741)	(5,489,500)	(5,599,134)	(5,705,517)	(5,813,922)	(5,924,222)	(6,030,858)
Total		3,481,842	3,071,985	2,952,225	3,180,919	3,329,938	3,389,179	3,607,133	3,875,358	4,013,513	4,221,149

Capital Expenditure

There is no capital expenditure for this activity.

**Funding impact statement (\$000s)**

5.3 Public Health and Safety	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										

<b>5.3 Public Health and Safety</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
General rates, uniform annual general charges, rates penalties	3,702	3,292	3,172	3,401	3,550	3,609	3,827	4,096	4,185	4,393
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	4,940	5,039	5,150	5,263	5,373	5,481	5,585	5,691	5,799	5,903
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	107	109	112	114	116	118	121	123	125	127
<b>Total operating funding (A)</b>	<b>8,749</b>	<b>8,440</b>	<b>8,434</b>	<b>8,778</b>	<b>9,040</b>	<b>9,208</b>	<b>9,533</b>	<b>9,909</b>	<b>10,110</b>	<b>10,424</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	5,361	5,060	5,160	5,270	5,385	5,477	5,582	5,688	5,790	5,884
Finance costs	1	1	1	2	2	2	2	2	2	2
Other operating funding applications	32	32	33	34	34	35	36	36	37	38
Internal charges	3,123	3,116	3,009	3,243	3,389	3,468	3,689	3,958	4,108	4,328
<b>Total applications of operating funding (B)</b>	<b>8,517</b>	<b>8,209</b>	<b>8,204</b>	<b>8,548</b>	<b>8,810</b>	<b>8,982</b>	<b>9,308</b>	<b>9,684</b>	<b>9,938</b>	<b>10,252</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>232</b>	<b>231</b>	<b>230</b>	<b>230</b>	<b>230</b>	<b>227</b>	<b>225</b>	<b>225</b>	<b>172</b>	<b>172</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(232)	(231)	(230)	(230)	(230)	(227)	(225)	(225)	(172)	(172)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(232)</b>	<b>(231)</b>	<b>(230)</b>	<b>(230)</b>	<b>(230)</b>	<b>(227)</b>	<b>(225)</b>	<b>(225)</b>	<b>(172)</b>	<b>(172)</b>

<b>5.3 Public Health and Safety</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(232)</b>	<b>(231)</b>	<b>(230)</b>	<b>(230)</b>	<b>(230)</b>	<b>(227)</b>	<b>(225)</b>	<b>(225)</b>	<b>(172)</b>	<b>(172)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>

## 6. Tāone tupu ora | Urban Development

The mahi for urban development is focused on the way the city is developed and how it shapes the quality of life and experience for residents and visitors.

### Overview

Urban Planning is key to designing the city's layout, optimising space for community needs, and accommodating growth. The 2024-34 LTP includes continued investments to shape the city for a growing population, maintaining core spatial and urban planning activities, and delivering the Te Kāinga affordable rental programme, with up to 1,000 properties for medium to lower-income earners. Significant investment is planned for public space development, notably the Golden Mile project.

To manage cost pressures, we will seek more efficient service delivery within a tight budget. This involves prioritising capital programmes to focus on existing urban development projects and postponing other public space upgrades.

We will aim to meet or exceed statutory timeframes requirement for processing consents, ensuring efficient services, and enhancing our systems to meet customer needs and minimise risks. The proposed District Plan, Medium Density Residential Standards, and expected Resource Management system changes could impact how we approve and enforce regulations. While these changes might decrease the number of resource consents, they would likely make the approval process more complex. The anticipated increase in earthquake-prone building notices will require the Council to be more involved, either by assisting building owners or stepping up enforcement efforts.

The key groups of activities under this strategic area are below, along with their alignment to the Council's strategic direction that is outlined in Volume 1, page X.

### Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all urban planning, heritage, public spaces development, and regulatory and compliance activities. Our work is informed by the Tūpiki Ora Māori Strategy, including ensuring mana whenua and Māori reo, narratives, identities, histories and landmarks are increasingly present, visible in Pōneke and by legislation that requires that we work in consultation with mana whenua.

We are committed to ensuring these statutory obligations are upheld and that the spaces and places of cultural significance to Māori are considered appropriately in consenting decisions. More information on this commitment is in Volume 1 and on our website here: [\[LINK\]](#).

### Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
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6.1 Urban Planning, heritage and public spaces development	Urban Form: A liveable and accessible compact city	<ul style="list-style-type: none"> <li>• Transform our transport system to move more people with fewer vehicles</li> <li>• Increase access to good, affordable housing to improve the wellbeing of our communities</li> <li>• Revitalise the city and suburbs to support a thriving and resilient economy and support job growth</li> <li>• Collaborate with our communities to mitigate and adapt to climate change.</li> <li>• Celebrate and make visible te ao Māori across our city</li> </ul>	<ul style="list-style-type: none"> <li>• Spatial Plan – Our city tomorrow</li> <li>• District Plan</li> <li>• Infrastructure Strategy 2024</li> <li>• Finance Strategy 2024</li> </ul>
6.2 Building and Development	Urban Form: A liveable and accessible compact city	<ul style="list-style-type: none"> <li>• Increase access to good, affordable housing to improve the wellbeing of our communities</li> </ul>	<ul style="list-style-type: none"> <li>• Enforcement and Compliance Policy</li> <li>• Spatial Plan – Our city tomorrow</li> <li>• District Plan</li> </ul>

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

#### How we will embed Strategic Approaches in this activity

Strategic Approaches are about how we will deliver our work. They are important and to be applied to everything we do.

Integrating te ao Māori	We will work together with our Tākai Here partners to address environmental and climate change challenges. We will work together with our Tākai Here partners on our strategic projects to uplift te ao Māori using language and design. Where opportunities arise, we will encourage developers to work with mana whenua to integrate te ao Māori.
Making our city accessible and inclusive for all	As we upgrade our city, we will utilise Universal Design principles to ensure our urban development plans are accessible and inclusive for all. We will consent designs that improve accessibility and inclusion. We will ensure our information on public health and safety is accessible.
Embedding climate action	We will support our infrastructure managers to renew and upgrade our public spaces and infrastructure so that it is more resilient and adapts to climate change. We will work together with developers to ensure buildings are safe and resilient from climate impacts.
Engaging our community	We will co-design place-based plans for local area improvements, climate adaptation, and urban development. We will continue to work together with developers and others to meet consenting timelines and ensure communication is accessible and timely.
Value for money	We will make future focused decisions that provide best outcomes and value for money for the long term. We will invest in systems and process that are efficient and enable better service delivery to our customers.

## 6.1 Whakamahere Tāone / Whakawhanake Wāhi Tuku Iho Tūmatanui | Urban Planning, heritage and public spaces development

### Purpose

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

### Activities

Activities in this group	Services we deliver
6.1.1 Urban Planning and Policy Development	<ul style="list-style-type: none"> <li>Carrying out urban planning and urban regeneration work to guide how the city will grow over time</li> <li>Enabling smart, compact urban growth through a multifaceted approach of planning, design and policy.</li> <li>Complementing compact urban growth through the provision of facilities and amenity in Wellington's streetscapes, public spaces, along its waterfront, and in its centres.</li> <li>Reviewing the District Plan to ensure the city grows in line with our agreed plans</li> <li>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.</li> </ul>
6.1.2 Public Spaces and Centres Development	<ul style="list-style-type: none"> <li>Maintaining Wellingtonians' sense of place and pride by embracing the city's heritage and public spaces, including the waterfront</li> </ul>
6.1.3 Housing Development	<ul style="list-style-type: none"> <li>Ensuring infrastructure is in place to provide for current and future housing and business demand</li> <li>Establishing robust plans, policies, designs and coordination to ensure infrastructure is in place to provide for current/future housing/business demands.</li> </ul>
6.1.4 Built Heritage Development Libraries	<ul style="list-style-type: none"> <li>Enabling the protection, restoration and enhancement of Wellington's heritage and character assets – including buildings, areas, trees, monuments, and sites of significance to tangata whenua.</li> <li>Ensuring that planning and cultural heritage plans and actions enable ways to make the narratives of our Tākaia Here partners increasingly present and recognised.</li> <li>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.</li> </ul>

### Rationale for Activities

- To enable smart growth/urban containment. Through these activities we ensure that the city grows in a controlled way that is environmentally sustainable, enhances community cohesion and encourages high-quality developments and reduces the city's carbon footprint through reducing the need to travel long distances.
- For open public spaces. We provide spaces where people can come together, relax and enjoy the natural environment of our city.

- For character protection. We work to help protect, restore and develop the city’s heritage and character assets – including buildings, trees, monuments, and sites of significance to tangata whenua. Heritage is important in telling the shared history of the city and adds to its ‘sense of place’.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
6.1 Urban Planning, Heritage and Public Spaces Development	Up to 280,000 people are expected to call Wellington home by 2043. New housing development has been lagging behind population growth and demand in recent years, with an estimated shortfall of nearly 4000 houses over the last 10 years. House prices have also risen significantly in recent years.	Enabling more housing supply and business development through the District Plan review is important to accommodating our growing population, while also helping to improve housing affordability.
	Population growth and urban development, if not well managed, can have negative effects on a city’s environment and on social wellbeing. Left unchecked, growth can result in reduction of open and green spaces with consequences for recreational opportunities, amenity and even some ecosystems.	We aim to avoid or mitigate these negative effects by guiding future development into areas where the benefits are greatest and the negative effects least.
	Development in the wrong areas or the wrong types of development can place a strain on infrastructure and reduce people’s ability to access to services and enjoy the opportunities the city offers. Poorly planned growth and poor development and construction of individual buildings can reduce the attractiveness and the ‘sense of place’ that people identify with, and it can have a direct impact on people’s safety.	The tools we use include planning, working with landowners, direct investment in the development of green and open spaces and using our regulatory powers under legislation, such as the Building Act 2004 and Resource Management Act 1991.
	<b>Heritage:</b> There are currently several heritage buildings in Wellington City, which require earthquake strengthening. Lack of progress by owners to strengthen their building can reduce the attractiveness of the city and the ‘sense of place’ that people identify with, and it can have a direct impact on people’s safety.	We are aiming to avoid the negative effects on heritage buildings by providing financial incentives for heritage building owners to undertake comprehensive earthquake strengthening.
	The main barrier to the strengthening process is cost. This is worsened by limited access to finance from both public and private sources.	

Statement of levels of service and performance measures

Activity – 6.1 Urban Planning, heritage and public spaces development

**Level of Service Statement:** Help protect, restore and develop the city’s character assets and public spaces

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
Number of co-design projects complete for Te Whanganui-a-Tara streets, waterways and green spaces	Sustainability	10 (May 2024)	≥8 <sup>1</sup>	Annual

1. Target is less than Baseline due to constrained financial environment

## Key service level changes

### Urban Planning

Our overall approach is to continue making investments that shape the city to meet the projected growing population. We will continue to deliver core statutory spatial and urban planning activities.

To deal with the cost pressures facing the Council and the community, we will need to look at how we can deliver our services more efficiently for Urban Development. This means we need to operate within the already tight budget for some of the services we provide. This includes prioritising our capital programmes to focus urban development works within existing planned project delivery and holding off other public space upgrades for an extended period of time.

- There are significant planned investment in public space development through the Golden Mile project.
- We have budgeted for one suburban town centre upgrade every two years. This means there will be minimal other upgrades to public spaces for the next 10 years. This will potentially result in degradation of public amenity.
- We will commence delivery on the Green Network Plan. This will increase green space amenity in the central city.
- We are repurposing the Environmental and Accessibility Performance Fund toward a Climate Resilience Fund.
- We will establish an urban design panel to support densification and implementation of the new district plan.

## What it will cost

### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
6.1.1 Urban planning and policy development	Expense	6,958,047	6,781,849	5,889,642	5,870,158	6,028,898	6,073,610	6,278,935	6,518,580	6,672,824	6,874,312
	Income	(1,980,360)	(916,767)	(594,566)	(607,647)	(620,407)	(632,815)	(644,839)	(657,091)	(669,575)	(681,628)
6.1.2 Public spaces and centres development	Expense	13,210,391	6,636,091	6,684,719	7,122,231	7,637,138	7,724,031	7,666,719	7,957,611	8,199,642	8,523,989

6.1.3 Built heritage development	Expense	1,254,545	1,187,658	1,204,137	1,241,011	1,266,173	1,283,811	1,318,884	1,360,645	1,384,912	1,418,981
6.1.4 Housing Development	Expense	16,043,625	16,725,980	17,072,803	17,510,597	17,998,886	18,514,117	19,083,257	19,908,318	20,258,285	20,857,838
	Income	(13,276,586)	(14,318,959)	(14,785,103)	(15,249,950)	(15,708,546)	(16,182,895)	(16,641,986)	(17,185,427)	(17,683,728)	(18,165,992)
Total		22,209,662	16,095,852	15,471,632	15,886,400	16,602,142	16,779,859	17,060,970	17,902,636	18,162,359	18,827,499

### Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
6.1.1 Urban planning and policy development	1,544,024	220,000	-	-	-	-	-	-	-	-
6.1.2 Public spaces and centres development	2,935,778	6,710,403	3,751,494	1,662,521	2,889,193	1,675,464	3,228,644	3,003,403	2,765,290	2,515,905
Total	4,479,802	6,930,403	3,751,494	1,662,521	2,889,193	1,675,464	3,228,644	3,003,403	2,765,290	2,515,905

### Funding impact statement (\$'000s)

6.1 Urban Planning, Heritage and Public Spaces Development	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	17,863	17,742	17,118	17,533	18,249	18,426	18,707	19,549	19,809	18,827
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	1,410	335	0	0	0	0	0	0	0	0
Fees and charges	13,847	14,901	15,380	15,858	16,329	16,816	17,287	17,843	18,353	18,848
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	33,119	32,978	32,498	33,390	34,578	35,242	35,994	37,392	38,162	37,675
Applications of operating funding										
Payments to staff and suppliers	30,643	24,771	24,561	24,796	25,484	25,888	26,140	26,854	27,165	27,828
Finance costs	12	30	25	13	6	21	51	87	118	143
Other operating funding applications	500	500	500	500	500	500	500	500	500	500

<b>6.1 Urban Planning, Heritage and Public Spaces Development</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
Internal charges	6,250	5,937	5,508	5,837	6,108	6,221	6,592	7,102	7,321	7,707
Total applications of operating funding (B)	37,405	31,238	30,594	31,146	32,098	32,630	33,284	34,542	35,104	36,178
Surplus (deficit) of operating funding (A-B)	(4,286)	1,740	1,904	2,245	2,479	2,612	2,711	2,849	3,058	1,497
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	8,766	5,190	1,847	(582)	410	(937)	518	154	(293)	1,018
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	8,766	5,190	1,847	(582)	410	(937)	518	154	(293)	1,018
Applications of capital funding										
Capital expenditure										
- to meet additional demand	3,134	4,655	2,958	1,332	2,719	1,109	2,826	576	2,348	0
- to improve level of service	1,346	2,275	793	331	170	566	402	2,427	417	2,516
- to replace existing assets	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(0)	(0)	0	0	(0)	(0)	(0)	0	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	4,480	6,930	3,751	1,663	2,889	1,675	3,229	3,003	2,765	2,516
Surplus (deficit) of capital funding (C-D)	4,286	(1,740)	(1,904)	(2,245)	(2,479)	(2,612)	(2,711)	(2,849)	(3,058)	(1,497)
Funding balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0
Expenses for this activity grouping include the following depreciation/amortisation charge	61	94	258	598	833	966	1,064	1,203	1,412	1,497



## 6.2 Whakahaere Hanga Whare | Building and Development

### Purpose

Through the oversight of construction and development, we oversee the safety of buildings, preventing any potential harm to environmental quality or public health. Our efforts also aim to establish that developments are secure, environmentally friendly, and align with public expectations.

### Activities

Activities in this group	Services we deliver
6.2.1 Building Control and Facilitation	<ul style="list-style-type: none"> <li>Timeliness of consenting and compliance service</li> <li>Sufficient and timely access to Council advice for building owners as required</li> <li>Building consents – ensuring buildings are safe, in accordance with the Building Act 2004</li> <li>Resource consents – ensuring natural resources are used sustainably, in line with the Resource Management Act 1991</li> <li>Assessing earthquake-prone buildings and delivering on the resilience programme.</li> </ul>
6.2.2 Development Control and Facilitation	
6.2.3 Earthquake risk and Mitigation	
6.2.4 Regulatory Building Control and Facilitation (weathertight homes)	

### Rationale for Activities

- To protect public health and safety. We carry out building and development control and facilitation activities to protect public and environmental health and safety and to protect future users of land and buildings.
- For resilience, ensuring buildings and developments are built to withstand natural events is a critical element of our building and development control and facilitation activities. We engage in earthquake risk mitigation to protect public safety, as well as preserving the city's heritage and the economic investment made in buildings and infrastructure. We also work with communities to support them in planning for future changes to Wellington's climate.

### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
6.2 Building and Development	Development and construction, if not well managed, can have negative effects on a city's environment and on social wellbeing, and on the safety of individuals. Development in the wrong areas or the wrong types of development can place a strain on infrastructure and reduce people's ability to access services and enjoy the opportunities the city offers. Poorly planned growth, and poor development and	The activities in this group exist to mitigate and manage risks from development, construction, weather-tight building problems and earthquakes. Our earthquake-prone building assessment programme is focused on ensuring



Activity	Key negative effects	Mitigation
	construction of individual buildings, can reduce the attractiveness of the city and the 'sense of place' that people identify with, and it can have a direct impact on people's safety.	these buildings are strengthened to the required standards.

## Statement of levels of service and performance measures

### Activity – 6.2 Building and Development

**Level of service statement:** Provide building and development control and facilitation services to protect future users of land and buildings

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
(%) Building consents granted within statutory timeframes <sup>1</sup> :- (a) Those not requiring structural engineering review (b) Those requiring structural engineering review	Reliability	60% (YE22/23) based on all building consent types.	a. 90% b. 70%	Quarterly
Customers (%) who rate building control service as good or very good	Client Satisfaction	62% (YE22/23)	80%	Quarterly
(%) Resource consents (non-notified) issued within statutory timeframes <sup>1</sup> :- (a) Those not requiring external referral input (x%) (b) Those requiring external referral input (xx%)	Reliability	a. 89% (Oct23) b. 84% (Oct23)	a. 98% b. 70%	Quarterly
(%) Resource consents that are monitored within 3 months of project commencement	Reliability	98% (YE22/23)	90%	Quarterly
Customers (%) who rate resource consent service as good or very good	Client Satisfaction	83% (YE22/23)	80%	Quarterly
(%) Resource consents (non-notified) for multi-unit housing issued within statutory timeframes <sup>1</sup>	Reliability	97% (YE22/23)	85%	Quarterly
(%) Land Information Memorandums (LIMs) issued within statutory timeframes <sup>2</sup>	Reliability	100% (YE22/23)	98%	Quarterly
Building Consent Authority (BCA) accreditation retention <sup>3</sup>	Quality	Retained (July23)	Retained	Annual

<sup>1</sup>Statutory timeframe is 20 working days

<sup>2</sup>Statutory timeframe is 10 working days

<sup>3</sup>The Building Consent Authority accreditation retention process is biennial

## Key service level changes

### Heritage

We aim to achieve minor cost savings through reducing the community advisory and heritage support services. This budget will reduce by \$210,000 per year, which has the impact of refocusing heritage advisory services exclusively on resource consenting and the administration of the Heritage Resilience and Regeneration Fund.

### Building and Development

We will aim to meet or exceed statutory timeframes for processing consents, ensuring efficient services, and enhancing our systems to meet customer needs and minimise risks.

The recently adopted District Plan, Medium Density Residential Standards, and expected changes to the Resource Management system could impact how we approve and enforce regulations. While these changes might decrease the number of resource consents, they would likely make the approval process more complex. The anticipated increase in earthquake-prone building notices will require the Council to be more involved, either by assisting building owners or stepping up enforcement efforts.

### What it will cost

#### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
6.2.1 Building Control and Facilitation	Expense	22,895,830	24,050,319	24,071,329	25,110,431	25,861,661	26,441,550	27,423,401	28,579,231	29,294,597	30,255,279
	Income	(16,181,032)	(16,520,322)	(16,883,769)	(17,238,862)	(17,584,185)	(17,918,841)	(18,259,299)	(18,606,226)	(18,941,728)	(19,282,679)
6.2.2 Development Control and Facilitation	Expense	9,222,965	9,491,187	9,501,479	9,902,675	10,196,849	10,443,549	10,836,240	11,300,624	11,584,866	11,971,008
	Income	(5,748,616)	(5,863,594)	(5,992,593)	(6,124,424)	(6,253,031)	(6,378,086)	(6,499,269)	(6,622,755)	(6,748,581)	(6,870,056)
6.2.3 Earthquake risk mitigation – built environment	Expense	4,810,230	1,616,602	1,622,224	1,685,190	1,734,288	1,777,460	1,841,996	1,918,424	1,967,577	2,030,879
	Income	(3,214)	(3,281)	(3,353)	(3,424)	(3,492)	(3,559)	(3,626)	(3,695)	(3,762)	(3,829)
Total		14,996,163	12,770,912	12,315,318	13,331,586	13,952,090	14,362,073	15,339,442	16,565,602	17,152,968	18,100,602

#### Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
6.2.3 Earthquake risk mitigation – built environment	57,851,686	69,900,179	24,887,981	5,000,000	0	0	0	0	0	0
Total	57,851,686	69,900,179	24,887,981	5,000,000	0	0	0	0	0	0

Funding impact statement (\$000s)

<b>6.2 Building and Development</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	12,700	13,775	13,319	14,335	14,956	15,366	16,343	17,569	17,857	18,804
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	21,927	22,381	22,874	23,361	23,835	24,294	24,756	25,226	25,688	26,150
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	6	6	6	6	6	6	6	6	7	7
<b>Total operating funding (A)</b>	<b>34,633</b>	<b>36,162</b>	<b>36,199</b>	<b>37,702</b>	<b>38,797</b>	<b>39,666</b>	<b>41,105</b>	<b>42,802</b>	<b>43,551</b>	<b>44,961</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	23,222	21,013	21,462	21,918	22,358	22,784	23,217	23,658	24,086	24,504
Finance costs	8	9	9	10	10	11	12	14	14	15
Other operating funding applications	12	12	12	13	13	13	13	14	14	14
Internal charges	13,606	14,042	13,631	14,678	15,332	15,785	16,802	18,066	18,731	19,724
<b>Total applications of operating funding (B)</b>	<b>36,847</b>	<b>35,076</b>	<b>35,115</b>	<b>36,619</b>	<b>37,713</b>	<b>38,593</b>	<b>40,045</b>	<b>41,752</b>	<b>42,845</b>	<b>44,257</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(2,214)</b>	<b>1,086</b>	<b>1,083</b>	<b>1,083</b>	<b>1,083</b>	<b>1,073</b>	<b>1,060</b>	<b>1,050</b>	<b>706</b>	<b>704</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	60,066	68,815	23,805	3,917	(1,083)	(1,073)	(1,060)	(1,050)	(706)	(704)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0

<b>6.2 Building and Development</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Total sources of capital funding (C)</b>	<b>60,066</b>	<b>68,815</b>	<b>23,805</b>	<b>3,917</b>	<b>(1,083)</b>	<b>(1,073)</b>	<b>(1,060)</b>	<b>(1,050)</b>	<b>(706)</b>	<b>(704)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	57,800	69,900	24,888	5,000	0	0	0	0	0	0
- to replace existing assets	52	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	(0)	(0)	(0)	0	0	(0)	0	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>57,852</b>	<b>69,900</b>	<b>24,888</b>	<b>5,000</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>2,214</b>	<b>(1,086)</b>	<b>(1,083)</b>	<b>(1,083)</b>	<b>(1,083)</b>	<b>(1,073)</b>	<b>(1,060)</b>	<b>(1,050)</b>	<b>(706)</b>	<b>(704)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>82</b>	<b>82</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>69</b>	<b>56</b>	<b>46</b>	<b>2</b>	<b>0</b>

## 7. Waka | Transport

The mahi for urban development is focused on the way the city is developed and how it shapes the quality of life and experience for residents and visitors.

### Overview

The city’s target is to reduce 2020 emissions by 57% by 2030, which reflects both the speed at which we need to act, and the bigger opportunity for decreasing emissions because we are a developed country. The city’s emissions have fallen by 10% since 2020, and cycling has increased by 9% in the past year. Our overall approach to transport investment is to continue changing the transport network to support reducing emissions and making it easier to get around. This includes continued delivery of the city wide Pāneke Pōneke bike network and increasing investment in improving the resilience of the network through retaining wall and structure strengthening. Investment on the Golden Mile and City streets projects will improve connections for people on buses, bikes or walking in the Central City and on key routes between the central city and suburban centres.

The parking policy provides a framework to guide future decision-making on the management of all Council-controlled parking spaces. This includes off-street parking and on-street parking, both free-of-charge (unrestricted) and those which incur a user-charge. Off-street parking includes parking areas at any of the Council’s parks, sports, recreation and other community facilities; and any off-street parking buildings that the Council controls.

The policy sets out objectives, high level principles, a parking space hierarchy (that prioritises the types of parking in different areas), area-based parking management guidance (that prioritises how we manage supply and demand). It also provides a new approach to setting parking fees and developing area-based parking management plans.

The key groups of activities under this strategic area are below, along with their alignment to the Council’s strategic direction that is outlined in Volume 1, page X.

### Our Tākai Here and Te Tiriti Commitment

Our commitment underpins all transport activities. The Tūpiki Ora Māori Strategy outlines priorities including that whānau, tamariki, māmā and pēpē, tangata whaikaha people and kaumātua can move around the city and access the services and spaces they need in Wellington. More information on this commitment is in Volume 1 and on our website here: [\[LINK\]](#).

### Key activity groups

Activity groups	Community outcome	Strategic priority (where applicable)	Key strategies or plans
7.1 Transport network	Urban Form: A liveable and accessible compact city	<ul style="list-style-type: none"><li>Transform our transport system to move more people with fewer vehicles</li></ul>	<ul style="list-style-type: none"><li>Pāneke Pōneke Bike Network Plan</li><li>Te Atakura   First to Zero – Zero Carbon Strategy</li><li>Spatial Plan – Our city tomorrow</li></ul>

		<ul style="list-style-type: none"> <li>• Celebrate and make visible te ao Māori across our city</li> <li>• Revitalise the city and suburbs to support a thriving and resilient economy and support job growth</li> </ul>	<ul style="list-style-type: none"> <li>• District Plan</li> <li>• Infrastructure Strategy 2024</li> <li>• Finance Strategy 2024</li> </ul>
7.2 Parking	Urban Form: A liveable and accessible compact city	<ul style="list-style-type: none"> <li>• Increase access to good, affordable housing to improve the wellbeing of our communities</li> </ul>	<ul style="list-style-type: none"> <li>• Parking Policy</li> </ul>

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our plan. How these approaches will be applied in this strategic area is outlined below.

#### How we will embed Strategic Approaches in this activity

Strategic Approaches are about how we will deliver our work. They are important and to be applied to everything we do.

Integrating te ao Māori	Making te ao Māori visible through urban design and new infrastructure. We will work together with our Tākai Here partners on our strategic projects to uplift te ao Māori using language and design.
Making our city accessible and inclusive for all	As we maintain, renew, and upgrade our transport infrastructure, we will make improvements for accessibility. This includes ensuring temporary traffic management is appropriately designed for accessible access.
Embedding climate action	We adopted the Sustainable Transport Hierarchy, which places walking, cycling and public transport as the top of the transport hierarchy for the city as is a significant contributor to achieving zero carbon targets as set in Te Atakura. To implement this, the city's transport programmes and projects focus on enabling active and public transport solutions through investment in new infrastructure and our rolling maintenance and renewals programmes.
Engaging our community	We will work closely with residents and businesses in designing and delivering changes to the transport network. We will continue to deliver road safety and active travel education programmes.
Value for money	We will make future focused decisions that provide best outcomes and value for money for the long term. We will invest in systems and process that are efficient and enable better service delivery to our customers.

7.1 Waka | Transport Network

Purpose

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. 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. Transport plays a big role in how we live, work and play. Our objective is to safely and efficiently move more people with fewer vehicles. 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 Council adopted the Sustainable Transport Hierarchy, which places walking, cycling and public transport at the top of the transport hierarchy for the city. To implement this and reduce our carbon emissions, the city’s transport programmes and projects focus on system change to enable active and public transport solutions through investment in new infrastructure and our rolling maintenance and renewals programmes.

Activities

Activities in this group	Services we deliver
7.1.1 Transport Planning	<ul style="list-style-type: none"><li>Planning, delivering, maintaining and operating our transport system</li></ul>
7.1.2 Vehicle Network	<ul style="list-style-type: none"><li>Operating and maintaining our existing transport network, which is made up of 970 kilometres of footpaths and access ways, 40 km of bike lanes, 8km 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<ul style="list-style-type: none"><li>Network supports keeping the residents of the city moving (peak travel times are acceptable).</li><li>Supporting Wellington Cable Car Limited – a CCO that owns, operates and maintains the Cable Car and associated track, plant, tunnels, bridges and buildings</li></ul></li></ul>
7.1.3 Cycle Network 7.1.5 Pedestrian Network	<ul style="list-style-type: none"><li>Enhancing the attractiveness of walking or cycling around the city, through urban design, new infrastructure and promotion of active transport.</li><li>A city-wide network of connected cycleways, connecting suburbs with the CBD and key destinations<ul style="list-style-type: none"><li>166km of cycleway connections</li><li>155,000 of us living within a 5-minute ride of the network.</li></ul></li></ul>
7.1.4 Passenger Transport Network	<ul style="list-style-type: none"><li>Supporting the city’s public transport network by providing space for the network to run efficiently and encouraging people to use it.</li><li>Shelters provided for bus and rail passengers on all incoming stops and at selected outgoing stops</li></ul>
7.1.6 Network-wide Control and Management	<ul style="list-style-type: none"><li>Appropriate range and coverage of signals and signs to support network</li></ul>
7.1.7 Road Safety	<ul style="list-style-type: none"><li>Ensuring our transport network is safe for all users by making ongoing improvements and educating and promoting safe behaviours.</li></ul>
7.1.8 Major City Upgrades	<ul style="list-style-type: none"><li>Designing, planning and constructing people-friendly central city and arterial spaces that improve traffic flows by encouraging alternative transport options while highlighting our rich cultural history and bringing renewed vibrancy to our city.</li></ul>

Activities in this group	Services we deliver
7.1.9 Roads Open Spaces	<ul style="list-style-type: none"> <li>Enhancing the attractiveness of open spaces in our roading network through planting, greening initiatives, tree planting and urban planning.</li> </ul>

### Rationale for Activities

- We aim to provide a transport network that provides people with accessible, safe and reliable transport choices.
- To increase mode share and reduce emissions. We strive to encourage and enable greater use of active modes and passenger transport – increasing the efficiency of the network and reducing the impact of emissions from the transport system.
- For road safety. Delivering a safe road network is a fundamental goal of our transport strategy. We provide and maintain safety assets as well as leading road education and promotion activities.

### Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
7.1 Transport Network	<p>With any transport network there are potential negative effects:</p> <ul style="list-style-type: none"> <li>Environmental effects. These range from carbon emissions to air and noise pollution to surface water run-off from roads that may carry contaminants into the stormwater system. These impacts are directly linked to the number of vehicles on the road and to the availability of options others than using the private car, such as public transport, walking and cycling.</li> <li>Construction effects. Individual projects, such as the construction of a new road, can affect public transport and general traffic flows, neighbouring properties (noise, dust) and nearby businesses (access to car parking and premises).</li> <li>Development effects. The timing of transport investment can affect growth opportunities, such as new residential development.</li> <li>Safety. The transport network brings pedestrians, cyclists and vehicles together, which presents hazards to users.</li> </ul>	<p>We mitigate the environmental effects of transport by ensuring walking, cycling and public transport are appropriately catered for so that our residents and visitors have choices other than the private car.</p> <p>We monitor the effects of stormwater run-off on aquatic environments.</p> <p>We communicate with businesses and affected communities to minimise disturbances due to roadworks.</p> <p>Through our land use planning, we make sure more people can live close to services and places of employment reducing their need to travel. We also work with developers to coordinate investment in streets with new residential and other developments, particularly in growth areas.</p> <p>We have developed road safety programmes and design solutions to reduce the likelihood and severity of accidents.</p>



## Statement of levels of service and performance measures

### Activity – 7.1 Transport Network

**Level of service statements:** Deliver a safe road network, and provide accessible, safe and reliable transport choices

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
(%) Customer service requests relating to roads and footpaths that are responded to within timeframe. (urgent within 2 hours and non-urgent within 15 days)	Responsiveness	89% (YE22/23)	93%	Quarterly
% Ride quality as measured by smooth travel exposure (STE) - all roads* <sup>1</sup>	Quality	69% (YE22/23)	70%	Annual
Footpaths (%) in average condition or better (measured against WCC condition standards)* <sup>2</sup>	Quality	94% (YE22/23)	96%	Annual
Sealed local road network (%) that is resurfaced* <sup>3</sup>	Quality	7.8% (YE22/23)	7.20%	Annual
Residents' satisfaction with the condition of roads: a. The central city b. In their local suburb	Client Satisfaction	a. 48% (2023 Transport survey) <sup>4</sup> b. 47% (2023 Transport survey) <sup>4</sup>	a. 51% b. 50%	Annual
Residents' satisfaction with walking on footpaths: a. In the central city b. In their local suburb	Client Satisfaction	a. 72% (2023 Transport survey) <sup>4</sup> b. 73% (2023 Transport survey) <sup>4</sup>	a. 75% b. 75%	Annual
Residents' satisfaction with cycling: a. On bike lanes in the central city b. On streets without bike lanes in the central city c. On cycling facilities in local suburbs	Client Satisfaction	a. 23% (2023 Transport survey) <sup>4</sup> b. 14% (2023 Transport survey) <sup>4</sup> c. 37% (2023 Transport survey) <sup>4</sup>	a. 25% b. 15% c. 38%	Annual
Kilometres of cyclepaths and lanes in the city (increasing)	Sustainability	40Km (22/23FinYr)	Increasing >40km (22/23 result)	Annual
Residents' satisfaction with street lighting: a. In the central city b. In their local suburb	Client Satisfaction	a. 64% (2023 Transport survey) <sup>4</sup> b. 52% (2023 Transport survey) <sup>4</sup>	a. 65% b. 53%	Annual
Number of critical transport structures with highest risk status <sup>5</sup> : a. Road Tunnel b. Road Bridge c. Sea Wall d. Retaining Wall e. Rockfall Protection	Reliability	a. 0 extreme risk; 3 high risk b. 3 extreme risk; 13 high risk c. 0 extreme risk; 72 high risk d. 0 extreme risk; 303 high risk e. 0 extreme risk; 34 high risk (May24)	a. 0 extreme risk; 3 high risk b. 2 extreme risk; 13 high risk c. 0 extreme risk; 60 high risk d. 0 extreme risk; 292 high risk e. 0 extreme risk; 34 high risk	Annual

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
<p>Cable Car Company Ltd - achievement of Statement of Intent</p> <p>Note: 2024/25 SOI comprises of four KPIs with the following targets:</p> <ol style="list-style-type: none"> <li>1. Total Passengers: 980,000</li> <li>2. Cable Car Reliability: &gt;99.0%</li> <li>3. Fare income: \$3.609m</li> <li>4. Customer Satisfaction<sup>6</sup>: <ol style="list-style-type: none"> <li>a) Customer satisfaction survey: 4.2 NPS or higher</li> <li>b) Trip Advisor Rating: 4.2 NPS or higher</li> </ol> </li> </ol>	Other	Achieved (5/5 KPIs YE 22/23)	Achieved	Quarterly and Annual

\* This KPI is mandatory as directed by the New Zealand Transport Agency/Waka Kotahi

<sup>1</sup>Smooth Travel Exposure is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined upper threshold level. The threshold varies depending on the traffic volume band and urban/rural environment of the road

<sup>2</sup>Average condition or better is defined as 17 or below on a total condition rating score from Wellington City Councils visual condition rating system

<sup>3</sup>Local road network is defined as those public roads maintained by Wellington City Council

<sup>4</sup>The draft baseline data is derived from data collected between April-November 2023. The survey will analyse data on a rolling 3-year average and the final baseline will be available once the first of the 3-year average data is available

<sup>5</sup>A transport structure is deemed critical when it scores 4 or 5 on a 1-5 criticality scale. Highest risk includes both extreme and high-risk categories. Most critical structures are in good condition or better and expected to stay so during the next 3-years unless there is an extraordinary event such as a very large earthquake or storm. Critical structures should be no worse than high risk during their lifecycle.

<sup>6</sup>Maintain Net Promoter Score (NPS) equal to or better than CXI Benchmark

## Key service level changes

The overall approach includes significant continued investment in changing Wellington's transport network, which remains a focus over the next ten years. This includes continued delivery of the city wide Pāneke Pōneke bike network and increasing investment in improving the resilience of the network through retaining wall and structure strengthening.

### Walking, cycling and public transport

We are continuing to advance the Pāneke Pōneke Bike Network programme at pace, creating a complete network at a reduced cost, by minimising the 2021 envisioned civil works for long-term street transformations and building on the transitional approach. This means delivery of the network will still be achieved in the next 10 years, but with lower levels of grade separation of bike and vehicle lanes. There will be:

- higher quality materials used and less use of temporary and changeable solutions
- reduction in significant road width changes to allow for introduction of bike lanes

- more permanent removal of on-street parking to provide space dedicated for active and public transport modes
- increased pedestrian and bus improvements implemented together with bike lanes.

The Hutt Rd portion of the Thorndon Quay / Hutt Rd project will not be funded, leaving the levels of service for Hutt Rd the same as now. The Golden Mile and City streets projects will improve connections for people on buses, bikes or walking in the Central City and on key routes between the central city and suburban centres.

The People-friendly city streets programme is being scaled back to focus on the highest priority projects, such as a second bus priority route through the central city and improvements to the routes between the CBD and Miramar for biking, walking and bus priority. A combined bus priority improvements programme will be developed to guide the prioritisation of individual projects beyond year 5. Priority includes:

- Secondary bus corridor (bus spine on the Quays)
- Cross-city cycle connection (connect Thorndon Quay to Cambridge Terrace)
- Cuba St pedestrianisation infrastructure and activations (significant improvements beyond proposed footpath widening)
- Dixon St upgrade (required as part of the Golden Mile design)

### Roads and Structures

The Hutt Rd portion of the Thorndon Quay / Hutt Rd project will not be funded, leaving the levels of service for Hutt Rd the same as now.

We will also defer road surface renewals and do more with chipseal rather than asphalt. The amenity and road condition will deteriorate over time.

We will increase upgrades of retaining walls to increase network resilience.

### Kiwi Point Quarry

We will extend the life of Kiwi Point Quarry by opening the south face.

## What it will cost

### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
7.1.1 Transport Planning	Expense	1,567,357	1,416,989	1,453,424	1,524,041	1,571,778	1,600,864	1,666,021	1,740,959	1,791,130	1,857,184
	Income	-	-	-	-	-	-	-	-	-	-
7.1.2 Vehicle network	Expense	62,329,966	73,383,404	84,783,505	96,062,495	109,460,760	122,858,457	136,282,972	138,118,755	142,048,303	152,119,153
	Income	(3,749,376)	(3,932,087)	(4,022,075)	(4,114,143)	(4,203,713)	(4,291,290)	(4,358,140)	(4,444,279)	(4,532,043)	(4,618,152)
7.1.3 Cycle network	Expense	7,128,639	8,591,408	9,346,368	10,459,245	11,147,761	11,712,784	12,549,987	13,540,186	14,565,559	16,096,828

	Income	(1,777,162)	(1,821,223)	(1,871,626)	(1,945,160)	(1,996,855)	(2,047,878)	(2,135,190)	(2,225,175)	(2,317,905)	(2,411,089)
7.1.4 Passenger transport network	Expense	3,412,521	3,244,813	2,777,528	5,570,198	5,127,011	2,773,780	2,881,945	3,033,844	3,134,694	3,232,190
	Income	(1,670,310)	(1,705,386)	(1,742,905)	(1,781,249)	(1,818,655)	(1,855,028)	(1,892,129)	(1,928,079)	(1,964,713)	(2,002,042)
7.1.5 Pedestrian network	Expense	15,512,513	16,147,488	17,281,167	17,945,000	18,807,601	20,133,908	21,556,281	23,179,504	24,042,312	24,826,004
	Income	(857,358)	(859,086)	(878,845)	(899,059)	(918,837)	(938,133)	(956,895)	(976,033)	(995,554)	(1,014,469)
7.1.6 Network-wide control and management	Expense	14,945,253	15,589,907	14,108,841	13,733,256	14,189,484	14,840,273	15,536,907	15,873,052	15,579,460	16,185,060
	Income	(3,885,228)	(4,038,553)	(4,129,299)	(4,222,126)	(4,312,818)	(4,401,146)	(4,487,402)	(4,574,821)	(4,663,943)	(4,750,689)
7.1.7 Road safety	Expense	9,130,781	9,827,277	10,308,095	10,818,681	11,328,162	11,882,176	12,488,944	13,184,193	13,758,043	14,219,487
	Income	(2,445,334)	(2,590,259)	(2,649,363)	(2,709,817)	(2,768,939)	(2,826,584)	(2,883,116)	(2,940,255)	(2,998,526)	(3,055,498)
7.1.8 Lets Get Wellington Moving	Expense	8,352,241	2,128,471	2,658,325	1,604,513	849,608	605,564	619,761	635,614	647,468	660,913
7.1.9 Roads open spaces	Expense	11,024,930	11,812,074	12,080,861	12,416,408	12,730,736	13,056,339	13,385,486	13,749,791	14,033,925	14,345,529
	Income	(1,397,466)	(1,499,663)	(1,538,582)	(1,577,378)	(1,615,579)	(1,651,896)	(1,688,602)	(1,724,876)	(1,760,651)	(1,796,714)
Total		117,621,967	125,695,573	137,965,420	152,884,906	167,577,506	181,452,191	198,566,829	204,242,380	210,367,558	223,893,695

#### Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
7.1.2 Vehicle network	41,777,456	46,524,306	50,007,928	51,028,477	57,447,679	70,502,110	51,918,471	62,207,517	49,702,542	55,351,485
7.1.3 Cycle network	25,214,519	12,122,609	19,029,383	4,787,747	6,078,064	7,043,776	9,568,510	11,516,297	12,214,565	7,636,782
7.1.4 Passenger transport network	150,000	153,178	156,519	159,934	163,263	166,498	169,797	173,023	176,279	179,595
7.1.5 Pedestrian network	6,737,670	5,813,110	6,208,147	6,087,285	6,491,066	6,349,545	6,758,125	6,872,084	7,301,924	7,140,803
7.1.6 Network-wide control and management	3,096,000	3,473,914	3,553,608	3,635,130	3,714,887	3,792,680	3,868,422	3,945,676	4,024,358	4,100,702
7.1.7 Road safety	7,507,401	6,944,988	7,144,151	8,923,411	8,040,758	8,219,834	8,394,452	7,900,555	8,056,345	8,208,941
7.1.8 Lets Get Wellington Moving	56,551,817	48,501,802	65,786,189	52,093,305	26,455,274	11,105,893	11,328,012	11,543,246	11,762,568	11,986,058
7.1.10 Charged Up Capital	864,024	0	0	0	0	0	0	0	0	0
Total	141,898,888	123,533,906	151,885,924	126,715,289	108,390,990	107,180,337	92,005,788	104,158,398	93,238,580	94,604,368

#### Funding impact statement (\$'000s)

7.1 Transport	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding										

<b>7.1 Transport</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
General rates, uniform annual general charges, rates penalties	89,407	113,174	125,728	137,057	152,202	168,003	185,059	187,305	196,897	210,423
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	11,852	12,435	12,733	13,058	13,355	13,646	13,949	14,276	14,609	14,938
Fees and charges	3,931	4,011	4,100	4,191	4,280	4,366	4,452	4,537	4,624	4,711
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>105,189</b>	<b>129,620</b>	<b>142,561</b>	<b>154,306</b>	<b>169,837</b>	<b>186,015</b>	<b>203,460</b>	<b>206,118</b>	<b>216,131</b>	<b>230,071</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	47,241	43,253	44,775	44,889	45,216	45,984	47,073	48,172	49,302	50,783
Finance costs	18,008	19,721	21,839	22,925	24,102	25,958	28,477	32,477	33,110	33,975
Other operating funding applications	1,263	1,038	500	3,208	2,667	200	200	200	200	200
Internal charges	12,222	12,132	12,241	12,854	13,283	13,767	14,466	15,361	15,773	16,404
<b>Total applications of operating funding (B)</b>	<b>78,734</b>	<b>76,143</b>	<b>79,355</b>	<b>83,876</b>	<b>85,268</b>	<b>85,909</b>	<b>90,216</b>	<b>96,210</b>	<b>98,385</b>	<b>101,362</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>26,455</b>	<b>53,477</b>	<b>63,206</b>	<b>70,429</b>	<b>84,569</b>	<b>100,106</b>	<b>113,244</b>	<b>109,908</b>	<b>117,745</b>	<b>128,709</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	66,927	63,141	78,012	62,108	49,339	46,872	41,013	42,985	42,361	42,219
Development and financial contributions	942	942	942	942	942	942	942	942	942	942
Increase (decrease) in debt	47,574	5,974	9,725	(6,765)	(26,459)	(40,740)	(63,193)	(49,678)	(67,810)	(77,267)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>115,444</b>	<b>70,057</b>	<b>88,680</b>	<b>56,286</b>	<b>23,822</b>	<b>7,075</b>	<b>(21,238)</b>	<b>(5,750)</b>	<b>(24,507)</b>	<b>(34,106)</b>

<b>7.1 Transport</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	59,066	49,777	71,003	62,768	43,054	38,591	19,275	20,233	16,105	20,396
- to improve level of service	45,514	31,007	36,984	23,030	23,331	25,504	28,689	38,152	30,452	26,642
- to replace existing assets	37,319	42,750	43,898	40,917	42,006	43,086	44,041	45,774	46,682	47,566
Increase (decrease) in reserves	0	(0)	0	0	(0)	0	(0)	(0)	(0)	(1)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>141,899</b>	<b>123,534</b>	<b>151,886</b>	<b>126,715</b>	<b>108,391</b>	<b>107,180</b>	<b>92,006</b>	<b>104,158</b>	<b>93,239</b>	<b>94,604</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(26,455)</b>	<b>(53,477)</b>	<b>(63,206)</b>	<b>(70,429)</b>	<b>(84,569)</b>	<b>(100,106)</b>	<b>(113,244)</b>	<b>(109,908)</b>	<b>(117,745)</b>	<b>(128,709)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	54,670	65,999	75,443	86,258	99,945	113,555	126,752	126,846	131,216	142,180

7.2 Tūnga Waka | 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.

Activities

Activities in this group	Services we deliver
7.2.1 Parking	<ul style="list-style-type: none"><li>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.</li><li>Monitor and enforce parking restrictions (including residents and coupon parking zones) in the inner-city suburbs</li><li>Monitor and enforce parking restrictions in all suburbs and respond to parking related requests for service from the public</li><li>Manage off-street parking where available, including by operating the Clifton Terrace carpark</li><li>Support events that take place across the city through the provision of dedicated parking enforcement.</li><li>Electric vehicle chargers on Council owned land</li><li>Dedicated car parking spots for car sharing services (currently Mevo and CityHop)</li></ul>

Rationale for Activities

- To manage parking in line with the aims and objectives of the 2020 parking policy that maximises the opportunity for people to access parking for the purpose for which it is being provided.
- To support people to access the city using cars in a lower-carbon way. Car sharing reduces the number of cars competing for parking in the city, and providing electric vehicle charging infrastructure ensures that car owners are supported to change to electric cars.

Significant negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key negative effects	Mitigation
7.2 Parking	As transport mode shift is achieved (in support of the City’s First to Zero goal) parking will be reduced to make way for active and public transport options, reducing revenue to Council. For example, providing spaces for car sharing vehicles is estimated to reduce parking revenue by \$2.8m over 10 years.	Reductions in Council revenue through parking will need to be offset through cost savings or alternative revenue sources

## Statement of levels of service and performance measures

### Activity – 7.2 Parking

**Level of Service Statement:** Manage parking in line with the aims and objectives of the 2020 parking policy

Key Performance Indicator	Service dimension	Baseline	Target	Reporting frequency
Parking enforcement request for service response times <sup>1</sup> : a. Level 1 requests (vehicle entrance obstruction, broken yellow lines, central city footpaths) b. Level 2 requests (other footpaths, resident parking)	Responsiveness	a. 65% <sup>2</sup> b. 60% <sup>2</sup>	a. Level 1 60-75% b. Level 2 60-75%	Quarterly
Reduction in parking infringement appeals: a. Parking infringement appeals to WCC b. Parking infringement re-appeals to WCC c. Parking infringement court hearings d. Court hearing decision against WCC	Client Satisfaction	a. 7.97% <sup>3</sup> b. 1.6% <sup>4</sup> c. 9% <sup>3</sup> d. 0.2% <sup>3</sup>	a. ≤10% of infringement notices to WCC b. ≤5% of appeals to WCC received c. ≤5% of infringement notices d. ≤5% of number of Court hearings in respect of parking infringement notices	Quarterly

1. Period covered is 6am-10.30pm 7 days per week
2. Baseline was calculated between the period Jul23-Feb24 6am-10.30pm 7days per week
3. Baseline is calculated as an average between the period Jul23-Feb24
4. Baseline is calculated as an average between the period Jul22-Jun23

### Key service level changes

While most core services remain unchanged, there are some changes in how we deliver these services. We are aiming to maintain available parking for the public while other projects that affect road and parking layouts are in progress.

### EV Chargers

For year 1 only, we will continue the EV charger roll out, increasing the number of EV chargers publicly available to 34. However, funding beyond this amount is removed, pending further advice on the costs and benefits of proceeding with installation of the remaining 26 chargers. As part of this officers are also to investigate the potential to sell existing EV chargers to recover Council's investment.

### Central City and Suburban Parking

While we have agreed not to implement paid parking and time restrictions in key suburbs, officers will investigate and report back in time for the 2025/26 Annual Plan process on options for suburban parking where demand for parking is high and in accordance with the parking policy.



We will be introducing new technology to enhance the parking service experience and enforcement. This includes an increased level of parking enforcement activity in suburban centres as well as the central city.

We will complete the development of 19 Parking Management Plans.

### Motorcycle Parking

Motorcycle parking fees will be implemented to a maximum of \$2.50 per hour. The specifics of the fee setting will be determined through a separate Traffic Resolution consultation process that will follow the LTP process. This will include consideration of a maximum daily charge. There will be increased enforcement to ensure turnover.

### What it will cost

#### Operating Expenditure

Activity Component Name	Income/Expense	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
7.2.1 Parking	Expense	22,510,062	23,008,674	23,662,132	24,770,832	25,956,982	25,457,715	26,073,004	26,866,444	27,556,683	28,527,551
	Income	(38,077,416)	(38,116,394)	(38,909,634)	(39,776,151)	(40,622,197)	(41,445,624)	(42,244,305)	(43,058,385)	(43,888,161)	(44,690,049)
Total		(15,567,354)	(15,107,720)	(15,247,502)	(15,005,319)	(14,665,215)	(15,987,909)	(16,171,301)	(16,191,941)	(16,331,478)	(16,162,498)

#### Capital Expenditure

Activity Component Name	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
7.2.1 Parking	5,930,283	1,701,726	1,660,395	2,005,090	985,565	1,236,090	1,081,377	2,074,767	2,518,118	2,156,347
Total	5,930,283	1,701,726	1,660,395	2,005,090	985,565	1,236,090	1,081,377	2,074,767	2,518,118	2,156,347

### Funding impact statement (\$000s)

1.1 Governance Information and Engagement	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	(14,625)	(14,166)	(14,306)	(14,063)	(13,723)	(15,046)	(15,277)	(15,298)	(15,488)	(15,319)
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0

<b>1.1 Governance Information and Engagement</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
Fees and charges	28,591	29,553	30,144	30,809	31,458	32,089	32,700	33,323	33,958	34,572
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	9,486	8,563	8,766	8,967	9,165	9,357	9,544	9,735	9,930	10,118
<b>Total operating funding (A)</b>	<b>23,452</b>	<b>23,951</b>	<b>24,604</b>	<b>25,713</b>	<b>26,899</b>	<b>26,400</b>	<b>26,967</b>	<b>27,761</b>	<b>28,400</b>	<b>29,371</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	14,899	14,910	15,296	15,690	16,275	16,603	17,009	17,398	17,803	18,184
Finance costs	821	821	821	821	821	821	821	821	821	821
Other operating funding applications	2	2	2	2	2	2	2	2	2	2
Internal charges	5,573	5,641	5,606	6,015	6,304	6,453	6,815	7,251	7,436	7,747
<b>Total applications of operating funding (B)</b>	<b>21,294</b>	<b>21,373</b>	<b>21,724</b>	<b>22,527</b>	<b>23,402</b>	<b>23,878</b>	<b>24,646</b>	<b>25,472</b>	<b>26,062</b>	<b>26,755</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,158</b>	<b>2,577</b>	<b>2,881</b>	<b>3,185</b>	<b>3,497</b>	<b>2,521</b>	<b>2,321</b>	<b>2,289</b>	<b>2,338</b>	<b>2,616</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	3,772	(876)	(1,220)	(1,180)	(2,512)	(1,285)	(1,239)	(214)	180	(460)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>3,772</b>	<b>(876)</b>	<b>(1,220)</b>	<b>(1,180)</b>	<b>(2,512)</b>	<b>(1,285)</b>	<b>(1,239)</b>	<b>(214)</b>	<b>180</b>	<b>(460)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	4,714	915	940	962	197	202	206	210	214	218

<b>1.1 Governance Information and Engagement</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
- to replace existing assets	1,216	786	720	1,043	788	1,035	876	1,865	2,304	1,939
Increase (decrease) in reserves	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>5,930</b>	<b>1,702</b>	<b>1,660</b>	<b>2,005</b>	<b>986</b>	<b>1,236</b>	<b>1,081</b>	<b>2,075</b>	<b>2,518</b>	<b>2,156</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,158)</b>	<b>(2,577)</b>	<b>(2,881)</b>	<b>(3,185)</b>	<b>(3,497)</b>	<b>(2,521)</b>	<b>(2,321)</b>	<b>(2,289)</b>	<b>(2,338)</b>	<b>(2,616)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>1,216</b>	<b>1,635</b>	<b>1,939</b>	<b>2,244</b>	<b>2,555</b>	<b>1,579</b>	<b>1,427</b>	<b>1,394</b>	<b>1,495</b>	<b>1,773</b>

# Council-controlled organisations

To achieve our objectives for Wellington, we have established several companies and trusts to independently manage Council facilities, or to deliver significant services and activities for the Wellington community.

Where necessary, we provide funding to support their operations and capital investment requirements.

The following pages provide a summary of what the organisations do, their objectives and structure, and how their performance is measured. For detail on the performance measures that WCC will be reporting on, see the relevant chapter of this document.

## Wellington Museums Trust

The Wellington Museums Trust was established in 1995 and now trades as Wheako Pōneke Experience Wellington. The Trust operates six visitor experiences for the Council. These are Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, Wellington Museum (including the Plimmer's Ark display in the Old Bank Arcade) and the Cable Car Museum.

Objectives	Activities	Performance measures
<p>Wheako Pōneke Experience Wellington brings to life the city's arts, culture and heritage taonga on Council's behalf.</p> <p>Its year-round programme of exhibitions, events and experiences deliver a constant heartbeat of activity to the capital: enriching the lives of its visitors and strengthening the city.</p> <p>Purpose: We work together with and for Wellington to create remarkable experiences that generate vitality, strengthening the city we love</p>	<ul style="list-style-type: none"> <li>• Deliver high-quality experiences, events and exhibitions at its facilities.</li> <li>• Manage conservation and care for its collections and artefacts.</li> <li>• Conduct research and development to enhance visitors' experiences.</li> <li>• Offer education experiences to children and young people.</li> <li>• Work with national and international artists and collectors.</li> </ul>	<ul style="list-style-type: none"> <li>• Visitors</li> <li>• Student &amp; education visits</li> <li>• Council operating grant per visitor</li> <li>• Trading revenue per visit (excl. grants &amp; interest)</li> <li>• Non-council donations and funding</li> <li>• Non council revenue as percentage of total revenue</li> <li>• Percentage of satisfied visitors</li> </ul> <p>More detail is provided in <b>4. Cultural wellbeing</b> from page X.</p>

## Wellington Regional Economic Development Agency Ltd

The Wellington Regional Economic Development Agency Limited, trading as WellingtonNZ, is the Wellington region's economic development and promotions agency. They also operate Screen Wellington and are responsible for operating Wellington City's performance Venues. In addition, WellingtonNZ is the owner of a subsidiary company, Creative HQ Ltd. Creative HQ provides business incubation, acceleration, and innovation services.

Objectives	Activities	Performance measures
<p>WellingtonNZ markets Wellington as a destination for visitors, migrants and investors; it helps businesses grow and innovate; it advocates for Wellington's economy and attracts and promotes major events and runs our civic venues.</p> <p>WellingtonNZ's vision is that the Wellington regional economy is thriving, with more people participating in the benefits. This means more opportunities for people – to study, work, enjoy, and participate in all that the region has to offer. To contribute to this vision, WellingtonNZ's mission is to be a catalyst in creating a thriving Wellington region for all.</p> <p>WellingtonNZ actively promotes the Wellington to domestic and international audiences and invest in events which bring visitors to our region.</p> <p>With a wide range of partners (WCC, GWRC, central government, local businesses, universities and education providers, and their subsidiary Creative HQ), WellingtonNZ invest in and support initiatives to create jobs, improve quality of life, and retain and develop the talent in our region.</p>	<ul style="list-style-type: none"> <li>Markets and promotes Wellington as a destination for tourists, migrants, students, businesses and investors.</li> <li>Helps businesses grow and innovate.</li> <li>Advocates for Wellington's economy.</li> <li>Attracts and promotes conferences, performances and major events.</li> <li>Operates the civic venues</li> </ul>	<ul style="list-style-type: none"> <li>Direct economic impact of WellingtonNZ's activities and interventions</li> <li>Number of businesses engaged by a WellingtonNZ intervention or programme</li> <li>Equivalent Advertising Value (EAV) from media activity</li> <li>Value of expenditure generated from events (including business, performance, and major events)</li> <li>The number of Wellington Region residents that attend events</li> <li>Stakeholder engagement satisfaction</li> <li>Māori Business support</li> <li>Pasifika Business support</li> <li>Funding diversification (% of revenue from commercial/non council funding &amp; commercial activity)</li> </ul> <p>More detail is provided in <b>3. Economic Development</b> from page X.</p>

## Wellington Zoo Trust

The Wellington Zoo Trust manages Wellington's award-winning progressive zoo, home to native and international animals, and is recognised locally and globally for leadership and expertise in animal welfare, conservation, visitor experience, animal habitat design and sustainability.

The Wellington Zoo Trust manages Wellington's Zoo, home to native and exotic animals, and is recognised for expertise in animal welfare, conservation, visitor experience and sustainability.

Objectives	Activities	Performance measures
<p>The Trust manages the assets and operations of Te Nukuaō Wellington Zoo for the benefit of the residents of Wellington and visitors to the city.</p> <p>Te Nukuaō Wellington Zoo delivers learning sessions to thousands of ākonga a year to grow their understanding of animals and the natural world. It also partners with conservation organisations for at-risk species from New Zealand and around the world and to advocate for animals and save wildlife and wild places. Wellington Zoo treats hundreds of native animals a year at The Nest Te Kōhanga the Zoo's animal hospital and centre for wildlife health services and is the world's first carboNZero certified zoo (2013).</p>	<ul style="list-style-type: none"> <li>• Deliver learning sessions to children to grow their understanding of animals and the natural world.</li> <li>• Partner with conservation organisations for at-risk species from New Zealand and around the world and to advocate for animals and save wildlife and wild places.</li> <li>• Treat native animals at The Nest Te Kōhanga the Zoo's animal hospital and centre for wildlife health services.</li> <li>• Care for resident animals and provide a high-quality visitor experiences.</li> <li>• Participate in captive management breeding and breed-for-release programmes.</li> <li>• Develop and maintain high- quality animal exhibits.</li> <li>• Contribute to zoological, conservation and facilities management research projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Visitors</li> <li>• Student &amp; education visits</li> <li>• Percentage of satisfied visitors</li> <li>• Council operating grant per visitor</li> <li>• Trading revenue per visit (excl. grants &amp; interest)</li> <li>• Non-council donations and funding</li> </ul> <p>More detail in provided in <b>2. Environment and infrastructure</b> from page X.</p>

Basin Reserve Trust

The Basin Reserve Trust is responsible for the operation and management of Wellington’s Basin Reserve.

The day-to-day operational activities are conducted by Cricket Wellington under a management agreement with the Trust. The Trust is comprised of four members, two elected by Wellington City Council including the chairperson and two members elected by Cricket Wellington.

Objectives	Activities	Performance measures
<p>The Basin Reserve Trust manages and operates the Basin Reserve to continue to attract national and international sporting events to Wellington.</p> <p>The overall vision is that the ground remains highly valued locally as a public reserve of unique character and is recognized as the premier International Cricket venue in New Zealand.</p>	<ul style="list-style-type: none"><li>• The day-to-day operational activities are conducted by Cricket Wellington under a management agreement with the Trust.</li><li>• Manage the Basin Reserve for recreational activities and the playing of cricket.</li><li>• Contribute to the events programme for Wellington.</li><li>• Preserve and enhance the heritage value of the Basin Reserve.</li><li>• Provide the home for the New Zealand Cricket Museum.</li><li>• Promote and coordinate fund raising to support the Trust’s activities.</li></ul>	<ul style="list-style-type: none"><li>• Numbers attending events at the Basin Reserve</li><li>• Council operating grant per attendance</li><li>• Event income</li><li>• Activity days (comprising ticketed Cricket events, practice days and functions)</li></ul> <p>More detail in provided in <b>5. Social and recreation</b> from page X.</p>

## Karori Sanctuary Trust

The Karori Sanctuary Trust (trading as ZEALANDIA Te Māra a Tāne) manages ongoing conservation and restoration work at the sanctuary, works with local organisations and community groups to support local biodiversity, provides educational experiences, and connects people to New Zealand's unique natural heritage.

Objectives	Activities	Performance measures
<p>Mission: We will have a world-class conservation site portraying our natural heritage that captures people's imagination, understanding and commitment.</p> <p>Purpose: We connect people with our unique natural heritage, and inspire actions that transform how people live with nature in our cities, towns and beyond.</p> <p>Our place in transformation: Zealandia will be a place that transforms biodiversity, people and knowledge, and through this transforms our capacity for living with nature.</p>	<ul style="list-style-type: none"> <li>• Manage a 225ha conservation estate, home to dozens of native species</li> <li>• Promote conservation and advocate for New Zealand's native wildlife</li> <li>• Work with iwi and local groups to improve biodiversity across the Wellington region</li> <li>• Partner with leading educational institutions to facilitate world- class environmental research</li> <li>• Facilitate educational programmes and resources to young people around the Wellington region.</li> </ul>	<ul style="list-style-type: none"> <li>• Visitors</li> <li>• Percentage of satisfied visitors</li> <li>• Council operating grant per visitor</li> <li>• Trading revenue per visit (excl. grants &amp; interest)</li> <li>• Non-council donations and funding</li> </ul> <p>More detail in provided in <b>2. Environment and infrastructure</b> from page X.</p>

## Wellington Cable Car Limited



Wellington Cable Car Ltd owns and operates Wellington’s iconic cable car, a funicular railway situated at the end of the Cable Car Lane, off Lambton Quay in the heart of Wellington city.

The cable car provides a unique form of public transport from the city to the suburb of Kelburn.

Objectives	Activities	Performance measures
<p>Wellington Cable Car Limited owns and operates the Cable Car.</p> <p>Vision: The Wellington Cable Car is the most iconic tourist attraction in Wellington and the transport of choice for our local whānau. It is an enduring, carbon positive Wellington experience that connects our people, spaces, places, and venues.</p> <p>Purpose: Host uniquely Wellington experiences that locals are proud of, and visitors remember and share</p>	<ul style="list-style-type: none"><li>• Maintain the cable cars and associated plant, the railway tracks, tunnels, bridges and buildings in accordance with best engineering practice, and to meet all legislative compliance.</li><li>• Market and manage the cable car passenger service.</li></ul>	<ul style="list-style-type: none"><li>• Total Passengers</li><li>• Cable Car Reliability</li><li>• Fare income</li><li>• Customer Satisfaction</li></ul> <p>More detail in provided in <b>7. Transport</b> from page X.</p>

## 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.

The Wellington Water Committee provides overall leadership and direction for the company. A representative from each authority sits on the Committee.

Wellington Water Ltd is governed by a board of independent directors.

Objectives	Activities	Performance measures
<p>The role of Wellington Water is to manage the drinking water, wastewater and stormwater services of its shareholder council owners.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• Provide high-quality, safe and environmentally sustainable services to shareholding councils and other customers, with a focus on:</li> <li>• contracted service delivery for the operation,</li> <li>• maintenance and ongoing development of drinking water, stormwater and wastewater assets and services, and</li> <li>• asset management planning.</li> </ul>	<ul style="list-style-type: none"> <li>• Full details is provided in <b>2. Environment and Infrastructure</b> from page X: <ul style="list-style-type: none"> <li>○ 2.3 Water</li> <li>○ 2.4 Wastewater</li> <li>○ 2.5 Stormwater</li> </ul> </li> </ul>

Wellington Regional Stadium Trust

The Trust owns, operates and manages Sky Stadium, which provides high-quality facilities for a range of sports. The stadium also hosts a range of musical and cultural sponsored events, it hosts a variety of trade shows plus various community events.

The Trust’s board of trustees is jointly appointed by Greater Wellington Regional Council and this Council.

The Trust is not a Council Controlled Organisation, for the purposes of the Local Government Act 2002. However, the Trustees have agreed to be subject to the reporting requirements and monitoring procedures of both Councils to acknowledge the value of each Council’s investment in the stadium.

Objectives	Activities	Performance measures
<p>The objectives as set out in the founding Trust Deed are:</p> <ul style="list-style-type: none"><li>To own, operate and maintain the Stadium as a high-quality multi-purpose sporting and cultural venue;</li><li>To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and</li><li>To administer the Trust’s assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset.</li></ul>	<ul style="list-style-type: none"><li>Owns and operates the Stadium.</li><li>Manages the event programme and seeks opportunities to provide a full and balanced event calendar.</li><li>Ensures the Stadium is provided to the community for appropriate usage.</li><li>Operates the Stadium on a prudent commercial basis.</li></ul>	<ul style="list-style-type: none"><li>Revenue – total, and event</li><li>Net surplus (deficit)</li><li>Net cash flow</li><li>Liquidity ratio</li><li>Bank borrowing to total assets.</li><li>Capital expenditure</li></ul> <p>More detail in provided in <b>3. Economic Development</b> from page X.</p>

# Significant Forecasting Assumptions

The tables below outline the specific forecasting assumptions to be used in the preparation of the 2024 LTP and associated documents. It notes their data source(s), key challenges and risks around the assumption including commentary on how the risk will be managed.

## Population

### Assumption

The long-term population forecast for Wellington City is growth of between 50,000 to 80,000 over the next 30 years. This is the forecast growth projection that underpins our Spatial Planning.

Year	50 <sup>th</sup> Percentile (median) projection	Year	50 <sup>th</sup> Percentile (median) projection	Year	50 <sup>th</sup> Percentile (median) projection	Year	50 <sup>th</sup> Percentile (median) projection
2023	212,172	2031	226,226	2039	242,918	2047	258,790
2024	213,269	2032	228,252	2040	244,952	2048	260,445
2025	215,128	2033	230,057	2041	246,215	2049	262,237
2026	217,102	2034	231,463	2042	248,706	2050	263,400
2027	218,932	2035	233,550	2043	250,022	2051	265,573
2028	220,658	2036	236,056	2044	251,758	2052	267,534
2029	222,647	2037	237,845	2045	254,252	2053	269,452
2030	224,449	2038	240,286	2046	257,294	2054	271,288

Projections are the median (50th percentile) projections from Sense Partners.

The 30-year growth in the table (2023-2053) is approx. 57,000 within a forecast growth range of 50,000-80,000 over the next 30 years. This planning range is at the median growth level up to around the 64th percentile.

This assumption reflects the view of Sense Partners and the Wellington Region that a future scenario which assumes a continuation of recent trends and rates of population growth is a more plausible future for the purpose of infrastructure planning.

Differential growth rates between different age groups is expected to lead to an aging population over the next 30 years. The biggest impact of the change is expected to be on the 60+ and 20-39 age groups. Residents aged 60+ make up 16.7% of the population in 2023 and are expected to make up 19.7% of the population in 2054. This growth is largely at the expense of an expected decline in the proportion in the 20-39 age group (from 36.7% in 2023 to 32.5% in 2054).

**Data source:** [Sense Partners](#)

**Level of certainty:** Moderate

Key risks

Risk	Effect of risk	Mitigation
Underestimation of future growth (e.g. higher than expected net migrations for significant periods).	Higher than expected pressure on council infrastructure & services.  3 Waters and Land transport will likely have the most significant impact with greater demand. Parts of the network(s) that are currently near capacity may breach capacity.	Moderate growth accommodated within present service levels.  Development contributions help to meet portion of the costs of new or upgraded infrastructure.
Overestimation of future growth (e.g. migration does not increase to levels we are forecasting (for various reasons including policy settings and relative attractiveness of NZ))	Over investment in the short term but impact short-term if growth continues to meet the level of in	Monitoring of population will occur on a regular basis and changes will be made to infrastructure investment programmes or service levels as required.

## Growth in ratepayer base

### Assumption

Ratepayer base growth is assumed at 0.77% for year one, then 0.6% p.a. over the LTP period.

**Data source:** Ratepayer base growth is based on current property information from Council valuation service provider (Quotable Value Ltd), historic and forward looking consenting trends and expected population growth assumptions provided by Informed Decisions Ltd.

**Level of certainty:** Low

### Key risks

Risk	Effect of risk	Mitigation
The growth in the ratepayer base is higher or lower than projected.	<p>If growth is higher than forecasted, average rates funding increase will be reduced by an equivalent amount as there is a greater number of ratepayers across which the rates funding requirement will be allocated.</p> <p>If growth is lower than forecasted, the average rates increase for the ratepayer will be higher.</p>	<p>We will measure and report on growth in the rating base and review the projections and underlying strategy on a regular basis.</p> <p>Ratepayer growth assumptions are reconfirmed through each Annual Planning exercise and provide the opportunity to adjustment plans based upon updated growth projections.</p>

Economic growth

Assumption

That the Wellington City economy GDP will remain lower than March 2020 levels until 2024. Over the ten years of the Long-term Plan we assume that economic activity reverts to conforming with long-term historic trends of around 2% GDP growth pa, as shown in the chart below.

CHART: Infometrics Wellington City GDP forecast, Jul 23, annual % growth

Data source: [RBNZ – Monetary Policy Statement](#)

Infometrics *State of Wellington Economy* commissioned report

Level of certainty: High

Key risks

Risk	Effect of risk	Mitigation
<p>Economic growth is lower than forecast. This may be due to factors such as:</p> <ul style="list-style-type: none"><li>the impacts of higher inflation being more severe or lasting longer than anticipated</li><li>political change may target public service jobs in Wellington as a way of balancing government’s books</li><li>competition from the region for housing that limits the City’s attractiveness for investment by residential developers</li><li>University students continue to study elsewhere</li></ul>	<p>Lower levels of economic growth will impact the affordability of Council plans:</p> <ul style="list-style-type: none"><li>ratepayer base growth assumptions will be inaccurate (see later assumption)</li><li>the affordability of Council services will be lower for households, businesses and users of services</li></ul>	<p>Monitoring of economic trends will occur on a regular basis with an ability to adjust Council plans through Annual and Long-term Planning cycles.</p>

## Climate change - physical impacts on WCC assets

### Assumption

Climate change will have physical impacts for the Council (damage to assets and disruption of services) with cascading impacts in the social and economic domains, in line with Ministry for the Environment's global emissions scenarios as informed by the Intergovernmental Panel on Climate Change (IPCC).

Wellington is projected to experience increased risks of coastal storm surge, an increase in hot days, a rise in annual average temperatures, higher frequency and magnitude of flooding events, both exacerbated by sea level rise and increased volumes of water during rainfall events.

The financial impact of physical risks to WCC assets is still uncertain. We continue to update known risks and the financial implications of these in WCC's assets management plans and infrastructure planning as we gather better information. Where the physical impacts are already occurring and the financial impacts are known, these costs have been incorporated into WCC asset management plans and infrastructure planning.

**Data source:** Assumptions are directly informed by:

- 1) [Ministry for the Environment's](#) (MfE) projections for the Wellington and Wairarapa region and [GWRC climate change maps](#);
- 2) NIWA reports for Wellington City regarding [sea level rise](#) and [coastal hazards](#);
- 3) Table 3 from the [MfE Interim Guidance on Sea Level Rise Guidelines](#) informs our base assumptions for planning for the minimum allowances for Sea Level Rise using NZ-wide sea level rise scenarios.

For detailed guidance please refer to the full Guidelines.

**Level of certainty:** Medium – while there is certainty on the direction of change, there is uncertainty as to the speed at which the climate and related risks will change.

### Key risks

Risk	Effect of risk	Mitigation
That climate change impacts (sea level rise, coastal inundation, and more frequent and severe extreme weather events) may occur faster or slower than planned for.	<p>If physical impacts happen slower than assumed, then the investments we are planning in this LTP for increasing our resilience to extreme weather may be delivered earlier than required.</p> <p>The impacts of this are likely to be short-term as sea levels are projected to continue rising over the longer-term.</p>	Council's Te Atakura Strategy outlines various activities to reduce carbon emissions, and to adapt to the impacts. Identifying, reviewing, and disclosing our climate-related financial risks and opportunities continues to be a work programme informing key climate related decisions impacting our investments both in near- longer-term.



Risk	Effect of risk	Mitigation
	If physical impacts happen faster than assumed then we will have increased levels of service interruption, including to storm water and transport services.	We have put in place an internal Te Atakura strategy reference group to monitor and report progress against Te Atakura.

## Climate change - commitment to climate action (transitional risk)

### Assumption

There will be continued commitment from residents, businesses and central government to the climate actions required to meet local and national greenhouse gas emissions related targets and improve resilience to climate change impacts.

**Data source:** Current attitudes: WCC's "Residents Survey on Climate Change"

86% of respondents believed that we needed to act now to start reducing Wellington's carbon emissions, with over half of the opinion that we should make significant reductions straight away.

~~59~~60% of respondents are "not at all confident" that enough action is being taken to prepare Wellington for the impacts of climate change.

Local and central government are the top two ranked for who is responsible for climate change response.

**Level of certainty:** Medium - Wellingtonians support for climate action has been consistent over many years and is likely to continue, particularly with media coverage of recent extreme weather events. Central government funding, financing and regulatory mechanisms to support local government climate change response is not as certain and has varied over the past two decades.

### Key risks

Risk	Effect of risk	Mitigation
That support for climate action may be higher or lower than we anticipate.	<p>If climate action support reduces then we may not support the city's transition of its social, economic and physical systems fast enough to minimise both physical impacts and transition impacts on residents and local businesses.</p> <p>If climate action support increases, then we may be subject to litigation or reputational risk for not supporting the city to take a higher level of action.</p>	<p>Council's Te Atakura Strategy outlines various activities to engage with and inform Wellingtonians on climate change impacts and potential responses, to make climate change relatable and local. This includes reporting on progress of the City and Council towards Te Atakura goals, and the contribution towards those goals of the activities outlined in the Strategy.</p> <p>We have also put in place an internal Te Atakura strategy reference group to monitor progress against Te Atakura.</p>

## Three Waters Legislative Reform

### Assumption

In mid-February 2024, the Water Services Act Repeal Bill became law. This means that all previous legislation related to the provision of water services has been reinstated. The current government’s Local Water Done Well policy is being developed to lay a foundation for a new system with stronger central government oversight, economic and quality regulation, and requirements for local authorities to use financially sustainable delivery models.

On 30 May 2024 the Local Government (Water Services Preliminary Arrangements) Bill had its first reading. This bill sets the foundation for future delivery and regulation of water services. The bill will require councils to prepare water services delivery plans within 12 months of its enactment. The bill proposes a streamlined consultation process for establishing water services council-controlled organisations. It also sets out the detailed arrangements for Watercare in Auckland.

The financial sustainability of a water service delivery model is based on sufficient revenue, ringfencing to fund investment and funding for growth. Councils in the Wellington region are looking to address water reform through the collective development of a water service delivery plan.

**Data source:** Letter from Minister for Local Government

**Level of certainty:** High – The Government has repealed current legislation, has introduced the first of two new bills, and has Cabinet agreement to introduce the second bill later this year.

### Key risks

Risk	Effect of risk	Mitigation
Government has indicated future potential changes to three waters infrastructure management through their 'Local Water Done Well' direction. This direction could create future changes to water services and infrastructure management.	<p>Future changes to water service delivery agreed through 'Local Water Done Well' could create change to Council's long-term plans as new service delivery models and financing tools or new rules for water services and infrastructure investment are developed.</p> <p>Any changes to waters infrastructure funding is likely to have significant impact on Council's long-term plan.</p>	Maintain visibility of Government's water services policy development and work with other councils in our region to progress the development of a new regional CCO model. Changes created through future Government policy and new legislation is likely to require decision making through a future long-term plan process or long-term plan amendment process.

## Inflation

### Assumption

Inflation rates have been estimated using the BERL Forecasts of Price level Change Adjustors 2034 [interim-final](#) update.

We also assume that the Reserve Bank will use monetary controls to keep CPI within the 1.5 percent to 3 percent range.

### Cost adjustors

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	20 yr avg.
Planning and regulation	3.4%	2.6%	2.1%	2.2%	2.1%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%	2.4%
Roading	3.8%	2.9%	2.0%	2.3%	2.3%	2.2%	2.1%	2.0%	2.0%	2.0%	1.9%	2.6%
Transport	3.4%	2.6%	2.1%	2.2%	2.2%	2.1%	2.0%	2.0%	1.9%	1.9%	1.9%	2.4%
Community	3.5%	2.7%	2.0%	2.2%	2.2%	2.1%	2.0%	1.9%	1.9%	1.9%	1.8%	2.4%
Water and environment	5.0%	3.6%	2.5%	2.7%	2.6%	2.5%	2.3%	2.3%	2.2%	2.1%	2.1%	3.1%
Council HR cost adjustor	6.0%	4.5%	2.2%	2.1%	2.1%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%	2.2%

**Council HR cost adjustor** – 2024 & 2025 adjustors are based on multiple factors (e.g. union negotiations and living wage) and do not reflect BERL indices.

**Interest revenue** – forecast to remain constant. Interest rates do not increase annually in line with rates of inflation.

**Data source: Inflation rates applied** – Inflation rates have been estimated using the BERL Forecasts of Price level Change Adjustors 2034 final—update.

We also assume that the Reserve Bank will use monetary controls to keep CPI within the 1.5% to 3% range.

Inflation is affected by external economic factors, many of which are outside of the Council's control and influence.

### **Level of certainty: Low**

At a high level our BERL's methodology creates a "basket" of goods that local authorities purchase, as measured by producer price input indices.

The model behind the forecasts utilises a process based on past observations of a given variable to explain present and forecast future observations. This process means that uncertainty in early forecast periods ripples through later forecast periods and is amplified as it does so.

Key risks

Risk	Effect of risk	Mitigation
That actual inflation will be significantly different from the assumed inflation.	<p>The Council’s costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made. Where efficiency gains can’t be made, the higher costs has an impact on rates revenue required leading to affordability issues for ratepayers.</p> <p>The first few years of the forecasted cost adjustors are reasonably likely, however the latter period are only indicative.</p> <p>A 1% increase in inflation would increase annual operating expenditure by \$8m (based on annual operating costs of \$800m) and capital expenditure by \$4m (based on an annual capital budget of \$400m).</p>	Annual review through the annual plan process.

## Interest rates – cost of borrowing

### Assumption

The Council borrowing rates for debt will change as per the table below.

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Effective Interest Rate	4.19%	3.74%	3.86%	3.96%	4.07%	4.20%	4.36%	4.62%	4.62%	4.77%

**Data source:** Assumption reflects Council actual borrowing rates along with forecast rates based on hedging position and range of economic forecasts.

**Level of certainty:** High - There is relative higher levels of certainty over short-term borrowing rates for Council debt in the short term given hedging policies. Longer-term, certainty levels are lower as interest rates are subject to wide range of factors.

### Key risks

Risk	Effect of risk	Mitigation
That interest rates will differ significantly from those estimated.  That interest rates will fluctuate significantly.	Based on Council's hedging profile, a 0.1 percent movement in interest rates will increase/decrease annual interest expense by between \$800,000 and \$1,900,000 per annum across the 10-year period of this plan.  The impact of this annual amount (discussed above) would translate to potential 0.2% – 0.4% rates increase.	Interest rates are largely driven by factors external to the New Zealand economy. The Council manages its exposure to adverse changes in interest rates through the use of interest rate swaps. At any time Council policy is to have a minimum level of interest rate hedging equivalent to 50 percent of core borrowings.

Asset revaluations

Assumption

Assumed growth in asset values are outlined in the table below. Growth in Council asset values are key drivers of forecasting increasing capital investment and depreciation.

For the purpose of the financial model, all assets are revalued annually for depreciation purposes in order to reduce the distraction of year-on-year peaks and troughs in revenues and expenditure that are generated by these revaluations.

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Buildings	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Three Waters & Treatment Plants	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Roading	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Library Collections	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Depreciation and revaluation of property, plant, and equipment (including water and transport assets)

Financial forecasts in this Long-Term Plan include a 3-yearly estimate to reflect the change in asset valuations for property, plant, and equipment in accordance with the Council's accounting policies.

Council's policy is to value assets triennially, and each year a different category is valued by an independent valuer. The valuation timetable is as follows:

Operational land and buildings: 30 June 2026, 2029 & 2032

Infrastructure land: 30 June 2025, 2028 & 2031

Infrastructure assets: 30 June 2025, 2028 & 2031

Three waters: 30 June 2024, 2027 & 2030

The following assumptions have been made for this LTP:

- The Council will continue its policy of fully funding depreciation which is affected by asset revaluations except for Three Waters assets, and assets we do not expect to replace at the end of their useful lives.
- The value of non-depreciable assets (such as land) is forecast to remain constant

**Data source:** Asset revaluation assumptions are based off historical revaluation increases and estimates.

**Level of certainty:** Medium – the medium level of uncertainty on how Council asset values will change over time related to the currently high inflation impacting input / construction costs.

Key risks

Risk	Effect of risk	Mitigation
<p>Assets are under/overstated and therefore the balance sheet does not reflect accurately the value of Council owned assets.</p> <p>Depreciation based on incorrect valuations will mean that too much or too little revenue is collected to cover costs of renewal over time.</p>	<p>Asset value growth at higher rates than assumed will lead to increasing pressure on rates and borrowing levels. This risk has impacted the Council's planning in recent years as asset value growth has exceeded budgeting assumptions.</p> <p>Asset value growth also impacts the depreciation expense and the rates revenue required. If mitigations for this increase are not possible, then higher rates increases and impacts ratepayer affordability may result.</p>	<p>As well as regular revaluation of assets as part of the normal accounting and annual reporting process there is a high-level review of asset values undertaken on an annual basis.</p> <p>The LTP yearly budgets are inflated by forecast inflation for the particular assets in question, based on independent professional advice. In each annual plan following the LTP year, depreciation and asset values are adjusted for new assets, and any actual revaluations.</p> <p>In non-revaluation years an assessment is made as to whether asset values may have moved significantly and therefore whether an out of cycle revaluation is appropriate.</p> <p>Depreciation is adjusted annually to reflect the above adjustments to asset values</p>



## Let's Get Wellington Moving

### Assumption

For the purposes of development of the 2024-34 LTP we assume:

The LGWM relationship and funding agreement was disestablished by mutual agreement of the three partners, WCC, Waka Kotahi and GWRC in December 2023, with the programme formally wound up on 31 March 2024.

**Golden Mile and Thorndon Quay** – These projects will be delivered by Council as planned through the approved business cases and funded from Council's balance sheet in accordance with financial policies and attracting standard funding assistance rate (FAR) rate (see also later assumption on Waka Kotahi NZ Transport Agency subsidies).

**City Streets** - The individual business cases for the City Streets projects were not complete at the time the programme was disestablished. This work was handed over to Council to reprioritise and coordinate with our other roading projects. We have worked with GWRC to establish a joint funding programme for bus priority.

**Transformational Programme** – will be picked up by Waka Kotahi in line with the Government's direction-to focus solely on State Highway improvements around the Basin Reserve and a new Mt Victoria tunnel.

**Data source:** Coalition government 100-day plan and Waka Kotahi correspondence

**Level of certainty: High** – The Thorndon Quay Hutt Road, the Golden Mile projects have progressed through business case and funding approvals. City Streets projects will need to progress through standard transport project approval phased so there is less certainty relating to the level of FAR for these projects given change in government and potential change in transport related priorities. Whilst we anticipate walking and cycling objectives may be de-prioritised, we expect Public Transport objectives to still rate high. Coalition government has confirmed withdrawal from LGWM programme meaning withdrawal from transformation programme has high certainty.

### Key risks

Risk	Effect of risk	Mitigation
That costs for the early delivery projects may escalate significantly due to inflation, supply chain or scope changes.	This would either require Council to accommodate additional costs into an amended budget with breaches of proposed current rates and debt limits or aspects of LGWM may not be able to proceed.	Each project funding is approved as single stage business cases are submitted allowing for reprioritisation as required.
That the City Streets Business Cases do not attract FAR due to a change in Government direction which will become clearer once it has	If City Streets projects do not attract Waka Kotahi FAR, then investment in mode shift will	Tight scope control on projects.

Risk	Effect of risk	Mitigation
issued a new Government Policy Statement on transport.	slow or Council will have to fund these projects 100%.	

Waka Kotahi NZ Transport Agency subsidies

Assumption

That Waka Kotahi NZ Transport Agency funding assistance rate (FAR) subsidy will remain in place and will be funded through the next LTP – 2024 – 2034.  
The overall average for FAR is 51%.

Waka Kotahi NZ Transport Agency funds specific programmes of work and agrees 3-year funding envelopes across such items as maintenance operations and renewals and low cost/low risk programme, as well as funding for specific roading projects.  
**Data source:** The Waka Kotahi business case model is administered nationally and is the mode of operation for the operations, maintenance, renewals and new capital investment. The model is mature and is the national delivery framework.

**Level of certainty:** Medium - Whilst the level of certainty for higher FAR rates for mode shift projects such as those delivered under our Bike Network Plan may be lower than recent years (up to 90% FAR), the FAR rate for resilience and safety projects is likely to stay around 51% as is the FAR for maintenance and renewals. Funding decisions for maintenance, renewal and new safety and resilience programmes of work have not all been finalised and may affect programmes in the first three years.

Key risks

Risk	Effect of risk	Mitigation
Changes to Waka Kotahi NZ Transport Agency Road prioritisation may impact on future funding.  Total funding levels may be less than assumed in the LTP.	If the actual funding from Waka Kotahi NZ Transport Agency is significantly less than forecast, the Council will need to look for alternative funding through rates or borrowings and this may limit the viability of some projects. If the project does not proceed, this may have impacts on the level of service of lower risk roads.  If the returns were greater then Council would have additional revenue above forecasts.  A 5-percentage point change in the level of NZTA subsidy over our transport programme would represent approximately \$1.7m increase or decrease in revenue each year.	Retain an agile approach to changing GPS & FAR Rates.  Maintenance of a positive relationship with Waka Kotahi NZ Transport Agency allows frequent communication and the awareness of issues in advance.  Ensure Annual Plan and LTP are updated to reflect any changes.

Other forecasting assumptions

## Resource consents

### Assumption

Conditions for existing resource consents held by the Council will not be significantly altered. Any resource consents due for renewal during the 10-year period of this plan will be renewed accordingly and this will not have a significant impact on timing.

**Data source:** Great Wellington Regional Council is consenting agent for these matters <https://www.gw.govt.nz>

**Level of certainty:** Moderate- there is some uncertainty around consenting conditions for the renewal of some Council consents:

- Landfill consents expire in 2026. Given the Southern Landfill consenting conditions are substantially about the management of leachate, there is a likelihood that conditions will be substantially more rigorous.
- Contaminated Soil - Retrospective consent for the disposal of contaminated soil on Stage 2, specifically, discharge of contaminants to water and to land where they may enter water.

Sludge minimisation plant: have obtained all resource consents required for construction (list and IDs available if required). Outline Plan Report accepted by WCC so the Change of Designation process required for the operational authorization of the plant is complete. Construction is under way and currently progressing well for a 2026 completion.

### Key risks

Risk	Effect of risk	Mitigation
Conditions of resource consents are altered significantly.  That significant delays to projects are experienced due to the resource consent process.  The Council is unable to renew existing resource consents upon expiry	The financial effect of any change to resource consent requirements would depend upon the extent of the change.  Delays to projects may have material cost implications.  Failure to renew existing consents, or a significant change in requirements could result in the Council needing to spend additional funds to enable compliance.	Generally, the Council considers that it is fully compliant with existing resource consents. Changing consenting conditions will be inputs into planning individual projects- for example in the scoping of any landfill or sludge minimisation investment.  Budget revisions will take place where there are anticipated changes to consent requirements.

## Sludge minimisation facility and collection of levy

Assumption

The sludge minimisation facility will be a Council asset; however, the funding does not sit on Council’s balance sheet. The FSPV will provide funding of up to \$400 million for the construction of the facility.

In July 2024, the Council will be introducing a new sludge levy to fund the cost of the new Moa Point Sludge Minimisation Facility. This was approved under the Infrastructure Funding and Finance Act 2020 (IFFA). We consulted on this option through 2021/2022 and received support from the New Zealand Government (Cabinet and the Minister of Housing) in August 2023. We are collecting the levy on behalf of the special purpose vehicle owned by Crown Infrastructure Partners. **Data source:** Infrastructure Funding and Financing Funding and Administration Agreement (IFFFAAA)

Level of certainty: Medium

Key risks

Risk	Effect of risk	Mitigation
Construction costs and timeline deviate materially from the current estimates and the requirements of the IFFFAAA.	<p>Where cost escalations occur, the funding (over and above that allocated from IFF) will need to be provided from Council’s already constrained balance sheet.</p> <p>Where there are significant delays in delivery of the project, at a minimum, Council will be in breach of resource consents and may have to consider costly alternatives to the one provided for by the SMF.</p> <p>If cost escalations occur this will require the Council to borrow more debt to be paid back over the life of the facility.</p>	<p>The construction contract includes a Liquidated Damages (LD) mechanism, agreed with the construction partner, which will apply if late completion was to occur.</p> <p>Robust contract management and proactive risk identification, mitigation and management, closely monitored through appropriate Governance mechanisms is in place.</p> <p>In addition to the LD regime the construction contract includes mechanisms to support and enable compliance with the required programme for example early procurement of items critical to programme.</p>

## Cost of carbon

### Assumption

Council assumes that the cost of carbon will inflate over the coming years as per the table below.

**Table 1:** Estimated Forecast Cost of a NZU from 2025 to 2034

**Assumption:** We have used the market forward contract last/fix price for NZUs for April 2025 to April 2028 in Table 4.

For the 2029 to 2034, we have assumed that the cost of an NZU continues to increase, at 7.8% per year (based on the average increase in the market forward contract last/fix price for NZUs from April 2025 to April 2028).

Year	Estimated Cost	Year	Estimated Cost
2025	\$80.95	2030	\$116.09
2026	\$86.82	2031	\$125.15
2027	\$93.12	2032	\$134.91
2028	\$99.90	2033	\$145.43
2029	\$107.69	2034	\$156.77

This assumption directly informs the carbon unit costs related to the Southern Landfill. More broadly the growing cost of carbon will have implications on the investment profile of individual projects and design of Council services, these impacts will be considered through the establishment of frameworks the Council will use in future project investment analysis and service review.

**Data source:** Price ceiling and price floor

The Climate Change Commission provided advice to government that has been accepted, to set a trigger price for the release of additional units into the market. This in effect acts as a price ceiling. The Commission also advised on the minimum price the govt can set in an auction of units. While the market price can sit below this, it is likely that this sets the price floor, and the forward contract prices are all sitting above this auction price, lending weight to this assumption.

**Table 2:** Climate Change Commission's Recommended Cost Containment Reserve from 2024 to 2028.

**Cost containment reserve – trigger price, including inflation**

Fixed and cannot be changed		Updated recommendations		
2024	2025	2026	2027	2028
\$91.61	\$103.24	\$205.00	\$215.00	\$226.00

Reference: He Pou a Rangi Climate Change Commission | Advice on NZ ETS unit limits and price control settings for 2024-2028

Note: The Climate Change Commission states: “Our advice is that significantly higher trigger prices are justified to put them well outside where the market may need to operate to be consistent with meeting emissions budgets. We judge it unlikely that any potential magnet effect would be sufficiently strong to cause prices to rise to that level.”

**Table 3:** Climate Change Commission’s Recommended Auction Reserve Price from 2024 to 2028.

Fixed and cannot be changed		Updated recommendations		
2024	2025	2026	2027	2028
\$35.90	\$38.67	\$72.00	\$75.00	\$79.00

Reference: He Pou a Rangi Climate Change Commission | Advice on NZ ETS unit limits and price control settings for 2024-2028.

**Table 4:** Market forward contract last/fix price for NZUs for April 2025 to April 2028 (Forward Contracts as of 15 September 2023).

Contract	Last/Fix
NZUs – April 2024	\$75.47
NZUs – April 2025	\$80.95
NZUs – April 2026	\$86.82
NZUs – April 2027	\$93.12
NZUs – April 2028	\$99.90

Reference: Carbon News NZ, website accessed September 15<sup>th</sup> 2023.

**Level of certainty:** Moderate – The certainty of the cost estimate for a NZU is moderate. A range of factors including the pace of technological change and level of economic activity could significantly affect both the medium and long-term trend and year on year costs.

### Key risks

Risk	Effect of risk	Mitigation
That actual increase in NZU price will be significantly different from the assumed increase, contributing to ETS costs at the landfill and underlying inflation of input fuel costs to Council.	The Council’s direct NZU costs (through our ownership of Southern Landfill) and indirect NZU costs (through our use of natural gas, petrol and diesel) could be higher than forecast. For example, at the landfill our current liability is forecast to increase by roughly a third by 2028, however govt settings would allow the cost to increase by 300%.	Annual review of the budget through the annual plan process.  We also have projects in place under our Te Atakura climate action strategy to minimise our exposure to the price of carbon: better methane capture and destruction technology at the landfill; diversion of organic matter from the landfill; removing natural gas (also known as “fossil gas”) used for heating indoor spaces and water heating from Council owned buildings including our pools; and converting our vehicle fleet and equipment to electricity.

## Significant Asset Lifecycles

### Assumption

The estimated useful lives of significant assets will be as shown in the Statement of Accounting Policies. The asset life of key assets (three waters and transport is included below). The majority of the significant assets will continue to be revalued every three years. It is assumed that assets will be replaced at the end of their useful life. Ranges in average ages relate to the variability of component parts of assets and changing material and design of assets over time.

Key Asset – Pipes	Asset life in years	Asset life from 2022 3W Valuation
Water pipes	50-95	40-128
Water reservoirs	40-100	90-117
Water pumping stations	20-100	100-104
Sewer pipes and tunnels	60-110	60-128
Sewer pumping stations	20-80	100
Stormwater pipes	50-130	40-130
Stormwater pump stations	20-100	100

Key Asset – Roads	Asset life in years	Asset Life from 2022 Transport Assets Valuation
Surface	10	6-50
Base	50	35-40
Bridges	80	95-105
Footpaths	20-50	15-50
Retaining walls	50-75	35-80
Sea walls	80-100	100
Kerbs and channels	70-120	10-60

It is also assumed that:

- the majority of the significant assets will continue to be revalued every 3 years.
- assets will be replaced at the end of their useful life.
- planned asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.



**Data source:** Assumptions of asset lives are informed by guidance on the Useful Life of Infrastructure from the NAMS Council and Council actual condition information of assets.

**Level of certainty:** Mixed – The level of certainty of useful lives of assets ranges across different asset types. Underground assets that are not easily accessible have lower levels of confidence on their current condition and therefore expected remaining useful lives.

Key risks

Risk	Effect of risk	Mitigation
That assets wear out earlier or later than estimated.	<p>Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated. The financial effect of the uncertainty is likely to be immaterial.</p> <p>In the event that useful lives are overestimated, renewals would fall earlier than anticipated.</p> <p>This would result in additional capital expenditure earlier than anticipated, impacting depreciation and interest costs.</p> <p>Conversely, in the event that useful lives are underestimated, we will forecast a higher renewal programme of capital expenditure than necessary.</p> <p>This could also result in the overcollection of depreciation in the earlier years of an assets life.</p> <p>The likely financial impact of this is minor.</p>	<p>Generally, we have the ability to prioritise work programmes should assets wear out earlier or later than estimated.</p> <p>In addition, we are continuously improving data integrity on our assets. We are actively investing in improving the quality of asset condition information including of our three waters assets, to reduce the likelihood of this risk.</p>

## Ability to deliver capital programme

### Assumption

We assume that there will be market capacity to deliver our planned capital programme. This will be supported by careful programme planning, investment in internal capability, including that of Wellington Water.

**Data source:** N/A

**Level of certainty:** Moderate – There is always an inherent level of risk in delivering a capital programme. Although we have plans to manage this risk there remains uncertainty. In the short-term this is linked to significant cost escalation of labour and materials. In the longer-term this relates to the ability of the supplier market to respond to regional investment and demand on infrastructure service providers.

### Key risks

Risk	Effect of risk	Mitigation
That our capital programme is not able to be delivered as planned.	If we are unable to deliver the planned capital programmes, then the benefits of investment will be delayed. For projects aimed at enabling growth, this could constrain the pace of growth. There will also be delays to our planned capital expenditure profile with flow on impacts on borrowing and operating expenditure projections.	Regular monitoring of our capital programme progress, and adjustments to plans through the formal Annual Planning process.  Strong procurement processes ensuring the market can respond positively to opportunities.  Careful programme planning and monitoring, investing in internal capability, including that of Wellington Water Limited.  If unable to deliver the capital programme, Council will prioritise renewals work (to prevent asset failure and resulting service interruptions) and critically review the planned capital upgrade work programme including identifying opportunities for deferral of works.

Level of service

Assumption

For this 10-year plan we assume that the current demand for Council services and customer expectations regarding business-as-usual levels of service will not significantly change during the planning period beyond what is specifically planned for and identified in this 10-year plan. As a result, it is assumed that there will be no significant additional impact from level of service changes on asset requirements or operating expenditure.

Data source: N/A

Level of certainty: Low – it is highly likely that demand for Council service levels will change to some degree over the course of the next ten-years, however these changes are not currently predictable and as such not about to be built into the underlying assumptions of this long-term plan.

Key risks

Risk	Effect of risk	Mitigation
That there are significant changes in residents’ demand for services or levels of service beyond those planned in this plan.	If residents begin to expect a higher level of service than planned, then either Council will face unbudgeted additional cost to meet that higher level of service, or Council will be unable to meet changed resident expectations and would see a decrease in residents’ satisfaction with Council services.	The Council has defined service levels for its planned activities, which have been reviewed as part of the 10-year plan process.  The regular 3-year Long-term Planning cycle provides the opportunity for service levels to be regularly reassessed for changes in demand.

## Vested Assets

### Assumption

No vesting of assets is forecasted across this ten-year plan.

**Data source:** N/A

**Level of certainty:** Low

### Key risks

Risk	Effect of risk	Mitigation
That there will be assets vested thereby increasing the depreciation expense in subsequent years.	The level of vested assets fluctuates considerably from year to year and is unpredictable. The recognition of vested assets revenue in the Statement of Financial Performance is non-cash in nature and has no impact on rates. The financial effect of the uncertainty is assessed as low.	Annual review of the budget through the annual plan process.

Funding sources - asset divestment

Assumption

That some assets, including long-term ground leases for multiple sites will be divested. Any proceeds forecasted from asset divestment will be reinvested in accordance with our Treasury Management Policies unless otherwise directed by Council resolution. We have assumed sale proceeds from Wellington International Airport Limited (WIAL) shares of \$500m (based on the midrange valuation), with an \$8m cost for the sale. This leaves a starting fund balance of \$492m. We have also assumed \$50m in ground lease sales, spread over Years 5 to 10 of the LTP, with proceeds being invested in the Perpetual investment fund (PIF).

**Data source:** Sale of WIAL shares and ground leases for PIF – KPMG modelling.

**Level of certainty:** High – When considering the sale of ground leases, it is important to consider:

- Where the ground lease sits within the 21-year cycle
- Ground lessees’ ability to make an acceptable offer
- Impact on the parcel of land that the ground lease sits on
- Revenue stream that the ground lease provides
- Potential revenue from the sale of the ground lease

High – There is a risk that the sale proceeds from the sale of the WIAL share and ground leases is lower than assumed.

Key risks

Risk	Effect of risk	Mitigation
That the sale proceeds and rate of return is not achieved and/or we are unable to find buyers.	If the sale of long-term ground leases and WIAL shares are delayed or at a lower value, this may impact Council’s debt position and may lead to a breach of the proposed debt to revenue limits. This would also reduce the amount available to invest in the Perpetual investment fund.	Council’s Annual Planning process will review this assumption. We have used the midrange valuation for the sale of WIAL shares.

## Development Contributions

### Assumption

Revenue from Development Contributions is not materially different from that forecast in the LTP.

**Data source:** N/A

**Level of certainty:** Moderate – the level of Development Contribution revenue is broadly in line with actual levels of revenue over the previous three financial years. This LTP includes a review of the DC policy and supporting processes. The impact of the review will follow the adoption of the LTP.

### Key risks

Risk	Effect of risk	Mitigation
The level of development contributions collected, and the timing could result in insufficient income to cover the costs of required growth infrastructure.	If the level of development contribution income is less than forecasted, this would mean the debt is not paid off as quickly as planned, and therefore interest costs relating to this debt would be marginally higher than planned.	Council's Annual Planning process provides a process whereby reprioritisation of budget can be undertaken.

Availability of insurance

Assumption

The Council will maintain or increase its current level of insurance from all sources. This may include introduction of new sources. Council can currently fund 32% of the 1-1,000 year earthquake loss estimate.

**Data source:** Earthquake is considered to be the largest single risk for the Council asset portfolios. Earthquake loss estimates are used to assess the risk to the portfolio, subsequently informing strategic decisions to manage risk. The data for a 1-1,000 year event loss informs the amount of risk funding required and the excess risk accepted by Council.

Loss estimates are modelled by Aon and GNS – refer to earthquake risk assumption below.

**Level of certainty:** Low - traditional insurance capacity is increasingly squeezed as values, inflation and claims are elevated. Availability of alternative risk funding is currently unknown but under investigation.

Key risks

Risk	Effect of risk	Mitigation
That the financial loss to the assets in a major event is significantly greater than estimated.	An inability to adequately fund the assumed risk or actual losses exceeding estimated loss would mean that not all assets would be able to be repaired or replaced post a significant earthquake event.	The assumptions that drive the 1-1,000 year loss estimates will be updated using the new NSHM(2022) to ensure up-to-date asset information is understood.
That the increasing costs of holding insurance exceeds available budget.	Meeting increasing costs of insurance to maintain coverage would have direct impacts on rates and fees and user charges.	Incorporating resilience measures into our loss estimates will increase the certainty around the level of risk funding required. e.g. buildings that are base isolated and unlikely to take material damage.
	The chosen mix of risk funding methods does not meet Council's needs.	Council has prioritised resilience work in all asset portfolio's within the capital programme.
	Every additional \$10m of insurance cover has less than a 2% impact on rates.	Council Officers will also work on the “Insurance Roadmap”, which aims to instate alternative risk funding methods and improve Council’s post event outcomes.
		The Roadmap identifies a 3-6 year timeframe to fully understand and begin implementation of new strategies.

## Local Government Funding Act - Deed of Guarantee

### Assumption

Each of the shareholders of the LGFA is a party to a Deed of Guarantee, which provides a guarantee on the obligations of the LGFA and the other participating local authorities to the LGFA, in the event of default. Council assumes no default event occurring during this Long-Term Plan.

**Data source:** N/A

**Level of certainty:** High – Given the LGFA structure and the conservative nature of the financial covenants they place on all Councils, the level of certainty that there will not be a default event during the period of the LTP, in Council's view, is high.

The likelihood of a local authority borrower defaulting is extremely low and all of the borrowings by a local authority from the LGFA are secured by a rates charge.

### Key risks

Risk	Effect of risk	Mitigation
In the event of a default by the LGFA, each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each respective guarantor is set in relation to each guarantor's relative rates income.	Payment would be required by Wellington ratepayers for the relevant amount in default, for the most part via equity investments already held on behalf of Council by the LGFA.	The structure and makeup of the LGFA through the foundation documents sets out the protections and processes of guarantees and defaults. The LGFA Risk management committee, reporting framework, key performance indicators and variance at risk all mitigate the risk eventuating.  Council also maintains conservative internal policies to ensure we are not the council at risk of default. This is demonstrated in our recently reaffirmed AA+ rating from S&P.



Renewal of existing funding

Assumption

It is assumed that the Council will be able to renew existing borrowings on similar terms.

Data source: N/A

Level of certainty: High

Key risks

Risk	Effect of risk	Mitigation
That new borrowings cannot be accessed to fund future capital requirements.	Future capital programmes may be delayed, and the Council improvement programmes/infrastructure assets may not receive the required investment.	Council maintains internal policy settings that allow for prefunding up to 18 months to manage refinancing risk. Council issues long term funding that is well spread over multiple maturity dates to ensure intergenerational equity requirements as set out in the Local Government Act 2002 are being met.
	If funding is no longer available existing debt will need to be repaid, capital expenditure will cease, and the council would be at risk of default under lending agreements.	Council sources debt from the LGFA which has the highest possible credit rating available demonstrating strong management and governance practices in place. The LGFA is a very well run, risk averse organisation that has sound risk management practices in place to continue to fund the local government sector over the long term. Access to the LGFA will continue to be the most appropriate way for Council to fund its balance sheet.

## Weathertight homes

### Assumption

The Council will continue to spread the cost incurred by settling weathertight homes claims by funding claims from borrowings and spreading the rates funded repayment across a number of years. This 10-year plan assumes that the Council's weathertight homes liability will be fully settled by 2039 and the associated borrowing repaid over the 24-year period.

**Data source:** Actuarial Valuation of Weathertight Claims as at 30 June 2023

**Level of certainty:** High

### Key risks

Risk	Effect of risk	Mitigation
That the level of the claims and settlements is higher than provided for within the 10-year plan.	The weathertight homes liability is an actuarial calculation based on the best information currently available. The liability provided for within the Council's financial statements is \$24 million, a 1 percent change in this figure would equate to \$0.24 million.	N/A.

Earthquake risk

Assumption

The assumed risks of a significant earthquake are in line with Wellington lifelines planning and relate to likelihood of earthquakes at different scales on the Modified Mercalli intensity (MMI) scale. Likelihood captured in the table below.

MMI level	Average return period
MMI7	~30 years
MMI8	~120 years
MMI 9	~400 years
MMI 10	~1350 years

Data source: [Wellington Lifelines report 2019](#) and NZ NSHM ([gns.cri.nz](#))

Level of certainty: Low

Key risks

Risk	Effect of risk	Mitigation
That a significant event occurs during the period of the Long-Term Plan.  That the scale and impact of a significant event is much larger than anticipated.	The city is damaged to an extent that significantly impacts daily operation and liveability. If Council is unable to recover sufficiently or quickly enough to prevent long-term adverse effects on the population or local economy, Council’s income streams, may not support it’s commitments to repay debt.  The city is damaged significantly more than expected and recovery funding is inadequate to prevent adverse long-term effects.	Council holds insurance cover and debt provision to fund losses in a significant event. <ul style="list-style-type: none"><li>• Council is improving the resilience of its infrastructure and building portfolio.</li><li>• Council emergency response staff are regularly trained.</li><li>• Development in areas subject to natural hazard risk is restricted.</li><li>• Council regulates the remediation of earthquake prone buildings in the city.</li></ul>

## Local Government reform

### Assumption

That our current structure, role, and functions will continue, except where this has been clearly stated in the LTP. The range and nature of our services will remain unchanged. The Review into the Future for Local Government has published its final report, He piki tūranga, he piki kōtuku. The report poses 17 recommendations to shape a more community focused, citizen-centred local governance system. The report does not explicitly recommend the allocation of roles and functions between central and local government and notes that decisions relating to the allocation of roles and functions cannot be made without understanding how they will be funded, and whether local government has the capacity and expertise to carry them out.

#### Data source:

**Level of certainty:** High - while the Future for Local Government review recommends and discusses changes to what local government is and does, it is unlikely that any recommendations could take effect by 1 July 2024.

### Key risks

Risk	Effect of risk	Mitigation
<p>That the structure of Local Government will change, and the Council moves to unitary, combined or other governance model. Within ten years there may be significant changes to the boundaries of local government in our region.</p> <p>That central government will allocate or remove responsibility for services to local government, and/or the Regional Council will allocate responsibility for additional services or standards to local government in the Wellington Region that requires immediate addressing and affects our capacity to deliver.</p>	<p>Effect depends on the level of change. There could be significant restructuring, reorganisation or establishment costs incurred.</p> <p>There would be associated financial and rating changes as a consequence. Changes in the purpose and role of local government may have substantial impacts on budgets and financial forecasts and may require an amendment to the LTP.</p>	<p>A reorganisation process would take place over a sizeable period of time, this would allow the Council to fully prepare. The Council will proactively monitor and engage in discussions of this nature. We will continue to keep a watching brief on the local government sector and central government's response to the Future for Local Government review.</p>

Resource Management reform

Assumption

That during the life of this LTP, the Resource Management Act 1991 (RMA) will remain until new legislation is prepared. The Natural and Built Environment Act 2023 (NBA) and the Spatial Planning Act 2023 (SPA) were repealed in December 2023. The government has signalled an intent to introduce new resource management laws based on the enjoyment of property rights.

Data source: [Resource management system reform | Ministry for the Environment](#)

Level of certainty: Low – The new Government 100-day plan includes repeal of the Spatial Planning and Natural and Built Environment Act and introduction of a fast-track consenting regime.

Key risks

Risk	Effect of risk	Mitigation
That the resulting change in approach to resource management to a system based on the enjoyment of property rights, rather than sustainable management, requires significant changes to how Council undertakes planning and regulates land use and development.	There is uncertainty about the exact form that reform of resource management may take, however it is possible that a new District Plan (or equivalent) will need to be prepared to give effect to new legislation. This will require significant resourcing from Council, likely similar to the District Plan review process currently underway.	We will continue to keep a watching brief on the review and any resulting legislative changes.

# Significance and Engagement Policy – Summary

Wellington City Council is tasked with making decisions that reflect the views and preferences of its diverse communities. To ensure effective decision-making, the Council actively engages with its communities, using their input to guide its actions. This engagement is crucial for making informed decisions that consider the impact on all affected parties. The full policy is available on our website here: <https://wellington.govt.nz/your-council/plans-policies-and-bylaws/policies/significance-and-engagement-policy>

## Policy Objectives and Structure

The purpose of this policy is to outline how community engagement is integrated into the Council's decision-making processes, as required by the Local Government Act 2002. The policy covers four main areas:

- Determining significance: guidelines for assessing the significance of proposals and decisions.
- Decision-making process: detailed procedures for integrating community feedback into decisions.
- Engagement practices: determines how and to what extent communities will be engaged in decision-making.
- Strategic assets: a list of the Council's strategic assets and the criteria for managing them.

The Council reviews the Significance and Engagement Policy every three years or as needed.

## General Approach to Engagement

Consultation vs engagement:

- **Consultation** involves soliciting public feedback on specific proposals and is a component of broader engagement. The Council consults on significant decisions, adhering to the principles of section 82 of the Local Government Act.
- **Engagement** is a continuous process aimed at involving the community in decision-making, beyond just formal consultation.

For significant decisions, the Council uses a communication and engagement plan based on the International Association of Public Participation (IAP2) engagement spectrum. This ensures a structured and effective approach to gathering and integrating community input.

## How we will engage

### 1. Determining significance

The Council evaluates the significance of decisions based on:

- Importance to Wellington City: The impact on service levels, costs, and community resilience.
- Community Interest: Levels of public interest and potential controversy.
- Policy Consistency: Alignment with existing policies and strategies.
- Council Capacity and Capability: Financial and operational implications.

Decisions marked as "high" on two or more criteria are considered highly significant.

## 2. Decision-making processes

- High Significance Decisions: Typically included in the Long-term Plan (LTP) to ensure comprehensive community consultation and alignment with broader strategic goals.
- Out-of-Plan High Significance Decisions: Require a special consultative procedure and appropriate engagement, detailed in reports to the Council.
- Reporting: All decisions, especially those of high significance, must include statements addressing their significance and compliance with the policy and legal requirements.

## 3. Engagement practices

The Council strives for early and informed engagement using the IAP2 spectrum, which ranges from informing to empowering the community. Engagement practices include diverse channels like social media, public meetings, surveys, and direct interactions at community events. The Council works with various groups, including mana whenua, iwi, community organizations, and residents, ensuring their views are considered.

The special consultative procedure, legally required for certain high-impact decisions, involves public proposals, a minimum one-month feedback period, and opportunities for spoken interaction.

**Engagement with Māori:** The Council recognizes the unique status of Māori and works closely with mana whenua iwi to ensure their input is integral to decision-making, aligning with the Treaty of Waitangi obligations.

## 4. Strategic Assets

The policy lists strategic assets essential for the Council's long-term service provision, including infrastructure such as water supply systems, roading networks, and public facilities such as libraries and museums. Decisions affecting these assets require explicit provision in the LTP and thorough community consultation.

# Wāhanga 2: te reo to come

## Section 2: Detailed financial information and policies

### In this section

#### Te reo to come

This section includes our Financial statements, key financial policies, indicative rates tables and other financial information that forms how we will pay for our plan, where the money will go and come from and who pays for our services.



## Forecast financial statements

### Prospective Statement of Comprehensive Revenue and Expense

	2023/24 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Revenue</b>											
Rates	481,110	565,716	633,644	701,560	767,354	813,303	854,468	904,969	946,631	989,645	1,043,140
Revenue from operating activities:											
Development contributions	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Grants, subsidies and reimbursements	184,634	202,665	221,578	121,131	81,279	71,323	65,440	57,163	59,509	59,262	59,496
Other operating activities	174,811	189,916	197,743	205,085	206,208	213,381	218,040	224,347	230,645	236,515	242,456
Investments revenue	22,427	21,867	26,719	31,794	35,764	39,305	43,817	45,891	46,878	47,956	49,534
Vested assets and other revenue	2,063	1,700	3,265	2,294	1,278	1,304	1,329	3,050	2,532	1,405	1,430
Fair value movements - gains	13,883	7,557	5,938	6,478	6,747	6,527	6,059	5,856	5,658	5,463	5,463
Finance revenue	13	100	102	104	69	71	111	113	115	76	77
Gains on sale of investments in associates	-	-	-	474,225	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>882,441</b>	<b>993,021</b>	<b>1,092,489</b>	<b>1,546,171</b>	<b>1,102,199</b>	<b>1,148,714</b>	<b>1,192,764</b>	<b>1,244,889</b>	<b>1,295,468</b>	<b>1,343,822</b>	<b>1,405,096</b>
<b>Expense</b>											
Finance expense	60,972	72,264	74,702	84,146	91,475	98,393	105,529	112,888	123,537	124,926	126,776
Expenditure on operating activities	560,161	617,876	631,488	651,798	685,736	699,302	720,374	745,485	773,645	798,991	829,610
Depreciation and amortisation expense	196,468	222,314	245,230	272,660	306,818	338,386	365,050	395,757	413,145	436,224	471,118
<b>Total expense</b>	<b>817,601</b>	<b>912,454</b>	<b>951,420</b>	<b>1,008,604</b>	<b>1,084,029</b>	<b>1,136,081</b>	<b>1,190,953</b>	<b>1,254,130</b>	<b>1,310,327</b>	<b>1,360,141</b>	<b>1,427,504</b>
<b>Net surplus/(deficit) for the year</b>	<b>64,840</b>	<b>80,567</b>	<b>141,069</b>	<b>537,567</b>	<b>18,170</b>	<b>12,633</b>	<b>1,811</b>	<b>(9,241)</b>	<b>(14,859)</b>	<b>(16,319)</b>	<b>(22,408)</b>
<b>Other comprehensive income</b>											
Fair value movement - property, plant and equipment (net)	-	206,393	219,263	715,515	270,910	350,504	864,634	315,952	441,882	1,033,112	345,201
Share of equity accounted surplus from associates	-	-	-	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>206,393</b>	<b>219,263</b>	<b>715,515</b>	<b>270,910</b>	<b>350,504</b>	<b>864,634</b>	<b>315,952</b>	<b>441,882</b>	<b>1,033,112</b>	<b>345,201</b>
<b>Total comprehensive income for the year</b>	<b>64,840</b>	<b>286,960</b>	<b>360,332</b>	<b>1,253,082</b>	<b>289,080</b>	<b>363,137</b>	<b>866,445</b>	<b>306,711</b>	<b>427,023</b>	<b>1,016,793</b>	<b>322,793</b>

## Prospective Statement of Financial Position

	2023/24 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents	40,330	41,916	44,110	47,850	41,418	46,201	43,902	42,676	44,085	41,994	47,203
Derivative financial assets	-	-	-	-	-	-	-	-	-	-	-
Receivables and recoverables	87,324	97,445	102,867	108,605	112,219	117,394	121,585	126,941	132,021	137,115	142,971
Prepayments	22,426	20,329	20,877	21,700	22,945	23,418	24,200	25,185	26,193	27,245	28,341
Other financial assets	205,716	347,500	336,500	416,000	395,000	408,000	419,000	429,000	441,000	437,000	434,000
Inventories	944	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>356,740</b>	<b>508,203</b>	<b>505,367</b>	<b>595,168</b>	<b>572,595</b>	<b>596,026</b>	<b>609,700</b>	<b>624,815</b>	<b>644,312</b>	<b>644,367</b>	<b>653,528</b>
<b>Non current assets</b>											
Derivative financial assets	-	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984
Other financial assets	87,488	62,604	68,555	566,302	569,107	581,717	594,150	606,279	618,998	628,057	627,470
Intangibles	50,832	44,745	45,531	43,505	40,677	37,523	36,319	34,882	33,524	32,055	30,614
Investment properties	308,427	287,169	293,107	299,585	306,332	302,859	298,918	294,774	290,432	285,895	291,358
Property, plant and equipment	11,029,147	11,763,613	12,343,659	13,230,356	13,644,601	14,082,183	15,026,064	15,399,840	15,915,537	16,880,699	17,175,475
Investment in controlled entities	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998
Investment in associates and joint venture	19,474	19,384	19,384	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609
<b>Total non current assets</b>	<b>11,501,366</b>	<b>12,256,497</b>	<b>12,849,218</b>	<b>14,220,339</b>	<b>14,641,308</b>	<b>15,084,873</b>	<b>16,036,042</b>	<b>16,416,366</b>	<b>16,939,082</b>	<b>17,907,297</b>	<b>18,205,508</b>
<b>Total assets</b>	<b>11,858,106</b>	<b>12,764,700</b>	<b>13,354,585</b>	<b>14,815,507</b>	<b>15,213,903</b>	<b>15,680,899</b>	<b>16,645,742</b>	<b>17,041,181</b>	<b>17,583,394</b>	<b>18,551,664</b>	<b>18,859,036</b>
<b>Liabilities</b>											
<b>Current liabilities</b>											
Derivative financial liabilities	260	-	-	-	-	-	-	-	-	-	-
Exchange transactions and transfers payable	112,631	161,928	154,555	133,311	131,437	130,753	132,354	135,800	142,034	131,276	138,750
Deferred revenue	20,855	21,741	22,637	23,477	23,606	24,427	24,960	25,682	26,403	27,075	27,755
Borrowings	204,816	267,500	256,500	336,000	315,000	328,000	339,000	349,000	361,000	357,000	354,000
Employee benefit liabilities and provisions	13,364	12,747	12,852	13,021	13,342	13,601	13,746	13,976	14,242	14,353	14,767
Provisions for other liabilities	3,756	3,435	3,142	2,806	2,277	2,522	2,169	2,147	2,216	1,858	1,592
<b>Total current liabilities</b>	<b>355,682</b>	<b>467,351</b>	<b>449,686</b>	<b>508,615</b>	<b>485,662</b>	<b>499,303</b>	<b>512,229</b>	<b>526,605</b>	<b>545,895</b>	<b>531,562</b>	<b>536,864</b>
<b>Non current liabilities</b>											

	2023/24 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
Derivative financial liabilities	523	-	-	-	-	-	-	-	-	-	-
Exchange transactions and transfers payable	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,591,343	1,942,363	2,191,400	2,341,789	2,474,994	2,566,398	2,652,713	2,727,879	2,824,659	2,791,003	2,770,524
Employee benefit liabilities and provisions	1,185	1,064	1,073	1,087	1,114	1,136	1,148	1,167	1,189	1,199	1,233
Provisions for other liabilities	27,802	28,395	26,567	25,075	24,112	22,904	22,049	21,216	20,314	19,770	19,492
<b>Total non current liabilities</b>	<b>1,620,853</b>	<b>1,971,822</b>	<b>2,219,040</b>	<b>2,367,951</b>	<b>2,500,220</b>	<b>2,590,438</b>	<b>2,675,910</b>	<b>2,750,262</b>	<b>2,846,162</b>	<b>2,811,972</b>	<b>2,791,249</b>
<b>Total liabilities</b>	<b>1,976,535</b>	<b>2,439,173</b>	<b>2,668,726</b>	<b>2,876,566</b>	<b>2,985,882</b>	<b>3,089,741</b>	<b>3,188,139</b>	<b>3,276,867</b>	<b>3,392,057</b>	<b>3,343,534</b>	<b>3,328,113</b>
<b>Net assets</b>	<b>9,881,571</b>	<b>10,325,527</b>	<b>10,685,859</b>	<b>11,938,941</b>	<b>12,228,021</b>	<b>12,591,158</b>	<b>13,457,603</b>	<b>13,764,314</b>	<b>14,191,337</b>	<b>15,208,130</b>	<b>15,530,923</b>
<b>Equity</b>											
Accumulated funds and retained earnings	5,159,690	5,195,111	5,336,176	5,873,741	5,891,907	5,904,538	5,906,342	5,897,095	5,882,230	5,865,908	5,843,493
Revaluation reserves	4,637,773	5,031,193	5,250,456	5,965,971	6,236,881	6,587,385	7,452,019	7,767,971	8,209,853	9,242,965	9,588,166
Hedging reserve	57,624	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180
Fair value through other comprehensive income and expense reserve	6,854	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889
Restricted funds	19,630	19,154	19,158	19,160	19,164	19,166	19,173	19,179	19,185	19,188	19,195
<b>Total equity</b>	<b>9,881,571</b>	<b>10,325,527</b>	<b>10,685,859</b>	<b>11,938,941</b>	<b>12,228,021</b>	<b>12,591,158</b>	<b>13,457,603</b>	<b>13,764,314</b>	<b>14,191,337</b>	<b>15,208,130</b>	<b>15,530,923</b>

## Prospective Statement of Changes in Equity

	2023/24 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Equity - opening balances</b>											
Accumulated funds and retained earnings	5,094,854	5,114,549	5,195,111	5,336,176	5,873,741	5,891,907	5,904,538	5,906,342	5,897,095	5,882,230	5,865,908
Revaluation reserves	4,637,773	4,824,800	5,031,193	5,250,456	5,965,971	6,236,881	6,587,385	7,452,019	7,767,971	8,209,853	9,242,965
Hedging reserve	57,624	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180
Fair value through other comprehensive revenue and expense reserve	6,854	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889
Restricted funds	19,626	19,149	19,154	19,158	19,160	19,164	19,166	19,173	19,179	19,185	19,188
<b>Total Equity - opening balances</b>	<b>9,816,731</b>	<b>10,038,567</b>	<b>10,325,527</b>	<b>10,685,859</b>	<b>11,938,941</b>	<b>12,228,021</b>	<b>12,591,158</b>	<b>13,457,603</b>	<b>13,764,314</b>	<b>14,191,337</b>	<b>15,208,130</b>
<b>Changes in Equity</b>											
<b>Retained earnings</b>											
Net surplus/(deficit) for the year	64,840	80,567	141,069	537,567	18,170	12,633	1,811	(9,241)	(14,859)	(16,319)	(22,408)
Transfer to restricted funds	(19)	(3,671)	(3,547)	(3,579)	(3,613)	(3,642)	(3,678)	(3,708)	(3,740)	(3,768)	(3,803)
Transfer from restricted funds	15	3,666	3,543	3,577	3,609	3,640	3,671	3,702	3,734	3,765	3,796
Transfer from revaluation reserves	-	-	-	-	-	-	-	-	-	-	-
Transfer to revaluation reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Revaluation reserves</b>											
Fair value movement - property, plant and equipment - net	-	206,393	219,263	715,515	270,910	350,504	864,634	315,952	441,882	1,033,112	345,201
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
<b>Hedging reserve</b>											
Movement in hedging reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Fair value through other comprehensive revenue and expense reserve</b>											
Movement in fair value	-	-	-	-	-	-	-	-	-	-	-
<b>Restricted Funds</b>											
Transfer to retained earnings	19	(3,666)	(3,543)	(3,577)	(3,609)	(3,640)	(3,671)	(3,702)	(3,734)	(3,765)	(3,796)
Transfer from retained earnings	(15)	3,671	3,547	3,579	3,613	3,642	3,678	3,708	3,740	3,768	3,803
<b>Total comprehensive revenue and expense</b>	<b>64,840</b>	<b>286,960</b>	<b>360,332</b>	<b>1,253,082</b>	<b>289,080</b>	<b>363,137</b>	<b>866,445</b>	<b>306,711</b>	<b>427,023</b>	<b>1,016,793</b>	<b>322,793</b>
<b>Net Equity - Closing Balances</b>											
Accumulated funds and retained earnings	5,159,690	5,195,111	5,336,176	5,873,741	5,891,907	5,904,538	5,906,342	5,897,095	5,882,230	5,865,908	5,843,493
Revaluation reserves	4,637,773	5,031,193	5,250,456	5,965,971	6,236,881	6,587,385	7,452,019	7,767,971	8,209,853	9,242,965	9,588,166

Hedging reserve	57,624	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180
Fair value through other comprehensive revenue and expense reserve	6,854	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889
Restricted funds	19,630	19,154	19,158	19,160	19,164	19,166	19,173	19,179	19,185	19,188	19,195
Total Equity - closing balances	9,881,571	10,325,527	10,685,859	11,938,941	12,228,021	12,591,158	13,457,603	13,764,314	14,191,337	15,208,130	15,530,923

## Prospective Statement of Cash Flows

	2023/24 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash flows from operating activities</b>											
Receipts from rates - Council	480,105	563,121	631,011	698,439	764,140	810,685	851,938	901,861	943,796	986,643	1,039,401
Receipts from rates - Greater Wellington Regional Council	101,033	118,255	132,512	146,673	160,469	170,244	178,907	189,390	198,198	207,195	218,274
Receipts from rates - Sludge Levy	-	7,821	15,781	24,261	32,522	32,663	33,392	33,536	33,892	35,808	36,113
Receipts from activities and other revenue	171,568	187,982	198,324	205,810	208,466	214,199	219,491	225,426	231,751	237,750	243,698
Receipts from grants and subsidies - Operating	19,599	18,858	16,388	16,189	15,987	15,873	16,094	16,451	16,830	17,214	17,595
Receipts from grants and subsidies - Capital	43,168	187,807	210,730	109,484	68,791	58,950	52,846	45,908	47,331	45,549	45,401
Receipts from investment property lease rentals	11,527	11,467	11,710	11,968	12,220	12,464	12,701	12,943	13,189	13,426	13,668
Cash paid to suppliers and employees	(463,245)	(625,474)	(579,740)	(614,231)	(628,680)	(646,463)	(666,652)	(689,175)	(714,069)	(756,274)	(767,672)
Rates paid to Greater Wellington Regional Council	(101,033)	(118,255)	(132,512)	(146,673)	(160,469)	(170,244)	(178,907)	(189,390)	(198,198)	(207,195)	(218,274)
Rates paid to Sludge Finance LP	-	(7,821)	(15,781)	(24,261)	(32,522)	(32,663)	(33,392)	(33,536)	(33,892)	(35,808)	(36,113)
Grants paid	(59,321)	(56,450)	(61,677)	(61,279)	(61,318)	(54,677)	(53,954)	(54,455)	(54,896)	(55,308)	(55,656)
Net GST (paid) / received	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash flows from operating activities</b>	<b>203,401</b>	<b>287,311</b>	<b>426,746</b>	<b>366,380</b>	<b>379,606</b>	<b>411,031</b>	<b>432,464</b>	<b>458,959</b>	<b>483,932</b>	<b>489,000</b>	<b>536,435</b>
<b>Cash flows from investing activities</b>											
Dividends received	10,900	10,400	15,009	19,826	23,545	26,841	31,116	32,948	33,689	34,530	35,866
Interest received	13	100	102	104	69	71	111	113	115	76	77
Proceeds from sale of investment properties	-	-	-	-	-	10,000	10,000	10,000	10,000	10,000	-
Proceeds from sale of intangibles	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	9,834	19,410	5,620	9,400	2,000	9,990	2,000	2,000	2,000	2,000	2,000
Proceeds from sale of investments	-	-	-	492,000	-	-	-	-	-	-	-
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of investment properties	-	-	-	-	-	-	-	-	-	-	-
Purchase of intangibles	(3,062)	(11,070)	(9,082)	(4,927)	(4,741)	(4,836)	(4,984)	(5,079)	(5,324)	(5,280)	(5,375)
Purchase of property, plant and equipment	(454,794)	(705,897)	(599,536)	(532,785)	(427,642)	(444,325)	(454,792)	(462,445)	(498,246)	(359,835)	(413,539)
Purchase of investments	-	-	-	(492,000)	-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	-
<b>Net cash flows from investing activities</b>	<b>(437,109)</b>	<b>(687,057)</b>	<b>(587,887)</b>	<b>(508,382)</b>	<b>(406,769)</b>	<b>(412,259)</b>	<b>(426,549)</b>	<b>(432,463)</b>	<b>(467,766)</b>	<b>(328,509)</b>	<b>(380,971)</b>

	2023/24 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash flows from financing activities</b>											
New borrowings	521,570	737,844	494,537	565,888	427,206	432,404	436,315	434,166	469,780	319,344	330,521
Repayment of borrowings	(204,816)	(267,500)	(256,500)	(336,000)	(315,000)	(328,000)	(339,000)	(349,000)	(361,000)	(357,000)	(354,000)
Interest paid on borrowings	(60,972)	(72,264)	(74,702)	(84,146)	(91,475)	(98,393)	(105,529)	(112,888)	(123,537)	(124,926)	(126,776)
<b>Net cash flows from financing activities</b>	<b>255,782</b>	<b>398,080</b>	<b>163,335</b>	<b>145,742</b>	<b>20,731</b>	<b>6,011</b>	<b>(8,214)</b>	<b>(27,722)</b>	<b>(14,757)</b>	<b>(162,582)</b>	<b>(150,255)</b>
Net increase/(decrease) in cash and cash equivalents	22,074	(1,666)	2,194	3,740	(6,432)	4,783	(2,299)	(1,226)	1,409	(2,091)	5,209
Cash and cash equivalents at beginning of year	18,257	43,582	41,916	44,110	47,850	41,418	46,201	43,902	42,676	44,085	41,994
<b>Cash and cash equivalents at end of year</b>	<b>40,331</b>	<b>41,916</b>	<b>44,110</b>	<b>47,850</b>	<b>41,418</b>	<b>46,201</b>	<b>43,902</b>	<b>42,676</b>	<b>44,085</b>	<b>41,994</b>	<b>47,203</b>

## Prospective Statement of Changes in Restricted / Reserve Funds

	Opening balance			Closing balance	
	2023/24 \$000	Deposits \$000	Expenditure \$000	2033/34 \$000	Purpose
<b>Special reserves and funds</b>					
Reserve purchase and development fund	782	-	-	782	
City growth fund	3,591	20,070	(20,070)	3,591	
Insurance reserve	14,262	16,483	(16,483)	14,262	Allows the Council to meet the uninsured portion of insurance claims
<b>Total special reserves and funds</b>	<b>18,635</b>	<b>36,553</b>	<b>(36,553)</b>	<b>18,635</b>	
Trusts and bequests	514	196	(150)	560	
<b>Total restricted funds</b>	<b>19,149</b>	<b>36,749</b>	<b>(36,703)</b>	<b>19,195</b>	

## Summary of significant accounting policies

### Reporting entity

Wellington City Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA 2002) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA 2002 and the Local Government (Rating) Act 2002.

The primary purpose of the Council is to provide goods or services for community or social benefits rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity (PBE) for financial reporting purposes.

These prospective financial statements are for the Council as a separate legal entity and have been prepared for the period from 1 July 2024 to 30 June 2034. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Subsequent actual results may differ from these estimates and these variations may be material.

### Basis of preparation

#### Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the LGA 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements.

The prospective financial statements have been prepared to comply with Public Benefit Entity Accounting Standards (PBE Accounting Standards) for a Tier 1 entity.

The reporting period for these prospective financial statements is the 10-year period ending 30 June 2034. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

These prospective financial statements were adopted by the Council for issue on 27 June 2024, as part of the assumptions that form the Long-term Plan 2024-34. The Council is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures. The Long-term Plan is a forecast and as such contains no actual operating results.

Consolidated prospective financial statements comprising the Council and its controlled entities, joint ventures and associates have not been prepared.



### Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate.

### Foreign currency balances and transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### Comparative information

Comparative information from the 2023/24 Annual Plan adopted by the Council on 29 June 2023 has been provided as a comparator for these prospective financial statements. The closing balance in this comparative differs from the opening position used to prepare these prospective financial statements which is based on the most up-to-date forecast information.

### Goods and services tax (GST)

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

### Judgements and estimations

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Long-term Plan.

The preparation of prospective financial statements using PBE accounting standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the section on "Significant forecasting assumptions".

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

## Revenue

Revenue comprises rates, revenue from operating activities, investment revenue, fair value gains, finance revenue and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

### Revenue from exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's-length transaction (primarily in the form of cash in exchange).

### Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from a non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received. An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

### Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's-length commercial transaction between a willing buyer and willing seller. Some goods or services that the Council provides (for example, the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by the Council operate on a full user pays, cost recovery or breakeven basis and these are considered to be exchange transactions unless they are provided at less than active and open market prices.

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

Specific accounting policies for major categories of revenue are outlined below:

### **Rates**

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government Rating Act 2002 and are therefore defined as non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate. However, as the water rates are primarily charged on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction. Revenue from water rates by meter is recognised on an accrual basis based on usage.

#### **Revenue from operating activities**

Revenue from operating activities is generally measured at the fair value of consideration received or receivable.

The Council undertakes various activities as part of its normal operations which generates revenue, but generally at below-market prices or at fees and user charges subsidised by rates.

The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

- **Grants, subsidies and reimbursements**

Grants, subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the monies will be received and all attached conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (for example, Waka Kotahi NZ Transport Agency roading claim payments) are recognised upon entitlement, which is when conditions relating to the eligible expenditure have been fulfilled.

- **Development contributions**

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Until such time as the Council provides, or is able to provide the service, development contributions are recognised as liabilities.

- **Rendering of services**

Revenue from rendering of services that are exchange transactions, is recognised by reference to the stage of completion of the transaction at the reporting date. Revenue from the rendering of services where the service provided is non-exchange, is recognised when the transaction occurs to the extent that a liability is not

- **Fines and penalties**

Revenue from fines and penalties (e.g. traffic and parking infringements) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. The fair value of parking related fines is determined as the amounts due, less an allowance for expected credit losses (ECL).

- **Sale of goods**

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

#### **Investment revenues**

- **Dividends**

Dividends from equity investments are classified as exchange revenue and are recognised when the Council's right to receive payment has been established.

- **Investment property lease rentals**

Lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

### **Fair value gains**

Fair value gains largely reflect the increase in the fair value of investment properties.

### **Other revenue**

- **Donated, subsidised or vested assets**

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

- **Gains**

Gains include additional earnings from the disposal of property, plant and equipment.

- **Donated services**

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (for example, beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these prospective financial statements.

### **Finance revenue**

- **Interest**

Interest revenue is recognised using the effective interest rate method. All interest revenue is recognised in the period in which it is earned.

## **Expenses**

Specific accounting policies for major categories of expenditure are outlined below:

### **Operating activities**

#### **Grants and sponsorships**

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (for example, cash or physical assets) to another entity or individual in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a

funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations that are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

#### **Cost allocation**

Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

#### **Research and Development**

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

#### **Finance expense**

##### **Interest on borrowings**

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

##### **Re-discounting of interest**

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date).

#### **Depreciation and amortisation**

##### **Depreciation**

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, investment properties and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life.

#### Estimated useful lives of property, plant and equipment assets

Asset category	Estimated useful life (years)
<b>Operational assets</b>	
Land	Unlimited
Buildings:	
Structure	2-100
Roof	3-40
Interior	3-45
Services	2-40
Civic Precinct	5-66
Plant and equipment	5-100
Library collection	3-10
<b>Infrastructure assets</b>	
Land (including land under roads	Unlimited
Roading:	
Road pavement	10-46
Retaining / sea walls	5-198
Kerb and channel	5-36
Structures – other sea defences	100-250
Tunnels – structure and services	55-250
Bridges	5-104
Drainage, waste and water:	
Pipes	30-52
Reservoirs	30-140
Pump stations	48-91
Fittings	31-56
<b>Restricted assets (excluding buildings)</b>	<b>Unlimited</b>

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill utilised.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its estimated useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised.

#### Estimated useful lives of intangible assets

Asset category	Estimated useful life (years)
Computer software	2-11

## Income tax

The Council, as a local authority, is only liable for income tax on the surplus or deficit for the year derived from any Council-controlled trading organisations and comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

## Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash on hand, and short-term bank deposits of up to 3 months at acquisition.

Although cash and cash equivalents at balance date are subject to the expected credit loss requirements of PBE IPSAS 41 – Financial Instruments, no loss allowance is recognised because the estimated allowance is trivial.

## Financial instruments

Financial instruments are initially recognised on trade-date at their fair value plus transaction costs unless they are financial assets designated as fair value through surplus or deficit, in which case transaction costs are recognised in the surplus or deficit. Subsequent measurement of financial instruments depends on the classification determined by cash flow characteristics and the Council's management model.

### Financial Assets

Financial assets are classified as either: amortised cost, fair value through surplus or deficit, or fair value through other comprehensive revenue and expense.

#### **(a) Amortised cost**

Financial assets classified at amortised cost comprises cash and cash equivalents, receivables, recoverables and loans and deposits.

- Receivables and recoverables have fixed or determinable payments. They arise when the Council provides money, goods or services directly to a debtor, and has no intention of trading the receivable or recoverable.
- Loans and deposits include loans to other entities (including controlled entities and associates), and bank deposits with maturity dates of more than three months at acquisition.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method less any expected credit losses. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Receivables or recoverables due in less than 12 months are recognised at their nominal value.

**(b) Financial assets at fair value through surplus or deficit**

Financial assets classified at fair value through surplus or deficit comprise LGFA borrower notes, which are subsequently revalued through surplus or deficit, as LGFA has the ability to repay the investment before the original maturity date.

**(c) Financial assets at fair value through other comprehensive revenue and expense**

Financial assets classified at fair value through other comprehensive revenue and expense primarily relate to equity investments that are held by the Council for long-term strategic purposes and therefore are not intended to be sold. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within the surplus or deficit.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

**Financial Liabilities**

Financial liabilities include payables under exchange transactions, transfers, taxes and borrowings. Financial liabilities with a duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within the surplus or deficit. Financial liabilities with a duration of less than 12 months are recognised at their nominal value. On disposal any gains or losses are recognised within the surplus or deficit.

**Derivatives**

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council's operational activities and interest rate risks arising from the Council's financing activities. In accordance with its Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

**Cash flow hedges**



The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of “finance costs”.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swaps match the terms of the fixed rate loan (ie. Notional amount, maturity, payment and reset dates). At inception of the hedge relationship the Council documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The documentation includes its risk management objective and strategy for undertaking its hedged transactions.

Derivatives in hedge relationships are designated based on a hedge ratio up to 1:1. The Council does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. To test the hedge effectiveness, the Council uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

#### **Hedge ineffectiveness**

Hedge ineffectiveness in a hedge relationship can arise from:

- Differences in the timing of cash flows of the hedged items and hedging instruments.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

#### **Receivables and recoverables**

##### Expected credit losses

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables. Lifetime ECL result from all possible default events over the expected life of a receivable. The Council uses a provision matrix based on historical credit loss information upon initial recognition of a receivable, using reasonable assumptions and any available customer information.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

- **Rates receivable**

The Council does not provide for ECL on rates receivable, except for abandoned properties where the debt is greater than 10 years past due and the likelihood of recovery is assessed to be remote. For all other rates receivables, Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances.

- **Other receivables**

In measuring ECL, all receivables have been grouped based on shared risk characteristics and the days overdue. The ECL rates for other receivables are based on the payment profile of revenue on credit over the prior three years at balance date. A provision matrix is then established based on historical, current and forward-looking information specific to each class of debtors and the macroeconomic environment affecting the ability of customers to settle their debt.

## Investment properties

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within the surplus or deficit. Investment properties are not depreciated.

The basis of valuation varies depending on the nature of the lease. For sites that are subject to a terminating lease the approach is to assess the value of the lease revenue over the remaining term of the lease and add the residual value of the land at lease expiry.

For sites subject to perpetually renewable leases, values have been assessed utilising the discounted cash flow methodology and arriving at a net present value of all future anticipated gross lease payments.

Borrowing costs incurred during the construction of investment property are not capitalised.

Certain ground leases on the waterfront and within the central city have, for accounting purposes, been treated as sold assets due to the very long-term nature of the lease and peppercorn rentals.

At a future point in time, prior to the asset being returned to the Council ownership, the Council will begin to incrementally re-recognise the value of the asset. The amortisation of the estimated future value will reflect the prevalent economic situation and will be more relevant in terms of both the estimated value and materiality.

## Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment losses on initial classification are included within the surplus or deficit.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

A non-current asset is classified as held for sale where:

- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.
- a plan to sell the asset is in place and an active programme to locate a buyer has been initiated.
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- the sale is expected to occur within one year or beyond one year where a delay has occurred that is caused by events beyond the Council's control and there is sufficient evidence the Council remains committed to sell the asset; and
- actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

## Property, plant and equipment

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

**Operational assets** include land, buildings, landfill post-closure asset, Civic Precinct, library collection, plant and equipment.

**Restricted assets** include art and cultural assets, restricted buildings, parks and reserves and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** include the roading network, drainage, water and waste reticulation networks, service concession assets and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

**Heritage assets** are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council recognises these assets within these prospective financial statements to the extent their value can be reliably measured.

**Vested assets** are those assets where ownership and control are transferred to the Council from a third party (for example, infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

### Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

### Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (for example, vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight-line depreciation applied to bring the replacement cost to a fair value.

Specific measurement policies for categories of property, plant and equipment are shown below:

#### **(a) Library Collections**

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in Valuation Guidance for Cultural and Heritage Assets, published by The Treasury Accounting Policy Team, November 2002.

#### **(b) Operational Land and Buildings**

Operational land and buildings are valued at fair value on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Where the information is available, land and buildings are valued based on market evidence. Most of the Council's land and buildings are of a 'non-tradeable' or specialist nature and the value is based on the fair value of the land plus the optimised depreciated replacement cost of the buildings. For earthquake prone buildings that are expected to be strengthened, the estimated cost to strengthen the building has been deducted from the optimised depreciated replacement cost. Non-specialised properties that comprise the City Housing portfolio have been valued on a market-based approach with the associated land value being established through analysis of sales and market evidence.

#### **(c) Restricted assets**

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by an independent registered valuer. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

**(d) Infrastructure assets**

Infrastructure assets (the roading network, drainage, water and waste reticulation networks including service concession arrangement assets (wastewater treatment plants)) are valued at optimised depreciated replacement cost on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Infrastructure valuations are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued at fair value on a regular basis or, whenever the carrying amount differs materially to fair value, by an independent registered valuer.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50 percent to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

**(e) Other assets**

Plant and equipment and the Civic Precinct are measured at historical cost and not revalued.

**Revaluations**

The result of any revaluation of the Council's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within the surplus or deficit will be recognised firstly, within the surplus or deficit up to the amount previously expensed, with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Any impairment in a revalued class of asset is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example, where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

### Impairment

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets. Property, plant and equipment assets, measured at fair value, are not required to be reviewed and tested for impairment.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within the surplus or deficit unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within the surplus or deficit unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

### Disposal

Gains and losses on disposals are determined by comparing the proceeds from sale with the carrying amount of the asset. Gains and losses on disposal are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### Work in progress

Work in progress represents the cost of capital expenditure projects that are not yet capable for use in the manner intended by management. The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and is then subject to depreciation/amortisation.

## **Intangible assets**

Intangible assets predominately comprise computer software and carbon credits.

### Computer software

Acquired computer software is measured on initial recognition at the costs to acquire and bring to use and subsequently less any amortisation and impairment losses.

### Carbon credits

Carbon credits comprise either allocations of emission allowances granted by the Crown related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits allocated as a non-exchange transaction are initially recognised at fair value, which then becomes the deemed cost. Carbon credits that are purchased are recognised at cost.

Gains and losses arising from disposal of intangible assets are recognised within the surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within the surplus or deficit.

### Deferred revenue

#### Liabilities recognised under conditional transfer agreements

The Council receives non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they were not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

### Borrowings

Borrowings on normal commercial terms are initially recognised at amortised cost. Interest due on the borrowings is subsequently accrued. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### Leases

#### Operating leases as lessee

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within the surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

#### Operating leases as lessor

The Council leases investment properties and a portion of land and buildings. Rental revenue is recognised on a straight-line basis over the lease term.

## Employee benefit liabilities

A provision for employee benefit liabilities (holiday leave, retirement gratuities and other contractual provisions) is recognised as a liability when benefits are earned but not paid.

### Holiday leave

Holiday leave includes annual leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

## Provisions for other liabilities

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

## Contingent assets and liabilities

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident.

Contingent assets are disclosed if it is probable the benefits will be realised.

Contingent liabilities are disclosed if the possibility they will crystallise is not remote.

## Net assets/equity

Net assets or equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Net assets or equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the Council.

The components of net assets or equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive revenue and expense reserve and restricted funds (special funds, reserve funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

## Prospective statement of cash flows

Cash and cash equivalents for the purposes of the cash flow statement comprise cash at bank, cash on hand, and short-term bank deposits of up to 3 months at acquisition. The prospective statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows.



Cash flows in respect of investments and borrowings that have been rolled over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial and non-investing activity revenue sources of the Council and record the cash payments made for the supply of goods and services.

Investing activities relate to the acquisition and disposal of assets and investment revenue.

Financing activities relate to activities that change the equity and debt capital structure of the Council and financing costs.

### **Related parties**

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (controlled entities, associates and joint ventures) and key management personnel. Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive, and all members of the Executive Leadership Team, being key advisors to the Council and Chief Executive.

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[Summary accounting policies FINAL.docx](#)

## Balanced budget statement

The Council maintains a balanced budget for the first five years of the Long-term Plan. For years six to ten there is a minor imbalance where either operating costs are funded through debt, or where the depreciation has not been fully funded by rates.

There are situations where some operating expenditure is financed by debt initially and subsequently that debt is repaid by rates over time. Examples of this would be where the benefit of that expenditure occurs over multiple years (e.g., grant funding for a long-term asset owned by another entity). For depreciation that is not fully funded by rates, an example is where due to the revaluation of our water infrastructure assets on 30 June 2022, which saw a significant increase in the value of our water assets, it was decided to not fully fund the depreciation.

We are also forecasting to not fund depreciation costs on some of our other assets which are unlikely to be replaced. While the Council is forecasting a balanced budget in the first five years of the Long-term Plan, it is important to note the Council is recognising significant revenue in those years to fund the sludge minimisation project. If this funding was not included, the Council would not be setting a balanced budget for those years of the plan.

Refer to Balanced Budget Benchmark in the Financial Strategy under Local Government (Financial Reporting and Prudence) Regulations 2014 Disclosures.

## Rating Policy

Rates fund local government activities. The purpose of the Rating Policy is:

- To clarify how properties are categorised for rating purposes.
- To provide guidance on how Council allocates its rates requirements across differing property categories.
- To provide information to ratepayers about their rates.
- To establish clarity, certainty, and stability in allocating rates.
- To assist in setting rates lawfully, meeting the requirements of the Local Government Act 2002 (LGA 2002), the Local Government (Rating) Act 2002 (LGRA 2002) and the Rating Valuation Act 1998 (RVA 1998).

The Rating policy should be read in conjunction with the Revenue and Financing Policy, the Funding Impact Statement, the Rates Resolution and Rates Remission and Postponement Policies. These are all included in this volume of the Long-term Plan.

## Rating Units & Property Values

### Rating Units

The unit of liability for rates is referred to as the rating unit. It is based on the concept of property ownership and generally one certificate of title is equal to one rating unit.

How properties are rated is determined by the Council, but the tools available to the Council about how properties can be rated is set out in the LGRA 2002. This includes the kinds of rates that can be set and how they can be set. Rating units can be divided and rated separately at the Council's discretion. This will occur where it is clearly identified that each part of a rating unit has a different property category.

### Property Values

Property Value Values used for rating are determined by the RVA 2008 and are reviewed once every three years or if there is a significant change in a rating unit. The Council is provided with three values: the land value, the improvement value and the sum of these being the capital value.

## General Rates & Differential Rating Categories

### General Rates

General rates are set under section 13 of the Act on all rateable rating units in the City of Wellington. The Council has set a general rate based on the capital value of each rating unit within the city.

The general rate is set on a differential basis, based on the use to which the land is put and/or the zoning. All rating units (or part thereof) will be classified for the purposes of general rates within one of the following differential rating categories.

#### Differentials

Differentials are a tool used to alter the incidence of rates. Differentials are used for the general rate. The value-based general rate is set on capital value and on a differential basis. Total rates revenue collected from the general rate for each rating category are detailed in the Funding Impact Statement.

There are three differential rating categories. These are as follows:

#### **Base Differential**

The Base differential rating category shall be applied to the following rating units:

- a. Separately rateable land used for one or more household units; excluding those properties that provide short stay (28 days or less) commercial accommodation for which a tariff is charged.
- b. Vacant land and derelict buildings, not subject to the vacant land / derelict buildings differential, zoned residential.
- c. Land used as farmland and lifestyle blocks which is included in the rural activity area in the District Plan. Farmland is defined as land used exclusively or principally for agricultural, horticultural, pastoral, or silvicultural purposes, or for the keeping of bees or poultry or other livestock but excluding commercial dog kennels or catteries.
- d. Separately rateable land occupied by a charitable organisation which is deemed by the Council to be used exclusively or principally for sporting, recreation, or community purposes and that does not generate any private pecuniary benefit.

#### **Commercial, Industrial and Business Differential**

The Commercial, Industrial and Business differential rating category shall be applied to the following rating units:

- a. Separately rateable land used for a commercial or industrial purpose.
- b. Vacant land, not subject to the vacant land differential, zoned commercial, industrial or business.
- c. Land used for offices, administrative and/or associated functions.
- d. Land used for commercial accommodation for which a tariff is charged and where the principal purpose is the provision of short stay (28 days or less) accommodation.
- e. Business-related premises used principally for private pecuniary benefit.

- f. Any rating unit not otherwise categorised within the Base Differential.

#### **Vacant Land / Derelict Building Differential**

Vacant land / derelict buildings means land with an area of not less than 40m<sup>2</sup> in the Downtown area (as defined for the purposes of the Downtown Targeted Rate) which is either vacant or which contains a building or other improvements which are derelict, and includes:

Land which is undeveloped and is not under active development;

- a. Land which has no active or consented use (land will be treated as having a consented use if there is a current approved resource consent for development on it);
- b. Land which comprises a building or other improvements which:
  - i. are unoccupied and/or in a poor state of repair because they have not been lived in or used for a substantial period of time;
  - ii. have been determined to be dangerous, affected, or insanitary for the purposes of Part 6 of the Building Act 2004, or earthquake prone for the purposes of Part 6A of the Building Act 2004.

Note: a building will not be treated as derelict if there is a current approved building consent for development or demolition of the building [and work has commenced, or progress towards commencing work can be demonstrated to the Council].

#### **Differential Rating Category Conditions**

- The differential apportionment for the Commercial, Industrial and Business differential is 3.7 times the rate per dollar of capital value payable by those properties in the Base differential.
- The differential apportionment for the Vacant land/ Derelict Building differential is 5.0 times the rate per dollar of capital value payable by those properties in the Base differential.
- Where a rating unit has more than one land use the rating unit may be 'divided' so that each part may be differentially rated based on the land use of each part. A rating unit will be differentially rated where a division of the rating unit is established, based on the use to which the land is put and/or the zoning. A division will be established where:
  - a rating unit has a value of greater than \$1,500,000 or
  - the minority use(s) account for more than 30 percent of the total capital value of the rating unit
  - If neither of these criteria are met no division will take place, and the rating category will be established on the primary use of the rating unit.
- In any other case, the general rate differential is determined by principal use.
- In regard to the rates attributable to a rating unit during the transition period between two differential rating categories, a ratepayer may apply for a change in rating category at any time between the lodgement of a building consent application with the Council (on the condition that the principal prior use has ended) and the earlier of either:
  - a. The time at which the Council gives final approval of the completed works, or
  - b. The property is deemed (by the Council) to be available for its intended use.

- In situations where the change in land use does not require a Council consent, but warrants a change in differential rating category, the onus is on the ratepayer to inform the Council prior to the property being utilised under the new use.
- The differential rating category of all rating units must be set prior to the commencement of a rating year and will remain in place for that entire rating year. Any change in circumstances that results in a change of differential rating category during a rating year will apply from 1 July of the following rating year.
- Any property eligible for mandatory 50 percent non-rateability under Part 2, Schedule 1, of the Act, will be first classified under the appropriate general rate differential classifications and the non-rateability applied to that rate.

#### **Uniform Annual General Charge**

The Council does not assess a uniform annual general charge.

## **Non-rateable land**

### **Fully non-rateable**

Any land referred to in Part 1, Schedule 1 of the Act is non-rateable with the exception of targeted rates solely for sewerage and water where the service is provided.

### **50 percent non-rateable**

All land referred to in Part 2, Schedule 1 of the Act is 50 percent non-rateable in respect of the rates that apply, with the exception of targeted rates for sewerage and water for which the land is fully rateable if the service is provided.

## **Targeted rates**

Targeted rates are set under section 16, 17, 18 and 19, and schedules 2 and 3 of the Act. The Council has not adopted any lump sum contribution schemes under part 4A of the Act in respect of its targeted rates and will not accept lump sum contributions in respect of any targeted rate.

The differential rating categories described above are unitised and referred to in a number of targeted rates.

The Vacant land / Derelict buildings differential rating category only applies for the purpose of the General Rate. For Targeted Rates, rating units that fall within the Vacant land / Derelict buildings differential rating category will be liable based on either belonging to the Base or Commercial, Industrial and Business differential categories.

## Sewerage targeted rate

Targeted sewerage rates are to be apportioned 60 percent:40 percent of rates between properties in the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate is set to pay for the cost of the provision and maintenance of the sewage collection and disposal network, and sewage treatment facilities for the city. This rate is assessed on all rating units connected to the public sewerage drain.

For the purposes of these rates, the sewage collection and disposal and treatment service is treated as being provided to a rating unit if the rating unit is connected to a public sewerage drain (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatory non-rateable or 50 percent non-rateable under Schedule 1 of the Act.

Sewerage targeted rate is calculated as follows:

### For rating units in the Commercial, Industrial and Business differential rating category:

A rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 40 percent of the required rates funding, after having deducted the total dollar amount budgeted to be collected through Trade Waste Charges (excluding consent fees).

### For rating units in the Base differential rating category:

A fixed amount per annum per rating unit, plus a rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 60 percent of the required rate funding.

## Water targeted rate

A targeted rate for water is to be apportioned with the aim of achieving a 60 percent: 40 percent split between properties in the Base differential rating category and the Commercial, Industrial and Business differential rating category in accordance with the Revenue and Financing Policy.

This rate is set to pay for the provision and maintenance of water collection and treatment facilities, the water distribution network and water conservation for the city. This rate is assessed on all rating units connected to the public water supply.

For the purposes of these rates, the water service is treated as being provided to a rating unit if the rating unit is connected to the public water supply (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatorily non-rateable or 50 percent non-rateable under Schedule 1 of the LGRA 2002. Water targeted rate is calculated as follows:

### For rating units in the Commercial, Industrial and Business differential rating category, either:

- a. A consumption unit rate per cubic metre of water used for all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per rating unit; or
- b. A rate per dollar of capital value on all rating units connected to the public water supply, without a water meter installed.

The 40% of costs funded through the Commercial sector is drawn from a targeted rate primarily through a consumption charge per cubic metre of water consumed. The balance of commercial properties without a water meter, pay their share of the targeted rate through a rate per dollar of capital value. *The fixed amount reflects the fixed cost component of funding these activities.*

For rating units rated in the Base differential rating category, either:

- a. A consumption unit rate per cubic metre of water used for all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per rating unit; or
- b. A fixed amount per annum per rating unit, plus a rate per dollar of capital value on all rating units connected to the public water supply without a water meter installed.

The 60% residential share is funded through a targeted rate. The majority of properties (those that do not have a water meter) are charged a fixed amount, to reflect the fixed cost component of funding these activities, with the balance of the sector share funded through a rate per dollar of capital value. Those properties that have elected to have a water meter contribute to the targeted rate through a consumption charge.

## Stormwater targeted rate

A targeted stormwater rate is to be apportioned 77.5 percent to the non-rural rating units in the Base differential and 22.5 percent to the non-rural rating units in the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate is set to pay for the provision and maintenance of the stormwater collection/disposal network for the city. Properties classified in the rural area in the Council's District Plan are excluded from the liability of this rate. Stormwater targeted rate is calculated as follows:

For the Commercial, Industrial and Business differential rating category:

A rate per dollar of rateable capital value to collect 22.5 percent of the required rates funding.

For the Base differential rating category:

A rate per dollar of rateable capital value to collect 77.5 percent of the required rates funding.

## Base sector targeted rate

This rate is set to pay for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties in the Base differential rating category.

This incorporates the following activities:

- 100 percent of the facilitation of cultural grants, facilitation of recreation partnerships and community advocacy activities.
- 95 percent of the provision of community centres and halls activities.



This rate is assessed on all properties in the Base differential rating category and is calculated on a rate per dollar of rateable capital value.

### **Commercial sector targeted rate**

This rate is set to pay for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties in the Commercial, Industrial and Business differential rating category.

This incorporates the following activity:

- Approximately 30 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues. This is the equivalent of 100 percent funding of the events attraction and support activity within WREDA.

This rate is assessed on all properties in the Commercial, Industrial and Business differential rating category and is calculated on a rate per dollar of rateable capital value.

### **Waste collection targeted rate**

This rate is set (starting from year 4 of the LTP) to pay for our organics and rubbish collection using wheelie bins.

This rate is assessed on all properties in the base differential rating category, except for non-serviceable properties and calculated at a fixed amount per annum per rating unit.

While the service is primarily provided and limited to residential households, we will allow community facilities (e.g., clubs, marae) to opt in on a case-by-case basis.

### **Downtown targeted rate**

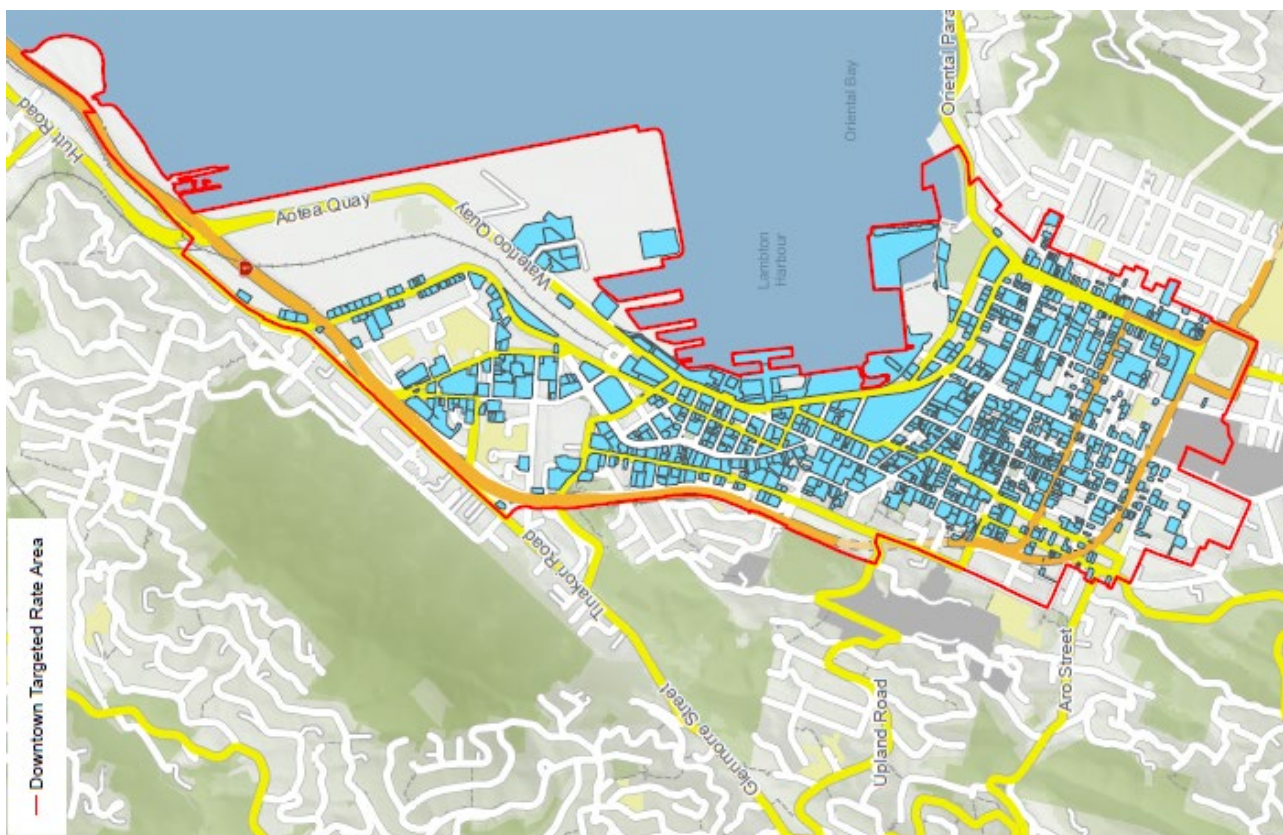
This rate is set to pay for tourism promotion.

This incorporates the following activities:

- 50 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues activities
- 40 percent of the cost of the Wellington Convention Centre activity
- 70 percent of the visitor attractions activity
- 25 percent of galleries and museums activity.

This rate is assessed on all properties in the Commercial, Industrial and Business differential rating category in the downtown area and is calculated on a rate per dollar of rateable capital value. For the purposes of this rate, the downtown area refers to the area within the red boundary, as depicted on the following map:

#### **Downtown targeted rate map**



### Tawa Driveways Targeted Rate

This rate is set to pay for the maintenance of a specified group of residential access driveways (properties with billing categories TW1, TW2 and TW3) in the suburb of Tawa, overseen by the Council.

This rate is assessed on a specific group of rating units that have shared access driveway that are maintained by Council.

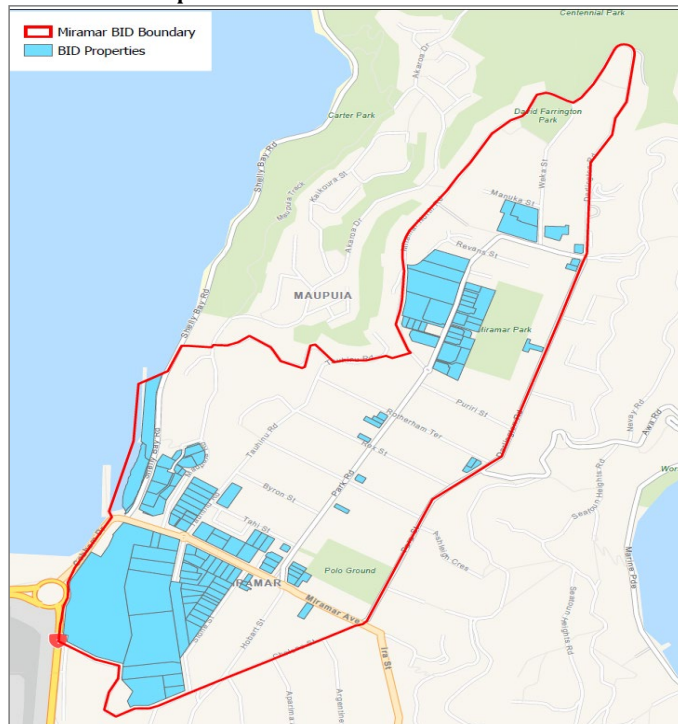
The rate is calculated at a fixed amount per annum per rating unit.



This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value. Setting the fixed and variable rates components is done in consultation with Enterprise Miramar Peninsula.

Options for calculating the targeted rates are set out in our BID policy.

#### Miramar BID map



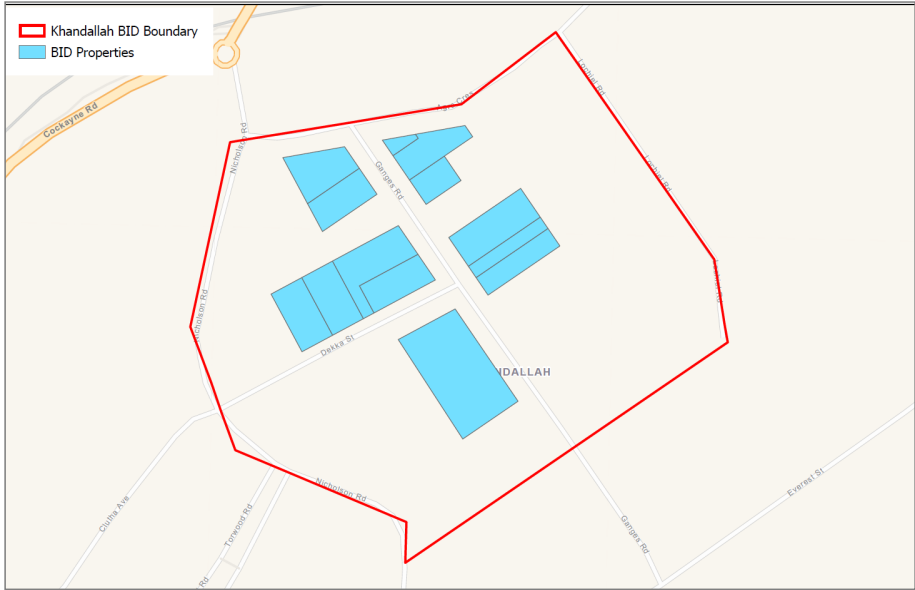
#### Khandallah Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Khandallah Village Business Association.

This rate is assessed on all rating units within the Khandallah Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category. Blue shaded properties subject to the BID are indicative only, as property use might change.

This rate is calculated as a rate per dollar of rateable capital value.

Khandallah BID map





## Kilbirnie Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Kilbirnie Business Network.

This rate is set on all rating units within the Kilbirnie Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category. Blue shaded properties subject to the BID are indicative only, as property use might change.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value. Setting the fixed and variable rates components is done in consultation with the Kilbirnie Business Network.

**Kilbirnie BID map**



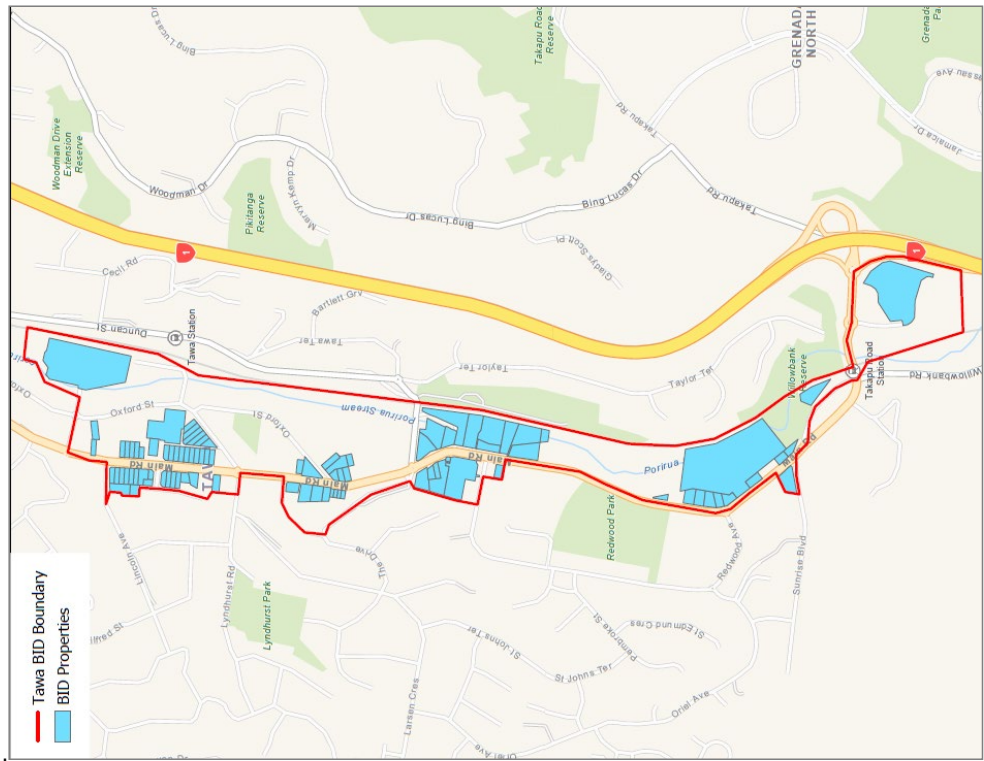
Tawa Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Tawa Business Network.

This rate is assessed on all rating units within the Tawa Business Improvement District area (see map) which are subject to the Commercial, Industrial and Business differential rating category. Blue shaded properties subject to the BID are indicative only, as property use might change.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value. Setting the fixed and variable rates components is done in consultation with the Tawa Business Network.

Tawa BID map



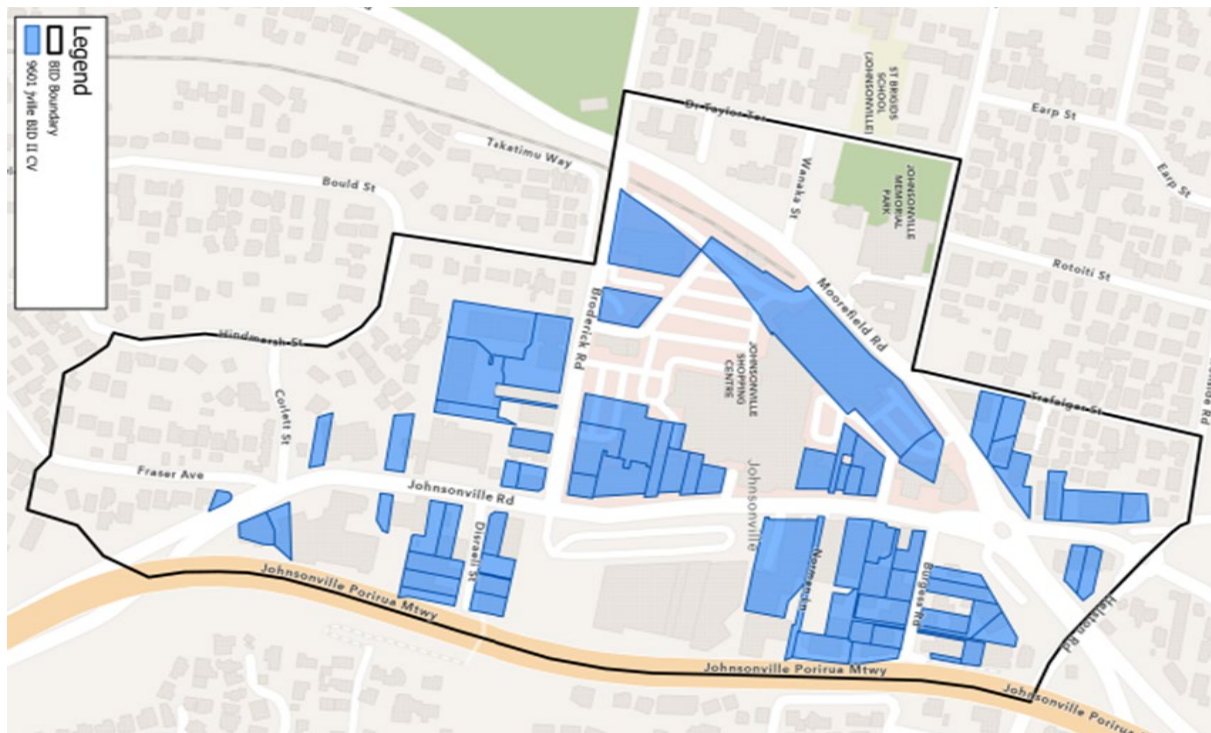
### Johnsonville Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Johnsonville Business Network.

This rate is assessed on all rating units within the Johnsonville Business Improvement District area (see map) which are subject to the Commercial, Industrial and Business differential rating category. Blue shaded properties subject to the BID are indicative only, as property use might change.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value. Setting the fixed and variable rates components is done in consultation with the Johnsonville Business Network.

### Johnsonville BID map





## Revaluation

The latest city-wide revaluation was carried out as of 1 September 2021. This revaluation remains effective for the 2024/25 rating year, except where subsequent maintenance valuations have been required under valuation rules or the Council's rating policies.

City-wide revaluations are performed every three years. The next city-wide revaluation will be carried out as of 1 September 2024 and will be effective for the 2025/26 rating year and the two consecutive rating years, 2026/27 and 2027/28 (subject again to subsequent maintenance valuations).

## References

The Funding Needs Analysis provides the background and analysis to explain the funding decisions made by Council. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.

The Revenue and Financing Policy states Council's policies regarding funding operating and capital expenditure and shows how Council has complied with section 101(3).

The Funding Impact Statement is included in each Long-Term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10 of the LGA. It shows the results of the detailed rates calculation for the first year of the plan.

The Rates Remissions and Postponements Policy provides information on rates that are remitted or postponed implementing policy objectives affecting the liability for rates a rating unit has.

# 2024/25 Funding Impact Statement

## Rates Funding Statement (excluding GST)

Rate	Category	Factor	Differential Charge Type	Total Value of Factor	Rate/charge*	Rates yield GST Exclusive
General Rate	Base	Capital Value	Base differential	\$97,302,879,602	€0.193587	\$185,663,473
	Vacant land	Capital Value	Vacant land	\$60,172,701	€0.953489	\$573,740
	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential	\$20,152,798,735	€0.708808	\$142,090,909
	<b>TOTAL</b>					<b>\$328,328,122</b>
Sewerage targeted rate	Base	Fixed amount / rating unit	Base differential per connection status	72606 properties	\$147.01	\$10,674,064
		Capital Value	Base differential per connection status	\$101,242,549,917	€0.037174	\$37,636,067
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business differential per connection status	\$17,389,338,135	€0.179757	\$31,258,489
	<b>TOTAL</b>					<b>\$79,568,619</b>
Water targeted rate	Base	Fixed amount / rating unit	Base differential per connection status without a water meter	63078 properties	\$295.73	\$18,654,057
		Capital Value	Base differential per connection status without a water meter	\$84,934,086,557	€0.035235	\$29,926,235
	Base	Consumption unit charge	Base differential per connection status with a water meter	n/a	5.00/ m3	\$1,159,867
		Fixed amount / rating unit	Base differential per connection status with a water meter	n/a	\$240.34	\$150,934
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business differential per connection status without a water meter	\$1,042,744,400	€0.447232	\$4,663,489
	Commercial, Industrial & Business	Consumption unit charge	Commercial, industrial and business differential per connection status with a water meter	n/a	5.00/ m3	\$27,836,803
		Fixed amount / rating unit	Commercial, industrial and business differential per connection status with a water meter	n/a	\$240.34	\$760,436
	<b>TOTAL</b>					<b>\$83,151,820</b>

Rate	Category	Factor	Differential Charge Type	Total Value of Factor	Rate/charge*	Rates yield GST Exclusive
Stormwater targeted rate	Base	Capital Value	Base differential (excluding land defined in the rural activity area)	\$95,845,125,293	¢0.026654	\$25,546,203
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business differential (excluding land defined in the rural activity area)	\$18,172,206,235	¢0.040813	\$7,416,640
	<b>TOTAL</b>					<b>\$32,962,842</b>
Base sector targeted rate	Base	Capital Value	Base differential	\$97,302,879,602	¢0.017761	<b>\$17,001,402</b>
Commercial sector targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential	\$20,152,798,735	¢0.026438	<b>\$5,262,015</b>
Downtown targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential located in the downtown area	\$13,570,686,121	¢0.131588	<b>\$17,645,063</b>
Tawa driveways targeted rate	Base	Fixed amount / rating unit	Shared residential access driveways maintained by Council in the suburb of Tawa (extent of provision of service)	256 properties	\$133.85	<b>\$34,266</b>
Karori Business Improvement District targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential located in the Karori Business Improvement District area	\$74,536,000	¢0.080498	<b>\$60,000</b>
Khandallah Business Improvement District targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential located in the Khandallah Business Improvement District area	\$27,491,000	¢0.072751	<b>\$20,000</b>
Kilbirnie Business Improvement District targeted rate	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Kilbirnie Business Improvement District area	210 properties	\$500.00	\$105,000
		Capital Value	Commercial, industrial & business differential located in the Kilbirnie Business Improvement District area	\$602,803,000	¢0.007465	\$45,000
	<b>TOTAL</b>					<b>\$150,000</b>
Tawa Business Improvement District targeted rate	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Tawa Business Improvement District area	71 properties	\$520.00	\$36,920
		Capital Value	Commercial, industrial & business differential located in the Tawa Business Improvement District area	\$197,614,000	¢0.029391	\$58,080
	<b>TOTAL</b>					<b>\$95,000</b>
Miramar Business Improvement	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Miramar Business Improvement District area	125 properties	\$365.00	\$45,990

Rate	Category	Factor	Differential Charge Type	Total Value of Factor	Rate/charge*	Rates yield GST Exclusive
District targeted rate		Capital Value	Commercial, industrial & business differential located in the Miramar Business Improvement District area	\$418,341,150	¢0.011076	\$46,335
	TOTAL					\$92,325
Johnsonville Business Improvement District targeted rate	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Johnsonville Business Improvement District area	79 properties	\$520.00	\$42,120
		Capital Value	Commercial, industrial & business differential located in the Johnsonville Business Improvement District area	\$265,494,000	¢0.019918	\$52,880
	TOTAL					\$95,000
TOTAL RATES REQUIREMENT (excluding GST)						\$564,466,475

# Revenue and Financing Policy

## Purpose

Section 102 of the Local Government Act 2002 requires Councils to adopt a Revenue and Financing Policy. The purpose of the Revenue and Financing policy is to provide predictability and certainty about the sources and levels of funding the council proposes to use to meet its funding needs. It explains the rationale for, and the process of selecting appropriate funding mechanisms for operating and capital expenditures. The policy also shows how the Council complied with section 101(3) of the LGA which sets out a number of factors we must consider when making these decisions.<sup>1</sup>

Deciding the best way to fund activities is complex. The Council must exercise its judgment in balancing many factors in complying with legislation, including, but not limited to:

- Accountability
- Affordability
- Benefit
- Competition
- Cost
- Efficiency
- Equity

<sup>1</sup> Our comprehensive section 101(3) analysis is documented in the funding needs analysis, which should be regarded as part of this Revenue and Financing Policy.

- Impact of change
- Intergenerational equity
- Legal availability of funding mechanisms
- Social impacts
- Impact on Climate
- Strategic Alignment
- Transparency

Balancing these sometimes-conflicting principles can be challenging. The council uses its best judgement in the developments of budgets and the choice of funding sources for council activities.

## Scope

We have set out our policy under the following headings:

- Funding of operating costs
- Summary of funding of operating costs by activity
- Unfunded operating costs
- Funding of capital costs
- Summary of funding for capital costs by activity
- Overall funding consideration

## Funding operating expenditure:

Operating costs arise from the Council's day-to-day operations and services, from collecting rubbish and providing street lighting to maintaining gardens and issuing building consents. The Council will set its projected operating revenue at a level sufficient to meet the current year's projected operating *expenditure*, except where the Council resolves that it is financially prudent not to do so, having regard to

- the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- the funding and financial policies adopted under section 102 of the LGA.

Available funding sources for operating costs are:

### Rates

General rates can be used to fund activities where it is not possible and/or practical to clearly identify customers or users. This type of rate is also used where, for reasons of fairness, equity, and consideration of the wider community wellbeing, it is considered that this is the most appropriate way in which to fund an activity.

Targeted rates can be used where an activity benefits an easily identifiable group of ratepayers (such as the commercial or residential sectors) and where it is appropriate that only this group be targeted to pay for some or all of the costs of a particular service. Examples of targeted rates are water targeted rates funding water supply and the Downtown targeted rate funding marketing and events, retail promotion and tourism activities.

### User charges

User charges are applied to services where it is identified there is a benefit to an individual or group, or directly attributable cost. User charges encompass a broad group of fees charged directly to an individual or entity including but not limited to:

- Rent payable under leases or licences of land and buildings
- Permits
- Regulatory charges
- Entry fees
- Connection fees
- Disposal fees
- Deposits
- Payments for private works
- Planning and consent fees
- Statutory charges
- Retail sales
- Landing fee

The price of a service is based on a large number of factors including:

- The cost of providing the service
- The estimate of the users' private benefit from using the service
- The impact of cost to potentially encourage/discourage behaviours
- The impact of cost on demand for the service
- Market pricing, including comparability with other councils
- The impact of rates subsidies if competing with local businesses
- Cost and efficiency of collection mechanisms
- Statutory limits

- Other matters as determined by the Council

The ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the reasonable costs of providing the service. In some cases, legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (such as the Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. It is appropriate to incorporate overhead costs when determining the cost of providing a service. Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.

Where appropriate and with consideration to ‘ability to pay’ principals, user charges will be increased annually by the rate of inflation to achieve continued alignment with the proposed funding policy targets. Revenue from user charges is generally allocated to the activity which generates the revenue.

#### Grants, Subsidies and Other income

Grants, sponsorship, and subsidies are generally used where they are available. Many of these types of income are regular and predictable and can be budgeted for (for example Waka Kotahi NZTA roading subsidy). Some other types are unexpected or unpredictable and may not be able to be prudently budgeted (such as reparation payments, civil defence and other reimbursements, legal settlements, and insurance claims). These are applied where applicable for relevant activities or projects.

#### Borrowing

Council generally plans to fund all cash operating costs from sources other than borrowing. However, in specific circumstances, where Council decides it is prudent to do so, it may fund some operating costs from borrowing.

#### Investment Income and Proceeds from sale of assets

The Council’s approach to investments is documented in the Investment and Liability Management Policies. These investments generate income such as dividends, interest, and rents.

Income from all asset disposals is generally receipted to the activity that used the asset to deliver service. Generally, these proceeds are considered to be capital in nature. However, low value items may be used to fund operating costs. Council may resolve to utilise higher value proceeds for operating purposes if it is satisfied that it is prudent and in the community’s interest.

#### Reserve funds

Reserve funds are used for the purposes that they were created. Reserve funds may be used to meet operating costs if the expenditure is consistent with the purpose of the fund.

## Summary of sources of funding for operation costs by activity

The above funding sources (including general rates or targeted rates) were considered when determining the appropriate funding source(s) for each activity in the Funding Needs Analysis, as required by section 101(3)(a). Table 1 shows the degree (expressed as a range) to which each funding source is used to fund operating costs in relation to the relevant activity to be funded, as required by section 101(3)(a) of the LGA.

After the activity-by-activity analysis, the Council has undertaken an analysis of the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. This is described in more detail below. The results of this analysis may vary the outcome of the activity-by-activity analysis.

**Table 1. Summary of revenue funding sources by activity:**

Activity	General rates	Targeted rates	Fees and Charges	Grants, Subsidies, Other Income	Other funding	Borrowing
City governance and engagement	100%	0%	0%	0%	0%	0%
Civic information	90%-100%	0%	0%-10%	0%	0%	0%
City Archives	90%-100%	0%	0%-10%	0%	0%	0%
Parks and Reserves	90%-100%	0%	0%-10%	0%-10%	0%	0%
Wellington Gardens	80%-90%	0%	10%-20%	0%	0%	0%
Beaches and coast	100%	0%	0%	0%	0%	0%
Urban Ecology	100%	0%	0%	0%	0%	0%
Trails	100%	0%	0%	0%	0%	0%
Waterfront Public Space	90%-100%	0%	0%-10%	0%	0%	0%
Waste minimisation, disposal and recycling management (Note changes in Y4 of the LTP)*	0%	0%	100%	0%	0%	0%
Closed Landfills Aftercare	100%	0%	0%	0%	0%	0%
Organics & Rubbish Collection (starting Y4 of the LTP) **	0%	100%	0%	0%	0%	0%
Water network	0%	100%	0%	0%	0%	0%
Water collection and treatment	0%	100%	0%	0%	0%	0%
Sewage collection and disposal	0%	90%-100%	0%-10%	0%	0%	0%
Sewage treatment	0%	100%	0%	0%	0%	0%
Stormwater management	0%	100%	0%	0%	0%	0%
Conservation Organisations	100%	0%	0%	0%	0%	0%
WellingtonNZ and Venues Wellington	20%	80%	0%	0%	0%	0%
Tākina Wellington Convention & Exhibition Centre	40%	60%	0%	0%	0%	0%
Wellington Economic Initiatives Development Fund (WEID) and Economic Grants	100%	0%	0%	0%	0%	0%
Major Projects	100%	0%	0%	0%	0%	0%
International relations	100%	0%	0%	0%	0%	0%



Activity	General rates	Targeted rates	Fees and Charges	Grants, Subsidies, Other Income	Other funding	Borrowing
Business Improvement Districts	100%	0%	0%	0%	0%	0%
Galleries and museums (WMT)	75%	25%	0%	0%	0%	0%
Visitor attractions (Te Papa/Carter Observatory)	30% <sup>1</sup>	70%	0%	0%	0%	0%
Arts and cultural festivals and events	90%-100%	0%	0%	0%-10%	0%	0%
Creative Sector grants	0%	100%	0%	0%	0%	0%
City Arts projects and venues access	90%-100%	0%	0%	0%-10%	0%	0%
City arts partnerships	80%-90%	0%	0%	10%-20%	0%	0%
Creative sector initiatives	100%		0%	0%	0%	0%
Swimming Pools	60%-70%	0%	30%-40%	0%	0%	0%
Sports fields	80%-90%	0%	10%-20%	0%	0%	0%
Recreation programmes	90%-100%	0%	0%-10%	0%	0%	0%
Recreation Centres	70%-80%	0%	20%-30%	0%	0%	0%
Recreation partnerships	0%	100%	0%	0%	0%	0%
Playgrounds	100%	0%	0%	0%	0%	0%
Marinas	0%	0%	100%	0%	0%	0%
Golf Course	60%-70%	0%	30%-40%	0%	0%	0%
Leisure card	100%	0%	0%	0%	0%	0%
Libraries	90%-100%	0%	0%-10%	0%	0%	0%
Community advocacy	0%	100%	0%	0%	0%	0%
Grants (Social and Recreation)	100%	0%	0%	0%	0%	0%
Housing	0%	0%	100%	0%	0%	0%
Community centres and halls	0%	90%-100%	0%-10%	0%	0%	0%
Cemeteries	40%-50%	0%	50%-60%	0%	0%	0%
Public toilets	100%	0%	0%	0%	0%	0%
City safety	100%	0%	0%	0%	0%	0%
WREMO	100%	0%	0%	0%	0%	0%
Public health regulations	30%-40%	0%	60%-70%	0%	0%	0%
Urban planning and policy	100%	0%	0%	0%	0%	0%
Public spaces and centres development	100%	0%	0%	0%	0%	0%
Built heritage development	100%	0%	0%	0%	0%	0%
Housing development	100%	0%	0%	0%	0%	0%
Building control and facilitation	30%-40%	0%	60%-70%	0%	0%	0%
Development control and facilitation	50%-60%	0%	40%-50%	0%	0%	0%
Earthquake risk mitigation	100%	0%	0%	0%	0%	0%
Building Control and Facilitation	100%	0%	0%	0%	0%	0%
Transport planning	100%	0%	0%	0%	0%	0%
Vehicle network	90%-100%	0%	0%	0%-10%	0%	0%

Activity	General rates	Targeted rates	Fees and Charges	Grants, Subsidies, Other Income	Other funding	Borrowing
Cycle network	90%-100%	0%	0%	0%-10%	0%	0%
Passenger transport network	20%-30%	0%	0%	70%-80%	0%	0%
Pedestrian network	90%-100%	0%	0%	0%-10%	0%	0%
Network-wide control and management	80%-90%	0%	0%	10%-20%	0%	0%
Road safety	70%-80%	0%	0%	20%-30%	0%	0%
Major City Upgrades	0%	0%	0%	0%	0%	100%
Roads Open Spaces	90%-100%	0%	0%	0%-10%	0%	0%
Charged Up Capital	0%	0%	100%	0%	0%	0%
Parking	0%	0%	100%	0%	0%	0%

\* This activity includes Landfill Operations, Rubbish collection, Recycling and Organics Management as well as Waste minimisation activities. Organics & Rubbish collection is proposed to move to a new activity ("Organics & Rubbish Collection") from Y4 of the LTP. This activity will then be funded via a targeted rate.

\*\* This is the new activity that is proposed to cover Organics & Rubbish Collection from Y4 of the LTP onwards. This is proposed to be funded via a targeted rate placed on rating units receiving the service.

## Unfunded operating expenditure

The Council has determined that the following items will not be funded:

**Accounting for fair value changes:** Under Public Benefit Entity International Public Sector Accounting Standard, changes in the fair value of certain assets must be accounted for within the Statement of Comprehensive Revenue and Expense. In accordance with Section 100 of the Local Government Act 2002, the Council does not consider it financially prudent to fund changes in the fair value of assets or liabilities as these are essentially unrealised accounting adjustments.

**Non-funding of renewal on Council assets:** The Council may elect not to fund all or part of the depreciation expenditure on specific assets in those circumstances where it is not financially prudent to do so. In accordance with Section 100 of the Local Government Act 2002, the Council considers that it is not financially prudent to fund depreciation in the following circumstances:

- Where the original asset purchase was not funded by borrowings, or the original borrowings have been repaid, and
- Where, on an ongoing basis, the replacement of the asset at the end of its useful life will be funded by a third party,
- Where the Council has elected not to replace the asset at the end of its useful life.
- Where a third party has a contractual obligation to either maintain the service potential of the asset throughout all or part of its useful life (or to replace the asset at the end of its useful life) and the Council already effectively funds this through operating grants/tariffs payable to the third party.

**Non-funding of depreciation on waterfront assets:** The Council transitioned the waterfront project 'in-house' during 2014/2015. This acquisition has necessitated a transition toward fully funding the depreciation of waterfront assets by 2025/26. This transition funding links the cost of funding to the benefits received over time.

**Non-funding of depreciation on water assets:** On 30 June 2022, the Council revalued its infrastructure assets as part of the regular revaluation of Councils assets. This saw an increase in the value of our three waters assets increase by approximately 88%. Based on this, it was agreed that the three waters depreciation would be rates funded based on the quantum of the waters renewals capital programme for 2022/23 and 2023/24, leaving the balance unfunded. The Council is transitioning back to fully funded the depreciation on water assets by 2028/29.

## Funding capital expenditure:

Capital expenditure represents expenditure associated with the purchase and improvement of assets that are held by the Council for use in the provision of its goods and services (for example: bridges, libraries, swimming pools), for rental to others or for administrative purposes, and may include items held for the maintenance or repair of such assets.

Capital expenditure is funded from depreciation, development contributions, capital funding, and restricted funds or through new or extended borrowings as outlined below.

### Borrowing

Council must borrow to fund its asset programme. The amount of borrowing available is restricted by the Financial Strategy debt limits. Borrowed funds, both the principal and interest components, are generally repaid by future rates.

### Rates

Rates are mostly used to fund depreciation and interest costs related to borrowing. A portion of rates funds the capital (principal) repayments of debt.

Targeted rates are used to fund specific capital projects where there is a benefit of separate funding. Reserve funds for capital expenditure can be sourced from rates.

### Grants, Subsidies and Other income

The Council relies on significant subsidies for capital works relating to our transport activities, largely from Waka Kotahi NZTA. Grants and subsidies may be available for other activities from time to time. Other income can be received from many and varied sources and is often not predictable enough to budget for in advance.

### Development contributions

Development Contributions are to be used as the primary funding tool for capital expenditure required on water, wastewater, stormwater, roads, and reserves caused by population and employment growth. DCs are applied on an activity and catchment basis, as identified by the DC Policy. Projects funded by DCs identified in the DC Policy may be either completed projects or future projects planned in the period for which DCs may be collected.

It is important to note that, in addition to the requirements of sections 103 and 101(3), the DC Policy describes the rationale for the selection of funding sources in more detail as required by section 106(2)(c)

### Proceeds from sale of assets

The Council holds some high value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets could be used to repay debt or supplement the corresponding asset replacement reserves, unless otherwise resolved. The sale of assets could also be used to invest in other assets or to fund a perpetual investment fund.

### Other sources of funding

The funding of capital expenditure from restricted or special funds is decided on a case-by-case basis and is subject to the specified purposes and conditions governing the use of those restricted funds.

### Financial or environmental contributions

The Council does not require Financial Contributions or Environmental Contributions. If, in the future, the Council decides it wishes to do so, requirements for contributions must be contained in the Council's district plan.

### Lump Sum Contributions

Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed, ratepayers may choose to pay the lump sum or not. If not, the rating unit will be liable to pay any targeted rate set to recover the loan costs. Generally, Council does not collect revenue from these funding sources to fund operating costs.

### Fees and charges

User charges are not often used for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions for capital costs.

The Council may charge for capital works that are for private benefit (such as, a network extension to a single dwelling) or where capital works are undertaken outside of Asset Management Plans at the request of individuals.

### Infrastructure Funding and Financing Act 2020 (IFF)

The IFF, which was enacted in August 2020, enables Council to access a new off-balance sheet funding mechanism to support the delivery of infrastructure projects. Council is funding the new Sludge Minimisation Plant via an IFF arrangement.

### **Summary of sources of funding for capital costs by activity**

Funding of Capital costs will be determined via the same principles as the operating costs funding policy unless the Council resolves otherwise. Such a resolution will follow the funding guidelines below and in doing so will be consistent with this policy and not require an amendment to the policy.

Existing projects (projects resolved prior to the adoption of this policy) will be funded according to the Annual Plan, Long-Term Plan or other resolution made at the time the Council approved the project. It is not practicable to determine a funding policy for all unknown future projects. Capital projects are often large in nature and will provide benefits over many years, and the funding approach must reflect this.

The Council uses the following guidelines when considering the funding of capital projects:

- A Funding Needs Analysis will be completed where the project is not included in the Council's capital works programme or is additional to planned services, or where its inclusion impacts on Council's overall funding capacity.
- All projects are to be funded from grants, subsidies, or other external income, where that is available.
- Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
- General purpose funds or unrestricted reserve funds held for other complementary purposes are considered.
- Lump sum rating options are considered.
- Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in infrastructure are then funded from debt.
- A single project may have a mix of each of these funding options.

It is not practical to create separate funding policies for each and every capital project. The Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity.

Whenever funding a capital project, the Council will consider the available sources of funds, the Revenue and Financing Policy, and section 101(3) in applying the above guidelines to a capital project. Generally, the Council will resolve the funding policy at the time the project is proposed in an Annual or Long-Term Plan.

## Overall funding consideration

The Council is required by section 101(3)(b) of the LGA to consider “the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community”. This allows the Council to modify the overall mix of funding that would otherwise apply after the initial s101(3)(a) analysis for each activity to be funded.

Having considered the factors in section 101(3)(b), the following adjustments have been made:

- The allocation of the rates liability between sectors of the rating base is altered by using differentials on the general rate and certain targeted rates. Differential treatment will apply as between commercial and residential properties, and for vacant land/derelict buildings. The Council may modify the differential factors during the term of the Long-Term Plan to reflect a change in allocation of cost, or benefit, or to achieve better community outcomes or wellbeing.
- The rationale for a higher commercial rates differential is three-fold:
  - There is a large commuter base that comes into the city for work and uses the infrastructure: We estimate that on average, about 38,000 commuters come to the city every day. It is appropriate that the commercial properties which benefit from this use pay a correspondingly higher rate as compared to residential properties.
  - Businesses can deduct GST from their rates and deduct rates from their taxable income, which is not available to residential ratepayers.
  - Reducing or completely removing this differential would have a substantial impact on residential ratepayers.
- The rationale for a higher vacant land/derelict building differential is two-fold:
  - One community outcome the Council wants to achieve is a vibrant downtown area, and vacant land / derelict buildings can decrease the vibrancy of the downtown area and might have negative effects on retailers.
  - Furthermore, vacant land / derelict buildings have a lower capital value (compared with similar land that is non-derelict or has improvements) and the benefits that owners (whether commercial or residential zone) receive from our general activities are disproportionate to the rates they pay, as compared to land which is fully developed and utilised. Also, the appearance of vacant land / derelict buildings can have a negative impact on the perceptions of the central city.
- Rates affordability (people’s ability to pay rates) is an issue in parts of the City. We have considered affordability in our funding needs analysis and in setting differentials.
- Fees and charges may be waived or discounted where it is considered appropriate to do so (e.g., Swimming pools). Some matters we may consider in deciding whether it is appropriate to waive fees are for social reasons (e.g., the promotion of events and facilities) or commercial reasons (e.g., due to poor service or to minimise risk).
- Rates may be remitted where it is considered appropriate to do so, as provided for in the Rates Remissions and Postponements Policies (including Māori Land). These policies address social matters (such as a remission for low-income households) as well as adjusting rates for benefits that differ for some rates assessments (such as additional or no provision of some services).
- The Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.

## Rates

Council's consideration of funding through rates comes:

- After considering how other funding sources will be used to fund operating and capital costs;
- After that has been applied to activities in the Funding Needs Analysis; and/or
- After being adjusted for the overall funding considerations.

The following section outlines the Revenue and Financing Policy requirements that are used to set rates. To have a full understanding of rates they should be read with regards to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

### General rates

The general rate is assessed on all rateable properties (rating units) based on the capital value of the property. The Council has determined in its Funding Needs Analysis which activities should be funded from general rates (see Table 1).

In respect of the general rate, Council observes the provisions of s101(3)(b) of the LGA and the overall impact of the allocation of liability for revenue needs on the community. In doing so, the council has chosen to differentiate the general rate based on four categories:

- A base differential rate, which applies to residential ratepayers, community organisations and rural land.
- A commercial differential rate, which applies to commercial, industrial, and business ratepayers.
- A vacant land / derelict building differential rate, which applies to vacant land and derelict buildings in the downtown area<sup>2</sup>.

### Targeted rates

Council collects targeted rates to fund activities as identified in the Funding Needs Analysis or as a result of overall funding considerations. Council collects the following targeted rates:

- Water rate
- Sewerage rate
- Waste collection – proposed from Y3 of the LTP onwards
- Stormwater rate
- Residential sector targeted rate
- Commercial sector targeted rate

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<sup>2</sup> For further definitions and maps of the rating areas, we refer to our Rating Policy from page X.

- Downtown targeted rate
- Business Improvement District (BIDs)

## Fee adjustments

The council will amend its regulatory fees and charges annually to (i) reflect increases in costs due to inflation, (ii) to maintain cost recovery levels or (iii) for new services provided / changes to existing services.

## References

The Funding Needs Analysis, required by section 101(3) of the LGA, provides the background and analysis to explain the funding decisions we have made. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.

The Rating Policy further clarifies funding requirements by documenting matters not included in the Funding Impact Statement, rates resolutions or this Revenue and Financing Policy. It includes definitions and, when applicable, maps for rating areas.

Rates may be remitted where it is considered appropriate to do so and as allowed for in the Rates Remission policies (including Māori Land). These policies address social matters (such as a remission for low-income households) as well as adjusting rates for benefits that differ for some rates assessments (such as additional or no provision of some services).

The Funding Impact Statement is included in each Long-term Plan and Annual Plan as required by clauses 15 and 20 of schedule 10. This statement shows the results of the detailed rates calculation for each year. Together the above documents form the necessary components to lawfully charge under the LGA for our revenue requirements. We must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

# Individual activity analysis by key achievement area

The funding needs analysis provides the background and analysis to explain the funding decisions considered by Wellington City Council. It is guided by the financial principles documented in the Financial Strategy.

Council must comply with the Local Government Act (2002) (LGA) section 101(3). Council must determine the appropriate sources of funding that will meet the funding needs of each activity (Section 101(3)(a)). Council will take into consideration:

- The community outcomes to which the activity primarily contributes
- The distribution of benefits between the community as a whole, any identifiable part of the community and individuals
- The period in or over which those benefits are expected to occur
- The extent to which the actions or inaction of individuals or a group contribute to the need to undertake the activity



- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

Council is also required by section 101(3)(b) to consider the overall impact of any allocation of liability for revenue needs current and future social, economic, environmental, and cultural well-being of the community.

The application of the above requirements is subjective in nature. The legislation does not rank the priority or weights of the factors above in determining how activities are funded. The funding needs analysis in the pages following, lists each activity and documents Council’s consideration in determining the appropriate funding sources.

**Funding bands**

The Revenue and Financing Policy is intended to be in place for the next three years before it is reviewed. To allow for minor changes over time, we set bands rather than specific funding percentages. The Revenue and Financing Policy will use the bands in the table below. For each funding band the midpoint in the percentage range acts as the target.

Extent to which Funding Source will be used	Percentage range	Extent to which Funding Source will be used	Percentage range
0%	Unlikely	50%-60%	Moderate - more than 50%
0%-10%	Minimal	60%-70%	Moderate to High
10%-20%	Very Low	70%-80%	High
20%-30%	Low	80%-90%	Very High
30%-40%	Low to Moderate	90% -100%	Most
40%-50%	Moderate - less than 50%	100%	All

References

Wellington City Council Revenue and Financing Policy and Rates remission and postponement policy.

Governance

Delivering confidence in civic decision-making

One of our key responsibilities is to ensure that decisions about the city are made in ways that are democratic and inclusive. This means making sure residents are kept informed about what we’re doing, are able to have their say, and feel confident that their views and votes count.

Operating activities

The funding sources for this area are illustrated in the table below.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
Governance		1.1.1 City Governance and Engagement	0%	0%	100%	100%	0%	0%	0%

	Governance, Information, and Engagement	1.1.2	Civic Information	0-10%	0%	90%- 100%	90%- 100%	0%	0%	0%
		1.1.3	City Archives	0-10%	0%	90%- 100%	90%- 100%	0%	0%	0%

## Capital expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity. Governance capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

### Governance (Governance, information, and engagement) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: City Governance and Engagement</b>							
This covers our decision-making and accountability processes. It also includes developing plans and strategies to promote the city's wellbeing, such as the Annual and Long-term Plan.	A people friendly, compact city Trust and confidence in civic decision-making and encourages the community to participate in city governance.	The whole community benefits from this activity. Elected members of Wellington City council represent all members of the community.	The principal benefit of operating costs is expected to arise in the year the funding is sourced. There is a secondary benefit to future sustainability.	The actions of individuals and groups have a minor impact on this activity. AP and LTP development are statutory requirements.	Council considers that there is little benefit of separately funding this activity.	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.
<b>Activity: Civic Information</b>							
This activity provides for the community to easily access Council information and services such as the Council's 24-hour call centre, the city's service centres, and maintenance of the property system.	A people friendly, compact city Providing information about the city and its services allows people to use the city's facilities and provides access to information.	The whole community benefits from this activity. Providing information and services to the community and having points of contact where residents can contact us are essential council services.	Information use is primarily a short-term benefit, however the improved decisions that this may result in contribute to longer term wellbeing.	The actions of individuals and groups have a minor impact on this activity.	Council considers that there is little benefit of separately funding this activity.	<b>High</b> (90%-100%) General rates <b>Minimal</b> (0%-10%) User charges <b>Unlikely</b> (0%) All other types	General rates are the appropriate funding source for households and businesses as they recognise the benefit from this activity. A small amount of income is received from City archives and Civic information.
<b>Activity: Civic Archives</b>							

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
This activity covers the operations of and community access to the City Archives.	A people friendly, compact city City Archives is a guardian of Wellington's memory. It preserves and makes available a huge range of primary information about the city's history.	The whole community benefits from this activity. Maintaining the City Archives collection for posterity and ensuring that it can be easily accessed is an important community service.	Information preservation is both providing short term and long-term benefits	The actions of individuals and groups have a minor impact on this activity.	Council considers that there is little benefit of separately funding this activity.	<b>High</b> (90%-100%) General rates <b>Minimal</b> (0%-10%) User charges <b>Unlikely</b> (0%) All other funding sources	Preserving aspects of the city's past are of significant benefit to the community as a whole. Individual users should bear a small cost for any staff research and associated copying costs that they may generate

## Environment & infrastructure

### Protecting and enhancing our natural environment

Under this area of activity, we seek to protect and enhance our natural environment. Wellington is a city shaped by nature. From bush-clad hills to sparkling harbour to rugged coastline, the city's unique character derives from the land. Part of protecting the environment is looking after the city's water supply, rubbish and recycling operations, and sewage and stormwater networks. This is by far our biggest area of operation.

### Operating activities

The funding sources for this area are illustrated in the table below.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
Environment and Infrastructure	Gardens, Beaches and Green Open Spaces	2.1.1 Parks & Reserves	0%-10%	0%-10%	90%-100%	90%-100%	0%	0%	0%
		2.1.2 Wellington Gardens	10%-20%	0%	80%-90%	80%-90%	0%	0%	0%
		2.1.3 Beaches and coast	0%	0%	100%	100%	0%	0%	0%
		2.1.4 Urban Ecology	0%	0%	100%	100%	0%	0%	0%
		2.1.5 Trails	0%	0%	100%	100%	0%	0%	0%
		2.1.6 Waterfront Public space	0%-10%	0%	90%-100%	90%-100%	0%	0%	0%
	Waste	2.2.1 Waste minimisation, disposal and recycling management	100%	0%	0%	0%	0%	0%	0%
		2.2.2 Closed Landfills Aftercare	0%	0%	100%	100%	0%	0%	0%
	Water	2.3.1 Water network	0%	0%	100%	0%	60%	40%	0%
		2.3.2 Water collection and treatment	0%	0%	100%	0%	60%	40%	0%
	Wastewater	2.4.1 Sewage collection and disposal network	0%-10%	0%	90%-100%	0%	60%	40%	0%
		2.4.2 Sewage treatment	0%	0%	100%	0%	60%	40%	0%
	Stormwater	2.5.1 Stormwater management	0%	0%	100%	0%	77.5%	22.5%	0%
	Conservation Organisations	2.6.1 Conservation Organisations	0%	0%	100%	100%	0.0%	0.0%	0%

From Y3 of the LTP onwards, there will be a new activity under Waste, to account for the proposed collection of organic waste and rubbish, funded via a residential targeted rate.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
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<b>Environment and Infrastructure</b>	Waste	2.2.1	Waste minimisation, disposal and recycling management	100%	0%	0%	0%	0%	0%	0%
		2.2.2	Closed Landfills Aftercare	0%	0%	100%	100%	0%	0%	0%
		2.2.3	Collection of Organics & Rubbish	0%	0%	100%	0%	100%	0%	0%

## Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity. Environmental capital expenditure projects are funded through a combination of NZTA subsidies, rates funded depreciation, and borrowings.

### Environment and Infrastructure (Gardens, Beaches, and Green open spaces) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Parks &amp; Reserves</b>							
The Council owns and looks after the city's parks and reserves, horticultural plantings, and street trees.	A people friendly, compact city A city of healthy and thriving whanau and communities. Local parks and open spaces enhance Wellington's unique 'sense of place', making it a great place to live, work and play.	The whole community benefits from this activity, giving all residents and visitors access to high-quality open spaces for a wide range of recreation activities. There is a small individual benefit using council recreational facilities.	The principal benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals and groups have some impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<b>High</b> (90%-100%) General rates <b>Minimal</b> (0%-10%) User charges <b>Minimal</b> (0%-10%) Other Income <b>Unlikely</b> (0%) All other funding sources	There is no practical way to collect revenue from individuals benefiting from this activity. The exceptions are the lease of park pavilions and ground leases. Minimal user charges are also achievable from private and commercial use of parks and reserves for events and activities under the Temporary Trading & Events in Public Places Policy.
<b>Activity: Wellington Gardens</b>							
Wellington has four botanic gardens: Wellington Botanic Garden, Otari-Wilton's Bush, Bolton Street Cemetery and Truby King Park (Melrose).	A people friendly, compact city A city restoring the Mauri ora of Te Taiao Botanical Gardens enhance Wellington's unique 'sense of place'. Botanical gardens enhance our	The city's four botanic gardens benefit the whole community. They provide residents and visitors with access to open spaces for recreation and relaxation.	The principal benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals and groups have some impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<b>High</b> (90%-100%) General rates <b>Minimal</b> (0%-10%) User charges <b>Unlikely</b> (0%)	Gardens are open to all so costs should be distributed evenly across the community. That's what a general rate does. A small amount of user charges is achievable for private use of the parks (e.g., Begonia House, Treehouse Seminar Room).

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
	biodiversity and contribute to offsetting our carbon emissions.					All other funding sources	
<b>Activity: Beaches &amp; Coast</b>							
The Council is responsible for the upkeep of many of the city's wharves, breakwaters, jetties, and public boat ramps, as well as the Carter Fountain in Oriental Bay.	A people friendly, compact city Wellington's beaches and coastal areas provide high quality natural environments for leisure and recreation.	Safe access to the coast and beaches benefits the whole community. Particularly: Users of the city's wharves, jetties and breakwaters.	The Council's work on the city's beaches and coastline brings long-term benefits to the city, in addition to short term benefits from access to beaches.	The actions of most individuals and groups have some impact on this activity.	Council considers that there is little benefit of separate funding.	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	While the users of city wharves, jetties and breakwaters receive a direct benefit, typically these people cannot be identified. Even if users can be identified (e.g., users of boat ramps), council regards these facilities as part of its provision of safe access to the coast.
<b>Activity: Urban Ecology</b>							
This covers measurement and analysis of City and Council carbon emissions, insight and new initiative development, and engagement with Council and the City	A city restoring the Mauri ora of Te Taiao. This activity supports the City to meet its net zero carbon by 2050 goal.	The whole community benefits from this activity. Climate action is essential to ensure that our City can thrive over the coming decades.	The benefit of the operating costs is expected to arise in the year the funding is sourced. Provision of climate insights and encouraging engagement will ensure long-term wellbeing.	The actions of individuals and groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding.	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	General rates are the appropriate funding source for households and businesses as they are easy to administer, and it recognises the benefit from this activity.
<b>Activity: Trails</b>							
Tracks are important for people's access to and enjoyment of the city's bush and open spaces. Tracks also contribute to the integration of active transport modes throughout the city.	A people friendly, compact city. A welcoming, diverse and inclusive city. Trails allow residents to explore Wellington's natural environment improving the quality of life of the city's residents.	The whole community benefits from the Council's provision of walkways. The walkways give all residents and visitors access to the Town Belt and reserves, encouraging them to enjoy the city's bush	The benefit of the operating costs is expected to arise in the year the funding is sourced.	The actions of individuals and groups have some impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	Since the community as a whole benefit, and targeting individual users is not practical, general rates funding is appropriate.
<b>Activity: Waterfront public space</b>							
This activity covers the management and maintenance of	A people friendly, compact city.	The city's waterfront area benefits the whole community.	The benefit of the operating costs is expected to arise in	The actions of individuals and groups have some	Identifying separate funding assists in the accountability	<b>High</b> (90%-100%)	With the exception of the provision of weekly market stalls and berths for short

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
the public space on the Wellington Waterfront. In addition, this activity includes the operation and maintenance of a wide range of assets including wharves, seawalls, bridges, and promenades.	An innovative business friendly city. An attractive, clean, and safe waterfront contributes to a dynamic centre, which is important for residents' quality of life and attracts visitors to Wellington.	Access to the waterfront and the open space near the harbour is generally unrestricted and available to all – residents and visitors alike.	the year the funding is sourced.	impact on this activity.	and transparency of Council's costs on this activity.	General rates <b>Minimal</b> (0%-10%) User charges <b>Unlikely</b> (0%) All other funding sources	term lease, the community as a whole is the main beneficiary from this activity, it is appropriate for general ratepayers to bear the majority of the costs.

**Environment and Infrastructure (Waste) – Activity Analysis**

Description	Community Outcome	Who benefits?	Timeframe of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Waste minimisation, disposal, and recycling management – Includes Organics &amp; Rubbish collection until Y4 of the LTP</b>							
This includes management of the active landfill, including landscaping, erosion control, resource consent compliance and water quality monitoring. Includes recycling collections and processing, composting operations, grants for new initiatives, the Tip shop and education programmes. Also includes recycling & scrap metal recycling.	A people friendly, compact city - promoting sustainable management of the environment. A city restoring the mauri ora of te Taiao – promoting sustainable management of resources	People using the landfills receive the main benefit from this activity. There are also benefits to the whole community. A lack of recycling/ waste minimisation creates public health hazards. Waste minimisation activities extend the life of the landfill and reduce emissions.	The benefit of the operating costs arises in the year the funding is sourced. Some benefits from sustainability initiatives are likely to arise in the future.	This activity is required because waste is created. Individuals and business create waste.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<b>All</b> (100%) User Charges <b>Unlikely</b> (0%) All other funding sources	Though the benefits of this activity are split between the community and individuals, Council believes it is appropriate for users of the city's landfills to bear the costs. The Council believes it is appropriate to take a "polluter pays" approach to its solid waste operations
<b>Activity: Closed Landfills Aftercare</b>							

Description	Community Outcome	Who benefits?	Timeframe of benefits	Who creates need?	Separate funding	Funding mix	Rationale
We provide aftercare of our closed land fill sites. We have an ongoing obligation to ensure these areas remain safe to use for the public and to minimise any environmental impact of these legacy landfills.	A people friendly, compact city – The majority of closed landfills are green open spaces enjoyed by local communities for leisure and recreation. Looking after these sites provides a valuable community asset.	This activity benefits the whole community. Without the safe management of the closed landfills, it would potentially pose a major hazard to public health and harm the city's environment.	The benefit of the operating costs arises in the year the funding is sourced. Long-term benefits from converting landfills to functioning parks.	This activity is required because waste is created. A minimum 30-year post closure care period is recommended by the Ministry for the Environment. The actions of individuals and businesses affect costs in this activity with a significant time gap as many of these landfills closed decades ago.	Council considers that there is little benefit of separate funding.	All (100%) General rates Unlikely (0%) All other funding sources	As this activity benefits the community as a whole, rather than individual users that could be targeted, the fairest and most effective way of funding it is from general rates.
<b>Activity: Organics &amp; Rubbish Collection – Starting in Y4 of the LTP (proposed)</b>							
This includes our collection of organics and rubbish from the kerbside.  While the service is primarily provided and limited to residential households, we will allow community facilities (e.g., clubs, marae) to opt in on a case-by case basis.	A people friendly, compact city - promoting sustainable management of the environment. A city restoring the mauri ora of te Taiao – promoting sustainable management of resources	People having their waste collected receive the main benefit from this activity. There are also benefits to the whole community: Illegal dumping creates a public health hazard. Diverting organic material from landfill also reduces emissions and extends the life of the landfill.	The benefit of the operating costs arises in the year the funding is sourced. Some future benefit from emissions reductions and extending the life of the landfill.	This activity is required because waste is created.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	All (100%) Targeted rates Waste collection targeted rate  Unlikely (0%) All other funding sources – very small and unquantifiable	Waste collection provides benefits to households that use this service. A targeted rate appropriately recognises this. User pays is not actually viable - the technology to charge people when their bin is emptied exists but is very unreliable.

#### Environment and Infrastructure (Water) – Activity Analysis

Description	Community Outcome	Who benefits?	Timeframe of benefits	Who creates need?	Separate funding	Funding mix	Rationale
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<b>Activity: Water network</b>							
The Council owns a water network of over 80 reservoirs, 30 pumping stations, more than 7,000 hydrants and about 900 odd kilometres of underground pipes, which we have to maintain	A people friendly compact city A city of healthy and thriving whanau and communities Reliable and adequate supply of clean and safe water is critical for the health and wellbeing of all residents.	Residents benefit from clean drinking water. Water is also vital for industry and commerce. Access to clean water also provides significant benefits to the community as a whole in terms of public health and safety, and economic well-being	The benefit of the operating costs arises in the year the funding is sourced. Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.	Limited Impact from the actions or inactions of individuals. Larger water users create a greater need. There is considerable government intervention in the provision of safe, healthy, compliant drinking water.	Identifying separate funding – in the form of a targeted rate based on water use – assists in the accountability and transparency of Council's cost on this activity. Also provides transparency on the cost of an essential service.	<b>All</b> (100%) Targeted rates <b>Split:</b> Residential sector targeted (60%) Commercial sector targeted (40%) <b>Rating base:</b> Rate in \$ Volumetric charge	The benefit received by individuals is best reflected through a targeted rate imposed on those properties connected to the public water supply. Based on a modified water consumption split, Council considers a 60/40 split in costs appropriate.
<b>Activity: Water collection and treatment</b>							
We buy water for the city in bulk. We pay based on how much water the city uses. Some of our costs are recovered from customers with water meters, while the rest is covered by water rates.	A people friendly compact city A city of healthy and thriving whanau and communities A reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.	All those connected to Wellington's water supply system. There is also some benefit to the community as a whole, includes public health benefits, provision of water for firefighting, and the benefits of a reliable water supply.	The benefit of the operating costs arises in the year the funding is sourced. Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.	Limited Impact from the actions or inactions of individuals. Larger water users create a greater need.	Identifying separate funding – in the form of a targeted rate based on water use – assists in the accountability and transparency of Council's cost on this activity. Also provides transparency on the cost of an essential service.	<b>All</b> (100%) Targeted rates <b>Split:</b> Residential sector targeted (60%) Commercial sector targeted (40%) <b>Rating base:</b> Rate in \$ Volumetric charge	The benefit received by individuals is best reflected through a targeted rate imposed on those properties connected to the public water supply. Based on a modified water consumption split, Council considers a 60/40 split in costs appropriate.

**Environment and Infrastructure (Wastewater) – Activity Analysis**

Description	Community Outcome	Who benefits?	Timeframe of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Sewage collection and disposal network</b>							

Description	Community Outcome	Who benefits?	Timeframe of benefits	Who creates need?	Separate funding	Funding mix	Rationale
The Council is responsible for more than 1,000 kilometres of sewer pipes and tunnels. The sewage network also includes 62 pumping stations which need regular maintenance and ultimately replacement once they have come to the end of their economic life.	A people friendly compact city A city of healthy and thriving whanau and communities A safe and reliable wastewater network provides protection against public health risks and environmental harm.	The sewage collection network benefits individuals by ensuring the waste removed from their homes and businesses is disposed of in ways that do not harm the environment. Sewage collection benefits the whole community by protecting public health.	The benefit of the operating costs arises in the year the funding is sourced. Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.	Limited impact from the actions or inactions of individuals. Heavy commercial producers have an adverse impact greater than most users.	Identifying separate funding – in the form of a targeted rate based on wastewater – assists in the accountability and transparency of Council's cost on this activity. Also provides transparency on the cost of an essential service.	<b>Most</b> (90-100%) Targeted rates <b>Split:</b> Commercial targeted rate (40%) Residential targeted rate (60%) <b>Minimal</b> (0%-10%) User Charges <b>Unlikely</b> (0%) All other funding sources	The division of costs between the sectors is based on a 'water in, water out' concept. The cost of network installation and maintenance in the commercial area is more expensive due to its size, pressures, standards and service levels. This is reflected in the 60%/40% split.
<b>Activity: Sewage treatment</b>							
Sewage is treated at three plants: Moa Point, Karori, and Porirua. The waste treatment plants at Moa Point and Karori are financed by the Council and operated by Veolia. Sewage from Wellington's northern suburbs is transferred to the Porirua plant.	A people friendly compact city A city of healthy and thriving whanau and communities A safe and reliable wastewater network provides protection against public health risks and environmental harm.	The sewage treatment system benefits individuals by ensuring the waste removed from their homes and businesses is disposed of in ways that do not harm the environment. The treatment system benefits the whole community by protecting public health.	The benefit of the operating costs arises in the year the funding is sourced. Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.	Limited impact from the actions or inactions of individuals. Heavy commercial producers have an adverse impact greater than most users.	Identifying separate funding – in the form of a targeted rate based on wastewater – assists in the accountability and transparency of Council's cost on this activity. Also provides transparency on the cost of an essential service.	<b>Most</b> (90-100%) Targeted rates <b>Split:</b> Commercial targeted rate (40%) Residential targeted rate (60%) <b>Unlikely</b> (0%) All other funding sources	The sewage treatment system mainly benefits individuals by ensuring the waste removed from their homes and businesses is disposed of in ways that do not harm the environment. However, there are also benefits for the wider community (protection of public health & safety).

#### Environment and Infrastructure (Stormwater) – Activity Analysis

Description	Community Outcome	Who benefits?	Timeframe of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Stormwater Management</b>							

Each year, Wellington's stormwater network carries around 80 million cubic metres of runoff from gutters and drains to the harbour and city streams. This drainage network helps protect the city from flooding	A people friendly compact city A welcoming, diverse and inclusive city A safe and reliable storm water network prevents avoidable disruptions to community living	Households and businesses receive benefits as their properties are protected from flooding. This extends to the wider community as storm water is also removed from public places	Benefit of most operating costs is expected to arise in the year funding is sourced. Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.	The actions of individuals in increasing hard surfaces on properties increases stormwater volumes. Some stormwater runoff is a direct result of land works and individual actions	Identifying separate funding – in the form of a targeted rate on stormwater – assists in the accountability and transparency of Council's cost on this activity. Also provides transparency on the cost of an essential service.	<b>All</b> (100%) Targeted rate funding <b>Unlikely</b> (0%) All other funding sources <b>Split:</b> Commercial sector targeted rate (22.5%) Residential targeted rate (77.5%)	As the individual beneficiaries are easily identifiable, targeted rates funding is appropriate. Council excludes rural areas from paying for this activity as this service is not provided to them. Council does not consider that a portion of the costs should be recovered in the general rate
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#### Environment and Infrastructure (Conservation Organisations) – Activity Analysis

Description	Community Outcome	Who benefits?	Timeframe of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Conservation Organisations</b>							
The Council funds the Wellington Zoo Trust and the Karori Sanctuary Trust. While each of these organisations has specific goals and approaches to conservation and education, they provide attractions for residents and visitors.	A people friendly compact city These activities inform and educate residents and visitors about conservation. They tell the story of our past, of our special wildlife, and of exotic flora and fauna.	These facilities benefit the individuals that choose to attend by providing them with a high-quality recreational and educational experience. These facilities provide significant benefits to the whole community by protecting endangered species.	Benefit of most operating costs is expected to arise in the year funding is sourced. Some benefits – such as the protection of endangered species – are likely to arise in the future.	The actions of individuals and groups have some impact on this activity.	This activity provides funding for trusts promoting conservation and wildlife. Council considers that there is little benefit of separate funding.	<b>All</b> (100%) General Rates <b>Unlikely</b> (0%) All other funding sources	The Council's contribution to these facilities reflects the benefits to the community as a whole. For this reason, it is appropriate for the Council's contribution to be funded from general rates.

## Economic Wellbeing

### Growing the regional economy for a prosperous community

The Economic Wellbeing Activity is about achieving long-term and sustainable growth in Gross Domestic Product per capita. With a dynamic growing economy, Wellington is able to offer residents prosperity and an outstanding quality of life. Our economic activities include funding tourism promotions and visitor attractions, support for the regional economic development agency, and maintaining relationships with other agencies to foster economic growth.

### Operating activities

The funding sources for this area are illustrated in the table below.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
<b>Economic Development</b>	City Promotions and Business Support	<b>3.1.1</b> WellingtonNZ and Venues Wellington	0%	0%	100%	20%	0%	30%	50%
		<b>3.1.2</b> Tākina Wellington Convention & Exhibition Centre	0%	0%	100%	60%	0%	0%	40%
		<b>3.1.3</b> City Growth Fund	0%	0%	100%	100%	0%	0%	0%
		<b>3.1.4</b> Major Projects	0%	0%	100%	100%	0%	0%	0%
		<b>3.1.5</b> International relations	0%	0%	100%	100%	0%	0%	0%
		<b>3.1.6</b> Business Improvement Districts	0%	0%	100%	0%	0%	100%	0%

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity. Economic development capital expenditure projects generally relate to renewals and are funded through rates funded depreciation and borrowings.

### Economic Wellbeing (City Promotions and Business Support) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefit	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: WellingtonNZ and Venues Wellington</b>							
This activity covers the Council's funding of Wellington NZ, the costs of operating Wellington's performing arts and civic venue infrastructure and innovation activities.	An innovative business friendly city A city of healthy and thriving whanau and communities. Ensuring that the city has a presence internationally is vital to attracting	Individual users of the venues derive benefit from these activities. In most cases users themselves provide the funding for the benefits (through ticketing charges).	The majority of benefit of operating costs is expected to arise in the year the funding is sourced. There are however longer-term benefits, as economic development benefits could	The actions of individuals and groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<b>All</b> (100%) Rates funding <b>Unlikely</b> (0%) All other funding sources <b>Split:</b> General Rate (20%)	Funding is spread across the sectors that benefit. The main benefits are derived by the business community and in particular the businesses in the CBD. A small component of funding is attributed to general rates covering residential and commercial ratepayers.

Description	Community Outcome	Who benefits?	Period of benefit	Who creates need?	Separate funding	Funding mix	Rationale
	investment, talent, visitors, and jobs. The Council's civic venue infrastructure is central to Wellington's performing arts economy. It also supports community wellbeing and provides economic benefits.		accrue over a number of years as a result of some expenditure.			Commercial targeted rate (50%) Downtown targeted rate (30%)	
<b>Activity: Tākina Wellington Convention &amp; Exhibition Centre</b>							
This activity relates to the funding required for the provision of Tākina, Wellington Convention & Exhibition Centre, and event facilities to the City.	An innovative business friendly city A city of healthy and thriving whanau and communities. Convention venues are places of events, festivals, and conferences. They anchor Wellington's appeal as a place of creativity, exploration, innovation, and excitement and will bring more business visitation to our downtown area.	The beneficiaries are predominantly the business sector through increased spending from this activity. Economic growth also provides benefits to residents through employment opportunities	The majority of benefit of operating costs is expected to arise in the year the funding is sourced. There are however longer-term benefits, as economic development benefits could accrue over a number of years as a result of some expenditure.	The actions of individuals and groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<b>All</b> (100%) Rates funding <b>Unlikely</b> (0%) All other funding sources <b>Split:</b> General Rate (60%) Downtown targeted rate (40%)	While the hospitality and entertainment sector receive a part of the benefit, Council's view is that part of the costs should be general rate funded. This is due to the benefit to the community as a whole, through an enhanced cultural offering, and stronger economy this activity will deliver
<b>Activity: City Growth Fund</b>							
This activity covers both the organisational support required to deliver the Council's economic development strategy, as well as the funding mechanism Council provides to support economic growth initiatives	A people friendly, compact city An innovative business friendly city Our grants support the attraction and retention of talented people and support the creative business sector in Wellington.	The groups and organisations that receive grants clearly benefit from this activity.  But the community as a whole also benefits. The projects of the successful applicants are expected to have	The benefit of the operating costs is expected to arise in the year the funding is sourced. There are however longer-term benefits, as economic development benefits could accrue over a number of years as a	The actions of individuals and groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	The nature of the activities and specific outcomes from funded grant activities are not known at this point and it is therefore appropriate that the funding is spread across the whole community through the general rate.

Description	Community Outcome	Who benefits?	Period of benefit	Who creates need?	Separate funding	Funding mix	Rationale
		flow on benefits for the wider community.	result of some expenditure.				
<b>Activity: Major Projects</b>							
This activity covers both the organisational support required to deliver the Council's economic development strategy, as well as the funding mechanism Council provides to support economic growth initiatives	A people friendly, compact city An innovative business friendly city Our grants support the attraction and retention of talented people and support the creative business sector in Wellington.	The groups and organisations that receive grants clearly benefit from this activity. The community as a whole also benefits. The projects of the successful applicants are expected to have flow on benefits for the wider community.	The benefit of the operating costs is expected to arise in the year the funding is sourced. There are however longer-term benefits, as economic development benefits could accrue over a number of years as a result of some expenditure.	The actions of individuals and groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	The nature of the activities and specific outcomes from funded grant activities are not known at this point and it is therefore appropriate that the funding is spread across the whole community through the general rate.
<b>Activity: International Relations</b>							
The Council works to make Wellington's economy more competitive and innovative by maintaining relationships internationally to promote the city and the region's interests.	An innovative business friendly city Improving access to international markets is particularly important as it provides local businesses with new opportunities to access large markets.	The benefits of this activity are split between the community as a whole and institutions that benefit from our efforts.	The benefit of the operating costs is expected to arise in the year the funding is sourced. There are longer-term benefits, as economic development benefits could accrue over a number of years as a result international relations.	The actions of individuals and groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	Though the benefits are split between the community and certain sectors, the Council believes this activity is most appropriately funded from general rates. This is because in most situations it would be impractical to identify the beneficiary.
<b>Activity: Business Improvement Districts</b>							

Description	Community Outcome	Who benefits?	Period of benefit	Who creates need?	Separate funding	Funding mix	Rationale
<p>Council provides a mechanism that allows local businesses to work together as Business Improvement Districts (BIDs).</p> <p>BIDs provide a vehicle for local business-led initiatives that support key city objectives, such as vibrant centres and business creation and development.</p>	<p>An innovative business friendly city</p> <p>Vibrant suburban centres make Wellington an attractive place to live and help form a local sense of community.</p>	<p>The businesses within the BID are the principal beneficiaries. There are also likely benefits to the community surrounding the BID, since a BID can also improve vibrancy and environs of the public space within a business area.</p>	<p>The benefit of the operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separate funding</p>	<p>All (100%) Commercial targeted rates</p> <p>Unlikely (0%)</p> <p>All other funding sources</p>	<p>Since the beneficiaries of the Business Improvement Districts policy are principally the businesses covered by each individual BID, it is appropriate that they should bear the cost of the policy</p>

## Cultural Wellbeing

### Shaping Wellington's unique identity

The Council supports a wide range of cultural and artistic activity in Wellington. The aim is to foster a lively and creative city that offers rich and varied cultural experiences to residents and visitors. We fund galleries, museums, arts organisations, and art and sculpture in public spaces. We also provide grants to community programmes that foster diversity and encourage people to participate in the arts.

### Operating activities

The funding sources for this area are illustrated in the graph below.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
<b>Cultural Wellbeing</b>	Arts and Culture Activities	<b>4.1.1</b> Galleries and Museums (WMT)	0%	0%	100%	75%	0%	0%	25%
		<b>4.1.2</b> Visitor Attractions (Te Papa, Carter Observatory)	0%	0%	100%	30%	0%	0%	70%
		<b>4.1.3</b> Arts and Cultural Festivals	0%	0%-10%	90-100%	90%-100%	0%	0%	0%
		<b>4.1.4</b> Creative Sector grants	0%	0%	100%	0%	100%	0%	0%
		<b>4.1.5</b> City Arts projects and venues access	0%	0%-10%	90-100%	90%-100%	0%	0%	0%
		<b>4.1.6</b> City Arts Partnerships	0%	10%-20%	80%-90%	80%-90%	0%	0%	0%
		<b>4.1.7</b> Creative sector initiatives	0%	0%	100%	100%	0%	0%	0%

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity. Cultural wellbeing capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

### Cultural Wellbeing (Arts and Culture Activities) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Galleries and Museums (WMT)</b>							
The Council is the main funder of the Wellington Museums Trust, which operates the Wellington Museum, the City Gallery, Capital E, the Wellington Cable	A welcoming, diverse and inclusive city A city of healthy and thriving whanau and communities An innovative business friendly city	The individuals attending the exhibitions and shows at the galleries and museums clearly benefit from their attendance.	The benefit of the operating costs is expected to arise in the year the funding is sourced.	Those accessing the Galleries & Museums show a need for this activity. The actions of individuals and groups have a minor	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<b>All</b> (100%) Rates <b>Unlikely</b> (0%) All other funding sources. <b>Split</b>	The whole community benefits from this activity, and this is reflected with three quarters of the funding being through the general rate. The balance reflects the benefits to the businesses located in the CBD area and



Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
Car Museum, Carter Observatory and the Colonial Cottage Museum		The location of these draws people into the downtown area and boosts local businesses.		impact on this activity.		General rates (75%) Downtown targeted rate (25%)	funding through the Downtown targeted rate is appropriate to contribute to this activity.
<b>Activity: Visitor Attractions (Te Papa)</b>							
Through this activity the Council funds attractions and facilities that bring visitors to the city, principally Te Papa.	A welcoming, diverse and inclusive city A city of healthy and thriving whanau and communities	The direct beneficiaries are those who visit the attractions and attend other events funded through this activity. There are also direct benefits to the businesses located in the downtown area.	The benefit of the operating costs is expected to arise in the year the funding is sourced.	Those accessing the Visitor Attractions show a need for this activity. The actions of individuals and groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<b>All</b> (100%) Rates <b>Unlikely</b> (0%) All other funding sources. <b>Split</b> Downtown targeted rate (70%) General rate (30%)	The Council does not believe it is viable to charge individuals who visit Te Papa directly. Council believes it is appropriate that the contribute to funding it via general rates. The downtown sector should continue to fund a significant portion of the costs.
<b>Activity: Arts and Cultural Festivals</b>							
Arts and Cultural festivals that the Council runs or supports include Summer City (Gardens' Magic, Pacifica Festival, Te Rā o Waitangi), Matariki festival, Christmas and New Year and other festivals. It also includes openings and digital activations.	A welcoming, diverse and inclusive city A people friendly, compact city Cultural festivals and events shape Wellington's sense of identity. They bring people together and celebrate creativity	The events are generally run outdoors in public areas making it impossible to identify individual beneficiaries. The benefits, in any case, are not exclusive.	The benefit of the operating costs is expected to arise in the year the funding is sourced. However, long-term benefits might arise from a unique cultural identity.	Those visiting art exhibitions and cultural festivals show a need for this activity. The actions of individuals and groups have minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<b>Most</b> (90%-100%) General rates <b>Minimal</b> (0%-10%) Other revenue <b>Unlikely</b> (0%) All other funding sources.	Since this activity benefits the community as a whole, the fairest and most effective way to fund the net cost is from general rates.
<b>Activity: Creative Sector grants</b>							

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<p>The Council maintains a grants pool to allow creative sector organisations access to funding in accordance with Aho Tini 2030 strategy.</p> <p>It includes multi-year, professional performing arts, and arts and culture funding.</p>	<p>A people friendly, compact city Arts and cultural grants support the creative sector of Wellington ensuring that the city is lively and full of performing, visual and literary arts activities throughout the year that reflect both Te Tiriti and the diverse communities that comprise Wellington.</p>	<p>The direct beneficiaries of this activity are the individuals and groups who receive funding. Funding cultural initiatives also benefits all city residents by making the city a more vibrant place</p>	<p>The benefit of the operating costs is expected to arise in the year the funding is sourced. However, long-term benefits might arise from grant creative programmes.</p>	<p>The actions of individuals and groups drive the costs in this activity. The individual applications for grants correlate with the costs in this activity</p>	<p>Council considers that there is little benefit of separate funding.</p>	<p><b>All</b> (100%) Targeted rates <b>Unlikely</b> (0%) All other funding sources.</p>	<p>The direct beneficiaries of this activity are the individuals or groups who receive funding. Funding is directed to residents, and as such, the Council believes it is appropriate to fund the cost of this activity from rates targeted to the residential sector.</p>
<b>Activity: City Arts projects and venues access</b>							
<p>This activity addresses a range of City Arts projects that the Council delivers every year in accordance with Aho Tini 2030 strategy.</p> <p>It also covers a subsidy for non-profit community groups using Wellington Venues.</p>	<p>A people friendly, compact city Support for City Arts projects and to enable Mana Whenua and Wellington's creative communities in accordance with Aho Tini 2030.</p>	<p>The individuals that take part in the arts projects and the non-profit groups that make use of the subsidy directly benefit from this activity. The activity also benefits the community as a whole: The projects supported help make the city a vibrant place and foster cultural identity.</p>	<p>The benefit of the operating costs is expected to arise in the year the funding is sourced. However, long-term benefits might arise from art projects that persist over several years</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>Most</b> (90%-100%) General rates <b>Minimal</b> (0%-10%) Other revenue <b>Unlikely</b> (0%) All other funding sources.</p>	<p>While individuals and not-for profit groups that benefit from this activity can be identified, council believes that charging fees would create a significant barrier for participation in community art projects. The Council therefore believes the cost is most appropriately covered by general rates.</p>
<b>Activity: City Arts Partnerships</b>							
<p>The Council delivers through City Arts the Toi Pōneke Arts Centre and the Public Art Fund.</p> <p>This activity also includes the fund which is used to</p>	<p>A people friendly, compact city Leadership and operation of an arts centre that builds on the city's reputation as New Zealand's arts and culture capital.</p>	<p>The artists and organisations are clearly direct beneficiary of these partnerships. Toi Pōneke exhibitions are free and accessible to all. Public art is a most</p>	<p>The benefit of the operating costs is expected to arise in the year the funding is sourced. However, long-term benefits might arise from art projects</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>Very high</b> (80-90%) General rates <b>Very low</b> (10%-20%) Other revenue</p>	<p>The Council believes that the majority of the cost is most appropriately funded from general rates. It is also considered appropriate that those art organisations, and users of Toi Pōneke Arts Centre should make a contribution</p>

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
manage the city's art collection.	Public sculpture and art displays, and exhibitions add to the vibrancy and liveability of the city	accessible form of art and the whole community benefits from it as well as visitors to the city.	that persist over several years			Unlikely (0%) All other funding sources.	to the cost of the space that they have use over.
Activity: Creative sector initiatives							
Creative sector initiatives are focused on major arts, cultural attractions, and events to support creative sector infrastructure development. This activity includes the Hannah Playhouse partnership.	A people friendly, compact city Arts and culture attractions as well as events make Wellington a more attractive place to live and do business and attract thousands of visitors to the city every year, and to support the creative sector to innovate.	The direct beneficiaries are those who attend the events and attractions funded through this activity. The community as a whole benefits in a number of ways. They have the opportunity to enjoy high-quality art and cultural attractions and events.	The benefit of the operating costs is expected to arise in the year the funding is sourced.	The actions of individuals and groups drive the costs in this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	All (100%) General rates Unlikely (0%) All other funding sources	The Council believes the cost is most appropriately funded from general rates.

## Social and Recreation

### Building strong, safe and healthy communities for a better quality of life

A city is only as strong as its people. Wellington is built on strong communities. It's a safe city where people have plenty of opportunities to fulfil their potential and engage with each other. As the city's biggest provider of recreation facilities and social housing, we aim to promote healthy lifestyles and build strong communities.

### Operating activities

The funding sources for this activity area are illustrated in the graph below.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
Social and Recreation	Recreation promotion and support	5.1.1 Swimming Pools	20%-30%	0%	70%-80%	70%-80%	0%	0%	0%
		5.1.2 Sports fields	10%-20%	0%	80%-90%	80%-90%	0%	0%	0%
		5.1.3 Recreation programmes	0%-10%	0%	90%-100%	90%-100%	0%	0%	0%
		5.1.4 Recreation Centres	20%-30%	0%	70%-80%	70%-80%	0%	0%	0%
		5.1.5 Recreation partnerships	0%	0%	100%	0%	100%	0%	0%
		5.1.6 Playgrounds	0%	0%	100%	100%	0%	0%	0%
		5.1.7 Marinas	100%	0%	0%	0%	0%	0%	0%
		5.1.8 Golf Course	30%-40%	0%	60%-70%	60%-70%	0%	0%	0%
		5.1.9 Leisure Card	0%	0%	100%	100%	0%	0%	0%
	Community support	5.2.1 Libraries	0%-10%	0%	90%-100%	90%-100%	0%	0%	0%
		5.2.2 Community advocacy	0%	0%	100%	0%	100%	0%	0%
		5.2.3 Grants (Social and Recreation)	0%	0%	100%	100%	0%	0%	0%
		5.2.4 Housing	100%	0%	0%	0%	0%	0%	0%
		5.2.5 Community centres and halls	0%-10%	0%	90%-100%	0%	90%-100%	0%	0%
		5.2.6 Cemeteries	40%-50%	0%	50%-60%	50%-60%	0%	0%	0%
		5.2.7 Public toilets	0%	0%	100%	100%	0%	0%	0%
		5.2.8 City safety	0%	0%	100%	100%	0%	0%	0%
		5.2.9 WREMO	0%	0%	100%	100%	0%	0%	0%
	Public health and safety	5.3.1 Public health regulations	60%-70%	0%	30%-40%	30%-40%	0%	0%	0%

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity. Social and recreation capital expenditure projects are funded through a combination of grants/subsidies, rates funded depreciation and borrowings.

Social & Recreation (Recreation promotion and support) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Swimming Pools</b>							
This activity covers the cost of providing the Council's seven swimming pools: Wellington Regional Aquatic Centre (WRAC, Kilbirnie), Freyberg Pool (Oriental Bay), Karori Pool, Keith Spry Pool (Johnsonville), Tawa Pool, Thorndon Pool (summer only) and Khandallah Pool (summer only).	A people friendly, compact city A welcoming, diverse and inclusive city Swimming pools provide access to sport and recreation opportunities which is important for people's health and wellbeing.	Our swimming pools mainly benefit the people who use them. However, there are also benefits to the community as a whole. By providing recreation facilities, the pools help increase the overall levels of residents' health, providing economic and social benefits	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of most individuals and groups have some impact on this activity. There is a correlation between the number of people using the pool and operating costs.	Funding this activity differently from others increases transparency and accountability.	<b>High</b> (70%-80%) General Rate <b>Some</b> (20%-30%) User Charges <b>Unlikely</b> (0%) All other funding sources	While individuals receive the direct benefits, the Council believes it is appropriate for the community as a whole to bear most of the costs. It would not be desirable to raise fees to levels that discouraged people from using them or provided barriers to people on low incomes.
<b>Activity: Sports fields</b>							
This activity covers the costs of providing the city's sports fields, including synthetic artificial surfaces. These provide year-round venues for recreation and competitive sport for people of all ages.	A people friendly, compact city Sports fields provide access to sport and recreation opportunities which is important for people's health and wellbeing	The city's sports fields provide significant benefits for private individuals and sports clubs. The sports fields also benefit the community as a whole – they help increase the overall levels of residents' health, providing economic and social benefits.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of most individuals and groups have some impact on this activity. There is a correlation between the number of people using the sport fields and operating costs.	Funding this activity differently from others increases transparency and accountability.	<b>Very High</b> (80%-90%) General rates <b>Low</b> (10%-20%) User charges <b>Unlikely</b> (0%) All other funding sources	While individuals receive the direct benefits, the Council believes it is appropriate for the community as a whole to bear most of the costs. It would not be desirable to raise fees to levels that discouraged users from being able to participate in sport.
<b>Activity: Recreation programmes</b>							
The Council organises programmes and works with stakeholders to deliver programmes to encourage people's participation in leisure activities	A people friendly, compact city This activity supports access to sport and recreation opportunities which is important for people's health and wellbeing	The Council's recreation programmes benefit the individuals who take part. They also operate as community events, helping bring people together.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>Most</b> (90%-100%) General rates <b>Very low</b> (0%-10%) User charges <b>Unlikely</b> (0%)	The benefits to the community as a whole justify ratepayer funding and it would not be desirable to impose fees as that may discourage participation and provide barriers to people on low incomes taking part.

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
						All other funding sources	
<b>Activity: Recreation centres</b>							
This activity covers the costs of providing the Council recreation centres in Karori, Kilbirnie, Khandallah (Nairnville), Tawa and the ASB Sports Centre.	A people friendly, compact city Recreation centres provide access to sport and recreation opportunities which is important for people's health and wellbeing.	Our recreation centres mainly benefit the people who use them. However, there are also benefits to the community as a whole, such as providing community focal points that bring people together.	The benefit of the operating costs is expected to arise in the year the funding is sourced.	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>High</b> (70%-80%) General rates <b>Moderate</b> (20%-30%) User charges <b>Unlikely</b> (0%) All other funding sources	It is appropriate and acceptable to charge people who use the centres. However, it would not be desirable to raise fees to levels that discouraged people from using the centres. The benefit to the community and the significant role these centres play in their local areas justifies a significant ratepayer contribution.
<b>Activity: Recreation partnerships</b>							
The Council maintains relationships with a number of groups that seek to provide publicly accessible facilities that contribute to both passive and active recreation.	A people friendly, compact city This activity supports access to sport and recreation opportunities which is important for people's health and wellbeing	The organisations we fund and the people that take part in their programmes also receive direct benefits. In addition, by supporting recreation partners, the city receives the economic benefits from having sport and recreation organisations located here.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>All</b> (100%) Residential targeted rate <b>Unlikely</b> (0%) All other funding sources	While the individuals who choose to access these facilities receive some benefits, the Council believes it is appropriate for the residential sector to bear the costs of our recreation partnerships.
<b>Activity: Playgrounds</b>							
The Council provides more than 100 neighbourhood playgrounds across the city to give families a safer place to play near home. This activity covers the cost of providing those.	A people friendly, compact city This activity supports access to recreation opportunities and physical play for younger people that are important for their development	The city's playgrounds provide safe, entertaining places for children to play. The benefits to the children and their families are significant	The benefit of the operating costs is expected to arise in the year the funding is sourced.	The actions of individuals and groups contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>All</b> (100%) General rate <b>Unlikely</b> (0%) All other funding sources	It would not be desirable or acceptable to charge people for using playgrounds. Most people recognise them as important facilities and are prepared to contribute to the costs through their rates.

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
	and their health and wellbeing.						
<b>Activity: Marinas</b>							
The Council owns two Marinas at Evans Bay and Clyde Quay. These provide private storage and live-aboard facilities for boat owners as well as supporting the recreational activities of a large number of boat owners. This activity covers the cost of providing these.	A people friendly, compact city This activity supports access to the harbour and the coast for recreation, fishing and enjoyment	The marinas benefit the people who use them by providing boat sheds for safe storage, moorings and access by marina piers.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>All</b> (100%) <b>User Charges</b> <b>Unlikely</b> (0%) All other funding sources	As identifiable individuals receive private benefits from this activity, it is appropriate for them to meet the costs. The benefits accrue to a narrow sector of the community who use these facilities and the user charges are set at appropriate market rates.
<b>Activity: Golf Course</b>							
This activity covers the costs of providing the city's municipal golf course.	A people friendly, compact city This activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.	The city's municipal golf course in Berhampore provides significant benefits for club members and the club itself. The club is also open and often available for hire to members of the public to use for informal recreation	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>High</b> (60%-70%) <b>General Rate</b> <b>Some</b> (30%-40%) <b>User Charges</b> <b>Unlikely</b> (0%) All other funding sources	While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear some of the operating costs of, due to golf course being located on Town Belt land with free public access to the area. The user funded portion relates to costs specific to the provision of the Golf Course.

#### Social & Recreation (Community Support) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Libraries</b>							
The Council provides a network of libraries including the Central Library, branch libraries, and a popular website.	A people friendly, compact city Libraries are neighbourhood institutions that anchor community life and bring people together. They provide physical and online information and content,	Libraries benefit the people who use them. By providing community support and access to information, the libraries enhance the overall levels of skill, literacy, and knowledge in the	The benefit of the operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>Most</b> (90%-100%) General rates <b>Very low</b> (0%-10%) User charges <b>Unlikely</b> (0%)	While individuals receive many of the direct benefits, the Council believes it is appropriate that most of the cost of running libraries should be met by the wider community.

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
	programming, and resources.	city, providing benefits to the whole community.				All other funding sources	
<b>Activity: Community Advocacy</b>							
Our City Communities advisors support a wide range of community groups such as senior citizens, Māori, youth, Pacific Islanders, refugees and migrants, and people with disabilities. This work ensures that Wellington's diverse population is supported.	A people friendly, compact city A city that offers an outstanding quality of life and strong sense of place and leaves no-one behind; provides outstanding recreational opportunities (active and passive) that are accessible and inclusive	The projects funded under this activity benefit all Wellingtonians and communities: The build community and neighbourhood resilience supporting the development of connected, vibrant and participatory communities	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>All (100%) Unlikely (0%)</b> All other funding sources	The Council believes it is appropriate to fund the majority of costs for this activity from rates targeted to the residential sector. This is because the benefits accrue to all residents.
<b>Activity: Grants (Social and Recreation)</b>							
The Council maintains four grant pools. This activity covers the grants to community groups and organisations whose projects seek to promote recreational activity and overall social wellbeing. The grants process is overseen by a subcommittee of Council.	A people friendly, compact city Our grants support community groups that promote individual wellbeing, safe neighbourhoods, and cohesive, engaged and inclusive communities.	The groups and organisations that receive grants clearly benefit from this activity	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>All (100%) General rates</b>	While grants recipients benefit directly from this activity, seeking to recoup the cost from them would defeat the purpose of the grants pool. Given this and that there are benefits to the community as a whole, the Council believes the fairest and most effective way to fund it is from general rates
<b>Activity: Housing</b>							
The Council owns over 2000 housing units, which we rent to low-income people whose housing needs are not met by the private sector. Tenants are charged 70 percent of the estimated market rent for their property.	A people friendly, compact city Social housing provides an opportunity for a home and a better quality of life for those less well-off without unreasonable hardship	The main beneficiaries of this activity are the tenants, who receive accommodation at below market rent.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>All (100%) User charges</b>	As the main beneficiaries, it is appropriate for tenants to pay all of the costs involved in providing community housing. The Council's current policy is to provide homes at 70 percent of market rent.
<b>Activity: Community Centres and Halls</b>							



Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
This activity supports the delivery of services/activities from community centres and halls. The Council directly delivers services to the community from one halls and six centres. Community organisations are contracted to deliver services from our assets or from non- council assets (22 centres in total) and are funded through three-year contracts (Social Grants).	A people friendly, compact city These facilities are important anchors in our communities. They are places for groups to come together, strengthening social cohesion, and making the city a more appealing place for people to live.	The people and groups who use community facilities receive a clear and direct benefit. This benefit is private and exclusive.  However, the provision of these facilities also has benefits for the wider community, bringing people together.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>Most</b> (90%-100%) Residential sector targeted rates <b>Very low</b> (0%-10%) User charges <b>Unlikely</b> (0%) All other funding sources	Community centres make a significant contribution to community wellbeing by providing an anchor for the local community as well as a city-wide network of community resources. Given the benefit for the local community, residential sector targeted rates are the appropriate funding source.
<b>Activity: Cemeteries</b>							
We operate a crematorium and cemetery at Karori and a cemetery at Makara. We also manage Wellington cemetery records dating back to 1849 available for public viewing. Karori Cemetery is now managed as a closed cemetery for burials, unless interments are done in existing family plots.	A people friendly, compact city The cemeteries provide sensitive and respectful bereavement services catering for a wide range of communities and beliefs. We maintain the cemetery sites to a good standard, reflecting their importance to the community.	Those using the services of the cemetery and crematorium. The Community also benefit through the protection of public health and the maintenance of cemeteries and cemetery records for future generations to locate their ancestor's burial plot/site. There are also social benefits, as these spaces are used by the community for recreation and education purposes.	The benefit of the operating costs is expected to arise in the year the funding is sourced. However, some benefits to future generations occur in the future (see who benefits)	The actions of some individuals and groups have some impact on this activity.	Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.	<b>Moderate – more than 50%</b> (50%-60%) General rates <b>Moderate – less than 50%</b> (40%-50%) User charges	The benefits of this activity are split between individuals for cemetery services and the community as a whole. Therefore, it is appropriate for the costs to be split evenly.
<b>Activity: Public toilets</b>							
We own and maintain around 100 public	A people friendly, compact city	Mainly visitors and those away from their home use	The benefit of the operating costs is expected to arise in	The actions of individuals and groups somewhat	Identifying separate user pays funding assists in the	<b>All</b> (100%) General rates	Since the whole community benefits, the fairest and

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
toilets throughout the city. This activity includes ensuring they are kept clean and maintained fit for public use.	these facilities are located conveniently throughout the city protecting against public health risks.	public toilets generally in support of leisure pursuits, tourism and commercial businesses	the year the funding is sourced	contribute to the need for this activity.	accountability and transparency of Council's expenditure on this activity.		most effective way to fund it is through the general rate. Experience shows attempts to charge individuals is not practical or easy to manage, and though individuals also benefit, the Council does not believe it would be appropriate to refuse access to people who cannot or will not pay.
<b>Activity: City Safety</b>							
This includes patrols by city safety officers, closed circuit television monitoring of some inner-city streets, and safety audits	A people friendly, compact city This activity promotes individual wellbeing, safe neighbourhoods and a safe inner city.	Our city safety initiatives benefit the whole community. Though individuals benefit from reduced crime, the benefits are felt community-wide and are not exclusive to individuals	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups somewhat contribute to the need for this activity.	Council considers that there is little benefit of separate funding	<b>All</b> (100%) General rates	Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.
<b>Activity: WREMO</b>							
Wellington Regional Emergency Management Office (WREMO) provides a shared service to all the councils within the region. Its role is to help the city prepare for disasters, and to maintain the Council's Emergency Operations Centre at a state of readiness for response.	A people friendly, compact city This agency works with all sectors of the community to ensure the city is prepared and ready to respond in the event of an emergency.	All residents and businesses benefit from preparation work to respond to and recover from any emergency.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups somewhat contribute to the need for this activity.	Council considers that there is little benefit of separate funding	<b>All</b> (100%) General rates	Individuals, households, businesses and communities all benefit from being well prepared to respond to and recover from emergency situations. The Council believes the fairest and most effective way to fund this activity is from general rates.

#### Social & Recreation (Public health and safety) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Public Health Regulations</b>							

<p>This activity covers the Council's role in licensing and monitoring food outlets, licensing alcohol liquor outlets, registering and impounding dogs, responding to noise, nuisance, animal and litter complaints, and handling infectious disease investigations and trade waste activities</p>	<p>A people friendly, compact city</p> <p>This activity benefits the community as a whole, protecting the public from hazards created or potentially created by identifiable individuals and businesses.</p>	<p>There are a number of identifiable users who both cause and benefit from this activity. Businesses cannot operate without regulatory approvals in place. Consenting and compliance activities ensure that minimum standards are met and maintained, ensuring public confidence in those businesses and their products. Dog owners benefit from the regulatory platform established by the Dog Control Act, ensuring that all dogs are registered and subject to control measures.</p>	<p>The benefit of the operating costs is expected to arise in the year the funding is sourced</p>	<p>The actions of individuals and businesses exclusively contribute to the need for this activity.</p>	<p>Council considers that there is little benefit of separate funding</p>	<p><b>Moderate to High</b> (60%-70%) User Charges <b>Low to Moderate</b> (30%-40%) General Rates <b>Unlikely</b> (0%) All other funding sources</p>	<p>As this work protects the community from harm arising from the actions of individuals and businesses, it is appropriate that those individuals or businesses potentially causing the harm should pay. For some services, it is not appropriate or possible to charge users. Since this work offers benefits to the broader community, it is appropriate for the remaining costs to be funded from general rates.</p>
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## Urban Development

### Directing growth and delivering quality

Nestled between harbour and hills, Wellington is a compact and dynamic city. We aim to preserve its special character, making sure developments are safe and in harmony with the environment. Our work in this area includes urban planning, building regulation, heritage protection and the development of public spaces.

### Operating activities

The majority of activities in this area are funded via the General Rate. The funding sources are illustrated in the table below.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
Urban Development	Urban Planning, Heritage and Public Spaces Development	6.1.1 Urban Planning and Policy development	0-10%	0%	90-100%	100%	0%	0%	0%
		6.1.2 Public Spaces and Centres Development	0%	0%	100%	100%	0%	0%	0%
		6.1.3 Built Heritage Development	0%	0%	100%	100%	0%	0%	0%
		6.1.4 Housing Development	0%	0%	100%	100%	0%	0%	0%
	Building and Development Control	6.2.1 Building Control and Facilitation	60%-70%	0%	30%-40%	30%-40%	0%	0%	0%
		6.2.2 Development Control and Facilitation	40%-50%	0%	50%-60%	50%-60%	0%	0%	0%
		6.2.3 Earthquake Risk Mitigation	0%	0%	100%	100%	0%	0%	0%
		6.2.4 Building Control and Facilitation Weathertight Homes	0%	0%	100%	100%	0%	0%	0%

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity. Urban development capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

### Urban Development (Urban Planning, Heritage and Public Spaces Development) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Urban Planning and Policy</b>							
The Council wants to ensure the city grows in ways that encourage high-quality development	A people friendly, compact city This activity ensures the city's built form	The whole community benefits from this activity: Urban planning ensures the city	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the	Identifying separate funding assists in the accountability and transparency of	<b>Most</b> (90-100%) General rates	Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
and produce the best long-term result for everyone.	is developed in appropriate ways.	grows in a controlled, environmentally sustainable way and encourages high-quality developments		need for this activity.	Council's costs on this activity.	<b>Low</b> (0-10%) User fees and charges <b>Unlikely</b> (0%) All other funding sources	A small fee is collected for Corridor Access Request applications to recover anticipated cost of running and maintaining our sub surface asset data platform.
<b>Activity: Public Spaces and Centres Development</b>							
We fund work to develop the street environments, urban parks and squares, and other public areas in the city and suburban centres. We aim to make these areas safe, accessible and attractive, with plenty of green space.	A people friendly, compact city A welcoming, diverse and inclusive city Public spaces are an important component of the inner city providing accessible opportunities for relaxation, recreation and leisure for residents and visitors	This work benefits the whole community by enhancing the urban environment, making the city safer and contributing to the vibrancy of Wellington. All residents and visitors to the city are able to enjoy its public spaces	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups have very limited effect on costs for this activity.	Council considers that there is little benefit of separate funding	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	While centre development provides a clear benefit to geographical suburban areas, targeted rates to fund these activities are not considered appropriate given the broad benefit to the community as a whole
<b>Activity: Built Heritage Development</b>							
In order to promote Wellington as a place that celebrates its heritage, we work to help protect and restore the city's heritage assets.  Our work in this area includes maintaining an inventory of heritage sites and upgrading heritage sites.	A people friendly, compact city heritage buildings contribute to the city's distinct identity and enhance its sense of place.	This work benefits the whole community by protecting the city's heritage. Preservation of city landmarks enhances the city's image, makes it more attractive, and contributes to people's sense of history and community pride	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups have very limited effect on costs for this activity.	Council considers that there is little benefit of separate funding	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	In order to promote Wellington as a place that celebrates its heritage, we work to help protect and restore the city's heritage assets.  Our work in this area includes maintaining an inventory of heritage sites and upgrading heritage sites.
<b>Activity: Housing Development</b>							
Council has developed a Housing Strategy which aims	A people friendly, compact city	Work funded by this activity benefits individuals who	The benefit of the operating costs is expected to arise in	The actions of individuals and groups fully	The affordable rental programme (Te Kainga) is 100%	<b>All</b> (100%) General rates	While the private market does provide housing, this activity seeks to encourage

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
to ensure that all Wellingtonians are well housed. This activity includes our affordable rental programme Te Kainga	A welcoming, diverse and inclusive city  Encouraging Housing initiatives so that Wellingtonians can enjoy quality Housing at a level which is affordable	currently cannot access quality affordable housing.  However, the community as a whole also benefits through improving the overall availability and quality of the city's housing stock.	the year the funding is sourced	contribute to the need for this activity.	fee funded. This increases transparency and accountability.  The activity funding mix shows how the net costs for this activity are funded.	<b>Unlikely</b> (0%) All other funding sources	development which would not occur without Council's support. Given this and the benefits to the community as a whole, the fairest and most effective way to fund it is from general rates

#### Urban Development (Building and Development Control) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Building Control and Facilitation</b>							
The Council has a statutory responsibility under the Building Act and the Resource Management Act to control building developments. This includes ensuring buildings are safe and sanitary, and do not threaten environmental quality or public health.	A people friendly, compact city This activity benefits the community, ensuring buildings are safe and meet legal requirements.	In most cases, buildings are for private and exclusive use. Consequently, building control work primarily benefits private individuals – the people and companies that build, redevelop, or occupy homes, offices and other buildings.	Due to the statutory lifetime of a building consent, the benefit of the operating costs is expected to arise within 24 months of the year the funding is sourced.	The actions of individuals and groups fully contribute to the need for this activity.	Council considers that there is little benefit of separate funding.	<b>Moderate to High</b> (60%-70%) User Charges <b>Low to Moderate</b> (30%-40%) General Rates <b>Unlikely</b> (0%) All other funding sources	While individuals and businesses receive the benefits of our building control work, we are constrained in our ability to recover costs from those parties. User charges for some activities are set by law or regulation, which in some instances prevents us from charging at all. Since this work offers benefits to the broader community, it is appropriate for the remaining costs to be funded from general rates.
<b>Activity: Development Control and Facilitation</b>							
The Council has a statutory responsibility under the Resource Management Act to ensure land and other resources are used sustainably	A people friendly, compact city This work benefits the community, by ensuring resources are used sustainably, protecting public health, safety and future users of land and buildings, urban	The main beneficiaries of this work are the individuals and businesses involved in land subdivision, development, or use of other resources. By ensuring development is safe, sustainable and	Due to the statutory lifetime of a resource consent, the benefit of the operating costs is expected to arise within 5 years of the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Council considers that there is little benefit of separate funding	<b>Moderate – less than 50%</b> (40%-50%) User Charges  <b>Moderate – more than 50%</b> (50%-60%)	While individuals and businesses receive the benefits of our building control work, we are constrained in our ability to recover costs from those parties. User charges for some activities are set by law or regulation, which in some instances prevents us from charging at all.

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
	character, and the city's heritage.	meets legal obligations, this work ensures public confidence in those businesses and their products.				General Rates <b>Unlikely</b> (0%) All other funding sources	Since this work offers benefits the broader community, it is appropriate for the remaining costs to be funded from general rates.
<b>Activity: Earthquake Risk Mitigation</b>							
The Council has a statutory responsibility under the Building Act to mitigate the risks that earthquakes may have on structures	A people friendly, compact city Wellington's high earthquake risk means this work is critical. It protects public safety, as well as preserving the city's heritage and the economic investment made in buildings and infrastructure.	The whole community benefits from Council mitigating the risk of earthquakes on existing structures.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Council considers that there is little benefit of separate funding	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	Since the activity benefits the community as a whole, the fairest and most effective way to ultimately fund it is from general rates.
<b>Activity: Building Control and Facilitation - Weathertight Homes</b>							
Resolving Weathertight home issues	A people friendly, compact city By providing resolution to the weathertight homes issue, by supporting repairs to provide healthier and more resilient homes.	Ensuring leaky homes get fixed provides benefits to the Community as a whole. Through no fault of their own, individuals are stuck with leaky homes which can, in the worst circumstances, affect the health and well-being of those living there.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups do not contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability. Important that any borrowing (which might be used to spread the cost) and rate funding associated with this activity are transparent and that these funds are ring fenced	<b>All</b> (100%) General rates <b>Unlikely</b> (0%) All other funding sources	Since the activity benefits the community as a whole, the fairest and most effective way to ultimately fund it is from general rates.  We note however the need for borrowings and ring-fencing the rates funding.

## Transport

### Providing quality connections

We're responsible for Wellington's extensive transport network, and for planning for the city's future transport needs. We see a high-quality transport system as critical to the city's economy and quality of life. Our transport activities include looking after hundreds of kilometres of city roads, as well as accessways, footpaths, cycleways, parking facilities, traffic signs and signals, street lighting and pedestrian crossings. We also manage parking areas.

### Operating activities

The funding sources for this area are illustrated in the table below.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
Transport	Transport	7.1.1 Transport Planning	0%	0%	100%	100%	0%	0%	0%
		7.1.2 Vehicle network	0%	0%-10%	90%-100%	90%-100%	0%	0%	0%
		7.1.3 Cycle network	0%	0%-10%	90%-100%	90%-100%	0%	0%	0%
		7.1.4 Passenger Transport Network	0%	80%-90%	10% - 20%	10%- 20%	0%	0%	0%
		7.1.5 Pedestrian Network	0%	0%-10%	90%-100%	90%-100%	0%	0%	0%
		7.1.6 Network-wide Control and Management	10%-20%	10%-20%	60%-70%	60%-70%	0%	0%	0%
		7.1.7 Road Safety	0%	20%-30%	70%-80%	70%-80%	0%	0%	0%
		7.1.8 Major City Upgrades	0%	100% <sup>3</sup>	0%	0%	0%	0%	0%
		7.1.9 Roads Open Spaces	0%	0%-10%	90%-100%	90%-100%	0%	0%	0%
		7.1.10 Charged Up Capital	100%	0%	0%	0%	0%	0%	0%
	Parking	7.2.1 Parking	100%	0%	0%	0%	0%	0%	0%

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity. Transport capital expenditure projects are funded through a combination of NZTA subsidies, rates funded depreciation and borrowings.

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<sup>3</sup> Other income refers to borrowings for this activity. Please refer to full details in the Activity Analysis below.



Transport (Transport) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
<b>Activity: Transport Planning</b>							
A well-planned transportation network plays an important part in making the city more liveable. It provides for the efficient movement of freight and it allows for people to be better connected, aiding social cohesion.	A people friendly, compact city A welcoming, diverse and inclusive city The transport network provides people with accessible and safe transport choices, for work, recreation, and pleasure, including walkways and bikeways.	This activity is of benefit to the whole community	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>All</b> (100%) General rates	This activity is of benefit to the whole community. As the whole community benefits, general rates funding is appropriate.
<b>Activity: Vehicle Network</b>							
We manage a vehicle network that includes 699 kilometres of urban and rural roads, 1,236 kilometres of kerbs and channels, 76 bridges and large culverts and four tunnels, as well as all related pavements and service lanes.	A people friendly, compact city Our road network safely and efficiently accommodates more than 40,000 people driving around the city each day, for work and recreation.	The direct beneficiaries are road users. This includes everyone who drives private cars, as well as businesses that use roads for commercial purposes. There are also many indirect beneficiaries, receive road-based services like meals on wheels or mail deliveries	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability. it's not possible to reasonably assess how much cost and benefit is directly attributable to different groups of road users, and Council currently has no legal means to impose direct costs on road users.	<b>Most</b> (90%-100%) General rates <b>Minimal</b> (0%-10%) Other revenue	As the community as a whole benefits from our provision of the vehicle network, and the apparent issues with charging individual users the fairest approach is to fund costs in this activity from general rates. A small percentage of our costs is funded by NZTA subsidies.
<b>Activity: Cycle Network</b>							
Cycleways require regular maintenance to remain safe – surfaces need to be smooth; lanes need to be clearly marked, and cycle stands, and maintenance stations need to be provided at	A people friendly, compact city A welcoming, diverse and inclusive city the cycle network reflects our commitment to sustainable, safe and efficient transport choices	The direct beneficiaries of the city's cycleways are the people who use them. There are also many indirect benefits, as cycleways contribute towards reducing the amount of vehicle traffic,	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability. Identifying and charging individual users would however be inefficient, impractical, and	<b>Most</b> (90%-100%) General rates <b>Minimal</b> (0%-10%) Other revenue	As the community as a whole benefits from our provision of the pedestrian network, and the apparent issues with charging individual users the fairest approach is to fund costs in this activity from general rates.

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
appropriate parking points.		which in turn makes the city's roads safer and less congested.			potentially discourage people from using the pedestrian network		A small percentage of our costs is funded by NZTA subsidies.
<b>Activity: Passenger Transport Network</b>							
The Lambton Quay Bus Interchange is owned and operated by Council. Council also provides and maintains the special bus lane markings on roads throughout the city.	A people friendly, compact city Our passenger transport network safely and efficiently accommodates people using public transport services to travel around the city each day, for work and recreation.	While individual users of public transport receive the most direct benefit, there are also many indirect beneficiaries. Public transport services contribute towards reducing the amount of vehicle traffic, which in turn makes the city's roads safer.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>High</b> (70%-80%) Other revenue <b>Low</b> (20%-30%) General rate	Because the community as a whole benefits, the fairest approach is to fund costs in this activity from general rates. However, Council receives a share of the revenue generated from advertising on bus shelters and pedestrian canopies.
<b>Activity: Pedestrian Network</b>							
This activity covers the management of our pedestrian network	A people friendly, compact city A welcoming, diverse and inclusive city Our cycle and pedestrian networks accommodate nearly 25,000 walking and cycling commuters each day and provide for easy and affordable movement to and around the city.	The direct beneficiaries of the pedestrian network are the people who use them. There are also many indirect benefits, as the pedestrian network contributes towards reducing the amount of vehicle traffic, which in turn makes the city's roads safer and less congested	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability. Identifying and charging individual users would however be inefficient, impractical, and potentially discourage people from using the pedestrian network.	<b>Very high</b> (90%-100%) General rates <b>Very low</b> (0%-10%)	As the community as a whole benefits from our provision of the pedestrian network, and the apparent issues with charging individual users the fairest approach is to fund costs in this activity from general rates. A small percentage of our costs is funded by NZTA subsidies.
<b>Activity: Network-wide Control and Management</b>							
This activity covers our traffic control systems, road marking and signs, and network management activities.	A people friendly, compact city Our road network safely and efficiently accommodates people driving around the city. Our pedestrian and cycle networks deliver the same outcomes for	The benefits are felt by the whole community, including road users (private and commercial), pedestrians, cyclists, residents, and tourists.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>High</b> (70%-80%) General rates <b>Low</b> (10%-20%) Other revenue User fees	A small percentage of our costs is funded by NZTA subsidies & fees for administering network activities. Because the community as a whole benefit, the fairest approach is to fund the remaining costs from general rates.

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
	walking and cycling commuters.						
<b>Activity: Road Safety</b>							
Delivering a safe road network is a fundamental goal of our Transport strategy. Providing and maintaining safety assets such as street lighting, safety fences and rails, as well as leading road education, significantly enhances safety for all users of our transport networks.	A people friendly, compact city Our road network safely and efficiently accommodates people driving around the city each day, for work and recreation. Our pedestrian and cycle networks deliver the same outcomes for walking and cycling commuters each day.	The benefits are felt by the whole community, including road users (private and commercial), pedestrians, cyclists, residents, and tourists.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>Very high</b> (80%-90%) General rates <b>Very low</b> (10%-20%) NZTA subsidies <b>Unlikely</b> (0%) All other funding sources	Because the community as a whole benefit, the fairest approach is to fund costs in this activity from general rates. A small percentage of our costs are funded by the New Zealand Transport Agency (NZTA) which pass on funding from fuel taxes gathered by Central Government
<b>Activity: Major City Upgrades</b>							
This activity covers the costs related to Major City Upgrades	A people friendly, compact safe and accessible city Major City Upgrades re-shape how we travel in Wellington. It will make transport fast, more comfortable, and greener.	Residents and Visitors will benefit from better connections throughout the city.	There are longer term benefits from greener transport options and efficiency gains from better transport options.	The actions of individuals and groups partly drive costs for this activity.	Council considers that there is little benefit of separate funding	<b>Before delivery All (100%)</b> Borrowings There is an NZTA funding component to subsidise cost of this activity. The remainder of cost is debt funded until the delivery of the projects. <b>After delivery All (100%)</b> General rates	Given the widespread benefits for the whole community, the costs of major projects should be recovered via the general rate once the projects are delivered.
<b>Activity: Roads Open Spaces</b>							
Roads that are clean and have clear edges	A people friendly, compact city	This work benefits anyone who lives in	The benefit of the operating costs is	The actions of individuals and	Funding this activity differently from	<b>Most</b> (90%-100%)	As the community as a whole benefit, the fairest

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
help to make the city attractive and safe. We clean city and residential streets, empty rubbish bins in the central city and remove spills and litter.	- our road network safely and efficiently accommodates people driving around the city each day, for work and recreation	or moves around the city by ensuring that footpaths, roadside verges and open spaces are safe and attractive. It helps to maintain the city's environment and residents' safety, and enjoyment of their surroundings.	expected to arise in the year the funding is sourced	groups fully contribute to the need for this activity.	others increases transparency and accountability.	General rates <b>Minimal</b> (0%-10%) NZTA subsidies <b>Unlikely</b> (0%) All other funding sources.	approach is to fund costs in this activity from general rates. A small percentage of our costs are funded by the New Zealand Transport Agency which pass on funding from fuel taxes gathered by Central Government
<b>Activity: Charged Up Capital</b>							
This activity covers the management of our EV charging infrastructure.	An innovative business friendly city  A people friendly compact city	The direct beneficiaries of the Council's EV charging services are those people who use EV chargers. A second benefit comes from the free parking on council-owned spaces during the use of the charger.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>All</b> (100%) User Charges	It is appropriate to charge people for using EV chargers. It might be argued that retailers benefit from Council's provision of EV chargers.

### Transport (Parking) – Activity Analysis

Description	Community Outcome	Who benefits?	Period of benefits	Who creates need?	Separate funding	Funding mix	Rationale
Activity: Parking							
This activity covers the management of Council-controlled on-street and off-street parking	An innovative business friendly city A people friendly compact city	The direct beneficiaries of the Council's parking services are those people who use car parks.	The benefit of the operating costs is expected to arise in the year the funding is sourced	The actions of individuals and groups fully contribute to the need for this activity.	Funding this activity differently from others increases transparency and accountability.	<b>All</b> (100%) User Charges	It is appropriate to charge people for using car parks. It might be argued that retailers benefit directly from Council's provision of carparks. However, there is no practical way of assessing whether people are using car parks to go shopping or for other purposes



# Rates remissions and postponements policies

## Rates remission policy

### Introduction

In accordance with section 85 of the Local Government (Rating) Act, 2002:

- i. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
  - a) The local authority has adopted a remissions policy under section 109 of the Local Government Act 2002, and
  - b) The local authority is satisfied that the conditions and criteria in the policy are met.
- ii. The local authority must give notice to the ratepayer identifying the remitted rates.

### Circumstances where a remission may apply

#### Rural open space remission

##### **Objective**

The council recognises that some rural land used for farming and/or conservation purposes has a valuation in excess of its economic use, and the rates set are a disincentive to the continued use of the land in its current form. The purpose of this remission is to alleviate financial barriers to the continued use of rural properties for farming and conservation purposes.

##### **Conditions and criteria**

The council may grant a 50 percent remission of the base general rate on land classified as rural under the Councils District Plan, where the rating unit is principally used for farming and conservations purposes.

Principally used for farming and conservation purposes means that more than 50% of the rating unit is used for conservation, agriculture, horticulture, pastoral or silviculture purposes, or for the keeping of bees, poultry or other livestock excluding commercial dog kennels or catteries.

Note that this definition does not include commercial dog kennels or catteries. Furthermore, the remission only applies where the rating unit (or property) exceeds 30 hectares in area.

#### Remissions on land used principally for games or sport

##### **Objective**

The objective of this remission is to reduce the financial impact of rates on land used principally for games or sports, that is occupied by clubs that hold a club licence, and which no longer qualifies as 50 percent non-rateable.

#### **Conditions and criteria**

The council may grant a 50 percent remission of the base general rate under this policy where the rating unit is owned or used by a society or club:

- i. Has a club licence under the Sale and Supply of Alcohol Act 2012; and
- ii. Would otherwise qualify as 50 percent non-rateable under Part 2, Schedule 1, of the Local Government (Rating) Act 2002; and
- iii. The property is rated at the Base differential.

#### **Remission of metered water rates**

##### **Objective**

The objective of this remission is to provide rates relief where a water leak has been detected on the ratepayer's property with a water meter, and prompt remedial action to repair the leak has been undertaken. The ratepayer remains responsible for water leaks, the pipes and the usage of water on their property in accordance with the Water Services Bylaw.

##### **Conditions and criteria**

A remission of the water targeted rate (for properties with a meter) may be granted for excess water consumption where the leak is the rate payer's responsibility (beyond the point of supply). Excess water consumption will be calculated as the difference between actual metered usage on the latest reading and the average daily metered usage over the last four readings prior to the leak. The full water rate will be charged on the average daily usage over the last four readings and the excess water consumption (as calculated above) will be charged at the current Greater Wellington Regional Council bulk water rate. Where sufficient information is not available on historic readings, excess water consumption will be calculated as the difference between the latest reading prior to the fault being remedied, and the average daily metered usage over the last three-monthly readings after the fault is remedied. This remission should only be applied for if:

- i. The leak occurred on a metered water property; and
- ii. Excess water consumption has occurred through a broken or leaking pipe; and
- iii. Evidence is provided that the fault has been remedied within a reasonable time period and prior to the application for a remission.

In the event of a recurrence of a water leak, Council would require the ratepayer to get a condition assessment of the pipes on the property prior to any decisions to remit a subsequent remission.

#### **Remission of targeted rates on property under development or earthquake strengthening**

##### **Objective**

The objective of this remission is to provide rates relief to properties undergoing development or earthquake strengthening while those properties are temporarily not fit for purpose and therefore not receiving the benefits derived by contributing to the sector or downtown targeted rates.

#### **Conditions and criteria**

The Council may remit part or all of the commercial sector targeted rate, Business Improvement District targeted rate and downtown targeted rate on land classified under the Council's commercial, industrial and business differential as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose' due to the property being under development or due to the existing building being earthquake strengthened.

The Council may remit part or all of the Base sector targeted rate on land classified under the Council's *Base differential* (including residential) as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose' due to the property being under development or due to the existing building being earthquake strengthened.

'Not fit for purpose' is defined in this policy as where:

- i. The property (rating unit), or an identifiable part of the property, will not hold sufficient consents to permit occupation; and
- ii. The property (rating unit), or an identifiable part of the property, will not be used for any purpose, apart from the construction of buildings, premises or associated works, or earthquake strengthening works; and
- iii. The property (rating unit), or an identifiable part of the property, will not generate any revenue stream.
- iv. The remission will be granted on a pro-rata basis for the identifiable part of the property to which the above criteria (i – iii) apply, for the purpose of the remission this will be calculated based on the portion of the total floor area of the rating unit which is deemed 'not fit for purpose'.

The above criteria apply to, and must be met by, an entire rating unit as identified in the Council's rating information database (RID), or a clearly identifiable portion of the rating unit, and apply only for the period the building is not 'fit for purpose'.

The Council may seek to recover any remission granted if development or strengthening work does not progress. The assessment of whether work is progressing is entirely at the Council's discretion.

#### **Remission of general rates on property under earthquake strengthening**

##### **Objective**

The objective of this remission is to provide upfront rates relief for ratepayers that take positive action to address the structural safety of their earthquake-prone buildings.

##### **Conditions and criteria**

The Council may postpone and subsequently remit rates after development, for earthquake-prone buildings falling under either of the following 2 categories:



- i. Residential buildings that have body corporates; or
- ii. One- or two-story commercial/ mixed use buildings

This policy does not apply to any demolition, strengthening or rebuilding for which building consents were issued prior to this policy being adopted.

A full postponement of general rates will be granted for up to three years prior to the period in which the seismic strengthening is undertaken. The application must include documentation which gives evidence of a) either the proposed strengthening work and the time envisaged for that work to be done, including milestones to be achieved, b) or the proposed demolition and rebuilding and the time envisaged for that work to be done. Application for this remission must be made no later than three months before the intended strengthening and demolition and must be supported by a Statutory declaration.

After completion of the seismic strengthening work, the postponed rates will be remitted. If the development work or strengthening is not completed, then the remission would not apply, and the rates postponement would come to an end (i.e., the postponed rates would be payable).

Furthermore, Council may at its absolute discretion wave the following fees for properties falling into one of the two categories above:

- Building consent fees
- Resource consent pre-app meeting
- Free corridor access requests

#### Remission of rates for buildings removed from the earthquake prone buildings list

##### **Objective**

The objective of this remission is to minimise the rates impact of valuation increases arising for ratepayers who have taken positive action to address the structural safety of their earthquake-prone buildings.

##### **Conditions and criteria**

The ratepayer may qualify for this remission for a period of rating years after the removal of the building from the Earthquake Prone Building list<sup>4</sup>, or up until the building is sold (whichever comes first). A remission of rates may apply under the following conditions and criteria:

- i. The building must have been on the Earthquake Prone Buildings list;
- ii. The ratepayer must have taken action to remove their building from this list either through seismic strengthening or building removal;
- iii. The remission must be applied for within 12 months of the building being removed from the Earthquake Prone Buildings list (by issuance of a code of compliance for work performed) and will relate to the following specified number of rating years only (the ratepayer does not need to re-apply in subsequent years). The terms of remission that apply are as follows:

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<sup>4</sup> As maintained by Ministry of Business, Innovation & Employment

- a. For all buildings (not applicable to the heritage remissions below) that are removed from the earthquake prone list, the ratepayer may apply for this remission for a total period of 3 years; or
- b. For all buildings removed from the Earthquake Prone Building List that are listed on the Wellington City District Plan Heritage List, the ratepayer may apply for this remission for a total period of 5 years after the removal of the building from the Earthquake Prone Building List.
- c. A remission period of 10 years for all buildings as per (b) and are identified by Heritage New Zealand as Category I on the New Zealand Heritage list; or
- d. A remission period of 8 years for all buildings as per (b) and are identified by Heritage New Zealand as Category II on the New Zealand Heritage list
- iv. The remission will not be available retrospectively for buildings already removed from the Earthquake Prone Building List prior to this policy being implemented.
- v. The remission is only available to a ratepayer who has taken action to remedy their building. It will not be available to a third-party purchaser of the building even if a sale took place within the remission period applicable to that building being removed from the Earthquake Prone Buildings list.
- vi. For earthquake prone buildings that have been removed from the site, evidence must be provided to Council of the building removal and the building must have been removed from the Earthquake Prone Building List

The ratepayer must apply for this remission within 12 months of the removal of the building from the earthquake prone building list (by issuance of a code of compliance for work performed).

For earthquake-prone buildings that have been seismically strengthened to > 33 percent NBS the following will apply:

- a. The remission application will be accepted after the code of compliance has been issued for the building following completion of the seismic strengthening project.
- b. The remission shall equate to the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable due to any rating valuation uplift that may arise from seismic strengthening works; if there has been no rating valuation uplift on the property as a result of seismic strengthening work then no remission will apply.

The valuation uplift from seismic strengthening works will be calculated as:

(	Final value of property inclusive of improvement uplift	-	Initial value of property prior to improvement uplift	)	X	Initial floorspace prior to improvement (m2)
						Final floor space post improvement (m2)

The valuation uplift amount that has been calculated using the above methodology will be used to calculate the rates remission for the duration of the remission.

The valuation uplift amount will not be re-calculated to take into account any future changes to the building's valuation post the first valuation assessment carried out after removal from the Earthquake Prone Building List (by issuance of a code of compliance). For clarity, changes in land value are excluded from the above calculations and any remission calculation.

For earthquake prone buildings that have been removed from the site the following will apply:

- a. The remission application will be accepted after evidence of the building removal has been provided to Council and the building has been removed from the earthquake prone building list; and
- b. The remission will be calculated as 10 percent of the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable on the property, on the valuation post removal of the earthquake-prone building from the site, for each of the three years following the acceptance of the remission application.

This remission may be applied for at any time during the year. If approved by Council, the remission will take effect either from the next rating year (1 July) or will be backdated to take effect from the start of the current rating year at the nomination of the ratepayer and agreement of Council officers. The remission will cease after the specified number of years from the agreed effective start date, or up until the building is sold (whichever comes first).

#### Remission for natural disasters and emergencies

##### **Objective**

The objective of this remission policy is to provide a measure of rates relief where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time.

##### **Conditions and criteria**

Council may remit all or part of any rate or charge assessed in relation to a particular rating unit where:

- i. A natural disaster or other type of emergency has affected its capacity to be inhabited, used or otherwise occupied for an extended period of time.
- ii. Council considers it fair to do so and has identified the individual event causing a disaster or emergency through Council resolution.
- iii. It meets any further guidance provided by Council as to how Council will implement the above criteria for the particular event, depending on the nature and severity of the event and available funding at the time.

#### Special circumstances remission

##### **Objective**

To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Council's Rates Remission and Postponement Policies.

##### **Conditions and criteria**

The Council may remit part, or all of the rates assessed in relation to a particular rating unit where:

- i. The rates on that rating unit are disproportionate to those assessed in respect of comparable rating units; or
- ii. The rating policy is determined by the Council to unfairly disadvantage an individual ratepayer.

The approval of the remission does not set a precedent that application of the usual rates unfairly disadvantages other ratepayers.

### **Remission for low income ratepayers**

#### **Objective**

The objective of this remission is to provide relief to those low-income households who have been approved for the New Zealand Government rates rebate.

#### **Conditions and criteria**

The Council may provide additional assistance up to a maximum value of \$800 (GST inclusive) to ratepayers who have been approved for the New Zealand Government rates rebate. The following further conditions & criteria apply:

- i. The ratepayer must be a natural person.
- ii. The applicant must be the owner of the rating unit, must reside at the property and the property must be in the base differential rating category.
- iii. This remission does not cover Companies, Trusts and any other legal structures even if they do qualify for the Government Rebate.
- iv. Greater Wellington Regional Council rates will still apply.

### **Remission for vacant land & derelict buildings**

#### **Objective**

The objective of this remission is to provide relief for vacant inner-city land that pays the vacant land / derelict land differential on the value-based general rate, where that land contributes to central city amenity, or where Council's actions or inactions have caused a delay in development.

#### **Conditions and criteria**

Rates may be remitted where that land pays the vacant land differential on the value-based general rate. The amount of rates remitted is at Council's discretion, but may be up to the amount that restores the land to the same rating position it would have been in if the vacant land differential was not applied to the land. Land qualifies for this remission if it is being "activated" and will be assessed at the sole discretion of Council.

Activation refers to the process of identifying unused or underutilized spaces and proposing new uses for them.

The goal of activation is to transform unused spaces into potential spaces that can benefit the community, while enhancing the economic and streetscape vitality of a downtown area. It is a critical part of efforts to revitalise central city areas and often involves community participation and collaboration. This could involve setting up pop-up shops, pocket parks, community activities, creating art installations, or other initiatives that improve the collective well-being and quality of life of the community.

Council will grant this remission based on the circumstances of the land as at the beginning of the rating year.

Rates may also be remitted where Council considers that Council's actions or inactions have caused a delay in processing a building or resource consent relating to that land, and where Council considers that, if it had processed the consents in accordance with statutory timeframes, it is reasonable to expect that the landowner could have avoided being assessed for the City Vacant differential.

#### Applying for a rates remission

All applications must be in writing and set out the reasons for the request using the Wellington City Council 'Application for Remission' form.

Each remission application is applicable to a single rating year, except the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List, which may apply to multiple rating years.

Applications must be received prior to the commencement of the rating year the remission is being applied for (1 July), with the exception of the following remission applications which may be received after the start of a rating year:

- i. The Special Circumstances Remission
- ii. The Metered Water Rates Remission
- iii. The Remission of Rates for Buildings removed from the Earthquake Prone Buildings List
- iv. Remission of targeted rates on property under development or earthquake strengthening

No applications will be backdated beyond the current rating year.

All applications for a remission on a rating unit that has previously received a remission or remissions, must be re-submitted annually for consideration of further remissions prior to the commencement of the rating year (1 July), with the exception of the Remission of Rates for Buildings removed from the Earthquake Prone Buildings List.

The determination of eligibility and approval of any remission is at the absolute discretion of Wellington City Council. If Council is satisfied that the relevant criteria in the policy are met, it will give the applicant ratepayer notice of the remitted rates.

Applications made for a remission will be considered on their own merits on a case-by-case basis. Any previous decisions of the Council do not create a precedent. Approval of a remission does not set a precedent that application of the usual rates unfairly disadvantages other ratepayers.

#### Rates penalty remission

##### **Objective**

To enable the Council to act fairly and reasonably when rates have not been received by the due date and a penalty has been applied.

##### **Conditions and criteria**

Upon receipt of an application from the ratepayer, or as identified by the Council, the Council may remit all or part of a penalty where it considers that it is fair and equitable to do so.

Matters that will be taken into consideration by the Council include the following:

- i. This is the first time a penalty is applied during a prior three-year period and either:
  - a. The payment of the full amount of rates due is made within 14 days of due date; or
  - b. ratepayer enters into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or
- ii. There was an extraordinary event leading to the late payment of the instalment and either:
  - a. payment of the full amount of rates due is made within 14 days of due date; or
  - b. The ratepayer enters into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or
- iii. The ratepayer has agreed to pay future rates by direct debit.

The Council reserves the right to impose conditions on the remission of penalties.

#### **Applying for a rates penalty remission**

A Rates Penalty Remission application must be in writing, setting out the reasons for the request with enough information and proof for officers to evaluate the request. No special remission form is required. The written request will be accepted by post, fax or email ([rates@wcc.govt.nz](mailto:rates@wcc.govt.nz)).

#### **Non-rateable land**

In addition to rates remissions, some types of property are not rateable or are partly non-rateable under Schedule 1 or Schedule 2 of the Local Government Rating Act (2002). For details of non-rateable property uses refer to this legislation and the Council's website.

#### **Remission of rates on Māori land**

The Council is required to adopt a policy on the remission and postponement of rates for Māori freehold land under Sections 102, 108 and Schedule 11 of the Local Government Act 2002. Section 102(3A) states that the policy must also support the principles set out in the Preamble to the Te Ture Whenua Māori Act 1993.

The Council may also adopt a policy on the remission and postponement of rates for other land, including land in Māori ownership which is not Māori freehold land, under Sections 102, 109 and 110 of the Local Government Act 2002.

#### **Objective**

The objective of our current policy is to 1) increase equity in rating by recognising certain conditions, features and ownerships structures on the use, development and sale of Māori land compared to other land, 2) support the connection of mana whenua and Māori to their traditional lands, resources and cultural values through relief from rates and 3) support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

#### **Conditions and criteria**

Wellington City Council may grant a remission of all or part of the rates (including penalties for unpaid rates) on eligible Māori land. Eligible land includes :

- a. Māori customary land
- b. Land vested in the Māori Trustee that—
  - i. Is constituted as a Māori reserve by or under the Māori Reserved Land Act 1955; and

- ii. Remains subject to that Act:
- c. Land set apart as a Māori reservation under Part 17 of Te Ture Whenua Māori Act 1993:
- d. Any part of the common marine and coastal area in which customary marine title has, or protected customary rights have, been recognised under the Marine and Coastal Area (Takutai Moana) Act 2011
- 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. Māori freehold land
- g. Land held by a post-settlement governance entity if the land was acquired—
  - i. As 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
- h. 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 that land.

Further to land being eligible, the remission of rates will meet at least one of the following criteria:

- Support the use of the land by owners for traditional purposes
- Support the relationship of Mana Whenua and their culture and traditions with their ancestral land
- Avoid further alienation of Māori freehold land
- Facilitate any wish of the owners to develop the land for economic use
- Recognise the presence of wāhi tapu that may affect the use of the land for other purposes
- Recognise the importance of the land in providing economic and infrastructure support for marae and associated papakāinga housing.
- Recognise of the importance of the land for community goals relating to:
  - a. The preservation of the natural character of the coastal environment
  - b. The protection of outstanding natural features
  - c. The protection of significant indigenous vegetation and significant habitats of indigenous fauna
- Recognise the level of community services provided to the land and its occupiers

Applications for remission under this policy can be made by any owner in the case of collective ownership, must be made in writing and should be made prior to the commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Wellington City Council. No remissions are granted for a previous financial year.

Remissions will be granted for a period of 3 years, unless stated otherwise. Wellington City Council may reduce the period of remission during the period of the remission if it deems that the criteria for granting the remission are no longer met.

Applications should include the following information:

- Details of the rating unit or units involved.
- Documentation that shows that the land is eligible as detailed above.
- Supporting information to demonstrate that the remission will help achieve the criteria set out in the above section.

Wellington City Council has determined that this policy does not offer postponement of rates as it is inconsistent with the intent of this policy to support the retention of Māori land and reduce rates debts



## Rates Postponement Policy

### Objective

To assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

### Conditions and criteria

#### For residential and other land rated at the Base differential:

The postponement of rates in cases of financial hardship is a last resort to assist residents who own their own home, after all other avenues to meet rates commitments have been exhausted.

The financial hardship must be caused by circumstances beyond the ratepayer's control. Criteria for the postponement of rates for residential ratepayers in cases of hardship are as follows:

- i. The applicant is unable to pay their rates bill because of personal circumstances
- ii. The applicant has made all reasonable efforts to find other means to pay their rates, including engaging with a free budgeting service (<https://www.moneytalks.co.nz/budgeting-services/>) who also recommends this is the only remaining course of action
- iii. The applicant has no significant assets (other than their family home); and
- iv. The applicant accepts a notice of charge being registered by the Council over the property.

Approval of rates postponement is for one year only.

The applicant must reapply annually for the continuation of a rates postponement using the Council's 'Application for Postponement' form.

Applicants will be provided with information that clearly sets out the long-term effect of postponing rates on their estate. Annually on 30 June a postponement fee will be added to the postponed rates (the postponement fee will be calculated based on the financial cost to the Council of the postponement, being the Council's average cost of borrowing for the period of the postponement).

#### For land rated at the vacant land / derelict land differential:

The postponement of rates in cases of financial hardship is a last resort to assist owners of vacant land (both natural persons and corporate), after all other avenues to meet rates commitments have been exhausted. Applications can be made annually for a maximum of 3 years;

The financial hardship must be caused by circumstances beyond the ratepayer's control. Criteria for the postponement of rates for residential ratepayers in cases of hardship are as follows:

- i. The applicant is unable to pay their rates bill because of personal circumstances

- ii. The applicant has made all reasonable efforts to find other means to pay their rates, including engaging with a free budgeting service (<https://www.moneytalks.co.nz/budgeting-services/>) who also recommends this is the only remaining course of action
- iii. The applicant has no significant assets (other than the vacant land); and
- iv. The applicant accepts a notice of charge being registered by the Council over the property.

Approval of rates postponement is for one year only.

The applicant must reapply annually for the continuation of a rates postponement using the Council's 'Application for Postponement' form.

Applicants will be provided with information that clearly sets out the long-term effect of postponing rates on their estate. Annually on 30 June a postponement fee will be added to the postponed rates (the postponement fee will be calculated based on the financial cost to the Council of the postponement, being the Council's average cost of borrowing for the period of the postponement).

#### For land rated at the Commercial, Industrial and Business differential

The postponement of rates is a last resort to assist commercial, industrial and business ratepayers after all other avenues to meet rate commitments have been exhausted.

The financial hardship must be caused by circumstances outside the business' control.

Criteria for the postponement of rates for commercial, industrial and business ratepayers in cases of hardship are as follows:

- i. The applicant is unable to pay their rates because of business circumstances,
- ii. The applicant has tried all other avenues (including obtaining a loan from their bank) to fund their rates
- iii. The net value of an applicant's interest in the relevant property (after the value of all mortgages on the property and the total value of the rates postponed) exceeds 10 percent of the market value of the property i.e., the Council will not postpone rates where, in the Council's reasonable opinion, there is a significant risk that the rates will not be paid at some time in the future; and
- iv. The applicant accepts a notice of charge being registered by the Council over the property.

Approval of rates postponement is a one-off event. Rates postponed on commercial, industrial or business property must be paid in full by the start of the Council's next financial year (1 July).

On 30 June a postponement fee will be added to the postponed rates (the postponement fee will be calculated based on the financial cost to the Council of the postponement, being the Council's average cost of borrowing for the period of the postponement)

Indicative rating examples

Indicative residential property (for properties without a water meter)			Indicative suburban commercial property rates (for properties with a water meter)*			Indicative downtown commercial property rates (for properties with a water meter)*		
Capital Values	2024/25 Proposed Rates	Increase over 2023/24	Capital Values	2024/25 Proposed Rates	Increase over 2023/24	Capital Values	2024/25 Proposed Rates	Increase over 2023/24
400,000	1,684	18.94%	1,000,000	9,798	15.12%	1,000,000	11,114	13.09%
500,000	1,995	18.80%	1,250,000	12,188	15.09%	1,250,000	13,833	13.05%
600,000	2,305	18.70%	1,500,000	14,578	15.07%	1,500,000	16,551	13.03%
700,000	2,616	18.63%	1,750,000	16,967	15.06%	1,750,000	19,270	13.01%
800,000	2,926	18.57%	2,000,000	19,357	15.05%	2,000,000	21,988	13.00%
900,000	3,236	18.52%	2,250,000	21,746	15.04%	2,250,000	24,707	12.99%
1,000,000	3,547	18.48%	2,500,000	24,136	15.03%	2,500,000	27,425	12.98%
1,100,000	3,857	18.45%	2,750,000	26,525	15.02%	2,750,000	30,144	12.98%
1,200,000	4,168	18.42%	3,000,000	28,915	15.02%	3,000,000	32,862	12.97%
1,300,000	4,478	18.39%	3,250,000	31,304	15.02%	3,250,000	35,581	12.97%
1,400,000	4,788	18.37%	3,500,000	33,694	15.01%	3,500,000	38,299	12.96%
1,500,000	5,099	18.35%	3,750,000	36,083	15.01%	3,750,000	41,018	12.96%
1,600,000	5,409	18.34%	4,000,000	38,473	15.01%	4,000,000	43,736	12.96%
1,700,000	5,720	18.32%	4,250,000	40,862	15.00%	4,250,000	46,455	12.95%
1,800,000	6,030	18.31%	4,500,000	43,252	15.00%	4,500,000	49,173	12.95%
1,900,000	6,341	18.30%	4,750,000	45,642	15.00%	4,750,000	51,892	12.95%
2,000,000	6,651	18.29%	5,000,000	48,031	15.00%	5,000,000	54,611	12.95%

All figures are GST exclusive.

\*Excludes water by consumption which are charged based on consumption

Projected property information

Projected property information at 30 June 2024	
Rating Units	82,974
Capital Value	125,693,422,868
Land value	79,239,543,801

# Te reo to come

## Appendices

### In this section

#### Te reo to come

This section includes the full list of proposed changes to our fees and user charges, and a Glossary of terms used within the Long-term Plan, including te reo Māori kupu, Council terminology and acronyms.

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## Appendix 1: List of fees and proposed fee changes

## Appendix 2: He kuputaka reo | Te reo Māori Glossary

Kupu / word	meaning
Āwhina	Support
Haka	to dance, perform
Kaitiaki	Guardian
Kaitiakitanga	Guardianship
Kotahitanga	United as one, unity, togetherness
Mahi	Work
Mana	Right's, authority, reputation, power, status
Mana Whenua	Collective noun referring to the specific Mana Whenua of Pōneke, Taranaki Whānui ki Te Upoko o Te Ika, Te Āti Awa ki Te Upoko o Te Ika a Māui and Ngāti Toa Rangatira.
Manaakitanga	Caring for others
Marae	courtyard - the open area in front of the wharenuī, where formal greetings and discussions take place. Often also used to include the complex of buildings around the marae.
Mātāpono	Principles
Matariki	An open cluster of many stars. The first appearance before sunrise of Matariki in the north-eastern sky, in the Tangaroa phase of the lunar month, indicates the beginning of the Māori year - about mid-June - and is the cause for celebrations.
Mātauranga Māori	Māori education, Māori knowledge
Me Heke ki Pōneke	Absolutely Positively Wellington
Mihi	to greet, pay tribute, acknowledge, thank

Kupu / word	meaning
Mokopuna	Grandchildren
Oranga	Well-being
Pōneke	Wellington city
Pouiri	Mana whenua representatives around the Council table
Rangatahi	Youth, young people, younger generation
Rangatiratanga	Sovereignty
Tākai	To wrap up, wrap round, wind round.
Takatāpui	Historically meaning 'intimate companion of the same sex'. The term was reclaimed in the 1980s and used by individuals who were gay, lesbian, bisexual, transgender, intersex or part of the rainbow community. The use of 'takatāpui' as an identity is a response to western ideas of sex, sexuality and gender, and emphasises one's identity as Māori as inextricably linked to their gender identity, sexuality or variation of sex characteristics.
Tangata	People
Tangata whaikaha	People with disabilities
Taonga	Treasure, anything prized - applied to anything considered to be of value including socially or culturally valuable objects, resources, phenomenon, ideas and techniques
Te ao Māori	Māori world
Te Awakairangi	Hutt

Kupu / word	meaning
Te Whanganui-a-Tara	Wellington
Te Ika a Maui	The fish of Māui, North Island of Aotearoa – New Zealand
Te Kaunihera	Council
Te Matapihi ki te Ao	Central Library
Te Moananui a Kiwa	Pacific Ocean
Te reo Māori	Māori language
Te taha hinengaro	Mental, emotional wellbeing
Te taha tinana	Physical wellbeing
Te taha wairua	Spiritual wellbeing
Te taha whanau	Whānau, whakapapa wellbeing
Te taiao	Environment

Kupu / word	meaning
Te Upoko o te Ika	The head of the fish, the Wellington area
Tikanga	Correct procedure, custom, habit, lore, method, manner, rule, way, code, meaning, plan, practice, convention, protocol - the customary system of values and practices that have developed over time and are deeply embedded in the social context
Waka	Canoe, vehicle
Waka hourua	Double hulled canoe
Whakapapa	Bloodlines, tribal connections
Whānau	Family
Whānau hauā	Māori with disabilities
Whanaungatanga	Bonding, networking, relationship building
Whare	House

## Appendix 3: Glossary

### Council terminology

Kupu / Word	Meaning
Accessibility	Set out in Article 9 of the United Nations Convention on the Rights of Persons with Disabilities (UN-CRPD): "To enable persons with disabilities to live independently and participate fully in all aspects of life, State Parties shall take appropriate measures to ensure persons with disabilities access, on an equal basis with others, to the physical environment, to transportation, to information and communications, including information and communications technologies and systems, and to other facilities and services open or provided to the public, both in urban and in rural areas."
Asset	An item of value, usually something of a physical nature that you can reach out and touch, that will last for more than one year. Infrastructure assets are physical items such as roads, pipes and council buildings that are needed to provide basic services.
Asset management planning / plan	The ongoing process to manage assets from acquisition, operation, maintenance and renewal throughout the asset lifecycle. The asset management plans set out the level of service to meet demand in the most cost-effective manner possible.
Assumptions	Estimates or predictions that underpin decision making
Bylaw	A rule or regulation made by a local council.

Kupu / Word	Meaning
Capital Expenditure (Capex)	Capital investment, capital expenditure or capital programme. Building (or buying) assets such roads, pipes and buildings that are we use to provide services to Wellingtonians.
Capital programme	A plan for capital expenditures.
Carbon sink	Any process, activity or mechanism which removes a greenhouse gas from the atmosphere
Cleanfill	Natural soils such as clay, soil, and rock, and some manufactured materials such as concrete, brick or tiles
Deed of Guarantee	A binding legal document under which one party (the guarantor) agrees to guarantee that certain obligations of another party will be met.
Deficit	An excess of expenditure or liabilities over income or assets in a given period.
Depreciation	A reduction in the value of an asset with the passage over time, due in particular to wear and tear. Council fund depreciation from the general rates ensuring we can replace the assets in the future.
Differential Growth	
Doughnut Economics	Living within planetary boundaries and fair and just social systems
Hedging position	A position in an asset of investment that reduces the price risk of an existing position.



Kupu / Word	Meaning
IAP2 engagement spectrum	This indicates different engagement approaches on a spectrum from providing information through to community empowerment.
Inflation	The term used to describe a rise of average prices through the economy
Legislation	Laws, the process of making and passing laws
Level of Certainty	Measure of how likely it is that a certain statement or result is true.
Levels of Service (LoS)	An asset management term referring to the quality of a given service.
Net Surplus	Measure that shows business income after subtracting costs.
Operating Expenditure (Opex)	Operating budget or operating expenditure or operating budget. Money that the council spends on providing services in the current financial year, as opposed to building things that will provide services for years to come. This includes spending money on staff and contractors to do things like process building consents, open libraries, run buses and maintain parks. It also includes things like paying grants to community organisations and paying interest on money the council has borrowed.
Optimised Replacement Value	Amount to replace an asset at the present time, according to its current worth.
Price ceiling	Price control, set by a government, that sets the highest price at which a good or service can be sold.
Price floor	Lower limit on the price that can be charged for a product or service, set by a government.

Kupu / Word	Meaning
Regulatory Mechanisms	An ordinance, permit, standard, contract language, or any other procedure, that will be enforced by the permittee.
Repeal	Revoke or withdraw formally of officially a law or act of parliament.
Resilience	The ability of a system or community to maintain certain functions, processes, or populations after experiencing a disturbance.
Sludge	Biosolid residue that accumulates in sewage treatment plants.
Vested Assets	Assets that are transferred to a public entity at nominal or zero cost.

Acronyms

Acronym	Meaning
BERL	Business and Economic Research Limited
CCO	Council Controlled Organisations
CO2	Carbon Dioxide
CPI	Consumers Price Index
CV	Capital Value
DC	Development contributions
GWRC	Greater Wellington Regional Council
IDS	Infrastructure Design Standards
IFF	Infrastructure Funding and Financing
IFFFAAA	Infrastructure Funding and Financing Funding and Administration Agreement
LD	Liquidated Damages
LGFA	Local Government Funding Act

Acronym	Meaning
LGWM	Let's Get Wellington Moving
LTP	Long-term Plan
NBA	Natural and Built Environment Act
NIWA	National Institute of Water and Atmospheric Research (Crown Research Institute)
NSHM	National Seismic Hazard Model
NZTA	New Zealand Transport Agency

Acronym	Meaning
NZU	New Zealand Unit (emissions unit)
RAMM	Road Assessment and Maintenance Management
RMA	Resource Management Act
SCP	Special Consultative Procedure
SDGs	Sustainable Development Goals
SPA	Spatial Planning Act
WIAL	Wellington International Airport Limited

# **Tō mātou mahere ngahuru tau**

## **Long-term Plan**

**2024–2034**

**Volume 3 – Our detailed strategic direction and key strategies**

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# Wāhanga 1: te reo to come

## Section 1: Strategic Direction

### In this section

#### Te reo to come

This section includes the full details of our strategic direction that guides our Long-term Plan. This includes how we will apply it and see progress towards our vision.

# Our City Strategy

## A vision for Wellington City

Our Council's vision for the city –

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*Pōneke, te wāhi auaha e whitawhita ai ōna tāngata me tōna taiao*

*Pōneke, the creative capital where people and nature thrive*

---

**Our commitment –**

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*We are committed to Te Tiriti o Waitangi and strong partnerships with mana whenua.*

*Tākaī Here and Te Tiriti o Waitangi lay the foundation for everything that the Council does.*

---

This vision for Wellington City is our guiding star, it anchors us in what we are trying to achieve for the city and how we will get there.

Our strategic aspiration

Our plan for Wellington City is based on the vision and outlines what we aim to accomplish for the city. We have identified five Community Outcomes, that we want to achieve. To do this in a very focused way, we have developed five key focus areas, called Strategic Approaches, that are important for how we work in achieving the outcomes. It’s our intention that these strategic approaches are smoothly incorporated into each of our outcomes, so our teams have the support they need to fulfil our commitment to the city.

Our five Community Outcomes are:



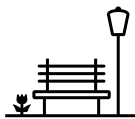
**Cultural outcome: A welcoming, diverse and creative city**  
that celebrates and uplifts te ao Māori, and champions the arts, embracing heritage, creativity, curiosity, and expression of our multi-cultural communities and identities



**Social outcome: A city of healthy and thriving whānau and communities**  
where people feel safe and connected that takes an equity approach to caring for its people and provides awesome, vibrant and diverse places to meet and play



**Economic outcome: An innovative business friendly city**  
providing good jobs for people successfully operating in a dynamic zero-carbon circular economy with efficient and fit for purpose regulatory processes



**Urban Form outcome: A liveable and accessible, compact city**  
with affordable, warm, dry housing, zero-carbon accessible transport choices, resilient infrastructure fit for growth, and proudly visible Māori and multicultural heritage



**Environmental outcome: A city restoring and protecting nature**  
providing easy access to nature, with systems to reduce waste and thriving biodiversity and nature-based solutions in natural and urban environments

Outcomes describe what we want to achieve in the long-term for the city and guide us in our decision making. They also support community wellbeing as a dimension of overall city wellbeing. The aspiration of each outcome is described below.

### Cultural outcome: A welcoming, diverse and creative city

The Wellington city heartbeat reverberates through arts, culture and creativity, serving as a cornerstone for community wellbeing, inclusivity, and vibrancy. It empowers us to honour the past, cherish the present, and imagine a myriad of possibilities for the future. Just as our infrastructure embraces all, regardless of visible or invisible disabilities, creative spaces foster belonging and participation, weaving individuals into the vibrant social tapestry that enriches our collective quality of life.

Wellington City's rich and diverse arts scene, while still top-ranked, is facing a decline in its perception as the arts capital. To address this, ongoing investment in cultural activities is essential to maintain the city's vibrant creative identity. Despite high overall participation, there are notable disparities among low-income earners and disabled individuals, emphasising the need for accessible and inclusive arts programs to ensure everyone can engage in cultural activities.

Efforts to enhance the visibility of Māori identities and storytelling are seeing positive trends, but discrimination and challenges to cultural expression persist. It is crucial to continue collaborative initiatives with mana whenua and Māori artists to foster pride and connection to indigenous heritage. Additionally, integrating mātauranga Māori into urban planning and supporting the struggling arts sector economically will help bridge the gap between heritage preservation, economic sustainability, and community wellbeing.

To further strengthen Wellington's cultural fabric, initiatives such as conscious procurement practices, increased funding for arts and cultural events, and celebrating local history, including that of the rainbow community, are vital. Balancing colonial heritage with multicultural diversity, preserving green spaces and historic houses, and integrating blue-green infrastructure align with community preferences. This strategic approach will not only revive Wellington's cultural reputation but also contribute to the wellbeing and satisfaction of the city's residents.

### Social outcome: A city of healthy and thriving whānau and communities

Social activities are truly the heartbeat of Wellington City, offering a crucial lifeline to address our shared challenges and boost community wellbeing. It's all about ensuring that our infrastructure welcomes everyone, regardless of visible or invisible disabilities, creating spaces where everyone feels they belong and can take part in the vibrant social fabric of our city, adding to a high quality of life.

In the face of growing feelings of stress, loneliness, and mental health struggles, social activities become our allies, offering not just a remedy but a lifeline to connect with others. Initiatives like creating cosy "third spaces" and embracing participatory arts and culture provide not only a means to manage our mental well-being but also precious moments of connection, countering the sense of isolation that can sometimes loom over us.

Amid concerns about personal safety and a bit of scepticism in council decision-making, investing in social activities becomes personal, helping us feel safer and more connected. It's about collaborating with local businesses, support agencies, and central government to build trust within our community. Social activities also play a role in fostering healthier lifestyles, bridging gaps in our diverse population, and adding to the overall joy and experience of our beloved Wellington. It's also important to acknowledge that our social and physical infrastructure serves to prepare us for emergencies and be resilient in the face of natural disasters.



### Economic outcome: An innovative business friendly city

Economic activities are vital for the prosperity and vitality of Wellington City, playing a pivotal role in surmounting challenges and nurturing sustainable growth. The Council's support in economic development encourages business growth and innovation, often leads to job creation, helps attract and retain talent, and can help reduce poverty and inequality.

Despite a decline in the central city's ease of access, economic attractiveness in suburbs is on the rise, showcasing the importance of fostering economic activities and circular economy practices beyond the city core. The city centre continues to be a hub for employment, with retail spending rebounding to pre-COVID levels, contributing to economic resilience.

As tourism returns and skills shortages ease, the region's housing solutions for city employees and the growing trend of remote work contribute to a more circular and economically robust system. Efforts to enhance suburban amenities, multi-modal connectivity including cycling and walking infrastructure, and implementing mixed zoning reflect a comprehensive approach to economic growth and accessibility.

City-led conversations, partnerships, and transitioning to a circular economy demonstrate a commitment to innovative economic development. Furthermore, the focus on accessibility and inclusive design ensures that transportation infrastructure adheres to circular economy values by serving the diverse needs of everyone in the community. Wellington embraces the economic significance of arts and culture, incorporating te ao Māori to build trust and enrich the cultural ecosystem in alignment with circular principles.

In the city centre, addressing housing supply and affordable housing, fostering community spaces, and engaging the creative community contribute to economic vibrancy. Supporting local small businesses, particularly those led by women, Māori, and LGBTQ+ entrepreneurs, underscores a commitment to diverse economic growth. Encouraging higher value sectors like tech, innovation, and manufacturing, along with organising regular events and promoting sustainability, aligns with a holistic economic development strategy for Wellington City.

These actions exemplify Wellington's commitment to circular economic principles that foster economic vibrancy and prioritise convenience while minimising environmental impact.

### Urban Form outcome: A liveable and accessible, compact city

The city's urban form is the most tangible and obvious activity the Council delivers. The way we live is evolving, and we must provide for a city that can continue to thrive, now and into the future. The hum of traffic and the hum of life intertwine. The design of urban spaces directly impacts quality of life and economic activity. The layouts of streets influence how people move and play a significant role in shaping environmental outcomes and resilience to climate change and disasters. Urban form also influences public health outcomes, social equity and inclusion, and reflects cultural heritage and identity.

Public transport is a key priority for the community. We're embracing cycling not just as a mode of transport but as a beat in our urban rhythm. In our debates about cycling infrastructure and concerns about parking, there's a personal touch. It's about finding a balance that respects our heritage, welcomes everyone, and integrates the green spaces that breathe life into our city. It's more than just a plan; it's about creating a space that mirrors our values, where every corner tells a story, and every step is a beat in the rhythm of our lives.

As we envision a city with green spaces for everyone, we're not just planning; we're crafting a home where everyone, irrespective of age or ability, can find their place. In the heartbeat of Wellington City, our actions in infrastructure and urban planning are shaping not just our physical landscape but the very essence of our community. We're navigating challenges together, like ensuring the seismic safety of our buildings while preserving the vibrant soul of places like Courtenay Place. This isn't just about structures; it's about the heartbeat of our city.

Beneath the surface, there's a call for change. Leaking pipes and the impending need for reform urge us to adopt sustainable solutions. It's not just about cleaner streets; it's about preserving our natural haven. Green initiatives like permeable pavements and rain gardens are our small yet impactful steps towards a more sustainable and greener home.

The struggle with housing affordability touches us all. It's more than just numbers; it's about ensuring every member of our community has a place to call home. The choices we make, be it demolishing old structures or

embracing earthquake-resilient infrastructure, are decisions about the future resilience of our city. And woven into this fabric is the commitment to address homelessness, to illuminate our streets not just with lights but with a sense of safety and belonging.

#### Environmental outcome: A city restoring and protecting nature

The environment directly impacts public health – air and water quality, access to green spaces and exposure to pollutants impact on physical and mental health. A healthy environment contributes to community resilience and liveability. Natural resource management is essential for environmental health and vitality, and resilience to climate change. Green infrastructure can also have economic benefits for local communities.

In Wellington, we're not just confronting environmental challenges; we're on a mission to forge a sustainable future that resonates with our values. With recycling habits slipping and visible issues in our water network, the urgency for change is clear. The community's fervent commitment to addressing climate change underscores the significance of our collective actions, propelling us toward outcomes that truly matter.

It's not merely about waste management; it's about envisioning a city where sustainability isn't an option but a necessity. Engaging the community in clean-up efforts and reducing carbon emissions aren't just actions; they're pathways to outcomes that actively adapt to and mitigate the impacts of climate change, safeguarding our city's future.

Our push for a revamped transport system that prioritises pedestrians and cyclists isn't just about convenience; it's a commitment to an eco-friendly, accessible city. Green spaces aren't just for show; they're integral to crafting an environment where nature thrives alongside our urban lifestyle, contributing to our health and vitality, and the health of the planet.

Aligned with Sustainable Development Goals and Doughnut Economics (living within planetary boundaries and fair and just social systems) principles, we're not settling for mere survival. We're working towards a Wellington that thrives sustainably, driven by the understanding that every action, every outcome, is a building block for a healthier, more resilient city. This isn't just about change; it's about ensuring a legacy of vitality and harmony for generations to come.

Our five Strategic Approaches are:



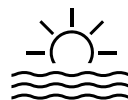
**Integrating te ao Māori**

We are building a future where Te Tiriti is honoured through robust relationships with our Tāka Here partners and Māori communities. By integrating Māori perspectives and thinking into every aspect of our work, we are maximising positive outcomes for Māori and fostering a more inclusive and equitable society for all.



**Making our city accessible and inclusive for all**

We are creating a future where everyone can effortlessly find information, access our services, and engage in social and economic activities. Accessibility is for all – including those with mobility impairments, the neurodiverse, the elderly, children, individuals who are blind or have low vision, the d/Deaf community, non-English speakers, parents with pushchairs, and people with temporary injuries. By removing barriers, we are making inclusivity a reality for everyone.



**Embedding climate action**

We are proactively addressing the effects of climate change with urgency, supporting Wellingtonians to do the same. Through our continued efforts in biodiversity planning, we aim not only to minimise harm but to create positive environmental impacts. By acknowledging and preparing for future climate changes, we are committed to safeguarding and enhancing our environment for generations to come.



**Engaging our community**

We are committed to engaging with Wellingtonians in ways that respect and reflect our diverse cultural contexts, ensuring every community voice is heard. By collaborating with communities to understand their aspirations for Wellington, we utilise a variety of methods to enhance the diversity, quality, and accessibility of our engagements. Our decision-making processes are evidence-informed, transparent, and focused on achieving the best outcomes for both current and future generations.



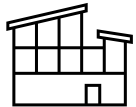



**Value for money and effective delivery**






We are committed to using our resources efficiently and effectively to achieve the best possible outcomes, even within a constrained funding environment. By delivering high-quality, well-managed programmes and projects, we maximise value for our residents and our city. Additionally, we will actively seek innovative funding solutions, including advocating for central government support, to further enhance our initiatives and services.

## Council's Long-term Plan Priorities

From community engagement (refer to Appendix 1: Community Engagement) and our existing strategies and challenges, the Council has identified nine strategic priorities that will step us towards our vision and outcomes. The Strategic Priorities will guide how we invest in the city. We expect to see the impacts from our investment over the mid-term (1-5 years and 5-10 years) through a suite of impact indicators providing trend data (see Appendix 6: Impact trend Indicators). The first four Strategic Priorities are focused on significant infrastructure investment needed.

Strategic Priority	Definition
	<p>Fix our water infrastructure and improve the health of waterways</p> <p>This priority recognises the critical importance of reliable and efficient water infrastructure for community wellbeing and environmental sustainability, addressing deficiencies in the existing water systems and restoring ecological balance of local waterways. It involves targeted efforts to repair, upgrade, and modernise water treatment and distribution systems to ensure safe, clean water for residents. Activities can also include environmental stewardship such as pollution mitigation, habitat restoration, and sustainable water management practices.</p>
	<p>Transform our transport system to move more people with fewer vehicles</p> <p>This priority recognises the imperative to create a more sustainable, efficient and equitable transport network, by prioritising public transport, active transport and innovative mobility solutions. The goal is to reduce congestion, lower carbon emissions, enhance accessibility and improve overall urban liveability. This includes transport infrastructure and placemaking investments, partnerships for innovative mobility, and education or promotional activities that support these goals.</p>
	<p>Invest in sustainable, connected and accessible community and recreation facilities</p> <p>This priority recognises the pivotal role of community and recreation facilities in fostering social cohesion, promoting active lifestyles, and enhancing quality of life. Activities must deliver on Te Awe Māpara the Community Facilities Plan.</p>
	<p>Transform our waste system to enable a circular economy</p> <p>This priority recognises the need to shift from a disposal-oriented system to a model that prioritises sustainability, resource efficiency and environmental stewardship. Programmes and infrastructure that encourage waste minimisation and circular economy practices, recycling and composting infrastructure, or collaboration with private sector. Activities must align to the He anamata para kore mō Pōneke Zero Waste Strategy and the Wellington Region Waste Management and Minimisation Plan.</p>

These five LTP Priorities are focused on ongoing efforts that require community engagement, partnerships, and efficient and effective regulation and service delivery:

Strategic Priority	Definition
 <div>Increase access to good, affordable housing to improve the wellbeing of our communities</div>	This priority recognises the fundamental importance of secure, safe, warm, dry, and affordable housing for the wellbeing of our communities. This includes improvements in the planning processes and district plan zoning / requirements that increase housing density and the number of dwellings available, streamlining consenting, housing development partnerships, or infrastructure that unlocks development opportunities.
 <div>Revitalise the city and suburbs to support a thriving and resilient economy and support job growth</div>	This priority recognises the dynamic interplay between physical and economic aspects of communities. It seeks to breathe new life into urban and suburban spaces, creating environments conducive to economic prosperity, aiming to attract businesses and generate employment opportunities. This includes creating mixed-use spaces, improving infrastructure and physical amenity to enhance the appeal and functionality of the area, district plan zoning, repurposing poorly used areas, engagement and partnerships with businesses education sector and developers. Activities must align to the He Rautaki Ōhanga Oranga Economic Wellbeing Strategy.
 <div>Celebrate and make visible te ao Māori across our city</div>	This priority recognises our commitment to honour, acknowledge and integrate Māori perspectives and identities into our urban environment. It fosters a sense of inclusivity, understanding, and respect for te ao Māori among all residents and visitors. This includes incorporating te reo Māori, tikanga, art and history into public spaces, events, and governance, or enabling storytelling platforms.
 <div>Nurture and grow our arts sector</div>	This priority recognises the intrinsic value of arts in enriching cultural identity, fostering learning and innovation, and enhancing quality of life. We are seeking to create an environment where artistic expression thrives, artists are empowered, and the community benefits from the social, economic, and cultural contributions of a dynamic and resilient arts community. Initiatives could include arts funding and grants, cultural events and festivals, creative community resources and infrastructure, opportunities for the public to engage in arts and culture, or preservation of cultural heritage. Activities must align to Aho Tini Arts, Culture and Creativity Strategy.
 <div>Collaborate with our communities to mitigate and adapt to climate change</div>	This priority recognises the urgency of reducing greenhouse gas emissions and building resilience to the changing climate. It involves actively engaging with diverse community groups to co-create and implement sustainable solutions. Activities would include nature-based solutions, community adaptation planning, stormwater and flood protection measures, green infrastructure projects, and community engagement.

## What success looks like

What success looks like for each of the outcomes and strategic approaches are on the following pages.

The Council plays many roles in the city, as illustrated in the diagram. It's important that we understand our role, and where another agency plays a role, we need to consider whether we should have a role at all or should provide a supporting role.

Understanding our roles helps us to identify the type of work we can undertake to help shape the city or fix issues.

Our role in delivering on each of the Outcomes is outlined.



Cultural outcome: A welcoming, diverse and creative city

We will contribute by

- Bringing the city to life with the possibility of art and culture around every corner.
- Integrating cultural heritage into our urban form.
- Enabling built heritage to adapt and change to meet present and future needs such as accessibility, earthquake resilience and climate change.
- Supporting the arts, culture, and creative sector ecosystem through our activities.
- Celebrating our multi-cultural diversity by encouraging and enabling local events and festivals.
- Continuing to work with Rainbow and Disabled communities to make their stories and histories visible and creating safe, accessible spaces.
- Increasing the presence of te ao Māori by supporting a growing understanding and recognition of local iwi narratives, identities, histories, and landmarks.

Council’s Role in Social Outcomes

- **Provider** – We provide affordable and accessible spaces and venues that enable participation in local arts and cultural activities, storytelling, and entertainment. We integrate local iwi histories, arts, and cultural storytelling through placemaking and infrastructure design.
- **Funder** – We give grants to community groups, and fund Council Controlled Organisations, such as Experience Wellington, to manage several museums and galleries, and preservation of taonga Māori and other treasures.
- **Partner** – The Tākai Here agreement outlines our commitment and partnership values and principles for working together with mana whenua for the best interests of hapori Māori and communities towards the sustainable prosperity of Wellington. We work with other funders and leverage expertise for philanthropic and commercial opportunities, such as telling our stories through UNESCO City of Film.
- **Facilitator** – We facilitate connections and access to opportunities across arts and culture such as international exchanges and residencies.
- **Advocate** – We promote Wellington to attract and retain talent, students, tourists, and investment.
- **Regulator** – We manage busking, street closures, safety and traffic to support festivals and other forms of cultural expression.

### Embedding our strategic approaches

#### **Integrating te ao Māori**

- Normalise Māori culture and reduce racism and discrimination by making te ao Māori visible and accessible.
- With our Tākai Here partners and local iwi, identify and enable access, use, learning and exposure to te reo Māori, restore indigenous names within our city, and bring indigenous histories to the forefront.
- Support events and celebrations that give expression to a te ao Māori presence.
- Embedding mātauranga Māori in all of our strategies and policies.

#### **Embedding climate action**

- Partner with the arts, creative, science and innovation sectors to explore complex issues, develop new solutions and show what's possible. The carbon impact plays a significant role in decisions around what activities are supported and prioritised.

#### **Making our city accessible and inclusive for all**

- Embed accessibility and inclusion into how we operate as a city.
- Provide information in accessible formats, locations and channels. Listen to and advocate for disabled peoples' needs.
- Lift the voices of diverse communities' voices in feedback and consultations.
- Proactively plan for and design inclusive services, facilities, and infrastructure.
- Fair and equitable distribution of funding for arts and cultural activities, valuing diversity of artistic expression, traditions and perspectives.

#### **Engaging our community**

- Identify opportunities to co-create and shape initiatives that foster a sense of belonging and support resilient community, creative, and cultural spaces in order to increase the visibility of te ao Māori, promote arts, culture, and heritage, and celebrate the city's diverse communities.
- Make good governance decisions that respect the strategies and policies we have developed with the community, such as Tūpiki Ora Māori Strategy and Aho Tini Arts, Culture and Creativity Strategy.

#### **Value for money and effective delivery**

- Make smart use of our resources to get the best outcomes possible within a constrained funding environment.
- Deliver high quality, well managed programmes and projects to maximise value for our residents and the city. This also means being more strategic with the funding we have available.



Social outcome: A city of healthy and thriving whānau and communities

We will contribute by

- Delivering equitable outcomes for people who need more āwhina (support).
- Creating safe and interesting environments that encourage social connections.
- Evolving towards a more sustainable, resilient and cohesive community facilities network, for people to connect, have fun and belong.
- Delivering a flourishing network of parks and recreation opportunities, interwoven into everyday life, that supports Wellingtonians to live well and connect to nature and each other.
- Improving the systems and processes of our public health and safety regulations and enforcement to ensure safety in our city and to make it easier to do business.
- Continuing to support emergency preparedness and response.

Council’s Role in Social Outcomes

- **Provider** – We provide parks, playgrounds and recreational facilities and services, and community facilities and centres, including libraries.
- **Funder** – We fund social housing, and social and recreation organisations. We fund CCOs that provide social and recreation facilities such as the Basin Reserve Trust and Sky Stadium.
- **Partner** – We promote safety and crime prevention by working closely with police, supporting community neighbourhood programmes and youth engagement, and providing city street wardens and CCTV.
- **Facilitator** – We coordinate and collaborate with emergency services in response to incidences requiring welfare support, and for natural disasters.
- **Advocate** – We facilitate Māori and Tāka Here partner-led initiatives, other community-led initiatives, and community engagement to lift the voices of marginalised groups to identify their needs and priorities to address social inequities.
- **Regulator** – We set and enforce bylaws that seek to avoid and minimise social harm, and ensure public health and safety.

## Embedding our strategic approaches

### **Integrating te ao Māori**

- Support whānau wellbeing through Council activities, decisions, and planning.
- Ensuring that we prioritise grants funding for social and recreation organisations that are delivering impact for Māori.
- Ensure the voices and perspectives of our Tā kai Here partners hapori Māori, rangatahi, takatāpui and whānau hauā/tangata whai kaha are uplifted, valued and embedded in decision-making.

### **Embedding climate action**

- Support a just transition approach to climate change solutions through our actions and decisions.
- Ensure climate change mitigation and adaptation are front of mind when investing in and maintaining infrastructure, parks, and open spaces.
- Support community conversations and planning to mitigate the impacts of climate change.

### **Making our city accessible and inclusive for all**

- Ensure universal design is at the heart of our planning, design and delivery of new services, facilities and spaces.
- Collaborate with the Council's Advisory Groups, disabled and rainbow people to ensure accessibility and inclusiveness.
- Progressively improve existing facilities, services and spaces as we review, maintain and upgrade them.
- Ensure efforts are made to overcome barriers and address disparities in participation to everyday activities.
- Ensure our grantees consider accessibility and inclusion in their projects
- Deliver and support local nature-based solutions that contribute to climate action and social wellbeing, such as community gardens and storm water management.

### **Engaging our community**

- Utilise inclusive and transparent decision-making processes.
- Facilitate input from diverse communities on their needs and preferences of social services and community facilities. This information informs the development and maintenance of these spaces to ensure they meet the needs of all residents.
- Develop comprehensive forward-looking plans for community and recreational development that has positive long-term impacts for community welfare.
- Seek community feedback on the effectiveness and satisfaction of our programmes.

### **Value for money and effective delivery**

- Make strategic, integrated decisions about community services, facilities, parks and open spaces, in context and with sound information and research.

## Economic outcome: An innovative business friendly city

### We will contribute by

- Building relationships with businesses and foster collaboration to improve city precincts and enhance the night-time economy.
- Working with businesses and tertiary education providers and deliver business capability programmes to support transitioning to a circular economy, job creation, career development and build skills for the future workforce.
- Refocusing and redesigning regulatory services and interactions to be customer centric.
- Making procurement choices that support local business and employment ecosystems to thrive.
- Upgrading suburban town centres to improve the appeal of shopping and connecting with others locally.

### Council's Role in Social Outcomes

- **Provider** – We provide infrastructure such as transport and water services that are critical for economic development. We undertake urban renewal projects to revitalise city streets to support the local economy.
- **Funder** – We fund WellingtonNZ, our CCO for economic development, supporting business innovation and attraction, and tourism promotion. We provide City Growth funding to support businesses and communities.
- **Partner** – We partner with developers and crown agencies to invest in the city's venues and infrastructure.
- **Facilitator** – We engage with businesses on council projects and process. We facilitate connection between businesses and education providers to support workforce development initiatives.
- **Advocate** – We advocate internally to ensure our work across the council is joined up, and we can influence the economy through our procurement policies and practices.
- **Regulator** – Our regulatory teams provide services such as liquor licensing and building consenting which are also important for business success. We regulate land zoning, which enables business activities.

## Embedding our strategic approaches

### **Integrating te ao Māori**

- Increase opportunities for Māori businesses, leaders, entrepreneurs, and rangatahi.
- Support Māori-led initiatives that enable greater success for Māori business and employment.
- Where appropriate, celebrate our unique position as Te Upoko o te Ika as a part of Wellington's identity.
- Consider economic outcomes for Māori in our procurement decisions.

### **Embedding climate action**

- Work with businesses and organisations to better enable the transition to a zero-carbon circular economy.
- Choose to work with businesses that are working towards these goals and our procurement policy reflects this. Support a just transition approach to climate change solutions through our actions and decisions.

### **Making our city accessible and inclusive for all**

- Actively encourage employers in the city to be socially inclusive and accessible. This includes to hire people with disabilities and adjust workplace environments to meet their needs, paying decent wages and practicing what we preach.
- Provide website information in accessible formats so that access to information such as building consents, business compliance, and research, reports and knowledge are equally available to all.
- Encourage safe and inclusive workplace environments.
- Involve businesses in economic planning and development processes and facilitate access to capital and support programmes particularly for start-ups and small/medium enterprises.

### **Engaging our community**

- Ensure businesses have early visibility on upcoming projects, and a voice at the table to ensure the disruption from infrastructure transformation is managed well.
- Work with affected businesses to ensure they are supported with a direct relationship and opportunity to contribute.
- Ensure transparent decision-making processes and open communication about economic policies, incentives and development projects.
- Ensure our regulations and policies foster a supportive and predictable business environment.

### **Value for money and effective delivery**

- Make our resources work harder to get the best outcomes possible within a constrained funding environment.
- Deliver high quality, well managed programmes and projects to maximise value for our residents and the city.

Urban Form Outcome: A liveable and accessible, compact city

We will contribute by

- Working with GWRC to urgently deliver bus priority improvements, that support reduced travel times, and increased reliability of the services.
- Improving accessibility, safety, and resilience when maintaining and improving our roads, cycle lanes and footpaths.
- Working closely with the community in delivery of cycle ways to support non-cyclists with alternative transport choices.
- Utilising the skills of Māori, mana whenua and local artists and creators to create a sense of place and identity when investing in infrastructure and placemaking.
- Ensuring lighting and cleanliness of the city supports a high-quality experience across the city.
- Improving planning and logistics for emergency responses, including slips.
- Addressing earthquake resilience of council owned buildings and finding creative ways to support private building owners to address their earthquake prone buildings.

Council’s Role in Social Outcomes

- **Provider** – We provide transport and water infrastructure and invest in resilience. We provide attractive, vibrant public spaces to incentive new development.
- **Funder** – We provide grant funding to support strengthening of heritage buildings.
- **Partner** – We partner with developers and crown agencies to deliver affordable housing.
- **Facilitator** – We engage with communities to co-design and revitalise town centres and streets for people.
- **Advocate** – We advocate for better funding mechanisms and legislation that enables urban development and investment.
- **Regulator** – We regulate land zoning and undertake city planning to enable housing and commercial development. We undertake consenting and inspection of property developments.

## Embedding our strategic approaches

### **Integrating te ao Māori**

- Elevate and celebrate te ao Māori in all spaces, normalising te reo Māori, and creating a sense of community pride for all things Māori within our city. This includes increasing the visual presence of te ao Māori, te reo Māori and Tā kai Here local iwi histories throughout the city.
- Identify opportunities for co-design and development of buildings, public spaces and streetscapes and other projects relating to physical environment, green infrastructure, and waterways.

### **Embedding climate action**

- Ensure climate change is at the heart of all decisions around infrastructure, where investment is made and how we build and maintain our buildings, streetscapes and parks.
- Assess the carbon impacts of projects and potential risks from sea-level rise at the beginning of projects to inform decision making.

### **Making our city accessible and inclusive for all**

- Make it easy to move between home and work, education, health care and social activities, as we maintain and upgrade and build new infrastructure.
- Prioritise inclusivity by ensuring urban development benefits all segments of society and address disparities in access to services, housing and infrastructure.
- Encourage building owners to make accessibility changes to enable access for all.
- Identify opportunities for co-design and development of buildings, public space and streetscapes and other projects relating to physical environment.

### **Engaging our community**

- Ensure that public engagement shapes the planning and delivery of the urban environment in conjunction with data and evidence driven decision making.
- Conduct targeted engagement efforts that are area or neighbourhood specific to ensure that residents are aware of and understand projects occurring in their communities.
- Create opportunities for residents to have their say in the development of projects, and tailor our engagement approach to each area and its unique needs.
- Hold ourselves accountable by monitoring and reporting on progress.

### **Value for money and effective delivery**

- Deliver high quality, well designed, futureproof urban infrastructure and buildings designed to last. Projects will be prioritised based on need and strategic alignment.

Environmental outcome: A city restoring and protecting nature

We will contribute by

- Weaving biodiversity through our urban landscape and continue to regenerate, protect and preserve our native plants and animals, following a strong biodiversity plan.
- Maintaining green spaces, and when investing in infrastructure, parks, and open spaces:
  - Reflecting Te Tiriti o Waitangi, our Tā kai Here partnership and mātauranga Māori
  - Improving access to nature for all ages and abilities
  - Responding to the needs of the community
  - Adapting to climate change
- Improving the resilience of our roads and other infrastructure to reduce the risk of slips caused by heavy rainfall and climate change, including support the community to do the same.
- Establishing infrastructure and systems to increase resource circularity.

Council’s Role in Social Outcomes

- **Provider** – We provide access to green spaces. We provide waste collection and management services.
- **Funder** – We fund CCOs that provide conservation, including Zealandia and Wellington Zoo.
- **Partner** – We partner with NGOs and the community to preserve biodiversity, and support ecosystems to thrive.
- **Facilitator** – We facilitate environmentally friendly practices to mitigate and adapt to climate change, reduce waste, and improve the health of the environment (air, land and water).
- **Advocate** – We advocate for better environmental protection legislation.
- **Regulator** – We regulate activities to prevent environmental harm.

## Embedding our strategic approaches

### **Integrating te ao Māori**

- Recognising the unique role that Mana Whenua play as kaitiaki for te taiao and grounding our approach to environmental wellbeing in mātauranga Māori.
- The Council, along with its Tākai Here partners, Māori and community groups will work together to support existing environmental initiatives and ensure there is a considered approach to addressing major environmental challenges for the next 10 years and beyond.
- Seek opportunities for co-design with our Tākai Here partners on initiatives that include our environment.
- Follow up on iwi-led approaches to environmental restoration, including the upgrade of a trunk sewer in Kaiwharawhara stream to prevent wastewater overflow.

### **Embedding climate action**

- Embed climate change mitigation and adaption in all decisions and actions for our natural environment.
- Work across the region and with communities to protect and enrich our natural environment - our streams, bush and birds for the health and safety of our people, our resilience to impacts of climate change and for the health of te taiao.
- Utilise nature-based solutions to address infrastructure resilience and climate issues.

### **Making our city accessible and inclusive for all**

- Provide spaces in nature that are accessible by wheelchair, and pushchair, as well as places to rest.
- Increase accessible parking spaces, and footpaths that are as smooth and flat as possible.
- Provide information that is accessible and easy to find and use so that the disabled community can find services and facilities that meet their individual needs.

### **Engaging our community**

- Provide ongoing education and opportunities for residents to participate in climate change mitigation and adaptation efforts, to promote community resilience and engagement in the process.
- Develop relationships with stakeholders and residents to create and implement place-based solutions that protect and enhance the natural environment, while ensuring that access to nature meets the unique needs of each area.
- Make good decisions for the long-term benefit of the community and environment using data and evidence and work in collaboration with local businesses, academic institutions, and community organisations.
- Ensure we have mechanisms for monitoring and reporting on progress of environmental goals and targets.

### **Value for money and effective delivery**

- Make future focused decisions on where, how and why we do what we do for the benefit of future generations. The impacts of projects and activities on te taiao and climate change will be prioritised in decisions the Council makes.

## Appendices



Appendix 1: Community Engagement

We have listened to our community to understand their aspirations and priorities for the city. Key themes we have heard have formed the basis of the vision, outcomes and priorities:

Environmental Sustainability:	Accessible Urban Development:	Local Business Support and Economic Diversification:	Community-Centric Approach:	Cultural Inclusivity and Heritage Re-evaluation:
Create and maintain green spaces, focus on sustainable transport, preserve biodiversity, and improve water quality, prioritising equity and minimising financial impact on vulnerable communities.	Improve public transport, cycling infrastructure, and affordable housing, emphasising accessibility for all ages and abilities, and supporting urban densification integrated with green spaces and flood protection.	Support local businesses with environmentally conscious practices, advocate for economic diversification, talent attraction, and well-paid job creation, while addressing concerns about cycle lanes and stressing the need to tackle homelessness and enhance pedestrian environments.	Promote a community-centric approach prioritising facilities like playgrounds, exercise parks, affordable housing, and advocating for poverty reduction, safety, and support for diverse community groups, with a strong emphasis on accessibility and inclusivity for all.	Foster cultural inclusivity, celebrate diverse cultures, and support the arts, while opinions vary on heritage preservation, emphasising the need for re-evaluation and potential elimination of outdated heritage policies and buildings to redirect resources towards affordable housing and progress.

Together with individuals, communities, and organisations we can use this as inspiration to contribute to the creative and thriving society, economy, and environment, and support the city to work towards an absolutely positively Pōneke.

In addition to specific engagement on outcomes and priorities in March – May 2023, we’ve also analysed community engagements from the past 3 years – a total 28,861 submitter’s feedback.

Most people seem to really like the ideas we shared with them about what Wellington should be like. This suggests that residents want a great life and opportunities for everyone in the city. However, not everyone agrees on how to make this happen, and many are worried about it costing too much. This makes it tricky for decision-makers. Also, many people admit they don’t know much about the Council’s spending prioritises to comment on matters like budgets.

The engagement themes are categorised into the five outcome areas.

Cultural outcome: A welcoming, diverse and creative city

- Wellington has a strong identity, and most people think it is a great place to live.
  - People are supportive of the arts generally, and people report that greater investment would return increased community benefits, though initiatives might not necessarily return profits. There is great
- demand for funding at the grassroots level, and continuity of funding was felt to be crucial for real effect.

  - There is support for te ao Māori to be acknowledged and for greater inclusion across many realms of Council and city life.
  - Libraries, as community and cultural centres, are valued and popular assets throughout the city. It is anticipated that the function of

libraries will evolve to encompass a more diverse range of uses, and that a more diverse group of people will visit them in future.

#### Social outcome: A city of healthy and thriving whānau and communities

- People want greater social cohesion through initiatives that enable informal community interaction, such as providing spaces that facilitate connections (e.g., sport and recreation spaces, art spaces, social housing, and spaces for youth, parents of young children, people with disabilities, and cultural communities).
- There was a sense amongst respondents that social inequity is growing. Some groups were thought to face more barriers than others to accessing a 'good' life; the prevalence of alcohol-affected people and homeless on the streets was cited as evidence of this, as were poor outcomes for some demographic groups. In particular, equitable access to housing and support services were sought for all Wellingtonians.
- People mostly feel safe, but not in the city at night where alcohol-dominated events and activities are perceived as the norm. People feel that more lighting (for amenity and safety) and greater police presence could increase safety.
- The potential impacts of natural disasters and climate change are well known to residents, but not everyone is adequately prepared for extreme events. People want resilient communities as well as resilient infrastructure (e.g., buildings, water and underground infrastructure), but the associated costs are recognised as an issue.

#### Economic outcome: An innovative business friendly city

- Costs are a big concern to people, particularly when it affects them personally. While it appears that Council spending is not well understood, people are certain that they do not want ongoing rates rises and higher costs of living.
- People support Council objectives around business and employment and want to see growth in these areas. Development of digitally innovative economies was supported, as was a circular economy with less wastage.

- The night-time economy, although enjoyed, is viewed as too alcohol focused and people report that intoxicated and unpredictable people in the city at night deter them from visiting. Additionally, high costs (e.g., parking and events) are felt to be a deterrent.
- There was a lack of commentary in the engagement data about where funds come from; this was in contrast with the stated expectations for Council to fund initiatives of many types (and the reported opposition to rates increases).

#### Urban Form outcome: A liveable and accessible, compact city

- People seek city surroundings that are pleasant and inviting, and that enhance their experience of living, working, and playing there.
- There is an understanding that the city will grow but people want housing and infrastructure that can cope with growth, and for housing to be warm and affordable.
- People want urban features complemented by tranquil green and open spaces – expected to become increasingly vital for recreation, and wellbeing. Accessibility needs of different people are important when planning these spaces.
- People support city regeneration and want attractive buildings and surrounds, utilised (e.g., not vacant or run-down), and appealing. This also applies to open spaces like the waterfront, which is considered an example of a popular and well-used space.

#### Environmental outcome: A city restoring and protecting nature

- People believe that more needs to be done to mitigate the impacts of climate change on Wellington, though ultimately, there appears to be a reluctance to make the necessary trade-offs to achieve sustainability goals. Safety, resilience, and cost have a significant influence on decision-making, and trump sustainability for many.
- There is broad support for sustainable initiatives, such as a fund to encourage sustainable buildings and carbon zero transport options, but, again, people do not want to bear the costs of these initiatives themselves.

- City green spaces, while supported for their restorative and recreation functions, are also important to people for environmental benefits such as sites for native planting, as habitats, and as carbon sinks.

## Appendix 2: Our Strategic Framework

To give clarity to our direction and make sense of our strategic documents, we have developed a strategic framework. Further work is underway to align our strategic documents in accordance with this framework.

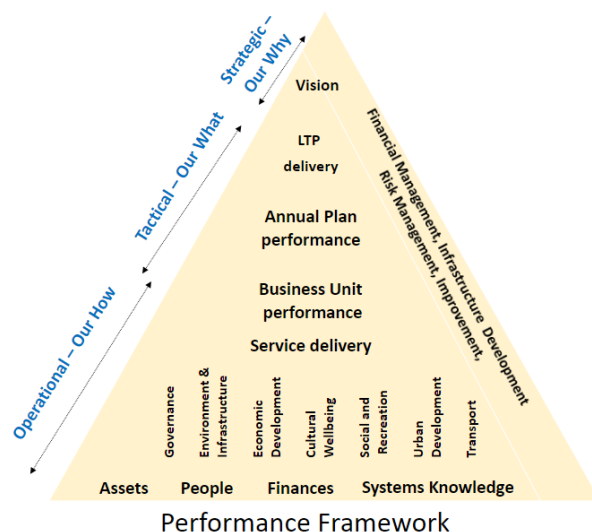


Table of Strategies and Plans

Document Type	Strategy / Plan Title
Activity Strategies	Aho Tini Arts, Culture and Creativity Strategy
	Economic Wellbeing Strategy
	Housing Strategy
	Our Natural Capital – Biodiversity Strategy
	Spatial Plan
	Strategy for Children and Young People
	Te Atakura First to Zero
	Te Whai Oranga Pōneke Open Space and Recreation Strategy
	Tūpiki Ora Māori Strategy
	Wellington Resilience Strategy
Functional Strategies	Zero Waste Strategy
	Infrastructure Strategy
Integrated Plans	Finance Strategy
	Accessibility Action Plan
Network Plans	Alcohol Management Strategy
	Green Network Plan
	Open Space Access Plan
	Paneke Pōneke Bike Network Plan
	Te Awe Māpara Community Facilities Plan
	Waste Management and Minimisation Plan

### Appendix 3: Our Performance Framework

To ensure we know how we are progressing towards our vision and outcomes we have developed a new Performance framework. This has strong links to the Strategic Framework which will allow us to tell a better-connected Council performance story.



The performance framework comprises:

Our **'Why'** - the outcomes and priorities we want to progress to get us to our vision: Pōneke, the creative capital where people and nature thrive'

- We measure progress towards the vision through a suite of Outcome and Impact indicators (see Appendices 5,6 and 7 in this document)

Our **'What'** - the Long Term Plan and Annual Plan showing what we're committed to delivering

- We measure progress to plan through our service delivery key performance indicators (see Volume 2)

Our **'How'** - the foundation that enables Council to provide its core functions: Our people; Our systems and knowledge; Our natural and physical assets

- We manage our core functions through business and activity planning and monitor performance through internal performance indicators

Our **accountability** is through Quarterly and Annual Council reporting to our residents and ratepayers

## Appendix 4: Strategies that guide delivery on the Strategic Priorities

These priorities are guided by the following strategies and plans:

Strategic Priority	These priorities are guided by the following strategies:
Increase access to good, affordable housing to improve the wellbeing of our communities	<p><b>He Mahere Mokowā mō Pōneke A Spatial Plan for Wellington City</b></p> <p>We have six goals for the city:</p> <ul style="list-style-type: none"> <li>• <b>Kiato   Compact</b> – We build on the city’s layout and structures (its urban form), and make sure we have quality development in the right places.</li> <li>• <b>Manawaroa   Resilient</b> – Our city’s natural and built environments are healthy and robust. Good design encourages physical activity and interaction that fosters social resilience.</li> <li>• <b>Kia ngangahau, kia tōnui   Vibrant and prosperous</b> – We welcome social and cultural diversity. We support innovation and invest strategically to maintain a thriving economy.</li> <li>• <b>Kia tauawhi, kia tūhono   Inclusive and connected</b> – We’re connected by a world-class transport system and have attractive and accessible public spaces that support our diverse community and cultural values.</li> <li>• <b>Tautaiiao   Greener</b> – We protect and value our natural environment and enjoy thriving pockets of nature in the city.</li> <li>• <b>He hoa mahi me te mana whenua   In partnership with mana whenua</b> – We recognise mana whenua’s important role and actively partner with them.</li> </ul> <p><b>Housing Strategy</b></p> <p>The outcomes we’re looking for in housing are:</p> <ul style="list-style-type: none"> <li>• Wellington has a well-functioning housing system</li> <li>• Homes in Wellington are of good quality and are resilient</li> <li>• Homes meet the needs of Wellingtonians</li> <li>• Our housing system supports sustainable, resilient and connected communities</li> </ul>
Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	<p><b>He Rautaki Ōhanga Oranga Economic Wellbeing Strategy</b></p> <p>Wellington is a dynamic city with a resilient, innovative and low carbon economy that provides opportunities for all and protects our environment. We aim to:</p> <ul style="list-style-type: none"> <li>• enable Wellingtonians to work within their passions and strengths</li> <li>• be regenerative by design</li> <li>• be Aotearoa New-Zealand’s city partner of choice for businesses, investors and developers</li> <li>• be Aotearoa New-Zealand’s centre for creativity and innovation</li> </ul>



Strategic Priority	These priorities are guided by the following strategies:
	<ul style="list-style-type: none"> <li>raise the profile of our Capital City</li> <li>be a compact city with a dynamic CBD and thriving suburban centres that are economically productive</li> </ul>
Transform our waste system to enable a circular economy	<p><b>He anamata para kore mō Pōneke A zero waste future for Wellington - Zero Waste Strategy</b></p> <p>Our goal is to achieve intergenerational sustainability by moving to a circular economy. In a circular economy, economic activity is disconnected from the use of finite resources. Products and materials are kept in use for as long as possible, and waste that can't be reused or recycled is safely managed. We aim to:</p> <ul style="list-style-type: none"> <li>avoid unnecessary resource use and to design waste and pollution out.</li> <li>make it convenient for residents, businesses, and consumers to reduce and recycle their waste.</li> <li>treat waste infrastructure built today as a finite resource and carefully manage it, working to preserve its capacity and lifespan as long as possible and without harm or leakage to the environment.</li> </ul>
Celebrate and make visible te ao Māori across our city	<p><b>Tūpiki Ora Māori Strategy</b></p> <p>The vitality of our environment is nourished, the wellbeing of our whānau is fostered, te ao Māori is embraced and celebrated. Our priorities are:</p> <ul style="list-style-type: none"> <li>Te whakatairanga i te ao Māori   Enhancing and promoting te ao Māori</li> <li>Tiakina te taiao   Caring for our environment</li> <li>Te whakapakari pūmanawa   Building capacity</li> <li>He whānau toiora   Thriving and vibrant communities</li> </ul>
Nurture and grow our arts sector	<p><b>Aho Tini   Arts, Culture and Creativity Strategy</b></p> <p>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. We will focus on:</p> <ul style="list-style-type: none"> <li>Aho Tangata   Our people – connected, engaged, inclusive, accessible communities</li> <li>Aho Hononga   Partnership with mana whenua and Māori</li> <li>Aho Whenua   Our places, spaces and venues – our city is alive</li> <li>Aho Mahi   Successful arts and creative sector, and careers</li> </ul>
Transform our transport system to move more people with fewer vehicles	<p><b>He Mahere Mokowā mō Pōneke   A Spatial Plan for Wellington City</b></p>

Strategic Priority	These priorities are guided by the following strategies:
	<p>We'll work with our Tāhaki here partners, Māori and the community to shape a liveable and exciting city that attracts people. A city where people can live close to nature and streets are made for people, businesses prosper, and communities thrive. Our transport goal is:</p> <p>We're connected by a world-class transport system, and have attractive and accessible public spaces that support our diverse community and cultural values.</p> <p><b>Te Atakura   First to Zero</b></p> <p>Enhancing opportunities for active transport throughout Wellington and strongly increase public and active transport use by 2025</p> <p>Raising the quality, capacity and affordability of public transport across the city</p> <p>Enhancing development around public transport</p>
Fix our water infrastructure and improve the health of waterways	<p><b>Wellington Water Outcomes</b></p> <p><b>Safe and healthy water</b> - we provide water services, to ensure safe drinking water and will work to eliminate the harmful effects of wastewater and stormwater over time.</p> <p><b>Respectful of the environment</b> - when we provide water services, we seek to avoid harm to the natural and built environment and over time, enhance it for the benefit of future generations.</p> <p><b>Resilient networks support the economy</b> - we provide reliable day-to-day water services, that can withstand shock and stresses, and future proof the network to enable a strong regional economy and enhanced natural environment.</p>
Collaborate with our communities to mitigate and adapt to climate change	<p><b>Te Atakura   First to Zero</b></p> <p><b>Shaping our plan for a growing city</b> – The community has some big decisions to make about how Wellington will grow. Growing up, unlike growing out, will lead to a zero carbon future.</p> <p><b>Getting us moving in all the right ways</b> – Developing public and active transport infrastructure for all directions is an essential element of a zero carbon future. User charges to signal the true cost of driving and to alleviate congestion is the next necessary step to consider.</p> <p><b>Becoming a leader in high performing buildings</b> – Whether it's Council buildings or buildings for others, lifting the performance of buildings is essential. The benefits include potentially lower infrastructure costs, cheaper operating costs, healthier environments, and lower carbon impacts.</p> <p><b>Giving shared mobility options a lift</b> – For the Council it started with one Cityhop car in 2008, now there are MEVO car share vehicles, scooters, Onzo bikes and who knows what's next. Vancouver has 3500 car sharing vehicles helping them get people out from under car ownership's costs.</p> <p><b>Building a Wellington climate lab</b> – It's time to look for scale and transformative change. We will build a climate lab collaborating with partners around the city and country on solutions to develop best practice on emission cuts and adaptation. The focus will be place based.</p>

Strategic Priority	These priorities are guided by the following strategies:
	<p><b>Going for a zero-emissions transport fleet</b> – If New Zealand is to convert the fleet quickly Government help is needed. The Council can also play a supporting role by supporting charging and looking at developments to ensure they are taking electric vehicles into account where vehicles are present.</p> <p><b>Protecting and enhancing the domain of Tāne</b> – Accelerating the planting of forests on our existing land is helpful, but seeking new land to plant out and help capture carbon from the atmosphere is going to be even more helpful to fulfilling the goals of Te Atakura. One thing is certain, our natural environment will play a critical part.</p>
Invest in sustainable, connected and accessible community and recreation facilities	<p><b>Te Awe Māpara   Community Facilities Plan</b></p> <p>Thriving and accessible community facilities – where people connect, have fun and belong. The outcomes we are striving for are:</p> <p><b>Manaakitanga</b> – We show respect, generosity, and care for others. We are good hosts and strive for our facilities to be accessible, equitable and inclusive for all.</p> <p><b>Whanaungatanga</b> – Our facilities provide places for people to share, nurture relationships and build connections, strengthening our sense of community and belonging.</p> <p><b>Pārekareka</b> – Our facilities are fit-for-purpose places for people to thrive, have fun, participate, create, perform, learn and play.</p> <p><b>Pāhekohekotanga</b> – Our facilities are connected and form a holistic and well-distributed network. They work together collaboratively to deliver a diverse range of activities.</p> <p><b>Tiakitanga</b> – We are committed to our guardian and stewardship role. We nurture and manage our facilities to be environmentally and economically sustainable for all generations to come.</p>

## Appendix 5: Impact trend Indicators

The following tables provide the impact indicators across the nine strategic priorities.

Strategic Priority	Impact indicator	Trend
Increase access to good, affordable housing to improve the wellbeing of our communities	Measured through the WCC State of Housing Dashboard	Increasing
Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	Residents' perceptions that public areas in their suburb are well designed	Increasing
	Residents' perceptions that their local suburb is lively and attractive	Increasing
Transform our waste system to enable a circular economy	Progress in achieving –the Wellington Region Waste Management and Minimisation Plan 2023-2029	Increasing
	Reduce the total amount of material that needs final disposal to landfill through: a) establishing construction and demolition waste processing recovery by 2026 b) establishing organic processing systems by 2029 c) establishing five new resource recovery locations by 2030	Progress
	Reduce emissions from biogenic methane by reducing the total amount of organic waste disposed to landfill	Reducing
Celebrate and make visible te ao Māori across our city	Percentage of council decisions made where Council reports demonstrate strong Māori perspective	Increasing
	Percentage of council decisions made where Council reports include input from our Tāka Here partners	Increasing
	Number of projects and initiatives in the annual Tūpiki Ora work programme completed or on track	Increasing
	Māori culture and te reo is visible in the city	Increasing
Nurture and grow our arts sector	Wellington has a culturally rich and diverse arts scene	Increasing
Transform our transport system to move more people with fewer vehicles	Increasing the proportion of people travelling to the central city using sustainable transport modes (walking, cycling, micro-mobility and public transport)	Increasing
	Average pay-by-plate parking occupancy a) Central city b) b. Kelburn	Steady
Fix our water infrastructure and improve the health of waterways	Percentage of pipe replacement/renewal completed (awaiting final Wellington Water SOI)	Increasing

Strategic Priority	Impact indicator	Trend
	Total Capital delivery is between \$XXm and \$XXm (awaiting final Wellington Water SOI)	Increasing
Collaborate with our communities to mitigate and adapt to climate change	Percentage of Council/Committee papers with high quality climate considerations	Increasing
	Percentage of Wellingtonian's who are taking more than three significant climate actions across three or more of the five key areas (Move, Eat, Advocate and Prepare	Increasing
	Plant 3 million native plants by December 2030	Increasing
	Hectares of animal pest control (all land within WCC boundaries)	Increasing
Invest in sustainable, connected, and accessible community and recreation facilities	User satisfaction with community centres and halls	Increasing
	Perception that recreation facilities are easy to access	Increasing

It is important to note that the list of indicators may develop overtime as new data sets become available.

## Appendix 6: Outcome trend Indicators

The following tables provide the trend indicators across the five outcomes. It is important to note that the list of indicators will develop overtime as new data sets become available.

### Indicators for Cultural Outcome: A welcoming, diverse and creative city

Outcome indicator	Trend
Percentage of attendees satisfied with Council-delivered festivals and events	Increasing
Percentage of residents agree: a. The Council enables local events, activities and cultural activities b. I feel welcome and included in cultural events and activities in Wellington c. I see my community reflected in Wellington's cultural activities	Increasing
People's sense of pride in the area	Increasing
People's perception of Wellington city (great place to live, work and play)	Decreasing
Residents' perceptions that heritage items contribute to the city's unique character	Increasing
Residents' perceptions that heritage items contribute to the community's unique character	Increasing
Participation in Māori cultural activities: Used Māori phrases or words in the last 12 months Watched a Māori television program in the last 12 months Sung a Māori song, performed haka, given a mihi or speech, or taken part in Māori performing arts or crafts in the last 12 months Been to a Marae in the last 12 months	Increasing

### Indicators for Social Outcome: A city of healthy and thriving whānau and communities

Outcome indicator	Trend
Percentage of residents who have confidence in how WCC holds, uses and manages their private information	Increasing
Youth participation in sport and recreation. 5-17year olds (surveyed on activity within last 7 days)	Increasing
% of residents who believe they have adequate opportunities to participate in city decision-making and have their say in Council activities	Increasing
NEET rate	Decreasing
Rental affordability	Increasing
Local government elections voter turnout	Increasing
Perception of overall quality of life	Increasing
People's sense of community with others in their neighbourhood	Increasing
Social connections wellbeing	Increasing
Housing wellbeing	Increasing
Safety wellbeing	Increasing

Indicators for Economic Outcome: An innovative, business friendly city

Outcome indicator	Trend
Economic diversity (HHI industry diversity)	Increasing
Gross Domestic Product (GDP) per capita	Increasing
Unemployment rate	Decreasing
Average annual household income	Increasing
Number of houses under construction	Increasing
Number of building consents issued (new residential)	Increasing
Number and type of road accidents	Decreasing
Permanent & long-term migration to Wellington City	Increasing
Tourism filled jobs	Increasing
Jobs and earnings wellbeing	Increasing
Knowledge and skills wellbeing	Increasing

Indicators for Urban form Outcome: A liveable and accessible compact city

Outcome indicator	Trends
Number of people and vehicles travelling to the central city (pedestrians, cyclists, public transport and car)	Increasing
Public transport in Wellington city: Public transport is reliable	Increasing
Public transport in Wellington city: Public transport is affordable	Increasing
Public transport in Wellington city: It is easy to get to public transport from my home	Increasing
Housing Affordability Index (lower is better)	Decreasing
Healthy Housing Stock - House is damp (rarely or never damp)	Increasing
Residents reporting their home is never or rarely damp	Increasing
Council is taking an active role in revitalising Māori cultural heritage in the city	Increasing

Indicators for Environmental Outcome: A city restoring and protecting nature







Outcome indicator	Trend
Renewable energy total capacity installed (fuel capacity MW)	Increasing
Total city greenhouse emissions CO2 decreasing	Decreasing
Kilograms of waste to landfill per person	Decreasing
Residents' perceptions that "Wellington's air pollution is a problem"	Decreasing
Residents' perceptions that "Wellington's water pollution (including pollution in streams, rivers, lakes and in the sea) is a problem"	Decreasing

Outcome indicator	Trend
Open space land owned or maintained by the Council – square metres per capita	Increasing
Access to park or green space (usage tracking)	Increasing
To what extent do residents feel confident that enough action is being taken to prepare Wellington for the impacts of climate change?	Increasing
Kg's of food rescued and redistributed	Increasing
Meals provided	Increasing
Carbon emissions reduced (co2)	Decreasing
Environmental wellbeing (out of score of 100)	Increasing



## Appendix 7: Alignment to the UN Sustainable Development Goals

The United Nations Sustainable Development Goals (UNSDGs/SDGs) are a global framework for addressing global challenges such as poverty, climate change, and inequality. By aligning to the SDGs, we can connect our local efforts to broader global agendas and identify how we are contributing to international initiatives. The SDGs offer clear goals, targets, and indicators across economic, social, and environmental dimensions. We can leverage this guidance to help us prioritise strategic efforts and ensure alignment with global best practice. The SDGs also provide a common language and framework for measuring trends and progress over time. While we haven't used the targets goals to help develop our priorities in this LTP, we are showing alignment now. We will work over the next 3 years to begin embedding the SDGs into our performance framework.

Outcome	UN Sustainable Development Goal				
<b>Cultural:</b> A welcoming, diverse and creative city					
<b>Social:</b> A city of healthy and thriving whānau and communities					
<b>Economic:</b> An innovative business friendly city					
<b>Urban Form:</b> A liveable and accessible, compact city					
<b>Environmental:</b> A city restoring and protecting nature					

# Wāhanga 2: te reo to come

## Section 2: Infrastructure Strategy

### In this section

#### Te reo to come

This section includes the full details of our Infrastructure Strategy that underpins our Long-term Plan. This includes how we will apply it and see progress towards achieving our goals for the city.

# Infrastructure Strategy

## Introduction

*He toka tū moana, ara he toa rongonui | Strong like a rock in the rapids*

A city’s infrastructure is crucial for residents to thrive and is often taken for granted. Poor infrastructure can have significant negative consequences, affecting environmental outcomes, public health and safety, and community and business confidence.

Local authorities play a key role in creating, regulating, and using infrastructure to deliver services to the community. About 40% of New Zealand infrastructure is managed by local governments, supporting various aspects of wellbeing.

Well-maintained infrastructure in the right location with sufficient capacity and resilience is integral to the economic prosperity and social wellbeing of Wellington’s residents. The provision of fit-for-purpose infrastructure needs good asset management practices and integrated strategic thinking towards a long-term view of our infrastructure needs.

However, reliable and future-focused infrastructure is expensive, requiring prioritised and protected funding for renewals, replacements, and growth. This investment must be affordable, have intergenerational benefits and meet the Council’s other investment priorities.

The provision and maintenance of the city’s infrastructure requires good asset information, good asset management practices and strategic thinking. The Infrastructure Strategy, informed by the city’s vision and outcomes, plays a role in the Council’s long-term planning, and is required for a period of at least 30 years to inform the Long-term Plan (LTP). The strategy aligns with strategies and asset management plans and sits alongside the Financial Strategy.

In addition, the development of this strategy and future decision making is informed by the advice of the 2023 Citizens Assembly Pilot. Relevant recommendations of the Assembly are that:

- The Council reviews its capital expenditure programme by prioritising spend and spreading capital expenditure over a longer period based on availability of funds.
- Within funding constraints, the Council prioritises:
  - Looking after the assets we’ve got before building or acquiring new.
  - The most cost-effective way to look after their existing assets.
- When the Council is repurposing Council buildings and land in urban areas that they prioritise green space where suitable and practical.
- The Council prioritises and advocates for infrastructure development that supports medium to high density housing.

## Purpose of the Infrastructure Strategy

The Infrastructure Strategy sets the scene for the Council's decisions relating to the city's infrastructure over the next 30 years. It is a statement of current assumptions and thinking on what is required to address the major challenges and issues facing the city, what to prioritise. It also identifies risks associated with infrastructure underinvestment. The strategy defines:

- The nature of the challenges we face.
- Our approach and options for dealing with those challenges and the associated implications.
- How we intend to manage those challenges and implications to meet the needs of current and future generations.

While the strategy provides an indicative estimate of future infrastructure needs, it is not a budget and by itself does not commit Council to any future project, cost, or timing.

## Scope of the Strategy

Infrastructure is the hardware that enables the delivery of the Council's services and provides for amenity. The Council manages a substantial portfolio of infrastructure assets for the city valued at approximately \$10 billion. Approximately two-thirds of these are core horizontal infrastructure assets for the provision of three waters services and transport.

This strategy outlines the Council's approach to managing and investing in the city's infrastructure including what will be required, when, and how much it will cost.

It covers the following infrastructure types:

- Water supply
- Sewerage and the treatment and disposal of sewage
- Stormwater drainage
- Buildings - including civic buildings, venues and social housing
- Land Transport – roads, footpaths, streetlights etc

- Waste – landfill
- Parks and Open Spaces
- Community and Recreational Facilities

We have achieved a lot since the last strategy. The Council has undertaken a programme of work to help make more informed strategic decisions about our infrastructure and investment in our city's future. This includes gaining better knowledge of our infrastructure and the costs associated with achieving the city's growth ambitions set out in the Spatial Plan. We have achieved the following:

- Significant improvements to our asset management approach.
- Asset Management Plans now underpinned by high quality data, including for vertical infrastructure where data has been gathered from surveying 372 Council buildings.
- Well-developed renewal plans for most classes of assets.
- Three Waters Growth Studies to help understand the level of investment needed to support remediation and growth.
- Adopted a community facilities plan (Te Awe Māpara) to help guide the Council's provision and decision-making about community facilities for the next 30 years.
- Adopted Paneke Pōneke the bike network plan and delivery programme.
- Developed the Te Ngākau Framework to guide decision making for the civic precinct.
- Developed and adopted a Green Network Plan to guide the greening of the central city over the next 30 years.
- Adopted a new open space and recreation strategy- Te Whai Oranga Pōneke, providing an overarching framework and strategic direction to manage public open space and recreation programmes and services over the next 30 years.
- Completed an open spaces provision assessment and developed a 30-year investment plan.

- Initiated a project to develop a federated asset database of all underground assets - refer to Projects - Wellington Underground Asset Map - Wellington City Council assets.
- Undertaken a housing and building assessment to better understand actual housing and business demand.
- Developed an integrated transport/urban development plan which is a key climate change mitigation response.
- Notified a new Proposed District Plan to regulate the city's built environment and open space.
- Started Climate Adaptation Planning for the city.

- Started Task Force Climate Related Financial Disclosures work to better understand the financial risks associated with climate change for the city.

A number of these workstreams have allowed us to obtain and develop better baseline data which will help to guide prudent, timely investment decisions and to strategically manage our infrastructure and community assets. However, there is still some work to complete to help the Council obtain a better picture, namely in the areas of climate adaptation planning and the financial risks associated with climate change for the city. For further information see Challenge 3: Mitigation and adaptation to climate change on page 52.

## Strategic Context

### Our infrastructure supports our wellbeing

Wellington city is both the capital of New Zealand and the heart of the Greater Wellington region. The strength of the city's economy is vital to the economic wellbeing of the region and to New Zealand as a whole. Wellington attracts a diverse range of people and is home to 216,200 residents. By 2034 our city is projected to grow to 230,000 and 270,000 residents by 2054.

The mix of city and natural environment is unique and highly valued by the community. We have 4,305 hectares of parks, reserves, and beaches to enjoy along with 387km of recreational walking and mountain bike tracks. These assets are significant contributors to quality of life, and a key reason people choose to live and work in Wellington. In 2021, Wellington city ranked number one in the world for environmental security, due to our extensive investment over the past 30 years in biodiversity regeneration and pest eradication. This ranking also considers how the city has incorporated sustainability in its urban planning to reduce carbon emissions and manage climate risks.

Wellington is well known for its strong arts and culture scene. The performance venues, galleries and museums provide the opportunities for cultural expression, strengthening our identities, participating in, and sharing our creativity. They are the infrastructure for acknowledging, experiencing, and participating in culture and creativity of our past,

present and future and underpin the creative economy which distinguishes Wellington from other New Zealand cities.

We have also made a strong commitment to Te Tiriti and mana whenua through our Tākai Here partnership agreement and Tūpiki Ora Māori Wellbeing Strategy. These are relatively new mechanisms and aim to achieve strengthening partnerships across infrastructure priorities, incorporating te ao Māori into infrastructure design, planning, and delivery, and unlocking the potential for Māori success through infrastructure.

Wellington's social and economic wellbeing stands on the foundations of transport and three waters infrastructure that enable us all to connect between home, work, and leisure activities. The buildings, public and green spaces that stand on these are essential for enabling the activities that deliver a high quality of life and economic activity. These infrastructures are facing the challenges of serving a growing city that expects higher environmental standards and resilience whilst addressing stresses resulting from past events such as earthquakes and pandemics, funding decisions and uncertainty stemming from ongoing legislative reform.

Climate change will also have a more noticeable impact on the future form and function of our city as we are a harbour city surrounded by water. A substantial percentage of our central city sits on reclaimed land and there are already issues with seawater infiltration on underground

assets network. As the city has expanded, we have constructed over natural paths where water would naturally flow and reduced the ability of the ground to absorb water. This affects our ability to efficiently drain rainwater.

Dealing with the impacts of climate change is a big challenge for Wellington's infrastructure. In the past 20 years, there has been a growing focus on creating sustainable infrastructure – finding smart ways to meet our infrastructure needs while lowering emissions and handling the risks posed by climate change. As a coastal and harbour city with steep hills that are prone to slips, future adaptation costs are also expected to be material.

### The external environment has changed

Covid-19 is now part of our lives and the immediate impacts have passed. However, other world developments such as the war in Ukraine and ongoing supply chain issues has contributed to global inflation and cost of living increases, here and around the world. The experience of Cyclone Gabrielle in Hawkes Bay, Gisborne and Auckland has exacerbated this, and demonstrated the effects of climate change.

This strategy has been developed during a period marked by unprecedented demands on the Council's budget. The heightened cost of living has elevated concerns about the affordability of council services among Wellingtonians. The financial pressures faced by the Council stem from the necessity to maintain existing infrastructure and assets, incurring higher costs in an inflationary climate. This financial commitment extends to investments in aging infrastructure such as three waters and earthquake-prone buildings, as well as funding initiatives that contribute to ensuring a high quality of life for all residents in the future. We are also experiencing a changing insurance market, higher premiums, less cover and are having to take on more risk.

The repercussions of these challenges are evident in their impact on both residents and the Council:

- The costs associated with our services and ongoing projects have surpassed the initially projected figures in our 2021-31 LTP, mainly due to escalating construction costs resulting from inflationary pressure and scarcity of resources. Making

additional capital investments in the current market more costly.

- The expense of maintaining the status quo has increased significantly. Looking after existing assets through the requirement to account for depreciation, interest, and insurance, accounted for 49% of our rates revenue for 2022. The upkeep of ageing assets presents a significant financial burden.
- Households and businesses find it increasingly difficult to absorb cost increases.

The economic landscape has rendered the pursuit of fiscal sustainability and the provision of essential services more challenging for both the Council and the community. Furthermore, the current government has plans to reduce central government costs, which may have implications for the potential of seeking financial support from the government.

### Outcomes and priorities

As with all activities in the LTP, this strategy draws strategic direction from the outcomes and priorities set for the 2024 LTP. The management, maintenance, renewal, and strategic investment in infrastructure seeks to enable the Council to achieve the community outcomes:

- **A welcoming, diverse, and creative city.**
- **A city of healthy and thriving whānau and communities.**
- **An innovative business friendly city.**
- **A liveable and accessible, compact city.**
- **A city restoring and protecting nature.**

There are nine priorities that will also guide investment decision-making:

- **Fix our water infrastructure and improve the health of waterways.**
- **Transform our waste system to enable a circular economy.**
- **Collaborate with our communities to mitigate and adapt to climate change.**

- Transform our transport system to move more people with fewer vehicles.
- Invest in sustainable, connected, and accessible community facilities.
- Increase access to good, affordable housing to improve the wellbeing of our communities.
- Revitalise the city and suburbs to support a thriving and resilient economy and support job growth.
- Celebrate and make visible te ao Māori across our city.
- Nurture and grow our arts sector.

We must also embed the strategic approaches in everything we do:

- Integrating te ao Māori.
- Making our city accessible and inclusive for all.
- Embedding climate action.
- Engaging our community.
- Value for money and effective delivery.

Operating within an uncertain legislative and regulatory environment

There are many external factors that impact how we plan, manage, deliver, and operate our infrastructure. Although many of these are beyond the control of the Council, it is important that we continue to monitor and respond to them to ensure that our infrastructure plans remain fit-for-purpose by responding to emerging issues and taking advantage of new opportunities.

The Council undertakes a scan every three years to provide relevant context and information to assist with the development of the LTP and infrastructure management planning.

Significant Assumptions

The 2017-2023 Government began an extensive legislative programme encompassing three waters, resource management, local government, and climate change. The election in 2023 has resulted in a coalition government that has committed to the repeal and subsequent reform of this programme. This impacts the Council’s roles as a funder, provider, regulator, and planner of infrastructure.

These uncertainties are summarised below:

- Three waters reform – The coalition government has repealed the three waters legislation passed by the previous government. The new government is continuing to develop responses to the challenges of the water sector.
- Resource management reform – The coalition government has repealed the Spatial Planning Act and Natural and Built Environment Act and have committed to further reform to the Resource Management Act.
- Transport Policy – The coalition government has withdrawn national government involvement in Let’s Get Wellington Moving.
- Infrastructure reform – The coalition government plans to establish a National Infrastructure Agency to coordinate government funding, connect investors to Aotearoa infrastructure and to improve funding, procurement, and delivery processes.
- Climate adaptation – With the repeal of the Resource Management Act and the change in Government there is more uncertainty on how Councils should be adapting to a changing climate.
- Future for local government review – The coalition government has indicated city deals and other tools to address funding issues.

For more information refer to the LTP 2024 Assumptions.

The Long-term Plan outlines the Council’s planned investment in the city over the next ten years and beyond.

Because not everything can be known about the future, the Council makes assumptions to underpin its Long-term Plan. Examples of assumptions include population growth and interest rates, through to funding sources and government reform of the sector.

These are updated every three years as part of the Long-term Plan process. Refer to the Significant Forecasting Assumptions for the 2024 Long term Plan in Volume 2 for more detail.

A summary of the Council’s Significant Forecasting Assumptions relevant to infrastructure are summarised at a high level below, and some are also outlined in more detail in the “Challenges” section of this Infrastructure Strategy.

### Growth

The long-term population forecast for Wellington City is growth of between 50,000 to 80,000 over the next 30 years.

### Earthquake hazards

The assumed risks of a significant earthquake are in line with Wellington lifelines planning and relate to likelihood of earthquakes at different scales on the Modified Mercalli Intensity (MMI) scale. Likelihood is captured in the table below.

MMI level	Average return period
MMI7	~30 years
MMI8	~120 years
MMI 9	~400 years
MMI 10	~1350 years

### Climate change

Climate change will have physical impacts for the Council (damage to assets and disruption of services) with cascading impacts in the social and economic domains, in line with Ministry for the Environment’s global emissions scenarios as informed by the Intergovernmental Panel on Climate Change (IPCC).

Wellington is projected to experience increased risks of coastal storm surge, an increase in hot days, a rise in annual average temperatures, higher frequency, and magnitude of flooding events, both exacerbated by sea level rise and increased volumes of water during rainfall events.



## Asset lifecycle

The asset life of key assets is included in the Significant Forecasting Assumptions document. It is assumed that assets will be replaced at the end of their useful life. It is also assumed that:

- **most of the significant assets will continue to be revalued every 3 years.**
- **assets will be replaced at the end of their useful life.**

Layering this assumption with the target to fund renewals at 75% of the unconstrained budget means that we will need to accept some asset failures.

Future choices may be required, where some assets will need to be closed, replaced and/or decommissioned as a result. However, part of the strategy is about ensuring we are strategic and rationale with the assets we own, maintain and build, and this includes being clear that there is a need for the assets.

Other assets cannot be decommissioned, such as for water services, and will need to be repaired to keep operational. It is assumed that a review of the service delivery model and funding model will mitigate this risk over the longer term.

## Changes in demand for services

For this 10-year plan we assume that the current demand for Council services and customer expectations regarding business-as-usual levels of service will not significantly change during the planning period beyond what is specifically planned for and identified in this 10-year plan and supporting documents. As a result, it is assumed that there will be no significant additional impact from level of service changes on asset requirements or operating expenditure.

## Changes in levels of service

This Long-term Plan and Infrastructure Strategy includes planned level of service changes for some areas like transport and waste. In other areas investment is strongly focused on managing the demands of growth,

improving asset performance to meet existing levels of service (such as water), or returning levels of service to previous levels (such as earthquake strengthening).

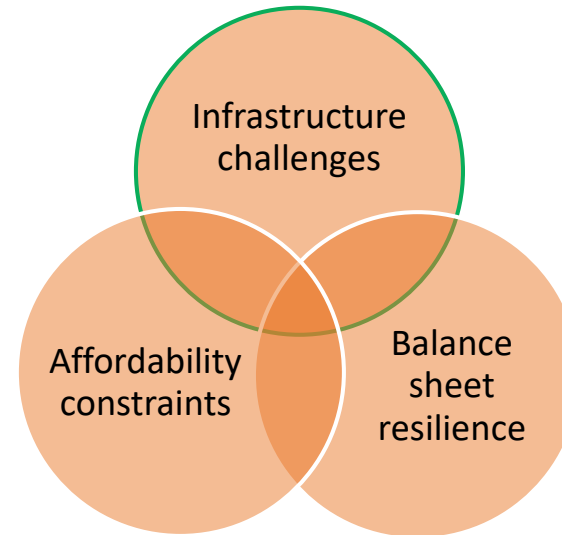
## Land Transport Funding

We assume the Central government funding for Transport renewals and maintenance of 51% for 80% of the programme.

## Significant Infrastructure Challenges

The focus of this strategy is addressing our infrastructure challenges. These challenges are heavily linked to the financial challenges, which are addressed in the Financial Strategy.

- Affordability constraints are challenges both the Council and residents of the city are facing. With higher interest rates, a greater proportion of rates income servicing our increasing debt, and with current high inflation, our money does not stretch as far. For residents, the ability to pay more rates is limited, and the Council's operations will need to find ways to deliver in a constrained funding environment.
- Balance sheet resilience addresses the challenges of managing our capital expenditure and investments to support long-term financial sustainability and resilience.



This is a strategy that identifies significant challenges and issues for our infrastructure over the long term, providing signals for where investment or divestment may be needed.

It does not commit us to funding them but helps us to make more strategic decisions. It informs the work programmes that we need to be able to make these big decisions.

Infrastructure challenges are significant infrastructure related problems that need long-term planning – a long lead in time for planning the interventions, several years of investment to deliver, and generally a long tail off period.

We have identified five infrastructure challenges, with several contributing factors:

1. **Population growth and changing demand**
  - Population growth and ageing demographic profile.
  - Lack of growth capacity in transport and three waters systems.
  - Changing community needs and service use patterns.
2. **Ageing and declining condition of infrastructure**
  - Some assets have exceeded their useful life.
  - Historical lack of a coordinated, data-based approach to asset management, data maturity resulting in under investment in maintenance and renewals.
3. **Mitigation and adaptation to climate change**
  - Global warming.
  - Increased frequency and intensity of extreme weather events.
  - Coastal hazards.
  - Climate adaptation costs.
4. **Earthquake hazards and earthquake prone buildings**
  - Landslides.
  - Earthquakes.
  - Earthquake prone buildings.
5. **Affordability and deliverability**
  - Limited funding tools.
  - High inflation putting pressure on construction costs.
  - Constrained capacity of the construction market to deliver.
  - Increasing insurance costs.

### Challenge 1: Population growth and changing demand

We need to future-ready our infrastructure to serve our growing and changing population, so that we can foster liveable, safe, low-emission neighbourhoods and travel.

### Population growth and ageing demographic profile

Wellington has sustained a steady 1.2% population growth per year from 1998 to 2018. The forecast growth rate going forward is lower at 0.8% per year. This will still result in between 50 to 80 thousand extra people over the next 30 years and require approximately 24,000-31,000 more housing units.

Many infrastructure networks require investment to support this forecast growth. The Council is planning to accommodate the growth of the city predominantly through intensification of existing urban areas and along key public transport corridors as set out in the Spatial Plan and Proposed District Plan.

This will require new infrastructure including higher capacity public transport corridors to sustain growth, and existing infrastructure to be upgraded.

Forecasts indicate steadily ageing population and smaller households as family sizes continue to decline. The population is seeing an increasing proportion of people in the 55-to-85-year age brackets, and the 20-to-30-year age group.

There is a decreasing proportion of the population in the under 20-year age bracket and the 30 to 50 age group. National population projections from the 2013 disability survey indicated a 45% increase in disabled population to 2038 compared with 31% increase in total population.

The same survey indicated nearly 60% of people over 65 identified as disabled. Changing demographics affects the range of services we need to provide and demands on networks across the city – and long-term changes to household size, more intense and mixed land uses, and accessibility requirements.

### Housing and Business Demand

A Housing and Business Needs Assessment (HBA) has recently been completed by the Council. This has been prepared to meet the monitoring requirements of the National Policy Statement for Urban Development (NPS-UD). It also serves as a chapter of a the wider Wairarapa Wellington-Horowhenua region HBA. The Wellington Regional Leadership Committee (WRLC) will use the regional HBA to support spatial and other planning activities for the region, including the Future Development Strategy (FDS).

This report is a snapshot in time and is regularly reviewed and updated to ensure that it captures the most current information about the market. This most recent report has highlighted:

- We have enough business land to supply the market in the medium term (up to 20 years) but beyond this, redevelopment will need to occur, or the demand will be met elsewhere in the region.
- There is higher demand for business floorspace and land resulting from higher growth over the 2019 assessment period, with an identified demand of 597 hectares, or 691 hectares (NPS adjusted), in the next 30 years.
- Wellington has a requirement for 30,407 dwellings over the next 30 years.
- There are known infrastructure issues across the city. A long-term investment plan is required to resolve this and unlock the development opportunities across the city. Infrastructure to support growth needs to be prioritised in the Central City, Newtown, Tawa and Johnsonville, where the greatest demand for housing is expected over the medium-long term.

Approximately 60% of the Wellington region's jobs are concentrated in Wellington City with the majority of those located within the city centre which is expected to remain the primary economic hub for the region.

This growth will mean that there will be increased pressure on our water and transport networks due to their existing capacity issues.

## Lack of capacity in transport and 3 waters systems

### **Three Waters Capacity**

The current infrastructure networks are being stressed with existing demand, the age of the assets and changing weather patterns. This is evidenced by the following.

- Significant flooding
- Wet weather wastewater overflows
- Wastewater discharges into freshwater and coastal environments
- Low water supply pressure and insufficient fire flows
- Low water supply storage volumes in reservoirs
- Leaking pipes
- Water supply fragility

This is primarily due to the age and poor condition of our water assets which were designed at a time to service a smaller population, less housing and different weather patterns.

As the city grows, the pressure on our water systems will increase. To handle this growth and meet the required standards, we will need to invest more in our water networks. This includes meeting higher environmental standards and preparing for climate change. Wellington Water Limited monitors our three waters capacity when resource and subdivision consents and service connection requests come in. They have recently advised the council that in the short-term they will still approve service connections for non-complex and smaller scale developments and that in the short term (up to 10 years) network deficiencies can sometimes be addressed using onsite mitigation solutions such as on-site detention tanks and pumps.

Recent advice received from Wellington Water Limited through the recent Housing and Building Assessment process and the District Plan Hearing Processes have indicated that we have enough capacity in the short term for our three waters network but will face capacity issues in the medium to long-term.

To accommodate future population growth in Wellington City Council area, there will need to be significant upgrades to 3-water infrastructure, with intervention needed to meet growth in the following way.

- Central City (in Te Aro, Adelaide Rd), Newtown, Johnsonville, Tawa – immediate and significant intervention to meet short term growth forecasts to create development capacity in the 3- water networks.
- Newlands, Mt Cook, Mt Vic, Hataitai, Aro Valley, Berhampore, Island Bay, Khandallah, Ngaio, Crofton Downs - short term interventions to meet medium-term growth forecasts and create development capacity in the 3-water networks.
- Karori, Kelburn, Brooklyn, Thorndon, Churton Park, Lyall Bay, Kilbirnie, Miramar – medium term intervention to create development capacity in the long term.
- Greenfields – short to medium term structure planning in place to lead long term outlook for future development led by others.

### **Transport**

Due to our topography, we have limited ability to add or widen corridors for our transport network. We also have a limited amount of east west connections across the city as the city has developed in a north south direction. This lack of capacity shows up as congestion on the roads and creates safety issues, especially for vulnerable road users.

To maximise the safety and efficiency of our network, as well as increase the provision of safe convenient and reliable low carbon options, the Council's approach is to reallocate some space away from inefficient private vehicle traffic lanes and parking to higher capacity public transport and active mode corridors. The bus network plays a critical role of moving people around Wellington City, but on many key corridors' busses share the general traffic lanes and as a result, there are bus infrastructure constraints and pinch points which make it difficult to increase bus capacity and achieve reliable journey times.

To enable a transport system that is fit for the future, we need to continue our work to encourage mode shift. In recent times, this has been delivered by the Council's own Bike Network programme. The Let's Get Wellington Moving (LGWM) programme has been the main mechanism to help deliver on this with the key enabler being the development of a Mass Rapid Transit (MRT) system in the form of light rail from the railway station to Island Bay. The LGWM programme was a partnership with the Regional Council and the New Zealand Transport Agency Waka Kotahi.

This programme and partnership has been disestablished. However, some projects have been moved to the relevant organisation to progress design development and delivery. The Council will assume responsibility for the Golden Mile Project, the Thorndon Quay Hutt Road Project, some targeted improvements along with an urban revitalisation project in the vicinity of the Basin Reserve. We will also be developing a reset of the City Streets programme of bus priority measures and bike network development in streets to and through the central city, and in the first 3 years progressing priority projects including the second spine along parts of the previously considered MRT route.

The New Zealand Transport Agency Waka Kotahi are responsible for the delivery of a second Mt Victoria Tunnel and Basin Reserve upgrade, in alignment with the Government's expectations.

To deliver the necessary changes in our transport system, considerable investment will be required for decades, either through government or some other funding mechanism.

### Changing community needs and service use patterns

Infrastructure is intergenerational. Over time, older infrastructure may not deliver a service to the quality and universality that meet the expectations of our community and its needs into the future. Conversely, service usage patterns change over time resulting in lack of utilisation of some assets. Wellingtonians expect high quality and universally accessible services, that are inclusive and support people to thrive.

Community facilities were developed in response to suburb growth and the aspirations of that time. Many community facilities reflect the way we lived then, when suburbs were tightly defined, and travel was more limited than it is today. As a result, the distribution of facilities is uneven and inequitable across the city.

Looking forward, we expect that intensification along key public transport routes will occur and will be primarily delivered through apartment and terraced housing units which means people will be living differently and will interact with our infrastructure differently. For example, apartments have limited personal outdoor living areas, so there will be a greater need for shared outdoor public spaces for connection / recreation within communities. The road network makes up the largest

area of public space in the city, and improvements to urban amenity are needed to improve liveability as part of projects which reconfigure the streetscape.

As our population gets older, there is a risk of more people feeling socially isolated. To tackle this, it is crucial to create more places where people can connect and socialise, which is important for everyone's wellbeing. Additionally, we are aware that staying active is increasingly important, so we should make sure there are enough spaces for exercise.

People's preferences and needs are changing, and we should expect a wider variety of activities in our facilities to meet these evolving needs. These evolving needs include making sure our facilities are easily accessible, to ensure everyone can use them without difficulty. Inclusivity is an aspect of this accessibility, so we should aim to have more facilities that are suitable for all genders, cultural identities, and ages. Addressing these aspects is vital for building a community that is healthy, diverse, and welcoming for everyone.

## Challenge 2: Ageing and declining condition of infrastructure

### Assets that have exceeded their useful life

Investment in infrastructure tends to be lumpy. Much of the city's infrastructure was built in waves when parts of the city were urbanised. A sizeable portion was built after the Second World War and are approaching end of life over the next 30 years.

The three waters networks have a substantial number of assets that have exceeded their expected useful life, and the network requires significant investment to be fit for purpose. As with many of our assets, our water assets are ageing faster than renewals are occurring. Water loss from the network is at approximately 40% which is well above international benchmarks. In high rainfall events stormwater enters the wastewater network causing overflows which impacts streams, the marine environment, and low-lying habitats.

The average age of our community facilities is 58 years. The older age contributes to deteriorating condition, increasing maintenance costs, and declining appeal. We have many facilities, and the quality and level of

service needs to improve. To afford quality and level of service improvements, we will need to take a strategic portfolio view of what we have and need and making some tough decisions in the coming years.

The number of assets, proportion that are nearing the end of their useful life, and the increasing costs of materials and labour is a significant contributor to rates increases and our ability to replace or upgrade assets. The pure volume of infrastructure needing to be renewed is expensive, without the additional affordability issues in the current operating context.

### Historical lack of asset management, data maturity and under investment in asset maintenance and renewals

Since the last LTP we have been working hard to improve our asset management maturity and data to enable our spend programmes to be more proactive rather than reactive. Our understanding of our assets is improving and the information we have on some of our assets is becoming clearer.

The need to invest to maintain our assets is a significant cost that all Council's across New Zealand face, and the investment we make needs to be made at a level that is sustainable to ratepayers. Recent condition assessment of all the Council's vertical infrastructure now provides an opportunity to minimise investment. With this knowledge we can support financial affordability by postponing some maintenance and renewal work on non-critical assets in the short term and increasing renewal spending in the outyears. The organisation will carry some additional risks to its infrastructure in the short term, but these are manageable and whilst there will be some catch up required in the outer years, with continued improvements in our planning and smart investments, we can find solutions to this challenge.

## Challenge 3: Mitigation and adaptation to climate change

### Global warming

Globally and locally, the community's expectations are to reduce emissions and contribute to the global need to keep global warming

below 1.5%. Every city must play their part in this challenge. Our city's infrastructure, including transportation and waste systems, plays a key role in where we live, how we move around, and the industries we support. However, much of this infrastructure was planned and built before we considered the impact on carbon emissions. To reach our goal of a 57% reduction in emissions by 2030 and achieve net-zero carbon by 2050, we must rethink and redesign our infrastructure.

### Increased frequency and intensity of extreme weather events

Changes in the climate system are changing the probabilities and patterns of weather events leading to stresses such as prolonged periods of rain and shocks, for example extra-tropical cyclones. The notable recent example is Cyclone Gabrielle which impacted Northern and Eastern New Zealand in February 2023. Infrastructure is built up over an extended period to designs which anticipate a certain pattern of use and resilience needs. Our infrastructure design needs are changing as more frequent and impactful weather events and the stresses that come from higher sea levels and our changing climate is emerging.

The national, regional, and local infrastructure our communities rely on are exposed to due to climate change impacts. These impacts are already being seen in the city's most vulnerable environments with issues in drainage and more frequent slips. As a steep coastal city with many of our lifelines and other critical assets situated at or near sea level, the functioning of our city depends on adapting and building resilience to climate change.

To understand this risk Council has used the NIWA climate change modelling for the Wellington Region in our assumptions (Appendix 1 – NIWA forecasting assumptions). These assumptions predict that Wellington will experience rising sea levels, as well as increases in average annual temperatures, annual rainfall, and rainfall intensity, and increases in wind intensity and number of windy days, as well as more drought-like conditions.

As a result of climate change, Wellington is anticipated to experience increased risk from natural hazard events including floods, landslides, storm surge, coastal erosion, and inundation and landslides. These changes could contribute to loss and damage to infrastructure as well as biodiversity losses, environmental harm, and threats to social, cultural, and economic wellbeing.

Council is undertaking a number of activities to better understand the exposure of infrastructure to climate risk to better understand the risks and needs for investment in climate resilience. The planned Climate Change Risk and Vulnerability Assessment will build on the recently completed qualitative climate risk assessment under the Taskforce on Climate-related Financial Disclosures assessment framework. It will be a quantitative impact assessment of climate change on the Council's infrastructure, starting with its most critical assets aimed at identifying the potential financial impacts from physical risks.

### Coastal Hazards

Wellington is a city with low lying areas along the coast and steep hills surrounding them. The primary climate impacts revolve around flooding, coastal erosion, and coastal inundation due to rising sea levels. Some areas, including parts of the city centre, are projected to be below high tide levels by the end of the century. While hardened shorelines may reduce risks to infrastructure, coastal and intertidal ecosystems and species in developed areas face increased risks due to habitat compression, potentially leading to biodiversity loss. Rockfalls, slips, and landslides are expected to escalate with extreme rainfall events, posing cascading impacts on social and economic well-being.

The city has areas close to sea level, and during high tides, the sea can block the drainage systems. In some low-lying areas, water can get trapped, especially during high tide. As sea levels rise, this trapping of water is expected to last longer, causing more instances of flooding even on dry days. This can make it harder for the drainage systems to cope with rain, leading to more flooding in the city. Rising sea levels and more intense rainfall due to climate change make these flooding risks worse over time.

The coastline of Wellington has been developed with various infrastructure like seawalls, sewers, and transportation networks. Various parts of the coastline face different challenges. In the inner harbour, there are concerns about the age and condition of seawalls protecting pipes and streets. If these walls fail, it can affect transportation, pipelines, and may release pollutants into the harbour. On the more exposed and active south coast, erosion and storm events can damage both infrastructure and property.

Wellington's coastal layout makes it susceptible to flooding and erosion. Climate change worsens these risks by increasing sea levels and intensifying rainfall, making it important to address these challenges to protect or adapt the city and its infrastructure.

### Climate Adaptation Costs

The recent report from the Intergovernmental Panel on Climate Change emphasizes the growing complexity and challenges of managing climate change impacts and risks. To protect our city, we recognise the need for strategic planning and investment in both physical changes and adaptive measures.

Climate change is already affecting New Zealand, impacting its natural environment, economy, and communities. Without proactive adaptation, further climate-related changes are expected to significantly impact our infrastructure. Recent weather events underscore the exposure of Wellington's infrastructure to various climate-related impacts, such as extreme weather events, sea level rise, flooding, coastal inundation, erosion, landslides, and rising temperatures.

Future costs to the Council for making infrastructure more resilient will be material. Wellington's coastal zone is at risk from ongoing sea-level rise and extreme storm tide events. Considerable areas of built-up areas, as well as important transport infrastructure, are exposed to rising seas. At present sea levels, 4084 buildings and 36.2 kms of roads in the Wellington region are exposed to a 1% annual exceedance probability storm-tide event, which rises to 14,336 buildings and 173 kms of roads under 1 metre of sea-level rise and 21,755 buildings and 319 km of roads under 2 metres of sea-level rise.

More community engagement regarding climate adaptation is planned over the next six years with Wellington's coastal communities, and further work will also be undertaken to understand the cost implications on the Council's own infrastructure networks.

It is crucial to note that current global estimates indicate that the cost of not taking action to address climate issues is seven times higher than the cost of safeguarding our current and future infrastructure. Recognising this fact, we must find innovative ways to fund climate resilient infrastructure.

## Challenge 4: Earthquake hazards and earthquake prone buildings

Wellington faces a double threat from both earthquakes and the effects of climate change. The city is built on shaky ground due to its location on an active tectonic boundary, and climate change makes things worse by causing land to sink and saturating the soil in low-lying areas. This combination increases the likelihood and severity of natural disasters in the city.

### Landslides

One big concern is landslides. Wellington's hilly terrain has a lot of rocky areas, especially where the city has cut into hillsides for roads and infrastructure. To deal with this, the city has built retaining walls and used other methods to stabilise the land. Landslides occur when the soils are soaked and can no longer hold additional water and self-support the land, causing significant disruption to transportation routes and pipelines. Extreme weather events over recent times have resulted in large number of slips on unsupported land, some of which have been significant, across the city.

### Earthquakes

Another major risk is earthquakes. Wellington is more at risk of earthquakes compared to other cities in New Zealand. The dangers come from liquefaction (when the ground turns into a liquid-like state) and ground shaking. To address these risks, the city has set higher standards for building design, established civil defence systems, and uses digital measures to keep important infrastructure data safe outside the city. Resilience to earthquakes also involves making sure key services remain accessible and safe.

Because Wellington is a hilly city with many bridges and retaining walls, and limited access points, it is crucial to make these critical links resilient. This means ensuring they can withstand the impact of earthquakes and other natural disasters, so people can continue to access essential services and stay safe.



### Earthquake prone buildings

In November 2016, we experienced a moderate earthquake that tested our city. It responded well, but there is more work to do to improve the city's resilience. To be a seismically resilient city, much of our infrastructure needs to be remediated, particularly buildings and facilities. Seismic resilience is also about ensuring safety and access to life supporting services.

Shifting central government guidelines has meant that buildings that were once up to code, over time no longer meet the required standards. Most recently, the Earthquake-prone Buildings Amendment Act 2016 introduced major changes to the way earthquake-prone buildings are identified and managed under the Building Act.

Many of the Council's buildings are not earthquake-prone, but some are, and require remediation. This includes a number of key public use buildings such as the Town Hall, the Central Library, Te Ngākau Basement, the Opera House, the Michael Fowler Centre, the Bond Store, as well as community facilities such as pools, libraries, community centres and recreation centres.

## Challenge 5: Affordability and deliverability

### Funding Tools

Local Government in New Zealand has a narrow range of funding tools available for funding infrastructure investments than other local government authorities around the world. Specialist tools that are available to Local Government such as Development Contributions or Financial Contributions are more easily deployed in greenfield (undeveloped land) developments rather than through brownfield developments. A recalibration of Councils approach and policies is essential for the 2024 Long Term Plan (LTP) to better capture growth requirements so that costs for growth can be recouped by those that generate the demand. Properly identifying growth as a component in our renewals program is crucial for adequately funding growth projects and avoiding difficulties in delivering them. This will be part of our improvement programme to better capture growth for development contributions in the 2027 LTP.

The wider systemic issues of Local Government funding remains a key issue. Local Government is continuing conversations with central government to address this for the future.

### High inflation putting pressure on construction costs

The costs associated with maintaining, operating, renewing, and upgrading infrastructure are substantial and have been increasing materially since the Covid-19 pandemic. This increase has been significantly more than the Consumer Price Index (CPI) that most households face.

Funding tools are limited, and while the Infrastructure Funding and Financing Act (IFF) provides an 'off balance sheet' solution whereby our debt to revenue ratio limit is not impacted by additional investment, the costs still fall to the community who themselves have affordability issues, particularly in this cost-of-living crisis. A greater range of funding tools has been a perennial request from the local government sector to central government to deal with this challenge. The Future for Local Government report has identified this as a priority area for central government to look at.

### Constrained capacity of the market to deliver

Despite an increased capital programme, the market's capacity to deliver remains a concern. In recent years, the Council increased the capital programme, but deliverability has averaged 70-80 percent. In 2022, Civil Contractors New Zealand reported that the civil construction industry face major challenges including greater certainty for future projects, attracting, and retaining skilled people, cost escalations, and supply chain issues.

The impact of extreme weather events such as Cyclone Gabrielle have compounded the scarcity of construction resource, and costs are expected to be further impacted by low supply as workers are required to address the East Coast rebuild. Planning for a better long-term pipeline of expected infrastructure work will help the market to build capacity to deliver over time. Phasing of the capital programme to align it with our financial constraints provides a more sustainable and steady pipeline of work.

Regarding buildings, potential capacity pressure will occur as private building owners seek contractors for remediation of their earthquake-prone buildings. There are 571 earthquake prone buildings in the city, with many needing to be completed between 2027 and 2030. This number continues to change as requirements change and investigations are undertaken. The high concentration of strengthening needs in a short period of time places pressure on the construction sector and increases costs to building owners including ourselves. Key parts of the City Centre will become extended worksites and will need to be managed to ensure suitable access for residents and business. This disruption will also impact the vibrancy of the inner city.

#### Increasing insurance costs

The heightened exposure our city has to earthquake and climate related risk has led to steep increases in insurance costs, and the availability of cover has reduced. More broadly, due to the increasing frequency of extreme weather events here and overseas, the insurance sector is increasingly placing the costs where the risks lie, and this means the cost of insurance will continue to increase and the availability of cover will continue to reduce over time.

Public entities in Wellington and Christchurch currently pay higher premiums than other parts of the country due to the elevated risks of earthquake occurrence and future volatilities relating to climate change.

While we have increased our fees and rates to accommodate some of this increase, we have also developed a risk and insurance strategy, considering limitations imposed by the insurance market and the natural hazards specific to the city. The strategy justifies the Council accepting an increased level of risk by no longer insuring our assets to the same level of cover as we have done in past years. The Council is also working on an insurance roadmap which outlines the work program for getting to the best risk position possible given the constraints from the insurance market and the natural hazard risks that impact the city.

We have insurance for natural hazard-related events on most of our infrastructure. Our assets are insured on a probable maximum loss basis for a 1-in-a-1000-year event. This means that we do not insure at a level to replace 100 percent of our assets, as there is a low level of risk that all assets would simultaneously be affected by a hazard event. We also have a self-insurance fund for below-excess claims.

When we are considering the level of acceptable debt relative to our limits, we are now careful to factor in a level of debt headroom needed for uninsured assets in the case of a significant hazard event. This elevated level of risk prompts a need for efficient management of infrastructure. Refer also to the Council's financial strategy.

Responding to the challenges

Solutions to these challenges are not simple. There is also a better outcome if we think holistically. The following diagram illustrates the relationship between the challenges and the high-level responses.

<div>Principal Options</div> <div>Key Challenges</div>	Prioritising growth areas	Targeting emissions reductions to the greatest gains and operational efficiency	Grow our understanding of adaptation impacts and costs	Strategic rationalisation to better manage the overall asset portfolios	Prioritising interventions and the work programme for affordability
1.Population growth and changing demand	✓			✓	✓
2. Aging and declining condition of infrastructure				✓	✓
3.Mitigation and adaptation to climate change		✓	✓	✓	
4.Earthquake hazards and earthquake prone buildings			✓	✓	✓
5.Affordability and deliverability	✓			✓	✓

Figure 1: Relationship between challenges and principal options

As per the Challenges section, issues with water services are not our only challenge. Earthquake damaged and prone buildings are a significant challenge that are also extremely costly to remedy. In line with our Financial Strategy, we’re balancing the books and making trade-offs

across all of the Council’s asset portfolios. Addressing the water services challenges is a critical quality of life and health and safety concern. It has implications for our city’s ability to live, work and play. While addressing seismic issues of our buildings also has health and safety and economic

impacts, we can delay some of this work and take stock of what we have and make strategic decisions about what we need before investing further.

### Prioritising growth areas

Wellington's growth relies on investment in infrastructure that adapts to the changing population needs, location and expectations. Our guiding document is the Spatial Plan – Our City Tomorrow, adopted by the Council in 2021, which sets out an action plan for where and how Wellington City should grow and develop over the next 30 years. It projects a population increase of between 50,000 - 80,000 for Wellington City - requiring 24,000-31,000 more residential dwellings over the 30-year period. Most of this growth will occur by intensifying existing urban areas and along key public transport routes.

The key challenge lies in phasing investment to support growth and a well-functioning urban form. The Spatial Plan recognises the need to coordinate land use planning and infrastructure provision to deliver good cost-effective and affordable growth outcomes.

It also recognises the substantial scale of infrastructure investment required to address current network issues and support growth. The spatial plan identifies priorities over the next 10-20-30 years for major infrastructure investment focus to unlock the capacity of growth areas for new development. Tawa, Johnsonville, Central City (including Te Aro and Adelaide Road) and Newtown were identified as priority growth areas over the short to medium term (within the next 10 years) because:

- They are captured by National Policy Statement on Urban Development intensification requirements.
- The areas could make a significant contribution to growth enablement and housing capacity.
- They have strong existing public transport, other services, and amenities, especially for three waters and transport.

The remaining investment to support growth can be made in this order however this can be flexible subject to where the demand is for growth, as per the chart below, subject to any upzoning decisions that may be made through the District Plan.

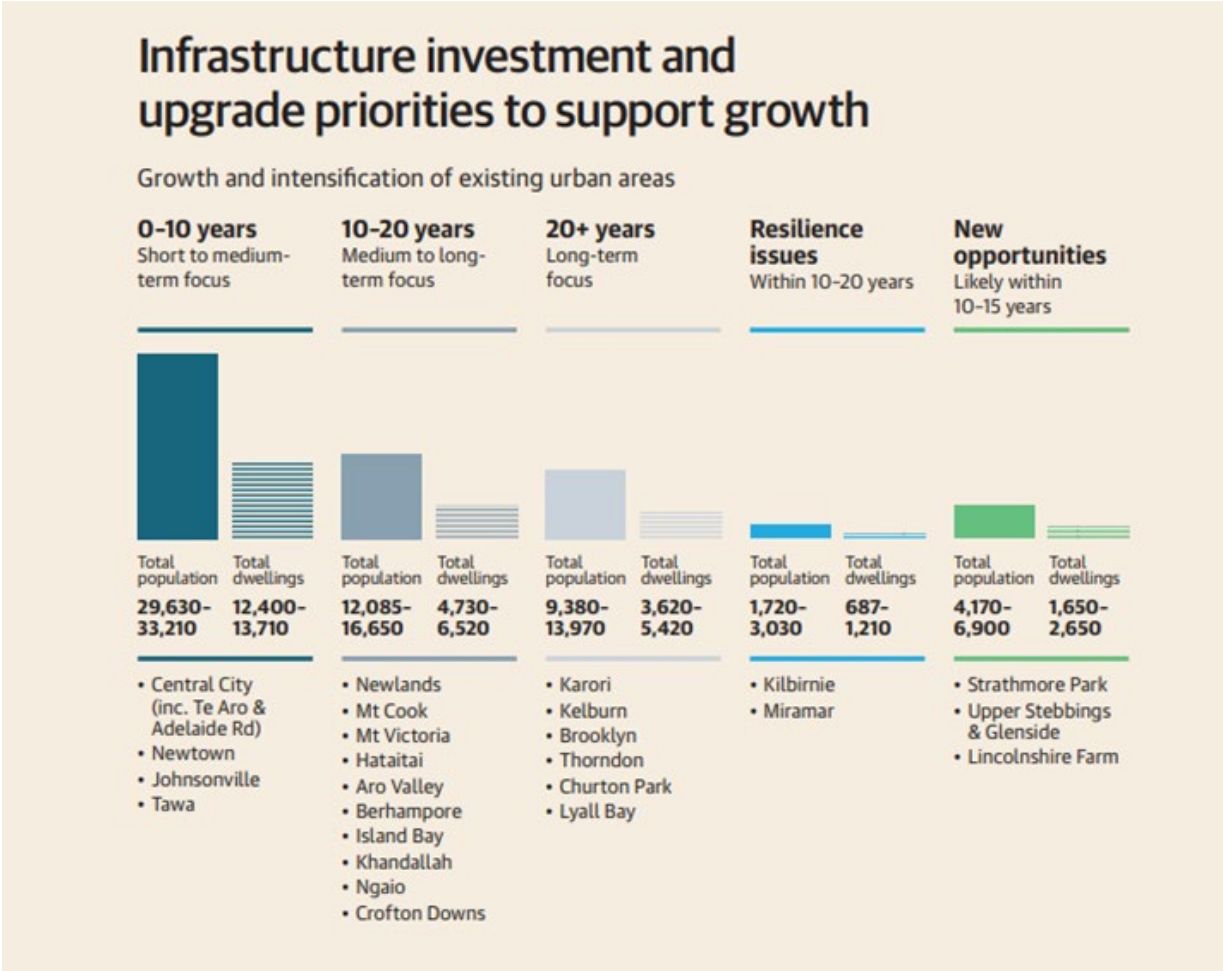


Figure 2: Housing growth priority areas

This approach guides decisions, even in our renewals programme, ensuring targeted investment aligned with our strategic city goals. Growth studies in our priority growth areas have allowed us to quantify the cost of growth, primarily in our three waters network.

This LTP is focused on making the existing water network more resilient. Growth will be a small component of renewals in delivering that resilience. More detailed growth planning in our priority growth areas will commence next Financial Year. This will produce more specific projects that will begin to appear in the next LTP to strengthen our three waters networks and enable growth.

## Climate change response

Our approach to climate change involves not only addressing resilience challenges but also making strategic investments in infrastructure to reduce emissions. The impact of climate change is already evident in our transport network, where stormwater management plays a crucial role in our response. A key focus is on the transport system, as it is the primary contributor to our city's emissions, presenting a significant opportunity for emissions reduction and contributing to global efforts to limit warming.

Recognising the complexity of factors such as market capacity, funding constraints, and emission reduction requirements, we are committed to a strategic approach to renewals and infrastructure investment. Our goal is to be efficient and effective in finding low-carbon solutions that enhance resilience. Not only are these solutions environmentally friendly, but they are also cost-effective.

To achieve this, we are using tools like Lifecycle Assessment (LCA) and strategic impact assessments. These tools help us better understand and manage the climate-related aspects of our projects. The goal is to make sure that these sustainable infrastructure principles and tools are consistently applied across all council projects. This way, our decision-making processes for infrastructure development will be consistent and in line with our commitment to sustainability. To achieve this, we continue to improve our infrastructure planning and delivery in a collaborative and coordinated way across multiple disciplines including transport, housing, and water. We are aiming for an integrated, reliable network, emphasising green infrastructure to address natural hazards.

We have identified two pathways for addressing the challenges of adapting to and mitigating climate change.

- Targeting emissions reductions to achieve the greatest gains and operational efficiencies.
- Growing our understanding of climate adaptation impacts and costs.

The rationale for these options are outlined below.

### Targeting emissions reductions to the greatest gains and operational efficiency

In 2019, Wellington City Council declared a climate and ecological emergency, leading to the adoption of Te Atakura – First to Zero as our climate action strategy. Te Atakura focuses on three main objectives:

- **Reducing the city's emissions to net zero by 2050, with substantial cuts before 2030.**
- **Achieving net-zero emissions for the Council itself by 2050.**
- **Enhancing Wellington's overall resilience.**

Our city's target is a 57% reduction in 2020 emissions by 2030, reflecting the urgency of action. The Council is also aiming for a 57% reduction in its own emissions by 2030 and net-zero emissions by 2050.

Considerable progress has been made, with a 10% reduction in city emissions since 2020 and a 44% reduction in the Council's emissions since the 2021 financial year.

The Council's Emission Reduction Plan (ERP) focuses on decarbonising assets through electrification, efficient landfill management, removal of fossil gas from buildings, and transitioning the vehicle fleet to electric alternatives. These actions are not just present-day investments but contributions to a sustainable future.

In trying to achieve these objectives the principal options are:

- **Complete the lowest cost actions first.**
- **Focus on a few targeted actions that will achieve the greatest impact and operational cost efficiency.**

While progress is underway, additional substantial emissions reductions are crucial to staying well below a 1.5 degree warming scenario. Immediate cuts are more impactful, emphasizing the urgency of our efforts. Reducing emissions at the organisational, city, national, and global levels is essential to prevent a world where the impacts of climate change outpace our adaptive capabilities, particularly beyond 1.5 degrees of warming. The Council acknowledges the significance of its emissions, particularly from landfills and certain facilities, and is actively working towards addressing these challenges, electrifying its fleet, and exploring alternatives for gas-heated pools. Degasification of the pools will contribute significantly to the emissions reductions target. In many cases investments in these climate mitigation measures will result in reduced operational costs as well. Our commitment remains firm – to reduce emissions for a sustainable and resilient future.

### **Grow our understanding of climate impacts and adaptation costs**

Natural hazards already pose risks to our infrastructure, and climate change is expected to amplify the frequency and intensity of these events across the city. The physical risks from climate change may not only affect existing infrastructure in the next 30 years but are likely to increase over the longer term.

Due to the lifespan of carbon emissions in the atmosphere, many changes are irreversible. Therefore, it is important to support the city to adapt to the impacts of climate change, due to the long lifetime of infrastructure and assets (50 years or more), high upfront costs and limited flexibility. Understanding climate risks and embedding resilience from the outset is critical to ensuring assets meet their objectives in terms of serviceability, financial return and social outcomes.

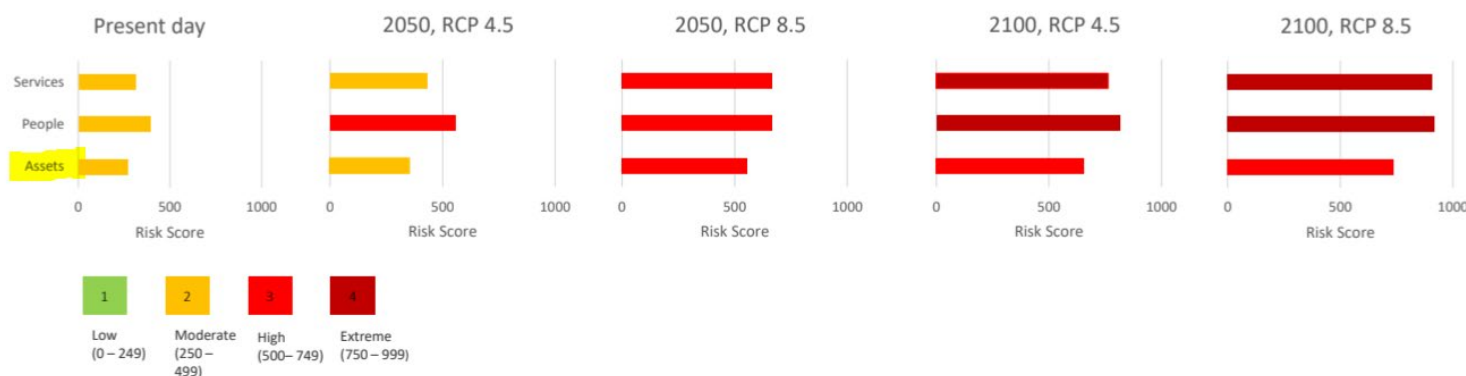
We base our planning for climate change on modelling by NIWA for the Wellington Region, which predicts rising sea levels, increased average annual temperatures, rainfall, rainfall intensity, wind intensity, windy days, and drought-like conditions. This anticipates heightened risks from floods, landslides, storm surge, coastal erosion, and inundation, potentially causing loss and damage to infrastructure, biodiversity, and threatening social, cultural, and economic well-being.

While work is underway to better understand our climate change risk exposure, we do not currently have a complete understanding of the asset-level risks and options for adapting our infrastructure to climate change. Therefore, our principal option is to focus on gaining a systematic quantitative understanding of the localised impacts and developing adaptation plans anticipated in the next 30-100 years. Council has undertaken the first step having recently completed the 2023 Climate Risk Assessment Report (risk screening and qualitative assessment) and has led the development of the Wellington Regional Climate Change Impact Assessment.

These reports indicate that our climate change risk profile highlights that Wellington is likely to face increased exposure to various impacts, including coastal inundation affecting water, drainage, waste assets, Council buildings, parks, reserves, and road assets, especially those in low-lying areas.

We are conducting a climate risk assessment of critical public infrastructure in Wellington and developing an adaptation plan for Council-owned assets, enabling us to plan for climate adaptation costs alongside future asset renewal cycles. It is crucial to acknowledge that adaptation costs will rise significantly over time, particularly if emission reduction targets are not met. Our commitment is to adapt and evolve, ensuring the resilience of Wellington in the face of a changing climate.

WCC's climate risk profile across its three risk areas, over time and under each scenario



To increase the climate resilience of our assets and infrastructure we will (a) reduce the vulnerability of existing assets and (b) ensure new infrastructure is fit for a changing climate by embedding climate change adaptation and resilience into our future planning by:

- **2024** - develop a climate adaptation framework to embed climate risk management and adaptation planning into Council's new asset and infrastructure management framework and processes.
- **2025** - undertake quantitative climate risk assessments for Council's assets; and develop processes, guidelines and digital tools to support Council reduce climate risks and make climate-resilient decisions in asset management investments, renewals or upgrades decision-making processes.
- **2026** - develop the Council's first Climate Adaptation Plan that will include asset and infrastructure.

### Strategic rationalisation to better manage the overall asset portfolio

Broad options for addressing all the challenges include:

- **Continue to make decisions as issues arise and add new assets when existing ones no longer meet requirements.**
- **Ensure we are more strategic in the management of the of the portfolios of assets we own.**

The principal option we have chosen is: Strategic rationalisation to better manage the overall asset portfolio. This means ensuring we have the right assets to meet the needs of the community before investing in renewals, upgrades or new. It also means considering selling or decommissioning some assets. Our rationale is provided below.

We cannot afford to continue maintaining, operating, and renewing all our assets we have in the way that we have been doing. Adding more assets without considering affordability is also not sustainable. Therefore, we must pause and reset. This means taking a careful look at all our assets and conducting strategic reviews. These reviews should be done by looking at portfolios of assets, considering the bigger picture. We must also take the time to ensure our investments are financially sustainable and contributing towards our community outcomes and LTP priorities.

To address these challenges, we need to be coordinated and considered at a whole of organisation and city level. Recently, the council adopted Te



Awe Māpara (Community Facilities Plan), a guide for decision-making on community facilities for the next 30 years. This plan is based on a city-wide needs analysis that highlighted issues with the current network of facilities.

Key challenges include:

- Many of our community facilities are small, ageing, not fit-for-purpose, and many face increased or new risks associated with climate change and natural hazards.
- While the city is well-covered geographically, the design, size and quality of facilities hinder our ability to meet current and future needs as the city grows.

Te Awe Māpara outlines 58 prioritised actions for investigations and planning over the next 30 years, with 26 of these to be completed in the first six years of this LTP.

We have already reviewed our performance venues, focusing on the operational model. The key finding of the report is the Wellington City Council (WCC) operating model for the performing arts venues is sub-optimal and it is not set-up for success. The model in its current form lacks alignment, transparency, and accountability in relation to how civic performance venues contribute to agreed WCC strategies and objectives. There is a significant opportunity to shift to a more effective operating model. In addition, there is a significant overlap between performance venues, civic venues, and civic buildings. It makes sense to review this portfolio of building assets together. A feasibility study will take place

over the first 3 years of this LTP to identify options to optimise the operation of this portfolio.

This strategic rationalisation approach is essential for managing our assets efficiently, ensuring financial sustainability and ensuring they align with the city’s future needs.

The way we manage our assets must take this strategic approach. Further detail about managing, maintaining and renewing our assets follows.

Knowledge Management

The foundations for good Asset Management (AM) practices are people, processes, systems, and data, as defined in the International Infrastructure Management Manual (IIMM). Quality asset data provides the evidence to enable better investment decision making and cross asset optimisation.

Asset data is generally collected through data capture programmes, or operationally through our service providers and asset managers and their teams. At WCC, data is captured through our facilities management provider, through ongoing assessments by inhouse specialised staff, as well as large scale condition assessment programmes, as has just been completed for our vertical asset portfolios.

AM information sets and the systems where they are stored are summarised in the table below. Refer to each AMP (Asset Management Plans) for the complete list of systems specific for each of the activities.

### Information Sets

Information	Purpose	Name	Information Type	Activity	Confidence Grades
Financial	Ensures assets that are acquired are registered and subsequently treated according to financial policy and accounting standards.	OneCouncil (Technology One)	Budgets, FAR.	All	C - Medium
Physical	Captures asset attributes such as size, age, condition, and location	SPM Assets	SPM holds individual assets records, condition data, life cycle analysis and reporting functionality.	PSR, Property, Landfill	B - High
Physical	Captures asset attributes such as size, age, condition, and location	RAMM	RAMM holds individual assets records, condition data, maintenance costs, forward works programmes, valuation.	Transport	B - High
Physical	Captures asset attributes such as size, age, condition, and location	OneCouncil (TechnologyOne)	OneCouncil holds individual assets records, condition data, maintenance costs, valuation.	Open Spaces, Property, Landfill	C - Medium
Physical	Interactive map-based information	ArcGIS	Aerial photography, property and road boundaries, assets.	Open Spaces, Property, Facilities	
Physical	Interactive map-based information	PowerBI	Aerial photography, property and road boundaries, assets.	Transport	
Operational	Job management tool for programming and claiming.	RAMM Contractor	Asset activity information.	Transport	A – Very High
Operational	Job management tool for programming and claiming.	OneCouncil (Technology One)	Asset activity information/Work management	ALL	A – Very High

Information	Purpose	Name	Information Type	Activity	Confidence Grades
Operational	For compliance monitoring and reporting	SAP (FM Provider Software – Ventia)	Compliance data (buildings).	Facilities	

Confidence in our asset data improves the confidence in our investment decision making, enabling effective programmes and robust long-term financial forecasts to be developed. Our confidence ratings are based on the criteria outlined below.

Data confidence grades

Confidence Grade	Grade Description
A Very High	<b>Highly Reliable &lt;2% uncertainty</b> Data based on sound records, procedure, investigations, and analysis, documented properly, and recognised as the best method of assessment.
B High	<b>Reliable ± 2-10% uncertainty</b> Data based on sound records, procedures, investigations, and analysis, documented properly but has minor shortcomings, for example the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
C Medium	<b>Reasonably Reliable ± 10-25% uncertainty</b> Data based on sound records, procedures, investigations, and analysis which is properly documented but has minor shortcomings for example the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or significant extrapolation.
D Low	<b>Uncertain ± 25-50% uncertainty</b> Data based on sound records, procedures, investigations, and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B is available.
E Very Low	<b>Very Uncertain &gt; 50% uncertainty</b> Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Asset condition is one the of key factors we employ in the development and prioritisation of our programmes of work. Having accuracy and confidence in our condition data is therefore vital to be able to assess and manage the assets in an effective manner.

The current state of our infrastructure assets is summarised in the individual Asset Management Plans (AMPs). The condition scoring regime we use is a standard 1 to 5 scale, 1 being Very Good condition and 5 being Very Poor.

### Condition Rating Scale

Condition Score	Colour	Condition Rating
1	Dark Green	Very Good
2	Light Green	Good
3	Yellow	Fair
4	Orange	Poor
5	Red	Very Poor

The Condition Grade Index (CGI) is the average condition grade of assessed components weighted by their gross replacement cost. This index is used to summarise and monitor overall condition for our assets managed in the SPM information system which excludes Transport. The CGI operates on a different scale to the condition rating which needs to be considered when using for decision making purposes.

### Condition Grade Index Scale

CGI Range	Colour	Condition Rating	Description
0-1.499	Light Green	Good	A CGI of less than 1.5 suggests that an excellent condition without any component in poorer condition.
1.5-1.99	Yellow	Fair	Less than 2.0 it is likely that the site is in good to excellent with only a few components in a poorer condition.
2-2.99	Orange	Poor	Greater than 2.5, there is a high proportion of components in a poor condition.
3-5	Red	Very Poor	Majority of components are in a poorer condition.

### Changing Technology

Technology plays an important role in how we use and build things like roads and buildings. Thanks to technology, people can now live, work, and have fun in diverse ways. The adoption of technologies has allowed for more flexibility about when and where people live, work, and recreate. The trend towards hybrid working and learning was accelerated during the pandemic and has led to changing patterns of movement and demand which impacts how infrastructure networks perform. Developments in Machine Learning, Artificial Intelligence, Telecommunications Connectivity and Reality Technologies will continue to enable people to easily change how they live. This in turn affects what we need from our infrastructure networks. Technology also impacts how infrastructure is planned, built, and operated.

We now use things like Digital Twins, Mapping Technology and the Internet of Things which enable the modelling, visualisation, optimisation, and prediction of how infrastructure, has and will perform. This investment in technology can increase the resilience, adaptability, and certainty of performance of infrastructure through time and enable it to better meet the strategic outcomes of the city. The Council is presently investing in an Underground Asset Map which will provide more reliable, accurate and complete data about the location of underground services. This map of the underground space in the city will enable more certainty for people planning, building, maintaining and operating infrastructure in the city and is foundational to improving the administration of the space within the city's streets and public spaces.

### Maintaining existing assets

We manage our assets through a mix of reactive and proactive investment as we set out to work under a 'lowest whole of life' framework. This will always be based on our asset data and as the maturity of our asset management progresses, we will achieve better outcomes with our investment. Organisation maturity combined with better decision making will deliver better outcomes.

Improvement of our asset data has been a focus leading up to the current LTP. We are now more confident of the integrity of our asset data across many of the asset groups and this provides a solid foundation for the current LTP. Maintaining what we have is not always the right thing to do. Maintenance investment is considered in relation to the renewals

programme to optimise both intervention timing and level of service across the assets. When the operational and maintenance costs of retaining an asset are equivalent to building new, this may be an indication to dispose of the asset and build a new one that meets the community needs.

### Renewals

Our approach to asset renewals is centred on progressively restoring and renewing individual assets that have reached the end of their useful life. The goal is to bring these assets back to their original condition or capacity, ensuring they meet required levels of service. However, before a decision is made to renew any assets, we determine if the asset is still required and if so, if a like for like replacement is required or an upgrade.

Our capital investments cover three investment streams:

- **Renewing existing assets: Preventing assets from failing to support levels of service by systematically renewing them.**
- **Upgrade, creation, or purchase of new assets: Addressing growth in demand or changes to levels of service by investing in new assets.**
- **Investment in assets that are held for financial return or future opportunity value: Investing in assets that provide a financial return or have potential future value.**

Renewal and replacement strategies are determined based on:

- **Risk – Action is justified if there is a risk of failure and associated safety, financial and commercial effects.**
- **Asset Performance – renewal is necessary if the asset fails to meet the required levels of service and compliance.**
- **Economics – Renewal is considered when it is no longer financially sensible to continue to repair the asset.**

Renewal and replacement needs are identified through:

- **Analysing condition reports**
- **Maintenance records (asset failure and expenditure history)**

- **Service records**
- **Observations by staff and contractors**

Short and long-term asset renewal programmes are prepared based on identified forecasted renewal needs, considering remaining asset lives criticality and risk. Deferred capital renewals will be planned for future inclusion in programmes.

Renewals investment is prioritised to balance levels of service and lowest cost of life for asset groups, aligned with resilience and strategic goals such as mode shift and emissions targets. We then apply the affordability lens taking into account the quantum of required investment across Council activities. Decisions are complex across the Council's infrastructure due to varying asset lives requiring coordination for optimisation of investment, where the level of investment for renewals is balanced with affordability, asset consumption and the Council's levels of service. Given debt capacity issues in the development of the 2024 Long-term Plan a decision has been taken to **target** renewals at 75% of unconstrained forecasts for ten years of the LTP.

Prioritising renewals funding enables the Council to trade off non-critical asset risk with the need to increase investment in our three waters assets. An increased budget from 2034 will be programmed to catch up – the intent being that this deferral of renewal funding and spending would be fully caught up over the life of the 30-year Infrastructure Strategy and therefore the risks and service impacts of the decision should be temporary. Within this financial constraint, we will ensure that within different activity classes, renewals are prioritised based on criticality and where assets are in the poorest condition.

This decision applies to all renewal budgets other than three waters renewals, which have been subject to specific decision making through the 2024 LTP. Note that where there is data and information that does not support this target, separate decisions were taken (most notably for transport renewals).

Funding renewals later than forecast replacement requirements creates risks to asset condition and performance. The management of renewal budgets may also lead to impacts to service levels delivered to the community. Overall, the Council plans to manage risk through ensuring

that within different activity classes, renewals are prioritised based on criticality and where assets are in the poorest condition. Safety and resilience will also be prioritised. In some cases, this has meant that renewal budgets for some activities have not been reduced the full 75% of forecasts.

Where less than 100% of renewals are budgeted it is imperative that this risk is well understood and signalled in terms of asset consumption, and service decline. Where infrastructure has been funded sub-optimally, we will identify any efficiencies that can be sought to reduce costs (that is, doing more for less) as well as monitoring the backlog ensuring our plans include a focus on lowering risks in subsequent years. The Council has, where practicable, constrained renewals and assumed some risk across sections of our infrastructure (predominantly transport, buildings, and facilities) with the knowledge and data to support this risk by identifying renewal backlog and forecasting this into later years 2034 –2054, where any degradation is addressed. This information and knowledge is available through the recent implementation of our Asset Management Information System (SPM) and a comprehensive condition assessment survey for our buildings.

This approach, in deferring renewals to some of our infrastructure means we are consciously prioritising our investment to meet our biggest challenge within a constrained funding environment. The highest priority infrastructure investment over the next decade is required to support repair and remediation of the City’s water network and earthquake prone buildings, as well as how we adapt to climate change impacts.

### Prioritising the interventions and work programme for affordability

New infrastructure is expensive. To manage and operate our assets in a financially sustainable way, as well as delivering to meet the needs of our communities, growth, and climate change, we need to take a strategic and integrated approach. We are applying the hierarchy of interventions, as described in the New Zealand Transport Agency’s Planning and Investment Guidance and in alignment with the Infrastructure

Commission, considering lower cost interventions before higher cost interventions. This includes:

- **Integrated land use and infrastructure planning.**
- **Manage demand through behavioural science techniques such as pricing, redesigning services, and using technology.**
- **Making best use of existing infrastructure by optimising levels of service.**
- **Using best practice business cases and planning and prioritising to inform good decision making when investing in infrastructure.**

The overall approach to prudently managing our financial position for the 2024 LTP is outlined:

- **Reprioritise and rephase the capital programme as follows:**
  - Complete works underway – examples include things like the Town Hall, Te Matapihi Central Library, parking enforcement technology roll-out etc.
  - Deliver what is legislatively / contractually required – examples include Housing Upgrade Programme phase 2, multi-year contracts, earthquake strengthening, delivery of the Te Awe Mapara Community Facilities Network Plan which has now been adopted.
  - Infrastructure deficit / challenge – invest in areas where there are significant infrastructure challenges, such as three waters and transport.
  - Incorporate regulatory and non-built solutions – invest in policy frameworks and nature-based solutions such as water sensitive urban design to limit the need for infrastructure investment.
  - Reprioritise and rephase – rephase, reprioritise and rescope the remainder of the capital works programme so

that it is evenly distributed over the following ten years of the long-term plan and beyond and fits within the available budget parameters.

- **Maintain financial capacity for the future:**

- Investment portfolio – explore whether the current investment portfolio can be better utilised and targeted towards dealing with the city’s natural hazard risks and insurance costs pressures.
- Renewals – update renewal programmes to reflect better asset data that has been developed and defer what we can on non-critical assets, without impacting too severely on asset risk. We have set a target of funding renewals at 75% of the anticipated need, in all asset categories except 3 waters. This will occur for the first 10 years (2024-2034) and enable us to trade off non-critical asset risk with the need to increase investment in our 3 waters assets. An increased budget from 2034 will be programmed to catch up. Within this financial constraint, we will ensure that within different activity classes, renewals are prioritised based on criticality and where assets are in the poorest condition.
- Revenue – increase revenue and explore alternative funding sources where appropriate.

- Levels of service – explore adjustments to levels of service over time. We will undertake a review of all our levels of service in the first 3 years of this LTP and identify whether we can close the gaps over the years 11 to 30 period, or whether to adjust levels of service downwards.

- **Adjust to external cost pressures:**

- Pause and reset – develop a clear strategy for dealing with the Council’s earthquake prone buildings. This will enable robust decisions on these venues to be made as part of the 2027-37 LTP.
- Integrated delivery – ensure there is better integration and trade-offs between existing work programmes to drive efficiencies.
- Work within tight budget parameters – this means operating within set inflation envelopes for key areas, requiring business units and some CCOs (Council Controlled Organisations) to take a more commercial approach / secure external funding to improving baseline funding position.

Financial affordability for both the Council and ratepayers means that we must focus on doing the right things at the right time in the most cost-effective way whilst deliberately managing risk. We will prioritise non-asset solutions to maximise the use of our assets and deliver value for money and operational efficiency.

## Principal options by activity

### Three waters

Wellington's three water services of drinking water, wastewater, and stormwater management are delivered through an extensive pipe network and associated infrastructure.

There are significant constraints and levels of service issues across our water services assets. The challenges of aging infrastructure, population growth, climate change, increasing environmental regulation and service delivery expectations means that we must ensure that there is adequate financial resourcing to ensure that infrastructure goals can be met within financial constraints.

These issues include:

- Aging infrastructure
- Population growth and increased demand on supply
- Leaking drinking water pipes and increased service interruption.
- Increased uncontrolled wastewater overflows to the environment.
- A significant and growing backlog in drinking water pipe renewals.
- Deteriorating asset condition as the infrastructure networks age.
- Flooding.

Growth adds additional pressure to the network, which must be managed effectively to ensure continued levels of service.

To accommodate future population growth in the Wellington City Council area, there will need to be significant upgrades to 3-waters infrastructure, with intervention needed to meet growth in the following way.

- Central City (in Te Aro, Adelaide Rd), Newtown, Johnsonville, Tawa – immediate and significant intervention to meet short term growth forecasts to create development capacity in the 3- water networks.

- Newlands, Mt Cook, Mt Vic, Hataitai, Aro Valley, Berhampore, Island Bay, Khandallah, Ngaio, Crofton Downs - short term interventions to meet medium-term growth forecasts and create development capacity in the 3-water networks.
- Karori, Kelburn, Brooklyn, Thorndon, Churton Park, Lyall Bay, Kilbirnie, Miramar – medium term intervention to create development capacity in the long term.
- Greenfields – short to medium term structure planning in place to lead long term outlook for future development led by others.

There is a significant amount of investment required in three waters over the next thirty years. While we are proposing to spend more than we ever have in the 2024-34 LTP it is still not at the level proposed by Wellington Water as we need to balance what is required with what we can afford. Therefore, we are pushing some of the required investment in the networks into years 11 to 30 and under the current delivery model (that is, through Wellington Water) this will be a continued challenge to the Council. In order to address this, we are focused on:

- Continuing to collect better information about assets to ensure we are investing at the right time in the right assets, as well as mitigating the impacts of failure.
- Looking to invest as much as we can in three waters whilst also managing the other investment priorities, such as earthquake prone buildings.
- Investing to ensure we are operating an efficient network, for example looking at investment in water meters and the construction of the sludge minimisation plant.
- Working collaboratively with the other region's Councils to discuss the future model of three waters delivery with a commitment to establishing a regional council-controlled organisation to own, manage and deliver three waters infrastructure.



### Council's role

It is a core statutory role of the Council to provide safe drinking water, manage stormwater, and take away and treat wastewater. This service is delivered through the three waters pipe network and associated infrastructure.

The Council set up a Council Controlled Organisation – Wellington Water Limited (WWL) – in 2014 to manage the three waters services and assets. Other shareholders include five other councils in the region (Hutt City, Porirua City, Upper Hutt City, South Wairarapa District, and Greater Wellington Regional Council). It is contracted under a collective Management Services Agreement which requires it to, amongst other things, safeguard the Councils' water assets from damage, loss and destruction and keep the assets in good condition and repair.

The repeal of the Three Waters Legislation reverts to council ownership and control of water assets, with increased environmental regulation around discharges. Existing arrangements will be retained for the 2024 LTP and associated planning documents. That is, the Council will continue to own three water assets and fund the service. Wellington Water Limited will continue to plan and manage the network as well as deliver the service on behalf of the shareholding Councils.

Wellington Water is governed by a Board of independent directors, the chair of which reports to the Wellington Water Committee. The Wellington Water Committee is made up of representatives from each of the shareholding Councils and is responsible for providing overall leadership and direction for Wellington Water.

Wellington Water use these five regional strategic priorities to provide advice.

- Look after existing infrastructure.
- Support a growing population.
- Sustainable water supply and demand (and more resilience in times of shortage).
- Improving environmental water quality.
- Achieving net zero carbon emissions.

Wellington Water's advice in the 2024 – 2027 LTP was to investment primarily in 'Looking after existing infrastructure', sustainable water supply and demand, and 'improving environmental water quality'.

Wellington Water Limited is accountable for all asset management activities, including asset condition assessment, on behalf of WCC. The focus, until recently, has been on understanding where critical pipes are within the network. An increasing backlog of leaks is leading to declining levels of service and the need to increase funding for reactive interventions. A better use of our constrained funding would be to invest in renewals which requires an optimised renewals programme, improving resilience, managing critical assets and improving asset data knowledge are all important aspects of maintaining our network.

Whilst the asset management and planning function continues to improve, some significant data gaps still exist, and these are highlighted below.

During the last 3 years, Wellington Water Limited completed an assessment of Very High Critical Assets (VHCA) across our 3 waters network and provided investment advice as part of the 2024-34 LTP. VHCA are assets that have a very high consequence if they fail. It is important after an unexpected event that VHCA and high criticality assets (HCAs) are back up and running as soon as possible to maintain public health and safety.

Wellington Water assessed the below:

- 189km which is about 8% of total pipes.
- 65 or 100% of the reservoirs.
- 35 or 28% of the pump stations.
- 60 wastewater treatment plant assets were selected for detailed investigation.

The asset assessment informs Wellington Water's physical works programme. The biggest risks are assets in poor or very poor condition, and these will be prioritised for replacement. Wellington Water uses modelling to determine asset condition grades for the wastewater and

drinking water networks. Asset condition modelling considers factors like pipe age, material, expected lifespan and pipe inspection records.

The asset assessment informs Wellington Water's advised physical works programme. The biggest risks are assets in poor or very poor condition (44% of the capital's wastewater pipes and 25% of drinking water pipes), which will be prioritised for replacement.

Reservoirs also need remedial works for safety and contamination risks.

The three waters assets are discussed separately below:

- Water Supply (bulk drinking water)
- Sewerage and the treatment and disposal of wastewater
- Stormwater

#### Delivering through Wellington Water Limited

As mentioned above, the Council's water services are delivered through Wellington Water Limited.

We've recently independently reviewed the service delivery efficiency of Wellington Water. There are a number of recommendations to improve service delivery. Shareholding councils have agreed to pursue operational improvements through the inclusion of performance and productivity based KPIs into the 2024 Letter of Expectations.

Wellington Water Limited has advised that the maximum deliverable programme would cost \$2.5b, of which \$1.8b is Capex and the balance is Opex. We're proposing to fund \$1.8b (capex and opex) over 10 years, which is what Wellington City Council can afford. The waters programme is designed around the budget and what is most critical to deliver.

Several of the major projects are in a very early stage of planning, which means there is a high level of cost uncertainty. Wellington Water Limited will take a tactical approach to delivering the spend through balancing and prioritising its investment, targeting specific assets and speed of ramping up. Key considerations in this are expected to be both Wellington Water's and market capacity to deliver as well as asset risk of failure and affordability.

The following have been prioritised.

#### **Opex costs**

- \$680.0m over ten years, with year 1 at \$66m. Including:
  - \$2.4m for planning for universal water meters in first three years
  - \$5.3m Opex pa for leak / reactive maintenance

Note, the ongoing consequential opex requirement for the universal residential smart water meters will be determined through the planning, design and procurement phase. Once this is complete, council can make an informed decision on how to incorporate the ongoing costs into future opex. budgets.

#### **Capex costs**

- \$1.2b over ten years, including:
  - \$143m for smart water meter roll out from year 4.
  - \$23.1m for Golden Mile Renewals
  - \$10.8m to start Bell Road and Moi-i-te-Ra reservoirs including inlet/outlet mains from year 7
  - \$32.8m for pressure management and additional water renewals, and increased reactive renewals for all three waters
  - \$24.2m for risk contingency for the Airport Wastewater Triplicate Interceptor and one section of the Eastern Trunk Main
  - \$15m for additional renewals at the Moa Point Wastewater Treatment Plant
  - \$2.8 million in the CAPEX program for wastewater upgrades for a trunk sewer in the Kaiwharawhara stream in Ōtari-Wilton's Bush.

Funding Options

The overall budget options for the 3 Waters are provided in the table below. Key points to note:

- The starting budget given to WWL to work with is Option 1, which was based on the 2023/24 financial year. This proved to be unrealistic and would result in continued failures.
- Option 2 took a focus on ensuring enough funding to manage reactive maintenance. This was strongly considered, but ultimately the Council decided that more investment was needed, and this would mean reducing funding from other areas of the organisation.

- Option 3 is the adopted approach, as it is the most affordable package that starts to see an improvement in the 3 Waters service.

However, there will continue to be difficult decisions over the 30-year span of this strategy. The activity will continue to be constrained as the funding model does not have sufficient capacity to appropriately manage the provision of these services. A review into the operating model and discussions with central government will occur in the coming triennium.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Aging assets and significant leaks across the water networks</b> Around 41% of our water is lost through leaks in the water system which reduces our supply capacity.	(1) Reactive approach to repairs and maintenance	2024	Annual	<u>Opex</u> \$55m	This is a high-risk approach, insufficient to meet legislative requirements under the Water Services Entities Act 2022 Expected to result in: <ul style="list-style-type: none"><li>• non-compliance with regulations</li><li>• legal consequences</li><li>• risk to public health</li><li>• an increasing leak backlog</li><li>• reactive maintenance budgets exhausted within six months</li><li>• inability to address unforeseen events</li></ul>
<b>Aging assets and significant leaks across the water networks</b> Around 41% of our water is lost through leaks in the water system which reduces our supply capacity.	(2) Do minimum (an increase in planned and reactive maintenance)	2024	Annual	<u>Opex</u> \$57.4m	Expected to result in: <ul style="list-style-type: none"><li>• an increasing leak backlog</li><li>• increasing levels of public dissatisfaction</li><li>• non-compliance with regulations</li><li>• risk to public health</li></ul>
<b>Aging assets and significant leaks across the water networks</b> Around 41% of our water is lost through leaks in the water system which reduces our supply capacity.	(3) Close the backlog of repairs (adopted)	2024	Annual	<u>Opex</u> <u>\$66.2m</u>	Expected to result in: <ul style="list-style-type: none"><li>• A progressively decreasing leak backlog</li><li>• Reduction in water loss from the network.</li><li>• Increasing levels of public satisfaction</li></ul>

## Water Supply

### Strategic direction

Clean, safe drinking water is essential for residents' quality of life and wellbeing, and a reliable water supply is essential to support business activity in the city.

Wellington Water manages the bulk water network on behalf of the GWRC. The treated drinking water that WCC receives is drawn from the Te Awa Kairangi/the Hutt River, the Waiwhetu Aquifer and the Wainuiomata and Orongorongo rivers, is stored in the reservoirs across the city, and is distributed through the drinking water supply piped network.

Effective water supply services are crucial to achieving Council's five outcomes and aligns to one of the Council's nine priorities – *"Fix our water infrastructure and improve the health of our waterways."*

As the city grows, additional drinking water storage facilities and network upgrades are required to facilitate this growth. New assets can also provide sufficient capacity for existing shortfalls against target levels of service.

### Asset overview

Our assets are valued (Optimised Replacement Value) at approximately \$1,985 million as at 30 June 2023 and include:

- 921km water pipes
- 68 reservoirs/tanks
- 34 pump stations
- 98,000 valves, hydrants
- 72,000 service laterals

### Asset condition and lifecycle

Cast iron pipes in the Wellington central city area are well past their useful life with a failure history and material deterioration confirmed by laboratory analysis. Overall, water supply assets are in moderate condition with an estimated average remaining useful life of 30-40%.

There is more work to be done regarding the collection of reliable physical asset condition data for critical and non-critical assets. Wellington Water Limited are aware of the location of the critical pipes within the network. Next steps involve documenting and reporting against each of the infrastructure networks in terms of value, age, materials condition and asset performance.

The results of the Very High Critical Assets condition assessment indicate that majority of the very high criticality pipes fall between 'very good and moderate' condition. However, over 25% are in poor or very poor condition. There is low confidence in the condition assessment of the balance of the assets due to the volume that is assessed through desktop assessment. This means that there is a high level of uncertainty in planning and forecasting maintenance and renewals.

Based on the desktop assessment and VHCA work, an estimate of the relative condition of assets is shown in the figures below. This information underpins the approach to investment planning, asset management planning, asset renewals and infrastructure project delivery.

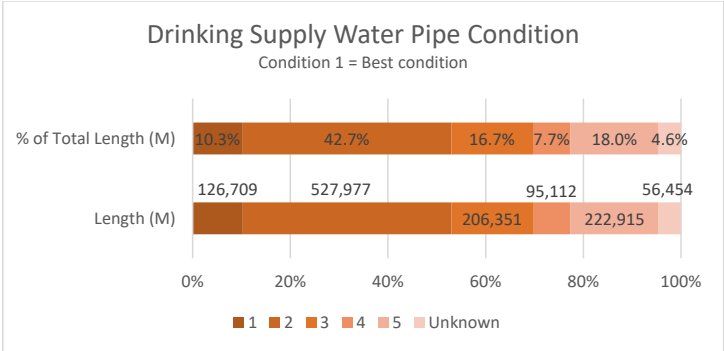


Figure 3: Drinking Water Pipes Condition

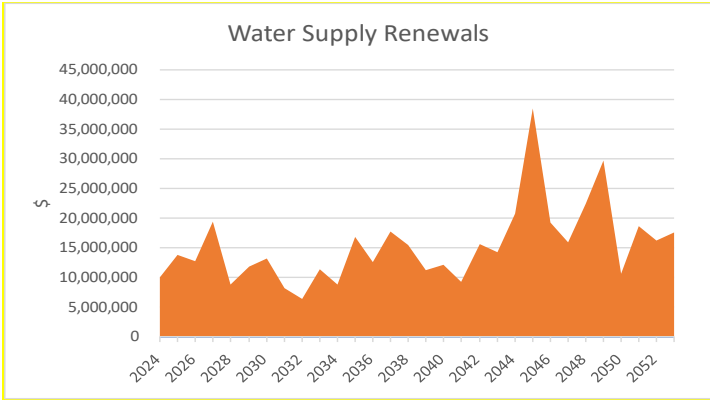


Figure 4: Water Supply Pipe Network Renewal Profile

Level of service and performance

Council’s role is to provide a secure supply of safe and healthy drinking water to communities and businesses. There are a range of technical

performance indicators that measure water quality standards, overall performance of the network, and customer satisfaction with the service.

While water is delivered to households and businesses and meets health standards, the current water supply network has material challenges and is not achieving some of the agreed levels of service. The water supply network has a substantial number of assets that have exceeded their expected useful life. Approximately 31% of drinking water is lost through the public pipe network, which is very poor according to international benchmarks, and an estimated further 10% within private property. This is costly and requires increasingly severe water restrictions over summer periods when rainfall is less and source capacity decreases.

There are gaps in Wellington Water’s knowledge about our assets. This knowledge is essential to help Wellington Water Limited to intervene with planned maintenance or replacement before assets fail, and to drive an ongoing programme of renewal and enhancement investment. Currently, response times to repair leaks in the network are consistently not being achieved. In the 2021 LTP, auditors have highlighted the ability of Wellington Water to report accurately against their measures.

See Council’s annual report for further information on levels of service and performance.

Key challenges

This activity group is affected by all the identified key challenges.

- Aging and declining condition of infrastructure – Around 30% of the drinking water network has passed or are approaching the end of life based on age. Using age as a proxy for condition, Wellington Water Limited has advised that more than 50% of the network is expected to require replacement within the next 30 years.
- Population growth and changing demand – Forecast growth in our northern suburbs (Johnsonville and Tawa in particular) will put additional demand on the existing water storage reservoirs. Growth studies<sup>1</sup> undertaken by Wellington Water Limited since the last LTP have been completed, which has

<sup>1</sup> Undertaken for Tawa, Johnsonville, CBD and Newtown

helped to identify what work is needed to support our 30-year growth vision and to help quantify the level of investment required for this growth. Capacity is available in the short term for non-complex and smaller scale developments. However, significant upgrades to network infrastructure are required to accommodate growth to ensure compliance with the National Policy Statement on Urban Development.

- Mitigation and adaptation to climate change – Climate change is leading to an increase in extreme weather events, including extreme rainfall events and landslips which leaves water assets vulnerable to disruption, as well increased droughts which increases the risk of water shortages. Sea level rise and rising groundwater tables associated with climate change also have an impact on underground water assets and additional work is required to help us better understand the impact this will have on our infrastructure. The 2023 Climate Risk Assessment Report highlighted coastal inundation causing asset damage to water services infrastructure as one of the highest ranked risks, with a growing trend towards 2050 and 2100. Without adaptation, further climate-related changes are projected to have substantial impacts on water resources.
- Earthquake hazards – The ground our three water assets are in is subject to earthquakes and other natural hazards which leaves them vulnerable to disruption.
- Affordability and deliverability – The volume of work needed to keep pace with the aging assets and growth is unaffordable under the current funding environment and climate change impacts. Furthermore, the capacity of the construction market

to deliver is limited. Due to increased environmental standards the requirements and costs for gaining and implementing resource consents is becoming more challenging and expensive. Whilst the number of leaks reported and detected has not increased significantly over the past few years, the cost to fix each leak has increased significantly due to increasing costs of traffic management, health and safety, and other inflationary costs on contractor resources. The net result of all of this is an ever increasing repair backlog and decreasing levels of customer satisfaction.

### Principal options

This activity and related solutions primarily contribute to the priority “*fix our water infrastructure and improve the health of waterways.*” We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- Strategic rationalisation to better manage the overall asset portfolios – We will prioritise fixing drinking water supply leaks over investment in additional supply as this will increase supply reaching customers.
- Prioritising interventions and the work programme for affordability – For operational and financial efficiency and overall affordability Wellington Water has prioritised repairing and replacing highest criticality assets in a very poor and poor condition.

### Issues and options

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Aging assets and significant leaks across the water networks</b> Around 41% of our water is lost through leaks in the water system which reduces our supply capacity.	Managing water demand through education.	2024	2024	\$2m (detailed business case) - OPEX	Public engagement in voluntary water use reduction is at risk with a backlog of water leaks.
	Finding leaks through installing more water meters in the network.		2024	\$3m (pressure control valves) - CAPEX	The installation of more pressure control valves will assist in leak detection and prioritised repair.
			2027-2030 (Adopted)	\$144m (residential smart meters) – CAPEX	

		2024		\$3.3m OPEX	
	Additional funds for reactive water maintenance to clear the backlog of leak repairs				
<b>Reservoir capacity and water supply</b> Wellington is an earthquake prone city, where the likelihood of emergency needs are significant. Due to climate change, droughts are expected to become more common and more severe in Wellington over the coming 30 years, which will impact on water supply. We have detailed investigation of the recommended water supply reservoir. Recently invested in a 35 Mega Litre Omaroro Reservoir that is now in service, increasing resilience to the central city. Additional water reservoirs are required to increase storage in the event supply pipes are disrupted. Two reservoirs are needed – one for the Northern suburbs, and one for the Kelburn area to improve the city's resilience. Additional upgrades and water reservoirs are required to facilitate the 30-year growth vision for Wellington across our priority growth areas	Replace Bell Rd reservoir (has exceeded 100-year life and is in very poor condition) Moa-i-te-ra Reservoir - NEW Other options include education, and support for self sufficient water storage. Develop Council Climate Adaptation Plan for Critical Assets & Infrastructure (Adopted)	2027	Timing and scale of investment will be determined through further analysis.	Not identified at this time but indicative costs are \$90m to replace one reservoir.	After the more recent earthquakes, some additional resilience water storage was put in place across the city. More permanent structures such as reservoirs will need to be factored into long term planning.
				Council Climate Adaptation Plan to be developed to inform the long-term water supply planning and investment.	
				Wellington Water to undertake detailed growth assessments.	

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

### Water Supply Activity Opex and Capex forecast

Year	Operating Expenditure <sup>2</sup>	Capital Expenditure
2024/25	103,396,303	7,702,517
2025/26	104,200,275	13,932,988
2026/27	112,149,389	21,672,009
2027/28	121,573,355	23,359,394
2028/29	131,548,955	30,885,214
2029/30	142,167,467	53,570,624
2030/31	155,225,774	56,368,202
2031/32	168,465,707	67,198,394
2032/33	181,971,897	36,204,581
2033/34	199,879,904	36,211,311
2034-2039	1,068,738,334	144,200,697
2039-2044	1,253,392,356	195,363,148
2044-2049	1,485,218,190	185,303,326
2049-2054	1,773,490,674	226,753,130
<b>Total</b>	<b>7,001,418,578</b>	<b>1,098,725,535</b>

Figures are inflation adjusted

<sup>2</sup> This includes the total cost of asset ownership including depreciation, Insurance and interest costs on top of the funding that we provide Wellington Water Limited.



## Sewerage and the treatment and disposal of sewage

### Strategic direction

The primary purpose of the wastewater service is to protect public health by ensuring that wastewater is safely removed from private property and other public spaces. There is now an increasing focus on reducing the risk of illness and the environmental effects of discharges to waterways and the sea.

The City will need to change to comply with the freshwater quality standards set out in the National Policy Statement-Freshwater Management (2020) (NPS-FM) by 2040. This regulation seeks to reduce the risks to public health from recreation/food gathering, prevent further degradation to receiving waters, and respect the aspirations of iwi and communities to restore Te Mana o Te Wai.

The state of our wastewater assets must improve if we are to meet the level of service demanded by the NPS-FM and expected by mana whenua and our communities. Over time, we need to replace poor condition pipes and remove systemic overflows that divert sewage into the stormwater system which occurs when the wastewater system is overloaded during heavy rainfall.

Failures in the wastewater system are detrimental not only to environmental and human health, but also to the City's reputation.

### Asset overview

Our assets are valued (Optimised Replacement Value) at approximately \$3,306 million as at 30 June 2023 and include:

- 1,077 km pipes
- 15km tunnels
- 39,000 valves and fittings, including manholes and access chambers
- 69 Pump Stations
- Two treatment plants (Moa Point and Kārori)

### Asset condition and lifecycle

The wastewater treatment plants are reaching an age where many of the components will require renewal over the next 25 years.

A desktop assessment of condition estimated that 44.1% of the wastewater pipe network is in poor or very poor condition. However, the level of confidence of this information is low, due to the lack of on-site condition assessment. This means that there is a high level of uncertainty in planning and forecasting maintenance and renewals.

Wastewater assets include the Leachate Collection System. These assets are in moderate to good condition with an estimated average remaining useful life of 55%. There have been some minor seepages of leachate, but additions have been made to the Leachate Collection System to intercept these seepages.

Building assets are managed in SPM Asset Software. This includes individual asset records, asset registers, condition data, lifecycle analysis and reporting functionality.

Based on the desktop assessment and the VHCA work, an estimate of the relative condition of assets is shown in the figures below. This information underpins the approach to investment planning, asset management planning, asset renewals and infrastructure project delivery.

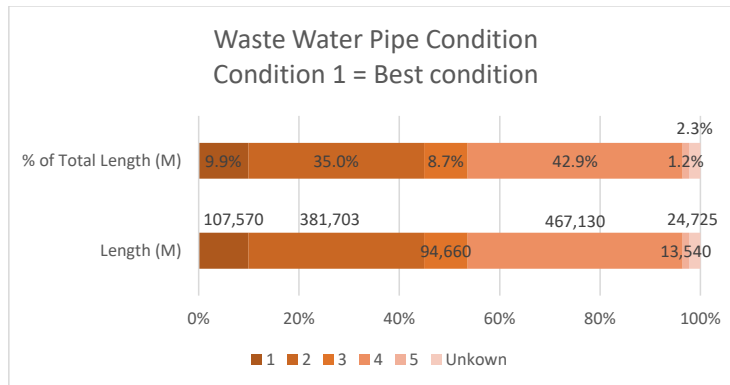


Figure 5: Wastewater Pipe Network Condition

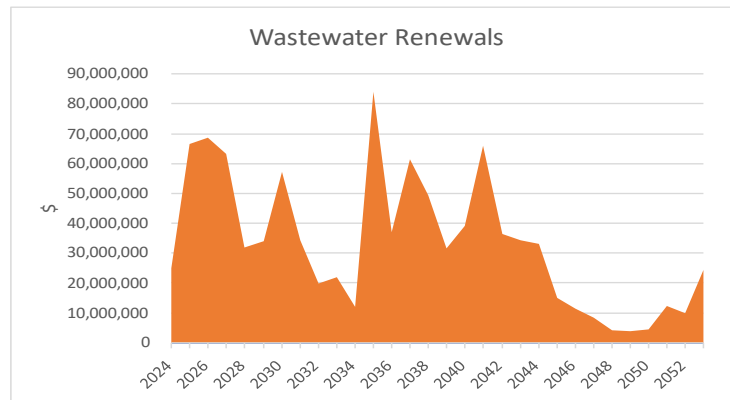


Figure 6: Wastewater Renewal Profile

### Level of service and performance

The sewerage network delivers a good base level of service to households and businesses. Construction is under way on a new sewage sludge minimisation plant at Moa Point, which will improve levels of service when operational in 2026. Sludge is created through the processing of

wastewater. The new facility will remove water and bacteria from the sludge and process it in such a way to reduce sludge volumes by around 80%. This means significantly less sewage sludge being landfilled, reducing costs of transportation and disposal. We are also actively look for opportunities to reuse the remaining organic matter which will remove even more organic waste from landfill.

While the waste treatment and disposal aspect of the service has received significant investment and levels of service will materially improve in the future, there remains some performance issues with the network. The primary issue with the remainder of the network is overall age, condition, and capacity constraints in parts of the network. The legacy design of the network means that blockages or high rainfall events regularly results in wastewater overflows into the stormwater network and natural waterways, which creates public health risks and can cause compliance issues. Network capacity in parts of the city also constrains growth, however works have been planned and programmed for increasing the pumpstation and rising main capacities to cater for population growth.

See the Council's Annual Report for further information on levels of service and performance.

### Key challenges

This activity group is affected by all the identified key challenges.

- Population growth and changing demand – The changing expectation for freshwater management means that regular overflow occurrences do not meet the new standards. Any waste discharge into freshwater is culturally offensive to Māori and mana whenua.
- An application for a global stormwater consent has been lodged with the relevant consent authority and it is expected that a decision will be made in 2025, which will inevitably require wastewater system upgrades.
- Aging and declining condition of infrastructure – More than 1,000 km of public wastewater network has been developed over the past 125 years and many parts of it are aged. The outdated legacy design, which involves redirecting wastewater to freshwater or stormwater during periods of high flows or blockages, presents a

significant challenge in attaining the objective of preventing wastewater from entering freshwater sources. The wastewater system experiences regular blockages and overflows, posing both offensive and environmentally harmful consequences. The system is prone to overload during rainfall; it also leaks which allows stormwater ingress during wet weather and wastewater discharge during dry weather. This is known as inflow and infiltration (I&I) and has been an issue nationally for many years.

- Mitigation and adaptation to climate change – Climate change is leading to an increase in extreme weather events, including extreme rainfall events and landslips, which exacerbates wastewater overflows. Sea level rise and rising groundwater tables associated with climate change also have an impact on underground water assets. The Moa Point and Porirua Wastewater Treatment Plants are located outside flood inundation zones, meaning the key vulnerabilities in wastewater system are associated with infiltration of the pipe network.
- Earthquake hazards and earthquake prone buildings – The ground our three water assets are in are subject to earthquakes and other natural hazards which leaves them vulnerable to disruption. There was some localised damage of the wastewater network around the Port in 2016.
- Affordability and deliverability – The volume of work needed to keep pace with the aging assets and growth is unaffordable under the current funding environment. Furthermore, the capacity of the construction market to deliver is limited. Additionally, due to changing standards the requirements and costs for gaining resource consents is becoming more challenging and expensive.

#### Principal options

This activity and related solutions primarily contribute to the priority “fix our water infrastructure and improve the health of waterways.” There is also a strong contribution to “collaborate with our communities to mitigate and adapt to climate change,” and “transform our waste system to

enable a circular economy.” We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- Prioritising growth areas and changing demand – Higher standards to meet for Wastewater Global Consent. At times of heavy rainfalls enter our wastewater network which often leads to wastewater overflows into freshwater or marine environments. This is a compliance and environmental issue which will be addressed in the new global consent which has been lodged by Wellington Water with the Regional Council. This new consent will result in more stringent consent conditions and will mean additional costs when improving the network to ensure our overflows are mitigated. Once finalised we will be in a better position to understand options around investment requirements, but it will likely require a holding tank to contain overflows within a key strategic part of the network. This is expected to be by 2024-2025 and will help to inform the next LTP. Assumptions have been made and included in the planning of the maintenance and renewals activities.
- Targeting emissions reductions to the greatest gains and operational efficiency – We have prioritised completion of the sludge minimisation facility to remove sludge from the landfill. We will also prioritise building capacity in the network to remove overflow into the stormwater system and improve the health of our waterways.
- Grow our understanding of adaptation impacts and costs – As we find and repair leaks in the wastewater pipe network, we will seek to understand the sea level rise issues and include any mitigation as we go.
- Prioritising interventions and the work programme for affordability – For operational and financial efficiency and overall affordability, we will prioritise repairing and replacing assets in very poor and poor condition and highest criticality.

### Issues and options

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Aging assets and significant wastewater overflows</b> The wastewater network is aging and will require prioritised renewals. During heavy rain events, stormwater gets into the wastewater pipes through inflow and infiltration, which can overwhelm the network and result in wastewater overflows.	Ongoing repairs to maintain the wastewater network. Prioritised renewals throughout the wastewater network Critical renewals include: <ul style="list-style-type: none"> <li>• Eastern Trunk Main</li> <li>• Airport wastewater treatment triplicate interceptor</li> <li>• Pump station renewals</li> </ul>	Ongoing annual investment will be required	2024/25	\$52.9m	Raw sewage would enter the centre in a collapse. The Airport has started redeveloping the logistics centre and the risk collapse through construction is expected to increase. There is a contingency in place to pump sewage around the site if a collapse occurred, but this would be an OPEX cost to Council. As with the Eastern Trunk Main, the inside of one of the pipes at the airport is corroding and it is at very high risk of collapse. Collapse will result in sewage spilling out through the Airport and Kilbirnie in wet weather. Would be inefficient to renew this section in isolation of the other sections. Some procurement issues securing a contractor to do the work. Pump stations are critical assets that need a replacement plan to avoid asset failure. Failing to plan increases risk of wastewater overflows impacting the environment and public health. Pumpstations.
<b>Carbon emissions and constraints on waste minimisation</b> Our efforts to minimise waste and reduce carbon emissions at the landfill are hampered by the requirement for wet sewage sludge disposal at Southern Landfill. The Sludge Minimisation Facility is under development which will remove residual water from the sludge, reduce its volume and render it inert and no longer a biohazard. It will reduce sludge volumes by up to 80%.	This option was consulted on in the 2021 LTP and is currently under construction.	2021	2023-2026 Operational by June 2026	\$400m	This is a significant step in our efforts to reduce emissions and move towards a circular economy.
<b>Wastewater Treatment Plants are aging</b> The Moa Point and Western Wastewater Treatment Plants require significant renewals as many of these assets are at the	Invest to meet compliance requirements (Adopted).	2024	2024-2027	\$72m over 3 years.	Reactive asset replacement results in an extend period of non-compliance, odour issues and impacts to water quality while design is completed, and parts are procured.

end of their useful life. Without renewal they are operating under a reactive approach and things are only fixed or replaced when they break. There is little redundancy in the system making repairs difficult.

Invest to meet compliance and growth requirements.

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

Wastewater Activity Opex and Capex forecast

Year	Operating Expenditure <sup>3</sup>	Capital Expenditure
2024/25	102,092,128	166,807,858
2025/26	106,638,119	184,886,448
2026/27	120,470,971	53,882,040
2027/28	130,868,849	80,142,520
2028/29	139,018,678	62,510,137
2029/30	145,771,008	60,640,267
2030/31	151,986,702	54,071,012
2031/32	160,157,534	54,303,723
2032/33	166,934,796	55,784,530
2033/34	174,479,268	111,764,934
2034-2039	1,004,465,170	809,214,801
2039-2044	1,260,802,110	343,998,237
2044-2049	1,582,709,703	509,703,943
2049-2054	1,875,222,854	296,584,731
Total	7,121,617,891	2,844,295,182

Figures are inflation adjusted

<sup>3</sup> This includes the total cost of asset ownership including depreciation, Insurance and interest costs on top of the funding that we provide Wellington Water Limited.

## Stormwater drainage

Historically, the purpose of our stormwater system has been to drain rainwater from homes, premises, and roads to prevent flooding that creates risks for public health and safety. The physical assets include pipes, culverts, and sumps, but the performance of the system is also highly dependent on overland flow paths, open channels and streams that carry the water around, rather than through individual properties, and enable the safe passage of stormwater when the pipe network is at capacity.

Streams have also been piped over time to enable the development of roads, buildings, and other city infrastructure. The stormwater systems around the city have been designed to a range of standards accommodate certain volumes of rainfall, meaning that some parts of the city are more prone to flooding than others.

Traditionally, stormwater has been about gravity drainage of rainwater. Increasingly however, it is also about water quality and environmental concerns, such as fish passage and a desire to 'daylight' pipes streams. This is a challenge to the traditional asset management approach.

A further challenge is the changing climate and sea level rise. The existing assets were not designed with these changes in mind, and therefore the stormwater network is increasingly unfit for purpose. Seawater intrusion is now significant, and we need a greater level of granularity to understand how to meet this challenge now and into the future. For example, we will need to pump more stormwater in future. The current setup was not designed as a pressurised network.

The existing stormwater systems discharge directly into the environment, but it is now recognised that stormwater is a source of contaminants that can impact on water quality and ecosystem health. Heavy metals (such as zinc and copper), hydrocarbons, sediments and nutrients enter the water from areas of urban development causing acute and chronic toxicity to the indigenous fish and invertebrates that once thrived in our city's waterways. Changes in flow during low to moderate rainfall can also cause erosion in streams, and the discharge of 'hot' stormwater in summer rainfall can be detrimental to downstream ecosystems.

Taken all together, the adverse environmental impacts of the stormwater system can extend through the entire stream system to the harbour, where sediments smother life on the seafloor. Wastewater that enters the

stormwater system either through leaking wastewater pipes, constructed overflows from the wastewater network or illegal connections, creates a significant public health risk and prevents safe swimming in our streams or coastal waters following even moderate rainfall. It also impacts on the aquatic life and biodiversity of these water bodies. These matters need to be addressed in response to the National Policy Statement for Freshwater for the network to be compliant. This will require significant investment, including in nature-based urban environment solutions.

### Asset overview

Our assets are valued (Optimised Replacement Value) at approximately \$2,342 million as at 30 June 2023 and include:

- 729km of pipes
- 3km tunnels
- 2 Pump stations
- 28,000 fittings

### Asset condition and lifecycle

15.5% of stormwater pipes network are estimated to be in poor or very poor condition. However, the level of confidence of this information is low, due to the lack of on-site condition assessment. This means that there is a high level of uncertainty in planning and forecasting maintenance and renewals.

Building assets are managed in SPM Asset Software. This includes individual asset records, asset registers, condition data, lifecycle analysis and reporting functionality.

Based on the desktop assessment and the VHCA work, an estimate of the relative condition of assets is shown in the figures below. This information underpins the approach to investment planning, asset management planning, asset renewals and infrastructure project delivery.

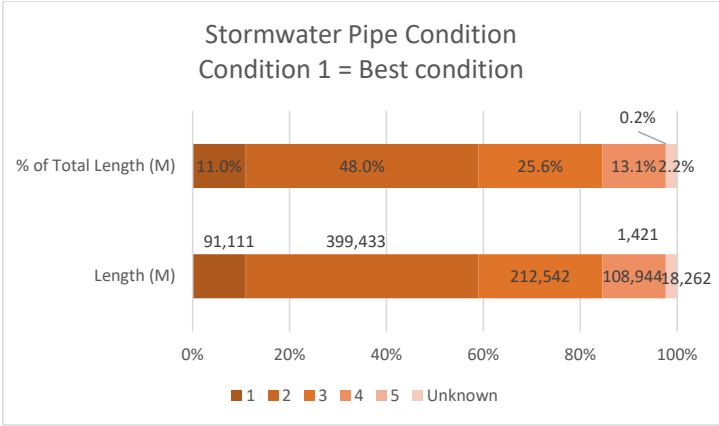


Figure 7: Stormwater Pipe Network Condition

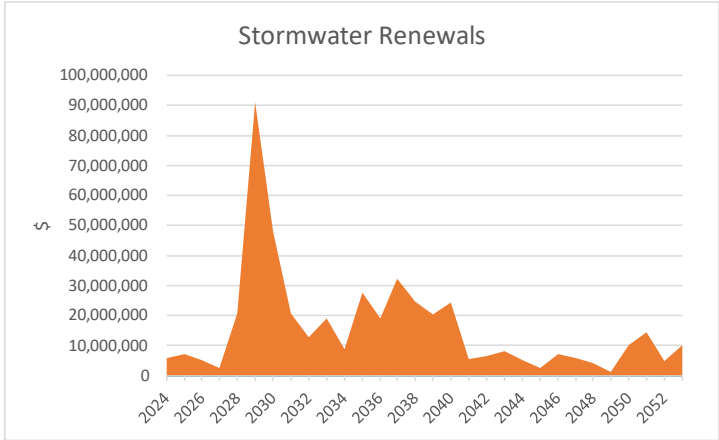


Figure 8: Stormwater Renewal Profile

Level of service and performance

The stormwater network, while old, still generally performs as designed. Stormwater is discharged into the surrounding natural waterways and then the harbour and sea. There are instances after rainfall events when stormwater is contaminated, and the sea and waterways become polluted resulting in some temporary closures. Environmental standards and community expectations around water quality have changed since the network was built and to meet those will require more education and improved infrastructure.

There are small number of areas in the city that are also impacted by flooding in high rainfall events. This is exacerbated when the rainfall events coincide with high tides. Climate change will result in more frequent high rainfall events in the city which means that additional investment will be required in the stormwater network over the next 30 years.

In high rainfall events stormwater enters the wastewater network causing overflows which impacts streams, the marine environment, and low-lying habitats.

Key challenges

This activity group is affected by all the identified key challenges.

- Population growth and changing demand – Where and how we design additional housing has a significant impact on our stormwater network and to some extent has been managed through our Proposed District Plan, using hazard mapping and requiring on-site containment. We know that Tawa suffers from extensive flooding due to its topography and overland flow path restrictions and that there is a lack of a capacity in the Porirua Stream. We also know that there are areas that are already flooding due to undersized pipes. New legislation will have an impact on the stormwater level of service. The Greater Wellington Region Council (GWRRC) Natural Resources Plan gives effect to the National Policy Statement - Freshwater Management via Whaitua te Whanganui-a-Tara (‘Whaitua’). This will in turn require improvements in and stormwater contaminants. The status quo will not satisfy these increased requirements. This links to our investment in wastewater and is a significant strategic driver of change across this sector. Green infrastructure will also

need to be factored in more to help manage stormwater runoff in terms of quantity and quality.

- Aging and declining condition of infrastructure – The stormwater system was designed for weather patterns that at that time did not consider global warming and sea level rise, as it was not on the radar. Future investment will need to ensure that stormwater pipes are appropriately sized to accommodate changing needs.
- Mitigation and adaptation to climate change – Stormwater is closely linked with roading, flooding and land use. With climate change, stormwater management is likely to be a constraint on the future shape of Wellington. The challenges with managing stormwater are expected to increase over time as the frequency of heavy rain events increases, sea level rise makes it more difficult for stormwater to discharge, and as growth and intensification reduces ground permeability and impacts on overland flow paths. Historically, our stormwater planning has not been cognisant of climate change challenges such as more intense rainfall and sea level rise. Our stormwater outlet systems are becoming less effective within our harbour due sea level rise within low lying land.
- Earthquake hazards and earthquake prone buildings – The ground our three water assets are in are subject to earthquakes and other natural hazards which leaves them vulnerable to disruption. Several earthquakes have also contributed to damage of many assets.
- Affordability and deliverability – The volume of work needed to keep pace with the aging assets and growth is unaffordable under the current funding environment. Furthermore, the capacity of the construction market to deliver is limited. Additionally, due to changing standards the requirements and costs for gaining resource consents is becoming more challenging and expensive.

### Principal options

This activity and related solutions primarily contribute to the priority “*fix our water infrastructure and improve the health of waterways.*” There is also a strong contribution to “*collaborate with our communities to mitigate and adapt to climate change.*” We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- Prioritising growth areas – We will prioritise investment in stormwater filtration and flood protection in conjunction with or ahead of transport infrastructure investment, public realm upgrades or housing development.
- Targeting emissions reductions to the greatest gains and operational efficiency – For operational efficiency, we will prioritise investment in stormwater filtration and flood protect in conjunction with or ahead of transport infrastructure investment, public realm, or housing development.
- Grow our understanding of adaptation impacts and costs – We will focus on understanding where the greatest flooding risks are and prioritise investment in nature-based solutions and flood containment in those areas. We will continue working with Wellington Water to better understand our current risk exposure to coastal hazards, and how adaptation planning can be integrated into renewals.
- Prioritising interventions and the work programme for affordability – We will prioritise repairing and replacing assets in very poor and poor condition and highest criticality.



Issues and options

Issues	Options	Decision Date	Timing	Costs	Risks and Implications
<b>Aging assets and level of service</b> Council's existing asset infrastructure is aging and becoming less reliable resulting in decreasing levels of service and increased reactive interventions Wellington's population is growing and demands on infrastructure are increasing, resulting in greater investment required to maintain levels of service.	Do nothing– not renewing core infrastructure assets does not meet Council's statutory obligations. Selective renewal – choosing not to renew assets due to a change in demand, level of service or the asset is no longer needed. Prioritised renewal – based on condition assessments indicating sufficient life remaining in an asset to maintain levels of service. (Adopted)	Ongoing annual investment will be required	2024/25	\$3.7m	Prioritised renewal based on condition assessment is an effective way to manage a network.
<b>Resilience to natural hazards</b> Wellington's stormwater infrastructure faces growing issues associated with climate change impacts including sea level rise (as well as sinking vertical land movement along much of Wellington's harbour and South Coast), storm surge and inland flooding. The exposure to these issues is exacerbated by earthquake/liquefaction events.	Strategic decisions on how we address climate related risks and adaptation are needed before options for each location can be identified.	TBC	TBC	TBC	Climate related risk is a consideration for resilience and growth aspirations. A coordinated strategic approach is needed.

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

### Stormwater Opex and Capex forecast

Year	Operating Expenditure <sup>4</sup>	Capital Expenditure
2024/25	46,094,907	3,721,115
2025/26	47,699,074	3,789,440
2026/27	51,447,075	13,323,494
2027/28	55,131,255	7,813,959
2028/29	58,851,268	11,546,955
2029/30	62,642,185	26,641,005
2030/31	66,719,608	57,854,535
2031/32	71,287,536	53,406,632
2032/33	76,037,592	17,463,525
2033/34	80,420,945	13,085,681
2034-2039	455,348,099	317,706,192
2039-2044	575,436,523	147,570,290
2044-2049	733,103,019	228,491,484
2049-2054	928,974,702	158,236,103
<b>Total</b>	<b>3,309,193,788</b>	<b>1,060,650,410</b>

Figures are inflation adjusted

<sup>4</sup> This includes the total cost of asset ownership including depreciation, Insurance and interest costs on top of the funding that we provide Wellington Water Limited.

### A further note on mitigation and adaptation to climate change.

This will become more of an issue for us in the stormwater space due to low lying land, increasing rainfall and need to protect overland flow paths. There could be a cost of between \$1.83 billion to \$763m over the 30-year horizon. There are well known flooding issues in Tawa due to lack of existing capacity, restricted overland flow paths and flooding from the Porirua Stream. Flooding also exists in Johnsonville, CBD and Newtown.

Between now and the next LTP we need to:

- Develop a WCC strategy for addressing climate adaptation and resilience (for example managing sea-level rise).
- Investigate more non-engineered solutions such as minimum floor heights, blue green solutions such as daylighting streams and other measures to reduce run off and store flood flows in dual use locations eg: parks.

Delaying significant stormwater work presents a risk of diminishing return on stormwater mitigation solutions due to climate change effects. For example, for a 50-year return period for flood mitigation control may equate to a much lower return period of control in the future.

## Waste

### Strategic direction

Our modern way of living, dependence on resource use, and unsustainable practices are causing environmental harm. In 2021 Wellingtonians disposed 418kg of waste per person. As a city, this is in the midrange for waste per person compared to other cities in NZ and internationally.

We have recently published a Zero Waste Strategy, defining our role in waste, and recognising the need to set a pathway for intergenerational sustainability, design waste and pollution out and keeping resources in use for as long as possible. We also work with other councils in the region and jointly developed a Regional Waste Management and Minimisation Plan. Our strategy and the regional plan both outline a shift from managing waste to preventing waste, reuse of resources and recycling and is aligned to the Ministry for the Environment's Waste Strategy.

Efforts to achieve our objectives have been hampered by the sewerage waste being disposed into the landfill, with a condition that sludge must be mixed 1:4 with solid waste for stability. Last LTP we consulted on options to manage sludge differently. We are now building a sludge dewatering plant which will remove at least 80% of sludge to the landfill, and there are potential opportunities to make use of the organic waste product that may eliminate sludge in the landfill altogether. To invest in this facility quickly, the council has utilised the Infrastructure Funding and Financing (IFF) tool.

This enables us to focus on removing other waste types from the landfill:

- Organic waste
- Construction and demolition
- Plastics, packaging, and consumables.

### Asset overview

Our assets are valued (Optimised Replacement Value) at approximately \$54.9 million as at 30 June 2023 and include:

- The Southern Landfill
- Capital Compost (composting facility)
- The Tip Shop and Recycle Centre

Critical assets have been identified at the landfill based upon impact to the provision of the landfill as a service, as well as economic, social, cultural and environmental impacts. These critical assets include the following:

- Landfill Access Road
- Leachate Collection System
- Stormwater Control System
- Weighbridge and Associated Software
- Landfill Tunnel

### Asset condition and lifecycle

Overall data confidence for the Solid Waste portfolio is rated as "C - Medium". Whilst recent condition assessments have provided visibility of the built section of the portfolio, there is missing information for plant and equipment and infrastructure in a structured format. Knowledge of the condition of these assets is largely known – and associated renewal costs planned for, however this information does not exist in an asset information system.

Asset data pertaining to the Solid Waste portfolio is maintained primarily within WCC's Asset Management Information System. Plant and Equipment and Infrastructure assets are recognised as an unknown condition, noting that there is an improvement plan to better capture this data.

The condition of known assets is primarily in the average to very good range, with only 4% of these assets rated as poor to very poor. 58% of

these assets are expected to have in excess of half of their useful lives remaining before renewal is required.

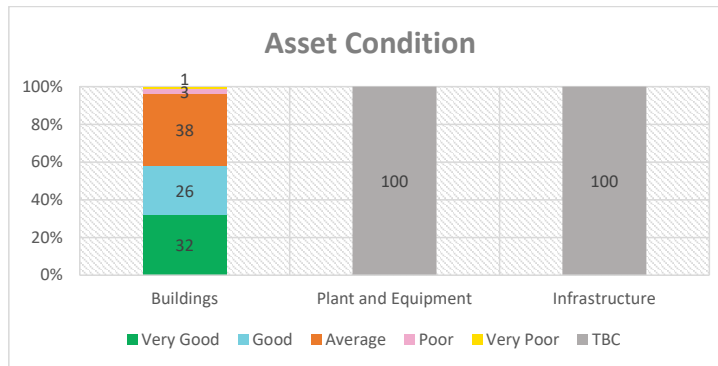


Figure 9: Solid Waste Asset Condition

### How we forecast Asset renewals

Renewals of assets within the solid waste activity are driven from data, and BU knowledge. Recent comprehensive condition assessment of the vertical infrastructure provides real confidence in forecasting renewals based on age and performance and is reflected in the financial forecasts for the business. Plant and infrastructure (principally access roads and the landfill) are forecasted by the BU within this LTP based on working knowledge and the requirement to continue service. Detailed lifecycle forecasts are captured and provided in the financial section of the Asset Management plan and summarised in the financial section of this document.

### Asset Lifecycle

Asset lifecycle analysis has been undertaken for the built portfolio of the landfill, with both an unconstrained and constrained approach, to determine the level of risk in deferring renewals. The constrained scenario is based upon funding 75% of required renewals from 2024 until 2034, with any deferred renewals over this period to be funded and spread across years 2034 to 2044. The level of risk associated with deferral of these building related renewals is considered to be low, with the majority of assets still remaining within an average to very good

condition rating across the deferral period as illustrated in the two expenditure scenarios below. However, there are some key assets that are significant items that must be appropriately funded. These have been funded at 100% - Carrey Gully tunnel (\$9m) and compost screen (\$300k) and compost shredder (\$700k).

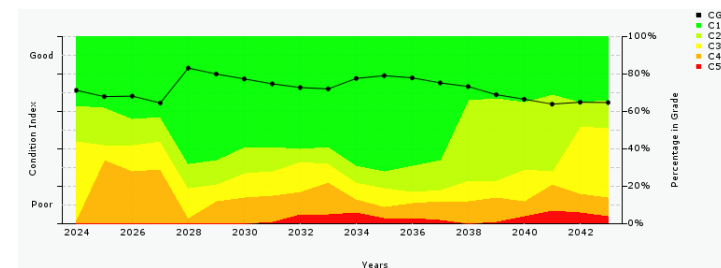


Figure 10: Solid Waste 20 Year Asset Lifecycle Analysis – Unconstrained Expenditure

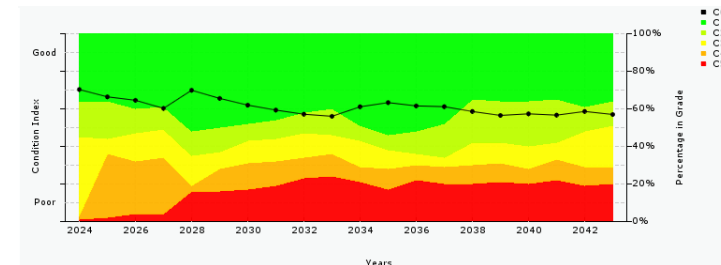


Figure 11: Solid Waste 20 Year Asset Lifecycle Analysis – 75% Constrained Expenditure

### Level of service and performance

Over two thirds of Wellingtonians are satisfied with recycling and waste collection services. The current service is supported by the Southern Landfill, a gas capture system that is performing well, a composting facility, and the recycling centre and tip shop. While the existing service and assets are performing well, Council's Zero Waste Strategy proposes a higher level of service for Wellingtonians for the future that removes organic waste, construction and demolition, and plastics, packaging, and consumables from the landfill. This will require a different approach to waste. The funding model needs to be updated, and additional investment

will be required for new facilities. The enhanced level of service was a key issue in the 2024 Consultation Document.

Council’s role

The Council has a legislative role to manage and minimise waste. This activity is inextricably linked to national regulations. We cannot just set bylaws to stop businesses producing waste, we must take collective ownership of the problem and support businesses and residents through a hierarchy of interventions, as illustrated.

These assets enable provision of waste disposal services, and services enabling the diversion of waste from landfill. Council contractors and private operators provide kerbside collection services.

We also raise awareness on how to avoid waste, and we fund businesses to implement change that reduces their waste creation or contributes to the circular economy.

Key challenges

This activity group is affected by all the identified key challenges.

- Population growth and changing demand – The city’s population is growing which will place greater pressure on the existing waste system in the years ahead.
- Mitigation and adaptation to climate change – Community expectations are changing and want a system that is international best practice and supports them to be more environmentally sustainable. Approximately 80% of the Council’s emissions are from the landfill, so focusing on removing decomposing waste is key to reducing our emissions. To achieve that we need to shift from a model that manages waste to a system that enables people to avoid waste going to the landfill in the first place.

- Affordability and deliverability – The processes and infrastructure are not in place to deliver our ambition to achieve a circular economy. It is expensive to invest in residual waste processing and disposal options. Big waste asset investments are needed at a time where both the council and the community have affordability constraints.

Principal options

This activity and related solutions primarily contribute to the priority “transform our waste system to enable a circular economy.” There is also a strong contribution to “improve the health of our waterways.” We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- Targeting emissions reductions to the greatest gains and operational efficiency – As per our Zero Waste Strategy, we will focus our efforts on reducing waste, by investing in plant and infrastructure that reduces waste, particularly organic matter.
- Grow our understanding of adaptation impacts and costs – As residents and businesses become more capable of functioning without private vehicles, alternative ways to enable access to recycling and waste management facilities becomes even more important. We will prioritise ensuring we have the right collection models to support the changing city.
- Prioritising interventions and the work programme for affordability – We have prioritised waste management and minimisation activities that avoid, reduce, and repair, repurpose and recycle. Where available we will seek central government funding that enables this transition.

## Issues and options

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Organic waste</b> There is increasing community expectation that councils provide organics waste solutions for households and businesses, to help reduce emissions and improve environmental outcomes. Organic waste contributes significantly to landfill emissions. We do not currently collect organic waste and have no local bylaws placing expectations on our residents. Not everyone can compost their organic waste in place. To address this, local authorities can intervene by investing in facilities to process organics on a large scale and then sell the nutrient rich products to support local food production, nature reserves, parks, gardens, and other green spaces. A business case is in progress to identify options for processing organics. Decision for progressing investment needs to be made in 2024.	Investing in large scale organics processing, supplemented by local community composting (Adopted - \$50k-\$150k will be used from the Waste Levy Fund for years 1-3 to support community compost hub providers).  Do nothing	2024	Design – 2025  Delivery – 2025-2027	\$3m  \$23m	Difficult to acquire suitable land. Collection service will also need to be reviewed to support the service. We will need to utilise funding options from central government to deliver required system changes. We will need to get commercially savvy with investments in waste solutions.
<b>Managing waste and servicing businesses and communities as we intensify the city.</b> We currently only offer a rubbish bag and recycling bag or bin collection for residents, plus glass crates. The current system does not sufficiently separate different waste types. A decision is needed in 2024 and cannot be made without the organics waste decision first.	A new waste system that provides a broader range of bins for collection of waste, cardboard, plastics, cans, glass, and organics to allow for improved separation of waste (Adopted).  Do nothing	2024	2024-2026  2039-2041	\$10m  \$15m	The design of the new collection system needs to manage safety and accessibility and enable contractors to collect the bins effectively. Multi-unit developments will need careful consideration. This is further complicated with the wind and topography of Wellington making it a difficult challenge. The proposal to introduce a container return scheme (CRS) in New Zealand has been paused with no clear timeline for finalising the scheme design. Any decision about future collection services should consider the flexibility to respond to the potential introduction of a CRS.
<b>Construction and demolition waste</b> Construction and demolition waste can include timber, concrete, glass, steel, brick, packaging, metal, plasterboard, and other items. While it only makes up 7% of the Southern Landfill disposal, there are other commercial landfills taking the bulk of this resource in	Supporting commercial entities to start up, through regulations, brokerage, and land zoning.		N/A		Assumes commercial viability, and no significant capital investment from the Council.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
Wellington. Construction and demolition waste makes up 40–50% of New Zealand’s waste. Construction and demolition landfills in Wellington are reaching capacity, and a large volume of construction and demolition waste is unnecessary. We lack the regulation and infrastructure to support materials separation and processing at scale. Landfilling construction and demolition waste contributes to carbon emissions and is seen as a waste of materials. Reuse and recycling can significantly contribute to the prevention of the need for new materials. We do not see the council being the key operator in this space. However, if the market does not provide this WCC will need to work with other councils and private operators across the region to provide a solution.					
<b>Plastics, packaging, and consumables</b> Plastic, textiles, paper, cardboard, and e-waste make up a combined 20.6% of waste to the Southern Landfill. All this waste could be re-used, repaired, repurposed, or recycled. However, we do not currently have sufficient infrastructure to enable this. With higher community expectations council is looking to the market to provide the necessary infrastructure in the future. A decision is needed by 2030.	Supporting commercial entities to start up, through regulations, brokerage, and land zoning.		N/A		Assumes commercial viability, and no significant capital investment from the Council.
<b>Lack of cleanfill capacity</b> Wellington regional has limited cleanfill capacity and new options are essential. Options could include partnerships, or leases to private contractors. Commercial establishments typically own cleanfill. WCC has commenced a cleanfill However as there is limited capacity this a short to mid-term solution. If the market does not provide a solution, the Council will need to consider further intervention options by 2025.	Supporting commercial entities to start up, through regulations, brokerage, and land zoning.		N/A		Assumes commercial viability, and no significant capital investment from the Council.
<b>Long term landfill capacity</b> Growth in population and economic activity is likely to drive up overall household waste generation. We need to actively pursue interventions that avoid waste generation, and enable repair, repurposing, reusing, regenerating, and recycling, as per our Zero Waste Strategy. However, we will continue to need safe disposal of items such as hazardous waste. Our current	Southern Landfill Extension Piggyback Option (SLEPO) Parts A-D will provide 2.2 million cubic metres of landfill capacity, sufficient for 20 years at current rates.	2023      TBC	Parts A&B 2022- 2028	\$36 million	Monitoring of capacity will be ongoing. We will require a decision for future capacity needs by 2029/2030  Capital funding of \$54.5m to extend SLF is provided for in the LTP, Parts A&B will cost \$36M.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
landfill is consented until June 2026 and will be reaching capacity by then. In the short term, in addition to removing sludge from the landfill, we have taken the decision to extend the current landfill providing capacity beyond 2026. However, in the longer term there is likely to be the need for additional landfill capacity.	Parts A & B, approved by Council in February 2023, to be consented, constructed and operational by June 2026		Parts C&D timing tbc	Parts C&D will require additional funding - costs tbc	Timing for Parts C&D to be confirmed and subject to future funding approval
<b>Carey's Gully tunnel strengthening</b> A tunnel runs north to south underneath the Southern Landfill, channelling water from Carey's Gully stream upstream of the landfill under the landfill before discharging it downstream meeting Owhiro stream. With the decision to extend landfill capacity via SLEPO, rather than extend the Southern Landfill further into the gully, this tunnel will be required in perpetuity, and it has been identified that work is required to ensure the tunnel meets static and seismic resilience requirements.	Tunnel strengthening works are being designed and costed, and will be finalised following a detailed survey of the tunnel, scheduled for December 2023 Option for taking at 75% renewals reduction is not available for this asset. (Adopted)	2027	Timing tbc	Estimated \$9 million	Included in LTP and will be funded via closed landfill provision (\$2.4M). The balance of the \$9m has been signalled as a costs pressure in the AMP. The \$9m is an indicative cost estimate provision only. The detailed cost will be determined in 2024 once further tunnel investigation and detailed design works have all been completed. Tunnel strengthening works and the timing of this will be a condition of the SLEPO resource consent.
<b>High cost of waste asset maintenance and renewals</b> The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy. Funding waste asset renewals targeted 75% of unconstrained budget for years 1 to 10.	For affordability, reduced funding in years 1 to 10, resume to 25% from year 11 to 20. (Adopted)	2024	2024-34 2034-44 2044-54	\$14.1m \$5.5m \$7.5m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising where the greatest need is, such as safety and compliance. Carrey Gully tunnel (refer above) and compost screen (\$300k) and compost shredder (\$700k) have been fully funded.
<b>High cost of waste asset maintenance and renewals</b>	Fully fund renewals	2024	2024-34 2034-44 2044-54	\$18.8 \$7.3m \$10m	

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.



Waste Activity Opex and Capex forecast

Year	Operating Expenditure	Capital Expenditure
2024/25	35,930,054	15,334,088
2025/26	37,248,659	24,327,410
2026/27	41,729,442	35,839,807
2027/28	56,222,743	28,987,460
2028/29	57,644,691	11,159,975
2029/30	60,645,207	5,059,459
2030/31	63,796,090	5,438,921
2031/32	66,060,532	6,951,295
2032/33	68,011,026	7,181,157
2033/34	70,146,496	7,521,200
2034-2039	387,164,107	36,797,627
2039-2044	394,509,187	40,403,120
2044-2049	433,892,155	43,096,758
2049-2054	444,686,919	25,888,273
Total	2,217,687,307	293,986,551

Figures are inflation adjusted

## Land Transport

### Strategic direction

Transport plays a significant role in shaping what the city is like to live and work in as well as visit – and is a significant contributor to overall quality of life. Our streets are our most significant public spaces and account for almost 50% of the Central City space. Our city is growing which places increasing demand on our transport system and space. Our physical environment is constrained, and we cannot build our way out of this challenge by adding more roading capacity. Our biggest challenges are how to move more people around the city with fewer vehicles and to make sure that our streets are attractive places for people to move through and spend time in.

One of the key mechanisms to help develop a transport system for the future has been to prioritise active and public transport modes over the private vehicle which is essential for Wellington City to:

- Reduce our carbon emissions by increasing mode shift away from reliance on private vehicles.
- Greater liveability, including enhanced urban amenity and enables urban development outcomes.
- Build resilience and adaptability to reduce disruptions and future uncertainty.
- Have a more efficient and reliable transport network.
- Improve road safety for all users.

The transport activity has historically been subsidised by approximately 51% through The New Zealand Transport Agency (NZTA) approved programmes. Investment in transport therefore must align to both our own strategies, and to the Government Policy Statement on Land Transport and the Regional Land Transport Plan. Alignment is important to achieve funding approvals. Changes in government often results in swings to different policy settings, resulting in the need to rethink or rephase our investment activities. There is a strong investment focus on optimising investments over time and decisions based on achieving long-term value for money.

The transport network is connected to the regional and national transport network, and we must also work closely with our neighbouring councils and NZTA to coordinate our investments.

Wellington's local transport network is on difficult terrain – it is steep, winding with lots of tight corners, narrow, old and is exposed to extreme natural events such as earthquakes, slips and storms.

The Council adopted the Sustainable Transport Hierarchy together with Te Atakura, which places walking, cycling and public transport as the top of the transport hierarchy for the city. To implement this and reduce our carbon emissions, the city's transport upgrade programmes and projects focus on system change to enable active and public transport solutions. The ongoing maintenance and renewals programmes are increasingly incorporating build back better initiatives where possible to complement this changing focus. We are committed to the mode shift programme, as it is integral to better outcomes for the environment, community, and economy.

### Asset overview

Our assets are valued (Optimised Replacement Value) at approximately \$2,494 million as at 30 June 2023 and include:

- 904km of footpaths
- Over 19,000 streetlights
- 3755 structures
- 700km roads
- 40km bike lanes
- 2km bridges and tunnels
- 200 seawalls
- 8km bus priority lanes

### Asset condition and lifecycle

Data confidence for the Transport portfolio is rated as "A - Very High" There is a minimal level of uncertainty with recent and ongoing

assessments of data taking place for the entire portfolio. The dataset is maintained and audited regularly and is in line with national standards and expectations for NZTA.

Asset data pertaining to the Transport Portfolio is maintained within WCC's Transport Asset Management System RAMM. The data has been aggregated into common groupings representative of the primary services they deliver across the network.

#### How we forecast Asset renewals

Renewals of assets within the Land Transport activity are driven from data and through the use of modelling combined with criticality (lifelines for example) and level of service required. The RAMM database is continually updated with network inspections and work completed. The modelling is field verified to validate the program of work. Programs are considered under a whole of life cost model which is currently overlaid by budget constraints. Budget constraints can lead to higher overall cost as we are effectively moving investment into later years. Lower renewals generally means an increase in maintenance in future years. The confidence in our data allows the Land Transport team to schedule maintenance and renewals with confidence and accuracy to meet the networks' needs. Lifecycle forecasts are captured and provided in the financial section of the Activity Management plan and summarised in the financial section of this document.

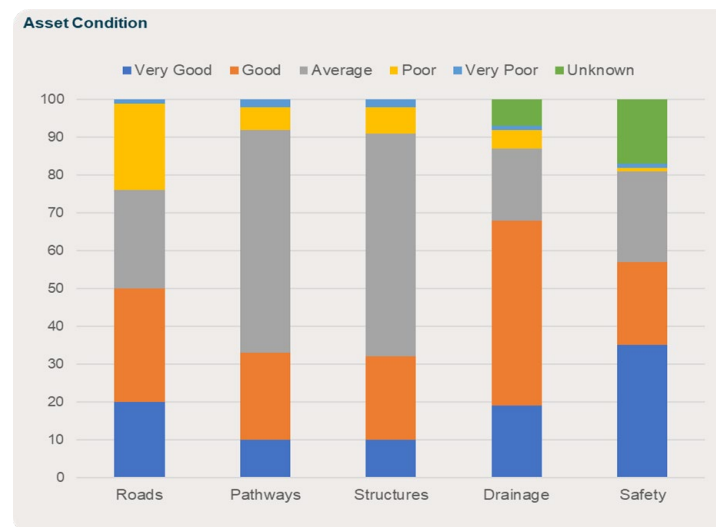


Figure 12: Land Transport Asset Condition

Across transport network assets the Council has high confidence in the quality of information of asset condition and its ability to prioritise renewal spending where the greatest need is, such as, safety, resilience, connectivity, and mode shift. In addition to prioritisation, transport delivery are able to seek value for money options through good procurement practices and review programme options for more cost-effective options and partnering with suppliers. For each asset within transport, choices have been made to balance this budget. Overall, the 75% renewals target was not able to be achieved in transport.

- Road Surface – Overall condition of the road surface is good, and a reduced funding level can be managed, accepting some deterioration, and increased safety risk.
- Pavement – Taking 75% approach to the pavement condition presents a high safety risk, and the decision has been taken to invest at 100% to maintain the asset and safety is not compromised. The damage being caused by heavy vehicles and the double decker buses was also a factor.

- Footpath – There is a small increase in trip hazards, but safety can be maintained at a reduced funded renewal programme. A trend of underspending has also been factored in.
- Drainage Assets – Ineffective flood management would occur with a reduced renewal reduction, so the decision has been taken to fully fund drainage asset renewals.
- Structures and Structural components – There is a need to improve the asset condition of structures, however there is some concern about the confidence in delivering an increased programme. A middle ground has been taken to maintain asset condition, without compromising safety or seeing a reduction in levels of service. The priority of the funding is on resilience.
- Traffic Services Assets - A full reduction in budget would result in increased safety risks and deteriorating condition. A middle ground was agreed with these assets.
- Cycleways – A significant reduction in cycleway renewals was agreed, accepting a deteriorating condition and increased safety risk.

#### Level of service and performance

At a high level, the city's transport system is generally performing adequately from safety and accessibility perspectives. Asset condition is acceptable with investment based on known parameters. Many of the monitored levels of customer satisfaction are showing a slow downward trend but this runs counter to asset condition which for many assets is stable.

Wellington is a compact city where cycling and walking are a preferred travel mode for a dedicated segment of the community for shorter trips. Public transport, delivered through an extensive bus network commissioned by the regional council, combined with trains to the north is a vital transport mode for many commuters. Capacity and reliability have impacted the bus service, but reliability and patronage is increasing again post Covid.

Travel times are modest outside peak congestion times, and the traditional congestion periods are more muted with greater take-up of working from home and flexible working arrangements in recent years (circa 15 percent of the city's workforce works from home per weekday).

As a city with a growing population, and limited space, we must make best use of existing transport corridors to accommodate population and business growth. Investment is planned for the cycling, walking and public transport networks to accommodate this growth and meet our city liveability and carbon goals.

#### Council's role

Our role is to provide the infrastructure necessary for people to participate in economic, social, and cultural activities. We must do this while protecting and enhancing the natural environment. To achieve this our role extends to:

- Planning, delivering, maintaining and operating our transport system.
- Developing the transport network to meet future needs of the city.
- Supporting the city's public transport network by providing space for the network to run efficiently and encouraging people to use it.
- Ensuring our transport network is safe for all users by making ongoing improvements and educating and promoting safe behaviours.
- Enhancing the attractiveness of walking or cycling around the city, through urban design, planting, new infrastructure, and promotion of active transport.
- Monitoring different modes of transport, understanding barriers to change, and making it safer, easier, and more enjoyable as well as convenient to walk, cycle and use public transport.

#### Key challenges

This activity group is affected by all the identified key challenges.

- Population growth and changing demand – Growing traffic congestion and unreliable travel times are an issue. Population growth adds to this problem, especially if we do not provide more efficient ways for people to move around the city and region. Intensification of housing will support reducing the need to travel. But travel is a response to how the city is configured and those outer areas will continue to need to travel by vehicles due to the

distance. This configuration is also a contributing factor to sedentary lifestyles and poor public health outcomes. Mode shift is a key response to this challenge, but capital projects cause major disruption and some parts of the community challenge the changes. Furthermore, investment in safety interventions is not yet leading to an overall reduction in harm.

- Aging and declining condition of infrastructure – The main issue with aging infrastructure is related to structures. This is the biggest asset value in our transport network. This includes retaining walls, bridges, and tunnels. This does mean an increasing need for investment over the next 10 years.
- Mitigation and adaptation to climate change – The transport sector is a significant contributor to greenhouse gas emissions, primarily from burning fossil fuels in vehicles. Combustion engines also emit air pollutants such as particulate matter and nitrogen oxides which have adverse effects on human health and the environment. Climate change is associated with extreme weather events, posing a threat to infrastructure – coastal roads are at risk of erosion and flooding due to more severe and frequent weather events. These impacts affect planning and maintenance, where stormwater needs alternative management options, and roads, bridges and retaining walls become vulnerable to slips. We need to achieve emissions reductions while managing growth.
- Earthquake hazards and earthquake prone buildings – Wellington's natural hazards are well known and a major challenge for the city and its infrastructure. The topography of the natural environment and the cut-fill built environment can result in slips, flooding, and liquefaction issues. This can result in disruptions during weather and seismic events. There are also additional costs associated with clean-up after any events as well as proactively making our transport network and associated infrastructure more resilient. The topography and small number of routes available to some areas of the city also creates vulnerability.
- Affordability and deliverability – All these challenges result in increased costs for management and maintenance of our transport network. The current market is very constrained which has resulted in costs escalations. Delivering on commitments in a resource constrained environment can impact response times for

some services and customer satisfaction around levels of service. This is requiring more effort from staff to respond to reactive issues.

### Principal options

This activity and related solutions primarily contribute to the priority *“transform our transport system to move more people with fewer vehicles.”* There is also a strong contribution to *“collaborate with our communities to mitigate and adapt to climate change,” “revitalise the city and suburbs to support a thriving and resilient economy and support job growth”* and *“celebrate and make visible te ao Māori across our city.”* We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- Prioritising growth areas – Transport improvement projects are prioritised in accordance with the spatial plan priority growth areas. This is to enable housing growth and densification while maintaining levels of service for transport access.
- Targeting emissions reductions to the greatest gains and operational efficiency – Transport is a significant contributor to climate emissions. We will focus our efforts on improvements that enable low or zero emissions transport, which also deliver operational efficiency. This means prioritising public transport, cycling, and walking infrastructure.
- Grow our understanding of adaptation impacts and costs – As we invest in infrastructure improvements, new infrastructure and our maintenance and renewals, we will seek to understand the issues for the area and incorporate adaptation measures.
- Prioritising interventions and the work programme for affordability – Our investments will take a combined approach from managing demand, and optimising what we have, to investing in new infrastructure. We will prioritise public transport by investing in bus priority infrastructure. Public transport and active modes will be prioritised in and around the city and town centres to support economic vibrancy and ease of access. We will ensure we have considered all options and are investing cost-effectively.

## Issues and options

### **Supporting mode shift, improving safety, and reducing vehicle kilometres travelled**

The physical transport network in Wellington is constrained due to topographical features of the area and this has guided housing construction. North/south connections are the dominant travel connections in Wellington with a shortage of east/west connections. This creates congestion chokepoints resulting in uncertain travel times for public transport, freight, and private vehicles.

Additionally, public transport is not an efficient option for many journeys, so cars remain the most practical mode of travel for many journeys. A key method to reduce congestion is to encourage walking, cycling and public transport, but these options are often not seen as safe enough to be a real option.

In alignment with the Spatial Plan, adapting the Transport Network to reflect the sustainable transport hierarchy is a focus.

We have reviewed the People-friendly Streets Project, and decided to progress the highest priority projects planned, including the second bus priority route through the central city and improvements on the routes between CBD and Miramar for biking, walking, and bus priority. We will be developing a multi-modal programme, including bus priority improvements to guide the prioritisation of individual projects beyond year 5.

We are continuing to deliver the bike network and sustainable streets programme, but at reduced cost, by building on the transitional approach but using more permanent materials and infrastructure where required, to complete most of the network over the next 10 years. This will save \$66m over ten years.

We have also reviewed the Thorndon Quay and Hutt Rd project. The roundabout on Aotea Quay will progress, but the Hutt Road portion of the project will be removed, at a cost saving of \$10m.

### **High cost of transport maintenance and renewals**

We have a higher cost of transport road maintenance in Wellington City, relative to other councils with similar transport networks. The sub-structure of Wellington's roads consists of flexible, highly water susceptible clays. This creates issues with the maintenance of the network. The construction of a roading network within the topographical constraints of the area has resulting in the need for a substantial number of structures across the district. This steep topography also requires and extensive network of drainage assets as we need to control the stormwater runoff. These combined challenges create a cost of maintenance environment which is high and there is no easy solution.

High axle loads from Electric busses is also leading to accelerated pavement deterioration on bus routes.

We also have an aging asset base which becomes more expensive to maintain while delivering the service levels our customers expect.

### **Resilience - Slips above and below roads, retaining walls, sea walls and other structures that support our roads.**

There has been an adverse trend in the condition of our structures as reported by the structures condition assessments carried out over the last five years. Some transport corridors, including critical routes, do not meet current structural codes and therefore present a resilience risk.

As more work is done over coming years to assess infrastructure against new standards, it is highly likely that, yet undiscovered work will need to be undertaken to address resilience issues. Structural upgrades are high-cost items which will add to funding pressures in the future, including where growing climate change adaptation planning is required.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Supporting mode shift, improving safety, and reducing vehicle kilometres travelled</b>	Housing densification – enabled by the District Plan (non-asset solution underway)	District Plan to be adopted in 2024	-	-	District Plan: Commissioners make significant changes to the Proposed District Plan through their decisions.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
	(part of adopted approach – integrated land use planning)				
<b>Supporting mode shift, improving safety, and reducing vehicle kilometres travelled</b>	Demand Management – behaviour change programme (non-asset solution, ongoing) (part of adopted approach – managing demand)	ongoing	2024-34	OPEX – ongoing funding through LTP at \$0.4, pa	Demand management: lower levels of infrastructure investment may result in it making more challenging to encourage behaviour change.
<b>Supporting mode shift, improving safety, and reducing vehicle kilometres travelled</b>	Improved cycleways network to support active travel and bus priority interventions to increase PT use (part of adopted approach – optimising the network)	ongoing	2024-34 2034-44 2044-54	\$35.9m \$62m \$50.5m	Active and public transport: With a change in government, the level of investment aligned to some of Council's priority transport areas may shift resulting in lower levels of subsidy and a need to revisit timing assumptions.
<b>Supporting mode shift, improving safety, and reducing vehicle kilometres travelled</b>	Improved public transport priority and facilities for active travel in streets to and through the central city (part of adopted approach – optimising the network)	2024	2024-34	\$104.5m	Active and public transport: With a change in government, the level of investment aligned to some of Council's priority transport areas may shift resulting in lower levels of subsidy and a need to revisit timing assumptions.
<b>Supporting mode shift, improving safety, and reducing vehicle kilometres travelled</b>	Mass Rapid Transit (MRT) (part of long-term preferred approach – new infrastructure)	Not provided for in this LTP	not yet established	not yet established	MRT: with the change in government, this has been signalled as not being a priority for funding. This will be confirmed through the GPS transport which is expected in early 2024.
<b>Supporting mode shift, improving safety, and reducing vehicle kilometres travelled</b>	Increase upgrades funding to do more work sooner.	2024	TBC	Incremental costs above preferred programme levels to accelerate delivery. Up to \$600 million across transport upgrade programmes	Dependant on the level of subsidy from the government.
<b>High cost of transport maintenance and renewals</b>	Fund renewals at 75% and seek value for money options through good procurement practices and review programme options for more cost-effective options. Partner with suppliers.	2024	2024-2033 2033-2054	\$39.3 m pa \$58.2 m pa	Deferring 25% of renewals does carry some risk. This will be managed through prioritising where the greatest need is, such as, safety, resilience, connectivity, and mode shift.
<b>High cost of transport maintenance and renewals</b>	Reduced funding on cycleways renewals resulting from less capital investment in cycleway development, maintaining existing levels of service for resurfacing - 30% reduction. (Adopted)	2024	2024-2033 2033-2054	\$41.9 m pa \$55 m pa	This approach increases the likelihood of surfacing faults across the network, which reduces customer levels of service.
<b>High cost of transport maintenance and renewals</b>	Fully fund renewals	2024	2024-2033 2033-2054	\$52.5pa \$45m pa	

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Resilience - Slips above and below roads, retaining walls, sea walls and other structures that support our roads.</b>	Fund a programme of upgrades and renewals taking a risk-based approach to ensure the highest priority work is undertaken first.		annual budget	\$10m pa	Infrastructure failures can disrupt travel times and impact commuters and businesses. Asset failures can also result in health and safety consequences. Several transport routes in the city have been designated as emergency routes which need higher levels of resilience to ensure lifelines.

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

#### Land Transport Activity Opex and Capex forecast

Year	Operating Expenditure	Capital Expenditure
2024/25	133,404,200	141,898,888
2025/26	142,141,831	123,533,906
2026/27	154,798,115	151,885,924
2027/28	170,133,838	126,715,289
2028/29	185,212,902	108,390,990
2029/30	199,464,146	107,180,337
2030/31	216,968,304	92,005,788
2031/32	223,055,898	104,158,398
2032/33	229,600,894	93,238,580
2033/34	243,542,349	94,604,368
2034-2039	1,162,272,050	429,373,111
2039-2044	1,260,680,777	439,845,502
2044-2049	1,459,727,791	483,221,305
2049-2054	1,493,141,050	410,844,336
<b>Total</b>	<b>7,274,144,145</b>	<b>2,906,896,724</b>

Figures are inflation adjusted



Buildings (including civic buildings, venues, social housing)

Strategic direction

The investment in Wellington's performance arts venues enhances the city's creative ecosystem. These venues play a crucial role in hosting a variety of events, including arts, cultural activities, community gatherings, and international sports events.

Wellingtonians have a strong passion for entertainment and the arts and need accessible venues with suitable infrastructure and technology to support vibrant creative expression day and night.

Our performing arts venues are old, have seismic issues, and have the challenge of needing to adapt to climate change. When repairing and upgrading our facilities we also have an opportunity to reduce greenhouse gas emissions through green building standards, which will also contribute to reduced heating and cooling bills.

The existing assets within these venues, such as sound systems, public facilities, and kitchens, are essential for supporting diverse activities. While the venues meet the needs of hirers, there have been complaints about the additional cost burden on organisers who must bring their own equipment, making setup more expensive compared to other cities.

A recent review of WCC's civic performance venues identified that the WCC operating model for the performing arts venues (Shed 6, TSB Arena, Town Hall, MFC (Michael Fowler Centre), Opera House, St James Theatre) is sub-optimal, and not set-up for success. The model in its current form lacks alignment, transparency, and accountability in relation to how civic performance venues contribute to agreed WCC strategies and objectives. There is a significant opportunity to shift to a more effective operating model, including taking a strategic portfolio investment approach to the civic performance venues. The Economic Wellbeing Strategy underscores the city's dependence on performing arts and sports venues to drive a dynamic and vibrant economy.

We own a large portfolio of social housing assets. Housing in Wellington is becoming less affordable and there is growing pressure on the Wellington Housing market. Housing needs to be affordable if all Wellingtonians are to have safe, warm, dry homes that meet their needs.

Te Toi Mahana (a community housing provider) operates the Council's social housing function and controls the affordability of tenancies. We have a housing strategy, adopted in 2018, that seeks a housing system that supports sustainable, resilient, and connected communities, and ensures a well-functioning housing system, meeting the needs of Wellingtonians. The housing strategy influences the planning frameworks (such as the District Plan) and programmes such as Te Kainga.

Asset overview

Our assets are valued (Optimised Replacement Value) at approximately \$620.7 million as at 30 June 2023 and include but are not limited to:

- **Wellington Venues (operationally managed by Venues Wellington):**
  - Michael Fowler Centre (recently identified as earthquake prone)
  - The Opera House (recently identified as earthquake prone)
  - St James Theatre (reopened 2022)
  - Town Hall (closed for seismic strengthening since 2013)
  - TSB Bank Arena
- **Museums Wellington (operationally managed by Experience Wellington):**
  - City Gallery
  - Space Place at Carter Observatory
  - Nairn Street Cottage
  - The Bond Store (earthquake prone)
- **Other:**
  - Tākina Exhibition and convention centre (new, opened 2023) - (run by Te Papa foundation)

- Hannah Playhouse – (run by WCC)
- Embassy Theatre (seismic assessment underway)
- Te Whaea National Dance and Drama Centre
- CAB (earthquake prone)
- MOB (earthquake prone)
- The Basin Reserve
- Sky Stadium (co-owned with GWRC)
- Capital E (former – earthquake prone)

- **Waterfront buildings and assets**

- Shed 1 (earthquake prone), Shed 3, Shed 5, and Shed 6

Our social housing assets are valued (Optimised Replacement Value) at approximately \$401.8 million as at 30 June 2023 and include:

- **275 social housing buildings, containing:**
- **1786 units**
- **2713 bedrooms**
- **4835 bed spaces**

### Asset condition and lifecycle

Data confidence overall for this group of assets is “B – High”. All buildings in this grouping have been assessed through a comprehensive condition assessment survey undertaken in 2023. The reason that this isn’t “A – Very High” is that the data pertaining to the housing portfolio, whilst comprehensive is beginning to atrophy with age. This also applies to data for buildings currently being reinstated, demolished or undergoing large scale works – for example CAB, MOB and the Wellington Town Hall. WCC are currently undertaking a program of work to perform a full condition assessment of the housing portfolio, which will lift the rating for this grouping to “A – Very High”.

The condition of known assets is primarily in the average to very good range, with less than 10% of assets being rated as poor to very poor. Of the assets that fall into the poor to very poor range, the majority are within buildings that are currently undergoing remediation or large-scale reinstatement works in the Civic precinct and are not representative of the condition of the whole portfolio. Assets which are outside of this precinct are expected on average to have in excess of 50% of their useful lives remaining. Additional considerations related to seismic resilience, earthquake prone buildings and associated detailed seismic assessments are known and factored into lifecycle planning and renewal forecasts – however these are not represented in the condition assessment data below.

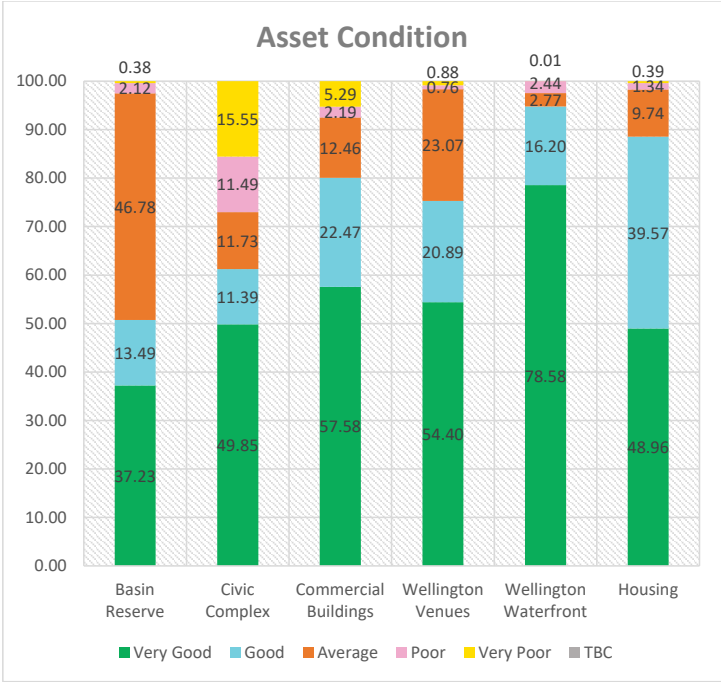


Figure 13: Buildings, Venues and Housing Asset Condition

Asset data pertaining to this asset grouping is maintained within WCC's Asset Management System. The data has been aggregated into common groupings based upon funding and the primary services they deliver across the network. Alongside this asset data, centralised repositories detailing factors such as heritage listings and earthquake prone buildings is maintained and factored into and underpins any lifecycle forecasting and renewal planning decisions.

How we forecast Asset renewals

Renewals of assets within this group of activities are driven from data and is determined by criticality (lifelines for example) and level of service required. Known issues that are non-data driven are considered and factored into planning decisions, such as seismic resilience and climate change. Detailed lifecycle forecasts are captured and provided in the financial section of the Activity Management plan and summarised in the financial section of this document.

Asset Lifecycle

Component based lifecycle analysis has been undertaken for all portfolios within this activity grouping, with multiple scenarios of renewal investment modelled and compared to an unconstrained expenditure profile to determine associated risk of deferred renewals. The adopted scenario is based upon funding 75% of predicted renewals in years 2024 to 2033, with any deferred renewals over this period to be funded and spread across years 2034-2043. The level of risk associated with deferral of these renewals is reasonably low, with most assets still remaining within an average to very good condition rating across the deferral period. The below graph is demonstrative of an unconstrained approach to expenditure to the portfolio, and associated condition grade index.

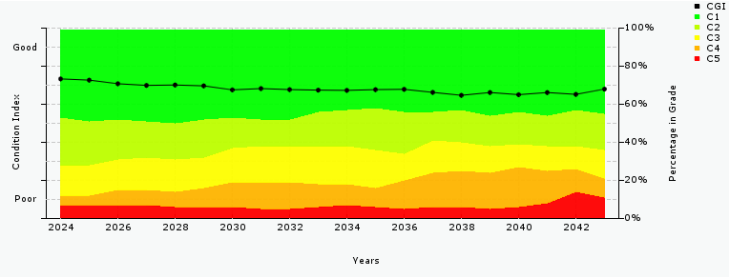


Figure 14: Buildings 20 Year Asset Lifecycle Analysis – Unconstrained Expenditure

### Applying 75% Renewals Funding

- **Civic buildings** will be managed by prioritising safety and compliance. The 75% funding of renewals may result in an increased emergency maintenance in outer years. However, City Gallery is the key civic building needing renewal. The potential redevelopment of CAB & MOB means we won't be doing any renewals on these buildings, and the Town Hall and Library are currently being redeveloped. Basin Reserve Renewals will be prioritised together with the Basin Reserve Trust. We will support them to manage this budget. The most important focus will be on the turf and irrigation. Wellington Venues need seismic remediation. Detailed options analysis is being worked through to identify which buildings and investment are needed for future service provision. This information will inform the renewals programme from year 2. Therefore, bare minimum renewals will be applied to keep these facilities functional (ie: Michael Fowler Centre, Opera House).
- **For housing renewals**, 75% renewal funding has been applied. While Council condition information shows housing assets mainly being in very good or good condition, asset condition information is currently not fully up to date with the most recent comprehensive SPM data survey being performed in 2016 and therefore may not be reflective of current condition. A higher level of condition uncertainty creates some risk and uncertainty in our ability to prioritise renewal spending. The level of risk associated with the deferral of these renewals has been deemed to be relatively low, as a large proportion of these renewals are low-cost or low-risk renewals that are primarily dealt with through operational or reactive maintenance through the current vacate process at end of tenancy. Alongside this, levels of risk are lowered through the delivery of the HUP2 work programme and any renewals that will take place as part of this work. Furthermore, the renewals programme is delivered based upon prioritisation of individual components based upon risk and criticality. It is envisaged that once the full asset condition survey is completed in 2024 the Council and CHP will jointly develop and continue delivery of a strong renewals plan within the budget available. City Housing renewals are prioritised to safety and accessibility. Funding renewals at 75% carries greater risk in that

it creates more property vacancies due to the poor condition. This incurs additional costs to the Council.

### Level of service and performance

The breadth of facilities that the council owns to support cultural, economic, and social services in the city is significant. While the Council has been able to maintain service levels so that cultural expression and economic activity such as conferences and events can continue, the closure of the Town Hall for earthquake strengthening requirements has impacted some sectors. This has been offset with the recent opening of Tākina which has provided the city with a new world class conference and events centre.

There are still several civic facilities like the Opera House, Wellington Museum and the Michael Fowler Centre that will require earthquake remediation in the coming years but remain operational in the meantime. The earthquake remediation of civic venues will take a few years to work through.

Currently, venue usage is suboptimal at 51%, primarily because the venues have not been modernised to accommodate a larger number of events with diverse content. This gap means the city is not fully meeting the needs of event organizers and younger audiences, highlighting the necessity for a venue strategy to address these challenges and optimise venue utilisation.

The Council has provided Social Housing since the 1950's. It is now managed under lease by Te Toi Māhara Trust. The performance of the housing stock is generally good. Tenant satisfaction is high. About half of the housing stock has been upgraded to meet modern requirements and standards over the last 20 years as part of a cost sharing arrangement with the Crown, and the remainder of the housing stock will be upgraded in the coming years.

### Council's role

Our role is to support economic, social, and cultural outcomes for the people of the city. Our venues, civic buildings and waterfront contribute to this. We currently own many buildings. We operate some services ourselves, and contract out other services, through Council Controlled Organisations (CCOs).

The council's role in housing is broad:

- Enabling capacity, supply, and affordability through the District Plan.
- Consenting and compliance.
- Collaborating with others to support Māori housing security and supporting rental housing supply (Te Kāinga partnership programme).
- Addressing homelessness.
- Public social housing.

#### Key challenges

This activity group is affected by all the identified key challenges.

- Population growth and changing demand – Some venues have low utilisation rates and content is expected to shift the new and refurbished venues in the coming years. There are gaps with audience interaction equipment and integration with the venues' surroundings. There is potential to tap into unsatisfied demand through scalable and flexible facilities, and target content to different age groups such as the under 35s. Fit for purpose housing means safe, secure, warm & dry, and meets the needs of the residents. Regarding our social housing stock, we have completed half of the upgrades needed to meet healthy, safe, and inclusive homes standards.
- Aging and declining condition of infrastructure – Maintenance of many of our buildings has been deferred for many years. Venues have also suffered from lack of investment in modern technology. This lack of investment impacts the operations, and ability to make the venues sustainable and useful. Our social housing is aging, not accessible, inclusive, or efficient and are no longer fit-for-purpose.
- Mitigation and adaptation to climate change – Many of our venues and buildings are subject to a range of natural hazards including flooding and coastal inundation; some are built on wharves. Refurbishing these buildings presents opportunities to reduce emissions, climate risk and be more fit for purpose, including addressing accessibility, suitability, and stakeholder needs.

Housing can also contribute to emissions reductions by being energy efficient. Our portfolio needs to be assessed for the future risks associated with climate change.

- Earthquake hazards and earthquake prone buildings – Many of our venues and buildings are situated on reclaimed land and are subject to a range of natural hazards including earthquakes. Unknown costs associated with remediation works arise due to the vulnerability of the land to seismic events, ground conditions and sea level rise. Tough decisions are needed as part of this LTP to identify the most strategic way forward. Strategic portfolio management of these buildings is necessary. The level of strengthening will need to factor in usage. This will be considered through a detailed options analysis report that will determine the future of the arts and culture and civic building portfolio. We anticipate that this will be ready for the 2027-37 LTP with investigations funded in this LTP. While our city housing portfolio is not earthquake prone, it does need upgrading to meet higher earthquake safety standards.
- Affordability and deliverability – The challenge is large, and the cost to solve it will be even larger. A strategic plan to deliver the right venues and buildings over the next 30 years is needed. We have faced challenges recently with costs increasing, and discovering issues once the building work has commenced. Management of these significant projects requires sound advice and governance to make strategically sound investment decisions in the future. Affordability has been an issue, and we have been part-funded by the Crown to be able to make these upgrades to social housing assets.

### Principal options

This activity and related solutions primarily contribute to the priority *“Revitalise the city and suburbs to support a thriving and resilient economy and support job growth.”* There is also a strong contribution to *“increase access to good, affordable housing to improve the wellbeing of our communities”* and *“celebrate and make visible te ao Māori across our city.”* We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- Prioritising growth areas – While prioritising growth areas will be considered, this is less of a consideration for this asset group, as the assets are destination assets for the whole city and in some cases for the region.
- Targeting emissions reductions to the greatest gains and operational efficiency – There is a significant opportunity to address building and energy relation emissions when we remediate and build new assets. We will focus on these opportunities when buildings are being repaired or new buildings are being constructed, but we will not be putting effort into retrofitting buildings where there would otherwise not be any construction activity.
- Grow our understanding of adaptation impacts and costs – As we take stock of the scale of the issue with our civic buildings and venues, we will develop our understanding of the adaptation needs, and take this into account when making decisions. This might include choosing not to place new buildings or rebuild in disaster prone areas but rather demolish buildings instead of remediation due to the challenges on the site.
- Strategic rationalisation to better manage the overall asset portfolios – Some of our buildings and venues have overlapping purposes. Because of the size and scale of the portfolio and the complexity and costs of the issues, we will complete the remediation projects underway, but will pause and reset to take a strategic portfolio view before making further decisions. This will

allow the council to understand what the city needs and how best to deliver.

- Prioritising interventions and the work programme for affordability – Managing, maintaining and renewing such large buildings is costly. Understanding needs is important to help make decisions about demand management, optimisation, and renewal and replacement or demolishing. Options should also include consideration of demolishing to replace and demolished and not replacing.

### Issues and options

In 2023 the Council decided to complete earthquake strengthening work already underway. The Town Hall and Library are already in progress with re-opening expected in 2027 and full completion in 2028. This is a significant expenditure of \$546.7m over 2024 to 2028.

#### **Administration buildings (CAB & MOB)**

It is unaffordable to rebuild all the buildings we own. These buildings are vacant and have been for some time. To remediate within the required timeframe, we must take tough decisions.

We will also investigate options for including Experience Wellington and WellingtonNZ in the Council office fitout.

#### **Remediation options for Te Ngākau the City to Sea Bridge, Civic Square basement, and Capital E**

It is unaffordable to rebuild or remediate all the buildings we own. These buildings are vacant and have been for some time. To remediate within the required timeframe, we must take tough decisions.

Scale of total programme costs for buildings and Te Ngākau is unknown.

A business case is under development. This will consider the most strategic and cost-effective solutions to managing the portfolio so that it best delivers on our community outcomes, and long-term sustainability.

#### **Addressing seismic issues, carbon emissions reduction and ensuring civic buildings and performance venues are fit for purpose**

Wellington has a large portfolio of civic performance / entertainment venues for a city of its size. Some of these venues are near one another and fulfil a similar market purpose, for example: MFC & Town Hall.

Addressing seismic regulatory requirements for earthquake prone buildings is mandatory.

Opportunities exist to improve performance of assets including, ability to widen audience / experience offerings. Venue utilisation, reduction of carbon emissions (response to Te Atakura), etc.

#### **Sky Stadium health and Safety**

The Sky Stadium is 25 years old. The Stadium has done well in its first 20 years and was able to remain financially autonomous and contributes to self-fund its capex and opex. This has now changed due to;

- Recent earthquakes and seismic improvements subsequently required.
- Impact of earthquakes on insurance premiums
- Covid 19 Financial Impacts

#### **Civic buildings renewals**

The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy.

#### **Basin reserve renewals**

The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy. Funding Basin Reserve asset renewals at 75% of unconstrained budget is possible because of improved asset management planning data and information.

Earthquake strengthening has been invested in, and critical safety is already addressed.

#### **Wellington Venues renewals**

The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy. Funding Wellington Venues asset renewals at 75% of unconstrained budget is possible because of improved asset management planning data and information.

#### **Social Housing Upgrade Programme**

Existing social housing assets are currently being upgraded through a partnership programme with the Crown. Providing access for all New Zealanders to affordable, sustainable, good quality housing appropriate to their needs is the vision of the New Zealand Housing strategy that drove the need to upgrade the council's social housing. In 2007 the Council reached an agreement with the Crown to develop an upgrade programme where the Crown offered \$220m to contribute to the upgrade of the portfolio to ensure the Council's social housing portfolio is safe and secure, and to a good standard for modern living. The first phase of the programme (HUP1) was completed in 2018 which saw upgrade of approximately half of the portfolio upgraded and full expenditure of the Crown grant. Planning for the second phase of the programme is underway.

Planning and delivery is currently underway. There are two active projects underway in HUP2. Aside from that working toward completing a programme business case in 2024 detailing several programme options for consideration / decision making.

#### **Housing Renewals programme**

The aging condition of existing social housing assets requires ongoing attention. But financial affordability does put significant constraint onto the programme.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Administration buildings (CAB &amp; MOB)</b>	Demolish (Adopted - note, decision to demolish CAB has already been approved)	2023	2024-2027	\$7.8m	Not being able to partner with private sector and being left with a vacant site.
<b>Administration buildings (CAB &amp; MOB)</b>	Partner with private sector to remediate or redevelop – this option is contingent on demolish option above (Adopted)	2024	Unknown	Unknown	We do not have control of the timing
<b>Administration buildings (CAB &amp; MOB)</b>	Sell as is and leave to market to remediate	2024	Unknown	Unknown	We do not have control of the timing
<b>Administration buildings (CAB &amp; MOB)</b>	Do Nothing	2024	Unknown	Unknown	Reputation risks and safety risks as two large buildings will sit idle and vacant on a key location. Risks to economic and social wellbeing of the civic precinct and the wider area Risks to Wellington Town Hall project as it relies on MOB site to address some of the “front of house” issues.
<b>Remediation options for Te Ngākau the City to Sea Bridge, Civic Square basement, and Capital E</b>	Demolish (Final decisions will inform 2027 LTP)	2027	2027-2030	\$65m	
<b>Remediation options for Te Ngākau the City to Sea Bridge, Civic Square basement, and Capital E</b>	Strengthen	2027	2027-2030	\$240m	High level of investment in assets that are exposed to climate change risk.
<b>Remediation options for Te Ngākau the City to Sea Bridge, Civic Square basement, and Capital E</b>	Do nothing	2024	NA	Unknown	The risks of doing nothing regarding the earthquake prone structures of Te Ngākau: <ul style="list-style-type: none"> <li>- Risk to the public safety in case of a major earthquake</li> <li>- Reputational risks as we pressure private owners to remediate their buildings.</li> <li>- Fines by the regulators if we do not meet our regulatory requirements.</li> </ul>
<b>Addressing seismic issues, carbon emissions reduction and ensuring civic buildings and performance venues are fit for purpose</b>	Investigate the full portfolio of civic buildings and venues deemed earthquake prone to make a strategic portfolio decision for the remaining buildings’ future, these considerations include demolition, divestment, and remediation. (Adopted)	2027	Feasibility / Investigation 2024-2027	<u>Opex</u> \$20m Capex to be identified and decisions taken for 2027 LTP.	Loss of venues (either temporarily or permanently) will impact the operations of CCO’s. Heritage status of some buildings may constrain perceived opportunities / necessitate prioritisation of investment / delivery in consideration of regulatory requirements.
<b>Addressing seismic issues, carbon emissions reduction and ensuring civic buildings and</b>	Do Nothing	2027	NA	Unknown	Unknown



Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>performance venues are fit for purpose</b>					
<b>Sky Stadium health and Safety</b>	Basic health and safety improvements to the stadium	2024	2024 -2027	\$8.9m	Need to ensure alignment with GWRC funding programme. There is a legislative requirement for us to undertake this work to ensure that the stadium remains safe for public use
<b>Sky Stadium health and Safety</b>	Replacement of the stadium	2044	2049	\$1b (unfunded)	Decisions will need to be taken as the stadium reaches end of life.
<b>Civic buildings renewals</b>	Fully fund renewals	2024	2024-34 2034-44 2044-54	\$44.5m \$52.4m \$61.8m	This is not affordable and does not make sense when the future of some buildings is uncertain.
<b>Civic buildings renewals</b>	Constrain renewals to 75% of the optimum renewal plan. (Adopted)	2024	2024-34 2034-44 2044-54	\$33.4m \$39.3m \$46.4m	Deferring 25% of renewals does carry some risk. This will be managed through prioritisation and ensuring the buildings are compliant and safe for use. This may result in an increased in maintenance in outer years. Emergency procurement would also cost more. Potential redevelopment of MOB & CAB will mean renewals not required. Library and Town Hall will not require renewals as they are being redeveloped currently. City gallery is the key asset requiring renewal.
<b>Basin reserve renewals</b>	Fully fund renewals	2024	2024-34 2034-44 2044-54	\$7.7m \$11.7m \$10m	
<b>Basin reserve renewals</b>	For affordability, fund renewals at 75% of unconstrained forecast (Adopted)	2024	2024-34 2034-44 2044-54	\$5.8m \$8.8m \$7.5m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising safety and compliance. Renewals will be prioritised together with the Basin Reserve Trust. We will support them to manage. The most important focus is the turf and irrigation.
<b>Wellington Venues renewals</b>	Fully fund renewals	2024	2024-34 2034-44 2044-54	\$31.4m \$64.5m \$68.8m	This is not affordable and does not make sense when the future of some buildings is uncertain.
<b>Wellington Venues renewals</b>	For affordability, fund renewals at 75% of unconstrained forecast for the first 10 years and focus on only buildings that have a certain future. Backlog will be addressed in years 11 to 20. (Adopted)	2024	2024-34 2034-44 2044-54	\$23.6m \$48.4m \$51.6m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising safety and compliance for public use, with detailed options analysis for the future scenarios to further inform renewals decisions from year 2. Opera House and Michael Fowler Centre require intervention in the coming years, and we are currently working through the options. Bare minimum renewals will be applied to keep these facilities functioning.
<b>Social Housing Upgrade Programme</b>	The principal option for this issue is to make best use of existing by improving the quality of living standards and undertaking seismic improvements. A	2024	2024-2036.	\$400m	This option meets the requirements of the Crown deed. Key risks for delivering the programme in accordance with the Deed requirements are: Seismic performance - one of the requirements of the Deed is to deliver building to

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
	business case is underway, this will identify options for investment. (Adopted)				67%NBS. Approximately 50% of the portfolio has had assessments complete. The remaining 50% are scheduled to be complete next year (scope risk). Re-housing of Te Toi Mahana tenants, whilst upgrades are complete. This is a key constraint to the delivery of the programme, therefore the expediency to which the programme can be delivered, therefore cost.
Housing Renewals programme	Fund renewals at 75% of unconstrained forecast for first 10 years to manage affordability in the short term. Increase the funding in years 11-20 to address the gap. (Adopted)		2024-34	\$139m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising where the greatest need is, such as accessibility and safety. It may create more vacancies, due to property condition. WCC will incur a fee, where we have to pay the rental cost to Te Toi Māhāna.
			2034-44	\$313m	
			2044-54	\$205m	

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

#### Buildings Activity Capex forecast

Year	Capital Expenditure
2024/25	124,352,362
2025/26	149,658,538
2026/27	96,888,241
2027/28	109,834,173
2028/29	101,930,188
2029/30	95,423,221
2030/31	83,330,421
2031/32	63,887,360
2032/33	40,589,235
2033/34	34,941,278
2034-2039	262,048,617
2039-2044	370,735,631
2044-2049	257,763,760
2049-2054	303,500,115
Total	2,094,883,141

Figures are inflation adjusted

## Parks & Open Spaces

### Strategic direction

Pōneke is abundant with varied and rich parks and open spaces that help support Wellingtonians to enjoy a high quality of life. Wellington provides a level of service for Parks and Open Spaces that currently receives strong public satisfaction. Our Waterfront is world class and, in some areas, like our biodiversity, the city is making significant gains and is recognised as the only major city in the world where biodiversity is improving. We base a lot of our marketing and publicity around our Waterfront and biodiversity gains.

Te Whai Oranga Pōneke (Open Space and Recreation Strategy) adopted in 2023 has a mission to have *“A flourishing network of parks and recreation opportunities, interwoven into everyday life, which supports Wellingtonians to live well and connect to nature and each other”*. Open spaces are predominantly unbuilt land that provide opportunities for active and passive recreation and support ecosystems to thrive. This includes parks and reserves, nature spaces, urban public spaces, streetscapes, coastal areas, cemeteries and urupā. They contain much of our natural environment such as waterways, forests, shorelines, and native biodiversity. Some are also equipped with recreation facilities such as playgrounds and sports fields. As the city intensifies, the importance of public open space increases. These spaces can also provide opportunities for climate resilience and adaptation.

The Wellington Central City Green Network Plan (2022) sets the direction and targets for how we green Wellington’s central city over the next 30 years. With a vision of *“thinking and living green in Wellington Central City, is the future for the planet and all of us”*, the plan proposes a well-developed continuum of green spaces, to deliver the many ecological, social, economic, cultural and public health benefits to the central city as it grows, enhancing its liveability for residents, workers and visitors.

### Asset overview

Our assets are valued (Optimised Replacement Value) at approximately \$404.3 million as at 30 June 2023 and include:

- 4305 ha of parks, reserves, and beaches
- 41.25ha of green space in the central city
- 211 nature parks
- 100km of coastline
- Wellington Town Belt and Outer Green Belt
- 387km of walking and biking tracks
- 42 coastal structures including boat ramps, wharves, and seawalls
- Waterfront public space
- Botanical Gardens and Berhampore Nursery
- 4 cemeteries: Tawa and Bolton Street (closed cemeteries), and Karori and Mākara (operational cemeteries)
- 2,000 trees in the central city (in the public realm)

### Asset condition and lifecycle

The majority of these assets are in average or better condition. Data confidence overall for this group of assets is “B – High”. All building assets condition have been assessed during 2023. Non-building assets are also assessed at regular intervals by WCC staff, as well as more detailed assessments undertaken by external partners for complex or critical assets.

Asset data pertaining to the Parks and Open Spaces portfolio is primarily maintained within WCC’s Asset Management Information Systems. Building asset information is maintained within SPM, whilst plant and equipment is captured and maintained within TechnologyOne, WCC’s ERP system – as well as being captured spatially.



Figure 15: Parks and Open Spaces Asset Condition

Note: This is a listing of ALL Parks, Sport and Recreation assets, except for buildings, aggregated up. (Plus, cemetery and botanical gardens buildings). A few exclusions have been made, being "parking network" "Stormwater" and "Systems (lighting water and solar systems)".

### How we forecast Asset renewals

Renewals of assets within this group of activities are driven from data and is determined by criticality and level of service required, as well as condition, performance and age. Additional factors such as climate change and seismic resilience are factored into decision making alongside the data driven insights.

Detailed lifecycle forecasts are captured and provided in the financial section of the Activity Management plan and summarised in the financial section of this document.

### Asset Lifecycle

Component based lifecycle analysis has been undertaken for all portfolios within this activity grouping, with multiple scenarios of renewal investment modelled and compared to an unconstrained expenditure profile to determine associated risk of deferred renewals.

The adopted scenario is based upon funding 75% of predicted renewals in years 2024 to 2033, with any deferred renewals over this period to be funded and spread across years 2034-2043. The level of risk associated with deferral of these renewals is reasonably low, with the majority of assets still remaining within an average to very good condition rating across the deferral period.

Reducing funding renewals to 75% could potentially jeopardise service delivery and asset utilisation, leading to increased reactive maintenance needs and affecting tenants or leaseholders, possibly resulting in revenue loss. Moreover, this reduction will limit the number of renewals completed annually, with prioritisation based on condition and risk level. Additionally, there are ongoing risks associated with climate change impacts and rising service delivery costs, which could result in diminishing returns over time.

This reduction may also lead to community dissatisfaction due to fewer planned improvements to facilities and services compared to community expectations expressed in recent engagements. There is a risk of gradual asset degradation over time. However, it's important to acknowledge that in some cases, the 75% funding level has resulted in increased investment in renewals, particularly in areas such as parks and open spaces.

### Level of service and performance

The council manages a wide range of assets that provide high quality public spaces and nature-based services and experiences to Wellingtonians. Utilisation and community satisfaction with these services is generally high. The current network of assets is aging, but still performing well. However, community expectations for quality parks and open space network are very high and often the level of service sought is higher than what can be provided.

Te Whai Oranga Pōneke (the Open Space and Recreation Strategy) and the Green Network Plan, together provide a framework to guide provision and investment decisions in the city's parks and open spaces network.

Renewals are programmed across these assets, but in time, with a growing population and climate change, additional demand will be placed on the infrastructure and the assets and facilities will need to be upgraded.

Parks and open space assets, especially coastal assets, will require more investment as the climate changes, storm events increase, and as sea levels continue to rise. During the period 2024-2027, detailed climate adaptation planning will be conducted for key parts of the city, and this will help inform investment choices for the 2027 LTP.

### Council's role

The Council has a key role in providing, developing, and managing parks and public open spaces across the city to meet the needs of our community and to protect our natural environment, cultural and historic heritage values. Council manages a variety of parks and open spaces from highly developed urban parks to relatively unstructured natural areas. Our open spaces also include the track network that connects them.

These spaces, places and connections contribute significantly towards social, economic, environmental, and cultural wellbeing. They are also important to our physical, mental, social, emotional, and spiritual wellness. These areas are also a critical component of the city's green infrastructure, with opportunities to implement nature-based solutions to flooding and sea level rise challenges.

Our cemeteries also form part of the city's open space network, providing important social, cultural, historic and environmental values. However, they also provide a critical public health and safety role. Cemetery services support the health and safety of the city's communities. Our burial and cremation services reduce public health and environmental risks and ensure the Council meets its legislative and policy obligations. The Council also has statutory responsibilities to provide for burials and currently operates two cemeteries (Karori and Mākara) for this purpose.

### Key challenges

This activity group is affected by four of the identified key challenges.

- Population growth and changing demand – The spatial and district plans set out a significant level of projected growth and housing intensification that will create more demand for parks

and open spaces in the central city and suburbs. The provision of quality parks and open spaces is a key part of a liveable, healthy and resilient city. Changing demographics and changing recreation trends mean our open spaces and places will also need to be more accessible, inclusive, and multi-functional to cater for a broader range of users and uses. As a city we have invested in making significant gains in our indigenous biodiversity, much of this work has been undertaken in partnership with the community. It will be important to resource existing and future programmes to sustain the biodiversity gains and investment already made.

- Aging and declining condition of infrastructure – Many of our parks and open spaces are aging and require investment to maintain or renew the assets. Examples of assets requiring investment in the short to medium term include central city and neighbourhood parks and open spaces, Mākara cemetery, the Begonia House in the Botanic Gardens, coastal boat ramps, wharves and seawalls, parts of the track network, waterfront public spaces and structures.
- Mitigation and adaptation to climate change – Climate change is leading to an increase in extreme weather events – meaning more extreme storm and rainfall events, landslips, tree failure, erosion, drought and flooding – which impacts our parks and open space assets and drives maintenance needs and costs up. Warmer, wetter weather is also increasing the need for more pest and weed control and an increased risk in biosecurity incursions. Parks and green spaces can be part of the nature-based solutions to managing floods, coastal inundation, stormwater and to increasing our city's biodiversity. The 2023 Climate Risk Assessment found 26 key strategic risks affecting Council assets. Coastal inundation causing asset damage emerged as the most material physical risk for the Council, with a total rating score double that of the next highest aggregated risk score. Assets identified as being most at risk to coastal inundation from sea level rise include water, drainage and waste assets, Council buildings, parks and reserves, and road assets.
- Affordability and deliverability – The cost of maintaining and renewing our parks and open spaces is getting increasingly expensive due to inflationary pressures such as the costs of

materials and labour (and responding to the impacts of climate change). This makes it harder and harder to close the gaps in levels of service.

### Principal options

This activity and related solutions primarily contribute to the priority *“Invest in sustainable, connected and accessible community and recreation facilities.”* There is also a strong contribution to *“improve the health of our waterways”* and *“mitigate and adapt to climate change.”* We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- Prioritising growth areas – We have undertaken investigation into parks and open space requirements across the city in response to anticipated population growth and changing demands. Te Whai Oranga Pōneke (the Open Space and Recreation Strategy) identifies the importance of well-distributed, multifunctional, and connected spaces, places and programmes that respond to Wellington’s current and future needs. We will prioritise investment as per the prioritised growth areas identified in the Spatial Plan and the District Plan. The Green Network Plan sets out four targets for the Central City over the next 10 years to complement growth, especially of residential units, in the Central City.
- Grow our understanding of adaptation impacts and costs – Increased use of water sensitive design and green infrastructure in urban parks, public spaces, and streets can help the city adapt and mitigate the impacts we are likely to see in the future, as climate change leads to more intense/ extreme events. Climate change adaptation planning will help inform future investment decisions, particularly for assets in coastal locations and identify the ways that nature-based solutions can provide multiple benefits to the city, including adapting to unavoidable climate change impacts.
- Strategic rationalisation to better manage the overall asset portfolios – This mainly applies to our tracks. We have

consistently underfunded the upkeep of tracks. It does not make sense to build new assets when we do not have the funding available to maintain what we currently have. We also need to ensure that the choices we make will contribute to our community outcomes. Te Whai Oranga Pōneke (the Open Space and Recreation Strategy) identifies gaps in service provision and the needs of the community and will guide us in delivering on this priority.

- Prioritising interventions and the work programme for affordability – This activity will contribute to managing overall rates and borrowing affordability by planning for a renewals programme funded at 75% of projected requirement. Assets with the worst condition levels will be prioritised for investment.

### Issues and options

#### **Acquisition of land for neighbourhood parks, open space and recreation to respond to growth and change**

Analysis of the suburban open space network shows that Wellington City underinvests in parks and reserves generally (compared to the region and other large cities around New Zealand) and the quality and provision of neighbourhood parks needs targeted investment to respond to an anticipated period of significant citywide redevelopment and growth (50,000-80,000 more people over the next 30 years).

The success of higher density development is contingent on a range of factors and our community expects that access to quality parks will be part of the core infrastructure investment occurring alongside city growth and change over the long term.

#### **Development of neighbourhood parks and open spaces to respond to growth and change, and gaps in provision**

Development of new and the upgrade of existing neighbourhood parks and open spaces to support a network of well-utilised, accessible, fit-for-purpose parks and recreation opportunities that meet the needs of Wellington’s growing and changing communities and respond to a changing climate.

Key barriers to using open spaces include absence of toilets, hard to travel to, feeling unsafe, not accessible, or not feeling welcome. Our

existing open space network needs to be complemented by a network of quality, easy to access parks that people can use daily.

**Implementation of the Central City Green Network Plan**

The Green Network Plan sets the direction and targets for the greening of Wellington's central city in the next 30 years to take action on the current deficit, provide for growth and to address the climate and ecological emergency declared in 2019.

The Green Network Plan has set a target of developing 2 new urban parks, improving the greening of 20 existing urban spaces, and no net loss and doubling the number of street trees (to 4000) in the central city in the next 10 years.

**Kilbirnie Park**

The 2022-23 Annual Plan approved \$5.64m for a destination skate park and the 2021-31 LTP identifies an additional \$1.5m from the Plimmer Bequest Fund for open space improvements and \$500k for play space renewal.

Investigation and planning work has been completed over last 18 months. There has been extensive public and stakeholder engagement with a high level of community and stakeholder support for the project.

Subject to LTP funding confirmation and business case approval, design and consenting to be progressed in 2024/25, with construction mid-late 2025 into 2026.

**Investment in our track network**

There is increasing community demand and expectations for trails investment, including improving the quality, accessibility and resilience of the existing trail network, as well as the development of new trails.

We are currently underfunding our trail renewals. We also have approved plans for new trail development, but these are currently unfunded.

There is a big volunteer contribution to building and maintaining tracks.

Ever increasing community demand for more walking and biking trails, increased accessibility, and off-road commuter trails. The quantum of investment required to address community demand is currently unknown.

**Begonia House**

Aging facilities, ongoing renewals and asset failures will be costly. This includes the need to replace glazing and structures, climate control systems, improved café kitchen and back of house facilities, upgrading toilets and hireable spaces.

**Renewals of Parks and Open Spaces**

Buildings across the portfolio have a recent condition assessment. The current renewal requirements are substantial and cannot be fully funded if the Council is to operate within the limits identified in the Financial Strategy.

- Cemetery
- Open spaces
- Outdoor sports facilities
- Play spaces

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Acquisition of land for neighbourhood parks, open space and recreation to respond to growth and change</b>	Acquire land for parks, open space and recreation needs to respond to growth and intensification and address neighbourhood park provision gaps.	2024	Annual budget	\$215m over 30 years (Approx \$7-8m annually)	Difficult to acquire land, especially in a competitive open market. Most land acquisition for parks and reserves is currently debt funded at the time of purchase. This investment would provide a specific budget for reserve land acquisition. Capacity to deliver is a risk –would need to scale up to manage and deliver Require resourcing for planning work to develop an acquisition programme.
<b>Acquisition of land for neighbourhood parks, open space and recreation to respond to growth and change</b>	Delay acquisition of land to later years and prioritise high growth areas. (Adopted)	2024	2030 - 2034	\$21.5m	Delaying, but planning to invest in the mid-term is the best option in the current funding environment. Risks: Difficult to respond to land acquisition opportunities as and when they come up. Any acquisition ahead of this time frame would require debt funding. Cost of land likely to increase over time. Decreasing levels of service and increasing community dissatisfaction if there is inadequate investment.
<b>Development of neighbourhood parks and open spaces to respond to growth and change, and gaps in provision</b>	Fill service level gaps and address growth and change	2024	Annual budget	\$34m over 30 years	Capacity to deliver –would need to scale up to manage and deliver an open space development programme. Requires resource for planning, investigation and design work. The development of new parks and open spaces will be contingent on the acquisition of land.
<b>Development of neighbourhood parks and open spaces to respond to growth and change, and gaps in provision</b>	Delay filling gaps in provision to later years and prioritise high growth areas (Adopted).	2024	2030 to 2034	\$13m capex \$3.8m opex	Delaying, but planning to invest in the mid-term is the best option in this funding environment. Decreasing levels of service and increasing community dissatisfaction if inadequate investment. The development of new parks and open spaces will be contingent on acquisition of land.
<b>Implementation of the Central City Green Network Plan</b>	Improve existing central city green spaces and parks and develop 2 new green spaces to provide for projected residential population growth – includes land acquisition. Frederick Street park is expected to be delivered 25/26	2024	2024 to 2034	<u>Capex</u> \$18.9M <u>Opex</u> \$1.8M (for 1000 street trees in years 1-3).	There is a deficit of green space in the central city for current users and residents. Greater numbers of people living and visiting the central city will increase demand for quality green public spaces within the built environment. Ensure the city continues to build on its liveability, sustainability and 'eco-credentials'.



Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Suburban Centres Upgrade Programme</b> Public spaces and centres development	Prioritisation of the implementation of the Suburban Centres upgrades programme – one town or suburban centre every two years. (Adopted)	2024	2024 to 2034	\$10m over 10 years (for upgrades) \$2.5m opex over 10 years	
<b>Suburban Centres Upgrade Programme</b> Public spaces and centres development	Defer suburban upgrades programme 5 years	2024	2030-2040	\$10m over 10 years (for upgrades) \$2.5m opex	
<b>Park upgrade projects</b> Kilbirnie Park	Development of destination skate park, refreshed play space and open space improvements (planting, landscaping, public access)	2022	2024/25 Master plan developed 2023 Design and consenting 2023/24 to 2024/25. Construction estimated to begin mid-late 2025	\$5.45M for destination skate park \$1.5m open space (Plimmer Bequest) \$0.5m play space renewal	Kilbirnie Park is a significant community asset and requires investment to address safety, accessibility and amenity issues alongside provision for skate and play.
<b>Park upgrade projects</b> Kilbirnie Park	Rephase development of destination skate park, refreshed play space and open space improvements (planting, landscaping, public access) (Adopted)	2024	2024/25-2025-26	\$5.45M for destination skate park \$1.5m open space (Plimmer Bequest) \$0.5m play space renewal	Kilbirnie Park is a significant community asset and requires investment to address safety, accessibility and amenity issues alongside provision for skate and play.
Grenada North Park	Develop Grenada North Park as a multi-function community sports and active recreation hub to respond to growth and sportsfield demand.	2021-31 LTP	2024 to 2028 Planning & investigation 2023/24 – 2024/25 Delivery commence 2025/26	\$14 million (capex)	Grenada North and surrounding suburbs are growing, and investment is needed to provide appropriate sports and recreation facilities. The existing Grenada North Park sportsfields are not fit-for-purpose with significant drainage issues throughout winter. Extensive earthworks and drainage upgrades are required to make the park a year-round playing venue. Installation of artificial turf would greatly enhance utilisation of the fields.
Te Aro Park	Redevelop Te Aro Park and adjacent section of Dixon Street to improve function as a central city park and	2024	2022-2026 Co-design and concept	\$3.1M (funding in LTP for partial upgrade)	There is currently \$3.1m CAPEX allocated to this project, not enough to implement a full redevelopment.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
	give effect to mana whenua aspirations		development 2022-2024. Delivery 2025-2026.	\$11m (expected cost for full redevelopment)	The project and draft concept plan have been co-designed and have support from mana whenua. Current issues with Te Aro Park include H&S issue of slippery tiles, no remaining replacement ceramic tiles, water features and lighting not functioning properly and requiring a lot of maintenance.
<b>Improvements to Waterfront public safety</b> A programme of work is underway to address concerns about public safety on the waterfront. A key focus is on improving lighting and edge protection.	Invest in safety features along the waterfront	2024	2024-2028	\$7m	Additional capital pressure for waterfront edge protection and seawalls.
<b>Rock rip-rap on the waterfront</b> Resilience challenges impacting the Waterfront, including sea level rise and more frequent extreme weather, are damaging aging seawall and rock riprap structures, and increasing maintenance costs. We can reduce the risk by investing in the renewal of seawall structures to avoid further asset degradation.	Invest in seawall renewal	2024	2024-2034	\$4.4m	Aging assets with deferred maintenance particularly within a challenging coastal environment.
<b>Investment in our track network</b>	Increase investment in the maintenance and renewal of our existing trail network (Adopted)	2024	Annual budget	\$473K per annum for renewals and \$220K per annum opex	There is a risk that trail condition will further degrade as the cost of delivering renewals does not align with the budget.
<b>Investment in our track network</b>	Invest in the development of new trails to respond to community demand	2024	2027/28	\$900K – develop new trails in Lincolnshire development area (this is the only budget allocation at present for new trail development)	There is a risk that due to the historic increase in trail length, without a correlated increase in operational budget, there will be a decrease in operational level of service. This risk has already become an issue. Climate change and increased storm events are adding to track maintenance challenges and costs.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<b>Cemetery capacity reaching its limits</b> Karori Cemetery has effectively reached its capacity. Mākara Cemetery will be reaching its capacity for various types of interment from 2038 and some denominational areas will reach capacity much sooner. We need to acquire land and develop it for cemetery purposes. Last LTP the Council approved the expansion of the cemetery.	Acquire land and develop for cemetery purposes	2021	2024 - 2028	\$1.54m land acquisition \$5.416m cemetery development	Council has statutory obligations to provide for burials. Burial and cremation services reduce public health and environmental risks. There is an urgent need to provide more cemetery land capacity in order to adequately cater for future burial and ash interment needs. The planned expansion of Mākara cemetery will provide capacity for burials for a further 40 years (approx.).
<b>Begonia House</b>	Demolish Begonia House	2024	2024-2025	\$3m	Do nothing option results in a health and safety hazard, so Begonia House would have to be closed. Therefore, the demolish option is the base option. It results in a reduced level of service for the visitor experience and heritage value, as well as loss of jobs and revenue.
<b>Begonia House</b>	Renew all end-of-life aspects (Do minimum) (Adopted – for urgent maintenance and renewals)	2024	2024-2028	\$7m	Do minimum results in maintaining facilities and meeting legislative requirements with temporary buildings for staff facilities and maintains current levels of service which do not meet inclusion and accessibility requirements and are less efficient to operate.
<b>Begonia House</b>	Basic upgrade Begonia House	2024	2024-2028	\$17.5m	Buildings are demolished and replaced, new staff facilities and improved HVAC, greenhouse, events area, café and kitchen. Double glazing. Climate control is economically and environmentally efficient. Addresses safety and structure integrity. Increases potential for year-round usage. Does not address accessibility and inclusion.
<b>Begonia House</b>	Full upgrade (preferred)	2024	2024-2034	\$20m	Site-wide renewals and upgrades and in addition to the basic upgrade, includes changing places facility and additional seating. Reduced operational costs, lower maintenance, and increase revenue potential.
<b>Frank Kitts Park</b> Frank Kitts Park is partly built over a car park that is currently vacated due to resilience issues.	Investment to support the delivery of a destination park	2024	Consenting 2024-2027 Construction 2027-2031	\$3m \$40.8m	There is a risk that investment in the Frank Kitts Park will be insufficient to deliver a destination park which meets community expectations.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
In September 2021 Council made the decision to demolish the earthquake prone car park and develop as a key destination park in the city's open space network.					
<b>Renewals of Parks and Open Spaces</b>	Funding parks and open spaces asset renewals at 75% of unconstrained budget and closing any gaps in the outer years. (Adopted)	2024	2024-2034	\$105.3m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising safety and compliance for built assets. Open spaces will follow a similar approach. Overall condition will begin to decline. Building data is up to date. Open space data is continuously reviewed.
			2034-2044	\$149.7m	
			2044-2054	\$140.7m	
<b>Renewals of Parks and Open Spaces</b>	Fully fund renewals	2024	2024-2034	\$144.6m	
			2034-2044	\$199.6	
			2044-2054	\$187.6	

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

#### Parks & Open Spaces Activity Opex and Capex forecast

Year	Operating Expenditure	Capital Expenditure
2024/25	57,535,508	15,966,685
2025/26	60,220,246	24,977,194
2026/27	62,510,612	19,941,761
2027/28	63,948,876	23,272,034
2028/29	65,096,095	47,440,207
2029/30	68,555,522	32,439,584
2030/31	72,252,731	20,391,779
2031/32	75,762,060	29,766,336
2032/33	77,866,369	24,963,847
2033/34	80,954,254	24,451,899
2034-2039	425,780,997	154,473,290
2039-2044	498,040,151	99,620,299
2044-2049	575,651,148	163,843,411
2049-2054	612,495,965	82,017,805
Total	2,796,670,534	763,566,131

Figures are inflation adjusted

## Community and recreation facilities

### Strategic direction

Community facilities are a core part of our city's social infrastructure – providing places where people can connect, participate, play, create, perform, be inspired, build wellbeing, and develop a sense of belonging and purpose. We have 277 facilities, including libraries, community centres, recreation centres, pools, community and recreation leases of land and buildings, community spaces in Council housing assets and public toilets.

The Council's [Te Awe Māpara | The Community Facilities Plan](#) (refer to Appendix 2 – Summary of community facilities issues for more detail) guides our provision and decision-making about community facilities for the next 30 years. It includes 58 prioritised actions and provides the framework to ensure we have thriving and accessible community facilities – where people connect, have fun, and belong.

In addition to Te Awe Māpara, Te Whai Oranga Pōneke (the Open Space and Recreation Strategy) provides an overarching framework and strategic direction for Council to manage public open space, recreation facilities and recreation programmes and services over the next 30 years. The strategy includes the provision of pools and recreation centres in Pōneke.

Together, Te Whai Oranga Pōneke and the Community Facilities Plan provide guidance for how future investment decisions will be made to ensure our facilities and assets continue to support quality service provision to our communities into the future.

### Asset overview

Our assets are valued (Optimised Replacement Value) at approximately \$852.2 million as at 30 June 2023 and include but are not limited to:

- 44 natural and 11 artificial sports turf's
- 108 playgrounds
- Berhampore Golf Course
- croquet facilities, tennis, netball, and basketball half courts
- 7 Skate parks

- Clyde Quay Boat Harbour and Evans Bay Marina

The Council's community facility portfolio is based on a current value of \$420 million. There are a total of 277 facilities in 282 buildings (some facilities are based in multiple buildings) including:

- 7 swimming pools (including two outdoor pools)
- 12 libraries
- 5 recreation centres, including Ākau Tangi
- 25 community centres
- 131 lease facilities across approximately 177,000 sqm of lease space (including land)
- 1 marae
- 13 community spaces in Council housing assets
- 83 public toilets.

### Asset condition and lifecycle

Data confidence overall for this group of assets is "A – Very High". All buildings in this grouping have been assessed through a comprehensive condition assessment survey undertaken in 2023. Additional to the below graphed groupings are non-building assets including playground and sports fields, playgrounds, skate parks and plant and equipment at specialised sites such as pools. The data confidence for these are also "A – Very High". WCC undertake regular condition assessments and inspections of these assets, with the majority of these being assessed within the last 3 years. Systemised capture of complex plant and equipment is an improvement plan item identified to occur over the LTP period.

The condition of assets within the built portfolio is primarily within the average to very good range, with less than 5% of assets being rated as poor to very poor. Built assets within the Marina are good to very good, however 25% of assets within this grouping are average or worse. The condition of both building and non-building assets within the grouping are detailed fully within their respective AMP's.

Asset data pertaining both to the buildings, as well as non-building assets is maintained within WCC's Asset Management Systems. Building data has been aggregated into common groupings based the primary services they deliver across the network. Alongside this asset data, centralised repositories detailing factors such as heritage listings and earthquake prone buildings is maintained and factored into and underpins any lifecycle forecasting and renewal planning decisions. Detailed assessment information is also held on plant and equipment and infrastructure assets within the portfolio – such as wharves and pilings at marinas.

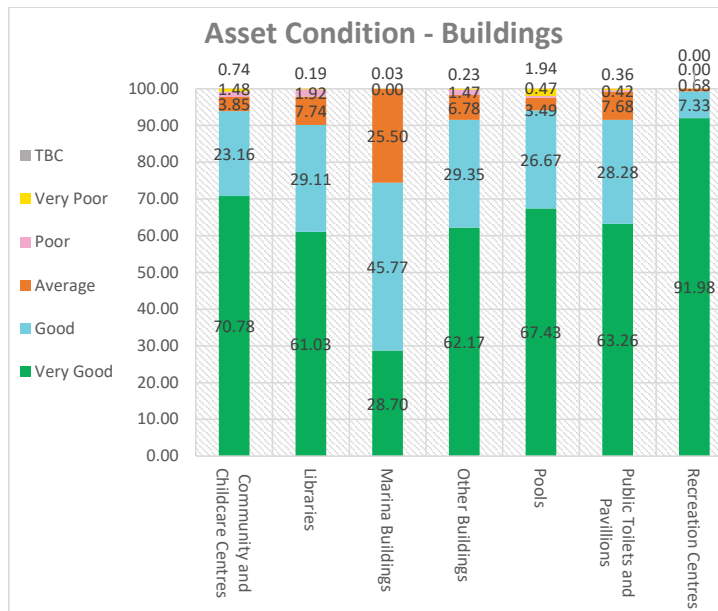


Figure 16: Community and Recreation Facilities Asset Condition

### How we forecast Asset renewals

Renewals of assets within this group of activities are driven primarily from data, stemming from robust condition assessments of the portfolio

and based upon condition, performance, cost and age. Known issues that are non-data driven are considered and factored into planning decisions, such as seismic resilience and climate change. Detailed lifecycle forecasts are captured and provided in the financial section of the Activity Management plan and summarised in the financial section of this document.

### Asset Lifecycle

Component based lifecycle analysis has been undertaken for all portfolios within this activity grouping, with multiple scenarios of renewal investment modelled and compared to an unconstrained expenditure profile to determine associated risk of deferred renewals.

The adopted scenario is based upon funding 75% of predicted renewals in years 2024 to 2033, with any deferred renewals over this period to be funded and spread across years 2034-2043. The level of risk associated with deferral of these renewals is reasonably low, with the majority of assets still remaining within an average to very good condition rating across the deferral period. The below graph is demonstrative of an unconstrained approach to expenditure to the buildings within this portfolio, and associated condition grade index. Additional lifecycle information relating to both building and non-building assets is captured and detailed within the applicable Asset Management Plan.

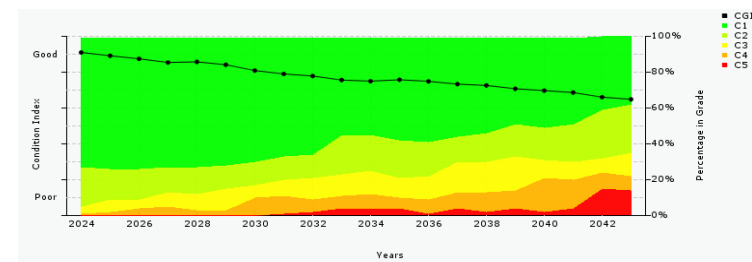


Figure 17: Community and recreation Facilities 20 Year Asset Lifecycle Analysis – Unconstrained Expenditure

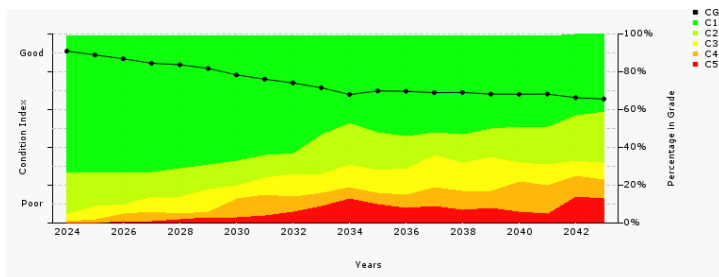


Figure 18: Community and recreation Facilities 20 Year Asset Lifecycle Analysis – 75% Constrained Expenditure

Application of the 75% funding is manageable with minimal risk. We will be keeping Community Facilities renewals to a bare minimum while the investigations as per the Community Facilities Plan take place. The focus will be on safety and compliance.

### Level of service and performance

Council provides a very wide range of assets and facilities to support its community and recreation services. The services delivered through our facilities generally have high user satisfaction (libraries 85%, community centres and hall 85%) and high community utilisation. Cleanliness, smell and maintenance of public toilets are the most significant areas of dissatisfaction.

Some of our facilities are however starting to age – the average age of our community facilities is 58 years – and this means that some of the facilities are no longer fit for purpose and/or meet community expectations. We have an over provision in facilities, mainly because of the age and smaller centres. The only identified network gaps relate to recreation centre provision and specific aquatic facilities for play and hydrotherapy.

Through our city-wide needs analysis, we found that Wellington has a substantial number of community facilities, but many are small, ageing and not fit-for-purpose. Some facilities are not fully accessible, and many do not reflect te ao Māori. There is an uneven distribution of facilities leading to overlapping catchments, diluting demand, and contributing to low use of some facilities. Besides identified gaps in the provision of

indoor recreation and some aquatic services, geographically the city is well covered, but it is the design, size and quality of facilities impacting the ability to meet needs, now and as the city grows. Wellingtonians are calling for better quality and a wider range of offerings, not necessarily more facilities.

A key level of service gap is for all new buildings and existing facilities to meet accessibility codes. We do not yet have data on this.

### Council's role

The Council provides community facilities, programmes, and experiences to encourage participation in recreational, cultural, creative, social, and learning opportunities. The physical spaces – or facilities – are the platform for community development, connection, activities, and services to take place. We know these opportunities and connections contribute significantly to our physical, mental, social, emotional, and spiritual wellness. Wellingtonians are highly engaged and really value community facilities, and there is some concern about closing facilities due to the potential impact on communities.

The Council currently owns a large portfolio of public toilets as they contribute to the maintenance of public health and wellbeing, and the private sector does not always provide public conveniences to the required level and/or quantity. We recognise that clean, well-maintained public toilets that are accessible, safe, and strategically situated are an important amenity that support people to live, work and play in Pōneke.

### Key challenges

This activity group is affected by all the identified key challenges.

- Population growth and changing demand – Many of our community facilities are small, single purpose or stand-alone, and not fit-for-purpose. Our analysis found there is little collaboration across facilities, even when buildings are situated close to each other. There is also an uneven distribution of facilities contributes to overlapping catchments, spreading demand between some facilities. Together these challenges result in lack of flexibility to cater for changing demand, increased user dissatisfaction and low use of facilities, and high maintenance and operating costs. To accommodate anticipated demand and changing community needs,

we need better facilities, not more. Geographically the city is well covered, but it is the design, size, quality and how we deliver our recreation and community facilities of facilities impacting the ability to meet needs, now and as the city grows. The exception to this is identified gaps in the provision of indoor recreation and some aquatic services, particularly pool play spaces, and hydrotherapy facilities.

- Aging and declining condition of infrastructure – The average age of our facilities is 58 years, which contributes to deteriorating condition and appeal, and increasing maintenance and operational costs. For older facilities, the design may not be suitable for current needs, and not meet modern standard to be accessible, inclusive, or sustainable. With an ageing network of facilities, there is a lot to do. The Council has many priorities and we do not have the funding to do it all at once. We therefore need to carefully evolve, by being smarter and maximising the benefits of our facilities and investment. Te Awe Māpara highlights our three oldest pools are reaching the end of their useful lives and have issues with accessibility, fit for purpose, earthquake prone and impacts of flooding and sea level rise.
- Mitigation and adaptation to climate change – Climate change is placing increased pressures on all our facilities, some facilities have been impacted by extreme weather events, it is likely these will be impacted again and more severely. In responding to climate change, we also need to reduce carbon emissions. Our swimming pools contribute to about 45% of the Council's entire building carbon emissions. We need to ensure our buildings are energy efficient and have a low carbon profile, with a focus on moving away from fossil fuels to electricity. Sea level rise and more frequent severe weather events causing flooding are having impact on some of our community facilities, particularly some of our pools.
- Earthquake hazards and earthquake prone buildings – 10% of our community centres, pools, recreation centres and libraries are seismically vulnerable, as well as other community facilities in the network. Some are in locations prone to liquefaction, tsunamis, and earthquakes.

- Affordability and deliverability – Over the last seven years there has been a 45% increase in operating costs of community facilities, driven by inflation, decreased revenue (over the period of the Covid-19 pandemic), insurance and utility increases significantly above inflation, and increasing maintenance and delivery costs. The cost of maintaining and upgrading our community facilities is continuing to rise due to the number and age of the facilities as well as inflationary pressures such as the costs of materials and labour. We need to apply consistent criteria to determine our priorities and ensure investment delivers the greatest benefits against the outcomes we want to achieve.

### Principal options

This activity and related solutions primarily contribute to the priority *“Invest in sustainable, connected and accessible community and recreation facilities.”* We will also take every opportunity to apply each of the strategic approaches.

The following shows how we have used the strategic priorities and applied the overarching principal options to identify specific options to address the key issues for this activity group.

- Prioritising growth areas – We will prioritise undertaking the investigations into local area needs first to enable better long-term planning. Any infrastructure delivery will be prioritised according to the spatial plan priority areas in conjunction with the prioritisation criteria set out in the Community Facilities Plan.
- Targeting emissions reductions to the greatest gains and operational efficiency – Council's Decarbonisation Plan outlines a programme to move away from the use of natural gas and improve the energy efficiency of many of Council's buildings including community facilities. The greatest emissions reduction gains will come from degasification of the pools. This change will also result in operational cost savings as the cost of natural gas continues to significantly increase and is projected to do so in the future.
- Mitigating climate change and grow our understanding of adaptation impacts and costs – Some of the Council's pools and marinas are key assets in this activity area affected by the impacts of climate change, including sea level rise. Climate change



adaptation planning will help inform future investment decisions, particularly for assets in coastal locations. Future community leases and renewals will take into account any impact of climate change and adaptation requirements.

- Strategic rationalisation to better manage the overall asset portfolios – In addition to the outcomes sought by the Community Facilities Plan and Te Whai Oranga Pōneke, strategic rationalisation will be a key factor for consideration in the investigations of each area's needs.
- Prioritising interventions and the work programme for affordability – Community and recreation facilities are expensive

### Issues and options

A summary of the detailed list of issues is provided in the appendix.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
Addressing ability to meet changing demands, accessibility and inclusion	Undertake investigations as per the Community Facilities Plan	There will be rolling decisions to be made as each investigation is completed	<b>Opex</b> 2024-27 2027-30 2030-34 2034-44 <b>Capex</b> 2024-27 2027-30 2030-34 2034-44 2044-54	<b>Opex</b> \$880k \$585k \$385k \$260k <b>Capex</b> \$400k \$11 m \$101.5 m \$114 m \$71.5 m	Note that the costs for physical works are unknown until such time that these 44 investigations have been carried out in partnership with community. Indicative capex costs for any physical works associated with all the 44 delivery and facility investigations could be between \$250m through to \$530m over 30 years.
Central Wellington Pool Provision (Freyberg, Thorndon & Khandallah)	Undertake a detailed needs assessment and feasibility study as per Community Facilities Plan (Adopted)	Work to be completed in first 18 months, to allow decisions on these pools to be made as part of the 2027-37 LTP	2024-26	<b>Opex</b> <b>\$120k</b>	Significant capex will be required. Retention of existing facilities is estimated to be considerably more costly than a new consolidated facility. It is noted there is a lot of community attachment to each of the existing pools.
Central Wellington Pool Provision (Freyberg, Thorndon & Khandallah)	Khandallah Pool redevelopment – new pool	2024	2021-31 Ongoing	<b>Capex</b> \$11.7m <b>Opex</b> \$1.1m p.a.	The \$11.7m cost of the pool is significant for the potential pool size (25m x 7.5m) and it comes with significant site constraints. The cost of \$62,400 per square metre of water space is approximately three times more expensive than two recent indoor pool developments (Stratford Aquatic Centre and Hawke's Bay Aquatic Centre). Indoor pools generally have a much higher cost than outdoor pools, due to the cost of building fabric, protective coatings, vapour

to build and maintain. Over the last seven years there has been a 45% increase in operating costs, driven by inflation, decreased revenue (over the period of the Covid-19 pandemic), and increasing maintenance and delivery costs. Managing demand and optimising levels of service will be a key consideration in the investigation and activity management of community facilities and services. We will follow a robust process to work with the community, understand needs, test all options, determine the best response, and prepare a business case to provide clear justification for any investment to change a community facility.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
					barriers and the need for mechanical ventilation. The high build cost, reduced pool size, and other site constraints, including limited parking, are anticipated to result in a low value outcome for the level of investment, with a potential increase in ratepayer subsidy per swim from \$25 per swim (in the 2022/23 year) to approximately \$60 to \$80. In 2022/23 the ratepayer subsidy per swim across all pools averaged \$22.
Central Wellington Pool Provision (Freyberg, Thorndon & Khandallah)	Close the pool, landscape the site (preferred)	2024	2021-31 Ongoing	<u>Capex</u> \$4.5m <u>Opex</u> \$0.34m p.a.	The landscape option would restore the stream channel, improve flooding mitigation, and create a new entranceway into Khandallah Park.
Central Wellington Pool Provision (Freyberg, Thorndon & Khandallah)	Keep Khandallah Pool open for at least 1 year, establish an advisory group, receive engineering review to identify a cheaper fix within \$7.5m budget (Adopted)	2024	2024/25	<u>Capex</u> \$7.5m <u>Opex</u> \$80k	This delays the decision on closure of the Khandallah Pool
High carbon emission profile of swimming pools	Complete degasification of the 4 identified pools (Adopted - funding to be allocated from the Climate Resilience Fund of \$14m)	2024	2024-34	<u>Capex</u> \$15.5m <u>Opex</u> \$8.4m	The project will result in lower costs to run – an average annual operating saving of \$1.37m /year. The required energy network upgrade means a project at Freyberg Pool cannot be completed prior to 2028/29. Any building and plant upgrades for Freyberg Pool will be considered as part of Central Wellington swimming pool provision.
High carbon emission profile of swimming pools	Defer (Although the Council would prefer to do degasification, the decision has been taken to do nothing for affordability reasons at this time, to be revisited in future LTPs)	2027	TBC	TBC	There is a likely ETS liability of \$344k/year by 2023 increasing to \$574k/year by 2050.
Addressing deteriorating condition and appeal of facilities Renewals includes: • Libraries • Community and childcare centre • Community halls • Pools and recreation facilities	Fully fund renewals  Fund renewals at 75% for 10 years, then increase to 125% in years 10 to 30 (Adopted)  Reduce levels of service	Every 3 years	2024-34 2034-44 2044-54	<u>Capex</u> \$60.5m \$137.3m \$148.6m	Deferring 25% of renewals does carry some risk. This will be managed through prioritising where the greatest need is, to meet the objectives of the Community Facilities Plan. The focus will be on safe and compliance buildings. But we will be keeping renewals to a minimum on buildings that are subject to review before the outcome is identified. However, in the longer term it may result in increased maintenance in outer years. Increases operational risk.

Issues	Options	Decision Date	Delivery Timing	Costs	Risks and Implications
<ul style="list-style-type: none"><li>Public toilets</li></ul>					
<b>Evans Bay Marina</b> Evans Bay marina has significant performance challenges. Some short-term renewal investment will continue to be needed until future options are decided. The Evans Bay Marina requires a considerable upgrade due to its age, and sea level rise. The operational model for this also needs to be reviewed and a decision about whether we retain this into the long term will need to be made. Decision required 2027.	Pause and reset – undertake a section 17a review to determine long term future in time for the 2027 LTP, including consideration of full upgrade of Marina, demolish and repurpose coastal area.	2027	2027 – 2031	\$15m	Requires investment until long term decisions made. Undertake a staged upgrade to spread financial risk. Heightened risks to reputation if Marina is demolished. High ongoing costs to keep marina functional, not allowing for sea-level rise and risk of asset failure.
<b>Wadestown Community Centre</b> Poorly located on a steep hill, with limited visibility, poor accessibility, no car parking, small size and open layout which limits use and flexibility to provide a range of activities. Cost of deferred maintenance est. \$660k	Sell the community centre site (Adopted)	2024	2024-2027	Proceeds estimated at \$1.38m <u>Opex</u> annual savings \$65k	In comparison to other similar community centres, there is low usage at 29.9% of the hour available to hire. Location of the site means it’s not feasible to modernise.

NOTE: Dollar amounts are indicative for out years and will be refined as more information is available and the implementation period draws closer.

Community and Recreation Facilities Activity Opex and Capex forecast

Year	Operating Expenditure	Capital Expenditure
2024/25	132,221,492	26,405,743
2025/26	142,077,210	33,357,293
2026/27	145,875,961	28,222,979
2027/28	154,244,227	23,304,959

2028/29	159,084,791	23,978,118
2029/30	162,474,471	20,456,694
2030/31	166,580,967	36,359,861
2031/32	171,574,844	51,416,136
2032/33	175,501,651	52,647,277
2033/34	181,412,344	48,601,551
2034-2039	999,457,031	219,677,288
2039-2044	1,136,796,169	227,303,913
2044-2049	1,272,068,647	169,352,223
2049-2054	1,337,161,995	106,600,162
<b>Total</b>	<b>6,336,531,800</b>	<b>1,067,684,197</b>

Figures are inflation adjusted

## Programme view of likely scenario infrastructure investments

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	
Water demand management	*				\$130M																												
Sludge Disposal		\$208m																															
Wastewater treatment plants	*	\$72m																															
Organic Waste	*		\$23m																														
Waste collection system	*	\$10m														*		\$15m															
Landfill Capacity	*	\$36m					*	\$TBC (timing TBC)																									
Carey's Tunnel Strengthening				*	\$9m (timing TBC)																												
Cycle Network	*	\$35.9m											\$62m						\$50.5m														
Public Transport priority	*	\$104.5m																															
Mass Rapid Transit								*	\$TBC / Timing TBC																								
Administration Buildings	*	\$7.8m																															
Civic Square and preceinct buildings	*	\$65m																															
Civic Buildings and Performance Venues					*	\$TBC / Timing TBC																											
Sky Stadium health & safety improvements	*	\$8.9m																															
Sky Stadium Replacement																						*	\$1b										

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054			
Social Housing Upgrade Stage 2	*	\$400m																																	
Land acquisition for parks, open spaces and recreation							*	\$21.5m		\$21.5m				\$21.5m		\$21.5m		\$21.5m		\$21.5m		\$21.5m		\$21.5m		\$21.5m		\$21.5m		\$21.5m		\$7m			
Parks and Open Spaces Development	*							\$13m		\$3m				\$3m		\$3m		\$3m		\$3m		\$3m		\$3m		\$3m		\$3m		\$3m		\$1m			
Central City Green Network	*	\$18.9m																																	
Suburban Centre Upgrades	*	\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m		\$2m			
Kilbirne Park Upgrade	*	\$5.4m																																	
Grenada North Park	*		\$14m																																
Te Aro Park	*		\$11m																																
Waterfront Improvements (Public Safety)	*	\$7m																																	
Waterfront Seawall	*	\$4.4m																																	
Cemetery		\$1.54m		\$5.4m																															
Begonia House Remediation	*		\$20m																																
Frank Kitts Park	*				\$40.8m																														
Community and Recreation Facilities Improvements	*	\$4m			\$11m			\$101.5m			\$114m							\$71.5m																	
Khandallah Pool redevelopment	*	\$4.5m																																	
Degasification of Pools					*	\$15.5m																													

NOTE: Dollar amounts are indicative and not inflated for out years and will be refined as more information is available and the implementation period draws closer.

## Appendices

### Appendix 1 – NIWA forecasting assumptions

#### Regional climate change assumptions

Climate change variables (projections) 2017

<https://www.gw.govt.nz/assets/Documents/2017/06/Climate-Change-and-Variability-report-Wlgn-Regn-High-Res-with-Appendix.pdf>

#### Climate extremes 2020

<https://www.gw.govt.nz/assets/Documents/2021/11/GWRC-2020-extremes-appendix-FINAL.pdf>

#### WCC NIWA Reports for district plan

[Sea-Level rise projections - March 2021 \(1MB PDF\)](#)

[Coastal hazards report - August 2021 \(14.2MB PDF\)](#)

## Appendix 2 – Summary of community facilities issues

The full plan can be found online here:

<https://www.letstalk.wellington.govt.nz/wellingtons-community-facilities>

### Ability to meet changing demands

We have substantial provision of community facilities in Wellington, not including public toilets we have about one facility per thousand people and 1.2 sqm per person.

Most of the facilities are small, stand-alone, and single purpose. Excluding a few very large facilities, like Ākau Tangi and the Wellington Regional Aquatic Centre (WRAC), the average size of all community facilities is 524 sqm. Small and older facilities do not cater for the range of current community needs or provide flexibility for changing needs and aspirations.

A key finding is community facilities that may have been perfect 50 years ago, are no longer fit-for-purpose for today and the future.

Geographically we have enough facilities to serve the city, however the following gaps exist:

- Recreation centres: these facilities are under pressure and there is an indicative geographic gap around Takapū/Northern and Wharangi/Western area.
- Swimming pools: we do not have enough play or hydrotherapy water in our network and there are potential geographic gaps in learn to swim provision.
- Public toilets: there may be geographic gaps in the City Centre, and at some community neighbourhood parks and beach areas.

Wellington does not need more, but better community facility provision. We need to work with the community to make careful decisions about future provision. Investment will be needed to address the identified challenges and to deliver thriving and accessible community facilities, where people connect, have fun, and belong.

### Accessibility and inclusivity of community facilities

In Pōneke there are many different communities with diverse interests, needs and aspirations for community facilities. Our analysis found across the 49 libraries, community centres, recreation centres and swimming pools, there are a range of fit-for-purpose issues including:

- 75% of facilities do not reflect mātauranga Māori or te ao Māori, with minimal or no te reo signage or visibility of Māori narratives, identities, histories, or landmarks.
- 44% of facilities have poor accessibility into or through the spaces.
- 38% of facilities are not inclusive for diverse needs, such as gender-neutral toilets, baby changing / parenting facilities and low sensory spaces.
- 15% of facilities have aspects which are unsafe for users or staff.
- The functionality of community facilities for art and creative activities is a significant limitation identified by both users and facility providers.

Investigations will be done in partnership with mana whenua, Māori, and all communities to understand the diverse needs and lived experiences of diverse groups.

### Deteriorating condition and appeal of facilities

Our analysis found across the 49 libraries, community centres, recreation centres and swimming pools, there were the following quality issues:

- 27% of facilities have significant building issues like leaks.
- 25% of facilities have insufficient capacity (size), 15% are not functional for intended activities and 27% have poor flexibility.
- 10% of facilities have seismic issues and 13% are in vulnerable locations for natural hazards.

Using the actions and consistent decision-making process set out in Te Awe Māpara, we will continue to carry out maintenance and



improvements to existing facilities to maximise the value of what we have.

We recognise in some situations, where facilities are in deteriorating condition, inaccessible, poorly located, or poor design, the option which provides the greatest value for money may be to divest an existing building and consider alternative options. Given the age of facilities, there may be times when we need to consider divestment, such as:

- A building comes to the end of its useful life.
- Need for a facility diminishes and the building cannot be adapted.
- The site where a facility is located is subject to significant resilience risks which cannot be sustainably mitigated.
- A lease/licence has expired or terminated, and the building is not fit-for-purpose or needed.

#### High carbon emission profile of swimming pools

Pools contribute 45% of Council's building carbon emissions. Swimming pools are heated and cooled with gas, and collectively are the Council's largest user of both gas and electricity.

The decarbonisation of the Council's community facilities, including the pools, is a significant part of the wider Energy Decarbonisation Plan (EDP). Delivering the EDP is critical to reach the 57% 2030 reduction target set out in Te Atakura.

The four pools in scope are: WRAC, Keith Spry Pool, Tawa Pool, Karori Pool.

Note that as part of decarbonisation, along with switching away from fossil fuels, this programme includes improving the energy efficiency of

mechanical plant such as Heating, Ventilation, Air Conditioning (HVAC) systems which are critical in the environmental control of pools (i.e. managing the air within a swimming pool complex).

#### Affordability

Community facilities are expensive to build and maintain. The Council has a community facility portfolio based on a current value of \$420 million. The cost of delivery is approximately \$64 million for the primary network of libraries, swimming pools, recreation centres and community centres. Over the last seven years there has been a 45% increase in operating costs, driven by inflation, decreased revenue (over the period of the Covid-19 pandemic), and increasing maintenance and delivery costs.

The decisions made early in the process have a direct impact on the long-term success of a facility. These decisions include the location, size, design, materials, and assumptions about how the facility will be delivered. A robust investigation process ensures all these aspects are assessed before a decision to invest is made.

In the past some decisions have not always followed a consistent process or been fully informed by evidence, which has resulted in:

- Facilities in poor locations or with design deficiencies which impact how easily people can use and access the facilities, and the efficiency of the facility to operate.
- Missed opportunities to achieve a holistic network.
- Lack of forward thinking to achieve the Council's strategic outcomes like good urban design and hazard resilience.
- Focusing on a building solution when non-building options like pricing, programming, and marketing may be more beneficial.

# Wāhanga 3: te reo to come

## Section 3: Financial Strategy

### In this section

#### Te reo to come

This section includes the full details of our Financial Strategy that underpins our Long-term Plan. This includes the key risks, demands and opportunities as well as our Local Government (Financial Reporting and Prudence) Regulations 2014 Disclosures.

## Financial Strategy

### Introduction

The Council's financial and infrastructure strategies are the main foundations for the long-term plan (LTP). The strategies are interdependent in that they together:

- tell a story about the levels of service that are planned, the required infrastructure investment, and the associated costs;
- specify the funding and investment boundaries and/or financial trade-offs in advancing the Council's outcomes, priorities, and proposed levels of service; and
- identify and guide the management of any financial risks to service delivery and the financial health of the Council.

Both strategies respond to the strategic challenges, issues and expectations faced by the city.

This Financial Strategy outlines our overall approach to managing the Council's finances over the next ten years. It provides guidance to manage financial risk, and it explains the effect of spending decisions and funding choices on levels of service, rates, debt, and investments. In the

meantime, the funding options available to the Council are limited. We must make careful decisions about what we invest in and when, to provide the required service in the most cost-effective way. We must also ensure that those generations that benefit from the services we provide are the ones that pay for those services.

This strategy also sets the limits (e.g., rates, debt) within which the Council proposes to manage its finances over the life of the LTP.

The Council is committed to responding to the needs of the community in an affordable way as well as funding long-term projects to support its vision: *Poneke: A creative capital where people and nature thrive*. However, the Council faces significant demand for increased investment in its infrastructure while investment capacity is reducing. We must also ensure that those generations that benefit from the services we provide are the ones that pay for those services.

## Part 1 - Our investment capacity and infrastructure demands

The biggest challenge for the Council is that our investment capacity is reducing but our infrastructure demands are increasing faster than our ability to fund the required work. Key contributors to this are outlined below.

### Investing in the City

The 2021 LTP established a 2040 vision for the City to be 'an inclusive, sustainable and creative capital for people to live work and play'. The 2024 LTP broadly continues this ambitious vision by investing in significantly improving services and infrastructure.

We must also focus on accommodating expected growth<sup>5</sup>. We are a compact City, and our district plan looks to accommodate this growth by intensifying existing residential areas. This may see an increase in mixed use properties (e.g., both commercial and residential).

We expect no other significant changes in land use. There are minimal operating costs associated with growth and land use change. Capital cost implications are detailed below.

To meet our vision, over the last two LTPs the Council has made strategic decisions to invest in many projects, including core infrastructure, the new build of the Tākina Convention Centre, and reinstating earthquake prone buildings such as the strengthening and modernisation of Te Matapihi Central Library and the upgrade of the Town Hall. This has been funded by taking on additional debt, which has resulted in the Council's debt more than doubling since 2017<sup>6</sup>.

While the current debt held by the Council is well within the covenant limits set by the NZ Local Government Funding Agency (who the Council

borrowed most of its debt from) we are near the limit of the internal self-imposed debt to revenue cap. As a result, we need to carefully consider what projects we pursue in the future.

In this LTP the Council is focused on delivering core services, such as waters and transport. Because of decades of underinvestment in infrastructure and the long tail of earthquake impacts on many key buildings across the city, our required investment in our core assets is significant.

Council is committing to 'looking after what we have'. There is little scope for us to significantly increase level of service targets over the next 10 years<sup>7</sup>.

### Our infrastructure demands

The Council's Infrastructure Strategy (IS) identifies significant needs, challenges and options for managing infrastructure over the next thirty years. The IS signals where asset investment or optimization (including divestment) may be needed.

The IS identifies five infrastructure challenges that are key drivers of the financial sustainability challenges addressed in this strategy:

1. **Population growth and changing demand and expectations.** Wellington has sustained a steady 1.2% population growth per year from 1998 to 2018. The forecast growth rate going forward is lower at 0.8% per year. This will still result in between 50,000 - 80,000 extra people over the next 30 years and requires approximately 24,000-31,000 more housing units. An aging population, changes to household size, more intense and

<sup>5</sup> Wellington City's population is forecast to grow 26% between 2021-2054 and the 2021-31 (Sense partners population forecast)

<sup>6</sup> As at 30 June 2017 the Council's borrowings were \$582m it is now more than \$1.4b

<sup>7</sup> Levels of service are what we have agreed to deliver to, and on behalf of, the community. These are set through the Council's LTP, sometime in response to community desire, and sometimes in response to statutory requirements.

mixed land uses, and accessibility requirements affects the range of infrastructure / services needed while increasing the demands on the existing networks across the city.

Many infrastructure networks will require more or new investment to support this forecast growth particularly the intensification of existing urban areas and along key public transport corridors as signalled in the Spatial and Proposed District Plans.

2. **The aging and declining condition of our infrastructure portfolio** - in particular water and transport networks. The age, condition and performance of our water assets is under significant stress. These assets, which were designed at a time to service a smaller population, less housing and different weather patterns, require significant on-going investment at a scale far greater than in recent years. Wellington's topography constrains our ability to add or widen corridors for our transport network. This lack of capacity shows up as congestion on the roads and creates safety issues, especially for vulnerable road users. To maximise the safety and efficiency of our network, increase the provision of safe convenient and reliable low carbon transport mode options, relocation of some space away from inefficient private vehicle traffic lanes and parking to higher capacity public transport and active mode corridors.  
To deliver these changes in our transport system, considerable investment will be required for decades, either through government or some other funding mechanism.
3. **Mitigation and adaptation to climate change.** Much of our infrastructure was planned and built before we considered the impact on carbon emissions. To reach our goal of a 57% reduction in emissions by 2030 and achieve net-zero carbon by 2050, we must rethink and redesign our infrastructure.  
Climate change is already affecting New Zealand, impacting its natural environment, economy, and communities. Without proactive adaptation, further climate-related changes are expected to significantly impact our infrastructure. Recent weather events underscore the exposure of Wellington's infrastructure to various climate-related impacts, such as extreme weather events, sea level rise, flooding, coastal inundation,

erosion, landslides, and rising temperatures.

Future costs to the Council for making infrastructure more resilient will be material. Estimates indicate that the cost of not taking action to address climate issues is seven times higher than the cost of safeguarding our current and future infrastructure.

4. **Mitigating earthquake (EQ) hazards, buildings EQ resilience and insurance cost inflation.** Wellington faces threats from earthquakes, landslides and the effects of climate change. Wellington is a hilly city. It has many bridges and retaining walls, and limited access points - these critical links must be resilient. This means ensuring they can withstand the impact of earthquakes and other natural disasters, so people can continue to access essential services.  
To be a seismically resilient city, much of our infrastructure needs to be remediated, particularly buildings and facilities. Seismic resilience is also about ensuring safety and access to lifeline services.  
Many of the Council's buildings are not earthquake-prone, but some are, and require remediation. This includes a few key public use buildings. In this environment, insurers are limiting their exposure to the region's hazards by narrowing cover and/or increasing the cost of cover.
5. **Affordability, funding and market capacity to deliver the require infrastructure investment programme.** The costs associated with maintaining, operating, renewing, and upgrading the Council's significant portfolio of infrastructure are substantial and have been increasing materially since the COVID-19 pandemic.  
Funding tools are limited, and while the Infrastructure Funding and Financing Act 2020 (IFFA) provides an 'off balance sheet' solution not impacting borrowing limits, the costs still fall to the community who themselves are facing cost increases and affordability issues. Added to this, Civil Contractors New Zealand reported that the civil construction industry face major challenges including greater uncertainty for future projects, attracting and retaining skilled people, cost escalations and supply chain issues.

Addressing these challenges has been constrained by a recent history of incomplete asset management, data maturity and under investment in asset maintenance and renewals.

Progress has been made to collect more and better information about our assets, particularly our most critical assets. We need to maintain or even increase our investment in this area to ensure we can continue to make good decisions about when investment in our infrastructure is optimal.

## The current economic environment

The economic and community operating environment has dramatically changed since the Council prepared its 2021-31 LTP. We are operating in an environment of high inflation, high interest rates and borrowing costs have increased steeply since 2021.

Insurance premiums continue to rise while access to insurance for many of Council's assets is becoming more difficult. Put simply, everything we do is costing more to deliver. While the Council's current financial position is strong with a credit rating of AA+ (negative watch) and total assets of over \$10b, the Council is now facing and addressing:

- Material near-term cost and affordability challenges; and
- Medium to long-term balance sheet and funding constraints.

Day-to-day costs have also had a significant impact on our community. Households are under financial pressure in this economic environment, with Council's main source of income being rates, careful decisions need to be made about what the community can afford.

There is growing community pressure for the Council to live within its means (i.e., deliver affordable services). Successive years of double-digit rates increases are eroding community perceptions of service affordability and rates increase tolerance – particularly as cost-of-living pressures continue.

In 2007 a Local Government rating inquiry report found that as a rough benchmark, affordability problems could arise where rates exceed 5% of gross household income. Wellington City as a whole remains below this indicative benchmark level (even when including the proposed sludge levy). However, rates across Wellington City vary greatly and there are suburbs in Wellington where the 5% affordability benchmark has been reached.

There is no easy solution. High inflation and costs (particularly the cost of borrowing) in the current economic environment is restricting what we can afford to do.

The 2023 Future for Local Government review found that local authorities face significant funding challenges constraining their ability to deliver services to their communities, meaning there is limited capacity or resource to work with communities on more complex challenges. It also noted that the current local government funding and financing system is not sustainable<sup>8</sup>.

We will work collaboratively with other councils and central government to seek changes to provide a sustainable funding model for local government and support new ways to deliver core services. For example, supporting the establishment of a new style of regional council-controlled organisation that has the mandate and financial sustainability to ensure the provision of a safe, reliable, quality water service for our communities.

In the meantime, the funding options available to the Council are limited. We must make careful decisions about what we invest in and when, to provide the required service in the most cost-effective way.

## Managing future risk

While we need to think about the immediate cost pressures, we also need to make sure we can respond to future challenges and natural disasters.

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<sup>8</sup> Review into the Future for Local Government (2023) He piki tūranga, he piki kōtuku, Wellington: New Zealand.

Our balance sheet currently lacks the resilience to meet possible future events, which we are looking to address through this financial strategy.

The Wellington region has numerous large known faults such as the Wellington and Ohariu faults. The 2022 revision of the National Seismic Hazard Model estimates the likelihood of future earthquake shaking hazard to have increased throughout most of the country. Further, recent weather events in New Zealand have highlighted the impact of a changing climate.

If such an event were to occur in Wellington, we need to have the financial capacity to respond accordingly. The Council’s current investment portfolio effectively has two main assets (WIAL shares and ground leases) and is highly exposed to disruptive events such as the COVID-19 pandemic or natural disasters.

## Part 2 – Responding to Council’s financial challenges

The Council is committed to responding to the needs of the community and the aspirations for the City’s future. The budget and investment programme in the 2024-34 LTP underpins the vision and the nine LTP strategic priorities guiding the Council’s LTP work programme.

In addition, the development of this strategy and future financial decision making is informed by the advice of the 2023 Citizens’ Assembly Pilot (the Assembly). Relevant recommendations of the Assembly are that the LTP, as part of its medium-term focus, look to diversify revenue streams, advocate to central government for legislation changes to access alternative revenue streams, considers investments and partnerships to supplement rates revenue and prioritising capital spend according to affordability.

In this environment our ability to maintain the pace of delivery for our capital investment programme and maintain prudent financial planning and management is increasingly under pressure. To address these challenges, the Council is planning to:

1. Continue to invest in the city but rephrase and reprioritise the capital programme of works, with a focus on completing projects that we have started, looking after our existing assets, and meeting regulatory requirements.
2. Seek opportunities to increase non-rates revenue and make efficiencies and some reductions in levels of service to manage immediate cost pressures.
3. Make better use of investments to better deal with the risks and external costs pressures more effectively. This includes diversifying the Council’s investment portfolio. The Council’s investment assets are highly concentrated in terms of geography, asset type and liquidity.
4. Look for long-term solutions for local government funding and financing, including continuing to advocate and support change for the establishment of a new style of regional council-controlled organisation that has the mandate and financial sustainability to

ensure the provision of a safe, reliable, quality water service for our communities.

### Continued investment in assets

The IS provides details of the level and timing of investment needed to operate, replace, renew and upgrade existing facilities over the next 30 years.

The Council primarily borrows to pay for the construction/purchase of new assets. These assets generally provide new or enhanced benefits to Wellington for many years. Borrowing therefore has the advantage of being a cost-effective and equitable way to fund these assets as it spreads the cost of the asset over the future generations of ratepayers who will benefit from the use of the asset.

If the capital expenditure relates to the replacement (renewal) of an existing asset, that expenditure will be initially funded by borrowings but be repaid by rating for depreciation over the life of the asset. Any surplus rate funded depreciation, after paying for the replacement of Council assets, will be used to repay borrowings.

The increased investment in infrastructure to provide for growth is proposed to be recovered in part through development contributions. However, the Council also funds growth infrastructure through debt. Over time as new lots are created and new houses and apartments are built across Wellington there will also be more properties to share the rates across, reducing the impacts on existing ratepayers.

The Council must operate within its debt covenant levels and therefore there are limitations on the level of investment in assets it can undertake based on the amount it can afford to borrow. The Council borrows from the NZ Local Government Funding Agency, who set a debt to revenue ratio covenant of 280%. The Council has set its own debt to revenue ratio limit at 225%. The Council’s debt to revenue ratio limit has historically included a provision for insurance headroom of \$272m. This amount was set in the 2021-31 LTP and reflected the “gap” in insurance coverage available to the Council. The current financial strategy retains the

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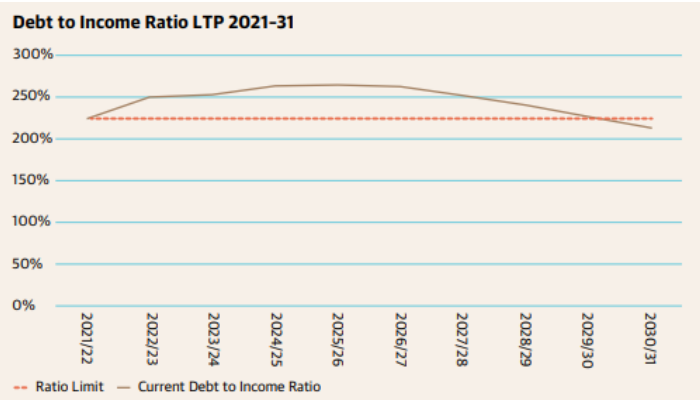


insurance headroom for the ten years of this plan, and reflects the Council’s desire to retain borrowing capacity in the case of a shock, particularly until the Council has alternative capacity to respond to such events.

The Council’s own limit has been set giving regard to:

- The Council having the future cashflows to repay the debt;
- The ability of ratepayers to service debt – including both interest and repayments;
- Having necessary debt facilities, credit rating and security in place, which is achievable over the medium to long-term; and
- Maintaining financial headroom to deal with unknown shocks.

In preparing its 2021-31 LTP, the Council was forecasting to breach its debt to revenue limit in the first seven years of the plan. While the Council’s actual debt to revenue ratio has not exceeded the 225% limit to date, debt has still increased significantly.



With significant increases in construction costs, the scope of works being undertaken (for example the cost of the Town Hall remediation being significantly higher than planned) and the size of the Council’s capital expenditure programme, the Council is expected to exceed its own debt to revenue limit (including the insurance headroom) in this LTP period.

However, there is a need to manage the costs of the Council’s future capital programme to ensure that debt can be managed, the Council operates within its own debt to revenue limit over the ten years of the plan, and does not breach the debt to revenue covenants set by the NZ Local Government Funding Agency.

Another critical impact of funding capital expenditure through increasing debt, as well as through depreciation funding, is on future operating expenditure (and therefore on future rates). As both our asset base and our level of debt grows, so do operating costs of debt financing and asset management and renewals. These increasing cost pressures include:

- Increasing interest payments as the debt principal increases
- Increasing depreciation as the value of total assets increases
- Increasing costs of operating costs such as repairs and maintenance and insurance.

To respond to these pressures the Council has reprioritised and rephased the capital programme using the following principles:

- Complete works underway - examples include things like the Town Hall, Te Matapihi Central Library, parking enforcement technology roll-out etc.
- Deliver what is legislatively or contractually required – examples include Phase 2 of the Housing Upgrade Programme, multi-year contracts, earthquake strengthening; and
- Invest in areas where there are material infrastructure challenges e.g., three waters.

The remaining capital works programme has been rephased, reprioritised and rescope so that it is evenly distributed over the ten years of the plan or beyond and fits within the available budget parameters.

Growth

Forecasts indicate steadily ageing population and smaller households as family sizes continue to decline. The population is seeing an increasing proportion of people in the 55-to-85-year age brackets, and the 20-to-30-

year age group. There is a decreasing proportion of the population in the under 20-year age bracket and the 30-to-50 age group.

National population projections from the 2013 disability survey indicated a 45% increase in disabled population to 2038 compared with 31% increase in total population. The same survey indicated nearly 60% of people over 65 identified as disabled. Changing demographics affects the range of services we need to provide and demands on networks across the city – and long-term changes to household size, more intense and mixed land uses, and accessibility requirements.

The Council is planning to accommodate the growth of the city predominantly through intensification of existing urban areas and along key public transport corridors as set out in the Spatial Plan and Proposed District Plan. This will require new infrastructure including higher capacity public transport corridors to sustain growth, and existing infrastructure to be upgraded.

#### Capital Expenditure

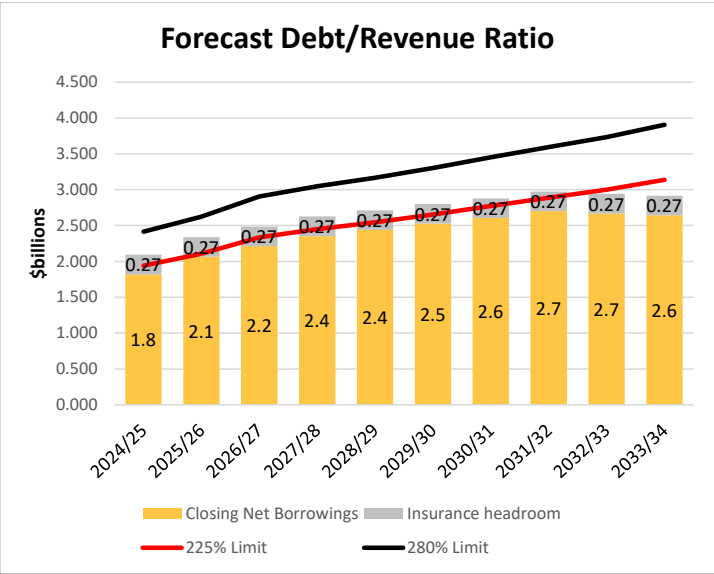
The Council is investing \$4.9b in its capital programme over the 10-year period of the 2024-34 Long-term Plan. The below table shows the total

cost of capital projects over the 10-year period of the 2024-34 Long-term Plan categorised by type of expenditure.

2024-34 Long-term Plan				
	Renewals	LOS	Growth	Total
Activity Group	(\$000s)	(\$000s)	(\$000s)	(\$000s)
Water supply	168,264	177,164	1,677	347,105
Wastewater	394,367	482,698	7,729	884,793
Stormwater	53,014	153,954	1,677	208,646
Transport	434,038	309,306	400,268	1,143,612
Other Activity Groups	1,517,703	636,954	158,199	2,312,856
<b>Total Capital Expenditure</b>	<b>2,567,387</b>	<b>1,760,077</b>	<b>569,551</b>	<b>4,897,014</b>

Debt

The Council’s net debt is expected to increase to \$2.9b (including insurance headroom of \$272m) by 2033/34.



The forecast shows that the Council will exceed its debt to revenue limit, for the first eight years of the plan, however it gradually returns within its limit in year nine. If we exclude the insurance headroom and look at the debt proposed to be drawn down, then the debt to revenue limit is not exceeded.

The debt to revenue ratio reduces from year 8 mainly due to surplus depreciation funding that is not spent on renewals. It is important to note that surplus depreciation is expected at this point in time due to the increased investment in new assets that are being depreciated

incrementally over their useful life. Renewal of assets have been phased over the ten years due to affordability restraints which means postponements to some maintenance and renewal work. Funding for renewals from Year 11 onwards is planned to increase due to the rephasing and postponement in Years 1 to 10.

The Council will need to continue to monitor its capital programme to ensure it remains within the debt to revenue limit, this will act as a key metric in making future capital expenditure decisions.

Risks to levels of service

Transport

We have a higher cost of transport road maintenance in Wellington City relative to other councils with similar transport networks. The sub-structure of Wellington’s roads consists of flexible, highly water susceptible clays. This creates issues with the maintenance of the network. The construction of a roading network within the topographical constraints of the area has resulted in the need for a substantial number of structures across the district. This steep topography also requires an extensive network of drainage assets as we need to control the stormwater runoff. These combined challenges create a cost of maintenance environment which is high and there is no easy solution.

High axle loads from Electric busses is also leading to accelerated pavement deterioration on bus routes.

We also have an aging asset base which becomes more expensive to maintain while delivering the service levels our customers expect.

In this LTP we are planning to fund renewals at 75% of what is forecast in the asset management plans for transport. In doing so, we will seek value for money options through good procurement practices and review programme options for more cost-effective options. Deferring 25% of renewals does carry some risk that levels of service received by the community is lower than planned. This risk is mitigated by having very high confidence in the condition of the roading network, with recent and

ongoing assessments of data taking place for the entire portfolio. We will prioritise renewals where the greatest need is, such as, safety, resilience, connectivity, and mode shift.

### Three waters

While this LTP prioritises investment in water supply to address the number of water leaks and the risk of a water shortage, there are a few wastewater and stormwater projects that are not proposed to proceed in the next ten years. The Moa Point and Western Wastewater Treatment Plants require significant renewals as many of these assets are at the end of their useful life. While investment will occur, it is not at the level recommended in advice from Wellington Water, who manage the asset. Funding is included budget to progress concept design of core activity to allow further prioritisation and can be quickly implemented if failure occurs. Taking this approach increases the risk that there may be periods of non-compliance with consents, odour issues and impacts to water quality.

### Unplanned Events

Unplanned events require earlier than planned investment (e.g., Civil Defence emergencies, natural events, river slips, fire, theft, and safety concerns). These events, if they occur, could result in significant unplanned operating and capital costs. The Council has mitigations that can be executed in the case of such an event. The Council's debt to revenue limit is lower than covenants that would be set through lenders. Further, the Council currently maintains insurance headroom of \$272m within its forecasted debt to respond to emergencies such as those caused by natural hazards and extreme weather events.

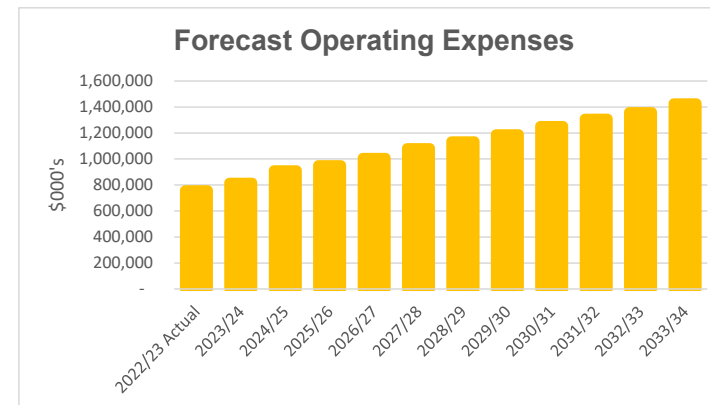
As part of this LTP the Council is looking to establish a perpetual investment fund. This fund could provide accessible funding in the event of a natural disaster or unplanned event, if required. Refer to improving balance sheet resilience section below.

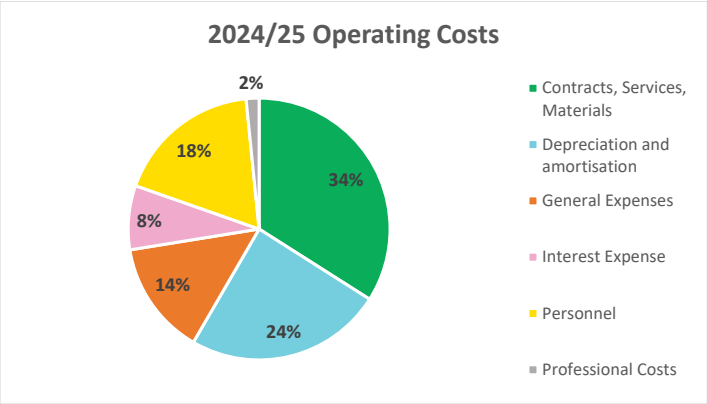
## Addressing the immediate affordability challenge

### Paying for the city's everyday cost

Everyday costs should be paid for from everyday revenues. If we fail to achieve this, the everyday costs are funded by increasing debt. This means existing ratepayers are not paying for some of the services and amenities being provided to them. Using debt to fund everyday costs also means future ratepayers will pay for this cost, including interest. This is neither prudent nor sustainable.

The costs to undertake Council services are higher than previously anticipated. Next year alone, we're forecasting cost increases for depreciation (the cost of looking after our existing assets); \$26m, interest \$11m and inflationary pressures). Operating costs are forecast to be \$1.4b by 2033/34, an increase of 75% from the 2023/24 Annual Plan.





To mitigate the increase in everyday costs the individual budgets included in the draft LTP have been scrutinised and refined. This has been a rigorous process over the last year. The focus has been on ensuring we’re delivering core services. For example, we have cut back spending on removal of graffiti and events, including the annual fireworks display.

Depreciation

In the 2022/23 Annual Plan, due to a significant revaluation increase of the Council’s water infrastructure assets, it was decided that the depreciation on the Council’s water assets would be funded by rates based on the quantum of the three waters renewals capital programme for 2022/23 and 2023/24, and the Council would return to fully rates funding the depreciation by 2028/29. Based on this, it was resolved that the Council considered that it was financially prudent based on Section 100 of the Local Government Act 2002.

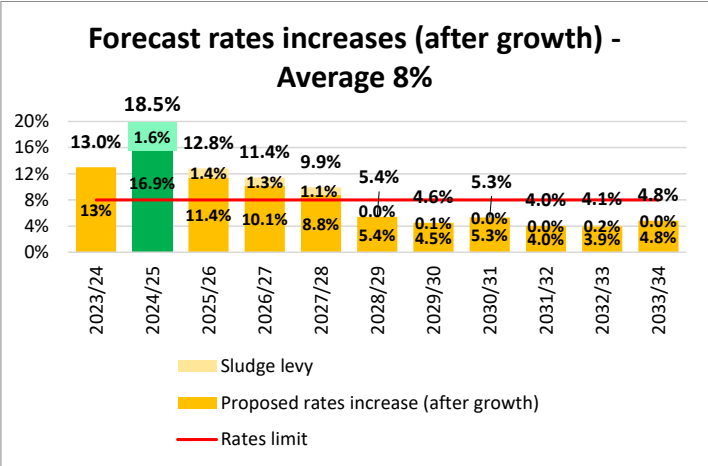
The Council has made further decisions to not rates fund the depreciation on some assets that are unlikely to be renewed at the end of their useful life. This means that the Council is not collecting sufficient revenue to

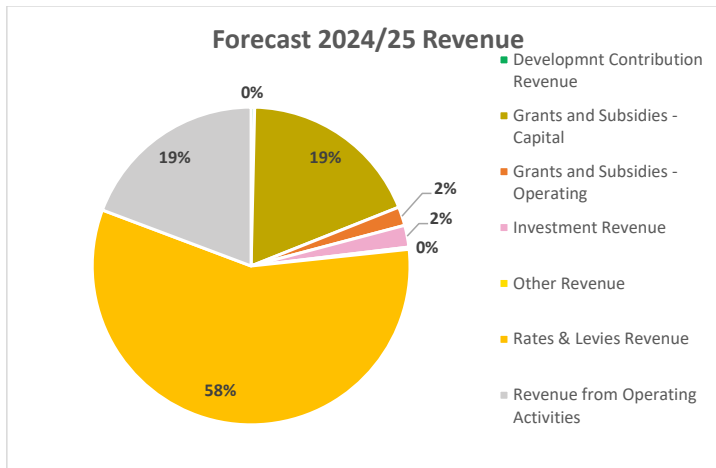
cover its operating costs resulting in an unbalanced budget, which the Council has agreed is financially prudent.

While we are not fully rates funding depreciation, we are still collecting sufficient revenue from rates to fund renewals planned during the ten years of this plan.

Rates

Rates are the principal source of funding for the Council’s activities. However, where the user of a service can be readily identified and charged, we generally set fees and charges that cover the costs of providing that service. The Council places a high reliance on revenue from rates. In 2024/25, the forecasted revenue from rates is expected to be 58% of total revenue. Exploring new revenue streams and central government funding will continue to be a priority throughout the period of the 2024-34 Long-term Plan.





The Council's rating system has been considered with the intention that it represents the most appropriate rates options to address the present and future needs of the city. The Council has set a rates increase limit of between 5-8% (excluding the sludge levy) on average over the ten years of the Long-term Plan, however higher rates increases in the early years of the Long-term Plan are necessary to continue to fund the current levels of service. The average rates increase for the 2024-34 Long-term Plan is 8%. The Council will need to make prudent financial decisions to ensure it remains within this limit.

The basis for the rates increase limit is to balance affordability with increased investment required in our infrastructure. On average Wellington residents pay a lower share of their household income on rates compared to surrounding areas. Many residents benefit from relatively high incomes comparative to the New Zealand average. We also have a significant commercial sector that allows residents to afford higher levels of services than other smaller centres. The 2007 Shand

report reviewing Local Government rating suggested a benchmark of rates around 5% of household income being affordable. There are however suburbs that are nearly paying 5% of their household income.

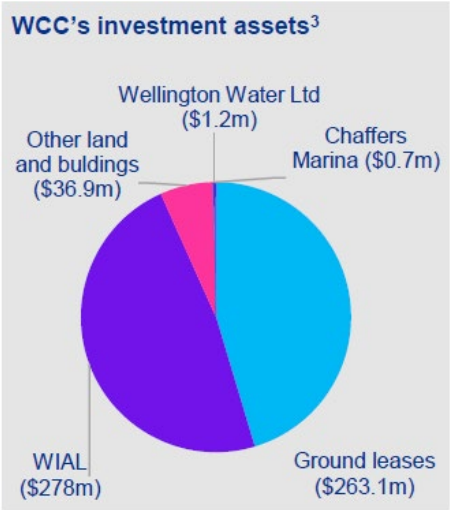
In July 2024, the Council will be introducing a new sludge levy to fund the cost of the new Moa Point sludge minimisation facility. This was approved under the Infrastructure Funding and Finance Act 2020 (IFFA), we consulted on this option through 2021/2022 and received support from the New Zealand Government (Cabinet and the Minister of Housing) in August 2023. We are collecting the levy on behalf of the special purpose vehicle owned by Crown Infrastructure Partners. The cost of the sludge levy for ratepayers needs to be considered when assessing affordability for our ratepayers.

### Improving Balance Sheet resilience

There are two main challenges to the long-term resilience of the Council's balance sheet – firstly, the Council's investment assets are not appropriately diversified, and secondly, the capacity available to insure Council's assets is becoming increasingly constrained.

#### Lack of diversification in the investment portfolio

The Council's investment assets are highly concentrated in terms of geography, asset type and liquidity. The investment portfolio has two main asset classes – WIAL shares and property ground leases – which make up 93% of the Council's investment assets. Both these classes of assets are highly exposed to the same risks and disruptive events, including natural disasters and market events, due to the fact that they are all property assets based in Wellington. Because they are exposed to the same risks, the Council may have limited ability to liquidate these assets if it needs funds to contribute to a recovery effort following a natural disaster or significant market disruption. With changes to national hazard modelling (discussed below), the likelihood that the Council would need to release capital following a natural disaster has increased significantly.

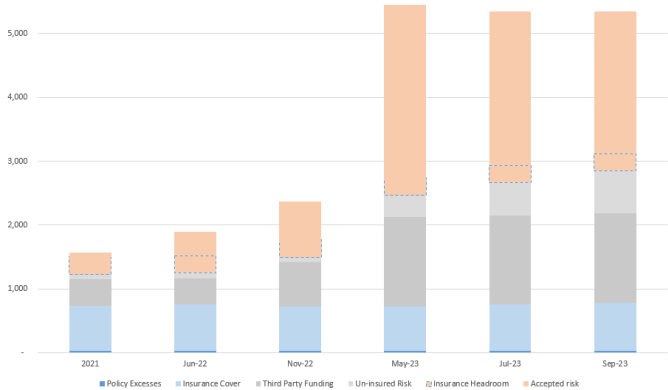


Cost and availability of insurance

Insurance premiums are increasing, and, in some cases, insurers are reducing the levels of cover available to manage their overall exposure to Wellington. The effects are being felt by both private and public property and asset owners. Compounding this, is the continued increases in building and infrastructure valuations which drive increases in the cost to replace assets leading to increased insurance premiums. These trends are forecast to continue in the future.

The release of the 2022 National Seismic Hazard Model has further increased the Probable Maximum Loss from a major event for many of the Council's assets. This means the financial impact of a seismic event is greater than previously thought. Additionally, recent weather events across New Zealand have highlighted the reality of climate issues and their impact, alongside more well understood seismic risks.

The combined effect of changes in loss modelling, and the impact of cost and availability of insurance is that the Council now has a significantly higher proportion of uninsured risk than it did when it set the 2021-31 LTP. The \$272m debt headroom the Council holds to cover uninsured risk is now far from sufficient to cover expected losses after a major event.



Reshaping the investment portfolio to achieve greater resilience

As a result of work undertaken over the last couple of years, including the work the Council has been doing on an insurance road map, the Council is planning to divest its holding in Wellington International Airport Limited to invest the proceeds into a new Perpetual Investment Fund. A Perpetual Investment Fund is an investment fund that is intended to continue forever.

Along with the WIAL shares, the Council intends to use the proceeds from periodic sales of selected ground leases to further capitalise the new fund. The proceeds in the fund would be used for the long-term benefit of the city by providing critical, accessible funding in the event of a natural

disaster while continuing to supplement rates revenue through a conservative annual dividend stream.

Other councils have taken similar action to manage their portfolios and enable long-term investment in their communities. Particular examples are the New Plymouth District Council Perpetual Investment Fund, the Dunedin City Council Waipori Fund and the Hawke's Bay Regional Council Future Investment Fund.

The benefits of recycling the Council's investment assets in this way are:

- Reduced geographic concentration meaning not all assets are subject to the same disaster risks and returns are decoupled from the performance of Wellington CBD.
- Increased diversification of the portfolio via the introduction of a new financial asset class and a reduction in exposure to the property sector.
- Increased liquidity of the portfolio to ensure funding is available for the Council in the event of a significant natural disaster and that the capital can be available at relatively short notice and with low exit costs (albeit only as a last resort).
- The investment portfolio can be matched to the unique risk tolerance of the Council
- Enable the Council to pursue other objectives. For example, Environmental, Social and Governance (ESG) factors can be taken into account when making investment decisions.
- Maintaining financial returns for the Council, albeit through new revenue sources including dividend and interest income.
- Improve intergenerational wellbeing through the building up of investment wealth and reduced reliance on future rates increases
- Reduces the Council's reliance on debt headroom as a way to manage insurance risk, which frees up debt capacity for other Council priorities (e.g., capital or infrastructure investments)

- The Council will also continue work on the insurance road map and through this work, consider strategic ways to deploy capital to get the best out of available options. These could include exploring new alternative insurance solutions (e.g., parametric insurance, captive insurance), or further changes to the shape of the Council's asset base.

### Advocating for change in funding and financing for local government

The current economic environment has created significant challenges in setting the LTP budgets and balancing the need to invest in the City's infrastructure while still delivering the services Wellingtonians have come to expect. The infrastructure demands and needs will continue to grow. While, in the future, the economic conditions may improve the funding and financing system for local authorities is not sustainable.

The Council has taken up new financing mechanisms as they have become available, such as setting a levy in accordance with the Infrastructure Funding and Financing Act 2020 to fund the Moa Point sludge minimisation facility. The Council also supports future change, including the establishment of a new style of regional council-controlled organisation that has the mandate and financial sustainability to ensure the provision of a safe, reliable, quality water service for our communities.

We will continue to work collaboratively with other councils and central government to seek changes to provide a sustainable funding model for local government and support new ways to deliver core services in the medium to long-term.

## Appendices – Other mandatory financial strategy disclosures



## Financial Investments and Equity Securities

We hold investments in companies and trusts, property, and cash. The full policy on the Council's investment management can be found in the Investment policy: [Investment and Liabilities Management Policies - Plans, policies and bylaws - Wellington City Council](#).

### Investments in companies and trusts

The Council has investments in five companies and interests in three Trusts. The primary reason for holding equity in these entities are principally to achieve efficiency and community outcomes and not for financial return on investment.

Company	Shareholding	Principal Reason for Holding	Targeted return
Wellington Cable Car Company Ltd	100%	Maintains and operates Wellington's iconic Cable Car	Nil
Wellington Regional Economic Development Agency Ltd (WellingtonNZ)	80%	The city and region's economic development organisation	Nil
Wellington Waterfront Ltd	100%	Acts as bare trustee for the Waterfront project	Nil
Wellington International Airport Ltd	34%	Optimise the return on the overall investment portfolio and to diversify the Council's income sources	Between \$10m and \$30m per annum
Chaffers Marina Holdings Ltd	9.93%		Nil
Civic Financial Services Ltd	4.78%	Insurance and risk management	Nil
New Zealand Local Government Funding Agency Ltd	8%	Borrowing	\$100k per annum
Trust	Shareholding	Principal Reason for Holding	Targeted return
Karori Sanctuary Trust (Zealandia)	100%	Manages ongoing conservation and restoration work at its sanctuary in Karori	Nil
Wellington Museums Trust (Experience Wellington)	100%	Manages educational and cultural facilities and experiences	Nil
Wellington Zoo Trust	100%	Manages the Wellington Zoo, provides experiences and education and supports conservation initiatives	Nil

### Investments in property

The Council's ground leases, and land and buildings are held primarily for investment purposes. The Council periodically reviews its continued ownership of investment properties by assessing the benefits of continued ownership in reference to strategic benefit, financial return, risk, and opportunity cost.

### Cash

The Council operates on a "net debt" basis and does not separately maintain significant long-term cash investments. The general policy with respect to surplus short-term cash is to invest any short-term surplus cash or to temporarily reduce borrowings.

Cash is held for liquidity purposes like the prefunding of debt maturing within 18 months, or short-term cash surplus investments. The Council has an external lending covenant relating to liquidity whereby we must hold 115% of liquid assets over debt, this is supported by cash held in current accounts and term deposits.

### Policy on Giving Security for Borrowing

To borrow cash, we must offer our lenders security, just like residents do with their mortgage.

Like most councils, debt is secured against rates income. Lenders like this as security and it helps keep our interest rates low. Giving rates as security means that our lenders can make us charge ratepayers more to repay debt. That is why it is important to keep our debt at a sustainable level.

We may also offer other security, including physical assets, in certain circumstances. The full policy on giving securities can be found in the Liability Management Policy: [Investment and Liabilities Management Policies - Plans, policies and bylaws - Wellington City Council](#).

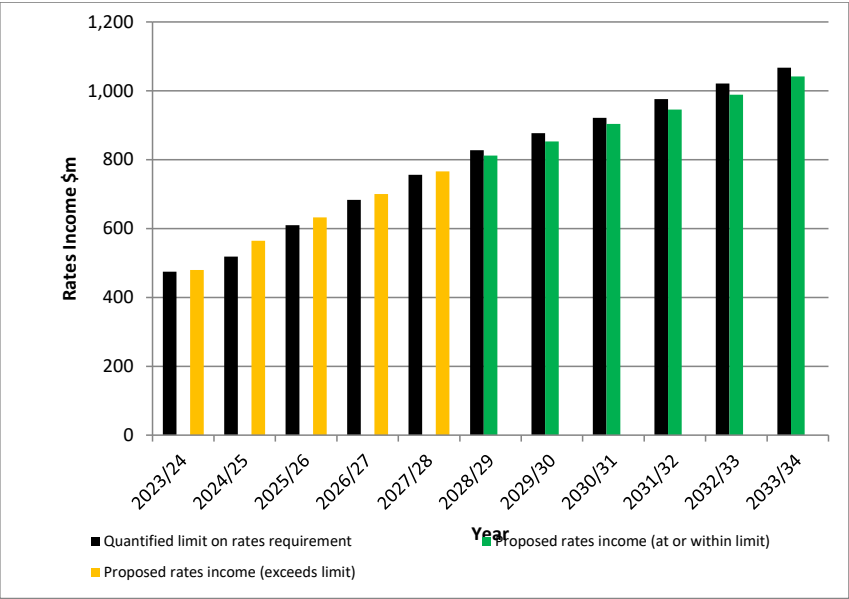
### Local Government (Financial Reporting and Prudence) Regulations 2014 Disclosures

We have included the Disclosure Statement in this Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. The purpose of this statement is to disclose our planned financial performance in relation to various nationally consistent benchmarks. These benchmarks enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

These measures allow for comparison of financial performance with other councils. However, readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wellington City Council's results with other councils due to their size, location and provision of services.

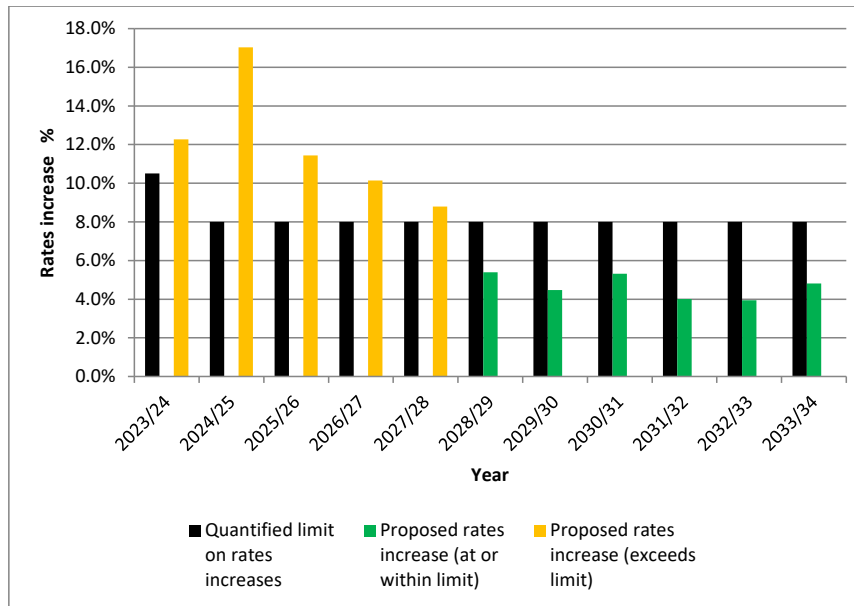
Rates affordability benchmark

The following graph compares the council's planned rates increases with a quantified limit on rates included in the financial strategy. The quantified limit is an average rates increase of between 5-8% over the ten years of the LTP.



### Rates (increases) affordability

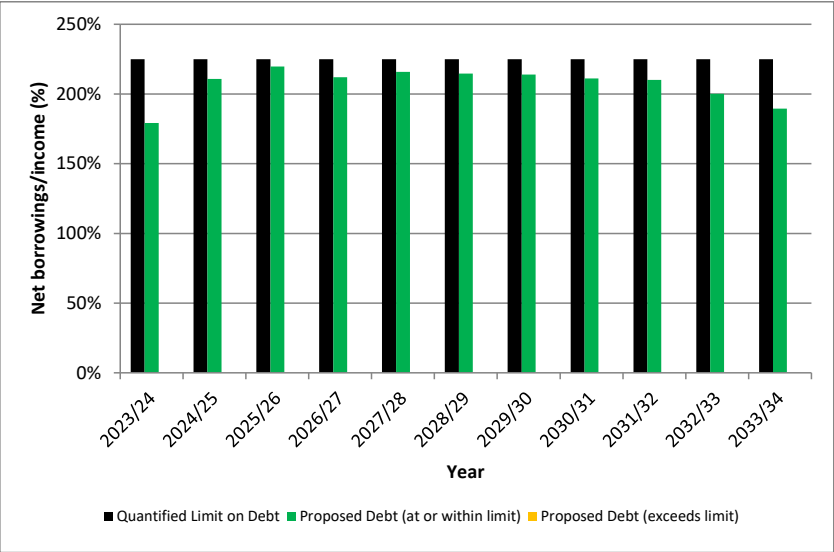
The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is an average rates increase of between 5-8% over the ten years of the LTP.



Debt affordability benchmark

The following graph compares the council's proposed borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 225% of income. For this measure income is defined as total revenue less vested assets and development contribution income. Note that this excludes the \$272m for insurance headroom.

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowings.

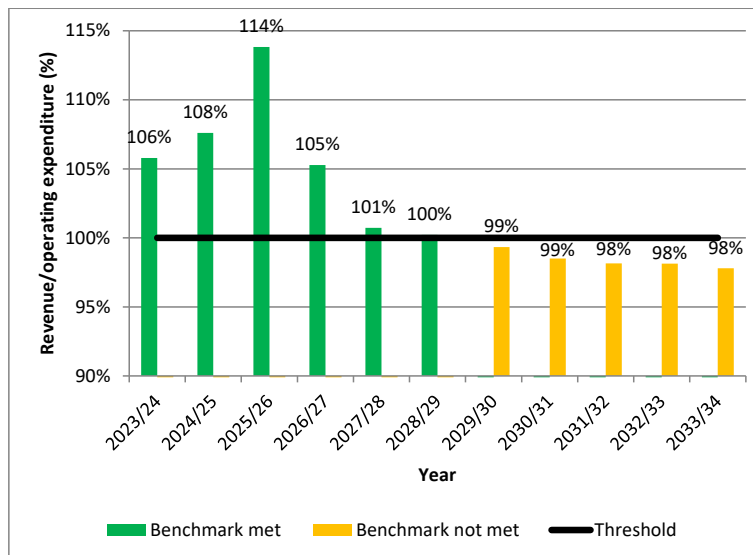


### Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, revaluations of property, plant, or equipment, and gains on sale of investment in associates) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.

Where council does not meet this benchmark, this is due to some of the planned operating expenditure being initially debt funded and in some cases is then rates funded to repay the debt for the purposes of inter-generational equity. The first three years includes capital revenue for the sludge minimisation facility.

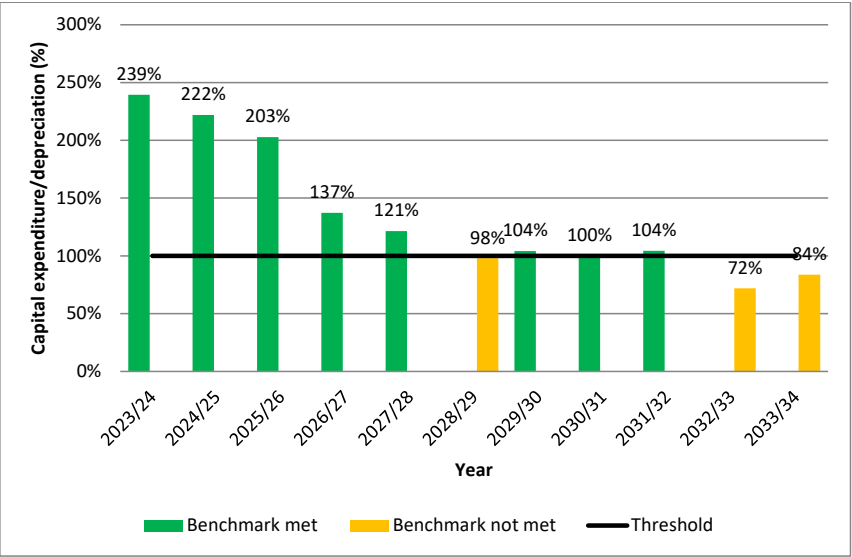


Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services. Essential services comprise expenditure on the three waters and transport.

The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

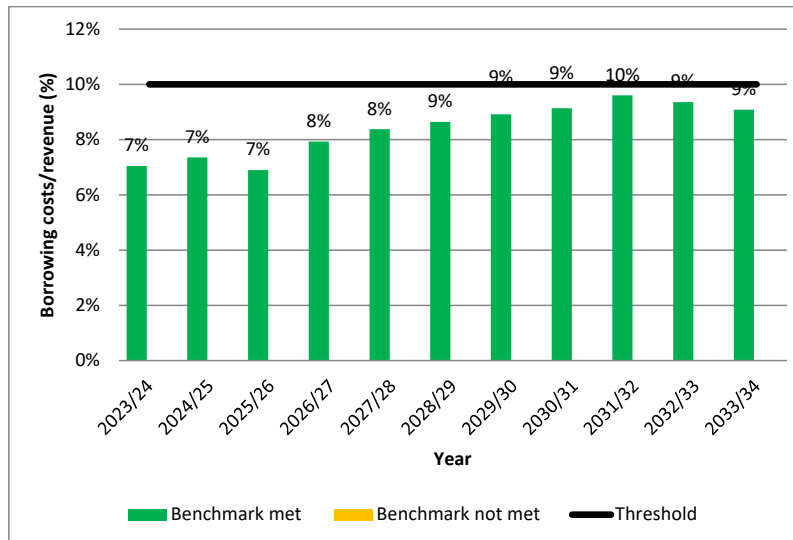
In years 5 to 10 of the plan, the level of capital expenditure on network services falls below depreciation. This is driven by capital expenditure to improve levels of service occurring in the later years; the depreciation impact from this capital expenditure lags behind the investment. The depreciation is only for the existing assets in commission and is not related to the capital expenditure of assets yet to be commissioned.



### Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.







# CCO FINAL STATEMENTS OF INTENT 2024/25

## Kōrero taunaki | Summary of considerations

### Purpose

1. This report to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee is to note the final Statements of Intent for the 2024/25 financial year from the Basin Reserve Trust, Karori Sanctuary Trust, (Zealandia Te Māra a Tāne), Wellington Cable Car Limited, Wellington Museums Trust (Wheako Pōneke Experience Wellington), Wellington Regional Economic Development Agency (WellingtonNZ), Wellington Regional Stadium Trust (Sky Stadium) and the Wellington Zoo Trust (Te Nukuaao Wellington Zoo).

### 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

#### 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

#### Risk

- ☒ Low

☐ Medium

☐ High

☐ Extreme

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

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## **Taunakitanga | Officers' Recommendations**

Officers recommend the following motion:

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

- 1) Receive the information.

## **Whakarāpopoto | Executive Summary**

2. The Statement of Intent (SOI) process is the opportunity for Council to annually outline its expectations for each of its Council-controlled Organisations (CCOs), and ensure the service being received is aligned to Council's strategic priorities and is responding appropriately to the challenges and opportunities of the current environment. CCOs respond accordingly with their strategic focus areas, priority activities, financials and KPIs for the new financial year.
3. Draft SOIs for the 2024/25 financial year were considered by Council at the April 16<sup>th</sup> workshop with Councillors, with feedback provided in line with the Local Government deadline of 1 May.
4. Final SOIs have been received from our CCOs.


## **Takenga mai | Background**

5. Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year, and final SOIs by 30 June.
6. SOIs are informed by Statements of Expectation (SOEs). This year Council invited each CCO to respond to how its mahi is helping Council activate relevant strategic priorities; the Long-Term Plan, Tūpiki Ora and Takai Here, Te Atakura: First to Zero, Aho Tini 2030 – Arts, Culture and Creativity Strategy, Strategy for Children and Young People, Economic Wellbeing Strategy and the Accessible Wellington Action Plan. Each CCO was also provided with specific expectations relating to their organisation.
7. The SOEs for each CCO were agreed by the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee on 7 December 2023.
8. Draft SOIs for the 2024/25 financial year were considered by Council at the April 16<sup>th</sup> workshop with Councillors. Formal feedback was provided to CCOs following the workshop.
9. The final SOI for Wellington Water Limited will be considered by the The Kōrau Tūāpapa | Environment and Infrastructure Committee.
10. All final SOIs have been reviewed and respond positively to the specific feedback provided, with each CCO making the requested amendments.
11. The Wellington Museums Trust (Wheako Pōneke Experience Wellington) and Wellington Zoo Trust (Nukuaō Wellington Zoo) are both forecasting deficits that will potentially require Council support to cover the deficits. Council will carry these potential deficits as risks in its 2024/25 budget. This was also the approach taken in 2023/24.

**Ngā mahinga e whai ake nei | Next actions**

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

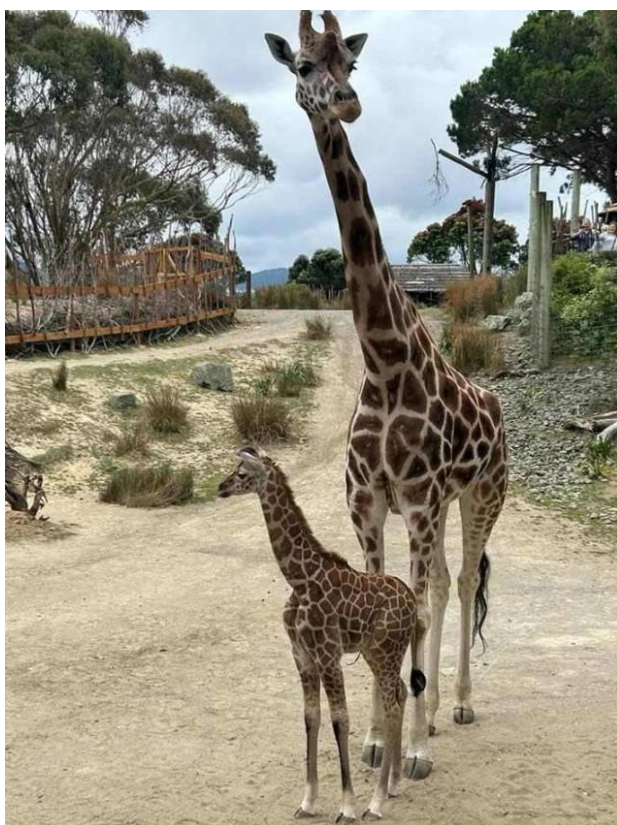
**Attachments**

Attachment 1.	Wellington Zoo Trust SOI 2024-25	Page 492
Attachment 2.	Basin Reserve Trust SOI 2024-25	Page 530
Attachment 3.	Basin Reserve Trust SOI Budget 2024-25	Page 541
Attachment 4.	WCCL SOI 2024-25 	Page 551
Attachment 5.	Zealandia SOI 2024-25	Page 578
Attachment 6.	WellingtonNZ SOI 2024-25	Page 612
Attachment 7.	WRST SOI 2024-25	Page 650
Attachment 8.	Experience Wellington SOI 2024-25	Page 676



## **Final Statement of Intent 2024/25-2026/27 Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust**

Pursuant to Section 64B of the Local Government Act (2002)



*Nia, with mother, Zuri (Photo: J Turner)*

**Me tiaki, kia ora!**

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## 1. INTRODUCTION

Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust is proud to be kaitiaki for the capital city Zoo and we embrace the kaupapa of protecting biodiversity, meaningful community engagement and climate action. As part of our journey as New Zealand's first zoo we have made significant steps to integrate Te Ao Māori into our mahi.

The te reo Māori name for Wellington Zoo Trust, Te Nukuao Tūroa o Te Whanganui a Tara, reflects the place and story of Wellington Zoo - a sheltered, enduring haven for the living world in the Wellington harbour region - a place where animals and people thrive. Together our future focused strategic, cultural and physical initiatives connect to signify the ongoing role Te Nukuao Wellington Zoo has played in our city for the past 118 years and onward.

While we honour the past 118 years of Te Nukuao Wellington Zoo's existence, we are very clearly heading to the future as a world renowned and celebrated progressive zoo. Te Nukuao Wellington Zoo exists to embrace our kaupapa of Me tiaki, kia ora! This means that we must care for the planet so that all life will thrive. Me tiaki, kia ora! drives us forward to shift community action to protect wildlife and wild places into the future.

Te Nukuao Wellington Zoo is one of the most respected zoos in the world. Through our involvement with the World Association of Zoos and Aquariums (WAZA), the Zoo and Aquarium Association Australasia, International Zoo Educators Association, the Australasian Society of Zookeepers, the Madagascar Fauna and Flora Group, the IUCN Species Survival Commission, the Zoo and Aquarium Association New Zealand Committee and other conservation agencies we are leaders in our profession and exemplars for what a mission driven zoo should be.

In line with WCC's new vision, 'Pōneke - the creative capital where people and nature thrive', Te Nukuao Wellington Zoo is a creative place where big challenges like climate change and biodiversity loss can be discussed through community access and connection. Te Nukuao Wellington Zoo is the platform for our community to come together to find solutions to these big problems through sustainable actions and love for animals so that people and nature will thrive.

Me tiaki, kia ora!

## 2. INFLATIONARY IMPACTS

Last financial year we saw the Zoo's highest visitation year ever, clearly due to the Snow Leopard arrival, and revenue growth was substantial. Based on revenue growth in our 2024/25 budget, Trust generated revenue will have increased \$1.4m or 35% since pre-covid levels in 2018/19. However, costs are ever increasing with inflation, particularly with remuneration increases. So, while we are prudent with expenditure we are still seeing costs out stripping any revenue gains. Our business model, as a CCO with no capital assets of its own and a non-profit organisation, is such that we are reliant on annual income as we cannot borrow and we do not have years of reserves at hand. **We had a budgetary shortfall of up to \$571k in 2023/24 and we are budgeting an operational shortfall of \$409k for 2024/25.** Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust is seeking to introduce more commercial products to increase revenue even more, with an additional \$601k (13%) of Trust generated visitor revenue budgeted for 2024/25.

The Board acknowledges the **\$4,361,660 operational funding from WCC** for 2024/25 which incorporates a \$147k increase for the 2024/25 financial year and an additional \$48,266 to assist with Living Wage pressures. Due to the current cost of living pressure and based on recent price elasticity research, Te Nukuao Wellington Zoo continues to be faced with a widening funding shortfall year-on-year. This was clear from the December 2022 Stolt Report commissioned by WCC which clearly recommended a 50:50 funding model between the Zoo and WCC.

The WCC Operational Funding Grant in 2024/25 is 42% of our budgeted expenditure. We still hold that a 50:50 funding model between Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust and WCC is the best way forward to reduce financial risk for the Trust. Following the stimulating effect of Snow Leopards on Zoo visitation since their arrival we will most likely return to more normal levels of visitation and therefore less associated revenue in the coming years. Our market research shows Te Nukuao Wellington Zoo's visitation would sit around 244k visitors in a normal year.

We are being **ambitious with our visitation targets** and the **new capital investment** included in the upcoming LTP from Year Five will be of considerable importance for our future. It is worth noting that the City Council owns the assets of Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust including the animals (which appear on Council's balance sheet). These core assets are not discretionary and must be protected and cared for on a fixed cost basis - including any staff costs linked to those assets. Therefore, these assets require satisfactory OPEX for best practice animal welfare, health and safety provisions and appropriate staffing associated with the integrity spend on these mission related assets.

We always face challenges as a fixed cost organisation, especially in areas such as annual salary increases, cost increases from suppliers and other operational costs increases. We support the **Living Wage** ethos and all Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust employees are all paid at, or above, the Living Wage. Other council-owned New Zealand zoos remunerate more than we do for specialist staff and this is beginning to have an effect on qualified and experienced staff retention - our **second highest risk** in our Risk Matrix. It is important to note that we have just completed union negotiations for the Collective Employment Agreement, where remuneration was discussed at length. In order to progress the Collective and to not commit to specific remuneration targets we have had to agree to a shortened term for the Collective.

We have been indicating this financial position to Council over the last three years. The WCC Operational Funding Grant was substantially flat lined during the ten years of the Zoo Capital Programme (2006-2016) so in real terms that has now meant that even with revenue growth we are now facing deficit budgets going forward. We are a celebrated and trusted organisation and we do not want to negatively impact this hard-won reputation given all the mahi and investment from WCC, Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust and the community over the last 20 years.

### 3. NO SURPRISES APPROACH

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

As always, we are more than willing to work with WCC and the other CCOs to drive strategic outcomes for the city. By continuing a strategic **relationship** with WCC we can share our knowledge and expertise to the benefit of the city as a whole.

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

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



## 4. ALIGNMENT WITH WCC STRATEGIC DIRECTION AND SPECIFIC EXPECTATIONS

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

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

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

Our values are linked to being ambitious, inclusive and committed to our cause with the overriding value of Manaakitanga. Below is an example of how our community values our mahi:

*"I am writing to express my gratitude for the fantastic school holiday programme that you provide. As a parent, I am truly impressed by all the stories my son has come home with.*

*My son is neurodiverse, and it was his first time away from us (excluding school), and he appears to have thrived. Highlights included watching the spider monkeys (already one of his favourite animals at the zoo), winning a trophy for keeping the table tidy, watching Nia being bottle-fed, seeing the lace monitor lizard, and preparing food for the dingoes.*

*We are so lucky to have a zoo on our doorstep that is dedicated to conservation education and fostering a love for wildlife. This year we visited a couple of zoos and wildlife parks in North America, and were quite shocked by what we saw, it's easy to forget how high your standards are, and what a valuable resource you provide for the next generation.*

*Thank you once again for providing such a treasured experience for my son. He is looking forward to his next opportunity to participate in the programme."*

ME TIAKI, KIA ORA!

## ORANGA

A HEALTHY ORGANISATION

### AS WELLINGTON ZOO TANGATA WE:

- Celebrate and support the diversity of our Zoo whānau
- Engage with our people to support a happy, healthy and safe workplace
- Commit to outstanding daily visitor care
- Improve and maintain the physical assets
  - Support the success of our people
- Meet all legal and compliance requirements
  - Integrate Te Ao Māori within the Zoo
  - Model values aligned behaviours
  - Use data driven decision making
  - Sustain financial success



## WAIKUA

OUR COMMUNITY

### INSPIRED BY RONGO WE STRENGTHEN COMMUNITY SUPPORT AND ACTION BY:

- Maintaining access to the Zoo for all community members through IDEA (Inclusion, Diversity, Equity and Accessibility) initiatives including community partnerships
- Maintain the Zoo's good reputation and engagement with our community through strategic communications, both on and off site
- Engaging, message driven conservation education based visitor experiences to build community action



## WHĀNAU

OUR ROLE

### INSPIRED BY TĀNE WE PROTECT OUR PLANET BY:

- Setting aspirational sustainability targets based on our chosen SDGs
- Retaining net carbon zero certification through climate action
- Engaging our community and stakeholders with climate impact actions



## TINANA

OUR ANIMALS

### INSPIRED BY TANGAROA WE CARE FOR OUR ANIMALS BY:

- Science based animal welfare practices so the animals are happy
- World leading animal care so the animals live their best lives
- Strategic species planning for our site and staff expertise



## HINENGARO

OUR PURPOSE

### INSPIRED BY TŪ WE SAVE WILDLIFE AND WILD PLACES BY:

- Recognition and involvement of the Zoo's conservation expertise
- Effective field partnerships for long term conservation outcomes
- Focused investment in conservation innovations

WELLINGTON  
**Zoo**



## Strategic Alignment with Wellington City Council

Strategy	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust
<b>Tūpiki Ora and Tākai Here</b> <b>Te whakatairanga i te ao Māori/Enhancing and promoting te ao Māori</b>	<p>Our values underpin our strategy and they resound with our approach to being a welcoming, happy place. Our alignment with te ao Māori is reflected in the organisational strategy and values and we have worked with Taranaki Whānui ki Te Upoko o Te Ika to ensure the correct te ao Māori concepts reflect our intentions.</p> <p>Our <b>Kanohi Kitea programme</b> over the next four years and beyond will transform us into a bicultural organisation - as is expected of the capital city zoo and will recognise the importance of Tikanga Māori in the way the Zoo works.</p> <p>The first phase of Kanohi Kitea was a two day cultural competency programme, completed by all permanent and fixed term staff last year. The next phase of Kanohi Kitea is developing our te reo Māori and tikanga Māori specifically for the animals and people at Te Nukuao Wellington Zoo. Our <b>Kanohi Kitea</b> bicultural programme, led by Neavin Broughton from Taranaki Whānui, has enriched the knowledge of our staff and has given them the tools to think more broadly about culture in Aotearoa New Zealand. All staff members attend Kanohi Kitea, giving us a shared baseline of knowledge and language to carry through our work at the Zoo. Staff members will also attend learning workshops on Te Nukuao Wellington Zoo, to gain a deeper understanding of how this concept applies to their work, and what it means for where we want to go in the future.</p> <p>We are building <b>te ao Māori into the story telling for the Master Plan</b> by working with OHO to develop <b>our sense of place and context</b>.</p> <p>The new <b>te reo Māori name</b> for Wellington Zoo, <b>Te Nukuao Tūroa o Te Whanganui a Tara</b>, reflects the place and story of Wellington Zoo - a sheltered, enduring haven for the living world in the Wellington harbour region. Together our strategic, cultural and physical initiatives connect to signify the ongoing role Te Nukuao Wellington Zoo has played in our city. While we honour our 118-year history we are very clearly heading into the future as a world renowned and celebrated progressive zoo. Te Nukuao Wellington Zoo supports and aligns with our kaupapa of Me tiaki, kia ora! This Kaupapa means that we must care for the planet so that all life will thrive. Te Nukuao Wellington Zoo drives us forward to shift community action in order to protect wildlife and wild places.</p>
<b>Tiakina te Taiao/Caring for our environment</b>	<p>Our end game is <b>to save wildlife and wild places, locally and globally</b>. We have a global conservation remit. We strive to show thought leadership in global conservation and sustainability by involvement with global partners and by taking leadership roles in both the world and regional zoo professional community. We are respected in the zoo profession for our success in sustainability and we are a leading example of conservation investment and on the ground conservation outcomes. Tiakina te Taiao is at the heart of everything we do.</p> <p>In 2024 we will be reviewing our <b>Conservation Strategy to assess impact via a narrow and deep approach to our conservation mahi with our partners within Aotearoa and globally</b>.</p> <p>We are a key stakeholder in <b>collaborative conservation breeding as well as science and veterinary research programmes</b> within the zoo community, with other conservation agencies and higher learning organisations in Wellington, across New Zealand and beyond.</p>

Strategy	Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Tūpiki Ora and Tākai Here Cont. Tiakina te Taiao/Caring for our environment Cont.	<p>Our Species Plan focuses on the number of critically endangered, endangered and vulnerable species we care for at Te Nukua o Wellington Zoo and those we support through our conservation programmes in the animals' range state. This plan is reviewed annually and redefined as we better align the animals we care for to the critical need in the wild. This plan sets out our priorities for one year, five years and twenty years into the future. The animals we care for at Te Nukua o Wellington Zoo are given the best lives possible and we take pride in being a positive animal welfare <b>Accredited Zoo</b> through the Zoo and Aquarium Association Australasia. Again, our research shows that 89% of residents surveyed rate animal welfare as important to them and 85% rate wildlife conservation as important to them.</p> <p>The <b>field conservation programmes</b> for critically endangered; endangered and vulnerable species in their range state that we support are: Sumatran Tigers through Wildcats Conservation Alliance; Tasmanian Devils through Save the Devil Program; Malayan Sun bears through Free the Bears; Cotton Top Tamarins through Proyecto Titi; Black and White Ruffed Lemurs and Ring-tailed Lemurs through the Madagascar Fauna and Flora Group; White-cheeked Gibbons through Fauna &amp; Flora, Vietnam; Cheetah through Cheetah Outreach; Kea through Kea Conservation Trust; Grand and Otago Skinks with DOC; Kororā and Tawaki through West Coast Penguin Trust; Golden Lion Tamarins through Associação Mico-Leão Dourado and Snow Leopards through Mountain Spirit. We have recently signed an MOU with Fauna &amp; Flora to support a Chimpanzee conservation project in Sapu National Park in Liberia.</p> <p>We are working with WCC and other partners to create a clear advocacy programme for Kororā in Wellington city.</p> <p>Moko Kākāriki Wellington Green Geckos and Whitaker's Skinks are an integral part of our Species Plan and we care for these animals at the request of DOC. We are also a <b>key organisation monitoring native lizard wildlife</b> on Mātū Somes Island.</p> <p>In late 2019 we launched our inaugural <b>local conservation grants programme</b> benefitting Wellington Region conservation projects. These are grants specifically for small community projects, extending the connection of Te Nukua o Wellington Zoo to community conservation projects in the Wellington region - 26 local projects have been supported by this fund since its inception.</p> <p><b>Staff at Te Kōhanga The Nest</b>, our state-of-the-art conservation medicine hospital, treat a variety of native species. Sick and injured native wildlife make up a significant proportion of the veterinary medicine case load – including many who are listed by DOC as nationally critical. Our success in effectively restoring injured native wildlife back to their habitats is above world standards for zoo veterinary hospitals and we take great pride in this achievement.</p> <p><b>Te Nukua o Wellington Zoo restoration site</b> project began in 2014 as a collaborative project with Wellington City Council and Wellington Water. The site, adjacent to the Zoo on the town belt, was designated as a mitigation site for damage that was done at the other end of the waterway for Wellington Water's infrastructure. This site has been planted with native plants and is regularly cleared of weeds and is being monitored to track the increase in native plants and animals in this site.</p>



Strategy	Te Nukuaō Tūroa o Te Whanganui a Tara Wellington Zoo Trust
<b>Tūpiki Ora and Tākai Here Cont.</b> <b>Tiakina te Taiao/Caring for our environment Cont.</b>	<p><b>Reverse the Red</b> is an international conservation initiative between IUCN SSC and WAZA and we are involved in showcasing our local conservation work at the global level on Reverse the Red Day and the World Species Congress. This initiative seeks to have conservation organisations across the globe act to reduce the IUCN Red listing of Species.</p> <p>We measure our environmental results using the UN Sustainable Development Goals Framework with the specific measures below:</p> <p><b>SDG 15 Life on Land</b></p> <ul style="list-style-type: none"> <li>• Increase in native biodiversity (plants, animals) in restoration site and within the Zoo</li> <li>• All conservation projects include two or more aspects - social, climate change, local ecological, wider environment</li> </ul> <p><b>SDG 14 Life Below Water</b></p> <ul style="list-style-type: none"> <li>• Measure amount of products with single use plastics purchased by or sold at the Zoo and plan for reduction</li> <li>• Set proportion of ocean originating products purchased by the Zoo that are certified by Marine Stewardship Council</li> <li>• At least two conservation organisations the Zoo partners with which are marine based or freshwater based</li> </ul> <p><b>SDG 12 Sustainable Consumption and Production</b></p> <ul style="list-style-type: none"> <li>• Audit wood and paper products in the Zoo to ensure where possible all products are FSC certified</li> <li>• All products in the Zoo (excluding exemptions) that use Palm Oil only use RSPO certified sustainable Palm Oil</li> <li>• Reduction in percentage of food waste in animal food – less than 1% of food returned for composting</li> </ul>
<b>Te whakapakari pūmanawa/Building capability</b>	<p>Our <b>relationships and MoUs</b> with Massey and Victoria Universities, Department of Conservation, Zealandia, Ngāti Koata and Taranaki Whānui ki Te Upoko o Te Ika have enabled collaborative partnerships for conservation medicine, veterinary learning, animal welfare and visitor experience and learning.</p> <p>Te Nukuaō Wellington Zoo has been involved in the <b>Rangatahi Pathways</b> project in association with Wellington City Council, we have hosted a Year 13 student from Te Ara Whānui Kura Kaupapa Māori o Ngā Kōhanga Reo o Te Awa Kairangi on a placement with our Animal Care Ectotherms and Birds team. We are working with the Hem of <b>Remutaka</b> project to identify opportunities for collaboration and the <b>Ngāti Toa Rangatira Youth programme. Interns from this programme work with our Ectotherms &amp; Birds team</b> learning about how we care for native animals at the Zoo and expanding their knowledge of caring for small populations. Engaging young people with conservation is important for us but also for Aotearoa New Zealand.</p>

Strategy	Te Nukuaō Tūroa o Te Whanganui a Tara Wellington Zoo Trust
<b>Tūpiki Ora and Tākai Here Cont.</b> He whanau toiora/Thriving communities	<p>Te Nukuaō Wellington Zoo is a strong contributor to our city, focusing on knowledge, collaboration, innovation and positive action. We contribute to the vibrancy and forward thinking of our city. We aim to be a reflection of our city and contribute, as a cutting-edge cause-related organisation with talented people, to the thriving cultural and natural heritage of Wellington as a liveable and sustainable city. The Zoo contributes strongly to liveability outcomes by being an integral part of the <b>wellbeing of people in Wellington</b>.</p> <p>We have over <b>70 volunteers</b> who give their time to help the Zoo achieve its outcomes. We value the assistance we receive from our volunteers and they feel they add value to the community by being involved with the Zoo.</p> <p>Te Nukuaō Wellington Zoo is inclusive for all sectors of our community – our visitor mix is diverse and we ensure that all visitors feel safe and respected. Our visitor feedback for overall visitor experience sits at 90% satisfaction and people are enjoying the continual change in the Zoo. <b>DEAI</b> (Diversity, Equity, Accessibility and Inclusion) concepts help us build inclusion, diversity, equity and accessibility initiatives such as Rainbow Tick Certification.</p>
<b>Te Atakura: First to Zero</b>	<p>To achieve our strategic direction, we will be continuing our commitment to sustainability and our Toitū net carbonzero certification continues with projects such as solar power installation on suitable Zoo buildings and increasing the use of EVs in our vehicle fleet. A recent site-wide project to upgrade our water metering infrastructure will also allow for more targeted initiatives to reduce overall water usage across the Zoo.</p> <p><b>As a Toitū net carbonzero certified organisation since 2013</b> we continue to reduce our waste to landfill and work with Council Officers to meet the <b>Regional Waste Management and Minimisation Plan and Te Atakura, First to Zero plan</b>. As part of our contract with our new Resource and Waste Recovery partner, <b>Waste Management NZ</b>, we will be working to implement new initiatives to improve recycling recovery from visitor waste streams and review Te Nukuaō Wellington Zoo’s operational practices as we seek to continually reduce waste to landfill and improve waste diversion. We continue to support our partners who make ZooDoo as this is both a waste initiative and a social service for employment for vulnerable people. As we replace our <b>visitor seating</b> in the Zoo we are installing recycled plastic seats.</p> <p>We have developed a <b>Climate Action Position Statement</b>. Species such as Snow Leopards, which are a climate change impacted species, enable us to tell the story of climate change and the resulting impacts on the environment. We have met with the WCC Climate Action Team to discuss templates for reporting and possibilities for research. We are undertaking a <b>Climate Action Messaging</b> workshop this year run by the specialist consultant team, Workshop. We are also delivering <b>Climate Action learning workshops</b> for our school group visitors.</p> <p>We have begun working with our website hosting company to assess our digital carbon impact and to make adjustments to reduce this footprint. Digital sustainability is increasingly important when we look at climate action. If the internet was a country, it would be in the top 10 for carbon emissions. The work on our website includes reducing the size of all images on the website, deleting duplicate images and clearing the Content Management System of old content. This is an ongoing project.</p>

Strategy	Te Nukua Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Te Atakura: First to Zero Cont.	<p><b>Climate impacts</b> are included in both our strategy and Risk Matrix. We measure our climate action results using the UN Sustainable Development Goals Framework with the specific measures below:</p> <p><b>SDG 13 Climate Action</b></p> <ul style="list-style-type: none"> <li>• 220,000 reach pa media/social media stories about the Zoo with climate change action messages</li> <li>• Climate Action Messaging Framework developed</li> <li>• 7,500 school children educated about climate change/action</li> </ul> <p><b>SDG 11 Sustainable Cities &amp; Communities</b></p> <ul style="list-style-type: none"> <li>• Two conservation projects which include support for sustainable communities/urban biodiversity</li> <li>• 16.7% (1/6) visitors taking sustainable transport to the Zoo</li> <li>• 12 Wellington region conservation organisation partners/collaborators</li> </ul> <p><b>SDG 4 Quality Education</b></p> <ul style="list-style-type: none"> <li>• 1,300 visitors through community partnerships programme</li> <li>• 1,200 children learning about practical environmental sustainability actions</li> <li>• Maintain Be: Lab Gold Accessibility certification</li> </ul>
Aho Tini 2030 – Arts, Culture and Creativity Strategy	<p>Te Nukua Wellington Zoo is a <b>multi-award winner</b> in visitor experience, business leadership, vibrancy, sustainability and conservation, and we take an active role in delivering conservation and sustainability messages to a large audience of approximately 260,000 visitors on-site and many more online. We create compelling stories with clear calls to action and we craft community campaigns that move beyond simply raising awareness of an issue to driving lasting change and building a better world. Our target market of local families, young people and children are engaged in conservation and sustainability messaging and experiences at Te Nukua Wellington Zoo.</p> <p>Te Nukua Wellington Zoo will continue to build its reputation as a <b>creative and innovative zoo</b> by including more opportunities for our visitors to experience multi-layered and multi-sensory learning experiences. We have rich content for storytelling and engagement with communities. We design creative and profound visitor experiences which connect people and animals in ways which inspire people to take positive action for the environment. We work with local artists to incorporate bespoke murals, statues and art work within the Zoo's visitor experience. This includes incorporating new statue and play into the Snow Leopard habitat, commissioning murals for the tiger and red panda areas and connection with artist Shannon Novak through the WCC City Arts team on Make Visible Te Whanganui a Tara to design the installation <i>Beacon</i> for the Zoo's front entry. Our Pride Weekend activations, inclusion of Te Nukua Wellington Zoo in the WCC Rainbow Art Cycling Tour, our latest artistic project working with a local artist and schools in Newtown and Berhampore, murals throughout the Zoo by local artists, innovative play areas and creative interpretive storytelling all <b>create enduring art throughout the Zoo</b>. We have been involved with the Fringe Festival and Shakespeare Youth to open the Zoo site to different artistic opportunities.</p>



Strategy	Te Nukuaō Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Aho Tini 2030 – Arts, Culture and Creativity Strategy Cont.	<p>Te Nukuaō Wellington Zoo's strategy for a Zoo of the 21st century seeks to take us into a new realm, building on our success of the past. We will be using our rebuilt physical platform to unlock the potential for Te Nukuaō Wellington Zoo to be seen as a leader and trusted voice in the conservation of species, engagement with community, excellence in animal welfare and sustainability outcomes. We have combined a global vision with local action so that we can be change makers for a better planet. <b>This aligns with Council's Aho Tini Strategy and vision for Wellington as a creative city.</b></p>
Strategy for Children and Young People	<p>As one of the key environmental education providers in Wellington, Te Nukuaō Wellington Zoo has an <b>Enriching Local Curriculum (ELC) contract</b> with the Ministry of Education (MOE). Over <b>10,500 school children</b> annually experience a learning workshop with our conservation education experts at the Zoo. The Ministry of Education measures the success of the learning programmes at Te Nukuaō Wellington Zoo and we continue to receive positive feedback on our educator-led learning sessions and our innovative programmes that align with the Ministry's target areas, including improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds.</p> <p>We see over 21,000 rangitahi and students attending the Zoo throughout the year in Learning Workshops, through university programmes or coming to the Zoo through the student entry concession. These opportunities ensure the Zoo remains relevant and an integral part of all young people's experiences in Wellington.</p> <p>Te Nukuaō Wellington Zoo's <b>Bush Builders</b> is a unique environmental literacy programme that helps children to discover for themselves the wonder of the world around them, in their own schools and homes, and to empower them to take positive action in their own communities. This successful programme has influenced over 4,000 students in our region. <i>Bush Builders</i> emphasises the importance of building habitats for animals.</p> <p>As a child friendly city and in line with the Strategy for Children and Young People, it's important for Wellington to cater for all young people and their families, and this means providing safe, accessible and enjoyable places for learning and play, and offering community events and activities that are suitable for all. We will support the hauora, or wellbeing, of children and young people by placing a wellbeing focus on the recreational, and environmental programmes we currently deliver for children and young people. <b>Our own school holiday programmes are well attended and many other external holiday programmes visit the Zoo as part of their offering to the community.</b></p> <p>The <b>Learning Workshops</b> offered for ELC students expand knowledge and encourage action for Climate Action, Sustainability, Conservation and Animal Welfare as well as specific curriculum outcomes.</p> <p>We offer free access <b>Open Days for Massey University and Te Herenga Waka Victoria University of Wellington students</b> as part of the MoUs we have the universities. <b>Over half our staff are under 30 years of age</b> so considering their career needs and aspirations is a core part of how we manage Te Nukuaō Wellington Zoo.</p>

Strategy	Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Economic Wellbeing Strategy	<p>Te Nukua o Wellington Zoo's contribution to the economic development of our city is through our financial results, creating a place Wellingtonians can feel proud of, by the <b>employment of over 100 people</b> (84 FTE) and by being one of the largest employers in Newtown. We employ key, specialist staff across a range of areas – some are world leading in their field. Our aim is always to retain our people, and stay in line with our strategic area objectives of Oranga, A Healthy Organisation and we have policies and initiatives that recognise and reward our people. We want our people to thrive - <b>53% of our staff are under 30 years of age</b> so building their capability through targeted development is imperative to our success. One example is our <b>Keeper Development Programme</b> which allows learning to drive capability, ensuring they have the skills and knowledge for the next stage in their careers and a salary increase. Our latest staff survey highlights how important training and development is for our people and that they value their career progression. The eight module <b>LEAP (Leadership Excellence and Performance) Programme</b> for all Managers and Team Leaders has been very successful and built a cohort of people who can support each other in supporting their teams. Our staff regularly undertake <b>targeted job-related</b> training such Emergency Response Training, Manual Handling, First Aid training and Working at Height.</p> <p>Te Nukua o Wellington Zoo will be hosting the <b>International Congress of Zookeepers</b> in February/March 2025 with over 200 delegates expected to attend from around the world. Like the <b>International Zoo Educators' Conference</b>, which we hosted in 2023, this conference will be life changing for many of the attendees and gives us an opportunity to show off Wellington to our global colleagues.</p> <p>Our MoUs with universities and Unitec allow us to share knowledge within courses such as Zookeeping, Veterinary Science, Animal Welfare, Health and Safety, Tourism, Conservation and The Future of Work at Victoria University. Tourism Awards won for sustainability show that we are recognised as a tourism site with a clear message for sustainability and conservation. Our <b>Qualmark</b> certification is highly prized by us and we look forward to the glowing report we receive during this certification process.</p> <p>We contribute to the economic success of our <b>suppliers</b> from free range egg suppliers and veterinary supplies to architects and trade contractors. As a local entity ourselves we try as much as possible to support small and/or locally owned businesses. Our visitors also support other local businesses when they visit Newtown.</p> <p>We are working with WellingtonNZ and other partners to ensure economic growth for our city. As previous winners of the Green Gold and Vibrant Gold in the Wellington Gold Awards and the Supreme Award winner of the Wellington Region Business Awards, we are perfectly placed to add value to the economy of our region. The success of <b>Snow Leopards</b> increased the profile of Te Nukua o Wellington Zoo and of our city, as well as globally and increased our visitation - January 2024 was the highest visitation month in our history, closely followed by April 2023 when the experience for Snow Leopards was officially opened.</p> <p>Last year we established a new partnership for <b>food and beverage</b> at Te Nukua o Wellington Zoo, working with an iconic Wellington catering and hospitality company to make sure our offering remains local, personal and aligns with our values. This successful partnership continues to provide benefits to both parties and also to Newtown as a destination.</p>

Strategy	Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust
Accessible Wellington	<p>We have achieved <b>Be. Lab Accessible Gold rating</b> and we continue to improve Te Nukua Wellington Zoo experience for all visitors, so that many more people have access to the Zoo in the ways that best suit them. We have embraced accessibility for the whole community by investing in recommendations from Be.Lab to improve the experience for all people. <b>This aligns with Accessible Wellington, The Accessible Journey Action Plan 2019.</b></p> <p>Our <b>Rainbow inclusion initiatives</b> have been awarded for excellence at the national Rainbow Excellence Awards and continue to lead the way for zoos in Aotearoa New Zealand in this area. We are proud of our <b>Rainbow Tick</b> certification and the inclusion mahi our staff Rainbow group undertake which all support the display of the progress pride flag at the front of Te Nukua Wellington Zoo.</p> <p>Te Nukua Wellington Zoo entry <b>accessibility events</b> such as Neighbours' Night, Welcome Weekends and Winter Wednesdays exist to ensure access to the Zoo for all members of our community. The school art installation includes welcome messaging in a variety of languages so that all people can 'see' themselves as they visit the Zoo.</p> <p>We do recognise that we have challenges in accessibility such as parking around the Zoo site and bus services to the Zoo; and as we grow our visitor numbers we are also mindful of the peak day issues such as infrastructure, like toilets and rubbish bins, not coping with ever increasing visitor numbers. We are discussing what we would consider to be a <b>capacity figure</b> for the Zoo site before the experience starts to be compromised.</p>

WZT Specific Expectations

Specific Expectations	Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment
Council expects the Trust to leverage the new Snow Leopard opportunity to increase visitation to the Zoo	<p>Since opening the Snow Leopard habitat in April 2023, we have had two record beating months in both April 2023 and January 2024 - this being the highest visitation month in the history of Te Nukua Wellington Zoo. We continue to focus on extending the tail of impact from Snow Leopards into 2024/25, and have set a target of 267,205 visitors, the highest target we have ever set for the Zoo. We will also be offering a special Snow Leopard Close Encounter, which will further extend the operational return from this capital investment.</p> <p>International research shows that <b>big cats are the biggest draw card</b> for visitors attending zoos. Community support for Snow Leopards is high, with social media posts on Snow Leopards regularly being among our highest performing in terms of reach and engagement.</p>

Specific Expectations	Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment
<p>The Trust will provide a forward programme of the planned asset renewals which are funded by Council and supported by third-party fundraising. The renewals programme will be underpinned by an Asset Management Plan</p>	<p><b>Asset Renewals</b></p> <p>The renewals budget allows us to maintain a resilient asset for the city. We have given the renewals budget precedence in the LTP as we know that reasonably small, enhancing changes can give us excellent animal, staff and visitor outcomes. We have been successful with external fundraising for a number of renewals projects if they meet the funding criteria. Examples include the Chimpanzee Park (\$500k of a \$1.3m budget), Te Ao Māhina The Twilight (\$123k of a \$290k budget) and Giraffe House refurbishments (\$400k in 2018/19 and a further \$186k in 2022/23). Much of Te Nukua o Wellington Zoo's renewals are made up of maintenance of the asset such as painting, electrical works, fencing, safety and security improvements and visitor pathways which are not able to be externally supported through fundraising.</p> <p>Te Nukua o Wellington Zoo will continue to work alongside the WCC Strategic Asset Planning team to develop and refine the Asset Management Plan as part of the wider Activity Management Plan for the WCC Arts and Cultural Activities. The Zoo specific elements of this plan detail the ongoing maintenance and renewal of the Zoo asset, ensuring it is carried out strategically using the most up-to-date data available, while also executing our obligations under the <b>Contract for Services</b>. When completed, Te Nukua o Wellington Zoo's AMP (incorporating the recently commissioned Valuation and Condition Reports) will enable it to: manage asset lifecycles for a whole-of-life approach with due consideration given to WCC and Zoo joint objectives; provide assurance of funding required to cover existing and future asset renewals and avoid critical failure of ageing infrastructure assets; update any assets not fit for purpose from an animal welfare standard; and resolve any potential Health and Safety issues and the associated reputational risk these issues could bring.</p> <p><b>Building on the recently completed existing Te Nukua o Wellington Zoo asset register realignment with WCC</b>, the final draft project has been completed to update asset valuation and condition assessments in line with market values and best-practice asset management processes. While this project isn't intended to update the Council's financial asset valuation of Te Nukua o Wellington Zoo, this report will help inform future, long-term LTP decisions around maintaining the asset considering current market conditions. We will continue to work with WCC officers to develop our detailed asset management plan in line with Council processes for asset renewals, business continuity and earthquake resilience.</p> <p>One of the challenges of maintaining the Zoo asset is the variable lifecycle ages of structures and animal habitats. As our knowledge of the animals in human care increases, previous habitats and animal care and welfare practices become outdated. Zoos internationally now consider 20 years to be too long and in global experience it is more realistic to plan for a <b>ten-year life expectancy</b> for zoo animal habitat assets.</p> <p>The significant planned Renewal projects for the 2024/25 financial year are:</p> <ul style="list-style-type: none"> <li>• <b>Otter Habitat/Dens &amp; Gibbon Viewing</b> – New dens to improve animal welfare outcomes for the Otters and overall improvements to the habitat and visitor viewing opportunities. Connected to this will be an upgrade to the White-cheeked Gibbons viewing area.</li> <li>• <b>Wild Theatre</b> – Refurbishment of the staff only areas to create additional off-visitor view and quarantine facilities for animals, required to support other renewals projects and future species planning imports/exports.</li> </ul>

Specific Expectations	Te Nukuao Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment																																	
The Trust will provide a forward programme of the planned asset renewals which are funded by Council and supported by third-party fundraising. The renewals programme will be underpinned by an Asset Management Plan Cont.	<ul style="list-style-type: none"><li>• <b>Giraffe House/Bull Yard</b> – Building a new ‘Bull House &amp; Yard’ at the African Savannah to provide staff and animals with improved management facilities with a maturing Bull and new calf in this space.</li><li>• <b>Conservation Corner</b> – Strengthening project for the final earthquake prone building in the Zoo.</li><li>• <b>Kororā Habitat</b> – Upgrade of the penguin pool, substrate, housing and filtration to improve welfare outcomes for Kororā and improve visibility year-round for visitors.</li><li>• <b>Chimpanzee Dayroom &amp; Safety Improvements</b> – Refresh of the Chimpanzee House dayroom (built 2007) to improve accessibility for some of the ageing troop, improve visitor viewing and installation of CCTV upgrades and metalwork safety improvements.</li><li>• <b>Neighbours Precinct</b> – Refurbishment of animal housing and shelters, management spaces for macropods and landscaping improvements to refresh the space for visitors, staff and animals.</li><li>• <b>Te Kōhanga The Nest Playground</b> – Following the removal of the old playground structure that had reached the end of its useful lifespan, we will be commissioning the design and installation of a new play space outside Te Kōhanga The Nest.</li><li>• <b>Meerkats</b> – upgrading the den areas and renewal of structures and substrates as this habitat is over 13 years old.</li></ul>																																	
	<p>It should be noted that the current draft budget for Te Nukuao Wellington Zoo Renewals in the upcoming LTP has been reduced by \$250k over the next three years – which is likely to impact on our ability to deliver some of the above projects.</p>																																	
	<p>Te Nukuao Wellington Zoo’s position is that the current infrastructure renewals budget is insufficient to cover existing asset renewals. In the lead-up to the upcoming LTP, we provided Council Officers information showing an additional funding of \$300k per annum was required to assist a thorough programme of asset renewals, including animal habitats, visitor areas and pathways, buildings and essential plant and equipment.</p>																																	
	<p>In terms of maintaining current levels of service, this shortfall is likely to result in a failure of ageing infrastructure assets, meaning assets are not fit for purpose, and could create potential H&amp;S and animal welfare issues. After significant capital investment from the previous Zoo Capital programme and larger projects such as the Chimpanzee Park and Snow Leopards in recent years, underinvestment in the asset could see degradation and impact the overall visitor experience, consequently constraining Te Nukuao Wellington Zoo’s ability to meet the ambitious revenue targets required to support OPEX budgets in future years.</p>																																	
		<table><caption>Shortfall in Forecast Budget (Estimated Values)</caption><thead><tr><th>Year</th><th>2023/24 Draft LTP Figures (Nov_23 from WCC)</th><th>Shortfall in Forecast Budget</th></tr></thead><tbody><tr><td>24/25</td><td>\$1,250,000</td><td>\$250,000</td></tr><tr><td>25/26</td><td>\$1,300,000</td><td>\$300,000</td></tr><tr><td>26/27</td><td>\$1,350,000</td><td>\$350,000</td></tr><tr><td>27/28</td><td>\$1,400,000</td><td>\$400,000</td></tr><tr><td>28/29</td><td>\$1,450,000</td><td>\$450,000</td></tr><tr><td>29/30</td><td>\$1,500,000</td><td>\$500,000</td></tr><tr><td>30/31</td><td>\$1,550,000</td><td>\$550,000</td></tr><tr><td>31/32</td><td>\$1,600,000</td><td>\$600,000</td></tr><tr><td>32/33</td><td>\$1,650,000</td><td>\$650,000</td></tr><tr><td>33/34</td><td>\$1,700,000</td><td>\$700,000</td></tr></tbody></table>	Year	2023/24 Draft LTP Figures (Nov_23 from WCC)	Shortfall in Forecast Budget	24/25	\$1,250,000	\$250,000	25/26	\$1,300,000	\$300,000	26/27	\$1,350,000	\$350,000	27/28	\$1,400,000	\$400,000	28/29	\$1,450,000	\$450,000	29/30	\$1,500,000	\$500,000	30/31	\$1,550,000	\$550,000	31/32	\$1,600,000	\$600,000	32/33	\$1,650,000	\$650,000	33/34	\$1,700,000
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Specific Expectations	Te Nukuaō Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment
<p><b>Council will work with the Trust on capital budget planning for the Trust's master planning, species planning and strategy based on Council's 2024 LTP funding decisions</b></p>	<p>In November 2022 Te Nukuaō Wellington Zoo began the Master Planning process. This process addresses the physical asset, strategic priorities, species selection, storytelling and sense of place. Te Nukuaō Tūroa o Te Whanganui a Tara Wellington Zoo Trust celebrated the 20th anniversary of the establishment of the Trust in July 2023. While the Zoo itself is 118 years old the Trust model was created in 2003 to better manage the Zoo. In recognition of our completion of major capital works with the Snow Leopard habitat in 2023 we undertook a master planning, species planning and strategy review in late 2022 to envision the next twenty years for Te Nukuaō Wellington Zoo and to enhance the positive impact we can have for people and the planet.</p> <p>Capital investment through the Master Plan, currently in the LTP from Year Five, and ongoing renewals will ensure Te Nukuaō Wellington Zoo remains leading edge and allows us to tell both local and global conservation stories to drive positive action for the environment within our community. We see our capital investment and asset planning as a response to community expectations of a welcoming, progressive and professional zoo and to create ongoing resilience for one of our city's most iconic places. The capital investment also allows for more commercial revenue opportunities into the future, such as Glamping at the Savannah.</p> <p>Over the last twenty years Te Nukuaō Wellington Zoo has undergone enormous change – physically, culturally and economically. Te Nukuaō Tūroa o Te Whanganui a Tara Wellington Zoo Trust's Capital programme from 2006-2016 changed the physical face, the community perception and reputation of the Zoo. Latest visitor research indicates that Te Nukuaō Wellington Zoo is seen as an integral part of our city, a leader in sustainability, animal welfare, visitor experience and conservation - the remit of a progressive zoo. The next 20-year plan needs to build on this success and examine new innovations for a 21st century zoo. The work of zoo professionals continues to evolve and the master plan, species plan and strategy need to be flexible and informative to allow Te Nukuaō Wellington Zoo to respond to changes in the operating environment, community expectations, zoo-based conservation and animal welfare science. The design of zoo habitats is one of the most significant factors impacting the welfare of the animals that live within them. This in turn underpins the social license zoos operate under. Zoos must be proactive not reactive to changing societal expectations of what is acceptable for animals in human care. Zoos and zoo designers must adapt. This is why zoo habitats rarely have a life span beyond ten years in progressive zoos. Given that breeding in human care has played a role in over half the cases where species have been rescued from extinction, getting welfare right matters not only to individual animals but also to the survival of species.</p> <p>The world is stepping into a moment of great change. With climate change and species decline Te Nukuaō Wellington Zoo must be at the forefront of the change and lead by example. Always looking ahead, our Zoo must take on necessary site improvements, strategic thinking, care for appropriate species and people to meet community aspirations as a progressive zoo. The series of required modifications to resolve these challenges act as a springboard for renewing Te Nukuaō Wellington Zoo as a whole.</p> <p>The redevelopment provides the perfect opportunity to re-envision the layout of our Zoo, build on the success of the last twenty years to better reflect our strategy and species plan, and to ensure that the site reflects Te Nukuaō Wellington Zoo's high-level ambitions, as well as better facilitating our progressive kaupapa, Me tiaki, kia ora! – we must look after the environment so all will thrive. This will be a vision that transcends the evolution of Te Nukuaō Wellington Zoo over the next twenty years and positions it to be resilient and agile going into the future, while continuing to be a place of innovation and creativity with excellent animal welfare, and incredible and memorable experiences.</p>

Specific Expectations	Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust Alignment
Council will work with the Trust on capital budget planning for the Trust's master planning, species planning and strategy based on Council's 2024 LTP funding decisions Cont.	Studio Hanson Roberts (SHR) (Becca Hanson and David Roberts) led the process with Scott Killeen from Kelp Creative and Erna Walraven, Senior Curator Emeritus, Taronga Conservation Society Australia who are zoo qualified and experienced overseas design consultants, along with local design consultants to develop the plan in readiness for the 2024 Long Term Planning process. The drawings included below in this SOI indicate the proposed plan for Te Nukua o Wellington Zoo. We also engaged local Māori based story telling agency OHO to ensure the visitor messaging and te ao Māori concepts are integrated into the planning from the beginning of the process.
From WCC the Trust's annual operating grant will be maintained at FY23/24 levels apart from a CPI adjustment for employee remuneration (as a proportion of the operating grant) and any contractual commitments (as a proportion of the operating grant) for goods and services already in place that have legally binding CPI adjustments. Council expects the Trust to plan for this scenario, manage costs and take revenue generation opportunities.	<p>WCC set the Operating Grant for this financial year at \$4,313,394 (excluding additional Living Wage funding for 2024-25). This is an increase of \$147k or 3.5% rather than the full CPI increase on the Operating Grant of \$187k.</p> <p>Te Nukua o Tūroa o Te Whanganui a Tara Wellington Zoo Trust has been successful in generating revenue and commercial opportunities outside of general admissions, and we have a programme of continued growth. For 2024/25 we have increased Trust generated revenue by \$601k or 13%. This marks a total increase in Trust generated revenue of \$1.4m or 35% over pre-COVID levels in 2018/19.</p> <p>While this year we have significantly pushed our Zoo generated revenue, we are still unable to increase it to the level required to pay increased remuneration, maintain progressive zoo outcomes and cover increasing costs. The WCC Operational funding Grant is 43% of our budgeted expenditure for 2024/25. We still hold that the 50:50 model continues to be the only sustainable option for Te Nukua o Wellington Zoo going forward. This will become even more critical in future years and beyond, when we do not have the visitation impact of large capital projects until the Master Plan begins. This would allow us to pay our people at the levels the market is dictating.</p> <p>Our ability to tightly manage discretionary spend only has a fractional impact on our fixed cost operations, particularly with 70% of our total expenditure sitting in remuneration. It is worth remembering that a significant proportion of our costs relate to the care and welfare of our animals and human safety which we cannot reduce. Additionally, in some areas of our operations we continue to face some significant external cost pressures such as nutrition consumables and utility costs. We are also cognisant of the importance of retaining our conservation mission and the experiential spirit of Te Nukua o Wellington Zoo which has made us so popular and successful to date. Accordingly, it is imperative to avoid resultant staff redundancies. Such cuts, while they may balance the books in the short term, will significantly reduce the experience and mission of Te Nukua o Wellington Zoo which will deeply affect our future success. This would also run a high risk of generating a self-fulfilling prophecy of a lessened experience resulting in reduced visitation and therefore further reduced revenue. Our staff numbers are lean already and we have had no significant increase in staff numbers so any changes to this would have major impacts.</p>





## Wellington Zoo Master Plan

Erna Walraven, Kelp Creative, Studio Hanson Roberts

Version 1.3  
March 2023





Final Te Nukua Tūroa o Te Whanganui a Tara Wellington Zoo Trust Statement of Intent 2024/25-2026/27

## 5. PERFORMANCE MEASUREMENTS

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

Measures	Frequency of Measure	Target 2024-25	Target 2025-26	Target 2026-27	
Visitors	Quarter*	267,205	260,000	260,000	This measure is linked to the Zoo's strategic area of Wairua and Oranga.
Student and education visits	Annual	21,000	21,000	21,000	Conservation education programmes and student self-guided visits. This measure is linked to the Zoo's strategic area of Wairua and Oranga.
Council operating grant per visitor	Annual	\$16.32	\$17.18	\$17.67	This measure is linked to the Zoo's strategic area of Oranga.
DISESTABLISHED by WCC Full cost to Council	Annual	Disestablished			
Trading Revenue per visit (excluding grants and interest)	Annual	\$19.14	\$19.04	\$19.23	This measure is linked to the Zoo's strategic area of Oranga.
Non-Council donations and funding	Annual	\$384k	\$404k	\$424k	Non-Council operational grants, donations, sponsorships and bequests. This target does not include any capital funding. This measure is linked to the Zoo's strategic area of Oranga.
Percentage of satisfied Visitors	Annual	80%	80%	80%	Average visitor satisfaction is 80% or greater. This measure has changed as the new visitor survey measures satisfaction on scale of 1-7, to align with customer experience best practice, rather than the previous scale of 1-10. This measure is linked to the Zoo's strategic areas of Wairua and Oranga.
DISESTABLISHED by WCC Percentage of operating costs generated by the Trust	Annual	Disestablished			
DISESTABLISHED by WCC Trust generated income as percentage of the Council grant	Annual	Disestablished			

### \*Target Visitor Numbers by Quarter 2024-25

Q1	Q2	Q3	Q4	Total
55,319	68,744	74,292	68,850	267,205

Measures	Frequency of Measure	Target 2024-25	Target 2025-26	Target 2026-27	
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	25	25	25	This measure is linked to the Zoo's strategic area of Tinana.
Percentage of native animals released to the wild after triage and treatment by Te Kōhanga The Nest (TKTN)	Annual	50	50	50	This measure is linked to the Zoo's strategic area of Tinana.
Te Nukua Wellington Zoo's UN SDG targets met	Annual	80%	80%	80%	Targets for the Zoo's SDGs have been established and involve the work of teams across the Zoo. These new targets will enable us to push forward our work for a sustainable planet through the SDG framework. This measure links to the Zoo's strategic area of Whānau.
Number of field conservation projects supported for vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	12	12	12	This measure is linked to the Zoo's strategic area of Hinengaro.
Maintain Zoo and Aquarium Association accreditation	Annual	Achieved	Achieved	Achieved	ZAA accreditation assesses animal welfare, conservation, sustainability, biosecurity and safety when working with dangerous animals. This measure is linked to the Zoo's strategic areas of Oranga, Tinana, Hinengaro and Whānau.
Maintain carbonzero certification	Annual	Achieved	Achieved	Achieved	This measure is linked to the Zoo's strategic area of Whānau.
Implementing cultural competency programme	Annual	Achieved	Achieved	Achieved	Linked to the implementation of this bicultural competency programme. This programme is linked to the Zoo's strategic area of Wairua.
Achieve and maintain Rainbow Tick certification	Annual	Achieved	Achieved	Achieved	Rainbow Tick is a certification mark provided after a diversity and inclusion assessment process. Rainbow Tick is about accepting and valuing sexual and gender diversity in the workplace. This measure is linked to the Zoo's strategic area of Oranga.
Health, Safety & Wellbeing Committee meeting attendance	Annual	80%	80%	80%	Measured against those staff available to attend meetings. This measure is linked to the Zoo's strategic area of Oranga.
Emergency drill or incident debriefs summary delivered	Annual	8	8	8	Debriefing documents developed and key lessons presented to Zoo staff following emergency drills, trial evacuations and real incidents. This measure is linked to the Zoo's strategic area of Oranga.
Volunteer engagement survey completed	Annual	1	1	1	This annual survey measures the satisfaction levels of those volunteering across the organisation. This measure is linked to the Zoo's strategic area of Wairua.
Staff recognition initiative complete	Annual	1	1	1	Annual Gold Agouti Staff Awards. This measure is linked to the Zoo's strategic area of Oranga.
Staff learning and development initiatives completed	Annual	10	10	10	Learning opportunities from both internal and external speakers and providers. This measure is linked to the Zoo's strategic area of Oranga.

## 6. APPROACH TO GOVERNANCE

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

### Relationship with Council

Te Nukuaō Tūroa o Te Whanganui a Tara Wellington Zoo Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Measures. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction. The Trust works collegially and collaboratively with WCC through daily interactions and both the Annual Plan and Long-Term Plan processes.

### Trust Deed

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

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

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

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

*7.1.3 To promote species conservation;*

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

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

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

*7.1.7 To acquire additional plant and animal species; and*

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

As part of the ongoing relationship with the Wellington City Council, the Chair and Chief Executive previously met with the Mayor and Wellington City Council Chief Executive on a regular basis. We valued this meeting and would be very keen to have it reinstated. Te Nukuaō Wellington Zoo Chief Executive, and the Zoo's Strategic Management Team, meets regularly with Council Officers for CCOs and other Council management when appropriate. The Chair and Chief Executive attend Kōrau Tōtōpū | LTP, Finance & Performance Committee meetings as required.

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

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

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



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

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

Contract for Services

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

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

Trust Board Membership

Name	Term	Term Expires
Jamie Tuuta ( <i>Chair</i> )	1	31 December 2026
Nina Welanyk Brown	2	31 December 2024
Jane Diplock AO	1	31 December 2024
Nureddin Abdurahman	1	16 October 2025
Chris Roberts	1	31 December 2025
Marie Long	1	31 December 2026

All Board members are non-executive. A Board Skills Matrix will be provided separately by **31 March 2024** and updated annually which will also include Te Ao Māori expertise.

Board Committees

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

Board Development and Performance

The Board conducts an annual review of overall Board performance which determines individual and chair development needs and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least ten hours a year on this at Board meetings and additional workshops and discussions. **A report will be tabled to the Wellington City Council Chief Executive on the Board review and outcomes by 30 September 2024.**

## 7. HEALTH, SAFETY AND RISK

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

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

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



Risk Analysis & Control Plan for Te Nukuao Wellington Zoo

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



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

## Risk Analysis Scale

### Risk Analysis Scale

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

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

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



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



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



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



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

## 8. ADDITIONAL INFORMATION

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

Not applicable.

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

Please refer to the Balance Sheet and Accounting Policies included.

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

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

**d) Acquisition procedures**

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

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

The Board acknowledges the **\$4,361,660 operational funding** for 2024/25. However, we have outlined the pressures on our financial situation in Section 2 of this SOI.

The Board acknowledges the **proposed \$1.3m included in the Long-Term Plan** for Zoo Asset **renewals** for 2024/25 (unconfirmed).

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

Not applicable.

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

Not applicable.

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

Not applicable.

## 9. ACCOUNTING POLICIES

### Reporting Entity

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

The financial statements have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002.

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services was re-negotiated to 30 June 2021. Ongoing funding for the Trust has been approved in the 2018/2028 Long Term Plan. The Trust has made a further going concern assessment in Note 20.

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

Under this framework, the Trust is eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards. The Trust meets this criterion as is not a large public sector entity with total expenses ≥ \$30million and is not publicly accountable.

### Statement of Compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with PBE IPSAS and other applicable Financial Reporting Standards, as appropriate for Tier 2 public benefit entities.

### Measurement Base

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

### Functional and Presentation Currency

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

### Significant Accounting Policies

#### Critical Accounting estimates and assumptions

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

#### Grants

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

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

#### **Revenue**

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

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

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

#### **Donated, subsidised or vested assets**

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

#### **Interest**

Interest revenue is recognised using the effective interest rate method.

#### **Volunteer Services Recognition**

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

#### **Taxation**

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

#### **Goods and Services Tax (GST)**

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

#### **Debtors and other receivables**

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

#### **Cash and cash equivalents**

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

#### **Investments**

Term deposits are initially measured at the amount invested.

#### **Creditors and other payables**

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

#### **Inventory**

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

## **Property, Plant and Equipment**

### **Recognition**

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

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

### **Measurement**

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

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

### **Impairment**

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use.

### **Disposal**

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

### **Depreciation**

Depreciation is provided on all assets owned by the Trust excluding assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any residual value) over its useful life.

### **Work in Progress**

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

### **Employee Benefits**

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

### **Short Term Employee Benefits**

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

### **Other Contractual Entitlements**

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to terminate employment. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

### **Provisions**

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

#### **Revenue in Advance**

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

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

#### **Contingent Assets and Liabilities**

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

#### **Animals**

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

#### **Equity**

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

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.

Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

#### **Statement of Cash Flows**

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

#### **Related Parties**

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, key management personnel and the governing body (Trust Board).

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

#### **Changes to Accounting Policies**

There have been no changes in accounting policies this year.

## 10. FORECAST FINANCIAL STATEMENTS

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

CCO: Wellington Zoo Trust Business Plan 2024/25		\$NZ000's						
Estimate 30-Jun-24	EARNINGS STATEMENT	Qtr to 30-Sep-24	Qtr to 31-Dec-24	Qtr to 31-Mar-25	Qtr to 30-Jun-25	Total YE 30-Jun-25	Total YE 30-Jun-26	Total YE 30-Jun-27
	<b>Revenue</b>							
4778	Trading Income	1,125	1,384	1,335	1,140	4,985	4,950	5,000
4166	WCC Grants	1,090	1,090	1,090	1,090	4,361	4,468	4,593
87	Other Grants	21	21	21	21	84	90	100
302	Sponsorships and Donations-Operational	75	75	75	75	300	300	300
220	Sponsorships and Donations-Capital	0	0	0	0	0	0	0
75	Investment Income	15	15	15	15	60	50	50
0	Other Income	33	33	33	33	130	0	0
9,628	<b>Total Revenue</b>	2,359	2,618	2,569	2,374	9,920	9,858	10,043
	<b>Expenditure</b>							
7,261	Employee Costs	1,875	1,875	1,875	1,875	7,501	7,764	7,958
2,542	Other Operating Expenses	675	675	675	675	2,698	2,779	2,835
0	Depreciation	0	0	0	0	0	0	0
0	Interest	0	0	0	0	0	0	0
220	Vested Assets/Restricted Funds spend	45	45	45	45	180	0	0
10,023	<b>Total Expenditure</b>	2,595	2,595	2,595	2,595	10,379	10,542	10,792
(396)	<b>Net Surplus/(Deficit)</b>	(236)	23	(26)	(221)	(459)	(684)	(749)
(396)	Operating Surplus (Deficit)	(224)	36	(14)	(209)	(409)	(684)	(749)
(396)	<b>Net Surplus/(Deficit)</b>	(236)	23	(26)	(221)	(459)	(684)	(749)
-4.1%	<b>Operating Margin</b>	-9.5%	1.4%	-0.5%	-8.8%	-4.1%	-6.9%	-7.5%



Estimate 30-Jun-24	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-24	As at 31-Dec-24	As at 31-Mar-25	As at 30-Jun-25		As at 30-Jun-26	As at 30-Jun-27
	<b>Shareholder/Trust Funds</b>							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
1,550	Restricted Funds	1,550	1,550	1,550	1,550		1,550	1,550
(154)	Retained Earnings	(390)	(367)	(393)	(614)		(1,298)	(2,047)
1,397	<b>Total Shareholder/Trust Funds</b>	1,161	1,184	1,158	937		252	(497)
	<b>Current Assets</b>							
4,456	Cash and Bank	5,310	4,243	5,307	3,996		3,303	2,558
750	Accounts Receivable	992	824	588	500		500	500
150	Other Current Assets	200	180	150	150		150	180
5,356	<b>Total Current Assets</b>	6,502	5,247	6,045	4,646		3,953	3,238
	<b>Investments</b>							
0	Deposits on Call	0	0	0	0		0	0
0	Other Investments	0	0	0	0		0	0
0	<b>Total Investments</b>	0	0	0	0		0	0
	<b>Non-Current Assets</b>							
0	Fixed Assets	0	0	0	0		0	0
0	Other Non-current Assets	0	0	0	0		0	0
0	<b>Total Non-current Assets</b>	0	0	0	0		0	0
5,356	<b>Total Assets</b>	6,502	5,247	6,045	4,646		3,953	3,238
	<b>Current Liabilities</b>							
2,552	Accounts Payable and Accruals	2,470	1,167	1,987	1,609		1,546	1,505
400	Provisions	400	400	400	400		425	430
1,007	Other Current Liabilities	2,472	2,496	2,500	1,700		1,730	1,800
3,959	<b>Total Current Liabilities</b>	5,342	4,063	4,887	3,709		3,701	3,735
	<b>Non-Current Liabilities</b>							
0	Loans - WCC	0	0	0	0		0	
0	Loans - Other	0	0	0	0		0	
0	Other Non-Current Liabilities	0	0	0	0		0	0
0	<b>Total Non-Current Liabilities</b>	0	0	0	0		0	0
1,397	<b>Net Assets</b>	1,160	1,184	1,158	937		252	(497)
1.4	<b>Current Ratio</b>	1.2	1.3	1	1.3		1	0.9
26.1%	<b>Equity Ratio</b>	17.8%	22.6%	19.1%	20.2%		6.4%	-15.4%

Estimate 30-Jun-24	STATEMENT OF CHANGES IN EQUITY	As at 30-Sep-24	As at 31-Dec-24	As at 31-Mar-25	As at 30-Jun-25		As at 30-Jun-26	As at 30-Jun-27
	<b>Equity Opening Balances</b>							
242	Accumulated Comprehensive Revenue and Expense	(154)	(377)	(342)	(355)		(564)	(1,248)
1,550	Restricted Funds	1,550	1,538	1,525	1,513		1,500	1,500
1,792	<b>Total Equity Opening Balance</b>	1,397	1,161	1,184	1,158		937	252
	<b>Comprehensive Revenue</b>							
(396)	(Deficit)/Surplus for the year to retained earnings	(224)	36	(14)	(209)		(684)	(749)
(396)	<b>Total comprehensive revenue</b>	(224)	36	(14)	(209)		(684)	(749)
	<b>Equity Closing Balances</b>							
(154)	Accumulated Comprehensive revenue and expense	(377)	(342)	(355)	(564)		(1,248)	(1,997)
1,550	Restricted Funds	1,538	1,525	1,513	1,500		1,500	1,500
1,397	<b>Total Equity-Closing Balance</b>	1,161	1,184	1,158	937		252	(497)

Estimate 30-Jun-24	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-24	Qtr to 31-Dec-24	Qtr to 31-Mar-25	Qtr to 30-Jun-25	Total YE 30-Jun-25	Total YE 30-Jun-26	Total YE 30-Jun-27
	<i>Cash provided from:</i>							
4,778	Trading Receipts	1,125	1,384	1,335	1,140	4,984	4,950	5,000
4,166	WCC Grants	2,181	0	2,181	0	4,361	4,468	4,593
87	Other Grants	21	21	21	21	84	82	82
522	Sponsorships and Donations	75	75	75	75	300	300	300
75	Investment Income	15	15	15	15	60	50	50
0	Other Income	33	33	33	33	130	0	0
9,628		3,449	1,528	3,659	1,284	9,919	9,850	10,025
	<i>Cash applied to:</i>							
7,261	Payments to Employees	1,875	1,875	1,875	1,875	7,501	7,764	7,958
2,542	Payments to Suppliers	675	675	675	675	2,698	2,779	2,813
0	Net GST Cashflow	0	0	0	0	0	0	0
220	Other Operating Costs (Vested Assets/Restricted Funds)	45	45	45	45	180	0	0
0	Interest Paid	0	0	0	0	0	0	0
10,023		2,595	2,595	2,595	2,595	10,379	10,542	10,770
(396)	<b>Total Operating Cash Flow</b>	854	(1,067)	1,064	(1,311)	(460)	(692)	(745)
(444)	<b>Net Increase/(Decrease) in Cash Held</b>	854	(1,067)	1,064	(1,311)	(460)	(692)	(745)
4,899	<b>Opening Cash Equivalents</b>	4,456	5,310	4,243	5,307	4,456	3,996	3,303
4,456	<b>Closing Cash Equivalents</b>	5,310	4,243	5,307	3,996	3,996	3,303	2,558

Estimate 30-Jun-24	CASH FLOW RECONCILIATION	Qtr to 30-Sep-24	Qtr to 31-Dec-24	Qtr to 31-Mar-25	Qtr to 30-Jun-25	Total YE 30-Jun-25	Total YE 30-Jun-26	Total YE 30-Jun-27
(396)	<b>Operating Surplus/(Deficit) for the Year</b>	(236)	23	(26)	(221)	(459)	(684)	(749)
	Add Non Cash Items							
0	Depreciation	0	0	0	0	0	0	0
0	Other (Restricted Funds movement)	0	0	0	0	0	0	0
(396)		(236)	23	(26)	(221)	(459)	(684)	(749)
	<b>Movements in Working Capital</b>							
(72)	(Increase)/Decrease in Receivables	(242)	168	236	88	250	0	0
(4)	(Increase)/Decrease in Other Current Assets	(50)	20	30	0	0	0	(30)
(281)	Increase/(Decrease) in Accounts Payable	(82)	(1,303)	820	(378)	(943)	(63)	(41)
357	Increase/(Decrease) in Other Current Liabilities	1,465	25	4	(800)	693	55	75
0		1,091	(1,091)	1,090	(1,090)	0	(8)	4
(396)	<b>Net Cash Flow from Operations</b>	855	(1,068)	1,064	(1,311)	(459)	(692)	(745)



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



## **Basin Reserve Trust**

### **Statement of Intent 2024-2025**

## Introduction

The Basin Reserve: *Our Village Green* – It is the Basin Reserve Trust and Wellington City Council’s vision that the Basin Reserve is highly valued as a public reserve of unique character and is recognised as the premier international cricket venue in New Zealand. The journey to this point has been years in the making with the 1884 Trust Deed conveying the area to the Wellington City Council in Trust so that the Basin Reserve would be “*forever used for the purposes of a cricket and recreation ground by the inhabitants of the City of Wellington*”. In 1998, the Basin Reserve was listed as a Heritage Area, becoming the first sports ground to receive such a designation, and further enhancing its heritage and recreational significance to Te Whanganui-a-Tara.

Today, the Basin Reserve has seen more New Zealand Test matches, and Test victories, than any other ground. It has also been the venue for some of the most remarkable performances in our cricketing history; from JR Reid’s 15 sixes in a first-class innings, to Martin Crowe and Andrew Jones’ World Record partnership of 467 in 1991, and Brendon McCullum’s historic score of 302 in 2014. But the ground not only hosts cricket games, but sporting fixtures of every variety. It has hosted national events and competitions including VE Day celebrations, Royal Tours, exhibitions, Scout jamborees, concerts, and festivals.

The Basin Reserve Trust (BRT) plays a role in contributing to the Wellington City Council 2024-2034 long-term plan and we understand our role in the vision for “*Poneke – the creative capital where people and nature thrive*.”

## Objectives

The objectives of the trust are stated in the Trust Deed as agreed between the Wellington City Council and the BRT and are highlighted below:

1. to manage, administer, plan, develop, maintain, promote, and operate the Basin Reserve for recreation and leisure activities and for the playing of cricket for the benefit of the inhabitants of Wellington
2. to establish a long-term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community-based activities;
3. to enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
4. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion, and further development of the Basin Reserve;
5. generally, to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the public of Wellington;
6. to operate as a successful undertaking, managed on a not-for-profit basis.
7. to preserve and enhance the significant and recognised heritage value of the Basin Reserve. to comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council controlled organisations, and to acknowledge the Councils contribution where appropriate.

## **2024-25 Activities**

In-line with the objectives of the Trust Deed, the BRT will focus on the following initiatives in 2024-25;

### **Events and Functions**

The Basin Reserve is now a major venue of choice for the people of Wellington when it comes to events and functions. The venue plays host to a wide variety of users, including corporate days, family celebrations and of course is enjoyed by many when cricket is played. In total approximately 70 event days, 100 practice days and 80 functions will be delivered making the Basin a highly used space for the city.

An overview of the wide range of events that are planned for 2024-25 are outlined below:

#### Community and other Sport Events:

The BRT is proud to be a venue for everyone and key events for 2024-25 include:

- **Junior Rugby and Football** – partnerships with Wellington Rugby and Capital Football and now well established with the Basin Reserve serving to provide these two codes with three well used junior rugby and girls' junior football fields that enable each sport to play nine junior games each weekend throughout winter.
- **Beers at the Basin** – the popular festival that showcases Wellington's craft beer industry will continue to be a summer feature on the Basin's busy event calendar.
- **Summer Sessions at the Basin** – following a successful inaugural Summer Sessions at the Basin in March 2023, this food and wine festival is in the planning to be back for 2025. Much like Beers and the Basin the BRT is looking to establish this event as a regular fixture in February / March each year with Beers at the Basin operating annually in November.
- **Community Cricket** – a wide range of community cricket events will be held including various club competitions finals, the boys and girls Primary School and Secondary School finals, a Disability Sport day, Deaf Cricket and junior cricket field days.
- **Ethnic Community Festival** – Cricket Wellington has established an Ethnic Community Festival that brings culture, music, food and cricket together. In 2024 we will hold the inaugural Kilikiti Cricket Festival. This will be the biggest community event of the year and is eagerly anticipated by the Pacific Community as well as the Cricket Community of Wellington

The Trust remains committed to increasing and diversifying the utilisation of the Basin Reserve and will continue to seek opportunities to increase usage of the venue by community and corporate groups, other sports organisations, and event hirers to drive the utilisation of the Basin Reserve as a function venue of choice.

#### Functions

The BRT has contracted Black and Gold Events to manage and promote the Norwood Room and Long Room in the RA Vance Stand as a venue for conferences, meetings, weddings, celebrations, Christmas functions or team building workshops. In total, 80 functions are expected to be hosted at the venue for 2024-25.

### Domestic Cricket

The Basin Reserve is the home of Cricket Wellington and the home ground of the Wellington Firebirds in the Plunket Shield, Ford Trophy and Men's Super Smash, as well as the Wellington Blaze in the Hallyburton Johnston Shield and Women's Super Smash. The Basin also accommodates Cricket Wellington development teams. The Basin is planning to host 56 days of cricket events, with 100 days of use planned for the practice facilities.

### International Cricket

In partnership with Wellington NZ and Cricket Wellington, the BRT has won the right to host the second English test match in December 2024. We are still waiting for information about further international games in the summer of 24/25 but are ready and prepared to host any team that comes to New Zealand, as an example we have bid for the White Ferns vs Australia games pre-Xmas.

Critically, The Trust has identified that securing international cricket fixtures is crucial for generating revenue and ensuring the ground remains at the forefront for New Zealand Cricket as a venue of choice. Future investment in facilities and general upgrades need to be considered in alignment with enhancing the venue as a modern cricket facility that is fit for purpose for hosting international cricket.

### **Capital Projects**

The major redevelopment of the Basin Reserve is into the final stages. The picket fence project was largely completed during the 2023 winter with only the area in front of the cricket museum still to be finished. Additional storage is being completed early 2024, with the sight screen project to be done during the winter of 2024.

The security review has now been completed and the additional CCTV and Lighting recommendations will be installed during the winter of 2024. We will then move over to the council monitoring service which will greatly enhance the security of the venue moving forward.

We are also working on a project to renew the big screen at the Basin. The one we currently bring in every summer is approx. 16 years old, is the oldest LED screen in New Zealand and the parts are no longer available. This will greatly enhance the Basin as a venue, we will be able appeal to more users, as an example Relay for Life, and hold events such as movie nights which will increase revenue.

Installation of permanent camera platforms are also being investigated in partnership with New Zealand Cricket and their new broadcast partner TVNZ. Permanent camera platforms as opposed to the temporary structures that are erect each summer have a significantly reduced footprint; they will provide a revenue opportunity (advertising) for the Trust and will also enhance the Basin's ability to secure international cricket (by reducing costs to the broadcast partner).

### **Sponsorship and Fundraising**

The BRT remains committed to assisting with fundraising and sponsorship, while remaining dedicated to exploring further commercial opportunities for the venue generally.

Key opportunities that the BRT are progressing:

- **Naming Rights Partner** – the Trust has extended its naming rights sponsor with Cello for a further two years.
- **Digital Billboards** – the Trust have signed an Agreement to Licence and are also investigating digital billboard opportunities at the Basin Reserve to grow a more sustainable revenue base

that would provide the BRT with additional income to support the redevelopment and on-going maintenance

- **Electronic big screen** – as above the Trust is working on a project to renew the old screen that is currently only brought in for the summer. This will increase revenue due to the additional events that can be held as a result of having a more user-friendly screen, this will also give us more advertising opportunities which again will help drive more income.

The Trust will report on progress each quarter.

**Cricket Wellington and The New Zealand Cricket Museum**

The Basin Reserve is the home of Cricket Wellington, the Regional Sports Organisation for cricket in Wellington, and the New Zealand Cricket Museum. The Old Pavilion Stand is home to the Cricket Wellington offices and the national Cricket Museum, which officially reopened in December 2021. The New Zealand Cricket Museum records the history of cricket and tells the story of the Basin Reserve through its newly developed and modernised storytelling and displays.

The Trust recognises the significance of being the home of the New Zealand Cricket Museum as it aligns with the Council’s objective of having fit-for-purpose community, creative and cultural spaces. The Museum is a place where people can come to connect, develop, and express their arts, culture, and heritage. This drives additional and diverse visitation to the venue via private group tours, educational school trips, cricket match day experiences and will be open every Sunday to the public.

**Wellington Regional Stadium Trust (WRST) Turf Services Partnership**

The BRT will continue to work in partnership with the WRST to ensure that the Basin reserve outfield, wicket blocks and practice wickets are world class. A significant proportion of the operating grant provided to the BRT from Wellington City Council covers the costs associated with the Turf Services Agreement between the BRT and WRST which are costs that continue to increase year on year.

**1. Strategic Alignment to WCC**

The BRT aligns its strategic and service delivery to Wellington City Council in the following ways:

Strategy	BRT Alignment
Tupiki Ora and Takai Here	<p>The Trust is committed to being an exemplary partner in championing the Māori strategic objectives. We are dedicated to building our relationship with the city’s two mandated mana whenua organisations, and actively contributing to the realisation of the Māori well-being strategy in partnership with the Council and other CCO’s. The Trust is dedicated to being on the waka and supporting the key pillars identified, while also being acutely aware that we must respect the journey and develop trusted relationships with our mana whenua partners.</p> <p>The Trust propose the following focus areas for 2024-25:</p> <ul style="list-style-type: none"><li>· Align with the Te Tauihu – to reo Māori Policy to update all venue signage – this has some challenges due to the Heritage status of the ground and the limitations to what we can do in this space but we will continue to try and find solutions.</li></ul>

	<ul style="list-style-type: none"> <li>· Collaborate with WCC City Design Project and mana whenua partners to tell the story of the Basin and reflect its cultural heritage visibly in venue</li> <li>· Partner with events at the venue to ensure inclusion of te reo Māori i.e., cricket event days</li> <li>· To work with Cricket Wellington to embrace WCC's Whare Kura learning management system as the key mechanism for Cricket Wellington staff to be upskilled in Te Reo Māori and Te Tiriti training</li> <li>· To work with Cricket Wellington's Maori development officer to ensure all staff who work at the Basin Reserve understand Te Ao Māori and use those learnings to enhance the mana of the ground</li> </ul>
Te Atakura - First to Zero	The BRT was first awarded the Toitu Carbon Zero status on 19 December 2019 and will ensure that we remain a carbon zero footprint venue to contribute to the Council's aim of being a zero-carbon capital by 2050. This includes the introduction of bike storage areas at the venue, promotion of scooters and e-bikes as a form of transport to events and being an advocate for key actions within the Te Atakura First to Zero plan.
Aho Tini 2030 – Arts, Culture and Creativity Strategy	The trust will play an active role in identifying any suitable opportunities that may exist for the arts and culture sector to better utilise the Basins assets. We will actively engage with the trustees of the Cricket Museum to see what opportunities we can partner together on to showcase the arts using the museum as a backdrop. We will also work with existing and new partners to bring concerts, exhibitions etc to the Basin REserve
Strategy for Children and Young People	The BRT will ensure it aligns with the strategy for Children and Young People by ensuring the venue is a safe place at all times, specifically by partnering with events that focus on our youth
Economic Wellbeing Strategy	The Trust will support the Council regarding the development and implementation of new strategies in the areas of economic wellbeing by partnering with Cricket Wellington on such things as their young leader's programme aimed at Rangatahi boys and girls and developing their leadership skills. We will use their graduates to provide a resource when events are being held at the Basin e.g international tests.
Accessible Wellington, The Accessible Journey Action Plan 2019	The BRT will continue to support the Accessible Wellington, The Accessible Journey Action Plan 2019, and continue to allow free lounge access to the Basin Reserve Long Room on match days. Advancing our commitment to the plan, the Trust will support Cricket Wellington through achievement of the Rainbow Tick diversity and inclusion certification process which will be completed in 2024. We will also host disability groups on the Basin through our community days and work to ensure everyone can access the Basin Reserve facilities in a safe and welcoming manner.



Our Strategic Relationship

The Trust expects to be involved with the strategic development of the venue, in particular the investment in the development/upgrade of key infrastructure in venue and involvement with the annual asset management plan. The Trust intends to play an active role in the CCO collective and understands our position in supporting other CCO strategies and objectives.

2. Specific Expectations

Poneke – the creative capital where people and nature thrive, with the following initiatives:

Strategy	BRT Alignment
Asset Management Plan	The Trusts anticipates that for the 2024/25 reporting year WCC will have in place an Asset Management Plan for the Basin that will set out expectations and timelines enabling the BRT to ensure that the Basin’s infrastructure is adequately maintained. After significant capital investment in recent years, the BRT views this as a critical project for WCC to finalise and then work with the Trust to deliver. The introduction of the Asset Renewal Budget has helped considerably in the ability for the BRT to be able to achieve it’s objectives in this area.
Zero-carbon and zero-waste	The BRT will continue to support the Wellington Region Waste Management and Minimisation Plan in conjunction with venue caterers and hirers. This includes utilising specific bins throughout the venue for recycling, glass, and general waste, as well as using a specific bin for grass waste. Furthermore, we now adhere to the Solid Waste Management and Minimisation Bylaw for events of 1,000 people or more. Additionally, we will continue to align with Black and Gold to minimise waste generally, which has seen a significant reduction in plastic waste due to vendors using compostable packaging and the introduction of goblets to replace plastic cups at events
Walking and cycling network	The BRT has played an active role in supporting the Newtown to City cycleway project that passes through the Basin Reserve. This includes the Commonwealth walkway improvements as well as appropriate signage and safety measures for a mixed pedestrian and cycle area. We will continue to work with the council to address the issues of speed and safety that have resulted due to the new cycle lanes to achieve a solution that will ensure the best outcome for all users of the Basin Reserve

### 3. Performance Targets

In-line with Wellington City Councils 2021-31 Ten Year Plan, the BRT aims to deliver the following performance measures for 2024-25:

Measure	2023-24 Forecast	2024-25 Q1	2024-25 Q2	2024-25 Q3	2024-25 Q4	2024-25 Total
<b>Quarterly Targets</b>						
Ticketed Cricket Events at the Basin	13	0	7	5	0	12
Practice facility usage (Days)	100	15	45	40	0	100
Functions*	80	20	20	20	20	80

\*Measured as number of functions held at the venue, not as days as per other performance targets

Measure	2024-25 Forecast
Numbers attending events*	40,000
Event Income (\$) –	390,000
Council Operating Grant ^ (\$)	842,438
Cash Subsidy (grant) per attendance (\$)	21.06

^includes turf management fee

### 4. Governance

The Trust Deed establishes the BRT under the Charitable Trusts Act 1957 for the purposes of managing and administering the Basin Reserve. Wellington City Council has appointed the BRT to manage the Basin Reserve under a Management Deed (relating to the Basin Reserve). These two key documents set out how the BRT will govern the Basin Reserve.

The BRT is governed by a Board comprising four Trustees, two appointed by Cricket Wellington and two by Wellington City Council. The Board meet at least four times a year and appoint subcommittees as it deems appropriate to fulfil its obligations. The Trustees set the strategic direction for the BRT and approve the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensure that the Trust has appropriate policies and procedures to mitigate its risks (including compliance with the Health and Safety at Work Act 2015).

#### Trust Membership

- Alan Isaac (Chair) (appointed by Wellington City Council)
- Councillor John Apanowicz (appointed by Wellington City Council)
- Mike Horsley (appointed by Cricket Wellington)
- John Greenwood (appointed by Cricket Wellington)

### Performance Management

The performance of the Trust is measured in part by achievement of agreed KPI's, with regards to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee performance and will provide an update to Council by 30 September 2024. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council-appointed Trustees), and Cricket Wellington (with regards to the two Cricket Wellington-appointed Trustees). Additionally, the Trust Board will supply the Council with a skills matrix in 31 March 2024.

The Trust acknowledges the need for ongoing professional development opportunities for Trustees and encourages the undertaking of specialist training for identified needs. The Board will, on an annual basis, implement a programme that supports the identified needs. This may include programmes such as that offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

## 5. Finance

The budget is generally conservative which is developed on the basis of breaking even and in line with the activity outlined in this document.

### Analysis

The following are the key details and assumptions for the budget that results in an operating loss of \$53,579.00 for the 2024/25 financial year.

**Revenue** - \$1,357,737 is forecast in the budget.

Revenue	Forecast 2023-24*	Forecast 2024-25	Comment
Council Funding	\$764,548	\$842,438	
Sale of goods and services	\$407,000	\$509,299	
Interest	\$5,724	\$6,000	
<b>Total</b>	<b>\$1,177,272</b>	<b>\$1,357,737</b>	

\*Forecast until end of FY2023-24

### Expenditure

Expenditure of \$1,411,316 is included within the budget.

Expenses	Forecast* 2023-24	Forecast 2024-25	Comment
Depreciation	\$90,830	\$98,900	
Costs relating to providing goods and services	\$963,084	\$1,189,668	
Other expenses	\$115,230	\$122,748	
<b>Total</b>	<b>\$1,238,803</b>	<b>\$1,411,316</b>	

The expense side of the budget has been developed based on business as usual and a realistic estimate of the costs associated with operating the BRT.

**Capital Expenditure**

Capital Expenditure is forecast at \$118,148.00. in line with the WCC Asset Renewal Budget

**Cashflow**

Cashflow varies throughout the year as key revenues from grants are received quarterly.

**Risks**

The main financials risks are as follows:

- Inability to host Beers at the Basin and Summer Sessions at the Basin
- Concession agreement with Black and Gold is terminated
- Inability to secure international cricket fixtures
- The domestic cricket season doesn't proceed as planned
- Increased repairs and maintenance are required

**Estimate of amount intended for distribution**

There is no intention to pay out reserves to stakeholders.

**Acquisition procedures**

There is no intention to make any acquisitions.

**Estimate of commercial value of stakeholder's investment**

N/A



# P&L Forecast — Basin Reserve Trust

JUL 2024 - JUN 2025

	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Projected Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>400 - Income</b>													
201 - Grant Income - WCC Operating...	0	0	421,219	0	0	0	0	0	421,219	0	0	0	842,438
202 - Grant Income - WCC Asset Rene...	0	0	118,150	0	0	0	0	0	0	0	0	0	118,150
203 - Ground Hire Income - Internati...	0	0	0	0	0	107,000	0	0	40,000	0	0	0	147,000
204 - Ground Hire Income - Domestic...	0	0	0	0	0	35,000	0	0	0	0	0	0	35,000
206 - Other Ground Hire Income - Sp...	0	0	11,000	0	0	0	0	0	0	0	0	0	11,000
207 - Other Ground Hire Income - Be...	0	0	0	0	0	25,000	0	0	25,000	0	0	0	50,000
208 - Other Ground Hire Income - Cor...	0	0	0	0	0	3,500	0	0	0	0	0	0	3,500
210 - Other Ground Hire Revenue - W...	0	0	0	0	0	0	0	0	0	0	0	3,000	3,000
261 - Other Income - Concession Inco...	0	0	28,000	0	0	7,500	0	0	7,500	0	0	7,500	50,500
262 - Other Income - Signage / Namin...	0	0	10,240	0	0	41,827	0	0	10,241	0	0	10,241	72,549
263 - Other Income - CW Rent	0	0	5,000	0	0	0	0	0	5,000	0	0	0	10,000
264 - Other Income - WWCC Rent	0	0	1,500	0	0	1,500	0	0	1,500	0	0	1,500	6,000
265 - Other Income - Picket Fence Inc...	0	0	650	0	0	650	0	0	650	0	0	650	2,600
270 - Interest Income	0	0	1,500	0	0	1,500	0	0	1,500	0	0	1,500	6,000
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>597,259</b>	<b>0</b>	<b>0</b>	<b>223,477</b>	<b>0</b>	<b>0</b>	<b>512,610</b>	<b>0</b>	<b>0</b>	<b>24,391</b>	<b>1,357,737</b>
<b>Gross Profit</b>	<b>0</b>	<b>0</b>	<b>597,259</b>	<b>0</b>	<b>0</b>	<b>223,477</b>	<b>0</b>	<b>0</b>	<b>512,610</b>	<b>0</b>	<b>0</b>	<b>24,391</b>	<b>1,357,737</b>



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	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Projected Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
600 - Expense													
416 - Depreciation	0	0	23,600	0	0	25,100	0	0	25,100	0	0	25,100	98,900
440 - Other Expenses - Marketing Costs	0	0	0	0	0	2,000	0	0	2,000	0	0	0	4,000
442 - Other Expenses - Picket Fence E...	0	0	150	0	0	150	0	0	150	0	0	150	600
450 - Administration Expense - Audit...	0	0	0	0	0	0	0	0	0	0	0	16,000	16,000
451 - Administration Expense - Accou...	0	0	800	0	0	800	0	0	800	0	0	800	3,200
452 - Administration Expense - Bank...	0	0	20	0	0	25	0	0	35	0	0	80	160
453 - Administration Expense - Consu...	0	0	5,740	0	0	5,740	0	0	5,740	0	0	5,740	22,960
454 - Administration Expense - Mana...	0	0	40,937	0	0	40,937	0	0	40,937	0	0	40,937	163,748
460 - Building Expenses - Cleaning	0	0	20,600	0	0	600	0	0	2,000	0	0	600	23,800
461 - Building Expenses - Electrical Se...	0	0	2,000	0	0	1,500	0	0	2,000	0	0	1,500	7,000
462 - Building Expenses - Painting	0	0	1,000	0	0	1,000	0	0	1,000	0	0	1,000	4,000
463 - Building Expenses - Pest Control	0	0	3,400	0	0	3,400	0	0	3,400	0	0	3,400	13,600
464 - Building Expenses - Plumbing	0	0	1,000	0	0	1,000	0	0	1,500	0	0	1,500	5,000
465 - Building Expenses - Other Buildi...	0	0	0	0	0	300	0	0	0	0	0	300	600
466 - Building Expenses - R&M	0	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000	20,000
468 - Building Expenses - Fire System	0	0	3,450	0	0	3,450	0	0	3,450	0	0	3,450	13,800
470 - Ground Expenses - Electrical Ser...	0	0	500	0	0	500	0	0	500	0	0	500	2,000
471 - Ground Expenses - Equipment...	0	0	100	0	0	500	0	0	500	0	0	100	1,200
472 - Ground Expenses - Cleaning	0	0	1,000	0	0	1,000	0	0	1,000	0	0	300	3,300
474 - Ground Expenses - Painting	0	0	1,000	0	0	1,000	0	0	1,000	0	0	1,000	4,000

	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Projected Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
475 · Ground Expenses - Toitu Carbo...	0	0	0	0	0	0	0	0	4,500	0	0	0	4,500
476 · Ground Expenses - Plumbing	0	0	1,000	0	0	1,500	0	0	1,000	0	0	1,500	5,000
477 · Ground Expenses - Rubbish Re...	0	0	4,400	0	0	4,400	0	0	4,400	0	0	4,400	17,600
478 · Grounds Expenses - Stuctures R...	0	0	1,000	0	0	1,000	0	0	1,000	0	0	1,000	4,000
479 · Ground Expneses - Turf	0	0	124,000	0	0	161,000	0	0	161,000	0	0	124,000	570,000
480 · Occupancy Expenses - Gas	0	0	2,000	0	0	2,000	0	0	2,000	0	0	2,000	8,000
481 · Occupancy Expenses - Electricity	0	0	12,400	0	0	12,400	0	0	12,400	0	0	12,400	49,600
483 · Occupancy Expenses - Rates	0	0	13,000	0	0	13,000	0	0	13,000	0	0	13,000	52,000
484 · Occupancy Expenses - Security	0	0	4,500	0	0	4,500	0	0	4,500	0	0	4,500	18,000
485 · Occupancy Expenses - Water Ra...	0	0	8,000	0	0	12,000	0	0	8,000	0	0	16,000	44,000
486 · Occupancy Expenses - Internet	0	0	1,000	0	0	1,000	0	0	1,000	0	0	1,000	4,000
487 · Occupancy Expenses - Television	0	0	1,800	0	0	1,800	0	0	1,800	0	0	1,800	7,200
488 · Occupancy Expenses - Conuma...	0	0	11,000	0	0	11,000	0	0	11,000	0	0	11,000	44,000
489 · Occupancy Expenses - Insurance	0	0	640	0	0	0	0	0	660	0	0	0	1,300
490 · Event Running Expenses	0	0	0	0	0	56,100	0	0	0	0	0	0	56,100
500 · Grant Expenses - WCC Asset Re...	0	0	29,537	0	0	29,537	0	0	29,537	0	0	29,537	118,148
<b>Total Expense</b>	<b>0</b>	<b>0</b>	<b>324,574</b>	<b>0</b>	<b>0</b>	<b>405,239</b>	<b>0</b>	<b>0</b>	<b>351,909</b>	<b>0</b>	<b>0</b>	<b>329,594</b>	<b>1,411,316</b>
<b>Operating Profit</b>	<b>0</b>	<b>0</b>	<b>272,685</b>	<b>0</b>	<b>0</b>	<b>(181,762)</b>	<b>0</b>	<b>0</b>	<b>160,701</b>	<b>0</b>	<b>0</b>	<b>(305,203)</b>	<b>(53,579)</b>
<b>Net Profit</b>	<b>0</b>	<b>0</b>	<b>272,685</b>	<b>0</b>	<b>0</b>	<b>(181,762)</b>	<b>0</b>	<b>0</b>	<b>160,701</b>	<b>0</b>	<b>0</b>	<b>(305,203)</b>	<b>(53,579)</b>



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Business Unit(s)	Basin Reserve Trust
Budget Version	Xero Budget
Account Tree	«Original Account Tree»
Account Types	Income, Cost of Sales, Expense, Other Income, Other Expense



## Balance Sheet Forecast — Basin Reserve Trust

JUL 2024

	Opening Balance	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
<b>100 · Asset</b>													
01 · Westpac Transaction Account	34,447	39,511	(60,226)	(59,780)	274,192	236,075	234,450	229,743	79,813	79,345	326,914	265,337	262,976
610 · Accounts Receivable	221,974	57,926	39	683,858	178,459	121	255,740	66,738	45	586,904	153,158	104	27,713
710 · BRT Assets	354,869	354,869	354,869	354,869	354,869	354,869	354,869	354,869	354,869	354,869	354,869	354,869	354,869
711 · Less Accumulated Depreciation...	0	0	0	(23,600)	(23,600)	(23,600)	(48,700)	(48,700)	(48,700)	(73,800)	(73,800)	(73,800)	(98,900)
9999 · Sundry receivables	63,350	63,350	63,350	63,350	63,350	63,350	63,350	63,350	63,350	63,350	63,350	63,350	63,350
Westpac Savings	246,079	246,079	246,079	246,079	246,079	246,079	246,079	246,079	246,079	246,079	246,079	246,079	246,079
<b>Total Asset</b>	<b>920,719</b>	<b>761,736</b>	<b>604,111</b>	<b>1,264,776</b>	<b>1,093,349</b>	<b>876,895</b>	<b>1,105,788</b>	<b>912,079</b>	<b>695,457</b>	<b>1,256,747</b>	<b>1,070,571</b>	<b>855,940</b>	<b>856,087</b>
<b>200 · Liability</b>													
800 · Accounts Payable	316,379	158,754	1,130	344,082	172,655	1,229	434,797	218,175	1,553	373,686	187,510	1,334	348,115
820 · GST	1,359	0	0	45,028	45,028	0	(22,914)	0	0	28,455	28,455	0	(41,430)
99988 · Sundry Payables	262,970	262,970	262,970	262,970	262,970	262,970	262,970	262,970	262,970	262,970	262,970	262,970	262,970
<b>Total Liability</b>	<b>580,708</b>	<b>421,724</b>	<b>264,100</b>	<b>652,079</b>	<b>480,653</b>	<b>264,199</b>	<b>674,853</b>	<b>481,145</b>	<b>264,523</b>	<b>665,111</b>	<b>478,935</b>	<b>264,304</b>	<b>569,655</b>
<b>Net Assets</b>	<b>340,012</b>	<b>340,012</b>	<b>340,012</b>	<b>612,697</b>	<b>612,697</b>	<b>612,697</b>	<b>430,935</b>	<b>430,935</b>	<b>430,935</b>	<b>591,636</b>	<b>591,636</b>	<b>591,636</b>	<b>286,433</b>
<b>300 · Equity</b>													
960 · Retained Earnings	340,012	340,012	340,012	340,012	340,012	340,012	340,012	340,012	340,012	340,012	340,012	340,012	340,012
Current Earnings	0	0	0	272,685	272,685	272,685	90,923	90,923	90,923	251,624	251,624	251,624	(53,579)



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	Opening Balance	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
Total Equity	340,012	340,012	340,012	612,697	612,697	612,697	430,935	430,935	430,935	591,636	591,636	591,636	286,433

Budget Version	Xero Budget
Account Tree	«Original Account Tree»
Using actuals up to Jun 2024	



# Cashflow Forecast — Basin Reserve Trust

JUL 2024

	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Total
<b>Bank at Beginning</b>	<b>280,526</b>	<b>285,590</b>	<b>185,853</b>	<b>186,299</b>	<b>520,271</b>	<b>482,155</b>	<b>480,529</b>	<b>475,823</b>	<b>325,893</b>	<b>325,424</b>	<b>572,994</b>	<b>511,417</b>	<b>280,526</b>
<b>400 · Income</b>													
201 · Grant Income - WCC Operating...	0	0	1,951	356,551	125,815	86	0	0	1,951	356,551	125,815	86	968,804
202 · Grant Income - WCC Asset Rene...	0	0	547	100,011	35,290	24	0	0	0	0	0	0	135,873
203 · Ground Hire Income - Internatio...	77,702	27,418	19	0	0	496	90,573	31,960	207	33,859	11,948	8	274,189
204 · Ground Hire Income - Domestic...	0	0	0	0	0	162	29,627	10,454	7	0	0	0	40,250
205 · Ground Hire Income - Winter Sp...	4,662	1,645	1	0	0	0	0	0	0	0	0	0	6,308
206 · Other Ground Hire Income - Spa...	0	0	51	9,311	3,286	2	0	0	0	0	0	0	12,650
207 · Other Ground Hire Income - Bee...	0	0	0	0	0	116	21,162	7,467	121	21,162	7,467	5	57,500
208 · Other Ground Hire Income - Cor...	0	0	0	0	0	16	2,963	1,045	1	0	0	0	4,025
210 · Other Ground Hire Revenue - Wi...	0	0	0	0	0	0	0	0	0	0	0	14	14
261 · Other Income - Concession Inco...	19,426	6,855	134	23,701	8,363	40	6,349	2,240	36	6,349	2,240	36	75,770
262 · Other Income - Signage / Namin...	56,464	19,924	61	8,668	3,059	196	35,405	12,493	56	8,669	3,059	50	148,103
263 · Other Income - CW Rent	0	0	23	4,232	1,493	1	0	0	23	4,232	1,493	1	11,500
264 · Other Income - WWCC Rent	3,885	1,371	8	1,270	448	7	1,270	448	7	1,270	448	7	10,439
265 · Other Income - Picket Fence Inc...	1,684	594	3	550	194	3	550	194	3	550	194	3	4,524
270 · Interest Income	225	79	6	1,104	390	6	1,104	390	6	1,104	390	6	4,811
<b>Cash Inflows from Operation</b>	<b>164,047</b>	<b>57,887</b>	<b>2,804</b>	<b>505,398</b>	<b>178,338</b>	<b>1,155</b>	<b>189,002</b>	<b>66,692</b>	<b>2,418</b>	<b>433,745</b>	<b>153,054</b>	<b>216</b>	<b>1,754,759</b>



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	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Total
<b>600 · Expense</b>													
404 · Bank Fees	(46)	(46)	0	0	0	0	0	0	0	0	0	0	(93)
412 · Consulting & Accounting	(7,138)	(7,138)	(51)	0	0	0	0	0	0	0	0	0	(14,328)
440 · Other Expenses - Marketing Costs	0	0	0	0	0	(8)	(1,142)	(1,142)	(16)	(1,142)	(1,142)	(8)	(4,600)
442 · Other Expenses - Picket Fence E...	(997)	(997)	(8)	(86)	(86)	(1)	(86)	(86)	(1)	(86)	(86)	(1)	(2,519)
450 · Administration Expense - Audit F...	(10,634)	(10,634)	(76)	0	0	0	0	0	0	0	0	(65)	(21,410)
451 · Administration Expense - Accou...	(1,994)	(1,994)	(18)	(457)	(457)	(7)	(457)	(457)	(7)	(457)	(457)	(7)	(6,765)
452 · Administration Expense - Bank C...	0	0	0	(11)	(11)	0	(14)	(14)	0	(20)	(20)	0	(92)
453 · Administration Expense - Consul...	0	0	(23)	(3,277)	(3,277)	(47)	(3,277)	(3,277)	(47)	(3,277)	(3,277)	(47)	(19,826)
454 · Administration Expense - Manag...	(16,948)	(16,948)	(289)	(23,371)	(23,371)	(335)	(23,371)	(23,371)	(335)	(23,371)	(23,371)	(335)	(175,419)
460 · Building Expenses - Cleaning	(399)	(399)	(87)	(11,761)	(11,761)	(87)	(343)	(343)	(11)	(1,142)	(1,142)	(11)	(27,483)
461 · Building Expenses - Electrical Ser...	(997)	(997)	(15)	(1,142)	(1,142)	(14)	(856)	(856)	(14)	(1,142)	(1,142)	(14)	(8,332)
462 · Building Expenses - Painting	(332)	(332)	(6)	(571)	(571)	(8)	(571)	(571)	(8)	(571)	(571)	(8)	(4,121)
463 · Building Expenses - Pest Control	(2,293)	(2,293)	(30)	(1,941)	(1,941)	(28)	(1,941)	(1,941)	(28)	(1,941)	(1,941)	(28)	(16,346)
464 · Building Expenses - Plumbing	(997)	(997)	(11)	(571)	(571)	(8)	(571)	(571)	(10)	(856)	(856)	(12)	(6,032)
465 · Building Expenses - Other Buildi...	(199)	(199)	(1)	0	0	(1)	(171)	(171)	(1)	0	0	(1)	(746)
466 · Building Expenses - R&M	(665)	(665)	(25)	(2,855)	(2,855)	(41)	(2,855)	(2,855)	(41)	(2,855)	(2,855)	(41)	(18,605)
468 · Building Expenses - Fire System	(2,293)	(2,293)	(31)	(1,970)	(1,970)	(28)	(1,970)	(1,970)	(28)	(1,970)	(1,970)	(28)	(16,519)
470 · Ground Expenses - Electrical Ser...	(332)	(332)	(4)	(285)	(285)	(4)	(285)	(285)	(4)	(285)	(285)	(4)	(2,394)
471 · Ground Expenses - Equipment H...	(66)	(66)	(1)	(57)	(57)	(2)	(285)	(285)	(4)	(285)	(285)	(2)	(1,399)
472 · Ground Expenses - Cleaning	(199)	(199)	(6)	(571)	(571)	(8)	(571)	(571)	(8)	(571)	(571)	(5)	(3,851)
474 · Ground Expenses - Painting	(498)	(498)	(8)	(571)	(571)	(8)	(571)	(571)	(8)	(571)	(571)	(8)	(4,455)

	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Total
475 · Ground Expenses - Toitu Carbon...	0	0	0	0	0	0	0	0	(18)	(2,569)	(2,569)	(18)	(5,175)
476 · Ground Expenses - Plumbing	0	0	(4)	(571)	(571)	(10)	(856)	(856)	(10)	(571)	(571)	(10)	(4,031)
477 · Ground Expenses - Rubbish Rem...	(2,543)	(2,543)	(34)	(2,184)	(2,184)	(31)	(2,184)	(2,184)	(31)	(2,184)	(2,184)	(31)	(18,320)
478 · Grounds Expenses - Structures R...	(578)	(578)	(8)	(496)	(496)	(7)	(496)	(496)	(7)	(496)	(496)	(7)	(4,164)
479 · Ground Expneses - Turf	(76,434)	(76,434)	(1,055)	(70,793)	(70,793)	(1,166)	(91,916)	(91,916)	(1,318)	(91,916)	(91,916)	(1,166)	(666,824)
480 · Occupancy Expenses - Gas	(1,329)	(1,329)	(18)	(1,142)	(1,142)	(16)	(1,142)	(1,142)	(16)	(1,142)	(1,142)	(16)	(9,576)
481 · Occupancy Expenses - Electricity	(8,242)	(8,242)	(110)	(7,079)	(7,079)	(101)	(7,079)	(7,079)	(101)	(7,079)	(7,079)	(101)	(59,373)
483 · Occupancy Expenses - Rates	(7,976)	(7,976)	(110)	(7,422)	(7,422)	(106)	(7,422)	(7,422)	(106)	(7,422)	(7,422)	(106)	(60,912)
484 · Occupancy Expenses - Security	(2,991)	(2,991)	(40)	(2,569)	(2,569)	(37)	(2,569)	(2,569)	(37)	(2,569)	(2,569)	(37)	(21,547)
485 · Occupancy Expenses - Water Ra...	(2,659)	(2,659)	(52)	(4,567)	(4,567)	(82)	(6,851)	(6,851)	(82)	(4,567)	(4,567)	(98)	(37,602)
486 · Occupancy Expenses - Internet	(1,329)	(1,329)	(14)	(571)	(571)	(8)	(571)	(571)	(8)	(571)	(571)	(8)	(6,122)
487 · Occupancy Expenses - Television	(1,196)	(1,196)	(16)	(1,028)	(1,028)	(15)	(1,028)	(1,028)	(15)	(1,028)	(1,028)	(15)	(8,619)
488 · Occupancy Expenses - Conumab...	(5,317)	(5,317)	(83)	(6,280)	(6,280)	(90)	(6,280)	(6,280)	(90)	(6,280)	(6,280)	(90)	(48,667)
489 · Occupancy Expenses - Insurance	0	0	(3)	(365)	(365)	(3)	0	0	(3)	(377)	(377)	(3)	(1,495)
490 · Event Running Expenses	0	0	0	0	0	(230)	(32,028)	(32,028)	(230)	0	0	0	(64,515)
500 · Grant Expenses - WCC Asset Ren...	0	0	(121)	(16,863)	(16,863)	(242)	(16,863)	(16,863)	(242)	(16,863)	(16,863)	(242)	(102,023)
<b>Cash Outflows from Operation</b>	<b>(157,624)</b>	<b>(157,624)</b>	<b>(2,358)</b>	<b>(171,426)</b>	<b>(171,426)</b>	<b>(2,781)</b>	<b>(216,622)</b>	<b>(216,622)</b>	<b>(2,887)</b>	<b>(186,176)</b>	<b>(186,176)</b>	<b>(2,577)</b>	<b>(1,474,302)</b>
<b>200 · Liability</b>													
820 · GST	(1,359)	0	0	0	(45,028)	0	22,914	0	0	0	(28,455)	0	(51,928)
<b>Movement in Liabilities</b>	<b>(1,359)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(45,028)</b>	<b>0</b>	<b>22,914</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(28,455)</b>	<b>0</b>	<b>(51,928)</b>
<b>Net Movement</b>	<b>5,064</b>	<b>(99,738)</b>	<b>446</b>	<b>333,972</b>	<b>(38,116)</b>	<b>(1,626)</b>	<b>(4,706)</b>	<b>(149,930)</b>	<b>(468)</b>	<b>247,569</b>	<b>(61,577)</b>	<b>(2,361)</b>	<b>228,529</b>
<b>Bank at End</b>	<b>285,590</b>	<b>185,853</b>	<b>186,299</b>	<b>520,271</b>	<b>482,155</b>	<b>480,529</b>	<b>475,823</b>	<b>325,893</b>	<b>325,424</b>	<b>572,994</b>	<b>511,417</b>	<b>509,056</b>	<b>509,056</b>



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Budget Version	Xero Budget
Account Tree	«Original Account Tree»
Using actuals up to Jun 2024	







# WELLINGTON CABLE CAR LTD STATEMENT OF INTENT FY25-27

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

In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions, and performance measures for the Wellington Cable Car (WCCL) for the next three years. It responds to the Wellington City Council (WCC) December 2023 Letter of Expectations.



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## INTRODUCTION

For the first time since the COVID-19 pandemic, Wellington Cable Car Ltd (WCCL) proudly achieved a significant milestone by welcoming one million passengers aboard the iconic cars in the calendar year 2023. This marked a return to pre-pandemic levels of business, showcasing the resilience of both the Cable Car and the broader Wellington tourism sector. The restoration of these passenger numbers has not only revitalised the Cable Car's role as a major contributor to Wellington's economic landscape but has also reinstated its financial autonomy.

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

The Cable Car has a positive outlook for the upcoming fiscal years (FY25-27). The resurgence of air connectivity from key markets has led to a promising SOI forecast. International visitors (including cruise passengers) continue to make up a large portion of the Cable Car's passenger demographic (circa 60%). With approximately 750,000 international visitors expected to visit Wellington in FY25 (a return to 2019 levels), the Cable Car expects to attract a significant portion of them once again. The return of international visitors has also meant that WCCL no longer needs operational funding from the Wellington rate payer and the Cable Car has returned to a place of enabling key downtown attractions to enjoy success alongside those in the Kelburn precinct and beyond.

In FY23, cruise passengers accounted for 15% of total passenger numbers and contributed to 30% of the Cable Car's revenue. Given the significance of the sector to our business, a key watchout will be the risk of ships deploying away from New Zealand due to hull cleaning restrictions, increasing fees, and geopolitical issues. A drop in cruise passenger numbers, as we are already seeing for the upcoming season, will have an impact on our bottom line so we have considered this closely when forecasting targets.

Looking ahead to FY25-27, WCCL has outlined key focus areas to ensure the sustained success and growth of the Cable Car. A primary objective is the continuation of the seismic resilience programme, particularly focusing on the evaluation and enhancement of our three bridges.

The \$6.7m funding required for the bridge strengthening has been incorporated into the draft 2024-2034 LTP budget bid. We are grateful to Council for including it in the LTP and their support of our seismic programme of works. Detailed assessments conducted in FY24 will provide a comprehensive understanding of risks and opportunities, facilitating informed decisions on necessary strengthening measures. This proactive approach aligns with WCCL's commitment to transparency, ensuring that funding requirements for this critical work are communicated well in advance.

In addition to seismic resilience, WCCL is committed to advancing its environmental and cultural initiatives. Proudly providing a carbon-free mode of transport, we will continue our carbon reduction efforts, and increase our emphasis on Te Ao Māori. A comprehensive digital content strategy, and a new pricing strategy are also among the company's strategic initiatives. Furthermore, WCCL is taking a leading role in developing an options paper for the Top of the Cable Car Precinct, aiming to enhance the vibrancy and appeal of the area for both locals and visitors, solidifying the Cable Car's place as an enduring icon in Wellington's cultural and economic fabric.

	2021 Actual \$000	2022 Actual \$000	2023 Actual \$000	2024 Forecast \$000	2025 Budgeted \$000	2026 Budgeted \$000	2027 Budgeted \$000
Passenger numbers	567,721	448,306	922,959	1,027,832	980,000	1,009,400	1,059,870
Operating expenditure	(2,879)	(2,519)	(2,777)	(2,917)	(3,053)	(3,172)	(3,379)
Operating income	1,713	1,410	3,476	4,128	4,179	4,443	4,698
Grants & Subsidies	1,638	1,112	1,437	289	60	425	0
Profit/(Loss) Before Tax & Depreciation	471	3	2,136	1,499	1,186	1,696	1,319
Depreciation	(585)	(304)	(318)	(331)	(329)	(340)	(333)
Profit/(Loss) before Tax	(114)	(301)	1,818	1,169	858	1,356	985
Closing Cash Position	3,174	3,699	4,816	6,189	6,623	6,726	6,748
INSURANCE EXCESS FUND	500	506	506	506	506	506	506
ASSET RENEWAL FUND	2,674	3,193	4,310	5,683	6,117	6,220	6,242
WCCL INSURANCE PREMIUM	539	597	650	539	555	583	612

Figure 1. WCCL Commercial position



## ABOUT WELLINGTON CABLE CAR LTD

### Who we are

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

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

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

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

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

In 2024, the Cable Car marked its 122nd year of service, connecting people and fostering the growth of the Wellington region. It stands as a testament to Wellington's resilience and commitment to embracing its rich history while looking towards a prosperous future.

### Our strategic direction, purpose, and values

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

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

**Our values enable our purpose:**

**Kaitiakitanga** - Custodians of a Wellington taonga and our environment

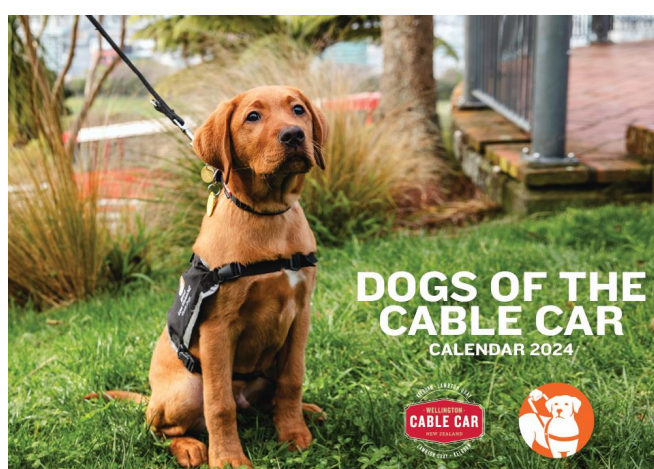
**Safe Workplace** - Safe site and safe conversations

**Guest Centred** - The guest experience makes our business

**Pride** - We strive to take pride in everything we do

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

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



## FY25-27 FOCUS AREAS AND FY25 ACTIVITY

In addition to Council expectations, our key priorities for FY25-27 fall under five strategic focus areas which guide the most impactful work:

VISION	The Wellington Cable Car is the most iconic tourist attraction in Wellington and the transport of choice for our local whānau. It is an enduring, carbon positive Wellington experience that connects our people, spaces, places and venues.				
PURPOSE & VALUES	Host uniquely Wellington experiences that locals are proud of, and visitors remember and share. Kaitiakitanga   Safe Workplace   Guest Centred   Pride   Team   Adaptability				
STRATEGIC FOCUS AREAS	CARE FOR OUR TAONGA	LEVERAGE OUR TOURISM MANA	SUPERCHARGE OUR CX	PARTNER FOR SUCCESS	NURTURE OUR WHANAU
FY25-27 OBJECTIVES	Maintain an asset management plan that meets the needs of future generations.	Become the activity destination of choice in the Wellington region.	Deliver the right products, to the right audience, on the right channel, at the right time.	Align and nurture relationships for future success.	Enable our team to develop their potential.
OUTCOMES	<ul style="list-style-type: none"> <li>Our cultural and historical assets are maintained and cared for</li> <li>The Cable Car has a reputation as a safe, reliable and sustainable business</li> </ul>	<ul style="list-style-type: none"> <li>We are the #1 activity recommendation by travel partners</li> <li>Top of the Cable Car precinct is a destination of choice for visitors and locals</li> </ul>	<ul style="list-style-type: none"> <li>We continually surprise and delight our customers through targeted activations, campaigns and products</li> <li>Focused acquisition and retention of customers</li> </ul>	<ul style="list-style-type: none"> <li>Council, CCOs and wider stakeholders are engaged, aligned and onboard with our vision</li> <li>Work is targeted and leverages wider industry and partner capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Team is enabled with the systems, capabilities and environment they need to deliver outstanding work</li> <li>Projects produce impact and measurable results</li> </ul>
FY25 PROJECTS INCLUDE	Asset Management Plan; seismic resilience work on bridges; and carbon reduction initiatives.	Top of the Cable Car Precinct options paper; content and training materials for travel trade; leveraging city-wide and business events; and off-peak strategy.	Rollout of new Digital Content Strategy; product development; accessibility initiatives; and pricing strategy.	Partnerships with WCC; Kelburn precinct and CCOs; Business Events Wellington; Cruise Lines; Tourism New Zealand; Iwi; Mana whenua; Waka Kotahi and GWRC.	OKR performance framework; software upgrades; and leveraging WCC and other CCO Te Ao Māori training initiatives.



OUR RESPONSE TO THE COUNCIL’S STATEMENT OF EXPECTATIONS

Enduring expectations

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


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


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

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


Alignment with Council strategies


WCCL aligns its strategy and service delivery to WCC in the following ways:


<p>Absolutely Positively Wellington City Council Me Heke Ki Pōneke</p>	
<p>LTP Priorities</p>	<p>WCCL is committed to aligning with WCC’s strategic direction and long-term plans and we fully support the Council’s vision and priorities as outlined in the 2024-34 Long-term Plan. Our support for this strategy is reflected in our dedicated efforts to:</p> <p><b>Transport Transformation:</b> We actively contribute to the Council’s objective of reshaping the transport system by focusing on both enhancing our efficiency and pricing for locals, plus promoting and celebrating our alternative mode of transportation to reduce vehicular reliance. As a wholly electric operation and one that also produces sustainable energy through our regenerative braking system we are proud of how we contribute to the transformation of transport in Wellington.</p> <p><b>Arts Sector Development:</b> We are supporters of nurturing and expanding the arts sector within Wellington. Our commitment involves fostering partnerships, performance initiatives, and offering our facilities to the arts community, complementing the Council’s priority to foster creativity and cultural vibrancy.</p>


<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
	<p><b>Te Ao Māori Visibility:</b> Embracing and celebrating te ao Māori is an integral part of our approach. We actively work to make te ao Māori visible across our work and operations, supporting the Council's aim to promote and celebrate Māori culture throughout the city. Our actions are grounded in respect, collaboration, and inclusivity.</p> <p><b>Revitalisation for Economic Growth:</b> We are actively involved in revitalising both the city centre and the Northern suburbs to support a robust economy and foster job growth. Our planning for initiatives to improve the Kelburn terminus precinct vibrancy will create an environment conducive to business development, innovation, and job creation, aligning closely with the Council's vision for a thriving and resilient economy.</p> <p><b>Accessible Connectivity:</b> As a fully accessible service, the Cable Car not only facilitates seamless connectivity within our vibrant city but also ensures inclusivity for individuals of all abilities. By providing a reliable and user-friendly transportation option, the Cable Car contributes to a more sustainable urban environment and aligns perfectly with the council's vision to create a city where everyone can enjoy our community and recreation facilities without barriers.</p> <p>WCCL's strategies, initiatives, and operations are structured to echo the Council's vision and priorities, serving as a committed partner in advancing these objectives for the betterment of Pōneke and its community.</p>
<p><b>Tūpiki Ora and Takai Here</b></p>	<p>At the Cable Car, we are committed to elevating the status of te reo Māori and fostering Te Ao Māori across the city. We will actively prioritise access to, resource allocation for, and investment in Te Ao Māori through several key initiatives that align with Council's documents under the following headings:</p> <ul style="list-style-type: none"> <li>• <b>Te whakatairanga i te ao Māori/Enhancing and promoting Te Ao Māori</b> <ul style="list-style-type: none"> <li>○ Language Access: We ensure that te reo Māori is readily accessible and integrated into our communication channels, both internally and externally. This includes bilingual signage, documentation, and promotional materials to actively promote and preserve the language.</li> <li>○ Product development: Within our product development initiatives, effort is dedicated towards the creation of innovative cultural products that respectfully narrate the stories and heritage of mana whenua. This includes collaboration with our CCO and Council</li> </ul> </li> </ul>





<p>Absolutely Positively Wellington City Council Me Heke Ki Pōneke</p>	<p></p>
	<p>partners to celebrate Matariki.</p> <ul style="list-style-type: none"><li>○ Education and Awareness: We invest and participate in educational programmes and initiatives that raise awareness and understanding of Te Ao Māori among our staff and the broader community. This includes cultural competency training, workshops and attending careers expos to foster a deeper appreciation and respect for Māori culture.</li><li>● <b>Tiakina te Taiao/Caring for our environment</b><ul style="list-style-type: none"><li>○ Stewardship: The Cable Car is committed to environmental stewardship, implementing initiatives that actively contribute to preserving our natural habitat. Practical projects such as the installation of rat traps within our tunnels and feather-friendly decals on our Kelburn Terminal demonstrate our commitment.</li><li>○ Looking ahead our commitment remains to seek new avenues for environmental collaboration and make meaningful strides in addressing environmental challenges.</li></ul></li><li>● <b>Te whakapakari pūmanawa/Building capability</b><ul style="list-style-type: none"><li>○ Partnerships: We will actively engage in a process of dialogue and collaboration with mana whenua representatives, recognising the value of their perspectives, cultural insights, and traditional knowledge in shaping a co-designed collective direction. This includes actively participating in the Tūpiki Ora working group alongside our CCO partners and Council.</li></ul></li><li>● <b>He whānau toiora/Thriving communities</b><ul style="list-style-type: none"><li>○ Community Engagement: We will prioritise community engagement by seeking input and participation from Māori communities. Their voices and perspectives are integral to our decision-making processes, ensuring that initiatives align with their needs and aspirations.</li><li>○ Collaboration: WCCL are proud collaborators with Council on the Rangatahi Pathways programme, and we will actively find opportunities to promote Māori culture and support city-wide initiatives including Matariki activations.</li></ul></li></ul>

<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
<p><b>Te Atakura: First to Zero</b></p>	<p>In alignment with the Council's aspirations and recognising the shared responsibility for emission reduction targets, WCCL acknowledges the need for collaborative leadership and strategic partnerships across the city to effect transformative change.</p> <p>The Cable Car is dedicated to actively supporting the city's ambition to more than halve city emissions within the next eight years. This commitment involves implementing targeted initiatives, adopting sustainable practices, and leveraging innovative solutions to significantly reduce our carbon footprint.</p> <ul style="list-style-type: none"> <li>• The Cable Car is already an extremely efficient mode of transport, (designed with regenerative braking, which feeds excess energy back into the grid), and we will continue to find ways to save electricity eg: installing timers on the tunnel-lights system and station platforms.</li> <li>• The Cable Car is aiming to maximise the amount of waste diverted from landfill via recycling programmes and new composting options during cruise season.</li> <li>• In FY24 WCCL was proud to once again achieve EKOS Carbon Zero certification and will undertake a further audit in FY25 as we look for ways to become Carbon Positive in the future.</li> <li>• In FY24 we will investigate installing e-bike racks within our operating footprint to encourage more sustainable transport options for our team.</li> <li>• Given the level of seismic work planned for the Cable Car, in an effort to promote sustainability we are dedicated to working with partners who adhere to 'social procurement' standards. By actively seeking out and collaborating with construction firms that prioritise sustainable practices and utilise environmentally friendly products, we aim to mitigate the ecological impact associated with the industry. Through such partnerships, we not only contribute to reducing carbon footprints but also set a precedent for responsible business practices that align with the values of social and environmental stewardship.</li> <li>• The Cable Car will continue to ensure our AMP considers and ensures that all infrastructure is able to withstand the effects of climate change and that business plans and forecasts are robust enough to withstand any business interruption associated with climate change.</li> </ul>

<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
<p><b>Aho Tini 2030</b></p>	<p>As a culturally significant landmark, the Cable Car has played host to numerous artists and events throughout its history, consistently looking for ways to embrace the creativity of Pōneke.</p> <ul style="list-style-type: none"> <li>• The Cable Car precinct, including the cars and terminals, provide distinctive and diverse venue spaces and amenities that artists can utilise beyond regular hours and even during operational periods.</li> <li>• In addition, we aim to connect with local artists, providing opportunities for them to create permanent murals on unused walls within the precinct.</li> <li>• Collaborating with the Creative Capital team at WCC, WCCL is actively exploring innovative uses for the Cable Car structures and their surroundings. We are committed to ongoing partnerships with precinct collaborators, the broader tourism sector, and the Council to contribute to city-wide initiatives and events.</li> </ul>
<p><b>Strategy for Children and Young People</b></p>	<p>WCCL is committed to ensuring a secure, enjoyable, and educational adventure for children and young individuals, and we prioritise their well-being.</p> <ul style="list-style-type: none"> <li>• Special pricing is offered for children, and students have many low-priced options for travel to make the experience more affordable.</li> <li>• Ongoing collaboration with Experience Wellington and other educators is maintained to develop products tailored for schools and children.</li> <li>• In FY24, WCCL explored the possibility of installing a glass floor in the winding room and a visual feed from the winding room onto terminal screens to provide an educational glimpse into the inner workings of the Cable Car. In FY25 we will look to implement one of these initiatives.</li> <li>• The commitment to surprise and delight young visitors will continue through pop-ups and activations, such as Winding Room tour activations, family-friendly entertainment during the school holidays, and ‘kids-ride-free’ promotions for International Children’s Day in March.</li> <li>• We will continue to support Victoria University’s Orientation Week Expo, promoting both the fare options available to students, and the opportunity to work at the Cable Car during their studies.</li> </ul>

<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
<p><b>Economic Wellbeing Strategy</b></p>	<p>To align with the outcomes outlined in the Economic Wellbeing Strategy for Wellington, the Cable Car is committed to contributing to the development of a dynamic and resilient city. We aim to align with each outcome through:</p> <ul style="list-style-type: none"> <li>• <b>Sustainable business and career pathways</b> <ul style="list-style-type: none"> <li>○ We prioritise providing equal opportunities for all individuals, ensuring meaningful, fairly paid, and inclusive work within our organisation. This includes paying all employees at or above the Living Wage, and through RFP processes, we will look to contract work with businesses who also uphold these standards.</li> <li>○ Our commitment extends to supporting career pathways through documented training and development programmes.</li> </ul> </li> <li>• <b>Transitioning to a zero-carbon circular economy</b> <ul style="list-style-type: none"> <li>○ Our operations are geared towards sustainability, with a focus on minimising waste and adopting circular economy principles.</li> <li>○ We are proudly carbon zero and looking into initiatives to become carbon positive in the future.</li> <li>○ From a social procurement perspective, we will also actively seek to work with companies who focus on sustainable and carbon friendly products and supply chains, especially within the construction industry.</li> </ul> </li> <li>• <b>A business-friendly city</b> <ul style="list-style-type: none"> <li>○ The Cable Car embodies the connection between the dynamic city heart and the northern suburban centres, and acts as the gateway to the important Kelburn precinct which is home to the Cable Car Museum, Space Place, Kelburn Village, Zealandia and the Botanic Gardens.</li> <li>○ Our collaborative efforts with local businesses and CCOs, and future investors and developers aim to enhance the overall business environment and promote economic growth in Wellington.</li> </ul> </li> <li>• <b>Centre of creativity and design</b> <ul style="list-style-type: none"> <li>○ Collaborating with Experience Wellington and WellingtonNZ, the</li> </ul> </li> </ul>

<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
	<p>Cable Car takes a leading role in coordinating a working group focused on enhancing the vibrancy of the Kelburn terminus precinct. This initiative aims to create an appealing destination for both locals and visitors, ensuring its allure endures into the future.</p> <ul style="list-style-type: none"> <li>○ We are dedicated to fostering creativity and innovation, contributing to Wellington's position as the creative hub of Aotearoa New Zealand.</li> <li>• <b>Celebrate our Capital City status</b> <ul style="list-style-type: none"> <li>○ We recognise and celebrate Wellington as the Capital City, and the Cable Car's place in that history by actively participating in events and initiatives that raise its profile.</li> <li>○ Our commitment to the community and the city's cultural and civic life reflects our dedication to celebrating and enhancing Wellington's Capital City status.</li> </ul> </li> </ul>
<p><b>Accessible Wellington</b></p>	<p>The Cable Car is fully aligned with the Council's commitment to improving accessibility to its activities and services. Our approach to aligning with these outcomes is two-fold:</p> <ul style="list-style-type: none"> <li>• <b>Improving Accessibility:</b> <ul style="list-style-type: none"> <li>○ We are continually looking at how we can enhance accessibility within our products, services, and facilities, ensuring they are inclusive and easily accessible to all members of the community. In FY24 this included an internal audit and the development of an accessibility page on our website covering information for people with visual, mobility and auditory accessibility issues.</li> <li>○ As part of a pricing strategy, we will investigate pricing options for concession, community services card holders and free travel for companion carers.</li> <li>○ Plans to re-build Salamanca Station (which no longer meets the requirements of accessibility) will continue to be developed in FY25.</li> <li>○ The Cable Car continues to seek opportunities to collaborate with the Council and other stakeholders to identify and implement improvements in accessibility where possible.</li> </ul> </li> </ul>

<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
	<ul style="list-style-type: none"> <li>• <b>Rainbow Inclusivity Initiatives:</b> <ul style="list-style-type: none"> <li>○ We wholeheartedly support the Council's call for Rainbow inclusivity initiatives in businesses. The Cable Car employs a diverse and inclusive rainbow team, valuing and respecting individuals of all backgrounds and identities.</li> <li>○ The Cable Car is known as a popular venue for Rainbow Weddings and has hosted several in the past few years.</li> <li>○ We acknowledge the importance of the Rainbow Advisory Group and are open to collaborating with them to gain insights, support, and guidance on opportunities to strengthen our focus on Rainbow inclusivity.</li> </ul> </li> </ul>

#### Strategic relationship with Council

The Cable Car appreciates the opportunity to articulate our vision for a strategic relationship with the Council in the drafting of the Statement of Intent. Our commitment is to foster a collaborative and mutually beneficial partnership through:


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


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

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


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


Specific expectations for WCCL

<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
<p>Council expects the company to outline its continued plans and priorities for improving the seismic resilience of its network.</p>	<ul style="list-style-type: none"> <li>• WCCL prioritised its FY24 work programme to deliver the most essential works within available funding. This included strengthening work in the Lambton Terminal and both preliminary and detailed assessments of the resilience of our three bridges.</li> <li>• The results of the detailed bridge assessments will give us a better understanding of the risks and opportunities, and how 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 element to strengthen, when that strengthening needs to occur, and therefore when funds might be required from the 2024-2034 LTP.</li> <li>• We are currently seeking \$6.7m from the 2024-2034 LTP budget to complete the bridge strengthening work and are grateful to Council for this being included in the current draft plan.</li> <li>• Further detail can be found in the asset management section of this SOI on page 21.</li> </ul>
<p>The company has demonstrated its adaptability in supporting cultural activities in the city using the Cable Car as a stage. Council would like to see the company continue to commit to developing new opportunities to strengthen the alignment with this important Council strategy, both for the benefit of the city and the Cable Car service.</p>	<ul style="list-style-type: none"> <li>• The Cable Car actively looks for opportunities to partner with local creatives. In the past 12 months, WCCL has hosted student projects, and provided Cable Car facilities to showcase city events and National Day celebrations.</li> <li>• As noted previously, WCCL will continue to work with stakeholders and look for opportunities to support and showcase cultural activities for the benefit of its passengers, while contributing to the ongoing vibrancy of the city.</li> </ul>
<p>The Council expects the company to continue to work together with Council and other stakeholders to improve the Kelburn terminus precinct vibrancy and appeal to locals and visitors now and</p>	<ul style="list-style-type: none"> <li>• The Cable Car serves as a vital connection for both residents and tourists traveling between Lambton Quay in the CBD and the Kelburn-Paekākā precinct in Wellington.</li> <li>• WCCL continues to take the lead in organising monthly discussions with businesses in the precinct. This includes</li> </ul>

<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
<p>into the future.</p> <p>Together with Experience Wellington and WellingtonNZ, the company should lead the planning for early interventions to add value to the cable car journey and celebrate the historic area.</p>	<p>various CCOs and WCC business units, aiming to strengthen collaborations. The primary objective is to boost passenger numbers and enhance the experience for both locals and visitors.</p>
<p>Council expects the company to take the lead in creating an options paper for longer term plans for the Kelburn terminus precinct that will create an integrated experience that leads to more frequent visitation.</p> <p>The paper should include thoughts on funding from private sector and central government.</p>	<p>Taking a considered and systematic approach, we look forward to the journey of crafting an options paper for the Kelburn terminus precinct.</p> <p>We will follow a structured ‘gate-path’ process involving:</p> <ul style="list-style-type: none"> <li> <b>Stage 1: Defining objectives</b> <p>The overarching objectives of the paper are to outline a range of medium to longer-term scenarios/options for the Kelburn Terminus precinct that showcase the opportunity to build on existing assets to create an enhanced and integrated visitor experience which could (through improved experiences), lead to more frequent and longer visitation by both visitors and locals, bringing commercial benefit for operators and economic benefit to the City.</p> </li> <li> <b>Stage 2: Development of options paper</b> <p>The paper will be developed in two phases.</p> <p><b>Phase 1:</b> Audience research to understand the desires and preferences of the target audience; development of potential product offerings; and an evaluation of the parameters for potential investment in the precinct plan options. Research related expenses will be covered by WCCL.</p> <p><b>Phase 2:</b> Following on from the findings of Phase 1, Phase 2 will include determining the steps required to progress changes to programmes and operating activities needed to deliver preferred options agreed for further consideration.</p> <p>In determining these factors, as appropriate, cost analyses</p> </li> </ul>



<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
	<p>will be carried out with preliminary workings to consider potential funding models needed to ascertain the appetite parameters for any investment in the precinct plan options. Dependent upon the options to be considered it is expected that this work is likely to include preliminary work on the commercial opportunities associated with changes that considered options may propose.</p>
<p>The company should engage proactively with any major Council led Golden Mile projects to ensure that the interests of the Cable Car are well understood, including any plans for development on Lambton Quay and the need for improved way finding to the Cable Car.</p>	<ul style="list-style-type: none"> <li>• Ensuring the Cable Car's interests are well understood in any development plans for Lambton Quay and improvements to wayfinding is indeed crucial. We fully acknowledge the significance of these projects and their potential impact on the Cable Car's operations and accessibility.</li> <li>• By actively participating in discussions and providing insights into the unique considerations of the Cable Car, we aim to contribute constructively to the development process.</li> </ul>
<p>Council expects the company to explore the opportunity of introducing differential pricing.</p>	<ul style="list-style-type: none"> <li>• The Cable Car provides differential pricing with tailored rates for various segments eg: casual 'general admission' fares for tourists, local pricing for commuters and student rates. This demonstrates our commitment to accommodating different customer needs and preferences.</li> <li>• Moving forward, our primary focus will be on developing a local's pricing strategy, exploring options for concession rates, and formalising an approach for regular price adjustments within each of our audience segments.</li> <li>• Our costs rise annually, and failing to adjust prices would result in a decline in profit. To address this, we propose an annual discipline of reviewing each category within the differential pricing model, with the review date set for 1 July. This evaluation will also consider how we align with other local services. This approach will allow us to stage and manage adjustments effectively, preventing sudden and significant changes.</li> <li>• We firmly believe in the importance of a transparent process for pricing adjustments. Therefore, any changes will be carefully considered, and we will communicate the</li> </ul>

<p><b>Absolutely Positively Wellington City Council</b> Me Heke Ki Pōneke</p>	
	<p>reasons behind them clearly.</p> <ul style="list-style-type: none"> <li>• In conclusion, our approach to the proposed differential pricing strategy will ensure that our pricing model remains fair and reflective of the value we provide.</li> <li>• Our overarching aim will always be to keep pricing for locals affordable, whilst also enhancing the overall experience and proving value for money to our visitors.</li> </ul>
<p>Council expects the company to work with Experience Wellington to consider the opportunity of introducing a combined Cable Car and Cable Car Museum (and / or Space Place) ticket, based on the option of introducing a small charge for entry to the Cable Car Museum.</p>	<ul style="list-style-type: none"> <li>• WCCL will work with Experience Wellington to investigate and analyse the pros and cons of an entry fee for the Cable Car Museum.</li> <li>• We will also look at our current Red Rocket promotion (a combo ticket for Cable Car and Space Place) and see how this might be extended across the year.</li> </ul>

## HOW WE OPERATE

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

### People and Culture

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

After three years of Covid-19 uncertainty, a key priority in the last 12 months has been the wellbeing of staff. Initiatives in this space included the introduction of new shifts and rosters aimed at promoting a more predictable pattern of work, regular fatigue surveys and a new fatigue policy.

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

### Asset Management

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

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

- **Tunnels:** Construction of our three tunnels began in 1899 and was completed in 1902, when the Cable Car began operation. The strength and condition of our tunnels and adjacent retaining walls has been extensively investigated and is well understood. We have a prioritised list of seismic strengthening projects for our tunnels based on the strength and risk. The highest priority elements (the middle tunnel upper portal, parapet, and adjacent north wall) were strengthened in FY23. Further tunnel strengthening projects will be prioritised appropriately when we understand more about the strength of our bridges.
- **Bridges:** The three original wooden viaducts were replaced with steel and concrete bridges in 1930. These have been well maintained with minor improvements over time. The central pier of Rawhiti bridge was strengthening in 2011 and steel supports for the Salamanca station were added to the bridge in 2013. In FY23 we commissioned a preliminary seismic assessment of the bridges. In FY24 we undertook a detailed seismic assessment to enable us to prioritise strengthening of the bridges alongside seismic improvements to the Cable Car tunnels.

Initial estimates to complete the bridge work are \$6.7m which has been requested in the 2024-2034 LTP budget bid. Results from the detailed assessment (due March 2024) will provide the detailed cost breakdowns and likely timings for the required draw-down of those funds.

- **Terminals:** In August 2023 we completed strengthening of the Lambton Terminal for the elements within our control. The seismic performance of the Lambton Terminal will always be influenced by the surrounding buildings and structures. We have not yet completed a seismic assessment of the Kelburn Terminal, however as it was constructed in 2013 it is a lower priority (in terms of seismic assessment) than our other structures.

Our steel-framed Cars date back to 1979, are well maintained, and in very good condition for their age. The electric motor, drive and control systems were replaced in 2016 and all replaced components and systems were compliant with 2016 European Standards. The equipment and systems are regularly maintained to the manufacturer's recommendations. Car replacement would most likely happen when we next upgrade the electric drive and control system in 20 years. In the interim our focus will be on steadily improving the seismic resilience of our structural assets.

### Health, Safety and Wellbeing

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

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

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

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

### **Risk Management**

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

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

### **Waka Kotahi – Rail Safety Case**

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

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

## PERFORMANCE MEASURES

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

### Environmental

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
<b>Zero Carbon Accreditation</b>	Carbon accounting and offsetting with an accredited organisation	Maintain Carbon Zero*	Maintain Carbon Zero	Maintain Carbon Zero
<b>Waste diversion</b>	Total waste diverted from landfill**	15%	20%	25%

\*The Cable Car will use FY25 to understand the steps required to become Carbon Positive

\*\*An amended measure from the FY24-26 SOI, we will use FY24 to better understand our volumes now we are operating at pre-covid levels and investigate initiatives to reduce and recycle waste.

### Health and Safety

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
<b>Quality of WCCL infrastructure</b>	Rail safety licence maintained	Maintain	Maintain	Maintain
<b>H&amp;S is actively managed and improved</b>	Part of the risk register is reviewed at each H&S meeting. Mitigation and minimisation options discussed and implemented where possible	Maintain	Maintain	Maintain
	H&S audit completed, and recommendations implemented	Maintain	Maintain	Maintain

#### Service Delivery

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
Customer Satisfaction	Maintain Net Promoter Score equal to or better than CXI benchmark	Maintain	Maintain	Maintain
	Google rating	4.2 or higher	4.2 or higher	4.2 or higher
	TripAdvisor rating	4.2 or higher	4.2 or higher	4.2 or higher

#### Reliability / Timeliness

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
Cable Car Reliability	Percentage Reliability	> 99.0%	> 99.0%	> 99.0%

#### Passenger Numbers

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
Customer Trips	Tickets sold	980k*	1,009k	1,039k

*\*Reflects current FY24/25 Cruise Schedule*

#### Revenue

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
Revenue	Fare Revenue	\$3,609k	\$3,903k	\$4,141k

## FINANCIAL INFORMATION

**Wellington Cable Car Limited**  
**Statement of Comprehensive Income**  
**For the years ending 30 June 2025, 2026 and 2027**

	2024 Forecast \$000	2025 Quarter 1 \$000	2025 Quarter 2 \$000	2025 Quarter 3 \$000	2025 Quarter 4 \$000	2025 Total \$000	2026 Budget \$000	2027 Budget \$000
<b>Revenue</b>								
Fare revenue	3,795	643	1,109	1,392	754	3,898	4,216	4,471
Ancillary revenue	333	69	73	71	69	281	227	227
<b>Total revenue</b>	<b>4,128</b>	<b>712</b>	<b>1,182</b>	<b>1,463</b>	<b>823</b>	<b>4,179</b>	<b>4,443</b>	<b>4,698</b>
<b>Expenses</b>								
Operational costs	1,083	250	297	317	264	1,129	1,187	1,248
Infrastructure costs	829	281	213	214	186	893	938	985
Professional costs	429	116	113	109	99	436	424	442
Support staff costs	576	148	149	149	148	595	624	704
<b>Total expenses</b>	<b>2,917</b>	<b>795</b>	<b>772</b>	<b>789</b>	<b>697</b>	<b>3,053</b>	<b>3,172</b>	<b>3,379</b>
<b>Net profit (loss) before depreciation and grants</b>	<b>1,210</b>	<b>(83)</b>	<b>410</b>	<b>674</b>	<b>126</b>	<b>1,126</b>	<b>1,271</b>	<b>1,318</b>
Depreciation	(331)	(82)	(82)	(82)	(82)	(329)	(340)	(333)
Grants	289	-	60	-	-	60	425	-
<b>Net profit (loss) after depreciation and grants</b>	<b>1,169</b>	<b>(165)</b>	<b>388</b>	<b>592</b>	<b>44</b>	<b>858</b>	<b>1,356</b>	<b>985</b>

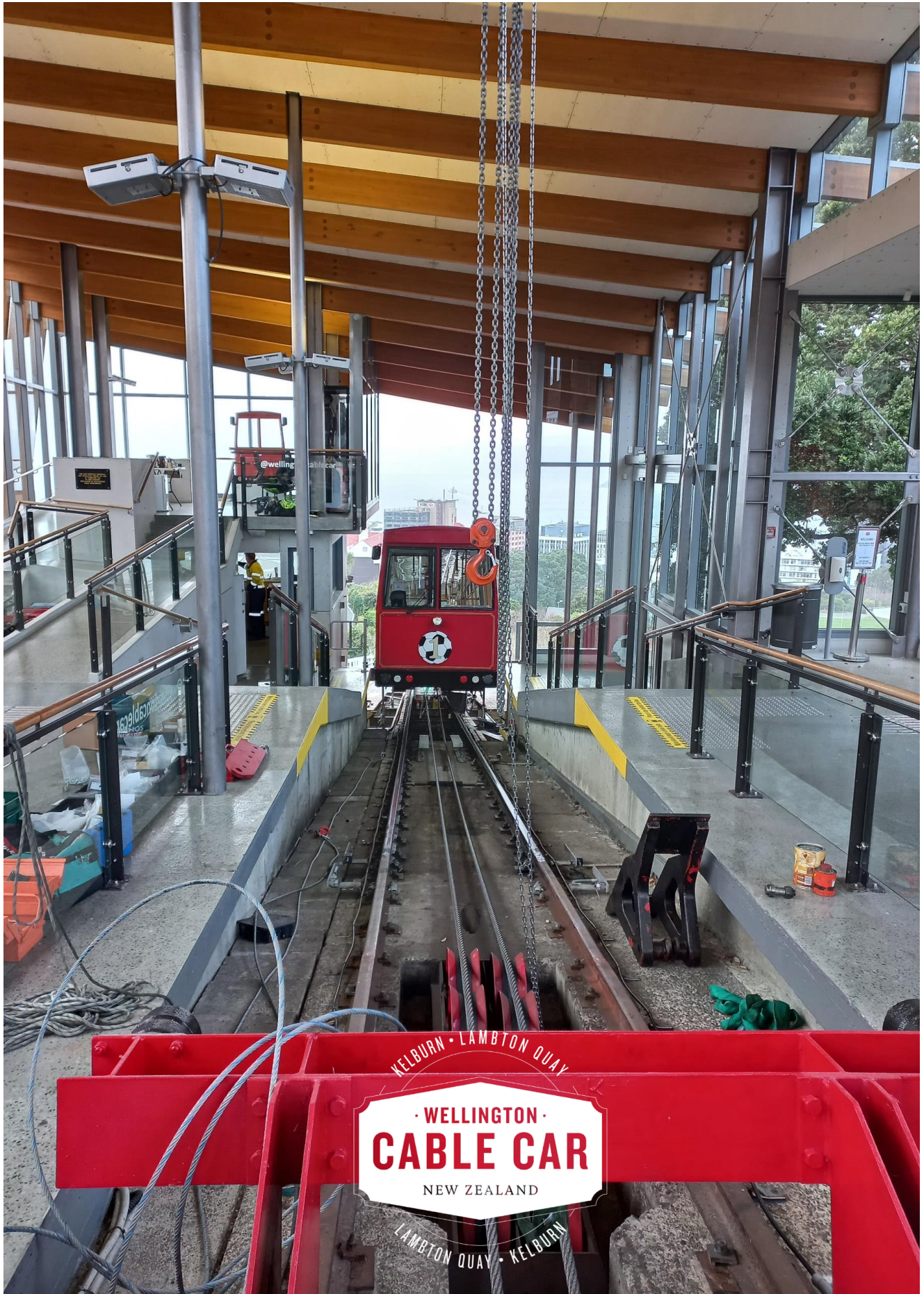
**Wellington Cable Car Limited**  
**Statement of Financial Position**  
**For the years ending 30 June 2025, 2026 and 2027**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<b>Forecast</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Assets</b>				
Bank and term deposits	6,189	6,623	6,726	6,748
Accounts receivable	115	121	127	133
Inventory	22	23	23	23
Property, plant and equipment	8,390	8,369	8,929	9,596
<b>Total assets</b>	<b>14,716</b>	<b>15,136</b>	<b>15,805</b>	<b>16,500</b>
<b>Liabilities</b>				
Accounts payable and accruals	300	315	331	347
Employee benefit liabilities	130	154	162	170
Taxation payable	216	62	81	87
LTP funding grant	486	426	-	-
Deferred tax	1,177	1,153	1,230	1,185
<b>Total expenses</b>	<b>2,309</b>	<b>2,110</b>	<b>1,803</b>	<b>1,789</b>
<b>Net assets</b>	<b>12,407</b>	<b>13,026</b>	<b>14,001</b>	<b>14,711</b>
<b>Equity</b>				
Retained earnings	4,973	5,590	6,566	7,276
Ordinary shares	7,435	7,435	7,435	7,435
<b>Total equity</b>	<b>12,407</b>	<b>13,025</b>	<b>14,001</b>	<b>14,711</b>



**Wellington Cable Car Limited**  
**Statement of Cash Flows**  
**For the years ending 30 June 2025, 2026 and 2027**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<b>Forecast</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Operating activities</b>				
Receipts from grants	588	0	0	0
Receipts from customers	3,764	3,892	4,210	4,465
Payments to suppliers and employees	(2,903)	(3,014)	(3,150)	(3,354)
Receipts from other operating activities	77	11	11	11
Refund/(Payment) of tax	(67)	(418)	(284)	(315)
<b>Net cash flows from operating activities</b>	<b>1,460</b>	<b>471</b>	<b>787</b>	<b>807</b>
<b>Investing activities</b>				
Payment for property, plant and equipment	(342)	(308)	(900)	(1,000)
Receipts from investments	256	270	216	216
<b>Net cash flows from investing activities</b>	<b>(86)</b>	<b>(37)</b>	<b>(684)</b>	<b>(784)</b>
<b>Net cash flows</b>	<b>1,373</b>	<b>434</b>	<b>103</b>	<b>22</b>
<b>Cash and cash equivalents</b>				
Opening balance	4,816	6,189	6,623	6,726
Net change in cash for period	1,373	434	103	22
<b>Closing balance</b>	<b>6,189</b>	<b>6,623</b>	<b>6,726</b>	<b>6,748</b>



Statement of Intent 2024-2025  
Karori Sanctuary Trust

Presented to the Long-Term Plan, Finance and Performance Committee  
pursuant to Schedule 8 of the Local Government Act (2002)

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## Foreword

This Statement of Intent (SOI) outlines the intentions and Key Performance Indicators (KPIs) for the Karori Sanctuary Trust (trading as Zealandia) for the next three years. This SOI responds to the Wellington City Council (WCC) Statement of Expectations for 2024-2027.

During 2023/24 the Zealandia Te Māra a Tāne team harnessed the opportunity of a recovering tourism industry to achieve an eighth consecutive operating surplus. Coupled with this, our organisation received the preeminent accolade for Aotearoa New Zealand tourism organisations, the Air New Zealand Supreme Tourism Award. These indicators of success mark our place as a truly regenerative and sustainable organisation and reflect the efforts of thousands of people over the past 23 years.

Looking forward, we are excited to begin 2024 with the establishment of two new advisory committees to the Trust Board; the Tangata Whenua Advisory Group, and the Research and Restoration Advisory Group. These groups will provide the guidance necessary to deepen our relationships with mana whenua and research partners, but also to share our impact even further.

The restoration of the sanctuary remains our core focus, with collaborative efforts beyond the fence in the Kaiwharawhara catchment further extending Zealandia's impact. Science-based projects remain a priority, such as removal of pines in a way that recognises their potential to contribute to restoration goals. The sanctuary restoration continues to provide an exceptional means for Zealandia to support the revitalisation of mātauranga Māori and to give effect to our responsibilities under Te Tiriti o Waitangi. Zealandia's emerging cultural materials policy, led by mana whenua, will grow the relationships and practices that will support this place and its people.

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

While Zealandia continues to strive for growth and impact, the coming years present many challenges. The fixed costs that we deal with day-to-day, such as insurance, audit fees, and cleaning continue to climb. Zealandia already operates on extremely tight budgets, while providing a core service for the city that will deliver to the WCC vision of *Pōneke, a place where people and nature thrive*. Zealandia will continue to manage its finances responsibly, embracing a range of opportunities to maintain a diverse business model.

Another core concern for Zealandia Te Māra a Tāne governance is climate change. Our financial planning must consider possibilities such as the decline or loss of the cruise industry as carbon costs rise, and our sanctuary restoration efforts must also consider impacts to species and habitats as well as visitor infrastructure. As an organisation that drives new knowledge and innovation, we are building these considerations into our planning approaches and research priorities.

Over 2024-27 Zealandia will continue to deliver impact for people and nature across our fantastic city. We are thrilled to stand alongside the WCC to achieve this.

Ngā mihi

Russell Spratt  
**Chair, Karori Sanctuary Trust**

Dr Danielle Shanahan  
**Chief Executive, Zealandia Te Māra a Tāne**

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

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

*“A unique and treasured valley is the foundation of Zealandia’s contribution to the future – locally, national and globally.” – Living with Nature.*

### Our Purpose | Te Kuku Tauākī

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

### Our place in transformation | He Wāhi Ahurei

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

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



## The Sustainable Development Goals

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

	Target 4.7 – Education for sustainable development and global citizenship
	Target 6.3 - Improve water quality by reducing pollution Target 6.6 - Protect and restore water-related ecosystems
	Target 8.9 – Promote beneficial and sustainable tourism
	Target 11.4 – Protect the World's cultural and natural heritage
	Target 12.8 - Promote universal understanding of sustainable lifestyles in harmony with nature
	Target 15.5 – Protect biodiversity and natural habitats Target 15.8 – Prevent invasive alien species on land and in water ecosystems

## Our places, projects and partners

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

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

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

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

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

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

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

This section directly addresses the specific expectations and the alignment with strategic direction laid out in Council's Statement of Expectations for 2024-25 to 2026-27.

### 2.2 Response to specific expectations

Expectation	Response
Council expects that the Trust will provide an update on the development of Tanglewood House, acknowledging Council's contribution toward this project.	The Tanglewood House build is expected to be completed by September 2024. The Trust will keep Council updated on the progress of this project.
Council will continue to work actively with the Trust to develop Asset Management Maturity which will clearly define clear roles and responsibilities between the entities. One of the principal objectives is to create a common understanding with regards to the funding of operational and infrastructure assets, and will outline a practical approach to the ongoing management and maintenance in order to implement the 2024-34 Long Term Plan.	The Trust is committed to working with Council on a comprehensive Asset Management Plan that defines roles and responsibilities between the organisations for the 2024-34 Long Term Plan. This will enhance Zealandia's day-to-day operations.
The Trust's annual operating grant provided by WCC will be maintained at FY23/24 levels apart from a CPI adjustment for employee remuneration (as a proportion of the operating grant) and any contractual commitments (as a proportion of the operating grant) for goods and services already in place that have legally binding CPI adjustments. Council expects the Trust to plan for this scenario. Due to financial pressures Council is facing, Council expects the Trust to manage costs within its budget and explore opportunities for increased revenue generation to enable the Trust to deliver on its strategy and Council expectations. Council understands that this may lead the Trust to look at its service offering as well new as revenue opportunities.	Zealandia strives to maintain a healthy balance sheet and has achieved an operating surplus for eight consecutive years despite the impacts and pressures of Covid-19. The proposed change to the CPI will have a 'sinking lid' effect on the organisation over the next three years; our organisation has very careful financial management, and this drop will put significant pressure on the organisation. Following the loss of Ministry of Education funding in 2021, Zealandia reduced service delivery in education; as the costs of conducting business continue to climb, further reduced funding will impact investment in visitor experience asset management and maintenance.



### 2.3 Tūpiki Ora and Takai Here

*Kia mauri ora te taiao, kia mauri ora te whānau, kia mauri ora te ao Māori.*

Zealandia Te Māra a Tāne is committed to upholding the principles and strategies of Tūpiki Ora and will continue to play an important role in realising its outcomes.

Te ao Māori gives a unique and globally sought-after perspective on the world. As an organisation that cares for te taiao and many taonga, Zealandia Te Māra a Tāne consciously, collaboratively, and continuously strives to honour expressions of te ao Māori that include tikanga, te reo and mātauranga throughout the sanctuary's governance, operations, projects, and programmes—these are guided by our relationships with mana whenua and tangata whenua. Zealandia is committed to upholding the mana and mouri of Te Tiriti o Waitangi.



#### ***Te whakatairanga i te ao Māori / Tiakina te Taiao***

Zealandia's partnership with mana whenua Te Ātiawa, Taranaki Whānui and Ngāti Toa Rangatira is most prominent through our conservation and restoration work. Our organisation shapes our species translocation priorities based on guidance from our iwi partners, and actively supports their aspirations in a genuine, responsive way. There have been some cultural harvests within the sanctuary, and a cultural material policy is in development. We aim to be leaders in demonstrating how a non-government organisation with western foundations can partner meaningfully, and effectively.

Key actions looking forward include:

- Finalise a mana whenua-led cultural materials policy that enables Zealandia Te Māra a Tāne to effectively support Māori to express kaitiakitanga at Zealandia Te Māra a Tāne.
- Increase our community's ability to give effect to Te Tiriti o Waitangi through targeted training and other initiatives, including for members, volunteers, researchers, and allied organisations.
- Support, and where required, lead, priorities that have been identified by mana whenua for our local environment, particularly through sanctuary management and our catchment project Sanctuary to Sea Kia Mouriora te Kaiwharawhara.
- Focus engagement efforts on whānau throughout conservation and restoration activities.
- Explore and implement opportunities to improve accessibility of Zealandia for mana whenua.

#### ***Te whakapakari pūmanawa / He whanau toiroa***

Zealandia's current external engagement focuses on building relationships and connections with tangata whenua and mana whenua. This occurs through our conservation and restoration work, but also through a learning programme to reflect Kura Kaupapa and rangatahi Māori needs. We aspire to increase the visibility of te ao Māori through our tours and other engagement work.

As an organisation with around 130 staff, 500 volunteers, and ~16,000 members we believe we have a key role to play in showcasing how Te Tiriti o Waitangi partnerships are transforming the Wellington and Aotearoa New Zealand landscape. This will help shape the capabilities and willingness of our community, and in turn provide an environment for further partnerships to thrive.

We now have a focused Tangata Whenua Advisory Committee who support our Board as required on matters of strategy and governance.

Our priorities in these areas include:

- Further development and implementation of a learning programme that reflects the needs of Kura Kaupapa and rangatahi Māori.
- Delivering events during the year with Te Ao Māori and/or te reo Māori focus, including Puanga ki Matariki and Te Wiki o te Reo Māori.
- Ensure te reo Māori has equal standing through our communications and signage.

## 2.4 Alignment with other areas of strategic direction

Strategic area	Alignment and priority
<p>The implementation of Te Atakura: First to Zero</p> <ol style="list-style-type: none"> <li>1. Support the strategic goal of a more than halving in city carbon emissions in the next eight years</li> <li>2. Support the zero-carbon and zero-waste aspirations of the City and Council</li> <li>3. Incorporate climate change impacts and risks into your strategic planning</li> </ol>	<p><b>High priority area</b></p> <p>Zealandia provides a significant carbon sink for Wellington. Zealandia has been awarded the Qualmark Gold and the Toitū Envirocare carbonZero accreditation for eight years running.</p> <p>The Karori Sanctuary Trust has built sustainability into our practices and governance approach. This includes identifying our specific alignment with the Sustainable Development Goals, incorporating climate related risks into our risk register and operations, and working towards full-carbon accounting for the organisation.</p> <p>A cross-organisation group has supported the development of a sustainability action plan that informs our action and investment.</p> <p>This coming year, we will be identifying research opportunities to examine in detail the potential impacts of climate change itself on the sanctuary itself – including the ecology and visitor assets.</p> <p>Zealandia is leading 'Te Ohu te Kaiwharawhara' network as part of Sanctuary to Sea Kia Mouriara te Kaiwharawhara to actively support businesses in the Kaiwharawhara catchment to make nature positive changes to their business, in line with Council aspirations.</p>
<p>Aho Tini 2030 – Arts, Culture and Creativity Strategy</p> <p>Specific request from CCOs:</p> <ul style="list-style-type: none"> <li>• explore making spaces within their facility outside of regular programming more accessible for artists (for workshop or teaching, writing, crafting, making or performance) through liaison with our creative spaces team at Creative Capital (Aho Whenua)</li> <li>• identify opportunities to collaborate with artists, including Māori artists and those from diverse backgrounds, through liaison with our team at Creative Capital (Aho Mahi)</li> </ul>	<p><b>Medium priority area</b></p> <p>Zealandia has connected with a number of arts sector organisations, which enables us to facilitate the expression of art through the sanctuary itself and affiliated projects (e.g. Sanctuary to Sea Kia Mouriara te Kaiwharawhara).</p> <p>We continue to promote local artists' nature-based work through our exhibition Te Māra Toi.</p>
<p>Strategy for Children and Young People:</p> <ul style="list-style-type: none"> <li>• Hauora;</li> <li>• You Belong</li> </ul> <p>Pathways.</p>	<p><b>Medium priority area</b></p> <p>Zealandia Te Māra a Tāne is a recreational resource for people of all ages. This year, our public programmes have a significant focus on</p>

Strategic area	Alignment and priority
	<p>families, benefitting the hauora and feelings of inclusion of Wellington youth.</p> <p>Our learning programmes directly support youth pathways to life-long learning, as well as hauora. This includes school and youth organisation visits, and our Nature at Your Place programme which is a specifically designed and funded programme for low decile schools. Our bespoke Rāngai Rangatahi programme is a special offer for early to late teens.</p> <p>We have listed this as medium priority due to funding pressures, though it remains important to the Zealandia community.</p>
<p>Economic Wellbeing Strategy</p> <p>Key areas of focus for Zealandia:</p> <p>1. Sustainable business and career pathways Wellingtonians have equal opportunities to find meaningful, paid and inclusive work</p> <p>2. Transitioning to a zero-carbon circular economy We aim to be regenerative by design</p> <p>4. Centre of creativity and design</p> <p>Wellington is the centre for Aotearoa New Zealand for creativity and innovation</p> <p>6. Dynamic city heart, thriving centres</p>	<p><b>High priority area</b></p> <p>Zealandia is an international exemplar of a successful urban regeneration tourism offer recognised through the Air New Zealand Supreme Tourism Award in 2023 and sits alongside other globally leading environmental initiatives in Wellington. We see a unique opportunity for Wellington to promote this element of its innovation and creativity, and become a place that people visit and live to be inspired by nature. We liaise regularly with Wellington NZ to promote this opportunity.</p> <p>Zealandia is a significant contributor to our city’s GDP and will continue to connect with partners across the city to promote our offer. Further, through our corporate offerings and business partnerships we will grow our impact on the sustainability of the for-profit sector in Wellington and beyond.</p> <p>Zealandia continues to be the leading non-government employer in the environmental sector in Wellington.</p>
<p>Accessible Wellington</p> <p>Specific request from CCOs:</p> <ul style="list-style-type: none"><li>Consider Rainbow inclusivity initiatives in their business.</li></ul>	<p><b>Medium priority area</b></p> <p>Zealandia is committed to ensuring all Wellingtonians have access to the places we care for and feel welcome through our diverse programme of offerings and inclusive approach to employment. Our focus is primarily on Māori and families and the physical accessibility of our workplace and the sanctuary. We will continue to explore internal opportunities for our staff and volunteer team to improve Rainbow Inclusivity.</p>

2.5 Zealandia’s expectations of the strategic relationship

The Statement of Expectation invites comment on what our organisation expects of the strategic relationship with Council.

Beyond those enduring expectations which we note are two-way, our specific expectations include:

- Continued inclusion of Zealandia leadership in strategic discussions for our city.
- Recognition and celebration of the point of difference that Zealandia Te Māra a Tāne provides for our capital city across Council business areas.

- Rapid response to facilities repairs and maintenance for Council owned assets.
- Sharing of People, Capability and Culture and other resources where possible for Zealandia staff and volunteers to assist us in meeting minimum standards; for example, access to Te Tiriti o Waitangi training modules.
- Ongoing acknowledgement of the role that Zealandia plays in the nature-rich vision for Wellington.

### 3. The nature and scope of our activities in 2024/25 and beyond

Over the next financial year Zealandia's activities will cut across three main domains; conservation and restoration; learning, engagement, and research; and our foundations. Within these areas we will have highly targeted impact for Wellington and Aotearoa New Zealand.

The following sections set-out our scope of business for our organisation for the coming years.

#### 3.1 Conservation and restoration | He Wāhi Taonga

##### Living with Nature strategy areas:

- Restoring Te Māra a Tāne and its extending halo of biodiversity.
- Inspiring change through example and shared passion for action.
- Embracing Mātauranga Māori and other knowledge frameworks.
- Forming strong and enduring local, national, and international partnerships based on shared goals.



A PLACE THAT TREASURES  
HE WĀHI TAONGA

##### Our five year goals. By 2027:

- We have made significant progress in restoration through implementation of the Zealandia Te Māra a Tāne Conservation and Restoration Strategy.
- All our conservation and restoration work demonstrate how it can be done in a way that is collaborative, respectful, and founded on Te Tiriti o Waitangi with our mana whenua partners.
- We are recognised leaders in conservation locally, nationally and across the world through our research, leading-edge socio-ecological programmes, and by sharing stories of impact.



A PLACE FOR LEARNING  
HE WĀHI MĀTAURANGA

##### Priority actions for 2024/25:

- We will finalise a cultural materials plan, taking the lead from mana whenua.
- We will continue implementation of a leading-edge exotic tree removal plan, significantly progressing the restoration of the sanctuary.
- Our species management will address the need for top-ups or movement of species out of the sanctuary and will continue to follow our restoration plan.
- We will expand our understanding of the potential effects of climate change on sanctuary species and habitats and adapt our management to reflect this.
- The Sanctuary to Sea Kia Mouriora te Kaiwharawhara project will continue its focus in three areas, including Te Ohu te Kaiwharawhara - a programme to engage businesses in environmental action (formerly Every Business Restoring Nature), mana whenua partnerships, and the estuary development.

### 3.2 Learning, engagement, and research | Te Taiao: He Ao Āmua

#### Living with Nature strategy areas:

- Creating inspiring, accessible experiences.
- Being a hub where people of all ages can learn, actively participate, create new knowledge, and share their insights and understanding.
- Equipping people with experience and skills for a nature-rich future.
- Inspiring change through leadership and shared passion for action.

#### Our five year goals. By 2027:

- Wellingtonians, New Zealanders, and international guests can visit and connect with Te Māra a Tāne, the sanctuary, in a wider range of meaningful ways.
- Zealandia has a strong digital presence to engage and inspire audiences from across Aotearoa New Zealand and the world.
- Zealandia's learning programme has national impact, including through digital platforms.
- Zealandia has strong connections with Wellington corporate partners.
- In partnership with Te Herenga Waka Victoria University of Wellington (VUW), Wellington is the place people want to come to study and research conservation and restoration.

#### Priority actions for 2024/25:

- Identify opportunities to collaborate on activities that make Zealandia more accessible for artists and enhance the visitor experience through enriching experiences and events.
- Grow the reflection of te ao Māori, te reo Māori, and Māori stories where appropriate through our learning, engagement, and tours work.
- Enhance our messaging and improve engagement of members to foster environmental action beyond the fence.
- Support businesses in their engagement with nature through Sanctuary to Sea Kia Mouriora Te Kaiwharawhara, and other corporate engagement opportunities.
- Deliver on key research projects with national and international relevance and grow our partnership with Te Herenga Waka VUW.
- Initiate or carry out research on the impacts of climate change on the sanctuary.



**A PLACE FOR LEARNING**  
HE WĀHI MĀTAURANGA



**A PLACE THAT EMPOWERS**  
HE WĀHI WHAKAMANA



**A PLACE THAT ENGAGES**  
HE WĀHI HUIHUINGA

### 3.3 Our foundations | Ngā Tumu

#### Living with Nature Strategy areas:

- Build our organisation's capacity to drive transformation.
- Embrace Mātauranga Māori and other knowledge frameworks.



**A PLACE THAT TREASURES**  
HE WĀHI TAONGA

#### Our five-year goals. By 2027:

- Zealandia is a leader in sustainable business practice. We will have the capability to measure our CO2 emissions in full.
- Zealandia has maintained a healthy and safe workplace, with frequently updated targets for improvement.
- The culture at Zealandia is healthy with encouraging positive attitudes and actions.
- The workforce is vibrant and diverse staff, and the volunteer workforce is supported by fit-for-purpose facilities and development opportunities.

- Zealandia continues to demonstrate best practice Governance and management.
- Zealandia has diversified revenue streams that reflect the strategy of transformational change for people and nature.

**Priority actions for 2024/25:**

- Focus on growth in our functions business and diversification of our membership programme.
- Grow our regular giving and bequests programmes.
- Complete and move into Tanglewood House.
- Achieve and maintain our unallocated working capital at three months of operations.
- Identify and implement opportunities to carry out full cost carbon accounting.
- Implement a sustainability action plan.
- Further develop our digital engagement and infrastructure capabilities.
- Carry out detailed asset management planning with WCC.

#### 4. Performance Measurements

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

A place that treasures	A place that engages
<p>Quantitative measures include (and are detailed in 4.1):</p> <ul style="list-style-type: none"> <li>• Incursions of mammals (excluding mice) are responded to.</li> <li>• Tanglewood house is completed.</li> <li>• Average subsidy per visit (total Council operating grant/all visitors)</li> <li>• Average revenue per visit (excludes Council &amp; Government grants)</li> <li>• Non-Council donations/funding</li> <li>• Net surplus/-deficit before depreciation and tax</li> <li>• Non WCC-grant revenues as a % of overall revenue</li> <li>• At least one top-up or introduction of a species, or translocation out of the sanctuary, completed.</li> </ul>	<p>Quantitative measures include (and are detailed in 4.1):</p> <ul style="list-style-type: none"> <li>• Total number of visitations</li> <li>• Visitor satisfaction rating.</li> </ul> <p>Qualitative measures will include:</p> <ul style="list-style-type: none"> <li>• Events delivered in line with Mātariki and Te Wiki o te Reo Māori.</li> <li>• The Zealandia membership programme is active, and provides multiple add-value opportunities for individuals and families.</li> </ul>
A place for learning	A place that empowers
<p>Qualitative measures include:</p> <ul style="list-style-type: none"> <li>• Zealandia knowledge and expertise shared via multiple platforms, including e-news, social media and research papers.</li> <li>• The Zealandia education programme is active and engages a range of schools.</li> </ul>	<p>Qualitative measures include:</p> <ul style="list-style-type: none"> <li>• Te Ohu Kaiwharawhara programme for businesses is delivered.</li> <li>• Nature at Your Place education programme delivered.</li> <li>• A cultural materials policy has been completed.</li> </ul>

#### 4.1 Quantitative non-financial Performance Measures

		2024/25						
Measure	2023/24 forecast	Q1	Q2	Q3	Q4	2024/25 Year total	2025/26	2026/27
Visitation <sup>1</sup>	142,000	21,000	36,000	47,000	26,000	130,000	130,000	130,000
Percentage of Satisfied Visitors	>95%					>80% <sup>2</sup>	>80%	>80%
Tanglewood House complete	In progress					Completed		
Top-up or introduction of a species, or translocation out of the sanctuary, carried out	At least 1 carried out					1 carried out	1 carried out	1 carried out
All incursions of mammals (excluding mice) are responded to	Achieved					Achieved	Achieved	Achieved

<sup>1</sup>Includes all visitation including education, member visits, general admissions.

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

#### 4.2 Financial Performance Measures

Measure	2023/24 Forecast	2024/25	2025/26	2026/27
Average subsidy per visit (total Council operating grant/all visitors)*	\$9.88	\$12.90	\$12.43	\$13.16
Average revenue per visit (excludes Council & Government grants)	\$36.43	\$37.52	\$38.65	\$39.81
Non-Council donations/funding	\$731,987	>\$200,000	>\$250,000	>\$250,000
Net surplus/-deficit before depreciation and tax	\$835,083	\$295,448	\$147,794	\$135,542
Non WCC-grant revenues as a % of overall revenue	82%	>75%	>75%	>75%

### 5. The Karori Sanctuary Trust Board's Approach to Governance

#### 5.1 The Trust Deed

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

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

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

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

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

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

## **5.2 The relationship with Wellington City Council**

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

The Trust's audited accounts for 2023/24 will be presented to the Council by end October 2024, or earlier if the audit timing allows. This later than usual date is advised due to constraints in the audit profession's resources. The Trust will continue to recognise Council as a principal funder and a strategic partner.

## **5.3 Enduring expectations**

### **No Surprises**

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

### **Relationships**

Over the last year Zealandia has valued the opportunity to participate in strategy and forward thinking for our city. This has also helped ensure our own strategies align with Council priorities.

### **Legislation and Compliance**

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



The Trust has robust health, safety, and wellbeing systems in place, and has a culture of continuous improvement in place. The Trust maintains awareness of all requirements under the Health and Safety at Work Act 2015.

Key actions taken or underway:

- Incidents and hazards are recorded online, and this reporting allows mitigations to be applied in a timely manner.
- Incident reports are reviewed regularly and our updated procedures of sign-off ensures the officers are satisfied with the investigations and outcomes is working well.
- The Chief Executive continues to be a member of the “Business Leaders Health and Safety Forum” and uses this to inform and keep abreast of good practice models.
- We continue to ensure employees and volunteers have an inclusive role in the identification and management of health and safety matters; including using the Health and Safety Committee to give a direct line of communication and ownership around health and safety matter across all areas of the organisation.
- We maintain a training regime that ensures there is a good level of coverage of personnel who can confidently always deal with first responder medical and emergency situations throughout the site.
- We have a proactive hazards register which is kept up to date, with new initiatives developed and implemented based on identified priorities.
- We continue to maintain an Employee Support Programme through Benestar which provides free and confidential support to all employees.
- Our three-monthly health and safety dashboard provides the Trust Board with an important view of data trends year-on-year.

We will continue to:

- evolve our policies and processes as WorkSafe publishes new guidelines and requirements become clearer.
- foster a collaborative and proactive approach to health, safety, and wellbeing within the organisation and with our partners.
- identify and organise ongoing training to reach or exceed best practice levels in all areas.

#### **Governance**

The Karori Sanctuary Trust has demonstrated exceptional governance and has several areas of strength highlighted in an external review that was undertaken in 2022/23. The Board maintains a skills matrix which includes Te Ao Māori, and this is set out in section 05. As per the Council expectation, a performance review of the Board has been undertaken.

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

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

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

## Risk Management

Organisational risks are reviewed by both management and the Trust Board. This process ensures they remain current, documented, and responsive to a changing environment. Zealandia will continue to inform Council of significant risks that affect the Council or the wider group. Risks are further covered in section 5.

## Living Wage

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

## 5.4 Board Membership

The Trustees of the Karori Sanctuary Trust are:

Trustee	Term Expires
Russell Spratt	31/12/2027
Pete Monk	31/12/2024
Margaret Hyland	31/12/2026 (eligible for reappointment)
Paul Atkins	31/12/2027 (eligible for reappointment)
Jo Breese	31/12/2025
Dr Libby Harrison	31/12/2026
Councillor Teri O'Neill	11/10/2025

- The Deed of Variation of Trust signed in April 2023 outlines the role of the Trustees. All Trustees may receive an honorarium.
- The Trust Board shall meet no less frequently than quarterly.
- The Chief Executive attends all meetings accompanied by their management team as required.
- The Board has an Audit and Risk Committee to assist the Board in reviewing risk tolerance and control, the scope and outcome of the audit and checking appropriate internal controls are in place. Members of the Audit and Risk Committee for the 2024 calendar year are Pete Monk (Chair), Libby Harrison (Trustee), Paul Atkins (Trustee), Russell Spratt (ex-officio), and Matthew Valentine (independent member).
- The Board also has a People, Capability and Culture Committee who consider remuneration, policies, and people management. Members of the People, Capability and Culture Committee for the 2023 calendar year are, Jo Breese (Chair), Teri O'Neill (Trustee), Prof Margaret Hyland (Trustee), and Russell Spratt (ex-officio).
- The Board and committee charters are reviewed annually.
- The Board may choose to set-up any new committees or advisory groups as deemed necessary in order to maintain an appropriate level of oversight.
- Trustees will contribute knowledge and skills across a range of work areas during the 2024/25 year and may from time to time contribute to working groups established by the Chief Executive.

## 5.5 Board Skills Matrix

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

Key skill	Russell Spratt (Chair)	Pete Monk	Margaret Hyland	Paul Atkins	Jo Breese	Dr Libby Harrison	Teri O'Neill
Research and conservation	✓		✓	✓	✓	✓	✓
Financial	✓	✓		✓			
Information technology		✓	✓				
Strategy development	✓	✓	✓	✓	✓	✓	✓
Marketing	✓	✓			✓		
Legal/regulatory					✓	✓	✓
Corporate governance	✓	✓	✓	✓	✓	✓	✓
Ambassadorial	✓			✓	✓	✓	✓
Risk management	✓	✓	✓	✓		✓	✓
Fundraising	✓			✓	✓	✓	
Mātauranga Māori/te ao Māori	✓				✓		
Cultural alignment	✓	✓	✓	✓	✓	✓	✓
Climate change	✓		✓	✓	✓	✓	✓

## 5.6 Annual General Meeting

The Trust holds an Annual General Meeting (AGM) each year for members to discuss the annual report and financial statements and hear from the team activities for the coming year. The AGM for 2024 will be held in November.

## 6. Risk Management

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

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

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

For medium and high risks, control systems and management strategies are established, as appropriate. The objective is to reduce the residual risk to the point where all cost-effective mitigations have been put in place. The Audit and Risk Committee is responsible for reviewing these strategies, as required. The Trust's management is responsible for their implementation. There are four response types, depending on the risk assessment and cost effectiveness considerations. These are:

- **Avoidance:** To eliminate the conditions that allow the risk to be present at all, often by changing or stopping the activity.
- **Acceptance:** To acknowledge the risk's existence, but to take no pre-emptive action to resolve it, except for the possible development of contingency plans should the risk event come to pass.
- **Mitigation:** To minimise the probability of a risk's occurrence or the impact of the risk should it occur.

- Deflection: To transfer the risk (in whole or part to another organisation, individual, or entity – such as through insurance).

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

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

The Zealandia risk register is updated and reviewed by the Audit and Risk Committee as part of our planning cycle and is available to Council to view on request.

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

Date first noted	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
2022	Longer term (5-year) pandemic impact, economic uncertainty and recession and effects of climate change have an adverse impact on visitation and revenue. (CE, SMT)	Adverse result in budget, risks to ongoing sustainability of the business and progress towards restoration and engagement objectives	Possible	Significant	Medium	Maintain 5-year planning cycles and long-term predictions of revenue streams/capital expenditure. Addition of a CFO role to maintain high-level of financial strategy and planning. Maintain networks in the tourism industry to understand predicted impacts of economic uncertainty and climate change on revenue. Diversifying the business, including increasing the focus on memberships and membership-related products, engagement through digital activities, fundraising and corporate partnership. Explore new opportunities for biodiversity credits. Integrate accounting for sustainability into Zealandia BAU. Monitor working capital to recover and maintain 3 months of operating funds and carry out regular forecasting.	If required, first action is to adjust annual business plan to meet a breakeven bottom line before depreciation.	Accounting for sustainability is being implemented. All other actions implemented and ongoing.	Medium	Stable.
2017	Zealandia becomes impacted by a cyber-security breach. (Corporate Services)	Loss of data, access to operating material, loss of ability to operate.	Possible	Major	High	Improvement in IT security and controls through engagement of respected IT firm. Addition of two-factor authentication for access to IT systems. Implementation of firewall on computers and better controls on organisational wide passwords and file sharing. Staff regularly reminded to be vigilant regarding risk of cyber-attack, phishing emails and harmful spam identification. Rapid action taken with	Contact IT provider as soon as a breach is detected or suspected. Follow instructions. Identify how business can continue depending on the nature of the breach.	Two factor authentication implementations established for key systems (noting this is unavailable for Westpac). New CRM in use with improved security. Firewalls established for all computers. Better protection for organisational	Medium	Stable.

Date first noted	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
						IT support organisation when breach is detected. Secure platforms always used for payments. Maintain insurance cover for cyber-breach impacts. Replace website with more secure option. Cybersecurity policy required.		passwords by using digital password managers is in progress. Website project will begin in new FY. Connection with WCC has been made to evaluate risk and opportunities.		
2017	Staff fraud (Corporate Services)	Zealandia loses considerable funds or suffers a reputation damage.	Possible	Major	High	Policy and procedures in place that cover delegations, signatures, cash handling etc. Code of Conduct and Fraud Policy in place. Audit- review annually. All operating transactions are reviewed by budget managers. Monthly balance sheet reconciliations. Effective procedures and systems of control in place (including separation of duties in high-risk areas). Cash handling procedures regularly reviewed and ensured to be best practice. Train finance staff to manage risk.	As soon as indication of staff fraud detected an investigation should take place. Police involved where necessary. Train VC staff in best practice.	CCTV improvement currently underway for VC. All actions implemented and current.	Medium	Stable.
2017	Health and safety risks that could lead to a negative outcome. (Corporate Services & all teams)	Site incident causing minor to severe harm, or death.	Unlikely	Severe	High	A comprehensive health and safety plan and policy is in place and regularly reviewed including a hazard register. Audit of sites in place. Three year plan for H&S improvement beginning. Ensure Zealandia people have access to adequate PPE. H&S KPIs established to encourage early reporting of potential hazards.	Accidents can happen regardless of protections in place. Ensure first responder training is maintained for duty operations staff, and first aid certificates	New investment in H&S will begin in new FY to continually improve systems and processes, and worker engagement. Maintain currency of knowledge of	Medium	Stable.

Date first noted	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
						Hazard Register is in place and regularly reviewed. Clear communication to visitors of safety rules. Clear communication to staff and volunteers of safety rules. Event management processes robust. Staff training programmes in place for tools such as quad bikes and chainsaws. Staff and volunteers encouraged to report all hazards and near misses. Plan for hazards introduced by new activities. Respond appropriately and with necessary H&S risk assessments to severe weather events or natural disasters, such as storms or earthquakes. Maintain currency of knowledge of climate change influences on severe weather events and fire and remain responsive. SLT consider H&S at every meeting, and look forward at potential issues in the future.	remain current for relevant staff.	climate change effects is critical.		
2017	A negative culture or bullying or harassment practices in Zealandia community.  A high stress environment caused by external (e.g. climate change, war, pandemic) or	Negative impacts on wellbeing of Zealandia people.  Reduced productivity.	Possible	Major	High	Code of conduct and other relevant policies in place. A culture of respect in place, including for gender identity, cultural background, sexuality, etc. Staff and volunteer surveys used to identify areas of concern and develop plans for improvement. Open and transparent communication by management and Zealandia leadership.	Where negative wellbeing outcomes are experienced, Zealandia people will be supported in a way that suits them. Where bullying has been detected, a plan of intervention to improve culture	Training for SLT and then next management level to recognise bullying and harassment currently being considered.	Low	Stable.

Date first noted	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
	internal (e.g. high workloads)  (Corporate Services)					Zero tolerance for, and systems ensuring rapid resolution to poor behaviour are in place. EAP and Benestar available for all staff. Key individuals that staff and volunteers can connect with outside of their line management should they require it. Confidential Health, Safety and Wellbeing reporting processes in place. Social club established, recognition and rewards procedure in place, processes in place for recognising exceptional work. PDP process in place to support development, identify long-term goals, and to support staff. Regular team meetings in place to encourage effective communication. Good engagement with Mental Health Week forms part of annual planning. Staff surveys carried out annually.	of any specific area of concern will be developed following necessary disciplinary processes.			
2017	Failure to establish self-sustaining populations of species, lack of progress in restoration (could occur as a result of biosecurity breach, technical challenges, natural disaster, changing climate, new diseases, etc)	Inability to realise 500-year vision of restoration	Possible	Major	High	Maintain and follow a comprehensive conservation and restoration strategy and associated plans, including monitoring plans. Modify plans as necessary to reflect changing reality of climate change. Ensure competent oversight of projects, and conservation is prioritised. Maintain the highest standards of biosecurity. Proactively maintain a wide network of experts and partners to assist if needed, and to gain knowledge of new	Maintain an open and transparent communication approach with the community and our mana whenua and tangata whenua partners when adverse outcomes are detected.	All actions implemented and current.  We currently have a risk of loss of the hihi population at Zealandia due to a range of challenges including climate change but are taking a proactive approach to communication and connection	Medium	Increasing.



Date first noted	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
	(Conservation and Restoration)					threats such as emerging wildlife diseases. Ensuring there are processes in place to act on internal controls and foresee possible external challenges. Predict future threats to the greatest extent possible, e.g. changing climate and the risks that brings, such as disease risk, range shifts, fire risk. Actively communicate with the community regarding challenges, risks and changes. Maintain financial controls to ensure sustainability of conservation programme. Build the resilience of the eco system by increasing biodiversity and targeting restoration efforts to species that increase resilience.		with mana whenua on this species.  We are keeping a watching brief on Avian Flu.		
2017	Major natural disaster such as earthquake, fire, storm (some of these could become more severe with climate change).  (Conservation and Restoration)	Unexpected costs, closure for long periods, significant loss of wildlife, significant loss of infrastructure (e.g. fence, buildings)	Possible	Severe	Very High	Proactively maintain a wide network of experts and partners to assist with biosecurity, fire, or other necessary response. Fire plan in place. Maintain a plan to respond to a breach of the fence. Ensure all buildings are compliant with earthquake or other regulations. Maintain currency of knowledge regarding local effect of climate change on natural systems. Maintain an awareness of effects of weather patterns on the sanctuary, such as low rain and drooping plants. Drills are carried out regularly with trained fire wardens. At least one CIMs trained General Manager.	Business continuity plan developed to deal with specific situation.	Actions current and implemented.  Co-ordinated Incident Management training refresher for GM Corporate Services needed, consideration of other staff training needs underway.  Aspects of Civil Emergency Plan and Business continuity plan require further development. High	Medium	Stable

Date first noted	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
								priority for coming year.  Investment in detailed risk assessment of climate change on sanctuary itself warranted in coming years.		
2023	Slips above or below Lake Road, caused by rain, earthquake or other disturbance (Infrastructure)	Closure of main access route to sanctuary valley. Disruption to activity and business.	Possible	Significant	Medium	Progressive assessment of risk areas by engineers, retention solutions developed where needed. Closure of areas if higher risk identified. Prevent cars or heavier vehicles from driving on Lake Road. Progress alternative vehicle access routes from e.g. George Denton Gate.	Prompt response to slips by operational teams. Public access can be established from pre-fab by George Denton gate or via Valley View track if Lake Road was closed for longer periods.	Actions current and implemented, some slip areas have been assessed by engineers and more will need to be done. Project to develop alternative access route in initial thinking stages.	Medium	Stable.
2017	Sanctuary security breach (e.g. wildlife poaching, eco-terrorism) (Conservation and Restoration)	Adverse outcomes for species or individuals	Possible	Major	High	Biosecurity protocols maintained for visitors, volunteers and staff including entry checks at the gate. Camera in place at entry/exit for investigative use. Maintain connections with DOC to ensure we receive information about known poachers who may be visiting the area. Proactively maintain a wide network of experts and partners to assist when needed for an eradication or ecotourism threats. Maintain processes to respond in a timely manner.	Provide police and DOC with information and support for investigations. Communicate with mana whenua partners and other stakeholders promptly. Maintain open and honest communication.	All actions implemented and current.	Low	Stable.

Date first noted	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
						Annual pest and weed control programs are in place. Locations of rare plants are not shared widely to protect these vulnerable species.				
2017	Negative media or community perspective regarding Zealandia  (Learning & Engagement)	Reputational damage to the Trust	Unlikely	Significant	Low	Ongoing risks identified (as per this table) and monitored regularly. Communication plans in place for major projects. Communications plans developed for potential issues as required. Open and transparent communication with Governance bodies, mana whenua partners, financial partners, and stakeholders. All necessary policies and procedures in place. Quality hiring practices, selection of staff that uphold Zealandia values. A robust long-term strategy in place with wide community buy in. Develop an organisational crisis communication plan.	Respond to criticisms in an open manner. Refine each crisis communication plan to suit the situation.	Crisis communication plan to be developed in 2024; currently this is done in response to emerging needs. All other actions implemented and current.	Low	Stable.
2022	Tanglewood House costs increase and have an adverse effect on working capital (CE)	Reputational damage to the Trust, building not completed, adverse financial outcomes	Possible	Severe	Very high	Effective project governance in place. Regular monitoring and reforecasting of costs using experts. Budget set and adhered to. Adequate fundraising in place. Use trusted contractors and draw on appropriate expertise.	Anticipate adverse outcomes before they arise. Fundraise as needed. Change plans if required.	All actions implemented and current.	Low	Stable.
2018	Climate change (All business areas)	Impacts on restoration, revenue, people, and other unidentified areas	Likely	Variable, up to severe	Very high	Eliminating contribution of Zealandia as an organisation to climate change by maintaining Carbon Zero or better and developing holistic supply chain calculation of carbon output so it can be accounted for in its entirety.		Requires ongoing attention across all business areas.	High	Increasing.

Date first noted	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Progress on actions	Residual Risk (2024)	Status
						Grow influence to support other businesses in reducing their impacts on climate change. Redeveloping business plans to orient towards low-carbon revenue streams. Planning for impacts across all areas of business.				
2024	Assets unable to be maintained due to reduced income (Corporate Services)	Declining visitor experience and health and safety risks	Possible	Variable, up to severe	High	Maintain good asset and financial planning practices. Continue to identify means to grow revenue in a way that also supports Zealandia's mission. Project asset replacement and maintenance costs to allow for good financial planning. Maintain revenue streams to allow for reinvestment.	Close structures and assets if they become too deteriorated or unsafe.	Requires further financial planning with projected asset replacements, work underway in 2024.	Medium	New risk.

## **7. Additional Information**

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

None.

### **Ratio of Shareholders' Funds to Total Assets**

Please refer to the Balance Sheet included in Appendix B.

### **Estimate of Amount Intended for Distribution**

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

### **Acquisition Procedures**

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

### **Activities for which the Board seeks Compensation from a Local Authority**

Total funding from Wellington City Council for 2023/24 is forecast to be \$1,481,873 (including living wage contributions). The development of the Trust's three-year rolling business plan has been adjusted to reflect the change in CPI allocation indicated in the Statement of Expectation.

### **Estimate of Commercial Value of Shareholders' Investment**

Not applicable.

## 8. Appendices

### Appendix A: Accounting Policies

#### i. Statement of compliance and basis of preparation

##### *Statement of compliance*

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

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

##### *Basis of preparation*

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

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

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

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

##### *Measurement base*

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

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

#### ii. Recognition of revenue

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

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

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

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

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

**Financial Instruments**

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

**iii. Cost of goods sold**

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

**iv. Property, plant and equipment and intangible assets**

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

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

Measurement subsequent to initial recognition:

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

**v. Depreciation and amortisation**

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

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

#### **vi. Cash and Bank**

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

#### **vii. Accounts and Sundry Receivables**

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

#### **viii. Stock on Hand**

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

#### **ix. Leased Assets**

*As Lessee:*

*Operating leases*

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

*Finance leases*

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

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

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

#### **x. Impairment**

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

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

#### **xi. Employee Entitlements**

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

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



**xii. Goods and Services Tax (GST)**

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

**xiii. Income Tax**

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

**xiv. Statement of Cash Flows**

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

- (a) Operating activities include all transactions and other events that are not investing or financing activities.
- (b) Investing activities are those activities relating to acquisition, holding and disposal of property, plant and equipment and of investments.
- (c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.
- (d) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

**xv. Changes in accounting policies**

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

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

## Appendix B: Zealandia Budget for 2024/25

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

### ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-24	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-24	Qtr to 31-Dec-24	Qtr to 31-Mar-25	Qtr to 30-Jun-25	FYE 30-Jun-25	FYE 30-Jun-26	FYE 30-Jun-27
	<b>Trading Revenue</b>							
1,341,310	Admissions	183,255	386,941	559,014	248,941	1,378,151	1,419,496	1,462,081
517,036	Membership Subscriptions	128,793	136,872	145,408	160,482	571,554	588,701	606,362
0	Other Operating Revenue					-	-	-
2,091,622	Sales of Goods	357,696	626,861	691,684	388,432	2,064,674	2,126,614	2,190,412
1,351,912	Other trading revenue	192,775	415,833	562,656	222,761	1,394,025	1,435,846	1,478,921
0	<b>Other Operating Revenue</b>					-	-	-
1,211,874	WCC operating grants	380,967	380,967	380,967	380,967	1,523,870	1,613,699	1,708,336
0	WCC Funding for Projects (Shuttles)	-	107,389	-	-	107,389	-	-
876,063	Sponsorships, grants and donations	328,419	249,904	131,088	62,378	771,790	794,943	818,792
577,807	Other operating income	85,266	89,477	81,264	73,843	329,850	289,471	292,366
0	<b>Non-operating Revenue</b>					-	-	-
0	Sub-lease and other non-operating income					-	-	-
262,344	Interest income	56,102	51,421	45,600	45,600	198,723	178,851	86,454
8,229,968	<b>Total Revenue</b>	1,713,274	2,445,665	2,597,681	1,583,405	8,340,025	8,447,620	8,643,723
	<b>Operating Expenses (overheads)</b>							
4,589,654	Salaries and wages	1,252,353	1,345,603	1,366,342	1,252,625	5,216,922	5,425,599	5,588,367
914,486	Cost of goods sold	166,992	274,775	305,631	167,380	914,778	942,221	970,488
587,367	Other operating expenses	156,345	214,835	150,252	158,801	680,233	687,036	693,906
136,250	Trustee expenses	32,500	32,500	32,500	32,500	130,000	131,300	132,613
1,049,350	Administration costs	274,955	305,683	240,853	280,776	1,102,266	1,113,289	1,124,422
7,277,108	<b>Total Operating Expenditure</b>	1,883,144	2,173,396	2,095,578	1,892,082	8,044,200	8,299,445	8,509,796
952,860	<b>Net Surplus/(Deficit) before Depreciation and Tax</b>	(169,870)	272,269	502,103	(308,677)	295,825	148,175	133,927
47,967	Interest expense	12,000	12,000	12,000	12,000	48,000	44,000	0
0	Loss on Visitor Centre transfer to WCC						0	0
258,117	Depreciation	91,093	107,848	127,452	145,140	471,533	537,230	583,230
646,776	<b>Net Surplus/(Deficit)</b>	(272,964)	152,421	362,651	(465,816)	(223,708)	(433,055)	(449,303)
-		-	-	-	-	-	-	-

Forecast 30-Jun-24	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-24	As at 31-Dec-24	As at 31-Mar-25	As at 30-Jun-25	As at 30-Jun-25	As at 30-Jun-26	As at 30-Jun-27
	<b>Equity</b>							
6,106,378	Trust Funds	6,753,154	6,480,191	6,632,611	6,995,262	6,753,154	6,529,446	6,096,391
646,776	Current year earnings	(272,964)	152,421	362,651	(465,816)	(223,708)	(433,055)	(449,303)
6,753,154	<b>Total Shareholder/Trust Funds</b>	6,480,191	6,632,611	6,995,262	6,529,446	6,529,446	6,096,391	5,647,087
	<b>Current Assets</b>							
4,302,393	Cash and cash equivalents	4,015,745	3,693,759	3,972,813	3,171,234	3,171,234	1,484,871	1,385,687
67,992	Accounts receivable	90,021	180,963	206,744	67,992	67,992	67,992	67,992
25,688	Prepayments	40,439	125,754	81,351	25,688	25,688	25,688	25,688
100,675	Inventory	131,109	87,659	93,963	100,675	100,675	103,695	106,806
4,713	Other current assets	5,440	5,575	14,981	4,713	4,713	4,713	4,713
4,501,460	<b>Total Current Assets</b>	4,282,753	4,093,710	4,369,852	3,370,301	3,370,301	1,686,959	1,590,886
	<b>Investments</b>							
	Term deposits - included with cash and cash equivalents above					0	0	0
130,555	Other investments	130,555	130,555	130,555	130,555	130,555	130,555	130,555
130,555	<b>Total Investments</b>	130,555	130,555	130,555	130,555	130,555	130,555	130,555
	<b>Non-current Assets</b>							
4,609,767	Fixed assets	5,018,973	5,226,125	5,586,173	5,521,033	5,521,033	5,213,803	4,860,573
4,609,767	<b>Total Non-current Assets</b>	5,018,973	5,226,125	5,586,173	5,521,033	5,521,033	5,213,803	4,860,573
9,241,782	<b>Total Assets</b>	9,432,282	9,450,390	10,086,580	9,021,890	9,021,890	7,031,317	6,582,014
	<b>Current Liabilities</b>							
130,624	Accounts payable	225,883	403,751	292,452	130,624	130,624	130,624	130,624
525,533	Income in advance	1,013,128	558,621	827,218	499,157	499,157	499,157	499,157
185,289	Employee entitlements	192,154	200,826	200,402	185,289	185,289	185,289	185,289
119,857	Provisions and accruals	(13,947)	112,160	221,277	119,857	119,857	119,857	119,857
0	Other current liabilities	0	0	0	1,557,517	1,557,517	0	0
961,303	<b>Total Current Liabilities</b>	1,417,218	1,275,358	1,541,349	2,492,444	2,492,444	934,927	934,927
	<b>Non-current Liabilities</b>							
1,527,325	Other non-current liabilities	1,534,873	1,542,421	1,549,969	0	0	0	0
1,527,325	<b>Total Non-current Liabilities</b>	1,534,873	1,542,421	1,549,969	0	0	0	0
2,488,628	<b>Total Liabilities</b>	2,952,091	2,817,779	3,091,318	2,492,444	2,492,444	934,927	934,927
6,753,154	<b>Net Assets</b>	6,480,191	6,632,611	6,995,262	6,529,446	6,529,446	6,096,391	5,647,087
check this 0.00	Check Net Assets = Shareholders Funds	ok	ok	ok	ok	ok	ok	ok

Forecast 30-Jun-24	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-24	Qtr to 31-Dec-24	Qtr to 31-Mar-25	Qtr to 30-Jun-25	Total YE 30-Jun-25	Total YE 30-Jun-26	Total YE 30-Jun-27
	<b>Cash Flows From Operating Activities</b>							
	<i>Inflows</i>							
5,411,880	Trading Receipts	947,118	1,402,025	1,820,610	1,212,275	5,382,028	5,570,656	5,737,776
1,211,874	Shareholder grants	761,935		761,935		1,523,870	1,613,699	1,708,336
0	WCC Funding for Centre for Tanglewood House	0	107,389	0	0	107,389	0	0
876,063	Sponsorships and donations	328,419	249,904	131,088	62,378	771,790	794,943	818,792
577,807	Other Income	85,266	89,477	81,264	73,843	329,850	289,471	292,366
	<i>Outflows</i>							
4,589,654	Payments to Employees	1,245,488	1,336,930	1,366,766	1,267,738	5,216,922	5,425,599	5,588,367
2,561,783	Payments to Suppliers	707,700	558,272	695,176	835,938	2,797,086	2,876,866	2,924,540
	Other Operating Costs					0		
926,187	<b>Net Cash Flows From (Used In) Operating Activities</b>	169,550	(46,408)	732,954	(755,179)	100,918	(33,697)	44,362
	<b>Cash Flows From (Used In) Investing Activities</b>							
	<i>Inflows</i>							
	Sale of fixed assets					0		
	Sale of investment assets					0		
0	Exceptional Items	0	0	0	0	0		
	Other - Term Deposit cash-out	0	0	0	0	0		
	<i>Outflows</i>							
1,676,486	Purchase of fixed assets	500,300	315,000	487,500	80,000	1,382,800	230,000	230,000
	Purchase of investments					0		
	Other - Term Deposit cash-in					0	0	0
(1,676,486)	<b>Total Investing Cash Flow</b>	(500,300)	(315,000)	(487,500)	(80,000)	(1,382,800)	(230,000)	(230,000)
	<b>Cash Flows From (Used In) Financing Activities</b>							
	<i>Inflows</i>							
0	Drawdown of loans					0		
262,344	Investment income	56,102	51,421	45,600	45,600	198,723	178,851	86,454
	Other					0		
	<i>Outflows</i>							
0	Repayment of loans					0	1,557,517	0
47,967	Interest paid	12,000	12,000	12,000	12,000	48,000	44,000	0
	Other					0		
214,377	<b>Total Financing Cash Flow</b>	44,102	39,421	33,600	33,600	150,723	(1,422,666)	86,454
(535,922)	<b>Net Increase/(Decrease) in Cash Held</b>	(286,647)	(321,987)	279,054	(801,579)	(1,131,159)	(1,686,362)	(99,184)
4,838,315	<b>Opening Cash Equivalents</b>	4,302,393	4,015,745	3,693,759	3,972,813	4,302,393	3,171,234	1,484,871
	Adjustments (rounding)							
4,302,393	<b>Closing Cash Equivalents</b>	4,015,745	3,693,759	3,972,813	3,171,234	3,171,234	1,484,871	1,385,687
ok	<i>Check closing cash = Cash and cash equivalents</i>	ok	ok	ok	ok	ok	ok	ok
-		-	-	-	-	-	-	-

**WELLINGTON REGIONAL ECONOMIC  
DEVELOPMENT AGENCY LIMITED**

# **STATEMENT OF INTENT 2024-2027**

**WellingtonNZ**

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

1. MIHI

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

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

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

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

*The many mountains of Te Ūpoko o te Ika a Maui (from Head of the Fish of Māui) stand proud.*

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

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

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

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



## 2. STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE

There is a poem on the writers' walk along the Wellington waterfront which sums up life in this region. The poet is Lauris Edmond. The extract reads "It is true you can't live here by chance. You have to do and be, not simply watch or even describe. This is a city of action. The world headquarters of the verb."

To live in this place, you have to accept its eternal challenges; emphatic terrain and weather patterns and occasional earthquakes; as well as the ones present in any particular time – at this moment ageing infrastructure and the pressure imposed on families and businesses by housing costs and the rising cost of living.

It is possible to be paralysed by the scale and complexity of challenges like these. That is not the Wellington way. The people who make this place their home are remarkable. The region has always attracted risk takers – the entrepreneurial, the artistic, the political, the thinkers – those who want to make a difference to this country and to our world. It is true that there are risks and challenges in living here but it is possible to forge a life here that makes a positive difference. It is a place of energy, of action, and of achievement. The building of the Screen Sector, the creation of Zealandia, the huge expansion of technology activity and the continuing creativity of poets, writers, artists, musicians, and actors who bring vibrancy to this place, all speak to this. It is diverse. It is inclusive and it is a city and region where things happen.

Our Statement of Intent (SOI) reflects this action orientation. These are difficult times, and for an agency like ours that creates focus. We cannot sit back – things need to happen now if the city and region are to address challenges and seize the opportunities that present. We are well positioned to act. We have long-term strategies in place to grow our Screen, Technology, and Tourism sectors and to galvanise our regional economy. These are already being implemented and are making a difference, and we must sustain the momentum. These three sectors provide the best opportunities to create jobs and sustainable incomes into the future, but all face significant competition both domestic and international. They will need active support to grow, and the workplan set out in this SOI delivers that support.

The Letter of Expectation (LOE) from our shareholders provides helpful guidance for the year ahead. It does not require us to change our strategy, but it will require an increase in focus on short-term initiatives – particularly events and exhibitions to better support local businesses during these tough times. To balance that we will put less emphasis on talent attraction and international marketing (beyond Australia) than we have seen in recent years. This is appropriate because the primary drivers of our visitor economy are New Zealanders (70%) and Australians (15%). For other international markets we can leverage our strong industry relationships and the TRENZ conference (in Wellington this year for the first time) which will bring a significant number of international travel buyers and journalists to the city.



The LOE anticipates a number of major new projects including increased responsibilities in Tākina, the development and implementation of a Venues Strategy and supporting the development of a Regional Deal – in response to the policies of our new Government. All will need resourcing. To make this happen we will be looking to reduce costs and improve efficiency across our business, exploring opportunities to collaborate more actively and working to increase third party funding where possible. We will have to say no to some things, but we are determined to work together to find ways to make things happen.

This SOI demonstrates that although our core funding appears significant, when spread across the wide range of initiatives our shareholders and ratepayers expect us to deliver, it is not. In this SOI we outline our three strategic pillars and our five ongoing priority areas, which form the basis of economic development in our region. Then we respond to each of the seven enduring expectations from our Council shareholders, before turning to the fifteen specific additional expectations that are set out in our Letter of Expectations. Finally, we note alignment with Council strategies and the KPIs through which our shareholders will measure our impact.

Economic development matters and makes a measurable difference. Without our work the region will attract fewer visitors, host fewer events, and create fewer jobs. The investment shareholders make in WNZ pays real dividends. We are proud of our place in this region of ambition, creativity, and action.

Ngā mihi nui



Tracey Bridges  
**Chair of the Board**



John Allen  
**Chief Executive**

### 3. OUR ROLE AND PURPOSE

#### WHO WE ARE

WellingtonNZ is the Wellington region's economic development and promotions agency. We also operate Screen Wellington and are responsible for operating Wellington City's performance Venues. We are currently formalising arrangements to take a leadership role in managing the exhibition programme at Tākina to augment the work our Business Events Team does in marketing this wonderful civic asset for conventions. We are a Council Controlled Organisation (CCO) with our shareholders being Wellington City Council (WCC – 80%) and Greater Wellington Regional Council (GWRC – 20%). We are governed by an independent Board of Directors who are appointed by the shareholders. WellingtonNZ is responsible to its two shareholders. We also report regularly to the Regional Leadership Committee which oversees the implementation of the Regional Economic Development Plan. Funding for WellingtonNZ activities comes from the two shareholding councils, central government agencies who contract WellingtonNZ to perform specific services, and a range of private sector partners. We are passionately committed to the success of this region and to living our values – better together, passionately curious, and choose joy, each day.

WellingtonNZ is the owner of a subsidiary company, Creative HQ Ltd. Creative HQ provides business incubation, acceleration, and innovation services. It was set up as a separate entity to establish and grow technology businesses and enhance innovation, with separate governance to ensure effective decision making and risk management. WellingtonNZ exercises governance oversight of Creative HQ through its board and the CEO of Creative HQ reporting to the WellingtonNZ Board Chair. We are actively looking to focus Creative HQ on its founding purpose – the incubating and acceleration of startup businesses. The team have an excellent record in this space. We believe much of our future economic success rests on growing the technology, Screen, and advanced manufacturing sectors.

#### OUR PURPOSE

Our vision is that **the Wellington regional economy is thriving, with more people participating in the benefits**. This means more opportunities for people – to study, work, enjoy, and participate in all that the region has to offer. To contribute to this vision, our mission is to be a catalyst in **creating a thriving Wellington region for all**. This purpose reflects our central role in placemaking, storytelling, supporting businesses growth, and in attracting people to our region as the best place in New Zealand to visit, host an event, start, and sustain a business, make a film, study, migrate to or invest in. We actively promote the region to domestic and international audiences and invest in events which bring visitors to our region. In addition, with a wide range of partners (our shareholders, central government, local businesses, universities and education providers, and our subsidiary Creative HQ), we invest in and support initiatives to create jobs, improve quality of life, and retain and develop the enormous talent in our region. Economic development matters. It should not be considered a discretionary activity. Without our work the region will attract fewer visitors, host fewer events, and create fewer jobs. The investment shareholders make in WNZ pays real dividends.

4. OUR STRATEGY FOR 2024-27

Our strategy	OUR MISSION: To create a thriving Wellington region for all		
	<b>JOBS FOR THE FUTURE</b> By supporting businesses to grow, innovate & meet future workforce needs We enable business success & job growth	<b>PLACEMAKING</b> By enhancing Wellington's reputation as New Zealand's creative heart. We see more people participating in events & experiences	<b>COLLABORATION &amp; ENGAGEMENT</b> By working in partnership to support & unlock opportunities for the Wellington region We enable better collaboration & investment across the region
	<b>Mana Whenua &amp; Mātāwaka</b> Working with mana whenua to increase their economic wellbeing & create employment opportunities for Māori across the region. <i>There are specific initiatives to do this across each of our priority areas.</i>		
Our Rocks 'guiding priorities'	<b>Events</b> Enrich the lives of our people & attract visitors to the region through major business and performance events		
	<b>Tourism</b> Promoting our region, telling our stories, & developing new attractions to draw visitors, talent & enhance our economy & brand		
	<b>Technology</b> Drive job growth, & build investment & scale in the Tech sector in Wellington region (incl STEM - Science, Engineering & High-value Manufacturing and Screen)		
	<b>Regional Economic Development</b> Strengthening resilient businesses, driving the delivery of the Regional Economic Development Plan (incl Primary Sector Food and Fibre), & the Wairarapa Economic Development Strategy		
	Updated February 2024		

5. HOW WE DETERMINED OUR STRATEGY: THE THREE POU

In developing our work programme and priorities for 2024/25 we have carefully considered the terms of the Statement of Expectation and of the various WCC and GWRC strategies which are referred to. Context is important and this SOI is particularly focused on helping businesses and residents address the immediate challenges of rising costs and shrinking discretionary income and margin. Our strategic focus on Placemaking and Jobs for The Future reflects our assessment that in the current context, events, conventions, and exhibitions will provide the most immediate stimulus for businesses and that job growth is best delivered in the Technology sector, including screen, gaming, and advanced engineering.

Our strategic focus on Collaboration and Engagement reflects our acknowledgement of the challenge in balancing our commitment to Wellington City and its commercial and residential rate payers, who are the primary funders of our programmes, with our wider responsibility to the region. We see the Regional Economic Development Plan as the primary mechanism to prioritise our regional investment, and we continue to explore models to achieve better visibility for the impact our work has across the region. We believe that we are stronger when we align as a region, and we know that such alignment will be essential if we are to agree a regional deal with central Government.

The focus on Collaboration and Engagement also reflects the reality of our resourcing: WellingtonNZ is a small organisation with limited people and financial resources, and the power in partnership. Finally, our work programme for 2024/25 seeks to focus our delivery on areas in which we believe we can make a

significant difference, over a number of years. The section below provides brief information on our intentions in each area.

## 6. HOW WE PRIORITISE OUR WORK: THE FIVE “ROCKS”

### MANA WHENUA AND MĀORI IN THE REGION

We acknowledge all Māori communities within the region of Te Ūpoko o te Ika a Māui, both mana whenua with whakapapa connections to the seven iwi, and the many others who have chosen to come, live, raise their whānau, and work here. In recognition of the significant talent and energy in Māori communities, our ambition is to become a trusted partner and work alongside these communities and contribute to the improvement of broad economic and quality of life outcomes.

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

Our focus is on supporting the continuing growth of the Māori economy. We are working across a range of participants from PSGEs to SMEs with commercial activities, and with enablers such as business networks, and central and local government agencies. Some Māori-specific initiatives, including: our partnership with Te Matarau a Maui, our support for a range of projects in tourism, business and skills development, and screen (particularly through our UNESCO City of Film programmes), and through the Regional Economic Development Plan (REDP) projects we are implementing.

We are finalising a Māori economic development strategy to significantly increase the number and scale of Māori businesses in the region. This includes a focus on data collection – to ensure we understand the size of the opportunity and can measure the progress being made. We will also work on procurement policy, access to capital (which is a key constraint for many Māori businesses) and access to professional advice to support growth.

## EVENTS

In terms of attracting people to our city and region, events deliver. They drive bed nights, visitor spending, and spending by residents, as well as delivering significant reputational and social benefits for our community. Events support our hospitality, accommodation, and retail sectors, and provide significant work for the local events and creative sectors and add excitement and energy to the city. The opening of Tākina Wellington Convention and Exhibition Centre has added to this momentum.

We will continue our work with promoters and artists to attract and market a diverse range of events in the venues we operate on behalf of Wellington City Council. We will also work to bring major events such as international artists and sports attractions to our city and actively promote Wellington as a place to hold conferences, business events and blockbuster exhibitions.

As well as our ongoing event attraction work, we will use the period covered by this SOI to build the brand and awareness of Tākina, build relationships in the exhibition space, and build an audience for our exhibitions through careful selection of the programme to cater to the wide range of interests across our diverse community.

Evidence shows that investment in events delivers a measurable return for our region. It's also true that work in this area also brings risk: not all events will succeed. However, our track record shows we can balance the risks to deliver very significant benefits across the spectrum of our work. Finally, in this space we acknowledge the substantial investment that our shareholders put into this area – both to support our ability to compete for and attract major events, and to maintain the venues. The seismic strengthening work required for venues over the SOI period is significant, and we will work alongside WCC to develop plans and progress this work as a priority.

## TECHNOLOGY & SCREEN

The Technology sector, whether Software as a Service (SaaS) businesses, gaming, screen, bio tech, or advanced engineering, represents a major growth opportunity for our city and region. The strength of our eco-system – Crown Research Institutes, universities, established private players (Wētā FX, Trade Me, Xero, Datacom), and startups – gives us a real competitive advantage, which we need to build on. The benefits of this sector in terms of economic development include its ability to scale quickly, the “weightless” nature of many of its exports, and its relatively high wages.

The screen sector is a major focus for WellingtonNZ. As the Regional Film Office, Screen Wellington will continue to implement our strategy including the attraction programme, support for film and gaming, and capitalising on our UNESCO City of Film status to create a more vibrant, sustainable, and inclusive region. Screen provides significant opportunities and considerable financial and reputational benefits for our region despite current headwinds, and the sector strategy (which is reflected in the Regional Economic Development Plan), gives us a strong basis for working with the sector to realise opportunities.

There are of course other sectors which are important in our region's economy – for example Government and Professional Services – but they are not, in our view, areas which we are able to influence as directly as we can the tech sector. By focusing on technology, we can make a tangible difference and drive sustainable growth. For the period covered by this SOI we have tasked our subsidiary Creative HQ with growing the number of technology start-ups and supporting founders to scale their businesses. We are also actively working to attract investment into the sector and develop entrepreneurial talent in young people.

## **TOURISM**

Marketing and promoting our region to attract tourists is a core activity for WellingtonNZ. In recent years we have had to work hard in the face of COVID-19, earthquakes, and infrastructure challenges to tell the stories of our city. The tourism market (both domestically and internationally) is hugely competitive, and it requires continual effort to ensure Wellington is included in the itineraries of those visiting our country. In this competitive but resource-constrained context our approach is to be creative, take some calculated risks in our own storytelling, and leverage the reach and financial investment of others, including the TIA, Tourism NZ, and New Zealand Story. To create impact, we actively collaborate with companies bringing tourists to New Zealand and international trade journalists.

We will also support the developers of new tourist attractions – Dark Skies in Wairarapa for example – because they ensure that when tourists visit, they have a great experience and extend their stay. Our programme of work in this area is shaped by the Destination Management Plan developed in partnership with the Wellington City Council. In response to funding changes, in 2024 we expect to focus more strongly on our domestic market (which drives 70% of our visitors) and on the Australian market. Outside these markets we will be trade led, prioritising in China and North America, and we will leverage industry connections and the TRENZ conference, coming to Wellington for the first time in 2024.

## **REGIONAL ECONOMIC DEVELOPMENT PLAN**

The Regional Economic Development Plan (REDP) and its cohort of 37 projects has been a real game changer. It brings together the priorities for our region and the aspirations of mana whenua and our wider community. The range of projects reflects the diversity of our region – from primary industries (food and fibre) opportunities in Wairarapa, to STEM initiatives in the Hutt Valley, skills development projects in the Kāpiti Coast, and strengthening our technology and screen sectors across our region.

We are also working closely with Pacific communities to build capacity, deepen relationships, and develop specific programmes (for example a collaboration with the Pacific Business Networks to develop a Pacific resource hub, and a Student/Business networking series with tertiary institutions around Wellington).

Good progress is being made in initiating these projects but securing funding (which often requires central or local government support) is challenging. We cannot do this work alone and are looking to key

partners to commit energy, resources, and action to make it happen. We will continue to work with the Wellington Regional Leadership Committee, to enable these initiatives to progress.

Alongside this, we will continue to provide a coordinated suite of high value programmes and services to help businesses increase their capability and develop their innovation potential. This will help them to grow revenue and employee numbers, attract investment for growth, and expand their export value, so we can grow our region's prosperity for the benefit of all. This support is provided across the region through the Regional Business Partners Network funded by MBIE and Callaghan Institute.

Lastly, we will continue programmes that support our rangatahi and create pathways to decent employment to create a pipeline of talent in the priority focus areas outlined in the Regional Economic Development Plan.

#### **ZERO CARBON**

We recognise the need to ensure economic development is sustainable and that business growth is managed in a way which supports our region's zero carbon goals. The work we are doing to help achieve this goal is described in each relevant section of our SOI. In summary, we are:

- supporting entrepreneurs to establish companies that assist in achieving the goal by increasing the volume of weightless exports from our region to the world and creating jobs that are supported by such exports. Many of these companies offer products and services which directly support sustainability, these include Cogo, Hot Lime Labs, and Switched on Bikes.
- working with businesses to change their processes to be more sustainable (our tourism and hospitality accelerators are examples)
- continuing to work on our own business, particularly in our venues, to reduce their environmental impact. This work is producing a significant reduction in the volume of waste going to landfill.
- Telling the stories of sustainability in our region through our channels and supporting the development of sustainable environmentally focused attractions in our region including trails, Dark Skies, Zealandia, East West Ferries, and others.

## **7. HOW WE WILL MEET THE SPECIFIC REQUIREMENTS OUTLINED IN THE STATEMENT OF EXPECTATION**

### **ENDURING EXPECTATIONS**

#### **ONE: NO SURPRISES**

The relationship with shareholders is critical to our success. We have an open and high trust relationship which works on a “no surprises” basis. We meet regularly with shareholder representatives and actively discuss risks to the achievement of our plan and how we might mitigate these.

#### **TWO: RELATIONSHIP**

We will meet the requirements set out.

#### **THREE: LEGISLATION & COMPLIANCE**

Our Risk and Audit Committee and our board have an active role in oversight of all aspects of legislative compliance. Our health and safety programme is comprehensive, legally compliant, and constantly evolving as new challenges emerge. Our subsidiary, Creative HQ, is governed separately to provide an additional level of assurance and compliance.

#### **FOUR: GOVERNANCE**

We will meet the requirements set out.

#### **FIVE: RISK MANAGEMENT**

The Risk and Audit Committee actively oversees our risk management framework which is regularly reviewed by the Senior Leadership Team.

#### **SIX: LIVING WAGE**

The organisation is committed to continuing to pay its staff a living wage or above. In 2023 this meant an increase of 9.9% to \$26 per hour for those staff currently paid the Living Wage. As contracts come up for renewal, we remain committed to ensuring the living wage is paid for work undertaken by our sub-contractors.

#### **SEVEN: MODERN SLAVERY**

We are aware of the challenges posed by “modern slavery” in New Zealand. While we have no specific projects in this space, we are happy to support initiatives by shareholders and other partners directed at eliminating this exploitation of vulnerable people.



## **SPECIFIC EXPECTATIONS**

### **ONE: WORK IN PARTNERSHIP WITH COUNCIL**

We have actively engaged with Wellington City Council to determine our primary areas of focus under the Economic Wellbeing Strategy. We agree with the areas prioritised and have developed strategies and initiatives to deliver progress under these goals.

### **TWO: REDUCED FUNDING FOR TOURISM AND MAJOR EVENTS**

We understand the need for Wellington City Council to find savings in its budget, and in response to this we have amended our approach to focus on visitation from Australia and New Zealand (rather than the rest of the world). With this amended focus we believe we will still be able to deliver a programme of work which makes a significant difference for Wellington. In addition, we are identifying other measures to reduce our costs while maintaining our impact. Initiatives include leveraging our digital platform to better target and reach potential visitors. We will also use the opportunity presented by hosting of the TRENZ conference in Wellington this year to raise the profile of the region in international markets.

### **THREE: SUPPORTING BUSINESS TO GROW AND INNOVATE**

We will continue to actively support our business community to obtain access to professional services through the MBIE-funded Regional Business Partner Programme. We will also continue supporting businesses affected by the City In Transition project, we will do this by implementing and administering a business assistance package with the three pillars of support (Free business advice, Management capability and Marketing/promotion). Our support for innovation and for the critical technology and screen sectors will continue through Screen Wellington, Creative HQ and the events and engagement activities lead by the WNZ Technology team. Our targeted engagement with business networks, businesses, and other industry groups, including with Māori, will afford us access to insights about the challenges faced by different parts of our region. It will also help us to better organise ourselves around the delivery and implementation of any Regional Deal, opportunities for cross-sector collaboration and collective contracting.

### **FOUR: STRONGLY MARKETING WELLINGTON**

WellingtonNZ's marketing campaigns such as Welcome Matt, Escape, and A Little bit of Wellington have successfully engaged domestic and international audiences. This year we expect to have less money to invest, and as noted in item two above, this will see us focus more on the domestic and Australian Markets (which drive 85% of visitors) and less on the wider international marketplace. We will be further enhancing our digital messaging and strengthening trade and business partnerships, which will enable us to engage in other important markets like the US where the highest value tourists live. We will be progressively introducing our new brand framework over the course of the year reflecting recent work to anchor our branding and storytelling more authentically in the history, typography, and unique elements of this place, and ensure consistency of voice and design across all our media channels. We expect to

place a greater emphasis on marketing events including Tākina exhibitions as a direct response to current economic challenges.

#### **FIVE: DESTINATION PONEKE**

We are continuing to implement the Destination Pōneke Plan and support the delivery of the Regional Visitor Plan. We are particularly focused on supporting Te Atakura and the progression to a low carbon economy through the roll-out of the sustainability programme to hospitality businesses across the region. The implementation of a food and drink strategy is another key focus to ensure Wellington retains its competitive edge as a “must-taste” food destination to support the hospitality sector. Consistent with Destination Pōneke, we plan to engage with Māori entities to understand and support their tourism ambitions. For Iwi, we recognise WellingtonNZ has a role to play in advocacy for the protection of Mātauranga Māori.

#### **SIX: TĀKINA**

Tākina is and will continue to be an important focus for WNZ. We have been working closely with the Business Events Wellington team to market the convention facilities and more recently have taken greater responsibility for managing the exhibition programme. We are learning what works (and what doesn't) in the Wellington market. There is work to do to optimise the exhibition programme, develop effective working arrangements in this space and build the brand of Tākina so that locals and visitors know what happens inside the building. We are confident Tākina will ultimately provide a significant boost for Wellington, as all partners work together to develop and adapt effective working relationships.

#### **SEVEN: ASSET MANAGEMENT PLAN**

We strongly support the development of an asset management plan and are working closely with WCC to progress this. Key challenges such as the seismic strengthening of the Opera House and the Michael Fowler Center are particularly important but smaller capital projects such as a repair of the stage lift in the St James are also essential.

#### **EIGHT: CIVIC PERFORMANCE VENUE STRATEGY**

We are leading the drafting of this strategy in close collaboration with the WCC arts team. There is a clear timeline for this work which will see a plan prepared for implementation in the 2024/25 year. This work will consider the purpose for which we have venues, the balance between economic, community and artistic drivers and changes to the current operating model that might be appropriate. It will also recognise the impact of required work on the Opera House and the MFC over the plan period.

#### **NINE: TAKE ACCOUNT OF THE CURRENT ECONOMIC SITUATION**

As an economic development agency, our focus is on the strength and sustainability of the regional economy. We understand the pressure being felt by businesses (particularly hospitality, accommodation, and retail) at a time of rising costs and reduced consumer spending, and we have a clear programme of

initiatives which are designed to assist them in this context. These include events (which bring people into the city), marketing initiatives to attract visitors, access to professional advice through the Regional Business Partnership Programme (RBPP) and support to the founders of startup technology businesses to grow their revenue and employee numbers, which in turn contributes to a vibrant economy for the wider eco-system.

#### **TEN: IMPLEMENTATION OF THE REGIONAL ECONOMIC DEVELOPMENT PLAN**

We will continue to lead the REDP process through the Wellington and Wairarapa-based programmes team in our Business and Innovation Group. There will be continuing work to improve the visibility of our team and the effectiveness of our engagement over the course of the 2024/25 year. This will be focused on both efficiency and impact for the region on behalf of the Wellington Regional Leadership Committee.

#### **ELEVEN: MAKING SURE FUTURE BUSINESS IS SUSTAINABLE AND THE BUSINESS GROWTH IS MANAGED IN A WAY WHICH SUPPORTS OUR ZERO CARBON GOALS.**

WellingtonNZ has a strong focus on growing tech businesses. The growth of these businesses can be managed without significantly adding to our carbon emissions. That is because they deliver largely weightless exports. We are also actively working with other business sectors on carbon emission initiatives – including in the screen, hospitality, and tourism sectors.

#### **TWELVE: RESPONSIBLY MANAGING NATURAL RESOURCES**

We will continue to consider the impact on sustainability and natural resources as a critical issue as we develop the pipeline of projects for the Regional Economic Development Plan.

#### **THIRTEEN: TE MATARAU A MAUI**

We are actively supporting the implementation of initiatives outlined in this strategy and will continue to do so.

#### **FOURTEEN: TE UPOKO O TE IKA A MĀUI ACCORD**

We are a signatory to this agreement and social procurement is expected to be a key component of the Māori Economic Strategy we are currently finalising.

#### **FIFTEEN: PROMOTION OF PUBLIC TRANSPORT**

We understand the importance of public transport across the region. This is not a particular priority area for us, but we will continue to actively promote public transportation services on our platforms, consistent with our MOU with our shareholder GWRC.

#### **ALIGNMENT WITH COUNCILS' STRATEGIC DIRECTION - OUR STRATEGIC RELATIONSHIP**

Our relationships with both shareholders are strong. This is of critical importance to us, and we place a very high value on these respectful and mutually beneficial relationships. Maintaining these relationships

requires all parties to take a strategic approach and are best built through consistent patterns of engagement and time together. We would like to do more of this with senior leaders from both shareholders over the coming year.

**ALIGNMENT WITH THE COUNCILS' STRATEGIC DIRECTION CONT.**

In Wellington City Council's SOI, our shareholders set out several priorities and goals. In this section we note how our work contributes to those. The relationship with our shareholders is critical to our success. We have an open and high trust relationship which works on a "no surprises" basis, and actively discuss risks of our plan and how we might mitigate these.

<b>WNZ Work Programms (Detailed in appendix one)</b>		<b>Initiatives responding to specific expectations (Detailed on pages 13-15)</b>
WNZ-01 Major Events		1. Working in Partnership with Council
WNZ-02 Wellington Brand		2. Reduced funding for Tourism & Major Events
WNZ-03 International Visitation		3. Supporting businesses to grow & innovate
WNZ-04 Domestic Visitation		4. Strongly market Wellington
WNZ-05 Wellington Destination Management Plan		5. Destination Pōneke
WNZ-06 Wellington Regional Trails Framework		6. Tākina
WNZ-07 Māori Economic Development & Business Support		7. Asset Management Plan
WNZ-08 Wellington REDP		8. Civic Performance Venue strategy
WNZ-09 Creative HQ		9. Take account of the current economic situation
WNZ-10 Tech Sector		10. Implementation of the REDP
WNZ-11 Screen Wellington		11. Sustainable future business and business
WNZ-12 Wellington Convention Bureau		12. Responsibility managing natural resource
WNZ-13 Supporting Wellington businesses to thrive		13. Te Matarau a maui
WNZ-14 City in transition		14. Te Upoke o te Maui
WNZ-15 Mana Whenua Partnerships		15. Promotion of Public transport
WNZ-16 Regional/City deals and other WRLC work		
WNZ-17 Skills, talent and education		
WNZ-18 Investment attraction		
<b>Council Strategy</b>	<b>WNZ Work Programms</b>	<b>Alignment of WNZ initiatives in response to specific expectations</b>
<b>WCC's 2024-34 LTP</b>	WNZ-12, WNZ-14, WNZ-17	① ④ ⑥ ⑦ ⑧
<b>GWRC's 2024-34 LTP</b>	WNZ-12, WNZ-14	① ⑩ ⑫ ⑬ ⑭ ⑮
<b>Tūpiki Ora me Takai Here</b>	WNZ-09, WNZ-11, WNZ-12, WNZ-14, WNZ-17	① ⑤ ⑫ ⑭
<b>Te Atakura – First to Zero</b>	WNZ-02, WNZ-05, WNZ-06, WNZ-08, WNZ-09	⑩ ⑪ ⑫
<b>Rautaki Aho Tini 2030</b>	WNZ-09, WNZ-11, WNZ-12, WNZ-20	① ⑦ ⑧
<b>Strategy for Children &amp; Young People</b>	WNZ-11	①
<b>Economic Wellbeing Strategy</b>	WNZ-01, WNZ-03, WNZ-05, WNZ-06, WNZ-09, WNZ-10, WNZ-11, WNZ-12, WNZ-13, WNZ-14, WNZ-16, WNZ-17	① ④ ⑤ ③ ⑥ ⑦ ⑧ ⑩ ⑪ ⑫
<b>Accessible Wellington</b>		⑤ ⑧ ⑩

## 8. PERFORMANCE METRICS

In recent years, WellingtonNZ has reviewed its performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors which WellingtonNZ can control and which measures WellingtonNZ's direct impact;
- Measuring outcomes not just outputs;
- Providing greater clarity on the region's return on investment.

This remains challenging given the range of activities undertaken by WellingtonNZ and the varying levels of influence that WellingtonNZ has over ultimate outcomes. The impact of COVID-19 further complicated the situation, which has made both existing benchmarks less relevant and forecasting targets in an uncertain future very challenging.

For this reason, we continue to adjust our performance measures to ensure we have a set of performance measures that best represent WellingtonNZ's activities and programmes, but also ensure we are maintaining consistency and keeping the metrics to a small set.

Note that in addition to these headline measures we will continue to measure a range of operational metrics including those that relate directly to our WCC, Major Events, and Venues Wellington funding (aligned to the expectations of the Funding Agreements).

### KEY HEADLINE PERFORMANCE INDICATORS

<i>KPI</i>	<i>Explanation</i>	<i>2024/2025 Target</i>	<i>2023/2024 Target</i>	<i>2022/23 Actuals</i>	<i>2022/23 Target</i>
<b>JOBS FOR THE FUTURE</b>					
KPI 1: Direct economic impact of WellingtonNZ's activities and interventions (1)	This is a measure we introduced in 2019/20. It is designed to provide a dollar value indication of the impact of WellingtonNZ activities by collating the value of those activities that we directly influence and impact (where we have data to support that).	\$200m	\$150m	\$321m	\$150m
KPI 2: Number of businesses	This is a measure we introduced in	2,500	2,300	3,302	2,200

engaged by a WellingtonNZ intervention or programme (2)	2019/20. It is designed to provide an indication of the number of businesses that we have directly impacted on by either being part of a WellingtonNZ programme or a direct WellingtonNZ activity or intervention				
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JOBS FOR THE FUTURE					
KPI 3: Equivalent Advertising Value (EAV) from media activity (3)	This is a measure we introduced in 2019/20. A key activity for WellingtonNZ is creating external stories and media content. Equivalent Advertising Value (EAV) is an accepted industry estimate of the value of media coverage that results from public relations and media activity. EAV is based on the equivalent cost to purchase the same reach and coverage results. This is a combination of TNZ (International media EAV) and domestic media	\$20m	\$30m	\$20.79m	\$20m

KPI 4: Value of expenditure (from out of region) generated from events (including business, performance, and major events) (4)	Currently we measure out of region spend events at both Wellington city venues (covering both performance and business events) and Major Events. It is calculated using agreed methodology that is consistent across New Zealand.	\$120m	\$110m	\$103m	\$75m
The number of Wellington Region residents that attend events (5)	In light of COVID-19 and an increased domestic focus, we will measure the local audience at events to reflect the full impact.	625,000	550,000	615,181	500,000

COLLABORATION & ENGAGEMENT					
KPI 5: Stakeholder engagement (6)	This is a measure of the engagement we have with our stakeholders, and the quality of those relationships.	90%	90%	92%	90%
KPI 6: Māori Business support (7)	Number of Māori businesses and projects supported across WNZ.	75	Establish a baseline	NA	NA
	Satisfaction of Māori businesses receiving support.	90%			
KPI 7: Pasifika Business support (8)	Number of Pasifika businesses and projects supported across WNZ.	15	Establish a baseline	NA	NA
	Satisfaction of Pasifika businesses receiving support.	90%			



In addition to the above we have 3 key internal facing KPIs:

KPI	Explanation	2024/2025 Target	2023/2024 Target	2022/23 Actuals	2022/23 Target
KPI 1: Financial Management (9)	Budget on track – income, expenditure, and surplus.	To Target	To Target	To Target	To Target
KPI 2: Funding Diversificatio n (10)	% of revenue from commercial/non council funding and commercial activity (combined WellingtonNZ and Creative HQ)	30%	34%	25%	32%
KP3: Employee Engagement (11)	As measured by our CultureAmp employee surveys	78%	78%	76%	70%

INDIRECT MEASURES OF IMPACT

We will continue to measure, monitor, and report on a range of metrics which indicate how the region is performing in key areas of WellingtonNZ interest, but for which WellingtonNZ only has a partial or no direct impact. These include measures that are specifically requested as part of the WCC funding agreements.

Measure	2024/2025 Target	2023/2024 Target	2022/23 Actuals	2022/23 Target
International visitor arrivals through Wellington International Airport: International (12 )	140,000	120,000	151,232	120,000
International visitor arrivals through Wellington International Airport:	115,000	100,000	109,738	100,000

Australian (12)				
Visitor Spend: Domestic (13)	\$1,200m	\$1,200m	\$1,084m	\$900m
Visitor Spend: International (13)	\$250m	\$250m	\$262m	\$180m
Total Visitors' nights to our Wellington Region (14)	2,600,000	2,500,000	2,598,000	2,400,000
Share of multi- day conferences reported in the Wellington Region (15)	25%	25%	27.6%	22%

We will also continue to collect and share data on the performance of the Wellington region including, but not limited to:

Population Growth due to migration to Wellington Region (16)	2,500	2,500	6,800	2,500
Wellington Region GDP Growth (17)	2.0%	2.0%	2.0%	2.5%
Wellington Region GDP per Capita (17)	\$90,000	\$76,891	NA	NA
Number of Filled Jobs in our Region (18)	275,000	310,000	260,236	270,000
Number on Jobseeker Support benefit	11,000	11,000	9,877	11,500

Work Ready (19)				
Mean Annual Earnings of people in employment in the Wellington region (20)	\$85,000	\$82,000	\$82,680	\$76,169
Labour force unemployment by ethnic group (21)	3.5% average for region 6% for Māori and 5.5% for Pacific People	4.5% average for region 7.9% for Māori and 7.5% for Pacific People	NA	NA
Overall satisfaction with life (Biennial) (22)	88%	88%	NA	NA
Ability of income to meet every day needs (Biennial) (22)	50%	59%	NA	NA

NOTES AND SOURCES

DIRECT MEASURES

(1) This is calculated from assessing the contribution of the value of business events attracted, the screen permits, value of redemptions for retail and hospitality promotions, the value of capability vouchers distributed, the value of R&D grants distributed, out of region expenditure at events, the value of spend from WellingtonNZ hosted programme activity, the value of sales generated through i-SITE pay and display, the value of sales made in the i-SITE for Wellington businesses, the contribution of non-local government funding to the activity of WellingtonNZ, the equivalent advertising value for marketing and promotions activity, Creative HQ, the spend of visitors generated as a result of WellingtonNZ promotional and marketing activity.

(2) This number is calculated by aggregating the number of businesses who have received support from WellingtonNZ’s programme and activities including, businesses who participated in Visa Wellington on a Plate, WellingtonNZ partners who have formal partnerships with WellingtonNZ on programmes of work during the year (tourism, marketing, events and business partners), start-up businesses who WellingtonNZ provide professional capability building advice to, businesses who have benefited from featuring in WellingtonNZ promotional and marketing activities such as Wellington Unlocked, and Advent

Calendar, businesses who have received support through WellingtonNZ's workforce and business support programme (such as Summer of Tech/Summer of Engineering, Regional Business Partner programme and Pop up Business School).

(3) Equivalent Advertising Value (EAV) is an accepted industry estimate of the value of media coverage that results from public relations and media activity. EAV is based on the equivalent cost to purchase the same reach coverage results. This is a combination of TNZ (International media EAV) and Domestic Media.

(4) The combined value of new spend in the region from visitors attending events in Venues Wellington (business events and performance events), attendance at Major Events for which WellingtonNZ is an investor and attendance through the exhibition floor of Tākina. It is calculated using agreed methodology that is consistent across New Zealand.

(5) The total number of tickets recorded for major events, events in Venues Wellington (business & performance) and the exhibition floor of Tākina that have been sold to residents in Wellington Region.

(6) Measure of satisfaction by a range of stakeholders and key business partners. The methodology is an annual survey which captures stakeholders' level of satisfaction with the quality of engagement with WellingtonNZ.

(7) The number of Māori businesses engaged, and their satisfaction as described in (6)

(8) The number of Pasifika businesses engaged, and their satisfaction as described in (6)

(9) Financial profit and loss performance to within budget as monitored and reported on a monthly basis by our finance team

(10) Measure of the percentage of revenue/income that comes from non-council shareholder funding across WellingtonNZ and Creative HQ

(11) Measure of engagement from WellingtonNZ's annual Culture Amp engagement survey

#### INDIRECT MEASURES

(12) International Visitors Arrival – StatsNZ

(13) MRTes – StatsNZ – This figure is currently unable to be reported on as the dataset has been disestablished, this is a recent development and there is a hope this will be reestablished

(14) Accommodation Data Programme – Ministry of Business Innovation and Employment and Fresh Info.

(15) Business Events Research Programme – Industry Partnership

(16) Population Growth Data on Net Migration to Wellington Region – Infometrics

(17) Wellington Regional GDP value – Infometrics

(18) Monthly Employment Indicators – StatsNZ

(19) Number on Jobseeker Support Benefits – Workready – Ministry of Social Development

(20) Earnings for people in paid employment by region, sex, age groups and ethnic groups table – StatsNZ

(21) Household Labourforce Survey, StatsNZ

(22) Overall satisfaction with life and the ability of income to meet every day needs comes from the Rangahau te Korou o te Ora / Quality of Life Survey

9. FINANCIAL SUMMARY

STATEMENT OF FINANCIAL PERFORMANCE			
	2024/25	2025/26	2026/27
REVENUE			
Revenue from Shareholders	25,049,735	27,053,713	29,218,010
Other Revenue	6,527,383	7,049,574	7,613,540
TOTAL REVENUE	31,577,118	34,103,287	36,831,550
EXPENDITURE			
Personnel Costs	15,098,521	15,853,447	16,646,120
Investments in Projects and Events	14,165,378	15,510,961	17,314,607
Other Expenditure	2,513,218	2,638,879	2,770,823
TOTAL EXPENDITURE	31,777,117	34,003,287	36,731,549
SURPLUS / (DEFICIT)	-200,000	100,000	100,000

STATEMENT OF FINANCIAL POSITION			
	2024/25	2025/26	2026/27
ASSETS			
Current Assets	11,000,000	10,000,000	9,000,000
Investments	1,650,000	1,650,000	1,650,000
Other Non Current Assets	1,300,000	1,300,000	1,300,000
TOTAL ASSETS	13,950,000	12,950,000	11,950,000
CURRENT LIABILITIES	10,100,000	9,000,000	8,950,000
NET ASSETS	3,850,000	3,950,000	3,000,000

STATEMENT OF CASHFLOWS			
	2024/25	2025/26	2026/27
OPENING CASH	8,000,000	7,500,000	7,300,000
Operating Cash Receipts	31,577,118	34,103,287	36,831,550
Operating Cash Payments	32,077,117	34,303,287	36,931,549
NET CASHFLOW	-500,000	-200,000	-100,000
CLOSING CASHFLOW	7,500,000	7,300,000	7,200,000

Notes:

- Financial Summary is a consolidated view (Parent and Subsidiary – Creative HQ)
- Revenue forecasts from our Shareholders are reflective of funding agreements in place. This includes revenue coming off our balance sheet that has been held in advance, alongside the revenue granted to match salaries and wages of employees employed to run WCC's Performance and Conference Venues.
- Other Revenue reflects revenue from third parties and commercial activity, and the revenue achieved by Creative HQ resulting from its commercial activities.
- Investments represent the value of the investments from Creative HQ in the companies that it incubates and retains a shareholding.

10. RISKS TO KPI ACHIEVEMENT

There are several risks which could impact on the success of WellingtonNZ. Many of these are outside of our direct control, such as the impact of geo-political factors, changes to government policy settings, or macro-economic factors which impact on the economy as a whole (including pandemics and natural disasters).

In terms of being successful in our three key areas of focus and achieving our Key Performance Indicators, we note the following specific risks and how these will be mitigated:

Area of Risk	Risk Description	Mitigation
Availability of shareholder and partner funding	Funding is insufficient to deliver events, promotions, product development and business support required. This risk is increased by current and anticipated cost inflation.	Ensure delivery is in line with partner expectations. Ensure CPI increases are received for core funding. Maintain a regular schedule of communications with and reporting to partners. Engage major partners in planning sessions to ensure programmes meet their expectations. Review partner funding arrangements on a regular basis. Seek new commercial revenue sources.
Venue Suitability	That the model we are using to operate our Events business, and the suitability of our Venues is not appropriate to attract the diversity of events required to maintain the entertainment offering of the city and attract visitors/talent to the region.	WellingtonNZ will work with WCC to ensure appropriate capex is allocated to renewals within existing venues so that they remain fit for purpose during this period. WellingtonNZ will work proactively with core hirers to find solutions that meet their needs, both within existing venues and other venues in the city. WellingtonNZ will communicate proactively with the market on the status of Venues.

Venue Availability Seismic issues.	That work to address seismic issues with key venues is not progressed or funded sufficiently. This would restrict the events that can be delivered in the city and impact businesses.	Work with WCC to ensure remedial work for MFC and the Opera House is prioritised and funded.
That we fail to maintain effective working relationships across the Wellington region	As an organisation that is invested in and works for the whole Wellington region it is critical that WellingtonNZ maintains appropriate stakeholder engagement processes.	WellingtonNZ will work with both its shareholders and the other Councils within the region in a structured and proactive manner such that both elected officials and officers of these organisations are well informed of WellingtonNZ's programme of activities at all times. WellingtonNZ will participate in appropriate work groups across the Wellington region to support economic development activity.
Access to government funding	Inability to access Government funding to support the business community, our arts and innovation sectors, and essential infrastructure investment.	WNZ, GWRC, Wellington Regional Leadership committee and the TAs will work to develop a "regional deal" for discussion with central Government. This will reflect the current Regional Economic Development Plan and build the relationships necessary to align the region around specific priorities and to secure necessary funding.
Tākina	Failure to capitalise on opportunities Tākina offers for conventions and exhibitions.	Work closely with WCC and Te Papa to finalise the operating model and build the relationships required for success. We will support our Business Events team in this space and develop new capabilities to source and deliver exhibitions.



Shortage of housing	Not enough affordable housing for the talent required to fill the roles created by the economic development of the region.	We will continue to advocate with Councils in the region to ensure that the development of new housing is a priority and ultimately ensure our Region can thrive. We acknowledge that we cannot independently resolve this.
Technology and screen sector growth	Failure to seize the opportunities presented by our screen, VR, gaming, and technology sector to grow export-oriented businesses of scale.	We will work across the sector to tell its stories and promote investment and collaboration. We will also work with Creative HQ, universities, CRIs and entrepreneurs to deliver more startups in the region and equip founders with the skills and support necessary to build businesses of scale.
Key Person Risk	Reliance on key individuals to deliver the results expected of us. This places significant pressure on them at a time we are being asked to deliver more impact with lower funding.	Develop a succession plan for all critical roles. We are also looking to increase the flexibility of operating across our business units to ensure we are fully using all available talent.
Māori capability	We recognise our responsibility to operate in a way that is consistent with the principles of Te Tiriti o Waitangi, and that celebrates Te Reo as a taonga. This is a work in progress for us, we currently lack capability and draw heavily on support and resources from our shareholders.	We will remain focused on areas where we are able to directly influence policy and outcomes on Māori economic development and the entities delivering on economic and commercial outcomes.

In addition to the above, WellingtonNZ has a strategic and operational risk framework which is governed by the Risk and Audit Committee of the WellingtonNZ Board.



## 11. APPENDICES

### APPENDIX ONE: PROGRAMME OF ACTIVITY

#### PLACEMAKING

*Objective: Enhance Wellington as New Zealand's creative heart — driving more locals and visitors to participate in events and experiences, and drive visitation into local businesses and attractions.*

<b>Programme - Unique ID</b>	<b>Overview</b>
<b>Major Events</b> - WNZ-01	WellingtonNZ will continue to support and invest in major events for Wellington, taking a portfolio approach to generate economic, brand and social benefits. We will partner with key venues and stakeholders to present events and exhibitions that will drive residents and visitors into the city.  Our WellingtonNZ Major Events team will also administer and monitor the Wellington Regional Events Fund. The fund focuses on securing events for the Wellington region that drive domestic visitation to the region.
<b>Wellington Brand</b> - WNZ-02	Following work on a new destination brand for Wellington with Te Ao Māori at its core, WellingtonNZ will continue to roll-out the new brand framework and visual identity. We will integrate the brand into destination attraction campaigns and promotions to reinforce Wellington as a place to visit, and, as a place to work, study, live and invest.
<b>International Visitation</b> - WNZ-03	WellingtonNZ will ensure that Wellington and Te Upoko o Te Ika continues to be a key destination for international visitors. Our activity will be trade-led and we will work with our Team Wellington funding partners with a focus on Australia, China and North America. We will maximise the benefit of hosting TRENZ to drive increases in visitation. Through Business Events Wellington we will continue to target and attract international conferencing to Wellington at Tākina and other venues. We will leverage strong relationships across Tourism New Zealand and other key tourism entities, including driving PR coverage through targeted programmes.
<b>Domestic Visitation</b> - WNZ-04	WellingtonNZ will prioritise the domestic market for consumer campaigns to drive visitation into the city. We will launch seasonal campaigns, leveraging major and performance events, and promotion of Tākina exhibitions. Seasonal campaigns will focus on promoting greater shoulder season / off-peak visitation, and where funding allows, Wellington's summer events programme. Using the 'you would in Wellington' tagline, we will grow engagement with our digital and social audiences in support of Wellington city businesses, driving out of town and local attendance at major events, and performances in our venues. We will deliver compelling campaigns for exhibitions at Tākina and build Tākina's brand. Through Business Events Wellington,

	we will continue to target and attract domestic conferencing and conventions. WellingtonNZ will work with the business community to design and implement a refreshed destination attraction / marketing partnership programme.
<b>Wellington Destination Management Plan - WNZ-05</b>	WellingtonNZ will continue to lead the delivery and development of Destination Pōneke to ensure outcomes benefit visitors and locals. We will focus on key sustainability initiatives focusing on building more capability across tourism and hospitality businesses. We will progress the Wellington Food and Beverage strategy, continue the delivery of the MOU with Metlink for the promotion of public transport to manuhiri, and investigate funding models to enable the progression of initiatives, for example the Civic's strategy and an investor prospectus to support attraction of commercial accommodation. The development of a cruise strategy for the city will be integrated into the DMP, including consideration of the future location of the Wellington i-SITE to best support locals, manuhiri and the commercial success of Tākina and Te Papa.
<b>Wellington Regional Trails Framework - WNZ-06</b>	WellingtonNZ will continue to lead the promotion of trails across Te Upoko o Te Ika using the Find Your Wild brand and through promotion in WellingtonNZ content and channels. The support and growth of the Regional Trails Framework is a key element of our collaboration with regional partners and local businesses located close to trails.

## JOBS FOR THE FUTURE

*Objective: Support businesses to grow, innovate and meet future workforce needs, to ensure more businesses are succeeding and employing more people.*

<b>Programme - Unique ID</b>	<b>Overview</b>
<b>Māori Economic Development and Business Support - WNZ-07</b>	<p>Our Māori economic strategy is being developed with input from a range of Māori entities, including iwi. This mahi has been elevated to SLT and is being led by our GM, Māori Economic Development.</p> <p>The strategy focuses on the number and scale of Māori businesses in the region. This includes data collection – to ensure we understand the size of the opportunity and can measure the progress being made. We will also work on procurement policy, access to capital (which is a key constraint for many Māori businesses) and access to professional advice to support growth.</p> <p>Some Māori-specific initiatives include: our partnership with Te Matarau a Maui, our support for a range of projects in tourism, skills development, and Screen (particularly through our UNESCO City of Film programmes), and through the Regional Economic Development Plan (REDP) projects we are implementing.</p>
<b>Wellington Regional Economic Development Plan - WNZ-08</b>	<p>The Regional Economic Development plan, led by WellingtonNZ, is governed by the Wellington Regional Leadership committee.</p> <p>The objective is to guide the long-term economic direction of the Wellington region in line with the Regional Growth Framework to support the creation of 100,000 jobs and improve quality of life for all.</p> <p>We will continue to lead the programme management office to support and drive initiatives across eight focus areas: four sectors (screen, creative and digital; science, technology, engineering and high-value manufacturing; visitor economy; and primary sector food and fibre), and four enablers (skills, talent and education; Māori economic development; water accessibility and security; and resilient infrastructure. This will include coordination with the initiative leads, support from a WNZ Champion, and supporting the Steering Group to provide oversight of delivery and being the interface with the WRLC.</p> <p>A refresh of the REDP will be completed by mid-2024, providing an opportunity to refine the plan.</p>

<b>Creative HQ: Incubation Services and Innovation Ecosystem Support - WNZ-09</b>	Creative HQ enables WellingtonNZ to support and grow the region's start-up and entrepreneurial activity. We are supporting business incubation and corporate and government innovation. We want to see an increase in the number of business start-ups in the region and the amount of support they receive, to help them scale.
<b>Tech Sector - WNZ-10</b>	<p>The tech sector team is working towards a mission of creating 30,000 jobs in the Wellington tech sector by 2034 – double the current number.</p> <p>The strategy, developed in 2022, is based on five goals:</p> <ol style="list-style-type: none"> <li>1. Raise the profile of the tech sector in Wellington, scale up the inception of new companies.</li> <li>2. Support existing high growth companies to reach their potential and become major employers.</li> <li>3. Attract investment and international businesses to Wellington.</li> <li>4. Promote tech careers and inspire the next generation of talent.</li> <li>5. Promote equity by encouraging women, Māori, and Pasifika to engage in the tech sector.</li> </ol> <p>Our overarching theme for 2024 is 'Epic Scale.' Our initiatives this year, including our events and education programmes, are designed to challenge founders and leaders at our tech businesses to aim big and prepare for global growth. We have identified that a lack of ambition is a major constraint to Wellington tech sector growth, so we are looking to challenge this mindset in 2024.</p>
<b>Screen Wellington - WNZ-11</b>	<p>Our team at Screen Wellington will continue to be the Wellington region's film office through Screen Wellington. The 2030 Screen Strategy identifies the size of the economic opportunity in these areas, and the initiatives that will best support the sector.</p> <p>In addition to the Screen Attraction Programme our key focus is on:</p> <p><b>UNESCO Creative City of Film</b> - To retain our UNESCO Creative City of Film which provides a framework for sustainable and inclusive growth.</p> <p><b>A bi-cultural City of Film</b> - Continue to engage with Māori leaders in the screen sector and creatives across the region to develop and support opportunities for Māori screen creatives and businesses. Support the sector to provide a framework for engaging with mana whenua for location filming that protects the mana of our locations, people, flora, fauna and utilise our UNESCO status to export our screen culture to the world and bring the worlds screen culture to Wellington. With a</p>

	<p>particular focus on Māori and te reo Māori screen content development opportunities.</p> <p><b>Film-friendly Facilitation</b> – Continue to engage councils, iwi and other stakeholders to ensure that our region retains ease of business for production, location filming, permitting, crew database and other sector support.</p> <p><b>Talent and workforce</b> – Support a more vibrant, sustainable and inclusive screen sector by uplifting and giving voice and pathways to new, diverse talent. Support the future workforce in partnerships including tertiary and school programmes. To promote our region as the best place in the world to study all aspects of filmmaking and creative screen technology. Tell the stories of the international creatives who live and work in the screen sector in Wellington to continue to attract and create high end jobs.</p> <p><b>Diversity</b> - Support existing film programmes and projects that provide access and opportunities to underserved and underrepresented communities.</p> <p><b>Events</b> - Support screen public and business events such as Maoriland Film Festival, the Canada/NZ Co-production Summit, the NZ Game Developers Conference, etc.</p> <p><b>Leadership</b> - Continue to provide leadership and advocacy for our region’s screen sector. And provide leadership within the UNESCO Creative Cities network.</p>
<p><b>Wellington Convention Bureau</b> – currently on secondment to WCC - WNZ-12</p>	<p>WNZ will work with WCC to provide a full range of services to identify, source, attract, market, and deliver a strong programme of exhibitions in Tākina, aligning with both our Major Events work and venues delivery.</p> <p>Through our support of Business Events Wellington, we will continue to work with Wellington City Council and Te Papa to ensure the sales and marketing of Tākina as a convention venue deliver the best business outcomes for Tākina as well as economic impact for the city. Business Events Wellington will also continue to act as the Convention Bureau for Wellington and support the promotion and attraction of conferences to other venues in Wellington.</p>
<p><b>Supporting businesses to thrive in our region</b> - WNZ-13</p>	<p>We will continue to provide a coordinated suite of high value programmes and services to help businesses increase their capability and develop their innovation potential. This will help them to grow revenue and employee bases, attract investment for growth, and expand their export value. The support is across the region through the Regional Business Partners Network funded by MBIE and includes (\$480k per year) for management capability building R&amp;D/innovation services with Callaghan Innovation, one to some group training from July 2024 onwards and other business support.</p>

<b>Wellington City in Transition - WNZ-14</b>	We will provide support for businesses to grow and innovate in Wellington City including specialist services to support businesses as part of the City In Transition project. We will continue to actively work with the business community affected by the redevelopment work on the Golden Mile and Thorndon Quay. This will include developing and implementing the business assistance package with the three pillars of support (Free business advice, Management capability and Marketing/promotion) to help all businesses in the eligible area.
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COLLABORATION AND ENGAGEMENT

*Objective: Work in partnership to support investment in the region to unlock the best outcomes and opportunities for all.*

<b>Programme - Unique ID</b>	<b>Overview</b>
<b>Mana Whenua Partnerships - WNZ-15</b>	<p>We will be relying on support from our shareholders who are better resourced to lead partnerships with mana whenua.</p> <p>We will work to build relationships and trust, affording us access and insight around evolving economic development strategies. We will ensure our work supports the goals of mana whenua and we're bringing value to the partnerships.</p> <p>We will work closely with Te Matarau a Maui to ensure there is consistency of approach to engagement with mana whenua</p>
<b>Regional / City Deals and other WRLC Projects - WNZ-16</b>	<p>We will continue to work with the Wellington Regional Leadership Committee to develop a Regional/City deal for our region. We will also support the future development strategies where there is a link or dependency with the REDP, for example future industrial land development research, food security strategy, Priority Development Areas emissions reduction, and climate change adaption. Whilst we are not the lead for these initiatives, we can lean in to support relationships and connections in critical infrastructure such as water accessibility and security in Wairarapa.</p>
<b>Skills, talent, and education - WNZ-17</b>	<p>We will continue to support programmes providing opportunities to support our rangatahi and create pathways to decent employment. Currently we are supporting initiatives in the REDP priority sectors such as STEM, Screen, Primary Industries. This includes initiatives such as the Summer of Tech, Summer of Engineering, Tech leadership series, House of Science, the Wellington E2E Centre, and Job, Search, Connect.</p> <p>An area of focus will be supporting mana whenua and Pasifika communities with skills development programmes for their rangatahi, such as the STEM mentorship programme with Ngāti Toa, developing a Pacific resource hub in collaboration with</p>

	<p>key partners, and Pasifika Student/Business networking series with tertiary institutions.</p> <p>We will consider how to grow the scale of our impact in this space to make a direct impact on workforce needs in the region.</p>
<b>Investment attraction - WNZ-18</b>	<p>We will continue our work to attract investment in the tech and screen industries to support business attraction, retention, and growth, to drive job opportunities and economic growth across the region.</p> <p>The screen, creative and digital sector can be defined as companies and individuals creating narratives, content, and ways in which it is consumed. Screen production covers film, television series, games, interactive media, animation, visual effects, sound and other storytelling processes and mediums, plus software and hardware platforms used for the creation and consumption of compelling moving images and associated content. As an example we will continue to attract business with an in-market ambassador, Screen Attraction programme “Make it here - <u>(It’s all here in Wellington UNESCO City of Film - YouTube)</u>” and an animation, VFX and Gaming showreel.</p>



## **APPENDIX TWO: GOVERNANCE AND ACCOUNTING**

WellingtonNZ is a Council Controlled Organisation as defined by the Local Government Act 2002. WellingtonNZ is owned 80% by the Wellington City Council and 20% by the Greater Wellington Regional Council.

### **GOVERNANCE BOARD**

The Board is responsible for the strategic direction of WellingtonNZ's activities. The Board guides and monitors the business and affairs of WellingtonNZ, in accordance with the Companies Act 1993 and the Local Government Act 2002, the Company's constitutions and this SOI.

All current Board directors are independent and appointed by our shareholders. The Board meets six to seven times a year. The Board has two sub-committees; Risk and Audit, and People & Culture, which meet separately.

### **SHAREHOLDER GOVERNANCE**

#### **REPORTING**

By 1 March each year WellingtonNZ will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64 (1) of the Local Government Act 2002.

Having considered any comments from our Shareholders that are received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

By 31 October and 30 April each year, WellingtonNZ will provide to the Shareholders a quarterly report. The quarterly report will include WellingtonNZ's commentary on operations for the relevant quarter and a comparison of WREDA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.

By the end of February each year, WellingtonNZ will provide the Shareholders with a Half Yearly Report complying with Section 66 of the Local Government Act 2002.

By the end of September each year, WellingtonNZ will provide to the Shareholders an Annual Report on the organisation's operations during the year. This will include audited financial statements prepared in accordance with New Zealand Generally Accepted Accounting Practice and that also comply with Public Benefit Entity Standards. The Annual report shall also contain an Auditor's report on both those financial statements and the performance targets and other measures by which performance was judged in relation to that organisation's objectives.

#### ACCOUNTING POLICIES

WellingtonNZ has adopted accounting policies that are in accordance with New Zealand Generally Accepted Accounting Practices and Public Benefit Entity Standards. The detailed policies are as disclosed in WellingtonNZ's 2022/23 Annual Report.



**Wellington Regional Stadium Trust  
Statement of Trustees Intent  
For the year ending 30 June 2025**

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

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

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

May 2024



## 1. INTRODUCTION

Tēnā koutou katoa

The 2024 financial year began with the FIFA Women's World Cup 2023 (FIFA WWC), the largest and most exciting event we have held, translating to a huge success for the Stadium and the region.

FIFA WWC generated \$44.7 million of additional expenditure in Wellington. 39% of unique attendees were from outside of region and 92% of Wellington resident spectators reported an enhanced sense regional pride and liveability because of FWWC 2023. FIFA WWC truly demonstrated the benefits of hosting events of scale in our region.

Looking ahead to 2024/25 we will see the return of test rugby, and the Trust in partnership with WellingtonNZ has been successful in securing two matches - the All Blacks vs Argentina and the Bledisloe Cup match between the All Blacks and Australia.

Following a fantastic Foo Fighters concert in January, there continues to be interest from major promoters in the Stadium as a standout concert venue. We continue to work to secure concerts for the upcoming year, and we expect to make more announcements in due course, ensuring a busy year of events.

Naturally, the Trust will continue to invest in the facility. It is intended that the seismic work will begin on the main Stadium building, providing safety and additional resilience, a project for which the settlers have allocated funding for from their respective 2024-34 Long-Term Plans (LTPs).

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

The Trust continues to enjoy a collaborative and supportive relationship with the Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC) as well as WellingtonNZ.

The Trust understands the importance of a strong events calendar at the Stadium to drive both economic and social outcomes for the city and region. We are committed to delivering a diverse and exciting calendar over the coming years.

Our new Chief Executive, Warrick Dent, commenced his role in January. The board and management, alongside key stakeholders, are developing a refreshed strategic plan for the Trust and Sky Stadium and will begin to implement this in the 2024/25 financial year. This strategy will provide us with our direction over the next 5 years, and we look forward to working with both councils to align this with future Statements of Intent.

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



## **STRATEGIC DIRECTION**

### **a) CORE PURPOSE**

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

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

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

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

The Trust strives to meet all the general objectives of the Councils noting that the overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure. This was not possible over the three years of challenges created by the pandemic and the full funding of our capex programme will remain beyond the means of the Trust as we face significant capital expenditure requirements. The Trust acknowledges and appreciates the funding being made available through the respective 2024-34 LTP's of both councils to assist with seismic resilience and other capital improvement works.

### **b) OPERATING ENVIRONMENT**

The Trust had an improved operating environment over the past 18 months following the extremely challenging three years around the pandemic.

The events outlook for the year ahead is positive. The success of the Foo Fighters concert has reaffirmed Wellington as a viable stadium concert city in New Zealand. Test rugby will return in 2024, with the hosting of two All Blacks tests in the first quarter of the financial year. Promoter interest in hosting major events remains strong, and we continue to work with sporting organisations and music promoters to secure events for the Stadium.

The environment is competitive, and rights holders continue to seek to best financial results for their events. We need to continue to work hard to win the right to host events. The Trust works in close partnership with WellingtonNZ to secure events. The investment in major events that WellingtonNZ



can make is vital to both the Stadium and Wellington being able to remain competitive in the market and continuing to attract great events for the city and region.

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

#### **c) STRATEGIC FRAMEWORK**

The board and management are developing a refreshed strategic plan for the Trust and Sky Stadium and will begin to implement this in the 2024/25 financial year. This strategy will provide us with our direction over the next 5 years, and we look forward to working with both councils to align this with future Statements of Intent.

## **2. NATURE AND SCOPE OF ACTIVITIES**

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

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

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

In line with the obligations listed above under its Trust Deed, the refreshed strategic plan that we are developing will prioritise how the Trust moves forward whilst meeting these obligations.

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

### **1. Enduring Expectations**

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

- No surprises – the Trust will keep settlors fully informed in relation to items of public interest or matters of significance.
- Relationship – The Trust enjoys a collaborative relationship with its settlors. The Trust values the support and expertise of officers and councillors that complements our own.
- Legislative and Compliance – the Trust will maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.
- Governance – the Trust will meet best practice governance standards. It commits to undertaking a performance review of the overall board, individual board members and the board chair as well as maintaining a skills matrix.



- Risk Management - the Trust has a robust risk management framework in place that is regularly reviewed by the Board.
- Living wage – the Trust’s permanent staff are all paid at or above the Living wage. This is not currently a requirement in the Trust’s services contracts.
- Modern slavery – the Trust will observe all laws prohibiting slavery, trafficking in persons and forced labour in New Zealand

## 2. Councils’ specific expectations of the Wellington Regional Stadium Trust

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

**The Trust will work with both settlor councils on its asset management plan and commercial strategy, including how to best sequence and fund the necessary work through the 2024-34 LTP.**

The Trust currently has an asset management plan in place and will continue to further develop this over the period, including aligning this with our strategic plan as to be able to maintain and develop the asset to drive our objectives. Likewise, the commercial plan will come out of our refreshed strategy.

Specifically, to the seismic resilience work that the Trust has been working with the settlers on. Designs have been completed, the RFP has been completed and we will be able to begin the works in the 2024/25 FY utilising the funding that the settlers have provided in the 2023/24 FY, noting that the funding in the new LTP of both councils will be available from the 2025/26 FY.

The seismic resilience is a significant project aimed specifically at strengthening the Stadium’s floor on all levels as well as the building’s diaphragm. Works are not overly invasive in nature and our current expectation is that they will not disrupt the event calendar.

The Trust will utilise its own funds and those provided by the settlers to deliver our asset management and will plan for, and complete, capital improvement works to improve the customer experience over the period of the SOI. We believe that the capex programme will set us up for the medium term.

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

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

We are aware that this work, including the seismic strengthening works, is a base level investment that is required to maintain the asset as it is, and will not provide for any significant improvements to the Stadium nor to the experience of our clients and patrons. Continued investment in the Stadium is



vital to ensure events are not lost to new facilities, and that we are able to provide a customer experience that meets the expectations of today's event goers. The Trust will develop plans for the medium term that will focus on development of the asset to be able to compete with other facilities and that will deliver an improved experience for clients and patrons and will be able to consult with the settlors on options ahead of the 2027-37 LTP.

The Stadium will have been in operation for 25 years in 2025, as such it is timely that the longer-term future of the Stadium, potential redevelopment and other options are explored. The Trust will undertake to lead the thinking and work necessary to be able to consult with the settlors and relevant stakeholders on the options.

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

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

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

The recent Foo Fighters concert was very successful, and further demonstrated the value of concert events to the Trust and the wider community. Concerts will remain an important part of the Stadium's event mix, the pipeline is currently active, and we aim to host at least two concerts in the next year.

We have been successful in securing two All Black tests in August and September 2024, the hosting of these will ensure the year starts strongly, and we will work actively to confirm future matches. We are in active discussions with other sports rights holders to bring events to the Stadium over the next 18 months, and we continue to prospect for other large-scale events to add to our calendar in the short and medium term.

**The Trust will continue to contribute to the region meeting its carbon neutrality goals.**

The Trust is aligned with Councils' goals of being carbon neutral and is committed to developing ways to reduce, recover, recycle, or re-use waste in all aspects of our business.

Our focus for the year ahead is:

- Waste Minimisation – at least 80% diversion of waste from landfill through reducing, composting, reusing, and recycling.
- Energy Reduction – reducing our energy consumption via transition to LED lighting throughout the Stadium.
- Energy Generation – It is the Trust's view that in the next few years there will be more commitment to solar and wind projects as the associated costs decrease and the quality and





size of battery storage increases. The Trust will engage in discussions with other stakeholders on the potential of solar and wind power.

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

The Trust will continue its work to further reduce waste. The Trust is part of a Wellington Reusable Hub working group which aims to develop a collective solution for single use plastic, with the washing facilities on track to be in place onsite at the Stadium in the 2024/25 FY

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

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

The Trust supports sustainable transport options and would welcome discussions with the appropriate stakeholders around how we could offer integrated ticketing with public transport to all major events. As demonstrated by the FIFA WWC 2023, and other events where integrated ticketing has been used, this does drive use of the public transport by event patrons.

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

### **3. Alignment with the councils' strategic direction**

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

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

**Wellington City Council 2024-34 LTP: Pōneke – the creative capital where people and nature thrive.**

*Priorities:*

- *Transform our transport system to move more people with fewer vehicles.*



This has been covered under the Councils' specific expectation to strengthening connectivity and access to the public transport network for events at the Stadium.

- *Transform our waste system to enable a circular economy.*

This has been covered under the Councils' specific expectation that the Trust will continue to contribute to the region meeting its carbon neutrality goals.

- *Nurture and grow our arts sector.*

The Trust is open to working with the creative spaces team at WCC to explore how we might be able to make spaces within the Stadium more accessible for artists, acknowledging that access would need to fit in with our normal operation and events programme. This may include opportunities to collaborate with artists, including Māori artists and those from diverse backgrounds.

- *Celebrate and make visible te ao Māori across our city.*

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

We will continue to look at how we can increase the visibility of te reo Māori in the Stadium, including renaming internal spaces.

Our hirers are increasingly including Māori protocol into their event presentation, providing visibility to those in attendance, but also nationally and internationally through the broadcast of events.

The Trust will explore ways in which we can incorporate te ao Māori principles into our business and activities in an authentic manner.

- *Invest in sustainable, connected, and accessible community and recreational facilities.*

The Trust acknowledges the investment that the Councils are making in the asset through the 2024-34 LTP. The Stadium is an important community asset that hosts events that bring diverse communities together, providing significant social benefits to both individuals and the wider community.

The Stadium hosts a number of community days each year. The Trust is open to discussions with the Councils' how we can make the venue accessible to more of the community.

The Stadium is accessible and inclusive. The Trust has worked with and will continue to work with its hirers to promote messages of inclusion.

The Trust fully supports the Accessible Wellington action plan. The Stadium has a gold rating for accessibility as awarded by Be.Lab. Further work is required here, particularly around concerts where we feel improvements can be made. The Trust will engage with patrons with accessibility needs to further understand their needs.



As part of our ongoing work in the accessibility, the Trust will engage with the WCC Takatāpui and Rainbow Advisory group to explore how we can best ensure rainbow inclusion in the Stadium.

- *Revitalise the city centre and suburbs to support a thriving and resilient economy and support job growth.*

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

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

**Greater Wellington Regional Council's 2024-34 LTP: He rohe taurikura – Nui te ora o te taiao, He hāpori Kotahi, He manawaroa te āpōpō / An extraordinary region – thriving environment, connected communities, resilient future.**

*Focus areas*

- *Active partnerships with mana whenua and improved outcomes for Māori*

The Trust is early in this journey and is committed to developing relationships with mana whenua and to explore with mana whenua ways in which we can work together to provide for improved outcomes for Māori.

- *Leading action for climate resilience and emissions reduction.*

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

- *Holistic approaches to deliver improved outcomes for te taiao.*

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

- *Improved access to services and equitable outcomes for communities.*

As noted earlier, the Stadium is an important community asset that hosts events that bring diverse communities together, providing significant social benefits to both individuals and the wider



community. The Trust is open to discussions with the Councils' how we improve access and can make the venue accessible to more members of the community.

#### **Tūpiki Ora, Takai Here and Te Whāriki**

As noted elsewhere, the Trust is early in our journey. We are committed to developing relationships with mana whenua and to explore with mana whenua ways in which we can work together to provide for improved outcomes for Māori. As part of this we will commit to an engagement plan with mana whenua in order that we can develop trusted relationships so that we can partner in an authentic manner, and with mana whenua deliver tangible and beneficial outcomes.

#### **Our Strategic Relationship**

*In the drafting of the Statement of Intent, the Trust is invited to articulate to Wellington City Council what is expected of a strategic relationship between the parties. Council will respond with feedback to reach a common understanding.*

The Trust enjoys a strong partnership with both councils. The CCO structure within WCC is working well and the Trust feels informed and engaged.

#### **Long term strategic asset management**

The Trust maintains a robust asset management programme that prioritises maintenance based on a 5-year asset condition report compiled by WSP on behalf of the Trust.

#### **Maintaining a safe and healthy working environment**

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

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

The Trust has developed a detailed list of KPI measures which are reported to the Board Health and Safety Committee on a quarterly basis. In our six-monthly reporting to you we will report on Health & Safety measures in the relevant six-month period.



### **Financial Projections**

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

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

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

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

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

The 5 year projections included here have been prepared on a business-as-usual basis, with 40 plus event days assumed per year.

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

- Net operating cashflows \$12.7m (positive, before insurance and grant income)
- Cumulative insurance premia absorb \$6.0m
- Capex of \$36.3m
- Settlor contributions (via the 2024-34 LTP) of \$20.9m

These projections have total capex of \$36.3 m across 5 years, with \$18m of this for seismic resilience works. The Trust acknowledges the capex funding of \$33.6m from the settlors across the period of the 2024-34 Long Term Plan, noting that this funding will start in Year 2 of the LTP, FY26. The Trust intends to commence the necessary seismic resilience works in FY25 using the funding of \$4.6m available from the current LTP.

The Trust has had a strong response to its recent request for proposals for the seismic resilience works, with tenderers indicating the work is best completed within a 24-month period. Assuming this work will proceed in the next two years, the Trust will need to increase its commercial borrowings to cover the lag between the work being undertaken and the funding being received from the settlors.

While these projections assume that the seismic works will be completed in FY25 and FY26, before committing to any works the Trust will need to be satisfied that the LTP funding is secured, so that the Trust can service and repay the additional commercial borrowing required. The Trust will work with settlors to progress this matter.



Current borrowing consists of the \$4.2m settlor loans (provided in 2020 after the first Covid-19 lockdown) and \$0.5m of commercial borrowing.

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

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

#### **Insurance**

During the past two years the Trust reviewed its approach to insurance cover. The outcome has provided a reduction in premium compared to the previous approach, but it remains a significant cost to the Trust. The financial projections assume insurance is retained on a similar basis, and this is expected to continue over the LTP period.

The outcome of the renewal process for the for the period 1 December 2023 to 30 November 2024 is that insurance cover has been obtained on the following basis:

- A traditional Material Damage and Business Interruption policy that excludes Natural Disaster Cover with a limit of \$128m (and a \$100m Fire Loss Limit).
- A policy that provides \$50m of parametric cover for earthquakes.
- Retention of various liability policies including public liability cover.

It should be noted that the insurance cover we hold is not full replacement cover, such that insurance proceeds would not cover a full rebuild of the Stadium.

The Trust has kept settlors informed on all decisions related to insurance.



**PROJECTED EVENTS SCHEDULE**

**12 Months ending 30 June.**

<b>CONFIRMED</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Rugby Union	10		
Exhibition Days	17		
<b>Total Confirmed</b>	<b>27</b>	<b>0</b>	<b>0</b>
<b>UNCONFIRMED</b>			
Rugby		10	9
Cricket	1	1	2
Football	12	11	11
Other Sporting Events	1	1	1
Concerts/Other Events	3	2	2
Exhibition Days		13	13
<b>Total Unconfirmed</b>	<b>17</b>	<b>38</b>	<b>38</b>
Community Events	3	3	3
<b>Total Events</b>	<b>47</b>	<b>41</b>	<b>41</b>

Days reserved for semi's & finals	11	11	11
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**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE THREE YEARS ENDING 30 JUNE**

	<b>2025 \$m</b>	<b>2026 \$m</b>	<b>2027 \$m</b>
<b>Revenue</b>			
Events	6.70	6.77	5.43
Members Boxes & Sponsorship	4.16	4.29	4.40
Other	3.38	3.62	3.70
<b>Total Revenue</b>	<b>14.24</b>	<b>14.68</b>	<b>13.53</b>
<i>Less:</i>			
Event Operating Costs	3.15	3.09	2.68
Other Operating Costs	9.75	10.26	9.17
Interest	0.45	0.96	0.86
<b>Total Operating Expenses</b>	<b>13.35</b>	<b>14.31</b>	<b>12.71</b>
<b>Operating Surplus before depreciation</b>	<b>0.89</b>	<b>0.37</b>	<b>0.82</b>
<i>Less:</i>			
Depreciation	3.71	3.92	4.14
<b>Net Surplus/(Deficit)</b>	<b>(2.82)</b>	<b>(3.55)</b>	<b>(3.32)</b>
<i>Plus:</i>			
<i>Funding for capital expenditure programme</i>			
Council funding via LTP	2.33	5.88	5.89
<b>Total Surplus/(Deficit)</b>	<b>(0.49)</b>	<b>2.33</b>	<b>2.57</b>

Net operating cash flows	2.97	6.34	6.87
Surplus cash at the end of each year	0.61	0.40	0.44
Loans at year end	10.59	16.06	13.82
Net debt (Loan less cash)	9.98	15.66	13.39





**SUMMARY STATEMENT OF CASHFLOWS  
FOR THE THREE YEARS ENDING 30 JUNE**

	<b>2025 \$m</b>	<b>2026 \$m</b>	<b>2027 \$m</b>
Cashflows provided from operating activities	13.99	14.74	13.66
Council LTP funding (for capital expenditure programme)	2.33	5.88	5.88
Cashflows applied to operating activities	(13.35)	(14.28)	(12.67)
<b>Net cashflows from operating activities</b>	<b>2.97</b>	<b>6.34</b>	<b>6.87</b>
Cashflows applied to investing activities	(15.32)	(12.02)	(4.59)
<b>Net cashflows from investing activities</b>	<b>(15.32)</b>	<b>(12.02)</b>	<b>(4.59)</b>
Cashflows provide by financing activities	5.80	5.50	
Cashflows applied to financing activities	(0.02)	(0.04)	(2.24)
<b>Net cashflows from financing activities</b>	<b>5.78</b>	<b>5.47</b>	<b>(2.24)</b>
<b>Net increase (decrease) in cash</b>	<b>(6.57)</b>	<b>(0.21)</b>	<b>0.04</b>
Opening balance brought forward	7.18	0.61	0.40
<b>Cash at year end</b>	<b>0.61</b>	<b>0.40</b>	<b>0.44</b>



**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE**

	2025 \$m	2026 \$m	2027 \$m	2028 \$m	2029 \$m
<b>Trust Funds</b>					
Retained Surpluses	52.12	54.45	57.02	60.79	59.01
Limited Recourse Loans	40.39	40.39	40.39	40.39	40.39
	92.51	94.84	97.41	101.18	99.40
<b>Non Current liabilities</b>					
Lease	0.09	0.06	0.02	-	-
Loan - bank	6.30	11.80	9.60	2.90	2.70
Loan - Councils	4.20	4.20	4.20	4.20	4.20
	10.59	16.06	13.82	7.10	6.90
<b>Current Liabilities</b>					
Revenue in Advance	1.89	1.96	2.09	2.12	2.21
Payables	0.23	0.23	0.23	0.23	0.23
	2.12	2.19	2.32	2.35	2.44
<b>Total Funding</b>	<b>105.22</b>	<b>113.08</b>	<b>113.54</b>	<b>110.62</b>	<b>108.74</b>
<b>Represented by:</b>					
Property Plant & Equipment	103.90	112.01	112.46	109.57	107.52
Current Assets	0.71	0.67	0.64	0.62	0.62
Cash	0.61	0.40	0.44	0.44	0.60
<b>Total Assets</b>	<b>105.22</b>	<b>113.08</b>	<b>113.54</b>	<b>110.62</b>	<b>108.74</b>



**PERFORMANCE MEASURES**

**Non-Financial Performance Measures**

Measure	How Measured
<ul style="list-style-type: none"> <li>Deliver a full event calendar</li> </ul>	<ul style="list-style-type: none"> <li>Securing 40-50 event days per year covering both sporting and non-sporting events, aiming to appeal to a wide range of interests.</li> </ul>
<ul style="list-style-type: none"> <li>Deliver more large-scale non-sporting events</li> </ul>	<ul style="list-style-type: none"> <li>Secure at least two concerts in 2024/25</li> <li>40% out of region visitors</li> </ul>
<ul style="list-style-type: none"> <li>Continued investment in stadium infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Seismic resilience works to commence and progress from 2024/5 through 2026/7</li> <li>Replacement of replay screens completed Q2 2024/5</li> </ul>
<ul style="list-style-type: none"> <li>Host unique events that deliver economic benefit to the region.</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining economic benefit to the Region at an average of \$40 million per year</li> </ul>
<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Continue to reduce waste via compost, recycle, reduce, reuse.</li> <li>Energy reduction through transition to LED lighting with support from GWRC Low Carbon Acceleration Fund</li> <li>Scope other projects (contained in Lumen's Energy Transition Plan) towards decarbonisation of the facility</li> </ul>
<ul style="list-style-type: none"> <li>Mana whenua</li> </ul>	<ul style="list-style-type: none"> <li>Develop an engagement plan with mana whenua. Measures will be developed as part of this process.</li> </ul>
<ul style="list-style-type: none"> <li>Health and Safety Reported Injury rates.</li> </ul> <p>Contractors and hirers</p>	<ul style="list-style-type: none"> <li>Trust Worker reported injury rate of 2 or less per year.</li> <li>Contractor Worker Lost Time Injury rate of 2 or less in a year.</li> <li>Hirer (And Hirer Contractor) Worker Lost Time Injury rate of 2 or less in a year.</li> <li>A reported patron injury rate of less than 0.01% of the total number of patrons attending the venue (events and functions).</li> <li>100% of contractors working at the Stadium have 'approved' status before any work is commenced, and upon each annual review.</li> <li>An agreed H&amp;S plan is in place with 100% of Stadium hirers prior to any work on site commencing.</li> </ul>



#### **Financial Performance Measures**

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

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

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



### 3. BOARD APPROACH TO GOVERNANCE

#### Role of the Board

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

#### Board Operation

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

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

#### Board Performance

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

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

The Chair will provide the settlors with a board skills matrix annually. The Chair will provide early notification of upcoming board vacancies and work with settlors to ensure that at least three potential candidates are presented for each vacancy that occurs.

A Board performance review will be provided by 30 September 2024.

#### Board Membership

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

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

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



The current Trustees are:

Name	Appointed until:
Tracey Bridges	31 December 2024
Phillippa Harford	31 December 2024
Owen Gibson	30 June 2025
Diane Calvert	formal declaration of results of WCC 2025 elections
Penny Gaylor	formal declaration of results of GWRC 2025 elections
Nicola Crauford	31 December 2025
Rachel Taulelei	30 June 2026
Steve Tew	31 December 2026

#### **4. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT**

##### **Health & Safety**

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

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

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

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

There are three Committees with a health and safety focus:

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

All contractors coming on-site are required to:

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



## **RISK MANAGEMENT**

### **Insurance**

The Stadium insurance programme is managed by Marsh.

As noted earlier, the outcome of the renewal process for the for the period 1 December 2023 to 30 November 2024 is that insurance cover has been obtained on the following basis:

- A traditional Material Damage and Business Interruption policy that excludes Natural Disaster Cover with a limit of \$128m (and a \$100m Fire Loss Limit).
- A policy that provides \$50m of parametric cover for earthquakes.
- Retention of various liability policies that we had in place including public liability cover.

### **Business Continuity Plan**

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

### **Communication and Access to Information**

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

## **5. ADDITIONAL INFORMATION**

### **Reporting**

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

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

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

### **Major Transactions**

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

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

### **Accounting Policies**

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



## OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

### Ratios

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

30 June 2025	50%
30 June 2026	48%
30 June 2027	50%

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

30 June 2025	198%
30 June 2026	193%
30 June 2027	201%

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

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

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

### Accounting Policies

The Statement of Significant Accounting Policies is attached in Appendix 1

### Distributions to Settlers

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

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

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

No other distributions to settlers are intended to be made.

### Investments in other organisations

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





**Compensation from local authority**

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

**Trust's estimate of the commercial value of settlor's investment in the Trust**

Not applicable

**Other matters as set out in the Funding Deed**

***Significant Third-Party Obligations***

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

***Relevant Legislation***

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

**Rachel Taulelei**

**Chair**

**FOR THE TRUSTEES**

**WELLINGTON REGIONAL STADIUM TRUST**



**APPENDIX 1:  
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity and Period**

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

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

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

**Statement of Compliance and Basis of Preparation**

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

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

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

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

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

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

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

**Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliability measured. It is recognised at the fair value of the consideration received. Specific

recognition criteria apply to the following income streams as noted below.

**Revenue from Exchange transactions**

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

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

*Rental income*

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

**Revenue from Non-Exchange transactions**

*Grant income*

Grants are recognised as income once the conditions of the grant are met.

**Expenses**

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

*Interest*

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

**Taxation**

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

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



#### Financial Instruments

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

#### Non-derivative Financial Instruments

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

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

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

#### Financial Assets

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

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

#### Financial Liabilities

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

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

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

#### Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not

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

#### Employee Entitlements

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

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

#### Other Liabilities & Provisions

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

#### Leases

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

#### Property, Plant and Equipment

##### Recognition

Expenditure is capitalised as property, plant, and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

##### Measurement

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

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the



location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

#### *Impairment*

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue & Expense.

#### *Disposal*

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

#### *Depreciation*

Depreciation is provided on all property, plant, and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

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

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

#### *Work in progress*

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

#### **Critical accounting estimates and assumptions**

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the

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

#### *Estimating useful lives and residual values of property, plant, and equipment*

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

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

#### **Statement of Cash Flows**

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

#### **Changes in Accounting Policies**

There have been no changes in accounting policies.



## **Wheako Pōneke Experience Wellington Statement of Intent 2024–25**

**Wheako  
Pōneke**  
Experience Wellington

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

PRINCIPAL FUNDER

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

**City  
Gallery  
Wellington**  
Te Whare Toi

**Wellington  
Museum**

**Space  
Place**

**Cable Car  
Museum**

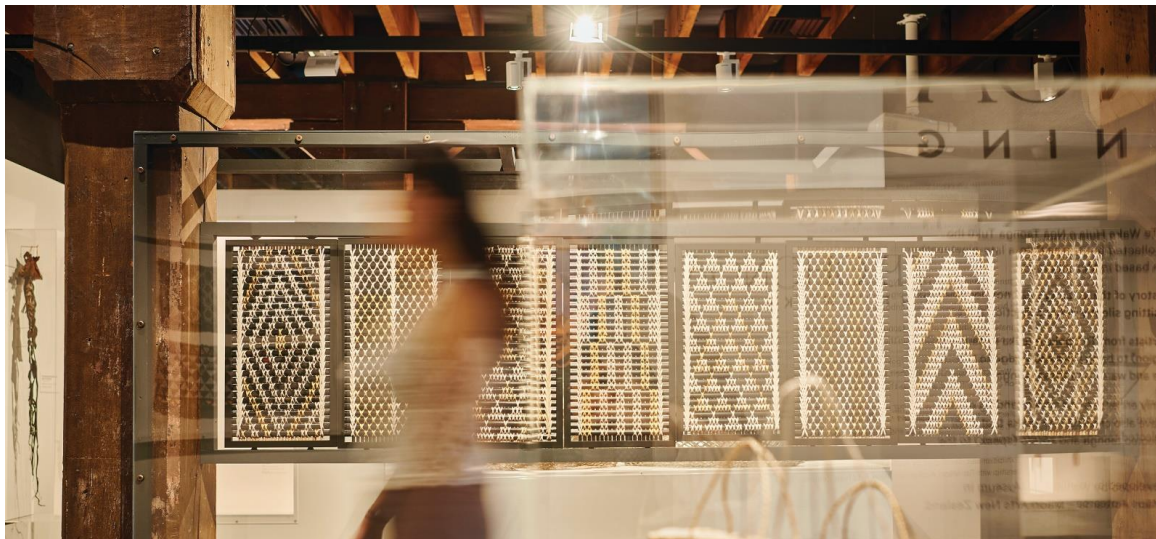
**Nairn Street  
Cottage**



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## Foreword

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

Tēnā koutou,

Pōneke will transform dramatically over the coming years with major infrastructure projects unlocking potential across the CBD. Wheako Pōneke Experience Wellington will play a significant role in connecting communities and creating safe spaces for everyone in this new environment and ensuring that accessible arts, culture, and heritage continue to be woven through the stories of our city.

This long-term opportunity also presents short-term challenges, as ongoing infrastructure work has a serious impact on those visiting and working in our places and spaces, compromising our businesses. This year is one of transition, on many levels. Wellington City Council requires us to return to a break-even budget this year. We note that the wider pressures facing the city also affect us as we continue to deal with significant financial challenges due to increasing costs, chronic underfunding and the new issue of site closures and interruptions caused by building work – all things we have no control over. Collectively this seriously affects our profitability and ability to generate revenue. While we are committed to the challenge of breaking-even, it won't be easy and will require some tough decisions and new ways of working.

In 2024-25 we will focus on revenue while negotiating these disruptions. We will begin charging admission fees for international visitors at Wellington Museum from October 2024 and will maintain strict cost control. Our fundraising strategy is now embedded across our organisation as we raise the profile of our charitable status and partner with people who love our sites and want to support us to do more of what they love.

Te Waka Huia o Ngā Taonga Tuku Iho Wellington Museum was deemed earthquake-prone in February 2023. The Council, as building-owner, has seven years to remedy this. Major strengthening works on the Bond Store have been delayed and will now be considered in Council's next Long-Term Plan in 2027. The building has been strengthened in previous years, but at lower levels than desirable, and it is crucial that this time the approach is rigorous and substantive, so we do not face this issue again. We now have an opportunity to create an agreed masterplan, carry out a full feasibility study and strategically build fundraising support to develop Wellington Museum as an industry-leading experience for future generations. An important part of building a robust donor base for this flagship project will be an admissions and membership strategy.

At Te Ara Whānui ki te Rangi Space Place, home to a newly installed crystal-clear planetarium projector system, the second stage of our three-year renewal project is well underway. This renewal project leverages Council's

Wheako Pōneke Experience Wellington - Statement of Intent 2024– 2025 [FINAL V3.1 – June 2024]

3

investment to proudly showcase mātauranga Māori alongside western astronomy, establishing Space Place as the place Wellingtonians learn about Matariki and Puanga.

We recognise the significant investment Council is making to reignite the spark of Te Ngākau Civic Square as the capital's hub of creativity. This brings opportunities for purpose-built spaces for our youngest audiences in Nōku te Ao Capital E within Te Matapihi ki te Ao Nui, Wellington's Central Library.

City Gallery Wellington Te Whare Toi will continue to bring significant exhibitions to Wellington this year despite disruptive construction work temporarily forcing us out of our iconic building in Te Ngākau Civic Square. After learning that the main access from Victoria Street into Te Ngākau would close from June 2024 for the demolition of the Civic Administration Building, and with foot traffic to Te Ngākau Civic Square expected to drop dramatically as a result of the closure, we have partnered with the Museum of New Zealand Te Papa Tongarewa, The Dowse Art Museum and other venues to secure alternative spaces to show key exhibitions planned for the second half of 2024. As a non-collecting gallery this includes loaning work from these institutions, as well as partnering on projects and curatorial collaborations over the past decade, including several recent projects with The Dowse. This is an opportunity to deepen these relationships which strengthen the arts sector across the region.

We look forward to working collaboratively with Wellington City Council as we bring the sharpest possible commercial focus to our mahi, while navigating infrastructure challenges across our sites, to continue to deliver remarkable experiences and create a sustainable approach for future generations.

We are setting ambitious goals to:

- Raise **\$2,530,000 (17%)** of our revenue from trading initiatives, fundraising and commercial activity. This includes \$313,000 in capital funding.
- Achieve an average of at least **87%** approval rating from our visitors for the quality of their experience across our sites.
- Welcome over **400,000** on-site visitors, including **23,000** children and young people taking part in a learning experience on Enriching Local Curriculum (ELC) funded visits.

While we are committed to the challenge of breaking-even, it won't be easy and will require some tough decisions and new ways of working. At the time of writing, we remain uncertain whether we can achieve this goal - mostly due to the extraordinary external pressures around two of our buildings - but we will try.

We thank our principal funder Wellington City Council, as well as other key partners: City Gallery Wellington Foundation and the Ministry of Education for their continued support.

**Jane Wrightson**  
**Chair, Wheako Pōneke Experience Wellington**



## Our Shared Vision for Pōneke



## TE MAHERE RAUTAKI O WHEAKO PŌNEKE

### Our Purpose

We work together with and for Wellington to create remarkable experiences that generate vitality, strengthening the city we love. We are a Council Controlled Organisation (CCO), established as an independent Charitable Trust in 1995 by Wellington City Council. We are governed by an independent Board of Trustees appointed by Council.

# Our Strategic Framework

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

## Wheako Pōneke Experience Wellington's Strategy Overview



### ENRICHING LIVES

#### WE ACHIEVE THIS THROUGH:

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

#### WHAT'S DIFFERENT:

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



### EMBRACING TE AO MĀORI

#### WE ACHIEVE THIS THROUGH:

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

#### WHAT'S DIFFERENT:

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



### MAHITAHĪ

#### WE ACHIEVE THIS THROUGH:

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

#### WHAT'S DIFFERENT:

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



### WHEAKO PŌNEKE FLOURISHES

#### WE ACHIEVE THIS THROUGH:

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

#### WHAT'S DIFFERENT:

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

## Our Partners

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

## Our Contribution to Pōneke

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

## Our Six Sites

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

**Wheako Pōneke**  
Experience Wellington



Wellington  
Museum

Nairn Street  
Cottage

Cable Car  
Museum

Space  
Place

City  
Gallery  
Wellington

capital  
E's PlayHQ



## Our Operating Environment

Wheako Pōneke Experience Wellington heads into 2024-25 facing significant challenges. We are working with Council to navigate these challenges which centre on infrastructure projects, financial sustainability and managing operational risks.

### Impact of Infrastructure Projects

This year we were alerted to the difficult news that the main access from Victoria Street into Te Ngākau Civic Square would close from June 2024 as Wellington City Council begins demolition on the Civic Administration Building. This means that keeping City Gallery Wellington Te Whare Toi open in its current location in Te Ngākau would be further compromised. With a full schedule of exhibitions planned up to February 2025 we have worked incredibly hard to pivot and partner with local institutions 'Museum of New Zealand Te Papa Tongarewa', 'The Dowse Art Museum' and other venues to secure alternative spaces to show key exhibitions planned for the second half 2024, going forward into 2025. City Gallery Wellington Te Whare Toi has been in Te Ngākau for 30 years, but we are much more than the building.

As Council's Arts and Heritage organisation we will continue to find ways to do what we do best - offer exhibitions with an edge to test art's boundaries, challenge our audiences and invite debate. We hold an important place in so many people's hearts and we'll be working on growing our visitor numbers and opportunities for our audiences to support and champion the gallery while it's away from home so we can return to a much-improved, future-proofed building in June 2026.

Nōku te Ao Capital E also returns to Te Ngākau in 2026, co-located inside the redeveloped Te Matapihi. This project gives Council and Experience Wellington a once in a lifetime opportunity to reimagine this space that brings joy to our youngest visitors and their whānau. This project will continue to receive our full focus and deepen our partnership with the Creative Capital, Library and Archives teams.

Secondary and interim external strengthening work is planned for Te Waka Huia o Ngā Taonga Tuku Iho Wellington Museum in the third quarter of 2024. The museum will remain open during this work, which we have factored into planning for this SOI. Full closure of the Bond Store for major earthquake strengthening is to be confirmed by Council following the 2027 Long-Term Plan process. A master plan and feasibility study will be developed in conjunction with Council to update and refresh Wellington Museum as a fearless museum of social history, following international best-practice.

While these infrastructure projects present great opportunities in the longer-term for us to enhance visitor experiences, in the short run they pose serious challenges, especially as we seek to grow our commercial revenue which is so dependent on our ability to attract visitors to our sites.

## New life

We're breathing new life into the Cable Car Museum. The first stage of the refresh wove the stories of the Cable Car's history and the people who made it possible, into a versatile multi-purpose hub. This change has allowed for a more extensive retail offering, showcasing our best-selling bespoke retail lines. This shift suits busy cruise ship seasons in summer and offers an engaging activity zone for school groups over the winter. Visitors can now delve deeper into the Cable Car's rich history and engage with our museum in more ways than ever before.

Exhibition renewal at Te Ara Whānui ki te Rangi Space Place began in 2023. Our Tūhura Space Module offering a thrilling play space for our smallest space fans, was the first space to be completed in November. Renewal of our exhibitions, shop and foyer space will be rolled out from 2024-25. We are proud to deliver these visitor experiences, placing mātauranga Māori at the heart of the experience and establishing a natural home for celebrating the science, culture, and heritage of the Southern Skies.

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

	Closure	Disruptions	Opening	2024		2025		2026		2027	
				Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec
<b>Wellington Museum</b>											
Declared EQ Prone (March 2023)											
Seismic H&S works – Museum remains open with minor disruptions											
Museum closure (Seismic Strengthening – 2030)											
<b>City Gallery Wellington</b>											
Continuous disruptions due to Te Ngākau Civil Square Works:											
Te Ngakau Detailed Seismic Analysis Report											
Demolition CAB & MOB (March 2024 – TBC)											
Wellington Water Mains (Willeston-Taranaki St)											
Te Matapihi Level 4 extension (Civic Room)											
Te Matapihi rattle space creation, Wavy Wall											
Old Capital E & City to Sea bridge demolition TBC											
City Gallery Closed for Maintenance											
City Gallery running exhibitions in alternative venues											
City Gallery Wellington Building Opening (Timing TBC-2026)											
<b>Nōku te Ao Capital E</b>											
Lease Expires (4QW) 31 August 2024, potential extension of lease											
Capital E Closes on Queens Wharf											
Planning Capital E's offering in Te Matapihi											
Capital E reopens in Te Matapihi (Timings TBC: 2026)											
<b>Space Place</b>											
Exhibition upgrades											
<b>Cable Car Museum</b>											
Exhibition upgrades (Timings TBC)											



## Financial Sustainability & Opportunities

In this Statement of Intent, we address the demanding financial landscape by making tough choices and setting clear priorities. Support from Council and stakeholders will be critical to maintaining financial stability. Increasing costs, a decade-long pattern of under-funding, and the impact of COVID-19 has severely limited our capacity to weather future uncertainties and to invest in maintaining and revitalising experiences across our sites. Together with the impact of other Council infrastructure projects, this has elevated these challenges to a critical point.

For our sites unaffected by construction projects, visitation continues to track positively and is forecast to be back to pre-pandemic levels by 2026-27. We see a real appetite from our visitors, both national and international, for our exhibitions and programming.

We are working hard with partnering venues for the City Gallery to remain cost neutral compared with our original expectation that we would be in the gallery building until the end of February 2025, followed by a hiatus in exhibitions for 12 months during deferred maintenance works.

In line with Council's expectation of producing a break-even budget we have further cut costs, including closing Capital E's National Theatre for Children. We have introduced programming that appeals to wider audiences, such as *The Barbie Collector* at Wellington Museum, which attracted more than 47,000 visitors during its 11-week run and the *Pink Floyd – Dark Side of the Moon* planetarium show at Space Place. Our Commercial team transformed our retail approach, and we are focussed on developing exclusive products for our retail sites, created by our in-house design team.

Our fundraising strategy drives enhanced revenue streams across all our sites. We are in a strong position to activate fundraising campaigns that leverage the upcoming change across the city as infrastructure work gets underway, particularly in Te Ngākau. Our strategy cultivates enduring relationships with individuals and organisations deeply invested in arts, culture and heritage. Our goal is to fortify Wheako Pōneke Experience Wellington's iconic experiences, making them more robust, accessible, and enduring for future generations of Wellingtonians to cherish.

An important part of building a robust donor base for our organisation, particularly for the Wellington Museum rejuvenation project, will be implementing an admissions and membership strategy. A roadmap is being developed to introduce admission fees, first to our international visitors at Wellington Museum with the intention of building upon the experiences and programme offerings. Accessibility is of great importance to Wheako Pōneke and we will be transitioning from predominantly fee free entry to programmes and sites, however, it is important that we strike a balance between 'free' entry, admission charges and membership options, to achieve a break-even budget. All of this while navigating the impact of Council building works on our sites. We know it will take time and care to properly implement admissions charges and develop a membership base that provides a sustainable revenue stream. It is important to get this right and to carry Wellingtonians with us as we implement these changes.

Our charitable status provides access to private and philanthropic funding that is only available to not-for-profits, so we are well-positioned to grow fundraising revenue and leverage funds invested by Council in our organisation. Our ten-year vision is focused on creating reserves and investing in capital projects to strategically reinvigorate our sites and offerings. We are working on a capital works programme with our top priority this year being the rejuvenation of Space Place.

We are proud of our role as significant contributors to Wellington's economy and its reputation as a centre of excellence for arts, culture, and creativity. However, unless we can significantly increase revenue streams beyond the planned admission charges and membership plans, operating a full programme of exhibitions across our sites will be difficult with an impact on visitation and revenue generated by manuhiri.

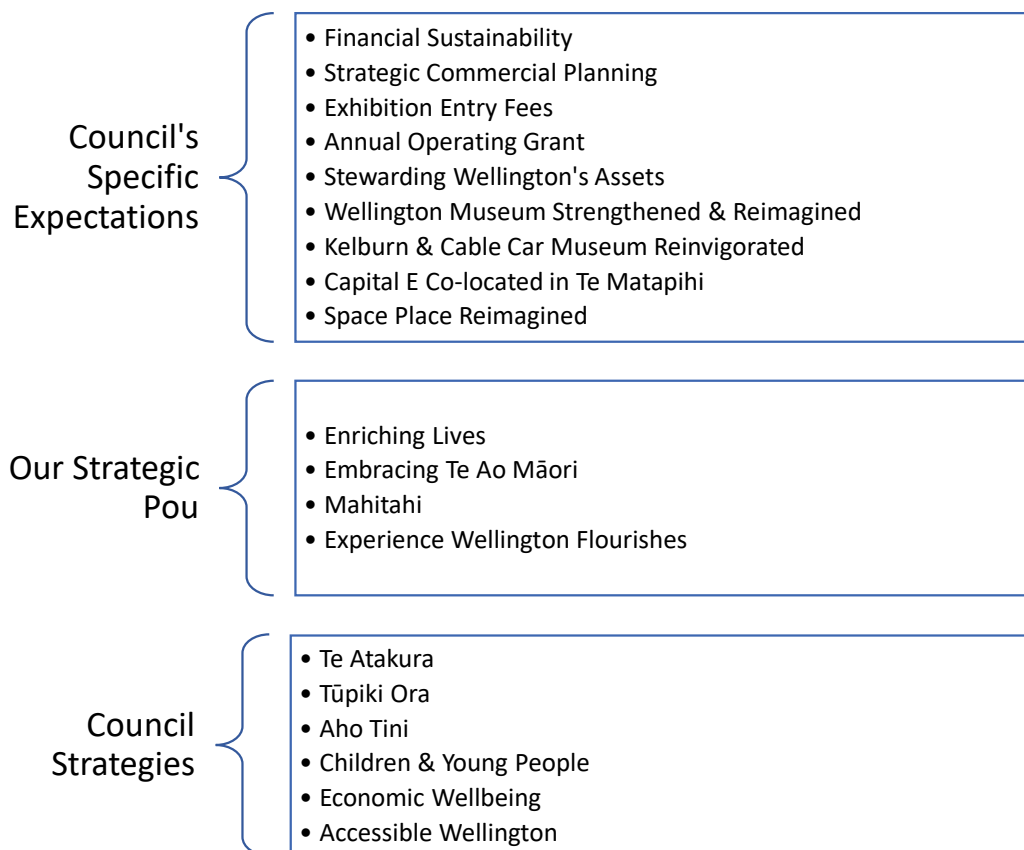
## Creating Our Shared Vision for Pōneke

### Our Plans and Approach to Achieve our Shared Vision for Pōneke

Wheako Pōneke Experience Wellington's strategic plan for 2024-25 weaves together nine specific expectations from Council, our four strategic pou and six Council strategies, to deliver shared aspirations for Wellington. Our plans are pragmatic, consider the significant external pressures and uncertainties of construction projects, centre on financial sustainability and building a framework for our organisation to ensure our success for future generations of Wellingtonians.

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



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











Our Response to Council’s Expectations for 2024-25

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

Council Expectations	Our Response	Pou
<p><b>FINANCIAL SUSTAINABILITY</b></p> <p><i>*Council’s Explicit Expectation #1</i></p> <p><i>Council expects that Wheako Pōneke Experience Wellington achieves consistent break-even budgets by end of year 24/25 and years following, taking into account the impact of Council building works on our sites.</i></p>	<p>Wheako Pōneke Experience Wellington’s budget for 2024-25 moves closer to achieving a break-even budget, as we navigate significant financial pressures. Our full grant is not indexed to inflation but we are making headway on absorbing increasing costs. There is an unresolved challenge to maintain our offerings in the face of rising inflation and significant increases in rent, insurance and depreciation for new Capital E assets.</p> <p>Initial savings were expected in 2024-25 and 2025-26 for the anticipated 12 month closure period for the City Gallery. The revised costs for a longer period of closure with exhibitions being held in alternative venues is substantially cost neutral compared with our original expectations. This is not the case in 2026-27 when the Gallery needs to reopen with a full year of programmes and exhibitions. The planned increases in revenue through commercial activities, fundraising and entry fees are yet to reach levels that fully compensate for a full year of exhibition programmes.</p> <p>Exhibition costs are the most significant and strategically important part of our budget; regularly refreshing exhibitions and offering new programmes drives our visitor numbers and revenue opportunities. Without a full programme of refreshed shows across our sites, we will not meet the goals of delivering remarkable experiences for Wellington and flourishing as an organisation.</p> <p><b>Wheako Pōneke Experience Wellington will:</b></p> <ul style="list-style-type: none"><li>- Introduce entry fees at Te Waka Huia o Ngā Taonga Tuku Iho Wellington Museum, in line with other institutions in the GLAM sector while finding a balance between accessibility and maximising revenue.</li><li>- Increase other revenue sources including paid programming and bespoke retail offerings, with continued focus on boosting retail revenue across all open sites.</li><li>- Continue City Gallery Wellington exhibitions at alternative venues for 2 years from 1 July 2024. Current visitor and revenue assumptions remain based on the initial assumption</li></ul>	<div><p>WHEAKO PŌNEKE FLOURISHES</p></div> <div><p>MAHITAHĪ</p></div>

	<p>that City Gallery Wellington would close for 12 months from February 2025 We will monitor visitor numbers at each alternative site closely and continue to explore revenue opportunities, however these may decrease depending on each site.</p> <ul style="list-style-type: none"> <li>- Expect reduced revenue opportunities from venue hire due to cost pressures on the public sector, our main customer base.</li> <li>- Apply living wage increases for staff in line with Council policy.</li> <li>- Increasing overhead and core salaries (other than living wage increases) based on current trajectories and forecast market adjustments.</li> <li>- Expect significant cost increases in rental for the Collections Store and Capital E, plus increases in insurance and depreciation.</li> <li>- Maintain strict cost control in all other areas.</li> <li>- Assign funds to a capital budget for the year, prioritising Wellington Museum, Space Place and necessary lighting upgrades across all sites.</li> </ul> <p>We note that achieving a realistic break-even position in 2024-25 will require either a substantial boost in investment in our fundraising activities, with a lead time before potential returns on investment are realised or making significant cuts to exhibitions and programmes. Fundraising is more difficult when our venues are facing building issues. These are significant competing tensions.</p>
<p><b>STRATEGIC COMMERCIAL PLANNING</b></p> <p><i>*Council's Explicit Expectation #2</i></p> <p><i>It is Council's expectation that Wheako Pōneke Experience Wellington takes a greater strategic focus on driving commercial outcomes, specifically through accelerating its capacity for self-generated revenue, whilst maintaining cost control. This will be supported by the necessary programming (i.e. programming that has broader audience appeal) and internal cultural change that integrates commerciality and content offering, alongside its existing fundraising, retail and business events attraction efforts. Council expects that Wheako Pōneke will provide a commercial plan that details the changes it will make to drive more revenue for the organisation that complements its existing fundraising strategy.</i></p>	<p>We are focused on a future where Wheako Pōneke Experience Wellington is a flourishing organisation with increasing visitor numbers, playing a key role in delivering remarkable experiences to the people of Pōneke.</p> <p>To drive commercial outcomes we have trimmed costs, increased commercial revenue options, and refocused our commercial capability. We are working towards a realistic budget for a thriving, commercially focused arts organisation.</p> <p>Wheako Pōneke Experience Wellington will:</p> <ul style="list-style-type: none"> <li>- Apply our commercial strategy across all sites to grow revenue streams, with our primary focus on sites not compromised by infrastructure projects/site closures.</li> <li>- Integrate fundraising opportunities to nurture partnerships and build the donor journey.</li> </ul> <div data-bbox="1657 954 1792 1077">  </div> <div data-bbox="1657 1077 1792 1141"> <p>ENRICHING LIVES</p> </div> <div data-bbox="1657 1165 1792 1287">  </div> <div data-bbox="1657 1287 1792 1332"> <p>MAHITAHĪ</p> </div>

	<ul style="list-style-type: none"><li>- Ensure programming achieves the right balance of accessible and relevant, catering to a diverse range of audiences and aligning with our values, while also considering commercial potential.</li><li>- Collaborate with our CCO whānau to share resources and co-host mutually beneficial initiatives.</li><li>- Create compelling marketing and communications content and promote programmes and exhibitions across all our sites that respond to past programming data and audience insights.</li><li>- Maintain and grow our retail strategy and successful range of bespoke products.</li></ul>	
<p><b>EXHIBITION ENTRY FEES</b></p> <p><i>*Council Explicit Expectation #3</i></p> <p><i>Council recognises that free entry is important for making Wheako Pōneke Experience Wellington’s sites accessible. However there needs to be a greater balance between accessibility and “free” to enable Wheako Pōneke to achieve break even budgets. Council appreciates that this will likely include the introduction of more paid for exhibitions and exploring charging for entry to our sites.</i></p>	<p>Wheako Pōneke Experience Wellington will:</p> <ul style="list-style-type: none"><li>- Introduce admission charges for international visitors at Wellington Museum with a road map to develop offerings and membership options across our sites, to cater to different audiences, while remaining accessible. This will be a carefully phased approach and we will be working with industry partners to elevate experiences across all our sites.</li><li>- Prioritise ticketed programming attendance and exhibitions, non-revenue related programmes may be reduced.</li><li>- Review pricing based on the positive results driven from activity over the current financial year.</li></ul> <p>We expect a degree of negative public and media feedback when admission fees are introduced. With this in mind, we will appreciate Council’s active public support at the appropriate time. We also expect it will take time to build our membership base to a level that provides a reliable and sustainable source of future revenue. Council needs to be realistic and reasonable about what can be achieved in the short-run and support us to build a revenue base that is enduring.</p>	<div><p>ENRICHING LIVES</p></div> <div><p>WHEAKO PŌNEKE FLOURISHES</p></div>
<p><b>ANNUAL OPERATING GRANT</b></p> <p><i>*Council’s Explicit Expectation #4</i></p> <p><i>The Trust’s annual operating grant provided by WCC will be maintained at FY23/24 levels apart from a CPI adjustment for employee remuneration (as a proportion of the operating grant) and any contractual commitments (as a proportion of the operating grant) for goods and services already in place that have legally binding CPI adjustments. Council expects the Trust to plan for this scenario. Due to financial pressures Council is facing,</i></p>	<p>Wheako Pōneke Experience Wellington will:</p> <ul style="list-style-type: none"><li>- Factor these expectations into our budget for 2024-25 and workstreams and also into our budgets for 2025-26 and 2026-27.</li><li>- Continue to monitor pressure on the operating grant and if necessary, revise our non-revenue generating public programmes and exhibitions to reduce costs.</li></ul> <p>NB: Any unplanned closure of sites and/or move to alternative sites will</p>	<div><p>WHEAKO PŌNEKE FLOURISHES</p></div>

<p><i>Council expects the Trust to manage costs within its budget and explore opportunities for increased revenue generation to enable the Trust to deliver on its strategy and Council expectations. Council understands that this may lead the Trust to look at its service offering as well as new revenue opportunities.</i></p>	<p>impact on our ability to operate commercially, fundraise, charge for programmes and admissions.</p>	 <p>WHEAKO PŌNEKE FLOURISHES</p>
<p><b>SPACE PLACE REIMAGINED</b>  <i>*Council's Explicit Expectation #5</i>  <i>Subject to Long Term Plan 2024-34 decisions, the Space Place operating grant will increase by \$300k commencing from the 24/25 year to reflect the increased costs of running Space Place. Council's expectation is that Wheako Pōneke Experience Wellington will then be able to operate Space Place with no further financial assistance from Council (i.e. there will be no additional annual Space Place subsidy). Council will continue to cover the cost of insurance and ongoing renewals of Space Place operating equipment.</i></p>	<p>Wheako Pōneke Experience Wellington will:</p> <ul style="list-style-type: none"> <li>- Factor this expectation into our planning and budget for Space Place in 2024-25 and outyears.</li> </ul>	 <p>WHEAKO PŌNEKE FLOURISHES</p>
<p><b>STEWARDSHIP WELLINGTON'S ASSETS</b>  <i>*Council's Explicit Expectation #6</i>  <i>Council will continue to work actively with the Trust to develop Asset Management Maturity which will clearly define clear roles and responsibilities between the entities. One of the principal objectives is to create a common understanding with regards to the funding of operational and infrastructure assets and will outline a practical approach to the ongoing management and maintenance in order to implement the 2024-34 Long Term Plan.</i></p>	<p>Wheako Pōneke Experience Wellington will:</p> <ul style="list-style-type: none"> <li>- Agree a programme of repair and maintenance to be managed by a service level agreement between Council and Wheako Pōneke (noting the particular challenges with older buildings regarding maintenance, watertightness, heating, and ventilation).</li> <li>- Work with Council to understand the funding model and management of operational and infrastructure assets, including an outline of the roles and responsibilities of both parties, taking a practical approach to the ongoing management of repairs and maintenance.</li> </ul>	 <p>WHEAKO PŌNEKE FLOURISHES</p>
<p><b>CAPITAL E'S CO-LOCATION IN TE MATAPIHI KI TE AO NUI</b>  <i>*Council's Explicit Expectation SOE #7</i>  <i>Council expects the Trust to further develop its plans for Capital E and its co-location within Te Matapihi ki te Ao Nui. The Trust is expected to recognise that Council is making a significant capital investment in Te Matapihi which will also generate additional operational costs for Council. Subject to Long Term Plan 2024-34 decisions, Council will provide Wheako Pōneke Experience Wellington with some additional funding to reflect the increased cost of running Capital E in Te Matapihi.</i></p>	<p>Wheako Pōneke Experience Wellington will:</p> <ul style="list-style-type: none"> <li>- Continue working to the signed Heads of Agreement. The developed design for the visitor experience is now complete.</li> <li>- Focus on service design and development when in place and work on decommissioning Capital E in Queens Wharf site and reopening in Te Matapihi.</li> <li>- Plan to maintain our offerings that spark curiosity for our youngest audiences in Queens Wharf for as long as possible prior to reopening as Nōku te Ao Capital E in Te Matapihi. We anticipate an increase of 10% in lease costs for this site.</li> </ul>	 <p>ENRICHING LIVES</p>

WELLINGTON MUSEUM AND REIMAGINING THE EXHIBITION

*\*Council’s Explicit Expectation #8  
Council will continue to work with the Trust to develop a plan for the seismic strengthening and upgrade of the Bond Store (home to the Wellington Museum).*

- Wheako Pōneke Experience Wellington will:
- Prepare for secondary earthquake strengthening for the lower levels of the Museum in 2024. Council is working with us to minimise any impact on the Museum’s day-to-day business.
  - We have budgeted in conjunction with Council to develop a robust and future-proofed business case for the seismic strengthening and reimagining of Te Waka Huia o Ngā Taonga Tuku Iho Wellington Museum as an industry leading experience for future generations. This includes the reimagining and design stages, targeting strengthening by 2030, the statutory deadline for this work.



ENRICHING  
LIVES

CABLE CAR MUSEUM AND KELBURN PRECINCT REINVIGORATED

*\*Council’s Explicit Expectation #9  
Council sees a role for the Trust, Council, Wellington NZ, and the Cable Car to work together in planning opportunities to leverage the Cable Car journey. Council expects the Cable Car to lead the planning for early interventions to celebrate the historic area at the top of the Cable Car, and to develop an options paper for longer term plans for its future*

- Wheako Pōneke Experience Wellington will:
- Building on our Cable Car Museum refresh, actively participate in the monthly planning sessions with businesses in the precinct, including several CCOs and WCC business units, to strengthen collaborations to drive visitation and improve experiences for locals and visitors.
  - Partner with the Cable Car Company team to deliver an integrated plan for the Kelburn-Paekākā precinct to ensure that the experience provided to future visitors, the length of time they spend in the precinct, and their expenditure is significantly enhanced, contributing to the broader city visitor economy.



ENRICHING  
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## Our Mahi Aligned to our Strategic Pou

The table below contains plans of work programmes across our four key strategic pou for 2024-25.

Strategic Pou	Description
<b>Enriching Lives</b>	<p>Strategically aligning programming that connects to audience insights. This includes:</p> <ul style="list-style-type: none"> <li>- Placing the audience at the heart of a vibrant, integrated programme plan that engages audiences onsite and online.</li> <li>- Mapping opportunities for each of our sites as the city transforms. This includes the strengthened and reimagined Museum; Space Place's programme of exhibition renewal leading to a centre that showcases and celebrates the Southern Skies; Capital E as a driver of making Wellington the best place in Aotearoa to grow up as part of the Te Matapihi project; and City Gallery positioned to take advantage of the Te Ngākau update project. Our offerings at the Cable Car Museum have been reviewed and re-positioned to generate greater appeal.</li> <li>- Demonstrating improvements in access and inclusion in our offerings and programmes.</li> <li>- Continued collaboration with Council, our CCO whānau, and the city's creative ecosystem: leveraging relationships and our Qualmark status and attracting visitors to our city.</li> </ul>
<b>Wheako Pōneke Experience Wellington Flourishes</b>	<ul style="list-style-type: none"> <li>- Strengthening and nurturing our current stakeholder relationships, and developing new collaborative partnerships</li> <li>- Growing our revenue through implementing our commercial strategy which includes enhancing retail offering, developing new commercial opportunities and introducing an admission fee for international visitors at Wellington Museum, with a view to maximise visitor experiences and offerings across all sites with a road map to build a sustainable membership strategy.</li> <li>- Implementing our sustainability work plan.</li> <li>- Increasing revenue from events, through donation ask - onsite and online, and embedding a charitable trust mindset in our culture.</li> <li>- Continuing with our commitment to continuous improvement in internal systems, policies and processes, seeking to streamline, and improve all processes across our organisation.</li> </ul>
<b>Embracing Te Ao Māori</b>	<ul style="list-style-type: none"> <li>- Strengthening organisation-wide cultural capability.</li> <li>- Continuing to increase the use and visibility of te reo Māori and tikanga Māori, onsite and online.</li> <li>- Building meaningful relationships that are enduring, reciprocal, effective and valued, and responding appropriately to the aspirations of mana whenua and Māori, drawing upon the expertise of Council's Mataaho Aronui team.</li> <li>- Continuing our commitment to increase the recruitment of Māori staff in accordance with our Māori Employment Strategy, and tailoring support and professional development opportunities to existing team members who identify as Māori.</li> </ul>
<b>Mahitahi</b>	<ul style="list-style-type: none"> <li>- Focusing on attracting and retaining talented individuals to our organisation.</li> <li>- Creating a workplace culture that embraces our values and fosters pride in working for our organisation.</li> <li>- Continuing our work on our Māori Employment Strategy.</li> <li>- Implementing our new organisational values and employment brand.</li> </ul>

Our Mahi Aligned to Council Strategies

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

Council Strategy	Description
Te Atakura: First to Zero	<p>Wheako Pōneke Experience Wellington is committed to partner to Wellington City Council as it becomes a net zero carbon city by 2050:</p> <ul style="list-style-type: none"><li>- We partner with Council to achieve sustainability improvements and energy efficiencies from our buildings, working with Council’s Energy Team. To date, significant work has fine-tuned our HVAC systems and introduced a new Building Management System (BMS).</li><li>- Exhibition lamps across our sites are being progressively upgraded to more energy efficient LED.</li><li>- We continue to influence audiences visiting our sites, to showcase, discuss and promote environmental sustainability practices and stories. This includes continuing our annual Great Big Waterfront Clean Up and involvement in the Love to Ride Challenge as well-supported events in our annual calendar.</li><li>- With support from Council’s Waste Minimisation Grant, we have introduced more recycling bins in our venue hire and office spaces as well as reusable bowls to reduce waste.</li><li>- Our internal Environmental Sustainability committee oversees and supports a range of new and existing initiatives across our organisation encouraging kaimahi to make sustainable choices. The committee provides educational resources and advice, promotes events and workshops, and encourages use of reusable containers, limited printing, vegetarian catering, and general environmental best practice across our organisation.</li><li>- We apply a sustainability lens to all policy, procedures and operational practices. Whether it’s a new hygiene product supplier or improved management of our compost bins, we are continually improving what we are doing and seeking next steps to achieve First to Zero.</li><li>- Our Environmental and Sustainability Committee, has developed an action plan to meet some of the goals in our operations including:<ul style="list-style-type: none"><li>- promoting the Tiaki Promise in our front-of-house spaces.</li><li>- a regular waste audit including measuring and reporting.</li><li>- reducing our Annual Carbon Footprint</li><li>- reviewing our supply chains and Environmental Sustainability Policy</li></ul></li></ul>
Tūpiki Ora Māori Strategy	<p>Wheako Pōneke Experience Wellington shares Council’s commitment to mana whenua and Māori, seeking new ways to support our whānau to thrive. Our staff-led committee, Te Rōpū Mahi Tiriti guides, informs and champions us on this haerenga.</p> <ul style="list-style-type: none"><li>- In 2022 Wheako Pōneke launched its first Māori Engagement Strategy, Tūhono Ake. This five-year strategy articulates our commitment to Te Tiriti o Waitangi and represents a step toward becoming a bi-cultural organisation. It sets out the principles that guide how we will build on mahi to date to work towards our ambition. In 2024-25 we will continue to progress towards this strategy.</li><li>- We are developing our kawa and tikanga and encouraging participation in te reo Māori lessons.</li><li>- Te Rōpū Mahi Tiriti provides initiatives for kaimahi across Wheako Pōneke. Our aspiration is that the first words our visitors</li></ul>

	<p>onsite or online see, hear and read are te reo Māori.</p> <ul style="list-style-type: none"> <li>- We are committed to upskilling and building a more diverse workforce. As part of our Māori employment strategy, we are developing meaningful, sustainable employment opportunities for Māori across Wheako Pōneke at all levels. We have plans for targeted Māori recruitment, development, and workplace culture.</li> <li>- We leverage our shared commitment to Te Ao Māori through our visitor experiences. Our Te Whare Toi City Gallery Wellington exhibition line up continues to showcase an abundance of Māori and Pasifika artists.</li> <li>- We value our partnership with the Mataaho Aronui Māori Strategic Partnerships Team. We will continue to work together to advance this mahi and share initiatives for rangatahi, support for kaimahi Māori, and build relationship with mana whenua.</li> </ul>
<b>Aho Tini 2030 – Arts, Culture and Creative Strategy</b>	<p>Wheako Pōneke Experience Wellington shares Council’s commitment to support Aho Tini and the arts, culture and creative strategy. Arts and culture experiences are at the heart of everything Wheako Pōneke exists to deliver.</p> <ul style="list-style-type: none"> <li>- Building on the rich cultural traditions and identity of our capital city, our mahi will be further enhanced through the revisioning of Capital E within Te Matapihi ki te Ao Nui.</li> <li>- We will continue our commitment to access and inclusion in the arts sector and higher visibility of Ngā Toi Māori by supporting our Te Rōpū Mahi Tiriti and Access and Inclusion committees, and by supporting Māori roles throughout our organisation: Senior Curator Toi Māori, and our Kaiako Māori and advisory groups.</li> <li>- We take a ‘Wellington First’ approach to foster the success of the city’s artists and arts organisations.</li> <li>- We work in partnership to activate the city’s places and spaces through programming alliances with Council.</li> </ul>
<b>Strategy for Children and Young People</b>	<p>Wheako Pōneke Experience Wellington shares Council’s commitment to Wellington being the best place to grow up in Aotearoa. Our commitment to Council’s Strategy for Children and Young People is clearly visible in our commitment to Capital E, Te Matapihi ki te Ao Nui, and programming for and with children, families and young people across our experiences, including:</p> <ul style="list-style-type: none"> <li>- Delivering unique learning experiences for schools.</li> <li>- Supporting staff with continuous training to develop specific strategies to support children with diverse needs. With careful programme planning and listening to the individual needs of our schools, we ensure our sites are inclusive and welcoming spaces for all.</li> <li>- Delivering a wide range of learning experiences for tamariki and ākonga, including explorative sensory play, programming and learning opportunities and interactive exhibitions.</li> <li>- Running a range of diverse and inclusive events including experiences in te reo Māori which are available to kura and tamariki, we endeavor to promote positive and uplifting diversity themes.</li> <li>- Offering accessible events for many different audiences, including, non-verbal shows which provides access to children who don't have English as a first language or have developmental or learning difficulties.</li> <li>- Subsidising tickets to our experiences to make them affordable for all schools. Schools with an Equity Index &gt; 463 can apply for further subsidies on both tickets and transport so all tamariki can experience the power and joy of performance and build lasting and transformative memories.</li> <li>- Providing safe and welcoming spaces to nurture the wellbeing of our youngest Wellingtonians while they develop their understanding of the world around them through science, history, culture, and art.</li> </ul>



Economic Wellbeing Strategy	<p>Wheako Pōneke Experience Wellington shares Council’s commitment to support the Economic Wellbeing Strategy by providing safe, culturally diverse, accessible, inclusive, and welcoming spaces for all visitors.</p> <ul style="list-style-type: none"><li>- Our commitment to Council’s Economic Wellbeing Strategy is visible and evident across all four of our strategic pou.</li><li>- We provide a ‘Wellington First’ approach by prioritising local talent, suppliers and partnerships and are proud to be a vital part of an interwoven eco-system alongside accommodation providers, retail outlets, restaurants, and other venues and tourism sites – together contributing to the economic wellbeing of our city.</li><li>- We partner with our CCO whānau to develop incredible opportunities and events for Wellington.</li></ul>
Accessible Wellington Strategy	<p>Wheako Pōneke Experience Wellington remains committed to ensuring our sites, exhibitions and programmes are inclusive and accessible to all.</p> <ul style="list-style-type: none"><li>- Our Access and Inclusion Committee, made up of staff representatives, champion new initiatives – underpinned by the principle that access is a human right, and that an environment of accessibility and inclusion has universal benefit.</li><li>- <i>We partner with Council to achieve improved accessibility at our sites.</i> While the Council buildings we inhabit are of a range of age, size and location, we partner with Council’s Property team to seek improvements in accessibility for our visitors. Improvements such as reliable lifts at our sites, improved and larger bathroom facilities and increased accessibility to our sites, particularly City Gallery Wellington, are all areas of opportunity, and priorities for both parties.</li><li>- <i>We leverage our opportunity to influence audiences visiting our sites.</i> Welcoming hundreds of thousands of visitors through our virtual and physical doors each year, provides a unique opportunity to showcase, discuss and promote inclusive practices and celebrations. Our Public Programmes team deliver a varied and diverse offering ensuring all members of our community enjoy programmes especially tailored for them. This includes takiwātanga neurodivergent, LGBTQIA+, blind and low vision, deaf and hard of hearing, and seniors as well as welcoming cultural groups to enjoy and celebrate their communities.</li><li>- <i>We embrace our Safe Spaces Statement to ensure all people are welcome and safe at our sites and in our programmes.</i> Wheako Pōneke strives to provide a safe space for all, of every gender identity and expression, sexual orientation, physical ability, appearance, neurodiversity, physical appearance, body size, ethnicity, nationality, race, age, or religion. Our statement is visible at all our sites and online and is enforced where necessary to ensure our spaces are safe for team members and visitors.</li><li>- <i>We prioritise inclusion with our team.</i> Not only are we focused on visitor access and inclusion we also apply a strong access and inclusion lens across all policy, procedures and operational practices. The Access and Inclusion Committee works closely with teams across the organisation to ensure this happens. This year the Committee will review our Accessibility Policy as well as exploring an Access and Inclusion Charter, following Council’s example.</li></ul>

# Our Performance Outcomes

## Key Performance Measures

Our Key Performance Indicators (KPIs) as required by Council are set out below. We have also set internal targets to align with key themes from Council's 2021-31 Long-term Plan (LTP) – Environmental, Social, Cultural, and Economic.

## Key Principles

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

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

## Assumptions Informing our Statement of Intent

In 2024-25 we expect to:

- Raise **\$2,530,000** of our revenue from trading initiatives, fundraising and commercial activity. This includes \$313,000 in capital funding.
- Achieve an average of at least **87%** approval rating from our visitors for the quality of their experience at our institutions.
- Welcome over **400,000** on-site visitors, of which around **23,000** will be children and young people visiting for a learning experience on Enriching Local Curriculum (ELC) funded visits.

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

- A commitment to focus on core business in our planning and expenditure while leveraging our commercial strategy to maximise revenue.
- Work towards the goal of break-even budgets over the period of this SOI, taking into account the impact of Council infrastructure works on and around our sites.
- Closure of City Gallery Wellington building from 30<sup>th</sup> June 2024 for 2 years due to compromised access into Te Ngākau square, followed by a period of significant deferred maintenance works by Council to be completed in early 2026; alternative locations found for exhibitions for this period. CGW building expected to reopen in July 2026 with a full year of exhibitions for 2026-27. Operational grant to continue through this period.
- Wellington Museum remains open during remedial building restraints works with no impact on visitation and venue hire.
- Improved visitation and visitor related revenue at Cable Car Museum, Space Place, Capital E and Nairn Street Cottage.
- \$130,000 of revenue will be raised by implementing an admission fee for international visitors at Wellington Museum. In this first year of admission fees, we assume the downside to be a reduction in retail, tour and donation revenue of \$60,000.
- We mitigate the impact of an anticipated drop in cruise ship passengers in 2024-25 of up to 30% by upgrading and improving visitor experiences offered to cruise ship visitors.
- \$20,000 of revenue will be raised from fee-paid exhibitions, growing in future years.
- Delivering our Enriching Local Curriculum funded education programmes at the Ministry of Education contracted level with the contract being renewed from January 2026.
- Current accommodation support continues through the generosity of the Wellington City Council, with increased capacity as leases come up and Te Matapihi opens.

- Improving revenue generation from fundraising and retail
- An increase in core funding from Wellington City Council (based on the CPI increase for employee remuneration), plus an additional Space Place operating grant of \$300,000 to replace the previous underwrite arrangement
- An increase in core funding from 2026 to support Capital E moving into Te Matapihi and broadening its service offerings.
- A hold on capital purchases unless funded through fundraising activities.

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

- Exhibition costs reflect:
  - Costs of exhibiting in alternative venues for City Gallery Wellington in 2024-25 and 2025-26
  - An increase for the new revitalised Capital E when it reopens in Te Matapihi in 2025-26
  - A full year of exhibition costs in 2026-27
- Capital E move to Te Matapihi:
  - Depreciation of \$180,000 from the start of 2025-26 for new digital and AV assets as old assets reach their end of life is not funded.
  - Expenditure does not include an estimated \$252,000 of costs relating to Capital E in Te Matapihi as funding for these has not yet been agreed with Council. We will be working with Council to consider alternatives approaches if these are to remain unfunded.
- Increasing overhead and core salaries based on current trajectories and forecast market adjustments.
- The Project Manager for Museum Strengthening and the Wheako Pōneke Experience Wellington Acting Director for the Te Matapihi Project continue to be funded by Council in 2024-25 and 2025-26.
- Significant cost increases in rental for the Collections Store and Capital E (until the move to Te Matapihi) and insurance.
- Continuing to strengthen a culture of all costs being carefully scrutinised and managed as we look for ongoing economies and value for money.
- Capital and collections purchases are restricted to only those that can be funded through fundraising efforts. In spite of this restriction, Wheako Pōneke Experience Wellington will have negative retained earnings by the end of 2026-27. All unfunded capital items in the 10-year plan will be on hold in the short to medium term.
- A commitment to develop a pathway to build reserves to support cashflow management and increase resilience for future economic challenges.

## Summary

We are making headway towards achieving a break-even budget for the period of this SOI. However, the pace of change in introducing fees and charges is impacted by the current economic environment. We are conscious of the need to step carefully as we change our business model while maintaining a focus on delivering amazing art and cultural experiences to Wellingtonians and other visitors. A long-term road map to introduce charges progressively and in a sustainable way is in train. Despite this progress, the impact of years of underfunding is becoming increasingly evident and there are costs in this period which we are unable to fund from our existing base and projected increased revenue. We have also made a difficult decision to confine capital purchases to those funded by external fundraising, meaning putting much of our 10-year capital plan on hold.

Our forecast results reflect what we think is realistic, after setting a stretch target of raising \$130,000 in additional commercial revenue in 2024-25, increasing to \$190,000 in 2025-26 and \$199,000 in 2026-27. We know Council expects us to deliver a break-even budget, and we will endeavor to do this. But we are not willing to present a SOI that does not accurately reflect what we can realistically achieve over the next three years, especially with all the disruption we will have to manage because of Council works.

This SOI budgets for net deficits of \$-243,000, \$-285,000 and \$-1,006,000 respectively for each year. We have absorbed significant market rent and insurance increases across all 3 years. However, unfunded increases in depreciation on replacing Capital E digital assets result in a large deficit in years 2 and 3. Also significantly, returning to a full year of all sites open highlights the cost of a full suite of exhibitions and programmes in a business where this is our core focus and reason for being. The impact of these items is set out in the table below.

Reconciliation of net deficit			
	2024-25	2025-26	2026-27
SOI deficit	-243	-285	-1,006
Depreciation on Capital E digital assets	0	180	180
Full year of exhibitions			250
Seconded staff cost recovery removed			120
<b>Result without above impacts</b>	<b>-243</b>	<b>-105</b>	<b>-456</b>

## Non-Financial Performance Measures

Our Visitors

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

Visitor Numbers	2022-23 Actual	2023-24 SOI	2024-25	Q1 Jul-Sep	Q2 Oct-Dec	Q3 Jan-Mar	Q4 Apr-Jun	2025-26	2026-27
City Gallery Wellington	113,911	50,000	*50,000	12,500	12,500	12,500	12,500	50,000	150,000
Wellington Museum	127,240	100,000	**130,000	25,000	40,000	40,000	25,000	140,000	140,000
Capital E	54,398	50,000	45,000	10,000	10,000	15,000	10,000	***20,000	100,000
Cable Car Museum	221,957	160,000	195,000	30,000	65,000	65,000	35,000	200,000	220,000
Space Place	42,919	45,000	50,000	12,500	12,500	12,500	12,500	60,000	62,000
Nairn Street Cottage	458	600	500	100	150	150	100	750	950
<b>Total</b>	<b>560,883</b>	<b>405,600</b>	<b>470,500</b>	<b>90,100</b>	<b>140,150</b>	<b>145,150</b>	<b>95,100</b>	<b>470,750</b>	<b>672,950</b>

\*CGW to run exhibitions at alternative locations from July 2024, numbers based on initial expected 60% loss in visitation due to reduced hours in Te Ngākau location, to reopen in Te Ngākau for normal opening hours in mid-2026.

\*\*Admission fees at Wellington Museum implemented in October 2024 for international visitors

\*\*\*Capital E closing mid to late 2025 for decant and move into Te Matapihi in 2026

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

Learning Experience Visitors	2022-23 Actual	2023-24 SOI	2024-25	2025-26	2026-27
Wheako Pōneke Experience Wellington Total	15,308	23,100	23,100	23,100	23,100

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

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

Residents' Awareness	2022-23 Actual	2023-24 SOI	2024-25	2025-26	2026-27
City Gallery Wellington	99%	88-92%	88-92%	85-90%	85-90%
Wellington Museum	99%	91-95%	91-95%	91-95%	91-95%
Capital E	88%	80-85%	80-85%	80-85%	80-85%
Cable Car Museum	98%	92-95%	92-95%	92-95%	92-95%
Space Place	98%	89-93%	89-93%	89-93%	89-93%
Nairn Street Cottage	81%	49-57%	49-57%	49-57%	49-57%

Our People

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

Number of Notifiable Incidents	2022-23 Actual	2023-24 SOI	2024-25	2025-26	2026-27
Wheako Pōneke Experience Wellington Total	0	0	0	0	0

## Financial Performance Measures

**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 Ministry of Education for ELC). Retail sales and venue hire are significantly reduced in line with forecast visitation.

Measure	2022-23 Actual	2023-24 SOI	2024-25	2025-26	2026-27
<b>Non-Council Revenue (\$'000)</b>	2,405	3,763	3,361	3,909	3,658
<i>Non-council revenue as percentage of total revenue</i>	25%	30%	22%	24%	22%
<b>Spend per Visit (\$)</b>	3.58	4.20	3.81	4.35	3.44
<b>Subsidy per Visit (\$)</b>	12.74	22.38	20.71	21.76	15.86
<i>Non-council donations and fundraising (excl capital)</i>	-	-	423	413	413

*The Council subsidy per physical visitor (excluding online engagement) is calculated first by dividing the number of forecast visits into the operating grant received from Council.*

## Governance

### Structures and Evaluation of Performance

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

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

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



## Our Organisational Health, Capability and Risk Assessment

### Organisational Wellbeing, Health and Safety

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

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

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

### Risk Assessment and Management Framework

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

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

Assessed risks which carry a lower risk value tend to be within our operational purview except for risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to affect business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention. We have adequate insurance cover to meet specific business needs and deductibles are in line with generally accepted risk management principles and affordability.



# Appendices

## Appendix 1: Accounting Policies

### Significant Accounting Policies

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

#### 1. Reporting entity

The Wellington Museums Trust Incorporated, trading as Wheako Pōneke Experience Wellington, is a Registered Charity CC22571 under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The forecast (budget) Financial Statements of Wheako Pōneke Experience Wellington for 2023-24 onwards includes all expenses forecast by the organisation across all groups including; exhibitions, curatorial and projects, operations and corporate services, children, young people and community engagement and fundraising, marketing and communications. The revenue forecast includes Council and our other key funders and other trading income.

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

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

#### 2. Basis of preparation

##### a) Statement of compliance and basis of preparation

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

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

##### b) Basis of measurement

The forecast Financial Statements are prepared on the historical cost basis.

##### c) Presentation currency

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

#### 3. Significant accounting policies

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

##### a) Property, plant, and equipment

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

##### (i) Subsequent costs

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



**(ii) Depreciation**

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

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

The residual value of assets is reassessed annually.

**b) Collections**

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

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

The Trustees obtained a valuation at 30 June 2021 and have confirmed that the carrying value at 30 June 2022 is appropriate, and that no impairment has occurred.

**c) Intangible assets**

**Computer software**

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

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

- Computer software 33% SL

**d) Trade and other receivables**

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

**e) Inventories**

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

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

**f) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.

**g) Impairment**

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

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

#### **h) Employee benefits**

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

#### **i) Provisions**

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

#### **j) Trade and other payables**

Trade and other payables are stated at cost.

#### **k) Revenue**

##### **(i) Funding**

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

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

##### **(ii) Services provided**

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

##### **(iii) Donations**

Cash donations from the community are recognised in the Statement of Financial Performance at the point at which they are receipted into Wheako Pōneke Experience Wellington's bank account.

##### **(iv) Sale of merchandise**

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

**l) Expenses**

**(i) Operating lease payments**

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

**(ii) Finance income and expenses**

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

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

**m) Availability of future funding**

Wheako Pōneke Experience Wellington is reliant on the Wellington City Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3-year term. If Wheako Pōneke Experience Wellington was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realised other than at the amounts stated in the Statement of financial Position. In addition, Wheako Pōneke Experience Wellington may have to provide for further liabilities that might arise, and to reclassify Property, Plant, and Equipment as current assets.

**n) Income tax**

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

**Goods and services tax**

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

**4. Ratio of Total Assets: Liabilities**

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

**5. Activities for which compensation from Council is sought**

Wheako Pōneke Experience Wellington seeks funding of \$9,443,876 for the core operation and the Space Place operating grant of \$300,000 which is the conversion of an underwrite to an operating grant. In addition, we are seeking a rental subsidy of \$2,024,000 and Living Wage grant of \$51,000 for the 2024-25 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed.

**6. Significant Obligations/Contingent Liabilities**

Wheako Pōneke Experience Wellington currently holds no cash reserves to meet operational requirements and to mitigate risks.

Wheako Pōneke Experience Wellington has no contingent liabilities.

**7. Distribution to Settlor**

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

## Appendix 2: Financial Statements

Forecast	STATEMENT OF FINANCIAL PERFORMANCE	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
6/30/2024	Wheako Pōneke Experience Wellington Total (\$'000)	30/09/24	31/12/24	31/03/25	30/06/25	30/06/25	30/06/26	30/06/27
	<b>Revenue</b>							
511	Trading Admissions	137	197	197	137	666	847	916
1,569	Trading Commercial	182	382	382	182	1,129	1,199	1,402
886	Children, Young Persons & Community Engagement	170	177	80	150	577	577	577
6	Exhibitions & Curatorial					0	0	0
9,078	Council Operating Grant	2,436	2,436	2,436	2,436	9,744	10,244	10,674
350	Space Place Underwrite (forecast)	0	0	0	0	0	0	0
1,769	Council Accommodation Grant	506	506	506	506	2,024	2,097	2,155
100	Living Wage Grant	13	13	13	13	51	0	0
325	Fundraising	56	120	124	123	423	413	413
0	Fundraising - Capital Projects	45	38	130	100	313	650	250
122	Investment Income	25	25	25	25	100	70	70
222	Other Income	38	38	38	38	153	153	30
<b>14,938</b>	<b>Total Revenue</b>	<b>3,608</b>	<b>3,932</b>	<b>3,931</b>	<b>3,710</b>	<b>15,180</b>	<b>16,250</b>	<b>16,487</b>
<b>849</b>	<b>Cost of Goods Sold</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>613</b>	<b>674</b>	<b>767</b>
<b>14,089</b>	<b>Net Revenue</b>	<b>3,455</b>	<b>3,779</b>	<b>3,778</b>	<b>3,557</b>	<b>14,567</b>	<b>15,576</b>	<b>15,720</b>
	<b>Expenditure</b>							
8,920	Employee Costs	2,294	2,306	2,277	2,191	9,106	9,321	10,064
1,345	Council Rent	400	400	400	400	1,599	1,676	1,734
1,391	Occupancy Costs (excluding Council Rent)	339	339	339	339	1,354	1,407	1,512
188	Technology Costs	20	20	20	20	80	84	88
312	Professional Fees	60	60	60	60	240	252	265
177	Administration Expenses	53	53	53	53	214	225	236
124	Trustee Fees & Expenses	30	30	30	30	120	126	132
7	Operations & CE Office	3	3	3	3	10	11	11
32	Commercial	6	6	6	6	23	24	25
314	Fundraising, Marketing & Communications	135	111	97	122	465	460	483
131	Art & Heritage	30	30	30	30	120	126	132
880	Exhibitions & Project Management	200	142	120	300	775	650	900
302	Children, Young Persons & Community Engagement	55	55	25	25	160	220	335
0	Te ao Maori	8	8	8	8	30	32	33
110	Depreciation	50	50	50	50	201	484	484
16	Interest	0	0	0	0	0	0	0
20	Loss on Disposal of Fixed Assets	0	0	0	0	0	114	40
0	Capital Projects - Expenses	45	38	130	100	313	650	250
<b>14,269</b>	<b>Total Expenditure</b>	<b>3,727</b>	<b>3,650</b>	<b>3,647</b>	<b>3,736</b>	<b>14,810</b>	<b>15,861</b>	<b>16,725</b>
<b>-180</b>	<b>Net Surplus/(Deficit) before Taxation</b>	<b>-272</b>	<b>129</b>	<b>131</b>	<b>-179</b>	<b>-243</b>	<b>-285</b>	<b>-1,006</b>
0	Taxation Expense	0	0	0	0	0	0	0
<b>-180</b>	<b>Net Surplus/(Deficit)</b>	<b>-272</b>	<b>129</b>	<b>131</b>	<b>-179</b>	<b>-243</b>	<b>-285</b>	<b>-1,006</b>
<b>-1.20%</b>	<b>Operating Margin</b>	<b>-7.87%</b>	<b>3.41%</b>	<b>3.47%</b>	<b>-5.03%</b>	<b>-1.67%</b>	<b>-1.83%</b>	<b>-6.40%</b>

Assumptions: WCC operating grant net increase in 2024-25, increasing in each of the outyears.; other costs CPI increase 5% 2024-25 onwards; Smart Council – cost fully funded by WCC; City Gallery closed from July 2024 with exhibitions held in alternative venues: WCC grants remain intact over period of operating from alternative venues, all other income is reduced during closure, expenses for City Gallery building are reduced but full impact as yet unknown; Te Matapihi capital purchases for technology and AV equipment are funded through fund raising activities and depreciation on these assets is not funded; other costs of moving to Capital E are cost-neutral, otherwise they have been scoped out of this SOI; at risk contract funding with Ministry of Education is renegotiated at existing rates from 1 January 2026 when contract expires; Wellington Museum assumed open during 2024-25 and out years. The WCC operational grant forecast to 30 June 2024 includes \$350,000 Space Place Underwrite; only capital purchases funded through fund raising activities are made. CGW decant/rehome – not budgeted as information currently not available.

Forecast 30/06/24	STATEMENT OF FINANCIAL POSITION	Budget Qtr to 30/09/24	Budget Qtr to 31/12/24	Budget Qtr to 31/03/25	Budget Qtr to 30/06/25	Total YE 30/06/25	Total YE 30/06/26	Total YE 30/06/27
	Wheako Pōneke Experience Wellington Total (\$'000)							
	<b>Shareholder/Trust Funds</b>							
2,069	Share Capital/Settled Funds	2,069	2,069	2,069	2,069	2,069	2,069	2,069
0	Revaluation Reserves	0	0	0	0	0	0	0
601	Restricted Funds	601	601	601	601	601	601	601
513	Retained Earnings	241	370	501	322	322	38	-968
<b>3,183</b>	<b>Total Shareholder/Trust Funds</b>	<b>2,911</b>	<b>3,040</b>	<b>3,171</b>	<b>2,992</b>	<b>2,992</b>	<b>2,708</b>	<b>1,702</b>
	<b>Current Assets</b>							
300	Cash and Bank	300	300	300	300	300	300	300
257	Accounts Receivable	300	300	300	300	300	300	300
250	Other Current Assets	250	500	250	250	250	250	250
<b>807</b>	<b>Total Current Assets</b>	<b>850</b>	<b>1,100</b>	<b>850</b>	<b>850</b>	<b>850</b>	<b>850</b>	<b>850</b>
	<b>Investments</b>							
1,386	Deposits on Call	3,660	1,365	3,982	1,425	1,381	1,737	1,406
0	Other Investments	0	0	0	0	0	0	0
<b>1,386</b>	<b>Total Investments</b>	<b>3,660</b>	<b>1,365</b>	<b>3,982</b>	<b>1,425</b>	<b>1,381</b>	<b>1,737</b>	<b>1,406</b>
	<b>Non-Current Assets</b>							
2,941	Fixed Assets	2,936	2,924	3,003	3,053	3,053	3,219	2,985
291	Other Non-current Assets	291	291	291	291	291	291	291
<b>3,232</b>	<b>Total Non-current Assets</b>	<b>3,227</b>	<b>3,215</b>	<b>3,294</b>	<b>3,344</b>	<b>3,344</b>	<b>3,510</b>	<b>3,276</b>
<b>5,425</b>	<b>Total Assets</b>	<b>7,737</b>	<b>5,680</b>	<b>8,126</b>	<b>5,619</b>	<b>5,619</b>	<b>6,141</b>	<b>5,576</b>
	<b>Current Liabilities</b>							
1,556	Accounts Payable and Accruals	4,079	1,893	4,208	1,879	1,879	2,686	3,126
639	Other Current Liabilities	700	700	700	701	701	701	701
<b>2,195</b>	<b>Total Current Liabilities</b>	<b>4,779</b>	<b>2,593</b>	<b>4,908</b>	<b>2,580</b>	<b>2,580</b>	<b>3,387</b>	<b>3,827</b>
	<b>Non-Current Liabilities</b>							
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
47	Other Non-Current Liabilities	47	47	47	47	47	47	47
<b>47</b>	<b>Total Non-Current Liabilities</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>
<b>3,183</b>	<b>Net Assets</b>	<b>2,911</b>	<b>3,040</b>	<b>3,171</b>	<b>2,992</b>	<b>2,992</b>	<b>2,707</b>	<b>1,702</b>
<b>99.91%</b>	<b>Working Capital Ratio</b>	<b>94.38%</b>	<b>95.08%</b>	<b>98.45%</b>	<b>88.18%</b>	<b>88.18%</b>	<b>77.68%</b>	<b>60.11%</b>
<b>58.67%</b>	<b>Equity Ratio</b>	<b>37.63%</b>	<b>53.53%</b>	<b>39.03%</b>	<b>53.25%</b>	<b>53.25%</b>	<b>44.09%</b>	<b>30.52%</b>

Assumptions: Purchase of Fixed Assets funded via fundraising. No change in Nikau Foundation balance.

Forecast	STATEMENT OF CASH FLOWS	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30/06/24	Wheako Pōneke Experience Wellington Total (\$'000)	30/09/24	31/12/24	31/03/25	30/06/25	30/06/25	30/06/26	30/06/27
<b>Operating Cash Flow</b>								
<b>Cash provided from:</b>								
2,080	Trading Receipts	319	579	579	319	1,795	2,046	2,318
11,297	WCC Grants	5,910	0	5,910	0	11,820	12,341	12,829
325	Fundraising	101	158	254	223	736	1,063	663
886	Exhibitions & Programmes	170	177	80	150	577	577	577
122	Investment Income	25	25	25	25	100	70	70
222	Other Income	38	38	38	38	153	153	30
14,932		6,563	977	6,886	755	15,181	16,250	16,487
<b>Cash applied to:</b>								
8,920	Payments to Employees	2,294	2,306	2,277	2,191	9,068	9,321	10,064
6,068	Payments to Suppliers	1,491	1,409	1,343	1,548	5,789	5,966	6,654
-27	Net GST Cash Flow	459	-481	520	-527	-29	-43	-151
16	Interest Paid	0	0	0	0	0	0	0
14,977		4,244	3,234	4,139	3,212	14,828	15,244	16,568
-45	<b>Total Operating Cash Flow</b>	2319	-2,257	2,746	-2,457	352	1,006	-81
<b>Investing Cash Flow</b>								
<b>Cash provided from:</b>								
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
<b>Cash applied to:</b>								
118	Purchase of Fixed Assets	45	38	130	100	313	650	250
0	Other	0	0	0	0	0	0	0
118		45	38	130	100	313	650	250
-118	<b>Total Investing Cash Flow</b>	-45	-38	-130	-100	-313	-650	-250
<b>Financing Cash Flow</b>								
<b>Cash provided from:</b>								
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other WCC Financing	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
<b>Cash applied to:</b>								
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
0	<b>Total Financing Cash Flow</b>	0	0	0	0	0	0	0
-163	Net Increase/(Decrease) in Cash Held	2,274	-2,295	2,616	-2,557	39	356	-331
1,849	<b>Opening Cash Equivalents</b>	1,686	3,960	1,665	4,282	1,686	1,725	2,081
1,686	<b>Closing Cash Equivalents</b>	3,960	1,665	4,282	1,725	1,725	2,081	1,750
601	<b>Less Restricted Funds (MCH)</b>	601	601	601	601	601	601	601
1,085	<b>Closing Cash Equivalents</b>	3,359	1,064	3,681	1,124	1,124	1,480	1,149

Forecast	CASH FLOW RECONCILIATION	Budget Qtr to 30/09/24	Budget Qtr to 31/12/24	Budget Qtr to 31/03/25	Budget Qtr to 30/06/25	Total YE 30/06/25	Total YE 30/06/26	Total YE 30/06/27
30/06/24	Wheako Pōneke Experience Wellington Total (\$'000)							
-180	Operating Surplus/(Deficit) for the Year	-272	129	131	-179	-243	-285	-1,006
	<b>Add Non-Cash Items:</b>							
110	Depreciation	50	50	50	50	201	484	484
0	Other	0	0	0	0	0	0	0
110		50	50	50	50	201	484	484
	<b>Movements in Working Capital</b>							
51	(Increase)/Decrease in Receivables	43	-500	500	0	394	114	41
-28	(Increase)/Decrease in Other Current Assets	-98	250	-250	0	0	0	0
0	Increase/(Decrease) in Other Current Liabilities	61	0	0	1	0	0	0
22	Increase/(Decrease) in Accounts Payable	2,523	-2,186	2,315	-2,328	0	807	440
45		2,541	-2,421	2,554	-2,328	394	921	481
	<b>Net Gain/(Loss) on Sale:</b>							
-20	Fixed Assets	0	0	0	0	0	-114	-40
0	Investments	0	0	0	0	0	0	0
-20		0	0	0	0	0	-114	-40
-45	<b>Net Cash Flow from Operations</b>	2,320	-2,257	2,746	-2,457	352	1,006	-81





**TĀKINA OPERATING MODEL**

**Kōrero taunaki | Summary of considerations**

**Purpose**

1. This report is to seek the Committee’s agreement to simplify the Tākina operating model.

**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**

- Outline relevant previous decisions that pertain to the decision being considered in this paper.
- 28 Oct 21 Ordinary Council Meeting: Tākina Operating Arrangements
  - 28 Oct 21 Ordinary Council Meeting: Tākina Management Agreement Commercial Terms (Public Excluded)

**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

**Risk**

- ☒ Low      ☐ Medium      ☐ High      ☐ Extreme

The proposals in this paper are to mitigate future financial risk to Council.

Authors	Elizabeth Steel, Chief Advisor Strategy and Governance Anna Calver, Manager Economic Wellbeing and CCOs
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 that Tākina's operating environment, along with venues generally, is significantly more challenging since the original operating arrangements were confirmed in 2021.
3. Note that after the first year of operations, officers have reviewed Tākina's operating arrangements with a focus on stronger commercial outcomes and financial sustainability.
4. Agree to change the operating arrangements to have a stronger focus on commercial outcomes and financial sustainability.
5. Note that Officers will report back after discussions with partners about the recommended way forward.

## **Whakarāpopoto | Executive Summary**

4. Tākina Wellington Convention & Exhibition Centre has been operational for a year. Much has changed in the macro-operating environment since the original operating model was agreed in 2021.
5. Whilst the centre has had a successful first year, delivering an estimated \$43m in economic impact to Wellington, a shrinking economy, high inflation, a reduction in business related travel, government budget cuts and a tight labour market have resulted in lower-than-expected revenue for both Te Papa (the convention centre operator) and Wellington City Council, as building owner.
6. As with any commercial enterprise, it's essential to look at how improvements can be made to the operations to respond to the economic environment and maximise the value of this significant asset to Wellington, whilst minimising the cost to the Council.
7. Officers commissioned a review to look at what improvements can be made to Tākina's operating arrangements, to ensure that it reaches its full potential while being financially sustainable for all the parties involved.
8. This paper seeks agreement to change the operating arrangements to have a stronger focus on commercial outcomes and financial sustainability.

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**Takenga mai | Background**

9. The Tākina Wellington Convention & Exhibition Centre opened in May 2023, after three years of construction, the business case approval in 2018, and close to a decade of planning. Tākina was built by Wellington City Council, as an economic enabler for the city.
10. Comprising of a 1,600-person capacity convention centre, and a 1,280sqm space to house popular touring exhibitions, it is the most significant single infrastructure investment the Council has made in supporting local businesses since the Stadium was built.
11. Takina has delivered approximately \$43 million in positive economic impact to Wellington, across conferences and exhibitions. From a Council operating budget perspective, as at Q3, Takina's position is as follows:
  - Budget revenue of \$8.4m
  - Budget expenditure of \$15.2m
  - Net actual to budget variance \$-1.2m
12. Te Papa was appointed by the Council to run Tākina's convention business in 2021, alongside its existing venues business, trading as Tākina Events on both buildings, with support from WellingtonNZ's convention bureau, Business Events Wellington to market and sell Tākina.
13. The financial arrangement between Te Papa and the Council is commissioned based, with Te Papa responsible for all operating costs and revenue related activities, with the Council contributing to building costs, and Business Events Wellington's sales activity.
14. WellingtonNZ was engaged by the Council to run the exhibition centre, via its Events and Experiences team, in mid-2023.
15. Much has changed in the macro environment since the decision was made to build Tākina, and since WCC entered into agreements with Te Papa and WellingtonNZ to manage the business operations.
16. Whilst the centre has been performing well, with 44,716 attendees across 81 conferences, 23 banquets, 23 meetings and a full exhibition calendar to mid-2025, it is not achieving the targets set out in the business case, with lower than forecast revenue in the out years.
17. Following conversations with Te Papa, a review was commissioned to look at how the Council can deliver improved commercial outcomes for Tākina, including if we have the right operational arrangements in place for the future.
18. The review was undertaken with the agreement and participation from Te Papa and WellingtonNZ.

## **Kōrerorero | Discussion**

19. As with any commercial business, it is important to continually review arrangements to ensure the operation can respond to the economic environment.
20. The review found that whilst the macro environment has been the main reason behind the lower returns, there are areas within the current operations that if addressed and improved can deliver better commercial performance.
21. It recommends options for Tākina's conferencing operations. These include adjusting the existing model and changing the arrangements between the existing parties, to increase revenue and operating margins.
22. Changes have already been made to the exhibition centre operations to move from Council taking financial responsibility for exhibitions to a venue for hire arrangement. This has lowered the Council's commercial risk by no longer acting as the event promoter. It also generates another guaranteed income stream.
23. Officers are also actively looking at other opportunities to activate the ground floor of Tākina, including the relocation of Wellington's visitor iSite.

## **Kōwhiringa | Options**

24. Maintaining the status quo. This will result in lower than forecast revenues for the operator and the Council over the coming years. This is not preferred by either party.
25. Adjusting the existing model. The operator is not confident that they can generate additional revenue to make this model achievable for them.
26. Changing the arrangements between the existing parties. This option does pose some financial risk, as more revenue will need to be generated than is currently being forecast. It does however provide the Council with the opportunity to drive more aggressive commercial outcomes.
27. These options will be further explored in the next stage of this review.

## **Whai whakaaro ki ngā whakataunga | Considerations for decision-making**

### **Alignment with Council's strategies and policies**

28. Tākina was built to deliver the city a world class event centre, something Wellington has been lacking for decades and would have fallen behind without due to the investment made in Te Pae (Christchurch) and the NZICC (Auckland). It is the city's largest investment in economic and cultural infrastructure since the Sky Stadium was built.
29. Tākina is a core project in enhancing and revitalising Wellington's city centre, a main objective of the Economic Wellbeing Strategy, Spatial Plan and the LTP 2024-2034.
30. Tākina is intended to bring greater visitation to our city, increase vitality, support our businesses, provide a platform for Wellington to showcase innovation and act as a stimulus for further development in the surrounding precinct. Tākina is also a certified 5-Star Green Star building creating a benchmark for how new developments can be done and achieve improved energy outcomes and support our carbon zero policies.
31. Ensuring the operating arrangements are maximising the opportunity for these strategic outcomes to be delivered is key.

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### **Engagement and Consultation**

- 32. The parties involved have been engaged during the duration of the operations review.
- 33. At this stage, the detailed operations review report remains confidential as it contains commercial information (owned by the operator) relating to the operations, including costs, revenue and related assumptions which would be of interest to competitors. Depending on future decisions there may also be a change process to go through with staff, suppliers and customers which needs to be managed appropriately and with sensitivity.

### **Māori Impact Statement**

- 34. Our Takai Here partner Te Rūnanganui o Te Āti Awa ki te Upoko o Te Ika a Māui have developed the naming and tikanga protocols for Tākina.
- 35. We would inform them of any agreed operational changes, and work with them on ensuring the wairua of Tākina is upheld during the process.

### **Financial implications**

- 36. Any changes would be made within the current LTP budget.
- 37. There is increased financial risk for the operator if they do not achieve higher occupancy and revenue targets. However, doing nothing and continuing with the status quo has higher risks.

### **Legal considerations**

- 38. There is a management agreement between Te Papa and the Council and any changes will need to be negotiated between the parties.

### **Risks and mitigations**

- 39. These have been outlined above.

### **Disability and accessibility impact**

- 40. Tākina is set up to provide for those with disability and accessibility requirements we do not anticipate any changes to this offering resulting from any operating model changes.

### **Climate Change impact and considerations**

- 41. Tākina has been funded through green lending offered through the Local Government Funding Agency and appropriate reporting on emissions and climate impacts are a responsibility of this. The centre holds a five star green rating.

## **Communications Plan**

42. Once the changes to the operating model are finalised this will be communicated to relevant stakeholders. The review report (attachment one) will also be made public at this time (with the appropriate redactions).

## **Health and Safety Impact considered**

43. There is a health and safety plan in place for Tākina that guides practices for building operators and users. If there are any changes to the operating arrangements this plan will be reviewed.

## **Ngā mahinga e whai ake nei | Next actions**

44. Report back to this Committee with a recommended way forward

## **Attachments**

- Attachment 1. Tākina operating model review - Commercial in Confidence – Page 721  
**Public excluded**

## DECISION REGISTER UPDATES AND UPCOMING REPORTS

### Kōrero taunaki | Summary of considerations

#### Purpose

1. This report provides an update on which previous decisions have been implemented and which are still outstanding. It also provides a list of items scheduled to be considered at the next two meetings (hui).

#### Why this report is being considered

2. This report is considered at every ordinary meeting and assists in monitoring progress on previous decisions and planning for future meetings.

### Taunakitanga | Officers’ Recommendations

Officers recommend the following motion:

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

1. Receive the information.

Author	Leteicha Lowry, Senior Democracy Advisor
Authoriser	Sean Johnson, Democracy Team Leader Stephen McArthur, Chief Strategy & Governance Officer

### Whakarāpopoto | Executive Summary

#### Decision register updates

3. A full list of decisions, with a status and staff comments, is available at all times on the Council website. Decisions where work is still in progress, or was completed since the last version of this report can be viewed at this link: [Council meetings decision register \(wellington.govt.nz\)](https://councilmeetings.wellington.govt.nz)
4. If members have questions about specific resolutions, the best place to ask is through the written Q&A process.
5. This body passed 92 resolutions at the last meeting.
  - 31 are complete and 61 are still in progress.
6. 28 in progress resolutions were carried forward from previous reports:
  - 7 are now complete and 21 are still in progress.

### **Upcoming reports**

7. The following items are scheduled to go to the next two hui:
8. Rāpare, 15 Here-turi-kōkā 2024 (Thursday, 15 August 2024)
  - Te Toi Mahana | Quarterly Report (Chief Infrastructure Officer)
9. Rāpare, 26 Mahuru 2024 (Thursday, 26 September 2024)
  - No items currently scheduled.

### **Takenga mai | Background**

10. The purpose of the decisions register is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. A resolution could be made to receive a full update report on an item, if desired.
11. Resolutions from relevant decision-making bodies in previous trienniums are also included.
12. Elected members are able to view public excluded clauses on the Council website: [Council meetings decision register \(wellington.govt.nz\)](https://www.wellington.govt.nz/council-meetings/decision-register)
13. The upcoming reports list is subject to change on a regular basis.

### **Attachments**

Nil



**3. Public Excluded**

**Recommendation**

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

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
3.1 Attachment to 2.3 - Tākina operating model - Attachment 1 Takina operating model review - Commercial in Confidence	<p><b>7(2)(a)</b> The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p><b>7(2)(b)(ii)</b> The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p><b>7(2)(i)</b> The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p><b>7(2)(j)</b> The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>	<p><b>s48(1)(a)</b> 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.</p>

2. Direct officers to consider the release of the publicly excluded information once the operating model is finalised.