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**ORDINARY MEETING  
OF  
PŪRORO TAHUA | FINANCE AND PERFORMANCE  
COMMITTEE  
AGENDA**

**Time:** 9:30am  
**Date:** Thursday, 17 March 2022  
**Venue:** Virtual Meeting

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**MEMBERSHIP**

Mayor Foster  
Deputy Mayor Free  
Councillor Calvert (Chair)  
Councillor Condie  
Councillor Day  
Councillor Fitzsimons  
Councillor Foon (Deputy Chair)  
Liz Kelly  
Councillor Matthews  
Councillor O'Neill  
Councillor Pannett  
Councillor Paul  
Councillor Rush  
Councillor Woolf  
Councillor Young

**Have your say!**

*You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8334, emailing [public.participation@wcc.govt.nz](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.*

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## **AREA OF FOCUS**

The Pūroro Tahua | Finance and Performance Committee has the following responsibilities:

- Financial oversight
- Procurement policy
- Financial and non-financial performance oversight in relation to the Long-term Plan and Annual Plan
- Health and Safety
- Non-strategic asset investment and divestment as provided for through the LongTerm Plan and recommending to Council for matters not provided for in the LongTerm Plan.
- Council Controlled Organisation oversight and performance, with the exception of Wellington Water Limited which sits with the Infrastructure Committee
- Council Controlled Organisation director review and appointments
- WellingtonNZ oversight and performance

The Committee has the responsibility to discuss and approve a forward agenda.

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 meeting with a karakia.

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

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

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

### 1.3 Conflict of Interest Declarations

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

### 1.4 Confirmation of Minutes

The minutes of the meeting held on 17 February 2022 will be put to the Pūroro Tahua | Finance and Performance Committee for confirmation.

### 1.5 Items not on the Agenda

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

***Matters Requiring Urgent Attention as Determined by Resolution of the Pūroro Tahua | Finance and Performance Committee.***

The Chairperson shall state to the meeting:

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

The item may be allowed onto the agenda by resolution of the Pūroro Tahua | Finance and Performance Committee.

***Minor Matters relating to the General Business of the Pūroro Tahua | Finance and Performance Committee.***

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Pūroro Tahua | 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 meeting 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 meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to [public.participation@wcc.govt.nz](mailto:public.participation@wcc.govt.nz), by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

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## 2. General Business

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# HEALTH SAFETY AND SECURITY

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### Kōrero taunaki | Summary of considerations

#### Purpose

1. This report to Pūroro Tahua | Finance and Performance Committee is to provide a monthly Health & Safety Update to Elected Members.

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

#### Relevant Previous decisions

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

#### Financial considerations

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

#### Risk

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

Author	Wendi Henderson, Health, Safety & Security Manager
Authoriser	Meredith Blackler, Chief People and Culture Officer

## **Taunakitanga | Officers' Recommendations**

Officers recommend the following motion

That the Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the information

## **Whakarāpopoto | Executive Summary**

2. The Report provides information that aligns with the Officer due diligence responsibilities under the Health and Safety at Work Act 2015 (HSWA) for the month of February related to knowledge of work health and safety matters.
3. This report comprises qualitative commentary on activities that have occurred in the month of February and are presented as updates under the following:
  - Health & Safety Management - Reporting System update
  - COVID Response
  - Being Well at WCC

## **Takenga mai | Background**

4. Not applicable

## **Kōrerorero | Discussion**

### **Health and Safety management – Reporting System Update**

5. As the Council works through the procurement of a new health and safety reporting system, we can report that:
  - Tenders closed 21 February 2022. The Council received 11 proposals.
  - Tenders are currently being evaluated by the Working Group.
  - When the moderation process is finished, shortlisted vendors will be communicated to the Governance Group.
  - Project implementation of the new system is on track to be in place by 1 October 2022.

### **COVID Response**

#### ***Masks (Personal Protective Equipment – PPE)***

6. The Council worked through the logistics of ensuring readiness for the shift to phase 2 of the Red Traffic Light system. The purchase of P2 and N95 masks for customer facing roles was completed and distributed to staff. In addition to this, the Council is also ensuring that all staff wear a surgical mask when coming into their place of work and moving about on their own floors. These have also been purchased and supplied for staff.

#### ***Case Reporting and Response***

7. An online session for all People Managers was held to step them through the processes as we entered phase 2 of our COVID 19 response. This opportunity provided clear and concise steps for managers to work through as they experience staff who become positive with COVID or became a close contact.



8. The Government changes to the definition of what a close contact in phase 3 of Red Traffic Light System resulted in another update of our FAQs and processes, where the household close contact were required to isolate instead of all close contacts.
9. Additional health and safety measures were put into place in the Corporate Offices primarily, which included;
  - Restricting movement between floors and buildings
  - Mask wearing when not seated at own desk
  - Activation of Business Continuity Plans; some teams have rostered weeks on and off to avoid cross contamination, particularly if they are identified as Priority 1 or Priority 2 teams
  - Deep cleans of workspaces when a COVID positive case is identified and has physically worked in that workspace in the infectious period.

### ***COVID Cases***

10. As part of the Council's response to COVID, any staff who are identified as close contact (household contacts only in Phase 3 Red), or are undertaking a test due to symptoms, or test positive are required to report this into Risk Manager. This enables the Council to track numbers and ensure correct process has been followed to reduce further spread.
11. During the month of February, we have recorded the following number of cases:
  - Close Contacts = 104
  - Negative tests = 63
  - Positive Cases: Staff = 12

### ***Rapid Antigen Testing***

12. As Rapid Antigen Tests (RATs) become more available and the dominant form of testing for COVID-19, the Council needs to ensure the right policies and guidance are in place for how we will add RATs to our risk mitigation toolkit.
13. A RATs policy has been drafted to outline the role and usage of RATs and the different scenarios in which staff might be asked to or require a RAT test for work. The draft policy has gone out for consultation with staff and unions on how we will use RATs as a tool. Consultation closes on 9th March.
14. The draft policy covers three applications of RATs at the Council, people who:
  - are covered by the requirements of the phased Close Contact Exemption Scheme (CCES) for critical workers; or
  - form part of the Emergency Management Response in the case of an event where the EOC is activated; or
  - are in roles which are deemed to require regular testing because of a Business Unit risk assessment process, for health and safety and business continuity purposes.

### ***Reviewing of online Training***

15. We have worked closely with our providers to look at modifying ways to continue delivering training needs online during Phase 2 of the Red Traffic Light system to ensure key training can still take place.
16. We recently delivered the WCC H&S Representatives Forum online for the first time with positive feedback.

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### **Being Well at WCC**

17. Being Well at WCC has officially launched and a number of activities have been undertaken or planned to be undertaken.
18. These include:
  - Re-promoted the Dr Jacqui McGuire webinar to continue our efforts to support our staff to live in a world with COVID 19 in the community (something we are currently experiencing).
  - The Culture and Capability team ran a session with our Council H&S representatives to understand what they and their teams are doing to support their wellbeing and what other ideas they might have around supporting wellbeing across WCC.
  - Webinars to support managers to lead hybrid teams, including how to support wellbeing, have been rolled out with over 60 leaders attending the first session. Further sessions will be run in March.
  - A resource, currently under development, for leaders to use to support them better connect with their teams, understand how they are feeling and ways they and their teams can support each other.
19. WCC has submitted an entry into the Taituarā local government excellent awards on its response to supporting staff wellbeing during the last two years of the pandemic and the creation of our Being Well at WCC wellbeing framework.

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

20. Not applicable

### **Attachments**

Nil

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## **DEVELOPMENT CONTRIBUTIONS POLICY REPORT BACK ON CONSULTATION AND FINAL VERSION FOR APPROVAL**

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### **Kōrero taunaki / Summary of considerations**

#### **Purpose**

1. This report to Pūroro Tahua | Finance and Performance Committee presents the proposed amended Development Contributions Policy (the policy) for approval.

#### **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 (LTP2021-31)</b> | <input checked="" type="checkbox"/> Sustainable, natural eco city<br><input checked="" type="checkbox"/> People friendly, compact, safe and accessible capital city<br><input checked="" type="checkbox"/> Innovative, inclusive and creative city<br><input checked="" type="checkbox"/> Dynamic and sustainable economy   |
|   | <input checked="" type="checkbox"/> Functioning, resilient and reliable three waters infrastructure<br><input checked="" type="checkbox"/> Affordable, resilient and safe place to live<br><input checked="" type="checkbox"/> Safe, resilient and reliable core transport infrastructure network<br><input checked="" type="checkbox"/> Fit-for-purpose community, creative and cultural spaces<br><input checked="" type="checkbox"/> Accelerating zero-carbon and waste-free transition<br><input type="checkbox"/> Strong partnerships with mana whenua |

#### **Relevant Previous decisions**

- The proposed amended policy aligns development contributions with growth expenditure agreed in the LTP2021-31.
- On 21 October 2021 the Committee considered and approved a proposed amended policy for consultation.
- Consultation was open 2 November to 1 December 2021.
- Oral hearings were held on 17 February 2022.

#### **Significance**

- The review of the policy is a “strong logical step from a prior decision” being LTP, with “low” significance [Significance and Engagement Policy refers].
- Consultation was open to the public, and targeted to developers.

#### **Financial considerations**

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

2. The policy is a funding tool under the Long Term Plan (LTP) and the charges collected through the policy are estimated in the LTP to be around \$3.5 million per annum. Charges need to be current and clear, and the review has sought to support both these objectives.

#### **Risk**

|  Low      |  Medium      |  High      |  Extreme

3. The policy has many components and there are principles and specifications in the Local Government Act 2002 (LGA02) that must be met. The Council has worked with a recognised subject matter expert consultant on the review and used a new Department of Internal Affairs issued template to present the proposed amended policy.

Authors	Leila Martley, Senior Policy Advisor Geoff Lawson, Team Lead, Policy Elizabeth Steel, Funding Manager
Authoriser	Baz Kaufman, Manager Strategy and Research Stephen McArthur, Chief Strategy & Governance Officer Sara Hay, Chief Financial Officer

## **Taunakitanga / Officers' Recommendations**

Officers recommend the following motion

That Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the information
- 2) **Note** the Summary of Submissions (Attachment 1) from consultation on the proposed amended Development Contributions Policy
- 3) **Agree** further amendments to the proposed amended Development Contributions Policy, discussed in this paper and marked up in the attached draft (Attachment 2):
  - a. Citywide reserves charges to reduce by \$111 based on a correction to the growth proportion of a new project, and all corresponding totals to change
  - b. Area I Churton-Stebbing reserves charges to reduce by \$530 based on a correction to the growth proportion of a new project, and all corresponding totals to change
  - c. Area J Grenada-Lincolnshire transport charge to reduce by \$1,452, based on a correction to the growth proportion of a roading project, and corresponding totals to change
  - d. Corrections and clarifications at marked up in underline and strikethrough at sections 6.18 about when payment is due, section 7.11 about exclusions from gross floor area and section 8.12 about when objections should be made (Attachment 2).
- 4) **Note** that submitters proposed changes to the way that development contributions are assessed for non-residential developments, retirement villages (currently assessed as residential) and aged care facilities (currently assessed as non-residential).
- 5) **Note** that officers propose to undertake further analysis, and test options through assessments and special assessments towards developing proposals for consideration the next review of the policy, for:
  - a. retirement villages and aged care beds
  - b. non-residential developments for example retail and industrial
  - c. impermeable surface areas related to stormwater
  - d. the standard measure for non-residential development of one equivalent household unit per 42m<sup>2</sup>.
- 6) **Note** that changes to the green building remission could be sought from an initiative to develop an Environmental and Accessibility Performance Fund [refers Annual Plan Committee, 8 March 2022] subject to Annual Plan processes
- 7) **Agree** to adopt the proposed amended Development Contributions Policy effective 1 May 2022 (Attachments 2, 3 and 4). Attachments 3 and 4 are maps to be incorporated into the policy.

## **Whakarāpopoto / Executive Summary**

4. The policy has been reviewed by officers and considered through public consultation. The scope of the review has been to align development contributions with expenditure agreed in the LTP21-31 and to use a new template and update maps.
5. Amendments are proposed based on corrections to growth assumptions for reserves, and for transport in Grenada-Lincolnshire. Other amendments are discussed in the summary of submissions and marked up in the policy, these are mainly for clarification.
6. Affordability was raised in submissions as a potential barrier to development with costs being passed on to home buyers and businesses and submitters stressed the need to regularly consider. Officers consider the use of development contributions should be considered at each LTP and / or at major projects, with alternative funding mechanisms to be considered and balanced.
7. The measure for non-residential development in the policy is currently based on office space and submitters would like more nuanced measures for different types of development. Prior to the next review of the policy, officers propose to complete further analysis, test options with developers, and have proposals ready for wider consideration at the next review of the policy.
8. New measures were also sought for retirement villages and aged care facilities. Officers consider these can also be addressed through upcoming assessments, towards options at the next review. Officers have also clarified that retirement villages may be considered for special assessment, and charges for reserves and community infrastructure already don't apply to aged care facilities.
9. Other topics discussed and responded to in the summary of submissions include; stormwater, the green building remission, and reserves charges in the central city.
10. Officers recommend the policy be adopted effective 1 May 2022 to provide six weeks for systems to be updated.

### **Takenga mai / Background**

11. Development contributions are a Council charge to help pay for the impact that new developments have on community facilities, such as water supply, wastewater, transport and reserves. Projects that may require a development contribution include new residences and office space.
12. The policy is about how these charges are administered and calculated – it was first adopted in June 2005 was last amended in 2015. The policy should be reviewed every three years, and usually after the adoption of the LTP.
13. Council officers reviewed the policy after the adoption of the LTP2021-31, and a proposed amended policy was approved for consultation by the Committee on 21 October 2022. Consultation was open from 2 November 2021 to 1 December 2021. Sixteen submissions were received, mostly from the development sector. Oral hearings were held at the Committee meeting on 17 February 2022.
14. Development contributions are relatively lower in Wellington than in other regions due to the scale of population growth relative to current population, and concentrated growth in central areas. This means proportionally a smaller amount of each infrastructure project is attributed to growth (and therefore development contributions) and there simply isn't the scale of cost for new roads and new water network infrastructure.

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## **Kōrerorero / Discussion**

This report back discusses the key points from the summary of submissions and proposed responses (Attachment 1).

### *Affordability*

15. Several submitters addressed the potential impact of development contributions on the affordability of new development in the city and asked that alternative funding mechanisms be considered.
16. Officers agree that it is important to keep considering development contributions in changing affordability contexts, and as a potential barrier. The appropriate place to do this is through the LTP where funding mechanisms overall are considered, and trade-offs between different funding mechanisms can be considered. It is important to keep considering development contributions, however at the current levels officers do not consider the development contributions a barrier to development.

### *Revised reserves costs in area J Grenada Lincolnshire and citywide*

17. Costs of reserves were queried, and officers found an incorrect growth proportion applied to a new purchase of reserve land, 100 percent instead of 50 percent was allocated to development contributions. The project also had a citywide component with the same issue. Correcting for these issues changes EHU charges as follows:
  - City Wide \$ per EHU residential (A,B,C,D,E,F,G,H, K,L,M,N,O,P,Q,R,S,T): \$3,814 instead of \$3,925 (refers Table 2 reserves at \$533 instead of \$644), corresponding draft total levies reduce by the difference \$111.
  - City Wide \$ per EHU residential (I and J): \$3,219 (\$3,330 - \$111), corresponding draft total levies reduce by the difference \$111.
  - City Wide \$ per EHU residential (Rural): \$2,698 (\$2,809 - \$111), and corresponding draft total levies reduce by \$111.
  - J Grenada-Lincolnshire: Reserves: Residential: Reserves \$1,568 (instead of \$2,098, \$530 difference), and corresponding draft total levies reduce to \$16,510 (\$17,451 minus \$530 minus \$111).
18. No changes to non-residential, as there are no reserves charges.

### *Transport costs in area I Churton-Stebbing*

19. A specific roading project was allocated at 100 percent to growth, but the proportion should have remained at 41 percent, so \$1.373 million instead of \$3.348 million. Changes to EHU in Churton-Stebbing as follows:
  - Residential transport: \$4,615 (instead of \$6,067, \$1,452 difference) and corresponding draft total levies reduce to: \$11,505 instead of \$13,058 (less \$1,452 from transport, less \$111 from citywide reserves)
  - Non-residential transport: \$4,615 (instead of \$6,067, \$1,452 difference) and corresponding draft total levies, \$10,386 instead of \$11,838.

### *Clarifications and corrections*

20. The LGA02 and the DIA template have provision for assessment and charges at resource consent. The Council is unlikely to use this provision, and inclusion in the draft has made practices unclear for some submitters. Officers propose a clarification at section 6.18 of the policy to note that the Council will only assess and invoice on a land use consent if a building consent is not needed.

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21. At section 8.12 a clarification is marked up that objections should be made within 15 working days of receiving a notice (not of payment being due). At section 7.11 an omission of “lifts and stairwells” is corrected, this is aligned with the status quo.

*Green building remission*

22. The policy contains a green building remission for buildings that achieve a green star rating of five or higher, eight buildings have qualified for the remission, at a total cost of around \$4 million. Submissions sought greater recognition for projects exceeding five stars, the use of alternative rating systems, and remissions for other desirable design features like accessibility and low damage design.
23. Also raised in submissions is the range of other practices the Council could or should encourage within Council strategies and objectives like accessibility and low damage design. Officers propose all these considerations be addressed outside of the DC policy. More detailed or additional remissions in the policy would add a level of complexity and lift administrative costs, to support practices that do not directly change the service level of community infrastructure that the Council needs to provide for growth. Any expansion of remissions and costs would be offset to others paying development contributions or to Council debt, raising fairness and transparency issues.
24. The Council is considering establishing a fund to support different building behaviours – subject to Annual Plan consideration and further development of the fund proposal, the green building initiative could either continue unchanged, or become part of a wider incentive programme [refers “Environmental and Accessibility Performance Fund”, Annual Plan Committee, 8 March 2022]. Submissions on this topic have been referred for consideration to the proposed new initiative, and to operations, with no changes proposed or consulted on at this review. Developers have indicated in conversations and in submissions that they value certainty, and this is a consideration for incentive projects.

*Questions about special assessments and non-residential assessments*

25. The retirement villages and aged care sector submitted that they need clarity about how they are considered, and interpreted the policy as ambiguous about whether villages could be considered for special assessment (bespoke assessments for developments).
26. Officers have provided clarifications in the summary of submissions. In the current policy and in the proposed amended policy conditions are:
- a. The residential component of retirement villages is considered residential, and units of one bedroom or less are assessed at 0.7 of an EHU, recognising lower than average occupancy of units of one bedroom or less.
  - b. Communal areas of retirement villages incur no additional charge, for example, a shared library or laundry, these are spaces that would otherwise have just increased the floor area of each unit.
  - c. Aged care units are assessed as non-residential. These do not fit the definition of a residence because units are not self-contained. There are no reserves and community infrastructure charges on these because these do not apply to non-residential development contributions.
  - d. Special assessments may apply to retirement villages and aged care facilities because they are often included in the same development and have some overlapping shared areas, for example, administration offices.



27. Submitters from the retirement sector advocated for further distinction in assessments to recognise a body of evidence that residents may use less water, transport and community infrastructure than the general population.
28. Officers consider the body of experience and use of different measures around the country indicates there may be lower demand. A range of aspects need to be looked at when comparing, including different assumptions and policy settings in each area (for example, household size, assumptions the water network is based on), and propose to take analysis into the next review of the policy. Discussions have started with Watercare for information sharing, and discussion will be planned with the retirement sector.
29. Other submissions considered that the non-residential measure of 1 EHU per 42m<sup>2</sup> is not appropriate for developments like industry and warehouses.
30. Most non-residential developments in Wellington are office spaces – with some other non-residential development, but overall the city is not a particular destination for industry and warehousing. Officers confirm that special assessments may be used, and following this review, officers will develop additional guidance to support the assessment and special assessment processes and considerations to make them clearer for applicants. Officers will also test methods of assessment for industrial, retail, aged care facilities and other specialised developments, for consideration at the next review of the policy.

#### *Stormwater components of development contributions*

31. Wellington uses a per EHU charge for stormwater rather than impermeable surface area (ISA) and only charges a citywide, rather than catchment fee. Submitters queried if an ISA measure and catchment charges could be used.
32. The stormwater development charge is \$347 per EHU as part of citywide charges and goes towards stormwater network to cater for exceptional rain and flooding events. Run-off requirements for developments are managed through the District Plan and officers propose to consider any changes as part of the next policy review and after approval of the District Plan

#### **Kōwhiringa / Options**

33. Officers recommend the proposed amended policy be adopted. While the Council could choose to delay for further improvements, this is not advised given out-of-date charges that do not reflect the costs of providing community infrastructure.

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

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

34. The Policy is updated to align with LTP21-31 and changes have been made to reflect expenditure and the context about the LTP.

##### **Engagement and Consultation**

35. Public consultation was open 2 November 2021 to 1 December 2021 via the Council's Let's Talk website. Emails were sent to some 60 developers and development services. Sixteen submissions were received, reflecting a good representation across the sector from residential and non-residential developers, and also community organisations. The Property Council discussed their submission with their wider membership in Wellington.
36. Oral submissions were made by nine of the submitters on 17 February 2022 and this provided time for a discussion of some of the key submission themes.

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37. A full copy of submissions will be published on the consultation webpage and alongside the agenda for this meeting.

### **Implications for Māori**

38. There may be implications for Māori in the context of new development on mana whenua land. Assessment officers will discuss and work to address any matters raised by mana whenua on a case-by-case basis, and in the wider context of the Council's relationship with mana whenua.
39. Officers have sought advice from the development contributions expert on what the new provisions in the LGA02 arising from the Rating of Whenua Māori Amendment Act 2021 that came into place on 1 July 2021 may mean for the policy. The new provisions require the Council's revenue and financing policies (including rates, financial contributions, development contributions) to support principles facilitating the occupation, development and utilisation of Māori land in accordance with the preamble to Te Ture Whenua Māori Act 1993.
40. Preliminary advice is that any update to the development contributions policy should form part of the review of the revenue and financing policy for these purposes at the time of the next review of the LTP as this is where decisions are taken on funding as a whole.

### **Financial implications**

41. There are no financial implications arising from the policy amendment. Not amending the policy or discounting the policy will mean funding needs to be met from other sources.
42. The total growth component to be funded from development contributions is identified in the proposed amended policy at \$300 million of circa \$2.8 billion total capital expenditure over the period of the policy, or around 11 percent. This is spread over up to 30 years, related to being collected as growth takes place. The current LTP budget is \$3.5 million per year of DC collections - this budget will need to be revisited when the policy has been updated.

### **Legal considerations**

43. Officers have worked with a development contributions expert consultant on the review and they have adapted the Council's existing policy into the new template provided by the Department of Internal Affairs to ensure the requirements of the LGA02 are met to a high standard.
44. The financial model used to calculate charges has also been checked and quality assessed to ensure calculations are transparent and accurate. The financial model has been updated and improved to ensure growth costs and growth assumptions, and therefore charges, are transparent and aligned.

### **Risks and mitigations**

45. Development contributions policies are complex by nature with many components. Charges and legislative requirements have been carefully checked so as to mitigate potential objections and legal challenges under the policy.
46. There are risks of objections particularly for non-residential developments and the clarifications set out in the summary of submissions and operational proposals are to make assessment processes clearer – and inform amendment in future.

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### **Disability and accessibility impact**

47. There is no disability and accessibility impact.

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

48. The policy has a green building remission and no changes are proposed at this review. As noted in the discussion, the remission has applied to eight buildings in the central city since introduction, and some submitters reported a trend to green building overall.

### **Communications Plan**

49. Following approval the consultation pages will be updated and submitters notified, as well as developers and services to the development sector who were contacted about the consultation.

### **Health and Safety Impact considered**

50. There are no health and safety impacts.

### **Ngā mahinga e whai ake nei**

#### **Next actions**

51. Following approval:

- approved changes will be taken into the policy
- map changes will be loaded into the formal mapping systems (Attachments 3 and 4)
- new charges will be loaded into TeamWork (the consent management system)

52. The proposed date for the new policy to take effect is 1 May 2022, this allows six weeks from approval on 17 March 2022 for technical changes to be made.

53. A project plan will be prepared to ensure work towards the next review progresses, in view of the topics referred, as per recommendation five and other updates that may be required from the District Plan and / or significant projects or change that may be agreed prior to the next LTP, for example, Let's Get Wellington Moving or 3Waters Reforms.

#### **Attachments**

- |               |  |
|---------------|--|
| Attachment 1. | Summary of Submissions                         |
| Attachment 2. | Development Contributions Policy Parts 1 and 2 |
| Attachment 3. | Development Contributions Policy Maps Overview |
| Attachment 4. | Development Contributions Maps A to T          |

## **Summary of Submissions and consultation on Development Contributions Policy**

### **Consultation process and response**

Consultation on the proposed amended Development Contributions Policy (DCP / policy) was open from 2 November 2021 to 1 December 2021 on the Council's Let's Talk engagement website. Print copies of the consultation documents were available on request, and at the Arapaki Library and Service Centre.

Consultation had a targeted approach to reach developers:

- Around 60 developers and development service providers known to the Council were informed directly via email correspondence.
- Meetings were sought with the Property Council New Zealand, Chamber of Commerce and Real Estate Institute of New Zealand.
- A presentation was provided to the Developers Forum, convened by Wellington Water, on 28 October 2021. This online event was attended by 21 people including engineering and subdivision consultants and developer's agents.

There were 230 visits to the Let's Talk engagement website and 57 of these visitors downloaded at least one document. Officers met with the Property Council New Zealand, and they informed members of the consultation and their planned submission, and discussed it with several Wellington developers. This was very helpful in getting the word out and lifting the level of submissions.

There were 16 submissions; one from an individual, and the remainder from the development sector including from residential and non-residential developers, and community and industry organisations. Oral submissions were heard on 17 February 2022.

### **Submitters**

#### **Community / professional / industry organisations**

- Disabled Persons Assembly NZ
- Inner City Wellington (+ oral)
- Property Council New Zealand (NZ) (+ oral)
- Retirement Villages Association (RVA) (+ oral)

#### **Property owners / investors / developers / services**

- BECA (+ oral)
- Best Farm Ltd, Hunters Hill Ltd, Lincolnshire Farm and Stebbings Farmlands (Best Farms (...) Ltd) (+ oral)
- Metlifecare (+ oral)
- Newcrest
- Ryman Healthcare (+ oral)
- Southern Cross Healthcare Limited (Southern Cross)
- Stratum Management Limited (+ oral)
- Stride (+ oral)
- Summerset
- Victoria University of Wellington (VUW)
- Willis Bond

### **Individuals**

- Jesse Matthews

## Themes

This document provides summary of submissions points alongside proposed Council responses. Submissions points are grouped by theme or by reference to sections of the proposed amended DCP. These are the key themes:

- Affordability: the impact of DCs on the overall affordability of development
- Demand measures and the basis for charges for:
  - Non-residential property charges (e.g. hospitals, industrial, retail): demand measures sought that reflect distinct demand on community infrastructure from different types of non-residential development
  - Retirement villages and aged care facilities: demand measures sought that reflect lower demand on community facilities
  - Residential development: different charges based on size and density sought.
- Remissions as incentives: remissions sought on Low Damage Design (LDD) and accessible design, and additional green building remissions
- Inner City (Catchment Map Q): projects and charges queried
- Churton-Stebbing (Catchment Map I) and Grenada-Lincolnshire (Catchment Map J): projects and charges queried.

## Abbreviations:

DC	Development contributions
EHU	Equivalent Household Unit (note, in some jurisdictions HUE is used)
LTP	Long-term Plan
GFA	Gross Floor area
LGA02	Local Government Act 2002

## Summary of Submissions

Row	Submitter	Topic / Theme	Submission points	Officer's response
1	Property Council New Zealand (NZ)	Affordability	<p>The current and proposed development contributions are reasonable, but with scope for increased DCs through Let's Get Wellington Moving (LGWM) and the Long-term Plan (LTP) 2024-34, future growth of DCs may create further barriers to the development of affordable housing.</p> <p>Propose that prior to the next LTP the Council consider other ways of funding community facilities in view of compounding costs for commercial and residential development from material costs, skill shortages, supply chain restrictions and other uncertainties that the COVID-19 pandemic has caused, and the impact on housing affordability.</p> <p>Alternatives to DCs include targeted rates over the life of infrastructure and Special Purpose Vehicles, rather than DCs that are effectively a lump sum up front. The DCP should also be considered in a broad context including all impacts like the National Policy Statement on Urban Development, LGWM, and collective reform impact.</p>	<p><b>Noted for ongoing consideration</b></p> <p>Several submitters (rows # 1 – 6) addressed the topic of affordability – now and into the future, and some noted proportionally higher increases in the central city than elsewhere.</p> <p>Officers agree it is important to keep considering the role of DCs in changing homeownership affordability contexts, and as a potential barrier (e.g. to replacing old buildings), and consider the appropriate place to do this is through the LTP where funding mechanisms overall are considered, and trade-offs between different mechanisms can be considered.</p> <p>Officers propose to include analysis about DCs in the next LTP, and incorporating context from Let's Get Wellington Moving, 3Waters reforms, and new capital expenditure programmes (and growth components relevant to DCs) proposed in 2024.</p>
2	Jesse Matthews	Affordability	<p>Oppose increases in DCs and use of DCs in general. Infrastructure should be funded from general rates or land value uplift mechanisms, not from new development. DCs are a disincentive to new development and disadvantage those that do not already own a home.</p> <p>Property owners have seen massive increases in property values, e.g. \$300,000 in the last year. It is ludicrous to imply that they cannot afford to pay it forward by paying for infrastructure, as previous generations did. Pushing the burden forward is morally wrong as the generation coming up has student debt, impossible house prices and climate change costs to manage already.</p>	<p>Changes to the general approach of using DCs were not proposed or incorporated into the LTP2021-31 and are currently out of scope.</p> <p>Regarding affordability and increases in some areas:</p> <ul style="list-style-type: none"> <li>• Large increases of DCs in some areas have reflected a low starting point, significant new water infrastructure, and other infrastructure projects. DCs are not increased by proportion but by project.</li> <li>• The scale of DCs in Wellington relative to other areas remains low. This is in part explained by the relatively smaller proportion of greenfields developments, and the scale of growth relative to the size of the city. The average</li> </ul>

Row	Submitter	Topic / Theme	Submission points	Officer's response
3	RVA, Ryman, Summerset	Affordability	There should also be consideration of user charges (e.g. water charges, congestion charging), targeted rates, public-private partnerships and Special Purpose Vehicles (SPVs) under the Infrastructure Funding and Financing Act 2020. SPVs are used in Auckland for greenfield development and internationally.	<p>DC rates nearby are Porirua, \$23,640, Hutt City, \$24,777 and Upper Hutt, \$12,000. In Auckland DCs average \$41,541<sup>1</sup>. In the same study Wellington average was identified as \$7,708 – with new charges the range will be \$5,000 to \$16,500 approx.</p> <ul style="list-style-type: none"> <li>For most new residential developments DCs will represent one to two percent of a build cost and this level is not expected to have a material effect on decisions to build relative to other costs e.g. interest rates and building materials.</li> <li>For first home buyers buying a new build there is a Council rates remission to the value of \$5,000.</li> </ul> <p><b>Recommendation</b></p> <p>The LTP2024-34 include discussion of the use of DCs, subject to proposed new projects and options for alternative funding mechanisms, and that significant projects, including Let's Get Wellington Moving projects, consider a broad range of funding options.</p>
4	Willis Bond	Affordability	The increase in some areas are considerable, for example in the Inner City from \$6,137 to \$10,270 for residential, and \$4,118 to \$7,128 on non-residential. In a 100 apartment development this is around \$400,000. We note concerns expressed by Property Council New Zealand of even further increases, and that increases will largely be passed on to tenants or home purchasers. Question this in time of rising unaffordability for housing, and whether other options should be considered. Reducing DCs would better incentivise development.	
5	Stratum	Affordability	Inner City is serving the first home buyer market with one and two bedroom apartments and smaller apartments of 60 to 65m2. The proposed increase in DCs will penalise the first home buyer market, on incomes of \$80,000 - \$100,000 who are buying lower value properties in the inner city, typically new one bedroom \$530,000 to \$630,000 and two bedroom \$600,000 to \$700,000 – purchases are often off plan, allowing them more time to save the deposit. Johnsonville has higher valued properties but lower DCs.	
6	Newcrest	Affordability of new development –	DCs may be a barrier to replacing older buildings with newer, seismically resilient, low energy ones. This is significant in the context of Wellington's buildings, with relatively more towers being built in the 1980s (23 new towers in the 1980s, relative to 1 in the 1990s, 3 from 2001 to 2011, and 2 from	

<sup>1</sup> Ministry of Housing and Urban Development and Ministry for the Environment, Information on financial contributions and development contributions for Environment Committee, 22 November 2021

Row	Submitter	Topic / Theme	Submission points	Officer's response
		consider DC alternatives	2011 to 2021) – and events showing these buildings to be impacted by resilience and a risk. Strengthening is not always feasible. 2020 – 2021 has seen costs of vertical construction increase substantially (e.g. steel plate supply by 100%). Alongside construction cost increases, and the proposed DC increase of 57% in the CBD non-residential area will add around \$1 million to a new building cost. Propose that Council consider growing the rating base rather than DCs. Annual rates charges for new buildings are generally higher and a new build could generate up to \$800,000 more per year than some older sites.	
7	RVA, Ryman, Summerset	Infrastructure investment	The methods for attributing growth components are not clear. The Council should demonstrate where growth is attributed and why and should demonstrate that alternative funding and financing models are being utilised, including partnership with others for joint funding of investments.	<p>Noted. The methodology is set out in Part 2 of the policy and projects listed in Schedule 2. A case-by-case approach to identifying growth and other costs is used depending on expected growth in the catchment or citywide, and the balance between citywide and catchment use, and other funding sources.</p> <p>Growth assumptions are usually around 6 percent for citywide projects, reflecting projected citywide population growth. For catchment projects the growth assumptions depend on expected growth in the catchment and the split between level of service, renewal and growth. Schedule 2 of the policy aims to balance a reasonable overview and project detail. Several Schedule 2 project entries have multiple sub-projects added over time and for different project contexts (e.g. they could have different growth components within the sub-projects). New projects may have additional information in the LTP or other planning documents and officers can consider requests for more information on a case-by-case basis.</p>
8	Jesse Matthews	Infrastructure – fund in advance	Even with DCs some areas have been constrained by insufficient drainage infrastructure – due to these limitations, Paddington on Taranaki Street featured two to three story houses in an area where 27-meter high homes were allowed.	Noted. DCs can legally only cover the proportion of expenditure associated with growth. If there has been under-investment in infrastructure and it does not serve the current



Row	Submitter	Topic / Theme	Submission points	Officer's response
			New infrastructure needs to be financed and delivered before demand for that infrastructure manifests itself. DCs are reactionary. There should be a pro-active approach of funding and providing infrastructure before it is needed.	population any expenditure to bring it up to standard will be considered as renewal or level of service.  DCs can be used to prepare for growth, and in many cases funding will be committed and spent to prepare infrastructure in advance of growth e.g. the ongoing collection of DCs for Moa Point Wastewater Treatment plant years after construction.
9	Newcrest	Infrastructure	New development should not be burdened with the cost of catching up in view of historically low investment in critical infrastructure.	Ring-fencing is not needed to guarantee the provision of specific community facilities because DCs are collected only on committed funding and attributed to the purpose they are collected (LGA02 section 204 refers).
10	Property Council NZ	Infrastructure - ring fencing	Recommend the Council ring-fence revenue collected from DCs to the local area the charges are collected for.	
11	Property Council NZ	DIA template	Support the use of the new Department of Internal Affairs template, will provide consistency and clarity.	Noted. This review has primarily addressed new expenditure in the LTP and alignment with the template.
12	Inner City Wellington	4.6 Inflation adjustments	Support provisions on annual inflation adjustments and request that this does happen every year.	<b>Noted.</b> The LGA02 and policy provides this ability, however inflation is built into budgets already, so annual adjustments are not expected at this stage.
13	RVA, Ryman, Summerset	6.5 Trigger for requiring DCs	The development of a retirement village may take several years and certainty of costs is needed. DC rates should be able to be confirmed at the first stage of known demand. Propose amend 6.5 [ <u>underlined addition</u> ]: Development contributions will be assessed under the Policy in force at the time the application for resource consent, building consent, certificate of acceptance, or service connection <u>relating to the development (whichever is the earlier)</u> was submitted with all required information.	<b>Agree.</b> The DCs are based on the policy and charges in force at the first application that outlines the general structure and number of units in a development, no change to the policy is needed.
14	RVA, Ryman, Summerset	6.18 Table 4 Payment due date	It is unclear when the payment at "resource consent" would apply relative to payment at "building consent" or at "land use consent" that would usually apply to a retirement village elsewhere. Propose that payment not be required at "resource consent" for retirement villages which may take 3 – 4 years to complete. Propose payment associated with "resource consent" be due at the time the development	<b>Agree. Policy amendment recommended</b>  The LGA02 provides for DCs to be made when a resource consent is granted, when a building consent is granted or when an authorisation for a service connection is granted (LGA02 section 198(1) refers). However, the Council does not seek

Row	Submitter	Topic / Theme	Submission points	Officer's response
			<p>begins to place a demand on the community facilities, as follows: In Table 4 at "Resource consent (other) add to payment due date:</p> <p>For the relevant development, whichever is the earlier of:</p> <ol style="list-style-type: none"> <li>1. <u>Issue of a building consent code of compliance certificate</u></li> <li>2. <u>Prior to occupation of the relevant unit; or</u></li> <li>3. <u>As issue of the service connection approval.</u></li> </ol> <p><u>Unless the Council agrees to a different payment timing for large-scale multi-stage developments.</u></p>	<p>payment at "resource consent (other)" text is proposed for clarification.</p> <p><b>Recommendation</b></p> <p>Section 6.18 Table 4 Payment, add text, "<u>Note the Council will only assess and invoice on a land use consent if a building consent is not needed</u>".</p>
15	Stride, Southern Cross Healthcare Limited	7 stormwater	Working from EHU or greatest number of EHU fails to capture all impermeable surface area (ISA) so a development can increase floor area with no change to ISA. Propose stormwater is calculated based on additional ISA from a development.	<p><b>Noted for ongoing consideration</b></p> <p>The stormwater charge for Wellington, is only citywide (not by catchment), and is set at \$347 for residential and non-residential EHU.</p>
16	Metlifecare	7 stormwater [also 4.8 refers]	Propose stormwater DCs be based on ISA. Auckland uses 1 EHU per 292m <sup>2</sup> , Marlborough and Matamata-Piako 0.26 HUE per 100m <sup>2</sup> ISA. The method in the Wellington DCP is based on maximum EHU on any floor, this does not relate to the ISA of a development or encourage a reduction in ISA.	<p>Officers propose to consider a change to an ISA approach following adoption of the District Plan, as the approach and assumptions about run-off will need to align with ISA requirements set in the District Plan. When comparing to other cities, context about Wellington includes:</p> <ul style="list-style-type: none"> <li>• stormwater systems in Wellington are gravity-based, without the need for pumps would be catchment specific.</li> <li>• the stormwater development charges are mainly for network infrastructure to meet service level requirements for exceptional rain and flooding.</li> </ul>
17	Stride	7 stormwater	Stormwater is currently only charged in the citywide charge. Propose stormwater be determined by catchment and set out in Schedule 2.	
18	Property Council NZ	7.4 Table 5 EHU per type of development	If any changes are proposed to the EHU prefer early engagement and discussion.	<p><b>Agree for ongoing consideration</b></p> <p>Changes to EHU should have a level of pre-engagement with the sector and / or consider case studies. Feedback at this consultation may be addressed through additional guidance for assessments and special assessments and / or is referred for ongoing analysis for the next policy review.</p>

Row	Submitter	Topic / Theme	Submission points	Officer's response
19	RVA, Ryman, Summerset	7.4 EHU per type of development	<p>DC charges have an impact on the development of retirement villages and should be clear, transparent and predictable.</p> <p>Wellington +75 population is due to grow from 8,681 in 2018 to 23,643 in 2048 and demand for retirement village accommodation is outstripping supply. Currently five retirement villages in Wellington, further five in development, capacity will be with 10 villages, 1,390, which is only 5.8 percent of 75+ compared nationwide 14.3 percent live in retirement villages.</p> <p>Retirement village residents have average age of 82.1 years, and aged care average is 86.7 years (from Ryman submission).</p> <p>Meeting demand and providing retirement village accommodation frees up family homes to return to the market and creates employment from construction and in day-to-day operations. Villages also allow older people to continue living in established community while downsizing to more manageable property (i.e. no stairs or large gardens), they provide companionship, security, peace of mind.</p>	<p><b>Agree. Clarification about how retirement villages and aged care facilities are treated in the policy.</b></p> <p><b>Clarification:</b> The policy treats retirement villages and aged care facilities DCs in Wellington as follows:</p> <ul style="list-style-type: none"> <li>• A retirement village is a collection of independent living units that are “residences” for the purposes of the DCP. One bedroom or bedsit units are assessed at 0.7 of an EHU.</li> <li>• In a retirement village, communal living areas like lounges and games rooms are usually considered to be part of the residences and not subject to additional charges</li> <li>• Aged care facilities have rooms that are not self-contained (i.e. there are bedrooms, and then shared living and cooking facilities, and staff who prepare meals and provide care). These meet criteria to be non-residential because a residence is defined as self-contained or capable of being self-contained space). Although people live in these facilities, use of the non-residential category is considered appropriate because there are no reserves charges or community infrastructure charges on non-residential developments.</li> <li>• A development will often have several types of care available, providing independent living units and specialist care (e.g. dementia units).</li> <li>• The policy states that, “In general special assessments of residential developments will not be considered”. This is intended to make it clear that there will not be special assessments for each and every private dwelling.</li> <li>• A retirement village, may apply for a special assessment, and this can be considered, particularly in view of mixed use developments with residences and care units, shared administration offices and other shared areas.</li> </ul> <p><b>Recommendation / s:</b> No amendment to the policy is proposed at this review. Officers will discuss the clarifications</p>

Row	Submitter	Topic / Theme	Submission points	Officer's response
				to the sector. Assessments, special assessments and demand measurement are discussed below.
20	RVA, Ryman, Summerset, Metlifecare	7.4 Table 5 EHU per type of development -- retirement villages and aged care facilities	<p>Retirement villages place less demand on community facilities than standard residential development. Treating buildings in a retirement village as standard residential development (0.7 or 1 EHU per small residential or one-bedroom unit) is not consistent with the LGA02:</p> <ul style="list-style-type: none"> <li>o section 197AB(a): DCs only required if effects of development have created a requirement to provide additional assets or increased capacity</li> <li>o section 197AB(c): proportional cost allocation to persons who will benefit</li> <li>o Section 197AB(f): DCs should be predictable.</li> </ul> <p>In the DCP the approach to calculating DCs is based on demand from typical residential households, rather than actual infrastructure demand. Retirement villages provide comprehensive care and place a lower demand on water, wastewater, transport use and reserve land. Demand features about retirement villages are:</p> <ul style="list-style-type: none"> <li>o approximate 0.46 of typical household occupancy [if at 2.6 = 1.2 people/1.3 people]</li> <li>o villages are self contained with recreational and community facilities like library, meeting rooms, gardens and swimming pools, on site.</li> <li>o traffic generation is lower with lower on average car ownership, plus avoidance of travelling at peak times when growth is assessed for peak hour traffic</li> <li>o water infrastructure is a key component of some DCs, for example, in Kilbirnie, but with villages having lower occupancy than typical households the DCs are unfair with retirement villages paying relatively more than the demand they generate.</li> </ul>	<p><b>Noted for ongoing consideration</b></p> <p><b>Retirement villages</b></p> <p>Retirement village independent living units could place a lower demand based on lower occupancy. This is currently recognised with a 0.7 per unit DC charge and submitters consider further discounts, based on actual demand, should be included in the policy.</p> <p>Officers consider any different proposal should go through a robust analysis, and are open to doing this. Comparison with other Councils needs to take into account the whole context of the charges, what they are for, how they are used, what demand measures are used, and the assumptions and characteristics of household measures.</p> <p>Further analysis in Wellington will need to cover, for example:</p> <ul style="list-style-type: none"> <li>• a charge at 0.7 balances potential lower demand with the fact that service levels for community infrastructure must be developed for the number of people expected - while some facilities may take projected population age into account, aspects like water supply and transport service levels must cater for the development expected regardless of the age and other characteristics of specific occupants</li> <li>• equity with other small apartment charges that may place lower demand, having no gardens and being centrally located reducing the need for travel</li> <li>• retirement villages and aged care facilities generate a reliance on infrastructure from staff, servicing activities and visitors on top of any resident activity</li> <li>• infrastructure to support growth spans walking, cycling and public transport in addition to vehicle travel</li> </ul>

Row	Submitter	Topic / Theme	Submission points	Officer's response
			<p><b>Propose</b> that the DCP reflects that retirement villages they place less demand on community facilities. This approach is provided for in the DIA template. This approach is also used in several DC jurisdictions already generally with reference to dwellings subject to the Retirement Villages Act 2003:</p> <ul style="list-style-type: none"> <li>o Auckland, "retirement units" and "aged care rooms". Retirement unit measures are 1 HUE per 292m2 ISA (stormwater), 0.3 HUE per unit (transport) and 0.1 all others [excludes water, charged separately by WaterCare]</li> <li>o Hutt City, 0.5 EHU for three waters, 0.3 for transport</li> <li>o Waipua 0.5 of a HEU per unit</li> <li>o Tauranga 0.5 of a HEU per unit, special assessment criteria also apply</li> <li>o Christchurch, residential units, 0.1 for reserves and community infrastructure, 0.5 for others (transport, water), care suites, nil for reserves and community infrastructure, 0.4 for other.</li> </ul> <p>Propose similar approach to Auckland is adopted, this regime reflects extensive work to refine based on research over several years:</p> <p>Reserves and community infrastructure:</p> <ul style="list-style-type: none"> <li>o 0.1 EHU per retirement village unit or independent living unit and</li> <li>o 0 EHU per aged care unit / care bed.</li> </ul> <p>Transport</p> <ul style="list-style-type: none"> <li>o 0.5 EHU per independent living unit,</li> <li>o 0.3 EHU for aged care unit / care bed (this also takes account of residents, visitors and staff).</li> </ul> <p>Stormwater (refer also ISA discussion):</p> <ul style="list-style-type: none"> <li>o 0.26 EHU per 100m2 ISA.</li> </ul> <p>Water</p> <ul style="list-style-type: none"> <li>o Water and wastewater are not part of the Auckland DC, they are charged separately by Watercare / Veolia, but as noted, demand is much lower.</li> </ul>	<ul style="list-style-type: none"> <li>• how options will increase or decrease administration costs and certainty both for Council and developers</li> <li>• the ability for lower demand to be recognised in ongoing user charges, for example, choosing metered water, with ongoing savings for low use.</li> </ul> <p><b>Aged care facilities</b></p> <p>As noted, these are considered to be non-residential developments which means they already incur no charge for reserves or community infrastructure, which is rightly pointed out, residents would not use.</p> <p>The measure in Wellington is 42m2 for an EHU premised off office space as accommodating 2.6 employees. Officers note that the charges in some areas are per care bed, and consider this could simplify an assessment or special assessment and make it more transparent, without changing the overall integrity of the EHU.</p> <p><b>Recommendations</b></p> <p>Analysis needs to be completed to consider exactly what demand measures should be used for Wellington if different demand measures are to be used.</p> <p>Officers propose to manage upcoming retirement village and aged care facility developments through the assessment and special assessments process, and will work to complete analysis on demand measures as part of this process, and develop options to consider at the next review.</p> <p>The Retirement Village Association has also offered to meet and offered site visits which will be helpful.</p>

Row	Submitter	Topic / Theme	Submission points	Officer's response
				Officers have also started a conversation with Watercare in Auckland, and they will be happy to help the Council consider the evidence base and measures they have been using for villages and aged care beds. In metropolitan Auckland the comparable water / wastewater infrastructure charge is \$ \$15,867 including GST per unit. There are different rates for retirement villages and aged care facilities based on expected litre use per day.
21	Best Farm (... ) Ltd	7.4 Table 5 EHU per type of development – GFA42m2	Do not support the measure of 1 EHU per 42m2 for non-residential development (formerly change from 55m2 per EHU in 2015/16). This measure is only potentially appropriate for office space, and not for other types of development including industrial, commercial, places of worship. The impact is to push development out to other areas of Wellington such as Porirua and Lower Hutt.	<b>Noted with operational proposals / ongoing consideration</b>  In the status quo the EHU for a non-residential development is based on the number of employees expected to be using an office space, generally, 2.6 per 42m2. Charges exclude reserves and community infrastructure.
22	Stride, Southern Cross	7.4 Table 5 EHU per type of development – GFA42m2	The use of the measure of 1 EHU per 42m2 of non-residential development is not appropriate for many developments as it takes a simplistic and blanket approach to demand measures that is not accurate. The approach does not align with the requirements of the LGA02 for DCs to be based on the effects of developments (section 197AA) and avoid over-recovery of costs allocated to DCs (section 197AB). The case <i>Neil Construction Limited v North Shore City Council</i> (2008) noted “there must be a direct causal nexus between the development and the demand for infrastructure it generates”.  Issues with the 1 EHU per 42m2 and demand measures include: <ul style="list-style-type: none"> <li>• providing only one type of measure fails to consider different demands on infrastructure</li> <li>• the assumption behind 1 EHU per 42m2 is unsound as the correlation between number and employees and use of resources is very different to a household – an office will consume differently to a retail centre</li> </ul>	Officers agree not all developments are suitable for the measure, and so special assessments may be sought for different uses like retail, warehouses or hospitals. It may provide more transparency and certainty to have additional categories and make assessments easier reduce calls for special assessments.  If these are to be added to the policy officers would like to take them through an early discussion and a wider consultation so that all developers have an opportunity to consider any differing demand measures – and ensure they would have buy-in from the sector.  <b>Operational proposals / ongoing consideration</b>  To improve clarify and transparency around assessments and special assessments, officers propose to develop additional guidance including what information to submit and more about the demand measures.

Row	Submitter	Topic / Theme	Submission points				Officer's response																
			<ul style="list-style-type: none"> <li>• for example, transport demand issues:               <ul style="list-style-type: none"> <li>o capacity improvements are generally to accommodate peak demand, so the assessment should consider when demand is generated, demand generated outside peak hours can fit in existing transport network capacity</li> <li>o hospitals generate trips outside peak hours, e.g. shift changes purposely timed outside peak travel times</li> <li>o trip generation should be considered, not the GFA – and there is data for different types of activity.</li> </ul> </li> </ul> <p>DC policies in Auckland, Hutt City, Christchurch, Tauranga and Hamilton provide for distinct types of non-residential demand measures , e.g., six types in Auckland with different demand measures. Propose categories and related demand measures for non-residential (Stride)</p> <table border="1" data-bbox="611 847 1350 1289"> <thead> <tr> <th data-bbox="611 847 857 911">Activity</th> <th data-bbox="857 847 1010 911">Transport</th> <th data-bbox="1010 847 1200 911">Stormwater</th> <th data-bbox="1200 847 1350 911">Water and Wastewater</th> </tr> </thead> <tbody> <tr> <td data-bbox="611 911 857 1038">Retail, hospitality, recreation, and personal services</td> <td data-bbox="857 911 1010 1038">1 EHU per 215m2 GFA</td> <td data-bbox="1010 911 1200 1038">1 EHU per 292m2 ISA*</td> <td data-bbox="1200 911 1350 1038">Low demand</td> </tr> <tr> <td data-bbox="611 1038 857 1166">Commercial</td> <td data-bbox="857 1038 1010 1166">1 EHU per 271m2 GFA</td> <td data-bbox="1010 1038 1200 1166">1 EHU per 292m2 ISA</td> <td data-bbox="1200 1038 1350 1166">Low demand</td> </tr> <tr> <td data-bbox="611 1166 857 1289">Production and distribution</td> <td data-bbox="857 1166 1010 1289">1 EHU per 346m2 GFA</td> <td data-bbox="1010 1166 1200 1289">1 EHU per 292m2 ISA</td> <td data-bbox="1200 1166 1350 1289">Low demand except wet industries.</td> </tr> </tbody> </table> <p>* impermeable surface area (refer stormwater discussion)</p>				Activity	Transport	Stormwater	Water and Wastewater	Retail, hospitality, recreation, and personal services	1 EHU per 215m2 GFA	1 EHU per 292m2 ISA*	Low demand	Commercial	1 EHU per 271m2 GFA	1 EHU per 292m2 ISA	Low demand	Production and distribution	1 EHU per 346m2 GFA	1 EHU per 292m2 ISA	Low demand except wet industries.	<p>Prior to the next review of the policy, officers may propose categories based on expected demand for community infrastructure placed by different types of non-residential development so they can go through a full consultation. This will involve early engagement with the Property Council NZ and other key stakeholders.</p>
Activity	Transport	Stormwater	Water and Wastewater																				
Retail, hospitality, recreation, and personal services	1 EHU per 215m2 GFA	1 EHU per 292m2 ISA*	Low demand																				
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Row	Submitter	Topic / Theme	Submission points	Officer's response
			Propose a separate development type for "Health" with transport assessed as 1 EHU per 500m2 GFA, and ISA measures for stormwater (Southern Cross Healthcare Limited).	
23	Best Farm (... ) Ltd	7.4 Table 5 EHU per type of development  7.12 Special assessments – water	The EHU measures and special assessments are not working fairly and the calculations used by the Council do not reflect actual expected use of the Council's infrastructure. Case study: A 10,996m2 NZ Post site in Grenada Village has 4 showers, 9 toilets, 2 urinals 10 basins, 3 sinks, 3 dishwashers and a cleaners sink: our assessment for water usage found this to be around 3 EHU. The Council assessment found it to be 146,000 litres per day, or 188 EHU which could not possibly reflect actual demand.	Noted. This case is under review and the assessment is not yet complete. When completed the case will be used to help develop guidance.
24	Stride	7.4 Table 5 EHU per type of development – residential	The policy only has two measures for a residential unit, 1 EHU or 0.7 EHU. This does not recognise demand on infrastructure, for example, a four bedroom house is treated the same as a two bedroom. This does little to incentivise more intensive residential development. Propose that there be a greater range of residential types with appropriate demand rates.	<b>Noted for ongoing consideration</b>  Officers consider the current discount for smaller properties remains appropriate, but that overall the measure needs to be checked at the next review. The objectives of change would need to be clear, for example at 0.2 increment on \$10,000 would be \$2,000. The administration costs relative to savings could be marginal, and the difference in the DC charge unlikely to influence building size decisions.
25	Stride	7.4 Table 5 EHU per type of development – residential	DC policies also provide different demand measure for residential and as an example, Auckland: Detached dwelling: <ul style="list-style-type: none"> <li>• stormwater 1 HUE</li> <li>• all others (transport, reserves, etc) <ul style="list-style-type: none"> <li>o 0.8 HUE per unit at 0 – 99m2 GFA,</li> <li>o 1 HUE at 100m2 to 249m2, and</li> <li>o 1.2 HUE at 250m2 and over.</li> </ul> </li> </ul> <p>There are lower rates for attached dwellings and medium to high rise dwellings. The Auckland approach more appropriately recognises lower occupancy in smaller dwelling units, and also incentivises more intensive residential developments.</p>	Differentiation on size could be considered from a fairness perspective. Analysis is needed on new build floor area and type of dwelling and what makes a difference in demand measures (for example, whether there is a garden). There are also administrative trade-offs between different measurement options that need to be worked through and considered for change options.



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			Propose the Council recognise medium to high rise residential development as well as unit size rather than only recognising one-bedroom units.	
26	VUW	7.12 Special assessments	Propose examples of calculations or an appendix with supplementary detail for special assessments. This would make them more transparent and reduce ambiguity on how they are calculated.	<b>Noted for ongoing consideration</b>  Officers propose to improve assessment guidance following approval of the policy.
27	VUW	7.12 Special assessments , and 7.17 Credits	Propose that a whole of campus assessment of infrastructure demands be possible, rather than a building by building approach – and in considering credits. A whole of campus approach will make it easier to acknowledge the contribution the university makes to invest in infrastructure and facilities accessible to the public. The draft policy at section seven would appear to enable a holistic approach - this is the university's preference, for campus-level assessment of water, wastewater, stormwater and transport demand.	<b>Noted for ongoing consideration</b>  DC discussions with the university are ongoing as new developments arise, and special assessments may be used to achieve a more holistic approach.
28	RVA, Summerset , Ryman, Metlifecare	7.12 Special assessments – retirement villages and aged care facilities	<p>Propose amendments to enable special assessments for retirement villages and aged care facilities.</p> <p>7.12 Developments sometimes require a special level of service or are of a type or scale which is not readily assessed in terms of EHUs – such as large-scale primary sector processors, <u>retirement village and aged care facilities which generally have lower demand on council facilities</u> or service stations. In these cases, Council may decide to make a special assessment of the EHUs applicable to the development. <del>In general, special assessments of residential developments will not be considered.</del></p> <p>7.13 <del>Without limiting the Council's discretion, when determining an application for a special assessment or a special assessment is initiated by the Council, the demand measures set out in Table 6 below will be used to guide a special assessment.</del> <u>Special assessments may also be</u></p>	<p>Noted.</p> <p>Section 7.12: Refer clarification discussed at row # 19. The wording is intended to make it clear that there will not be special assessments for each and every private dwelling.</p> <p>Section 7.13: Regarding infrastructure works undertaken by developers, there are already provisions to prevent forms of double collection, refer policy sections:</p> <ul style="list-style-type: none"> <li>• 9.6 – 9.8 “Limitations on Imposing DCs”</li> <li>• 9.9 “Development Agreements”</li> <li>• 9.10 “Works and services conditions under the RMA” 10 “Financial Contributions”.</li> </ul> <p>The Council must provide infrastructure based on service level requirements for the population.</p>

Row	Submitter	Topic / Theme	Submission points	Officer's response
			<u>applied where other features such as infrastructure works undertaken by the developer, substantially reduce demand or lead to no demand on council facilities.</u>	
29	VUW	7.13 Table 6 Demand measures - stormwater	Propose that retention systems may be considered as grounds for special assessment and in stormwater assessments as they can reduce the runoff load (e.g. rain gardens, attenuation tanks, rainwater harvesting).	Noted. These can be considered as part of a section 9.9 "Development Agreement" if the developer is providing infrastructure that would have been constructed by the Council and would have otherwise been in scope of the DC policy.
30	Best Farm (...) Ltd	7.13 Table 6 Demand measures - stormwater	<p>The demand measure for stormwater does not allow retention systems to be considered. This seems wrong in a context where stormwater neutrality is a requirement across the city and post-development flow must be equal to pre-development flow.</p> <p>Stormwater DC charges mean that property owners are paying for on-site management and for the network. Propose on-site detention be considered in special assessments / DC assessments.</p>	<p>Regarding stormwater onsite management. There is still a reliance on Council's storm water infrastructure to meet service level demands for the development when their own retention or reuse methods cannot cope with service demands, either created by:</p> <ul style="list-style-type: none"> <li>• facilities being under capacity to meet these demands or</li> <li>• the need to discharge storage systems to the Council's network in times of high rainfall.</li> </ul> <p>Assessment will made considering the existing permeable surface vs resulting permeable surface divided by 42m2 to arrive at the appropriate EHU's.</p>
31	RVA, Ryman, Summerset	7.13 Table 6 Demand measures – transport	A rate of four trips per day underestimates trips, more likely to be 4.7 in Wellington. Propose amend to 4.7	Noted. This is based on an average of 2.6 persons per household unit in the City and 3.8 residential vehicle movements (on average) per person per day. Accordingly, $2.6 \times 3.8 = 10$ vehicle movements per household per day. This guideline has been adopted from the <i>Transfund Research Report TR 209</i> , which is widely used by traffic and transport practitioners throughout the country. Officers can discuss more detail on request e.g. how other modes of transport as well as unmet demand are considered. More assessment guidance or Q&A about the policy may be developed.
32	RVA, Ryman, Summerset	7.13 Table 6 Demand measures – wastewater	Residential wastewater usage is generally 80 percent of water demand, industrial and commercial even higher. The proposed usage at half of water supply is too low. Propose amend to 80 percent.	Noted. Officers will consider this information, but are unsure that a change would alter development contributions.

Row	Submitter	Topic / Theme	Submission points	Officer's response
33	RVA	7.13 Table 6 Demand measures – water	It is not clear how the reference to 'water loading units' and 'type of proposed water fixtures' is to be interpreted in assessing water supply. Propose take out the reference to water loading units.	Noted. Officers may develop more guidance for assessments and / or special assessments to clarify.
34	Best Farm (... ) Ltd	8.10 Objections	Support introduction of the review rights provisions. Propose that there should be a step between the panel decision by three independent commissioners that is binding on the developer and the Council and the next step of judicial review.	Noted. Objection, review and judicial review rights are all set out in the LGA02 sections 199 to 199N and the policy reflects these.
35		8.13 Objections	Do not support that objectors shall be liable for any costs incurred by the Council. Propose there should be no charges to challenge a decision of Council in the case DCs are not fair and reasonable. There is no charge on objections to resource consent conditions.	Noted. This provision reflects the LGA02 sections 150A Costs of development contribution objections.
36	RVA, Ryman, Summerset	9.10 Works and services conditions under the RMA	<p>Infrastructure contributed by developers could be offset under special assessments, but the DCP does not appropriately recognise or allow for contributions that developers may make like reserves, roads or stormwater upgrades. If the demand on community facilities is reduced this should be recognised. For example, if a stormwater system provided by a developer means little to no impact on Council stormwater [refer <i>Ryman Healthcare Limited, Decision on Objection, 10 August 2018</i>].</p> <p>Propose amend 9.10 as follows to enable consideration of offset, as follows [underline and strikethrough]:</p> <p>9.10 The Council may impose a condition under s108(2)(c) of the RMA requiring works or services, in the form of isolated and localised infrastructure, to be undertaken to mitigate potential adverse effects arising from a proposed development. For instance, the Council may impose a condition of consent requiring retention tanks for delayed discharge of waste or storm water where there would otherwise be an adverse effect on the waste or storm water network if it was not provided. Where this occurs, <del>it does not</del></p>	<p>Noted. Provisions and conditions under the Resource Management Act (RMA) are to mitigate any adverse effects of the development on the immediate environment and surrounds, and not directly related to DCs for community infrastructure. So under section 9.10 there isn't the ability to offset and this is intentional, e.g. required drainage to prevent slips at the site would not be an offset for the infrastructure network charge for stormwater.</p> <p>If a developer provides reserves, roads or stormwater that would otherwise have been planned infrastructure that DCs would have been collected on, then there are other provisions that apply (not special assessments) and manage any potential double collection:</p> <ul style="list-style-type: none"> <li>• section 9.6 – 9.8 "Limitations on Imposing DCs"</li> <li>• section 9.9 "Development Agreements".</li> </ul>

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			<u>any offset of the payment of a development contribution or financial contribution, which fund planned Council infrastructure will need to be made under the special assessment process.</u>	
37	RVA, Ryman, Summerset	9.7 Limitations on imposing DCs	Propose delete, “whether on the granting of a building consent or a certificate of acceptance” (last part of the section).  These do not address DCs imposed in respect of resource consents or service connections, so makes paragraph less clear.	<b>Agree and policy amendment recommended</b> Agree the wording is unclear and can be deleted.  <b>Recommendation:</b> remove ““whether on the granting of a building consent or a certificate of acceptance” from section 9.7.
38	RVA, Ryman, Summerset	9.9 Limitations on imposing DCs	Propose additional guidance on when the Council should consider entering into development agreements, in a second paragraph at 9.9: <u>The Council should consider entering into a development agreement where a development directly provides community facilities, or has other features that will significantly reduce the need for the Council to provide community facilities as a result of the development.</u>	Noted. No change proposed. Infrastructure must be provided to a service level for the population, and development agreements are used when a developer constructs required infrastructure.
39	VUW, BECA, Willis Bond	9.15 Green building remission	Propose the Council recognise the benefits of high-performance buildings with additional discounts for buildings that meet and exceed the Green Star Certified Rating to support eco-vision of city. Example, the first “Living Building Challenge” certified building Living Pā on Kelburn Campus, with net zero water and energy consumption – so a remission could remove all water-related DCs.	Noted. These submissions are referred for further consideration to operations, and to the team working on a contestable fund [Refers: Establishing an Environmental and Accessibility Performance Fund, Annual Plan/Long-term Plan Committee, 8 March 2022].  No changes to the remission were proposed in the review consultation and are not proposed here. Following is a confirmation of the status quo and discussion points for referral to the proposed new project.
40	BECA	9.15 Green building remission	In addition to Green Star other rating tools may be more appropriate, e.g. LEED and Living Future’s ‘Core’ rating. Propose at section 9.15 add “Green Star <u>or equivalent</u> ...”.	<b>Status quo and submissions</b>
41	BECA	9.15 Green building remission	The Green Star rating can be an expensive process and a lot of a remission can be used up by the fees. Propose that developers be able to choose alternative rating tools and / or be able to consider remissions based on, e.g. water management, and transport demand/trip. Propose that WCC	The Green Building Remission provides a 50 percent discount on DCs for buildings that achieve a Green Star rating. The intent of the remission is to encourage economic development and recognise the strategic importance of green building.

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			provide a transparent assessment schedule for developers to achieve a remission without a branded tool.	<p>Four buildings have received the remission at a value of \$1.154 million, and four more are in progress, with DCs assessed at around \$6.2 million (so a further remission of \$3.1 million is possible). The buildings are: 133 Molesworth, 20 Customhouse Quay, 22 Boulcott St, 10 Waterloo Quay, 140 Bowen Street,, 1 Whitmore Street, 14 Carmel Place and 360 Lambton Quay.</p> <p>In discussion at oral hearings [Finance and Expenditure Committee, 17 February 2022] it was noted it was hard to identify the full impact of the remission, but there is a trend into green building practices – both certified and uncertified.</p> <p>Issues with the status quo use of Green Star include:</p> <ul style="list-style-type: none"> <li>the rating itself is costly and can take up a good portion of the remission, so not everyone will seek it, even if they have green building features</li> <li>Green Star isn't the only option for certification</li> <li>there are many criteria within the rating, and weighting could be used, e.g. active transport.</li> </ul> <p>Also raised in submissions is the range of other practices the Council could or should encourage within Council strategies and objectives like accessibility and low damage design. Officers propose all these considerations be addressed outside of the DC policy. More detailed or additional remissions in the DC policy would add a level of complexity and lift administrative costs, to support practices that do not directly change the service level of community infrastructure that the Council needs to provide for growth. Any expansion of remissions and costs would be offset to others paying DCs or to Council debt, raising fairness and transparency issues.</p> <p>Officers have referred submission points for consideration in developing the proposed “Environmental and Accessibility Performance Fund” [considered at the Annual Plan Committee,</p>
42	VUW, BECA	9.15 Green building remission – Green Star credit system	Propose aligning Green Star and other tools with the Council's infrastructure delivery, e.g. the Green Star Rating for the Council should have mandated as part of criteria for the remission: Credit 17 (end of trip facilities) and Credit 17.4 (active transport) Credit 18 (potable water) and Credit 25 (storm water).	
43	BECA	9.15 Green building remission	Propose that remissions should be granted only on securing an 'as built' rating rather than a 'design' rating, to ensure what is planned is installed and commissioned.	
44	Willis Bond, BECA	9.15 Remission for residential	Propose extend the Green Building Remission to residential building, e.g. using 7 Star Homestar Certified Rating equivalent. If there are accepted benefits of green buildings, there is no obvious distinction between residential and non-residential.	
45	Disabled Persons Assembly NZ	9.15 remission for universal design standards	There should be a remission in the policy for residential and commercial buildings that meet or exceed universal design standards. This may incentivise the supply of accessible housing, suitable for the needs of those including disabled and elderly. Universal design is promoted and supported by Lifemark in NZ, owners by CCS Disability Action. A remission would relate to the United Nations Convention on the Rights of Persons with Disabilities and the New Zealand Disability Strategy 2016-2026. Alongside remissions also consider rates rebates, discounted fees and charges. Buildings should be audited by access advisors before a remission is applied.	
46	BECA	9.15 Remission for low	LDD provides a level of resilience for buildings over and above the building code and this is desirable in terms of community outcomes at section 14.7 (environmental –	

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		damage design (LDD)	greater return on embodied carbon, social – safety, and economic – less disruption in case of seismic events). However, LDD can add around five percent to a building cost. Propose remission for LDD to building costs and a remission could offset some of the additional building cost.	8 March 2022]. Subject to the outcomes of the proposed initiative (to be considered through an Annual Plan process), the green building remission may either: <ul style="list-style-type: none"> <li>continue to be retained in the DC policy, or</li> <li>be replaced / or supplemented by a separate and broader base fund.</li> </ul> Officers working on the DC policy are aware that developers appreciate certainty.
47	Willis Bond	11 Definitions – gross floor area	The change to the GFA measure of 42m2 by aligning definitions with the National Planning Standards is understandable for consistency, but has the effect of including transient and circulation spaces that the current policy excluded (the proposed definition includes stairways and lift spaces, refer section 11).  Propose either: <ul style="list-style-type: none"> <li>the current definition be retained as a better fit for the purposes of DCs and EHU calculations</li> <li>the change be offset, via increase to GFA of 42m2.</li> </ul>	<b>Noted with correction</b>  There are still similar exclusions in the policy, but they are provided as a matter of policy, rather than via the definition. Refer new section 7.11.  <b>Recommendation</b> At section 7.11, put back “elevator shafts and stairwells” as an area excluded from GFA for the purposes of the policy.
48	Metlifecare	11 Definitions - consistent terms	The term residential units is used throughout the proposed amended DCP, but the measure is for “EHU” with the term “households” used. “Residential unit” and “household unit” are both used interchangeably in the DCP.	Noted. The EHU is used at the technical measure for charges, but the policy talks about residential and non-residential development. Consistency will be checked again prior to publication.
49	Metlifecare	11 Definitions – retirement villages and aged care facilities	There are proposed new definitions of a residential unit, small residential unit and residential activity that will capture retirement units for independent living as residential, but not specialist units like dementia care which could come under non-residential activities, noting: <ul style="list-style-type: none"> <li>o non-residential development is not defined</li> <li>o the definition of “residential unit” includes that it is used by one household and contains sleeping, cooking and bathing facilities</li> <li>o “residential activity” is broadly defined to be the “use of land and buildings(s) for people’s living accommodation”</li> </ul>	<b>Noted for ongoing consideration</b>  Refer clarification and proposals at row 19.  A retirement village unit can be considered as defined in the Retirement Villages Act 2003 without inclusion in the policy, as can an aged care unit.  Aged care facilities are a good fit in non-residential, where reserves and community infrastructure do not apply. A per care bed charge could be considered, subject to further analysis as proposed, refer row #20.

Row	Submitter	Topic / Theme	Submission points	Officer's response
			<p>however the term household unit is used in the EHU, and not the broader residential activity.</p> <p>Propose that retirement villages including both independent living units and dementia care units (which do not have kitchen facilities of any nature in each unit) be considered as residential activities.</p> <p>The DCP2015 (the current policy) defines residential development as, "the development of premises for any domestic or related purpose for use by persons living in the premises ..." but does not include "rest homes, hostel accommodation or similar premises that provide shared or communal facilities".</p> <p><b>Propose these definitions be added in line with DC policies in other jurisdictions:</b></p> <p><b>Retirement Village Unit</b> means: any unit in a managed comprehensive residential development used to provide accommodation for aged care people that is subject to the Retirement Villages Act 2003 (other than an aged care room), including:</p> <ol style="list-style-type: none"> <li>1. the use or development of any site (s) containing two or more units that provides accommodation, together with any services or facilities, predominantly for persons in their retirement, which may also include their spouses or partners, and</li> <li>2. recreation, leisure, supported residential care, welfare, and medical facilities (inclusive of hospital care) and other non-residential activities accessory to the retirement village.</li> </ol> <p><b>Aged care unit</b> means any dwelling unit in a "rest home" or "hospital care institution" as defined in section 58(4) of the Health and Disability Services (Safety) Act 2001.</p>	
50	Best Farm (... ) Ltd	I Churton – Stebbings and	Under new policies and statements and anticipated legislative change [for higher density housing], we expect growth in these areas to be higher than is currently projected.	<b>Noted.</b> The policy will be updated with revised area growth projections after the new District Plan has been signed off. There is a lag in updating the catchment map figures until this process has been completed.

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		J Grenada - Lincolnshire	Growth figures are unchanged at 1,360 EHU and 2,489 in these two areas. Why are they unchanged since 2016?	
51	Best Farm (...) Ltd	I Churton – Stebbings and J Grenada - Lincolnshire	Oppose substantial increases in I Churton – Stebbings and J Grenada - Lincolnshire	<b>Noted.</b> The costs are relatively higher in these areas due to the cost of providing significant infrastructure for the development of new urban areas. However, some corrections are proposed that will make the total charges lower in these areas.
52	Best Farm (...) Ltd	I Churton – Stebbings and F Johnsonville - Ohariu  Transport	<p>Catchment I has three roading projects:</p> <ul style="list-style-type: none"> <li>• Cortina-Ohariu \$1.42 million [unchanged]</li> <li>• Ohariu-Westchester \$3.34 million [\$2.95 in 2016 policy]</li> <li>• Westchester-Glenside \$10.53 million [\$9.1 million in 2016].</li> </ul> <p>Issues / proposals / questions:</p> <ol style="list-style-type: none"> <li>A. The first two projects are not in area I, but in F – Johnsonville, and should be re-assigned.</li> <li>B. Ohariu-Westchester was 59% funded by DCs in 2016, but is 100% funded by DCs in proposed amended. Re-instate previous proportion.</li> <li>C. Westchester-Glenside was completed in 2013. How can the cost have increased?</li> </ol>	<p><b>Noted with corrections recommended</b></p> <ol style="list-style-type: none"> <li>A. Cortina-Ohariu and Ohariu-Westchester: These projects have been assigned since 2012 following reconfirmation through the Northern Growth Plan. They have been or planned to be delivered to primarily serve as local connection to area I.</li> <li>B. Ohariu-Westchester: The increase comes from a recosting of this proposed link through the LTP process. We agree that the contribution from other sources should be reinstated to reflect the benefit to existing users previously applied (so 59 percent to other sources, and 41 percent to DCs).</li> <li>C. Westchester-Glenside: This link was completed in 2013 and the project update is to reflect the actual expenditure (previously an estimate). Officers are not sure why the update was not made in 2014-15, there may have been a lag in confirming actuals</li> </ol> <p><b>Recommendation</b></p> <p>B. Amend Schedule 2 transport Ohariu-Westchester: Total cost of project \$3,348,000, reinstate that proportion funded from other sources at 59% (so revised DC is \$3,348,000 x 0.41 \$1,373,000) corresponding:</p>



Row	Submitter	Topic / Theme	Submission points	Officer's response
				<ul style="list-style-type: none"> <li>Residential: \$4,615 (instead of \$6,067, \$1,452 difference) and corresponding draft total levies reduce to: \$11,505 instead of \$13,058 (less \$1,452 from transport, less \$111 from citywide)</li> <li>Non-residential: \$4,615 (instead of \$6,067, \$1,452 difference) and corresponding draft total levies, \$10,386 instead of \$11,838.</li> </ul>
53	Best Farm (...) Ltd	J Grenada – Lincolnshire  Transport	There are five additional roads in the proposed amended policy [Schedule 2 refers]. As the main developer we are likely to be building the majority of these roads and will be seeking a developer Council agreement to recover these costs and/or agree a DC exemption. Please provide maps of these roads.	<b>Agree.</b> If the roads are constructed by the developer, these costs will not be double-collected, but will be deducted from the DC levy by agreement under section 9.6 of the policy. The Council is aware there is to be an agreement for these roads, and maps and other details will be worked through as part of the agreement. The costs need to be noted in the policy Schedule 2 regardless of agreements under section 9.6.
54	Best Farm (...) Ltd	J Grenada – Lincolnshire - Reserves	There is \$8.836 million allocated for a community park (Schedule 2). It is unclear what this is for.  Please provide details of how this figure has been derived?	<p><b>Noted with corrections</b></p> <p>A growth proportion of 100% was attributed to a significant new reserves purchase, instead of 50%. This also affected citywide contributions, as the project is allocated between the catchment and the citywide development contributions.</p> <p><b>Corrections</b></p> <p><b>City Wide residential reserves charge:</b> \$533 instead of \$644, making the citywide total charge \$3,814 instead of \$3,925, so with all residential totals to revise down by \$111.</p> <p><b>J Grenada-Lincolnshire residential reserves:</b> \$1,568 instead of \$2,098. New total to revise to \$16,510 (less \$530, less \$111 from citywide). No changes to non-residential as reserves charges do not apply.</p>
55	Newcrest	Q Inner City	Propose increases be phased in, for example, at 10 percent a year. Appreciate the need for DC increase, but in view of the scale of increase in the CBD of 57 percent on a unit of	Noted. Officers acknowledge there has been a significant proportional change in the DCs, but consider this is mitigated

Row	Submitter	Topic / Theme	Submission points	Officer's response
			commercial development, and potential impact of around \$1 million per commercial development.	through starting from a low base, and in consideration of the policy not being reviewed and updated since 2014.
56	Stratum	Q Inner City	Propose distributing DCs project costs differently to bring down the Inner City DCs, for example: <ul style="list-style-type: none"> <li>o there is a high reserves charge attributed - but benefits are enjoyed citywide, and</li> <li>o a large water upgrade charge that should relatively more citywide benefits.</li> </ul>	<p><b>Noted for ongoing consideration</b></p> <p>The “inner city reserves” catchment added to the policy in view of the growing demand for apartments in the inner city and the need for space. Most of the charges date to 2014 or earlier, with one new project with a total cost of \$3.2 million at this review.</p> <p>There are several charges in the city-wide contributions that already relate to work in the inner city, and waterfront DCs are also in the citywide charge.</p> <p>Officers consider the balance could be reviewed at the next possible review of the policy, but note the coherence of the policy overall could be affected by including reserves charges in non-residential DCs in some areas rather than others. Wider considerations like rates should be noted.</p>
57	Inner City Wellington	Q Inner City -Reserves	Propose that DCs for reserves be increased in this area. Land prices are up in the centre making it harder to acquire land. With Wellington having relatively low DCs nationwide and especially for reserves, the proposed increase in the inner city for reserves seems light, at \$507. There is also no reference in the document to the Green Networks Plan adopted on 27 October 2021, and this should be included / referenced / resourced.	
58	Inner City Wellington	Q Inner City - Reserves	Propose that DCs be required from non-residential development in this area. Hutt City charge non-residential for reserves, recognising pressure placed on parks and reserves, Wellington should do same. , and also noting the LGA02, by amendment in 2018, now allows for this (refer repeal of LGA02 section 198A).  The Local Government (Community Well-being) Amendment Act 2018 repealed LGA02 section <i>198A Restrictions on power to require contributions for reserves</i> – which prohibited collection of DCs for reserves on non-residential development.	

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# Proposed amended Development Contributions Policy

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Consultation Draft November 2021



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## INTRODUCTION

### 1 Purpose of the Policy

- 1.1 Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services provided by Wellington City Council (Council). As a result, significant investment in new or upgraded assets and services is required to meet the demands of growth.
- 1.2 The purpose of the Development Contributions Policy (the Policy) is to ensure that a fair, equitable, and proportionate share of the cost of that infrastructure is funded by development. Council intends to achieve this by using:
  - development contributions under the Local Government Act 2002 (LGA02) to help fund growth-related capital expenditure on water, wastewater, stormwater, transport, reserves and community infrastructure in the city; and
  - financial contributions under the Resource Management Act 1991 (RMA) for works and services for new use and development that are not covered by development contributions.

### 2 Adoption, application and review of the policy

- 2.1 The Policy was adopted by Wellington Council (Council) on [~~date TBC February~~ / 17 March 2022] with effect from [~~TBC~~ / 1 May 2022]. The Policy was first adopted in June 2005 and been amended in 2006, 2007, 2009, 2014 and 2015.
- 2.2 The Policy will be reviewed on a three-yearly basis but may be updated at shorter intervals if Council considers it necessary. See the Council website [wellington.govt.nz](http://wellington.govt.nz) for further information.

### 3 Navigating this document

- 3.1 The Policy outlines Council's approach to funding development infrastructure via development contributions under the LGA02 and financial contributions under the RMA. The Policy has three main parts:
  - Part 1: Policy operation
  - Part 2: Policy background and supporting information
  - Part 3: Policy maps

### ***Part 1: Policy Operation***

3.2 Part 1 provides information needed to understand if, when, and how development contributions and financial contributions will apply to developments. It also explains peoples' rights and the steps required to properly operate the Policy. The key sections of Part 1 are:

- The charges
- Liability for development contributions
- When development contributions are levied
- Determining infrastructure impact
- Review rights
- Other operational matters
- Summary of financial contributions
- Definitions.

### ***Part 2: Background and supporting information***

3.3 Part 2 provides the information needed to meet the accountability and transparency requirements of the LGA02 for the Policy, including explaining Council's policy decisions, how the development contributions are calculated, and what assets the development contributions are intended to be used towards.

3.4 The key sections of part 2 are:

- Requirement to have the Policy
- Funding summary
- Funding policy summary
- Catchment determination
- Significant assumptions of the Policy
- Cost allocation
- Calculating the development contributions
- Schedule 1 Development contribution calculations
- Schedule 2 Assets and programmes funded by development contributions

### ***Part 3: Policy Catchment Maps***

3.5 Part 3 provides the maps that show where the development contributions in the Policy apply based on network infrastructure and reserve catchments.

## PART 1: POLICY OPERATION

### Development contributions

#### 4 The charges

- 4.1 The Council takes both catchment-specific and city-wide development contribution: taking catchment specific development contributions for water supply, wastewater, transport and reserves, and city-wide development contributions for city-wide services. The catchments where development contributions apply for each infrastructure activity are mapped in Part 3 of the Policy.
- 4.2 The related charges per Equivalent Household Units (EHU) for each activity in each catchment are in Table 1. This table refers to areas A to P (general catchment zones) and Q to T (specific inner city parks and reserves and roading catchments zones that are additional to the general zones). See Section 7 Determining infrastructure impact for an explanation of an EHU.
- 4.3 Development contributions are taken for the following activities:
- Water
  - Wastewater
  - Stormwater
  - Transport
  - Reserves
  - Community infrastructure.
- 4.4 For each infrastructure activity for which development contributions are required, the development contribution payable is calculated by multiplying the number of EHUs generated through the development by the charge for that activity. This is then aggregated for all activities to give the total charge.
- 4.5 For example, subject to any credits that may apply for the original lot, a three-lot residential development in Roseneath will pay three times the water, wastewater, transport, community infrastructure, and reserves charges, totalling ~~\$25,131~~ **\$24,798**<sup>1</sup>.
- 4.6 These charges may be adjusted for inflation annually in line with the Producers Price Index Outputs for Construction, as permitted by sections 106 (2B) and (2C) of the LGA02. The latest charges will be published on Council's website [wellington.govt.nz](http://wellington.govt.nz).

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<sup>1</sup> Refer Table 1 for Policy Map Zone A Roseneath, ~~\$8,377~~**266** per EHU x 3 = ~~\$25,131~~**\$24,798**



Policy Map Zone	City Wide (\$ per EHU)		Catchment Specific Infrastructure (\$ per EHU)				Draft Total Levies	
	Residential	Non-Residential	Water Supply	Waste Water	Transport	Parks and Reserves	Residential	Non-Residential
A Roseneath	\$3,925	\$2,705	\$3,267	\$1,185	\$-	\$-	\$8,377	\$7,157
B Karori	\$3,925	\$2,705	\$1,724	\$2,440	\$-	\$-	\$8,089	\$6,869
C Beacon Hill	\$3,925	\$2,705	\$-	\$1,185	\$-	\$-	\$5,110	\$3,890
D Brooklyn -Frobisher	\$3,925	\$2,705	\$1,575	\$1,185	\$-	\$-	\$6,685	\$5,464
E Kelburn	\$3,925	\$2,705	\$-	\$1,185	\$-	\$-	\$5,110	\$3,890
F Johnsonville-Onslow	\$3,925	\$2,705	\$1,583	\$1,185	\$-	\$-	\$6,693	\$5,473
G Ngaio	\$3,925	\$2,705	\$-	\$1,185	\$-	\$-	\$5,110	\$3,890
H Maldive	\$3,925	\$2,705	\$-	\$1,185	\$-	\$-	\$5,110	\$3,890
I Churton-Stebbings	\$3,330	\$2,110	\$2,939	\$722	\$6,067	\$-	\$13,058	\$11,838
J Grenada-Lincolnshire	\$3,330	\$2,110	\$4,082	\$722	\$7,219	\$2,098	\$17,451	\$14,133
K Maupuia	\$3,925	\$2,705	\$-	\$1,185	\$-	\$-	\$5,110	\$3,890
L Newlands	\$3,925	\$2,705	\$945	\$722	\$-	\$-	\$5,593	\$4,373
M Melrose	\$3,925	\$2,705	\$1,775	\$2,440	\$-	\$-	\$8,140	\$6,920
N Central & Coastal	\$3,925	\$2,705	\$3,238	\$1,185	\$-	\$-	\$8,348	\$7,128
O Tawa	\$3,925	\$2,705	\$-	\$722	\$-	\$-	\$4,647	\$3,427
P Wadestown	\$3,925	\$2,705	\$2,487	\$722	\$-	\$-	\$7,135	\$5,915
Rural	\$2,809	\$1,589	\$-	\$-	\$-	\$-	\$2,809	\$1,589
Q Inner city Residential	\$3,925	N/A	\$3,238	\$1,185	\$-	\$1,922	\$10,270	N/A
Q Inner city Non-Residential	N/A	\$2,705	\$3,238	\$1,185	\$-	\$-	N/A	\$7,128
R Johnsonville Town Centre	\$3,925	\$2,705	\$1,583	\$1,185	\$2,472	\$-	\$9,165	\$7,945
S Adelaide Road	\$3,925	\$2,705	\$3,238	\$1,185	\$1,275	\$-	\$9,623	\$8,403
T Pipitea Precinct - Residential	\$3,925	N/A	\$3,238	\$1,185	\$2,013	\$1,922	\$12,283	N/A
T Pipitea Precinct - Non Residential	N/A	\$2,705	\$3,238	\$1,185	\$2,013	\$-	N/A	\$9,141

**Table 1 Amendments to incorporate:**

- Title: Charge per EHU
- Draft total levies: Total Charge
- City Wide \$ per EHU residential (A,B,C,D,E,F,G,H, K,L,M,N,O,P,Q,R,S,T): \$3,814 instead of \$3,925 (refers Table 2 reserves at \$533 instead of \$644), corresponding draft total levies reduce by the difference \$111.
- City Wide \$ per EHU residential (I and J): \$3,219 (\$3,330 - \$111), corresponding draft total levies reduce by the difference \$111.
- City Wide \$ per EHU residential (Rural): \$2,698 (\$2,809 - \$111), and corresponding draft total levies reduce by \$111.
- No changes to non-residential as reserves charges are not applicable.

**J Grenada-Lincolnshire: Reserves**

- Residential: Reserves \$1,568 (instead of \$2,098, \$530 difference), and corresponding draft total levies reduce to \$16,510 (\$17,451 minus \$530 minus \$111).
- Non-residential: No changes as no reserves charges.

**I Churton Stebbings: Transport**

- Residential: \$4,615 (instead of \$6,067, \$1,452 difference) and corresponding draft total levies reduce to: \$11,505 instead of \$13,058 (less \$1,452 from transport, less \$111 from citywide)
- Non-residential: \$4,615 (instead of \$6,067, \$1,452 difference) and corresponding draft total levies, \$10,386 instead of \$11,838.

4.7 Table 2 below sets out the components of the Residential and Non-residential City-Wide Contributions.

**Table 2: Components of city-wide contributions Charge per EHU**

Community facilities	Residential	Non-Residential	Rural Residential	Rural non-residential
Parks and Reserves	\$644 <u>\$533</u> <u>(-\$111)</u>	\$0	\$644 <u>\$533</u> <u>(-\$111)</u>	-
Transport	\$1,589	\$1,589	\$1,589	\$1,589
Storm Water	\$347	\$347	-	-
Wastewater	\$173	\$173	-	-

Water Supply	\$596	\$596	-	-
Community Infrastructure	\$576	\$0	\$576	-
<b>Total</b>	<b>\$3,925</b> <b><u>\$3,814</u></b> <b><u>(-\$111)</u></b>	<b>\$2,705</b>	<b>\$2,809</b> <b><u>\$2,698 (-</u></b> <b><u>\$111)</u></b>	<b>\$1,589</b>

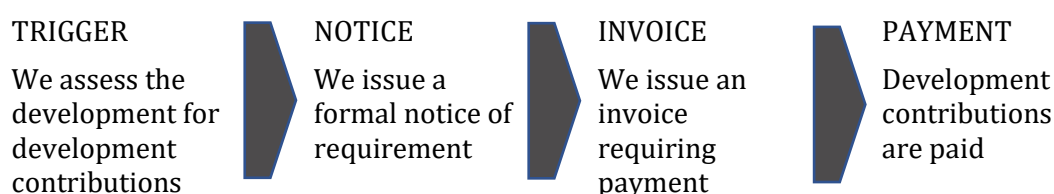
- 4.8 The stormwater component of the citywide fee (\$347 per EHU) is only applicable to the greatest number of EHUs on any floor in non-residential or multi-unit residential developments. For example, a four storey residential development with three two bedroom units on each floor would be liable for \$1,041 for stormwater (1 EHU for each residential unit on one floor).
- 4.9 Only city-wide roading and reserve contributions are payable in the Rural catchment and any areas outside of the catchments set out in Part 3 of this Policy. However if a development connects to the Council's water, stormwater or wastewater services in these catchments, the Council will apply the relevant contributions for the catchment from which supply is provided from or flow is directed to.
- 4.10 Where a development falls within one or more catchments the units of demand will be assessed separately for each catchment. The development contribution payable will then be calculated using the appropriate development contribution per unit of demand for each development contribution area. The total development contribution is the sum of the development contribution for both areas.
- 4.11 Where a development crosses Council boundaries into another District, the Council will only assess that part of the development which is within the Wellington City District.

## 5 Liability for development contributions

- 5.1 Developers who are subdividing, building, connecting to Council's services or otherwise undertaking development in Wellington City may need to pay development contributions. Development contributions apply to developments within the areas shown in the Development Contribution Catchment Maps in Part 3.
- 5.2 In some circumstances, development contributions may not apply or may be reduced. Refer section 6 When development contributions are levied, section 7 Determining infrastructure impact - credits, and Section 9 Other operational matters - Limitations on imposing development contributions.
- 5.3 Financial contributions may also be required in some cases. Refer section 10.
- 5.4 Development of new community facilities sometimes means that areas not previously subject to development contributions under the Policy become so. For example, a bare section in a subdivision may be liable for development contributions whereas previously constructed houses on the same subdivision were not.
- 5.5 Council officers will be available to help resolve any uncertainty about development contribution liabilities.

## 6 When development contributions are levied

- 6.1 Once an application for a resource consent, building consent, certificate of acceptance, or service connection has been made with all the required information, the normal steps for assessing and requiring payment of development contributions are:



- 6.2 These steps are explained in more detail below.

### ***Trigger for requiring Development Contributions***

- 6.3 Subject to the 3-step initial assessment outlined in paragraph 6.6 below, Council can require development contributions for a development upon the granting of:
  - A resource consent
  - A building consent or certificate of acceptance
  - An authorisation for a service connection.

- 6.4 Council will generally require development contributions at the most appropriate point (i.e. whichever consent, certificate, or authorisation listed above is granted first). For new developments, the resource consent is often the first step in the process and therefore the first opportunity to levy development contributions. Where development contributions were not assessed (or only partly assessed) on the first consent, certificate or authorisation for a development, this does not prevent the Council assessing contributions on a subsequent consent, certificate or authorisation for the same development (for the reasons set out in the following paragraphs).
- 6.5 Development contributions will be assessed under the Policy in force at the time the application for resource consent, building consent, certificate of acceptance, or service connection was submitted with all required information.

### ***Initial Assessment***

- 6.6 On receiving an application for resource consent, building consent, certificate of acceptance, or service connection, Council will check whether:
- a. the development (subdivision, building, land use, or work) generates a demand for reserves, community infrastructure or network infrastructure; and
  - b. the effect of that development (together with other developments) is to require new or additional assets or assets of increased capacity in terms of reserves, community infrastructure or network infrastructure; and
  - c. Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Council in anticipation of development.
- 6.7 Council has identified the assets and areas that are likely to meet the requirements of (b) and (c), and these are outlined in Part 2 Schedule 2 (Past and future assets funded by development contributions) and Part 3 (Development contribution catchment maps). In general, if a development is within one of the areas covered by the catchment maps it is likely that development contributions will be required.
- 6.8 Development contributions may be waived or reduced if:
- a resource consent or building consent does not generate additional demand for any community facilities (such as a minor boundary adjustment); or
  - one of the circumstances outlined in section 9 Other operational matters - Limitations on imposing development contributions applies; or
  - credits apply as outlined in section 7 Determining infrastructure impact - Credits.

- 6.9 If a subsequent resource consent (including a change to a condition of a resource consent), building consent, certificate of acceptance, or service connection is sought, a new assessment may be undertaken using the Policy in force at the time of the new application. Any increase or decrease in the number of EHUs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.
- 6.10 This means Council will require additional development contributions where additional units of demand are created, and development contributions for those additional units of demand have not already been required.
- 6.11 Examples of where additional development contributions may apply after a subsequent trigger event include:
- Minimal development contributions have been levied on a commercial development at subdivision or land use consent stage as the type of development that will happen will only be known at building consent stage.
  - Development contributions levied at the subdivision or land use consent stage were for a small residential unit, but the residential unit built is larger or is subsequently extended.
- 6.12 The nature of use has changed, for example from a low infrastructure demand commercial use to a high infrastructure demand commercial use.

### **Notice**

- 6.13 A development contribution notice will normally be issued when a resource consent, building consent, certificate of acceptance, or service connection authorisation is granted. In some cases, the notice may be issued or re-issued later. The notice is an important step in the process as it outlines the activities and the number of EHUs assessed for development contributions, as well as the charges that will apply to the development. It also triggers rights to request a development contributions reconsideration or to lodge an objection (refer *section 8 Review rights*).
- 6.14 If multiple consents or authorisations are being issued for a development, a development contribution notice may be issued for each. However, where payments are made in relation to one of the notices, actual credits will be recognised for the remaining notices.
- 6.15 Development contribution notices do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985.

## **Invoice**

6.16 An invoice for development contributions will be issued to provide an accounting record and to initiate the payment process. The timing of the invoice is different for different types of consents or authorisations (see Table 3).

**Table 3: Invoice timing**

	Invoice timing
Building consent	At the time of applying for a code of compliance certificate
Certificate of acceptance	At issue of the certificate of acceptance
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the RMA (the 224(c) certificate). An invoice will be issued for each stage of a development for which 224(c) certificates are sought, even where separate stages are part of the same consent
Service connection	At the time of applying for a service connection for water, wastewater or stormwater services

6.17 Despite the provisions set out above, if a development contribution required by Council is not invoiced at the specified time as a result of an error or omission on the part of Council, the invoice will be issued when the error or omission is identified. The development contributions remain payable.

## **Payment**

6.18 Development contributions must be paid by the due dates in Table 4.

**Table 4: Payment due date**

	Payment due date
Building consent	Prior to the issue of the code compliance certificate
Certificate of acceptance	At issue of the certificate of acceptance
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA
Resource consent (other)	20th of the month following the issue of the invoice, unless Council agrees to different payment timing for large-scale multi-stage developments <i><u>Note the Council will only assess and invoice on a land use consent if a building consent is not needed.</u></i>
Service connection	At issue of the connection approval

- 6.19 On time payment is important because, until the development contributions have been paid in full, Council may:
- Withhold a certificate under section 224(c) of the RMA.
  - Withhold a code compliance certificate under section 95 of the Building Act 2004.
  - Withhold a service connection to the development.
  - Withhold a certificate of acceptance under section 99 of the Building Act 2004.
- 6.20 Where invoices remain unpaid beyond the payment terms set out in the Policy, Council will start debt collection proceedings, which may involve the use of a credit recovery agent. Council may also register the development contribution under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution is required.

## **7 Determining infrastructure impact**

- 7.1 In order to have a consistent method of charging for development contributions, the Policy is centred around the concept of an Equivalent Household Units or “EHU” for infrastructure. In other words, an average household in a standard residential unit and the demands they typically place on community facilities.
- 7.2 For residential units, the unit of demand for each activity will be an additional residential unit as defined in the District Plan. In a subdivision development, the identifiable unit of demand is an allotment.
- 7.3 For non-residential development, the Council has assumed that an employee requires approximately 16m<sup>2</sup> GFA and that 2.6 employees, being the equivalent average residential unit occupancy, would require 42m<sup>2</sup>.
- 7.4 Table 5 summarises the approach to determining the EHU payable.



**Table 5: EHU payable per type of development.**

Type of development:	EHU assessment based on:
Residential development	1 EHU per household unit 0.7 EHU per one-bedroom household unit
Fee simple subdivision	1 EHU per allotment
Non-residential development	1 EHU for every 42m <sup>2</sup> of gfa

***Residential development***

7.5 In general, the number of EHUs charged is one per new allotment or residential unit created, although lower assessments can apply in some cases for small residential units.

7.6 When determining how many residential units are being created, the Council will deem a residential unit to be any area that:

- is capable of being self-contained;
- includes kitchen and bathroom facilities of any nature; and
- is physically separated, or capable of being separated, from any other residential unit.

7.7 When calculating the number of EHUs for a residential subdivision, Council will adjust the assessment to account for any:

- Credits relating to the site (refer section 7.17).
- Allotment which, by agreement, is to be vested in Council for a public purpose.
- Allotment required as a condition of consent to be amalgamated with another allotment.

***Small residential units***

7.8 Council will permit lower assessments for small residential units in relation to:

- Building consents or certificates of acceptance.
- Subdivision, land use consents, or connection authorisations where information is provided by the applicant that demonstrates that a small residential unit(s) will be provided, to the satisfaction of Council. Council may enter into agreements with developers or landowners to give effect to a small residential unit assessment and bind the applicant to any conditions that accompany the assessment.

7.9 A small residential unit will be discounted by 30% for all services, with a 0.7 EHU payable per small residential unit. Should a second (or more) bedroom be added to a small bedroom unit then a top up development contribution will be payable of 0.3 EHU.

***Non-Residential development***

7.10 Non-residential subdivisions or building developments are more complicated as they do not usually conform with typical household demands for each service.

7.11 Council applies 1 EHU per 42m<sup>2</sup> GFA for non-residential development for the reasons set out in 7.3 above. For the purpose of calculating development contributions payable, the calculation excludes:

- elevator shafts and stairwells
- uncovered stairways
- floor space in terraces (open or roofed), external balconies, breezeways and porches
- areas used for vehicle parking and vehicle circulation
- switchboard areas/plant room.

***Special assessments***

7.12 Developments sometimes require a special level of service or are of a type or scale which is not readily assessed in terms of EHUs – such as large-scale primary sector processors or service stations. In these cases, Council may decide to make a special assessment of the EHUs applicable to the development. In general, special assessments of residential developments will not be considered.

7.13 Without limiting the Council’s discretion, when determining an application for a special assessment or a special assessment is initiated by the Council, the demand measures set out in Table 6 below will be used to guide a special assessment.

**Table 6: Demand measures**

Type of community facility and network	Usage Measure per EHU
Water supply	Water loading units calculated using the number and type of proposed water fixtures and based on reservoir storage requirement of 780 litre per household
Wastewater	Half the water supply input ( <i>Conservation systems are not considered</i> )

Stormwater	Runoff co-efficient not exceeding 0.7 ( <i>Retention systems are not considered</i> )
Traffic and roading	4 trips per person (Assessment of combined trips by all modes per person plus servicing)
Reserves	600m <sup>2</sup> of allotment area (rounded up to nearest EHU) (Nil if legislation doesn't allow)

7.14 If a special assessment is sought, Council may require the developer to provide information on the demand for community facilities generated by the development. Council may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

7.15 Any application for a special assessment must be accompanied by the fee payable to recover the Council's actual and reasonable costs of determining the application. The fee will be assessed at the time of the application. Council may levy additional fees to meet Council's actual costs, should the actual costs be materially higher than the initial assessment.

7.16 If a special assessment is undertaken, Council may require the developer to provide information on the demand for community facilities generated by the development. Council may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

**Credits**

7.17 Credits are a way of acknowledging that the lot, home or business may already be connected to, or lawfully entitled to use, one or more Council services, or a development contribution has been paid previously. Credits can reduce or even eliminate the need for a development contribution. Credits cannot be refunded and can only be used for development on the same site and for the same service for which they were created.

7.18 Council gives a credit for the number of EHUs paid previously or assessed for the existing or most recent prior use of the site. This is to recognised situations where the incremental demand increase on infrastructure is not as high as the assessed number of units demand implied.

7.19 Council will calculate the number of EHU credits available by applying the criteria in the above paragraph except where what is being considered is residential allotments existing as at 1 July 2005 – these are deemed to have a credit of one EHU.

7.20 Credits given will be determined in accordance with Table 7.

**Table 7: Standard credits**

	Credit for each service for which a development contribution has been paid	Credit for urban lots that existed before <del>xx February 2022</del> <u>1 July 2005</u>	Credit for lawfully connected service as at <del>xx February 2022</del> <u>1 May 2022</u>	Rural Residential lots that existed BEFORE <del>xx February 2022</del> <u>1 July 2005</u>	Rural lots that existed BEFORE * <del>xx February 2022</del> <u>1 May 2022</u>
Residential units or lots	The number of EHUs	1 EHU for all services	1 EHU for the service(s) connected	1 EHU	1 EHU for any residential units on a lot as at <u>1 May 2022</u>
Non-residential buildings or lots		A 'before and after' assessment of demand, using a special assessment or the conversion factors set out in Table 4, will be undertaken to determine credits and any increase in demand on services. Council will be guided by actual use over the period [date – date] when making this assessment.			

\*Roading, community infrastructure, and reserves only.

7.21 Examples where credits will arise are set out in Table 8:

**Table 8: Examples of credits**

Type of existing original development:	Nature of credit:
Infill residential fee simple subdivision of existing allotment into three fee simple allotments	1 EHU credit for the original allotment - development contributions payable on 2 EHUs
Residential development of a CBD site with an existing 420m <sup>2</sup> gfa commercial building into 10 unit title apartments	10 EHU credit (ie 420m <sup>2</sup> /42m <sup>2</sup> gfa) unless an assessment is undertaken
Additional bedroom added to a small residential unit	0.7 EHU credit – development contribution payable on 0.3 EHU
Additional household unit on an existing allotment with one existing house (with or without subdivision)	1 EHU credit for the existing household unit - development contribution payable for the additional household unit

Development of four fee simple lots in the Northern Growth area for a 10,000m <sup>2</sup> gfa commercial storage facility	4 EHU credits for the existing allotments – development contributions payable for the balance of the facility (10,000 / 42 m <sup>2</sup> gfa)
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## 8 Review rights

- 8.1 Developers are entitled under the LGA02 to request a reconsideration or lodge a formal objection if they believe Council has made a mistake in assessing the level of development contributions for their development.

### *Reconsideration*

- 8.2 Reconsideration requests are a process that formally requires Council to reconsider its assessment of development contributions for a development. Reconsideration requests can be made where the developer has grounds to believe that:
- the development contribution levied was incorrectly calculated or assessed under the Policy; or
  - Council has incorrectly applied the Policy; or
  - the information Council used to assess the development against the Policy, or the way that Council has recorded or used that information when requiring a development contribution, was incomplete or contained errors.
- 8.3 To seek a reconsideration, the developer must lodge the reconsideration request within 10 working days of receiving the development contribution notice by emailing it to [developmentcontributions@wcc.govt.nz](mailto:developmentcontributions@wcc.govt.nz).
- 8.4 Applications with insufficient information or without payment of fee will be returned to the applicant, with a request for additional information or payment.
- 8.5 Once Council has received all required information, the request will be considered by the development contributions advisor and the Council's infrastructure advisors. Before reaching their decision, they will consider all of the information supplied by the applicant and apply the requirements of the policy, along with any other relevant information. The result of the reconsideration decision may confirm the original assessment of increase or decrease the amount required.
- 8.6 Notice of Council's decision will be given to the applicant within 15 working days from the date on which Council receives all required relevant information relating to the request.

- 8.7 If the applicant objects to the decision of the development contributions advisor, then they may request that the decision is considered by the Wellington City Councils Regulatory Process Committee for a final decision.
- 8.8 Council will not accept any reconsideration request received after the 10 working day period, or where an objection has already been lodged under section 199C of the LGA02.
- 8.9 Council reserves the right to reconsider an assessment if it believes an error has been made.

### **Objections**

- 8.10 Objections are a more formal process that allow developers to seek a review of Council's decision. Developers have the right to pursue an objection regardless of if a reconsideration request has been made. A panel of up to three independent commissioners will consider the objection. The decision of the commissioners is binding on the developer and Council, although either party may seek a judicial review of the decision.
- 8.11 Objections may only be made on the grounds that Council has:
- failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the District or parts of the District; or
  - required a development contribution for community facilities not required by, or related to, the development, whether on its own or cumulatively with other developments; or
  - required a development contribution in breach of section 200 of the LGA02; or
  - incorrectly applied the Policy to the development.
- 8.12 Schedule 13A of the LGA02 sets out the objection process. To pursue an objection, the developer must:
- lodge the request for an objection within 15 working days of receiving ~~the development contribution notice~~ the development contribution notice ~~notice to pay a development contribution~~, or within 15 working days of receiving the outcome of any request for a reconsideration; and
  - lodge the request by email to: [developmentcontributions@wcc.govt.nz](mailto:developmentcontributions@wcc.govt.nz) and in the email note the grounds for the objection and provide any supporting information, and
  - pay a deposit.

8.13 Objectors are liable for Council's actual and reasonable costs incurred in the objection process including staff arranging and administering the process, commissioner's time, and other costs incurred by Council associated with any hearings such as room hire and associated expenses, as provided by section 150A of LGA02. However, objectors are not liable for the fees and allowances costs associated with any Council witnesses.

## **9 Other operational matters**

### ***Refunds***

- 9.1 Sections 209 and 210 of the LGA02 state the circumstances where development contributions must be refunded, or land returned. In summary, Council will refund development contributions paid if:
- the resource consent:
    - lapses under section 125 of the RMA; or
    - is surrendered under section 138 of the RMA; or
  - the building consent lapses under section 52 of the Building Act 2004; or
  - the development or building in respect of which the resource consent or building consent was granted does not proceed; or
  - Council does not provide the reserve or network infrastructure for which the development contributions were required.
- 9.2 Council will also provide refunds where overpayment has been made (for whatever reason).
- 9.3 Council may retain any portion of a development contribution referred to above of a value equivalent to the costs incurred by Council in relation to the development or building and its discontinuance.
- 9.4 Council may retain a portion of a development contribution (or land) refunded of a value equivalent to:
- Any administrative and legal costs it has incurred in assessing, imposing, and refunding a development contribution or returning land for network infrastructure or community infrastructure development contributions.
  - Any administrative and legal costs it has incurred in refunding a development contribution or returning land for reserve development contributions.

9.5 Development contributions for reserves are taken to support a 10-year programme. Consequently, a 10-year period shall apply for the purposes of section 210(1)(a) of the LGA02.

***Limitations on Imposing Development Contributions***

9.6 Council is unable to require a development contribution in certain circumstances, as outlined in section 200 of the LGA02, if, and to the extent that:

- it has, under section 108(2)(a) of the RMA, imposed a condition requiring a financial contribution on a resource consent in relation to the same development for the same purpose; or
- the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure; or
- a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure or community infrastructure.

~~9.7~~ In summary, development contributions will only be imposed where the same reserve, network infrastructure or community infrastructure is not being funded by any other revenue or funding sources, or in-kind or vested assets, or Council has already required a development contribution for the same purpose in respect of the same building work, ~~whether on the granting of a building consent or a certificate of acceptance.~~

9.8 However, the Council may require another development contribution to be made for the same purpose if the further development contribution is required to reflect an increase in the scale or intensity of the development since the original contribution was required.

9.9 In addition, Council will not require a development contribution in any of the following cases:

- Where, except in the case of a new dwelling, building work for which a building consent has a GFA of less than 10m<sup>2</sup>, unless the building consent is for a change of use.
- Where, in relation to any dwelling, replacement development, repair or renovation work generates no additional demand for reserve or network infrastructure.
- The development is being undertaken by Council. This exemption does not apply to developments undertaken by or on behalf of Council organisations, Council-controlled organisations or Council-controlled trading organisations, as defined in section 6 of the LGA02.
- The conversion of an existing unit developments into unit titles. This does not apply to any building consents required as part of any changes to existing units, which the Council will still assess to determine if development contributions are applicable.



- Where a building consent is for a bridge, dam (confined to the dam structure and any tail race) or other public utility.
- The application for a resource or building consent, authorisation, or certificate of acceptance is made by the Crown.
- In rural areas for stormwater development contributions, where no Council stormwater systems are provided.
- For water and/or wastewater development contributions if a development does not connect to Council's water supply and/or wastewater reticulation systems.

### ***Works and services conditions under the RMA***

9.10 The Council may impose a condition under s108(2)(c) of the RMA requiring works or services, in the form of isolated and localised infrastructure, to be undertaken to mitigate potential adverse effects arising from a proposed development. For instance, the Council may impose a condition of consent requiring retention tanks for delayed discharge of waste or storm water where there would otherwise be an adverse effect on the waste or storm water network if it was not provided. Where this occurs, it does not offset the payment of a development contribution or financial contribution, which fund planned Council infrastructure.

### ***Maximum development contributions for reserves***

9.11 Section 203 of the LGA02 prohibits Council from charging development contributions for reserves that exceed the greater of:

- 7.5% of the value of the additional lots created by a subdivision; and
- the value equivalent of 20m<sup>2</sup> of land for each additional household unit or accommodation unit created by the development.

9.12 If the reserves development contribution would be more than 7.5% of the market value of a lot, as evidenced by a valuation supplied by a registered valuer, the reserves development contributions are capped at 7.5% of the valuation.

9.1 For example, the development contributions for reserves Grenada-Lincolnshire is \$2,098 (GST inc) per EHU, which translates to 7.5% of an allotment value of approximately \$27,973. If the lot is valued at less than \$27,973, the reserves development contribution will be capped at 7.5% of the valuation of the lot.

9.2 Council reserves the right to seek a second valuation from another registered valuer. If there is a material difference between valuations, Council and the developer can agree to either:

- use the average of the two valuations; or
- refer the matter to a third registered valuer to arbitrate an agreement between valuers.

## ***Postponement***

- 9.3 Postponement of development contribution payment will only be permitted at Council's discretion and usually only:
- for development contributions over \$50,000; and
  - where a bond or guarantee equal in value to the payment owed is provided.
- 9.4 The request for postponement must be made before a payment becomes due.
- 9.5 Bonds or guarantees:
- Will only be accepted from a registered trading bank.
  - Shall be for a maximum period of 24 months beyond the normal payment date set out in the Policy, subject to later extension as agreed by Council.
  - Will have an interest component added, at an interest rate of 2 percent per annum above the Reserve Bank 90-day bank bill rate on the day the bond or guarantee document is prepared. The bonded or guaranteed sum will include interest, calculated using the maximum term set out in the bond or guarantee document. If Council agrees to an extension of the term of the bond or guarantee beyond 24 months, the applicable interest rate will be reassessed from the date of Council's decision and the bonded or guaranteed sum will be amended accordingly.
  - Shall be based on the GST inclusive amount of the contribution.
- 9.6 At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately to Council.
- 9.7 If the discretion to allow a bond is exercised, all costs for preparation of the bond documents will be met by the applicant.
- 9.8 When considering a request for postponement, Council will take into account:
- The purpose of development contributions, Council's financial modelling, and Council's funding and financial policies.
  - The extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.
  - Any other matter(s) that Council considers relevant.

### ***Development Agreements***

9.9 Council may enter into specific arrangements with a developer for the provision and funding of particular infrastructure under a development agreement, including the development contributions payable, as provided for under sections 207A-207F of the LGA02. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under the Policy.

### ***Remissions***

9.10 Council may remit all or part of a development contribution at its complete discretion. Council will only consider exercising its discretion in exceptional circumstances. Applications made under this part will be considered on their own merits and any previous decisions of Council will not be regarded as binding precedent.

9.11 Any request for remission must be made in writing and set out the reasons for the request. The request must be made:

- within 15 working days after Council has issued a notice for the development contribution payable; and
- before the development contribution payment is made to Council.

9.12 Council will not allow retrospective remissions of development contributions.

9.13 Council delegates to the chief executive officer, in conjunction with the Chair of the Regulatory Processes Committee, with authority to delegate to officers, the authority to make a decision on a request for remission.

9.14 When considering a request for remission, Council will take into account:

- the purpose of development contributions, Council's financial modelling and Council's funding and financial policies
- the extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Council in its capital works programme
- any other matters that Council considers relevant.

### **Green Building Remission**

- 9.15 To encourage economic development and recognise the strategic importance of green star rated buildings a standard remission equating to 50% of the total standard assessed charge can be applied for developments that meet the criteria outlined below.
- 9.16 A remission of the standard development contributions calculated may apply under the following conditions and criteria:
- If the building is a commercial or mixed development of greater than 10 equivalent household units it must have received a 5 Star Green Star Certified Rating or equivalent or higher.
  - Remission application timeframes:
    - For Green Star Certified Rating, the remission must be applied for within 12 months of registration for certification with the New Zealand Green Building Council, or
    - For equivalent rating, the remission must be applied for within 12 months of the development contributions being assessed by the Council
  - The remission will only apply to the standard development contribution assessment made on the property.
  - The remission will not be available retrospectively once the Council has invoiced the development contributions charge.
- 9.17 The granting of green building remissions is delegated to the Chief Executive Officer.

### **Financial Contributions**

#### **10 Summary of financial contributions under the district plan**

- 10.1 Council may charge financial contributions under the RMA in the District for stormwater, sewer (wastewater), water, traffic and reserves.
- 10.2 Section 3.4 of the Operative Wellington City District Plan (District Plan) sets out the policies and rules for the imposition of conditions requiring financial contributions for land use and subdivision consents. These are distinct from and in addition to development contributions taken under this Policy.

- 10.3 Financial contributions may be imposed where individual developments give rise to capital expenditure that is not planned and recovered via development contributions. If this is the case, Council may impose a financial contribution as a condition of a land use or subdivision consent, in accordance with sections 3.4 to 3.4.6 of the Financial Contributions section in the District Plan.
- 10.4 Further information on financial contributions can be found in the District Plan. The District Plan can be found on Council's website [www.wellington.govt.nz](http://www.wellington.govt.nz).

## 11 Definitions

11.1 In the Policy, unless the context otherwise requires, the following applies:

**Actual increased demand** means the demand created by the most intensive residential and non-residential use(s) likely to become established in the development within 10 years from the date of the application

**Accommodation unit** has the meaning given in section 197 of the LGA02.

**Activity** means the provision of facilities and amenities within the meaning of network infrastructure, reserves, or community infrastructure for which a development contribution exists under the Policy.

**Allotment (or lot)** has the meaning given to allotment in section 218(2) of the RMA.

**Asset Management Plan** means Council plan for the management of assets within an activity that applies technical and financial management techniques to ensure that specified levels of service are provided in the most cost-effective manner over the life-cycle of the asset.

**Bedroom** means any habitable space within a residential unit capable of being used for sleeping purposes and can be partitioned or closed for privacy including spaces such as a "games", "family", "recreation", "study", "office", "sewing", "den", or "works room" but excludes:

- any kitchen or pantry;
- bathroom or toilet;
- laundry or clothes-drying room;
- walk-in wardrobe;
- corridor, hallway, or lobby;
- garage; and
- any other room smaller than 6m<sup>2</sup>.

Where a residential unit has any living or dining rooms that can be partitioned or closed for privacy, all such rooms except one shall be considered a

bedroom.

**Capacity life** means the number of years that the infrastructure will provide capacity for and associated EHUs.

**Catchment** means the areas within which development contributions charges are determined and charged.

**Commercial activity** means any activity trading in goods, equipment or services. It includes any ancillary activity to the commercial activity (for example administrative or head offices). [See the National Planning Standards 2019.](#)

**Community facilities** means reserves, network infrastructure, or community infrastructure as defined by the LGA02, for which development contributions may be required.

**Community infrastructure** means:

- land, or development assets on land, owned or controlled by Council for the purpose of providing public amenities; and
- includes land that Council will acquire for that purpose.

**Council** means Wellington City Council.

**Development** means any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure (but does not include the pipes or lines of a network utility operator).

**District** means the Wellington District.

**Greenfield development** means a proposal that creates new residential or rural residential areas, and without limiting this definition in any way, includes residential or rural residential on land that is or was zoned rural or open space.

**Gross floor area (GFA)** means the sum of the total area of all floors of a building or buildings (including any void area in each of those floors, such as service shafts, liftwells or stairwells) measured:

- where there are exterior walls, from the exterior faces of those exterior walls;
- where there are walls separating two buildings, from the centre lines of the walls separating the two buildings;
- where a wall or walls are lacking (for example, a mezzanine floor) and the edge of the floor is discernible, from the edge of the floor.

[See the National Planning Standards 2019.](#)

**See the exclusions [from GFA for calculating development contributions under section 7.10 of this policy \(for example stairwells\).](#)**

**Equivalent Household Units (EHU)** means demand for Council services equivalent to that produced by a nominal household in a standard residential unit.

**Industrial activity** means an activity that manufactures, fabricates,

processes, packages, distributes, repairs, stores, or disposes of materials (including raw, processed, or partly processed materials) or goods. It includes any ancillary activity to the industrial activity.

**LGA02** means the Local Government Act 2002.

**Network infrastructure** means the provision of transportation (roading), water, wastewater and stormwater infrastructure.

**Policy** means this Development Contributions Policy.

**Reserve** means land for public open space and improvements to that land needed for it to function as an area of usable green open space. This land is used for recreation, sporting activities and the physical welfare and enjoyment of the public, as well as for the protection of the natural environment and beauty of the countryside (including landscaping, sports and play equipment, walkways and cycleways, carparks, and toilets). In the Policy, reserve does not include land that forms, or is to form, part of any road ; or is used, or is to be used, for stormwater management purposes.

**Residential unit** means building(s) or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities. [See the National Planning Standards 2019.](#)

**Residential activity** means the use of land and building(s) for people's living accommodation. [See the National Planning Standards 2019.](#)

**Retail activity** means any activity trading in goods, equipment or services that is not an industrial activity or commercial activity.

**RMA** means the Resource Management Act 1991.

**Service connection** means a physical connection to an activity provided by, or on behalf of, Council (such as water, wastewater or stormwater services).

**Small residential unit** means a residential unit which only has one bedroom and includes a studio unit/apartment that does not have a separate bedroom.

## PART 2: POLICY DETAILS

### 12 Requirement to have a policy

12.1 Council is required to have a policy on development contributions and financial contributions as a component of its funding and financial policies in its Long-term Plan (LTP) under section 102(2)(d) of the LGA02. The Policy meets this requirement.

### 13 Funding summary

13.1 Council plans to incur around \$2.8 billion on community facilities partially or wholly needed to meet the increased demand for community facilities resulting from the asset investment that has a growth component. This includes works undertaken in anticipation of growth, and future planned works. The total amount to be funded by development contributions is nearly \$300 million.

13.2 Table 9 provides a summary of the total costs of growth-related capital expenditure and the funding sought by development contributions for all activities and catchments.

**Table 9. Total cost of capital expenditure for growth and funding sources**

<b>Community Facilities</b>	<b>Total Cost of Capital Works (\$000)</b>	<b>Total Growth Component to be funded by Development Contributions (\$000)</b>
Parks and Reserves - Catchment	22,145	16,153
Parks and Reserves -City Wide	298,364	19,500
Transport - Catchment	65,934	38,083
Transport - City Wide	909,150	48,136
Storm Water - City Wide	172,569	10,517
Wastewater - City Wide	466,949	5,240
Wastewater - Catchment	155,750	59,904
Water Supply - Catchment	144,592	65,873
Water Supply - City Wide	400,039	18,043
Community Infrastructure -City Wide	167,113	17,450
<b>Total</b>	<b>2,802,618</b>	<b>298,894</b>



## 14 Funding policy summary

### ***Funding growth expenditure***

14.1 The Long Term Plan sets out that the long-term population forecast for the City is growth of between 50,000 to 80,000 over the next 30 years.

14.2 Population and business growth create the need for new subdivisions and development, and these place increasing demands on the assets and services provided by Council. Accordingly, significant investment in new or upgraded assets and services are required to meet the demands of growth.

14.3 Council has decided to fund these costs from:

- Development contributions under the LGA02 for:
  - Water
  - Wastewater
  - Stormwater
  - Transport
  - Reserves
  - Community infrastructure
- Financial contributions under the RMA where individual developments give rise to capital expenditure that is not covered by development contributions, for:
  - Stormwater
  - Sewer (wastewater)
  - Water
  - Transport
  - Reserves

14.4 In forming this view, Council has considered the matters set out in section 101(3) of the LGA02 within its Revenue and Financing Policy, and within the Policy.

14.5 The Revenue and Financing Policy is Council's primary and over-arching statement on its approach to funding its activities. It outlines how all activities will be funded, and the rationale for Council's preferred funding approach.

14.6 In addition, Council is required under section 106(2)(c) of the LGA02 to explain within the Policy why it has decided to use development contributions and financial contributions to fund capital expenditure relating to the cost of growth. This assessment is below.

***Community outcomes (section 101(3)(a)(i))***

14.7 Council has considered whether development contributions and financial contributions are an appropriate source of funding considering each activity, the outcomes sought, and their links to growth infrastructure. Council has developed four community outcomes to help achieve its vision of an inclusive, sustainable and creative capital for people to live, work and play:

- **Environmental** - a sustainable, climate friendly eco capital: A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations
- **Social** - A people friendly, compact, safe, and accessible capital city: An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe, and healthy
- **Cultural** - An innovative, inclusive, and creative city: Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve, and enjoy arts, culture, and heritage.
- **Economic** - A dynamic and sustainable economy: The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future.

14.8 Charging new development for the additional infrastructure ensures a fair contribution to the planned work to support the community outcomes, including funding and investment to (for example):

- lift the resilience of the three waters system, including the construction of the Omāroro reservoir to serve a larger population, and infrastructure to lift water quality
- ensure the transport system provides efficient and reliable access across the City to support growth
- continue investment in parks in the context of a growing population.

***Other funding decision factors (sections 101(3)(a)(ii) – (v))***

14.9 Council has considered the funding of growth-related community facilities against the following matters:

- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals, and the extent to which the actions or inaction of particular groups or individuals

contribute to the need to undertake the activity.

- The period in or over which those benefits are expected to occur.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

14.10 A summary of this assessment is below.

**Table 10: Other funding decision factors**

<p>Who Benefits / whose act creates the need</p>	<p>A significant portion of Council’s work programme over the next 10 years is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth is serviced by, and benefits from, an asset or programme, and how much it serves and benefits existing ratepayers, is determined for each asset or programme.</p> <p>Council believes that the growth costs identified through this process should be recovered from development, as this is what creates the need for the expenditure and /or benefits principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents and businesses, those costs are recovered through rates.</p> <p>The Catchment determination section below outlines how Council determined the catchments for development contributions in the Policy.</p>
<p>Period of benefit</p>	<p>The assets constructed for development provide benefits and capacity for developments now and developments in the future. In many cases, the “capacity life” of such assets spans decades.</p> <p>Development contributions allow development related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to their cost, regardless of whether the developments happen now or in the future.</p> <p>Financial contributions are used for works and services for new use and development not covered by development contributions.</p>
<p>Funding sources &amp; rationale including rationale for separate funding</p>	<p>The cost of supporting development in the District is significant. Development contributions and financial contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth.</p> <p>The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development contributions.</p>

### ***Overall impact of liability on the community (section 101(3)(b))***

- 14.11 The Council considers it is appropriate that development contributions fund additional capacity in water supply, wastewater, stormwater, transport, reserves and community infrastructure. The benefits of this additional capacity mainly accrue to new households (EHUs) and businesses generating demand for that capacity. Development contributions paid by developers are likely to be passed on through section and building prices to the residents of new households and businesses. Existing residents and businesses, however, gain a much reduced benefit from the infrastructure and resulting growth in the City, and therefore they should not be required to fund the majority of the costs (where the benefit accrues to new developments) through rates.
- 14.12 Conversely, the cost of maintaining or improving levels of service provided by the City's infrastructure to the existing population cannot be included in capital expenditure to be funded out of development contributions, as this expenditure does not exclusively benefit developers or new households.
- 14.13 Ensuring adequate levels and balance between the various sources of funding to provide appropriate infrastructure is central to promoting the purpose of local government. Funding the cost of providing increased capacity in the city's infrastructure through development contributions rather than rates serviced debt promotes equity between existing residents and newcomers.

## **15 Catchment determination**

- 15.1 When setting development contributions, Council must consider how it sets its catchments for grouping charges by geographic area.
- 15.2 The LGA02 gives Council wide scope to determine these catchments, provided that:
- The grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
  - Grouping by geographic area avoids grouping across an entire district wherever practical.
- 15.3 Council has determined that there will be:
- Five transport catchments
  - Thirteen specific water supply catchments
  - Three wastewater catchments
  - An inner city catchment and greenfield catchments for reserves.
- 15.4 The Council has also determined city-wide catchments for:
- network infrastructure for transport and the water supply,

stormwater and wastewater reticulation networks;

- reserves that are destination amenities; and
- community infrastructure.

15.5 Council considers that this strikes the right balance between practical and administrative efficiency, and considerations of fairness and equity for the following reasons:

- Keeping the policy as simple as practicable
- Providing flexibility to deliver growth infrastructure where it is most needed
- Reconciling the contributions as closely as practicable to the areas where developments have generated the need for capital expenditure on new assets, or assets of increased capacity.

15.6 The more specific catchments at 15.3 and their boundaries are based on communities of interest, the geography of the district, the characteristics of the infrastructure and service it provides, and the common benefits received across the geographical area supplied by the infrastructure being funded by development contributions. Projects or programmes that provide capacity and benefits for more than one catchment are attributed to all relevant catchments, and growth costs are shared among those catchments.

15.7 Specific catchments have been defined as follows:

- Transport – there are five catchments related to three new roading areas and two significant upgrade areas
- Water supply – these are based on the 13 specific water supply catchments where identified water reservoirs and pumping station upgrades are required to provide for growth, as these are the most numerous type of catchment, they are listed first, and other catchments will be allocated to one of these
- Wastewater – these are based on the service areas of the three wastewater treatment plants at Moa Point, Western (Karori) and Porirua (Northern Suburbs). The Moa Point and Western plants were built to provide significant capacity for growth over a long period of time.
- Reserves – an inner city catchment (including Pipitea) and for Greenfield development.
- Stormwater – stormwater is only allocated citywide and is incorporated into the citywide contribution.

15.8 The citywide catchment is used where it is not practical to break down a project of programme into individual catchments. In particular, a citywide catchment is applied to:

- Network infrastructure where the systems are characterised by interdependent components where development growth adversely impacts other areas of the network if action is not taken

to mitigate those effects. The network infrastructure attracting citywide development contributions will comprise transport and the water supply, stormwater and wastewater reticulation networks.

- Reserves that are destination amenities used by groups from across the city such as the Botanic Gardens.
- Community infrastructure used by groups from across the city such as the library and sportfields.

15.9 The catchments with project capital expenditure for growth and related EHU charges are listed in Schedule 1.

15.10 The citywide catchment for water excludes catchments I and J, as water is supplied directly from the bulk water main and does not rely on the wider city network. The water supply distribution network in these catchments will be provided by developers at their cost as they develop within the catchments.

## **16 Significant assumptions of the policy**

### ***Methodology***

16.1 In developing a methodology for the development contributions in the Policy, Council has taken an approach to ensure that the cumulative effect of development is considered across each catchment.

### ***Planning horizons***

16.2 A 10-year timeframe has been used as a basis for forecasting growth and growth-related assets and programmes. This is set out in Council's asset management plans.

### ***Projecting growth***

16.3 As set out earlier, the Long Term Plan sets out that the long-term population forecast for the City is growth of between 50,000 to 80,000 over the next 30 years. The District has experienced steady population and economic growth, and this growth is forecast to increase further. Figures provided by Informed Decisions, commissioned by Wellington City Council, indicate steady population growth in the District, with the number of residents increasing by 0.7% per annum since 2013 (as forecast to 2043). This equates to 13,894 households. The suburbs with the predicted greatest increase in population between 2021 and 2041 are the City Centre, Te Aro, and Newtown as a result of intensification. There is also high growth in the Grenada Village-Paparangi-Woodridge-Horokiwi areas as a result of greenfield developments.

16.4 The average household size is projected to reduce slightly from 2.62 persons in 2013 to 2.52 by 2043.

16.5 In terms of business growth, the majority of business growth in Wellington City will be in the commercial and government sectors. The CBD has the most capacity for redevelopment for commercial and retail activities and remains attractive for a mix of business uses. It is likely that the commercial and government growth will be met by redevelopment of the CBD rather than other business areas. The CBD is the main supplier of retail floorspace at present and there is minimal growth projected in retail in the next 20 years.

16.6 Using Informed Decisions (2020) forecasts and a commercial growth study as a base, the key assumptions about future growth are:

- Years 2021-2031:
  - Population growth in the District of around 0.7% (or around 1,571 people) per annum.
  - Residential unit growth in the District of around 0.9% (or around 761 households) per annum.

- Development of around 8,905m<sup>2</sup> GFA annually for business space, primarily through redevelopment of existing business land.
- Years 2031-2041:
  - Population growth in the District of around 0.57% (or around 1,332 people) per annum.
  - Residential unit growth in the District of around 0.7% (or around 627 households) per annum.
  - Development of around 14,780m<sup>2</sup> GFA annually for business space primarily through redevelopment of existing business land.

16.7 Council forecasts demand of approximately 5,639 EHUs for business development over the next 20 years to accommodate:

- Population growth with related business land; and
- Government and commercial sectors demanding business space.

16.8 Lincolnshire Farm will provide around 45 hectares for business activities. An area known as Hyde Farm, next to the Grenada North industrial area, is proposed to be rezoned for general industrial. However, demand for industrial land is projected to drop as a result of a number of factors, ranging from changes in the nature of industrial activity, the impacts of natural hazards, the availability of transport infrastructure and land prices.

16.9 The combined demand forecast is approximately 19,533 EHUs over 20 years – 13,894 EHUs for households and 5,639 EHUs for business. Further information about these forecasts can be found in Council's 2021-2031 Long-term Plan and on Council's website [wellington.govt.nz](http://wellington.govt.nz). EHU growth catered for in each project, and the areas it relates to, are set out in Schedule 2.

***Best available knowledge***

16.10 Development contributions are based on capital expenditure budgets included in Council's asset management plans. The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. As better information becomes available the Policy will be updated, generally through the Annual Plan process.



### ***Key risks/effects***

16.11 There are two key risks and resulting effects associated with administering development contributions. These are:

- That the growth predictions do not eventuate, resulting in a change to the assumed rate of development. In that event, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding predictions, as required.
- That the time lag between expenditure incurred by Council and development contributions received from those undertaking developments is different from that assumed in the funding model, and that the costs of capital are greater than expected. This would result in an increase in debt servicing costs. To guard against that occurrence, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models, as required.

### ***Service assumptions***

16.12 It is assumed that methods of service delivery and levels of service will remain substantially unchanged and in accordance with Council's Long-term Plan, asset management plans and technical specifications, land development manual and engineering standards.

### ***Funding model***

16.13 A funding model has been developed to calculate development contributions under the Policy. It accounts for the activities for which contributions are sought, the assets and programmes related to growth, forecast growth and associated revenue. The funding model embodies several important assumptions, including that:

- All capital expenditure estimates are inflation adjusted and GST exclusive.
- The levels of service (LOS)/backlog, renewal and maintenance portions of each asset or programme will not be funded by development contributions. See the Cost allocation section below.
- The growth costs associated with an asset are spread over the capacity life of the asset and any debt incurred in relation to that asset will be fully repaid by the end of that capacity life.
- Interest expenses incurred on debt accrued may be recovered via development contributions and shared equally over all forecast EHUs over a 20-year period for each activity/catchment. At this stage the methodology in this Policy does not provide for the collection of interest expenses.

## **Cost allocation**

16.14 Council must consider how to allocate the cost of each asset or programme between three principal drivers – growth, LOS/backlog, and renewal. Council’s general approach to cost allocation is summarised as:

- Where a project provides for and benefits only growth, 100% of a project’s cost is attributed to growth. To qualify for this, there would have to be no renewal element (see below) or material level of service benefit or capacity provided for existing residents and businesses.
- If a project provides for growth, renewals and LOS, the Council will remove any renewal share of the costs and will split the cost between growth and LOS. This split is decided on a project-by-project basis, identified when the activity is set up, and will be based on the proportion that:
  - Will benefit the existing community (in EHUs); and
  - Will provide for growth (in EHUs).

16.15 For particularly large and expensive projects, Council may undertake a specific cost apportionment assessment that differs from the general approach outlined above.

## **17 Calculating the development contributions**

17.1 This section outlines how the development contributions were calculated in accordance with section 203 and Schedule 13 of the LGA02.

### **Process**

17.2 The steps needed to determine growth, growth projects, cost allocations, and to calculate the development contributions charges are summarised in Table 11.

**Table 11: Summary of development contribution calculation methodology**

<b>Step</b>	<b>Description / comment</b>	<b>Examples and References</b>
1. Forecast growth	Council estimates potential land supply and likely take up of that land. The estimates help provide household and business growth forecasts for up to 30 years.	Refer Section 16.3, projecting growth.
2. Identify projects required to facilitate growth	Council develops the works programme needed to facilitate growth. In some cases, Council may have already undertaken the work. The programme in the Policy is for 10 years – however some projects will be	Refer Schedules 1 and 2. Examples: <ul style="list-style-type: none"> <li>• Moa Point which serves most parts of the city was constructed to accommodate an additional 44,379 EHU</li> </ul>

Step	Description / comment	Examples and References
	in the schedule until their capacity life is used up.	<p>more than were in the city at the time of construction, and will continue to incur development contributions until all these 44,379 EHUs have been collected.</p> <ul style="list-style-type: none"> <li>• New roads in Grenada-Lincolnshire are expected to serve 7,219 EHUS and costs are apportioned for these – these are likely to be collected in the next 10 years.</li> </ul>
3. Determine the cost allocation for projects	<p>The cost of each asset or programme is apportioned between renewal, growth, and LOS/backlog in accordance with the approach outlined in the Cost allocation section 16.13 above.</p> <p>Schedules 1 and 2 of the Policy outline the amount required to fund growth from development contributions for each of these assets or programmes.</p>	<p>Refer Schedules 1 and 2. Example of a project (made up for indicative purposes):</p> <p>Replacing a playground built in 1970 at Capital Cost \$120,000.</p> <p>Renewal: \$60,000</p> <p>LOS/backlog: \$40,000 covers requirements for new health and safety regulations and more people who may already in the neighbourhood</p> <p>Growth: \$20,000 spend to make it bigger for an additional 300 families expected int the neighbourhood.</p>
4. Determine growth costs to be funded by development contributions	Council determines whether to recover all of the growth costs identified in step 3 from development contributions, or whether some of the growth costs will be funded from other sources.	In the example, the \$20,000 could be fully funded from DCs. If there were a central government fund for some make safe features, for example, \$5,000 to replace dangerous equipment, this reduces to \$15,000 from development contributions.
5. Divide development contribution funded growth costs by capacity lives	The growth costs from step 4 are divided by the estimated capacity life (defined in EHUs) to provide a charge per EHU for each future and past asset and programme.	Divide the remaining \$15,000 capital by, an estimated 300 new households (300 EHUs) expected in the next 10 years, this will be \$50 per new residential development in the area.
6. Sum all per asset charges	For each catchment and activity, add up the per EHU asset or programme charges to provide a total. For each activity and catchment, development contributions fund the programme on an aggregated basis.	<p>Schedules 1 and 2 provide all the assets and costs to be met from development. Some examples from Schedule 2 are noted below.</p> <p>For each EHU the components are all added, as per Part 1, Table 1.</p>

17.3 Some actual examples to further illustrate the process in Table 11.

- Example 1 presents a citywide charge: Schedule 2 Project CX507 for synthetic turf sportsfields costing \$14.339 million. Around 23% of the need has been attributed to growth, \$3.332 million. The fields are expected to service growth over the next 30 years, estimated at 30,286 EHU. The charge per EHU is therefore \$110 (\$3.332m divided by 30,286). This EHU will be collected until there has been growth of 30,286 EHU. Maintenance and renewal will likely accrue in that time, and will be funded from other sources.
- Example 2 presents a transport catchment charge: There are roading projects in Grenada – Lincolnshire costing \$25,309m. Around 70% of the need for the new roads has been attributed to growth, \$17,969m. An estimated 1,360 EHU are expected in the area, so costs per EHU will be \$6,067 (\$17,969m divided by 1,360).

***Summary of calculations***

17.4 Part 1 Table 1 summarises the calculation of the charge per EHU for each activity and catchment added up at step 6. Part 2 Schedules 1 and 2 provide information on each asset or programme including the information in steps 2 - 5.

## Schedule 1 – Development contribution calculations

Schedule 1 provides the forecast future capital expenditure on assets or programmes attributable to new growth in accordance with section 201A of the LGA02. All figures exclude GST. All charges are provided in Part 1, Tables 1 and 2 of this policy. This Schedule has additional information about the total capital expenditure.

### **Schedule 1.A Capital expenditure prior to 1 July 2005**

They were introduced in 2005 in anticipation of development to be funded by development contributions and are still ongoing.

<b>Activities</b>	<b>Total Capital expenditure incurred prior to 1 July 2005 in anticipation of development to be funded by development contributions (\$000)</b>
Water Supply	5,933
Wastewater	61,662
Stormwater	0
Roading	0
Parks and Reserves	0
Community Infrastructure	-
<b>Total</b>	<b>67,595</b>

### **Schedule 1.B Citywide Infrastructure Contributions**

Charges identified as being citywide for projects with a citywide benefit, which are not attributable to specific catchments. Development contributions for community infrastructure were added in 2022 in accordance with the LGA02. These are all identified as citywide charges. Some could be considered under “Parks and Reserves” and may be reclassified in future. The classification in “Parks and Reserves” or “Community Infrastructure” does not change the part liable for development contribution or total development contributions.

There are no community infrastructure charges for non-residential development.

<b>Activity</b>	<b>Total Cost of Capital Works (\$000)</b>	<b>Total Growth Component to be funded by DCs (\$000)</b>	<b>Citywide DCs \$ per EHU</b>
Community Infrastructure	167,125	17,450	\$576
Parks and Reserves -City Wide	298,364	19,500	\$644
Transport - City Wide	909,150	48,133	\$1,589
Storm Water - City Wide	172,569	10,517	\$347
Wastewater - City Wide	466,949	5,240	\$173
Water Supply - City Wide	400,039	18,043	\$596
<b>Total</b>	<b>2,402,196</b>	<b>118,883</b>	<b>\$3,925</b>

**Schedule 1.C Water supply (by catchment)**

<b>Water Supply Catchment</b>	<b>Total Cost of Capital Works (\$000)</b>	<b>Total Growth Component to be funded by DCs (\$000)</b>	<b>Development Contributions per EHU (\$)</b>
Roseneath	2,550	834	3,267
Karori	6,000	4,595	1,724
Beacon Hill	0	0	-
Brooklyn Frobisher	4,300	2,456	1,575
Kelburn	0	0	-
Johnsonville Onslow	6,800	6,344	1,583
Ngaio	0	0	-
Maldive	0	0	-
Churton - Stebbings	15,307	12,895	2,939
Grenada - Lincolnshire	34,145	22,810	4,082
Maupuia	0	0	-
Newlands	590	93	945
Melrose	2,500	1,806	1,775
Central and Coastal	66,900	9,958	3,238
Tawa	0	0	-
Wadestown	5,500	4,081	2,487
<b>Total</b>	<b>144,592</b>	<b>65,873</b>	

**Schedule 1.D Wastewater**

These charges relate to the three wastewater treatment plants which were built with capacity for population growth.

<b>Catchment</b>	<b>Total Cost of Capital Works (\$000)</b>	<b>Total Growth Component to be funded by DCs (\$000)</b>	<b>Development Contributions per EHU (\$)</b>
Central (Moa Point)	136,700	52,577	1,185
Western (Karori)	12,200	4,692	2,440
Northern (Porirua)	6,850	2,635	722

### **Schedule 1.E Transport**

Three traffic and roading catchments apply to new roads, two as part of the Northern Growth Management Plan, the third recognises growth around the port and rail yards land at the northern gateway to the city. The other two transport catchments are Adelaide Road where some costs are attributed in part to citywide at Schedule 1.B and some to the local area due to a combination of citywide and local growth, and Johnsonville Town Centre where costs are attributed to increased demand from the Northern Growth areas.

<b>Catchment</b>	<b>Total Cost of Capital Works (\$000)</b>	<b>Total Growth Component to be funded by DCs (\$000)</b>	<b>Development Contributions per EHU (\$)</b>
Churton - Stebbings	15,307	8,251	6,067
Grenada - Lincolnshire	25,309	17,969	7,219
Pipitea Precinct	11,409	7,741	2,013
Johnsonville Town Centre	12,684	3,040	2,472
Adelaide Road	1,226	1,081	1,275

### **Schedule 1.F Reserves**

Reserves charges are made citywide and by Inner City Parks Pipitea Precinct and Grenada-Lincolnshire in view of new purchases.

There are no reserves charges for non-residential development.

<b>Catchment</b>	<b>Total Cost of Capital Works (\$000)</b>	<b>Total Growth Component to be funded by DCs (\$000)</b>	<b>Development Contributions per EHU</b>
Inner City Parks (includes Pipitea)	13,309	8,084	1,922
Grenada-Lincolnshire	8,836	8,069	2,098

## Schedule 2: Assets and programmes funded by development contributions

Provides the capital expenditure incurred on assets and programmes attributable to new growth constructed in anticipation of growth, in accordance with section 201A of the LGA02. All figures exclude GST.

Development Contribution Category	Project Description	Sub-Project Description	Map Zone/Citywide Category	Project	Total Cost of Capital Works (\$000)	Total Growth Component to be funded by DCs (\$000)	Total Cost of Capital Works to be funded from other sources (\$000)	Growth EHU	Residential DC Amount	Non-Residential DC Amount
Community Infrastructure -City Wide	Aquatic Facility	Aquatic Facility	Community Infrastructure	(CW) CI -Pools	89,109,745	10,555,265	78,554,480	30,286	349	0
	Branch Library	Branch Library	Community Infrastructure	CX358	21,895,947	2,360,265	19,535,681	30,286	78	0
	Public Convenience	Public Convenience	Community Infrastructure	CX366	26,602,158	305,610	26,296,548	30,286	10	0
	Burial & Cremation	Burial & Cremation	Community Infrastructure	CX369	15,165,235	896,184	14,269,050	30,286	30	0
	Synthetic Turf Sportsfields	Synthetic Turf Sportsfields	Community Infrastructure	CX507	14,339,582	3,332,762	11,006,821	30,286	110	0
<b>Community Infrastructure -City Wide Total</b>					<b>167,125,173</b>	<b>17,450,087</b>	<b>149,675,087</b>	<b>30,286</b>	<b>576</b>	
Reserves - Catchment	Grenada - Lincolnshire	Community park -Lincolnshire Farm land development	J	(c) Parks and Reserves	<del>8,836</del> <u>6,799</u>	<del>8,069</del> <u>6,031</u>	767	3,846	<del>2,098</del> <u>1,568</u>	0
	Inner City Parks	Cobblestone Park	Q (formerly coded KS)		1,122	1,122	0	6,923	162	0
	Inner City Parks	Glover Park	Q		1,711	1,711	0	6,923	247	0
	Inner City Parks	Hannahs Courtyard	Q		7	7	0	6,923	1	0
	Inner City Parks	Midland Park	Q		870	870	0	6,923	126	0
	Inner City Parks	Taranaki/Courtenay Park	Q		1,056	1,056	0	6,923	153	0
	Inner City Parks	Te Aro Park	Q		33	33	0	6,923	5	0
	Inner City Parks	Victoria/Manners Park	Q		39	39	0	6,923	6	0
	Inner City - Waitangi Park	Waitangi Park	Q		5,225	0	5,225	6,923	755	0
	Other Inner City Parks	Inner City Park	Q		3,246	3,246	0	6,923	469	0
	<b>Total Inner City Parks</b>				<b>13,309</b>	<b>8,084</b>	<b>5,225</b>		<b>1,922</b>	<b>0</b>
<b>Parks and Reserves - Catchment Total</b>					<b>22,145</b>	<b>16,153</b>	<b>5,992</b>		<b>4,021</b>	<b>0</b>
Reserves -City Wide	Central City Framework		Reserves	CX406	39,026	522	38,504	30,286	17	
	Central City Lighting and Greening		Reserves	CX410	2,477	236	2,241	30,286	8	
	Clyde Quay/Oriental Bay		Reserves	CX454	249	25	224	30,286	1	
	Cobham Drive beach		Reserves	CX453	774	70	704	30,286	2	
	Evans Bay patent slip		Reserves	CX451	1,155	12	1,143	30,286	0	
	Parks and Gardens		Reserves	CX290	1,299	121	1,178	30,286	4	
					<del>17,795</del>	<del>6,525</del>	<del>11,271</del>		<del>215</del>	
	Property Purchases - Reserves		Reserves	CX033	<u>10,139</u>	<u>3,406</u>	<u>6,732</u>	30,286	<u>112</u>	
	Suburban greening initiatives		Reserves	CX044	305	31	275	30,286	1	
	Wgtn Waterfront Development		Reserves	CX131	64,900	4,161	60,739	30,286	137	
	Skateboard facilities		Reserves	CX065	111	11	100	30,286	0	



	Oriental Bay beach	Reserves	CX156	1,821	182	1,639	30,286	6	
	Playgrounds	Reserves	CX181	27,121	1,829	25,293	30,286	60	
	Park Structures	Reserves	CX284	15,206	376	14,830	30,286	12	
	Coastal	Reserves	CX290	12,496	656	11,840	30,286	22	
	Artificial Surfaces	Reserves	CX344	564	28	536	30,286	1	
	Sportsfields	Reserves	CX345	31,184	1,288	29,896	30,286	43	
	Botanic Garden	Reserves	CX348	33,478	1,578	31,899	30,286	52	
	Walkways	Reserves	CX435	14,638	637	14,002	30,286	21	
	Parks Infrastructure	Reserves	CX436	10,611	416	10,195	30,286	14	
	Town Belt & Reserves	Reserves	CX437	12,657	628	12,029	30,286	21	
	Cog Park	Reserves	CX455	1,713	171	1,542	30,286	6	
<b>Parks and Reserves -City Wide Total</b>				<b>298,364</b>	<b>19,500</b>	<b>278,864</b>		<b>644</b>	<b>0</b>
Storm Water - City Wide	Stormwater Flood Protection	Storm water	CX031	5,791	145	5,646	30,286	5	5
	Stormwater - Network	Storm water	CX031	166,779	10,372	156,407	30,286	342	342
<b>Storm Water - City Wide Total</b>				<b>172,569</b>	<b>10,517</b>	<b>162,053</b>		<b>347</b>	<b>347</b>
Transport - Catchment	Adelaide Road	S	(c) Transport	1,226	1,081	145	848	1,275	1,275
	<b>Total Adelaide Road</b>			<b>1,226</b>	<b>1,081</b>	<b>145</b>	<b>848</b>	<b>1,275</b>	<b>1,275</b>
	Churton - Stebbings	Cortina to Ohariu	I	1,428	586	843	1,360	431	431
	Churton - Stebbings	Ohariu to Westchester	I	3,348	<del>3,348</del>	<del>0</del>	1,360	<del>2,462</del>	<del>2,462</del>
	Churton - Stebbings	Westchester to Glenside	I	10,531	4,318	6,213	1,360	3,175	3,175
	<b>Total Churton - Stebbings</b>			<b>15,307</b>	<b>8,251</b>	<b>7,056</b>	<b>0</b>	<b>4,615</b>	<b>4,615</b>
	Grenada - Lincolnshire	Mark Ave Extension	J	2,839	2,016	823	2,489	810	810
	Grenada - Lincolnshire	Mark Ave to Grenada North	J	11,313	8,032	3,281	2,489	3,227	3,227
	Grenada - Lincolnshire	Mark Ave to Lincolnshire	J	5,648	4,010	1,638	2,489	1,611	1,611
	Grenada - Lincolnshire	Grenada to Gracefield	J	1,070	759	310	2,489	305	305
	Grenada - Lincolnshire	Woodridge to Lincolnshire	J	4,439	3,152	1,287	2,489	1,266	1,266
	<b>Total Grenada - Lincolnshire</b>			<b>25,309</b>	<b>17,969</b>	<b>7,340</b>	<b>0</b>	<b>7,219</b>	<b>7,219</b>
	Johnsonville Town Centre	R	(c) Transport	12,684	3,040	9,644	1,230	2,472	2,472
	Pipitea Precinct	T (formerly coded KN)	(c) Transport	11,409	7,741	3,668	3,846	2,013	2,013
<b>Transport - Catchment Total</b>				<b>68,630</b>	<b>38,551</b>	<b>30,080</b>		<b>19,598</b>	<b>19,598</b>
Transport - City Wide	Bus Priority Planning	Transport	CX492	10,950	473	10,477	30,286	16	16
	Vehicle Network New Roads	Transport	CX311	45,471	8,258	37,213	30,286	273	273

Pedestrian Network Accessways		Transport	CX109	6,826	334	6,492	30,286	11	11
Pedestrian Network Structures		Transport	CX091	8,661	424	8,236	30,286	14	14
Residential street lighting		Transport	CX351	113	6	107	30,286	0	0
Road Corridor New Walls		Transport	CX098	40,988	2,008	38,980	30,286	66	66
Road Risk Mitigation		Transport	CX350	29,014	1,422	27,592	30,286	47	47
Shape & Camber Correction		Transport	CX092	64,297	3,151	61,146	30,286	104	104
Special pavement surfaces		Transport	CX482	386	19	367	30,286	1	1
Northern Growth Management Framework		Transport	CX447	(43)	0	(43)	30,286	0	0
Roading Capacity		Transport	CX377	31,918	805	31,113	30,286	27	27
Safety Street Lighting		Transport	CX096	35,788	128	35,660	30,286	4	4
Walking		Transport	CX099	49,179	2,410	46,770	30,286	80	80
Footpath extensions		Transport	CX099	0	0	0	30,286	0	0
Roadside Parking		Transport	CX319	6,004	294	5,710	30,286	10	10
Thin Asfalt Road Surface		Transport	CX088	27,398	1,342	26,055	30,286	44	44
Reseals		Transport	CX089	84,767	4,154	80,613	30,286	137	137
Preseal Preparation		Transport	CX090	70,769	3,468	67,301	30,286	114	114
Roading and city centre		Transport	CX444	165	8	157	30,286	0	0
Accident reduction		Transport	CX019	94	5	89	30,286	0	0
Sumps Flood Mitigation		Transport	CX093	8,217	403	7,814	30,286	13	13
Traffic and street signs		Transport	CX095	29,620	1,451	28,168	30,286	48	48
Rural road		Transport	CX097	1,835	90	1,745	30,286	3	3
Service Lane		Transport	CX101	2,487	122	2,365	30,286	4	4
Research and development		Transport	CX104	30	1	29	30,286	0	0
Cycling		Transport	CX112	253,180	12,406	240,774	30,286	410	410
Passenger transport network		Transport	CX135	281	14	267	30,286	0	0
Tunnel and bridge		Transport	CX165	24,500	1,200	23,299	30,286	40	40
Minor Safety		Transport	CX171	56,489	2,768	53,721	30,286	91	91
Traffic calming		Transport	CX232	278	14	264	30,286	0	0
Tawa road		Transport	CX379	74	4	71	30,286	0	0
Bus shelter		Transport	CX431	343	17	326	30,286	1	1
Safer Roads		Transport	CX445	19,073	935	18,138	30,286	31	31
<b>Transport - City Wide Total</b>				<b>909,150</b>	<b>48,133</b>	<b>861,017</b>		<b>1,589</b>	<b>1,589</b>

Wastewater - Catchment	Central (Moa Point)	Central (Moa Point) Treatment Plant	A,C,D,E,F,G,H,K,N,Q,S	(c) Waste Water	136,700	52,577	84,123	44,379	1,185	1,185
	Northern (Porirua)	Northern (Porirua) Treatment Plant	I,J,L,P,R	(c) Waste Water	6,850	2,635	4,215	3,648	722	722
	Western (Karori)	Western (Karori) Treatment Plant	B,M	(c) Waste Water	12,200	4,692	7,508	1,923	2,440	2,440

<b>Wastewater - Catchment Total</b>					<b>155,750</b>	<b>59,904</b>	<b>95,846</b>		<b>4,347</b>	<b>4,347</b>
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Wastewater - City Wide	Wastewater - Network	Waste water	CX334		466,949	5,240	461,709	30,286	173	173
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<b>Wastewater - City Wide Total</b>					<b>466,949</b>	<b>5,240</b>	<b>461,709</b>		<b>173</b>	<b>173</b>
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Water Supply - Catchment	Beacon Hill	Water - Network	C	(c) Water Supply	0	0	0	0	0	0
	Brooklyn Frobisher	Water - Network	D	(c) Water Supply	4,300	2,456	1,844	195	1,575	1,575

Central and Coastal	Water - Network	N	(c) Water Supply	66,900	9,958	56,942	18,642	3,238	3,238
Churton - Stebbings	Water - Network	I	(c) Water Supply	15,307	12,895	2,412	1,580	2,939	2,939
Grenada - Lincolnshire	Water - Network	J	(c) Water Supply	34,145	22,810	11,335	1,590	4,082	4,082
Johnsonville Onslow	Water - Network	F	(c) Water Supply	6,800	6,344	456	1,183	1,583	1,583
Karori	Water - Network	B	(c) Water Supply	6,000	4,595	1,405	858	1,724	1,724
Kelburn	Water - Network	E	(c) Water Supply	0	0	0	0	0	0
Maldive	Water - Network	H	(c) Water Supply	0	0	0	0	0	0
Maupuia	Water - Network	K	(c) Water Supply	0	0	0	0	0	0
Melrose	Water - Network	M	(c) Water Supply	2,500	1,806	694	429	1,775	1,775
Newlands	Water - Network	L	(c) Water Supply	590	93	497	1,388	945	945
Ngaio	Water - Network	G	(c) Water Supply	0	0	0	142	0	0
Roseneath	Water - Network	A	(c) Water Supply	2,550	834	1,716	198	3,267	3,267
Tawa	Water - Network	O	(c) Water Supply	0	0	0	0	0	0
Wadestown	Water - Network	P	(c) Water Supply	5,500	4,081	1,419	888	2,487	2,487

<b>Water Supply - Catchment Total</b>				<b>144,592</b>	<b>65,873</b>	<b>78,720</b>		<b>23,615</b>	<b>23,615</b>
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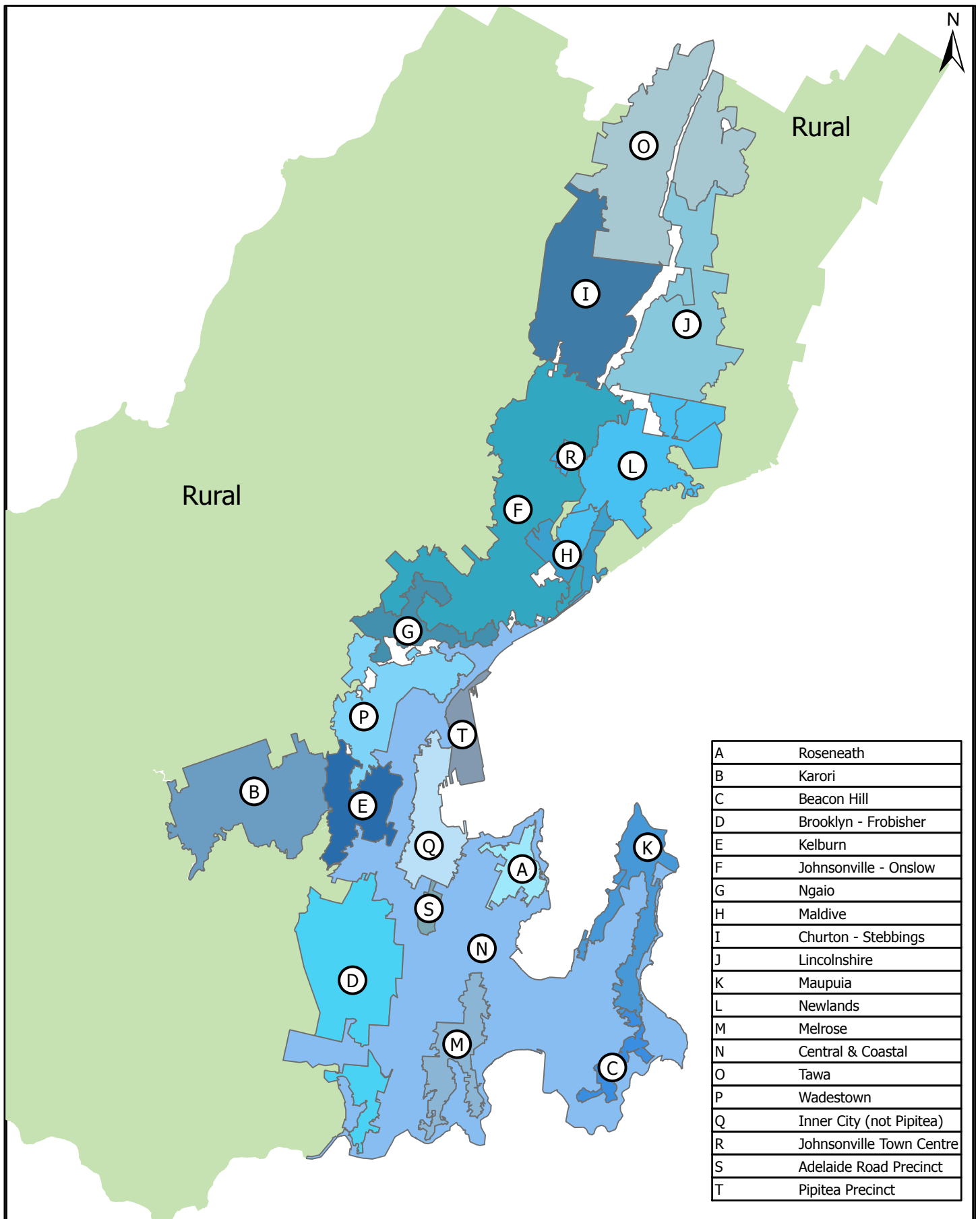
Water Supply - City Wide Total	Water - Network /Reservoir/Pump Station	Water Supply	CX126/127	400,039	18,043	381,997	30,286	596	596
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<b>Water Supply - City Wide Total</b>				<b>400,039</b>	<b>18,043</b>	<b>381,997</b>		<b>596</b>	<b>596</b>
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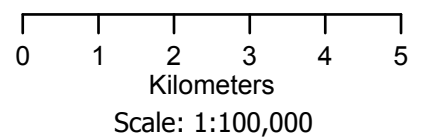
## **PART 3 POLICY CATCHMENT MAPS**

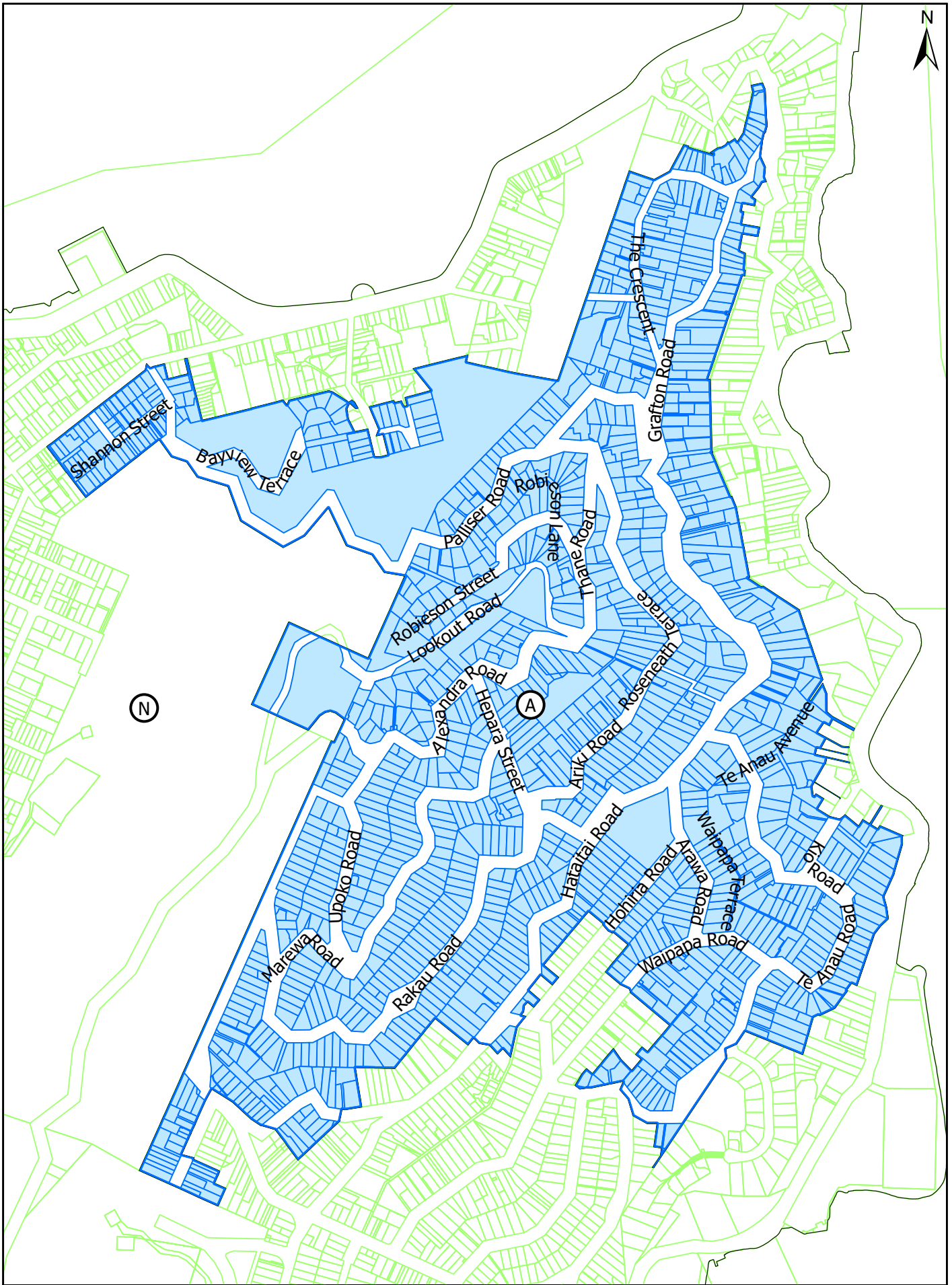
Refer separate attachment

# Part 3 Catchment Maps





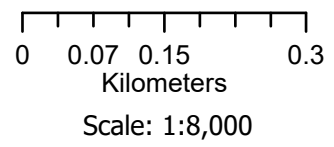
**Contribution Zones**

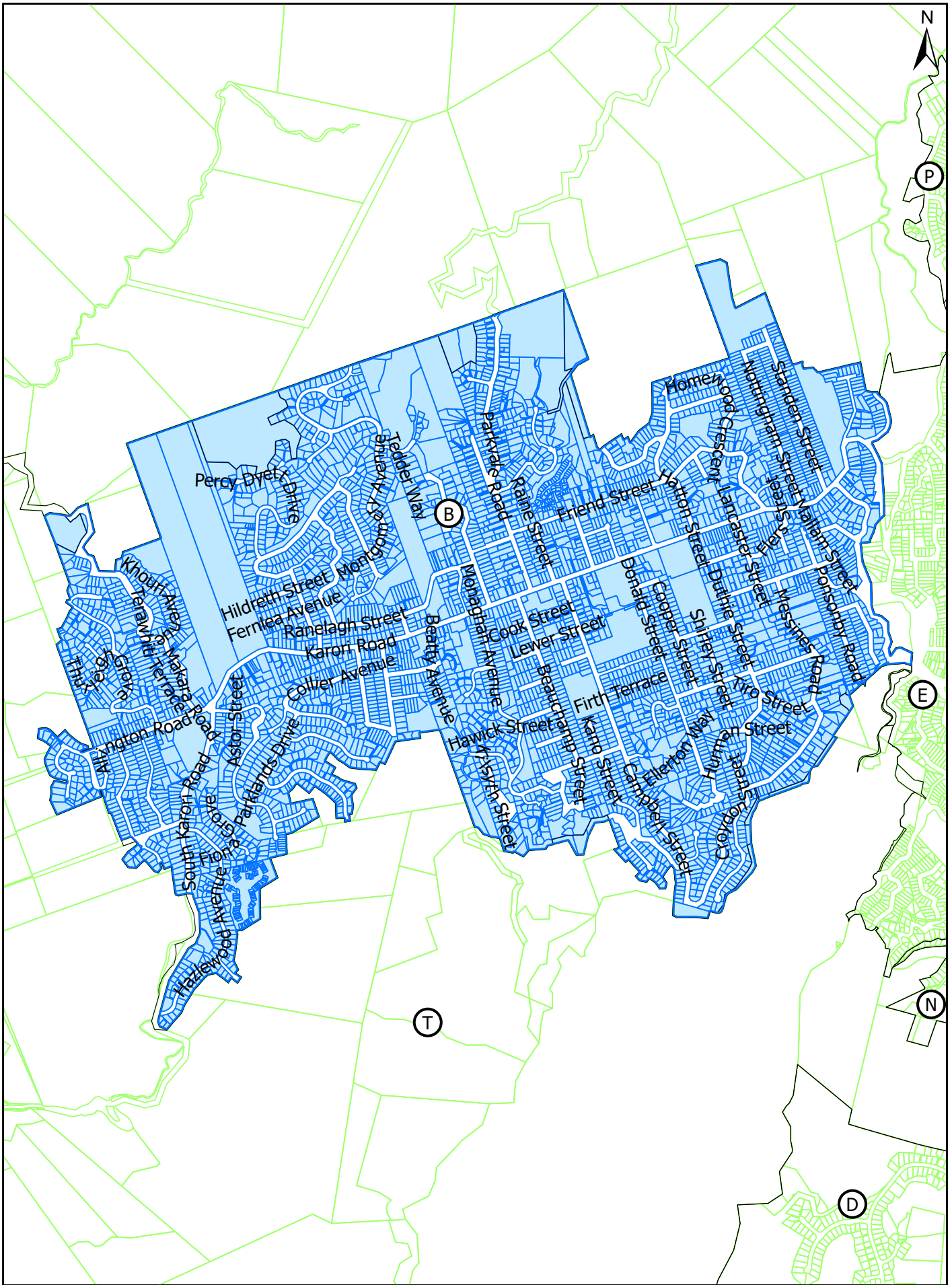






**A : Roseaneath**

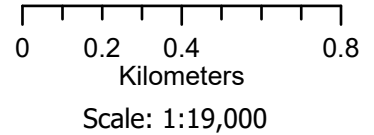
-  Proposed Changes
-  Development Catchment Zones

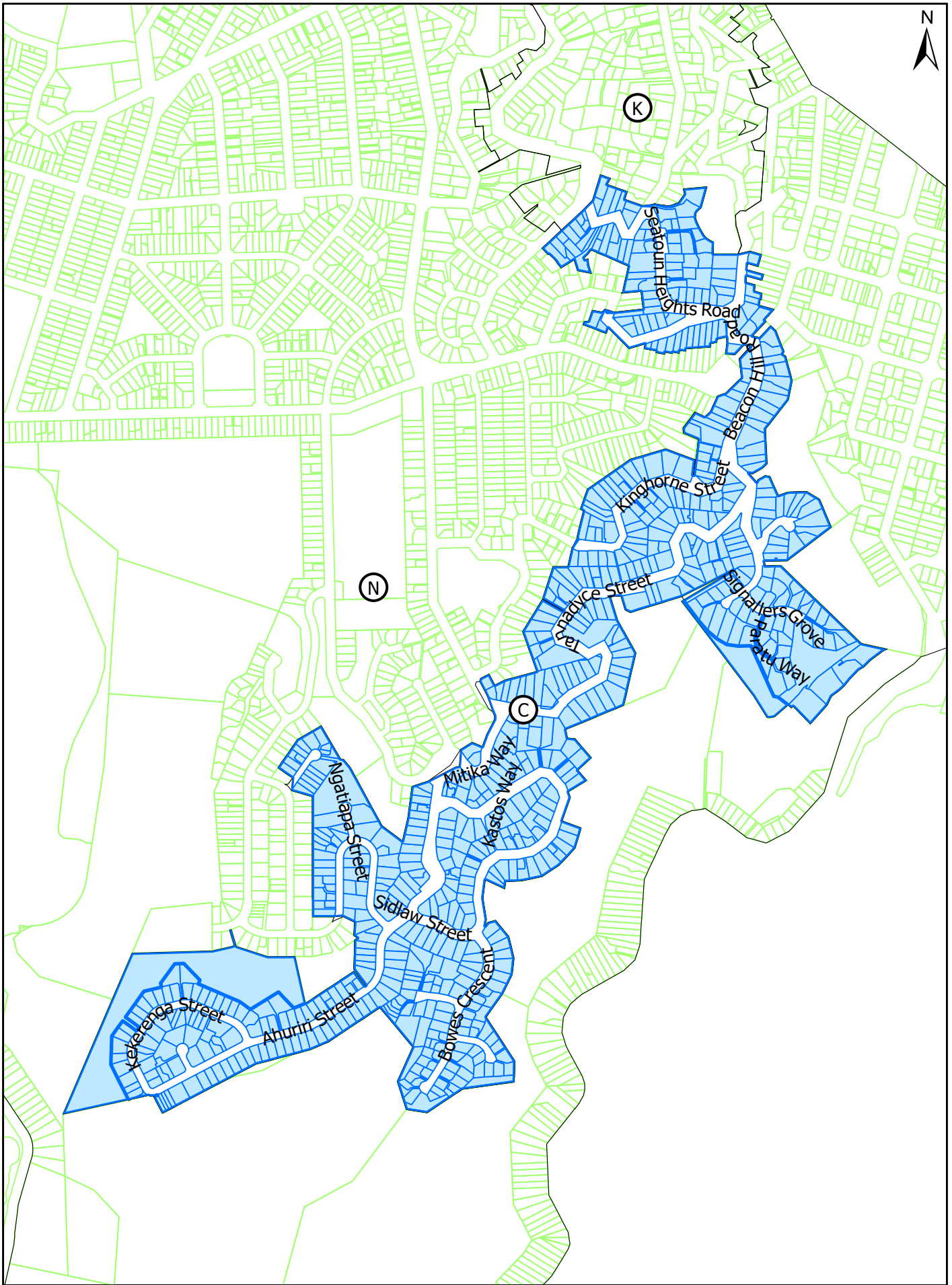






**B : Karori**

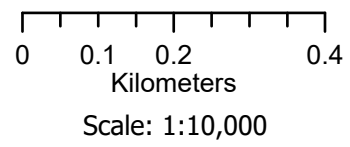
-  Proposed Changes
-  Development Catchment Zones



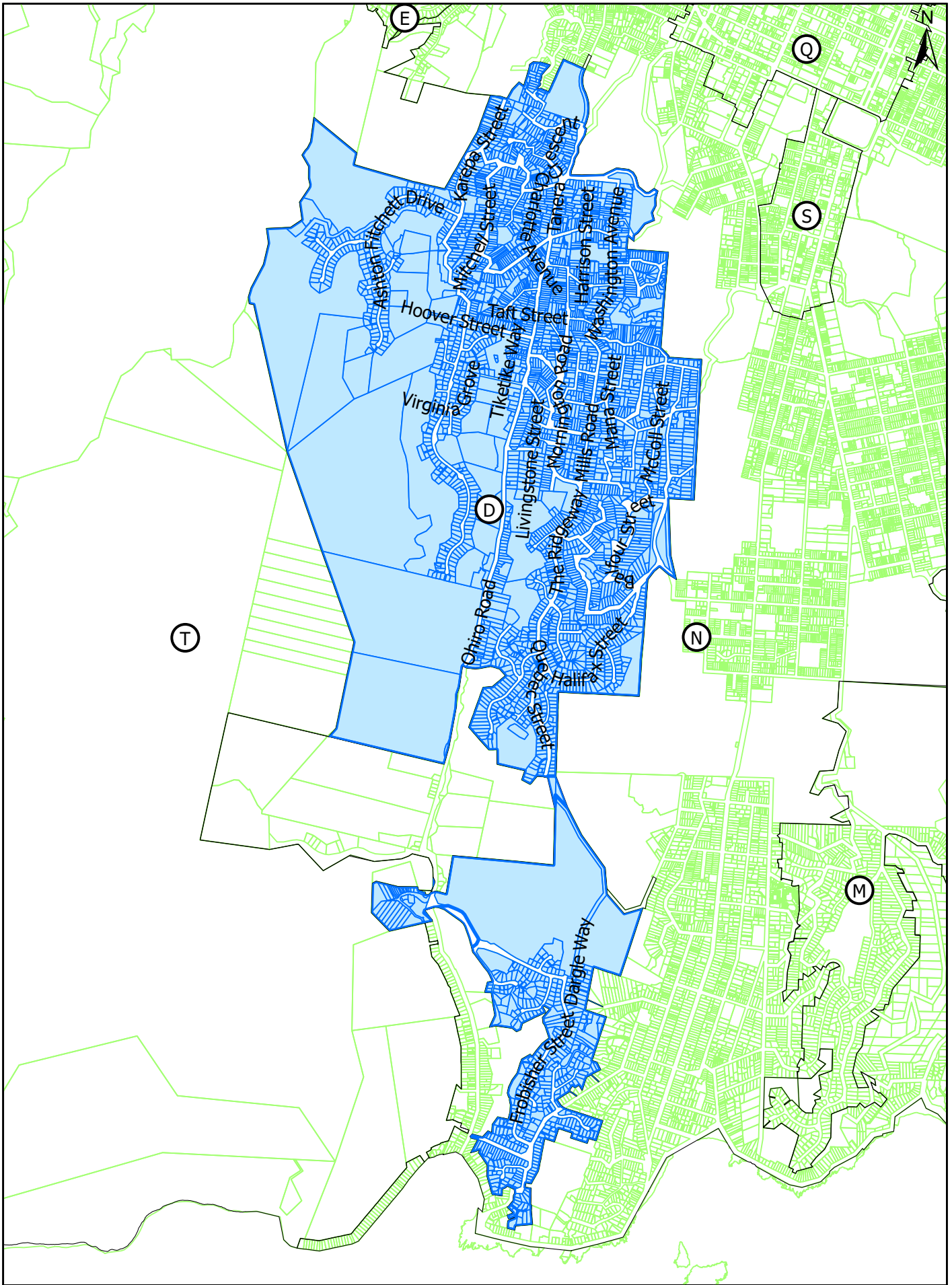


**C : Beacon Hill**



-  Proposed Changes
-  Development Catchment Zones

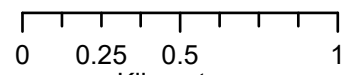




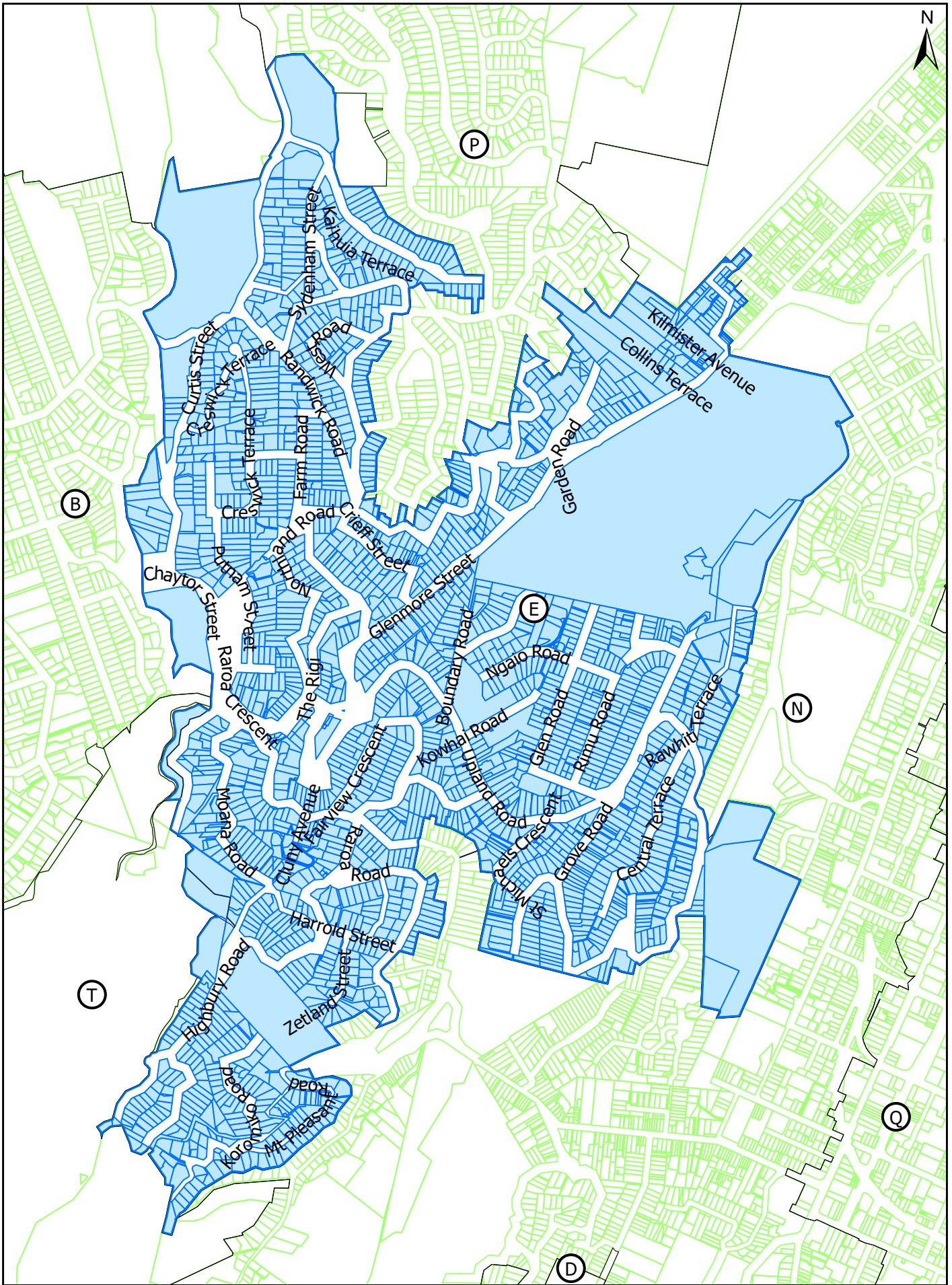


**D : Brooklyn - Frobisher**



-  Proposed Changes
-  Development Catchment Zones

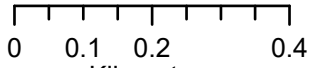


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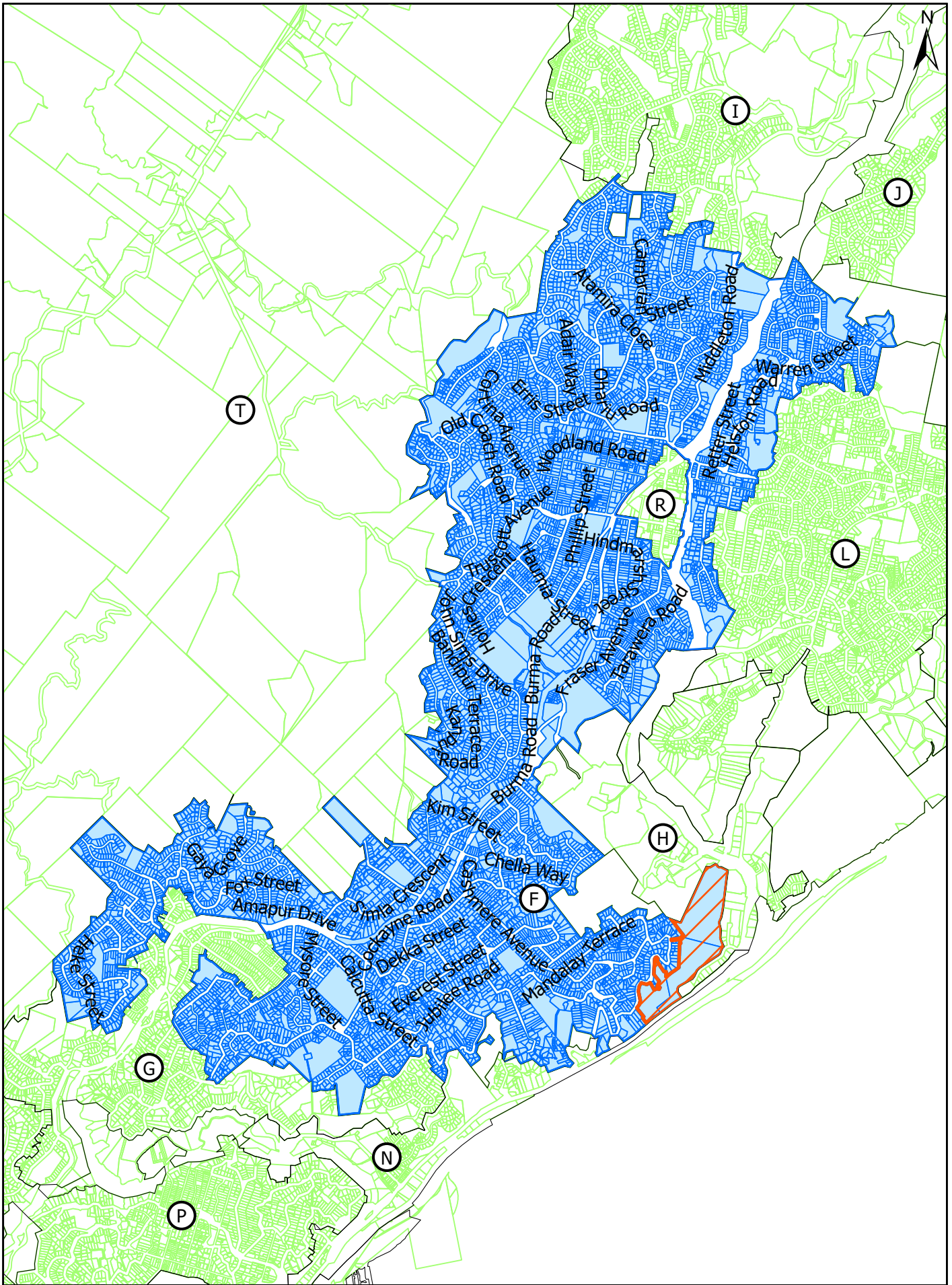


**E : Kelburn**



-  Proposed Changes
-  Development Catchment Zones

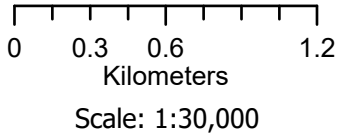


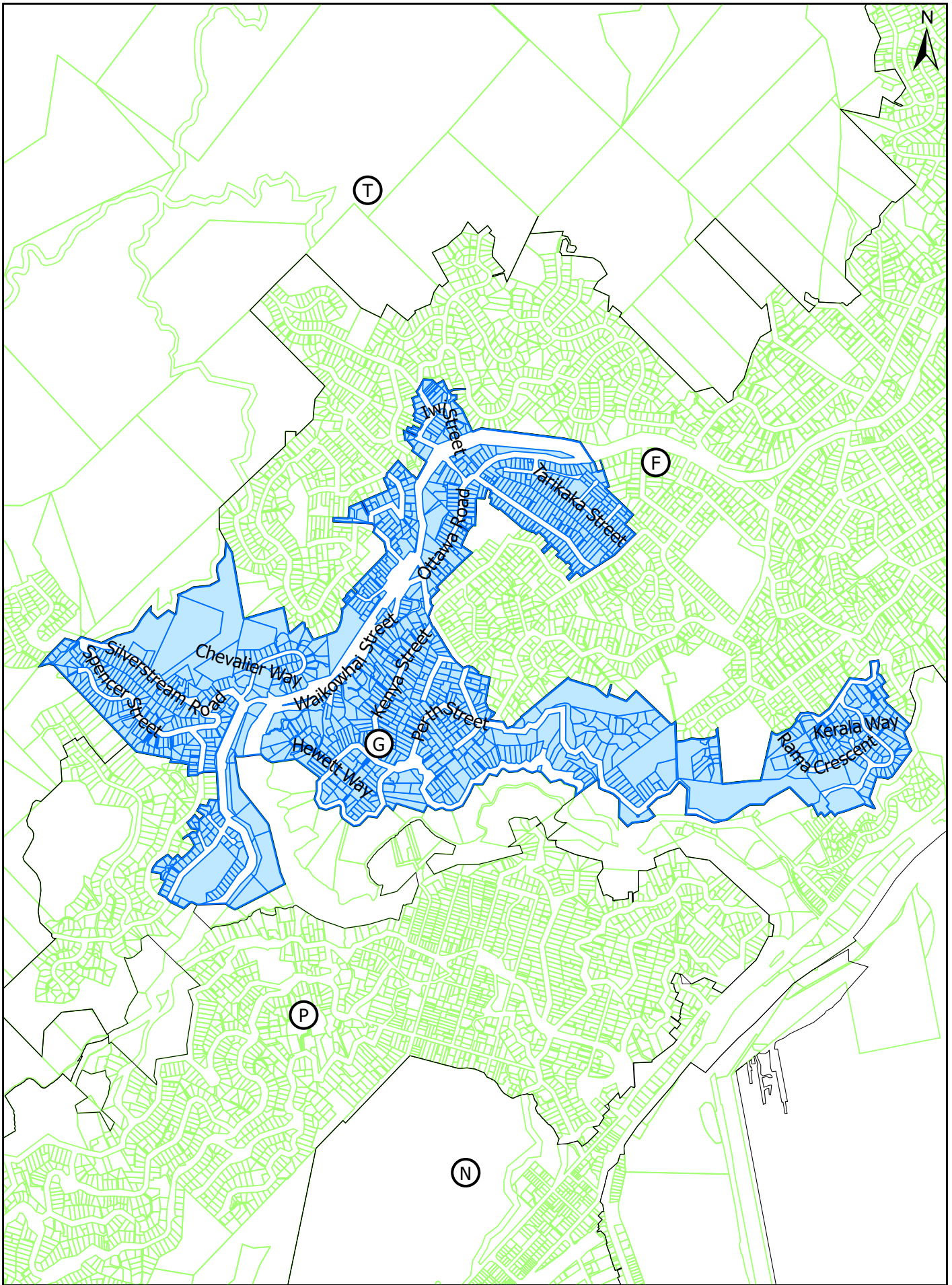
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**F : Johnsonville - Onslow**

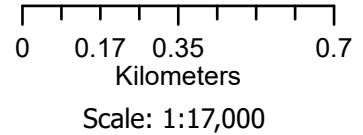
-  Proposed Changes
-  Development Catchment Zones

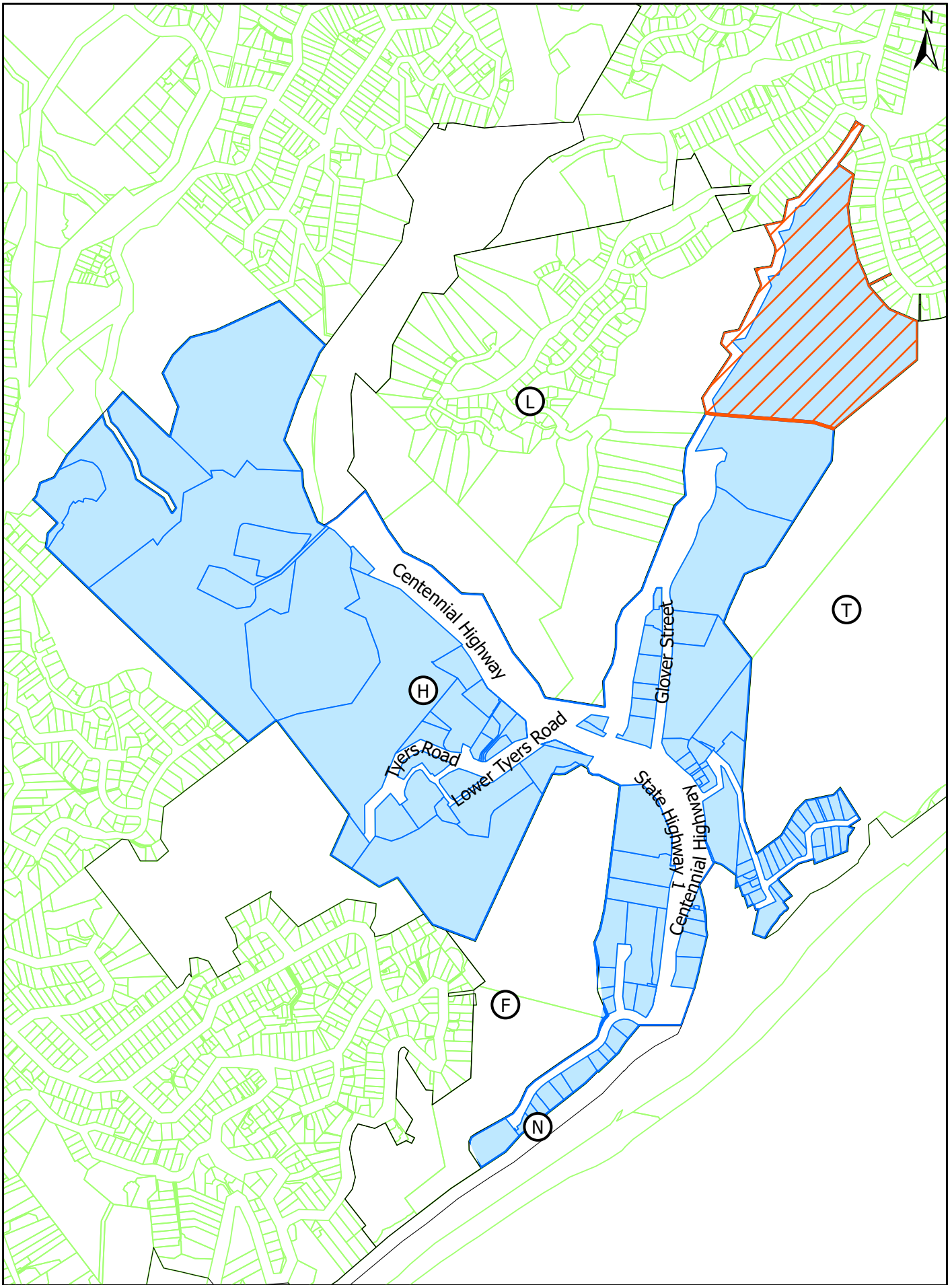




**G : Ngaio**


-  Proposed Changes
-  Development Catchment Zones





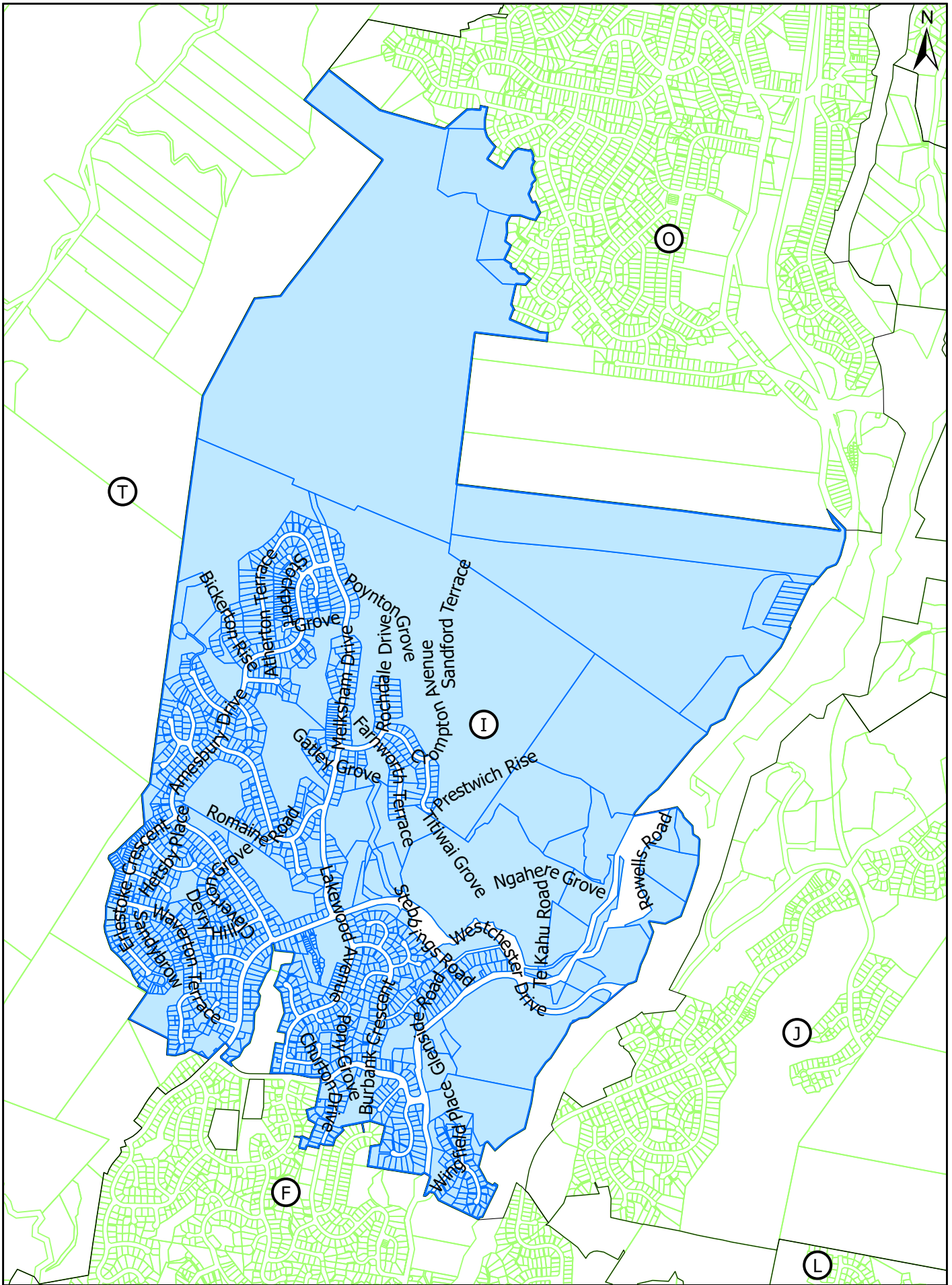
H : Maldive

 Proposed Changes



 Development Catchment Zones

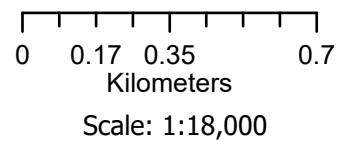
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Kilometers

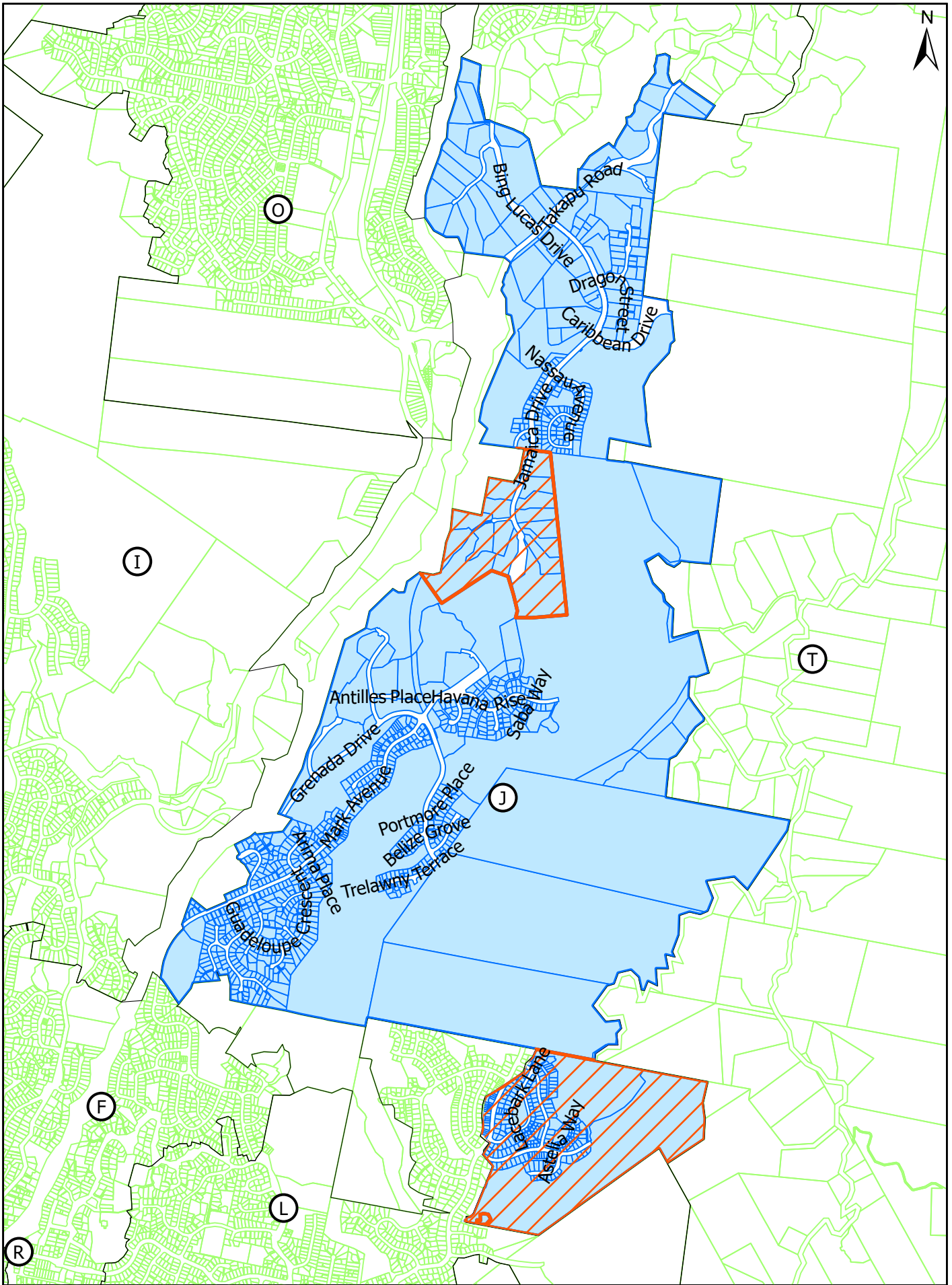
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**I : Churton - Stebbings**

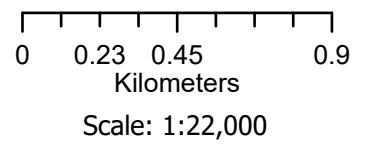
-  Proposed Changes
-  Development Catchment Zones

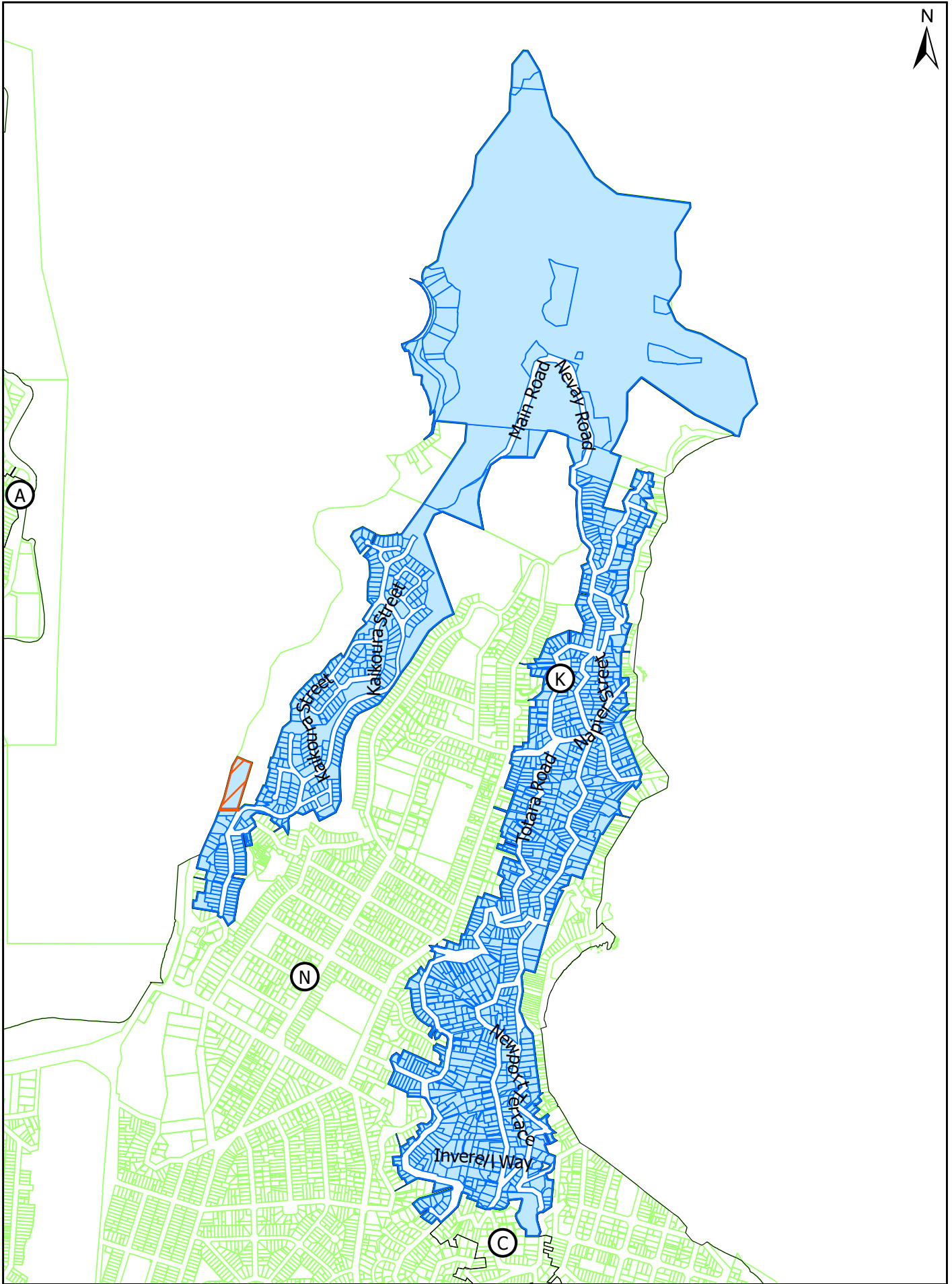






**J : Lincolnshire - Grenada**

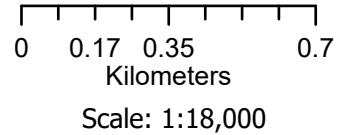
-  Proposed Changes
-  Development Catchment Zones



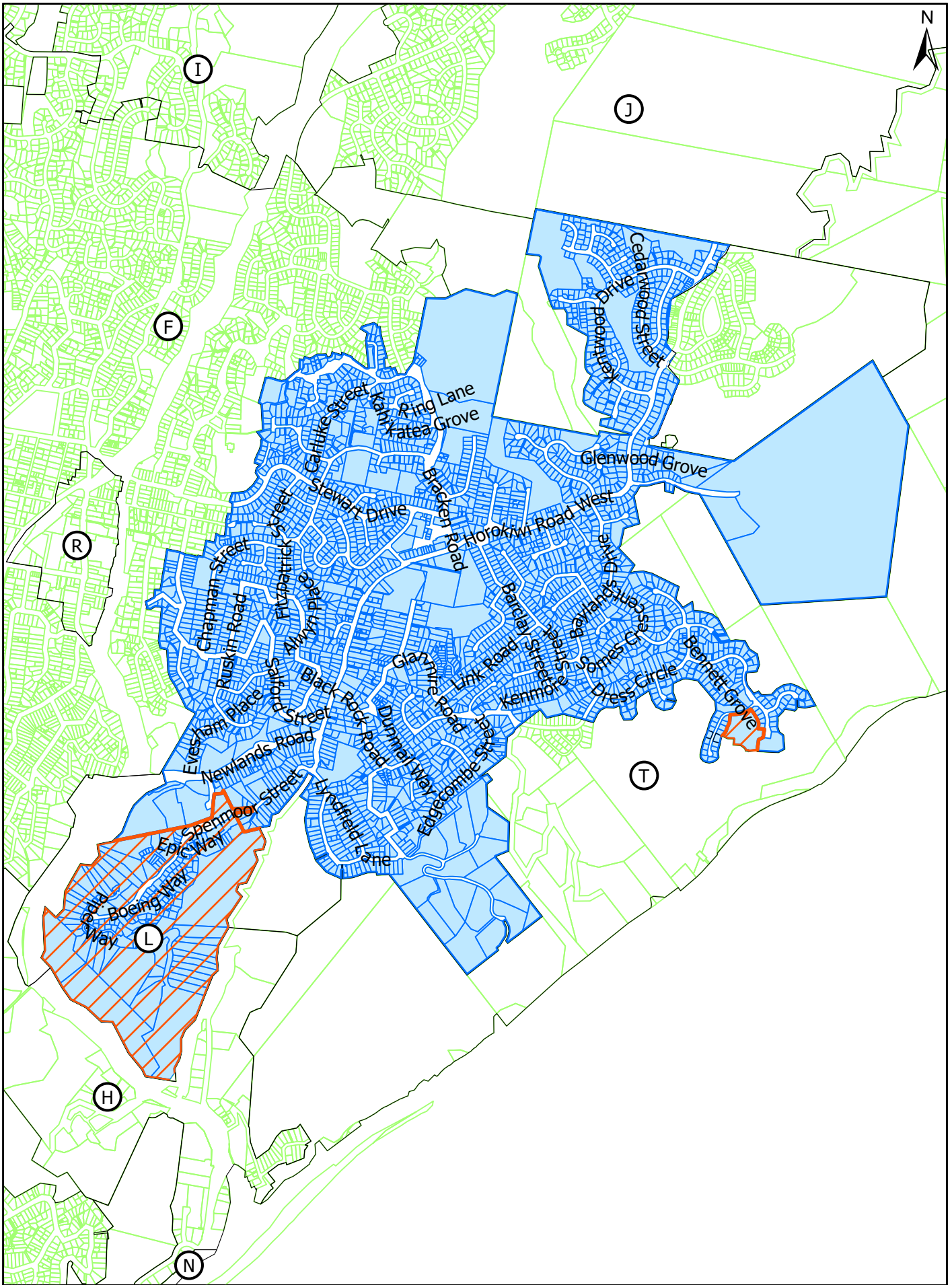


**K : Maupuia**


-  Proposed Changes
-  Development Catchment Zones




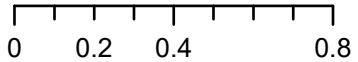




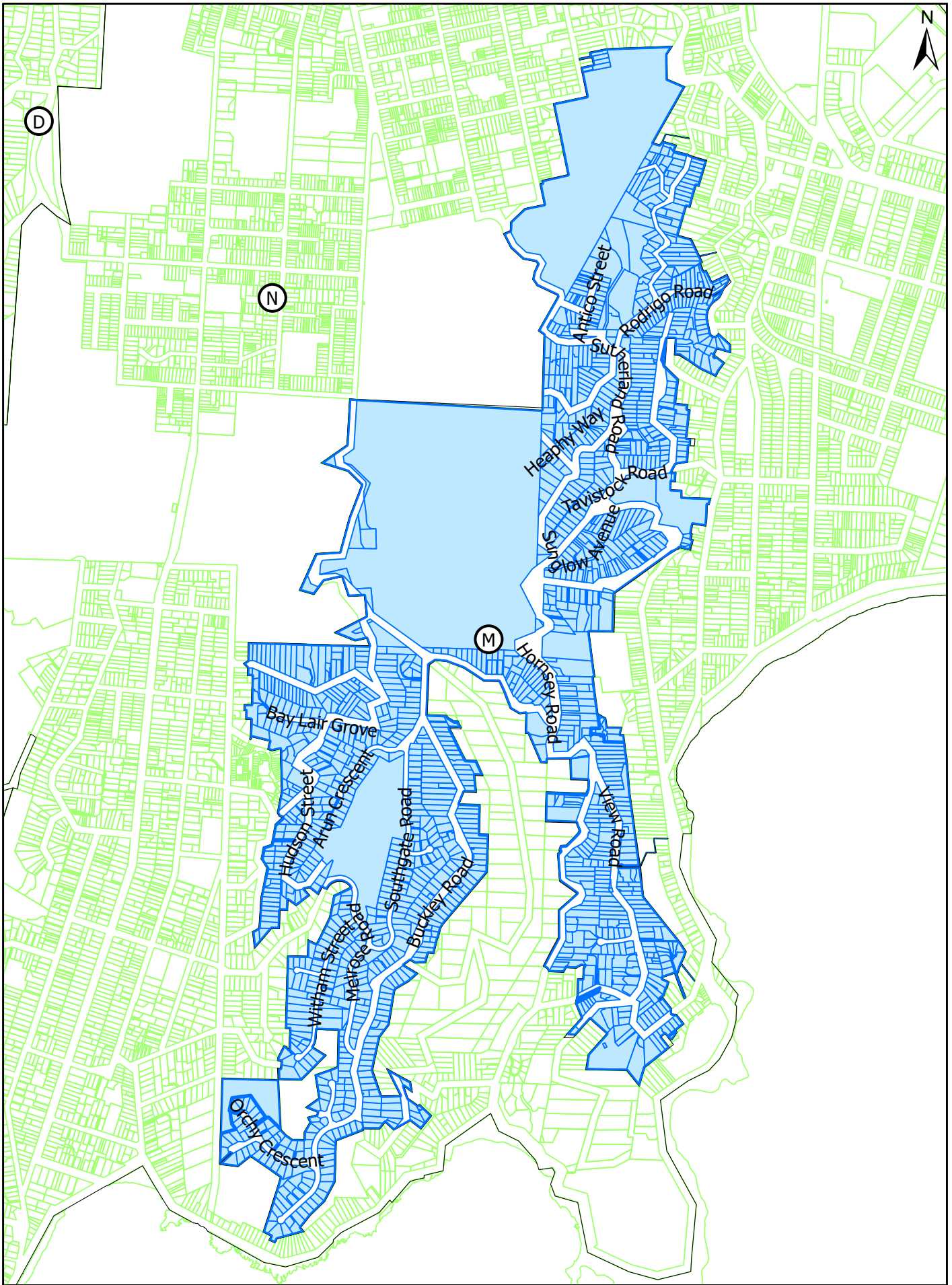
L : Newlands

 Proposed Changes


 Development Catchment Zones




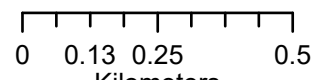
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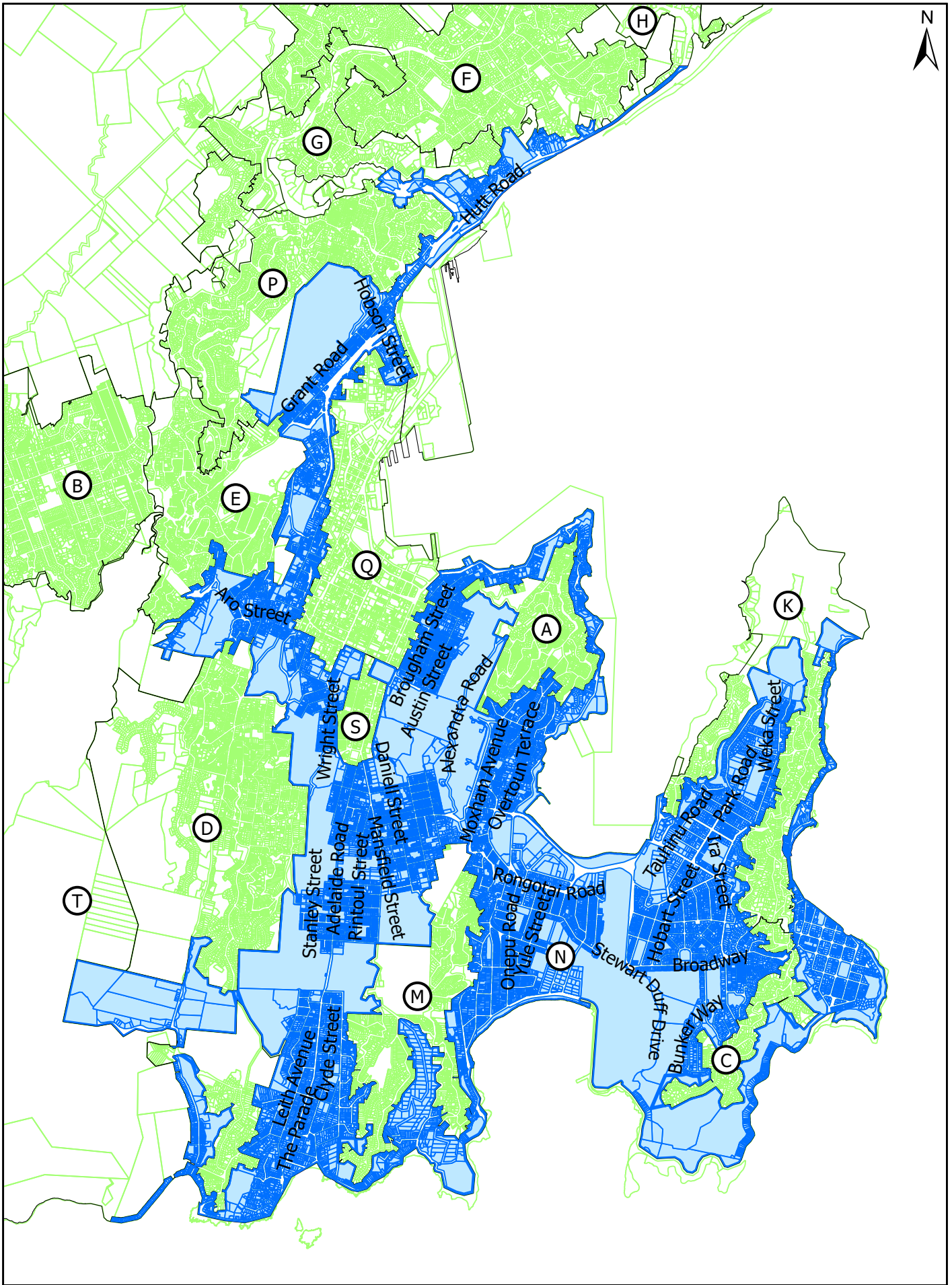
M : Melrose

 Proposed Changes



 Development Catchment Zones

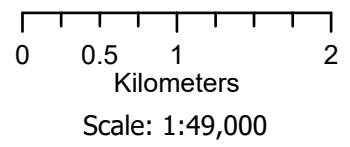


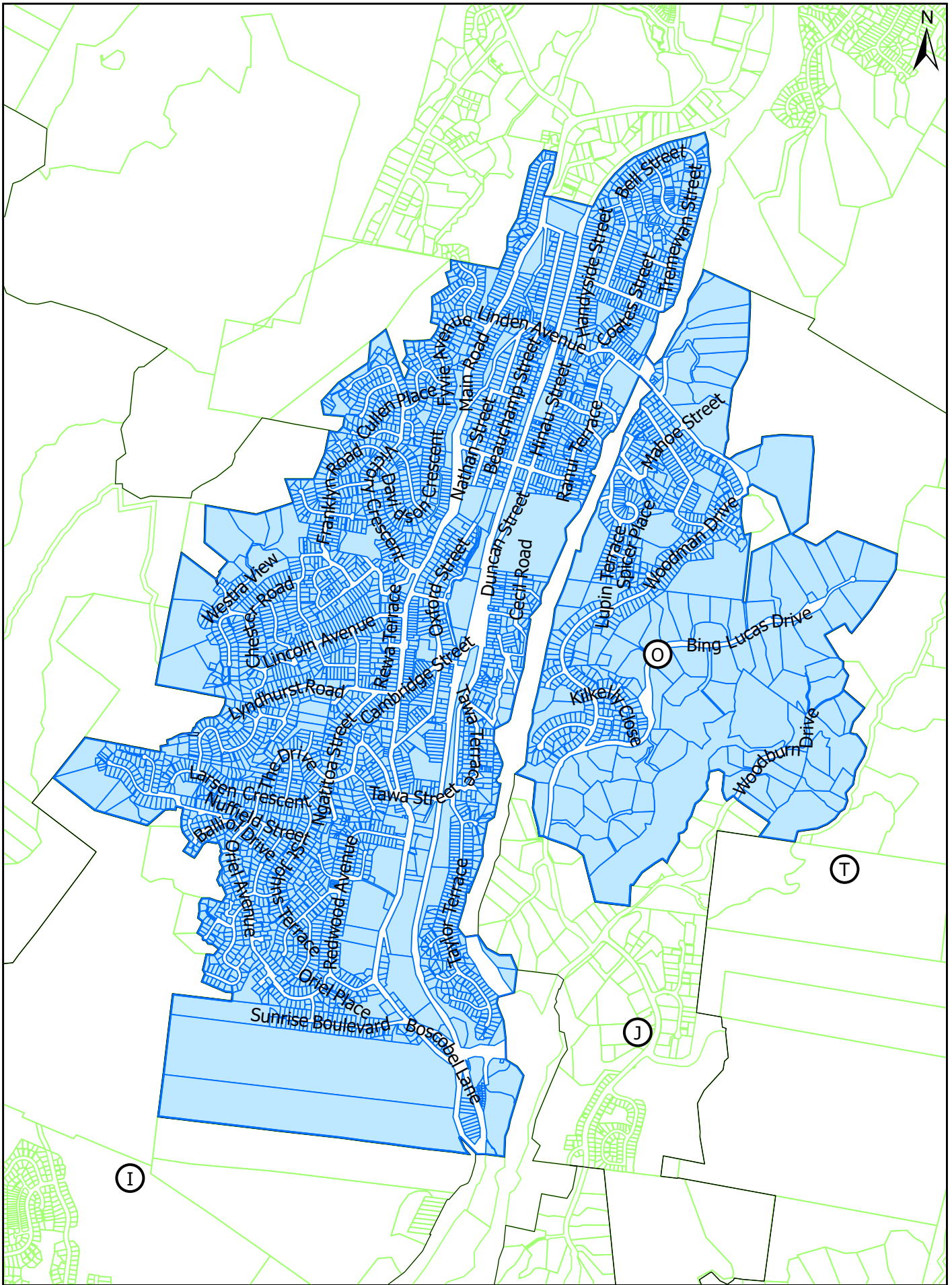
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**N : Central & Coastal**


-  Proposed Changes
-  Development Catchment Zones

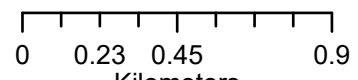




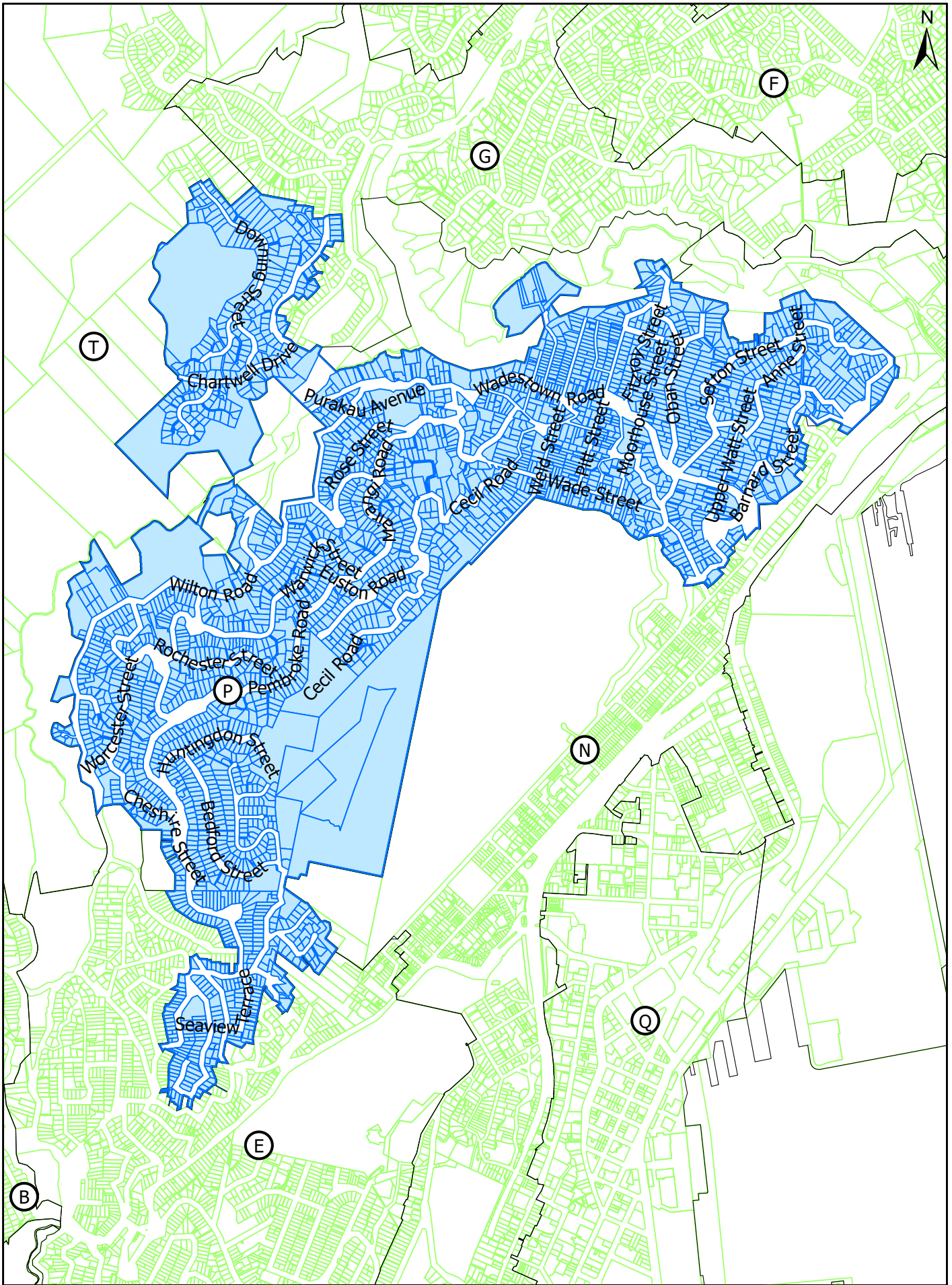
O : Tawa

 Proposed Changes


 Development Catchment Zones




Scale: 1:22,000



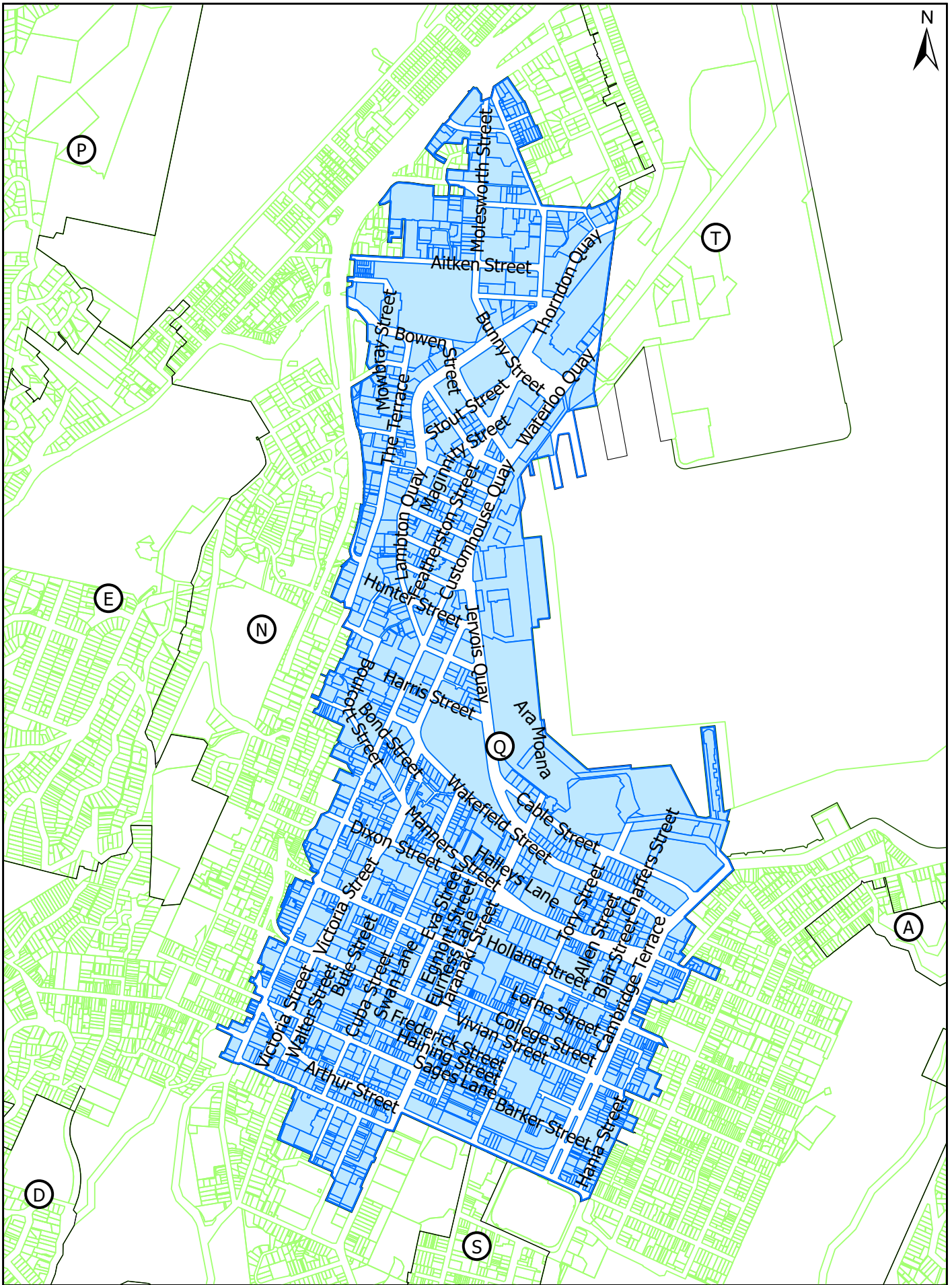
P : Wadestown

 Proposed Changes



 Development Catchment Zones

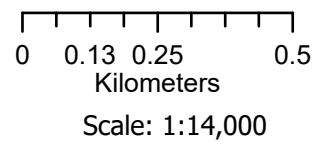
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Kilometers

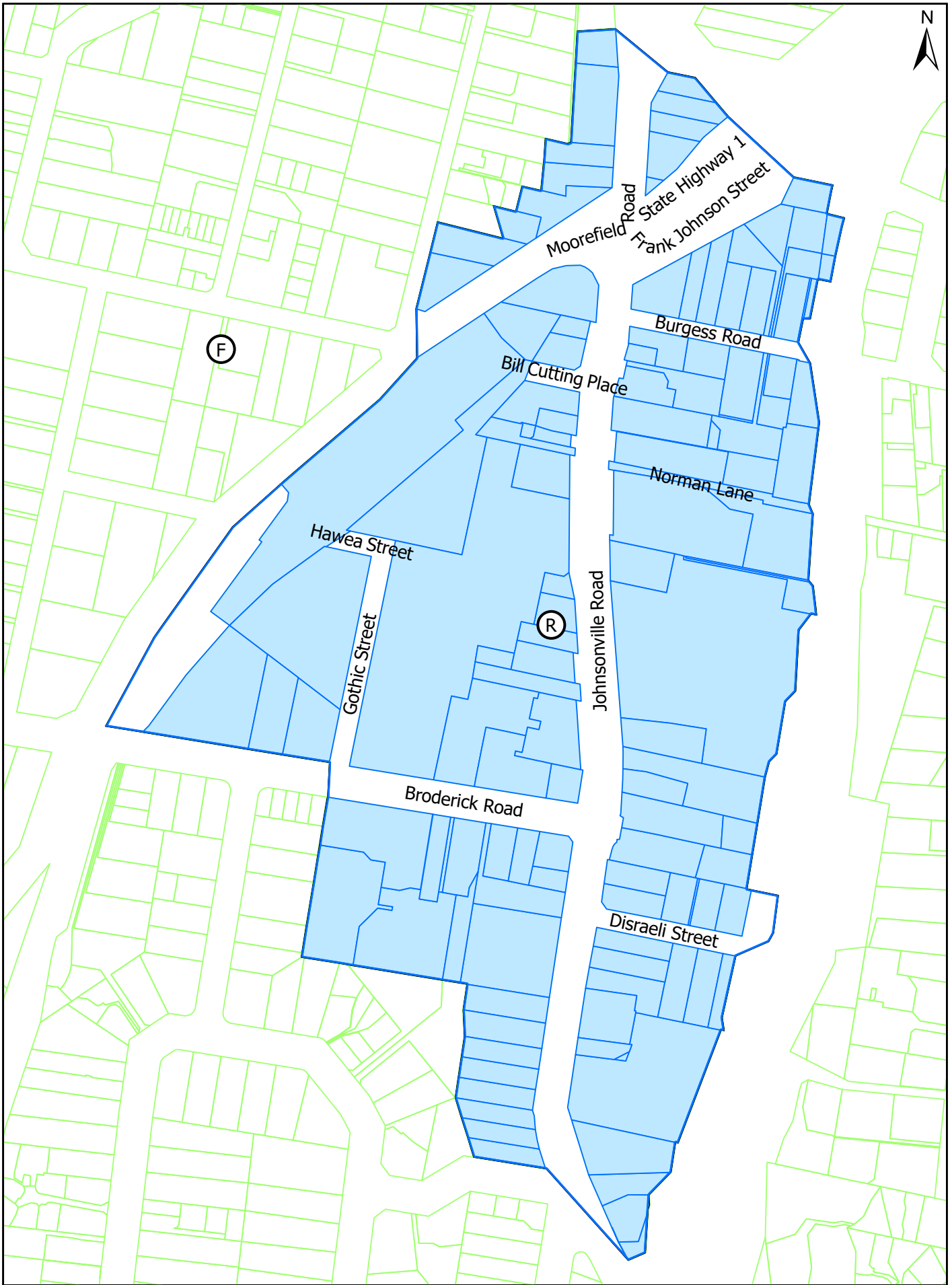
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Q : Inner City (not Pipitea)

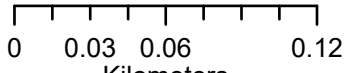
-  Proposed Changes
-  Development Catchment Zones



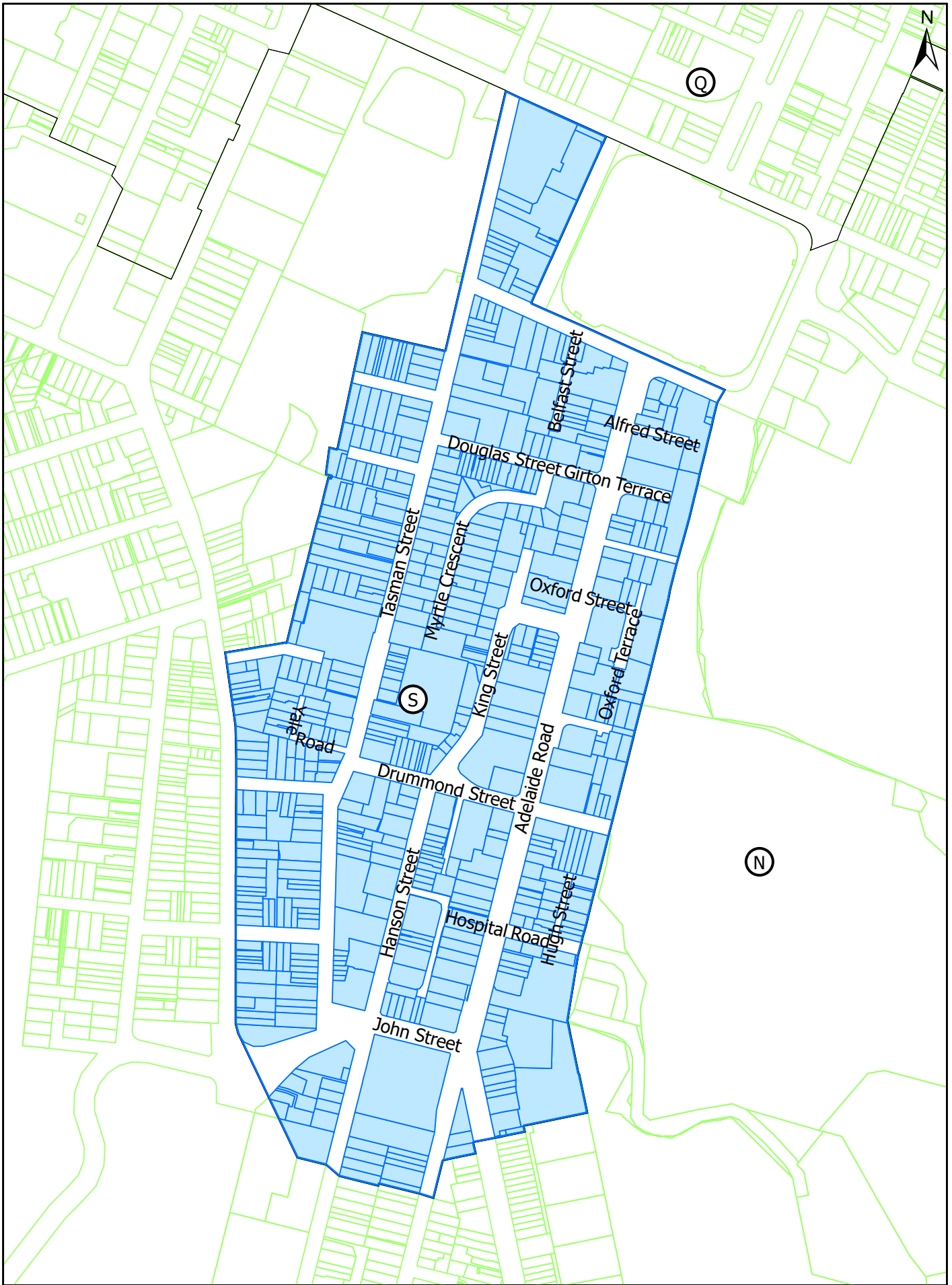


**R : Johnsonville Town Centre**



-  Proposed Changes
-  Development Catchment Zones

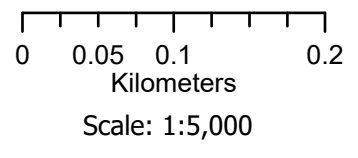


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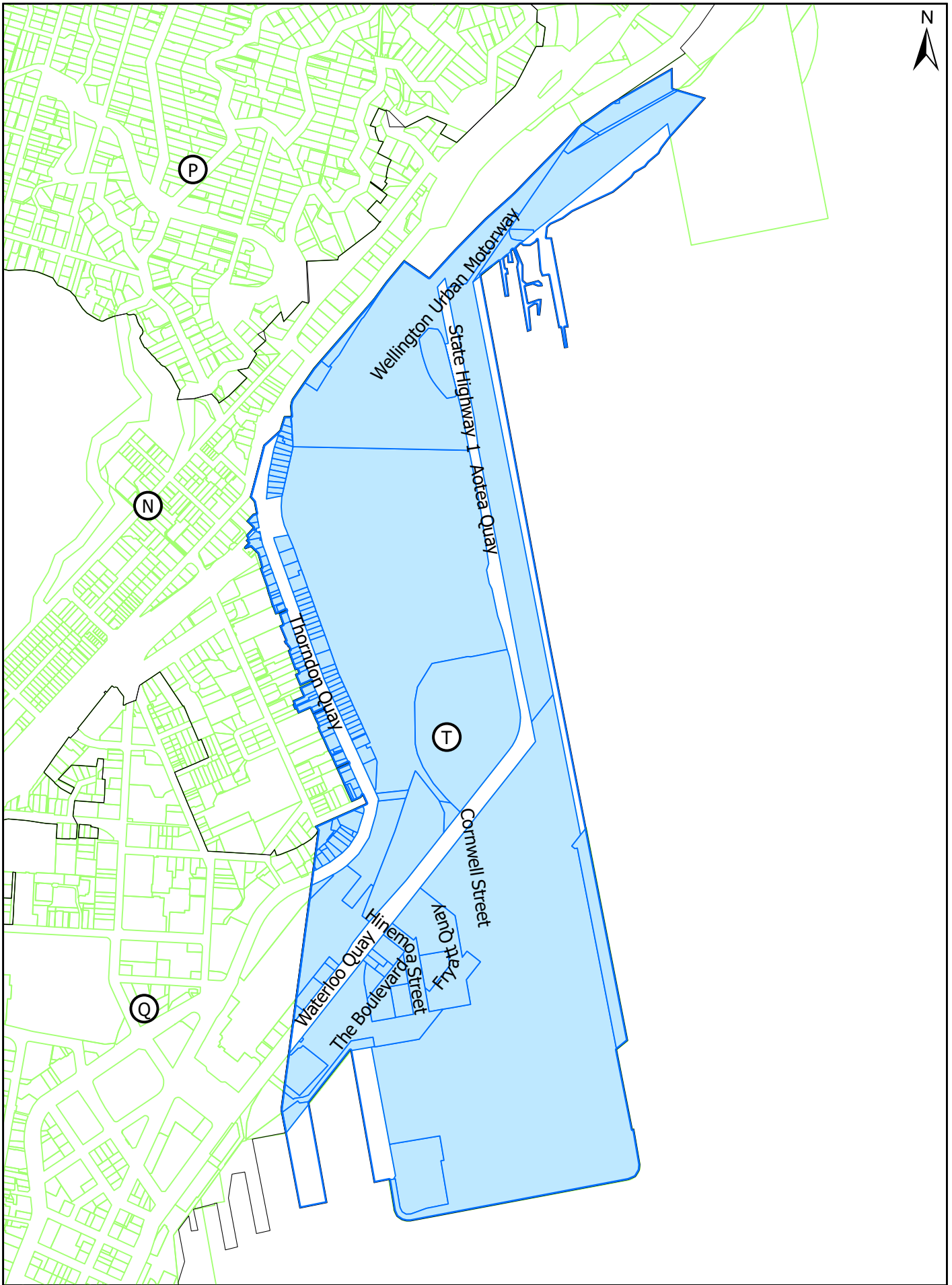


**S : Adelaide Road Precinct**



-  Proposed Changes
-  Development Catchment Zones

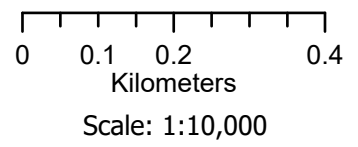






**T : Pipitea Precinct**

-  Proposed Changes
-  Development Catchment Zones



## WELLINGTON REGIONAL STADIUM COVID RELIEF SUPPORT

### Kōrero taunaki | Summary of considerations

#### Purpose

1. This report to Pūroro Tahua | Finance and Performance Committee details the financial challenges faced by the Wellington Regional Stadium Trust and requests approval for a \$1.5M grant.

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

Aligns with the following strategies and priority areas:

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

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

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

#### Relevant Previous decisions

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

#### Significance

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

#### Financial considerations

- Nil
- Budgetary provision in Annual Plan / Long-term Plan
- Unbudgeted

2. If agreed, the recommendations in this report will result in an additional in-year (2021/22) budget requirement of \$1.5m. This would initially need to be funded through debt and subsequently be repaid through rates in future years.

#### Risk

- Low
- Medium
- High
- Extreme

3. Providing a grant to the WRST helps mitigate both Council's resource and supply, and Covid-19 strategic risks. The proposed approach enables WRST to continue to access critical staff and contractors with essential skills, resources and materials. This will allow large-scale events, which are a key contributor to community wellbeing, to take place once Covid settings allow.

---

Authors	Anna Calver, Manager Economic Wellbeing and CCOs Deirdre Reidy, Manager, Finance Business Partnering
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer Sara Hay, Chief Financial Officer

## **Taunakitanga | Officers' Recommendations**

Officers recommend the following motion

That Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the information
- 2) Recommend to Council to approve a one-off \$1.5m grant to the Wellington Regional Stadium Trust
- 3) Note that this \$1.5m will be debt funded in the current year and repaid through increased rates over the next 10 years
- 4) Recommend to Council to increase operational (opex) budget for the relevant activity by \$1.5m.

## **Whakarāpopoto | Executive Summary**

4. The current year has been, by a large margin, the most difficult trading year so far of the pandemic for the Wellington Regional Stadium Trust (the Stadium).
5. In May 2020, a loan facility of \$4.2m was made available to the Stadium funded 50/50 by WCC and GWRC, repayable over ten years.
6. Since May 2020 there has been ongoing, significant uncertainty over hosting events with unrestricted mass gatherings. Most of the Stadium's revenue is directly or indirectly linked to events with audiences.
7. In light of these challenges, the Stadium has requested its two shareholders, Wellington City Council and Greater Wellington Regional Council, each provide the stadium with a one-off grant of \$1.5million (a total of \$3million).
8. This paper is to request that the Committee recommend the approval of this grant payment to Council.

## **Takenga mai | Background**

9. Since receiving the loan from shareholders in May 2020, there has been ongoing, significant uncertainty over hosting events with unrestricted mass gatherings. Most of the Stadium's revenue is directly or indirectly linked to audience-attended events.
10. The majority of Stadium events rely on open borders; A-League, Super Rugby, NRL, international cricket and rugby as well as major concerts.
11. The Stadium was able to host a reasonable number of events in the 2021 financial year including an All Blacks Test match, nine Super Rugby matches (across two seasons), a SIX60 concert as well as the solitary Phoenix game.
12. However, the current financial year has proved particularly challenging.
13. Initial forecasts predicted a relative normal 2022 due to the establishment of the trans-Tasman bubble in 2021. However, in early August 2021 the trans-Tasman bubble closed, and Wellington lost both its All Blacks test matches for the year as well as the forecasted Guns n Roses concert being postponed.

14. With Wellington being in Level 2 or higher from 17 August 2021 to 2 December 2021 and under the red setting since 23 January 2022, events with attendees over 100 have not been possible.
15. The current expectation is that the Stadium may end up hosting only three unrestricted event days for the entire financial year to June 2022, being one NPC game and two days of Beervana, all held last August, with 16,500 attendees across these events.
16. A normal year sees the Stadium hosting between 50 and 60 event days and 500,000 event attendees.

### **Kōrerorero | Discussion**

17. We have consulted with Greater Wellington Regional Council as the other shareholder, who intend to provide a grant.
18. The Stadium has explored other avenues to address the financial challenges including cost reduction, increasing debt and hibernation.
19. **Cost reduction:** The Stadium employs a small team of 19 permanent staff (18.4 FTE), with contractors being used to stage event days. These staff are all essential if the Stadium is to be kept ready to host events quickly once restrictions lift. Hiring back staff would be extremely challenging in the current tight labour market, particularly as many events professionals have already left the industry during the pandemic for other sectors.
20. Other costs have also been reduced where possible, including non-essential maintenance and capex. However some costs remain at historical highs including insurance.
21. **Increasing debt:** The Stadium currently has a lending facility with its bank, however is mindful of increasing its bank loan borrowing without confidence in its ability to service the debt. This is compounded by the necessary capital works that need to be done around earthquake strengthening and keeping the Stadium fit for purpose in the next few years.
22. **Hibernation:** Hibernation or mothballing options that might improve short to medium financial outcomes are contrary to the best interests of the Stadium and the Region. The Stadium will host an All Blacks test in July 2022 and has a slate of bookings for major concerts for the coming summer. The Stadium has been selected as a Women's FIFA World Cup venue for 2023, a globally significant event for which requires Stadium staff to implement a number of activities to meet the tournament's requirements.

### **Kōwhiringa | Options**

23. The preferred option is to provide a one off \$1.5million grant to Sky Stadium.
24. The Council could also provide a further low-interest loan. However with the Stadium already having to repay the initial Covid relief loan and fund its capital works programme, it would take a long time for this to be repaid.
25. The Council could not provide the grant, which would lead to the Stadium having to further cut costs (and staffing) meaning the Stadium would not be event ready and Wellington would lose the economic, cultural and social wellbeing benefits the Stadium and the events hosted there deliver.

---

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

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

26. The success of the Stadium aligns with the Aho Tini Strategy to enable Wellingtonians to access arts and culture, with fit for purpose venues and the draft Economic Wellbeing Strategy, which also references the importance of suitable venues in making Wellington a dynamic city that people want to live and visit,

### **Engagement and Consultation**

27. Council officers have engaged with Greater Wellington Regional Council officers and the Stadium management.

### **Implications for Māori**

28. The Stadium is a venue that honours Te Tiriti or Waitangi and strives to be a venue where Māori feel welcome. Last year it worked with the Māori Language Commission to introduce bi-lingual announcements at events and in 2019 hosted Te Matatini, Aotearoa's pinnacle kapa haka performance event.

### **Financial implications**

29. The financial implications are discussed throughout this paper. There is a requirement to increase the current year budget by \$1.5m in order to provide the grant to the stadium. As rates are already set for this financial year this will need to be debt funded.
30. Debt funding this grant in the current financial year will result in a small additional financing (interest) cost, if the grant remains as perpetual debt this cost would continue. It is financially prudent to repay this debt through rates when allowable, this could be done either by;
- Increasing the rates take by \$1.5m in the next financial year, or
  - Increase the rates over a longer period to repay the debt
31. This grant is being proposed to support the stadium given it's significant Covid related revenue loss, this in turn helps support the longer-term viability of the stadium. On that basis Officers are recommending repaying the debt through rates over a 10-year period, meaning additional rates each year of \$150k.

### **Legal considerations**

32. No legal implications

### **Risks and mitigations**

33. Not providing this grant would mean the Stadium wouldn't remain event ready and Wellington would miss out on events.
34. Providing a grant to the WRST helps mitigate both Council's resource and supply, and Covid-19 strategic risks. The proposed approach enables WRST to continue to access critical staff and contractors with essential skills, resources and materials. This will allow large-scale events, which are a key contributor to community wellbeing, to take place once Covid settings allow.

**Disability and accessibility impact**

35. No impact

**Climate Change impact and considerations**

36. No impact

**Communications Plan**

37. There are no communications requirements.

**Health and Safety Impact considered**

38. No implication to health and safety

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

39. Grant to be approved and paid before the end of this current financial year

**Attachments**

Nil

## QUARTER TWO REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS

### Kōrero taunaki | Summary of considerations

#### Purpose

1. This report to Pūroro Tahua | Finance and Performance Committee provides the Committee with a review of the second quarter reports submitted by Council-controlled Organisations for consideration in accordance with the requirements of the Local Government Act 2002.

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

Aligns with the following strategies and priority areas:

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

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy
- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

#### Relevant Previous decisions

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

#### Significance

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

#### Financial considerations

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

#### Risk

- Low       Medium       High       Extreme

2. There is significant financial risk with respect to the ongoing Covid-19 pandemic and resultant impacts on visitation and other trade. CCOs cashflow has been negatively impacted for the duration of the pandemic and will continue to be for the foreseeable future. Officers and CCOs are working closely together on tracking these impacts and taking a 'no surprises' approach to forward planning.
3. Anticipated impacts have been factored into the thinking around the upcoming Statements of Intent. This is consistent with other measures taken to mitigate Council's Covid-19 and resource supply strategic risks. Addressing financial



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sustainability and continuity of critical staff, skills and resources have been identified as risk treatments as we move in to the recovery phase of the pandemic.

Authors	Anna Calver, Manager Economic Wellbeing and CCOs Jim Robertson, Chief Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

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## **Taunakitanga | Officers' Recommendations**

Officers recommend the following motion

That Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the information
- 2) Note the current challenging trading conditions for CCOs

## **Whakarāpopoto | Executive Summary**

4. Pūroro Tahua | Finance and Performance Committee is tasked with monitoring the performance of our CCOs. Quarter two (Q2) reports have been received from all our CCOs.
5. The Covid19 Pandemic has continued to impact the performance of the CCOs in terms of visitor numbers and revenue.
6. Each CCO has reduced costs where possible, whilst continuing to deliver services, events, attracting audiences and adding to the vibrancy of Wellington.
7. Sky Stadium, Wellington Cable Car and WellingtonNZ's venues business were especially challenged during Q2 (note: a funding request for Sky Stadium is dealt with in a separate paper).
8. The Omicron variant is currently creating a very challenging operating environment for all CCOs.
9. It is likely there will be an additional funding request in May to support several CCOs deal with financial challenges due to the tough operating environment caused by the global pandemic.
10. All CCOs responded quickly to the introduction of vaccine passes, by developing vaccination policies for their business. With the exception of the Cable Car, due to its public transport classification, resolved to require vaccine passes for entry to their sites.
11. Highlights of the period included the opening of the Hilma af Klint exhibition at City Gallery, the publicity generated from the Cable Car's Bark and Ride trial, the WellingtonNZ Advent Calendar, breeding titipounamu found outside Zealandia in Te Ahumairangi, a new naming rights sponsor for the Basin Reserve, and Wellington Zoo securing a substantial grant towards its Snow Leopards project.

## **Takenga mai | Background**

12. The subcommittee is tasked with monitoring the performance of the following entities:
  - Basin Reserve Trust
  - Karori Sanctuary Trust
  - Wellington Cable Car Limited
  - Wellington Museums Trust

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- Wellington Regional Economic Development Agency Limited
  - Wellington Regional Stadium Trust
  - Wellington Zoo Trust
13. Wellington Regional Economic Development Agency Ltd is jointly owned (80% / 20%) by the Wellington City Council and the Greater Wellington Regional Council respectively.
  14. In terms of a Court Of Appeal Judgement (CA164/04) on 6 September 2005 between the Commissioner of Inland Revenue and the Wellington Regional Stadium Trust, it was established that Sections 5 and 6, Schedules 8 and 9 and Part 5 of the Local Government Act 2002 do not apply to the Wellington Regional Stadium Trust and accordingly the Trust is not a CCO.
  15. In recognition of the Council's original investment in the Wellington Regional Stadium Trust and the non-recourse loan from Council to the Trust that was fundamental in the establishment of the Trust and the building of the stadium, the relationship operates as if the Trust was a CCO. This approach is consistent with the Greater Wellington Regional Council's relationship with the Trust. As agreed between the Councils the Trust reports on a six-monthly basis.

### **Kōrerorero | Discussion**

16. Quarterly reports have been received from the following entities for consideration by the subcommittee and are attached as appendices:
  - Basin Reserve Trust
  - Karori Sanctuary Trust (trading as Zealandia)
  - Wellington Cable Car Limited
  - Wellington Museums Trust (trading as Experience Wellington)
  - Wellington Regional Economic Development Agency Limited (trading as WellingtonNZ)
  - Wellington Zoo Trust
  - A half-year report has been received from the Wellington Regional Stadium Trust (operating as Sky Stadium)
17. The Q2 reports have been reviewed by officers to assess any risks or issues and where any significant issues were identified these have been discussed with the relevant entity. Further commentary is set out below.
18. Representatives of the entities covered in this report will attend the meeting to present the quarterly report and answer any questions.

#### ***Operating Context***

19. During Q2 the country was in Level 2, later transitioning to the traffic light system and the orange light setting.
20. Closed borders and restrictions on mass gatherings led to widespread event cancellations across Sky Stadium, Venues Wellington and the Basin Reserve.
21. Domestic tourism was also substantially down in Q2 due to the Delta outbreak.

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22. This challenging operating environment is further compounded by rising costs, including wages, recruitment, insurance, fuel, freight and other essential products and services.
23. **Basin Reserve Trust** – In Q2 the Basin secured a new naming rights sponsor, Cello, for a two-year term. The key event scheduled for Q2, Beers at the Basin, had to be postponed to April 2022 due to Covid19 restrictions. The Basin did manage to stage a Christmas Eve double header with 4,000 in attendance. At the conclusion of Q2, a year-end reforecast has been completed based on expected income and expenditure, indicating a year end deficit of \$200,000 - \$250,000 for the Trust.
24. **Experience Wellington** - Visitation in Q2 was 72,447, behind the target of 123,650. Due to the negative impacts from the Covid19 environment, it is unlikely the full year target of 480,420 will be achieved. Strong visitor numbers have however been seen with *Hilma af Klint: The Secret Paintings*. The Trust's deficit to 31 December 2021 (\$65k) is below forecast but it is expected the full year will end in a more substantial deficit with the continued lack of visitors (this will be covered by the CCO grant support introduced in 2020).
25. **Karori Sacutary Trust (Zealandia)** - During the December quarter Zealandia hosted 24,818 visitors, up 9% on the SOI target but down 15% on last year. Overall revenue performance (excluding WCC funding) was \$1,813,127 against a budget of \$1,757,180. Revenue YTD is 14% lower than the same period in the prior year. Zealandia is expecting an end of year deficit but is in a stable financial position. A biodiversity highlight for the Sanctuary was the breeding pair of titipounamu/rifleman pair in Te Ahumairangi that came from Zealandia.
26. **Wellington Cable Car** – The Wellington Cable Car continues to be challenged by the loss of international visitation to New Zealand, and in particular cruise ship passengers. Q2 revenue was down on budget by \$211,000 (38%) and passenger numbers were down by 59,000 (34%). This was due to the drop in tourism caused by the Auckland lockdown, with Auckland making up approximately 30% of passenger numbers. The full-year revenue passenger number re-forecast is 331,000 from an original budget of 602,000. The FY22 financial deficit will be covered by the CCO Covid Relief Fund.
27. **Wellington Regional Stadium Trust (Sky Stadium)** - Sky Stadium report bi-annually vs. quarterly. After a reasonable start to calendar year 2021, the period from July to December 2021 has been very difficult for the Stadium, due to ongoing border closures, changes to Alert Levels / Traffic light settings and the associated restrictions on public gatherings. The Stadium had 16,500 attendees at events during the period, compared to 134,000 in the six months to December 2020. The Trust has formally requested a \$1.5m grant from both WCC and GWRC (\$3m total) to meet its current deficit. The next financial year is looking more positive, particularly with a number of bookings for international concerts for the summer of 2022-23. These events will depend on the ongoing management of the pandemic, and border reopening timelines.
28. **Wellington Regional Economic Development Agency (WellingtonNZ)** – WellingtonNZ initiatives delivered \$46million in economic activity to the region with more than 1,000 businesses engaged. Highlights for the quarter included the Summer of Tech internship programme benefitting from the tight labour market, with half of the 307 Wellington interns going on to full time employment. The annual Advent Calendar saw more than 210,000 vouchers delivering \$317,000 in direct spend within featured

businesses. A new Screen Strategy for Wellington was delivered, co-designed with the sector, which recognises the importance of local IP to the sustainability of the industry. Despite Alert level restrictions limiting events, WellingtonNZ was able to support the delivery of a Royal NZ Ballet Season and exhibitions at City Gallery and Te Papa.

29. **Wellington Zoo Trust** – Wellington Zoo was awarded three Business Resurgence Payments (including a Transition payment) and wage subsidies amounting to \$131,500 during the quarter which mitigated some of the impact of COVID-19 on the Trust's revenue stream. The Zoo has successfully completed its annual audit of the Toitū carbonzero certification for the tenth year running. The Zoo's emissions for 2020/21 were 38% lower than last year and 73% lower than the base year.

### **Kōwhiringa | Options**

Not applicable.

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

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

30. The services CCOs provide are strongly aligned to several Council strategies and policies including Aho Tini by ensuring Wellingtonians can access and participate in arts and culture, and explore their creativity; the Children and Young People Strategy, ensuring Wellington is a great place for children and young people to play, live, study and work; the draft Economic Wellbeing Strategy, which recognises the importance of having a diverse range of things to see and do as part of being a dynamic city that attracts talent and visitors.

#### **Engagement and Consultation**

31. CCOs and Council officers have been engaging around the delivery of the Statement of Intent for FY23, following on from this Council's adoption of Statements of Expectation. These will be presented at the April 28<sup>th</sup> Council meeting.

#### **Implications for Māori**

32. No direct impacts but it should be noted that each CCO is progressing their cultural capability building and relationships with mana whenua as individual entities.

#### **Financial implications**

33. While there are no direct financial implications arising from this report, it is expected there will be a request for approval for additional funding to support the deficits facing several CCOs in the May Finance and Performance Committee meeting.

#### **Legal considerations**

34. The Local Government Act outlines the requirements of Councils to monitor council controlled organisations to evaluate its contribution to the achievement of the local authority's objectives for the organisation, the desired results set out in the organisation's statement of intent and the overall aims and outcomes of the local authority.

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### **Risks and mitigations**

35. As outlined above, there is still significant financial risk with respect to the ongoing Covid-19 pandemic and resultant impacts on visitation and other trade. CCOs cashflow has been negatively impacted for the duration of the pandemic and will continue to be for the foreseeable future. Officers and CCOs are working closely together on tracking these impacts and taking a 'no surprises' approach to forward planning. Anticipated impacts have been factored into the thinking around the upcoming Statements of Intent. This is consistent with other measures taken to mitigate Council's Covid-19 and resource supply strategic risks. Addressing financial sustainability and continuity of critical staff, skills and resources have been identified as risk treatments as we move in to the recovery phase of the pandemic.

### **Disability and accessibility impact**

36. No direct impact.

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

37. Each CCO has its own Sustainability programme, which is required by Council as part of the CCO Statement of Expectations.

### **Communications Plan**

38. Not applicable.

### **Health and Safety Impact considered**

39. No health and safety implications.

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

40. Statements of Intent will be considered for adoption at the 28 April Council meeting.

### **Attachments**

- Attachment 1. Basin Reserve Trust Q2 Financials and KPIs
- Attachment 2. Basin Reserve Trust Q2 Report Summary
- Attachment 3. Karori Wildlife Sanctuary Trust Q2 report summary
- Attachment 4. KWST Balance Sheet
- Attachment 5. KWST Profit and Loss
- Attachment 6. KWTS Statement of Cash flows
- Attachment 7. Wellington Cable Car Q2 Report Summary
- Attachment 8. WCCL Financials
- Attachment 9. Wellington Museums Trust Q2 report summary
- Attachment 10. WMT Statement of Financial performance
- Attachment 11. WMT Q2 report KRIs
- Attachment 12. Wellington Regional Economic Development Agency Q2 Report
- Attachment 13. Wellington Regional Stadium Trust H1 Report
- Attachment 14. WRST H1 Financials
- Attachment 15. Wellington Zoo Trust Q2 Report

**BASIN RESERVE TRUST**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**For the quarter ended: 31 December 2021**

Forecast FYE 30-Jun-22	Actual Qtr to 31-Dec-21	Budget Qtr to 31-Dec-21	Variance Qtr to 31-Dec-21	Budget FYE 30-Jun-22
	\$	\$	\$	\$
<b>Revenue</b>				
Council funding	359,020	359,020	-	718,040
Grants other	-	-	-	-
Sale of goods and services	175,768	118,200	57,568	1,127,340
Interest revenue	159	130	29	260
<b>Total Revenue</b>	<b>534,947</b>	<b>477,350</b>	<b>57,597</b>	<b>1,845,640</b>
<b>Expenses</b>				
Depreciation of property, plant and equipment	52,357	30,500	(21,857)	64,750
Costs related to providing goods and services	433,774	384,900	(48,874)	1,615,400
Other expenses	149,916	62,045	(87,871)	139,150
<b>Total Expenses</b>	<b>636,047</b>	<b>477,445</b>	<b>(158,602)</b>	<b>1,819,300</b>
<b>Surplus/(Deficit) for the Year</b>	<b>(101,100)</b>	<b>(95)</b>	<b>(101,005)</b>	<b>26,340</b>

**BASIN RESERVE TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**As at: 31 December 2021**

Forecast As at 30-Jun-22	Actual As at 31-Dec-21	Budget As at 31-Dec-21	Variance As at 31-Dec-21	Budget As at 30-Jun-22
	\$	\$	\$	\$
<b>Assets</b>				
<b>Current Assets</b>				
Bank accounts and cash	444,080	241,943	202,137	241,093
Debtors and prepayments	6,957	65,000	(58,043)	96,200
<b>Total Current Assets</b>	<b>451,037</b>	<b>306,943</b>	<b>144,094</b>	<b>337,293</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	468,019	442,674	25,345	458,424
<b>Total Non-Current Assets</b>	<b>468,019</b>	<b>442,674</b>	<b>25,345</b>	<b>458,424</b>
<b>Total Assets</b>	<b>919,056</b>	<b>749,617</b>	<b>169,439</b>	<b>795,717</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and accrued expenses	281,584	109,230	(172,354)	117,495
Income received in advance	81,480	-	(81,480)	11,400
<b>Total Current Liabilities</b>	<b>363,064</b>	<b>109,230</b>	<b>(253,834)</b>	<b>128,895</b>
<b>Total Liabilities</b>	<b>363,064</b>	<b>109,230</b>	<b>(253,834)</b>	<b>128,895</b>



**BASIN RESERVE TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
As at: 31 December 2021

Forecast As at 30-Jun-22	Actual As at 31-Dec-21	Budget As at 31-Dec-21	Variance As at 31-Dec-21	Budget As at 30-Jun-22
	\$	\$	\$	\$
	666,822	555,992	(84,395)	666,822
	<b>Total Assets less Total Liabilities</b>			
	666,822	555,992	(84,395)	666,822
	<b>Trust Equity</b>			
100	100	100	-	100
640,382	656,992	640,382	16,610	640,382
26,340	(101,100)	(95)	(101,005)	26,340
	666,822	555,992	(84,395)	666,822
	<b>Total Trust Equity</b>			
	666,822	555,992	(84,395)	666,822

**BASIN RESERVE TRUST**  
**STATEMENT OF CASH FLOWS**  
For the quarter ended: 31 December 2021

Forecast FYE 30-Jun-22	Actual Qtr to 31-Dec-21	Budget Qtr to 31-Dec-21	Variance Qtr to 31-Dec-21	Budget FYE 30-Jun-22
	\$	\$	\$	\$
	359,020	359,020	-	718,040
<b>Cash Flows from Operating Activities</b>				
Receipts of council funding	-	-	-	-
Receipts of grants other	152,537	65,000	87,537	1,015,000
Receipts from sale of goods and services	159	130	29	260
Interest receipts	(476,410)	(386,700)	(89,710)	(1,621,700)
Payments to suppliers and employees	30,249	(15,000)	45,249	(40,000)
GST (net)				
<b>Net Cash Flows from Operating Activities</b>	65,555	22,450	43,105	71,600
<b>Cash Flows from Investing and Financing Activities</b>				
Payments to acquire property, plant and equipment	(21,835)	(50,000)	28,165	(100,000)
<b>Net Cash Flows from Financing Activities</b>	(21,835)	(50,000)	28,165	(100,000)
<b>Net Increase/(Decrease) in Cash for the Year</b>	43,720	(27,550)	71,270	(28,400)
Add opening bank accounts and cash	400,360	269,493	130,867	269,493
<b>241,093</b>	<b>444,080</b>	<b>241,943</b>	<b>202,137</b>	<b>241,093</b>



**Basin Reserve Trust**  
**Report to the Wellington City Council**  
**CCO Committee**

Second Quarter ending 31 December 2021

## 1. Highlights

Quarter Two highlights are outlined below:

- Announcement of Cello as new Naming Rights Partner on a two-year term
- Continuation of masterplan projects around the venue
- Completion of New Zealand Cricket Museum exhibition fitout [Stage 1 of 3] and reopening on the 19<sup>th</sup> of December
- Commencement of domestic cricket fixtures
- Confirmation of 2021-22 international cricket schedule for the venue
- On-going planning for hosting the ICC Women’s World Cup games in March 2022
- Continued high demand for venue hire through Black and Gold for conferences and events
- Successful delivery of Christmas Eve at the Basin Super Smash double header event with 4,000 in attendance
- Beers at the Basin event rescheduled to April 2022

## 2. Statement of Intent KPI Performance

Quarter two marks the start of the domestic and international cricket season. The table below outlines quarter two’s actuals vs targets, as well as year to date performance vs the BRT’s annual targets:

Measure	Measurement	Annual Target	YTD	Q2 Target	Q2 Actual	Comments
Cricket Events	Cricket days	55	28	30	27	- Change to domestic schedules due to Covid-19 Auckland border restrictions
Other Sports Events	Sports days	20	10	0	0	- No activity planned for Q2
Community Events	Event days	3	1	1	1	- Cricket Wellington Junior Field Day
Practice facility usage	Practice days	100	60	45	45	- On-target
Functions	Function days	40	61	10	41	- Black&Gold function space at the venue utilised more due to unavailability of other venues

### Cricket Events and Practice Facility Usage

The start of domestic cricket activity commenced at the venue in September, with the Wellington Firebirds and Blaze squads beginning their training for the 2021-22 season. The Firebirds began their Plunket Shield campaign in October, with the Cello Basin Reserve hosting the first four rounds of this competition. The Firebirds then hosted the Otago Volts for two Ford Trophy fixtures prior to the start of the Dream11 Super Smash competition, with the venue hosting three double-headers in December, including the annual ‘Christmas Eve at the Basin’ free event, with over 4,000 fans in attendance.

## Other Sports and Community Events

The Cello Basin Reserve continues to feature a wide range of sporting and community events as we continue to drive event diversification at the venue. The key event scheduled for quarter two was the annual Beers at the Basin originally scheduled for Saturday, 11 December 2021 but now postponed to Saturday, April 9 2022, due to challenges arising from the current COVID-19 pandemic.

## Functions

Through its contract with Black and Gold Events who manage and promote the Norwood Room and Long Room in the RA Vance Stand as a venue for conferences, meetings, weddings, celebrations, Christmas functions and team building workshops, the BRT is pleased to report that despite the challenges present by COVID-19, 41 functions were held in quarter two.

## 3. Master Plan Redevelopment

The Trust continues to work with Council in progressing the vision of the Masterplan. Quarter two was a concentrated period of activity for multiple projects around the venue, and despite ongoing challenges relating to Covid-19 regarding supplies and resourcing, we remain on track to completing most of the following projects prior to the Cricket World Cup in March.

- Media Box
- Embankment toilet upgrades
- In venue Wi-Fi connectivity upgrade
- Northern Entrance upgrade
- Perimeter Fence upgrades

## 4. Fundraising

To date the BRT has secured \$975,000 of fundraising for venue projects. This includes a \$24,000 grant from the International Cricket Council towards the build of the Media Box.

## 5. Basin Reserve Trust Meetings

The BRT Trustees met on 13 December. The meeting schedule for the remainder of this reporting year is outlined in the table below:

Friday 25 March 2022	10.00am	Library, Old Pavilion, Basin Reserve
Tuesday 21 June 2022	10.00am	Library, Old Pavilion, Basin Reserve

## 6. Financial Performance

A year-to-date summary of financial performance is outlined below for quarter one and two (please refer to the attached *Summary Management Accounts* for the period ending 31 December 2021 for further information).

FINANCIAL PERFORMANCE	31 Dec 21	31 Dec 21	31 Dec 21	30 Jun 22	30 Jun 22
(\$000)	Actual	Budget	Variance	Budget	Reforecast
Total Revenue	535	477	58	1,845	1,424
Total Expenses	636	477	(159)	1,819	1,577
Surplus (Deficit)	82	-	(101)	(26)	(152)
<b>FINANCIAL POSITION</b>					
Total Assets	919	749	170	796	-
Total Liabilities	363	109	(254)	129	-
Equity	556	640	(84)	667	-
<b>CASH FLOWS</b>					
Total Net Cash Flows	44	(28)	71	(28)	-
Opening Cash	400	269	130	269	-
Closing Cash	444	242	202	241	-

At the conclusion of quarter two, a year-end reforecast has been completed based on expected income and expenditure, indicating a year end deficit of \$150,000 for the Trust. Key variances include a reduction in revenue for international ground hire, reflected in reduced costs as the Cricket World Cup is now paying some costs directly. The Trust has also reduced other ground hire income due to the postponement of Beers at the Basin until April 2022 as a result of Covid-19 which removes the additional event window opportunity to host a concert. However, other sports events and securing Cello as Naming Rights partner has generated additional income.

Forecasted expenditure has increased due to two unbudgeted building washes which were originally part of the Asset Management Budget, the introduction of the Solid Waste Management and Minimisation ByLaw from January 25 which has increased ground expenses for event delivery, increase of electricity usage for buildings and consultant services relating to network upgrade and development of broadcast tower concepts. The Trust also expensed a grant to the Council for costs relating to the upgrade of the Wi-Fi network at the venue. Depreciation has also been reviewed and rates increased for the assets that been upgraded by Council. Forecasted year-end position is challenging but unbudgeted expenditure reflects key investment for the Trust. Significant risk remains regarding events and ongoing Covid-19 interruption with the quarter three financial performance to capture the lost revenue from not hosting a Test Match in February.

## 7. Outlook

Key events planned for quarter three are as follows:

- Completion of stage three master plan projects
- NZ Cricket Museum open days and official reopening event
- Delivery of first ever Cricket World Cup event in March
- Completion of domestic cricket fixtures
- Black and Gold conferences and events
- Launch of Tui Basin Reserve Lawn Seed product in March 2022
- General venue signage upgrade and installation

## 8. Issues/Risks

Continued uncertainty regarding the impacts of COVID-19 and the potential impact on the Cello Basin Reserve events schedule and masterplan work programmes. The emergence of Omicron in the community and the move to alert level red has resulted in the venue losing the BLACKCAPS v South Africa Test Match scheduled for February. This is a significant concern for the Trust as hosting international cricket fixtures is a key item in the annual events calendar and a core revenue stream.

# Report to the Wellington City Council CCO Performance Committee Second Quarter ending 30 December 2021

## LIVING WITH NATURE



**A PLACE THAT TREASURES**  
HE WĀHI TAONGA



**A PLACE THAT ENGAGES**  
HE WĀHI HUIHUINGA



**A PLACE FOR LEARNING**  
HE WĀHI MĀTAURANGA



**A PLACE THAT EMPOWERS**  
HE WĀHI WHAKAMANA

### Highlights

- Zealandia Te Māra a Tāne's implementation of the Covid-19 Protection Framework was highly successful. We continue to welcome our community while keeping staff, volunteers and visitors safe.
- We successfully secured significant grant funding from the Stout Trust to support the Sanctuary to Sea Every Business Restoring Nature project, and funding from Pacific Development Conservation Trust to enable us to deliver Ngahere Korowai Cannons Creek outreach work. These projects ensure we continue reaching into communities who may not ordinarily connect with nature restoration activities.
- Zealandia Chief Executive Dr Danielle Shanahan has now been appointed as Adjunct Professor with Te Herenga Waka Victoria University of Wellington, which will enable further growth of this important partnership. Dr Shanahan is also a finalist in the environment category for the Women of Influence awards 2022.
- We have expanded our online store offering to include membership and tours gift vouchers, which proved very popular through the Christmas season. As a result, approximately \$40,000 in new sales revenue was achieved from these products across November and December.
- The change to the Covid-19 Protection Framework allowed some 'on-hold' visitor experience projects to go ahead including the "little share library", and the opening of our newly installed binoculars. These new facilities further enhance the visitor experience and support people to engage with the sanctuary in different ways.
- While education numbers have been impacted by Covid-19 related changes, we have continued to support rangatahi across all age groups in reconnecting with nature. In this quarter our Rāngai Rangatahi Youth Collective came to a close for 2021. This programme focuses on a cohort of young people throughout the year, and the final session involved the group presenting to an audience of whānau and friends about what they learned.
- The titipounamu/rifleman pair that dispersed from Zealandia Te Māra a Tāne and are now breeding in Te Ahumairangi continue to provide delight for all Wellingtonians. Their presence just above parliament highlights how Wellingtonian's collective effort to reduce predator number and restore habitats can create the change we need for nature.
- Dr Rachael Shaw's research on kākā face recognition received significant publicity over the last quarter and is just one example that demonstrates how Zealandia Te Māra a Tāne is a place for new discoveries and learning. Dr Shaw (Te Herenga Waka Victoria University of Wellington) is exploring the feasibility of developing AI based methods for recognising specific birds in Wellington's kākā population.



## VISITORS



A PLACE THAT ENGAGES  
HE WĀHI HUIHUINGA

During the December quarter we hosted 24,818 visitors, up 9% on the SOI target and down 15% on last year. Visitors from Auckland returned to Zealandia during December following the lifting of the Covid-19 restrictions for Auckland. Zealandia hosted 687 Auckland visitors in December, down 40% on the same time last year.

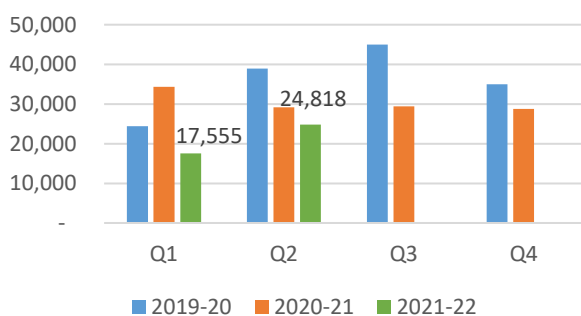
This quarter Zealandia introduced two “kids go free” offers during the October and Christmas school holiday periods to boost Zealandia’s visitation. These offers have been popular with the Wellington public with 1,120 kids visiting Zealandia during the October school holidays and 773 kids visiting Zealandia during December. The offer finishes on 31 January 2022.

### Visitor Comments

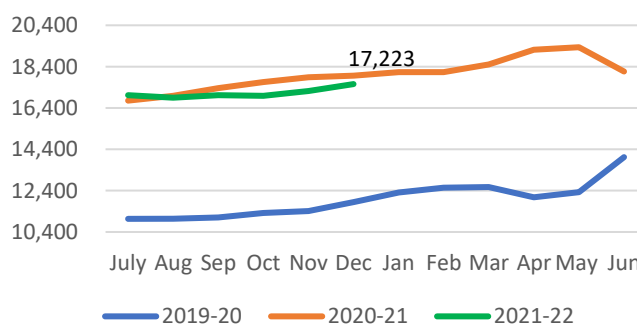
“Spending time in such a beautiful place, listening and seeing the birds and insects, together with the extensive knowledge of our guides, who really made it so enjoyable.” – Visitor Dec 2021

“The success of Zealandia makes it a phenomenal place to visit. You are tripping over the birds before you even enter it. It is a credit to what people can do when they try and to the volunteers who care for the place. An absolute must visit for anyone in New Zealand. Thanks very much.” – Visitor Nov 2021

### Visitor Numbers



### Total Members



Visitor Demographics Q1	%
Local	57%
Rest of North Island	27%
South Island	15%
Australia	0%
Rest of the World	1%

### Membership

At the end of December 2021, Zealandia had 17,223 members, up 184 members since September 2021. During December 2021 we added gift members products into our online store which simplified the sales processes for customers and staff.

## VOLUNTEERS



A PLACE THAT EMPOWERS  
HE WĀHI WHAKAMANA

This quarter, Zealandia volunteers joined entomologists from Wellington Pepeke on their night moth sampling session. It was a fantastic opportunity for our volunteers to learn about the lesser-known night fauna of the valley and contribute to a citizen science project at the same time.

A group of Zealandia volunteers took part in a morning of critical conservation mahi to support the restoration activities in Trelissick Park. This involved weeding within the Park which will help contribute to Zealandia's Sanctuary to Sea Kia Mouriora te Kaiwharawhara project for a nature-rich future for Wellington.

## PUBLIC PROGRAMMES



A PLACE THAT ENGAGES  
HE WAHI HUIHUINGA

We have installed the 'Little Share Library' on the Round Lawn allowing visitors to select a book, find a nook and have some peaceful time reading in the valley. In addition, we have unveiled the new outdoor binoculars also located on the round lawn. These give our visitors a chance to get a closer look at some of our flora and fauna, especially the kāruhiruhi nesting spots.

In this quarter we ran a 'Tales of the Trail' live action game where players braved the rain to complete the quest and receive their token as part of this interactive Dungeons and Dragons style adventure. Despite the weather, the players had a great time, one saying the thing they most enjoyed was "being at Zealandia while playing a Zealandia-related adventure, also getting out and about with the birds".

We are running a series of summer public programmes in the valley over the last two weeks of January. These include micro worlds workshop, gift card crafting, yoga, activities for kids including wildlife wire creations, puppet shows and the Zealandia ranger takeover. We have a full range of activities planned for families on World Wetlands Day held on 2 February 2022.



Newly installed binoculars. Photo Credit: Zealandia Te Māra a Tāne.



The Little Share Library. Photo Credit: Zealandia Te Māra a Tāne.



Tales of the Trail live action game. Photo credit: Zealandia Te Māra a Tāne.

## COMMUNITY ENGAGEMENT

Terese McLeod, Zealandia Te Māra a Tāne's Lead Ranger, Bicultural Engagement, is a finalist for Wellingtonian of the Year 2021. Terese's nomination is a well-deserved recognition of her passion and dedicated mahi supporting te taio, including plastic free urupā/cemeteries, working on getting legal personhood for the Kaiwharawhara stream and a green korowai in Cannons Creek.



Terese McLeod, Zealandia Te Māra a Tāne's Lead Ranger, Bicultural Engagement. Photo Credit: Rahiri Edwards-Hammond

## Karaka (kupu Māori)/Kopi (kupu Moriori) a wānanga/symposium.

Zealandia is working with WCC on a wānanga/symposium to explore issues around the non-indigeneity of plant species. Species that present particular challenges for decision making include karaka, which is indigenous to Aotearoa but not the Wellington rohe/area. In the past many restoration groups would simply control such species, but together we are excited to explore different options and opinions exist that can ultimately inform our collective future. Who decides on what stays and what goes is a key question that will be explored in this wānanga.



A PLACE THAT EMPOWERS  
HE WĀHI WHAKAMANA

## Rāngai Rangatahi/Youth Collective programme

The year-long Rāngai Rangatahi/Youth Collective 2021 programme concluded in December. This programme involves a cohort of young people who come together to learn about the environment, and explore ways they might help improve it for the future. The final event at Zealandia was an opportunity to celebrate the achievements of the rōpū/group over the last year and to support them to thank their whānau and friends for enabling them to take part. The evaluation of last year's programme is now underway before the commencement of the 2022 programme.



Cat Ayres, Zealandia's Community Engagement Ranger (left) and Rāngai Rangatahi final rōpū to celebrate their achievements over 2021. Photo credit: Zealandia Te Māra a Tāne.

## EDUCATION

This period we have continued to see reduced school visitation numbers in comparison to previous years. This is expected due to the changes associated with the Covid-19 Protection Framework, and is being experienced at other education facilities. However, a ray of sunshine has been the Nature at Your Place programme. The programme continues to provide opportunities for learners who would not otherwise have the chance to experience the diversity of nature that can be seen at Zealandia; it involves a visit to Zealandia and follow up engagement and outreach. We often hear what a unique experience the programme is for both the students and the accompanying adults. Schools continue to value the relationship and the rapport that the programme structure creates with learners, and view this as a real benefit for the learning outcomes of the students. We have also seen strong support for our Sleepover programme, with local schools often booking 2 or 3 sleepovers to allow entire year groups to participate. Often these local schools have replaced the out-of-town schools who have been unable to visit this year.



A PLACE FOR LEARNING  
HE WĀHI MĀTAURANGA

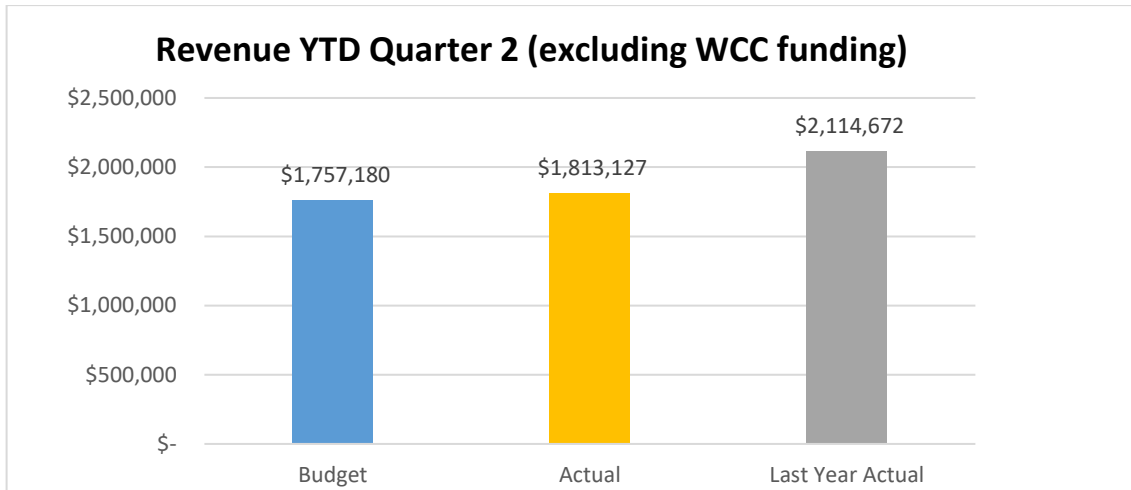
# FINANCIAL SUSTAINABILITY



A PLACE THAT TREASURES  
HE WĀHI TAONGA

## Revenue

Overall revenue performance (excluding the WCC funding) is \$1,813,127 against a budget of \$1,757,180. Revenue YTD is 14% lower than the same period in the prior year. In the prior year we received government grants through the Strategic Tourism Assets Protection Programme and the Wildlife Institutions Relief Fund to partially offset reduced visitor revenues.



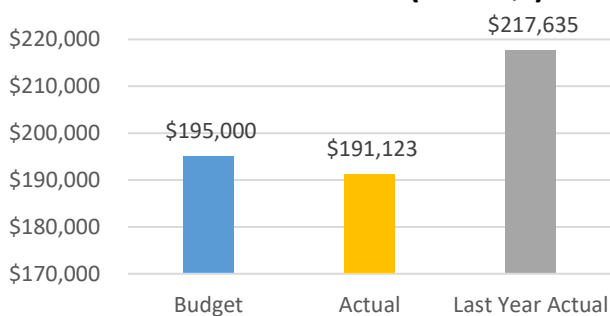
## Retail

Sales in the Zealandia gift shop totaled \$150,568 in the December quarter, up 5% on budget and down 33% on last year. Sales when compared to last year were adversely impacted due to lower visitor numbers. We were particularly pleased with the performance of our online membership and tours sales.

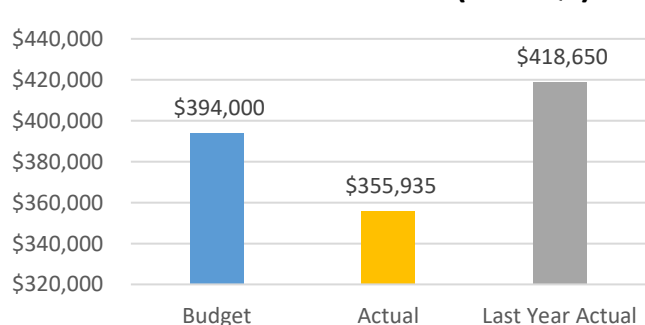
## Rātā Cafe

Sales in Rātā Café totaled \$222,691 in the December quarter down 6% on budget and up 2% on last year. Unfortunately, the limits associated with the Covid-19 Protection Framework impacted our ability to host large Christmas functions.

### Retail Sales Revenue (YTD Q2)



### Rātā Cafe Sales Revenue (YTD Q2)



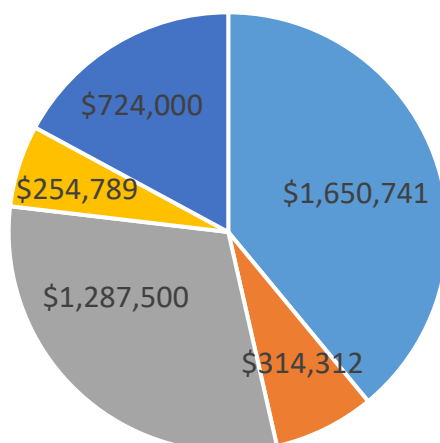
## Operating Surplus/(Deficit)

Our second quarter year-to-date result for operating surplus before depreciation is tracking favourably to budget by \$50,126. This is mainly driven by revenue from bequests, donations and additional revenue to support research.

## Working Capital

As at 31 December we have a working capital balance of \$4.23m, these funds are committed to the following areas.

### Allocation of Working Capital Balance of \$4.23m



- Tanglewood House
- Future Leaders Fund
- STAPP Loan
- Other Capital Projects 21/22
- Operating Activities

## STRATEGY & GOVERNANCE

### Appointment of new Chief Executive

Paul Atkins left his position as Zealandia Chief Executive in mid-November to take up the role of Chief Executive at the Royal Society Te Apārangi. After an international search, Dr Danielle Shanahan was appointed to the vacant role. Danielle was previously Zealandia's Deputy Chief Executive and Director of the Centre for People and Nature. Danielle has successfully delivered several significant projects over the past five years that have ensured Zealandia continues to take major steps towards the 500-year valley restoration vision. This includes the recent eradication of perch from Roto Kawau, translocations of several plant and animal species and ensuring our predator exclusion fence remains in top condition. Danielle has helped grow the national and international profile of Zealandia and significantly expanded researcher involvement both nationally and internationally. She has led internationally significant research through her roles with the Biological Heritage National Science Challenge and Victoria University of Wellington.

### Annual General Meeting

The Zealandia AGM was held online on Wednesday 10 November. An in-person member update was held in Rātā café the next evening to provide an opportunity to members to hear from the Board on the performance of the previous year, and to outline plans for the future. Roy Sharp was elected as the member-appointed Guardian for a further, and final, term of three years.

## CONSERVATION

### Our tiniest bird captures New Zealand's attention

Titipounamu were reintroduced to Zealandia Te Māra a Tāne in 2019, and already they are providing the newest evidence of the 'halo effect', with Zealandia the source of improved bird biodiversity across the city. A titipounamu pair dispersed from Zealandia and have now been observed breeding in Te Ahumairangi. Their presence on the hill highlights what can be achieved when Wellingtonians take up trapping and carry out other activities to care for their greenspaces, such as keeping dogs on leads. Zealandia volunteers have intensively monitored their establishment, alongside the community who care specifically for the Te Ahumairangi hill area. Now, the pair has fledged their second nest suggesting this pair may just be the first indication of an establishing population.

This story featured on the programme Sunday in December 2022.

### Zealandia Te Māra a Tāne research

Dr Rachael Shaw's (Te Herenga Waka Victoria University of Wellington) has been carrying out new research to examine whether face recognition technology could provide a useful tool for identifying and studying individual birds. Zealandia Te Māra a Tāne has provided the ideal location for this work with a focus on kākā given the established supplementary feeders that draw the birds in. This kind of advancement has the potential to revolutionise how birds are monitored in wild populations, which currently relies heavily on human sightings of individually colour banded birds. Dr Shaw's research recently received significant public interest in the last quarter.

<https://www.stuff.co.nz/environment/126898710/purposebuilt-facial-recognition-software-aims-to-identify-individual-kk>

### Takahē nesting attempt

Though considered elderly and past their breeding prime, Zealandia's resident takahē pair Orbell and Nio began nesting in the wetlands earlier this month. Unfortunately, Wellington was doused with near-record levels of rain which resulted in the nest becoming flooded. At 20 years old, Orbell would be the same age as the oldest known male takahē to breed so their breeding attempts were unlikely to be successful.

This kind of weather event is one of the effects of a changing climate, which we are likely to see more of in the future. There are also other potential effects on the sanctuary valley, such as changes in bird breeding seasons. Our ongoing restoration of the valley is key to ensuring it remains resilient and adapts to the changes it will face in the future.



Dr Danielle Shanahan has now been appointed as adjunct professor. Photo credit: Zealandia Te Māra a Tāne.

### Zealandia Te Māra a Tāne CEO appointed as adjunct professor at Victoria University, and a finalist in Women of Influence

Dr Danielle Shanahan has now been appointed as adjunct professor with Te Herenga Waka Victoria University of Wellington, which will enable further growth of this important partnership. The university and Zealandia intend to work together to make Wellington the place to come and study conservation science, with this partnership offering exceptional opportunities for academic and applied learning.

Coupled with this, Dr Shanahan is a finalist in this year's Women of Influence awards, reflecting her impact though



A PLACE THAT TREASURES  
HE WĀHI TAONGA



One of the titipounamu spotted at Te Ahumairangi  
Photo credit: Melissa Boardman.

Zealandia’s Sanctuary to Sea work and her ongoing research into the connection between people and nature. The awards night will be held in February.

### Unusual bird sighting in the sanctuary

A pair of kōtuku ngutupapa/royal spoonbill were seen in December by the lower reservoir -- these are a rare visitor to the sanctuary, with only seven sightings since 2010. Out of the six spoonbill species worldwide, the kōtuku ngutupapa is the only one that breeds in New Zealand, having first flown over from Australia in the 1860s. A significant part of our restoration strategy is to create habitat for various wetland bird species in order to support their arrival, rather than translocate them here. As such, this sighting is a positive indicator of improving habitat at Zealandia.

### Pua o te Rēinga translocation postponed due to Covid-19

Two of our team, Aaria Dobson-Waitere and Terese McLeod, have been part of a cross-organisation, cross-iwi group that has been planning a November 2021 ‘top-up’ translocation of pua o te Rēinga, *Dactylanthus taylorii* to both Zealandia and Ōtari Wilton’s Bush. This species is a rare parasitic plant that has captured the imagination and hearts of many over the last two years. These top-ups will help establish a population with multiple age classes, ultimately leading to a self-sustaining population. Unfortunately, this mahi has been postponed due to Covid restrictions, but we are looking to reschedule this for April 2022.



Kōtuku ngutupapa/royal spoonbill visiting Zealandia Te Māra a Tāne.  
Photo credit: Zealandia Te Māra a Tāne.

## FACILITIES AND INFRASTRUCTURE

We have received a Quantity Surveyor's report for the current design of Tanglewood House and have reviewed the scale of the new build to ensure it is fit for purpose. The project is still tracking well and expected to begin in this financial year.



A PLACE THAT TREASURES  
HE WĀHI TAONGA

Preparations for the Moss and Part 35 Audit on the Boat Ara Kawau have taken place this quarter with the audit due to being completed within the next quarter. Preparation meetings with the skippers and facilities team have commenced and a pre-audit meeting with Maritime New Zealand have taken place.

Our predator exclusion fence remains in extremely good order. In the coming months we will be exploring how to approach replacement of a key section to in coming years. This has never been done before, and provides an opportunity for new learning that can be shared with other sanctuaries across Aotearoa New Zealand.

## RISK MANAGEMENT

We regularly monitor our known and potential risks using the standard risk methodology, as detailed in the following table.

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

## MEASUREMENT AGAINST TARGETS IN THE SOI 2021/22

### Non-Financial Performance Measures (Quarterly Targets)

Measure	2021/22 Quarter 2		2021/22 Annual	
	Actual	Target	Actual (YTD)	Target (YTD)
Visitation	24,818	22,701	42,373	32,794
Education Visits <sup>1</sup>	1,770	3,547	2,840	5,472

<sup>1</sup>Education sanctuary visits are also included in total visitation numbers above.

### Non-Financial Performance Measures (Annual Targets)

Measure	Actual YTD	Annual Target 2021/22
Individual Members	17,223	15,000
Number of Volunteers	511	>500
Volunteer Satisfaction Survey <sup>2</sup>	TBC	> 80%
Percentage of Satisfied Visitors	94%	>95%

<sup>2</sup>Annual volunteer satisfaction survey due to be completed in quarter four.

### Financial Performance Measures

Measure	Actual YTD	Annual Target 2021/22
Average subsidy per visit (Total WCC operating grant/all visitors)	\$12.90	\$13.04
Average revenue per visitation (excludes Council & Government grants)	\$39.34	\$27.28
Non-Council Donations/Funding	\$348,306	\$200,000
Net surplus/-deficit before depreciation and tax	-\$361,267	\$0
Non-WCC grant revenues as a % of overall revenue	76%	>75%
Membership subscription revenue	\$252,785	\$324,700



## MEASUREMENT AGAINST TARGETS IN THE SOI 2021/22

### Conservation Measures (Annual Targets)

Measure	Target	YTD Actual	Comment
<b>Manawaroa. We actively restore ecosystem function to foster resilience</b>			
Number of fauna or flora species transferred into or out of the sanctuary, or 'topped up'	1	0	On track, with postponement delays due to Covid 19 lockdowns. We are planning to top up pua o te Rēinga in April, and at this stage kākahi/freshwater mussels in Autumn 2022.
Percentage of the bird community that is native	80%	>90%	Achieved. The relevant surveys were completed in October 2021.
<b>Kaitiakitanga. We look after what we have alongside our many partners.</b>			
% of incursions into the mouse-free area eradicated, or under active response	100%	100%	On track, no incursions detected.
Mice maintained to target level	<10	0.3	On track, mouse numbers at very low levels.
% pest animal incursions successfully eradicated, or under active response	100%	100%	On track, no incursions detected.

## Measures against Strategy Areas

Strategic Initiatives	Key performance indicators for 2021/22	Tracking 2021/22
<b>A place that treasures - He Wāhi Taongax</b>		
Implement the Sanctuary to Sea Kia Mouriora te Kaiwharawhara strategy with partners to achieve tangible outcomes for people, the forest and the water.	Partnerships with at least 10 community groups are active in the Sanctuary to Sea project.	On track to achieve target. Around 30 groups are actively engaged with the project.
Progress key sanctuary-based freshwater restoration initiatives.	A net breakeven before depreciation and tax.	YTD net deficit before depreciation of -\$361,267, tracking favourably to budget by \$50,126. Target remains as net breakeven before depreciation and tax.
Support mana whenua aspirations through the Sanctuary to Sea Kia Mouriora te Kaiwharawhara. project, support of key projects and close partnership in areas of interest.	Non-WCC grant revenues equating to >75% of overall income.	YTD 76%. On track to achieve target.
Develop smart initiatives to grow our people, and support systems to deliver enduring financial vitality.	Membership subscriptions of \$324,700.	YTD \$252,785. On track to achieve target.
Continue to identify and implement opportunities to reduce waste through initiatives to reduce, reuse and recycle and to reduce our carbon footprint in line with the Council's Te Atakura First to Zero Policy.	Average WCC subsidy per visitor of no more than \$13.04.	\$12.90. On track to achieve target.
Maintain our Toitū carbonzero certification and deliver good sustainability practices across the whole of the organisation.	Average revenue per visitor of no less than \$27.28.	\$39.34. On track to achieve target.
Redevelop the Zealandia website to provide a more relevant and integrated user experience across all aspects of our work including visitation, education, research, members and supporters.	Non-Council Donations/Funding of \$200,000	\$348,306. Achieved.
Improve the functionality of the pāteke room conference facilities by installing sound proofing and conference lighting.		
<b>A place that engages</b>		
Continue to provide activities and experiences for young people and families.	Visitor numbers – 70,000 separate visitations with breakdown of visitor demographics.	YTD 42,373. On track to achieve target.
Increase engagement opportunities for those with differing accessibility needs in line with the Council's Accessible Wellington Action Plan 2019.	Zealandia achieves a visitor satisfaction rating of 95% or greater.	94% satisfaction in the second quarter. On track to achieve target.

Strategic Initiatives	Key performance indicators for 2021/22	Tracking 2021/22
Participate in research gatherings (e.g. workshops) to share our knowledge and solidify partnerships, and support emerging research leaders through supervision, mentoring and employment.	9,000 education engagements.	YTD 2,840. Lower numbers due to lockdown, however we expect to meet target by year end.
Grow our corporate and philanthropic partnerships through key initiatives such as the Centre for People and Nature.	15,000 members	Membership totalled 17,223 members at the end of December quarter, on track to achieve target.
	Maintain > 500 volunteers and the range of avenues for people to volunteer	On track to achieve target. 511 volunteers currently active or in training.
	> 80% of volunteers are satisfied with their relationship with Zealandia	Annual volunteer survey due to be conducted in quarter four.
<b>A place for learning - He Wāhi Mātauranga</b>		
Continue to grow and integrate te ao Māori into Zealandia projects and programme development processes.  Develop and grow partnerships with iwi through key projects of interest to mana whenua.	Deliver activities and opportunities for staff and volunteers to increase their knowledge and confidence in te reo and te ao Māori.	On track to achieve target. Several staff are participating in our internal Te Ara Poutama course, and we are actively using kupu through our regular communications to staff and volunteers. Te Wiki o Te Reo Māori provided an opportunity to reinforce this through external communications as well.
Continue research focussed on understanding how changes to Wellington's biodiversity is affecting people, and how community-led conservation can gain environmental outcomes.  Raise funds to support and expand our formal and informal education programmes, with a focus on opportunities for those less able to access conservation experiences and learning	Continue to deliver valley-based and outreach learning programmes under our Ministry of Education LEOTC contract.	On track to achieve target.
<b>A place that empowers - He Wāhi Whakamana</b>		
Extend the reach of Zealandia's work and impact through partnerships, engagement activities and projects beyond the fence.  Increase the diversity of Zealandia's partners and volunteers by working with and through a wider variety of community organisations.	Continue to expand the range of programmes and activities offered to schools and young people.	On track to achieve target

## FINANCIAL PERFORMANCE

Detailed financials are attached.

# Balance Sheet

## Karori Sanctuary Trust Inc. As at 31 December 2021

31 DEC 2021

### Assets

#### Current Assets

Bank	4,834,416
Accounts Receivable	48,737
Prepayments	69,201
Stock on Hand	56,127
<b>Total Current Assets</b>	<b>5,008,481</b>

Fixed Assets	2,884,757
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<b>Total Assets</b>	<b>7,893,238</b>
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### Liabilities

#### Current Liabilities

Accounts Payable and Accruals	239,525
GST	28,310
Holiday Pay Accrued	148,345
Income in Advance	360,571
Cash Float	226
<b>Total Current Liabilities</b>	<b>776,977</b>

Non-current Liabilities	1,287,500
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<b>Total Liabilities</b>	<b>2,064,477</b>
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<b>Net Assets</b>	<b>5,828,761</b>
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### Equity

Accumulated Funds	5,828,761
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<b>Total Equity</b>	<b>5,828,761</b>
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# Profit and Loss

Karori Sanctuary Trust Inc.

For the 3 months ended 31 December 2021

OCT-DEC 2021 JUL-SEP 2021

## Income

### Trading Income

Admissions	167,652	107,557
Membership	143,421	109,364
Other trading revenue	506,495	298,359
<b>Total Trading Income</b>	<b>817,569</b>	<b>515,280</b>

### Other Operating Income

WCC Operating Grant	273,358	273,358
Sponsorships, grants and donations	211,834	136,472
COVID-19 MSD Wage Subsidy	-	91,376
COVID-19 Resurgence Support Payment	-	21,500
<b>Total Other Operating Income</b>	<b>485,192</b>	<b>522,706</b>

### Non-Operating Income

Interest Income	9,102	9,472
Gain or Loss on Sale of Fixed Assets	522	-
<b>Total Non-Operating Income</b>	<b>9,624</b>	<b>9,472</b>

**Total Income** 1,312,384 1,047,458

## Operating Expenses

Salaries and Wages	1,022,415	989,113
Cost of Goods Sold	145,189	82,964
Other Operating Expenses	134,316	126,445
Trustee Expenses	34,995	32,726
Administration Costs	85,584	67,357
<b>Total Operating Expenses</b>	<b>1,422,500</b>	<b>1,298,606</b>

**Net Surplus/(Deficit) before Depreciation and Tax** (110,116) (251,148)

## Other Expenses

Interest Expense	-	3
Depreciation Expense	80,932	82,309
<b>Total Other Expenses</b>	<b>80,932</b>	<b>82,312</b>

**Net Profit** (191,049) (333,460)

# Statement of Cash Flows

Karori Sanctuary Trust Inc.

For the 3 months ended 31 December 2021

	OCT-DEC 2021	JUL-SEP 2021
<b>Operating Activities</b>		
Receipts from customers	1,187,147	1,466,856
Payments to suppliers and employees	(1,547,390)	(1,413,853)
Interest received	9,102	9,472
Cash receipts from other operating activities	(55,047)	(90,477)
<b>Net Cash Flows from Operating Activities</b>	<b>(406,187)</b>	<b>(28,003)</b>
<b>Investing Activities</b>		
Payment for property, plant and equipment	(82,945)	(24,912)
<b>Net Cash Flows from Investing Activities</b>	<b>(82,945)</b>	<b>(24,912)</b>
<b>Financing Activities</b>		
Other cash items from financing activities	312,500	312,500
<b>Net Cash Flows from Financing Activities</b>	<b>312,500</b>	<b>312,500</b>
<b>Net Cash Flows</b>	<b>(176,632)</b>	<b>259,585</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	5,009,569	4,749,984
Cash and cash equivalents at end of period	4,832,937	5,009,569
<b>Net change in cash for period</b>	<b>(176,632)</b>	<b>259,585</b>

# **Quarterly Report to WCC**

Wellington Cable Car Limited

For the quarter ended 31 December 2021

# Contents

- 3 Profit and Loss
- 4 Balance Sheet
- 5 Statement of Cash Flows



# Profit and Loss

## Wellington Cable Car Limited

### For the 3 months ended 31 December 2021

	ACTUAL 2022 - QTR 2	BUDGET 2022 - QTR 2	VARIANCE 2022 - QTR 2	ACTUAL 2022 - YTD	BUDGET 2022 - YTD	VARIANCE 2022 - YTD	REFORECAST 2022 - TOTAL
<b>Trading income</b>							
Cable Car Income	329,924	545,307	(215,383)	567,260	909,577	(342,317)	937,074
Sub-Lease Income	7,500	-	7,500	15,000	-	15,000	30,000
Dog Fares	404	-	404	404	-	404	403
<b>Total Trading income</b>	<b>337,827</b>	<b>545,307</b>	<b>(207,480)</b>	<b>582,663</b>	<b>909,577</b>	<b>(326,914)</b>	<b>967,477</b>
<b>Cost of Sales</b>							
Cable Car Operations	60,643	89,410	(28,767)	116,490	172,450	(55,960)	282,421
Cable Car Maintenance	40,334	106,045	(65,711)	103,788	221,215	(117,427)	181,262
Cable Car Wages	305,735	296,666	9,069	604,639	591,325	13,314	1,199,578
Depreciation	77,081	75,000	2,081	154,237	150,000	4,237	308,628
Administration expenses	211,788	276,252	(64,464)	471,779	553,004	(81,225)	985,851
<b>Total Cost of Sales</b>	<b>695,581</b>	<b>843,373</b>	<b>(147,792)</b>	<b>1,450,933</b>	<b>1,687,994</b>	<b>(237,061)</b>	<b>2,957,740</b>
<b>Operating Surplus/(Loss)</b>	<b>(357,753)</b>	<b>(298,066)</b>	<b>(59,687)</b>	<b>(868,270)</b>	<b>(778,417)</b>	<b>(89,853)</b>	<b>(1,990,263)</b>
<b>Sundry Income</b>							
Sundry Income	37,616	-	37,616	105,020	-	105,020	105,023
<b>Total Sundry Income</b>	<b>37,616</b>	<b>-</b>	<b>37,616</b>	<b>105,020</b>	<b>-</b>	<b>105,020</b>	<b>105,023</b>
<b>Total Operating Surplus/(Loss)</b>	<b>(320,137)</b>	<b>(298,066)</b>	<b>(22,071)</b>	<b>(763,250)</b>	<b>(778,417)</b>	<b>15,167</b>	<b>(1,885,240)</b>
<b>Surplus/(Loss) before Tax</b>	<b>(320,137)</b>	<b>(298,066)</b>	<b>(22,071)</b>	<b>(763,250)</b>	<b>(778,417)</b>	<b>15,167</b>	<b>(1,885,240)</b>
<b>Surplus/(Loss) after Tax</b>	<b>(320,137)</b>	<b>(298,066)</b>	<b>(22,071)</b>	<b>(763,250)</b>	<b>(778,417)</b>	<b>15,167</b>	<b>(1,885,240)</b>

# Balance Sheet

## Wellington Cable Car Limited As at 31 December 2021

	31 DEC 2021	30 SEP 2021
<b>Assets</b>		
<b>Current Assets</b>		
Bank accounts	658,989	902,182
Term deposits	2,603,763	2,402,321
Inventories	264,974	281,913
Accounts Receivable	20,293	31,293
Sundry debtors & prepayments	310,105	457,388
GST Receivable	-	3,932
Income Tax Receivable	19,235	17,970
<b>Total Current Assets</b>	<b>3,877,360</b>	<b>4,096,999</b>
<b>Non-Current Assets</b>		
Cable car equipment	5,812,629	5,869,526
Cable car tracks & wires	882,237	861,990
Furniture & fittings	5,327	8,636
Computer equipment	12,071	14,096
Computer software	8,523	10,329
Motor vehicles	13,304	14,681
Work in progress	177,846	177,846
Bonds	455	455
<b>Total Non-Current Assets</b>	<b>6,912,393</b>	<b>6,957,560</b>
<b>Total Assets</b>	<b>10,789,753</b>	<b>11,054,559</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade & other payables	288,072	306,369
GST Payable	29,300	-
Deferred Tax	737,147	737,147
<b>Total Current Liabilities</b>	<b>1,054,519</b>	<b>1,043,517</b>
<b>Non-Current Liabilities</b>		
LTP Funding	44,330	-
<b>Total Non-Current Liabilities</b>	<b>44,330</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,098,849</b>	<b>1,043,517</b>
<b>Net Assets</b>	<b>9,690,905</b>	<b>10,011,042</b>
<b>Shareholder's Funds</b>		
Ordinary shares	7,434,846	7,434,846
Retained Earnings	3,019,309	3,019,309
Current year earnings	(763,250)	(443,113)
<b>Total Shareholder's Funds</b>	<b>9,690,905</b>	<b>10,011,042</b>

# Statement of Cash Flows

## Wellington Cable Car Limited

For the 3 months ended 31 December 2021

	OCT-DEC 2021	JUL-SEP 2021
<b>Operating Activities</b>		
Receipts from grants	27,700	1,268,034
Receipts from customers	380,387	255,555
Payments to suppliers and employees	(484,739)	(1,256,567)
Income tax refunded/(paid)	(1,265)	(781)
GST	6,999	(166,527)
Receipts from other operating activities	12,233	21,812
<b>Net Cash Flows from Operating Activities</b>	<b>(58,684)</b>	<b>121,526</b>
<b>Investing Activities</b>		
Payment for property, plant and equipment	(31,914)	(4,051)
Payment for investments	(196,925)	(187,347)
Other cash items from investing activities	44,330	-
<b>Net Cash Flows from Investing Activities</b>	<b>(184,510)</b>	<b>(191,398)</b>
<b>Net Cash Flows</b>	<b>(243,194)</b>	<b>(69,873)</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	902,182	972,055
Net change in cash for period	(243,194)	(69,873)
Cash and cash equivalents at end of period	658,989	902,182



## WELLINGTON CABLE CAR LIMITED

PO Box 25094, Wellington 6140  
276 Lambton Quay, Wellington 6011  
Phone: +64 (4) 473 2721

Tuesday, 01 February 2022

Finance and Performance Committee  
Wellington City Council

### WCCL QUARTERLY REPORT (FY 2021-22 Q2)

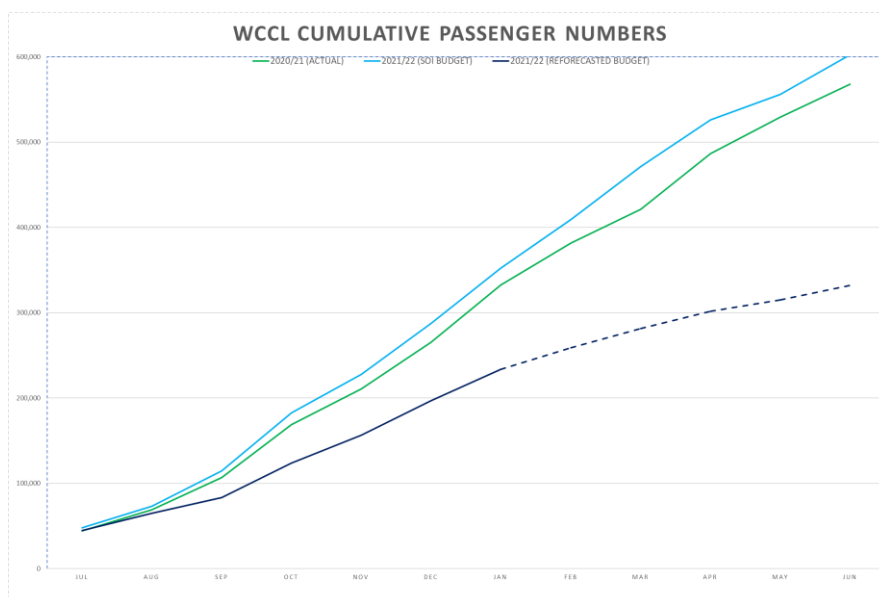
Dear Councillors Calvert and Foon,

Below you will find a summary of the 2<sup>nd</sup> quarter performance for Wellington Cable Car Limited (WCCL). It is divided into 5 sections;

1. Operating performance summary
2. WCCL Q2 results compared to SOI targets
3. Capex summary
4. Key initiatives this quarter
5. Looking ahead

#### 1. Operating performance summary

- Q2 revenue is down on budget by \$211k (38%) and passenger numbers down by 59k (34%)
  - The Auckland market represents approximately 30% of our passenger number and the prolonged locked during Q2 contributed to these results
- YTD cash losses have been funded through a reallocation of asset replacement funds, as per budget.
- The full-year revenue passenger number re-forecast is 331k, from an original budget of 602k.
  - The graph illustrates FY 20-21 Actual passenger number, FY 21-22 Original SOI budget and FY 21-22 re-forecast numbers



Absolutely Positively  
Wellington City Council  
Me Heke Ki Pōneke

Fax+64 (04) 473 2710  
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Web: [www.wellingtoncablecar.co.nz](http://www.wellingtoncablecar.co.nz)

## 2. WCCL Q2 results compared to SOI targets

The table below shows summarises key SOI parameters for Revenue, Passenger Numbers and Reliability targets.

### Wellington Cable Car - FY 2021-22 Q2 Results



Revenue	Oct-21	Nov-21	Dec-21	Q2 Total
SOI Target	\$ 212,307	\$ 144,114	\$ 188,885	\$ 545,306
Actual	\$ 120,595	\$ 101,558	\$ 111,520	\$ 333,673
FY 21-22 Q2 Variance (Rev)	\$ (91,711)	\$ (42,556)	\$ (77,365)	\$ (211,633)
FY 21-22 Q2 Variance (%)	-43.2%	-29.5%	-41.0%	-38.8%

Passenger Numbers	Oct-21	Nov-21	Dec-21	Q2 Total
SOI Target	68,086	45,195	59,600	172,881
Actual	40,729	32,409	40,704	113,842
FY 21-22 Q2 Variance (Pax)	-27,357	-12,786	-18,896	-59,039
FY 21-22 Q2 Variance (%)	-40.2%	-28.3%	-31.7%	-34.1%

Reliability	Oct-21	Nov-21	Dec-21	Q2 Total
SOI Target	99.00%	99.00%	99.00%	99.00%
Actual	95.75%	100.00%	99.96%	98.57%
FY 21-22 Q2 Variance (Rev)	-3.25%	1.00%	0.96%	-0.43%

- Due to an electrical fault, the Cable Car was offline from 10:50am on Friday 15th Oct until the issues were rectified and tested at 2:50pm Saturday 16th.
- There was only one trip missed in Nov & Dec.

## 3. Capital expenditure summary

- Work on the Seismic resilience project continues to progress
- During Q2, detailed design continued to be developed and tender documents prepared.

## 4. Highlights and Key Initiatives

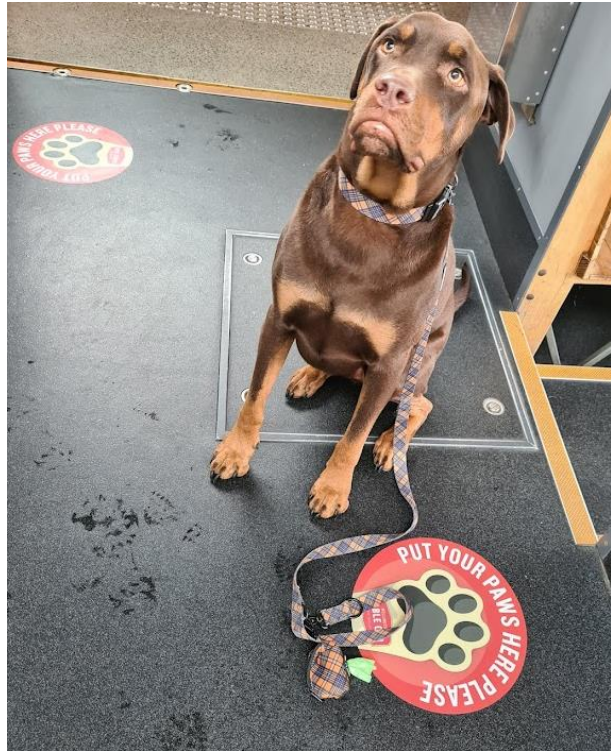
### HALLOWEEN

- Despite having to cancel our event due to COVID restrictions, the Cable Car celebrated Halloween by decoration the Lambton Quay terminal in a Harry Potter theme and one of the Cars with skeletons & spiders



## BARK and RIDE TRIAL

- The trial was run through the month of November
- During the trial, over 160 dogs rode the Cable Car with no accidents or incidents
- Donated almost \$300 to SPCA as part of the fundraising
- On Dec 1<sup>st</sup> it was confirmed that dogs would be able to ride on the Cable Car permanently



### 5. Looking ahead

- Cable Car turns 120 years
  - Celebration on 22nd Feb 2022
  - Golden ticket promotion
- Capital Expenditure
  - Complete detailed design
  - Beggin tendering process

Cesar Piotto

A handwritten signature in blue ink, appearing to read "Cesar Piotto". The signature is written in a cursive style with a long horizontal line extending from the end.

WCCL Chief Executive

Visitor Numbers

Institution	2021-22 Target	YTD Visitor Numbers	% of Annual Target	Q2 Target	Q2 Visitor Numbers Achieved	% of Q2 Target
City Gallery Wellington	150,250	44,274	29%	34,750	26,950	78%
Wellington Museum	100,000	33,065	33%	27,000	16,481	61%
Capital E	59,770	19,003	32%	16,000	5,854	37%
Cable Car Museum	125,000	30,070	24%	35,000	15,923	45%
Space Place	44,000	13,731	31%	10,500	7,218	69%
Nairn Street Cottage	1,400	45	3%	400	21	5%
<b>TOTAL</b>	<b>480,420</b>	<b>140,188</b>	<b>29%</b>	<b>123,650</b>	<b>72,447</b>	<b>59%</b>

QUARTER TWO – OCTOBER, NOVEMBER, DECEMBER

Commentary on variation against Target

All sites (with the exception of Nairn Street Cottage which reopened in November) were open during Quarter Two (Q2). Sites operated under COVID-19 alert level two visitor number restrictions until early December when the Government-mandated traffic light system was implemented (Wellington is in category 'orange'). From 3 December, all Experience Wellington sites became COVID Vaccination Certificate (CVC) sites, meaning all visitors aged 12 years and over need to provide their 'My Vaccine Pass' as a requirement of entry. All of our employees, contractors and volunteers must also be able to show proof of their 'My Vaccine Pass', in order to prioritise the safety and wellbeing of our visitors and staff.

Visitor numbers for Q2 show 59% of the quarterly target (123,650) was achieved with 72,447 visits. We reached 29% of our annual target with 140,188 visitors YTD. This compares to Q2 of 2020-21, with 199,052 visits or 76% of the annual target (261,700), noting Wellington was in alert level one at this time. A decrease in visitors from the previous year is likely to be attributed to concerns around the current COVID-19 environment, however we are seeing strong visitor numbers for the *Hilma af Klint* exhibition and this will be reflected in our Q3 results.

- **City Gallery Wellington** saw 17,575 visitors during the month of December when doors reopened following the installation of *Hilma af Klint: The Secret Paintings* – the highest monthly visitation numbers for the year. Q2 figures are higher than the same period last year, even with one month's closure for exhibition installation.
- **Wellington Museum:** visitor numbers are lower than forecast, however venue hire and retail sales are tracking well.
- **Capital E:** lower visitor capacity restrictions remain within PlayHQ, however venue hire is tracking well with 110 attendees for birthday parties during the month of November.
- **Space Place:** lower than previous year, and capacity has been restricted by half for planetarium shows.
- **Cable Car Museum:** retail sales have been tracking well, despite low visitation numbers.
- **Nairn Street Cottage** reopened in November.

Highlights

- **City Gallery Wellington:** The last weekend of October (closing weekend of *Brett Graham – Tai Moana, Tai Tangata*) saw 706 people visiting the gallery to attend programmes *Artist Respond*, *Poets Respond*, and *Curators Respond*. The Gallery reopened on 4 December with the widely-anticipated *Hilma af Klint: The Secret Paintings*, and *Pages of Mercury: Rita Angus, Andrew Beck, Seraphine Pick*. Feedback has been far reaching and extremely positive.
- **Wellington Museum:** The ground floor carpet installation of Te Whanganui a Tara was completed in November. It is a stunning visual aid to the stories of our city: Ngake and Whāitaitai, how the unique geography formed and influenced Wellington history, politics and culture.
- **Capital E:** 93 visitors attended a sold-out public performance of *Seasons* at Whirinaki Whare Taonga as well as 805 captivated attendees at seven education performances around Wellington and the South Island during October. 71 tamariki and their whanāu attended the opening and special prizegiving ceremony of the *Children's Art Exhibition* in association with Wellington City Council and Wellington Sakai Association.

- **Space Place:** The new planetarium show *Ngā Tohunga Whakātere - The Navigators* launched in October. Sales have been successful with tickets selling out over the school holiday. In collaboration with Wellington Astronomical Society, *Lunar Eclipse* was attended by approximately 300 people hoping to catch a glimpse of the mini blood moon. The WellingtonNZ advent calendar promotion is proving popular attracting new visitors to our site.

### **October School Holidays**

A range of exciting programmes were experienced by tamariki and their whānāu over the October school holiday period. Capital E's PlayHQ installation *Home is Where the Art Is* was enjoyed by 565 visitors, and 399 tickets were sold for screenings of Space Place's planetarium show *Ngā Tohunga Whakātere - The Navigators*.

**Jo Arenhold**  
**Senior Corporate Advisor**

*This paper has been approved for submission to Council by Dr Sarah Rusholme, Chief Executive.*



# Statement of Financial Performance

## Experience Wellington

For the month ended 31 December 2021

	MONTH ACT	MONTH BUD	YTD ACTUAL	YTD BUDGET	FULL YR BUDGET	2020 YTD
<b>Trading Income</b>						
<b>Trading Income</b>						
Admissions	271,853	38,004	426,757	229,020	946,445	241,011
Bar	1,235	3,917	4,328	20,502	44,000	16,909
Membership	1,361	300	10,562	1,800	3,600	3,502
Retail Sales	187,421	50,418	332,121	302,497	621,004	300,382
Royalty/Production/Tour fees	-	-	-	6,000	6,000	348
Income - Holding Account	-	-	380	-	-	-
Venue Hire	30,144	22,584	143,039	135,504	283,004	144,489
<b>Total Trading Income</b>	<b>492,014</b>	<b>115,223</b>	<b>917,186</b>	<b>695,323</b>	<b>1,904,053</b>	<b>706,641</b>
WCC Operating Grant	670,109	656,328	4,020,651	3,937,968	7,875,939	3,896,895
WCC Rental Subsidy	147,415	147,417	884,490	884,502	1,769,004	884,490
WCC Underwrite	-	-	-	-	184,000	(5,324)
Sponsorship and Donations	160,683	10,542	328,276	321,852	757,504	123,177
Grants	109,096	108,650	581,496	664,400	1,328,322	604,482
Investment Income	-	710	523	15,000	30,000	1,486
Other Income	3,683	7,605	47,150	95,432	137,462	7,230
<b>Total Revenue</b>	<b>1,582,999</b>	<b>1,046,475</b>	<b>6,779,772</b>	<b>6,614,477</b>	<b>13,986,284</b>	<b>6,219,077</b>
<b>Cost of Sales</b>						
Cost of Sales (Trading Income)	98,641	40,880	167,318	213,832	467,609	220,705
<b>Total Cost of Sales</b>	<b>98,641</b>	<b>40,880</b>	<b>167,318</b>	<b>213,832</b>	<b>467,609</b>	<b>220,705</b>
<b>Net Revenue</b>	<b>1,484,358</b>	<b>1,005,595</b>	<b>6,612,454</b>	<b>6,400,645</b>	<b>13,518,675</b>	<b>5,998,372</b>
<b>Operating Expenses</b>						
Employee Costs	657,959	614,047	3,543,651	3,683,659	7,384,983	3,395,590
Council Rent	111,540	111,569	669,242	669,414	1,338,828	669,242
Exhibitions & Programmes	242,130	119,324	1,123,216	786,144	2,546,663	1,027,809
Marketing & Promotions	73,905	45,192	247,262	452,031	716,276	173,623
Occupancy Costs	113,920	112,839	604,474	636,901	1,364,947	616,680
Communication Costs	12,755	6,334	46,541	38,004	76,000	50,598
Trustee Fees and Expenses	8,450	7,850	44,502	47,100	94,200	48,000
Technology Costs	14,500	10,283	148,565	59,698	119,492	103,736
Professional Fees	11,823	8,665	43,916	51,526	103,056	41,275
Administration Fees	14,160	16,178	69,342	91,496	175,949	84,408
Depreciation	20,613	42,817	136,721	256,902	513,800	255,955
<b>Total Operating Expenses</b>	<b>1,281,754</b>	<b>1,095,098</b>	<b>6,677,434</b>	<b>6,772,875</b>	<b>14,434,194</b>	<b>6,466,917</b>
<b>Net Surplus/(Deficit)</b>	<b>202,604</b>	<b>(89,503)</b>	<b>(64,980)</b>	<b>(372,230)</b>	<b>(915,519)</b>	<b>(468,545)</b>

# Statement of Financial Position

## Experience Wellington As at 31 December 2021

	31 DEC 2021	30 JUN 2021
<b>Assets</b>		
<b>Fixed Assets</b>		
Property, plant and equipment	1,028,445	1,132,667
Collections and Artefacts	2,338,816	2,338,816
Intangible assets	20,302	35,711
<b>Total Fixed Assets</b>	<b>3,387,563</b>	<b>3,507,194</b>
<b>Non-Current Asset</b>		
Legacy Investment with Nikau Foundation	293,325	293,325
<b>Total Non-Current Asset</b>	<b>293,325</b>	<b>293,325</b>
<b>Current Assets</b>		
Inventory	262,395	144,603
Trade and other receivables	(23,812)	760,453
Cash and Cash equivalents	1,600,662	1,737,000
<b>Total Current Assets</b>	<b>1,839,246</b>	<b>2,642,056</b>
<b>Total Assets</b>	<b>5,520,134</b>	<b>6,442,575</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	1,271,740	2,129,884
Employee benefits	316,144	316,086
<b>Total Current Liabilities</b>	<b>1,587,884</b>	<b>2,445,970</b>
<b>Total Liabilities</b>	<b>1,587,884</b>	<b>2,445,970</b>
<b>Net Assets</b>	<b>3,932,250</b>	<b>3,996,605</b>
<b>Equity</b>		
Reserves	2,602,465	2,601,840
Retained earnings	1,329,785	1,394,765
<b>Total Equity</b>	<b>3,932,250</b>	<b>3,996,605</b>

# Key Result Indicators 2021-22

Update on Progress against Targets, as at 31 December 2021 (Q2)

## OUR CITY

**City Residents' Awareness:** The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council.

Residents' Awareness	2021-22 Target	2021-22 Result
City Gallery Wellington	95%	
Wellington Museum	95%	
Capital E	90%	
Cable Car Museum	95%	
Space Place	92%	
Nairn Street Cottage	54%	

## OUR VISITORS

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

Visitor Numbers	2021-22 Target	2021-22 YTD Result	Q1 Target	Q1 Result	Q2 Target	Q2 Result	Q3 Target	Q3 Result	Q4 Target	Q4 Result
City Gallery Wellington	150,250	44,274	25,000	17,324	34,750	26,950	67,500		23,000	
Wellington Museum	100,000	33,065	23,000	16,584	27,000	16,481	30,000		20,000	
Capital E	59,770	19,003	17,400	13,149	16,000	5,854	11,370		15,000	
Cable Car Museum	125,000	30,070	25,000	14,147	35,000	15,923	45,000		20,000	
Space Place	44,000	13,731	11,000	6,513	10,500	7,218	12,000		10,500	
Nairn Street Cottage	1,400	45	0	24	400	21	600		400	
<b>Experience Wellington Total</b>	<b>480,420</b>	<b>140,188</b>	<b>101,400</b>	<b>67,741</b>	<b>123,650</b>	<b>72,447</b>	<b>166,470</b>		<b>88,900</b>	

*City Gallery visitation may be affected by earthquake strengthening of the Town Hall.*

*Targets reflect the current COVID-19 environment of closed borders and no international visitors.*

# Key Result Indicators 2021-22

Update on Progress against Targets, as at 31 December 2021 (Q2)

**Virtual Visitation:** The total number of unique user visits to institutional web/mobile sites.

Virtual Visitation	2021-22 Target	2021-22 YTD Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	80,000	108,719	41,191	67,528		
Museums Wellington	100,000	57,619	28,038	29,581		
Capital E	38,000	20,899	13,436	7,463		
<b>Experience Wellington Total</b>	<b>218,000</b>	<b>187,237</b>	<b>82,665</b>	<b>104,572</b>		

**Social Media Profile:** A snapshot of Facebook friends, Instagram and Twitter followers.

Social Media Profile	2021-22 Target	Q1 Snapshot	Q2 Snapshot	Q3 Snapshot	Q4 Snapshot
City Gallery Wellington	43,000	44,212	46,272		
Museums Wellington	15,120	15,483	15,596		
Capital E	10,000	9,912	9,912		
Space Place	10,910	10,773	10,844		
Nairn Street Cottage (FB page only)	-	589	649		
<b>Experience Wellington Total</b>	<b>79,030</b>	<b>80,969</b>	<b>83,273</b>		

The target for Museums Wellington and Nairn Street Cottage is a combined target of 15,120

**Quality of Visit (overall satisfaction):** Visitor feedback provided via surveys are based on ease of access, friendliness of staff, and level of comfort.

Quality of the Visitor Experience	2021-22 Target	2021-22 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	88%		78%	89%		
Wellington Museum	90%		100%	92%		
Capital E	90%		100%	75%		
Cable Car Museum	80%		82%	86%		
Space Place	90%		100%	93%		
Nairn Street Cottage	90%		-	-		

# Key Result Indicators 2021-22

Update on Progress against Targets, as at 31 December 2021 (Q2)

**Children & Young People Visiting for a Learning Experience:** The number of students as part of a booked group visiting institutions for learning experiences. The delivery of LEOTC is part-funded by the Ministry of Education.

Learning Experience Visitors	2021-22 Target	2021-22 YTD Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	4,500		218	613		
Wellington Museum	7,000		245	1,114		
Capital E	23,400		5,475	1,675		
Cable Car Museum	-		21	0		
Space Place	3,500		485	1,483		
Nairn Street Cottage	-		-	0		
<b>Experience Wellington Total</b>	<b>38,400</b>		<b>6,444</b>	<b>4,885</b>		

*The target of 7,000 set for Wellington Museum covers Cable Car Museum and Nairn Street Cottage.*

*Please note that the Capital E numbers for the table Children & Young People Visiting for a Learning Experience include our education experiences (Digital offerings are funded by LEOTC, National Theatre for Children is funded by Creative New Zealand).*

Venue Hire	2021-22 Target	2021-22 YTD Result	Q1 Result		Q2 Result		Q3 Result		Q4 Result	
			No. of bookings	Total attendees	No. of bookings	Total attendees	No. of bookings	Total attendees	No. of bookings	Total attendees
City Gallery Wellington	-		5	306	9	3,507				
Wellington Museum	-		37	1,049	27	300				
Capital E	-		14	346	19	390				
Space Place	-		12	285	17	229				
<b>Experience Wellington Total</b>	<b>-</b>		<b>68</b>	<b>1,986</b>	<b>72</b>	<b>4,426</b>				

*\*This is a new measure for 2021-22, providing a breakdown of venue hire per site. The total number of attendees are included in our overall physical visitation numbers.*

## OUR PEOPLE

	2021-22 Target	2021-22 Result
<b>Health and Safety</b>	No preventable serious harm incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.	<b>0</b>

*Note, Staff satisfaction results are reported to the Board via the PPS Committee.*

# Key Result Indicators 2021-22

Update on Progress against Targets, as at 31 December 2021 (Q2)

## OUR SUSTAINABILITY

**Non-Council Revenue:** The total amount of revenue generated from non-Council sources.

Trading (\$'000)	2021-22 Target	2021-22 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	740		36	453		
Museums Wellington	536		84	90		
Capital E	138		28	11		
Space Place	490		110	105		
<b>Sub Total</b>	<b>1904</b>		<b>258</b>	<b>659</b>		
Sub-letting, Interest & Other	30		0.4	47.6		
<b>Experience Wellington Total</b>	<b>1934</b>		<b>258.4</b>	<b>706.6</b>		
Fundraising (\$'000)	2021-22 Target	2021-22 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	560		25	325		
Museums Wellington	116		28	38		
Capital E	623		156	231		
Space Place	78		20	52		
Trust Office	0		2	33		
<b>Experience Wellington Total</b>	<b>520</b>		<b>231</b>	<b>679</b>		

*Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.*

**Spend per Visitor:** Visitor related revenue (admissions and sales).

Spend per Visitor (\$)	2021-22 Target	2021-22 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	4.93		2.06	26.12		
Museums Wellington	2.37		2.73	2.96		
Capital E	2.31		2.10	0.86		
Space Place	11.14		16.85	16.13		
<b>Experience Wellington Total</b>	<b>3.96</b>		<b>3.79</b>	<b>9.74</b>		

*Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage.*

# Key Result Indicators 2021-22

Update on Progress against Targets, as at 31 December 2021 (Q2)

## COUNCIL'S SUBSIDY PER VISIT

The Council subsidy per physical visitor is calculated first by dividing the number of forecast visits into the operating grant received from Council (Table 1). Council's ownership costs such as insurance, maintenance and depreciation are then added (Table 2) to provide an estimate of the full subsidy per visit. The information regarding ownership costs is supplied by Council.

**Table 1: Operating subsidy per visit**

Subsidy per Visit (\$)	2021-22 Target	2021-22 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	17.64		34.81	34.81		
Museums Wellington	10.15		16.99	17.01		
Capital E	32.52		33.63	33.64		
Space Place	8.85		15.14	15.14		
<b>Experience Wellington Total</b>	<b>18.30</b>		<b>29.68</b>	<b>29.68</b>		

Subsidy per Visit forecast is based on the probable percentage of the operating grant received from Council as follows:

City Gallery Wellington – 30%

Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) – 26%

Capital E – 22%

Space Place – 4.9% plus the cash underwrite

Central services provided through the Executive Office – 17.1%

**Table 2: Full subsidy per visit inclusive of Council's ownership costs**

Full Subsidy per Visit (\$)	2021-22 Target	2021-22 Result
City Gallery Wellington		
Museums Wellington		
Capital E		
Space Place		
<b>Experience Wellington Total</b>		

Council's estimated ownership costs are supplied by Council.

# Quarterly Report

Q2: October to December 2021

**WellingtonNZ**

MAKING THE  
WELLINGTON REGION

**Wildly  
Famous**



# About this report

This report includes selected highlights of WellingtonNZ's activity and results across the last quarter. It does not capture all activity. Reported activity aligns to our strategic framework below.

## MISSION

Make the Wellington region wildly famous

## VISION

The Wellington regional economy is thriving with more people participating in the benefits

### MORE

Businesses succeeding and employing more people

### MORE

Locals and visitors participating in events and experiences

### MORE

Collaboration and investment across the region

### JOBS FOR THE FUTURE

Support businesses to grow, innovate and meet future workforce needs.

### PLACEMAKING

Enhance Wellington's reputation as New Zealand's creative heart

### COLLABORATION & ENGAGEMENT

Work in partnership to support investment in the region to unlock opportunities

# How our region is performing



**3.8%**

**GDP, YE SEP 2021\***  
(Provisional Growth)

\*DEC 21 figure not available yet



**4.2%**

YE June  
2021 (Provisional)



**261,173**

**Jobs filled in Wellington  
Region**

As of month of Dec 2021



**254,095**

Sep 2021



**253,116**

Dec 2020



**11,238**

**Number of work-ready Job  
Seekers in Wellington Region**  
As of end of DEC 2021



**11,634**

Sep 2021



**14,619**

Dec 2020



**\$2.07bn**

**All consumer spend in  
Wellington Region  
recorded on Electronic  
Card during Oct 21 to Dec  
21**



**27.3%\***

Compared to  
Jul 21 to Sep 21



**4.9%**

Compared to  
Oct 20 to Dec  
20

\* Absence of spend during Delta lockdown in Q1 has resulted in a bigger increase in Q2 in comparison.

# WellingtonNZ Performance Highlights



**\$46.4m\***

Direct Economic Impact of WellingtonNZ's activities and interventions

YTD Dec 2021

Figure incomplete, to be revised in Q3.

**\$89 mil**

YTD Dec 2020



**1,078**

Different Wellington Businesses engaged with across WellingtonNZ's interventions

YTD Dec 2021

**2,843\***

YTD Dec 2020

\*YTD Q2 FY21 included 1,079 businesses supported through COVID-19 programmes.



**\$10.7 mil**

The value of business events secured

YTD Dec 2021

**\$4.9 mil**

YTD Dec 2020



**\$2.5 mil**

Capability and R&D funding

YTD Dec 2021

**\$7.4 mil**

YTD Dec 2020

\*YTD Q2 in FY21 includes COVID support vouchers which are not available in FY22.

# Summer of Tech (SoT)

## Opportunity

Post Covid, employer interest in students and graduates coming through our local institutions has noticeably increased.

The Summer of Tech internship programme aims to ready tech students for employment and facilitates a smooth process for employers to take on entry level staff.

## Outcome

Employer activity through SoT reflects the increased need for skills and resulting in greater competition for students this year. Fifty graduates were hired out of the SoT pool prior to offers day - employers electing to skip the internship to secure graduates.

And it was noticeable that there was more activity in the student and graduate market generally, reflected in 500 fewer candidates in the SoT pool on offers day compared to 2020 and 300 fewer than 2019.

Summer of Tech are planning to make adjustments to the programme to continue to deliver to employers in 2022.

## Results

In 2021, 307 students have been employed into internships and roles in the Wellington region.

Year	Wellington	Across NZ
2021	307	476
2020	191	345
2019	237	344
2018	177	242
2017	151	214

Nearly half of the students have been employed as software developers, others in a wide range of roles in business analysis, cyber security, UX design, test analysts, data science, marketing and more.

## JOBS FOR THE FUTURE



# Screen Wellington Strategy

## Opportunity

The screen and digital sector is the jewel in Wellington's crown and provides high value jobs, contiguous economic benefits to many areas of the economy and provides a placemaking platform for which to showcase the unique story of Wellington and NZ as a place talent wants to live, work and play.

High demand for content, and new ways to consume content means globally the screen sector is growing at pace. Despite this, Wellington's screen sector (film and TV) has grown slowly for nearly 12 years with few new jobs created and instead a transfer in existing roles from "production" to post-production. Game development and creative tech companies in Wellington are experiencing significant international investment but still struggle to finance their new IP in early-stage project development, as do local film and TV producers creating new IP. The acumen and contacts to build export partnerships is lacking. Talent attraction and retention is a key area for improvement.

NZ's screen sector heavily relies on incoming large "fee for service" productions that provide temporary jobs and activity and often rely on government incentives. Once completed, workers wait until the next project rolls into town. Influencing factors for a project to choose NZ and Wellington are unpredictable.

The creation of local IP for international export offers this stability, helping to counter-balance the large incoming projects serviced by a gig economy and assists companies to scale and provide more new and stable jobs

## Main Focus areas of the strategy

The key focus of the strategy is to stabilise the sector by identifying key initiatives to encourage new companies to create and export their own IP, creating new jobs and better showcasing what Wellington has to offer talent, projects and investment. (see diagram)

The five key objectives are:

- 1: Identify and Support initiatives to stabilise the sector;
- 2: Build better awareness of the Wellington sector to attract talent, projects, partnerships and investment;
- 3: Develop and foster an ecosystem that will drive a future thinking sector;
- 4: Partner with iwi and mana whenua to embed te Ao Maori into the sector;
- 5: Ensure systems, process and regulation allow ease of business and maintain aa 'film friendly' region.

Economist Benje Paterson has prepared a report for Screen Wellington/WellingtonNZ quantifying the projected outcomes of activities and actions related to these objectives including number of and value of new jobs.

## JOBS FOR THE FUTURE

### Desired local screen ecosystem

Based on the needs and desired outcomes articulated by the Wellington screen sector, a vision for a desired local ecosystem was created. This vision will serve to guide us in our plan and initiatives, and make sure that the goals we set for the region can deliver a sustainable operating ecosystem.



### THE OPPORTUNITY THIS PRESENTS

If we accomplish this vision, we will see the creation and growth of more companies of scale that have continuous projects employing people on a more permanent basis and focusing on the creation of their own exportable intellectual property for both content and technology

# Venues Wellington

## Opportunity

Reinforce Wellington's reputation as the creative capital by connecting audiences with inspiring live experiences and informative events, and providing the venues, spaces and event experience so these events can occur.

## Outcome

August saw the arrival of the Delta variant into New Zealand which resulted in a national lockdown and ongoing restrictions from COVID Alert Level 2. This resulted in the postponement and cancellation of events from the Q2 Calendar, resulting in a significantly lower number of events and visitors to the venues.

Despite these challenges, the Venues Wellington team worked well with event partners to initially reschedule events into Q3 and Q4 of 2021/2022. The arrival of Omicron and the move to the Red setting now means the majority of these rescheduled events are likely to be cancelled or moved into the 2022/2023 financial year.

A highlight of Q2 was being able to deliver a RNZB season under the Alert Level 2 restrictions.

## Results

- 19 performance events were delivered during Q2
- 4,120 people enjoyed a wide variety of performance events
- 13 business events were delivered and attended by more than 2,780 delegates

## PLACEMAKING



# Regional Economic Development Hui

## Opportunity

On 6 December 2021, WellingtonNZ on behalf of the Steering Group held a workshop with approximately 90 leaders from businesses, Iwi, central and local government across Wellington Region. The purpose of the workshop was to hear from a range of stakeholders about economic development, the context we are operating in, opportunities, barriers, initiatives. This will help shape the REDP with a focus on creating jobs and improving quality of life for the people in our region.

## Workshop Outcomes

Overall, the event was a success and achieved its purpose. The main outcomes from the workshop include:

- Raising the awareness that a REDP is being developed for the region, timeframes and Phase One research;
- Hearing (collectively) from Government about the Wellington Region;
- Sharing the context and focus of the Wellington Regional Leadership Committee and Te Matarau a Maui;
- Involving and hearing from a broad range of stakeholders about economic development, opportunities, barriers and potential initiatives;
- Starting to narrow down the sectors/enablers based on the Phase One research and feedback from the workshop; and
- Providing an opportunity for likeminded people to network and develop new connections/opportunities.

### Feedback – A few quotes from stakeholders.

- “Thought Monday went well, good speakers and great to connect with people.”
- “We thought the workshop was great.”
- “Tino pai...thanks Stuart”.
- “What a great way to capture the discussion.”
- “How cool was that illustration! I LOVE the Tinder for Business idea! Good stuff. Our table (and others) is meeting up to discuss some next steps we can collaborate on too.”

## COLLABORATION & ENGAGEMENT



# Advent Calendar

## Opportunity

WellingtonNZ has been producing the Wellington Advent Calendar since 2010. Every year the campaign aims to showcase Wellington, promote local businesses and build connection and advocacy for our city in a fun and engaging way.

The Wellington Advent Calendar reveals a new offer/gift behind each door daily between 1-24 December. Users enter their email addresses to generate a unique voucher that can be redeemed at participating local businesses on their devices.

The aim of the campaign is two-fold:

- encourage and drive visitation and engagement on the Wellington Advent Calendar - as well as customer acquisition for WNZ digital channels
- drive CBD spend during December and January to help support local businesses while adding to Wellington's vibrancy and sense of excitement in the lead up to Christmas.

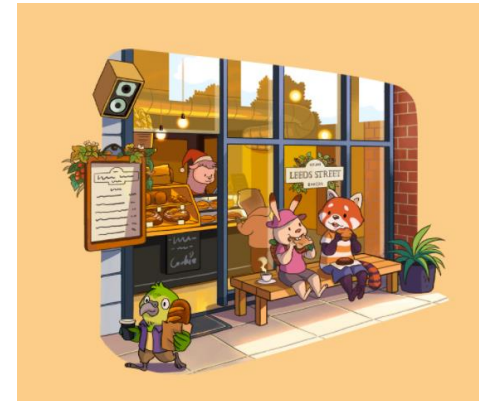
## Approach

Local illustrator Mary Guo was commissioned as the illustrator for the 2021 campaign, creating 25 bespoke illustrations for each participating business. We partnered with DNA Design to create the digital calendar which offered a 'virtual laneway' for people to scroll through and claim the 24 advent deals in the lead up to Christmas. This year, we also introduced a special 25th door which doubled as competition for all Advent participants to go in the draw to win an advent prize pack.

## Results as of 31/01/2022

- **Overall voucher downloads:** 218,556
- **Overall redemptions so far:** 14,508
- **Total direct expenditure so far:** \$317,535
- **2,971,249 visited the Advent Calendar webpage over the campaign period**

## COLLABORATION & ENGAGEMENT





# What's coming up

## JOBS FOR THE FUTURE

**Support businesses to grow, innovate and meet future workforce needs**

- Launch of a Youth Entrepreneurship programme, delivered by Creative HQ
- Preparation for Climate Response Accelerator (Q4)
- Supporting Work Integrated Programmes to connect Bachelor of Engineering Honours students with industry projects
- Supporting final year Tourism students from VUW with a semester-long project on scoping out the potential opportunities of Tākina
- Re-launching employment pathway programmes for international students

## PLACEMAKING

**Enhance Wellington's reputation as New Zealand's creative heart**

- Continuation of Major Events support for events that can operate under the Red settings, including Hilma af Klint exhibition at City Gallery and the ICC Women's Cricket World Cup
- Talent-focussed brand campaign telling local stories on film and bringing those same stories into the city in a physical way through curious objects in locations throughout our streets
- Season 2 of the Imagine This podcast, a chart-topping business storytelling project hosted by Jehan Casinader
- Trails interpretation hero video content for 4 of our key trails in region
- The large-scale WELL\_NGTON sign live across the city
- Comedian's Guide to Cuba St – interactive audio tour

## COLLABORATION & ENGAGEMENT

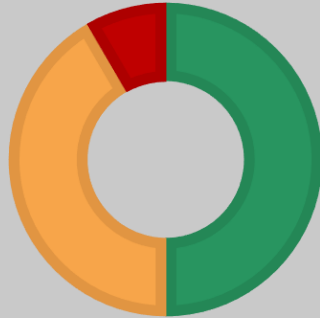
**Working in partnership to support investment in the region to unlock opportunities**

- Regional Economic Development Plan workshop with the Wellington Regional Leadership Committee
- Wairarapa Economic Development Plan final workshop and one-on-one stakeholder engagement
- Recruitment of a Destination Development Manager to oversee the implementation of the Destination Management Plans
- Tākina marketing and website support
- Regional Toolkit production for council partners Kāpiti, Hutt Valley and Porirua to use in the marketing and communications activity

# WellingtonNZ Service Performance – YTD Dec 2021

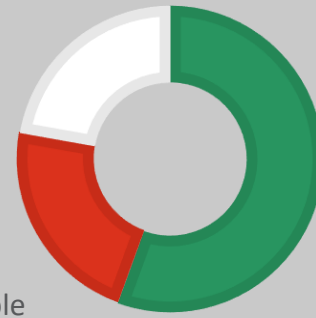
## Key performance indicators

Indirect Measures



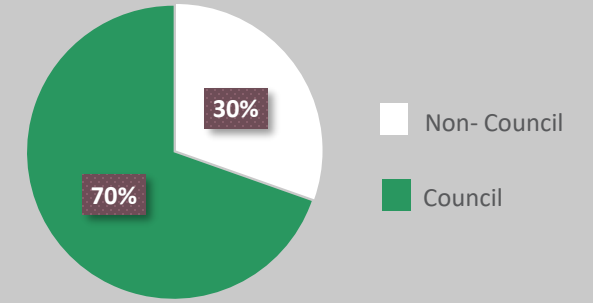
## Key performance indicators

Direct Measures



## Financials

Council vs Non-Council/ Commercial Actual YTD



Includes WellingtonNZ and CHQ

## Indirect Measures of Impact

	YTD	Target 2020/21
International Arrivals through Wellington Airport – International (1)	1,917	50,000
International Arrivals through Wellington Airport – Australian (2)	1,877	30,000
Visitors Spend - Domestic (3)	\$379 M	\$927 Million
Visitors Spend – Other (4)	\$39 M	\$140 Million
Total Visitors Nights to Wellington Region (5)	718,867	2,375,000
Share of Multi-Day Conferences reported in Wellington Region (6)	21%	22%
Population Growth due to Migration to Wellington Region (7)	1,330	11,000
Wellington Region GDP (8)	3.8%	1.5%
Number of Filled Jobs in Wellington (9)	261,173	255,000
Number on Jobseeker Support benefit – Work Ready (10)	11,238	12,500
Mean Annual Earnings of people in employment in Wellington Region – Total (11)	\$73,736	\$72,372
Mean Annual Earnings of people in employment in Wellington Region – Māori (12)	\$65,520	Create Benchmark

## Comments on measures

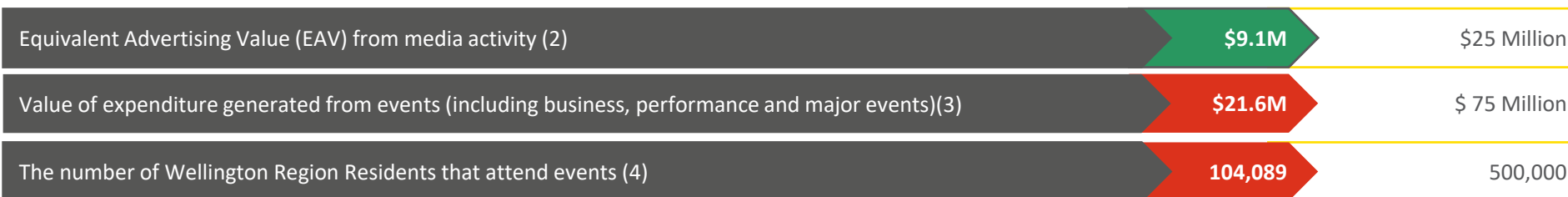
- (1) Includes July to November. December not available.
- (2) Includes July to November. December not available.
- (3) Includes July to November. December not available.
- (4) Includes July to November. December not available.
- (5) Includes July to November. December not available.
- (6) Q1 figure only. Q2 would not be available until April.
- (7) Annual figure published by Infometrics.
- (8) YE September figure. December would be updated in Q3 report.
- (9) As of month December 2021.
- (10) As of month of December 2021.
- (11) Provisional only – Household Labourforce Survey data. Calculations based on weekly earnings as reported in survey.
- (12) Provisional only – Household Labourforce Survey data. Calculations based on weekly earnings as reported in survey.

# WellingtonNZ Service Performance – YTD Dec 2021

## WellingtonNZ is delivering direct value/ROI on our shareholders investment



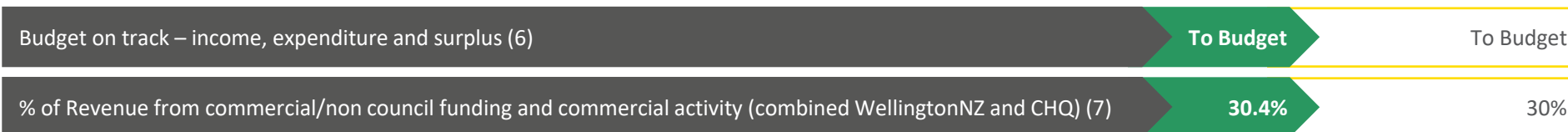
## WellingtonNZ is shaping and amplifying the regional destination/brand story



## WellingtonNZ is supporting businesses to upskill and grow



## Internal – Financial Health



## Internal – Employee Health



## Internal – Stakeholder Relation Health



## Comments on measures

- (1) Estimate with available data only. Will need to be revised at a later date.
- (2) EAV would be available in Q2. Reporting has changed and only available 6 monthly now.
- (3) Due to impact of Covid Alert Levels restricting events, we believe that this KPI is at risk of not being achieved.
- (4) Due to impact of Covid Alert Levels restricting events, we believe that this KPI is at risk of not being achieved.
- (5)
- (6)
- (7)
- (8)
- (9) Annual – results available end of year

## Traffic Light Key

- ▶ KPI measure on track
- ▶ KPI at risk of not meeting target
- ▶ KPI measure will not meet target
- ▶ KPI data not available

# WellingtonNZ Statement of Financial Performance

For the 6 months ended 31 December 2021, including Creative HQ but excluding the Venues Project

STATEMENT OF FINANCIAL PERFORMANCE	YTD Actual 31-Dec-21	YTD Budget 31-Dec-21	Variance YTD	FY Budget 30-Jun-22
<b>Revenue</b>				
Event revenue	0	0	0	0
Shareholder grants	10,096,475	11,425,350	(1,328,875)	22,684,382
Government grants	1,261,133	1,557,659	(296,526)	3,062,360
Partner revenue	409,002	1,104,108	(695,105)	2,208,215
Commercial/Service	2,783,607	2,639,588	144,019	5,202,431
Sub lease and carpark revenue	0	0	0	0
Interest income	21,613	16,200	5,413	32,400
Other income	341,381	257,786	83,595	555,570
<b>Total Revenue</b>	<b>14,913,210</b>	<b>17,000,690</b>	<b>(2,087,480)</b>	<b>33,745,358</b>
<b>Total Direct Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses (overheads)</b>				
Salaries and wages	6,692,388	6,817,241	124,853	13,469,694
Other employment costs	234,500	277,505	43,005	528,748
Occupancy costs	298,044	301,389	3,345	604,524
Marketing & activity expenses	6,511,398	9,274,999	2,763,601	17,545,684
Utilities	12,469	13,200	731	27,000
IT and communications	292,307	278,784	(13,523)	553,527
Insurance	300	8,000	7,700	16,000
Administration costs	109,915	148,274	38,359	288,814
Vehicle expenses	22,895	23,204	309	46,408
Travel costs	55,516	82,280	26,764	122,670
Professional fees	100,204	208,995	108,791	417,235
Director fees	123,334	132,500	9,166	265,000
Other operating expenses	30,883	27,406	(3,477)	60,288
<b>Total Operating Expenditure</b>	<b>14,484,152</b>	<b>17,593,777</b>	<b>3,109,625</b>	<b>33,945,592</b>
<b>Total Expenditure</b>	<b>14,484,152</b>	<b>17,593,777</b>	<b>3,109,625</b>	<b>33,945,592</b>
<b>Net Surplus/(Deficit) before Depreciation and Tax</b>	<b>429,058</b>	<b>(593,087)</b>	<b>1,022,145</b>	<b>(200,234)</b>
Interest expense	6,371	6,718	347	11,781
Depreciation	108,388	123,071	14,683	245,679
Movement in investment valuation	0	0	0	0
Taxation expense	42,087	42,306	219	42,306
<b>Net Surplus/(Deficit)</b>	<b>272,212</b>	<b>(765,182)</b>	<b>1,037,394</b>	<b>(500,000)</b>

Financial results for the first half of the year were impacted by the Covid-19 restrictions across most areas of our business.

The lockdown and then move to Level 2, and the resultant inability to host events in Venues in mid-August with more than 100 guests, has resulted in lower wage costs at WellingtonNZ, as the need for casual staff reduced. This occurs again in RED. This is matched by the corresponding management fee, reducing Shareholder revenue. Reminder: Venue's revenue and all other costs are recorded in WCC accounts. We receive a management fee equivalent to the salaries and wages within Venues.

Lower grant income is timing compared to YTD budget. Additionally, some major and regional events etc have and will be impacted and less revenue has been transferred from revenue in advance to cover our major events costs. We anticipate this to remain below budget due to RED continuing into the third quarter of the current financial year. The revenue in iSite remains well below budget due to the decreased numbers of visitors in the city compared to budgeted and the lack of a cruise season.

There has been lower spending on marketing and operating activities due to the ongoing uncertainty of Covid-19 restrictions and border closures. This includes our Major Events expenditure Some campaigns were delayed or have been altered and we anticipate expenditure to uplift again in H2.

Higher income in CHQ due to several contracts being ahead of budget (timing).

Good cost control occurring across all business groups.

# WellingtonNZ Statement of Financial Position

As at 31 December 2021, including Creative HQ and excluding Venues Project

The organisation is holding more cash than usual due to the increase in income in advance, which is shown in our other current liabilities line. This includes central government Covid-19 recovery funds, expenditure will be spread over several accounting periods. Other income in advance relates to our events expenditure and acquisition funds.

Accounts payable and other current assets are consistent with expectations at this time of the year.

The organisation has sufficient funds to meet all liabilities as due. There are no issues with debt control.

STATEMENT OF FINANCIAL POSITION	As at 31-Dec-21	As at 30-Jun-21
<b>Shareholders Equity</b>		
Paid up capital		
Retained earnings	4,176,464	3,757,001
<b>Total Shareholder/Trust Funds</b>	<b>4,176,464</b>	<b>3,757,001</b>
<b>Current Assets</b>		
Cash and cash equivalents	8,555,197	6,827,388
Other current assets	798,755	2,117,726
<b>Total Current Assets</b>	<b>9,353,952</b>	<b>8,945,114</b>
<b>Investments</b>	<b>1,487,087</b>	<b>1,489,754</b>
<b>Non-current Assets</b>		
Fixed assets	686,903	677,429
Other non-current assets	27,392	0
<b>Total Non-current Assets</b>	<b>714,295</b>	<b>677,429</b>
<b>Total Assets</b>	<b>11,555,334</b>	<b>11,112,297</b>
<b>Current Liabilities</b>		
Accounts payable	565,902	1,868,626
Other current liabilities	6,812,967	5,467,293
<b>Total Current Liabilities</b>	<b>7,378,869</b>	<b>7,335,919</b>
<b>Non-current Liabilities</b>	<b>0</b>	<b>19,377</b>
<b>Total Liabilities</b>	<b>7,378,869</b>	<b>7,355,296</b>
<b>Net Assets</b>	<b>4,176,464</b>	<b>3,757,001</b>



**Wellington Regional Stadium Trust  
Half yearly report to Settlers  
For six months ending 31 December 2021**

The Trustees present this report of operations for the six months ending 31 December 2021. It has been a very difficult period for the Trust, due to the ongoing effects of the Covid-19 pandemic.

As outlined in the Statement of Intent, to meet its obligations under its Trust Deed the Trust pursues 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 repayment obligations.

In 2018 the Trust refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

These objectives remain current.

Additional matters set out in the Letter of Expectations issued by each Council in December 2020 have also been incorporated into the Trust's 2021-2022 Statement of Intent.

Activity in these areas for the six-month period is reported on below.

A summary of performance measures (both financial and non-financial) is included at the end of this report.



## DELIVER A HIGH QUALITY AND DIVERSIFIED EVENTS PROGRAMME – ECONOMIC WELLBEING

After a reasonable start to calendar year 2021, the period from July to December 2021 has been very difficult for the Stadium, due to ongoing border closures, changes to Alert Levels from August and the associated restrictions on public gatherings as well as the emergence of the Omicron variant. We had only 16,500 attendees at events during the period, (compared to 134,000 in the six months to December 2020).

The suspension of the Trans-Tasman bubble in late July 2021 ultimately led to the two All Blacks Test Matches (Australia/Argentina) that had been scheduled for Sky Stadium being played at other venues. This was a decision of New Zealand Rugby. The Stadium Trust worked hard to offer alternative dates for the Australia game to still be played in Wellington but ultimately this was not possible.

Ongoing Covid-19 restrictions also resulted in the postponement of the Guns N' Roses concert originally scheduled for November 2021 to December 2022.

Our most significant event in the period was Beervana which we were fortunate to be able to hold on the weekend of 13-14 August, just prior to New Zealand moving to Alert Level 4 on 17 August.

We hosted three games in the NPC Rugby competition, however only the first of these was in Alert Level 1 with no crowd restrictions.

The Trust was pleased to be able to support the management of the Covid-19 pandemic by providing the carpark as a location for Testing and Vaccination on two separate occasions in August/September (12 days) and October (4 days). The October occurrence encompassed the Super Saturday vaccination drive. We also continue to make the facility available as a training site for a variety of groups including the emergency services, Aviation Security, Corrections, Customs and Defence.

<b>Event</b>	<b>Month</b>	<b>Attendance</b>
<i>Rugby</i> Bunnings NPC Rugby: 3 round robin games (two at Alert Level 2)	August to October	2,565
<i>Exhibitions</i> Beervana	August	13,981

Unfortunately, the outlook for the January to June 2022 period is not great, due to the emergence of the Omicron variant and the move to the red traffic light setting from 23 January 2022. We did have 20 event days booked for this period but the two T20 Cricket matches have now been cancelled, and there is much uncertainty over how many of the other events will be able to take place, particularly with crowds in attendance.

On a positive note, event enquiries, particularly for concerts have been strong for the summer of 2022-23, but again this will depend on the ongoing management of the pandemic, and the easing of New Zealand's border restrictions.



## **ENVIRONMENTAL WELLBEING**

### *Reducing single use plastic*

Sky Stadium is playing a key role in the Washing Up Wellington collaborative project. The goal of the project is to initiate a city-wide reusable serviceware system for food and drink at commercial and community-run events in Wellington. The Working Group includes Wellington's major venues and event operators, Wellington City Council, community groups, event waste managers and reusable serviceware operators. There is currently no reusable serviceware provider based in Wellington.

The project group will be putting in a submission for funding to the Ministry for the Environment Plastics Innovation Fund in February 2022. If successful, this funding, along with the matched funding by the key stakeholders within the project group, will provide the capital investment required to setup and operate a reusable serviceware hub and wash facility in Wellington

### *Moving towards carbon neutrality*

The Trust has been working with Ekos over the past six months to complete a carbon footprint assessment for the venue. Ekos are currently working through the data provided and by the end of February will provide a Carbon Emissions total as well as recommended next steps. These steps will include suggested ways to reduce our carbon emissions in the future as well as the cost to offset current emissions.

## **SOCIAL AND CULTURAL WELLBEING**

Sky Stadium strives to be a role model for inclusive and accessible practices in venues. In conjunction with [BeLab](#), whom we have worked with for a number of years now, we still intend to carry out a Community Stakeholder Consultation Workshops, which will include mystery shops by members of the access community. However, this is on hold now until a more regular schedule of events resumes.

## **INVEST IN AND IMPROVE OUR FACILITIES**

We continue to work on projects to further strengthen the building and walkway to improve resilience in the event of a major seismic event.

During the period, the engineers developed their construction drawings set with overlays of existing building services to detail the extent of the proposed seismic works. Fee proposals were sought from Quantity Surveyors to provide a rough order of construction cost estimates and procurement and market advice.

Installation of corbels into the carpark area is 99% complete. Materials required to complete the works are on back order and expected to arrive in early February 2022.

There have been some delays with the installation of corbels into the remaining areas of the Fran Wilde walkway. In June 2021, the project engineer recommended a review of the existing design of the corbels for this area, following recent research by BRANZ and EQC. This review was undertaken, and a revised design submitted to the WCC for consent which was approved in November. Some of the work requires access through the Indoor Sports Centre at 101 Waterloo Quay which adds to the complexity. Planning for this continues.





Preventative and reactive maintenance activities have continued during the period. Some larger items of maintenance have included refurbishment of sliding window hardware on Level 4, and refurbishment of corporate box handrails.

## **FINANCIAL RESULTS**

The financial result for the six months to 31 December 2021 is a net loss of \$2.27m million compared to a budgeted loss of \$1.52 million. The operating loss (before depreciation) was \$0.27m compared to a budgeted surplus of \$0.6m.

The net operating cash outflow was \$2.13m, in the comparative period from 2020 it was as \$0.2m

As noted in our last Statement of Intent, financial projections were and remain challenging to prepare. The projections assumed a relatively normal event calendar, that New Zealand remained at level 1 and no further restrictions affecting mass gatherings were put in place. They also assumed the Trans-Tasman bubble remained active so that Australasian teams could travel freely, and that from the summer of 2021-22 international concert tours are able to progress in this part of the world. As we now know, these assumptions did not reflect what has subsequently happened.

Accordingly, the actual financial results do not bear much resemblance to the budget. As has been noted earlier we only hosted three unrestricted event days in the first six months, along with a number of community events.

As the disruption to our event calendar for FY22 became obvious, we undertook a number of reforecasts. Operational expenditure was reviewed and reduced where possible, while still allowing the Stadium to remain in an event ready mode. The capex programme for FY22 was also reviewed and some items deferred to subsequent years, in order to preserve cash.

During the period the Trust made a further drawdown against the credit facility being provided by both Councils, for a combined total of \$1.9 million. This was needed to pay the insurance premium (the insurance renewal is discussed further on in this report). \$500,000 remains available for drawdown and this is expected to be requested prior to the end of the financial year.

A temporary repayment of \$2.0m has been made against the bank loan in order to save on interest costs.

It is difficult to provide a reforecast of the year end result with any great certainty, given the rapidly changes to the covid protection framework settings, and the expected surge of Omicron cases. Our latest reforecast projects a net operating loss for the year of \$3.5m, with a loss after depreciation of \$7.52m. This is on the assumption that the Stadium hosts no events with crowds for the remainder of the financial year.

## **OTHER MATTERS**

### **Trustees & Staffing**

From 1 July 2021, Rachel Taulelei was appointed as Chair of the Trust, having been on the Board since 2014, and following the retirement of John Shewan.

Phillippa Harford was appointed as a Trustee from 1 October 2021.

Permanent staff of the Trust number 19 (18.375 FTE). During the summer period we employee up to three casual turf staff to assist with the cricket programme at the Basin Reserve. Prior to the pandemic starting, the permanent FTE number was 20. The slight reduction was due to staff leaving of their own volition, and their positions being recalibrated to redistribute tasks.

Despite the reduced number of events, staff have been kept busy working on a variety of projects. Examples include reviewing our online induction for the various users of the Stadium, considering the practical implications of each change to the Covid protection framework and how they impact our events, updating the event health and safety video, and reviewing various policies and procedures. In addition, there is preparatory work for future events such as the FIFA Women's World Cup in 2023. The turf team remain busy with a full schedule of cricket at the Basin Reserve.

### **Insurance**

Insurance premiums have become increasingly unaffordable for the Trust in recent years. As reported previously, during the November 2020 renewal (for the 12 months to 30 November 2021), the following key changes were made to the Trust's Material Damage and Business Interruption policy.

- \$200m of insurance cover (reduced from \$230m)
- \$25m deductible for natural disaster (previously \$7m)
- Aggregate limit for fire cover of \$100M (previously full cover from fire up to insured limit of \$200M).

The November 2021 renewal was placed for the same limits as above. The total premium cost was \$1.63m, an increase of 3% from the prior year.

The Trustees are satisfied that this is the best outcome for the Trust in the current challenging circumstances, when its operations are constrained and there are multiple demands on the Trust's limited resources.

We note the Councils have included this matter as an item to be addressed in the next Statement of Intent, and we welcome continuing discussion on alternative insurance arrangements, as this level of premium is unsustainable for the Trust.

## **CONCLUSION**

It has been a particularly challenging period for the Trust. However, we have continued to operate the Stadium in an event ready mode and worked closely with hirers to deliver events in the ever-changing Covid protection frameworks.



We have also continued to work on major infrastructure projects to enhance the Stadium facility and experience, and to improve the resilience of the facility.

We continue to have discussions with hirers and promoters on future event bookings.

We look forward to a future of fewer restrictions, where we can once again deliver a full calendar of events for the residents of the Wellington region and beyond to enjoy.

Rachel Taulelei  
Chair  
15 February 2022



## Non-Financial Performance Measures

Measure	How Measured	Progress for six months to 31 Dec 2021
<ul style="list-style-type: none"> <li>Deliver a strong Rugby international test programme for 2021 and 2022</li> </ul>	<ul style="list-style-type: none"> <li>Key stakeholders are satisfied with management of the test operation</li> <li>40% out of region visitors</li> </ul>	<ul style="list-style-type: none"> <li>Two test matches were scheduled for 2021, however ultimately these did not take place due to NZ border changes.</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 2021/22</li> <li>Secure at least two other events outside the traditional rugby and football regular season calendar per year</li> </ul>	<ul style="list-style-type: none"> <li>Progress hampered by Covid-19 restrictions. Guns n’ Roses was scheduled for November 2021 but rescheduled to Dec 2022. SIX60 concert scheduled for March 2022 but rescheduled.</li> </ul>
<ul style="list-style-type: none"> <li>Continued investment in stadium infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Concourse upgrade is completed</li> <li>Resilience plans finalised and shared with council partners</li> </ul>	<ul style="list-style-type: none"> <li>Construction work on food and beverage outlet and lighting upgrades has been completed.</li> <li>Corbel installation into carpark and Fran Wilde walkway progressing well. Some delays due to redesign work.</li> <li>Engineering design work for additional resilience measures continuing.</li> </ul>
<ul style="list-style-type: none"> <li>Deliver a full event calendar</li> </ul>	<ul style="list-style-type: none"> <li>Securing 45-50 event days per year (depending on Covid-19 restrictions)</li> </ul>	<ul style="list-style-type: none"> <li>This target will not be achieved. Only five in the first six months. Remainder of FY will depend on impact of Omicron variant on traffic light settings.</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> <li>• Working with promoters to deliver special events to Wellington</li> </ul>	<ul style="list-style-type: none"> <li>• Impacted by Covid-19 but events hosted at Stadium have contributed to economic activity in the region.</li> <li>• Strong level of enquiry for 2022-23 summer.</li> </ul>
<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce single use plastic</li> <li>• Benchmark current emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Continued investigation into best sustainable option for cups.</li> <li>• Benchmarking exercise in progress.</li> </ul>
<ul style="list-style-type: none"> <li>• Support the Te Reo Māori Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Be recognised as an advocate and supporter for the region’s Te Reo Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• No further updates for H1</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 two or less per year.</li> <li>• Contractor worker Lost Time Injury rate of two 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>	<ul style="list-style-type: none"> <li>• Achieved – zero</li> <li>• Achieved – one (pre-existing)</li> <li>• Achieved – zero</li> <li>• Achieved – zero</li> <li>• Achieved – 100%</li> <li>• Achieved – 100%</li> </ul>

## Wellington Regional Stadium Trust Key Performance Indicators

<b>FINANCIAL</b>	<b>Actual</b>			<b>Budget</b>			<b>Reforecast Budget</b>	<b>YTD Variance</b>	
	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Annual</i>		<b>YTD Variance</b>	<b>%</b>
	<i>31-Dec-21</i>	<i>30-Jun-22</i>	<i>YTD</i>	<i>31-Dec-21</i>	<i>30-Jun-22</i>	<i>Budget</i>			
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>			
Event revenue	111		111	2,493	3,032	5,525	208	(2,382)	(96%)
Total income	3,185		3,185	5,796	6,377	12,173	3,778	(2,611)	(45%)
Total deficit	(2,273)		(2,273)	(1,514)	(1,730)	(3,244)	(7,522)	(759)	50%
Net cashflow movement	(2,755)		(2,755)	(1,141)	(25)	(1,166)	(3,559)	(1,614)	141%
Net debt	2,817		2,817	4,472	5,797	5,797	7,876	1,655	37%
Liquidity Ratio (Current Assets to Current Liabilities)	1.34		1.34	1.45	1.30	1.30			
Debt to Total Assets	4.39%		4.39%	5.51%	6.92%	6.92%			
Stadium Enhancements (Capex)	418		418	2,093	1,891	3,984	2,850	(1,675)	(80%)

## Wellington Regional Stadium Trust Key Performance Indicators

<b>EVENTS</b>	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>Reforecast</i>	<i>YTD Variance</i>	
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>		
	<i>31-Dec-21</i>	<i>30-Jun-22</i>	<i>YTD</i>	<i>31-Dec-21</i>	<i>30-Jun-22</i>			<i>31-Dec-21</i>	
Events held during period									
Rugby	3		3	7	7	14	3		
Cricket			0		2	2	0		
Football			0	1	9	10	0		
Other Sport			0		1	1	0		
Concerts/Other events			0	1	1	2	0		
Exhibition Days	2		2	5	8	13	2		
<b>Total events</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>14</b>	<b>28</b>	<b>42</b>	<b>5</b>	<b>(9)</b>	<b>(64%)</b>
Community events (days)	19		19	3	2	5	19		
<b>Total events (days)</b>	<b>24</b>	<b>0</b>	<b>24</b>	<b>17</b>	<b>30</b>	<b>47</b>	<b>24</b>	<b>7</b>	<b>41%</b>
Total numbers attending	16,546		16,546						

To: Wellington City Council  
From: Wellington Zoo Trust  
Date: 31 January 2022

## Second Quarter Report 2021/22 Financial Year

### Highlights

- The WZT Board held an extraordinary meeting on 30 November and resolved to opt in to be a fully vaccinated site. This came into effect on 3 December for visitors, volunteers, contractors and all children over 12 years 3 months old. A COVID-19 Vaccination Policy was drafted, staff were consulted and the WZT Board approved it at its December meeting.
- WZT was awarded three Business Resurgence Payments (including a Transition payment) and wage subsidies amounting to \$131,500 during the quarter which mitigated some of the impact of COVID-19 on the Trust's revenue stream. However, these payments will dwindle now that businesses have moved to the Orange Traffic Light system.
- WZT has successfully completed the annual audit requirements of its Toitū carbonzero certification for the tenth year running. There was a change in ISO standards this year for measuring Scope 3 emissions. Our emissions for 2020/21 were 65.87 tCO<sub>2e</sub>, which was 38% lower than last year's total of 106.44 tCO<sub>2e</sub> and 73% lower than the base year total of 241.65 tCO<sub>2e</sub>. WZT's top emission factors were: Waste to Landfill (29%); Animal Emissions (29%); Diesel & Petrol (20%); and Air Freight (9%).
- Another hugely popular Gold Agouti Awards Evening was held in October with the success of our colleagues being celebrated at this event. Due to COVID-19, the evening had been postponed once, with the event that went ahead being in a varied format to comply with Alert Level 2 requirements. These annual Awards truly do recognise those staff who best model value-aligned behaviours at Wellington Zoo.
- The Conservation Manager distributed a survey to assess our staff conservation skills across the organisation. Increasing our staff's conservation skills is part of WZT's Conservation Strategy to enable us to effectively assist with conservation field partnerships. The survey will provide a benchmark that our progress can be tracked against over time.
- MPI undertook WZT's annual Zoo Containment Facility and Transitional Facility for Containers audit on 3 December. MPI were once again impressed with staff professionalism and understanding of the animals in our care and had no hesitation in giving us a clean audit.
- WZT's Nutrition Centre has been trialling a new data research programme, principally to analyse the nutrients in New Zealand grown food. Our soils are relatively young and lack important nutrients such as selenium, iodine, zinc, chromium, boron and magnesium so being able to supplement our animals' diets with these missing elements is extremely beneficial for their wellbeing.
- Total funding of \$21,297 was awarded from WZT's Local Conservation Grants to nine separate entities based in the Greater Wellington Region and the Chatham Islands whose projects have a clear community conservation value for native wildlife and wild places. The conservation activities range from trapping to native plant restoration, and also include a six-year-old who is undertaking a New Zealand native bee school ecosystem project.
- WZT was awarded \$150,000 from the TG Macarthy Trust towards the Snow Leopard project. This is the largest amount that the Zoo has been awarded from this funder which shows their enthusiasm for this experience and the learning outcomes it will have for our community.
- WZT renewed its community partnership agreements with Wellington City Mission, Wellington Children's Hospital, Ronald McDonald House Charities and Changemakers Resettlement Forum, each for an additional three years. This gives people in these communities an opportunity to connect with nature and feel a part of the Zoo community.

### Challenges this Quarter

- The COVID-19 lockdown and subsequent Alert Levels impacted on revenue during the quarter with a lack of visitors and cancellations of venues, Close Encounters, Sleepovers and LEOTC sessions. COVID-19 has also created delays to a number of renewal projects, both through the inability of contractors to work during lockdown and, more recently, restricted access to key building materials.

### Visitor Attendance as at 31 December 2021:

	Current YTD 2021/22
Actual	86,259
Annual Target	255,936

Student and Education Visits

Annual Target	Current YTD 2021/22
20,000	10,484





*Photo: Spider Monkeys back on the Island after extensive repairs to Moat and habitat upgrade (L. Ridley)*

## Improve and maintain the physical assets

- Extensive renovations and repair work to the Monkey Moat and Island have now been completed and the Spider Monkeys were out in the habitat from late November. The work involved removing over 300 tonnes of “sludge” from the moat and doing repairs to the pumps to support better long-term water quality. Given the opportunity to do some work on the Island during this time, several teams from across the zoo undertook tree trimming and clearing, moat containment work and installed new climbing ropes.
- The contract to refurbish the old Sun Bear habitat for Snow Leopards commenced when Naylor Love moved to site on 22 November with demolition starting on 1 December.
- An extensive strengthening programme was designed and implemented for the existing lion habitat containment fence. Whilst waiting on the Lions’ arrival, their dens were also waterproofed and improved heating, bedding and wind/rain cover put in place. The external area was re-landscaped with additional trees and foliage planted.
- As well as the major projects above, other small improvements and upgrades included:
  - Meerkat dens;
  - Sun Bear glass viewing area and habitat waterfall;
  - Kune Kune wallow fencing;
  - Installation of a Penguin pond chiller unit;
  - New recycled plastic benches were installed around the Zoo (each seat is made from 16,500 plastic bags); and
  - New hard plastic dinghies were installed in Meet the Locals Te Aroha to replace the old wooden surf boat.

## Grow our people through learning and development

- Five Leadership Excellence and Performance (LEAP) workshops were held for 29 WZT managers or people of influence across the organisation. The focus of these workshops included “Mindset of a Leader”, “Achieving Through Others” and “Developing People”. The remaining five workshops will be run over February/March 2022.
- The Communications, Experience and Conservation team ran internal learning sessions:
  - Visitor Experience and Learning overview sessions for new Animal Care Team Leaders;
  - A POWER interpretive training workshop for 14 staff including new casual Visitor Rangers and Animal Care staff; and
  - Information sessions organised by the Conservation Manager on Wellington Zoo’s conservation work, partners and opportunities for involvement.
- We have had two of our Animal Care Team Leaders leave: one to take up a role at Auckland Zoo and another returned home to Australia permanently. This provided an opportunity for two of our more experienced keepers to step up into the team leader roles which will give them an opportunity to further develop their capabilities.

## Sustain a safety conscious culture

- The WZT Board held an extraordinary meeting on 30 November and resolved to opt in to be a fully vaccinated site. This came into effect on 3 December for visitors, volunteers, contractors and all children over 12 years 3 months old. A COVID-19 Vaccination Policy was drafted, staff were consulted and the WZT Board approved it at its December meeting.
- The Health and Safety Lead recalled all radios across the zoo and conducted an overnight audit to ensure there were the correct number of devices for the size of our operation and that they were distributed in the right areas.
- A “break of dangerous containment” Code Black drill was undertaken prior to the Zoo opening on 5 November with Board Trustees observing proceedings.
- Staff Tool Box Sessions were implemented by the Health and Safety Lead in December and will cover Health and Safety topics across different teams within the Zoo – the first session was around WZT’s Sunsmart Policy.

## Model values aligned behaviours

- Val Little, Programme Manager, Rainbow Tick, facilitated two focus groups with staff which will bring WZT a step closer to becoming accredited. The first session was held with staff members who identified with the LGBTTTQIA+ community and the second a group of other interested staff members.
- Another hugely popular Gold Agouti Awards Evening was held in October with the success of our colleagues being celebrated at this event. Due to COVID-19, the evening had been postponed once, with the event that went ahead being in a varied format to comply with Alert Level 2 requirements. These annual Awards truly do recognise those staff who best model value-aligned behaviours at Wellington Zoo.

## Embed wellbeing for our people

- The Ask Your Team survey has been completed with a participation rate of 67% of all staff, including casuals. 78.5% (82.7% in 2019) of permanent and fixed term staff completed the survey which is a good representation of staff. The results are being further analysed so we can develop an action plan.
- The Social Club organised a staff Christmas Lunch which gave staff an opportunity to relax with their colleagues for a pre-Christmas celebration.

## **Meet all legal and compliance requirements**

- During the quarter, SMT reviewed and the Board adopted the following policies: Gift and Entertainment; Health, Safety & Wellbeing; Closure; and COVID-19 Vaccination (new).
- In December, WZT's Finance, Audit and Risk Committee reviewed the Risk Matrix, it was considered not necessary to alter any of the risk values in our current environment.

## **Sustain financial success by data driven decision making**

- WZT was awarded three Business Resurgence Payments (including a Transition payment) and wage subsidies amounting to \$131,500 during the quarter which mitigated some of the impact of COVID-19 on the Trust's revenue stream. However, these payments will dwindle now that businesses have moved to the Orange Traffic Light system.
- Our retail capture rate is sitting at 10.6% with the average spend per retail customer at \$23.09, which is \$10.59 over target.
- The new Sun Bear Close Encounter began, temporarily replacing the Sun Bear Behind The Scenes (BTS) Experience due to COVID-19 restrictions. From a revenue perspective this change is potentially advantageous as the Encounter can facilitate up to four participants (\$396), whereas the BTS Experience only two (\$159).

## **Commit to outstanding daily visitor care**

- Victoria University of Wellington held a whole zoo hire mid-November which, despite the weather, was a great success. The occasion was a special Alumni event and they had a fun evening with engaging science experiments running throughout the evening and Zoo staff talks held in the Wild Theatre.
- All Close Encounters and Behind The Scenes Experiences were back to "normal" under the Orange traffic light system with the exception of Lemurs which will not resume until animal vaccines are available. The Keeper for a Day experience will be reviewed to see how it can be relaunched while continuing to protect the animals.

# WAZA

## Virtual Annual Conference

11-14 October 2021



### Developing initiatives for social, environmental and economic sustainability

- Various “green” initiatives have been implemented during the quarter:
  - a tech recycling drive for donation to Recycling for Charity<sup>1</sup>; and
  - the Nutrition Centre team have introduced the composting of animal food scraps and the contents of tearoom bins which has built up healthy supplies of fertiliser.
- WZT has successfully completed the annual audit requirements of its Toitū carbonzero certification for the tenth year running. There was a change in ISO standards this year for measuring Scope 3 emissions. Our emissions for 2020/21 were 65.87 tCO<sub>2</sub>e, which was 38% lower than last year’s total of 106.44 tCO<sub>2</sub>e and 73% lower than the base year total of 241.65 tCO<sub>2</sub>e. WZT’s top emission factors were: Waste to Landfill (29%); Animal Emissions (29%); Diesel & Petrol (20%); and Air Freight (9%).
- Chief Executive, Karen Fifield, virtually attended the 76th WAZA<sup>2</sup> Conference (virtual) from 11-14 October. Karen was part of a panel which updated members about the WAZA Animal Welfare 2023 Goals and the Carbon Reduction Guide. She was elected as WAZA Vice President at this conference.
- The Director, Communications, Experience and Conservation (DCEC) presented at the Sustainable Tourism wrap up event. This project originated from a design sprint DCEC participated in last year and as a result 12 Wellington region tourism operators have now embarked on their journey to help make Wellington a sustainable tourism destination.

### Integrating the United Nations Sustainable Development Goals

- WAZA work:
  - Chief Executive Officer hosted a webinar on WAZA’s *Sustainability Strategy: Zoos and Aquariums Supporting the SDGs* and our Conservation Manager talked about the work we are doing to embed SDGs at Wellington Zoo; and
  - Conservation Manager presented at a WAZA webinar *Protecting Our Planet* on how we are embedding SDGs at Wellington Zoo. This webinar was chaired by the Chief Executive.

<sup>1</sup> Recycling for Charity give this equipment a new life by refurbishing, using for parts or recycling and supports organisations like Wellington Children’s Hospital, Life Flight and HUHA and also donates refurbished computers to families in need within our community.

<sup>2</sup> World Association of Zoos and Aquariums



Photo: New Chimp baby born in November (L Ridley)

### Strategic species planning for our site and staff expertise

- New arrivals, included on IUCN Red List<sup>3</sup>, during the quarter were:
  - Twin Cotton Top Tamarins (Critically Endangered);
  - Chimpanzee (Endangered);
  - Two young male Lions (Vulnerable) arrived from Copenhagen Zoo; and
  - Triplet Pygmy Marmosets (Vulnerable).
- An exclusive, members-only Snow Leopard information event was hosted in the Wild Theatre on Sunday 28 November from 2.00-3.00pm. Around 60 Zoo Crew members attended the event and were updated on the Snow Leopard project and got a sneak peek at the habitat designs.
- A WZT Animal Welfare Committee meeting was held in December. This meeting focused on a presentation around the logistics of bringing the two young male lions from Copenhagen Zoo to Wellington Zoo.

#### Arrivals

Species	Gender		Date
2 Lions	Males	From Copenhagen Zoo	November 2021
3 Swamp Wallabies	2 males and one female	From Taronga Zoo	December 2021

### Science based animal welfare practices so the animals are happy

- WZT's Nutrition Centre has been trialling a new data research programme, principally to analyse the nutrients in New Zealand grown food. Our soils are relatively young and lack important nutrients such as selenium, iodine, zinc, chromium, boron and magnesium so being able to supplement our animals' diets with these missing elements is extremely beneficial for their wellbeing.

<sup>3</sup> Established in 1964, the International Union for Conservation of Nature's Red List of Threatened Species has evolved to become the world's most comprehensive information source on the global extinction risk status of animal, fungus and plant species.

## Science based animal welfare practices so the animals are happy Cont.

- The Nest Te Kōhanga, the Nutrition Centre and all four Animal Care and Animal Science teams started to operate in team “bubbles” from 15 December, specifically to try and protect our ability to care for the animals. Under Government rules, if one person gets COVID-19 they, and their contacts, are required to isolate for 7-10 days.

## World leading animal care so the animals live their best lives

- MPI undertook WZT’s annual Zoo Containment Facility and Transitional Facility for Containers audit on 3 December. MPI were once again impressed with staff professionalism and understanding of the animals in our care and had no hesitation in giving us a clean audit.
- Three CCTV cameras were set up in the Maud Island frog habitat to capture their movements overnight. Approximately 3,000 recordings were made, with their motions being entered into Zoo Monitor to create a heat map. These recordings will be used by the Reptile and Invertebrates team to further understand their behaviours, and to see if any changes are needed to their habitat.
- The Capuchin Monkeys have been moved off Monkey Island to enable the Primate team to better control the management and welfare outcomes for these animals in their new habitat.

## The Nest Te Kōhanga Wildlife Admissions

	2015	2016	2017	2018	2019	2020	2021
January	63	67	76	54	78	84	38
February	51	41	52	70	57	55	51
March	60	39	33	57	51	44	43
April	30	28	22	37	36	0	27
May	37	33	47	33	34	2	21
June	34	23	21	38	24	28	18
July	33	17	20	36	18	39	12
August	26	15	24	25	23	25	13
September	25	24	22	30	30	19	14
October	19	43	28	40	30	93	16
November	33	41	37	44	44	36	14
December	67	58	61	48	58	47	33
	<b>478</b>	<b>429</b>	<b>443</b>	<b>512</b>	<b>483</b>	<b>277</b>	<b>300</b>



Photo: Tiaki, Wellington Zoo's sponsored Anatolian Shepherd dog (courtesy Cheetah Outreach)

### Effective field partnerships for long term conservation outcomes

- Our conservation partner, Cheetah Outreach have advised that the Anatolian Shepherd dog Wellington Zoo named Tiaki in support of their programme gave birth to nine puppies. The seven female and two male dogs will be placed as livestock guardian dogs in Cheetah distribution areas throughout South Africa in February 2022. This minimises conflict with farmers by protecting their livestock and chasing wild Cheetah away from herds.
- We supported Conservation Partner Madagascar Fauna and Flora Group (MFG) with a NZ\$1,500 donation to help the 400 people made homeless and without any food or clothes following a devastating fire in Ambodirafia when over 150 homes were destroyed. The people of Ambodirafia have been working with MFG to grow a protective buffer around the Betampona Reserve where endangered Lemurs are situated.
- On 8 December, WZT staff held a bowling fundraiser at Bowlerama in Newtown for Australasian Society of Zoo Keepers (ASZK). The \$610 raised will go to ASZK to support the Sumatran Bear Team (SSBT) which is a newly formed Australian charity with the goal to protect Sun Bears in Sumatra.

### Focused investment in conservation innovations

- Total funding of \$21,297 was awarded from WZT's Local Conservation Grants to nine separate entities based in the Greater Wellington Region and the Chatham Islands whose projects have a clear community conservation value for native wildlife and wild places. The conservation activities range from trapping to native plant restoration, and also include a six-year-old who is undertaking a New Zealand native bee school ecosystem project.
- WZT made an additional \$1,000 payment to our conservation partner, Red Panda Network, for their First Panda Challenge, "Plant a Red Panda Home". Our donation will match and double contributions from individual donors and the money they receive will be used for restoring red panda habitat.

## Recognition and involvement of the Zoo's conservation expertise

- After being identified as one of three finalists, WZT recently won the Toitū Envirocare Environment Award at the New Zealand Tourism Awards 2021.
- During the quarter, four of our staff used Conservation Staff Grants to work with our partners throughout New Zealand:
  - Kat Smith travelled to Milford Sound to work with the Tawaki Project team which involves a team of scientists, researchers and volunteers undertaking a long-term study of the marine ecology, breeding biology and population dynamics of the world's least known and most enigmatic penguin species;
  - Joel Knight and Matthew Forbes again assisted the Mokomoko Lizard Sanctuary, Manaaki Whenua, Central Otago Ecological Trust and DOC to monitor Grand and Otago lizards and jewelled geckos in Otago; and
  - Chye-Mei Huang participated in the Maud Island frog (*Leiopelma hamiltoni*) survey with Dr Ben Bell and his team (Victoria University of Wellington) on Te Pākeka/Maud Island. The information Chye-Mei gained will enable WZT's Reptile and Invertebrate team continue its ex-situ conservation of this species.
- The first Matiu Somes Island monitoring trip of the season has been completed. This year, in line with the Island management plan, we will be only conducting two trips which will be of a longer duration, rather than the monthly overnight trips.
- The Conservation Manager distributed a survey to assess our staff conservation skills across the organisation. Increasing our staff's conservation skills is part of WZT's Conservation Strategy to enable us to effectively assist with conservation field partnerships. The survey will provide a benchmark that our progress can be tracked against over time.
- During the quarter we celebrated:
  - Reptile Awareness Day;
  - Veterinary Nurse Awareness Week;
  - International Zoo Keeper Day;
  - World Animal Day;
  - World Lemur Day;
  - International Day of Zoo & Aquarium Educators; and
  - International Cheetah Day.
- The team at The Nest Te Kōhanga has been working with our partner, Zealandia Ecosanctuary, to complete health check-ups on their two resident Takahē which is a nationally vulnerable species.





Photo: Snow Leopard fundraiser, Wellington Waterfront (A Hughes)

### Engaging, message driven experiences to build community environmental action

- A community Snow Leopard fundraising campaign was officially launched, including:
  - stocking Wellington Zoo’s retail shop with Snow Leopard products;
  - a “pop-up” information and donation stall were set up on Wellington’s waterfront with Tip Top coordinating a “scoop caravan” to raise money; and
  - New World Wellington City is supporting the project by selling our new “Asha and Manju” tote bags, installing a Tap to Donate machine in their café and promoting the project on their in-store televisions.
- WZT again teamed up with partners and stakeholders to warn about the dangers of setting off fireworks around Wellington Zoo. This year we had additional security around the exterior perimeter fencing and in nearby parks.
- There has been extensive media coverage via radio, print and television of the baby Chimp, Guy Fawkes and the arrival of the lions with Zoo staff appearing on Breakfast and Seven Sharp.
- Wellington Zoo is working with Radio Active on a new paid partnership where we will have a monthly slot to talk about conservation issues. This will be hosted by Conservation Manager, Dr Ox Lennon.

### Maintaining lasting partnerships for community support and conservation outcomes

- WZT was awarded \$150,000 from the TG Macarthy Trust towards the Snow Leopard project. This is the largest amount that the Zoo has been awarded from this funder which shows their enthusiasm for this experience and the learning outcomes it will have for our community.
- On 6 and 7 December, WZT and Zealandia held their annual membership swap weekend with 526 of their members taking an opportunity to visit the Zoo.

## Maintaining lasting partnerships for community support and conservation outcomes cont.

- WZT renewed its community partnership agreements with Wellington City Mission (staff donated food, grocery items and toys for distribution over Christmas), Wellington Children's Hospital, Ronald McDonald House Charities and Changemakers Resettlement Forum, each for an additional three years. This gives people in these communities an opportunity to connect with nature and feel a part of the Zoo community.
- Wellington Zoo also signed a new Memorandum of Understanding with Massey University - Te Kunenga ki Pūrehuroa which will strengthen our existing partnership by providing a suite of additional benefits. As part of the partnership agreement:
  - a fourth-year Victoria University of Wellington student undertook biodiversity surveys in the Mansfield Street restoration site and within the Zoo grounds; and
  - a "Massey Student Day" welcoming 353 students to Wellington Zoo for free was trialled - we sold six student memberships throughout the day.
- The Director, Communications, Experience & Conservation and Team Leader Learning prepared an application for funding for the Ministry of Education's Enriching Local Curriculum programme (ELC, previously LEOTC).

## Integrating Te Ao Māori within the Zoo










- Director of Communications, Experience and Conservation has set up a Kanohi Kitea rōpū to help WZT build on the mahi done in the Kanohi Kitea workshops and to think about what we want to establish across the Zoo as a result. This rōpū will help to develop the Kaupapa Māori framework/strategy for the Zoo.
- WZT hosted other CCO organisations to an update from Wellington City Council's Māori Strategic Relationships team. The aim of this team is to improve WCC's (and CCOs') capability to build strong and enduring relationships with mana whenua and Māori and to instil knowledge into staff so everyone feels confident incorporating tikanga Māori in their work.



Craig Ellison  
Board Chair, Wellington Zoo Trust

## Appendix 1 – Wellington Zoo Strategy Framework 2021/22

Required WCC Performance Measures	Target 21.22	Tracking YTD 31.12.22			Comments as at 31.12.22
		#	%		
Visitors	255,936	86,259	34%	🔴	27,134 visitors behind YTD target due to COVID-19 lockdown.
Student and education visits	20,000	10,484	52%	🟡	Zoo led Conservation Education programmes and student self-guided visits.
Council operating grant per visitor	\$14.05	\$21.09	NA	🔴	Annual Measure based on visitor numbers and WCC grant
Full cost to Council		Annual Measure	NA	🟡	This target is generated by WCC and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant. To be reassessed over 2020-21.
Trading Revenue per visit (excl. grants & interest)	\$17.83	\$20.68	NA	🟢	
Non-Council donations and funding	\$387k	Annual Measure	NA	🟡	Non-Council operational grants, donations, sponsorships and bequests. This target does not include any capital funding.
Percentage of operating costs generated by Trust	59%	NA	45%	🔴	
Trust generated income as percentage of the Council grant	146%	NA	98%	🔴	
Additional WZT Performance Measures					
		#	%		Notes
Measure visitor feedback and satisfaction	8.5	9.1	NA	🟢	No surveys collected in September, October and November due to Alert Level 2. New survey will be implemented 1 January 2022.
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	25	30	120%	🟢	IUCN Red List and DOC National list.
Percentage of indigenous animals released to the wild after triage and treatment by The Nest Te Kōhanga (TNTK)	50%	NA	45%	🟡	Post 72-hour triage period. This figure has been impacted by COVID-19 lockdown.
ZAA Conservation Database completed	Achieved	Annual Measure	NA	🟢	Completed for 20-21 FY and submitted to ZAA
Number of field conservation projects supported for vulnerable, endangered or critically endangered (IUCN Red List and DOC National list) at the Zoo	12	13	108%	🟢	<ul style="list-style-type: none"> <li>West Coast Penguin Trust, Tawaki (VU)</li> <li>Cheetah Outreach (Cheetah, VU)</li> <li>Free the Bears, Sun Bears (VU)</li> <li>DOC, Wellington Green Geckos (VU)</li> <li>Kea Conservation Trust, Kea (EN)</li> <li>Madagascar Fauna and Flora Group, Black and White Ruffed Lemurs (CR) and Ring-tailed Lemurs (EN)</li> <li>Proyecto Titi, Cotton Top Tamarins (CR)</li> <li>Associação Mico-Leão-Dourado, Golden Lion Tamarins (EN)</li> <li>Wild Cats Alliance, Sumatran Tigers (CR)</li> <li>Save the Tasmanian Devils Programme (EN)</li> <li>FFI Vietnam, White Cheeked Gibbons (CR)</li> <li>Red Panda Network, Red Pandas (EN)</li> <li>Mountain Spirit, Snow Leoparda (VU)</li> </ul>

Additional WZT Performance Measures				
		#	%	Notes
Participate in zoo-based research projects, scientific papers and presentations	10	13	130%	 These projects are directly related to conservation medicine, biological sciences, animal husbandry, animal welfare science and visitor engagement research. <b>1.</b> Disease screening of Fijian bats – Master's thesis in preparation by Jessica McCutchan (Resident). <b>2.</b> The ethics and animal welfare of aged animal management in zoos – Master's thesis in preparation by Alison Clarke (Resident). <b>3.</b> Investigating marine predation injuries to yellow-eyed penguins – Master's thesis in preparation by Kathryn Johnson (Resident). <b>4.</b> Lead exposure in rural and urban Tūi – Undergraduate project in preparation for publication by Alisdair Eddie and TNTK team. <b>5.</b> Total ear canal ablation in a lion – case study being written up for publication by Dr Helen Orbell and TNTK team. <b>6.</b> Do tuatara behaviourally respond to sex ratio variation? – PhD research by Linlin Liu (Victoria University of Wellington) assisted by Animal Care R&I Team. <b>7.</b> Regional variation in winter foraging strategies by Weddell seals in Eastern Antarctica and the Ross Sea – publication in <i>Frontiers in Marine Science Journal</i> , Baukje Lenting co-author. <b>8.</b> The pharmacokinetics of butorphanol in kererū and kāhu- Master's thesis in preparation by Ryan Collins (Resident). <b>9.</b> The characterisation of toxoplasma gondii in cat prey species in New Zealand- Master's thesis in preparation by Ashley Whitehead (Resident). <b>10.</b> Investigating food preference in zoo-housed meerkats – published in <i>Zoo Biology journal</i> by Bridget Brox. <b>11.</b> Strong ion gap in anaesthetised large Felidae – paper in preparation for publication by Nigel Dougherty (Resident). <b>12.</b> Jejunal intramural haematoma in a captive african lion – paper in preparation for publication by Richelle Butcher (Resident), Baukje Lenting, Phil Kowalski and Shanna Rose. <b>13.</b> Using a novel ethogram of tuatara behaviour to evaluate the impact of interactions with zoo visitors – published in <i>New Zealand Journal of Zoology</i> by Bridget Brox.
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieved	Annual Measure		 Occurs every three years. Next accreditation in early 2022.
Maintain Toitū carbonzero certification	Achieved	Annual Measure		 Toitū carbonzero certification for 2020/21 year received December 2021.
Implementing <i>Kanohi Kitea</i> cultural competency programme	Achieved	Phase One delivered		 First phase complete: 71 Full time and permanent part time staff members and one board member completed day 1 sessions and 69 staff members and one board member attended Day 2 session. Next phase to be delivered after consultation with Iwi.
Safety Improvement Team meeting attendance	80%	3	92%	 Three meetings held to end of 2021. New Health, Safety & Wellbeing committee structure being agreed in Jan/Feb for new start in March 2022.
Successful emergency drill/incident debriefs held	8	7	88%	 Code Blue debrief, Code Black drills & workshop and Board drill observation, Code Green drill September, Code Orange for National Shake-out, Chimp recovery debrief, Code Red evac drills.
Volunteer engagement survey	1	Annual Measure		 This annual survey measures the satisfaction levels of those volunteering across the organisation.
Staff recognition programme	1	Achieved		 This measure refers to the year-long recognition of staff excellence at full staff meetings and culminates in the annual staff awards event in October.
Staff learning and development sessions held	10	13	130%	 In-house learning opportunities from both internal and external speakers. Six Kanohi Kitea workshops and seven LEAP workshops were held.

## Appendix 2 – Financial Statements

<b>CCO: Wellington Zoo Trust</b>		<b>\$NZ000's</b>	
<b>Quarter Two 2021/22</b>			
<b>Actual 30-Jun-21</b>	<b>EARNINGS STATEMENT</b>	<b>Actual 31-Dec-21</b>	<b>Qtr to 31-Dec-21</b>
	<b>Revenue</b>		
4094	Trading Income	1666	2135
3508	WCC Grants	1819	1798
766	Other Grants	499	105
306	Sponsorships and Donations-Operational	158	140
504	Sponsorships and Donations-Capital	611	0
7	Investment Income	2	5
117	Other Income	193	212
9,302	<b>Total Revenue</b>	4,948	4395
	<b>Expenditure</b>		
5,960	Employee Costs	3,193	3129
2,288	Other Operating Expenses	1,248	1261
0	Depreciation		
0	Interest		0
482	Vested Assets		
8,730	<b>Total Expenditure</b>	4,441	4,390
572	<b>Net Surplus/(Deficit) before Taxation</b>	507	5
0	Taxation Expense		
550	Operating Surplus (Deficit)	(104)	5
572	<b>Net Surplus/(Deficit)</b>	507	5
5.9%	<b>Operating Margin</b>	-2.1%	0.1%

Actual 30-Jun-21	STATEMENT OF FINANCIAL POSITION	Actual 31-Dec-21	As at 31-Dec-21
	<b>Shareholder/Trust Funds</b>		
0	Share Capital/Settled Funds		0
0	Revaluation Reserves		0
1,808	Restricted Funds	1,559	1,176
242	Retained Earnings	880	255
2,050	<b>Total Shareholder/Trust Funds</b>	2,439	1,431
	<b>Current Assets</b>		
3,806	Cash and Bank	3,333	2,664
52	Accounts Receivable	574	150
214	Other Current Assets	127	100
4,072	<b>Total Current Assets</b>	4,034	2,914
	<b>Investments</b>		
0	Deposits on Call	0	0
0	Other Investments	0	0
0	<b>Total Investments</b>	0	0
	<b>Non-Current Assets</b>		
0	Fixed Assets	0	0
0	Other Non-current Assets	0	0
0	<b>Total Non-current Assets</b>	0	0
4,072	<b>Total Assets</b>	4,034	2,914
	<b>Current Liabilities</b>		
1,144	Accounts Payable and Accruals	750	600
	Provisions		
878	Other Current Liabilities	845	883
2,022	<b>Total Current Liabilities</b>	1,595	1,483
	<b>Non-Current Liabilities</b>		
0	Loans - WCC	0	0
0	Loans - Other	0	0
0	Other Non-Current Liabilities	0	0
0	<b>Total Non-Current Liabilities</b>	0	0
2,050	<b>Net Assets</b>	2,439	1,431
2.0	<b>Current Ratio</b>	2.5	2.0
50.3%	<b>Equity Ratio</b>	60.5%	49.1%

Actual 30-Jun-21	STATEMENT OF CASH FLOWS	Actual 31-Dec-21	Qtr to 31-Dec-21
	<i>Cash provided from:</i>		
4094	Trading Receipts	1,666	2,135
3508	WCC Grants	1819	1,641
766	Other Grants	499	105
810	Sponsorships and Donations	769	140
7	Investment Income	2	5
3649	Other Income	1,217	212
12834		5,972	4,238
	<i>Cash applied to:</i>		0
5,871	Payments to Employees	2,871	3,129
6,220	Payments to Suppliers	3,495	1,261
	Net GST Cashflow		0
0	Other Operating Costs (VESTING)		0
	Interest Paid	0	0
12091		6,366	4,390
743	<b>Total Operating Cash Flow</b>	(394)	(152)
	<b>Investing Cash Flow</b>		
	<i>Cash provided from:</i>		
	Sale of Fixed Assets		
	Other		
0		0	0
	<i>Cash applied to:</i>		
	Purchase of Fixed Assets		
	Other -vesting Cash for Capital Projects	0	
0		0	0
0	<b>Total Investing Cash Flow</b>	0	0

Actual 30-Jun-21	STATEMENT OF CASH FLOWS (CONT)	Actual 31-Dec-21	Qtr to 31-Dec-21
	<b>Financing Cash Flow</b>		
	<i>Cash provided from:</i>		
	Drawdown of Loans		
	Other		
0		0	0
	<i>Cash applied to:</i>		
	Repayment of Loans		
	Other		
0		0	0
0	<b>Total Financing Cash Flow</b>	0	0
743	<b>Net Increase/(Decrease) in Cash Held</b>	(394)	(152)
2,910	<b>Opening Cash Equivalents</b>	3,653	2,816
3,653	<b>Closing Cash Equivalents</b>	3,259	2,664

Actual 30-Jun-21	CASH FLOW RECONCILIATION	Actual 31-Dec-21	Qtr to 31-Dec-21
572	<b>Operating Surplus/(Deficit) for the Year</b>	507	5
	Add Non Cash Items		
0	Depreciation	0	0
45	Other (movement restricted funds)	(39)	0
617		468	5
	<b>Movements in Working Capital</b>		
(195)	(Increase)/Decrease in Receivables	(522)	0
75	(Increase)/Decrease in Other Current Assets	87	2
440	Increase/(Decrease) in Accounts Payable	(394)	(142)
(194)	Increase/(Decrease) in Other Current Liabilities	(33)	(17)
126		(862)	(157)
	<b>Net Gain/(Loss) on Sale:</b>		
0	Fixed Assets	0	0
	Investments	0	0
0		0	0
743	<b>Net Cash Flow from Operations</b>	(394)	(152)



## PERFORMANCE REPORT QUARTER TWO 2021/22

### Kōrero taunaki Summary of considerations

#### Purpose

1. This report to Pūroro Tahua | Finance and Performance Committee is to update the Elected Members on the Performance in Quarter Two 2021/22.

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

Aligns with the following strategies and priority areas:

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

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

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

#### Relevant Previous decisions

Receive the Report

#### Financial considerations

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

#### Risk

- Low
 |  Medium
 |  High
 |  Extreme

Authors	Bronwen Green, Senior Advisor, Planning and Reporting Lloyd Jowsey, Team Leader, Planning and Reporting Deirdre Reidy, Manager, Finance Business Partnering
Authoriser	Baz Kaufman, Manager Strategy and Research Stephen McArthur, Chief Strategy & Governance Officer Sara Hay, Chief Financial Officer

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## **Taunakitanga Officers' Recommendations**

Officers recommend that the Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the Quarter Two (Q2 Performance Report on the 2021 Long-term Plan (LTP).
- 2) Note the key headlines covered in the summary and in each section of the report.
- 3) Note that this report is against the 2021 LTP and is aligned with the Corporate Monitoring and Reporting Framework (level 1) and supports the strategic oversight and monitoring role of the LTP by the Finance and Performance Committee.
- 4) Note that further development of the quarterly report (under the agreed framework) will occur over subsequent quarters.
- 5) Note that the report draws upon without duplication, detailed project level monitoring reports to other Committees.
- 6) Note the key capital programme delivery headlines in this report reflect the agreed rescheduling of the 2021/22 Capital Programme as presented on 18 November 2021 to this Pūroro Tahua | Finance and Performance Committee.
- 7) Recommend to Council the following in-year budget changes:
  - a. Increase operational (opex) budget by \$3.62m in relation to the payment made to World of WearableArt (WOW),
  - b. Increase capital (capex) budget for Botanical Gardens by \$350k, noting that this is a bring-forward from 2022/23 and there will be a corresponding reduction in the same project in the final Annual Plan for 2022/23.
- 8) Note the following budget changes will also be recommended to Council, subject to approval, through other reports to this Committee:
  - c. Increase opex budget by \$1.5m in relation to payment of a grant to Wellington Regional Stadium Trust,
  - d. Increase opex budget by \$4.9m in relation to increase opex costs for Wellington Water Limited

## **Whakarāpopoto**

### **Executive Summary**

2. The purpose of the Quarterly report is to support the governance oversight and monitoring of the delivery of the current Long-term Plan (LTP). Oversight covers the:
  - LTP strategic direction and risks to overall progress
  - tracking of delivery of the programmes supporting LTP priorities; and
  - the monitoring of significant quarter by quarter changes in service delivery KPIs.
3. The structure of the Quarterly report content is detailed in its introduction. In summary the covers the:
  - LTP six strategic priorities and 53 supporting work programmes. These programmes cover 114 projects
  - 93 service delivery key performance indicators (KPIs). The KPI framework was reduced and reset in the development of the 2021 LTP
  - year-to-date LTP budget performance; and
  - information and analysis on the status of changes in the indicators used to monitor changes in the LTP Community outcomes (or Wellbeings).

4. The key performance headline in the report for Q2 relates to the ongoing pandemic impacts putting revenue, capital delivery and key performance targets.
5. The report notes that capital rescheduling for 2021/22 was mostly due to ongoing pandemic linked constraints in labour markets, materials supply, construction sector capacity and scalability, which is constraining pace at which the capital work programme is delivered.

## **Takenga mai**

### **Background**

6. While the quarterly report will undergo further development throughout the year, the core strategic (or whole of LTP) focus will continue to guide those developments. This includes avoiding duplication of individual project monitoring reports to other Committees - for example priority project reporting to the Infrastructure Committee.
7. As far as possible the Finance and Performance Committee consideration of the quarterly report has been scheduled to follow detailed project reporting to other Committees

### **Kōrerorero**

### **Discussion**

8. The key performance headlines from the Q2 report are:

***Strategic Priority Work Programmes:*** (for details see page 7 of the Q2 report)

- Total LTP capital expenditure has about doubled from the 2018 LTP. The six strategic priorities in the 2021 LTP have 53 work programmes comprising of 114 projects,
- Many projects supporting the six LTP strategic priorities are in the historically challenging delivery phase,
- Pandemic linked constraints in labour markets, materials supply, construction sector capacity and scalability are impacting the pace at which the capital work programme can implement, scale up or sustain delivery momentum,
- These constrains indicate there is a high risk that capital programme may not match delivery expectations over the next three years; and
- 81% of the total year to date (and rephased) capital budget has been spent in a constrained and disrupted pandemic environment (\$22.9m 19% underspend).

***LTP Service Delivery KPIs:*** (for details see page 9 of the Q2 report)

- Of the service delivery KPIs in the LTP, 63% of KPIs were met, exceeded or mostly met (i.e. within +/-10% of target).
- There were 28 performance exceptions reported for Q2; 26 of these were also reported in Q1.
- KPI targets that were not met (20) related to: 3 waters (8), continuing pandemic impacts (9) (waste operations, CCOs, compliance activities and parking utilisation), and consenting delivery challenges (3).

***LTP Budget Performance:*** (for details see page 12 of the Q2 report)

- For year to date up to end of December 2021, the Capital underspend variance has reduced from 41% (\$38.4m) reported in Q1, to 33% (\$62.5m) against revised budget. The forecast position for year-end is a total capital spend of \$341.2m against a revised budget of \$355.3m, a forecast underspend of 4% (\$14.1m)

- Reported Net Operating Expenditure for year-to-date is tracking to plan (3%, \$135k overspent), however the underlying position is favourable when the unbudgeted payment to WOW is excluded. Pending approval through this Committee, if the budget is adjusted for this payment the year-to-date positive net operating expenditure variance to budget would be \$3.5m (44%)
- Forecasted year-end position is \$17.7m unfavourable (\$11.8m deficit against budgeted surplus of \$5.9m) which reflects a reduction in NZTA capital subsidies (\$11m) as a result of the rescheduled capital programme and the unbudgeted WOW payment.

**Budget change requests:**

- *World of WearableArt (WOW)* – Following discussion with World of WearableArts Limited (WOW), on 4th February 2021 the Strategy and Policy Committee agreed to provide conditional financial support to the World of WearableArt 2021 Awards Show (the Event). The condition for funding support was that the Event had to be materially disrupted or cancelled due to Government restrictions around Covid-19 resulting in financial loss to WOW. This financial support was capped at a maximum of \$5million.

On the 9th September 2021 WOW, in consultation with Wellington City Council and WellingtonNZ made the decision to cancel the WOW 2021 Awards Show due to Covid-19 Delta outbreak and lockdown on 17th August 2021. Work commenced between WOW and Wellington City Council to assess the financial implications of this cancellation, which ultimately led to an agreement to provide a grant \$3.6m under our Funding Agreement. This payment was made in December 2021.

No budget adjustment was made for this expense when the funding support was agreed as it was uncertain if or how much of the funding support would be called upon. Now that this payment has been made Officers request a budget increase in-line with the value of agreed expenses. This budget increase will allow for transparency in analysis for the remainder of the financial year

- *Botanic Gardens Citycare Renewals (Project 2006)* – to ensure the Botanic Gardens continue to meet levels of service and the outcomes of the Botanic Gardens of Wellington Management Plan, key upgrades were proposed in the Long-Term plan for the plant nursery and laboratory at Otari-Wilton's Bush.

Of the five Botanic Garden nursery heaters, two have irreparably failed, one is barely functioning and the remaining two are still functional. These heaters were recovered from the original nursery buildings and refurbished for reuse in 2010, and parts are no longer available for them. Following uncertainty about the replacement heaters and HVAC systems this was deferred to 2022/23.

After more recent discussions between Officers and suppliers, it has been agreed that the use of transcritical CO2 air conditioning units will provide an effective solution when combined with an upgraded heat distribution system. This will ensure we have a functional and reliable heating system for the glasshouse over winter 2022.

Suppliers have assured Officers that this work can be completed swiftly and prior to the end of this current (2021/22) financial year. As a result additional budget is required in the current year for this activity. This is not an increase to the overall activity budget over the LTP it is a bring-forward from 2022/23 to

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2021/22. This bring forward will also be reflected in the Annual Plan for 2022/23 as a reduced capex budget in activity 2006.

***Community Outcomes (Wellbeing) Indicator Trends:*** further results are not available for Q2. An update will be presented in the Q3 report, for published results to December 2021, and any data released prior to Annual Report.

### **Ngā mahinga e whai ake nei**

#### **Next actions**

9. The next quarterly report, Q3 scheduled for June 2022, will see further developments in the reporting of strategic priority work programme performance, commentary and analysis of trends in community Outcomes Indicators and reporting of LTP community activities and achievements.

#### **Attachments**

Attachment 1. DRAFT Quarterly Performance Report

# DRAFT Quarterly Performance Report

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Quarter Two 2021/22

(YTD 1 July 2021 - 31 December 2021)

## Nau mai | Welcome

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This report supports the governance oversight of Wellington City Council's (the Council) quarterly performance against its Long-term Plan (LTP) by the [Pūroro Tahua | Finance and Performance Committee](#). Quarterly Reports are produced up to four times in each financial year. Each report covers the period from the first of the financial year to the last day of the quarter – year-to-date.

The Council's LTP is published on the Council's website ([www.wcc.govt.nz](http://www.wcc.govt.nz)) with details on our outcome indicators, performance measures, strategic priorities and supporting key projects.

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# Introduction

## Purpose

The information in this report supports governance oversight and monitoring of the delivery of the current long-term Plan (LTP). Oversight covers the:

- LTP strategic direction and risks to overall progress
- Tracking of delivery of the programmes supporting LTP priorities, strategies, action plans and key projects; and
- Monitoring of significant quarter by quarter changes in service delivery KPIs.

The report informs three key questions:

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

The Quarterly report is provided to the Council's [Pūrora Tahua | Finance and Performance Committee](#) (the Committee)

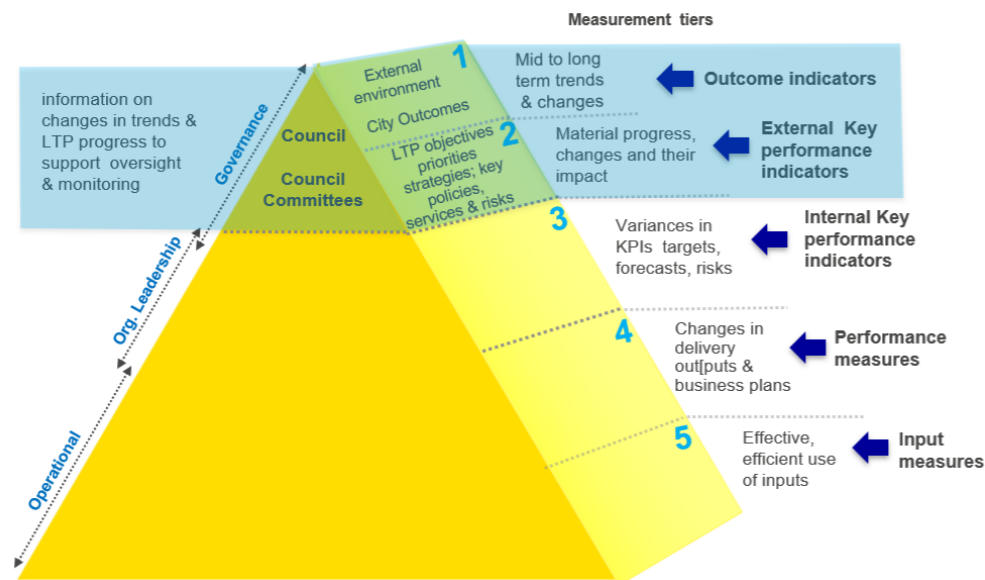
## What we report

The content of the Quarterly Report (this report) aligns the 2021 LTP, the Finance and Performance Committee LTP oversight role, the monitoring role of other Council Committees and tiers 1 and 2 of the Councils monitoring and Reporting Framework (Figure 1). A specific focus of the report is oversight of progress against the six LTP priority objectives (LTP priorities) and their supporting work programmes.

This approach recognises that reporting detailed performance for individual projects, policies etc. is in general within scope of other Committees for example the Infrastructure, Planning and Environment or, Social, Cultural and Economic Committees. The Quarterly Report is in general timed after detail focused reporting to other Committees.

The LTP is effective from 1 July 2021 and includes an updated and reduced suite of external key performance indicators (KPIs). Consequently, the content of the Quarterly report will increase across the 2021 financial year - as trends and new KPI data becomes available. The starting point (or baseline) for reporting LTP progress is the 2021-22 year. The report scope includes LTP amendments and Annual Plan variations.

Figure 1: Monitoring and Reporting framework

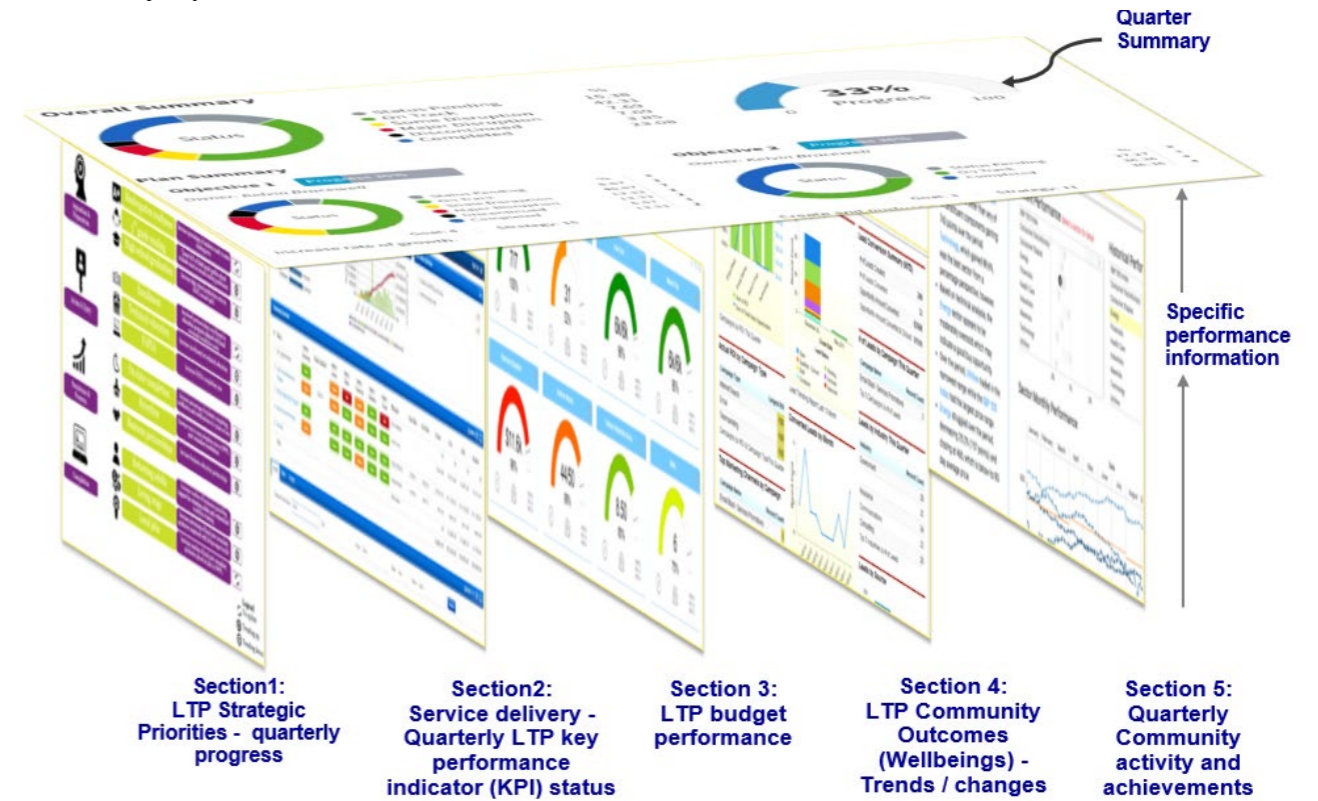


## Performance data

## Report structure and information presentation

A fully implemented quarterly report has five 'drill-down' sections with a rolled-up quarter overview or summary (Figure 2). This report covers section 1-4. Additional content will be added in the following quarters. The 'rolled-up quarter summary' has key summary information from each section, in general focusing on the significant changes during or between quarters. Where possible information is organised and reported visually and in an A3 dashboard style to show changes in status etc.

Figure 2: Quarterly Report Structure



## How we report

### Exception reporting

### How we record status

To decide what is significant and therefore what to focus on in this report, we use the status definitions that are indicated on the relevant dashboard. The statuses use colours to identify the items that need ongoing monitoring and / or attention.

### LTP Community Outcomes

The LTP contributes to improving Wellington's social, cultural, environmental, and economic community outcomes (or Wellbeings) This report (in Section Four) includes information on the city's changing Social, Cultural, Environmental or Economic wellbeing. This content can vary from quarter to quarter depending (for example) on the external environment at the time of the report and / or the availability of data. Material changes in Social, Cultural, Environmental or Economic wellbeing indicators are typically to be observed over a longer period e.g.3 years or more.

### LTP Strategic priorities and supporting work programmes

Table 1 indicates the alignment between the six LTP priority objectives (strategic priorities) and long-term Community Outcomes. Two of the six strategic priorities have work programmes that contribute to all outcomes. The organisation



of information for **Section 1** reflects this alignment. Information in other sections is presented by activity area. This approach is broadly consistent with the LTP and the Annual Report.

**Table 1: LTP Community Outcomes and Priority Objectives**

Community outcomes	Environmental Sustainable, climate friendly eco capital	Social People friendly, compact, safe, accessible capital	Cultural Innovative, inclusive, and creative city	Economic Dynamic, sustainable economy
↑ Strategic priorities ↑	A functioning, resilient & reliable 3 Waters infrastructure	Affordable, resilient & safe housing	Resilient & fit-for-purpose community, creative & cultural spaces	Wellington's core transport infrastructure is a safe, resilient, and reliable network
	Strong partnerships with mana whenua			
	An accelerating zero carbon and waste free transition			

The work programmes supporting the LTP strategic priorities contain the projects that deliver the LTP. Because of their expected impact or urgency some of those projects are classified as 'high priority projects'. Aggregated information from these projects is included in this report. Detailed individual project monitoring reports for the 'priority projects' is received by the Infrastructure Committee from the Project Management Office. This approach avoids duplication of individual project information reported to other Committees. Table 2 provides an overview of the alignment of work programmes to LTP priorities.

**Table 2: Alignment of LTP priorities, LTP budget, programmes, and projects**

LTP Strategic priorities, Y1 budget (000's)	Objectives	LTP work Programmes	No. of projects
1. A functioning, resilient & reliable 3 Waters infrastructure	A reliable 3 Waters infrastructure	3 Waters network Stormwater Wastewater Targeted upgrades	14 (3 high priority projects)
	A resilient 3 Waters infrastructure	Drinking Water	1
	A functioning 3 Waters infrastructure	3 Waters Reform Programme	1
2. Affordable, resilient & safe housing	Urban Planning	Planning for growth	1
	Safe Housing	Social Housing	2
	Affordable Housing	Housing Investment Programme (projects) Proactive development (SHIP) - Te Kāinga (projects) Housing Action Plan (projects)	4 (2 priority projects)
	Resilient Housing	Proactive development (SHIP)	7
3. The core transport infrastructure is safe, resilient & reliable network	Reliable, safe Transport network	Let's Get Wellington Moving Priority Planning Speed management upgrades Bike network	20 (8 priority projects)
	Resilient, safe Transport network	Carriageway Shelly Bay Network renewals Network access	7

LTP Strategic priorities, Y1 budget (000's)	Objectives	LTP work Programmes	No. of projects	
4. Resilient and fit-for-purpose city, community, creative & cultural spaces	Fit-For-Purpose Community, Creative & Cultural Spaces	Aho tini 2030 Public space improvements Waterfront Development Zealandia Zoo upgrades Community centres & halls upgrades Suburban Centres upgrades City Venues Pōneke Promise Te Ngākau Civic Precinct Venues seismic strengthening	Community facilities development Streets for People: Laneways programme Public safety - Pōneke Promise Burial & Cremations policy Waterfront Development: Frank Kitts Park Public Space and City Greening: CBD greening, pocket park development Public Space and City Greening	27 (10 high projects)
	Resilient Community, Creative & Cultural Spaces	Community facilities planning Waterfront facilities Sportsfields upgrades EQ Risk Mitigation: Seismic strengthening	Community facilities earthquake resilience EQ Prone buildings Venues Seismic strengthening Asset Management Programme CCO Upgrades	13 (2 priority projects)
5. An accelerating zero carbon and waste free transition	Te Atakura - first to zero	Climate and sustainability Climate Change response Resource efficiency - energy Seed funding for climate action	Sustainable food (SF) systems Mode shift WCC EV fleet transformation	14 (2 priority projects)
	Waste Free Transition	Waste Minimisation: Resource efficiency - waste	Waste Minimisation: Resource efficiency - waste Waste Minimisation	
6. Strong partnerships with mana whenua	Innovative, creative, and inclusive city	Inclusive city		3
		Māori and mana whenua partnerships		
Reporting Legend		Reported to Finance and performance Committee		
		Reported to the other relevant Committee		

### Reporting programme performance

Quarterly programme reporting focuses on changes to programme delivery (progress), budget, overall programme health and risk status against a LTP starting position as of 1 July 2021 and over the three years between LTP updates. As a number of programmes have projects that are being planned or start in subsequent years, the first quarterly report will contain programmes that have projects that are:

- in-flight from the previous LTP; and
- are finalising their plans to commence in the next quarter.

This means that the content and programmes covered in this will expand over subsequent reports. The Quarter One report (1 July-30 September) set the starting position (or baseline) for on-going quarterly programme reporting.

### Where we get our data

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



## Summary Headlines: Quarter 2 2021

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### **1. Strategic Priority Work Programmes: (Details page 8)**

- YTD work programme budget spend continues to lag forecast spend - reflecting sustained pandemic related constraints on delivery (including capacity, scoping etc.)
- A reforecast of the Capital programme is likely to be included with the 2022-23 Annual Plan budget (currently under development).

### **2. LTP Service Delivery KPIs: (Details page 9) – 63% on track, largely same as Q1**

**3. LTP Budget Performance: (Details page 12) –** underlying favourable position for operational budget, capital programme 33% underspent versus year-to-date budget.

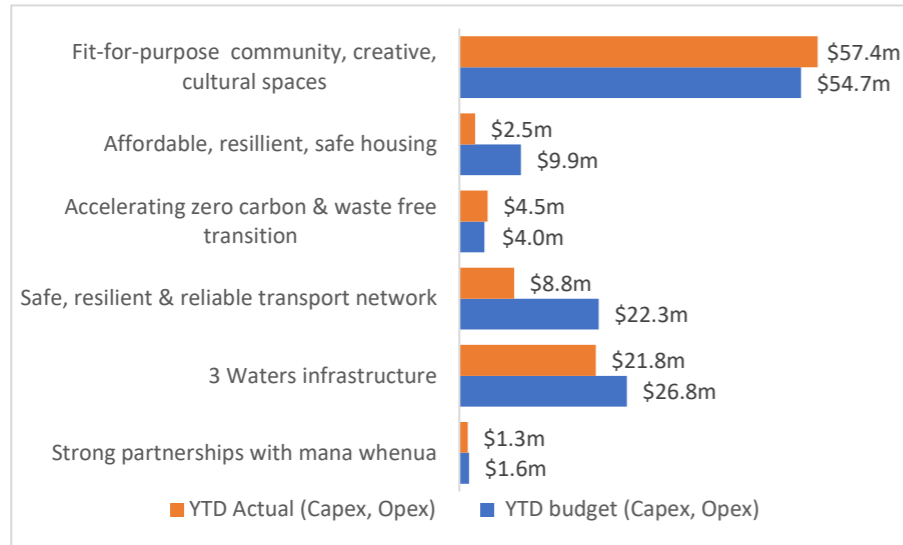
### **4. Community Outcomes (Wellbeing) Indicators –** no updates to report

**5. Community activity and achievements report –** will be provided for Q3 and year-end

## Quarter Two Summary

### 1. LTP STRATEGIC PRIORITY WORK PROGRAMMES - The pace of delivery of a large capital programme is being constrained and likely to be underspent

#### Q2 Capital and Opex Spend - \$22.9m (19%) underspend

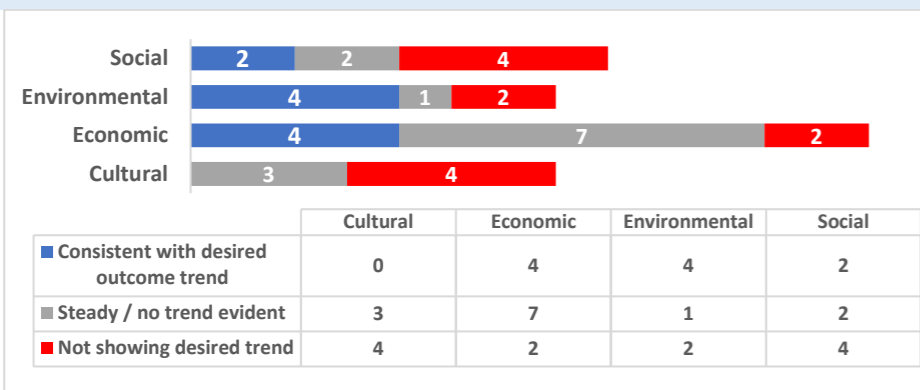


**Programme Delivery:** There is a material risk that market capacity and capability pressures may constrain the pace of programme delivery.

Pressures	Possible impact:
<ul style="list-style-type: none"> <li>Constrained labour markets, materials supply chain and cost escalations</li> <li>Availability of external contractor resources pressuring the planning and prioritisation of resources</li> </ul>	<ul style="list-style-type: none"> <li>Progress slowed for projects in-flight</li> <li>Delay projects at planning stage</li> </ul>

### 4. LTP COMMUNITY OUTCOMES (WELLBEINGS): Social, and Cultural have the most indicators not showing desired trends.

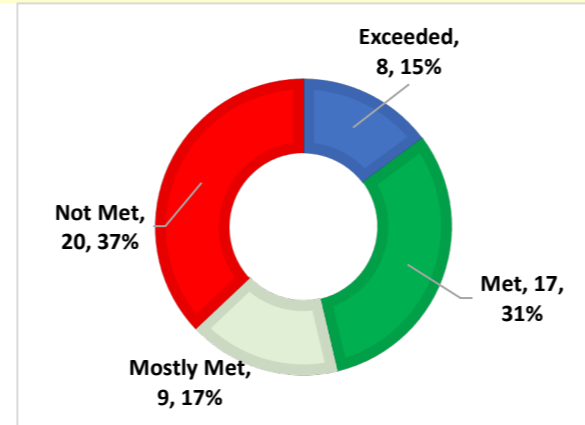
#### Outcome Indicator trends by wellbeing as at 1 July 2021



- 34% not trending in desired direction, 29% are consistent with desired trend, and 37% with no trend evident.
- There are no new results to report for Dec 2021.

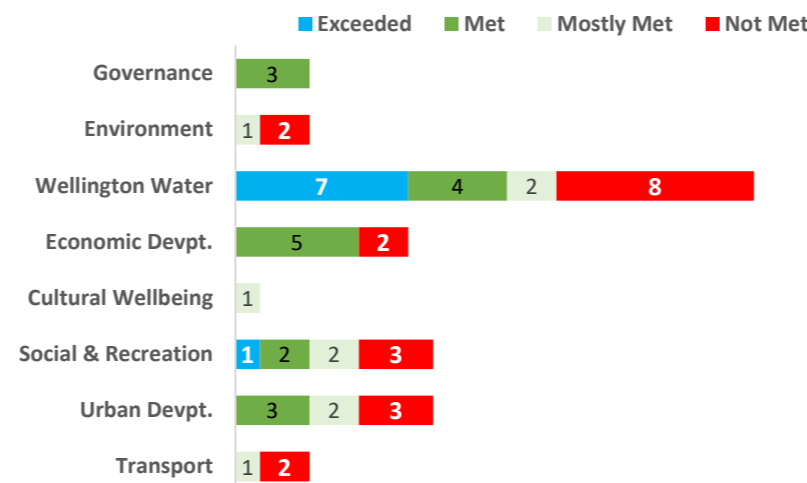
### 2. LTP SERVICE PERFORMANCE – KPI results largely similar to Q1

#### Service delivery performance against LTP KPI targets



- Of the 54 performance results for Q2, 28 are performance exceptions (26 of these were also reported in Q1)
- 42 KPI results remain largely unchanged, 11 improved slightly and 1 deteriorated. 63% of KPI achieved.

#### KPI performance against target for each Activity Area

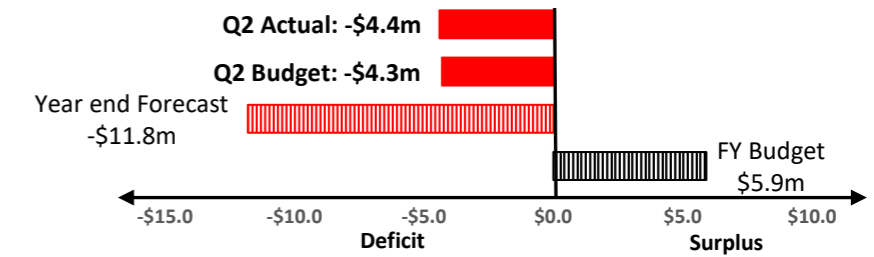


The main exceptions to Activity Area KPI targets relate to:

- Three waters:** 15 exceptions: (14 Q1) flooding measure not met, and seasonal measure for swimming days tracking ahead of target.
- Environment:** Lower waste diverted from landfill showing the impact of lockdowns,
- Social & Rec:** Covid restrictions impacting timeliness for compliance activities. (Graffiti removal exceeded)
- Urban development:** Continued challenges with meeting timeliness for consenting KPIs, management interventions underway
- Transport:** parking occupancy increased from 47% to 55% (against target 70-80%)
- CCOs:** COVID related reduced visitor numbers impacting delivery against SOI for Zoo, WellingtonNZ, and Cable Car.

### 3. BUDGET PERFORMANCE YTD

#### Q2 Net Operating Position - \$4m deficit (on budget)

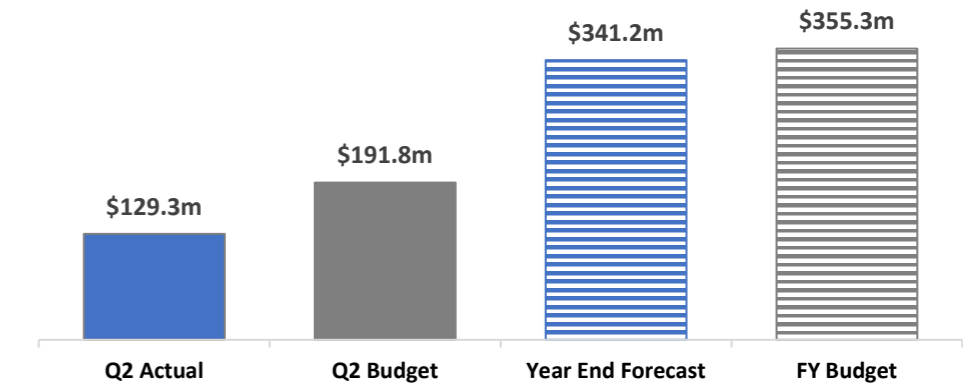


- Net Operating Position:** YTD position is \$0.1m (-3%) unfavourable to budget (actual \$4.4m deficit vs budget of \$4.3m deficit)
- Total Expenditure:** 4% (\$12.8m) favourable to budget
- Revenues:** 4% (\$12.9m) unfavourable to budget (Covid & NZTA related see p13 and Activity Area commentary)

#### Forecast Year End deficit of \$11.8m

- Forecast year end** position is a deficit of \$11.8m. Unfavourable against a budgeted surplus of \$5.9m

#### Capital spend –under budget YTD and for the year-end forecast (\$m)



- Year to date: Capital:** Budget underspent by \$62.5m (33%)
- Significant variances:** Tākina is over budget. Cycling programme is underspent by \$11.7m. No spend on LGWM projects. Underspending in wastewater network renewals and upgrades and housing upgrades and renewals.
- Forecast:** \$14.1m (4%) year-end underspend on the \$355.3m budget
- FY Budget:** has been revised from \$421.0m to \$355.5m. Reschedule of delivery expectations of Capital projects by \$79.6m and addition of \$13.4m for sludge minimisation were approved in November 2021.



## Section 1: LTP Strategic Priorities: Supporting Work Programmes

### *Quarter two headlines:*

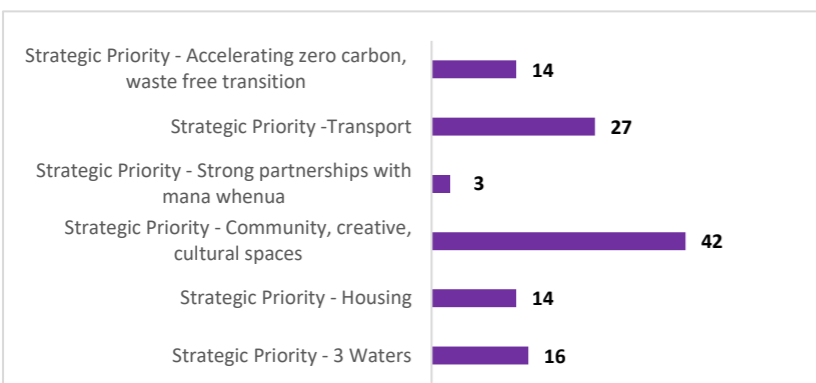
- Although rephased, the LTP work programme remains as published.
- However, the pandemic continues to disrupt construction market capacity, supply chains and work programme delivery progress resulting in a rephasing of the capital programme
- YTD work programme budget spend continues to lag forecast spend - reflecting sustained pandemic related constraints on delivery (including capacity, scoping etc.)
- We have 'carried forward' incomplete or additional work from the last LTP and are forecasting to do continue until the next LTP
- A reforecast of the Capital programme is likely to be included with the 2022-23 Annual Plan budget (currently under development).

Year to Date (YTD) numbers are as at Q2 end - 31 December 2021 and are the total of Capex plus the relevant Opex.

**Programmes supporting 2021 LTP Strategic Priorities (52 work programmes with 114 supporting projects)**

**At the end of Q2 81% of the total YTD (and rephased) capital budget has been spent in a constrained and disrupted pandemic environment**

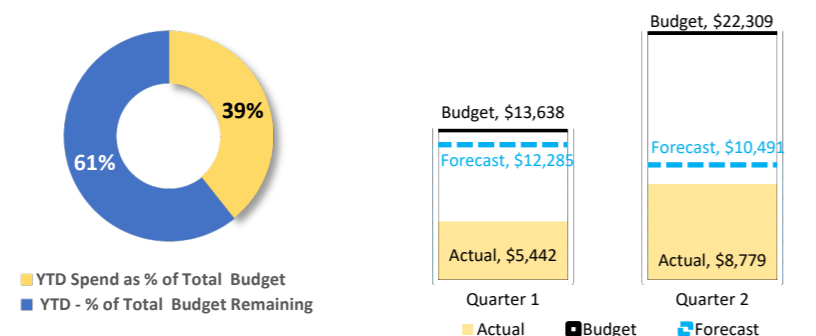
**LTP priorities have 45 Work programmes with 114 projects**  
**Number of projects by strategic priority**



- The 15 priority projects reported to the Infrastructure Committee are included in the strategic priority project count.

**Priority 3: The transport infrastructure is a safe, resilient & reliable (\$000)**

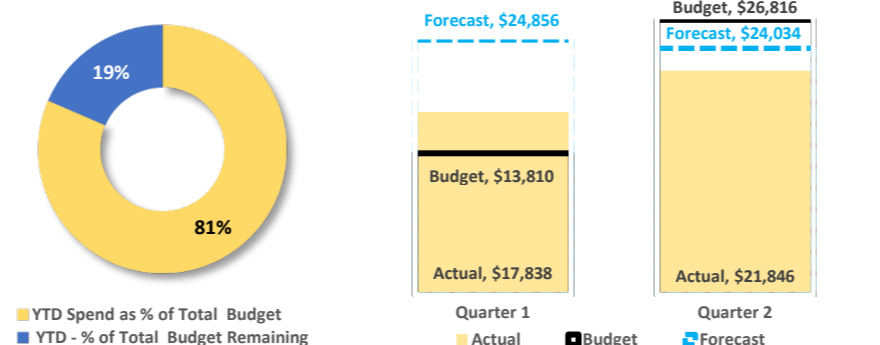
**YTD (Cpx+Opx) budget spend**      **LTP 3yr. Capital Budget**



- Includes priority projects Transitional Cycleways programme, Let's Get Welly Moving, Cycleways Connections and Island Bay programmes

**Priority 1: functioning, resilient, reliable 3 Waters infrastructure (\$000)**

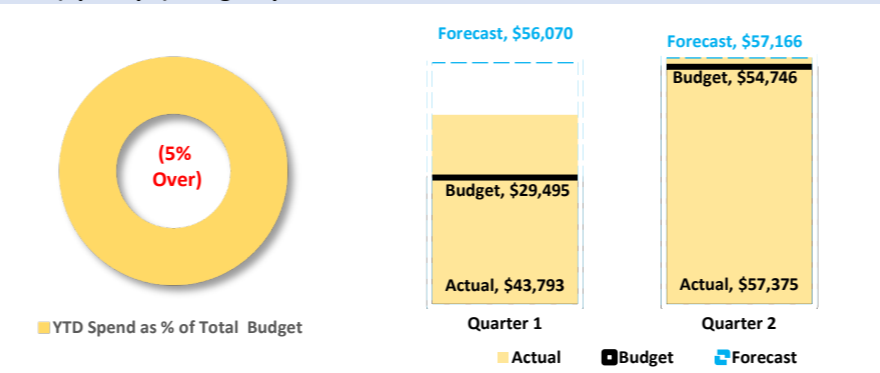
**YTD (Cpx+Opx) budget spend**      **YTD spend, actual, forecast by quarter**



- Includes priority projects of Omāroro Reservoir, CBD sewage upgrades and 3 water reform

**Priority 4: Resilient, fit-for-purpose, community, creative cultural spaces (\$000)**

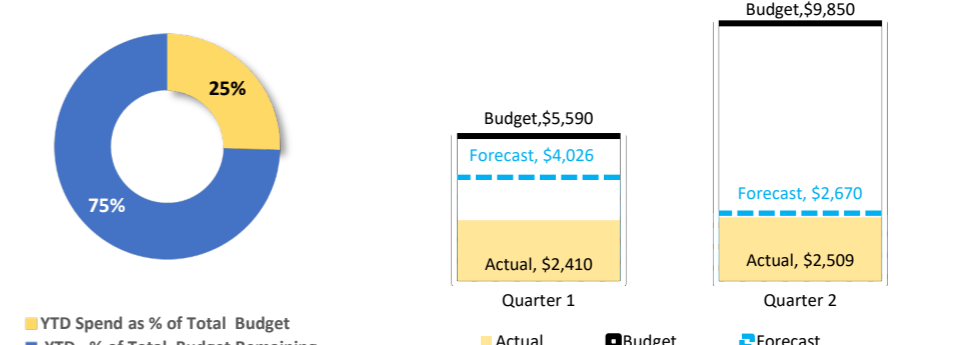
**YTD (Cpx+Opx) budget spend**      **YTD spend, actual, forecast by quarter**



- The community investment plan review will inform our year investment in community, creative and cultural spaces
- Tākina & St James overspent (timing of programme delivery), offset by Te Matahihi & Town Hall underspend

**Priority 2: Affordable, resilient & safe housing (\$000)**

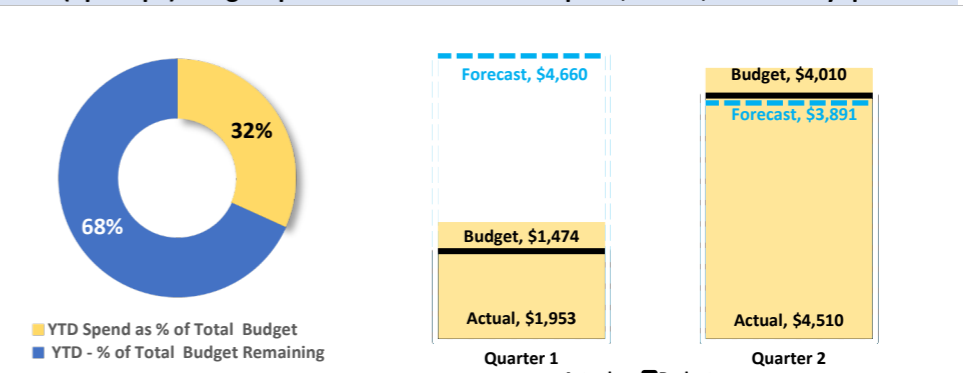
**YTD (Cpx+Opx) budget spend**      **YTD spend, actual, forecast by quarter**



- Proposals for the on-going financial sustainability of the housing portfolio will go for consultation (as an LTP amendment) in the 2022-23 Annual Plan.

**Priority 5: An accelerating zero carbon & waste free transition (\$000)**

**YTD (Cpx+Opx) budget spend**      **YTD spend, actual, forecast by quarter**

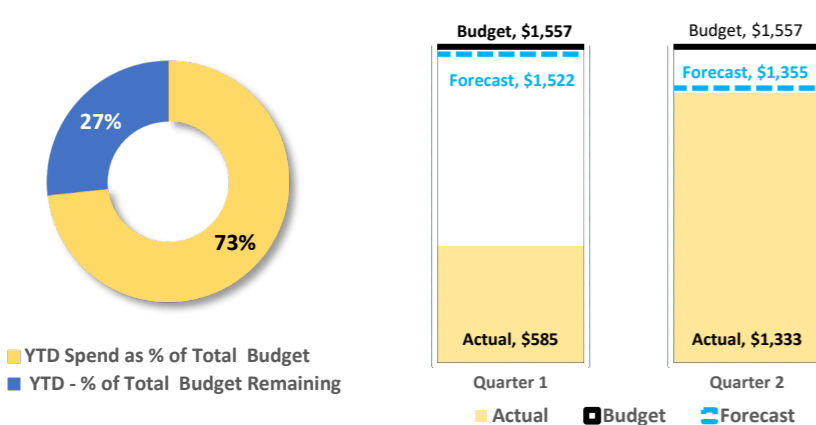


- Includes priority projects Residual waste disposal (Southern Landfill), Sludge Minimisation project

**There are on-going material pressures over the next 3 years that are likely to constrain pace of implementation or delivery.**

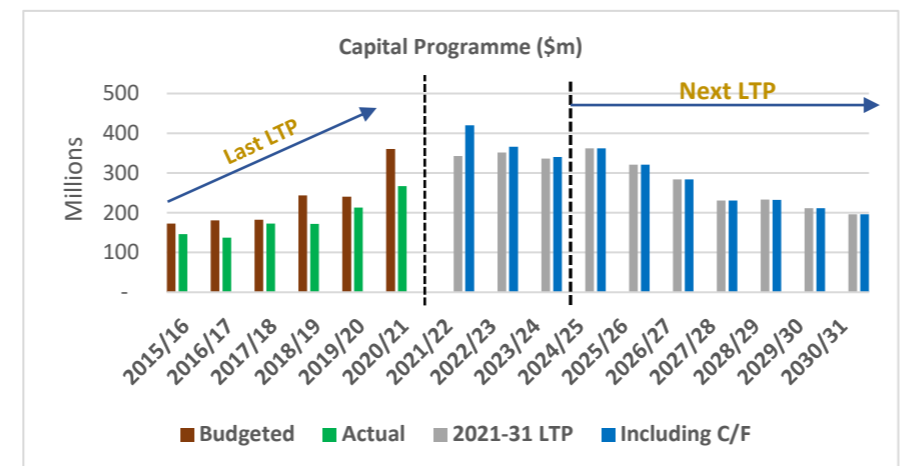
**Priority 6: Strong partnerships with mana whenua (\$000)**

**YTD (Cpx+Opx) budget spend**      **LTP 3 yr. Capital Budget**



- New Māori strategy is largely completed with a supporting action plan being developed for implementation across the year

**We have carried forward\* incomplete or additional work from the last LTP and are forecasting to continue to do this until the next LTP**



\* Capital projects spend is an indicator of work programme delivery

**On-going disruption of the pace of delivery remains the key risk to progressing LTP work programmes**

Any increase in the **pressures** driving this risk (see below) will further slow in-flight projects and disrupt projects at planning stage.

**Key pressures driving risks to delivery:**

- Labour market shortages
- Constrained materials supply chains and cost escalations
- Availability of external contractor resources / scalable capacity pressuring the planning and prioritisation of resources

**Continuing to strengthen internal capacity to deliver to mitigate construction capacity risks across the portfolio remains a key priority. Mitigation includes**

- Embed coordination, prioritisation, and management of dependencies between programmes across the business
- Reporting across the portfolio of work programme



## Section 2: LTP Service Delivery - Key Performance Indicators (KPIs)

### *Quarter two headlines:*

- Areas of under-performance – 3 waters (flooding, compliance, timeliness); consenting timeliness; and ongoing impacts of COVID restrictions: waste diversion, compliance inspection activities, CCO’s visitation, and parking occupancy.
- 63% of KPIs were within 10% or exceeded targets (67% reported in Q1)
- Of the 54 performance results reported for Q2, there are 28 exceptions to report, 26 of these were also reported in Q1
- 42 (78%) KPI results remain largely unchanged
- 11 improved slightly and 1 deteriorated (there was a further flooding event in December 2021)

## Key Performance Indicators (KPIs) - Key variances

Key KPI variances for Q2 were largely those that were reported for Q1

Environment - key Q2 KPI variances				
KPI	Target	Result	Variance	Variance comment
2.2 Volume of waste diverted from landfill	10,000	8,555	-14%	<ul style="list-style-type: none"> <li>No Covid-19 restrictions have meant that operations are running without interruption and thus, tonnage diverted is back to normal levels, largely closing Q1 variance.</li> </ul>
Number of complaints about the drinking waters (per 1000 connections)	≤10	7.7	23%	<ul style="list-style-type: none"> <li>Exceeded</li> </ul>
Number of complaints about the stormwater system (per 1000 connections)	≤10	4.4	56%	<ul style="list-style-type: none"> <li>Exceeded</li> </ul>
Median response time for <b>attendance</b> for water network urgent call outs	≤60 minutes	80	-33%	<ul style="list-style-type: none"> <li>The median attendance time decreased from 109 min in Q1 to 82 min in Q2</li> </ul>
Median response time for <b>resolution</b> for water network urgent call outs	≤4 hours	2.8	30%	<ul style="list-style-type: none"> <li>Exceeded</li> <li>Response times across the region generally improved this quarter, as expected, and COVID-19 Alert levels 3 and 4 enabled a further opportunity to reduce outstanding jobs.</li> <li>WWL continue to manage increasing workloads and capacity issues that have an impact on response and resolution times.</li> </ul>
Median response time for <b>attendance</b> for water network non-urgent call outs	≤36 hours	21.5	40%	
Median response time for <b>resolution</b> for water network non-urgent call outs	≤5 days	1.7	66%	
Dry weather wastewater overflows, expressed per 1000 connections	0	4.1	Not met	<ul style="list-style-type: none"> <li>An environmental health mitigation project is underway and targeting environmental health improvements at catchments across Wellington City Council.</li> <li>A target of zero overflows is unachievable, especially given the poor condition of network assets. However, the result for Q2 (1.8) is well within the annual regional standard target of 20 overflows per 1000 connections.</li> </ul>
Compliance with the resource consents for discharge from the sewerage system -total number	0	3	Not met	<ul style="list-style-type: none"> <li>GWRC issued two abatement notices for                             <ul style="list-style-type: none"> <li>the unauthorised discharge of partially treated wastewater to the Coastal Marine Area from the WWTP during the period 29/10/21 – 04/11/21.</li> <li>the unauthorised discharge of wastewater from the MPWWTP discharge that occurred during the period 01/07/20 – 30/06/21</li> </ul> </li> <li>An infringement notice was received by Wellington Water on 26 July for a discharge of non-compliant effluent water quality from the Moa Point Wastewater Treatment Plant. The cause was damage in a clarifier, causing the suspended solids in the effluent discharge to above the consented value</li> <li>The review of the operations of our Wastewater Treatment Plants in the Wellington Metropolitan area was completed in December 2021. We are now working with stakeholders for feedback on the recommendations of the review.</li> </ul>

Environment - key Q2 KPI variances (continued)				
KPI	Target	Result	Variance	Variance comment
Number of flooding events	<2	3	-50%	<ul style="list-style-type: none"> <li><b>New exception</b></li> <li>The Wellington region experienced a series of heavy rainfalls in early December, disturbing various parts of the network. In Wellington City, two of these events were categorised as flooding events.</li> <li>In Wellington City, a total of nine residential properties were confirmed to have flooded on two occasions. WWL are working closely with the affected customers to close out the work.</li> </ul>
Number of habitable floors per 1000 connected homes per flooding event	0.13	0.8	-515%	
Median response time to attend a flooding event	≤60 minutes	5475 (3.8 days)	-9025%	
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	≤0.4	0.2	50%	<ul style="list-style-type: none"> <li>Exceeded</li> </ul>
Median response time for wastewater overflows ( <b>attendance</b> time)	≤60 minutes	168	-180%	<ul style="list-style-type: none"> <li>WWL observed the work volume stabilising down to normal levels in Q2 after numerous heavy rain events throughout the winter months. WWL anticipate seeing further improvements in the coming quarters as they clear the backlogs. The median attendance time decreased from 305 min in Q1 to 168 min in Q2.</li> <li>Response times across the region generally improved this quarter, as expected, and COVID-19 Alert levels 3 and 4 enabled a further opportunity to reduce outstanding jobs.</li> <li>WWL continue to manage increasing workloads and capacity issues that have an impact on our response and resolution times. The median resolution time decreased from 32.8 h in Q1 to 22.8 h in Q2.</li> </ul>
Median response time for wastewater overflows ( <b>resolution</b> time)	≤6 hours	22.8	-280%	
Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	90%	100%	11%	<ul style="list-style-type: none"> <li><b>New exception</b></li> <li>Seasonal measure progress as at Q2, final result will be available after Q3.</li> <li>Current result -Exceeded</li> </ul>
2.6 Achievement of measures within Wellington Zoo's Statement of Intent	Refer SOI	2 of 6 (7 total) KPIs met during the quarter	Not tracking to plan	<ul style="list-style-type: none"> <li>Not tracking to plan: Visitors: behind YTD target due to the Covid-19 lockdown; Council operating grant per visitor; Trading Revenue per visit (exc. grants and interest); Percentage of operating costs generated by the Trust</li> <li>On track: Student &amp; Education Visits and Trust generated income as a percentage of the Council grant.</li> </ul>
Economic Development- key Q2 KPI variances				
KPI	Target	Result	Variance	Variance comment
<b>WellingtonNZ</b>				
3.1 Value of expenditure generated from events (including business, performance, and major events)	\$37m	\$21.6m	Not tracking to plan	<ul style="list-style-type: none"> <li>Due to impact of Covid Alert Levels restricting events, we believe that this KPI is at risk of not being achieved.</li> </ul>
3.1 The number of Wellington Region residents that attend events	250k	104k	Not tracking to plan	<ul style="list-style-type: none"> <li>Due to impact of Covid Alert Levels restricting events, we believe that this KPI is at risk of not being achieved.</li> </ul>

Social and Recreation - key Q2 KPI variances				
KPI	Target	Result	Variance	Variance comment
5.3 Alcohol licences - premises inspected within target timeframes (%)	100%	15%	-85%	<ul style="list-style-type: none"> <li>Covid alert levels prevent any high-risk premises inspections, and new staff with training</li> </ul>
5.3 Food registrations - premises (%) inspected within Food Act regulation required timeframes (new business and existing businesses)	100%	59%	-41%	<ul style="list-style-type: none"> <li>Covid alert levels and MPIs preference for remote checks at level 2 has created a backlog of verifications to be completed</li> </ul>
5.3 Graffiti removal – response time frames (%) met	80%	93%	16%	<ul style="list-style-type: none"> <li>Exceeded - Proactive action means the team is keeping on top of requests and exceeding timeframes.</li> </ul>
5.3 Public toilets - response timeframes (%) met	95%	69%	-27%	<ul style="list-style-type: none"> <li>Contractors struggling to get sufficient resources to complete jobs.</li> <li>Resourcing is proving to be an ongoing issue which has led to jobs being responded to slower than required.</li> </ul>

Urban Development - key Q2 KPI variances				
KPI	Target	Result	Variance	Variance comment
6.2 Building consents (%) issued within 20 working days	100%	78%	-22%	<ul style="list-style-type: none"> <li>Managerial actions are underway to address performance gap.</li> <li>Capacity issues with structural engineering firms to review building consents continues to affect timeliness. Management is undertaking several interventions to address the problem, recruiting additional external expertise, recruiting for an internal structural engineer and seeking expressions of interests for additional firms to provide review services.</li> </ul>
6.2 Land Information Memorandums (LIMs) (%) issued within 10 working days	100%	4%	-95%	<ul style="list-style-type: none"> <li>LIM team has had significant staff shortages impacting delivery timeliness. Recruitment efforts have brought the team to close to full headcount which will address the timeliness issue in the third quarter of the year.</li> </ul>
6.2 Resource consents (non-notified) (%) issued within statutory time frames	100%	65%	-35%	<ul style="list-style-type: none"> <li>In terms of the statutory timeframes not being met, we are still attempting to recruit for several vacant positions. This is not limited to WCC but is a nationwide problem. Wellington Water are also having difficulties recruiting and due to this, a large proportion of the consents requiring their input are going overtime, compounding this issue.</li> </ul>

Transport - key Q2 KPI variances				
KPI	Target	Result	Variance	Variance comment
7.1 Achievement of measures within Wellington Cable Car Limited Statement of Intent	Refer SOI	1 out of 4 (6 total) KPIs progressing to target	Not tracking to plan	<ul style="list-style-type: none"> <li>Quality: User satisfaction: on track</li> <li>Reliability: 98.57% vs 99% target</li> <li>Visitation: Passenger trips: Not met for Q2 mostly due to Covid lockdown</li> <li>Fare revenue: Not met for Q2</li> <li>Environmental: an annual measure</li> <li>Health &amp; Safety: an annual measure</li> </ul>
7.2 City parking peak occupancy (% utilisation)	75%	55%	-27%	<ul style="list-style-type: none"> <li>Car Park occupancy continued to increase in the 2nd quarter with the peak occupancy averaging 55% as opposed to 47% in Quarter 1.</li> </ul>

#### Key changes from previous quarter:

- 2.4 The total number of complaints re sewage Q1 results updated, YTD Q2 now **met** (13.6 vs target <15)
- 2.5 Number of flooding events -new exception – target for the year was two or less whereas the number of flooding events at end of Dec was three -**not met**.
- 2.5 Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use - new exception - tracking for Q2 to **exceed target**
- 2.6 Achievement of measures within Karori Sanctuary Trust (Zealandia) Statement of Intent, now 10 of 12 KPIs are **tracking of target**
- 3.1 WellingtonNZ: Direct Economic Impact of WellingtonNZ's activities and interventions – estimates based on available data indicate measure is **tracking to plan**
- 4.1 Achievement of measures within Wellington Museums Trust (Experience Wellington) Statement of Intent, one reported measure is **tracking to plan**
- 5.1 Achievement of measures within Basin Reserve Trust Statement of Intent, now within 10% of target, now 3 of 5 available results **tracking to plan**
- 5.3 Dog control - response time frames (%) now **within 10% of target**





### Section 3: LTP Budget Performance

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#### *Quarter two headlines:*

- At the end of December 2021, the YTD Net operating expenditure shows an unfavourable variance to budget of \$0.1m (-3%).
- The underlying position is however a positive variance. A payment to World of WearableArt (WOW) was made in December totalling \$3.62m, if this had been included in the budget the YTD Net operating expenditure variance to budget would be \$3.5m (44%).
- This result at the end of Q2 is a positive position considering the pressures and headwinds expected in Q3 and Q4.
- Revenue is under achieved by \$12.9m (-4%), offset by operating expenditure underspend by \$12.8m (4%).
- Capital expenditure is currently \$62.5m (33%) underspent, the full year forecast underspend is \$14.1m (4%) by year end.

## Budget performance

### Consolidated financial performance 1 July 2021 – 31 December 2021

Consolidated Performance								
	YTD				Full Year			
	Actual \$000's	Budget \$000's	Non-Op Var \$000's	Op Var \$000's	Forecast \$000's	Budget \$000's	Non-Op Var \$000's	Op Var \$000's
Rates & Levies Revenue	196,028	196,406	0	(377)	392,812	392,812	0	0
Revenue from Operating Activities	71,863	76,927	0	(5,064)	149,975	154,615	0	(4,641)
Investment Revenue	5,389	5,698	0	(309)	10,778	10,503	0	275
Finance Revenue	1,032	7	0	1,026	779	13	0	766
Other Revenue	14,574	22,764	(7,991)	(199)	41,402	50,767	(9,799)	434
Development Contribution Revenue	1,740	1,750	(10)	0	3,517	3,500	17	0
<b>Total Income</b>	<b>290,626</b>	<b>303,550</b>	<b>(8,001)</b>	<b>(4,923)</b>	<b>599,262</b>	<b>612,210</b>	<b>(9,782)</b>	<b>(3,166)</b>
Personnel	69,897	69,486	0	(411)	141,722	137,060	0	(4,662)
Contracts, Services, Materials	99,352	104,519	0	5,167	196,214	202,815	0	6,602
Professional Costs	4,252	9,471	0	5,220	16,743	18,812	0	2,069
General Expenses	40,152	42,625	(328)	2,801	84,731	86,199	(326)	1,794
Depreciation and amortisation	71,609	74,393	0	2,784	147,807	146,736	0	(1,071)
Interest Expense	13,528	11,661	0	(1,866)	26,473	23,323	0	(3,150)
Internal Recharge and Recoveries	(3,748)	(4,325)	0	(577)	(2,647)	(8,645)	0	(5,998)
<b>Total Expenditure</b>	<b>295,041</b>	<b>307,830</b>	<b>(328)</b>	<b>13,117</b>	<b>611,042</b>	<b>606,300</b>	<b>(326)</b>	<b>(4,417)</b>
<b>COUNCIL NET SURPLUS/ (DEFICIT)</b>	<b>(4,414)</b>	<b>(4,279)</b>	<b>(8,329)</b>	<b>8,194</b>	<b>(11,781)</b>	<b>5,911</b>	<b>(10,108)</b>	<b>(7,583)</b>

Key ( ) deficit / overspend / under-achieved revenue

- Revenue from Operating Activities \$-5.1M (-7%) unfavourable due to Parking Services which is under budget by \$5.7m having been impacted by a lockdown at level 4 for two weeks in August 2021, level 3 for one week in September, and level 2 ongoing.
- Parks, Sports and Recreation is also under budget by \$1.4m and has similarly been impacted by Covid closures in recreation centres and swimming pools.
- This is largely offset by favourable variances in the Quarry \$1.1m and Waste Operations where landfill revenue is above budget by \$1.5m due to higher volumes.

## Treasury Report

### Summary

- All Positions Compliant with policy
- Net interest expense is \$0.384m over budget in the month

Funding Policy Parameters (calculated on rolling monthly basis)				
Period	Minimum %	Maximum %	Actual	Compliant (Y/N)
0 - 3 years	15%	60%	22%	Yes
3 - 5 years	15%	60%	28%	Yes
5 years plus	15%	60%	50%	Yes

### YEAR TO DATE commentary

#### Additional YTD variances:

- Rates & Levies Revenue is \$0.4m unfavourable, of which \$1.9m is metered water revenue.
- Finance Revenue is favourable by \$1.0m which is due to interest revenue.
- Other Revenue is \$8.2m (-36%) unfavourable, which is due to NZTA roading subsidies being lower than planned due to under spending on Capex projects.
- Contracts, Services & Materials are \$5.2m (5%) favourable. Under spending is occurring broadly across the business in the following areas: lower than planned maintenance costs in City Housing \$1.2m, the timing of grants costs in Economic Wellbeing \$1.5m and Planning & Environment \$1.2m, Contract costs are under budget in Building Resilience \$1.5m (timing dependent on the outcome of a court decision concerning intervention on two disputed buildings) and Transport \$2.1m which is behind in their programme as noted above
- Professional costs are \$5.3m (55%) favourable, in the main due to timing in Place Planning (work around the District Plan), Climate Change Response and Māori Outcomes, and under spending in Property and on Te Ngakau.
- General Expenses are under budget by \$2.5m (6%). The main variances are Utilities (rates), Insurance and external IT costs.
- Depreciation is \$2.8m (4%) favourable due partly to slower than expected capitalisation and budget assumptions for asset revaluations.

### Forecast (Full Year/FY) commentary

The forecast for this report shows the full year expected results, including the following variances:

- Revenue from Operating Activities is \$4.6m (3%) unfavourable and is largely due to projected losses in Parking \$6.5m, Parks, Sports and Recreation \$2.3m (both due to the impacts of COVID-19). This is in part offset by a favourable forecast for the Quarry \$1.8m and Waste Operations \$2.4m
- Finance Revenue is favourable by \$0.8m which is due to interest revenue.
- Other Revenue is \$9.4m (18%) unfavourable, which is due to reduced NZTA revenue based on an assumed reduced Capex programme spend, the original revenue was based on LTP capex programme, \$27m of which was rescheduled (all of which does not attract the full NZTA subsidy).
- Personnel is \$4.7m including \$2.2m in salaries and \$1.2m in other leave.
- Contracts, Services & Materials are \$6.6m (3%) favourable. Under spending is forecast to occur predominantly in City Transport \$1.2m through reduced contract spend, City Housing \$1.5m through lower maintenance costs and Property \$1.9m, also due to lower anticipated maintenance costs. The budget also contains funding for the Ngauranga to Petone cycle way of \$2.5m. This was expensed last financial year and will therefore be unspent.
- Professional costs are forecast to be \$2.1m (11%) under budget. This is in Property \$1.3m for facilities management costs, Transport \$0.5m engineering fees and Te Ngakau \$0.5m.
- General Expenses \$1.5m (2%) are expecting to be under budget. The main contributors to this are IT costs \$0.9m, Rates expense \$1.5m. Offsetting this are Security costs of \$1.1m over budget.

### Borrowings

- Total committed borrowing facilities as at the end of December were \$1.000bn providing headroom of \$235m.
- Our liquidity ratio under current policy is 118%.
- Total net borrowings at the end of December were \$826m.
- Gross borrowings were \$1,105bn.
- The next maturities are in March 22 pre-funded. Currently all debt is prefunded through Dec 22

### Investments

Deposits (ex cash) were at \$185m. \$105m will be held on deposit for prefunding. Current Cash Balance \$93.5m

Deposits	DEC -21
General deposits	\$80m
Deposits for pre-funding	\$105m
Cash	\$93.5m
<b>Total deposits for month</b>	<b>\$278.5m</b>

## Activity Area Financial Performance

1 July 2021 – 31 December 2021

Total All Activity Areas - Q2 Budget Performance (\$000s)						
	Actual	Budget	Variance	%	YE Forecast	YE Budget
Revenue	(290,626)	(303,550)	(12,924)	-4%	(599,262)	(612,210)
Expenditure	295,041	307,830	12,789	4%	611,042	606,300
<b>Net operating expenditure</b>	<b>4,414</b>	<b>4,279</b>	<b>(135)</b>	<b>-3%</b>	<b>11,781</b>	<b>(5,911)</b>
<b>Capital expenditure</b>	<b>129,311</b>	<b>191,785</b>	<b>62,474</b>	<b>33%</b>	<b>341,212</b>	<b>355,315</b>

Key: () = revenue / net opex surplus

Variance () = overspend / under achieved revenue

Governance - YTD Budget Performance (\$000s)							
	Actual	YTD Budget	Variance	%	YE Forecast	YE Budget	Comment
Revenue	(226)	(264)	(38)	-14%	(502)	(528)	Immaterial variance YTD. Forecast favourable variance in Rates and Archives.
Expenditure	11,431	15,167	3,736	25%	29,583	29,714	Favourable YTD, due to a continuation of the lower than expected remuneration costs arising from vacancies and professional costs due to the timing of the work programmes in Māori Initiatives and Climate Change Response.
<b>Net operating expenditure</b>	<b>11,205</b>	<b>14,903</b>	<b>3,698</b>	<b>25%</b>	<b>29,081</b>	<b>29,186</b>	Favourable YTD, due to a continuation of the lower than expected remuneration costs arising from vacancies and professional costs due to the timing of the work programmes in Māori Initiatives and Climate Change Response.
<b>Capital expenditure</b>	<b>873</b>	<b>594</b>	<b>(279)</b>	<b>-47%</b>	<b>1,228</b>	<b>1,187</b>	Over budget due to the Public EV Chargers programme being ahead of plan.
Environment - YTD Budget Performance (\$000s)							
	Actual	YTD Budget	Variance	%	YE Forecast	YE Budget	Comment
Revenue	(14,932)	(13,290)	1,641	12%	(29,159)	(26,544)	Favourable due to higher volumes of contaminated waste received at the landfill. This is forecast to continue.
Expenditure	103,262	107,347	4,085	4%	213,830	213,818	Favourable YTD due to underspends in Stormwater and lower than planned contracts costs in the street cleaning activity within Gardens, beaches and green open spaces.
<b>Net operating expenditure</b>	<b>88,331</b>	<b>94,057</b>	<b>5,726</b>	<b>6%</b>	<b>184,672</b>	<b>187,273</b>	Favourable due to higher volumes of contaminated waste received at the landfill. There are also underspends in Stormwater and lower than planned contracts costs in the street cleaning activity within Gardens, beaches and green open spaces.
<b>Capital expenditure</b>	<b>30,514</b>	<b>43,084</b>	<b>12,570</b>	<b>29%</b>	<b>90,781</b>	<b>90,660</b>	Under budget predominantly in wastewater network renewals and upgrades, reservoir upgrades, Sludge Minimisation and upgrades at the zoo. The Coastal activity is ahead of plan but that is temporary and expected to be on budget.
Economic Development - YTD Budget Performance (\$000s)							
	Actual	YTD Budget	Variance	%	YE Forecast	YE Budget	Comment
Revenue	(3,619)	(4,171)	(552)	-13%	(8,616)	(8,326)	Unfavourable due to the decreased revenues across Wellington Venues following the COVID-19 Delta outbreak. Revenue is expected to pick up in the 2nd half of the year.
Expenditure	14,908	17,511	2,603	15%	35,348	35,315	Costs are down with the lack of events as well as no expenditure for Grants payments in Destination Wellington. Costs are expected to rise later in the year with activity.
<b>Net operating expenditure</b>	<b>11,289</b>	<b>13,340</b>	<b>2,051</b>	<b>15%</b>	<b>26,732</b>	<b>26,989</b>	Revenues and costs are lower due to impacts of COVID-19 on Wellington Venues. Grants payments in Destination Wellington are lower than planned YTD but costs and revenues are expected to rise later in the year with anticipated higher activity.
<b>Capital expenditure</b>	<b>1,331</b>	<b>6,593</b>	<b>5,262</b>	<b>80%</b>	<b>4,769</b>	<b>13,163</b>	Under budget, on Wellington Venues renewals and the St James Theatre. The budget for the St James project is across two activities and strategies (the other being Urban Development) and while this strategy is forecast to be under budget, the project is expected to be ahead of plan by year end.

Cultural Wellbeing - YTD Budget Performance (\$000s)							
	Actual	YTD Budget	Variance	%	YE Forecast	YE Budget	Comment
Revenue	(469)	(484)	(14)	-3%	(989)	(967)	Immaterial variance both YTD and forecasted.
Expenditure	12,248	13,714	1,466	11%	25,619	24,629	Favourable YTD with the City Events expenses below budget and a temporary YTD saving across Capital of Culture grants and additional expenses expected in City Events.
<b>Net operating expenditure</b>	11,778	13,230	1,452	11%	24,630	23,662	Favourable YTD with the City Events expenses below budget and a temporary YTD saving across Capital of Culture grants and additional expenses expected in City Events.
<b>Capital expenditure</b>	31,387	24,772	(6,615)	-27%	56,378	51,017	Over budget on Takina which is forecast to continue to be ahead of plan for the remainder of the year.
Social and Recreation - YTD Budget Performance (\$000s)							
	Actual	YTD Budget	Variance	%	YE Forecast	YE Budget	Comment
Revenue	(21,517)	(22,694)	(1,178)	-5%	(43,962)	(45,354)	Reduced revenues, mostly due to restrictions on the use of public swimming pools. This is expected to continue.
Expenditure	72,628	72,929	301	0%	141,892	140,039	Favourable YTD, predominantly due to reduced expenditure across housing operations and maintenance and Community property and facilities. Higher consulting and security costs in Libraries and maintenance in swimming pools is driving the forecast position.
<b>Net operating expenditure</b>	51,111	50,234	(877)	-2%	97,930	94,685	Unfavourable as there are reduced revenues, mostly due to restrictions on the use of public swimming pools due to COVID-19. Costs are tracking lower than budget, predominantly due to reduced expenditure across housing operations and maintenance and Community property and facilities. Higher consulting and security costs in Libraries and maintenance in swimming pools however is driving the forecast position.
<b>Capital expenditure</b>	8,865	20,946	12,081	58%	30,980	36,472	Under budget due to reduced expenditure across housing upgrades and renewals, public conveniences and pavilions and aquatic facilities, though the latter is forecasted as timing related only with deferred spend until later in the year.
Urban Development - YTD Budget Performance (\$000s)							
	Actual	YTD Budget	Variance	%	YE Forecast	YE Budget	Comment
Revenue	(10,319)	(10,405)	(86)	-1%	(19,747)	(20,413)	Immaterial variance YTD. In the second half of the year lower income is expected through building consent fees and in the Housing Investment area.
Expenditure	22,072	24,655	2,583	10%	51,013	49,501	Favourable due to deferred earthquake risk building projects, still forecasted to be spent in full by the end of the year. That expenditure will impact the year end position as will higher District Plan costs.
<b>Net operating expenditure</b>	11,753	14,250	2,497	18%	31,267	29,088	Favourable due to deferred earthquake risk building projects. This though has been forecasted to be spent in full by the end of the year. That as well as higher District Plan costs and lower building consent revenue are the cause of the projected year end position.
<b>Capital expenditure</b>	25,483	27,158	1,675	6%	64,109	56,607	Under budget due to delays to the Housing Investment Programme and Suburban Centre upgrades with much of this expected to last the full year. The net position includes some overspends across Earthquake Risk Mitigations in the St James project.
Transport - YTD Budget Performance (\$000s)							
	Actual	YTD Budget	Variance	%	YE Forecast	YE Budget	Comment
Revenue	(19,404)	(25,617)	(6,213)	-24%	(45,305)	(52,137)	Unfavourable variance YTD due to a significant reduction in Parking revenues reflecting the impact of COVID-19.
Expenditure	44,139	47,728	3,590	8%	92,291	95,131	Favourable YTD due to lower than planned depreciation, lower expenditure in cycleways planning and reduced Parking and Enforcement expenditure with the reduction in enforcement activity.
<b>Net operating expenditure</b>	24,735	22,111	(2,624)	-12%	46,986	42,994	Unfavourable variance YTD due to a significant reduction in Parking revenues reflecting the impact of COVID-19. Costs YTD are down due to lower than planned depreciation, lower expenditure in cycleways planning and reduced Parking and Enforcement expenditure with the reduction in enforcement activity. The lower parking revenue is the main driver of the forecast position.
<b>Capital expenditure</b>	20,977	46,833	25,856	55%	63,159	70,070	Under budget on a number of projects. There has been no spend on LGWM projects and the Cycling programme is currently under budget by \$11.7m. Under spending is also occurring in footpath upgrades and wall, bridge and tunnel renewals. The forecast position is due to under spending in all of these with the exception of LGWM.
Council - YTD Budget Performance (\$000s)							
	Actual	YTD Budget	Variance	%	YE Forecast	YE Budget	Comment
Revenue	(220,141)	(226,624)	(6,483)	-3%	(450,982)	(457,940)	Unfavourable as a result of lower than planned NZTA Income on CAPEX work and metered water revenue.
Expenditure	14,353	8,778	(5,574)	-63%	21,466	18,151	Unfavourable through higher organisational costs, this variance includes the unbudgeted payment to WOW of \$3.62m.
<b>Net operating revenue</b>	(205,788)	(217,846)	(12,058)	-6%	(429,516)	(439,788)	Unfavourable as a result of lower than planned NZTA Income on CAPEX work, metered water revenue and higher organisational costs.
<b>Capital expenditure</b>	9,880	21,806	11,926	55%	29,809	36,138	Under budget mainly due to delays in the Civic Precinct programme of works, commercial property renewals and the Quarry. Under spending is expected to continue in most of these areas.

## WELLINGTON WATER CURRENT YEAR OPEX - POTENTIAL OVERSPEND

### Kōrero taunaki | Summary of considerations

#### Purpose

1. This report to Pūroro Tahua | Finance and Performance Committee recommends a way forward to address Wellington Water Limited's forecast opex overspend for the 2021/22 financial year.

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

Aligns with the following strategies and priority areas:

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

#### Significance

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

#### Financial considerations

- |   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> Nil | <input type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input checked="" type="checkbox"/> Unbudgeted \$4.9m |
|---|--|---|

2. The proposed option will require an in-year increase to operational (opex) budgets of approximately \$5m, however it will not require additional funding as the forecast opex overspend will be funded from reprioritising the use of the government stimulus funding.

#### Risk

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

Authors	Siobhan Procter, Chief Infrastructure Officer Chris Mathews, Head of Resilience
Authoriser	Sara Hay, Chief Financial Officer Siobhan Procter, Chief Infrastructure Officer

## Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the information
- 2) Note the forecast increase in reactive maintenance activities relative to budget is resulting in a forecast overspend by Wellington Water Limited (WWL) of up to \$4.9 million for the 21/22 Financial Year.
- 3) Recommend to Council to increase opex budget for the relevant activity by \$4.9m.
- 4) Recommend to Council to fund the additional opex requirement by reprioritising the use of the government's stimulus funding, of around \$5 million.

## Whakarāpopoto | Executive Summary

4. The purpose of this report is to recommend a way forward to address WWL's forecast opex overspend for the 2021/22 financial year.
5. As at the end of January 2022, WWL is forecasting to be \$4.86 million overspent against an opex budget of \$35.32 million.
6. This overspend is largely attributed to increases in reactive maintenance costs over and above what has been budgeted.
7. The shortfall in opex budget is able to be covered by the use of the government stimulus funding which could be reprioritised by around \$5 million at the end of this financial year.

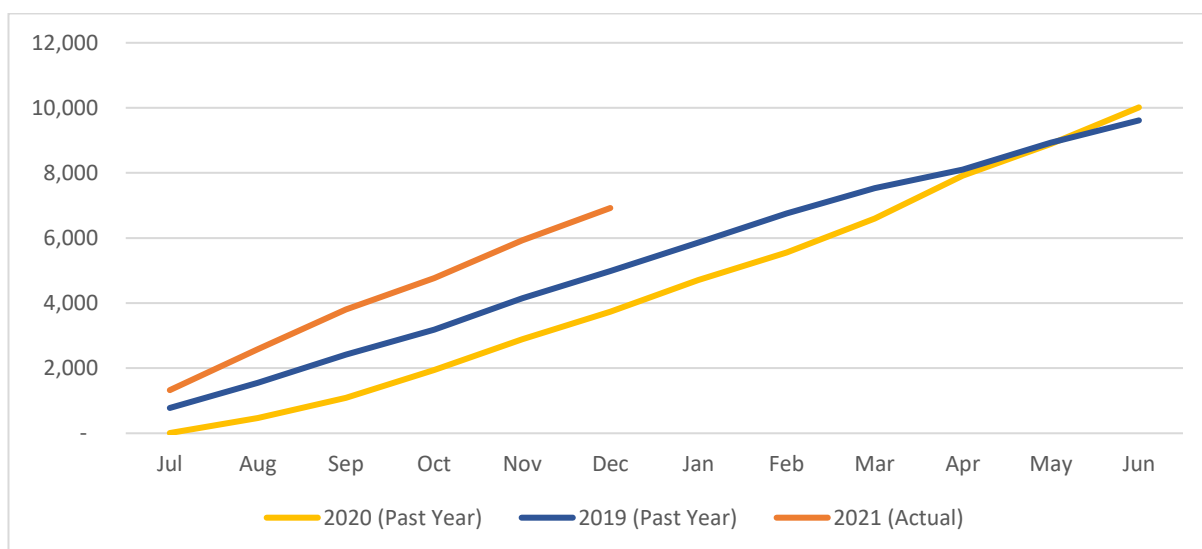
## Takenga mai | Background

8. WWL is forecasting an opex overspend of \$4.86 m for the financial year ending June 2022.
9. The table below shows the forecast against budget and the resulting variance

\$000	2020/21 Actual (A)	2021/22 Budget (B)	2021/22 Forecast ©	Variance to Budget (C-B)
Treatment Plant	13,433	13,914	14,594	680
Reactive Maintenance	10,722	6,202	11,525	5,323
Planned Maintenance	1,824	4,413	3,502	(911)
Monitoring & Investigations	2,663	5,355	5,102	(253)
Management & Advisory Services	4,977	5,432	5,432	0
Other	46	-	16	16
<b>Total Opex</b>	<b>33,665</b>	<b>35,316</b>	<b>40,171</b>	<b>4,855</b>

Table 1 – Actual vs Budget vs Forecast to end January 2022

10. As can be seen from the table above, the largest factor in the forecast overspend is in the area of reactive maintenance which is the maintenance required to address network problems when they arise, largely as a result of asset failure.
11. In this first year of the LTP, WWL made a directional shift to increase funding in planned maintenance and investigations, away from reactive maintenance. This resulted in a budget of \$6.202 million which was 42% lower than the previous year's spend.
12. However, reactive maintenance costs have continued to rise in the face of increased network events as illustrated below:



*Figure 1 – Reactive maintenance jobs*

13. As an example of this sharp increase, in January 2022, WWL had the busiest month on record, receiving 3,909 customer service requests relating to 2,320 network faults and investigations.
14. There has been an 85% increase in calls in comparison to December YTD 2020 (3,700) to YTD December 2022 (6,900).
15. Further to this, there has been an increase in major bursts and breakages by 43% as well as several significant storm events in July, December and then again in February

### **Kōrerorero | Discussion**

16. Wellington City Council (WCC) operates a “one budget” model with WWL, whereby WCC funds WWL for opex and capex and allows WWL discretion to determine how that funding will be spent to meet a given level of service.
17. Through the LTP planning process, WCC opted for the “Enhanced Investment” scenario which was the lowest spend scenario proposed by WWL. In that scenario, Opex was increased by \$3.65m on the previous year's budget and WWL committed to using the additional funding to enable the following:
  - increased wastewater treatment plant contract costs
  - proposed Natural Resources Plan hearings
  - additional compliance and health and safety needs,

- asset management and process improvement
  - data management improvement
18. The corresponding risks that WWL indicated we would carry when adopting this scenario included:
- compounding year on year decrease in service levels
  - increased operational costs
  - lack of data to make effective decisions
19. Some of these risks were to a certain extent mitigated by the government stimulus funding programme which provided \$20.2m to WWL to be spent over the 2020/21 and 2021/22 years.
20. This funding has been utilised by WWL to increase planned and reactive maintenance, build operational capability, improve its asset management systems and processes, asset condition assessment and data collection, safe drinking water projects, leakage management, capital renewals and preparation for reform.
21. This funding expires at the end of June 2022.
22. In essence, the increased level of service provided for by the stimulus funding comes to an end at the close of this financial year. As a result of this we are considering options for increased pressure on WWL's opex and capex budgets for the 22/23 year and these will be brought to the Pūroro Waihanga | Infrastructure Committee meeting for consideration on April 26<sup>th</sup> 2022.

### **Kōwhiringa | Options**

23. The preferred option is reprioritise \$5 million from the government Stimulus Funding to cover the potential overspend in opex for the 21/22 year.
24. There is an option to request WWL to reduce opex spend, chiefly in the areas of planned maintenance, critical asset condition assessment and catchment growth planning. We do not recommend this option given the flow on negative impact on the quality of the network.

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

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

25. Proposed change to WWL's opex budget for the 21/22 year relate to the first year of the 2021-31 Long Term Plan.

#### **Engagement and Consultation**

26. N/A

#### **Implications for Māori**

27. N/A



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### **Financial implications**

28. The financial implications are discussed throughout the detail above, principally there is no net financial impact to the recommendations in this paper. The increase to budget of \$4.9m will be funded through third party (government) funding.

### **Legal considerations**

29. N/A

### **Risks and mitigations**

30. Covered above.

### **Disability and accessibility impact**

31. N/A

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

32. N/A

### **Communications Plan**

33. N/A

### **Health and Safety Impact considered**

34. N/A

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

35. If approved, WWL's opex budget will be increased by \$4.9m to \$40.2m.

36. We will approve a WWL project substitution request to DIA to cover the \$4.9 m shortfall in opex.

### **Attachments**

Nil



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## FORWARD PROGRAMME

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### Kōrero taunaki

### Summary of considerations

#### Purpose

1. This report provides the Forward Programme for the Pūroro Tahua | Finance and Performance Committee for the next two months.

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

Aligns with the following strategies and priority areas:

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

#### Relevant Previous decisions

Not applicable.

#### Financial considerations

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

#### Risk

- Low       Medium       High       Extreme

Author	Emily Deans, Democracy Advisor
Authoriser	Sara Hay, Chief Financial Officer

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## Taunakitanga

### Officers' Recommendations

Officers recommend the following motion

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

## Whakarāpopoto

### Executive Summary

2. The Forward Programme sets out the reports planned for Pūroro Tahua meetings in the next two months that require committee consideration.
3. The Forward Programme is a working document and is subject to change on a regular basis.

## Kōrerorero

### Discussion

4. Thursday 19 May 2022
  - Health and Safety Performance (Chief People and Culture Officer – recommendation from Kāwai Māhirahira | Audit and Risk Subcommittee)
  - Wellington International Airport Ltd (Chief Financial Officer)
5. Thursday 26 June 2022
  - Monthly Health and Safety Update (Chief People and Culture Officer)
  - CCOs Q3 Report (Chief Strategy and Governance Officer)
  - Quarterly Performance Report Q3 2021/22 (Chief Strategy and Governance Officer)

## Attachments

Nil

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## ACTIONS TRACKING

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### Kōrero taunaki Summary of considerations

#### Purpose

1. This report provides an update on the past actions agreed by the Pūroro Tahua | Finance and Performance Committee at its previous meetings.

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

Aligns with the following strategies and priority areas:

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

#### Relevant Previous decisions

Not applicable.

#### Financial considerations

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

#### Risk

- Low       Medium       High       Extreme

Author	Emily Deans, Democracy Advisor
Authoriser	Sara Hay, Chief Financial Officer

### Taunakitanga Officers' Recommendations

Officers recommend the following motion

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

### Whakarāpopoto

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## **Executive Summary**

2. This report lists the dates of previous committee meetings and the items discussed at those meetings.
3. Each clause within the resolution has been considered separately and the following statuses have been assigned:
  - In progress: Resolutions with this status are currently being implemented.
  - Complete: Clauses which have been completed, either by officers subsequent to the meeting, or by the meeting itself (i.e. by receiving or noting information).
4. All actions will be included in the subsequent monthly updates, but completed actions will only appear once.

## **Takenga mai Background**

5. At the 13 May 2021 Council meeting, the recommendations of the Wellington City Council Governance Review (the Review Report) were endorsed and agreed to be implemented.
6. The purpose of this report is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. The committee could resolve to receive a full update report on an item if it wishes.

## **Kōrerorero Discussion**

7. Following feedback, the status system has been changed so that resolutions either show as 'in progress' or 'complete'.
8. Of the 17 resolutions of the Pūroro Tahua | Finance and Performance Committee in February 2022:
  - 3 are in progress.
  - 14 are complete.
9. 2 in progress actions were carried forward from the February action tracking report. Two are still in progress.
10. Further detail is provided in Attachment One.

## **Attachments**

Attachment 1. Actions Tracking

Date	Meeting	Item	Clause	Status	Comments
Thursday, 17 June 2021	Pūroro Tahua   Finance and Performance Committee	4.1: Chaffers Marina Limited Options	all clauses	In progress	
Thursday, 18 November 2021	Pūroro Tahua   Finance and Performance Committee	2.8 The Upoko o Te Ika a Māui Commitment	3) Note that spend targets are yet to be developed and will be brought back to the Committee for approval.	In progress	
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.1 Procurement Strategy Update	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.1 Procurement Strategy Update	2. Note that the next report-back on progress in implementing the Procurement Strategy will occur in August 2022.	Complete	The information was formally noted by the committee.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.1 Procurement Strategy Update	3. Note that the update to Pūroro Tahua in August 2022 will include details on how Council will provide Impact Reporting that could be made publicly available as well as how targets for social enterprise are defined in the broader outcome strategy.	In progress	
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.2 Water Activity Rates Setting	1. Receive the information including the report from Kāwai Māhirahira Audit and Risk Subcommittee;	Complete	The committee formally received the information in the relevant report.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.2 Water Activity Rates Setting	2. Recommend to Council to approve debt funding the revenue loss, if necessary, resulting from the errors in the Water rates settings.	In progress	
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.2 Water Activity Rates Setting	3. Recommend to Council that should debt funding be required, any surplus at the end of the 2022/23 Financial Year be used to pay down that debt as the first priority, and include further options for repayment term and funding source.	In progress	
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.3 Dissolution of Wellington Regional Strategy Committee	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.3 Dissolution of Wellington Regional Strategy Committee	2. Note that the Chief Executive, after consultation with the Chair of the Pūroro Tahua   Finance and Performance Committee, will sign the Shareholders Agreement on behalf of the Council.	Complete	The information was formally noted by the committee.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.4 Appointments to Council-controlled organisations	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.4 Appointments to Council-controlled organisations	2. Agree to appoint Councillor Foon as a board trustee of Experience Wellington.	Complete	
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.5 Actions Tracking	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.5 Forward Programme	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.5 Forward Programme	2. Note that a monthly Health and Safety update report will be added to each month's agenda outside of the standard quarterly full report.	Complete	The information was formally noted by the committee.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.7 Development Contributions Policy Review Hearing	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	2.7 Development Contributions Policy Review Hearing	2. Hear the oral submitters and thank them for speaking to their submissions.	Complete	The information was formally noted by the committee.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	3.1 Health, Safety and Security Report	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
Thursday, 17 February 2022	Pūroro Tahua   Finance and Performance Committee	3.2 Water Activity Rates Settings	1. Consider debt funding the revenue loss, if necessary, resulting from the errors in rates settings, and recommending this course of action to Council	Complete	